

7.4 Contract 2021/106 General Tree Services

Executive Summary

Purpose

The purpose of this report is for Council to consider the awarding of Contract No. 2021/106 - General Tree Services. This contract will provide reactive tree work services for an initial contract term of three (3) years with two possible extensions of one (1) year each, up to a total contract period of five (5) years, to be exercised at the discretion of Council. It is a schedule of rates contract and is a replacement for the existing contract which has reached the end of its contract term.

The estimated cost of this contract in 2022/2023 is \$2,112,657 excluding GST which is above what was forecasted in Council's adopted 2022/2023 budget. The shortfall of \$253,597 is related to funding required for storm events and will be sought as emergency funding if required (reimbursed through Emergency Management claims post events). The estimated total contract cost over the maximum term of five years is \$10,563,286 (excluding GST).

Background

This contract will replace the previous General Tree Services contract 2016/35 which has expired.

Through this contract Council will manage its reactive tree works program in order to maintain our urban forest commitments under the Boroondara Community Plan, and as a responsible land owner. This program is primarily driven by customer requests and therefore this contract is vital in enabling Council to respond to resident issues in a timely manner.

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. 2021/106 General Tree Services to:

Panel A - Amenity Tree Services (reactive tree work excluding powerlines)

- ArborCo Australia Pty Ltd (ACN 076 529 7470);
- Professional Tree Care Services Pty Ltd (ACN 061 896 259) The Trustee for the J & N Bradley Family Trust (ABN 24 846 035 915);
- Recovery Tree Services Pty Ltd (ACN 159 236 414);
- Reynolds Tree Care Pty Ltd (ACN 120 160 170) as Trustee for Reynolds Family Trust (ABN 62 466 410 772);
- TreeServe Pty Ltd (ACN 169 334 712); and
- The Tree Company Arboricultural Services Pty Ltd ACN 120 997 239).

Panel B: Amenity Tree Services & Electric Line Clearances (reactive tree work around powerlines)

- Recovery Tree Services Pty Ltd (ACN 159 236 414);
- TreeServe Pty Ltd (ACN 169 334 712); and
- The Tree Company Arboricultural Services Pty Ltd (ACN 120 997 239).

Panel C: Arboricultural Consultancy Services

- C & R Ryder Consulting Pty Ltd (ACN 601 897 929) the trustee for C & R Ryder Family Trust (ABN 47 376 684 521);
- Greenscape Tree Consulting Pty Ltd (ACN 602 134 476) as Trustee for Brown Family Trust (ABN 28 848 635 812); and
- Xylem Tree Care Pty Ltd (ACN 640 958 532).

Panel D: Specialist Tree Care Services (tree health care)

- Arbor Spray Pty Ltd (ACN 076 529 747); and
- Xylem Tree Care Pty Ltd (ACN 640 958 532).

at their tendered schedule of rates for an initial contract period of three (3) years with two possible extensions of one (1) year each, up to a total contract period of five (5) years to be exercised at the discretion of Council. The estimated total contract cost for the maximum contract period is \$10,563,286 (excluding GST).

2. To authorise the Director Places and Spaces to sign and execute the contracts on behalf of the Council and to authorise invoices to an amount not exceeding \$10,563,286 excluding GST.
3. To authorise the Director Places and Spaces to negotiate and execute optional extension periods.
4. To note that expenditure under this contract is in accordance with Council's 2022/23 adopted budget, with a shortfall of \$253,597 to be sought as emergency funding if required to respond to a storm event, 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 consider the awarding of Contract No. 2021/106, General Tree Services.

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

This contract will enable Council to meet our commitments under:

The Boroondara Community Plan 2021-31:

2.2 Our sustainable urban forest is preserved and increased through managing and renewing our open space trees and understory growth.

3.5 Our leafy streetscapes are maintained and improved through advocating for careful project planning by government regulatory and project authorities, supported by the increased planting of resilient species.

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

3. Background

Council requires suitably qualified organisations to carry out a range of tree works, arboricultural assessments and tree health care treatments in accordance with the requirements of the Specification.

The contract is divided into the following four panel arrangements:

- Panel A: Amenity Tree Services (reactive tree work excluding powerlines);
- Panel B: Amenity Tree Services & Electric Line Clearances;
- Panel C: Arboricultural Consultancy Services; and
- Panel D: Specialist Tree Care Services.

This contract is a considerable improvement on the previous contract because:

1. The division of work between Panel A and B provides Council with a clearer pricing framework, based on the type of tree work (primarily based on the presence of powerlines), and the tree size.
2. Panel A and B expands the number of contractors Council will have available with large towers that can perform work on large trees. Panel B also increases the number of contractors that can work around powerlines from 2 under the previous contract to 3 under the new contract. This additional capacity will give us a stronger ability to respond to major weather events and respond to customer requests in a timely manner.
3. The contract allows greater use of contractors for after-hours tree work including having contractors, under Panel A and B available on-call. This will improve our resourcing options and flexibility for our after-hours service and reduce the after-hours burden on Council's Tree Team.

4. The contract scope has been expanded to include tree health care under Panel D. This includes Elm Leaf Beetle control, which previously had been managed as an annual stand-alone project. It also includes other health treatments such as decompaction and soil improvements around established trees that had previously been procured on an adhoc basis. This panel will reduce the administrative burden of managing the Elm Leaf Beetle control, as well as streamlining Council's access to specialist expertise when pests and diseases affect our high value trees.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to carry out a range of tree works, arboricultural assessments and tree health care treatments. An invitation to tender was advertised in the local government tender section of "The Age" newspaper on Saturday 26 February 2022 and on Council's website. The closing date for submissions was 4pm, Friday 18 March 2022.

