

## DISTRICT COUNCIL OF GRANT

### ORDINARY MEETING OF COUNCIL HELD – 20 MAY 2019

REFER ITEM NUMBER      19070.3                      FILE      7.81.3/1 & 7.81.3/2

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#### 19070 – CONFIDENTIAL ITEMS

3. Waste Management Tenders – [7.81.3/1 & 7.81.3/2] Late Item

1. Moved Cr Clayfield that:

1. Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public, except JF Fetherstonhaugh (Acting Chief Executive Officer), LJ McEvoy (Director of Environmental Services), AM Price (Team Leader - Environmental Health and Compliance) and JA O’Hehir (Executive Assistant), be excluded from attendance at the meeting for Late Agenda Item - Waste Management Tenders.
2. The Council is satisfied that, pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.
3. In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. 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 such disclosure to the public may compromise tender negotiation processes and outcomes.

Seconded Cr Bain

CARRIED

2. Moved Cr Reis that:

1. The report be received and noted;
2. Council enter into a contract with Cleanaway for the Provision of the Mobile Garbage Bin (MGB) Collection Service.
3. Council enter into a contract with Veolia for the Provision and Emptying of Roll on Roll off (RoRo) Bins and Mini Skips at the Waste Transfer Stations.
4. The Chief Executive Officer and/or Director of Environmental Services be delegated the authority to take any other action considered necessary in relation to this matter.

Seconded Cr Mann

CARRIED

3. Moved Cr Dukalskis that:

1. Having considered Late Agenda Item – Waste Management Tenders in confidence under section 90(2) and (3)(d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to Late Agenda Item - Waste Management Tender be retained in confidence until a tender is awarded and formally notified.

2. Council delegates to the Chief Executive Officer, pursuant to Section 91(9)(c) of the Local Government Act 1999, the power, at his discretion, to revoke the order made by Council under Section 91(7) and (9) of the Act at part (1) of this resolution at any time prior to the expiration of the period of the order specified therein.

Seconded Cr Kuhl

CARRIED

## 1.1 Late Item - Waste Management Tenders – [7.81.3/1 & 7.81.3/2]

### **PURPOSE OF REPORT:**

To exclude the public from attendance at so much of a meeting as it is necessary to receive, discuss or consider in confidence any information or matter listed, as per Section 90 of the Local Government Act 1999.

1. Moved Cr \_\_\_\_\_ that:
  1. Pursuant to section 90(2) of the Local Government Act 1999 the Council orders that all members of the public, except JF Fetherstonhaugh (Acting Chief Executive Officer), LJ McEvoy (Director of Environmental Services), AA Schutz (Works Manager), KM Gilmore (Governance Officer) and JA O’Hehir (Executive Assistant), be excluded from attendance at the meeting for Late Agenda Item – Waste Management Tenders.
  2. The Council is satisfied that, pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Late Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.
  3. In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. 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 such disclosure to the public may compromise tender negotiation processes and outcomes.

Seconded Cr \_\_\_\_\_

<b>1.1.1 Waste Management Tenders</b>		
<b>MEETING DATE:</b>	20 May 2019	
<b>AUTHOR:</b>	Aaron Price, Team Leader – Environmental Health and Compliance	
<b>RESPONSIBLE OFFICER:</b>	Leith McEvoy, Director of Environmental Services	
<b>PREVIOUS MEETING:</b>	Nil	
<b>REFERENCES:</b>	Nil	
<b>FILE NO:</b>	7.81.3/1 7.81.3/2	
<b>ATTACHMENTS:</b>	Procurement Policy (FINPOL 4)	
<b>IN CONFIDENCE:</b>	Yes	
<b>POLICY REFERENCE:</b>	Procurement Policy (FINPOL 4)	
<b>LEGISLATIVE REFERENCE:</b>	Section 49 of the Local Government Act 1999	
<b>STRATEGIC MANAGEMENT PLAN REFERENCE:</b>	Goal:	Sustainable Use, Accessibility and Planned Use of Our Natural and Built Environment
	Outcome:	Sustainable Waste Management Services
	Strategy:	Assessment, review and implementation of a Council-wide waste collection service.
<b>FINANCIAL CONSIDERATIONS:</b>	Draft 2019/2020 Budget:	Allocation included in draft budget
	Actual (YTD):	N/A
	Budget Variation Required:	N/A
<b>CONSULTATION UNDERTAKEN:</b>	Relevant Council Staff	

**PURPOSE OF REPORT:**

To update Council on the tender selection process for the provision of community waste management services and seek approval to award a contract.

**BACKGROUND:**

The current Agreement for the Provision of a Mobile Garbage Bin (MGB) Collection Service expires on 30 June 2019, as does the Agreement for the Provision and Emptying of Roll on Roll off (RoRo) Bins and Mini Skips at the Waste Transfer Stations.

