

Contract Award for renewal – Manage Installation, Logistics, Maintenance & Removal of Christmas Decorations in Rundle Mall

Strategic Alignment - Strong Economies

2019/01485

Confidential - s 90(3) (b) & (d) commercial advantage/prejudice commercial position of council/commercial information of a confidential nature

ITEM 7.2 01/06/2021

The Committee

Program Contact:

Jade O'Donohue, Acting
Manager, Office of the CEO 8203
7337

Approving Officer:

Clare Mockler, Acting Chief
Executive Officer

EXECUTIVE SUMMARY

The City of Adelaide's Procurement Policy and the Chief Executive Officer Delegation of Authority requires that Council approves the award of contracts (inclusive of variations) valued at \$1,000,000 (ex GST) and above.

The contract with Chas Clarkson is for the management of the install and dismantle of Rundle Mall's Christmas decorations as well as the pre-season repair and maintenance of existing decorations, purchase of replacement decorations (trees and lights) and the 9 to 11 week in-season maintenance. The contract also includes the storage of the decorations.

This report seeks approval of Council to increase the total contract sum for the three year period to \$1,500,000.

Consideration in confidence is sought because the variation to the contract has not yet been awarded to Chas Clarkson and disclosure of this information may severely prejudice the Council's ability to negotiate the variation for the benefit of the Council in this matter.

The following recommendation will be presented to Council on 8 June 2021 for consideration

That Council

1. Approves the third year of the contract with Chas Clarkson and increasing the total contract sum to \$1,500,000 (ex GST) being an additional amount of \$605,995 (ex GST) inclusive of a contingency budget.
2. Authorises the Chief Executive Officer to approve any variation (financial and non-financial) to the contract going forward.
3. In accordance with Section 91(7) and (9) of the *Local Government Act 1999 (SA)* and because Item # [Contract Renewal - Christmas Decorations] listed on the Agenda for the meeting of the Council held on 8 June 2021 was received discussed and considered in confidence pursuant to Section 9(3)(b) & (d) of the *Local Government Act 1999 (SA)*, this meeting of the Council do order that:
 - 3.1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2028.
 - 3.2. The confidentiality of the matter be reviewed in December 2022.
 - 3.3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies
Policy	The increase to contract award complies with Council's Procurement Policy
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
21/22 Budget Allocation	Not as a result of this report
Proposed 21/22 Budget Allocation	\$516,668 (install, dismantle, purchase of new decorations, pre-season maintenance, in-season maintenance, storage of decorations to January 2023) Plus \$89,327 contingency budget
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

GROUNDS AND BASIS FOR CONSIDERATION IN CONFIDENCE –

Grounds

Sections 90(3) (b) and (d) of the *Local Government Act 1999* (SA)

- (b) information the disclosure of which –
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest
- (d) Commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest

Basis

This report contains reference to 'commercial in confidence' information, disclosure of which at this point in time may confer a commercial advantage on a third party, prejudice the ability for Council to undertake/participate in future discussion or negotiation and prejudice the Council's commercial position and opportunity to discuss or negotiate an option yet to be determined by the Council at this point in time.

Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information will result in release of information prior to the finalisation of 'commercial in confidence' negotiations and a competitor receiving the information to the detriment of the interested parties and the person who supplied the information at this point in time (and for approximately three years from the date of this report) and because the disclosure of Council's commercial position may severely prejudice Council's ability to discuss/participate or influence the variation for the benefit of the Council and the community in this matter and in relation to other contract negotiations.

DISCUSSION

1. In July 2019 the Rundle Mall Management Authority (now incorporated into the Adelaide Economic Development Agency) awarded a contract to Chas Clarkson for one year, with the option of an additional two year extension, to manage the installation, logistics, maintenance and removal of Rundle Mall Precinct's Christmas decorations as well as the purchase of new decorations and repair of existing decorations. In May 2020, the Chief Executive Officer gave approval to exercise the option to extend the contract and to spend up to \$894,005.
2. The extension of the contract for a third year to manage the installation, logistics, maintenance and removal of Rundle Mall Precinct's Christmas decorations as well as the repair and purchase of new decorations and storage of the decorations will see the total contract value exceed \$1,000,000.
3. Funding to cover the proposed costs of \$605,995 (ex GST) is included within the draft 2021-22 Business Plan and Budget for the Adelaide Economic Development Agency. The proposed costs comprise \$516,668 with \$89,327 as a contingency budget.
4. Council's current Procurement Policy and associated delegations requires Council's approval for contracts in excess of \$1,000,000 (exc GST). The original contract sum was under the \$1,000,000 threshold, however if the contract is extended the value will increase to above that threshold.

ATTACHMENTS

Nil

- END OF REPORT -

All reports in this section will be presented to Council on 8 June 2021 for consideration and determination

[illegible]

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[illegible]