



MINUTES

Special Council Meeting

Tuesday, 26 February 2019 at 6.05pm

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MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER, 135 CANNING HIGHWAY EAST FREMANTLE ON TUESDAY, 26 FEBRUARY 2019.

1. OFFICIAL OPENING

The Presiding Member opened the meeting at 6.05pm

2. ACKNOWLEDGEMENT OF COUNTRY

"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."

3. RECORD OF ATTENDANCE

3.1 Attendance

The following members were in attendance:

Mayor J O'Neill	Presiding Member
Cr J Harrington	
Cr M Collinson	
Cr A McPhail	
Cr D Nardi	
Cr T Natale	
Cr T Watkins	
Cr A White	

The following staff were in attendance:

Mr G Tuffin	Chief Executive Officer
Mr P Kocian	Executive Manager Corporate Services
Ms J May	Minute Secretary

There were no members of the public in attendance.

3.2 Apologies

Cr M McPhail

3.3 Approved

Nil.

4. DISCLOSURES OF INTEREST

4.1 Financial

Nil.

4.2 Proximity

Nil.

4.3 Impartiality

Nil.

5. PUBLIC QUESTION TIME

5.1 Public Question Time

Nil.

6. PRESENTATIONS/DEPUTATIONS

6.1 Presentations

Nil.

6.2 Deputations

Nil.

7. REPORTS

7.1 Tenders for the supply and delivery of waste bins, kitchen caddies and liners – Q2018.02 & T2018.06

Applicant	N/A
File ref	R/RSB9
Prepared by	Stephen Gallagher, Operations Manager
Supervised by	Gary Tuffin, Chief Executive Officer
Meeting Date	26 February 2019
Voting requirements	Simple Majority
Documents tabled	Nil
Attachments	1. SMRC Tender Assessment (Under Confidential Cover)

Purpose

To consider the purchase and delivery of new waste bins, kitchen caddies and liners as part of the Town's new Food Organic Green Organic (FOGO) 3 Bin Waste collection system.

Executive Summary

Council has committed to the implementation of new a Food Organics Garden Organics (FOGO) collection service to commence in the 2019/20 financial year. A procurement process for the required materials (bins) has been coordinated and managed by the South Metropolitan Regional Council (SMRC) on behalf of the member councils.

A decision is now required in relation to the two options available for the roll out of the FOGO bins.

Option (1) - New Green (FOGO) 240 ltr bin purchased.

Option (2) - Lid replacement only on existing Dark Green(240 ltr) lid bins to new Green lid.

Both options (1) and (2) require that new 140 litres red lid bins be purchased.

It is recommended that Council accept:

- *the Tender of \$208,079 from Mastec Australia for the supply and delivery of waste bins and*
- *the Tender of \$38,887 from Source Separation Systems Pty Ltd for the supply of kitchen caddies and liners.*

Background

At its meeting of 18 September 2018, Council committed to the implementation of new Food Organics Garden Organics (FOGO) collection service to their residents in the 2019/20 financial year.

WALGA have a preferred supplier panel in place for the supply and rollout of waste bins, therefore a Request for Quote (RFQ) was made to all panel members for the supply and delivery of waste bins and kitchen caddies. In addition, a public Request for Tender (RFT) was issued at the same time for just the supply of kitchen caddies and liners in order to test the market for potential suppliers outside the WALGA panel.

Both of these were overseen by the Southern Metropolitan Regional Council (SMRC) on behalf of the member councils City of Fremantle, the City of Melville, and the Town of East Fremantle (The Councils).

- Request for Tender 2018-6 for the Supply of Kitchen Caddies and Liners.
- Request for Quote 2018-02 for the Supply and Delivery of Waste Bins. The scope also includes the delivery of bins, caddies, liners and guidance materials; it also includes the removal of the existing municipal solid waste bins (dark green lid) to households included in the new FOGO 3 Bin service.

Pricing was requested for individual councils and for a combined total supply. By issuing a quote and a tender combining the three councils it was expected that we would be able to take advantage of economies of scale in supply pricing.

