

7.9 Contract 2021/101 - Drainage Pit Clearances & Associated Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2021/101, Drainage Pit Clearances and Associated Services. This contract will provide Council with proactive and reactive stormwater pit cleaning for an initial term of three years, with a possible further extension of two years, for a maximum contract term of five years. This contract is a direct replacement of Contract No. 2016/38, Drainage Pit Clearances and Associated Services, which has reached the end of its maximum term.

The estimated cost of this contract over the full five-year maximum contract term is \$776,193 (including GST), excluding any price adjustment due to the rise and fall. The estimated cost to Council after the return of GST Input Credits is \$705,630.

Expenditure in future years will be in accordance with approved budget allocations. Because of 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 66(2)(a) and the definitions of 'confidential information' in Section 3(1) of the *Local Government Act 2020*. The information relates to:

- a. private commercial information, being information provided by a business, commercial or financial undertaking that -
 - i. relates to trade secrets; or
 - ii. if released, would unreasonably expose the business commercial or financial undertaking to disadvantage;
- b. confidential meeting information, being the records of meetings closed to the public under section 66(2)(a);
- c. Information prescribed by the regulations to be confidential information for the purposes of this definitions.

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 Council resolve:

1. To award Contract No. 2021/101, Drainage Pit Clearances and Associated Services, to MetroEnviro Maintenance Pty Ltd (ACN 167 038 495) as Trustee for the Metro Enviro Maintenance Trust (ABN 73 418 120 610) trading as Eldarin Services Metro, at their tendered Schedule of Rates for an initial contract term of three years with possible extensions to a maximum contract term of five years.

The estimated contract cost for a five-year maximum contract term is \$776,193 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$705,630.

2. Authorise the Director Places and Spaces to execute the contract agreements with the above contractors.
3. Authorise the Director Places and Spaces to negotiate extensions to the contract with the above contractors to the maximum five-year contract term.
4. Note that expenditure under this contract in 2021-2022 is in accordance with Council's adopted 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. 2021/101, Drainage Pit Clearances and Associated Services.

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 One - "Your Community, Services and Facilities"

- **Strategy 1.6:** Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety.

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

3. Background

Council requires a suitably qualified organisation to provide drainage pit clearances and associated 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 undertake drainage pit clearances and associated services. An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday, 11 September 2021 and on Council's website. The closing date for submissions was 4pm, Friday 8 October 2021.

In response to the advertisement, Council received seven submissions:

- CSA Specialised Services;
- Eldarin Services Metro (MetroEnviro Maintenance Pty Ltd atf MetroEnviro Maintenance Trust);
- Environmental Services Group Pty Ltd;
- KC Facility Services Pty Ltd;
- Pipe Management Australia;
- QEST Infrastructure Group; and
- The Drain Man (Aus.) Pty Ltd.

4. Outline of key issues/options

The delivery of this service assists in providing a well maintained and operating drainage network across the city. Without performing this task, residential streets will be subject to water overflow, debris and trip hazards.

5. Consultation/communication

Consultation and communication with residents regarding works under this contract are carried out for each individual drainage project if required.

The procurement process was facilitated by officers from Chief Financial Office whose participation has ensured transparency and probity. No other internal consultation/ communication has been considered necessary.

6. Financial and resource implications

Council's 2021-22 October Amended Budget provides an annual allocation for Pit Cleaning (Account Number. 23601-53124) of \$230,000 for drainage pit clearances and associated services and is indexed annual for these services in accordance with the consumer price index (CPI).

At the time of writing the report, \$133,881 of the budget amount had been spent or committed to the existing contract for drainage pit clearances and associated services (Contract No. 2016/38). The balance of this budget allocation is to be used for delivering this service and perform reactive works.

Council does not guarantee the appointed contractor 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 drainage system collects, transports and discharges stormwater not to present an environmental or social impact on the community. This contract will provide proactive and reactive cleaning of Council's stormwater pits located within the road reserves.

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. 2021/101, Drainage Pit Clearances and Associated Services, to MetroEnviro Maintenance Pty Ltd (ACN 167 038 495) as Trustee for the Metro Enviro Maintenance Trust (ABN 73 418 120 610) trading as Eldarin Services Metro, at their tendered Schedule of Rates.

The estimated contract cost for a five-year maximum contract term is \$776,193 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$705,630.

Manager: **George Batsakis, Manager Facilities, Waste and Infrastructure**

Report officer: Mark Anderson, Coordinator Drainage Maintenance and Cleansing Services