



Coffs Harbour City Council

22 March 2017

EXTRAORDINARY COUNCIL MEETING

The above meeting will be held in the Council Administration Building
Cnr Coff and Castle Streets, Coffs Harbour on:

THURSDAY, 30 MARCH 2017

The meeting commences at **5.00pm** and your attendance is requested.

AGENDA

1. Opening of Extraordinary Meeting
2. Acknowledgment of Country
3. Disclosure of Interest
4. Apologies
5. Directorate Reports – Sustainable Infrastructure
6. Consideration of Confidential Items (if any)
7. Close of Extraordinary Meeting.

Steve McGrath
General Manager

Order of Business

DIRECTORATE REPORTS - SUSTAINABLE INFRASTRUCTURE

SI17/07 COFFS COAST WASTE SERVICES - REGIONAL WASTE MANAGEMENT
SERVICES - TENDERS FOR COLLECTION AND/OR PROCESSING OF
WASTE 4

SI17/07 COFFS COAST WASTE SERVICES - REGIONAL WASTE MANAGEMENT SERVICES - TENDERS FOR COLLECTION AND/OR PROCESSING OF WASTE

Author: Team Leader Waste Services

Authoriser: Director Sustainable Infrastructure

Coffs Harbour 2030: LE4 We reduce our impact on the environment

Attachments:

- ATT1 SI17/07 CONFIDENTIAL CCWS RFT-658-TO Tenders Evaluation - 30 March 2017**
Confidential in accordance with Section 10A(2)(c) of the Local Government Act as it contains information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.[↓](#)
- ATT2 SI17/07 CONFIDENTIAL Coffs Coast - Waste Service Tender Evaluation Report 2017** [↓](#)
- ATT3 SI17/07 CONFIDENTIAL Probity Report Coffs Coast Waste Services Final** [↓](#)
- ATT4 SI17/07 CONFIDENTIAL CHCC Bulky Waste Cleanup - Issues Paper - March 2017** [↓](#)

EXECUTIVE SUMMARY

Coffs Coast Waste Services (CCWS) is a partnership between Bellingen Shire, Coffs Harbour City and Nambucca Shire Councils for the purposes of providing waste collection and associated services to the communities of the three Councils. Coffs Coast Waste Services (CCWS) seek tenders for waste services collaboratively – and have done so since 2003 to ensure best value for money for our communities. The existing contracts for waste collection and recyclables processing and associated services are due to expire in March 2018. Therefore in October 2016 CCWS invited tenders for new contract/s.

This report details the evaluation of tenders received, and makes recommendations as to the outcomes of the evaluation.

This will be an approximately nine year contract commencing on Monday 5 March 2018.

RECOMMENDATION:

That Council Considers tenders received for the Regional Waste Management Services, Contract RFT-658-TO, and move the motion as detailed in the confidential attachment.

REPORT

Description of Item:

Bellingen Shire, Coffs Harbour City and Nambucca Shire Councils form Coffs Coast Waste Services and tender for waste services collaboratively. This will be a nine year contract commencing on Monday 5 March 2018.

The current waste collection and processing contract expires on Sunday 4 March 2018, but due to the complexity and value of such waste contracts, extensive planning and tendering has been undertaken nearly 2 years in advance. Post 'contract award' – successful contractors for both parts of the contract need to be provided 11 months for 'tool up' before the commencement of the

services. This includes for purchasing of collection vehicles, machinery, computer systems and training etc.

The tender was released in two parts as outlined below and tenderers were invited to tender for either Part A or, Part B or, Part A and B combined.

Part A – Waste Collection Services

- Collection of the 3 bin kerbside residential and non-domestic collection services:
 - Organics with food waste (green lid) collected weekly
 - Recycling (yellow lid) collected alternative fortnights
 - Residual (red lid) collected alternative fortnights
- Household bulky goods collections (6 options)
- Street and park litter bin collections (Mandatory for Coffs Harbour City Council and Optional for Bellingen Shire and Nambucca Shire Councils)
- Collection of waste, recycling and organics material using large mobile garbage bins (MGBs) at approved multi-unit dwellings (MUDs) and non-domestic properties with individual service frequencies
- Servicing of transfer stations and haulage of bulk materials (For Bellingen and Nambucca LGAs only)
- Pump out effluent at nominated premises and transfer to water reclamation plant (Coffs Harbour City Council only)
- Education
- Other optional services

