

AGENDA

Greater Shepparton City Council

ADDITIONAL COUNCIL MEETING

10:00AM, Tuesday 19 March 2024

Function Room, Riverlinks Eastbank

COUNCILLORS

Cr Shane Sali (Mayor)

Cr Sam Spinks (Deputy Mayor)

Cr Seema Abdullah

Cr Dinny Adem

Cr Anthony Brophy

Cr Geoffrey Dobson

Cr Greg James

Cr Ben Ladson

Cr Fern Summer

VISION

GREATER SHEPPARTON, GREATER FUTURE

A thriving economy in the foodbowl of Victoria with excellent lifestyles, innovative agriculture a diverse community and abundant opportunities

Values

Values reflect what we feel is important. Organisations may have core values that reflect what is important in the organisation. These values may be guiding principles of behaviour for all members in the organisation.

Respect first, always

We are attentive, listen to others and consider all points of view in our decision making.

Take ownership

We take pride in honouring our promises and exceeding expectations, and are transparent with and accountable for our actions.

Courageously lead

We lead with integrity, and stand up and stand by what is in the best interests of the Greater Shepparton community.

Working together

We work collaboratively to create higher quality outcomes that are more efficient, thoughtful, effective and responsive. We cannot accomplish all that we need to do without working together.

Continually innovate

We are open to new ideas and creatively seek solutions that encourage us to do our best for our community.

Start the celebration

As ambassadors for our people and place, we proudly celebrate the strengths and achievements of Council and the Greater Shepparton community.

**A G E N D A
FOR THE
COUNCIL MEETING
HELD ON
TUESDAY 19 MARCH 2024 AT 10:00AM**

**CHAIR
CR SHANE SALI
MAYOR**

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Risk Level Matrix Legend

Note: A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

Risk Matrix			Consequence				
			Negligible	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Likelihood	Rare	1	LOW 1	LOW 2	LOW 3	LOW 4	MEDIUM 5
	Unlikely	2	LOW 2	LOW 4	MEDIUM 6	MEDIUM 8	HIGH 10
	Possible	3	LOW 3	MEDIUM 6	MEDIUM 9	HIGH 12	HIGH 15
	Likely	4	LOW 4	MEDIUM 8	HIGH 12	HIGH 16	EXTREME 20
	Almost Certain	5	MEDIUM 5	HIGH 10	HIGH 15	EXTREME 20	EXTREME 25

Low	1-4
Medium	5-9
High	10-16
Extreme	17-25

Extreme **Intolerable** – Immediate action is required to mitigate this risk to an acceptable level. Event/Project/Activity is not to proceed without authorisation.

High **Intolerable** – Attention is needed to treat risk.

Medium **Variable** – May be willing to accept the risk in conjunction with monitoring and controls.

Low **Tolerable** – Managed by routine procedures.

1 Welcome to Country

Cr James will now present a Welcome to Country on behalf of the Yorta Yorta Elders Council and the 16 family groups.

2 Acknowledgement

We, Greater Shepparton City Council, acknowledge the Yorta Yorta Peoples of the land which now comprises Greater Shepparton, we pay our respect to their tribal elders, we celebrate their continuing culture and we acknowledge the memory of their ancestors.

3 Privacy Notice

This public meeting is being streamed live via our Facebook page and made available for public access on our website along with the official Minutes of this meeting.

All care is taken to maintain your privacy; however as a visitor in the public gallery, it is assumed that your consent is given in the event that your image is broadcast to the public. It is also assumed that your consent is given to the use and disclosure of any information that you share at the meeting (including personal or sensitive information) to any person who accesses those recordings or Minutes.

