



TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER
CC: MANAGER WASTE SERVICES
FROM: DIRECTOR ASSETS
FILE REF: 19/223341 [V5]
DATE: 19 September 2019

TENDER 19014 PROVISION OF COMMINGLED RECYCLABLES PROCESSING

Issue

To consider Tender No: 19014 for the Provision of Commingled Recyclables Processing for one year, plus two one year extensions or part thereof, commencing 1 December 2019.

Background

The current commingled recyclables processing contract with Cleanaway ceases on 30 November 2019 following the activation of the two, one year extensions offered.

The City initially disposed of its commingled recyclables at Cleanaway's Bayswater MRF for processing from the commencement of the contract. However, in 2017, Cleanaway closed its Bayswater MRF which resulted in the City thereafter delivering to Cleanaway's newly developed facility on Tyne Road, South Guildford.

In early 2019, Administration decided that a short term contract should be developed to maintain service to the community whilst allowing the City sufficient time to explore long term options that encourage recyclables processors to either utilise the City's closed Wangara Recycling Centre site or develop other recyclables processing infrastructure within the City's boundary, as per the outcome of a Service Delivery review undertaken in 2018.

Detail

Tender 19014 for the Provision of Commingled Recyclables Processing was advertised on 13 April 2019 and closed on Tuesday 21 May 2019. No addenda were issued.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Commingled Recyclables Processing Agreement
Contract Type	Fixed Price (Gate Fee)
Contract Duration	One Year
Commencement Date	1 December 2019
Expiry Date	30 November 2020

Item	Detail
Extension Permitted	Two periods of one year or part thereof
Rise and Fall	Yes, CPI increase applicable upon extensions
Exportable Recyclables Clause	Price review applicable upon any future extreme commodities market changes, after Year 1 only

Tender submissions were received from the following:

1. Cleanaway Pty Ltd "Cleanaway": and
2. Suez Recycling and Recovery Pty Ltd "Suez".

The Tender Evaluation Panel comprised:

Manager Waste Services, Supervisor Waste Operations, Manager Property, OSH Officer and Project Officer Waste Services.

Internal Probity Oversight and Facilitator, Contracts Officer.

External Probity Oversight

Oversight to the Tender assessment process was undertaken by William Buck Consulting (WA) Pty Ltd who has provided a report on tender evaluation (19/307853).

Tender submissions were evaluated in accordance with a Procurement Evaluation Plan (PEP). The PEP included the following weighted selection criteria:

Category	Description	Weighting
Technical Robustness	Methodology	25%
	Capacity	25%
	Experience	30%
Systems and Safety	Health and Safety, Risk Mitigation, OHS Measures, Environmental Management Systems	20%

The following non-weighted criterion was also assessed:

Category	Description	Assessment
Economic Viability	Price (Gate Fee/s)	Price for price basis
	Container Deposit Scheme Sharing Methodology	Value of benefits offered
	Value for money (increase/decrease of maintenance of current vehicle and resource operational budget)	Operational financial benefits offered by the Tenderer or its disposal location.

Submissions were offered and evaluated on the following basis:

1. Cleanaway Pty Ltd (C) – conforming Tender;
2. Suez Recycling and Recovery Pty Ltd (C) – Conforming Tender; and

3. Suez Recycling and Recovery Pty Ltd (ALT) – Alternative Tender (included an option to utilise the City’s Wangara Recycling Centre building at no cost to Suez)

Tender submissions were valid for 90 days from the tender closing date. As the tender evaluation required significant analysis and clarifications on the terms of contract, tenderers were requested to extend the tender validity period until 21 September 2019. Cleanaway Pty Ltd provided a confirmation to extend to their tender validity period to 21 September 2019, however Suez Recycling and Recovery Pty Ltd didn’t respond to the City’s request. After a follow up on 17 September 2019, Suez Recycling and Recovery Pty Ltd confirmed in an email on 18 September 2019 that their tender submission has expired.

Therefore only one submission from Cleanaway Pty Ltd is now under consideration for the award of Tender No: 19014 for the Provision of Commingled Recyclables Processing.

In order to assess the value for money offered by Cleanaway Pty Ltd’s submission, all three tender submissions have been evaluated before making a recommendation.

Evaluation Criteria 1 – Technical Robustness – Methodology – 25% delivering the service was assessed in conjunction with the approach to timeframes and specifications

The Tenderer’s methodology for contamination removal methods and each proponent’s Materials Recycling Facility (MRF) contamination rate, including any plans for optimisation of recycling methodologies.

Assessment ranking is as follows:

Tenderer	Ranking
Cleanaway Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (C)	2
Suez Recycling and Recovery Pty Ltd (ALT)	2

Evaluation Criteria 2 - Technical Robustness – Capacity – 25%

The Tenderer’s resources and capacity were assessed and evaluated to ensure the Tenderer can meet the requirements of the contract. Assessment of this criterion considered the Tenderer’s history, business/organisation structure, plant and equipment, qualifications, industry experience local infrastructure capabilities and provision to undertake processing.

