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| <p>ORDINARY MEETING 21 DECEMBER 2023</p> | <p>19</p> |
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PREFERRED SUPPLIER ARRANGEMENT (PSA) 2907 – DENUTTING OF COCONUT PALMS

63/1/388 | #7277602

RECOMMENDATION:

That Council:

1. **Awards Preferred Supplier Arrangement (PSA) 2907 – Denutting of Coconut Palms to Tree Arrangements Pty Ltd, for a term of two years commencing 1 February 2024, with two extension options of up to 12 months each, available at Council’s discretion.**
2. **Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contract, negotiate, finalise and execute any and all matters associated with or in relation to this contract subject to Council’s normal procurement policies and practices.**

INTERESTED PARTIES:

- Bama Facilities Maintenance Pty Ltd (Local)
- Tree Arrangements Pty Ltd (Local)

EXECUTIVE SUMMARY:

The current Preferred Supplier Arrangement (PSA) 2754 for denutting of coconuts is due to expire on 31 January 2024. The arrangement is utilised for the denutting of approximately 4,287 coconut palms annually. Denutting services are carried out twice a year to prevent potential incidents caused by falling coconuts and palm fronds. This is particularly important in high profile tourist areas such as the Cairns Esplanade and the northern beaches foreshores.

The new arrangement is recommended for a term of two years commencing 1 February 2024, with two further extension options of up to 12 months each solely at Council’s discretion and subject to satisfactory supplier performance.

A tender was advertised and closed on 13 October 2023 with two submissions received. Both submissions were assessed on a range of evaluation criteria. As an outcome of the evaluation process, it is recommended to appoint Tree Arrangements Pty Ltd to all Council Districts.

The anticipated annual expenditure based on a schedule of rates is approximately \$612,000 excluding GST.

BACKGROUND:

Council invited tenders pursuant to section 228 and section 233 of the *Local Government Regulation 2012 (Qld) (Regulation)*. The tender was advertised on 21 September 2023 and closed on 13 October 2023. Tenders were received from each of the tenderers identified below:

- Bama Facilities Maintenance Pty Ltd
- Tree Arrangements Pty Ltd

The tender evaluation panel consisted of the following members from the Community Spaces branch within Council's Lifestyle and Community Directorate, with oversight from the Contracts team within Procurement:

- Principal Arborist, Community Spaces
- Contract Engagement Officer, Community Spaces
- Arborist, Community Spaces

In selecting the recommended Contractor, the evaluation panel had regard to the sound contracting principles described in section 104 of the *Local Government Act 2009*. The evaluation panel members reviewed and scored responses against the evaluation criteria. The criteria and percentage weightings were as follows:

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| Criteria A - Relevant Experience and Availability | 20% |
| Criteria B - Key Personnel and Sub-contractors | 20% |
| Criteria C - Resources and Management Systems | 5% |
| Criteria D - Methodology and Understanding | 10% |
| Criteria E - Business Profile (Local, Social and Sustainability) | 5% |
| Criteria F - Value for Money | 40% |

As an outcome of the evaluation process, the Contractor recommended to be appointed is Tree Arrangements Pty Ltd to all Council Districts for works under PSA 2907.

COMMENT:

Of all local government areas across Australia, Cairns Regional Council currently manages the largest denutting program of coconut palms (*Cocos nucifera*). The management of coconut palms is required for reasons of public safety, risk management, aesthetics and to control invasive plants in natural areas. Coconut palms are currently only removed in the following circumstances:

1. Where they occur in natural vegetation areas
2. Where it is considered a palm is unsafe to climb
3. Where the palm is at risk of failure due to disease that is causing structural problems.

Under the current management regime, all coconut palms under Council's control undergo twice-annual maintenance work by contractors, to remove inflorescences (flower clusters), nuts and dead fronds. The majority of denutting maintenance work is carried out by the climbing method as it is a much faster method, also because of Elevated Work Platform (EWP) site accessibility issues, as well as many mature palm heights being out of reach of EWPs.

The tender was separated into four maintenance areas being the Northern District, Central District, Southern District and the Cairns Esplanade. Tenderers were able to bid for all or some of the maintenance areas. This PSA is also utilised for clean-up works associated with emergency call outs.

Only two tender submissions were received compared to three submissions on the previous tender (PSA 2754). The average rates across the board have increased by approximately 10%.

Tree Arrangements Pty Ltd are incumbents on the existing PSA 2754. Tree Arrangements were the only applicant demonstrating the necessary resources, equipment and experience to perform the denutting service to the required high standard.

Council has formulated a Coconut Management Plan. With the new management plan, there is now a framework to review Council's coconut management approach. This involves an assessment on the location, risk and ongoing provision of coconuts across the region. Council has undertaken a desktop assessment of all coconuts (in the Tree Plotter database) outside the Northern Beaches and Cairns Esplanade to determine if coconut palms should either be:

- (a) retained and managed;
- (b) retained but not managed (subject to risk assessment); and/or
- (c) removed (this may include selective removal or 'thinning').

OPTIONS:

Option 1: (Recommended)

It is recommended that Council:

1. Awards Preferred Supplier Arrangement (PSA) 2907 – Denutting of Coconut Palms to Tree Arrangements Pty Ltd, for a term of two years commencing 1 February 2024, with two extension options of up to 12 months each, available at Council's discretion.
2. Delegates authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to enter into contract, negotiate, finalise and execute any and all matters associated with or in relation to this contract subject to Council's normal procurement policies and practices.

Option 2:

It is recommended that Council does not endorse PSA 2907 – Denutting of Coconut Palms to Tree Arrangements Pty Ltd and adopts an alternative course of action.

CONSIDERATIONS:

Risk Management:

Denutting of coconut palms poses some risks and work is always carried out with significant emphasis on health and safety of workers and the general public. All recommended contractors are assessed on their industry experience and are all required

to hold certain level of qualifications and certifications where necessary (e.g. traffic control) as well as place appropriate signage and barricades, etc to undertake the work safely. All Work Health and Safety information, including Safe Work Method Statements (SWMS) were required to be submitted and evaluated to ensure they comply with Council's requirements and WHS legislation.

Council Finance and the Local Economy:

The anticipated annual expenditure based on a schedule of rates is approximately \$612,000 excluding GST. It is anticipated that there will be a gradual decrease in future annual expenditure as a result of the new Coconut Management Plan. There is sufficient budget allocated within the operational budget for these ongoing works.

Tree Arrangements are a local Cairns based company. Therefore, there will be ongoing benefits to the local economy under this arrangement.

Corporate and Operational Plans:

The services forming the basis of this report relate to the following goals in Council's Corporate Plan 2021 to 2026:

- Robust Economy: "Supporting a diversified and resilient economy"; and
- Community and Culture: "Fostering a vibrant and healthy community where everyone feels they belong".

Statutory:

This tender process has been conducted in accordance with legislative requirements under the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Policy:

The tender process was undertaken in accordance with Council's adopted Procurement Policy.

CONSULTATION:

Community Spaces branch within Council's Lifestyle and Community Directorate were consulted during the review of the specification and participated in the evaluation for this tender. The Procurement and Payables Branch facilitated the tender and provided probity during the procurement and evaluation process.



Tim Dendle
Executive Manager, Community Spaces



Destry Puia
Director Lifestyle and Community