

## 1.1 CLAYTON SOUTH REGIONAL LANDFILL, SITE MANAGEMENT CONTRACT

JL : ENV17

Responsible Director : Carolyn McClean

### **RECOMMENDATION**

1. *That Council endorses the recommendation by the Supervising Committee of the Oakleigh Sub Group to award the contract for Management of the Clayton South Regional Landfill to Martin Aylward and Associates Pty Ltd for the annual contract price of \$224,651 (inclusive of GST) for a four-year period.*
2. *That Consumer Price Index increases shall apply for the contract price upon each anniversary of awarding the contract.*
3. *That further options of a maximum of three contract extensions of 12 months each be subject to negotiations on the scope of works and CPI increases. These options of extensions to be at the Oakleigh Sub Group Supervising Committee's discretion.*
4. *That Council authorises the Chief Executive Officer to sign and seal the contract documents.*

### **INTRODUCTION**

The purpose of this report is to obtain endorsement by Council of the recommendation by the Oakleigh Sub Group Supervising Committee to appoint a site manager of the Clayton South Regional landfill as the previous contract expired at the end of November 2008.

The scope of the contract is for the overall management of the site, engagement of staff, administrative services and provision of advice to the Supervising Committee.

### **BACKGROUND**

The Oakleigh Sub Group was formed in 1986 to own and operate the Clayton South landfill. After the amalgamation of the member councils, the Supervising Committee which comprised a representative from each of the member councils (Cities of Boroondara, Stonnington, Glen Eira, Whitehorse & Monash) recognised a need to appoint a manager to ensure the landfill operated in a cost effective manner and provide a quality facility to the member councils.

Council has a 16.8% equity share in the landfill.

The Oakleigh Sub Group is currently seeking endorsement from all five Councils to award the management of the Clayton South landfill.

The existing contract with Martin Aylward and Associates Pty Ltd expired at the end of November 2008 and has been extended to February 2009.

The Oakleigh Sub Group invited tenderers for a Site Manager for the Clayton South Regional Landfill for a period of four years, with options of one-year extensions to the contract at the discretion of the Oakleigh Sub Group Supervising Committee, on Wednesday 19 November 2009 in the “Herald Sun” and on Saturday 22 November 2008 in “The Age”. The Tender closed at 2.00 pm Friday 12 December 2008.

Tender documents were obtained from 13 organisations with only three submitting a final price:

- 1 Martin Aylward and Associates Pty Ltd
- 2 Ace Environmental Services Pty Ltd
- 3 MC4 Pty Ltd

Tender prices received ranged from \$224,651 to \$400,000 pa with the lowest priced tender submitted by Martin Aylward and Associates Pty Ltd.

### ***TENDER EVALUATION***

The Tender Panel comprised the following:

Sam Di Giovanni	City of Boroondara
Joe Lunardello	City of Monash
Ian Barnes	City of Whitehorse
Ian Mann	Independent Consultant (CT Management Group)

The basis of the evaluation was to assess all submitted tenders for the contract with a view to identify the offer which represented the most advantageous and best value for money for the User Group.

The evaluation criteria and weighting established to assess the tender submissions are detailed below:

<b>Evaluation Criteria</b>	<b>Weighting</b>
Experience and Performance	30%
Skills Available	25%
Payment Rate (Price)	20%
Methodology	15%
OH&S	5%
Conflict of Interest	5%

The weighting of the evaluation criteria was based on the necessity for the landfill managers to have had previous experience in landfill management and the skills necessary to operate the facility, hence this criteria was given the highest rating.

### ***INITIAL REVIEW***

An initial review of the tender submissions was undertaken by representatives of the five member councils of the User Group. This initial evaluation used the evaluation criteria to assess each tender submission to determine which tenderers would be invited to attend an interview. See Attachment A tender evaluation report.

As a result of this initial review, MC4 Pty Ltd was excluded from further consideration. Martin Aylward and Associates Pty Ltd and Ace Environmental Services Pty Ltd were invited to attend a tender evaluation panel interview to support their tender submissions.

### ***TENDER EVALUATION PANEL MEETING & INTERVIEWS***

The Tender Evaluation Panel met to interview the selected tenderers on Wednesday 14 January 2009. At the interview, each tenderer was given the opportunity to present their offer and respond to a series of written questions prepared by the panel.

Following this presentation, further questions were asked of each tenderer by the interview panel and it was concluded that Martin Aylward and Associates Pty Ltd is the preferred tenderer.

The Tender Panel report has been circulated to Councillors.

### ***FINANCIAL***

The current Contract No 1-2001 with Martin Aylward and Associates Pty Ltd is at \$218,412 pa, inclusive of GST and the tender price for Contract No 1-2008 by Martin Aylward and Associates is \$224,651.90 pa (GST inclusive). This represents a 2.8% increase to the current contract. This increase is considered reasonable and is allowed for in the Clayton South Annual Operating Budget.

### ***CONCLUSION***

The evaluating panel recommends that the tender from Martin Aylward and Associates be accepted on the basis that the tenderer:

- Has offered the lowest tender.
- Has a high level of knowledge in providing this type of service.
- Has adequate technical knowledge of landfills.