

Minutes of a Special Meeting of Council held on Thursday, 9 June 2016 in the Council Chambers, Bridgetown, commencing at 5.30pm called for the purpose of considering quotes and awarding of a contract for the provision of Kerbside Rubbish and Recycling Collection Services.

The President opened the Meeting at 5.30pm

Acknowledgment of Country – Presiding Member

On behalf of the Councillors, staff and gallery, I acknowledge the Noongar People, the Traditional Owners of the Land on which we are gathered, and pay my respects to their Elders both past and present.

Attendance, Apologies and Leave of Absence

President	- Cr J Nicholas
Councillors	- J Boyle - S Hodson - D Mackman - J Moore - A Pratico - P Quinby - P Scallan - A J Wilson
In Attendance	- T Clynch, CEO - M Larkworthy, Executive Manager Corporate Services - E Denniss, Executive Manager Community Services - S Donaldson, Manager Planning - T Lockley, Executive Assistant

Attendance of Gallery

B Bebbington

Public Question Time - Nil

Petitions/Deputations/Presentations - Nil

Comments on Agenda Items by Parties with an Interest - Nil

Notification of Disclosures of Interest

Section 5.65 or 5.70 of the Local Government Act requires a Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

A Member who makes a disclosure under Section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow a Member to speak, the extent of the interest must also be stated.

Nil

Business Items

ITEM NO.	SpC.01/0616	FILE REF.	511
SUBJECT	Contract for Provision of Waste and Recycling Collection Services		
OFFICER	Chief Executive Officer and Senior Engineering Technical Officer		
DATE OF REPORT	3 June 2016		

Attachment 1 – Unit Price Rating RFQ 01/16 Warren Blackwood Waste

OFFICER RECOMMENDATION That Council:

- 1. Awards the Contract for RFQ 01/16 – ‘Provision of Waste and Recycling Collection Services’ to Warren Blackwood Waste for the period of 7 years with an option for the Shire of Bridgetown-Greenbushes to extend the contract for a further 3 years at the rates stipulated in the price schedule provided in the RFQ response from Warren Blackwood Waste.*
- 2. Authorises the CEO to finalise the contract with Warren Blackwood Waste.*

Summary/Purpose

The current contract for provision of rubbish and recycling kerbside bin collections expires on 30 June 2016. A Request for Quotation (RFQ 01/16 - Provision of Waste and Recycling Collection Services) was prepared utilizing the WALGA Preferred Supplier eQuotes tool.

In addition to kerbside waste and recycling bin collections the RFQ also included some specific waste services at the Bridgetown Waste Disposal Site, being pick up and transfer of the bulk waste bins at the transfer station to the tip face, and pick up and transfer of the bulk recycling bins at the transfer station to a recycling centre.

This report recommends the awarding of a contract for the provision of waste and recycling services to the sole responder to the RFQ. The recommendation is based on consideration of the RFQ submission organised by WALGA preferred suppliers electronic quotes (eQuotes) tool.

Background

If a local government is proposing to enter into a contract for the supply of goods or services and the value of that contract exceeds \$100,000 excluding GST, it is required to call for tenders. There is an exemption to this requirement if the goods or services are purchased using the WALGA Preferred Supplier Panel.

As the pricing of the waste and recycling services can be determined through quotes, using the WALGA Preferred Supplier Panel, this option was chosen in preference to a tender.

A request for quotes for the Provision of Waste and Recycling Collection Services was subsequently lodged on WALGA Preferred Supplier eQuotes tool. Seven (7) suppliers of waste services were notified of this request. The closing date for delivery of quotations was 23 May 2016.

The RFQ required respondents to provide, amongst other information, a schedule of rates for the following:

- Recycling collection services – residential/domestic 240 litre kerbside bin collection
- General refuse waste collection – residential/domestic 240 litre kerbside bin collection
- General refuse waste collection – residential/domestic 120 & 140 litre kerbside bin collection
- General waste hooklift bin from transfer station to tip face once per week plus additional frequency if requested
- Recycling hooklift bin from transfer station to recycling centre once per week plus additional frequency if requested

Respondents were required to provide unit rate pricing under three pricing options, being:

- 3 year initial term with 2 year extension option
- 5 year initial term with 2 year extension option
- 7 year initial term with 3 year extension option

At the close of the RFQ period only one of the seven suppliers had submitted a proposal, being Warren Blackwood Waste.

The unit rate pricing contained in the proposal received from Warren Blackwood Waste is contained in Attachment 1.

The unit rates for the residential/domestic recycling and general waste kerbside bin collections have been discounted by 1.48% and 2.9% respectively under the '7/3 year' option compared to the '3/2 year' and '5/2 year' options. The unit rates for the hooklift bin services are the same under all three options.

The RFQ document stated that the contract may be awarded to a respondent that best demonstrates the ability to provide quality products and or services at a competitive price. The quoted prices were to be assessed together with the qualitative and compliance criteria to determine the most advantageous outcome to the Shire of Bridgetown-Greenbushes.

The RFQ also stated that the Shire of Bridgetown-Greenbushes has adopted a best value for money approach to this Request. This means that, although price is considered, the response containing the lowest price will not necessarily be accepted, nor will the offer ranked the highest on the qualitative criteria.

