

Tender - Parks and Open Space Maintenance Services

File No: X014434

Tender No: 1851

Summary

This report provides details of the tenders received for Parks and Open Space Maintenance Services.

This tender includes horticulture, turf, sports field and infrastructure maintenance, park cleansing and waste removal from the City's parks and open spaces in the northern part of the Local Government Area.

It is a strategic contract for the City, servicing over 400 sites, including some of Sydney's most iconic parks, such as Hyde Park, Prince Alfred Park, Wentworth Park, Observatory Hill Park, Glebe Foreshore, Bicentennial Park, Federal Park and Victoria Park, as well as a range of neighbourhood parks, pocket parks, sports fields and streetscapes.

The service provided by this contract directly contributes to meeting community needs and expectations of well-maintained, safe and enjoyable parks and open spaces. Access to high quality parks and open spaces is becoming increasingly important as population and density grow along with demand for outdoor space for socialising and recreation.

This report recommends that Council accept the tender offer of Tenderer C for the provision of Parks and Open Space Maintenance Services.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer C for Parks and Open Space Maintenance Services for the price and contingency outlined in Confidential Attachment A to the subject report for a period of five years, with the option of an extension of two years if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly;
- (D) authority be delegated to the Chief Executive Officer to exercise the option to include the tendered possible future sites as per the pricing schedules; and
- (E) Council approve the contingency outlined in Confidential Attachment A to the subject report to service new and upgraded parks that come under the contract (in addition to the possible future sites).

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Schedules of Rates (Confidential)

Background

1. The Parks and Open Space Maintenance Services contract (the contract) provides maintenance services for the City's parks and open spaces within the northern area of the Local Government Area, including the CBD and suburbs in the Glebe, Forest Lodge, Camperdown, Chippendale, Haymarket, Surry Hills, The Rocks, Millers Point, Pyrmont and Ultimo areas.
2. Over 400 sites, or approximately 94 hectares of parks, open space and street gardens are maintained under the contract. Sites serviced under the contract include Hyde Park, Prince Alfred Park, Wentworth Park, Observatory Hill Park, Glebe Foreshore, Bicentennial Park, Federal Park, Victoria Park, and a range of neighbourhood parks, pocket parks, sports fields and streetscapes.
3. The services provided under the contract also support major cultural and entertainment events in the City's parks like New Year's Eve, Yabun, Fair Day and Sydney Festival, by maintaining our parks to the highest standards.
4. The scope and terms of the contract were reviewed as part of the procurement process to refine the service standards, and provide clear performance outcomes and accurate and transparent pricing. The contract scope was structured between core services delivered under a lump sum, and schedule of rates work, to allocate risk and ensure staff have flexibility to deliver the services.
5. Bush restoration services and payment of waste tipping fees were removed from the scope of the current contract and will be supplied more efficiently under existing separate contracts.
6. The contract provides the following services:
 - horticultural maintenance including mulching, planting and floral displays that keep parks and open spaces attractive and safe;
 - turf and sports field maintenance to deliver functional, safe and enjoyable recreation areas;
 - infrastructure maintenance programs for assets like park furniture, irrigation systems, bins, bubblers and barbecues to deliver park infrastructure that is safe, fit for purpose and achieves a full asset life;
 - removal of waste, park cleaning and cleansing to keep general park areas and park infrastructure clean and tidy. This includes waste removal from bins, litter picking and infrastructure cleaning;
 - management and control of weeds and pests; and
 - daily playground inspections to check that playgrounds are safe and clean at the start of each day.
7. The current contract commenced in October 2013 for a term of three years with an option to extend the contract by a further two years.

8. In 2017, City staff commenced planning for procurement of a new contract. A procurement process involving market testing and an Expression of Interest, followed by a select tender incorporating an Early Contractor Involvement process was selected as the preferred strategy to procure the new contract. This proven procurement approach was selected to reduce risk, clarify and refine scope and performance outcomes and drive value for money.
9. In August 2018, Council resolved to extend the term of the Parks and Open Space Maintenance Services contract to 31 May 2019. This extension allowed for the continuation of critical park maintenance services, while the future parks maintenance services contracting model was fully developed, tendered and awarded.

