

4 Contract No: 2017/16 - Graffiti Removal and Associated Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2017/16, Graffiti Removal and Associated Services. This contract is for an initial contract term of two years with a possible further extension of one year to a maximum contract term of three years. This contract is a direct replacement of Contract No 2007/14 Graffiti Removal and Associated Services which has reached the end of its maximum term.

The estimated contract cost for a three-year maximum contract term is \$676,104 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$614,640. The estimated contract cost is based on labour rates, provision of community educational programmes and the graffiti removal cost is based on lump sum and materials.

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 Council resolve:

1. To award Contract No. 2107/16, Graffiti Removal and Associated Services in two separate parts as follows:
 - 1.1 To Urban Maintenance Systems Pty Ltd (UMS), (ABN 38 005 251 954) at its tendered Lump Sum Price for graffiti removal services (excluding community education) for an initial Contract Term of two years, with a possible further extension of one year to a maximum contract term of three years.
 - 1.2 To Warner Youth Education Pty Ltd (ABN 24 164 165 824) at its tendered Schedule of Rates for the provision of the community education program for an initial Contract Term of two years, with a possible further extension of one year to a maximum contract term of three years.

The estimated contract cost for a three-year maximum contract term is \$676,104 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$614,640. The estimated contract cost is based on labour rates, provision of community educational programmes and the graffiti removalists estimated annual cost of materials.

2. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to execute the contract agreements with the above contractors.
3. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to negotiate extensions to Contract No. 2017/16, Graffiti Removal and Associated Services, with the above contractors to the maximum three year contract term.
4. To note that expenditure under this contract in 2016/17 will be accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

**Responsible director: Bruce Dobson
Environment and Infrastructure**

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2017/16, Graffiti Removal and Associated Services.

2. Policy implications and relevance to council plan

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

This contract is aligned with Strategy 12 "Safety and Amenity" and Strategic Objective 13 "Managing Assets".

3. Background

Council's current arrangement for Graffiti Removal and Associated Services expires 30 June 2017. Presently the services are managed by two Contractors, one for the Graffiti Removal Services and one for the provision and presenting of the community education programs component of the contract.

The services proposed in the tender are for suitably qualified and experienced Contractor/s that:

- responds rapidly and effectively to the removal of graffiti;
- provides community education to assist in the deterrence of Graffiti occurrences;

The contract structure for graffiti removal is a lump sum price to supply labour with materials charged on a cost plus basis. The community education component is based on a schedule of rates.

Invitation to tender

In accordance with Council's tendering procedures and Section 186 of the *Local Government Act 1989*, Council invited public tenders from suitably qualified and experienced organisation to undertake the Graffiti Removal and Associated Services. An Invitation to Tender was advertised in the local government tenders section of "The Age" on Saturday, 24th September and on Council's website. The closing date for submissions was 4.00pm, Friday 21 October, 2016.

In response to the advertisement, Council received seven submissions:

- Calcorp Services Pty Ltd
- G.J. & K. Cleaning Services Pty Ltd
- Kleenit Pty Ltd
- Summerhill Maintenance Services Pty Ltd
- The Graffiti Eaters Pty Ltd
- Urban Maintenance Systems Pty Ltd
- Warner Youth Education Pty Ltd

4. Outline of key issues/options

It is envisaged that there are no issues.

5. Consultation/communication

Internal consultation across the appropriate teams within Parks and Infrastructure and Youth Services informed the development of the specification and associated tender documents.

The Communications Team will continue to be consulted to inform the community on the graffiti education program.

6. Financial and resource implications

Council's 2016/2017 budget contains provision of \$300,940 for graffiti removal services (Account Number 23200-53080) and \$19,435 for graffiti education services (Account Number 23200 - 53078). The budget allows for work performed under this contract as well as other graffiti removal and prevention initiatives undertaken by Council.

It is estimated that expenditure (excluding GST) under the contract will comprise the following breakdown:

Items	Amount per annum (\$)	Amount over 3 years (\$)
Labour	120,330	360,990
Materials	52,000	156,000
Community Educational Program	32,550	97,650
Total	204,880	614,640

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 Contracts and Tendering Probity Policy and Council's Procurement Policy.

8. Social and environmental issues

Graffiti is a significant crime and social issue which undermines the sense of safe communities. Council has a zero-tolerance approach to graffiti.

The removal of graffiti and proactive education program will have a positive social impact on the community and will provide a sense of pride and well-being.

9. Evaluation and review

A copy of the Tender Evaluation Report is provided in **Attachment 1**. The tender evaluation panel recommends that Council award Contract No. 2107/16, Graffiti Removal and Associated Services to the follow two Companies:

- 1.1 To Urban Maintenance Systems Pty Ltd (UMS), (ABN 38 005 251 954) at its tendered Lump Sum Price for the provision of a full time graffiti removalist (excluding community education); and
- 1.2 To Warner Youth Education Pty Ltd (ABN 24 164 165 824) at its tendered Schedule of Rates for the provision of the community education program.

The estimated contract cost for a three-year maximum contract term is \$676,104 (including GST). The estimated cost to Council after return of GST Input Credits is \$614,640. The estimated contract cost is based on labour rates, provision of community educational programmes and the graffiti removalists estimated annual cost of materials.

Manager: Andrew Mackinnon, Parks and Infrastructure

Report officer: Chad Henry, Essential Safety Measures Administrator