

7.4.1 Extension of CONTRACT 22-001 – Arboriculture Works Contractors Panel

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Recommendations

That Council

1. Extend for two years Contract 22-001 with **Antler Environmental** for the provision of arboriculture works, accepting the submitted revised hourly and daily rates for their services.
2. Extend for two years Contract 22-001 with **Austree** for the provision of arboriculture works, accepting the submitted revised hourly and daily rates for their services.
3. Extend for two years Contract 22-001 with **Gippy Tree Services** for the provision of arboriculture works, accepting the submitted revised hourly and daily rates for their services.
4. Extend for two years Contract 22-001 with **Tree Serve** for the provision of arboriculture works, accepting the submitted revised hourly and daily rates for their services.
5. Note that an over-expenditure on the estimated initial contract costs took place due to modifications to other contracts, and in response to the response and recovery activities of recent natural disaster events.

Attachments

1. CONFIDENTIAL REDACTED - 2024 Price Schedule all contractors [7.4.1.1 - 29 pages]

Executive Summary

In August 2022, contract 22-001 Arboriculture Works Contractors Panel was awarded to five contractors. This contract was expected to be utilised for reactive Arboricultural works. In June 2023, the portion of the proactive maintenance of Council's tree assets within contract 19-01 Provision of Parks, Sportsfields and Open Space with Citywide was cancelled by mutual agreement. As a result, the only active contract for Arboriculture Services was the panel contract 22-001.

The initial two year contract period expires in August 2024 and there are extension options of two, two year periods. The 2024/25 budget for arboriculture contracts exceeds \$1M, requiring Council's decision for continued engagement.

It is recommended that Council support the first two-year extension option, effective from August 2024 to August 2026. During this two year period, it is anticipated that there will be a review of the Arboricultural Services delivery model. This review will determine the delivery of programs and recommend what service model is required to deliver the service.

Background

Contract 22-001 (Arboriculture Works Contractors Panel) was set up to be used for reactive works, as contract 19-01 (Provision of Parks, Sportsfields and Open Space) was in place with Citywide and included the proactive maintenance of Council's trees. The initial expected spend for contract 22-001 was estimated to be under \$450,000 over the two -year initial term.

The proactive tree care component within contract 19-01 was cancelled by mutual agreement in June 2023, and consequently contract 22-001 was used to perform proactive and reactive tree works. As a result of this, and with unforeseen additional works required to manage risk

and recover from the natural disaster declared events from December 2023/January 2024, and 13 February 2024, and contract 22-001 exceeded the initial estimated expenditure.

To date, the delivery of proactive and reactive works on trees, continues to be managed through the panel. The approved 2024/25 operating budget, allocated to arboriculture contracts exceeds \$1M, and so does the current forecast for the financial year. Consequently, a decision by Council is required to continue the engagement of the panel.

Contractors Performance and Revised Rates

The contractors in the panel have been performing at satisfactory standards and officers requested the panel members to submit a revised schedule of rates for year 3 and 4 (2024-2026) of the contract, including day rates, not previously included.

Four of the five panel members (Antler Environmental, Austree, Gippy Tree Services, and Tree Serve) submitted their updated schedule of rates. Total Tree Contracting has not performed any work with Council since September 2023 and with no communication in response to the request for updated rates, it is recommended that the contract extension is not exercised with this contractor.

Rates in all contracts didn't increase between year 1 (2022/2023) and year 2 (2023/2024) of the arrangement. The received proposals vary between 5% and 10% for different components of the schedule of rates in relation to year 1 of the contract, reflecting CPI increases, and staffing and materials costs. No contractors propose an increase in rates between year 3 rates and year 4 rates.

To ensure service delivery, it is recommended that Council extend for two years, the contracts in place with Antler Environmental, Austree, Gippy Tree Services, and Tree Serve. Within the next two years, the delivery model of Arboricultural Services will be reviewed. An outcome of this review could determine the requirement for additional contract(s), such as a lump sum contract for services and programs.

Relevance to Council Plan

2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

2.1.2 Plan and maintain safe, inclusive and connected open spaces, places and active travel routes.

Financial Implications

The contract spend for 2023-2024 (year two of contract) was close to \$2.8M. Of this spend, approximately \$1.1M was related to the tree works from the February 2024 storm, with the majority of other costs associated to proactive maintenance of trees across the Shire.

For the current financial year, Council's budget allocates \$2.5M for the management of arboriculture works in contracts, plus \$500,000 for emergencies' response. The forecasted expenditure in the area at this stage is \$2.8M for this financial year.

Conclusion

The Council's proactive and reactive tree works, managed through Contract 22-001, have exceeded initial estimates due to unforeseen events. With satisfactory performance from the contractors and revised rates for 2024/2025 and 2025/2026, it's recommended to extend the contracts of four suppliers for two years.