

**ORDINARY MEETING OF THE COUNCIL**

**Tuesday, 19 May 2020**

**Late Item T20/6183 - RFT192022 Bin Liners**

**LATE ITEM T20/6183 - RFT192022 SUPPLY AND DELIVERY OF COMPOSTABLE BIN LINERS (REC) (ATTACHMENT)**

Ward : All  
 Category : Operational  
 Subject Index : Tender  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : Not Applicable  
 Works Programme : Not Applicable  
 Funding : Various operational budgets  
 Responsible Officer : Paul Molony – Manager Resource Recovery and Waste

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	<b>Executive</b>	<b><i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i></b>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

## **LATE ITEM T20/6183 - RFT192022 SUPPLY AND DELIVERY OF COMPOSTABLE BIN LINERS (REC) (CONFIDENTIAL ATTACHMENT)**

### **KEY ISSUES / SUMMARY**

To recommend the acceptance of a tender submitted for the Supply and Delivery of Compostable Bin Liners for a term of one year with three twelve month's option periods.

### **BACKGROUND**

The City of Melville ("City"), is seeking a suitably qualified and experienced supplier to supply and deliver to the City compostable kitchen caddy liners to support the Food Organics, Garden Organics (FOGO) waste stream.

Council resolved in March 2016 to adopt a Southern Metropolitan Regional Council (SMRC) Strategic Waste Management Plan which detailed a range of recommendations including the implementation of a three bin FOGO collection system for its member Councils. A FOGO trial commenced in October 2017 involving 6,718 households located in the City of Melville with successful results.

The key success factors from the trial included:

- Less than 3% contamination in the FOGO bin;
- Compost quality achieved Australian Standard (AS4454); and
- Prediction of meeting the States landfill diversion rate of 65% with potential for >70% by 2030.

Part of the success of the system and the low contamination rates achieved was due to the supply of 150 compostable kitchen caddy liners per year per household for the convenience and use of the residents.

The Council resolved in October 2018 to implement the full roll out of the FOGO system to the remaining 32,745 dwellings across the City. The rollout concluded at the end of September 2019 and a yearly supply of liners is now required for the 2020-2021 financial year onwards.

Unlike the trial, where a liner was being changed by residents on average three times per week, the use increased to four liners per week from as early as January 2020. This increasing trend in liner use continued to the point where the City's supplies of liners for the 2019-2020 period was at risk of running out and therefore rationing provisions were put in place. Knowledge of this rationing arrangement led to a "run" on liner demands similar to that experienced with other consumables (e.g. toilet paper, sanitiser etc.) at the start of the COVID-19 pandemic. The City has only provided a limited number of liners to vulnerable residents following the closure of City facilities to public access due to COVID-19 restrictions and is investigating ways to enable the distribution of liners once restrictions are lifted.

In order to manage the distribution of liners in a sustainable and cost effective manner, a token system will be implemented from July 2020 to reduce liner usage and enable trending data to be collated for future liner procurement. Placing a limitation on the number of liners provided by the City to residents will reduce demand by raising awareness and educating residents on responsible liner usage. The allocated yearly supply will be increased to 225 liners per household, which is higher than the 150 liners per year allowed for in the 2019-2020 supply arrangement.

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This will be supplemented with the option for residents to purchase additional supplies from the City on a cost recovery basis. This system is considered more equitable and enables additional liners over and above what is considered necessary to dispose of the FOGO material generated in the kitchen (225 per annum), to be provided on a user pays system.

A communication and engagement campaign highlighting the ideal liner usage per week and suitable alternative options to liners will accompany the implementation of a FOGO bin liner token system.

The tender stated that the City does not guarantee the quantity that will be required to the supplier but estimated that approximately 145,000 packs of 8 litre liners with 75 liners per pack and approximately 2,000 packs of 35 litre liners with 20 liners per pack, will be required for the 2020-2021 financial year.

It is predicted the amount of liners required for the 2021-2022 financial year and beyond will reduce as the State Government released funding for the next Better Bins Program from 5 May 2020. This will enable more Local Governments to rollout a three bin FOGO system and in turn, this is predicted to increase and offer more diverse market opportunities for the supply of compostable liners and user pays options.

This bin liner supply Contract will be for a one year term, with three 12 month option periods to extend the Contract at the sole discretion of the City. The City will appoint one Contractor for the provision of the Services under the Contract.

### **DETAIL**

The request for tender for the supply of bin liners was advertised on 26 March 2020 and the City received six compliant tenders which were assessed by an Evaluation Panel of City officers. Qualitative scores were achieved by joint agreement of the Evaluation Panel members at the evaluation meeting after each panel member had scored the submission individually. The City set four qualitative criteria for this Request, being Demonstrated Experience, Key Personnel, Methodology and Suitability of Proposed Product.

The Evaluation Panel reviewed all Respondents offers and prepared an Evaluation Report, identifying a recommended Respondent.

The Evaluation Panels recommendation was supported by the Contract and Tender Advisory Unit (CTAU) at its meeting on 5 May 2020 and is now submitted as a the recommendation to the Council.

### **STAKEHOLDER ENGAGEMENT**

#### **I. COMMUNITY**

No stakeholder engagement has been required or undertaken for this tender.

#### **II. OTHER AGENCIES / CONSULTANTS**

No other agencies/consultants has been required or undertaken for this tender.

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**STATUTORY AND LEGAL IMPLICATIONS**

Local Government (Functions and General) Regulations 1996 Section 3.57 11 (1)

"A Local Government is required to invite tenders before it enters into a contract for another person to supply goods or services".

Delegated Authority – DA-117 Authority to Sign Documents will be exercised by the CEO to execute the Contract.

**FINANCIAL IMPLICATIONS**

Pre-Tender Estimate	\$675,000.00
If the budget is exceeded by appointing the proposed contractor a budget amendment proposal must be included in the recommendation	Not applicable, within budget.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Strategic Implications of these works relate only to the consequences of not procuring the Services through a tender or the WALGA Preferred Supplier Program, which would result in the City being in breach of the *Local Government (Functions and General) Regulations 1996*.

There are no residual risk implications following the invitation and evaluation process conducted for this item. Actions taken to address identified risks are listed in a confidential attachment included in the Contract and Tender Advisory Unit Meeting Minutes of 5 May 2020.

The provision of these goods will have positive environmental implications since it supports good waste practices from the residents that results in greater resource recovery and less waste going to landfill.

**POLICY IMPLICATIONS**

CP-023 Procurement of Products or Services.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

No alternate options have been identified.

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**CONCLUSION**

The CTAU was satisfied that the recommended supplier has demonstrated that they have the necessary demonstrated experience, have experienced key personnel, follow a methodology in line with the City's expectations and offer a suitable product.

The recommended supplier offers the lowest price of the shortlisted submissions whilst satisfying the City's qualitative requirements therefore they are considered to offer the best value for money.

The confidential attachments are included in the Contract and Tender Advisory Unit Meeting Minutes of 5 May 2020 available on the Elected Members Portal.

**OFFICER RECOMMENDATION (6183)**

**APPROVAL**

**That the Council approves the Contract and Tender Advisory Unit's recommendation To:**

- 1. Accept the recommendation as contained in the Confidential Attachment – RFT192022 Contract and Tender Advisory Unit Minutes; and**
- 2. following the above approval, directs that the successful respondents' name be inserted below this point 2.**

**Name Of Successful Tenderer: To Be Inserted Following Resolution of the Council Here**