

7.2 Contract 2020/180 - Infrastructure Cleansing Services

Executive Summary

Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/180, Infrastructure Cleansing Services.

Background

This contract is a replacement for existing Contract No. 10/036 which expires 31 August 2022. The services provided are infrastructure cleansing of Council's road and footpath infrastructure and collection of leaf fall during autumn.

This contract will provide Infrastructure Cleansing Services for an initial period of five (5) years with two possible extensions of a further three (3) years and two (2) years up to a total of maximum contract period of ten (10) years. This service is expected to commence on 1 September 2022.

Key Issues

The key considerations used to determine the outcome of this tender process were:

- ability to plan, schedule and perform the works in strict accordance with the specified outcomes;
- a proven track record undertaking similar works in the past;
- access to appropriately skilled personnel and subcontractors;
- a corporate culture that embraces sustainability; and
- value for money within the constraints of the Council budget.

All tenders received were considered to be conforming tenders.

The recommendation is considered the best value for money within the constraints of the Council budget.

Next Steps

Upon award of the contract, Council will oversee the management and execution of these services.

Confidentiality

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;

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. 2020/180, Infrastructure Cleansing Services, to Metro Urban Management Pty Ltd (ABN 74 084 783 246), at their tendered annual lump sum price for an initial period of five years, with two possible further extensions of three years and two years to a maximum contract term of ten years. The estimated value over the maximum contract term is \$30,607,435.98 (including GST) excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$27,824,941.80.
2. Authorise the Director Places and Spaces to execute the contract agreement with the above Contractor.
3. Authorise the Director Places and Spaces to negotiate extensions to the contract with the above Contractor to the maximum ten year contract term.
4. Note that expenditure under this contract is in accordance with Council's proposed 2022-23 budget. Future years expenditure is foreshadowed and 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. 2020/180, Infrastructure Cleansing Services.

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

The new contract has been prepared in accordance with Council's policies, plans and provides levels of service reflected in these documents.

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021-25):

Theme One - Your Community, Services and Facilities

Strategy 1.1: Neighbourhoods and community spaces facilitate social connections and belonging by providing, maintain and activating places for people to meet, organise activities and celebrate events.

Strategy 1.6: Residents and visitors feel safe in public spaces through encouraging local activity and creating and maintaining civic areas.

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

3. Background

Council requires a suitably experienced and qualified organisation to provide Infrastructure Cleansing services in accordance with the requirements of the specification.

Benchmarking of the service was carried out in 2018 with five other Metropolitan Councils. They were City of Monash, Whitehorse, Yarra, Stonnington and Moreland. The specification was reviewed and updated to reflect the findings from the benchmarking, issues raised through customer complaints and feedback from staff working on the ground in our streets.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to provide Infrastructure Cleansing Services. An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 9 October 2021 and on Council's website. The closing date for submissions was 4pm, Thursday 18 November 2021.

In response to the advertisement, Council received two submissions:

- All Industries Solutions Pty Ltd; and
- Metro Urban Management Pty Ltd.

Both tenders were assessed as conforming tenders.

4. Outline of key issues/options

The preservation of the appearance of the Municipality is one of Council's key responsibilities, and the regular cleansing of roads, shopping centres, car parks, footpaths and other miscellaneous assets. This contract will ensure that the Municipality appears at its best at all times. Additional aspects of the contract also include the ability to:

- undertake the clearing of leaf fall during autumn in a timely and environmentally sustainable manner; and
- respond at short notice to accidents, spills and other dangerous materials on roads, car parks, right-of-way's and footpaths.

The key considerations used to determine the outcome of this tender process were:

- ability to plan, schedule and perform the works in strict accordance with the specified outcomes;
- a proven track record undertaking similar works in the past;
- access to appropriately skilled personnel and subcontractors;
- a corporate culture that embraces sustainability; and
- value for money within the constraints of the Council budget.

Taking all of the above into consideration, the tender evaluation panel unanimously agreed that the proposal from Metro Urban Management Pty Ltd was far superior to that of All Industries Solutions Pty Ltd, representing overall value of money to the Council. This is fully detailed in the Tender Evaluation Report attached.

5. Collaborative Procurement Opportunities

Officers held discussions with neighbouring local governments to determine suitability of a collaborative procurement process. No other local government required the same services at this time, therefore collaborative procurement wasn't appropriate in achieving a better value outcome.

6. Consultation/communication

Internal consultation with contract users across the Places and Spaces directorate was undertaken in reviewing the service specification.

7. Financial and resource implications

Council's proposed 2022-23 foreshadowed budget contains a total allocation of \$3,191,955.00 ex GST for Infrastructure Cleansing Services. This budget is sufficient to fund the contract as recommended.

8. 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 general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

This contract will have a positive impact on community/social well-being and the environment as follows:

- resource recovery, re-use and recycling applies to all waste products collected during cleansing;
- minimising energy consumption and greenhouse gas emissions by using a new fleet of vehicles with the latest energy efficient engines and electric hand tools where applicable;
- minimising toxicity and level of hazardous substances and pollutants by the application of Environmental Management systems by the Contractor;
- minimising noise pollution by using only new machines that meet strict noise reduction requirements; and
- consideration of the introduction of electric sweepers during the contract period.

10. Evaluation and review

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

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2020/180, Infrastructure Cleansing Services to:

- Metro Urban Management Pty Ltd

Manager: George Batsakis, Manager Facilities, Waste and Infrastructure

Report officer: Mark Anderson, Coordinator Drainage Maintenance and Cleansing