Invitation for Expression of Interest

10. Requests for Expressions of Interest were advertised in The Sydney Morning Herald and The Daily Telegraph, and on the City's e-Tender portal, on 5 December 2017, and closed on 16 January 2018.

Expression of Interest Submissions

11. Thirteen submissions were received from the following organisations:
 - Active Tree Services Pty Ltd;
 - Citywide Service Solutions Pty Ltd;
 - GLG GreenLife Group Pty Ltd;
 - Green Options;
 - Landscape Direct;
 - Landscape Solutions Australia;
 - Luhrmann Environment Management Pty Ltd;
 - Marsupial Landscape Management;
 - McDonnell Considine Digby Pty Ltd (Australian Facilities Landscapes Pty Ltd);
 - Programmed Property Services;
 - Skyline Landscape Services Pty Ltd;
 - Standby Forty-Six Pty Ltd; and
 - Urban Maintenance Systems Pty Ltd.
12. No late submissions were received.

Expression of Interest Evaluation

13. All members of the Expression of Interest Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) respondents demonstrated competency, experience and associated reference checks in delivering parks and open space maintenance services;
 - (b) respondents proven experience with performance based contracting and achievement in KPIs. Respondents demonstrated ability to provide quality reporting, with accurate data capturing, analysing and sharing with clients;
 - (c) respondents Work, Health & Safety performance and its associated practices, procedures and management;
 - (d) respondents environmental policies, performance, practices and management; and
 - (e) respondents proposed resourcing to enable achievement of the Expression of Interest and specification objectives including but not limited to equipment, qualified and unqualified labour, management and transition strategy.
15. At the completion of the Expression of Interest evaluation, four service providers were short-listed to participate in a select tender process, being:
 - Citywide Service Solutions Pty Ltd;
 - Green Options;
 - Landscape Solutions Australia; and
 - Skyline Landscape Services Pty Ltd.

Invitation to Tender

16. To encourage a collaborative procurement approach, Early Contractor Involvement workshops were conducted from August 2018 to October 2018. There were 12 workshops held in total.
17. An independent Probitry Advisor was in attendance at every Early Contractor Involvement workshop and evaluation panel meeting throughout the procurement process.

18. The Early Contractor Involvement workshops enabled the City to clarify the services and consider where it may be possible to further improve the City's tender documentation. These workshops assisted in understanding the commercial alignment between the City and the proponents on the scope of works and the delivery model.
19. City staff and Tenderers all appreciated the opportunity to participate in the Early Contractor Involvement workshops and considered them to be beneficial, particularly for such an important area of service delivery.
20. Requests for Tenders were released to the short-listed tenderers on the City's eTender portal on 31 October 2018, and closed on 23 November 2018.

Tender Submissions

21. Submissions were received from the following organisations:
 - Citywide Service Solutions Pty Ltd;
 - Green Options;
 - Landscape Solutions Australia; and
 - Skyline Landscape Services Pty Ltd.
22. No late submissions were received.

Tender Evaluation

23. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
24. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
25. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) resourcing;
 - (b) program and methodology;
 - (c) accommodation, plant and equipment;
 - (d) draft quality and operational plan;

- (e) communications and customer service;
- (f) environment;
- (g) transition;
- (h) Work, Health & Safety (mandatory);
- (i) financial and commercial trading integrity, including insurances (mandatory); and
- (j) lump sum price and schedule of prices.

Performance Measurement

26. The appointed Service Provider will have their performance measured against an extensive list of key performance indicators including safety and quality of services, as well as environmental targets.

Financial Implications

27. There are sufficient funds allocated for this service within the current year's operating budget and future years' forward estimates.

Relevant Legislation

28. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
29. Attachment A and Attachment B contain confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
30. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

31. The existing contract for Parks and Open Space Maintenance Services expires on 31 May 2019.
32. The proposed contract term is five years with the option of an extension of two years subject to satisfactory performance and operational requirements.

Public Consultation

33. There was no public consultation prior to this tender being advertised.

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