

9.2 Contract 2699 - Rural Community Ground Maintenance Contract**Author:** Bill Steans, Parks & Recreation Manager**Authoriser:** Andrew Dixon, Group Manager Infrastructure

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Official Information and Meetings Act 1987</i> .
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
Plain English Reason:	To protect commercially sensitive information.

Recommendation

That the Tenders and Procurement Committee under delegation:

1. [REDACTED]
2. That the successful tender and awarded amount be released to the public.
3. Authorise the Group Manager Infrastructure to approve contract variations during the contract term within approved budget amounts.
4. That the Group Manager Infrastructure negotiate with the current supplier for Stormwater Greenway maintenance and the agreed sum be reported back to the Tenders and Procurement Committee for final approval.

Purpose of Report

- 1 To seek Council approval for tender acceptance and awarding Contract 2699 Rural Community Ground Maintenance contract.

Assessment of Significance

- 2 This matter is assessed as being of low significance in accordance with the Council's Significance and Engagement Policy, as the work is consistent with the Long Term Plan 2024-34 outcomes and levels of service.

Background

- 3 A section 17A service delivery review for parks and reserves maintenance services was undertaken. The recommendation of the review was the implantation of Hybrid arrangement with Parks in house staff focussing on high profile gardens such as Botanic gardens, Caroline Bay and Council facilities (Art Gallery, Museum, Council Offices, Airport) with other areas contracted out.

- 4 The in-house parks maintenance commenced on this basis with the proposal to expand the services to include the Temuka and Geraldine domains and potentially social housing garden maintenance, Otipua wetlands and coastal tracks.
- 5 The remainder of the parks maintenance services would be bundled into two contracts for a period of 5 years and reviewed again at the end of these contracts with the option of this work being undertaken in-house.
- 6 At the Council meeting on 26 March 2024 Council resolved the adoption of a hybrid model of in-house and contracted parks maintenance services.
- 7 The existing contracts were extended to 31 March 2025 to allow time for tendering of the new contracts. The new contracts are proposed to commence on 1 April 2025. In conjunction with this the in-house parks maintenance unit will be expanded to include Temuka and Geraldine domains and CBD.
- 8 The scope of works for this contract is the maintenance of street gardens, neighbourhood parks and reserves that provides services for large scale mowing including stormwater swales, tree maintenance, spraying, garden maintenance, pest plants control, water features, irrigation system operations and maintenance, litter bin emptying and loose litter collection and artificial surfaces cleaning.
- 9 It should be noted that the maintenance of sports fields is a separate contract due to the specialist nature of this work. Also excluded are street trees that are maintained under an existing contract arrangement.
- 10 The term of the contract is 5 years that is considered the shortest term for a contractor to provide an efficient price. Shorter term contracts generally attract a price premium as there is greater risk of stranded costs should the contractor fail to be awarded a further contract.

Discussion

- 11 Tenders were called from the open market on 31 October 2024 and closed on 21 November 2024.
- 12 The evaluation method was the Price Quality Method, with a Price Weighting of 35% and a Non Price Weighting of 65%. Tenders were also required to conform to some pre-conditions.
- 13 Three tenders were received. These were evaluated by a Tender Evaluation Team (TET) that consisted of Council Officers and an independent person. The tenders received and evaluation scores were as follows:

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Tenderer	Tender Price excluding GST (for five years)	Non-Price Attributes score	Total Score
██████████	██████████	██████	██████
██████████	██████████	██████	██████
██████████████████	██████████	██████	██████

██

- 15 The TET considered the tender submissions first evaluating the non-price attributes. Following this the prices were opened and the overall score was calculated.

- 16 It should be noted that there were significant calculation errors in the [REDACTED] tender proposal and failure to submit scheduled rates for additional work.
- 17 The TET evaluated [REDACTED] as the highest non-price attributes its systems and track record.
- 18 [REDACTED] submitted a lower price but the TET considered that this tender submission was under resourced and was concerned that [REDACTED] would not be able to deliver the work to the required standard or provide the level of service and response specified. On this basis [REDACTED] scored lower non-price attributes.

Options and Preferred Option

- 19 Option 1 is to accept the tender from [REDACTED] for contract 2699 Rural Communities Ground Maintenance contract for a 5 year term in accordance with the conditions of tendering outlined in the contract documents.
- 20 Option 2 is to accept the tender from [REDACTED] for contract 2699 Rural Communities Ground Maintenance contract in accordance with the conditions of tendering outlined in the contract documents. excluding the stormwater greenway maintenance removed by contract variation [REDACTED] for a 5 year term. This is the preferred and recommended option.
- 21 Option 3 is not to award this tender and decline all tender submissions. This option is not recommended on the basis that there has been a robust open tender process and it is considered that there would not be any benefit in doing this. It should also be noted that costs are increasing so retendering is unlikely to provide a lower price.

Consultation

- 22 Consultation is not required on this matter as it is consistent with the level of service in the Long Term Plan.

Relevant Legislation, Council Policy and Plans

- 23 Timaru District Council Long Term Plan 2024-24
- 24 Timaru District Council Procurement policy.

Financial and Funding Implications

- 25 This work is budgeted for in the Long Term Plan 2024-34. It is confirmed that sufficient funding for most of the contract work is available from the approved budgets.
- 26 The cost of this parks maintenance contract submitted by the preferred contractor is [REDACTED] including stormwater greenways.
- 27 There is insufficient budget to cover the tendered price for Stormwater Greenways. Previous negotiations had achieved a lower price, but it was included within this contract in the hope of gaining further economies of scale. This did not eventuate, possibly because of the specialist nature of the work. It is therefore recommended that a variation to the contract is negotiated to exclude the Stormwater Greenways portion from this contract.
- 28 The submitted price for Stormwater Greenways is [REDACTED] for the five year contract term [REDACTED]

- 29 Therefore, based on the preferred contractor tender the contract sum excluding the Stormwater Greenways is [REDACTED]
- 30 Annual budgets available and commitments for Parks maintenance work are:

Activity	Commitments per \$/annum	Annual Budget \$
Parks maintenance		\$3,569,200
Playgrounds and track maintenance		174,000
Cemeteries maintenance		130,000
Streetscapes		387,700
Less Commitments:		
Pleasant Point Domain maintenance contract	\$160,000	
Aorangi Oval maintenance Contract	6,200	
Sports fields maintenance contract	110,000	
Aviaries operation contract	71,300	
In-house activities plant/materials	600,000	
Unscheduled/reactive items	917,100	
Unawarded contracts	2,396,300	
Total:	\$4,260,900	\$4,260,900

- 31 [REDACTED]
[REDACTED]
[REDACTED] The above table shows that considering the current contract commitments together with the in-house maintenance team costs (excluding salaries that are budgeted separately) there is sufficient funding in current budgets for both contracts as tendered.

Other Considerations

- 32 It is intended that work done by the in-house unit will be expanded. At the conclusion of this contract the scope will be reviewed again. It should also be noted that there are other contracts that will expire soon, and such work will be added to the in-house team scope. This is Pleasant Point Domain and coastal tracks. The in-house team scope may extend to social housing gardens maintenance and further airport work.

Attachments

Nil