

4.1 TENDER FOR KERBSIDE COLLECTION SERVICES (CF2019113:DP)

Responsible Director: Ossie Martinz

RECOMMENDATION*

That Council:

- 1. Awards the tender from Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) for Kerbside Collection Services (inclusive of Bin Maintenance), Contract No. 2019113 for a schedule of rates based contract with an estimated average annual contract value of \$10,358,330 and an estimated total contract value of \$93,224,965 inclusive of all available extension options.*
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreements subject to satisfactory negotiation of the final Contractual Terms and Conditions.*
- 3. Notes that the contract will commence on 1 April 2020, with an initial term of seven years and the contract have two (2) extension options of one (1) year each and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.*

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise)*

INTRODUCTION

Council has conducted a Schedule of Rates Public Tender for the provision of Kerbside Collection Services which incorporates the collection of Garbage, Recycling and Garden waste (including food scraps from July 2020) in accordance with the specification and brief within the Contract No 2019113.

This report seeks Council's endorsement of the Tender Evaluation Panel's recommendation to award the tender for CF2019113 Kerbside Collection Services to Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery).

BACKGROUND

Council is seeking to appoint a Contractor to deliver the kerbside collection services of garbage, recycling and garden waste (including food scraps from July 2020) inclusive of bin maintenance services.

The scope of works covered within this tender include:

- A fleet of vehicles which meet EURO6 standards which will reduce the vehicle emissions produced by this service, including particulate matter, nitrous oxide and hydrocarbons.

- The collection of Garbage, Recyclables and Garden (including food organics from July 2020) bins from nominated premises throughout the municipality and transportation of the contents to Council's nominated recycling and disposal facilities;
- The provision of an Education Fund to support community education activities for better service outcomes;
- Delivery of a kitchen caddy to all Monash properties with an existing garden bin prior to July 2020, to support the introduction of the food waste in green bin service; and
- the provision of bin delivery, replacement, removal and repair services;

Council has engaged to Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) to provide this service since April 2011

NOTIFICATION

A public notice was placed in The Age newspaper on 8 June 2019 and the tender closed on 10 July 2019.

TENDERS RECEIVED

Three tender submissions were received by the appointed closing time. The tenders received are listed below:

- Cleanaway Pty Ltd
- Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery)
- United Resource Management

Tender Conformance

All submissions were accessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

All tender submissions were deemed conforming.

TENDER EVALUATION

In accordance with Council's Procurement Policy a legal review of the tender documentation was undertaken by Maddocks. In addition, Landell were engaged as an independent Probitry Advisor for this tender process, reviewing all tender documentation prior to advertisement and were in attendance at all panel meetings.

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms. One panel member raised a possible perceived conflict of interest having had worked at one of the prospective tenderers some 6 years ago. Given the panel size, entry-level nature of the role held with the prospective tenderer and the time elapsed since employment, the risk of a perceived conflict of interest was deemed to be mitigated.

The tenders were assessed in accordance with the evaluation criteria published in the tender documentation:

| Pass/Fail Assessment Criteria | Measure |
|---|-----------|
| Submitted completed Tender Response Forms | Pass/Fail |
| Compliance with Specification | Pass/Fail |
| All Insurances (WorkCover, public liability, motor vehicle, indemnity etc.) | Pass/Fail |
| Adherence to Collection Schedule | Pass/Fail |
| Provision of vehicles to at or above minimum standard | Pass/Fail |
| Main admin/Depot works servicing Monash within 20km of Monash municipality | Pass/Fail |
| Financial viability | Pass/Fail |
| Quality and OH&S management system | Pass/Fail |

| | KEY SELECTION CRITERIA | CRITERIA WEIGHTINGS | SUB WEIGHTINGS | SUB CRITERIA |
|-------------------------------------|--------------------------------|---------------------|-----------------------|---|
| NON-PRICE CRITERIA (40%) | Capability and Capacity | 15% | 5% | Experience |
| | | | 5% | Human Resources |
| | | | 5% | Vehicles, Plant and Equipment Resources |
| | Methodology | 15% | 4% | Mobilisation, Transition and Contract Plan |
| | | | 4% | Service Delivery |
| | | | 4% | Risk Management |
| | | | 2% | Legal Compliance (includes Chain of Responsibility) |
| | | | 1% | Performance Innovation |
| | Sustainability | 10% | 4% | Environmental Sustainability |
| | | | 3% | Local Sustainability |
| 3% | | | Social Sustainability | |
| PRICE (60%) | Price | 60% | 60% | Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost |

DISCUSSION

The following information supports the evaluation panel's recommendations.

Tenders were evaluated in accordance with the specified evaluation criteria. As a schedule of rates tender, modelling was conducted based on the estimated quantities to determine estimated annual costs.

Following this qualitative and quantitative evaluation the panel focussed their attention on this highest-scoring tenderer. Reference checks were undertaken from other Councils

for which this tender provides similar services. These references were positive, with referees commenting on the tenderers cooperative nature and customer service focus. The evaluation panel also conducted a tender interview with Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) to hear more about their submission and to clarify and confirm their understanding. Overall, their collaborative and cooperative approach in addition to their operational flexibility was evident throughout this discussion.

The final evaluation ranking (including the price and non-price evaluation criteria) had Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) ranked highest and as such, the evaluation panel recommends Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

This service is a Schedule of Rates contract and therefore modelling has been completed to estimate costs.

In comparison to 2018/19 actual expenditure for these services, Solo Resource Recovery's tender represents great value. Their tendered rates, including bin maintenance are, on average, the same or similar in price to their actual 2018/19 rates which excluded bin maintenance activities. Considering this, the modelled first contract year expenditure of \$8,444,265 (incl. GST) is less than the actual 2018/19 expenditure of \$8,581,961 (incl. GST) to deliver the service.

These sums are incorporated into the 2019-2020 Sustainable Monash operating budget.

SUSTAINABILITY OUTCOMES

Council actively pursued sustainability outcomes for this tender with the returnable schedules and associated scoring specifically targeting social, local and environmental sustainability benefits to the Monash community.

As highlighted below, the panel's preferred tenderer will deliver the following sustainability outcomes:

Social – employment of one full time person from socially or economically disadvantaged background for use within this contract, for at least the contract duration. This is in addition to existing partnerships with a range of supported employment providers through Victoria and Australia.

Local - As a family-owned business Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) expressed a strong interest in supporting local businesses and Australian manufacturing:

- Solo Resource Recovery currently employs 7 City of Monash residents within their team.
- They intend to source 30% of their goods, services and materials for this contract from within the municipality.

Environmental

- Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery)'s Environmental Management System is certified to AS/NZS ISO 14001 and as such they have detailed policies and procedures in place.
- Carbon neutral collection vehicles through the purchase of 200% accredited carbon offsets of the collection vehicles' carbon emissions at no additional cost to Council. This will result in approximately 28,000 tonnes of carbon being neutralised during the contact term.
- Rico Enterprises Pty Ltd ATF Rico Family Trust (T/A Solo Resource Recovery) are keen to trial a suitable electric collection vehicle within Monash once a suitable vehicle is manufactured and will offer Council the option to replace existing vehicles with this technology should the trial be a success.

CONCLUSION

That Council approves the recommendations contained within this report.