

7 Presentation of officer reports

7.1 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 years with two possible extensions of three years each, for a maximum contract term of 10 years.

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

The estimated contract cost, for the maximum term of 10 years, is \$2,671,350 including GST. The estimated cost to Council, after the return of the GST tax Input Credits, is \$2,428,500. 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 definitions of 'confidential information' in Section 3(1) of the *Local Government Act 2020*. 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. The 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 Council 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).

as per their tendered schedule of rates for an initial contract term of four years with two possible extensions of three years each to a maximum contract term of 10 years. The estimated contract cost for the maximum term is \$2,428,500 (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 10 year contract term.
4. To note that expenditure under this contract in 2021-22 is in accordance with Council's budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Daniel Freer, Director Places and Spaces

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 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 186 of the *Local Government Act 1989*, 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

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.

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 Adopted Budget and draft Long Term Financial Plan provides an allocation of \$242,850 (excluding GST) for the supply and delivery of chemicals and fertilisers.

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 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. Chemical usage is part of a broader weed management approach that also includes hand weeding, steaming, mulching and planting.

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. Glyphosate is not used in or near sensitive areas such as playgrounds and child care centres.

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 a maximum term of 10 years is \$2,428,500 (excluding GST).

Manager: David Shepard, Manager Environmental Sustainability & Open Spaces

Report officer: Heath Crawford, Coordinator Turf Management