Request for Tenders were advertised for each service with the following scope of services included:

**Provision of a Mobile Garbage Bin (MGB) Collection Service**

**1. Aims and Objectives**

*To provide a Mobile Garbage Bin Refuse/Recycling Collection Service to various townships and areas as determined by Council.*

## 2. Scope of Services

- 2.1 Weekly collection of mobile garbage bins from properties within the following designated areas:

<b>Township/Area</b>	<b>Number of Mobile Garbage Bins</b>
<i>Areas directly surrounding City of Mount Gambier</i> <i>(Includes Moorak, Compton, Worrolong, Yahl, Suttontown)</i>	1098
<i>Allendale East</i>	111
<i>Blackfellows Caves</i>	77
<i>Carpenter Rocks</i>	99
<i>Caveton</i>	8
<i>Donovans</i>	98 <i>(inc 20 Shack Bins)</i>
<i>Eight Mile Creek</i>	56
<i>Kongorong</i>	32
<i>Mount Schank/Little Blue Lake</i>	2
<i>Nene Valley</i>	78
<i>Pelican Point</i>	151
<i>Port MacDonnell</i>	576
<i>Racecourse Bay</i>	31
<i>Tarpeena</i>	202
<b><u>TOTAL</u></b>	<b><u>2619</u></b>

*It should be noted that the above numbers are indicative only and a full list of addresses will be provided to the successful contractor prior to commencement.*

*Each household will have two 240 litre bins – one for refuse and one for recycling. They are to be collected on alternate weeks.*

- 2.2 *Collection of a designated number of mobile garbage bins for the shack sites at Dovans during holiday periods.*
- 2.3 *Collection of a designated number of recycling mobile garbage bins from the foreshore area at Port MacDonnell on a fortnightly basis. This will involve unlocking of the bin surround/stand to access the bin.*
- 2.4 *The Contractor is to be contactable by residents in relation to matters pertaining to missed collection, and/or any other minor matter associated with the collection service. The Contractor shall keep a Log Book (or similar record) of all residents who make contact with them, and the details of the matter, which shall be made available to the Council when requested.*
- 2.5 *Transportation of refuse to the City of Mount Gambier (Caroline Facility) waste disposal facility, or any other approved site with the approval of the Council at the cost of the Contractor.*
- 2.6 *Transportation of recycling to the Green Triangle Recyclers facility, or any other approved site with the approval of the Council at the cost of the Contractor.*
- 2.7 *The Contractor, from time to time, on request from the Council will provide a collection service to new or additional premises within the designated areas.*

- 2.8 Council may, from time to time, request that the Contractor cease providing a collection service to an existing premises within the designated areas.
- 2.9 Council may, from time to time, request the Contractor to provide Services at special community events as determined by the Council.
- 2.10 On the request from the Council (no more than once per year), will conduct an audit of waste to Zero Waste specifications/guidelines.

## **Provision and Emptying of Roll on Roll off (RoRo) Bins and Mini Skips at Waste Transfer Stations**

### **1. Aims and objectives**

*To supply and empty roll on roll off (RoRo) bins and mini skip bins at Council's Waste Transfer Stations.*

*Emptying of bins is on an as needed basis, as advised by the Waste Transfer Station supervisor.*

### **2. Scope of Services**

- 2.11 *Mini Skip and RoRo Bin requirements for each Waste Transfer Station are as per tables contained in this specification. Note: Council has a mixture of 4.5m<sup>3</sup> and 6m<sup>3</sup> small skips due to shape and height to match where they sit at the Waste Transfer Stations.*
- 2.12 *Refuse collected is to be transported to City of Mount Gambier (Caroline Facility) waste disposal facility, or any other approved site with the approval of the Council*
- 2.13 *Recyclables collected are to be transported to Green Triangle Recyclers facility, or any other approved site with the approval of the Council.*

At the 20 August 2018 Full Meeting, Council resolved that the MGB Collection Areas be expanded to include additional properties. The expansion areas being in:

- Mil-lel
- Eight Mile Creek Rd (from Port MacDonnell to Eight Mile Creek)
- Bay Rd (from Allendale to Port MacDonnell)
- Port MacDonnell surrounds
- Areas directly surrounding Mount Gambier

At the time of tender preparation an additional 329 properties fell within the expansion of the routes.

Council has notified all residents along these routes of their inclusion in the waste management service. A few have sought an exemption under the Waste Management Policy.

## COMMENT:

The following comments are provided for the information of Members.

### Tender Submissions

Two conforming tenders were received for each of the services, from Veolia and Cleanaway respectively.

The evaluation process involved referee checks, whereby the feedback for both companies was positive. Customer satisfaction, responsiveness to issues, and reporting to Council had been excellent.

One of the Councils contacted had recently awarded Cleanaway with the kerbside collection contract, replacing Veolia. They acknowledged the professionalism of the two companies during the transition. Veolia is now providing the skip bin service at their waste transfer stations.

### Tender Pricing - MGB

In relation to the Provision of a Mobile Garbage Bin (MGB) Collection Service tenders, the price structure sought was a price per bin collection rate. The following table is a summary of the service cost should all currently designated properties utilise the service (100% participation).

Cleanaway provided a single rate of \$1.815 (ex GST) per bin collection.

