

### 3 Presentation of officer reports

#### 3.1 Contract 2020/153 - Supply and Delivery of Horticultural Chemicals and Fertilisers

##### Abstract

This report seeks Council endorsement for the award of Contract No. 2020/153, Supply and Delivery of Horticultural Chemicals and Fertilisers. This contract will provide Council with a supply of horticultural chemicals and fertilisers to assist with the preservation of the open spaces located throughout the municipality, for an initial term of four (4) years with two (2) possible extensions of three (3) years each, for a maximum contract term of ten (10) years.

This is a replacement of an existing contract which has reached the end of its maximum term.

The estimated cost of this Contract for a ten year maximum contract term is \$1,967,800 (excluding GST). Expenditure in future years will be in accordance with approved budget allocations. The contract was publicly advertised in accordance with the requirements of section 186 of the *Local Government Act. 1989*.

Confidential information is contained in **Attachment 1** as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the *Local Government Act 2020* as the information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

##### Officers' recommendation

That Services Delegated Committee resolve:

1. To award Contract No. 2020/153, Supply and Delivery of Horticultural Chemicals and Fertilisers, to:
  - Greenshed Pty Ltd trading as Living Turf (ACN 105 996 307);
  - K & B Adams Pty Ltd (ACN 059 424 225);
  - Greenway Turf Solutions Pty Ltd (ACN 600 618 657);
  - Oasis Pacific Pty Ltd trading as Oasis Turf (ACN 077 581 938) and
  - Nuturf Pty Ltd trading as Amgrow Australia Pty Ltd (ACN 069 900 456).

at per their tendered schedule of rates for an initial contract term of four (4) years with two (2) possible extensions of three (3) years each to a maximum contract term of ten (10) years. The estimated contract cost for the maximum term is \$1,967,800 (excluding GST).

2. To authorise the Director Places and Spaces to execute the contract agreements with the above contractors.
3. To authorise the Director Places and Spaces to negotiate extensions to the contract with the above contractors to the maximum ten year contract term.
4. To note that expenditure under this contract in 2021-22 is in accordance with Council's draft budget and expenditure in future years will be in accordance with the approved budget allocations.

**Responsible director: Daniel Freer, Director Places and Spaces**

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## 1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/153, Supply and Delivery of Horticultural Chemicals and Fertilisers.

## 2. Policy implications and relevance to community plan and council plan

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2017 -27) and Council Plan (2017- 21):

Theme 1 Your Community, Services and Facilities

**Strategy 1.1:** Plan, maintain and renew multipurpose facilities and sports precincts to meet broad, intergenerational needs of the community now and into the future.

Theme 2, Your Parks and Green Spaces

**Strategy 2.1:** Sustainably design, manage and utilise parks and green spaces to foster a connected and healthy community for all ages and abilities and;

**Strategy 2.5:** Increase and improve public amenities and facilities in open spaces to enhance functionality for a wider range of uses.

This procurement process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

## 3. Background

Council requires suitably qualified organisations to be included on a panel for the supply of horticultural chemicals and fertilisers to be utilised in the maintenance of sportsgrounds and parks to minimise weeds and pests and ensure healthy turf. In accordance with Council's procurement procedures and Section 101 of the *Local Government Act 2020*, Council invited public tenders from suitably qualified organisations for the supply of horticultural chemicals and fertilisers. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 16 January 2021 and on Council's website. The closing date for submissions was 4pm, Friday 12 February 2021.

In response to the advertisement, Council received seven (7) submissions:

- Nuturf Pty Ltd trading as Amgrow Australia Pty Ltd;
- Globe Australia P/L trading as Globe Growing Solutions;
- Greenway Turf Solutions Pty Ltd;
- K. and B. Adams Pty Ltd;
- Greenshed Pty Ltd trading as Living Turf;
- Oasis Pacific Pty Ltd;
- Jerra Nominees Pty Ltd & Nb Norrish Pty Ltd trading as State Wide Turf Services.

As this contract is a replacement of an existing Contract No. 2015/10 - Supply and Delivery of Horticultural Chemicals, it had previously been established that the wholesalers set the prices at which suppliers must sell their products. Therefore, the tenderers are unable to set or predict the prices for these products after the first year. For this reason, the Contract Superintendent will request an updated product pricing schedule each financial year for the duration of the contract term to ensure an accurate budget is allocated.

