

7.11 Contract 2009/2 Short Term Green Organics Processing Arrangements

Abstract

This report seeks Council endorsement for the award of a new contract to receive and process green waste collected from the City of Boroondara. The contract is a collective contract which is auspiced and administered by the Metropolitan Waste and Resource Recovery Group (MWRRG). This contract provides for the receipt and processing of green waste that is collected via kerbside collections in Boroondara and collected at the Riversdale Road Recycling and Waste Disposal Centre and Kew Depot. Due to the value of the contract it was publicly tendered by MWRRG in accordance with the requirements of section 186 of the Local Government Act, in 2009. An option exists for Boroondara to award this contract for a 13 month term. The estimated annual value of the contract is \$1,117,329, which is in accordance with Council's current adopted budget. The estimated value of the contract over the 13 month term is \$1,210,439 (excluding GST).

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the Local Government Act 1989, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This 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:

1. To award Contract No. 2009/2 Short Term Green Organics Processing Arrangements, for a thirteen month term, at a cost of approximately \$1,331,482 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$1,210,439.
2. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to execute the contract agreement for the above contract.
3. To note that expenditure under this contract is in accordance with Council's adopted 2018-19 budget, and expenditure in 2019-20 will be in accordance with the approved budget allocations.

Responsible director: Shiran Wickramasinghe
Acting Director Environment and Infrastructure

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements.

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

The contract is aligned with Council Plan 2017-21 theme 3, 'The Environment', which states that council will 'Reduce the amount of waste generated and disposed in landfill through initiatives to prevent, reduce, recycle and reuse waste.' (Strategic Objective 3.2). Utilisation of a MWRRG municipal collective contract complies with the requirements of Council's Procurement Policy.

3. Background

The City of Boroondara currently holds a contract for the processing of green waste with Cleanaway. The existing contract is due to expire on 2 September 2018, and does not have extension options.

MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements was established in 2009 to provide councils with short-term options to have green waste processed. It offers more favourable pricing than City of Boroondara's current green waste disposal contract, and is managed through the MWRRG. The contract operates until 1 November 2019.

4. Outline of key issues/options

Pricing

Pricing details are contained in confidential Attachment 1.

The Future of Food and Green Waste in Boroondara

This contract is required to cover the period between expiration of the existing green waste contract, and the future Food and Garden Organics (FOGO) contract. The contract provides a more favourably priced option in the short term, during the period when we will be tendering for a longer-term solution for FOGO processing.

No Requirement to Publicly Tender

The MWRRG ran a full public tender process for this contract in 2009, and advice from Commercial and Property Services confirms that no public tender process is required for the City of Boroondara to award this contract.

5. Consultation/communication

The following internal council departments have been consulted regarding the offer to join MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements:

- Commercial and Property Services

In addition Council has consulted with external parties including: Metropolitan Waste and Resource Recovery Group

6. Financial and resource implications

Council's 2018/19 adopted budget for Green Waste disposal (Account Number 23701-55958) contains a total allocation of \$1,232,715 for green waste disposal. The estimated contract cost per annum is \$1,117,329. The estimated contract cost over the life of the agreement (13 months) is \$1,210,439.

The detailed pricing implications of accepting the offer to join MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements as discussed in confidential **Attachment 1**.

7. Governance issues

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

The Officers responsible for this report have no direct or indirect conflicts of interest requiring disclosure

Utilisation of a MWRRG municipal collective contract complies with the requirements of Council's Procurement Policy.

8. Social and environmental issues

In order to continue being able to provide kerbside green waste collection services and avoid sending recyclable material to landfill, it is necessary to procure receipt and processing services for green waste. The environmental benefits of composting green waste, including resource recovery and reduced greenhouse gas emissions, present a more favourable outcome to landfilling material.

9. Evaluation and review

As a result of the available information and due diligence undertaken, officers recommend that Council accept the offer to join the MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements, for a total cost of \$1,331,482 (including GST). The cost to Council after the return of GST Tax Input Credits is \$1,210,439.

10. Conclusion

Awarding MWRRG Contract 2009/2 Short Term Green Organics Processing Arrangements will ensure the City of Boroondara has the ability to collect and send green waste for processing and composting for the next 13 months.

The short term arrangement offers more favourable pricing than the current arrangement. The short term contract term will also offer flexibility to transition to a different contract model when required, prior to the introduction of FOGO collections in Boroondara.

Manager: Andrew Mackinnon, Group Manager Parks & Infrastructure

Report officer: Natasza Purser, Coordinator Waste Contracts and Projects