

# WANGARATTA RURAL CITY COUNCIL



BUSINESS PAPER FOR THE SPECIAL MEETING  
OF THE WANGARATTA RURAL CITY COUNCIL, TO BE HELD  
IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES,  
62-68 OVENS STREET, WANGARATTA  
ON **TUESDAY, 7 APRIL** COMMENCING AT 10.00AM

Brendan McGrath  
**CHIEF EXECUTIVE OFFICER**



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1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

*We acknowledge the traditional owners of the land on which we are meeting.  
We pay our respects to their Elders and to Elders from other communities who  
may be here today.*

2. **OPENING PRAYER**

*Almighty God, we humbly ask thee to bless and guide this council in its  
deliberations so that we may truly preserve the welfare of the people whom we  
serve. Amen*

3. **PRESENT**

4. **ABSENT**

5. **ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE**

**ORDER OF BUSINESS**

6. **CONFLICT OF INTEREST DISCLOSURE**

In accordance with sections 77A, 77B, 78 and 79 of the *Local Government Act 1989* Councillors are required to disclose a '*conflict of interest*' in a decision if they would receive, or could reasonably be perceived as receiving, a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

**Disclosure must occur immediately before the matter is considered or discussed.**

## 7. BUSINESS

### 7.1.1.1 CONTRACT C1415/007 GARBAGE, RECYCLABLES AND ORGANICS COLLECTION SERVICES

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 7 April 2015  
**Author:** Director Infrastructure Services  
**File Name:** C1415/007 Garbage, Recyclables and Organics Collection Services  
**File No:** 30.076.007

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Executive Summary

This report is presented to Council to provide details of the evaluation of a request for tender to supply Garbage, Recyclables and Organics Collection Services for the Rural City of Wangaratta.

#### **RECOMMENDATION:**

*That in relation to Contract C1415/007:*

- 1. The collection, processing and bin maintenance for the kerbside recycling component be awarded to JJ Richards with a commencement date of 1 September 2016*
- 2. The collection, processing and bin maintenance for the kerbside garbage component be awarded to the Rural City of Wangaratta with a commencement date of 15 September 2015*
- 3. The collection, processing and bin maintenance for kerbside organics component be awarded to the Rural City of Wangaratta with a commencement date of 1 September 2015*
- 4. The changes to bin capacities and collection frequencies commence on 1 September 2015*
- 5. Council take all necessary steps to establish an organics processing facility using 'Gore' technology at the Bowser landfill site*
- 6. Kerbside organics be processed by 'Western Composting Technology' at Shepparton until the processing facility at Bowser is operational*
- 7. The CEO be authorised to sign and seal all relevant contract documents for Contract C1415/007*

## **Background**

At its ordinary meeting of May 2013, Council adopted its 'Waste Management Strategy'. The Strategy was driven by Council's 2030 Vision which has a goal of zero waste being disposed of to landfill by 2030. As part of the community consultation process for the development of the strategy, Wangaratta's Citizen Jury recommended that Council develop an organic processing facility for green (food) waste.

The Waste Management Strategy summary has six components:

- Provide larger recycling bins (360 litre) for households with four or more occupants.
- Commence an organics collection service with a 240 litre 'third bin' for households within the Wangaratta urban area.
- Increase the life of the Bowser landfill through the baling of the residual waste stream.
- Relocate the Wangaratta transfer station to Bowser and create a Waste Recovery Centre.
- Rationalise the transfer stations by closing the ones within easy access to Bowser.
- Partner with NevRwaste and Sustainability Victoria to continue educating the community on the importance of waste reduction and the importance of diverting waste from landfill.

The second component, to remove organics from landfill, is driven by the high cost of landfill space and the limited area and therefore life of the landfill.

The 2008 Kerbside Domestic Garbage Audit found that 52% (by weight) of material placed in the tested bins within the urban area of Wangaratta was organics that could be diverted from landfill.

Whilst this tender includes many facets of waste/recoverables collection and processing, it specifically addresses the second point from the Strategy summary, to commence an organics collection service within Wangaratta's urban area.

