Tender - T-2024-06 - Mattress Collection and Processing Service

File No: X112133

Tender No: T-2024-06

Summary

This report requests approval to use the Southern Sydney Regional Organisation of Councils (SSROC) T-2024-06 Mattress Collection and Processing Services Panel of suppliers and enter into a preferred supplier agreement with Tenderer A for an initial period of 5 years with the option of 2 extensions of one year each, subject to contractor performance. The supplier will provide collection and processing of mattresses and ensembles generated from the City's book a pickup kerbside collection service and illegal dumping.

In January 2025, through a competitive public tendering process, SSROC formed a preferred supplier panel arrangement comprising 2 suitable service providers. Under the arrangement, participating councils can select a preferred supplier or multiple suppliers and enter into a preferred supplier agreement with them.

Tenderer A has been recommended for selection as the supplier was able to demonstrate appropriate service experience, technical ability, WHS procedures/policies and resource recovery.

Recommendation

It is resolved that:

(A) Council approve the use of the SSROC supplier panel for Mattress Collection and Processing Services and accept the tender offer of Tenderer A for a period of 5 years, with 2 optional extension periods of one year each, if appropriate;

(B) Council note that the total contract sum, including the contingency for Supply of Mattress Collection and Processing Services is outlined in Confidential Attachment A to the subject report;

(C) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to the tender; and

(D) authority be delegated to the Chief Executive Officer to exercise the options referred to in (A), if appropriate.

Attachments

Attachment A. Tender Evaluation Summary (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. 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.

2. SSROC first tendered for Mattress Collection and Processing Services in 2012 and for a second time in 2018.

3. In August 2018 Council resolved to approve engagement of Community Resources Limited trading as Soft Landing (Soft Landing) from the SSROC panel for Mattress Collection and Processing Services for a term of 3 years with 2 one-year optional extension periods, which were executed under delegation.

4. Soft Landing is a non-for-profit organisation that creates meaningful employment opportunities for local individuals, particularly those facing barriers to secure jobs.

5. In March 2022, the contract with Soft Landing was extended for a further 2 years via an exemption from tender.

6. These services are currently being provided by Soft Landing through SSROC and in 2023/24, 17,756 mattresses were collected and processed from the City of Sydney local government area.

7. Mattresses may be booked by the community for weekly collection. Mattresses are also illegally dumped, and the City arranges for these to be collected and processed under the same contract.

8. The mattress collection and processing services contract is separate from the current domestic waste collection contract. It covers the collection of mattresses from the kerbside, apartment block waste rooms, and Council depots, as well as transport to the supplier’s facility for processing.

9. The mattress collection service contributes to the City’s resource recovery targets of 90% waste diverted from landfill by 2030 in its Leave Nothing to Waste Strategy, 2017-2030. Further information about the proposed new diversion targets are included in Confidential Attachment A.

Invitation to Tender

10. The request for tender was advertised via Tenderlink by Inner West Council from 1 November 2024 to 28 November 2024.

Tender Submissions

11. Three submissions were received from the following organisations:

    - Community Resources Ltd trading as Soft Landing (ABN: 90 746 695 414);
    - Envirobeds Pty Ltd (ABN: 93 626 363 906) ; and
    - Liverpool City Council (ABN: 84 181 182 471)

12. No late submissions were received.

Tender Evaluation

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

14. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

15. All submissions were assessed in accordance with the approved evaluation criteria being:

    (a) proven capacity to meet the requested requirements based on past performance including capacity to meet current service commitments

    (b) service standards, methodology and implementation plan

    (c) Work Health and Safety

    (d) demonstrated environmental management, sustainability and social success

    (e) quality assurance systems

    (f) references

    (g) price.

Performance Measurement

16. The tenderer will have their performance assessed against the following specific key performance indicators for the duration of the contract:

    (a) collection and delivery timing

    (b) regular reporting

    (c) performance reviews undertaken by SSROC

    (d) response time to participating council staff enquiries.

Risk

17. The mattress collection and processing service for City of Sydney residents is provided by an external supplier, traditionally sourced through SSROC joint procurement. While this approach offers benefits, such as potential cost savings from increased purchasing power and reduced administrative workload for City staff, it also presents risks. These include procurement process challenges, contract terms that may not fully align with the City's needs, and complexities in ongoing contract management. Additionally, as SSROC is the principal contract owner, the City has limited direct oversight and control over the contract’s execution.

18. The City of Sydney mitigates these risks through active participation and representation in the procurement process. This includes conducting thorough reviews of procurement documents, influencing contract terms to align with the City's needs, and ensuring appropriate delivery timelines. Additionally, the City fosters strong, professional relationships with suppliers, enabling open communication to ensure service delivery meets community needs while also driving continuous improvements.

19. This approach is within the City's risk appetite, which states:

    (a) We identify and evaluate emerging risks to ensure timely and appropriate responses.

    (b) We encourage a culture of responsible risk taking to support innovation, excellence and continuous improvement.

    (c) We comply with our legal and regulatory requirements.

Financial Implications

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

21. The total contract sum and contingency for Mattress Collection and Processing is detailed in Confidential Attachment A.

Relevant Legislation

22. SSROC has conducted the tender in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021.

23. This tender was for the procurement of "domestic or other waste management services" under Part 7 of the Local Government (General) Regulation 2021. As the party undertaking the tender, SSROC was required to take steps to ascertain the details of individual employees currently providing the service and the terms on which they were employed. As SSROC was not able to obtain this information, the information was not included in the tender proposal documents.

24. 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.

25. 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.

26. 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

27. The current contract for Mattress Collection and Processing expires on 30 April 2025.

28. The SSROC panel contract is for a period of 5 years (commencing 1 May 2025), with 2 optional extensions of one year each subject to the satisfactory performance of the contractor.

29. It is intended to sign the new agreement with Tenderer A prior to the contract commencement to ensure service delivery.

Options

30. An alternative option is to issue a standalone tender for mattress collection and processing only for the City of Sydney area. This option is not recommended on the basis that the SSROC collaborative tender process was expected to attract more competitive pricing by leveraging the volumes across participating councils.

Public Consultation

31. No public consultation has been undertaken.

VERONICA LEE

Executive Director City Services

Millie Saddleton, Contract Specialist City Cleansing and Resource Recovery

Sash Vasilevski, Contracts and Procurement Manager City Cleansing and Resource Recovery