



Southern Grampians
SHIRE COUNCIL

Council Meeting Minutes

Unscheduled Council Meeting
5 April 2023

Held in MJ Hynes Auditorium,
5 Market Place, Hamilton
at 5:30pm.

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1. Present

Councillors

Cr David Robertson, Mayor
Cr Helen Henry, Deputy Mayor
Cr Albert Calvano
Cr Bruach Colliton
Cr Katrina Rainsford

Officers

Mr Tony Doyle, Chief Executive Officer
Mr Darren Barber, Director People and Performance
Ms Marg Scanlon, Director Infrastructure and Sustainability
Mr Rory Neeson, Director Wellbeing, Planning and Regulation

2. Welcome and Acknowledgement of Country

The Mayor, Cr Robertson read the acknowledgement of country:

“Our meeting is being held on the traditional lands of the Gunditjmarra, Tjap Wurrung and Bunganditj people.

I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.”

Please note: All Council meetings will be audio recorded, and may be livestreamed to Council’s social media platform, with the exception of matters identified as confidential items in the Agenda.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

Other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be allowed without the permission of Council.

3. Prayer

Cr Henry led the meeting in a prayer.

”Almighty god, we humbly beseech thee to vouchsafe thy blessing upon this council.

Direct and prosper its deliberations to the advancement of thy glory and the true welfare of the people of the Southern Grampians shire.”

4. Apologies

Cr Mary-Ann Brown

Cr Greg McAdam

5. Declaration of Interest

6. Management Reports

6.1 Kerbside Collections Service Contract Award

Directorate: Marg Scanlon, Director Infrastructure and Sustainability
Author: Marg Scanlon, Director Infrastructure and Sustainability
Attachments: None

Executive Summary

This report seeks Council endorsement for the award of Contract 2023014 Kerbside Collection Services for a total cost of \$1,130,113.84 ex GST per year to Wheelie Waste Pty Ltd for an initial period of 3 years.

This contract will provide for the kerbside collection of general waste, recyclables, Food Organics Green Organics (FOGO) and glass materials from tenements, Council offices and public bins for a period of 3 years, with the ability to extend with a further two, 2 year option.

Council provides weekly residential kerbside waste collection, fortnightly FOGO and recycling services with approximately 5701 bins of each type across the municipality. In addition, the contract has allowed for the introduction of a separated glass collection in the near future to comply with state government regulations.

There are minor operational KPIs within the contract that will require further negotiation (data reporting expectations, CRMs, Customer engagement and so on), it is anticipated that this negotiation will not have an impact on the overall contract cost and the recommendation seeks Council approval for the CEO to be authorised to finalise with the contractor the outstanding operational terms of the contract.

Discussion

Corangamite Shire Council (CSC) and Southern Grampians Shire Council (SGSC) elected to collaboratively source kerbside waste collection, transport and processing with the aim of leverage gains in efficiencies and opportunities arising from a joint procurement process.

The tender also required new state government policies covering glass and other changes to be accommodated. Council were seeking to improve the service using the leverage of both Councils. Specific improvements sought were:

- Improve customer satisfaction, diversion rates, resource separation, and re-use and recovery in a circular economy.
- Accommodate the potential of a regional Materials Recovery Facility (MRF).
- Establish flexibility within the tender and subsequent contracts, acknowledging the dynamic waste management environment.
- Meet all State waste initiatives and requirements with flexibility to respond to future initiatives and requirements in accordance with the *Circular Economy (Waste Reduction and Recycling) Act 2021*.
- Accommodate any potential impacts of the Container Deposit Scheme (CDS).

Council's current contract expiry date was 31 March 2023 and the new contract was planned to commence 1 April 2023 for an initial period of 3 years, with the option to extend for a further two, 2 year option.

This scope of this contract includes kerbside collection (general waste, recyclables and FOGO with separated glass to be included in the future) services and transportation to the processing facility set by Council. At this stage, recyclables will continue to go to Visy and FOGO to Camperdown Composting for processing. A glass sorting facility will be further reviewed and a recommendation will be presented to Council at a later date.

Most of the terms of the contract has been accepted by the contractor and Council, however, there are few KPIs within the contract that will require further negotiation. The pending items are purely operational and include: data reporting, communication channels and processes, OH&S and subcontractor requirements and so on. It is not anticipated that these pending items will impact the overall cost of the contract.

Policy

It is current Council policy that kerbside and waste disposal services are provided cost neutral to Council, therefore, costs are transferred to customers either through increase on waste collection services through rates or fees at the transfer stations.

Procurement Process

Due to the complexity of the contract, Russell Kennedy Lawyers were engaged via a request for quote process to provide legal advice. ArcBlue were also engaged to provide independent probity advice.

