

**ITEM 7. TENDER - COMMERCIAL WASTE COLLECTION SERVICES**

**FILE NO: S072015.034**

**TENDER NO: 1630**

**SUMMARY**

This report provides details of the tenders received for the commercial waste collection services contract for City of Sydney owned and managed properties.

The City of Sydney has a responsibility to ensure the timely collection of commercial general and recycling waste material from 69 properties within the City property portfolio. *Sustainable Sydney 2030* set the objective that waste from the city be managed as a valuable resource and the *Draft Environmental Action 2016-2021 Strategy and Action Plan* targets a 70 per cent resource recovery of waste from City-managed assets by mid-2021. The commercial waste collection contract is an important component of achieving these waste recycling targets for all City corporate operations.

The current commercial waste collection contract, which covers services for both collection and disposal of waste, is due to expire on 30 September 2016 and a new contract is required for these services.

This report recommends that Council accept the tender offer of Tenderer 'A' for the commercial waste collection services contract.

**RECOMMENDATION**

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'A' for the commercial waste collection services contract for a period of 12 months commencing 1 October 2016, with two options to extend for a further 12 months;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts and exercise any options relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly; and
- (D) Council note that the schedule of rates provided by Tenderer 'A' will be used to calculate any changes in contract price as a result of properties being added to or removed from the contract.

**ATTACHMENTS**

**Attachment A:** Tender Evaluation Summary (Confidential)

**Attachment B:** Schedule of Rates (Confidential)

**(As Attachments A and B are confidential, they will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)**

**BACKGROUND**

1. The City Property Services Unit has responsibility to ensure the collection of commercial waste from 69 Council properties. The current incumbent commercial waste collection contract is due to expire on 30 September 2016.
2. *Sustainable Sydney 2030* set the objective that waste from the city be managed as a valuable resource and the *Draft Environmental Action 2016-2021 Strategy and Action Plan* targets a 70 per cent resource recovery of waste from City-managed assets by mid-2021. The commercial waste collection contract is an important component of achieving these waste recycling targets for all City corporate operations.
3. The service covers provision of equipment, collection, disposal and recycling of commercial waste.
4. The Tenderers were requested to provide costs against a robust schedule of rates that provides a level of flexibility to address any future changes, such as the introduction of additional waste recycling streams at selected sites, throughout the life of the contract.
5. The Tender specification was also scoped to align with the Better Building Partnership (BBP) Operational Waste Guidelines, thus further assisting the City to deliver on its Sustainable Sydney 2030 Vision and its stated aim to be an environmental leader. In particular the City is aiming to move to weight-based reporting in-line with BBP best-practice.
6. Requirement to meet the Award conditions and obligations is a standard contract clause.

**INVITATION TO TENDER**

7. Tenders were advertised in The Sydney Morning Herald, The Daily Telegraph and council's E-Tender website on 26 April 2016, with submissions closing on 31 May 2016.

**TENDER SUBMISSIONS**

8. Nine submissions were received from the following organisations (listed alphabetically):
  - Bingo Waste Services Pty Ltd
  - Cleanaway Pty Ltd
  - Faralga Pty Ltd trading as Doyle Bros
  - JJ Richards & Sons Pty Ltd
  - Remondis Australia Pty Ltd
  - SUEZ Recycling & Recovery Pty Ltd
  - Sydney Waste Pty Ltd
  - United Resource Management Pty Ltd

- Veolia Environmental Services (Australia) Pty Ltd

9. No late submissions were received.

#### **TENDER EVALUATION**

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
12. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) demonstrated capacity and ability of the tenderer to assist the City in meeting the Sustainable Sydney 2030 Vision, particularly in relation to improving recycling targets and aligning reporting of waste to the BBP silver data integrity rating;
  - (b) demonstrated managerial capability, qualifications, experience and number of personnel;
  - (c) the proposed quality and operations plan;
  - (d) the proposed transition plan;
  - (e) environmental management;
  - (f) Workplace Health & Safety;
  - (g) financial and commercial trading integrity including insurances; and
  - (h) schedule of prices.

#### **PERFORMANCE MEASUREMENT**

13. The City's Managing Agent, Brookfield Global Integrated Solutions, will manage the successful tenderer using key performance indicators to monitor their effectiveness and efficiency. These key performance indicators are:
  - (a) management and supervision;
  - (b) service delivery;
  - (c) sub-contractor staff;
  - (d) all staff and sub-contractors are paid under the relevant legislation and Awards;
  - (e) response time for reactive work;
  - (f) Workplace Health and Safety;
  - (g) administration;

- (h) customer satisfaction; and
- (i) environmental management.

**FINANCIAL IMPLICATIONS**

14. There are sufficient funds allocated for this service within the current year's operating budget and future years' forward estimates.

**RELEVANT LEGISLATION**

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Attachments A and B contain confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

**CRITICAL DATES / TIME FRAMES**

18. New contract commencement is scheduled for 1 October 2016.

**AMIT CHANAN**

Director City Projects and Property

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