

PUBLIC EXCLUDED

Full Council

29 May 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [10]

Department: Community Services

Title | Taitara: New Parks Maintenance Contracts

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to ask Council to award two Parks Maintenance Contracts and to delegate authority for the Chief Executive to sign contracts on terms acceptable to the Queenstown Lakes District Council (QLDC).

Public Excluded | Ārai te Iwi Whānui

It is recommended that this report is considered while the public is excluded. This recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

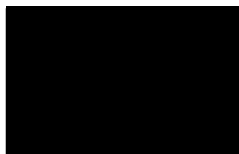
Section and Grounds	Reason for this recommendation
7(2)(i) to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<p>The details of the contract negotiations, pricing and evaluation of proposals contain commercially sensitive information that, if disclosed, could disadvantage the parties involved and affect the integrity of the procurement process. Therefore, excluding the public is necessary to maintain confidentiality and protect the interests of all parties.</p> <p><u>Public Interest Statement</u></p> <p>Whilst there is high public interest in the use of public funds and assets, the opportunity to deliver the best possible outcome for the community through effective negotiation outweighs that interest.</p>

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Approve** the award of Open Spaces/Arboriculture and Vegetation Maintenance in a single contract to Green by Nature;
3. **Approve** the award of the Tracks and Trails Maintenance Contract to Asplundh;
4. **Delegate** to the Chief Executive the power to sign the Open Spaces/Arboriculture and Vegetation Maintenance Contract with Green by Nature;
5. **Delegate** to the Chief Executive the power to sign the Tracks and Trails Maintenance Contract with Asplundh;
6. **Delegate** authority to the General Manager – Community Services to make public comment about this report and resolution once contracts' have been signed for Parks maintenance services;
7. **Delegate** to the Chief Executive for the approval to extend the Open Spaces/Arboriculture and Vegetation Maintenance Contract with Green by Nature beyond the initial five (5) year term on the basis that the formal Performance model requirements of the contract are met and an endorsement of the Contract Control Group (Governance) is provided ;
8. **Delegate** to the Chief Executive for the approval to extend the Tracks and Trails Maintenance Contract with Asplundh beyond the initial five (5) year term on the basis that the formal Performance model requirements of the contract are met and an endorsement of the Contract Control Group (Governance) is provided ;
9. **Agree** that after the contracts' start date, the agenda report and attachments will be released with redactions to keep the commercially sensitive information regarding the contracts from being released (consistent with section 7(2)(i) of LGOIMA).

Prepared by:



Name:



Title: Parks Contracts
Manager

8 May 2025

Reviewed by:



Name:



Title: Parks Manager

8 May 2025

Authorised by:

Name: Ken Bailey

Title: GM – Community Services

8 May 2025

Context | Horopaki

1. Queenstown Lakes District Council (QLDC), Parks currently has three large maintenance contracts:
 - Open Spaces;
 - High Profile Turf; and
 - Tracks and Trails maintenance.

These maintenance contracts deliver the maintenance of assets and delivery of services across the district on Parks and Reserves

2. QLDC is required to procure new maintenance contracts following the expiry of these existing contracts on 30 June 2025. These maintenance contracts have been in place since 2017/2018.
3. The procurement plan was approved by Council on 12 December 2024. The contract value was at that time estimated to be approximately \$117 million over 8 years including OPEX and CAPEX expenditure. A whole-of-life contract/s estimate in accordance with QLDC's Procurement Policy was based on existing costs to deliver business requirements, cost increases over eight years (e.g. inflation on salaries, wages materials) and renewals budgets outlined in the Long Term Plan.
4. The approved procurement plan outlined fundamental changes to existing Parks maintenance contracts. This included the rationalisation of the Open Spaces and High Profile Turf contracts and a separation of tree management from Open Spaces into a stand-alone Arboriculture and Vegetation maintenance contract. The Tracks and Trails maintenance contract remained fundamentally the same with the additional resourcing and capacity to deliver a civil works (CAPEX) programme
5. These changes allow QLDC – Parks to:
 - Deliver on biodiversity and climate commitments
 - Rationalise roles and responsibilities
 - Grow capacity to deliver renewals / CAPEX programs
 - Deliver value for money
6. Three Requests for Proposal (RFP) were released on the Government Electronic Tender Service (GETS) online portal on 27 January 2025 as an 'open' RFP for a competitive sourcing process.
7. In accordance with QLDC's Procurement Policy, procurement must consider both the cost of maintenance management services and the cost of maintenance for the term of the contract (8 years including an extension period). Each RFP included both non-price and price attributes that would be used to identify a preferred supplier. That split was 50% for each which emphasised affordability and value requirements by Council (50% price is high).
8. Approved budgets in the Annual Plan(s) over the proposed term of services (8 years) is \$93 million in OPEX and \$24 million in CAPEX broken down annually as shown in Figure 1 below.