Part B – Recycling Processing Services

- Receipt and processing of all delivered recyclables including the resale or other use of recovered materials and the disposal of residual waste
- The operation and servicing of the public drop off at Coffs Harbour City Council's Englands Road Facility

As at July 2016 the totals of serviced premises for each LGA were as follows:

Coffs Harbour City Council – 31,625

Bellingen Shire Council – 4,252

Nambucca Shire Council – 8,249

Tenders were released to the market on 5 October 2016. A pre tender briefing and facilities tour were held for prospective tenderers on Thursday 20 October 2016. Tenders closed on 15 December 2016. The Evaluation Panel, consisting of staff from each Council, and consultants, and an Independent Probity Advisor, working to an Evaluation Plan, have undertaken comprehensive evaluations of the tenders received.

Conforming tenders from the following organisations for each Tender were received by the closing time:

Part A – Waste Collection Services:

- Cleanaway Pty Ltd (Cleanaway)
- Handybin Waste Services (Coffs Harbour) Pty Ltd (Handybin)

Part B – Recycling Processing Services:

- Handybin Waste Services (Coffs Harbour) Pty Ltd (Handybin)
- RDT Operations Pty Ltd (Re.Group)

Part A and Part B Combined:

- Handybin Waste Services (Coffs Harbour) Pty Ltd (Handybin) also lodged a tender for Part A and Part B Combined

Tenders were evaluated on the following criteria:

Part A – Collection Services

- Cost to Council
- Service Methodology
- Business and Human Resources
- Front Line Resources
- Support Resources
- Conformity
- Financial Capability
- Work Health and Safety
- Corporate Structure

Part B – Recyclables Processing Services

- Cost to Council
- Environmental Performance
- Confidence in the Contractor
- Conformity
- Financial Capability
- Work Health and Safety
- Corporate Structure

Issues:

Tenders were called in October 2016. Two tenders were received for each part of the tender. The evaluation panel considers that the tendering process did deliver competitive tenders of a high standard and represent good value for money to the three CCWS Councils.

Options:

Options available to Coffs Harbour City Council include:

- a) Adopt the recommendations which would award contracts to the preferred tenderers. This offers the least risk to CCWS for several reasons, including the provision of sufficient clarity and a sufficient timeframe (pre services commencement in March 2018) for successful tenderers to procure the required plant, equipment, and associated resources (which are very substantial and require a long 'tool up' period) to easily transition from existing contracts to the new contracts in March 2018 – and provide high quality waste services to the community.
- b) Amend the recommendations provided to Coffs Harbour City Council adopting an alternative/s.
(Remembering that: if contract start dates became delayed it would be unlikely to allow sufficient time to tenderers to 'tool up' prior to the commencement of services; and also remembering that recommendations are based on a particular suite of recommended services, to be delivered at specific Tendered Rates – any unforeseen adjustment to the recommended suite of services would change the financial outcomes noted in this report). This could expose CCWS Councils to significant risk of discontinuity of the existing and proposed collection and recycling services and potentially impact waste budgets.
- c) Reject the recommendations provided to Coffs Harbour City Council and adopt an alternative/s. Given the very substantial investment in the tender processes by the three Councils in developing the tenders evaluation, reporting, budgeting and therefore ultimately arriving at the above recommendations, this could expose CCWS Councils to significant risk of discontinuity of the existing and proposed collection and recycling services and potentially impact waste budgets.

Sustainability Assessment:**• Environment**

CCWS provide some of the highest levels of waste services, recycling, reuse and processing in Australia. The proposed new regional waste management services contracts will have no adverse environmental impact, as it would ensure existing services will be maintained. The new contracts will see an improvement to the already high levels of resource recovery being achieved – for example: an extended range of recyclables will be acceptable in the recycling bins from the commencement date. The proposed new fleet of waste collection vehicles are required to be emission compliant to Australian and international standards, and their maintenance and servicing regime will ensure a high quality fleet.

