

Item 7.**Tender - T-2021-655 - Reject and Negotiate - Doorstep Recycling Service****File No: X084834****Tender No: T-2021-655****Summary**

This report provides details of the tenders received for the Doorstep Recycling Service.

The Doorstep Recycling Service is an on-demand recycling collection service that allows residents to have tricky items collected directly from their homes through online bookings. Items that can be collected include small electronics, clothing, soft plastics, expanded polystyrene, batteries, light globes, and mobile phones.

The City has trialled this service successfully since November 2020 with the current service provider's contract ending 30 November 2022. The Service Provider is responsible for delivering the entire service including customer management, service bookings, collection, sorting, reporting and promotion.

An open tender was conducted to select a suitable service provider to deliver the Doorstep Recycling Service for a term of 3+1+1 years. Based on the tender evaluations, all submissions were identified as non-conforming.

This report recommends that Council decline to accept the tender offers received for the Doorstep Recycling Service and enter into negotiations with suitable vendors.

Recommendation

It is resolved that:

- (A) Council decline to accept the tender offers for the Doorstep Recycling Service for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract for the Doorstop Recycling Service on terms that are appropriate in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (E) Council be informed of the successful vendor via the CEO Update.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City has committed to an ambitious source separation target of 35 per cent by 2030 in its Leave Nothing to Waste Strategy, 2017-2030. The City is working to eliminate materials sent to landfill, reduce contamination in kerbside bin services, and provide more opportunities for residents to recycle a broader range of materials.
2. To help achieve this, the City trialled a doorstep recycling service for a period of 12 months from November 2020 where residents could have eligible items collected directly from their doorstep or apartment lobby at a time that suited them by placing bookings via their mobile device. Due to the success of the first 12 months and to provide time to conduct the tender, the service was extended to 30 November 2022.
3. The trial was well-received by residents and over a 12-month period the service:
 - completed 3882 collections;
 - generated 1382 unique users;
 - recycled 16.8 tonnes; and
 - collected 11 different streams for recycling and reuse including small electronics such as household batteries and mobile phones, clothing, shoes, working toys, soft plastics (LDPE), expanded polystyrene, light bulbs, printer cartridges, x-rays, paint (<2L) and coffee pods.
4. The Service Provider is responsible for delivering the entire service including coordination of service bookings with residents, collection, separation and transport of eligible items to the City's depots for recycling, whole of service management including communications and promotion, managing all customer service matters and data management and reporting. City staff manage the processing of the collected materials that the Service Provider delivers to the City's Alexandria Canal Depot for recycling.
5. The service runs completely independently of the City's existing residential kerbside waste and recycling collection services, including the City's pick-up collections for bulky household items and larger electronics.
6. The current service provider's contract ends on 30 November 2022. Due to the success of the trial, the City conducted a tender to appoint a Service Provider to provide the service to residents for a term of three years with two extensions of one year each (3+1+1 years).

Invitation to Tender

7. The tender was released through Tenderlink on the City's e-Tender portal on 24 June 2022 and closed on 15 July 2022.

Tender Submissions

8. Two submissions were received from the following organisations:
 - RecycleSmart Australia Pty Ltd; and
 - Southern Cross Recycling Group 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) The schedule of rates and economies of scale.
 - (b) Organisational ability to carry out the work under the contract terms including service delivery and program methodology including bookings, collections, sorting and transportation.
 - (c) Company experience and managerial capability, qualifications and experience of personnel including indigenous and sub-contractor involvement.
 - (d) Demonstrated capacity to meet the requirements outlined for communications and marketing including customer interaction and innovation.
 - (e) Demonstrated commitment to environmental management and quality assurance.
 - (f) Items proposed to be collected and ability to meet data collection and reporting requirements.
 - (g) Work, Health and Safety Policy including a COVID-19 safety plan.
 - (h) Financial and commercial integrity including insurances.

Performance Measurement

13. The tender required that the service would need to be delivered in accordance with the specified service requirements and key performance indicators as specified in the tender documents. This included:
 - 95 per cent of bookings collected within 24 hours of scheduled booking date;
 - 100 per cent contamination identified, removed and resident notified;
 - 95 per cent alleged accidents acted upon within 48 hours;
 - 100 per cent of eligible materials sorted into correct containers;
 - performance meetings held quarterly between Service Provider and City; and
 - operational meetings held every six weeks between Service Provider and City.

Financial Implications

14. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates (subject to the final confirmed pricing).

Relevant Legislation

15. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. Attachment A contains 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.
18. 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

19. Current contracted service concludes on 30 November 2022.
20. Pending Council approval in September 2022, it is anticipated that the City will complete negotiations and execute a contract with a suitable service provider to commence by 1 December 2022. If this date is missed the service will be paused until a contract is entered into by a suitable service provider.

Options

21. The following alternative options were also considered:
 - (a) Option 1 - Cancel and re-advertise the tender. This option is not recommended as it is highly probable it would result in the same outcome as there are very few suppliers in the market and only two possible providers that have indicated they are offering this service. Additionally, it would not be possible to complete the tender process ahead of the expiry of the existing contract in November 2022.
 - (b) Option 2 - Cancel the tender and discontinue the service. This option is not recommended because the Doorstep Recycling Service has shown to be a successful way to increase the recovery of tricky items from residents and is an action that will help the City reach its source separation target of 35 per cent by 2030 as committed in the City's Waste Strategy. All of the City's residents can access this service.

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