

4.10 TENDER FOR RECEIPT OF RECYCLABLES (CF2022145: RM)

Responsible Officer: Jarrod Doake

RECOMMENDATION*

That Council:

- 1. Awards the tender from Visy Recycling for Receipt of Recyclables, Contract No. 2022145 for a schedule of rates based contract with an estimated contract value of \$8,831,715 for the initial six year term and an estimated total contract value of \$13,904,777 inclusive of all available extension options;*
- 2. Notes that based on current volume trends, Bulk Cardboard will also provide an estimated \$455,400 of income for Council's Recycling and Waste Centre over the initial term of the contract.*
- 3. Authorises the Chief Executive Officer or their delegate to execute the contract agreements subject to satisfactory negotiation of the final Contractual Terms and Conditions;*
- 4. Notes that the contracted services will commence on 1 April 2023 with an initial term of six years and the contract has two (2) separate extension options of two (2) years each, and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.*
- 5. Notes that the estimated schedule of rates contract values stated above are also subject to an annual CPI indexation as per the contract.*

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise)*

INTRODUCTION

Council has conducted a tender for the Receipt of Recyclables.

Council's Waste Management Strategy 2017 includes the waste management objective to reduce waste to landfill by 75% by 2027. An effective kerbside recycling service is an integral part of achieving this target.

As part of its planning process for this tender, Council officers considered its procurement options, including whether to go to market itself, participate in regional or sector collaboration or to access established contracts via other compliant Procurement agreements. Collaboration with other councils was considered by the panel as having little potential to add value for Council due to our relatively large volumes compared with other councils.

BACKGROUND

Monash is currently contracted to Visy Recycling for the receipt of approximately 14,300 tonnes of kerbside commingled recyclables each year. The current Receipt of Recycling contract commenced on 1 April 2011 and expires on 30 March 2023. This contract has been extended by agreement since 2018, including the current 2 year extension granted under a Ministerial Exemption reported to Council in June 2019.

Under the new proposed contract, the current scope of works of receiving kerbside commingled recyclables has been expanded to accommodate future changes under the State Government Recycling Victoria Policy (2020), such as future separated glass bin services. Additional items included in this contract are the bulk paper and cardboard from Council's Recycling and Waste Centre and the application of stickers to all kerbside recycling bins with large format education material to assist our community to further reduce bin contamination.

Council's Waste Management Strategy 2017 adopted the waste diversion from landfill target of 75% by 2027. The strategy identified several actions that would be important in achieving 75% waste diversion from landfill, such as the introduction of food waste recycling, the switching of garbage and organics collection frequencies, the development of alternative waste management options such as Waste to Energy, and the increase in resource recovery of recyclable materials to reduce waste sent to landfill and increase service value and income.

NOTIFICATION

A public notice was placed in The Age newspaper on Saturday 6 August 2022 and the tender closed on 26 August 2022

TENDERS RECEIVED

Tender submissions were received from the following two suppliers by the appointed closing time.

No.	Tenderer
1	Visy Recycling
2	Regroup Pty Ltd

Tender Conformance:

All tender submissions were deemed conforming.

The two conforming tenders were then further evaluated as per the agreed evaluation criteria.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

As per Procurement Policy, a legal review of the tender documents was conducted and an independent Probity Advisor was engaged to oversee the tender process.

The tenders were assessed in accordance with the following criteria as per the tender documentation.

Assessment Criteria	Measure
Quality and OH&S Systems	<i>Pass/Fail</i>
Insurance and Indemnity Disclosure Schedule for mandatory insurances required at tender submission 1. Public Liability 2. Motor Vehicle 3. WorkCover	<i>Pass/Fail</i>
Existing Material Recovery Facility (MRF) in operation	<i>Pass/Fail</i>

The conforming tenders were then assessed and scored in accordance with the price and non-price criteria as shown below:

	Key Selection Criteria	Criteria Weightings
Qualitative Criteria (50%)	Capacity and Capability	30%
	Sustainability	20%
Quantitative Criteria (50%)	Price	50%

DISCUSSION

The following information supports the evaluation panel's recommendations.

The Tenders were evaluated in accordance with the specified evaluation criteria. As a schedule of rates tender, contract cost modelling was conducted based on forecast volumes to determine the estimated contract service cost for the initial six year term.

Following this qualitative and quantitative evaluation, the panel assessed the proposed contract departures from the highest scoring tenderer. The contract terms and conditions will be finalised prior to execution of the final contract agreement.

FINANCIAL IMPLICATIONS

The estimated first year cost of the proposed new contract is \$1,647,954 including the supply and application of large format education stickers to 75,000 kerbside recycling bins.

The estimated total contract expenditure is \$13,904,777 inclusive of all available extension options. Future operational budgets will be adjusted to cater for the service costs accordingly.

SUSTAINABILITY OUTCOMES

Environmental Sustainability:

Visy Recycling's Victorian Energy Supplier contract is a Renewable Energy Power Purchasing Agreement (PPA), with the underlying generation being the Lal Lal wind farms near Ballarat.

Local Sustainability:

Council actively pursued commitments for local sustainability however there was no substantive offer of this nature provided for this contract. This is not unusual considering the type and location of the contract delivery. Visy does however employ approximately forty staff that reside within the City of Monash.

Social Sustainability:

Council actively pursued commitments for social sustainability however there was no substantive offer of this nature tendered. This is not unusual considering the type and location of the contract delivery.

CONCLUSION

That Council approves the recommendations contained within this report.