



DIRECTOR SHIRE SERVICES REPORT

18th July 2006

**DSS7 EXTENSION FOR COLLECTION OF
RECYCLABLES CONTRACT
FILE: C15-629 GAW {Folio No. * }**

SUMMARY:

Reporting on the extension of the contract for the collection of recyclables at Council's recycling drop-off stations.



DESCRIPTION:

Council at its meeting on 10th July 2001 resolved to engage Norton Recyclers for a term of five years to collect recyclables from Council's Recycling Stations. This term expired at the end of June 2006.

At Council's meeting of 11th April 2006 it was resolved to introduce a kerbside recycling service for Kempsey Shire. Tenders were called and the successful tenderer was engaged for a period of ten years. Kerbside recycling is scheduled to commence on the 1st October 2006.

As a result there would be no recycling service available to residents from the 1 July until the 30th September 2006. As a short term extension it would be viable for Norton Recyclers to continue with the current arrangements until the kerbside service commences. Due to the short period of time it is not viable to seek alternative services. A provision of \$16,000 has been provided in the 2006 / 2007 budget for this intermediate service and this figure was based on monthly payments made to Norton Recyclers prior to the expiration of their contract. Recent discussions with Norton Recyclers who have indicated that they are prepared to extend their service for the three months but would have to adjust their monthly service fee to \$9,090 excluding GST. Norton Recyclers have cited the high cost of fuel, additional servicing, CPI and wage rises as reasons for the increase and have pointed out that the original figure of \$5,500 fee was agreed to in 2001.

Thus in order to provide a bridging service for the three months an amount of \$27,270 is required. As only \$16,000 is currently provided in the budget, a further \$11,270 needs to be provided.

REPORT IMPLICATIONS:

▪ *Environmental*

With the continuation of the existing recycling stations, recyclables can be diverted from landfill, increasing the tipping life at KWR&DF and reducing the effect of land filling on the neighbouring environment.

▪ *Social*

The community's expectations are that a recycling service would be continued or upgraded and the continuation of the current service will demonstrate Council's commitment to recycling.

▪ *Economic (Financial)*

An additional \$11,270 is required to extend the current service for the servicing of the recycling stations for a three month period. Additional income anticipated from the sale of scrap metal would offset this additional expenditure.

▪ *Policy or Statutory*

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

▪ *Director's Review*

Council should ensure that the servicing of the current recycling stations is continued until the commencement of the kerbside recycling collection service. The continuation of the service by the current provider is considered to be the most expeditious in the circumstances.

RECOMMENDATION:

- 1** That the current service by Norton Recyclers for the collection of recyclables from recycling stations be extended for the period 1st July 2006 to 30th September 2006.
- 2** That an additional amount of \$11,270 be provided in the 2006 / 2007 budget for the servicing of recycling stations.

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DIRECTOR SHIRE SERVICES