

3.2 Contract No: 2020/203 - Right of Way and Reserves Consultancy and Discontinuance Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2020/203, Right-Of-Way and Reserves Consultancy and Discontinuance Services. This contract will provide Council with consultancy services for the discontinuance and sale of Right-Of-Way and Reserves that are no longer required for their original purpose, for an initial term of two (2) years with two (2) possible extensions of one year each, for a maximum contract term of four (4) years. This is a replacement for an existing contract which has reached the end of its maximum term.

The estimated contract cost for a four (4) year maximum contract term (based on current and projected volume of discontinuance projects) is \$616,014 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$560,012.

Expenditure in future years will be in accordance with approved budget allocations. Due to the value of the contract it 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 89(2) of the *Local Government Act 1989*, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. 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. 2020/203, Right-Of-Way and Reserves Consultancy and Discontinuance Services, to:

- Macquarie Local Government Lawyers (ABN 83 064 945 733);

at their tendered schedule of rates for an initial contract term of two (2) years with possible extensions to a maximum contract term of four (4) years. The estimated contract cost for the maximum term is \$616,014 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$560,012.

2. To authorise the Chief Financial Officer to execute the contract agreements with the above contractor.
3. To authorise the Chief Financial Officer to negotiate extensions to the contract with the above contractor to the maximum four year contract term.

4. To note that expenditure under this contract in 2021-22 is in accordance with Council's September Amended Budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Phillip Storer, Chief Executive Officer

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/203, Right-Of-Way and Reserves Consultancy and Discontinuance Services.

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

This contract aligns with the following theme and strategy in the Boroondara Community Plan (2017-21) and Council Plan (2017-21): Theme Seven - "Civic Leadership and Governance" - Strategy 7.5 - *"Ensure sound financial management while allocating resources to deliver strategic infrastructure and services that meet community needs."*

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

3. Background

Council is currently undertaking an audit of all Right-of-Way (ROW) and Reserves within the Municipality in an attempt to establish their status. The audit will assist with the management of such land and to assist Council to identify and quantify those ROW and Reserves that are no longer reasonably required by the public or Council.

Therefore, Council requires a suitably qualified organisation to provide consultancy services in accordance with the requirements of the specification.

Invitation to tender

In accordance with Council's procurement procedures and Section 186 of the *Local Government Act 1989*, Council invited public tenders from suitably qualified organisations to provide consultancy services for the discontinuance and sale of ROW and Reserves that are no longer required for their original purpose. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Wednesday, 17 February 2021 and on Council's website. The closing date for submissions was 4:00PM, Tuesday 16 March 2021.

In response to the advertisement, Council received one (1) submission:

- Macquarie Local Government Lawyers.

4. Outline of key issues/options

It is envisaged that there are no issues.

5. Consultation/communication

All consultation in relation to this contract will be undertaken in accordance with Council's *Community Engagement Policy, Discontinuance of Roads and Reserves Policy* and statutory requirements.

6. Financial and resource implications

Council's 2020-21 September Amended Budget (Right of Way Discontinuances - Account Number 52400 - 53134) provides an annual allocation of \$134,445 for professional support services associated with discontinuance processes, of which during the 2020-21 financial year, \$92,001 has been spent (year to date expenditure of \$80,600 and committed expenditure \$11,401), of which \$42,444 remains. Amount is indexed annually for this service in accordance with the consumer price index (CPI).

This Contract provides for a Contract Price of \$560,012 (excluding GST) over four years and is in accordance with Council's Long Term Financial Strategy.

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.

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 Procurement Policy.

8. Social and environmental issues

The intention of this tender is for Council to actively pursue the discontinuance and sale of those ROW and reserves considered to be no longer reasonably required for public or Council use.

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. 2020/203, Right-Of-Way and Reserves Consultancy and Discontinuance Services to:

- Macquarie Local Government Lawyers (ABN 83 064 945 733);

at their tendered schedule of rates for an initial contract term of two (2) years with possible extensions to a maximum contract term of four (4) years. The estimated contract cost for the maximum term is \$616,014 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$560,012.

Manager: Callista Clarke, Acting Chief Financial Officer

Report officer: John Lorkin, Coordinator Revenue and Property Services