
DELEGATED AUTHORITY – COLLECTION, TRANSPORT AND PROCESSING OF GREEN WASTE AND TIMBER FROM REDLAND CITY COUNCIL WASTE TRANSFER STATIONS

Objective Reference: A2594767
Reports and Attachments (Archives)

Authorising Officer: Peter Best
General Manager Infrastructure & Operations

Responsible Officer: Kevin McGuire
Group Manager Water & Waste Operations

Report Author: Claire Black
Senior Contracts Advisor

PURPOSE

The purpose of this report is to seek Council resolution to delegate authority to the Chief Executive Officer (CEO), under section 257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge a contract over \$2,000,000.00 and enter into a Schedule of Rates Contract for the collection, transport and processing of green waste and timber from Redland City Council (RCC) waste transfer stations (T-1852-17/18-WST).

BACKGROUND

The current arrangement with Wood Mulching Industries Pty Ltd (WMI) for the collection, transport and processing of green waste and timber from RCC waste transfer stations (TCP-1835-16/17-WST) commenced on 20 June 2017 under a tender consideration plan (TCP). This arrangement is due to expire on 30 June 2018 with no further extension provision available.

ISSUES

Green waste, untreated timber and treated timber is currently accepted and deposited at all RCC (Council) waste transfer stations and regularly removed by the contractor for beneficial reuse elsewhere. Treated timber is currently disposed of at Rochedale Landfill. On average, Council manages approximately 30,600 tonnes of green waste and untreated timber from kerbside green waste collection, mainland and island waste transfer stations, and 3,850 tonnes of treated timber each year.

Council officers have determined that the most advantageous and operationally suitable method of delivering this service is to establish a large-sized contractual arrangement under s228 of the *Local Government Regulation 2012*, funded by a budget extending beyond one financial year.

A tender is proposed to be released for the collection, transport and processing of green waste and timber from Council's waste transfer stations in mid-December 2017 with the resultant contract commencing on 1 July 2018.

The tender will be advertised in the Redland City Bulletin, on Council's website and posted to QTenders. Additionally, the RedWaste Business Unit will notify known green waste collection and processing industry members, Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) and the Southern Moreton Bay Islands (SMBI) Food Growers Group in conjunction with the public advertisement.

Should tender submissions fail to deliver against Council's objectives, Council officers may bring the tender process to an end without awarding a contract. If this occurs, alternative operational contingencies will be put in place until a subsequent procurement process is completed, such contingencies may include seeking the approval of a Tender Consideration Plan.

Council resolution to delegate authority to the CEO to accept the tender and discharge the resulting contract will assist in maximising efficiency of the tender process and administration and performance of the services.

STRATEGIC IMPLICATIONS

Legislative Requirements

Tender documentation will be developed in accordance with section 104 Financial Management Systems, subsection (3) Sound Contracting Principles of the *Local Government Act 2009* with the objective of obtaining submissions from suitable entities who can demonstrate the ability to provide value for money and adequate capacity and capability to provide the required services.

The tender process will be conducted in accordance with the legislative requirements of the *Local Government Act 2009*, *Local Government Regulation 2012* and with adherence to all Council policies, guidelines and procedures relating to the procurement process and probity principles.

The collection, transport and processing of green waste and timber from Council's waste transfer stations is undertaken in compliance with all relevant environmental and safety legislation.

Considerations for the introduction of kerbside Food and Garden Organics (FOGO) collection services under Council's kerbside contract for Waste, Recyclables and Green Waste Collection Services (T-1834-16/17-WST), and potential future SMBI green waste management initiatives, are factored into the tender and will provide flexibility to both Council and the contractor to ensure that operational requirements are met, and financial risks to Council mitigated.

Risk Management

Due to the expected annual expenditure of this procurement activity, a probity advisor will be available during the Invitation to Tender (ITT) process should they be required.

The tender evaluation plan contains financial and non-financial evaluation criteria to enable the evaluation panel to effectively assess tender responses and propose the most suitably qualified tenderer, in addition to providing value for money and the required environmental and operational outcomes.

The contract contains detailed and specific key performance indicators to support RedWaste's contract management processes.

Financial

The annual expenditure for the collection, transport and processing of green waste and timber from RCC waste transfer stations is expected to be approximately \$1.5m, however exact annual expenditure will vary dependant on the final Schedule of Rates contained in the contract and annual variance in green waste and timber volumes.

Sufficient budget will be allocated in the 2018/19 annual budget for the tendered services based on current contract rates and any information presented during the tender evaluation period. The proposed contract will be subject to annual consumer price index adjustments.

People

Suitably qualified and experienced staff are available to ensure the tender process is delivered internally. The negotiation, implementation and management of the contract resulting from the tender process will be provided by the RedWaste Business Unit with current staffing levels.

Environmental

The collection, transport and processing of green waste and timber will be undertaken in compliance with all relevant environmental legislation. The tender will not include provision for the regular onsite grinding of green waste and timber and therefore environmental nuisances such as noise and dust will be further mitigated.

Social

QYAC and SMBI Food Growers Group will be notified upon advertisement of the tender should they wish to submit a response. There are no other social impacts identified. However, social benefits include being able to meet community expectations regarding an essential service and with minimal disruption to that service.

Alignment with Council's Policy and Plans

This report supports Council's vision of forward thinking and strategic procurement to strengthen customer service and deliver better value for money. The proposed contract for the collection, transportation and processing of green waste and timber also aligns to Council's Corporate Plan 2015-2020 Outcome of Green Living, through implementation of Council's waste management strategy, by applying best practice principles in pricing, public awareness, resource management, recycling and recovery.

CONSULTATION

In developing this tender process for the collection, transport and processing of green waste and timber from Council's waste transfer stations, consultation has included the following:

- RedWaste Business Unit;
- Legal Services Unit;
- Procurement Services Unit;

- Group Manager Water & Waste Operations;
- General Manager Infrastructure & Operations; and
- Business Partnering Unit – Financial Services.

OPTIONS

Option 1

To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to enter into a Schedule of Rates Contract over \$2,000,000 with the preferred tenderer and to negotiate, make, vary and discharge the contract T-1852-17/18-WST in accordance with the agreed contract terms and conditions, and sign all relevant documentation.

Option 2

That Council resolves not to delegate authority to the Chief Executive Officer, and requests that a tender report be presented at a General Meeting following evaluation and selection of a preferred tenderer.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

- 1. To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to enter into a Schedule of Rates Contract over \$2,000,000 with the preferred tenderer and to negotiate, make, vary and discharge the contract T-1852-17/18-WST in accordance with the agreed contract terms and conditions, and sign all relevant documentation; and**
- 2. That this report remains confidential until the contract is awarded and details published in accordance with legislative requirements, subject to maintaining the confidentiality of legally privileged and commercial in confidence information.**