

7.2 Contract No. 2023/2 Provision of Mattress Collection & Recycling Services

Executive Summary

Purpose

The purpose of this report is for Council to consider the award of Contract No. 2023/2 Provision of Mattress Collection and Recycling Services.

Background

Council requires the services of a suitably qualified and experienced Contractor to provide mattress collection and recycling services of the mattresses located at the Boroondara Recycling and Waste Centre from residents and those collected from hard waste collections from residential properties.

The proposed contract replaces an existing Contract No. 2020/52.

Key Issues

The key considerations used in the assessment and determination of the outcome of this tender process were:

- Delivers a high-quality collection and processing service that provides transparency to Council;
- Complies with licence and regulatory requirements as enforced by the Victorian EPA and other legislative and best practice management processes;
- A proven track record undertaking similar works in the past;
- Access to appropriately skilled personnel and subcontractors; and
- Value for money within the constraints of the Council budget.

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. The information in this attachment is deemed to be confidential in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020. The information relates to 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.

If discussion of the confidential information in the attachments to this report is required for Council to make a decision, Council may resolve to discuss the matter in a confidential session or to defer the matter to the confidential section of the agenda.

Officers' recommendation

That Council:

1. Award Contract No. 2023/2, Provision of Mattress Collection and Recycling Services, to WM Waste Management Services Pty Ltd (ACN 006 368 136) as trustee for WM Waste Management Unit Trust (ABN 69 897 425 789) at their annual lump sum rate for an initial period of three (3) years, with up to two increments of one (1) year each, to a maximum contract term of up to five (5) years. The estimated value over the maximum contract term is \$879,450 (including GST). The estimated cost to Council after return of GST Input Credits is \$799,500.
2. Authorise the Director Places and Spaces to execute the contract agreement with the above Contractor.
3. Authorise the Director Places and Spaces to negotiate and execute optional extension periods.
4. Note that expenditure under this contract is in accordance with Council's adopted budget for financial year 2023-24. Future years expenditure is foreshowed and 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. 2023/2, Provision of Mattress Collection and Recycling Service.

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 Three - "The Environment"

Strategy 3.1 - Community resilience and capacity to live sustainably is increased through advocacy, education and resources.

Theme Three - "The Environment"

Strategy 3.3 - Municipal and household waste is reduced through initiatives to prevent, reduce, reuse and recycle.

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

3. Background

Council requires the services of a suitably qualified Contractor to provide mattress collection and recycling services of the mattresses located at the Boroondara Recycling and Waste Centre in accordance with the requirements of the specification.

Council requires the Contractor to use systems and processes to achieve optimum reuse and recovery of mattress materials to the best environmental outcomes. The Council's objective is to maximise diversion from landfill and recycling of materials received at the Centre.

The Contractor will be responsible for loading onto the vehicle at the Boroondara Recycling and Waste Centre and transporting the mattresses to its designated facility for processing.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to provide mattress collection and recycling services. An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday, 1 April 2023 and on Council's website. The closing date for submissions was 2pm, Friday, 28 April 2023.

In response to the advertisement, Council received two submissions:

- Community Resources Limited, trading as Soft Landing Mattress Recycling (ABN 90 716 695 414); and
- WM Waste Management Services Pty Ltd (ACN 006 368 136) as trustee for WM Waste Management Unit Trust (ABN 69 897 425 789)

4. Outline of key issues/options

Continual collection of mattresses from the Boroondara Recycling and Waste Centre is essential for the ongoing acceptance of mattresses bought into the facility by residents and meeting the facility's environmental compliance.

Non-acceptance of mattresses long-term may increase illegally dumped waste and the workload of the hard waste collection team.

Recyclable materials sent to landfills go against Council's environmental policy and can damage Council's reputation.

WM Waste Management Services Pty Ltd have stated 61% of the material by weight is recovered and diverted from landfill. WM Waste is currently investigating the feasibility of using mattress residue in a Biochar project, resulting in 100% by-weight diversion from landfill.

WM Waste Management Services Pty Ltd has been operating for 38 years and is a Mattresses Collections and Recycling Contractor of 41 Municipalities across Victoria and Southern New South Wales. WM Waste have held similar contracts with Banyule City Council (August 2021 to June 2023), Monash City Council (February 2020 to June 2023) and Whitehorse City Council (since 2014). Additional Contracts held with Darebin City Council and Greater Geelong Council.

5. Collaborative Procurement Opportunities

Council Officers are often in discussions with neighbouring local governments to determine the suitability of a collaborative procurement process; however, no other local government required the same services at this time; therefore, collaborative procurement wasn't appropriate for achieving a better value outcome.

6. Consultation/communication

Internal consultation across the appropriate services within the Facilities, Waste and Infrastructure and Environmental Sustainability & Open Spaces teams informed the review and development of the specification and associated tender documents.

7. Financial and resource implications

Council's 2023-24 adopted budget provides the following allocation:

Item	Ex GST
Total Budget Allocation FY 2023-24	\$200,200
Expenditure and Commitment to Date	\$32,000
Total Remaining Budget FY 2023-24	\$168,200

This is a Schedule of Rates contract.

The annual expenditure under this contract will be \$159,900. This budget allocation is sufficient to fund the contract as recommended. In future years officers will monitor the number of mattress disposals over a financial year, and expenditure may increase due to more mattress disposals by residents.

Council does not guarantee the appointed Contractor a minimum quantity of work in relation to any of the contract components. The amount of work 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 and will be in accordance with Council's 2023-24 adopted budget.

8. Governance issues

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

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

9. Social and environmental issues

A high percentage of material recovery from collected mattresses will reduce material going to landfill and provide a positive environmental impact.

10. Evaluation and review

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

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2023/2, Provision of Mattress Collection and Recycling Service to:

- WM Waste Management Services Pty Ltd (ACN 006 368 136) as trustee for WM Waste Management Unit Trust (ABN 69 897 425 789)

Manager: **George Batsakis, Manager Facilities, Waste and Infrastructure**

Report officer: Arthur Cheng, Infrastructure Contracts Officer