

13 CONTRACT 19/27 - KERBSIDE WASTE COLLECTIONS SERVICE

FILE REFERENCE INT1993235

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RECOMMENDATION

That:

1. Cardinia Shire Council commence a Garden and Food Bin service in Oct 2020, to align with the new waste collection contract CT 19/27.
2. The schedule of rates tender submitted by Cleanaway Pty Ltd be accepted for the Kerbside Waste Collections Service CT19/27 for an initial term of 7 years with 3 x 1 year extension options.

Attachments

- 1 Confidential Memorandum - Circulated to Councillors only 5 Pages

EXECUTIVE SUMMARY

Council currently provide three kerbside waste collection services; General Garbage, Recycling, and Green Waste which are undertaken by two contractors; Cleanaway for General Garbage and Recycling and JJ Richards & Sons for Green Waste.

In recent years the contract extensions have been aligned so that these three contracts all end at the same time, September 30 2020. This has allowed Council to go out to tender for all three kerbside bin collections under the one tender. This was tender was advertised in August and closed in October.

This combined service contract provides value for money for Council through:

- Discounts provided by the contractor for multiple services
- Efficiency of management of one contractor for all services of the same type
- Efficiency of having one call centre managing all calls/online requests
- Confidence in the contractor knowing our geographic area and population specifics consistently across all collection services

The new collection contract would also help us continue to provide proficient waste services for our community and meet Council Plan Action 3.3.4 relating to reducing the amount of waste going to landfill to help meet the State Government's waste and resource recovery policy targets. As such the scheduled introduction of a Garden and Food Bin service in 2020, to align with the new waste collection contract.

An evaluation panel was formed to evaluate the four tender responses received and recommend the tender offering the best value for money to Council is the tender received by Cleanaway Pty Ltd.

BACKGROUND

Council currently provide three kerbside waste collection services; General Garbage, Recycling, and Green Waste. These three services are undertaken by two contractors; Cleanaway for General Garbage and Recycling and JJ Richards & Sons for Green Waste.

Currently, the following kerbside collection services are provided:

- Garbage – A 120 Litre garbage bin collected weekly with the option of reducing to 80 Litre garbage bin at a reduced rate.
- Recyclables – A 240 Litre recycle bin collected fortnightly.
- Green Waste – A 240 Litre green waste bin collected fortnightly. (future service plans include food waste from the beginning of this contract and an option to have a 120l green waste bin for a reduced rate)

In addition to these services, this contract also makes provision for the introduction to collect food waste with the green waste.

In recent years the contract extensions have been aligned so that they all end at the same time, September 30 2020, allowing Council to go out to tender for all three kerbside bin collections under the one tender. This combined service tender provides value for money for council through:

- Discounts provided by the contractor for multiple services
- Efficiency of management of one contractor for all services of the same type
- Efficiency of having one call centre managing all calls/online requests
- Confidence in the contractor knowing our geographic area and population specifics consistently across all collection services

The contract term is for an initial period of 7 years with 3 x 1 year extension options available.

The tender was advertised on 31 August 2019 and closed on 11 October 2019. Tender responses were received from three companies:

- Cleanaway Pty Ltd
- JJ Richards & Sons Pty Ltd
- Remondis Pty Ltd

The tenders were assessed against the weighted criterion; Quality System, Capability, Relevant Experience and Past Performance, Resources, Customer services and innovation, Occupational Health and Safety, and Compliance with Specification. Non weighted Criterion were also assessed on a pass/fail basis.

Based on this and a financial assessment, the tender submitted by Cleanaway Pty Ltd provides best value for money.

The following dates are expected for transitions to occur from existing arrangements:

- Start of collection services no later than 1 October 2020
- Mobilisation period from 20 January 2020 to 30 August 2020
- In addition, this change in contract provides a seamless transition for council to introduce a change in service for the green waste bin allowing Cardinia Shire residents to put food waste into their kerbside green waste bin for collection and processing.