4 Governance Principles

Council considers that the recommendations contained in this Agenda gives effect to the overarching governance principles stated in Section 9(2) of the *Local Government Act 2020*. These principles are as follows:

1. Council decisions are to be made and actions taken in accordance with the relevant law;
2. priority is to be given to achieving the best outcomes for the municipal community, including future generations;
3. the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
4. the municipal community is to be engaged in strategic planning and strategic decision making;
5. innovation and continuous improvement is to be pursued;
6. collaboration with other Councils and Governments and statutory bodies is to be sought;
7. the ongoing financial viability of the Council is to be ensured;
8. regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
9. the transparency of Council decisions, actions and information is to be ensured.

5 Apologies

Nil Received.

6 Declarations of Conflict of Interest

In accordance with section 130 (1)(a) of the Local Government Act 2020 Councillors are required to disclose any “conflict of interest” in respect of a matter to be considered at a Council Meeting.

Disclosure must occur immediately before the matter is considered or discussed.

7 Infrastructure Directorate

7.1 Recommendation to Award – Contract Number 2343 Waste Services Contract

Author	Independent Project Lead – ArcBlue, Senior Consultant Kelly Rossi
Approved by	Director Infrastructure
Purpose	For Decision at a Council Meeting

Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

RECOMMENDATION

That Council:

1. **Award Tender No 2343 Kerbside Waste Services to:**
 - a. **Tenderer A for provision of Contract 2343-01 Collection Services for the Initial Term of 7.5 years with an option to extend for a further 7.5 years,**
 - b. **Tenderer B for the provision of Contract 2343-02 Recyclables Acceptance and Processing Services for the Initial Term of 7.5 years with an option to extend for a further 7.5 years**
 - c. **Tenderer B for the provision of Contract 2343-03 Glass Acceptance and Processing Services for the Initial Term of 7.5 years with an option to extend for a further 7.5 years,**
 - d. **Tenderer C for the provision of Contract 2343-04 Food Organics, Garden Organics (FOGO) Acceptance and Processing Services for the Initial Term of 7.5 years with an option to extend for a further 7.5 years,**
 - e. **Tenderer A for the provision of Contract 2343-05 Bulk Transport Services for the Initial Term of 7.5 years with an option to extend for a further 7.5 years**
2. **Note that the contract term is for a period of 7.5 years, with a 7.5 year extension option at Council’s discretion. The estimated contract value for one year is \$6,239,379 excluding GST and the estimated contract value over the full contract term of 15 years is \$126,787,442 excluding GST.**
3. **Approve an operational budget allocation of \$80,000 excluding GST per annum over the term of the contract to contribute towards contract management and monitoring of operational performance; and**

RECOMMENDATION – Continued

4. **Authorise the Chief Executive Officer to enter negotiations and execute the contract documents as required and approve any contract extensions as deemed appropriate.**

Executive Summary

The report seeks Council's endorsement of the recommendations from the appointed Tender Evaluation Panel (TEP) for the provision of the following services:

- Collection Services
- Bulk Transport Service
- Acceptance and Processing Services – three streams of service; Glass, Recyclables and FOGO
- Waste Diversion initiatives / innovation (specifically Nappy, Textiles and Soft Plastics)

The tender was publicly advertised on 10 November and closed on 11 December 2023 with 4 submissions received from local contractors and 2 from contractors outside of the Greater Shepparton municipality.

The evaluation process was undertaken with strict adherence to probity and procurement protocols as set out in the pre-approved Procurement and Probity Plans.

Following the extensive evaluation process, the Evaluation Panel unanimously agreed on the recommendations to the award contract/s as outlined in this report for the commencement of services on 23 January 2025. .

Contract Details

Council released a tender to appoint a Contractor or Contractors to provide the following services under this Contract:

Collection Services - for each General Waste, Comingled Recyclables Material, FOGO Material, and Glass Material streams:

- Kerbside Bin Collection Services, including:
 - Event Bin Collection Services
 - Public Place Bin Collection Services
 - Mobile Bin Repair and Replacement Services
- Option to provide Customer Service

Bulk Transfer Services (collection or disposal/processing) from nominated transfer stations to disposal/processing facilities if required by the Tenderer.

