

4.1 2019113 KERBSIDE COLLECTION CONTRACT – VARIATIONS EXCEEDING OFFICERS DELEGATION - EXCEPTIONAL CIRCUMSTANCES FOR SUPPLY OF KITCHEN CADDY LINER SAMPLE PACKS
CF 2019113 SH

Responsible Director: Deb Cailes

RECOMMENDATION

That Council:

- 1. Notes that on 19 May 2022, the CEO approved a variation to 2019113 Kerbside Collection Contract, by Rico Enterprises Pty Ltd (Solo Resource Recovery) in the amount of \$317,152, being 10% or \$100,000 greater than the original contract sum awarded;*
- 2. Notes that the Procurement Policy Item 2.4.2.2 authorises the Chief Executive Officer to authorise variations greater than 10% or greater than \$100,000 of the original contract sum, where Exceptional Circumstances exist;*
- 3. Notes that “Exceptional Circumstances” are defined in Item 1.2 of the Procurement Policy as “Where the health and safety of people, the integrity of assets is compromised, or there is a risk of financial exposure due to a delay in works, unless immediate action is taken”; and*
- 4. Notes that the revised contract value is now \$93,542,117.*

INTRODUCTION

In April 2022 Council confirmed it would proceed with the collection frequency change of Food Organics and Garden Organics (FOGO) (green) bins to weekly and Landfill (red) bins to fortnightly from August 2022.

To support the community through this change, Council endorsed a motion to post a once-off pack of compostable caddy liners to households that have a food and garden waste bin as follows;

“That Council posts a once-off pack of compostable caddy liners prior to the change to collection services, with supporting information, to households that have a Green Food and Garden Waste bin.”

BACKGROUND

On 27 August 2019 Council approved the tender for 2019113 Kerbside Collection Services (commencing 1 April 2020) with a schedule of rates based contract with an estimated total contract value of \$93,224,965 (incl. GST).

The contract is for an initial period of seven (7) years with two (2) extension options of one (1) year each at the discretion of the CEO. The contract includes provision for kerbside collection services which include the collection of Garbage, Recycling and Food and Garden waste for residential and commercial properties, and bin maintenance services.

As part of Contract 2019113, Solo Resource Recovery procured and delivered kitchen caddies (made by Source Separation Systems) and information packs to approximately 65,000 Monash residents in July 2020 for the commencement of Monash's Food and Garden waste service.

DISCUSSION

This project, to supply kitchen caddy liners sample packs to residents, requires approximately 1,360,000 liners to be procured, packaged and delivered. To print (an information card) and pack 68,000 sample packs (20 liners), suppliers need 8-12 weeks lead-time. Preference is for an Australian made product for both quality and availability of stock.

The preferred specification for the Australian standard compostable liner is an 8L singlet style (handles). This is based on trialling square shaped compostable liners in Council offices, which were found to tear easily.

Solo Resource Recovery and Source Separation Systems have an established relationship and capacity to deliver this project. The project will be delivered with the scan system used to deliver the kitchen caddies, which records delivery, and provides daily reporting to support Council staff with Customer service queries.

Source Separation Systems make an Australian Standard singlet compostable liner (8L), which has been tested in Monash office caddies. Source Separation Systems have availability to print and package 68,000 sample packs, which will be ready to deliver to Monash letterboxes from 18 July – 12 August 2022. Source Separation Systems manufacture the Monash kitchen caddy, which is made in Australia from 100% recycled content.

Given the project lead times, approval for this project was required by mid-May.

After due consideration of the project deliverables, including the compressed time constraints, value for money and track record of Solo

Resource Recovery in delivering such services and in accordance with Council's Procurement Policy, a variation to procure this project without the need for a formal tender, was sought and approved by the Chief Executive Officer. (Attachment 1)

It is a requirement of the Procurement Policy to report this variation to Council.

POLICY IMPLICATIONS

The proposed actions support;

- Council Plan (2021-2025) objectives of a Sustainable City, particularly working with the community towards a zero-waste future, actively increase reuse and recycling.
- City of Monash Waste Management Strategy (2017-2027) has an objective of a 60% waste diversion rate by 2022 and a 75% diversion rate by 2027.
- City of Monash Environmental Sustainability Strategy (2016-2026) - waste objective is to have best practice waste and recycling collection services and reduced community consumption of resources and improved recycling, whilst reducing waste to landfill also supports the GHG emission reduction and contributes to the goals of the Zero Net Carbon Action Plan (2020).

Procurement Policy item 2.4.2.2 states that this variation must be reported to Council at the next meeting

CONSULTATION

Officers conducted community consultation from 31 January 2022 to 21 March 2022, hearing from around 7000 residents. The consultation included an-opt in survey on Shape Monash, which asked residents if compostable liners helped them to place food waste in their caddy and FOGO bin.

The consultation found some members of the community believe compostable liners would help them to recycle food and many are willing to purchase liners. There is confusion over the types of liners that are acceptable. Council can play a role in supporting the community by connecting them with appropriate products.

FINANCIAL IMPLICATIONS

The cost of providing a sample pack of twenty (20) Australian Standard compostable liners to every household with a food and garden (green) bin (68,000) is \$317,152 (inc GST). This once-off pack will be funded by underspent operational expenditure (FY2021/22).

CONCLUSION

To support the community through the change to the bin collections (food and garden (green) bins to weekly and landfill (red) bins fortnightly), Council will post a once-off pack of compostable caddy liners prior to the change to collections services, to households that have a food and garden waste (green) bin.

To procure and deliver a sample liner pack to households with a Food and Garden waste bin Council is requested to note the Chief Executive Officer's decision to approve a variation of \$317,152 (incl. GST) to the Kerbside Collection Contract (2019113) for this purpose.