

Management report to Council**Agenda item 6.2****Contract extension Street Cleaning Services (3441) and Graffiti Management (100091)****Council****Presenter:** Jorja Pindor, Director Waste and Recycling**18 April 2023****Purpose and background**

1. The purpose of this report is to seek approval to enter into:
 - 1.1. Agreements with Spotless Services Pty Ltd for street cleaning services, for a contract period of six months with the option of a month by month extension for a maximum period of 12 months.
 - 1.2. An agreement with Calcorp Services Pty Ltd for graffiti management services. This will be for a contract period of six months with the option of a month by month extension for a maximum period of nine months.
2. The City of Melbourne (CoM) currently engages Spotless to provide municipal-wide street cleaning services, including mechanical sweeping, litter picking and pressure washing.
3. CoM currently engages Calcorp to provide municipal wide graffiti removal services including the application of anti-graffiti coatings.
4. The current contract for Street Cleaning Services (3441), and Graffiti Management (100091) will expire on 30 June 2023 and 30 September 2023 respectfully.

Confidentiality

5. Pursuant to sections 3(1) and 66(5) of the *Local Government Act 2020*, the information contained in Attachments 2 and 3 to this report is confidential because it contains private commercial information, which if released, would unreasonably expose the business to disadvantage by disclosing financial information to competitors.

Key issues

6. In preparing for the new contract tender, a detailed strategic review was undertaken to test market competition and to maximise service efficiencies. The outcome of this review has identified service continuity risks associated with fleet and labour shortages across the industry.
7. To mitigate these risks and build adequate lead time for new equipment to be procured associated with the new contract tender, two Tender Exemption Applications were submitted and approved by the Acting Chief Executive Officer (ACEO) in February 2023 to extend the existing contracts.
8. These two services are now planned to go out to a new contract tender in May 2023, with contract commencement dates anticipated to commence prior to December 2024.

Recommendation from management

9. That Council:
 - 9.1. Awards the contract for the provision of street cleaning services to Spotless Services Pty Ltd for a term of six months commencing 1 July 2023, with an option to extend the contract term by up to a further 12 month period on a month to month basis in accordance with the negotiated terms and conditions of the contract.
 - 9.2. Awards the contract for the provision of graffiti management services to Calcorp Services Pty Ltd for a term of six months commencing 1 October 2023, with an option to extend the contract term by up to a further nine month period on a month to month basis in accordance with the negotiated terms and conditions of the contract.

Attachments:

1. Supporting Attachment (Page 2 of 17)
2. CONFIDENTIAL - Approved CEO Tender Application for Street Cleaning Services (Page 4 of 17)
3. CONFIDENTIAL - Approved CEO Tender Application for Graffiti Management Services (Page 11 of 17)

Supporting Attachment

Legal

1. Pursuant to sections 3(1) and 66(5) of the *Local Government Act 2020* (the Act), the information contained in Attachments 2 and 3 to this report is confidential because it contains private commercial information, which if released, would unreasonably expose the business to disadvantage by disclosing financial information to competitors.
2. Pursuant to section 109(1) of the Act, a Council must comply with its Procurement Policy before entering into a contract for the purchase of goods or the carrying out of works.
3. The Chief Executive Officer must ensure that any report to Council that recommends entering into a procurement agreement includes information in relation to any opportunities for collaboration with other councils or public bodies which may be available.

Finance

4. Costs associated with this agreement have been included in the draft 2023–24 budget submission.
5. The cost to Council of appointing the recommended contract for street cleaning services for a six month period is outlined in Attachment 2.
6. The cost to Council of appointing the recommended contract for graffiti management services for a six month period is outlined in Attachment 3.

Conflict of interest

7. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

8. Ensuring the providers employees, subcontractors and agents, satisfy and comply with all legislative requirements.
 - 8.1 Acknowledgment by the provider of its obligations to ensure that the health and safety of any person is not put at risk as a result of the provision of the services.
 - 8.2 Acknowledgment by the provider it will inform itself of, and comply with all OH&S issues, procedures or measures implemented or adopted by Council and/or any occupiers of any premises at or within which the Service Provider will carry out its obligations under the contract/agreement.
 - 8.3 Acknowledgment by the provider it must at all times provide and maintain a safe working environment, and must ensure that the systems, procedures and practices necessary for the protection of the health and safety of all persons in or near the area where the services are being carried out are implemented.
 - 8.4 Acknowledgment by the provider that community health and safety has been considered: Identify where the provision of service will have a positive effect on the health and safety of the wider community. Outline the anticipated benefits to both the physical and psychological health of the community.

Stakeholder consultation

9. Consultation with Spotless and Calcorp has been undertaken to ensure both parties are able to commit to a further term contract based on the conditions outlined in the CEO exception applications.

Relation to Council policy

10. Waste and Resource Recovery Strategy 2030.
11. Major Initiative 51- Rapid Response Clean Team.

Environmental sustainability

12. All current contractual requirements regarding sustainability as per contract 3441 Street Cleaning Services and contract 100091 Graffiti Management apply to the further term contracts.