

**Item 13.****Tender - Mattress Collection and Processing Services****File No: X018146.002****Tender No: SSROC T2017-09****Summary**

This report provides details of the tenders received for Mattress Collection and Processing Services. The Southern Sydney Regional Organisation of Councils (SSROC) Mattress Collection and Processing Contract has expired. SSROC is an association of eleven municipal and city councils in the southern region of Sydney. SSROC provides a forum for the councils to deal with common issues, particularly those that cross boundaries and achieve economies of scale. Key issues include procurement, planning, environment, transport, sustainability and waste management.

The SSROC's Supply Management Group identified that a continuing joint tender for the provision of mattress collection and processing services would be beneficial to all member councils in terms of cost minimisation and meeting the environmental initiatives of the member councils.

The Request for Tender requested tenderers to document and price mattress collection and processing, including illegally dumped mattresses and to demonstrate their service experience, sustainability credentials and WHS, in delivering these services to participating councils. The volume of services to be provided under the contract is dependent on the number of mattresses presented for collection. There is no guarantee of a minimum level of work to the appointed service provider.

This report recommends that Council accept the tender offer of Tenderer A for Mattress Collection and Processing Services.

## **Recommendation**

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for Mattress Collection and Processing Services for a period of three years, with two optional extension periods of one year each, subject to performance;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

## **Attachments**

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

**Attachment B.** Schedule of Prices (Confidential)

## Background

1. The City of Sydney is a member of the Southern Sydney Regional Organisation of Councils (SSROC), an association of 11 local councils established in 1986.
2. One of SSROC's roles is to act as a facilitator of joint venture procurement activities to enable individual councils to benefit from the available economies of scale.
3. SSROC first tendered for mattress collection and processing services in September 2012. These services are currently managed by TIC (Mattress Recycling) Pty Ltd on behalf of the City.
4. In accordance with the City's Waste Strategy, mattresses may be booked by the community for weekly collection. Mattresses are also illegally dumped, and the City arranges for these to be processed under the same contract.
5. Mattresses processed under this service increase resource recovery and diversion from landfill. In 2017, 18,412 mattresses were collected and processed by the City.
6. The mattress collection and processing services contract is separate to the current domestic waste collection contract. The new mattress collection and processing services contract permits the City to set when a service provider may provide collection and/or processing services. Under this arrangement, it will be possible for the City to have a mattress collection service delivered by the future domestic waste collection contract service provider.
7. The volume of work to be provided under the contract is dependent on the number of mattresses presented for collection. There is no guarantee of a minimum level of work to the appointed service provider.
8. The tender is to be let for a three year period with two optional twelve month extensions based on performance.

## Invitation to Tender

9. The request for tender was advertised in The Sydney Morning Herald, The Daily Telegraph, the SSROC website and the tendersonline.com.au/ssc website from 28 November 2017 to 17 January 2018.

## Tender Submissions

10. Two submissions were received from the following organisations:
  - (a) Community Resources Limited trading as Soft Landing; and
  - (b) Renewable EnergyCorp Australia Pty Ltd.
11. No late submissions were received.

### **Tender Evaluation**

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) tenderer profile / staff;
  - (b) service standards, methodology and implementation plan;
  - (c) competency / relevant experience;
  - (d) adherence to environmental management, sustainability, and procurement guidelines;
  - (e) demonstrated capacity to fulfil the Work, Health and Safety (WHS) requirements;
  - (f) financial and commercial trading integrity, including insurances; and
  - (g) value represented by each Tender.

### **Performance Measurement**

15. The appointed tenderer will have their performance assessed against the following specific key performance indicators for the duration of the contract:
  - (a) collection and delivery timing; and
  - (b) response time to participating council staff enquiries.

### **Financial Implications**

16. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.
17. The City does not guarantee any minimum quantity of work to the appointed service provider.

### **Relevant Legislation**

18. 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.

19. 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.
20. 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.

### **Options**

21. Not undertaking these works is not considered an option. The mattress collection and processing service is vital to achieving the City's resource recovery target. There is no other viable option for the City to provide its own mattress collection and processing service.

### **Public Consultation**

22. No public consultation has been undertaken.

### **DAVID RIORDAN**

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