

**10.2.6 – Procurement arrangement for Natural Resource Management (NRM) Services (SJ204)**

<b>Responsible Officer:</b>	Manager Subdivisions and Environment
<b>Senior Officer:</b>	Director Infrastructure Services
<b>Disclosure of Officers Interest:</b>	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

**Authority / Discretion**

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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**Report Purpose**

The purpose of this report is to enable Council to consider procurement arrangements for Natural Resource Management (NRM) services during 2021-22 financial year.

**Relevant Previous Decisions of Council**

*Ordinary Council Meeting – 28 May 2018 – OCM044/05/18- COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

1. *Notes the Landcare SJ Inc. Strategic Plan 2018 to 2028 in attachment OCM044.1/05/18 and Business Plan 2018 to 2020 in attachment OCM044.2/05/18, in satisfaction of the KPIs stated in Annexure 2 of the Agreement for Funding and Use of SJ Community Landcare Centre as per attachment OCM044.3/05/18.*
2. *Recognises the significant contributions by Landcare SJ Inc. to the community and environment of the Shire of Serpentine Jarrahdale.*

*Ordinary Council Meeting – 17 August 2020 - OCM256/08/20- COUNCIL RESOLUTION / Officer Recommendation*

*That Council:*

1. *DETERMINES, in accordance with Regulation 11(f) of the Local Government (Functions and General) Regulations 1996, that because of the unique nature of the services required, it is unlikely that there is more than one potential supplier.*
2. *APPROVES the Shire entering into a sole supplier contract with Landcare SJ Inc. via the Contract for Services and Use of Reserve 32180, 12 Paterson Street Mundijong as contained within CONFIDENTIAL attachment 3, on the following terms and conditions:*
  - a) *Agreement for funding term of 12 months to commence 1 July 2020.*
  - b) *Annual direct funding of \$204,826.60.*
  - c) *Licence fee of \$1 payable on demand, in accordance with Regulation 30, of the Local Government (Functions and General) Regulations 1996 as a community organisation.*

**Contact Us**

**Enquiries**

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- d) *That Landcare SJ Inc. carry out the activities as set out in the Contract for Services and meets its KPI's.*
- e) *That the Chief Executive Officer be authorised to execute the Contract for Services.*
3. *APPROVES the Shire amending the management order suitable for the site, prior to formal consent.*
4. *SUPPORTS a future request for Quote/Tender procurement process and ask the Chief Executive Officer to bring a report to Council that identifies the scope of services required for a 5 year contract.*
5. *WITHDRAWS Council's nominations of formal Council member delegates to the Landcare SJ Inc. Board and Landcare Centre Management Committee resolved by Council at the 16 December 2019 Ordinary Council Meeting.*

## Background

The district of Serpentine Jarrahdale incorporates diverse land uses and geographical elements. A protected and enhanced natural, rural and built environment is one of the Shire's key themes in the Strategic Community Plan 2017 – 2027.

Effective land management, including management of weeds, invasive species and environmental protection at a community level, is critical to maintaining and enhancing the Shire's forested hills and wetlands as well as the district's coastal flats.

The Shire of Serpentine Jarrahdale has a long-standing partnership with Landcare SJ over two decades to provide NRM services in the Shire. In 2020, legal advice was obtained in that identified it would be more appropriate for this arrangement to operate as a formal procurement of services rather than a quasi-grant / agreement with a community organisation. This legal advice was presented to Council as part of a paper to the August 2020 Ordinary Council Meeting.

In August 2020, Council resolved to enter into a contract with Landcare SJ as a sole supplier for twelve months. At the same time, Council requested that a future report be prepared for Council that identified the scope of services that would be required for a five-year contract for NRM services to inform future procurement processes.

## Community / Stakeholder Consultation

Nil.

## Statutory Environment

The *Local Government Act 1995* (the Act) establishes rules for procuring goods and services valued at greater than \$250,000. Section 3.57 of the Act requires a local government to go to public tender for services to a value greater than \$250,000.

