

CT7094 HARD WASTE COLLECTION & DISPOSAL - TENDER EVALUATION

Report Author: Executive Officer - Resource Recovery
Responsible Officer: Director Planning & Sustainable Futures
Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

Confidential information is contained in the attachments to this report. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices, and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential report attachments could be prejudicial to the interests of the Council or other parties. The Attachments are confidential in accordance with Section 3(1)(g)(i)(g)(ii) of the *Local Government Act 2020*. This report provides details regarding approval to award a contract that complies with the Section 108 of the *Local Government Act 2020*.

SUMMARY

This report and attachments inform Council on the Tender Process for the CT7094 Hard Waste and Bundled Branches Collection and Disposal tender, which closed on 1 March 2023 and seeks approval for award to the preferred tenderer as per the recommendations within the confidential evaluation report.

The timing of the report relates to ensuring the timing for the future services are locked into the contractor's annual service calendar ensuring the dates for future services and allows time before contract commencement.

RECOMMENDATION

That

- 1. Council accepts the tender and awards a lump sum and schedule of rates contract for CT7094 Hard Waste and Bundled Branch Collection Service tender to WM Waste Management Services Pty Ltd for an estimated value of \$14,586,078.16 (excluding GST) for a five (5) year term, with no extension options.***

2. ***The Director Planning and Sustainable Futures be delegated the authority to finalise negotiations and sign the contract documents.***
3. ***The confidential attachments to this report remain confidential indefinitely as it relates to matters specified under Section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.***

RELATED COUNCIL DECISIONS

There are no related Council decisions to this item.

DISCUSSION

Purpose and Background

The purpose of this report is to Award Contract CT7094 Hard Waste and Bundled Branch Collection Service.

A tender process was undertaken to assist in establishing a new contract for future hard Waste and Bundled Branch Collection and Disposal for the Yarra Ranges community.

As part of the evaluation process, a cross-organisation Tender Evaluation Panel (TEP) was established to ensure a range of Council's services were considered when evaluating the tenders. The TEP was established in accordance with Council's Procurement Guidelines and an independent Probity Auditor reviewed and signed off on the process.

The TEP consisted of independent industry expert, probity, and procurement consultants, in addition to Council's representatives.

A copy of the recommendation report is in Attachment 1.

Options considered

WM Waste Management Services Pty Ltd provided several innovative offers in its tender response which were evaluated as part of the submission. Please refer to the confidential attachment for details of the options considered in Attachment 2.

Recommended option and justification

Landfill Disposal Site

The tender called for the contractor to undertake the disposal of waste to landfill to which has been costed and was included within the tender. An alternative option has been proposed where the contractor delivers the material destined for landfill to councils contracted landfill in Hampton Park at no additional transport cost.

On review of this option, the TEP has determined that taking up the option of the material being delivered through Council's landfill disposal contract would be at a

cheaper rate than that proposed by the contractor and would see best value to the community.

FINANCIAL ANALYSIS

To ensure best value for community, the contract has been set for a fixed five-year term with no extension periods.

The five-year fixed term allows for the service and costs to be locked in securing collection periods for a fixed five-year term.

The contract pricing for hard waste collections is based on fixed rate and schedule of rates for the contract term with Indices and Transport rate adjustments, which include CPI.

The Landfill disposal component will be removed from this contract and managed through Council's established Landfill disposal contract so savings can be recognised.

For further financial information, refer to the confidential Cost Summary document in Attachment 3.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan:

- Protected & Enhanced Natural Environment - A healthier environment for future generations; and
- Develop a Municipal Waste Plan, education programs and pursue innovative waste processing technologies to maximise waste resource recovery for a more sustainable future.

Community Waste and Resource Recovery Plan 2023-2030- Adopted 2023

RELEVANT LAW

This report seeks Council approval to award a contract that complies with the Section 108 of the *Local Government Act 2020*.

The works and outcomes associated with this report relate directly to the requirements outlined in the State Governments Recycle Victoria – A New Economy Policy.

The services identified under this tender align with Council's Community Waste Resource Recovery Plan, 2023 – 2030.

SUSTAINABILITY IMPLICATIONS

Economic Implications

Economic impacts were considered through the evaluation process associated with this tender whilst considering the various options proposed.

Social Implications

Local and social sustainability was considered as part of the evaluation process and was weighted five percent of the overall qualitative evaluation.

Environmental Implications

Waste Management and Resource Recovery Services are key sustainability functions. The contract specifications and contract obligations are in place to ensure services are provided to maximise recovery and reduce reliance on landfill.

COMMUNITY ENGAGEMENT

No specific community engagement has occurred directly associated with this confidential tender process. However, there has been extensive community consultation associated with the Community Waste Resource Recovery Plan 2023 which relates to this service provision.

There will be future community engagement when promoting the next round of services to be delivered under this contract.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Due to differing hard waste collection service types being undertaken across council's and differing contract timeframes, a joint procurement collaboration model was deemed not viable.

Innovation and continuous improvement were reviewed as part of the evaluation process, these can be seen through the options that were proposed under this tender.

RISK ASSESSMENT

The evaluation criteria were targeted to understand and mitigate Council risk with a focus on strong management structures, processes and systems that support the process.

Risks associated with some of the innovative options proposed by the preferred tenderer have been considered and detailed in confidential attachment 2.

Concerns have been raised by Councillors and community on the timing of the hard rubbish collection clashing with peak tourist times, public holidays or key events.

There are limited contractors providing these blanket type collections, which limits the timing of the collection to the time available by the contracted supplier of the service. This restricts Yarra Ranges Council to the January to March time period.

The current hard waste cycle across Yarra Ranges has been in place for around eight years and the community is used to knowing the timing and cycle that each area is collected across the municipality. However, once the contract is awarded, discussions will be undertaken with the contractor to determine if the collection cycle within Yarra Ranges can be modified to reduce the impact on some townships during peak visitation times. This would include discussing options such as a staged collection leaving high traffic tourist areas until the end of the collection period.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. CT7094 Hard Waste Collection & Disposal Recommendation Report
2. CT7094 Hard Waste Collection Options
3. CT7094 Hard Waste Collection & Disposal Cost Summary Document