

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER WASTE SERVICES

FROM: DIRECTOR ASSETS

FILE REF: 20/151517

DATE: 07 MAY 2020

RFT 20037 PROVISION OF GARDEN ORGANICS (GO) PROCESSING

ISSUE

To consider the decline of Request for Tender 20037 for the Provision of Garden Organics (GO) Processing. The contract term is two (2) years with two (2) optional one (1) year extensions.

BACKGROUND

On 2 July 2019 Council considered report AS06-07/19 for the implementation of the Three Bins Kerbside Collection System that provided a detailed Business Case in full alignment with the Waste Authority's Better Bins Program, to implement a third bin, for residents to separate organic materials, providing the ability to increase recycling, and resolved the following, that Council:

1. *APPROVES the implementation of the Three Bin Kerbside Collection System (as per Options 2B and 3B in the Business Case) in line with the Waste Authority's Better Bins program, that separately collects Food and Garden Organics wastes for onward processing by a third party contractor in to an Australian Standard AS 4454-2012 compliant product;*
2. *AUTHORISES administration to invite tenders for the commissioning of a suitable contractor to process the City's Food and Garden Organics waste; and*

To satisfy resolution 2 above, tenders were invited for the provision of Food Organics and Garden Organics (FOGO) Processing. However, due to minimal progress being made by the waste management industry following the City's FOGO Expression of Interest in January 2019, increased costs and an inability to commit to a roll out date, Council considered report AS02-12 19 and resolved the following, that Council:

1. *DECLINES all tender submissions for Tender No. 19168 Provision of Food Organics and Garden Organics Processing, in accordance with the conditions of tendering;*
2. *AUTHORISES administration to invite tenders for the commissioning of a suitable contractor for the processing of the City's Garden Organic materials to enable the implementation of the Three Bin Kerbside Collection System (as per Options 2A and 3A as explained in the report); that separately collects Garden Organics for onward processing by a third party contractor;*

In alignment with Council's resolution, a Request for Tender (RFT) was developed to secure a suitable contractor to process the City's separately collected GO materials.

DETAIL

Request for Tender (RFT) 20037 for the Provision of Garden Organics Processing was advertised on 15 February 2020, and closed 19 March 2020.

Two Addenda were issued:

- (a) *Addendum 1:*
No Tender briefing will take place and a change to document title;
- (b) *Addendum 2:*
A extension of closing date from 17 March 2020 to 19 March 2020

A non-mandatory tender briefing session was scheduled for 4 March 2020, however due to a lack of interest it was cancelled (Addendum 1) refers.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Garden Organic Processing Agreement
Contract Type	Schedule of Rates
Contract Duration	2 years (two years)
Commencement Date	4 January 2021
Expiry Date	3 January 2023
Extension Permitted	(2) Two periods of (1) one year
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions.

TENDERS RECEIVED

Tender submissions were received as follows:

- M8 Sustainable Ltd (non-conforming)

This non-conforming submission did not provide an acceptable response to any of the assessment criteria as requested within the tender documents.

The Evaluation Panel (TEP) comprised:

- Manager Waste Services,
- Senior Project Officer,
- Supervisor Waste Operations
- Specialist Park Contracts,
- Coordinator Safety Systems.

Probity Oversight

Oversight to the RFT process was undertaken by the William Buck Consulting (WA) Pty Ltd. Tender submissions were to be evaluated in accordance with the Procurement and Evaluation Plan (PEP) which included the following selection criteria:

Weighting Rationale

Q	Criteria	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 10% b. Buy Local 10%	20%
2	*OSH	20%
3	*Methodology and Implementation Plan	20%
4	*Capacity	20%
5	*Experience	20%

Overall Assessment/Information

The submission from M8 Sustainable Ltd was considered a non-conforming submission as it failed to provide an acceptable response to any of the assessment criteria as requested within the tender documents.

Refer to the Confidential Attachment for further details relating to the overall assessment and further comments.

Consultation

Consultation occurred with the third party waste management industry.

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 – 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

Not applicable

Social and Environmental Considerations

Not applicable

Broader Economic Impact Implications for the City of Wanneroo

Not applicable

Policy Implications

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

Financial (Budget) Implications

Nil

Overall Comment

Due to only one non-conforming submission being received it is therefore recommended that the CEO declines all offers presented aligned with (RFT) No.20037 for the Provision of Garden Organics (GO) Processing.

Following the failure of this tender to find a suitable GO processing contractor, The City has already developed and published a FOGO RFQ which has been sent to the six companies who responded to the initial unsuccessful FOGO tender discussed that was published on 14 September 2019. This course of action has been taken following further industry discussions that indicated that at least one of the previous respondents may now be in a position to provide services, as requested. Assuming that a suitable processing contract can now be agreed with one of the six respondents, then the City would move forward with the delivery of a FOGO kerbside collection system in 2021.

That RFQ process ends on 8 May 2020.

If the above process proves unsuccessful, the City then plans to re-engage with the recycling industry to find a suitable GO processor. The City also has the opportunity to engage with both the Southern and Eastern Metropolitan Regional Councils, who may now have capacity to provide services which were not available at the time of the original GO RFT.

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 (2) DECLINES all Tenders for Request for Tender 20037 for the Provision of Garden Organics (GO) Processing