

7.5 Contract 2021/207 - Materials Cartage & Leaf Disposal Services

Executive Summary

Purpose

This report seeks Council's endorsement for the award of Contract No. 2021/07 Materials Cartage Leaf Disposal Services.

Background

Council previously held a Materials Cartage Contract, Contract No. 2015/33 providing carting of waste materials such as, green waste, landfill, tree mulch and road sweeper waste from the Kew Depot to waste processing facilities. This contract came to an end in 2018. From 2018 this service has been undertaken through Leaf Disposal Contract, Contract No. 2018/79.

This contract will provide materials cartage and leaf disposal services for an initial term of three (3) years with one possible extension of two (2) years up to a total maximum contract period of five (5) years. The service is expected to commence on 1 of April 2022.

The estimated cost of this contract is \$2,000,000 excluding GST which is in accordance with Council's proposed 2022/23 budget.

Key Issues

As part of the maintenance and works involved in managing green assets, the timely export of waste materials is crucial to our service delivery. This contract ensures the responsible management of these waste materials and additionally provides a timely service to export and limit stockpile storage at the Kew Depot facility.

This contract assists us in achieving best practice based on the advice provided to the waste management industry via the EPA Guidelines *Management and storage of compostable recyclable and waste materials*. It further assists in lowering our environmental and safety risks at the facility.

Further to this, the sustainability initiatives within this contract further our efforts in creating a circular economy. Benefits include turning our sweeper waste into organic fertilisers, green waste into varieties of mulch, and log woods into recycled products.

Next Steps

Upon award of the contract, Council will oversee the management and execution of these services.

Confidentiality

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in section 3(1) of the *Local Government Act 2020*. The information relates to

- a) private commercial information, being information provided by a business, commercial or financial undertaking that—
- i.* relates to trade secrets; or
 - ii.* if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage;

The item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve to:

1. Award Contract No. 2021/207, Material Cartage and Leaf Disposal Services, to Garden State Mulching Services Pty Ltd (ACN 065 566 609) at their tendered schedule of rates for an initial contract period of three (3) years plus optional extension period of two (2) years to be exercised at the discretion of Council. The estimated total contract cost is \$2,000,000 (excluding GST).
2. Authorise the Director Places and Spaces to sign and execute the contract agreement on behalf of the Council.
3. Authorise the Director Places and Spaces to negotiate and execute optional extension period up to the maximum five (5) year period.
4. Note that expenditure under this contract is in accordance with Council's 2021/22 adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/207, Material Cartage and Leaf Disposal Services.

2. Policy implications and relevance to community plan and council plan

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021-25):

Theme 2 Parks and Green Spaces

Strategy 2.4 - Strategy Green spaces are maintained and increased through management practices and investigating opportunities to acquire or modify existing land

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

3. Background

Council requires a suitably experienced and qualified organisation to provide the material cartage and leaf disposal services in accordance with the requirements of the specification.

Council previously held a Materials Cartage Contract, that was awarded in 2015, Contract No. 2015/33. This service carted waste materials such as, green waste, landfill, tree mulch and road sweeper waste from the Kew Depot to the waste processing facilities. This contract came to an end in 2018.

From 2018 until Council has utilised Leaf Disposal Contract, Contract No. 2018/79 to deliver this service.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably experienced and qualified organisations to undertake Material Cartage and Leaf Disposal Services. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 13 November 2021 and on Council's website. The closing date for submissions was 4pm, Friday 3 December 2021.

In response to the advertisement, Council received two submissions:

- Garden State Mulching Services Pty Ltd; and
- Repurpose It Pty Ltd.

4. Outline of key issues/options

As part of the maintenance and works involved in managing green assets, the timely export of waste materials is crucial to our service delivery. This contract ensures the responsible management of these waste materials and additionally

provides a timely service to export and limit stockpile storage at the Kew Depot facility.

This contract assists us in achieving best practice based on the advice provided to the waste management industry via the EPA Guidelines *Management and storage of compostable recyclable and waste materials*. It further assists in lowering our environmental and safety risks at the facility.

Further to this, the sustainability initiatives within this contract further our efforts in creating a circular economy. Benefits include turning our sweeper waste into organic fertilisers, green waste into varieties of mulch, and log woods into recycled products.

5. Collaborative Procurement Opportunities

Officers held discussions with a number of neighbouring local governments to determine the suitability of a collaborative procurement process. The contract specification requires the removal of material from a single site, no other local government managed in this operating model, therefore collaborative procurement wasn't appropriate in achieving a better value outcome.

6. Consultation/communication

Internal consultation with contract users across the Places and Spaces directorate was undertaken in reviewing the service specification.

7. Financial and resource implications

Council currently has individual contracts for the provision of Material Cartage and Leaf Disposal Services. Following a review of the contract approach a single contact for both services has been determined to provide best value and management for Council.

By combining the two contracts, it allows the drawing of funds from the following Financial Accounts over the duration of the new contract:

1. Account Number 24101/55956 (Parks Business Support - Cartage/Removal) - \$135,000 budgeted to FY21/22, FY22/23, FY23/24, FY24/25; and
2. Account Number 23701/55958 (FOGO - Waste / Recycling Disposal) - \$4,541,616 budgeted FY21/22, FY22/23, FY23/24, FY24/25.

While the FOGO - Waste/Recycling Disposal account also funds a number of other services, the budget allocation has sufficient funds to accommodate for this contract over the listed financial years.

Total adopted budget allocation 2020-21: \$4,676,516

Funds spent or committed under existing contract: estimated - \$101,179

Total remaining adopted budget 2019-20: **\$4,576,516**

Council does not guarantee the appointed contractor a minimum quantity of work in relation to any of the contract components. The amount of works performed will be in accordance with the need and budgetary allocations each year.

Payment will be made in line with the respective Tenderer's Schedule of Rates.

8. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

Implementing this contract allows Council to have positive impacts on social and environmental issues including:

- Quickly and effectively removing leaf litter from our roads during leaf fall season, creating cleaner safer streets, and protecting our drainage network from blockages;
- Sustainable circular economy outcomes through the processing and reuse of our organic material that is collected; and
- Lowering and maintaining a low risk of environmental disasters such as fires in our combustible waste.

10. Evaluation and review

The tender evaluation report is provided as **Confidential Attachment 1**.

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2021/207, Material Cartage and Leaf Disposal Services to Garden State Mulching Services Pty Ltd.

Manager: David Shepard, Manager Environmental Sustainability & Open Spaces

Report officer: Michael Hoskins, Depot Safety & Logistics Officer