The Selection Criteria contained in the Request for Tender included:

Criteria	Weighting
Quoted Price	45%
Organisational Capabilities, Key Personnel, Relevant Skills and Experience	20%
Respondent Performance, Operational Requirements and Strategy	25%
Corporate Social Responsibility	10%

Officer Comment

As Warren Blackwood Waste's proposal was the only response received no comparative assessment was possible, however officers have assessed the response and are of the view (recommendation) that the response meets the qualitative and compliance criteria, does represent value for money and therefore a contract based on the response should be awarded.

It is recommended that Council select the '7 year initial term with 3 year extension' option rather than the shorter options. The discounted unit rates for the kerbside collection services under the '7/3 year' option represents an annual saving of \$1,735.76 (in current dollars) over the other two options, which extended over 10 years would total an overall saving of \$17,357.60.

Of note the quoted unit rates for the kerbside collection services under all three options are less than what the Shire already pays for this service under the existing contract scheduled to expire on 30 June 2016. That rate is \$2.80 per unit (bin) for recycling collection and \$1.43 per unit (bin) for waste collection. The new rates proposed by Warren Blackwood Waste represent an approximate 3.5% saving on the existing collection fees.

The proposed fees for the hooklift bin services are very similar to current fees paid for this service however to date travel costs for the contractor to drive to and from Manjimup have been paid. The unit rate under the RFQ includes travel costs therefore savings of approximately \$158 per week are expected.

Warren Blackwood Waste has been Council's recycling collection contractor since 2007 and waste collection contractor since 2003 and has provided a reliable and customer friendly service throughout this period.

Statutory Environment

Local Government (Functions and General) Regulations 1996 (Tenders for Providing Goods and Services).

11. *When tenders have to be publicly invited*

- (1) *Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$150 000 unless subregulation (2) states otherwise.*
- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if —*

- (a) the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or
- (b) the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program;

Policy

Policy F.6 – ‘Purchasing’ notes the exemption from tendering goods or services are purchased using the WALGA Preferred Supplier Panel.

The Policy endorses a “value for money” approach to purchasing and requires an assessment of whole of life costs and whole of contract costs. The inclusion of the three multi-year options in the RFQ has enabled the whole of contract costs to be determined, including the estimated savings from the ‘7/3 year’ option compared to the other two options. The Policy also requires an assessment of the provider’s financial viability and capacity to supply without risk of default. Such an assessment was undertaken in the RFQ assessment process with the added knowledge of Warren Blackwood Waste’s capacity being evident from previous contracts.

Policy F.14 – ‘Buy Local Purchasing’ is not applicable in this instance as the value of the contract will be in excess of \$149,999.

Strategic Implications

Strategic Community Plan 2016

Objective 2 – our unique natural and built environment is protected and enhanced

Outcome 2.7 – efficient and effective waste management services

Strategy 2.7.1 – provide an efficient and effective kerbside waste and recyclables collection service

Corporate Business Plan

Strategy 2.7.1 – provide an efficient and effective kerbside waste and recyclables collection service

Action 2.7.1.2 - Maintain kerbside waste and recyclables collection service

Budget Implications

The 2016/17 budget will be prepared on the basis that Council would accept the proposal (quote) from Warren Blackwood Waste as it is the sole proposal received. Council budgets for waste management separate from the rest of the annual budget so any overall savings to the waste management budget as a result of the new unit rate pricing structure for collection services can be passed onto the ratepayers.

Fiscal Equity - Not Applicable

Whole of Life Accounting

The proposed contract will transfer responsibility for domestic bin repairs to the contractor meaning that requests from residents for repairs to bins will be relayed to the contractor for action. The Shire will be responsible for purchasing and maintaining a supply of spare parts for use by the contractor.

Social Equity - Not Applicable

Ecological Equity – Not Applicable

Cultural Equity - Not Applicable

Risk Management

Warren Blackwood Waste has been the Shire’s kerbside recycling contractor since 2007 and continuing in this role will remove any issues associated with transitioning to a new contractor.

Continuous Improvement – Not Applicable

Voting Requirements

Absolute Majority to delegate to the CEO the finalisation of the contract.

Council Decision Moved Cr Boyle, Seconded Cr Pratico

SpC.01/0616 That Council:

- 1. Awards the Contract for RFQ 01/16 – ‘Provision of Waste and Recycling Collection Services’ to Warren Blackwood Waste for the period of 7 years with an option for the Shire of Bridgetown-Greenbushes to extend the contract for a further 3 years at the rates stipulated in the price schedule provided in the RFQ response from Warren Blackwood Waste.**

- 2. Authorises the CEO to finalise the contract with Warren Blackwood Waste.**

Absolute Majority 9/0

Closure

The President closed the Meeting 5.35pm

List of Attachments

Attachment	Item No.	Details
1	SpC.01/0616	Unit Price Rating RFQ 01/16 Warren Blackwood Waste

Minutes checked and authorised by CEO, Mr T P Clynch		10.6.16
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CERTIFICATION OF MINUTES

As Presiding Member, I certify that the Minutes of the Special Meeting of Council held on 9 June 2016 were confirmed as a true and correct record of the proceedings of that meeting at the Council Meeting held on 30 June 2016.

.....30 June 2016