



**KEMPSEY**  
Shire Council

## **DIRECTOR CORPORATE SERVICES REPORT**

13<sup>th</sup> September 2005

<b>DCS8</b>	<b>TENDER NO. 725 – TRADE WASTE SERVICES</b>
	<b>FILE: 725      GBS</b>

### **SUMMARY:**

Reporting on tenders received for the sale of Council's Trade Waste/Bulk Bin services.



In response to Council's invitation, for selective tenders, four formal tenders were received by the closing time of 10:00am on Tuesday, 6<sup>th</sup> September 2005.

The tenderers in apparent order of price (excluding GST) were: -

J R Richards & Sons - \$205,000  
 Handybin Waste Services Pty Ltd (Boscar Waste) - \$182,850  
 or \$227,850 payable over 5 years  
 Tony Fidler – \$146,200  
 Terry Dalley - \$125,000 payable over 3 years.

Assessment of the tenders has been completed by myself and Manager Property & Marketing, Mr Steve Read, using the evaluation criteria as set out in the tender specifications, namely –

- Track record (25%)
- Service improvements (20%)
- Price (35%)
- Settlement Date (10%)
- Enhancement of Local Business (10%)

Following this assessment, the tenders have been ranked in order of preference as follows.

1. J R Richards (7.7 points)
2. Handybin (7.2 points)
3. Tony Fidler (5.2 points)
4. Terry Dalley (4.9 points)

Subject to completion of the required contractual commitments, it is proposed that transfer of the service can be effected as from 30<sup>th</sup> September 2004.

Council's employee engaged on Trade Waste duties has been consulted throughout the tendering process, and following Council's decision will be issued with a redundancy notice.

## **REPORT IMPLICATIONS:**

- ***Environmental***

*The preferred tenderer has a long record in the waste management industry – more than 70 years – and has recently been appointed to build and operate the regional Material Recovery Facility for the processing of recyclables at the Cairncross Waste Facility. They intend to offer a commercial recycling service which would promote Council's recycling efforts and reduce the volume of waste to landfill.*

- ***Social***

*The preferred tenderer proposes to utilise local staff; house collection vehicles locally; and purchase fuel and other items within the Shire wherever possible. This will retain much of the local community benefit arising from the service.*

*The service will have greater reliability through back-up readily available in neighbouring areas.*

- ***Economic (Financial)***

*Sale of the service to the preferred tenderer will yield the sum of \$205,000. The two (2) trucks have an estimated value of \$55,000 and this amount should be returned to the Trade Waste Fleet Reserve fund for the replacement of other Waste Service items of plant eg. Rubbish tip compactor.*

*Redundancy and other employment severance costs will need to be taken out of the sale price.*

*The balance of the sale price should be returned to Working Funds, on the basis that approximately \$40 - \$50,000 is required to offset the loss of profit as per to 2005/06 Budget, and the Working Funds Account needs to be restored. The Working Funds balance as at July 2004 was \$678,000 and at the time of the last review was estimated to have dropped to \$500,000.*

*Sale of the Trade Waste Service will result in a loss of "profit" in future years and Council may well face increases*

*in charges for Bulk Bin Services at Waste Transfer Stations (SWR, Stuarts Point and Bellbrook), Caravan Parks, Depot, Treatment Works etc. Council's current costs for these services is approximately \$70,000.00pa.*

*The introduction of commercial recycling is expected to reduce waste going to the landfill, and therefore tipping fee income will be lowered.*

- *Policy or Statutory*

*Nil.*

- *Director's Review*

*As per Report.*

#### **RECOMMENDATION:**

**That the tender submitted by J R Richards & Sons in the amount of \$205,000 for Council's Trade Waste/Bulk Bin service be accepted.**

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**G B Snape**  
**DIRECTOR CORPORATE SERVICES**