Material Acceptance / Processing Services comprising:

- Comingled Recyclables Processing Services
- FOGO Processing Services
- Glass Processing Services

Innovation options comprising:

- Nappy Processing Service
- Textile Service
- Soft Plastics Service

The Contracts are for an initial term of 7.5 years with an option to extend a further 7.5 years.

Council is seeking the following outcomes from this tender including:

- providing reliable waste and recycling services;
- introducing service enhancements to contribute to the delivery of the State Government’s Recycling Victoria policy and meet community expectations;
- developing a robust local waste and recycling industry;
- improving performance and outcomes for service delivery, customer service, reporting, and the environment;
- encouraging new infrastructure growth and investment in the regions,
- maximising diversion from landfill;
- developing local processing infrastructure and circular economy opportunities, in particular FOGO, glass and comingled recycling processing facilities to manage current and future volumes for these services during the Contract Term; and
- increasing local employment generation including for those with barriers to work and social enterprise.

Tenders

The open Request for Tender was advertised on 10 November 2023 and closed on 11 December 2023, and included a registered Tender Briefing.

Attachment 1 contains the list of Tenderers that submitted a Tender and the Services bid by each Tenderer.

Tender Evaluation

The evaluation approach was conducted in accordance with the approved Procurement Plan.

Tenders were evaluated using the scoring matrix outlined in the Procurement Plan by:

Title	Directorate/Department
Project Manager – non scoring Chair	External consultant
Director Infrastructure – scoring member	Infrastructure Directorate
Team Leader Building Projects & Open Space – scoring member	Projects Delivery
Manager Resource Recovery - scoring member	Resource Recovery
Procurement Advisor – non scoring member	Contracts & Procurement
Probity Advisor – non scoring member	External consultant
Legal Advisor – non scoring member	External consultant

Independent probity oversight was provided by Dench McClean Carlson, consistent with the approved Probity Plan and outlined in the Probity Report accompanying this report (Attachment 2).

COMPLIANCE

All tenders passed the minimal acceptable standard and progressed to evaluation by the Evaluation Panel.

A probity matter was raised in relation to proposed canvassing by a Supplier, Council Staff and Councillors prior to the tender being released The Probity Advisory did not identify any probity breach.

ALTERNATIVE TENDERS

There were six alternative tenders submitted by three Tenderers. The Panel convened to consider whether Alternative Tenders should be concurrently assessed on the same basis with compliant tenders. All alternative tenders provided a Conforming Tender and passed the initial compliance assessment. The Panel agreed recommendations on three alternative tenders to be priced for comparative assessment after qualitative scoring was complete.

QUALITATIVE SCORING

Panel members were provided Tender submissions minus pricing to individually assess the qualitative criteria of each Tenderer. Panel members documented their individual scores and supporting comments for each criterion and sub-criterion, as well as any identified risks or clarifications. Attachment 3 contains the details of qualitative scoring used in the assessment.

The Panel then met to agree by consensus the qualitative scores, comments, risk, and clarifications for each Tenderer.

INNOVATIVE SERVICES – NAPPIES, TEXTILES AND SOFT PLASTICS

There were three Tenderers who indicated their intention to offer innovative nappies, textiles and soft plastics services. After individual assessment, the panel met and agreed there was no adequate methodology to enable an evaluation of an appropriate service. Furthermore, the Chair then presented to the Panel that only one Tenderer for one of the services provided pricing with their submission. The Panel unanimously agreed due to the lack of methodology and pricing no further evaluation of these services would proceed.

CLARIFICATIONS

Clarifications agreed by the Panel were sought to resolve ambiguities and assumptions from the Tender submissions.

The Panel agreed the initial clarifications did not impact the qualitative scores therefore the price and qualitative assessment was provided to the Panel for shortlisting.