The commencement of an organics collection service also triggers a number of other recommendations from the Strategy around bin capacities and collection frequencies. These changes are summarised as:

- Residual waste (red lid) fortnightly collection
  - 140L Urban
  - 240L Rural
- Recyclables (yellow lid) fortnightly collection
  - 240L all areas
  - 360L available
- Organics (green lid) weekly collection
  - 140L urban areas

### **Contract Details**

Garbage, Recyclables and Organics Collection Services within the municipality were tendered as a Schedule of Rates tender. This included a number of pricing schedules proposing several service delivery options, principally the option to contract each of the waste streams, Garbage, Recycling and Organics, either individually or as a whole.

The tender also allowed Council to exercise the option of hiring mobile bins from the tenderers.

Tenders were invited through advertisements as follows:

Initially Expressions of Interest (EOI) were sought as follows:

<u>Newspaper</u>	<u>Date</u>
Chronicle	13 June 2014

<u>Electronically</u>	
Tenderlink	13 June 2014

EOIs closed at 2.00pm on Wednesday 9 July 2014.

Following consideration of the EOIs, all EOI respondents were invited to a closed tender advertised through:

Tenderlink	17 November 2014
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Tenders closed at 2.00pm on Thursday 29 January 2015. There was a no pre-tender meeting for this contract.

### **Evaluation Panel**

The evaluation panel for this tender comprised:

Council's

Engineer – Projects,

Project Engineer,

Manager – Environment and Community Safety,

Manager – Business and Governance, and

The Chairperson of Council's Audit Advisory Committee (independent member).

The evaluation was overseen by a Probity Advisor.

### **Tenders Received**

Seven tenders were received as follows:

<b>Tenderer</b>	<b>Conforming Tender</b>
Rural City of Wangaratta	Yes
Four Seasons Waste	Yes

<b>Tenderer</b>	<b>Conforming Tender</b>
Wheelie Waste	Yes
Transpacific Cleanaway	No
Alpine Waste Services	Yes
Endeavour Foundation	Yes
JJ Richards & Sons	Yes

Transpacific Cleanaway signified that their tender was non-conforming as they did not accept a number of contract and specification requirements and submitted their specific contractual qualifications.

All six remaining tenders were deemed by the evaluation panel to be conforming in accordance with the Conditions of Tender.

### **Tender Evaluation**

A Tender Evaluation Plan had been prepared for the tender evaluation process to provide instructions and guidance to the panel members and to ensure the integrity and probity of the tender process.

The Probity Advisor advised the panel that the in-house bid should be considered on the same basis and criteria as any other tender bids. The Probity Advisor also advised that it is expected that Council will receive the relevant undertakings to address Competitive Neutrality pricing and other obligations of the in-house bid. As a result, the panel only has to assess on the pricing and other information provided in the tender submission.

The tender was evaluated in accordance with evaluation criteria set out in the Conditions of Tender. The evaluation criteria are based upon a Weighted Attribution Method as follows:

<b>Criteria</b>	<b>Weighting</b>
Price	40%
Capacity / Capability and Experience	15%
Service Delivery (including Service Delivery, Transition Plan and Customer Service Plan)	15%
Resources (including Human Resources, Waste Vehicles and Processing Facility)	10%
Local Retention	10%
Education Program	10%
<b>Total</b>	<b>100%</b>

Panel members assigned a score (maximum 100) to each criterion (as shown above) and then weighted the average score to produce a final Weighted Attribution Method Score.



Score	Classification	Definition
100	Exceptional	Demonstrated capacity exceeds all required standards and innovations proposed.
90	Excellent	Demonstrated capacity exceeds all required standards.
70	Good	Complies with all required standards and capacity demonstrated.
50	Satisfactory	Complies with relevant standards without qualifications.
30	Marginal	Complies with relevant standards with qualifications.
0	Unsatisfactory	Fails to satisfy required standards.

All tenders were first assessed for their conformance with the mandatory evaluation criteria as listed below. All tenders complied with the minimum requirements under the mandatory evaluation criteria.

Mandatory Evaluation Criteria	Compliance
Occupational Health and Safety	Yes / No
Risk Management Policy and Insurances	Yes / No
Quality Policy and Management System	Yes / No
Environmental Policy and Management System	Yes / No
Conflict of Interest	Yes / No

### **Evaluation Scores**

The tender specification provided tenderers with the option to tender on the suite of collections, bin supply and maintenance or to tender for one or a combination of the waste collection services. A summary of the options nominated by each tenderer is detailed below:

Tenderer	Waste Streams Tendered
Rural City of Wangaratta	All possible options
Four Seasons Waste	All possible options
Wheelie Waste	All services in one contract
Transpacific Cleanaway	All possible options, containing at least two waste streams
Alpine Waste Services	2 options – Garbage and/or Organics
Endeavour Foundation	2 options – Recycling or Recycling and Garbage
JJ Richards & Sons	All possible options

Bin supply and maintenance by each relevant tender is included in the assessment, although there is an option for Council to supply and maintain the mobile bins. Endeavour Foundation nominated not to bid for the bin hire service.