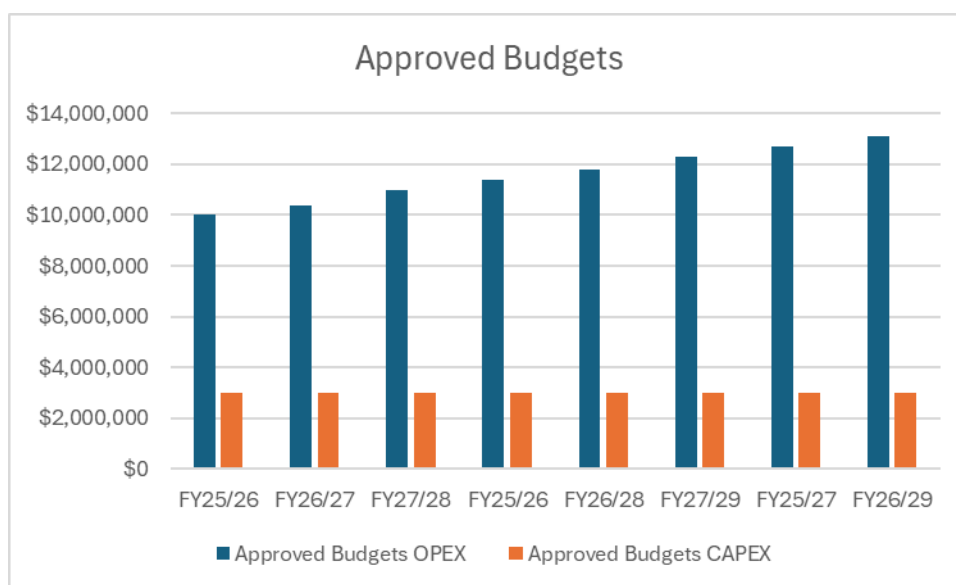


Figure 1 – Current Budget Approvals as per LTP FY 2024-2034

9. This cost exceeds the Chief Executive’s financial delegations and requires Full Council sign off.

Analysis and Advice | Tatāritaka me kā Tohutohu

10. The Tender Evaluation Reports attached as appendices outline the procurement process including the evaluation methodology and the assessment of the proposals received. These were the conforming proposals received; three (3) for the Open Spaces RFP, three (3) for Arboriculture and Vegetation RFP and five (5) proposals for Tracks and Trails RFP.

11. The tender evaluation process (non-price) identified:

- Green by Nature as the preferred supplier for Open Spaces
- Green by Nature as the preferred supplier for Arboriculture and Vegetation
- Asplundh as the preferred supplier for Tracks and Trails.

12. [REDACTED]

13. [REDACTED]

14. Both contractors are incumbent suppliers. Green by Nature currently hold the Open Spaces and Arboriculture Contracts and Asplundh the Tracks and Trails Contract

15. The Price submissions (the cost to undertake the services requested) from Green by Nature and Asplundh is outlined below.

16. These figures are calculated based on submitted tender schedule of prices, post tender clarifications and negotiations and may differ from evaluation reports

17. The Contract Tender value is the cost to deliver all scheduled activities each annually.

18. *Green by Nature provided an alternative tender which proposed a rationalisation of both Open Spaces and Arboriculture/Vegetation contracts into a single contract. Accepting this alternative allows for current high business requirements to be delivered within allowed budgets.*

Parks Maintenance Contract Budget Analysis - Annual		
Contract	Open Spaces and Arboriculture and Vegetation (alternative) Green by Nature	Tracks and Trails Asplundh
Contract Tender Value (OPEX)		
Provisional Sums (OPEX)		
Provisional Sums (CAPEX)		
Contract Value		
Contract Tender-Combined FY25/26 (OPEX)		
Provisional Sums-Combined FY25/26 (OPEX)		
Total Combined FY 25/26 (OPEX)		
Total Provisional Sums FY25/26 (CAPEX)		
Available Budget – Annual FY25/26		
Difference (between Cost and budget)		



Figure 2- Allows for Contract inflation (annually at an anticipated 3%) but not growth

19. The Tender evaluation reports conclude with the following recommendations:

- Accept the alternate tender provided by Green by Nature, awarding the Open Spaces Maintenance Contract and the Arboriculture and Vegetation Maintenance Contract to Green by Nature
- Award the Tracks and Trails Maintenance Contract to Asplundh

20. Both contracts are subject to final pricing, due diligence, and negotiated terms between QLDC Officers and the preferred supplier.

21. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

22. Option 1 Agree to delegate authority to the Chief Executive to enter a contract with Green By Nature for the Open spaces and Arboriculture and Vegetation Maintenance Contract, and Asplundh for the Tracks and Trails Maintenance Contract.

Advantages:

- Affordability – this contract landscape allows the continued delivery of business requirements within annual plan budgets
- Allows for business continuity (suppliers are already mobilised as incumbents) to deliver our business requirements from the expiry date of old contracts and start of new contracts
- Two contracts allow for organisational resilience
- Meets our needs in terms of biodiversity and climate commitments
- Allows for greater capacity and capability to deliver capital/renewal programs because the contractors are aware of our needs from day one and have resourced accordingly
- Rationalises roles and responsibilities to ensure the right people are doing the right job
- Incorporates broader outcomes and sustainability

Disadvantages:

- There are no disadvantages to this option.

23. Option 2 Do not approve entering into the proposed contracts

Advantages:

- There are no advantages to this option.

Disadvantages:

- Council will be required to undertake the procurement process again which may result in less beneficial tender responses and at a greater cost that is not affordable
- A disruption to business continuity and service delivery as present contracts will have terminated and there will be no contractors undertake our business requirements

24. This report recommends **Option 1** for addressing the matter using the two proposed contract structures because this course of action is affordable, delivers value, provides business continuity, supports organisational resilience and climate/biodiversity commitments and rationalises roles and responsibilities to ensure the right people are doing the right job.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

25. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 due to the importance placed on open spaces, the green assets and social infrastructure across the district by the community. It also directly impacts on quality of life. The decision to procure also relates to Council's capability and capacity to maintain business requirements and is of a high monetary value (acknowledging this procurement value is within existing approved budgets and in alignment with relevant policy).

26. The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community and/or visitors and/or Council contractors and mana whenua.

27. The Council notified the market via a Notice of Intent in December 2024 and publicly released Requests for Proposal on GETS in January 2025.

Māori Consultation | Iwi Rūnaka

28. The Council has not consulted with Māori on this topic as it is administrative in nature.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

29. This matter relates to the Workforce risk category. It is associated with RISK10022 Ineffective operations and maintenance of community services or facilities within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

30. Approval of the recommendation will allow Council to avoid or minimise that risk by having the appropriate skills and resources in place by engaging appropriate suppliers while taking into consideration QLDC business requirements in relation to the delivery of Parks assets and service delivery requirements.

Financial Implications | Kā Riteka ā-Pūtea

31. Submitted pricing for Open Spaces/Arboriculture and Tracks and Trails allow for continued and uninterrupted business requirements within existing budgets. All budgets provided in Figure 1 are approved within the Long Term Plan (LTP) and Annual Plan (AP). Therefore, the options presented are not expected to result in further budget requirements or cost implications based on present business requirements.
32. Growth and annual price inflation is considered to be a part of the Annual Plan process and captured within Annual Plan budgets

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

33. The following Council policies, strategies and bylaws were considered:
- Significance and Engagement Policy 2024
 - Procurement Policy
34. The recommended option is consistent with the principles set out in the named instruments.
35. This matter is included in the Long Term Plan/Annual Plan under Parks Maintenance and Renewals.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

36. Legal has drafted and reviewed contract terms and conditions and will provide advice on the finalised contracts before QLDC and the contractor enter into the contracts.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

37. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Well maintained and accessible open spaces are essential to community wellbeing. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.
38. The recommended option:
- Can be implemented through current funding under the Long Term Plan and Annual Plan;
 - Is consistent with the Council's plans and policies; and
 - Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	C-25-005 QLDC Parks Open Spaces Maintenance TET Eval Report R1
B	C-25-022 QLDC Parks Arboriculture and Vegetation Maintenance TET Eval Report R1
C	C-25-023 Parks Tracks and Trails Maintenance Contract TET Eval Report R1
D	Parks Maintenance Contracts Tender Review QS
E	Probity letter - QLDC Parks Contracts - McHale Group