PRICE ASSESSMENT

Price assessment was completed independently from qualitative scoring by the Project Manager as non-scoring Chair. The price score used the calculation (Cheapest price/Tenderer Bid Price) x 30 (price weighting = 30%) which gave a score of 30 for the cheapest and a scaled score for the rest.

There were a number of delivery locations included in the pricing, the lowest priced option per Tenderer per service was used for evaluation pricing scenario. Pricing was based on established volumes for base services.

Pricing evaluation scores were combined with the qualitative evaluation scores to establish a shortlist.

SHORTLISTING

Following completion of qualitative price and consensus scoring, the Panel further reviewed combined service scenario pricing across multiple Tenderer options to establish an initial Shortlist of Tenderers on both qualitative score and pricing that would provide the best value for money outcome to Council and its community.

The Panel agreed to undertake an interview process with all initial shortlisted Tenderers to assess site and contractor specific risks identified during the evaluation.

Following the interviews the Panel convened to moderate the qualitative scores based on an overall assessment of both the Tender submissions and the presentation and interview process. Final shortlisting was undertaken by the Panel based on both qualitative and price scoring.

Reference checks were undertaken on all final Shortlisted Tenderers with organisations to whom the Tenderer delivered similar works. All referees provided positive feedback with minor items of concern raised that could be adequately managed by Council’s contract manager.

Advanced financial and performance viability checks were undertaken with all final Shortlisted Tenderers to provide an advanced appraisal and professional opinion on the corporate and financial risks in contracting of each Shortlisted Tenderer. The results of the financial checks indicated some level of risk with two of the Tenderers. The Panel gave due consideration to all recommendations for risk management determining contract clauses and contract management activities can be utilised throughout the contract term to mitigate these risks.

A Best and Final Offer request was provided to all final Shortlisted Tenderers to enable final consideration of the qualitative and price scoring, combined with service scenario pricing.

Evaluation Criteria

Tenders were evaluated on the following criteria approved in the Procurement Plan prior to release of the Tender:

Weighted Evaluation Criteria	Weighting
Price	30%
Experience and Performance	15%
Capability and Capacity	15%
Methodology	15%
Environmental Sustainability	10%
Benefit to the Local Region	10%
Innovation	5%
Total	100%

RECOMMENDED TENDERER

The evaluation considered both qualitative and price components to determine the best value for money for Council across collection and processing services. The summary of the Panel’s recommended tenderer for each service is provided below.

Collection Services

Four submissions were received in total, three from local contractors (with operations within the municipality) and one from external based contactors (with operations outside the region).

The recommended Tenderer A submitted a conforming tender with the lowest price and overall highest moderated score. The Tenderers demonstrated capacity and capability to carry out the services under this contract is underpinned by:

- Relevant experience without the use of sub-contractors to perform the services,
- Locally owned depot and office with expansion opportunities, and
- Adequate methodology outlining key risks and mitigations and a good understanding of the services required.

A separate Bulk Transport Service was not submitted as part of Collection Services in the initial tenders, with Tenderers submitting a collection service without the need for bulk transport or a combined collection and transport service. During evaluation, the Panel sought clarifications from the shortlisted tenderers to pursue the option to award single contracts for the collection and processing components, which is consistent with the Tender documentation. Through the clarification and analysis of pricing for Bulk Transport Services the Panel agreed that Tenderer A is best positioned to provide bulk transport services for recyclables and glass collection material on consideration of the security of costs, service, quality control and contract management.

Recyclables/Glass Acceptance and Processing Services

Three submissions were received in total, two from local contractors (identified as having operations within the local region) and one from external based contractors (with processing operations outside the region).

The recommended Tenderer B submitted a conforming tender with the lowest price and overall highest moderated score. The Tenderers demonstrated capacity and capability to carry out the services under this contract is supported by:

- Significant experience in recyclables and glass processing across Australia and for local government,
- Well established facilities to process council volume and its future growth, and
- Additional support and education resources to assist Council monitor contamination rates.