In response to the advertisement, Council received 12 submissions:

- Arbor Spray Pty Ltd (ACN 076 529 747);
- Arbor Co Australia Pty Ltd (ACN 606 192 545);
- C & R Ryder Consulting Pty Ltd (ACN 601 897 929) the trustee for C & R Ryder Family Trust (ABN 47 376 684 521);
- Greenscape Tree Consulting Pty Ltd (ACN 602 134 476) as Trustee for Brown Family Trust (ABN 28 848 635 812);
- Recovery Tree Services Pty Ltd (ACN 159 236 414);
- Reynolds Tree Care Pty Ltd Ltd (ACN 120 160 170) as Trustee for Reynolds Family Trust (ABN 62 466 410 772);
- Summit Open Spaces Services (ACN 055 140 424);
- The Tree Company Arboricultural Services Pty Ltd (ACN 120 997 239);
- Professional Tree Care Services Pty Ltd (ACN 061 896 259) The Trustee for the J & N Bradley Family Trust (ABN 24 846 035 915);
- Tree Dimensions Pty Ltd (ACN 139 982 936);
- TreeServe Pty Ltd (ACN 169 334 712); and
- Xylem Tree Care Pty Ltd (ACN 640 958 532).

4. Outline of key issues/options

Trees play an important role in our community in maintaining neighbourhoods that can respond to increased temperatures and storms. However, managing a healthy urban forest is becoming increasingly difficult due to resident expectations, staff shortages across the arboriculture industry, increasing severity and frequency of storms, and requirements from utility providers. This contract provides Council with an expanded range of resources and expertise which improves our flexibility in responding to these challenges.

5. Collaborative Procurement Opportunities

Neighbouring local governments were consulted about the status of their tree works contracts to assess the possibilities for collaboration. Unfortunately, each of these local governments have existing contracts in place without an expiry in the near term and no interest in pursuing a collaborative procurement at this time.

6. Consultation/communication

Internal consultation was carried out prior to developing the specification for this contract. As a result, the tree works were separated into Panels A and B, and Panel D was included. This means the scope of works has been expanded as has the expertise and resources available under this contract.

7. Financial and resource implications

Council's 2022/23 adopted budget contains a total allocation of \$1,859,060 for reactive tree work, arboricultural consultancy and tree health care treatments. Based on the pricing submitted by the vendors and the estimated volumes of work, including storm work, the expenditure under this contract is forecast to be \$2,112,657 in 2022/23. This creates a budget shortfall of \$253,597 which will be sought through emergency funding if required to respond to a storm event. Storm response work is unbudgeted due to the unpredictable nature of the events and to allow for easy tracking of expenditure where State or Federal Funding for emergency management recovery becomes available. An example of this is funding to cover works related to the October 2021 storm, which is currently being prepared and is expected to be in the order of \$716,682.

Forecasted cost of each panel:

Panel	Panel scope	Forecasted Annual Cost
Panel A	Reactive tree work (excluding powerlines)	\$803,537
Panel B	Reactive tree work around powerlines	\$1,181,082
Panel C	Arboricultural consultancy	\$57,331
Panel D	Tree health care	\$70,705
Total Forecasted Annual Cost		\$2,112,657

The 2022/23 adopted budget provides funding for this contract under nine accounts within the 24701 - Arbor - Tree Services budget, and the 24702 - Park Tree Renewal budget:

Account	Account Name	2022/23 Budget	Relevant Panels
24701-51120	Overtime	\$25,000	For works awarded under Panels A and B
24701-53081	Specialist Tree Work	\$1,093,130	For works awarded under Panels A, B, C and D
24701-53090	Stump Removal	\$305,250	For works awarded under Panels A and B
24701-53121	High Voltage Works	\$150,000	This account has a budget of \$449,370. However, this is shared across proactive and reactive works. Within this account \$150,000 is available for works awarded under Panel B.
24701-53084	Park Tree Pruning	\$132,275	For works awarded under Panel A

24701-53010	Trade Services	\$24,240	For works awarded under Panels A and B
24701-53130	Consultants	\$22,000	For works awarded under Panel C
24701-53089	Elm Leaf Beetle Control	\$21,000	For works awarded under Panel D
24702-53010	Park Tree Renewal - Trade Services	\$86,165	For works awarded under Panel A
Unbudgeted	Storm Event	\$253,597	For storm works if required
Total available budget:		\$2,112,657	

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.

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. This included the appointment of an external probity auditor because of the total value of the contract. The auditor reviewed the procurement process, and no issues were found.

9. Social and environmental issues

This contract will have a positive outcome for the Boroondara environment as it allows Council to manage the urban forest in line with best industry practice. This will allow retention of canopy cover and available shade, which will mitigate the effects of urban heat island effect as well as extreme heat events. The benefits of a well-maintained urban forest also include reduced noise pollution, air pollution, and peak storm water flows.

This will also have positive effects for our community, and for social well-being through well-maintained, attractive green spaces and tree lined streets.

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. 2021/106, General Tree Services to:

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Manager: David Shepard, Manager Environmental Sustainability & Open Spaces

Report officer: Alannah Matheson, Tree Coordinator