Assessment ranking is as follows:

Tenderer	Ranking
Cleanaway Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (C)	2
Suez Recycling and Recovery Pty Ltd (ALT)	2

Evaluation Criteria 3 - Technical Robustness – Experience – 30%

The Tenderer's relevant experience carrying out similar works via other Council contracts, scope of works, similarity between contracts, and referees were assessed. Assessment ranking is as follows:

Tenderer	Ranking
Cleanaway Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (ALT)	3

Evaluation Criteria 4 – Systems and Safety - 20%

Evidence of safety, environmental and quality management policies and practices was assessed following Tender submissions. The assessment for safety management was based on the Tenderers' responses to an Occupational Health and Safety Management System Questionnaire (schedule 2) included within the Tender documentation. Assessment ranking is as follows:

Tenderer	Ranking
Suez Recycling and Recovery Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (ALT)	1
Cleanaway Pty Ltd (C)	2

Overall Qualitative Weighted Assessment and Ranking

The overall qualitative weighted assessment resulted in the following tenderer ranking:

Tenderer	Ranking
Cleanaway Pty Ltd (C)	1
Suez Recycling and Recovery Pty Ltd (C)	2
Suez Recycling and Recovery Pty Ltd (ALT)	3

Value for Money Assessment

Pricing was a non-weighted criterion but based on value for money, price is expressed as a fixed gate fee with Tenderers required to provide the City with a fixed rate to process commingled recyclables materials per tonne. Cleanaway provided two prices, a fixed gate fee and a fixed gate fee including landfill levy, Suez provided a fixed gate fee for both their conforming and alternative Tenders without landfill levy. The assessment also considered the distance from the City's geographical median point, Neerabup, to the tenderers' waste receipt locations; and concluded that Cleanaway's tender submission based on a fixed gate fee including landfill levy provided the best value for money outcome to the City.

Overall Comment

The Evaluation Panel has consistently throughout the evaluation process recommend Cleanaway Pty Ltd as the preferred Tenderer as they achieved the highest qualitative criterion ranking and satisfied the overall value for money assessment.

Statutory Compliance

Tenders were invited in accordance with the requirements of Section 3.57 of the *Local Government Act 1995*. The Tendering procedures and evaluation complied with the requirements of Part 4 of the *Local Government (Functions and General) Regulations 1996*.

Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2026:

“3. *Environment (Natural)*

3.3 *Reduce, Reuse, Recycle, Waste*

3.3.3 *Create and promote waste management solutions”*

Enterprise Risk Management Considerations

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

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

Risk Title	Risk Rating
ST-G09 <i>Long Term Financial Planning</i>	<i>Moderate</i>
Accountability	Action Planning Option
<i>Director Corporate Strategy & Performance</i>	<i>Manage</i>

The above risks relating to the issues contained within this Memo have been identified and considered within the City’s Strategic and Corporate Risk Registers. Action plans have been developed to manage these risks to support existing management systems.

Financial and Performance Risk

Financial Risk

A financial risk assessment was undertaken as part of the Tender evaluation process and the outcome of this independent assessment by Corporate Scorecard Pty Ltd advised that Cleanaway has been assessed with a ‘sound’ financial capacity to meet the requirements of the contract.

Performance Risk

Independent reference checks have also indicated that the recommended Tenderer has fulfilled other Council contracts successfully, with good OHS practices, fair and

equitable costing and good contractor management behaviours. Market fluctuation risks have been considered with further provisions negotiated, should extensions be activated, and have been agreed with Cleanaway for inclusion in the contract agreement.

Social and Environmental Considerations

The evaluation has been favourable to those respondents whose facilities are within the City or closest to the City's boundaries without increasing costs.

Broader Economic Impact Implications for the City of Wanneroo

Due to the City operating its own fleet, consideration has been given to any increased driving time required further than its current disposal location in South Guildford. Extra driving time, over and above that currently incurred ultimately increases non-productive time, i.e. travelling time to disposal points rather than time that may be spend collecting and removing waste from the kerb.

Cleanaway advise that 5 of its employees reside within the City of Wanneroo.

Policy Implications

Tenders were invited in accordance with the requirements of the City's Purchasing Policy.

Financial (Budget) Implications

The costs associated with the RFT 19014 Provision of Commingled Recyclables Processing are included in the 2019/2020 Operational Budget.

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of Tenders ACCEPTS the Tender submitted by Cleanaway Pty Ltd for Tender 19014 for the Provision of Commingled Recyclables Processing as per the fixed gate fee price including landfill levy option as stated within the Tender submission . The Tender is offered on a one year, plus two one year extensions or part thereof.

SUBMITTED BY PROJECT OFFICER WASTE SERVICES


SIGNATURE

19/9/19.
DATE

REVIEWED BY MANAGER CONTRACTS & PROCUREMENT


SIGNATURE


19/9/19.
DATE

ENDORSED BY MANAGER WASTE SERVICES


SIGNATURE

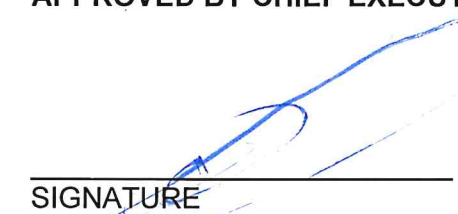
19/9/19.
DATE

RECOMMENDED BY DIRECTOR ASSETS

Ⓢ 
SIGNATURE

19. 9 .19
DATE

APPROVED BY CHIEF EXECUTIVE OFFICER


SIGNATURE

19. 9. 19
DATE

offer for the consideration of a variety of interests

Ⓢ Refer information 19/366857 and 19/281092