The provisions of the proposed new regional waste management services contracts reflect and support the targets and key performance indicators of the councils adopted 'Coffs Coast Region Resource Recovery and Waste Management Strategy: 2015-2027', and those set out by the NSW Environment Protection Authority in the 'NSW Waste and Resource Recovery Strategy 2014-2021'.

• Social

There is unlikely to be any adverse social impact by the new regional waste management services contracts. Local employment and investments will continue, and the service will continue to enhance community wellbeing, by providing a high quality service to the community.

• Civic Leadership

Pursuant to the Local Government Act, Coffs Harbour City Council is responsible for waste removal, treatment and disposal services and facilities.

The outcomes of this report are consistent with Objective LC3.1 of the Coffs Harbour 2030 Community Strategic Plan. Coffs Harbour City Council is both a provider and facilitator for this objective and will continue to provide civic leadership with best practice management.

• Economic – Broader Economic Implications

The new regional waste management services contracts will provide local employment and services for the community. It will not impact on the positive economic viability that a best practice waste management service currently provides. High quality waste management services will continue to enhance tourism and its economic benefits.

• Economic - Delivery Program/Operational Plan Implications

Expenditure for the new regional waste management services contracts is currently included in the Domestic and Non-Domestic Waste Services budgets. The new regional waste management services contracts, as recommended, are not expected to adversely affect the Operation Plan or Delivery Program.

Risk Analysis:

The major risks that have been identified, and evaluated are:

1. Compliance with the Local Government Act and Regulations with regard to the tender processes.
2. A shorter 'tooling up' period could result in a high risk of lowering levels of service.

These risks have been mitigated by strong probity and related processes, and by conducting the evaluation of the tenders to a high standard for adoption by Council, and by allowing sufficient tool-up time in the lead up to the commencement of the services.

Consultation:

For up to 18 months, the three Councils' waste team members have worked collaboratively to develop high quality specifications and the Request for Tender, undertake the tender process including evaluation etc, in conjunction with the expert consultants, Independent Probity Advisor, and relevant stakeholders, in order to provide recommendations to Council.

Consultation was undertaken with the all relevant internal groups, and all relevant stakeholders of Bellingen Shire and Nambucca Shire Councils.

Coffs Harbour City Council (and Bellingen Shire and Nambucca Shire Councils) have received legal advice on the RFT documentation from Lawyers, Marsdens, which is subject to Legal Professional Privilege, with regards to compliance with the LGA and Regulations and contract law.

Related Policy, Precedents and / or Statutory Requirements:

Under the Local Government Act 1993 (NSW) and the Local Government (General) Regulations 2005 (NSW) relating to tendering, a Council must invite tenders in circumstances identified in section 55 of the Act.

Tendering procedures were carried out in accordance with Council's Policy. Council's Tender Evaluation System has been applied during the tender review process. The evaluation followed the 'Probity and Evaluation Plan' specifically developed for RFT-658-TO.

Tender submission details and evaluations are included in the confidential attachment.

Implementation Date / Priority:

If Coffs Harbour City Council resolves to accept the recommendations as written, and if both Bellingen Shire Council and Nambucca Shire Council also resolve to accept recommendations which complement the resolutions of Coffs Harbour City Council (and themselves respectively), then the new regional waste management services contracts will be awarded shortly thereafter (April 2017), with an 11 month 'tooling up' period, the Contractors will commence providing the new services under those contracts on 5 March 2018.

The term of the new regional waste management services contracts is for approx. nine years, with an option to extend for 1 more period, of 2 years, on notice from Coffs Harbour City Council (and from Bellingen Shire Council and from Nambucca Shire Council) to the successful tenderers in accordance with the contracts. (The nine year term of the contract is proposed in order to align its expiry, with that of the expiry of the contract for the 'Coffs Coast Resources Recovery Facility' (also known as the 'Biomass Facility').

Conclusion:

It is assessed that adopting the recommendations as written, to accept the preferred tenders, will ensure:

- a) that the new regional waste management services to be provided will align with the NSW State and Regional Waste Strategy objectives; and
- b) that the scope of the new regional waste management services contracts is likely to provide best value for money for the community, and
- c) continuity of the essential regional waste management collection and recyclables processing services – to a high standard.

These actions are within the requirements of the LGA and Regulations and will reduce Coffs Harbour City Council's risks with regard to ensuring advantageous contracts for waste services.