FOGO Acceptance and Processing Services

Two submissions were received from local contractors with operations within the local region.

The recommended Tenderer C submitted a conforming tender with the lowest price and overall highest moderated score. Tenderer C’s capacity and capability to carry out the services under this contract was emphasized by:

- Demonstrated operational experience in effective FOGO management,
- Superior use of plant, equipment, technology and resources to optimise processing and decontamination on site,
- Willingness to work with Council to produce contract specific reporting mechanisms and improvements, with a Council information portal and other innovations in development.

Council Plan/Key Strategic Activity

Greater Shepparton City Council Plan 2021-2025:

INFRASTRUCTURE and TECHNOLOGY

We will focus on the planning of our region’s requirements to enable delivery of technology and infrastructure to meet the current and future needs of the community.

Create a smart city

Utilise smart technology solutions to enhance customer experience and improve efficiencies.

The recommended Collections Services Tenderer A will incorporate Artificial Intelligence contamination monitoring technology which will assist Council to identify contamination and provide targeted education messaging.

The recommended Recycling and Glass Processing Tenderer B continues to develop opportunities for future innovation to increase material recycling processing.

The recommended FOGO Processing Services Tenderer C has invested in facility improvements to increase material FOGO processing.

ENVIRONMENT and CLIMATE EMERGENCY

We will prioritise our environment and take urgent action to reduce emissions and waste in order to protect public health and create a region that mitigates and adapts to climate change.

Support a circular economy and reduce waste to landfill

The Contract encourages innovative management of waste streams where productivity and sustainability outcomes can be achieved. The recommended Tenderers will utilise processes and technology that will provide best practice decontamination and sorting services to assist Council's waste diversion targets and increase circular economy outcomes.

Risk Management

Risks to the operational execution and management of the Contracts include the following:

Risks	Likelihood	Consequence	Rating	Mitigation Action
Delay in Contract Award	Unlikely	Minor	Low	Extensions to current contract approved allowing sufficient transition. Ministerial approval of subsequent contract extension.
Contractors financial viability impacting service delivery/ disruption ie: insolvency, etc	Unlikely	Moderate	Medium	Advanced financial capability checks undertaken pre award recommendation. Mitigating clauses include: additional financial oversight; performance security; confidence in implementing alternate arrangements to deliver service/s
Contractors performance failure impacting delivery of contract requirements	Unlikely	Moderate	Medium	Contract management throughout the contract term to ensure compliance with specifications and agreed performance measures.
Death or serious injury to the public in the conduct of Services	Rare	Catastrophic	Medium	Safety requirements detailed in Specifications for Collections and Processing.
Contract withdrawal of service for safety compliance reasons	Rare	Major	Low	Regular contract management and safety reporting during Contract Term.

Policy Considerations

The following policies have been taken into consideration in the process:

- Procurement Policy
- Exercise of Delegations Policy

Financial Implications

The award of these contracts under a Schedule of Rates will allow Council to manage the cost of these services more accurately over the term of the contract (7.5 yrs x 7.5 yrs term).

Below summarises the recommendation including pricing applicable to each service:

Contract Number	Service	Recommended Tenderer	Estimated Annual Amount - GST Exclusive	Estimated Amount full contract term (15 years) - GST Exclusive
2343-01	Collection Services	Tenderer A	\$6,239,379	\$126,787,442
2343-02	Recyclables Acceptance and Processing Services	Tenderer B		
2343-03	Glass Acceptance and Processing Services	Tenderer B		
2343-04	Food Organics, Garden Organics (FOGO) Acceptance and Processing Services	Tenderer C		
2343-05	Bulk Transport Services	Tenderer A		

¹ Budgets are GST exclusive

² For Contract Award reports the GST inclusive expense shall match the amount reported in the recommendation

The cost to Council for project management, probity and legal advice, services and reporting to undertake this procurement process is anticipated to be \$318,000 ex-gst. In addition, Council officers' time not included in this figure is estimated to be 1,698 hours which equates to an estimated cost to Council of \$118,860 ex-gst. These two figures combined results in a total cost to Council of \$436,860 ex-gst.