The panel evaluated and assigned scores to each evaluation criteria for all seven tenders and then weighted the scores to produce final Weighted Attribution Method Scores using the pricing and scoring model developed by the panel. The higher value reflects the more favourable assessment.

The pricing and scoring model has been independently reviewed by an external financial consultant.

There were approximately 140 different combinations of service options considered by the panel. In many cases, the tenderers provided a number of options including discounted pricing for multiple waste collection services. The nine highest scoring options are presented in the following tables.

**Table 1 Nine Highest Scoring Options for All Possible Service Combinations based on Tenderer's Preference for their #Nominated Organics Processing Facility**

Total Weighted Score	Collection Service	Collection Service Provider	Bin Hire Service Provider
77	Garbage	Council	Council
	Recyclables	JJ Richards	
	Organics	Council	
77	Garbage	JJ Richards	JJ Richards
	Recyclables		
	Organics	Council	Council
77	Garbage	Council	Council
	Recyclables	JJ Richards	JJ Richards
	Organics	Council	Council
75	Garbage	JJ Richards	Council
	Recyclables		
	Organics	Council	
74	Garbage	Council	Council
	Recyclables		
	Organics		
74	Garbage	JJ Richards	Council
	Recyclables		
	Organics		
74	Garbage	JJ Richards	JJ Richards
	Recyclables		
	Organics		
73	Garbage	Council	Council
	Recyclables	Four Seasons Waste	
	Organics	Council	

Total Weighted Score	Collection Service	Collection Service Provider	Bin Hire Service Provider
73	Garbage	Council	Council
	Recyclables	Endeavour Foundation	
	Organics	Council	

As discussed later in the report, Rural City of Wangaratta has nominated an organics processing facility that is yet to be established. This is associated with a different risk profile than an established facility. Table 2 shows the relativity of the combined service options when all organics is processed at an established facility.

**Table 2 Alternative Pricing – Four Highest Scoring Options for All Possible Service Combinations based on the Same Risk Profile, i.e. sending the organic waste to an established organics processing facility**

Total Weighted Score	Collection	Collection Service Provider	Bin Hire Service Provider
75	All	JJ Richards	Council
75	All	JJ Richards	JJ Richards
73	Garbage	Council	Council
	Recyclables	JJ Richards	JJ Richards
	Organics	Council	Council
73	Garbage	Council	Council
	Recyclables	JJ Richards	
	Organics	Council	

**Table 3 Scores Based on a Single Contract for All Kerbside Collection Services**

Total Weighted Score	Collection	Collection Service Provider	Bin Hire Service Provider
74	Garbage, Recyclables, Organics	Rural City of Wangaratta	
74	Garbage, Recyclables, Organics	JJ Richards & Sons	
61	Garbage, Recyclables, Organics	Transpacific Cleanaway	
58	Garbage, Recyclables, Organics	Wheelie Waste	
57	Garbage, Recyclables, Organics	Four Seasons Waste	

## Panel's Comments

### General

This Waste and Recycling contract provides a holistic approach to collecting, and to some extent, processing, of Council's various waste streams.

That is:

- Garbage,
- Recycling and
- Organics

The schedules also provided for the separate pricing for each of these waste streams along with bin supply and maintenance, as well as an all-in-one service. There was also scope for the tenderers to further separate the waste streams into urban and rural collections for pricing the service, however the tenderers did not explicitly propose this as a practical option and the panel determined that it would be administratively difficult from the coordination, customer service and education perspectives to consider these options.

The panel considered and scored the option to award the whole package of collection services to one provider which would be easiest from a Council management perspective. The panel also considered the option of separate contractors providing service on particular waste streams, along with the bin maintenance as a separate service in order to achieve a best value service to Council. This option would require more internal resources for the coordination of education programs and customer service.

Issues considered by the evaluation panel included:

- Price
- Capacity/Capability and Experience to carry out the service(s) and past performance
- Service Delivery including collection service(s) delivery, transition plan and customer service plan
- Resources including human resources, waste vehicles and processing facility
- Local Retention
- Education Program.

