

**5.1: CONTRACT C12008 – GREENWASTE COLLECTION AND PROCESSING**

**Proponent** : City of Albany  
**Responsible Officer(s)** : Executive Director Works & Services (M Thomson)

**Maps and Diagrams:**

Nil

**IN BRIEF**

- Contract tender for the collection and processing of greenwaste;
- Tender is for a 5 + 3 year term;
- Requirement for the nominated processing site to have appropriate approvals;
- Only one site has appropriate approvals and required renegotiation during the tender evaluation process;
- Recommendation to divide contract as detailed below.

**ITEM 5.1: PROCEDURAL MOTION**

**MOVED: COUNCILLOR BOSTOCK**  
**SECONDED: NO SECONDER**

**THAT this item be laid on the table for further consideration by Council.**

**MOTION LAPSED-NO SECONDER**

**RECOMMENDATION**

**ITEM 5.1: RESOLUTION**  
**VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR GREGSON**  
**SECONDED: COUNCILLOR CALLEJA**

**THAT Council:**

1. **Divides contract C12008 Collection and Processing of Greenwaste into two contracts:**
  - (i) **Contract C12008A Collection of Greenwaste;**
  - (ii) **Contract C12008B Processing of Greenwaste;**
2. **Council AWARD Contract C12008A Collection of Greenwaste to TPI Cleanaway.**
3. **Council AWARD Contract C12008B Processing of Greenwaste to Vancouver Waste.**

**CARRIED 11-1**  
**ABSOLUTE MAJORITY**

**Record of Vote:**

Against the Motion: Councillor Bostock

**BACKGROUND**

1. The City of Albany's current contracts for the collection and processing of greenwaste have expired and a new tender for these services was called on 19 September 2012.

**DISCUSSION**

2. A total of thirteen tender documents were downloaded from the City of Albany website.
3. Four completed tender documents were submitted on or before the stipulated closing date and time.
4. The tenders were evaluated using the weighted attributes methodology. This method scores the evaluation criteria and weights their importance to determine an overall point score for each tender. The criteria are tabled below:

<b>Criteria</b>	<b>% Weight</b>
Cost	40
Experience and Skill	20
Innovation of Operation and Sustainability of Process and Product	15
Suitability of Processing Site	15
Customer Service	10
<b>Total</b>	<b>100</b>

5. The following tables summarise the tenders and overall evaluation scores applicable to each submission.

Table 1 - Collection

<b>Tenderer</b>	<b>Total Evaluation Score</b>
TPI Cleanaway	762.50
Vancouver Waste	736.15
WA Recycling Services	72.50
Wilyung Farms	0.00

Table 2 - Processing

<b>Tenderer</b>	<b>Total Evaluation Score</b>
Vancouver Waste	569.21
TPI Cleanaway	554.63
Wilyung Farms	347.40
WA Recycling Services	0.00

6. TPI Cleanaway and Vancouver Waste were the only tenderers to provide a price on supplying both the collection and processing components of the contract. Wilyung Farms provided a price for processing and WA Recycling tendered on the collection component of the contract.

7. No tender submission had the required planning and state government approvals to fully process the greenwaste at their nominated site. Further negotiation was undertaken with Vancouver Waste to utilise their Mindijup Waste site for processing rather than their current John St depot. The Mindijup Waste site has the required DEC and local government approvals.
8. This tender allows the City the ability to exercise an option to divide the contract between two tenderers. On the basis of the total evaluation score for the selection criteria there is a cost advantage to the City to divide the contract between TPI Cleanaway and Vancouver Waste.
9. It is proposed that TPI Cleanaway will undertake the collection component of the contract and Vancouver Waste the greenwaste processing. TPI Cleanaway and Vancouver Waste have provided the current greenwaste service under this arrangement for the past 8 years to a satisfactory standard.
10. It is proposed that Vancouver Wastes current greenwaste depot at John St will be used as a drop off point with the material transferred to their Mindijup site for processing.
11. The use of the Mindijup Waste site will incur an additional transfer fee but is still within City budget forecasts.
12. The City cannot control the gate fee charged by the contractor but it is likely that the additional transfer costs will result in a price increase charged to the public.

#### **GOVERNMENT CONSULTATION**

13. All State and Local Government approvals have been verified as part of the evaluation process.

#### **PUBLIC CONSULTATION / ENGAGEMENT**

14. A request for tenders was published in the West Australian on 22 August 2012 and the Albany Weekender on 23 August 2012. Tenders closed 2pm 19 September 2012.

#### **STATUTORY IMPLICATIONS**

15. Regulation 11 of the *Local Government (Functions and General) Regulations 1996 (Regulations)* requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
16. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.
17. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

#### **STRATEGIC IMPLICATIONS**

18. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

**Key Focus Area**

*Sustainability and Development*

**Community Priority**

*Adopt "Green City" principles*

**Proposed Strategies**

*Provide incentives and increased options for recycling and or reuse of waste*

**POLICY IMPLICATIONS**

19. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

**RISK IDENTIFICATION & MITIGATION**

20. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Non compliance with contract or business failure</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Moderate</i>	<i>General conditions of contract allow for contract termination on the basis of failure to supply goods &amp; services</i>

**FINANCIAL IMPLICATIONS**

21. The costs associated with providing a greenwaste service is funded through City of Albany waste minimisation income. Funds are budgeted for the 2012/13 year in Account number 138070 Job Number 1323 for kerbside collection, and Account Number 130760 for greenwaste processing.

22. The tenure of the greenwaste contracts are for 5+3 years so Council will need to budget for the greenwaste service for a minimum of the next five years.

**LEGAL IMPLICATIONS**

23. There are no legal implications associated with this item.

**ALTERNATE OPTIONS**

24. Council can accept or reject the tenders as submitted.

**SUMMARY CONCLUSION**

25. The Greenwaste Collection and Processing contract was tendered with the option of dividing the contract if it was in the best interest of the City. The evaluation team, on reviewing the submissions across the evaluation criteria assessed that dividing the contract would result in financial savings without comprising service delivery.

26. The evaluation teams assessment is that TPI Cleanaway as the most suitable tenderer to provide the greenwaste collection and Vancouver Waste the most suitable tenderer to provide greenwaste processing.

<b>Consulted References</b>	:	Local Government (Functions and General) Regulations 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
<b>File Number (Name of Ward)</b>	:	C12008