Regulation 11 of the *Local Government (Functions and General) Regulations 1996* states that tenders do not need to be publicly invited if the Local Government has good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier.

## Comment

NRM services are required by the Shire to achieve the strategic objectives of a protected and enhanced natural, rural and built environment. These services include:

- weed management
- verge planting



- reserve management
- education of private landowners that reduces the impact of pests and weeds on Council reserves and road verges
- better land management advice which assists in addressing water quality issues in waterways
- managing a large number of volunteers who work on key environmental projects that Council could not consider being part of, given the limited number of staff
- community activation and participation in natural resource management
- tree planting and revegetation programs that contribute to Shire strategies to retain and enhance vegetation cover.

Following Council's resolution in August 2020 a one-year contractual arrangement was entered into with Landcare SJ. This agreement expires on 30 June 2021.

As part of the resolution, Council also requested the Chief Executive Officer to bring a report to Council that identifies the scope of services required for a five-year contract. In part as a result of resource limitations and turnover in key personnel, additional work is required to prepare a schedule of reserve maintenance to inform the scope of services consistent with Council's request.

In the meantime, while the schedule of works is being prepared, Council is asked to consider entering into a new one-year contract with Landcare SJ as a sole supplier.

Such an arrangement would enable continuity of service delivery for NRM services in the Shire which is especially important given the rural nature of much of the Shire and the associated prioritisation of environmental protection. As the original contract did not entertain a contract extension, if Council was to resolve in the affirmative, a new agreement (**CONFIDENTIAL attachment 1**) rather than a contract extension is required.

The decision to resolve Landcare SJ as a sole supplier is based on the following rationale:

- There is insufficient time for an alternative NRM provider to mobilise the necessary paid or volunteer workforce to commence work by 1 July 2021 to ensure continuity of service delivery
- Landcare SJ is a unique not-for-profit community-based service provider that has specialist knowledge of the Serpentine Jarrahdale and the north Murray area
- Landcare SJ is uniquely positioned to leverage strong community capital to ensure community participation and grass-roots efforts to achieve NRM outcomes.

Overall, Officers are satisfied with the performance of Landcare SJ against the performance criteria contained in the 2020-21 contract. Landcare SJ's Annual Report 2019/2020, Audited Financial Report 2019/2020, Strategic Plan 2018-2028 and the Business Plan 2018-2020 are contained in **attachments 2, 3 and 4** of this report for Council's consideration.

Subject to Council's agreement and concurrent to the agreement, Officers will prepare a detailed service plan for required NRM services which will define time-tables, levels of service, performance criteria for NRM services going forward. This systematic approach to NRM in Shire reserves will better position the Shire to deliver environmental outcomes in a coordinated and considered manner. While arriving at this position has taken longer than anticipated, a renewed focus and prioritisation by Shire Officers will result in the production of an NRM plan to inform



future procurement of NRM services. This work is anticipated to identify opportunities for further collaboration and efficiencies that will deliver better outcomes.

### Options and Implications

#### Option 1

That Council:

1. RESOLVES, in accordance with Regulation 11(f) of the *Local Government (Functions and General) Regulations 1996*, that because of the unique nature of the services required, it is unlikely that there is more than one potential supplier.
2. APPROVES the Shire entering into a sole supplier contract with Landcare SJ Inc. via the Contract for Services and Use of Reserve 32180, 12 Paterson Street Mundijong as contained within **CONFIDENTIAL attachment 1**, on the following terms and conditions:
  - a) Agreement for funding term of 12 months to commence 1 July 2021;
  - b) Annual direct funding of \$208,104.00;
  - c) Licence fee of \$1 payable on demand, in accordance with Regulation 30, of the *Local Government (Functions and General) Regulations 1996* as a community organisation;
  - d) That Landcare SJ Inc. carry out the activities as set out in the Contract for Services and meet its KPIs; and
  - e) That the Chief Executive Officer be authorised to execute the Contract for Services.
3. REQUESTS that the Chief Executive Officer bring a report to Council that identifies a plan for Natural Resource Management services to inform ongoing Natural Resource Management activities in the Shire.

