

ITEM 11 TENDER T19/05 - SUPPLY OF SERVICE - CONTAINERISED TREES

This report recommends acceptance of three (3) tenders for supply of services – containerised trees in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

The tender is for provision of a panel for the supply of containerised trees which will support Council's Urban Greening program and best practice tree management.

The Containerised Trees tender will:

- Improve the quality, diversity and availability of containerised trees available to Council; and
- Reduce Council's exposure to purchasing trees on the open market (variability of cost).

The improvement in quality will reduce defects in tree stock (to meet Council's specifications), leading to a reduction in tree maintenance activities, tree failures and increase the lifespan of our trees.

RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tenders of Andreasens Green (NSW) Pty Ltd, Trees Impact Pty Ltd and Speciality Trees Pty Ltd for the provision of a panel for Supply of Services – containerised trees at the rates set out in each tenderer's Form of Tender, to the sum of \$660,000 over three years inclusive of GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Joanne Page, Manager Open Space & Environmental Services

Authorised by: Andrew Carfield, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

At the inception of the Urban Greening Strategy, Council was purchasing containerised trees from the open market. Containerised trees sourced in this way were subject to cost and stock quality variation and low market availability. Growth in demand for containerised trees used for urban greening across Greater Sydney meant competition for the available trees was (and remains) high.

Consistent with the Urban Greening Strategy, Implementation Plan 2017-2021, a tender was conducted to secure a supply of containerised trees – grown to a Council specification and fit for purpose. The objective is to form a Vendor Panel for the supply of containerised trees, where Council would select or provide batches of trees to be grown-on to a container size required for a tree planting project. Batches of trees are grown-on over a three-year period. The payment structure for the trees is staged over this three-year period to reduce the risk of financial loss during production with a 10% payment made in the first year, a 20% progress payment made at the completion of year two and the 70% balance paid for trees following delivery to Council.

The expected outcome of this Tender is to create a panel of suppliers to supply containerised trees of a specified quality as required by Council with funding to be provided via the specified budget provisions.

To support Council’s requirements and to promote “best value for Council” principles in purchasing, growing trees against the specification will be performed after seeking competitive quotation from the contracted panellists, with any pricing provided within the Tender being considered as the maximum price for any containerised tree.

For this Tender ‘T19/05 Supply of services – containerised trees’ a total contract value of \$660,000 over 3 years inclusive of GST.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on Thursday 30 May 2019.

Three (3) tenders were received by the close of tenders. One tender was received after the closing time. This tender was deemed a late tender and was given no further consideration. The remaining tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council’s Procurement Policies and Procedures and comprising representatives of the Governance and Customer Service, Finance, Project Delivery and Open Space and Environmental Services Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope

Assessable Criteria

- 1 Cost to Council – 25%
- 2 Performance against projects of similar size and scope – 35%
- 3 Qualifications and experience – 10%
- 4 Growing schedule – 10%
- 5 Work Health and Safety Systems – 5%
- 6 Environmental Management Policies and procedures – 10%
- 7 Demonstrated strengthening of local economic capacity – 5%

The mandatory assessment criteria have been met by all of the recommended tenderers.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council. Table 1 below summarises the results of the tender assessment and the ranking of tenders.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Andreasens Green (NSW) Pty Ltd	1
Trees Impact Pty Ltd	2
Speciality Trees Pty Ltd	3

PROPOSAL

All three tenderers have met the requirements of the tender assessment and Council should authorise the engagement of Andreasens Green (NSW) Pty Ltd, Trees Impact Pty Ltd and Speciality Trees Pty Ltd to carry out the Supply of services – containerised trees in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderers have satisfied the Tender Assessment Panel that they are capable of undertaking the works to Council’s standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

Urban Greening is one of Council’s strategic priorities. This report contributes to the delivery of Our Wollongong 2028 goal “We value and protect our Environment”. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
1.3 The sustainability of our urban environment is improved. 1.1.1 The community is actively involved in the expansion and improvement of our green corridors and other natural areas connecting the escarpment to the sea.	1.1.1.2 Projects and programs that achieve enhancement of the natural environment and escarpment.	Council programs incorporate best practice urban tree and vegetation management

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered moderate on the basis that the tender process has fully complied with Council’s Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works or services is considered (M6) based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

For this supply contract, the use of a vendor panel in itself is a pre-determined risk mitigation strategy with orders for containerised trees held across multiple businesses and sites with relatively low value holding payments minimising the risk exposure to Council.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

Budget 124477 – Urban Greening Program

CONCLUSION

The recommended tenderers have submitted an acceptable tender for this project and Council should endorse the recommendations of this report.