The panel evaluated and assigned scores to each evaluation criteria as detailed above, which resulted in two tenderers; the Rural City of Wangaratta and JJ Richards & Sons, being shortlisted for further consideration.

Focusing on the shortlisted tenderers, further issues considered by the evaluation panel included:

- Risk and Opportunities
- Organic Waste Processing Facility
- Contamination Penalty
- Assumptions

- Transmission of Business
- Contract Negotiation / Clarifications
- Probity Advice.

### **Organics Processing**

There are various methods to process organic waste ranging from open windrow to fully enclosed aerobic reactors. Open windrow systems are essentially old technology that generally produce odour issues and attract highly prescribed Environment Protection Authority (EPA) conditions, whilst at the other end of the scale fully enclosed aerobic reactors are extremely expensive to establish and operate. The system that is now utilised in many places internationally is the covered aerated windrow system.

Covered aerated windrows are similar to open windrows with the exception that they are covered with a boundary layer which will permeate air but will trap water and odour particles within the windrow. Air is piped through the windrow to aerate the pile. Temperature probes are used to monitor the heat of the pile and this feedback is used to control the volume of air pumped into the pile. The volume of air, controls the reaction rate of the composting pile and hence the temperature.

An example of a covered windrow system is the 'Gore Cover' which was used at the recent organic processing trial run by Cleanaway at Wodonga. The major advantage of this system is its low upfront capital cost and running costs. The windrow can be added to every day which means that there is no stockpiling of the organic feedstock which is a major source of odour complaints.

Whilst there are a number of suitable sites to establish organics processing within the Rural City of Wangaratta, the location that provides many efficiencies is the Bowser Landfill site. At present organics are delivered to the Bowser landfill where they rot in the landfill producing odour and leachate which must then be captured/controlled. An organics processing plant would remove the organics from the landfill and compost them in a controlled environment which would minimise both odour and leachate.

An additional benefit of composting at Bowser will be the soil-like product that can be used on-site as part of the landfill rehabilitation program. It is estimated that the rehabilitation process will have a need for all compost material for at least 10 years.

### **Implications**

#### **Policy Considerations**

Council's Waste Management Strategy informs the content of this report.

#### **Financial Implications**

This tender is a schedule of rates tender therefore contract payments vary with quantity. This tender process has assured best value for Council and the rate

payers of the Rural City of Wangaratta. Council's waste budget will now be based on this schedule of rates and estimated quantities. The development of an organics processing plant at Bowser will provide considerable savings to Council over the duration of the contract.

### **Legal/Statutory**

Permits from the EPA will be necessary prior to the commencement of the organics processing facility and on-going licencing conditions will need to be met.

### **Social**

The provision of some services by Council's in-house team will continue to provide employment opportunities for a number of Council staff with subsequent positive social outcomes.

### **Environmental/Sustainability Impacts**

The reduction of material entering landfill due to the introduction of the kerbside organics collection will extend the life of the Bowser landfill; it will reduce the production of odours and leachate and will provide a product that can be used in the rehabilitation of existing landfills. The development of a processing facility at Bowser will allow the sorting, composting and re-use to all occur at one site which will limit the transport requirements and therefore green-house gas emissions.

### **Economic Impacts**

The retention of local staff will have a positive economic impact. The awarding of recycling collection to a local company will assist this objective.

### **Council Plan-Key Strategic Activity/Action**

Implement the Rural City of Wangaratta Waste Management Strategy.

### **Strategic Links**

#### **a) Rural City of Wangaratta 2030 Community Vision**

The 2030 Community Vision has a goal of a 'zero waste' community with no waste being disposed of to landfill within the municipality in the year 2030.

### **Consultation/Communication**

The Waste Management Strategy was adopted by Council in May 2013 after extensive community consultation which included input from Wangaratta's Citizen Jury. The May 2013 Council papers reported that the draft strategy had been placed on public display for one month and that 10 submissions had been received. The feedback was complementary and positive particularly for the sustainability of the local environment. This tender will enable continuation

of kerbside garbage and recyclables collection as well as the introduction of the kerbside organics collection as foreseen in the strategy.

An extensive education campaign will be implemented as part of the implementation of the organics collection service. Part of this campaign will be in conjunction with the North East Waste and Resource Recovery Group (NEWRRG) and their organics education campaign across north east Victoria.

