

CT7095 KERBSIDE COLLECTION SERVICES INCLUDING MOBILE BIN AND LID PURCHASING AND DISTRIBUTION

Report Author: Executive Officer - Waste Management
Responsible Officer: Director Planning and Sustainable Futures
Ward(s) affected: (All Wards);

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 could be prejudicial to the interests of the Council or other parties. Report is 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 attachment inform Council on the Tender Process for the CT7095 Kerbside Collection & Mobile Bin Supply and Distribution tender, which closed on 21 October 2022 and seeks approval to award the tender to the preferred tenderer as per the recommendations within the confidential evaluation report.

The timing of the report relates to ensuring the transition of services can be appropriately managed which relies on delivery of the Letter of Offer by February 2023. This will ensure all contract resources, such as trucks and bins, are in place for the commencement of services in October 2023.

RECOMMENDATION

That

- 1. Council accepts the tender and awards a schedule of rates contract for CT7095 Kerbside Collection Services Including Mobile Bin and Lid Purchasing and Distribution to JJ Richards & Sons Pty Ltd for an estimated value of \$160,826,000, (excl. GST) for a ten (10) year term, subject to the resolution of proposed contract departures and inclusive of all negotiated cost savings, schedule of rates and any provisional items detailed in the Confidential Attachment to this report.***

- 2. The Director Planning and Sustainable Futures be delegated the authority to finalise negotiations and sign the contract documents and future extension options.**
- 3. The confidential attachments to this report remains 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 CT7095 Kerbside Collection Services Including Mobile Bin and Lid Purchasing and Distribution to commence on 1 October 2023 for ten (10) years.

Council's current kerbside collection services of household garbage, recyclables and garden organics with the Incumbent Provider JJ Richards have been in place since October 2014 and is due to expire on 30 September 2023.

A tender process has been undertaken to assist in establishing a new contract for future waste collection services for the Yarra Ranges Community which will align with the state governments four stream service as outlined in the States Recycling Victoria- A New Economy Policy.

As part of the evaluation process, a Tender Evaluation Panel (TEP) that crossed directorates was established to ensure a range of Council's service areas were covered when evaluating the tenders.

The TEP was established in accordance with Council's Procurement Guidelines and an independent Probity Auditor reviewed and signed off the process. The Panel consisted of independent consultants with expertise in the field, in addition to Council's representatives.

For further information please refer to the attached evaluation and probity reports.

Options considered

The tender process has been carried out in accordance with Council's Procurement Policy. Options considered are based upon the tenders received.

Further information on this process is included within the attached draft evaluation report.

The timing of glass collection introduction was considered, and prices requested to assist in determining best outcomes for the community. At this stage, there is no

clear benefit to alter the decision to implement this service earlier than the current proposal of 2025/26 year.

When establishing the tender specifications, the contract term was considered to ensure best value is provided to community. Details on this are outlined in the Financial Analysis section of this report.

Recommended option and justification

Following an extensive evaluation process, the evaluation panel are unanimous in their decision as detailed in the Confidential Attachment to this report.

The evaluation panel request that Council support the recommendation to award the contract to the preferred tenderer as detailed in the Tender Evaluation report.

FINANCIAL ANALYSIS

To ensure best value for community, the contract has been set for a fixed ten (10) year term. In past contracts the terms were set with a seven (7) year term plus a two year extension.

By running a fixed ten (10) year contract term, the contractor is in a position to amortise the infrastructure over the full contract term, instead of seven (7) as in previous contracts which spreads that cost out over a longer period to provide a better contract rate for the community.

The contract pricing for collections is based on schedule of rates for the contract term with Indices & Transport rate adjustments which include CPI and fuel.

For further financial information, refer to the financial section of the confidential Draft Evaluation report & attached financial spreadsheet.

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.

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 Draft Community Waste Resource Recovery Plan.

SUSTAINABILITY IMPLICATIONS

Economic Implications

Considering the economic ramifications of selecting different timing for the glass service allows Council to consider expenditure and the impact on the community as these costs are recovered through the Waste Service Charge on property rates.

Social Implications

Local and social sustainability was considered as part of the evaluation process and was weighted 5% of the overall qualitative evaluation.

Environmental Implications

Waste Management Services are a key sustainability function.

The contract specifications and contract obligations are in place to ensure services are provided to maximise recovery and reduce our 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 Draft Community Waste Resource Recovery Plan which relates directly to this service provision.

There will be future community engagement as part of the extensive education programs and information that will be available to community prior to the transition period as well as following the introduction of the services in October 2023. The contractor is required to assist in education programs which will include extensive auditing of bins with education materials being provided.

These programs and support by the contractor will assist in ensuring the services are being used correctly to maximise recovery and reduce material going to landfill.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Prior to the preparation of the specifications and advertising of this tender, the EO Waste Management had extensive conversations with a number of Councils in the attempt to establish a joint procurement process. Due to different Council's timeframes and priorities, a joint procurement model did not eventuate beyond the sharing of specifications.

Innovation was reviewed as part of the evaluation process with new technologies being proposed within the tenders.

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, including strong stakeholder communications and the ability to report in real time for Yarra Ranges.

In particular, the risk around transitioning the service, within the constrained timeline formed an element of the evaluation. To help offset this Council is establishing its own internal transition team to support the transition activities for the contractor and community.

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. Evaluation Report
2. Probity Report
3. Financial Summary
4. Financial Detail