#### Option 2

That Council:

1. DOES NOT RESOLVE a sole supplier arrangement with Landcare SJ.
2. AUTHORISES the Chief Executive Officer to call for tenders for the delivery of Natural Resource Management Services in the Shire.

Option 1 is recommended.

### Conclusion

The provision of NRM Services is an integral part of the Shire of Serpentine Jarrahdale Community Strategic Plan, in order to maintain and enhance vegetation and the environment. The services provided to the Shire and community are highly visible, essential and appreciated throughout the community. The approach described in option 1 will enable the continuation of these important services while a comprehensive schedule is completed to achieve the best environmental and community outcome.

### Attachments (available under separate cover)

- **10.2.6 – CONFIDENTIAL – attachment 1** – Landcare SJ - Contract for Services and Use of Reserve 32180 (Draft 17.09.2020) (E21/6425)



- **10.2.6 - attachment 2** – Landcare SJ Annual Report and audited financial report 2019/2020 (IN20/30520)
- **10.2.6 – attachment 3** - Landcare Serpentine Jarrahdale Inc. – Strategic Plan 2018 - 2028 (IN18/9870)
- **10.2.6 - attachment 4** - Landcare Serpentine Jarrahdale Inc. – Business Plan 2018 – 2020 (IN20/10231)

### Alignment with our Strategic Community Plan

<b>Outcome 2.2</b>	A sustainable natural environment
<b>Strategy 2.2.1</b>	Develop, maintain and implement plans for the management and maintenance of Shire controlled parks, reserves, and natural assets
<b>Strategy 2.2.4</b>	Support community groups (both new and existing), who are preserving and enhancing the natural environment
<b>Outcome 4.1</b>	A resilient, efficient and effective organisation
<b>Strategy 4.1.2</b>	Maximise the Shire’s brand and reputation in the community
<b>Outcome 4.2</b>	A strategically focused Council
<b>Strategy 4.2.1</b>	Build and promote strategic relationships in the Shire’s interest

### Financial Implications

The amount of \$208,104.00 has been allocated in the draft 2021-22 budget to fund delivery of external NRM services. In addition, in-kind contributions to Landcare SJ valued at \$35,000 have been earmarked in the 2021/22 draft Annual Budget for:

- insurance;
- cleaning;
- building and grounds maintenance;
- utilities;
- printing.

### Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequen	Risk Rating	
1	There are no significant risks with option 1						



2	Loss of service continuity in the area of NRM and reputation damage.		Organisational Performance	Likely	Major	HIGH	Nil
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**Voting Requirements:** Simple Majority

### Officer Recommendation

#### That Council:

1. **RESOLVES**, in accordance with Regulation 11(f) of the *Local Government (Functions and General) Regulations 1996*, that because of the unique nature of the services required, it is unlikely that there is more than one potential supplier.
2. **APPROVES** the Shire entering into a sole supplier contract with Landcare SJ Inc. via the Contract for Services and Use of Reserve 32180, 12 Paterson Street Mundijong as contained within CONFIDENTIAL attachment 1, on the following terms and conditions:
  - a) Agreement for funding term of 12 months to commence 1 July 2021;
  - b) Annual direct funding of \$208,104.00;
  - c) Licence fee of \$1 payable on demand, in accordance with Regulation 30, of the *Local Government (Functions and General) Regulations 1996* as a community organisation;
  - d) That Landcare SJ Inc. carry out the activities as set out in the Contract for Services and meet its KPIs; and
  - e) That the Chief Executive Officer be authorised to execute the Contract for Services.
3. **REQUESTS** that the Chief Executive Officer bring a report to Council that identifies a plan for Natural Resource Management services to inform ongoing Natural Resource Management activities in the Shire.