



DIRECTOR SHIRE SERVICES REPORT

14th February 2006

DSS7 RECYCLING COLLECTION TENDER FILE: 647 GAW

SUMMARY:

Reporting on the tender received for the collection of recyclables in Kempsey Shire in conjunction with Port Macquarie Hastings Council.



DESCRIPTION:

Tenders were called for the provision of a kerbside recyclables collection service for Kempsey Shire Council. The specification for the Tender was developed in conjunction with Port Macquarie Hastings Council and allowed tenderers to tender for a joint submission for both Councils as a whole (Parts A & B) or separately for either Council (Part A and/or Part B).

Only one tender was received for the provision of this service. (Any costing disclosures relating to this Tender would confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business (Local Govt Act 1993, Section 10a (2)(c)). The tenderer lodged a compliant tender for Part A, Part B and Parts A & B. It was anticipated that, through the collaborative tendering services, there would be a cost benefit to both Councils by this method of collective tendering.

A tender evaluation meeting was held in Port Macquarie on 25 October 2005, with representatives of both Councils and the consultant who had developed the specification for services. Tenders were assessed on "conformity to the documentation" and "value for money" (the most cost effective offer determined by considering all price and non-price factors relevant to the proposed Contract).

These factors included:

- Tender price
- Experience and Capacity

- Environmental Performance
- Physical Resources
- Customer Service Experience and Capacity
- Management and Human Resources
- Contract Program and Methodology
- Occupational Health and Safety

After assessing the only tender received, there was no pricing benefit to either Council if Kempsey Shire Council appointed the Tenderer jointly as per Parts A & B of the specification, as both the individual and joint prices for Port Macquarie and Kempsey were identical.

The tendered price submitted for Kempsey Shire was greater than anticipated and would exceed the budget allocated by Council for the kerbside recycling program. The officers of the evaluation team from Kempsey Shire Council decided not to recommend the appointment of the tenderer in either capacity of joint venture or single contract for Kempsey Shire. Port Macquarie Hastings Council has made their own recommendation for Part A of the tender.

Also, Nortons Recyclers indicated an interest in the tender but had missed the advertising, as the tender was only advertised by Port Macquarie Hastings Council in the Sydney Morning Herald and not in any local press as required.

REPORT IMPLICATIONS:

- ***Environmental***

The implementation of 'Best Practice' waste management services to Kempsey will assist in assuring environmentally sustainable practices in relation to waste collection and disposal within the Shire. With the introduction of a kerbside recycling program, much material (estimated at over 2000 tonnes per year) can be diverted from landfill, increasing the tipping life at KWR&DF and reducing the effect of landfilling on the neighbouring environment.

- ***Social***

The community's expectation would be to receive a waste service of a standard similar to that received in other Councils, particularly the neighbouring Council of Port Macquarie Hastings. There would also be an expectation that an increase in the level of waste services being offered would come at an increased cost. The cheapest option would be to continue with the current service levels. However this is not seen as being in the best interests of the community and does not assist in the promotion of State and Federal programs of waste reduction and increased resource recovery.

- ***Economic (Financial)***

The submitted tender price for the provision of kerbside recycling from the only tenderer exceeds the budget allocation of Council.

As there was only one tender received, Council has the option of not accepting the Tender and to:

- (a) re-tender;*
- (b) to negotiate with all reputable contractors; or*
- (c) choose to provide the service using its own resources.*

A review of the options for using in-house resources is underway.

- *Policy or Statutory*

There are no Policy or Statutory implications arising from this report.

- *Director's Review*

The issue of recycling collection and transfer to Cairncross needs to be determined as soon as possible to allow acquisition of vehicles and materials. Council is asked to support the recommendation.

RECOMMENDATION:

- 1** That the tender submitted for kerbside recycling not be accepted.
- 2** That the kerbside recyclables collection service within Kempsey Shire be re-tendered.
- 3** That the tenderer be notified of Council's decision.

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K J Finnie
DIRECTOR SHIRE SERVICES