Veolia provided a rate of \$2.0120 (ex GST) per general waste bin collection and \$1.747 (ex GST) per recycling bin collection.

The following tables show calculations using the tender rates and resident participation levels.

<b>Provision of MGB Collection Service</b>			
<b>100% Participation</b>			
(As per submitted tenders)			
<b>2619 bins per week (previously 2290)</b>			
Calculations below - If 100% participation at the Per Bin rate Exc. GST			
<b>Cleanaway</b>			
Price per Bin Collection (ex GST)	\$ 1.815	General waste & Recycling	\$ 247,181.22
<b>Veolia</b>			
Price per Bin Collection (ex GST)	\$ 2.012	General waste	\$ 255,965.35
	\$ 1.747	Recycling	
<b>Difference</b>			<b>\$ 8,784.13</b>

<b>Mobile Garbage Bin Service - Participation Calculations</b>			
As per submitted tenders			
<b>Cleanaway</b>			
Price per Bin Collection (ex GST)	\$1.815		\$198,198.00
PBC rate based on min. 2200 refuse collections (~ 84% participation rate) and 2000 (~76% participation rate) recycling collections per fortnight			
Price per tenement (ex GST)	\$1.590		\$216,538.92
PPT rate based on 2619 tenements as a min.			
<b>Veolia</b>			
PBC rate based on 70.49% participation rate (GW) and 56.56% participation rate (Rec). Based on 2018 figures.	\$2.8543	GW	\$255,965.59
	\$3.0888	Rec	
Price per Bin Collection (ex GST)	\$2.012	GW	\$255,965.35
	\$1.747	Rec	
PBC rate based on 68094 GW and 68094 Rec bins collected annually (100%)			
Price per tenement (ex GST)	\$2.012		\$137,005.13
	\$1.747		\$118,960.22
<b>TOTAL</b>			<b>\$255,965.35</b>

### **Tender Pricing – Roll on Roll off (RoRos) & Mini Skips**

In relation to the tenders for the Provision and Emptying of Roll on Roll off (RoRo) Bins and Mini Skips at Waste Transfer Stations, the price structure provided has a bin rental component and a collection charge.

Cleanaway provided pricing showing generally higher collection charges than Veolia, however no monthly charge. For comparison purposes, the costs have been extrapolated out based on 12 collections for each site. The following table shows the cost variation for each individual service component and the overall service.



	Cleanaway		Veolia			Veolia - without hooklift bins				
Carpenter Rocks	Cost per Collection	12 collections per year	Cost per Collection	Rent (m)	12 collections per year	Cost per Collect.	Rent (m)	12 collections per year	Diff	
RoRo (20m3)	441.00	5292.00	300.06	100	4800.72			4800.72	140.94	
Hooklift bin			300.06	100	4800.72	260.00	80	4080.00	264.14	
Skip Bins	564.20	6770.40								
<b>Donovans</b>										
RoRo (30m3)	315.00	3780.00	284.35	100	4612.20			4612.20	30.65	
Hooklift bin			284.35	100	4612.20	252.00	120	4464.00	283.05	
Skip Bins	567.40	6808.80								
<b>Port MacDonnell</b>										
RoRo (30m3)	365.00	4380.00	272.61	100	4471.32			4471.32	92.39	
Hooklift bin			272.61	100	4471.32	204.00	80	3408.00	433.79	
Skip Bins	706.40	8476.80								
<b>Tarpeena</b>										
RoRo (20m3)	410.00	4920.00	260.56	100	4326.72			4326.72	149.44	
Hooklift bin			260.56	100	4326.72	220.00	80	3600.00	359.84	
Skip Bins	620.4	7444.80								
<b>Totals</b>	<b>3989.40</b>	<b>47872.80</b>	<b>2235.16</b>		<b>36421.92</b>			<b>33762.96</b>	<b>14109.84</b>	

Please note that the supervision of the Waste Transfer Stations is currently going out as a separate tender.

Further information can be provided to Members, if required.

**STAFF RECOMMENDATION:**

***That:***

- 1. The report be received and noted;**
- 2. Council enter into a contract with Cleanaway for the Provision of the Mobile Garbage Bin (MGB) Collection Service.**
- 3. Council enter into a contract with Veolia for the Provision and Emptying of Roll on Roll off (RoRo) Bins and Mini Skips at the Waste Transfer Stations.**
- 4. The Chief Executive Officer and/or Director of Environmental Services be delegated the authority to take any other action considered necessary in relation to this matter.**

2. Moved Cr \_\_\_\_\_ that:

1. *Having considered Late Agenda Item – Waste Management Tenders in confidence under section 90(2) and (3)(d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the documents and minutes relevant to Agenda Item 16.1.1 be retained in confidence until a tender is awarded and formally notified.*
2. *Council delegates to the Chief Executive Officer, pursuant to Section 91(9)(c) of the Local Government Act 1999, the power, at his discretion, to revoke the order made by Council under Section 91(7) and (9) of the Act at part (1) of this resolution at any time prior to the expiration of the period of the order specified therein.*

Seconded Cr \_\_\_\_\_