#### **4. Outline of key issues/options**

##### Glyphosate

The product list contains one product which has the active ingredient of glyphosate. The use of glyphosate based products has attracted community concern with claims of potential carcinogenic effects on people. During 2019 officers undertook a review of weed control methods and products used within the municipality, specifically focusing on:

- Where and how glyphosate is used within the municipality to ensure Council is following best practice.
- Alternative products, methods and practices that are available (including a comparison with other land management organisations) and the impact any change would have on Council's current maintenance practices and resources.

Boroondara also joined a research project being undertaken by Deakin University which commenced in 2020. The final report for this project is expected in May 2021. Preliminary information indicates that glyphosate offers a safe and the most cost effective weed management solution currently available. The governing body, Australian Pesticides and Veterinary Medicines Authority (APVMA), stipulates that products containing glyphosate are safe to use providing instructions of use are adhered to.

Council's current practice is to minimise the usage of glyphosate by reviewing its use on a case by case basis. Manual weed removal or steam treatments are undertaken in areas of high sensitivity, such as around playgrounds, to reduce community concern. Usage by Council staff is low, the majority of glyphosate usage is by contractors performing services for the Open Space Mowing contract, Street Sweeping contract and the shopping centre landscaping contract.

##### Options

Options to consider are:

1. Approval to appoint the panel of providers as recommended.
  - This is the recommended option. The establishment of a panel of providers ensures compliance with required procurement practices.
2. Refusal to appoint the panel of providers.
  - This is not recommended as it would mean additional workload for staff in meeting the procurement requirements when purchasing these products.

3. Approval to appoint the panel of providers with a restriction on the purchase of glyphosate.

- This is not recommended as the use of glyphosate in accordance with usage instructions is safe and cost effective. To implement this option additional funding would be required.

**5. Consultation/communication**

The purchasing of these goods sits primarily with the Turf Management Team for the management of the 54 sports-fields and Freeway Golf Course. Teams from Open Space and Facilities were consulted on this process where it was established, that apart from small budgets for the Horticultural and Biodiversity Teams, the majority of the other chemical usage was associated with contractor agreed works. The procurement process was facilitated by officers from Chief Financial Office, whose participation has ensured transparency and probity.

**6. Financial and resource implications**

Council's 2021/2022 foreshadowed budget contains a total allocation of \$196,780 for the supply and delivery of chemicals and fertilisers.

Council currently uses approximately 280 litres of glyphosate per annum at a cost of approximately \$2,000. Alternatives are at least double the cost and additional budget would be required if glyphosate was to be replaced.

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components. The amount of works performed will be in accordance with the need and budgetary allocations each year.

Payment will be made in line with the respective Tenderer's Schedule of Rates.

**7. Governance issues**

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

**8. Social and environmental issues**

The recommendation contained in this report supports Council's desire to continue to sustain and improve our natural and urban environment in a sustainable way and proactively managing the ongoing maintenance and management of Council's assets and facilities to meet our community's current and future needs.

The products selected for use are suitable for the environment in which they are used and are chosen to minimise potential environmental impacts.

Products that translocate through soil are not utilised near waterways and products that sterilise the soil are not utilised in native vegetation areas.

Council has comprehensive occupational health and safety practices in place which ensures staff are suitably trained in chemical storage and handling, wear appropriate personal protective equipment and utilise products in accordance with their safety data sheets.

## 9. Evaluation and review

The tender evaluation report is provided as **Confidential Attachment 1.**

As a result of the tender evaluation, the evaluation panel recommends that Council award Contract No. 2020/153, Supply and Delivery of Horticultural Chemicals and Fertilisers to:

- Greenshed Pty Ltd trading as Living Turf (ACN 105 996 307);
- K & B Adams Pty Ltd (ACN 059 424 225);
- Greenway Turf Solutions Pty Ltd (ACN 600 618 657);
- Oasis Pacific Pty Ltd trading as Oasis Turf (ACN 077 581 938) and
- Nuturf Pty Ltd trading as Amgrow Australia Pty Ltd (ACN 069 900 456).

at their tendered schedule of rates. The estimated contract cost for all contracts for a maximum term of ten (10) years is \$1,967,800 (excluding GST).

**Manager:** David Shepard, Manager Environmental Sustainability & Open Spaces

**Report officer:** Heath Crawford, Coordinator Turf Management