Legal/Statutory Implications

The Request for Tender process has been carried out according to the requirements of Sections 108 and 109 of the Local Government Act 2020.

In accordance with Section 109(2) of the Local Government Act 2020, Council has considered opportunities for collaboration with other Councils and public bodies. These services were previously advertised as a collaborative tender under the Hume Collaborative approach in 2022, however, the award of that tender was not approved by Council. As a result this tender was necessitated to be undertaken by Greater Shepparton City Council as a single council.

To ensure probity and legal requirements compliance throughout this process Russell Kennedy Lawyers were engaged to provide legal advice and Dench McClean Carlson to provide probity oversight, advice and reporting.

Environmental/Sustainability Impacts

Environmental impacts and the contractor's response has been critiqued during the quotation process and formed 10% of the evaluation criteria.

The recommended Tenderers A and B have a certified Environmental Management System, with sustainable targets and actions in place to be monitored during the contract term. They have future sustainability initiatives such as electric vehicle trials under assessment.

The recommended Tenderer C provides comprehensive environmental and sustainability reporting in the form of general environmental duty (GED) reporting and has a number of sustainable initiatives in place to reduce environmental impacts.

Social Implications

The contractor is required to consider usage of the area and the day-to-day impact of the works under contract on the community during delivery.

The recommended Tenderer A provides a local presence with sponsorship opportunities in the community.

The recommended Tenderer B provides opportunities for partnering and education events in the community.

The recommended Tenderer C provides opportunities for partnering and education events and donates FOGO compost material to Council and local groups on request. They are in the process of embedding alternative localised site options.

Economic Impacts

As part of the award of this contracts, the anticipated local economic benefits include but not limited to:

- utilises local employment
- purchase materials locally where possible
- local presence and operations within the municipality
- potential further investment

Gender Impact Assessment

Officers reviewed the Gender Impact Assessment (GIA) which was undertaken during the development of this procedure / policy to ensure it remains compliant with Councils obligations outlined in the Gender Equality Act 2020.

Consultation

Officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

Strategic Links

a) Greater Shepparton 2030 Strategy

- Infrastructure – to provide sustainable infrastructure to support growth and development of the municipality
- Environment – Working towards zero waste

b) Other strategic links

- Kerbside Landfill Waste Recycling and Organics Policy 21 February 2023
- Circular Economy (Waste Reduction and Recycling) Act 2021
- Victorian Government Environment Protection Act 2017
- Our Climate Safe Future - Climate Emergency Action Plan
- Greater Shepparton Waste and Recovery Strategy 2013-2023
- Future services standards for kerbside collection

Conclusion

The Evaluation Panel agreed Tenderer A's offer demonstrates good capability, capacity and experience relevant to the evaluation criteria and requirements of the service. The Tenderer has transferable experience and demonstrated in its submission a good understanding of the services required under kerbside collection for council. Accordingly, the Panel recommends the award of Collection Services and Bulk Transport Services to Tenderer A.

The Evaluation Panel is satisfied that Tenderer B meets the requirements of the selection criteria in all aspects, is highly competent and presents a very good probability of success completing the services under contract. They have demonstrated their long term and relevant experience with operations and benefits in the local region, well developed and tested facilities to perform the services, have performance values that align to Council and present a negligible risk of failure. Accordingly, the Panel recommends the award to Tenderer B for Recyclables/Glass Acceptance and Processing Services.

The Evaluation Panel is satisfied the submission by Tenderer C demonstrates good capability, capacity and experience and a good probability of success. The Tenderer has demonstrated a robust processing facility, with a broad and secure range of offtake arrangements in place. Accordingly, the Panel recommends the award of FOGO Acceptance and Processing Services to Tenderer C.

Attachments

Nil.



8 Close of Meeting