Food and Garden Bin

Reducing food to landfill has been established as a priority in the Council Plan 2019 and Council Plan Actions 2019-23 and state-wide Waste and Resource Recovery plans. It has also been listed as a key action in our Waste and Resource Recovery Strategy (2017-26) and has associated actions in the WRRS Action Plan (2017-21). This interest has been driven by a number of factors, including:

- Limited capacity and increasing cost of disposal to landfill
- Recovering resources from food waste
- Reducing greenhouse gas emissions, particularly methane
- Increased recovery of valuable energy and nutrients that can be recovered for reuse through composting systems.

The inclusion of food waste in green (garden) waste bins is an efficient method of diverting household food from landfill and recycling the waste into a usable product. These systems utilising existing waste infrastructure and resident behaviour practices. Commonly known as Food Organic Garden Organic, or FOGO, these systems are becoming increasingly popular solutions for Council's in Victoria. Currently, 8 Metropolitan Councils and 16 regional Councils have implemented full services or trials, and 15 Metropolitan and 11 Regional currently preparing for implementation.

POLICY IMPLICATIONS

The aligning of the kerbside waste collection services meets several actions from the Waste and Resource Recovery Strategy (2017-26) including:

- **Action 35** - For new contracts, review specifications to allow to explore new materials/opportunities for collection and recycling to maximise recovery and reduce waste to landfill
- **Action 37** - Annually review services through business planning processes to identify continued opportunities for efficiency improvements, appropriateness, value for money, and increased recovery.

The introduction of food into the green waste bin service strongly aligns with Cardinia Shire's Liveability Plan 2017-29, Food domain.

- **Action 4.4** - Reducing and diverting food waste from landfill and reusing water to grow food.

Cardinia Shire Council Waste and Resource Recovery Strategy (2017-21) Action Plan

Relevant actions:

- **Action 8** - Undertake a review and develop a system for diverting food waste from landfill.
- **Action 9** - Continue to promote the benefit of composting as a preference to all other collection systems.
- **Action 11** - Promote green waste services and their benefits within the community to expand knowledge

This consolidated approach to kerbside waste collection services has strong alignment with Councils declaration at the General Council Meeting in September 2019 to join more than 800 other local governments across the globe to declare a climate emergency. It also meets actions from State-wide plans and strategies:

- The State-wide Waste and Resource Recovery Infrastructure Plan (SWRRIP)
- The Metropolitan Waste and Resource Recovery Implementation Plan 2016
- The Victorian Organics Resource Recovery Strategy

RELEVANCE TO COUNCIL PLAN

3.3.4 Reduce the amount of waste going to landfill to meet the State Government's waste and resource recovery policy targets.

CONSULTATION/COMMUNICATION

Residents should see no change to their kerbside waste collection services other than the introduction of food into the green waste bin if they have opted into this service.

A comprehensive Behaviour Change Plan, incorporating a Communications Plan, is in place to support residents to use the new food in the green waste bin service. The plan provides guidance from 18 months before the program begins through to post-implementation. It draws upon findings from MWRRG and Gippsland Regional Waste Management Group (GRWVG) and Community-Based Social Marketing behaviour change theory. A Communications Plan will be developed with the Team Leader Communications, to support the various stages of the plan. The Behaviour Change Plan will be implemented with support from the MWRRG and Sustainability Victoria's teams.

FINANCIAL AND RESOURCE IMPLICATIONS

Based on the rates submitted, the annual cost for the kerbside collections is estimated at \$6.53million in the initial year and rise to potentially \$7.3million by year 5.

The kerbside collection of the general waste, recycling and green waste bins and the changes to the green bin service will be fully funded through the Garbage Charge and optional Food and Green Waste Bin charge.

CONCLUSION

It is recommended that the tender submitted by Cleanaway Pty Ltd be accepted for the Kerbside Waste Collections Service contract number 19/27 for an initial term of 7 years with 3 x 1 year extension options, and that; Cardinia Shire Council commence a Garden and Food Bin service in October 2020, to align with the new waste collection contract CT 19/27.