Key Dates

Activity	Date
Tender release	26 October 2022
Tender Briefing	Online briefing 9 November 2022
End of period for questions	30 November 2022
Tender Close	7 December 2022
Evaluation Process	8 December 2022 – Mid February 2023
Determination	22 February 2023

One response was received for this tender from Wheelie Waste. Due to the current period of transition and uncertainty of the waste and recycling industry in Victoria and after further refinement of the tender response received, it is recommended to award the kerbside collection contract to Wheelie Waste.

Financial and Resource Implications

The delayed implementation of the state governments *Circular Economy (Waste Reduction and Recycling) Act 2021* together with the delayed policies has implications for local government. Specifically, the transition of waste management, including separation compliance requirements remain undefined which makes it difficult to predict the specific levels of service for Council during the life of the contract.

Consistent with Council's commitment to reduce, recycle and reuse, there are various options to separate specific waste streams at Council's transfer stations which are likely to affect the total cost of the contract.

Based on the tender the annual cost of the kerbside contract will be \$1,130,113.84 ex GST which is an increase of approximately \$143,463.06 compared to the average annual cost. The contract will allow for fortnightly glass (separated) collection once the service is operational.

This contract will only include kerbside collection services and transportation to the processing centres.

The current contract with Visy includes recyclables acceptance and sorting. This contract also ceased on 31 March 2023. Recent contact with the contractor has confirmed their willingness to extend their contract for up to 6 months to allow time to establish the glass separation arrangements.

The current FOGO processing contract includes acceptance and processing of FOGO with Camperdown Composting. This contract ceased on 31 March 2023. Recent contact with the contractor has confirmed their willingness to extend their contractor for up to 6 months to allow time to conduct a market research for a viable solution to sort the material locally.

Risk Management

Extending the current contract with Visy and Camperdown Composting for a period of up to 6 months will coincide with Transfer Station operational changes that support the separation of waste streams, particularly glass, cardboard and green waste.

Due to the current status of the waste management industry and the continued roll out of the state government requirements in accordance with the *Circular Economy (Waste Reduction and Recycling) Act 2021*, Council will continue to monitor to ensure the contract and related services adapt accordingly.

Environmental and Sustainability Considerations

Kerbside waste services continue to transition as state government continues to roll out the waste management reform. Current timelines as advised by the state government for further waste separation arrangements include;

- Glass to be separated by 2027
- FOGO to be separated by 2030

Council is introducing operational changes within the Transfer Stations to support waste stream separation. Council received funding to establish a separation shed at the Hamilton Transfer Station which will also support the collection, separation and redirection specifically of cardboard, glass and green waste. The separation shed is on track to be operational early 2024. Council also has applications pending with Sustainability Victoria relating to the glass and cardboard separation and reuse.

Community Consultation and Communication

The award of this contract does not present any immediate changes to the regular kerbside services. Kerbside service details are provided in Council's website together with operation hours for Council's Transfer Stations.

As changes are implemented in accordance with the state government requirements further updates and notifications will be promoted and provided through Council's standard communication streams.

Engagement with respective stakeholders including businesses, schools, community and service providers will be undertaken as a part of the Southern Grampians Circular Economy Strategy development and implementation. Engagement will also be undertaken as Council transitions through the state government mandated requirements which result in changes to waste collection and separation.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no general or material interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Award Contract No. 2023014 Kerbside Collection Contract Service to Wheelie Waste PTY LTD for a period of three years for a total amount of \$1,130,113.84 ex GST.
2. Extend the existing contract with Visy Recycling for a period of up to 6 months for recyclables for the estimated total amount of \$78,312.50 ex GST.
3. Extend the existing contract with the Camperdown Compost Company Pty Ltd for a period of up to 6 months for FOGO acceptance with no cost impacts.
4. Authorise the Chief Executive Officer to execute Contract No. 2023014. and any other documents required by or to give effect to the terms of the contract on behalf of Council.
5. Delegate to the CEO the power of signing off the outstanding operational requirements within the contract on behalf of Council.

COUNCIL RESOLUTION

MOVED: Cr Rainsford

SECONDED: Cr Henry

That Council:

1. **Award Contract No. 2023014 Kerbside Collection Contract Service to Wheelie Waste PTY LTD for a period of three years for a total amount of \$1,130,113.84 ex GST per year.**
2. **Extend the existing contract with Visy Recycling for a period of up to 6 months for recyclables for the estimated total amount of \$78,312.50 ex GST.**
3. **Extend the existing contract with the Camperdown Compost Company Pty Ltd for a period of up to 6 months for FOGO acceptance with no cost impacts.**
4. **Authorise the Chief Executive Officer to execute Contract No. 2023014. and any other documents required by or to give effect to the terms of the contract on behalf of Council.**
5. **Delegate to the CEO the power of signing off the outstanding operational requirements within the contract on behalf of Council.**

CARRIED

7. Close of Meeting

This concludes the business of the meeting.

Meeting closed at 5:38pm.

To be confirmed by resolution 12 April 2023.

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Chairperson