

EXPRESSIONS OF INTEREST RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER WASTE SERVICES, PROJECT MANAGER WASTE SERVICES

FROM: DIRECTOR ASSETS

FILE REF: 20/124509

DATE: 21 May 2020

EXPRESSION OF INTEREST 2024 PROVISION OF COMMINGLED RECYCLABLES PROCESSING AT WANGARA RECYCLING CENTRE

Issue

To consider the decline of submissions to Expression of Interest (EOI) 20024: Provision of Commingled Recyclables Processing at Wangara Recycling Centre ('WRC').

Background

On 25 November the City's Commingled Recyclables Processing contractor (Cleanaway) suffered a large scale fire at its Material Recycling Facility ('MRF') in South Guildford which destroyed the building, plant and equipment. The existing contract 01410 with Cleanaway ceased on 30 November 2019 with no further extensions available. Cleanaway's South Guildford MRF was the largest facility of its kind in WA. With its demise there are now only two other waste management plants left in Perth that can process these materials (Suez and Southern Metropolitan Regional Council (SMRC)).

The City has secured a short term, two-year solution via RFQ 20002 for the Provision of Commingled Recyclables Processing.

As a result of the above and the apparent dearth of options available within the recyclables processing industry, the City invited an EOI for the provision of commingled recyclables at the City's WRC, as this was the only disused MRF with the opportunity to provide increased capacity processing in the Perth Metropolitan area.

In 2008 the WRC was commissioned as a tripartite agreement between the Cities of Wanneroo, Joondalup and Swan to process recyclable waste on behalf of the three Cities. Following heavy use of the plant and equipment since 2008, the facility aged and required investment to upgrade to ensure consistent operations on site. In 2014 the City advertised a tender to either upgrade the existing recycling plant and equipment or to outsource the processing of the comingled recycling waste at an alternative industry facility. Cleanaway were evaluated as being the successful bidder for outsourced requirements and in November 2014 the City commenced a contract

to process commingled recyclable materials. The WRC subsequently closed and all remaining plant and equipment, including spare parts remain in situ and unused.

Detail

Following the events at Cleanaway's South Guildford MRF and the resultant minimisation of existing operational commingled recyclables processing options available to the City for the future, Expression of Interest 20024 Provision of Commingled Recyclables Processing at the WRC was published on 15 February 2020 and closed on 17 March 2020. No addenda were issued.

Administration presented the following options to industry:

Option 1

- Commercial lease arrangement
- Plant and equipment (third party responsibility for capital and operational managed costs)
- Commingled recyclables processing
- Payment via a single gate fee

Option 2

- Commercial lease arrangement
- Plant and equipment (City responsibility for initial capital costs* and third party responsibility for operational cost)
- Commingled recyclables processing
- Payment via a single gate fee

The EOI also made provision for the submission of Alternative Gate Fee Offers.

Two responses were received:

- Suez Recycling and Recovery Pty Ltd (Alternative Offer)
- Remondis Australia Pty Ltd (conforming offer)

The City's intention was to progress to a Restricted Tender process from the EOI and assuming acceptable submissions to the EOI were received.

Following review of both submissions from the Evaluation Panel, it was concluded that a full evaluation and consensus meeting was not required due to lack of tangible offerings at this time. Refer to **Confidential Attachment** for further details.

The Evaluation Panel (Panel) comprised:

The Panel included Manager Waste Services, Manager Property Services, and Project Manager Waste Services.

Probity Oversight

Oversight to the EOI process was undertaken by William Buck Consulting (WA) Pty Ltd. Evaluation was to deem Respondents submissions either acceptable/not acceptable and the following criteria was approved via the approved Procurement and Evaluation Plan.

Qualitative Criterion	Criteria Description	Weighting
1	Capacity to deliver processing services including finances, qualifications and experience.	30%

2	Proposed Methodology to deliver the required services.	40%
3	Demonstrated proven Experience in undertaking the services for other local government entities.	30%

The City expressed indicative requirements for the following:

Category	Description	Assessment
Economic Viability	Price (Gate Fees)	To determine the viability of the option proposed

Overall Assessment

No final consensus meeting was undertaken due to lack of tangible offerings.

Further detailed information to the respective submissions is provided in the **Confidential Attachment**.

Consultation

Consultation occurred with the waste management industry.

Statutory Compliance

The EOI was invited in accordance with the requirements of the City's Purchasing Policy.

Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2027:

3 Environment (Natural)

3.1.3 Reduce, Reuse, Recycle Waste

3.3.3 Create and promote waste management solutions

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-021 Competitive Service Costing	High
Accountability	Action Planning Option
Director Community & Place	Manage

Risk Title	Risk Rating
CO-022 Environmental Management	High
Accountability	Action Planning Option
Director Planning & Sustainability	Manage

Financial and Performance Risk

Financial Risk

N/A

Performance Risk

N/A

Reference Check

N/A

Social and Environmental Considerations

N/A

Broader Economic Impact Implications for the City of Wanneroo

N/A

Policy Implications

The EOI was invited in accordance with the requirements of the City's Purchasing Policy.

Financial (Budget) Implications

Nil

Overall Comment

Due to no acceptable submissions being received, the Evaluation Panel recommends that the CEO decline all EOI submissions received.

Recommendation:

The the Chief Executive Officer under delegation 1.1.17 (2) Seeking Expressions of Interest for Goods and Services, **DECLINES** all submissions for Expression of Interest (EOI) 20024: Provision of Commingled Recyclables Processing at Wangara Recycling Centre (WRC).