### **Conclusion**

The evaluation panel concluded that the seven highest scoring options in Table 1 present the different service combinations among the shortlisted tenderers, Rural City of Wangaratta and JJ Richards & Sons. Due to the closeness of these scorings, ranging between 74 and 77, the panel concluded, that subject to further consideration by Council of the risks, opportunities and further negotiation, that a combination of mixed services provided exclusively by any of these two shortlisted tenderers is likely to represent best value to Council.

Council's subsequent investigations have concluded that establishing an organics processing facility at the Bowser landfill site is a feasible option and therefore concludes that the third listed option in Table 1, which has the equal highest score and is also the most economical of the seven combinations represents the best overall result for Council. This combination includes Council providing, kerbside garbage and organics collection and organics processing with JJ Richards providing recyclables collection and processing. Under this option all associated bin maintenance will be provided by the respective collection agency.

### **Attachments**

1. Confidential Evaluation Report

### 7.1.1.2 ADJUSTMENTS TO THE 2014/2015 CAPITAL WORKS PROGRAM

**Meeting Type:** Special Council Meeting  
**Date of Meeting:** 7 April 2015  
**Author (title):** Director – Infrastructure Services  
**File Name:** Council Budget 2014/15  
**File No:** 51.060.022

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Executive Summary**

This report is presented to Council to provide an update of Council's 2014/2015 Capital Works Program.

#### **RECOMMENDATION:**

*That Council amend the 2015/15 capital works budget by deferring \$1,418,929 of works and bringing forward the same value of projects from financial year 2015/16 as follows:*

- *Drainage works Morgan Road - \$285,000*
- *Turf renovation equipment - \$78,500*
- *Rural roads gravel re-sheeting - \$110,000*
- *Footpath high priority works - \$50,000*
- *North Wangaratta shared path - \$40,000*
- *Aerodrome runway lighting - \$154,429*
- *Water truck - \$250,000*
- *Posi track/profiler/bucket broom/mulcher - \$171,000*
- *Fleet replacement - \$130,000*
- *Drainage works Newman Street \$150,000.*

#### **Background**

A review of the 2014/15 Capital Works Program shows that some projects cannot be fully delivered this financial year due to external permit requirements or contractual arrangements. Examples of these are:

- Construction of landfill cell 7: awaiting Environment Protection Agency (EPA) approval
- Sale yards reconstruction: forecast completion August 2015
- H.P. Barr Reserve Multi-Use Facility: forecast completion September 2015
- Comfort Station redevelopment: forecast completion September 2015

This provides an opportunity to bring forward some projects from the 2015/16 Capital Works Program into the 2014/15 program in order to achieve completion earlier than programmed.



Potential projects to be brought forward are:

<b>PROJECT</b>	<b>BUDGET</b>
	\$
Drainage works Morgan Road	285,000
Turf renovation equipment	78,500
Rural roads gravel re-sheeting	110,000
Footpath high priority works	50,000
North Wangaratta shared path	40,000
Runway Lights	154,429
Water Truck	250,000
Posi track/profiler/bucket broom/mulcher	171,000
Fleet replacement	130,000
Drainage works Newman Street	150,000
<b>Total</b>	<b>\$1,418,929</b>

### **Implications**

#### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

#### **Financial Implications**

There is no impact on the overall budget as the projects being deferred are of equal value to the projects being brought forward to the current financial year.

#### **Legal/Statutory**

There are no legal/statutory implications identified for the subject of this report.

#### **Social**

There are no social impacts identified for the subject of this report.

#### **Environmental/Sustainability Impacts**

There are no environmental/ sustainability impacts identified for this subject of this report.

#### **Economic Impacts**

There are no economic impacts identified for the subject of this report.

### **Conclusion**

Allocating and completing all capital works within a single financial year, places practical difficulties on project managers that do not necessarily result in better outcomes for Council. Some flexibility across financial years can provide improved results.

The current budget includes some projects that cannot be fully delivered this financial year due to external permit requirements or contractual arrangements. The projects recommended to be brought forward can be commenced and in most cases completed prior to 30 June 2015. This adjustment will produce a better result in the current financial year and will reduce the capital works load in the 2015/16 financial year.

## **8. CLOSURE OF MEETING**

**9. ATTACHMENTS**

**9.1.1.1 CONFIDENTIAL EVALUATION REPORT**