The requirements for the Town of East Fremantle (for supply and delivery) included:

- 3,025 FOGO bins (Lime Lid) 240L
- 60 FOGO bins (lime Lid) 140L
- 2,950 Rubbish bins (red lid) 140L
- 360 Recycling bins (yellow lid) 360L
- 150 Red bin lids 240L
- 3,200 Kitchen Caddies
- 6,400 Compostable bin liner roll 8L (75 per roll)
- 100 Compostable bin liner roll 35L (20 per roll)

Submissions were received from the following organisations:

RFQ for Supply & Delivery of Waste Bins	RFT for Supply of Kitchen Caddies & Compostable Liners
Mastec Australia Pty Ltd	Mastec Australia Pty Ltd
Trident Plastics (SA) Pty Ltd	Source Separation Systems Pty Ltd
	Cardia Bioplastics Pty Ltd
	Biobag World Australia Pty Ltd

Consultation

Elected members briefing (August 2018)
SMRC
City of Fremantle
City of Melville

Tender Evaluation Panel Members consisted of:

- Supervisor Resource Recovery & Waste – City of Melville
- Waste Management Team Leader – City of Fremantle
- Procurement Manager – SMRC – non-voting chair
- Operations Manager – Town of East Fremantle

Statutory Environment

Tenders were invited in accordance with section 3.57 of the Local Government Act 1995 and the tendering procedures and evaluation complied with part 4 of the Local Government (Functions and General) Regulations 1996.

Procurement via a WALGA Preferred Supply Panel is Tender exempt as per Functions and General Regulations 11(2) (b).

Policy Implications

Town of East Fremantle's Purchasing Policy No 4.2.4.

The CEO has delegated authority to accept tenders/quotations up to \$149,999. As RFQ 2018-02 exceeds that limit, Council needs to give authorisation for the Town to enter into a contract for this item.

Financial Implications

An allocation of \$400,000 has been made for the program establishment costs for the FOGO service rollout (including capital items) in the current 2018/19 Budget.

To offset this cost Council applied for, and approved external funding of \$100,584 via a Better Bins Grant (State Government).

The estimated project costs are as follows:

DESCRIPTION	Qty	Unit rate	OPTION (1)	OPTION (2)	
NEW FOGO SERVICE IMPLEMENTATION			Bin Replace	Lid Swap	
EXPENDITURE					
Supply and deliver of new 240L Lime Lid FOGO Bin (hot stamped & embossed)	3,025	\$ 30.80	\$93,170	\$13,860	*
Supply and deliver of new 140L Lime Lid FOGO Bin (hot stamped & embossed)	60	\$ 27.35	\$1,641	\$1,641	
Supply and deliver of new 140L Red Lid Rubbish Bin (hot stamped & embossed)	2,950	\$ 27.35	\$80,683	\$80,683	
Supply and deliver of new 360L Yellow Lid Recycling Bin (hot stamped & embossed)	360	\$ 55.00	\$19,800	\$19,800	
Purchase of new 240L Red Lid	150	\$ 5.20	\$780	\$780	
Purchase of Kitchen Caddies	3,200	\$ 4.05	12,960	\$12,960	
Purchase of 8L compostable liners (75/roll)	6400	\$ 3.99	\$25,536	\$25,536	
Purchase of 35L compostable liners (20/roll)	100	\$ 3.91	\$391	\$391	
Retrieve and reuse old bins	3,157	\$ 3.60	\$11,365	\$0	
Return old bins for further use	100	\$ 6.40	\$640	\$0	
Purchase of new 240L Lime Lid	2,700	\$ 5.20	\$0	\$14,040	
Lid swap of green lid to lime green (incl. disposal of old lids)	3,025	\$ 7.00	\$0	\$21,175	
Budget to swap 240L FOGO bin where lid swap is not permissible.			\$0	\$6,000	
Continued maintenance cost on existing Waste Bins			\$0	\$20,000	**
Additional comm/project management/waste education			\$0	\$15,000	***
TOTAL ESTIMATED PROJECT EXPENDITURE			\$246,966	\$231,866	
INCOME					
Grant Funding – Better Bins			\$100,584	\$100,584	
Municipal funds			\$299,416	\$299,416	
TOTAL PROJECT BUDGET			\$400,000	\$400,000	
ESTIMATED PROJECT (SURPLUS)			\$153,034	\$168,134	

Table assumptions:

- * Option 2 - A 15% allowance has been made for existing bins that will not fit the new green lid, therefore, need to be replaced.
- * Option 2 – Given the mix and age of existing bin stock it is estimate an annual replacement cost of \$20,000 would continue to be incurred. This cost is not applicable under Option 1 as the bin stocks would be new (Green & Red bins).
- ** Option 2 - The lid replacement program would involve a different and higher level of project management/contract supervision and communications/education outside the existing work that has already been done in the FOGO trial area by Melville/SMRC, therefore it has been estimated that at least an additional costs of \$15,000 would be incurred.

The remaining budget surplus will be utilised to fund required communications and a 12 month fixed term Waste Officer position to assist with the rollout.

The revised option of a lid swap in-lieu of purchasing new 240L FOGO bins has again been reviewed with the updated Tender rates. However, as per the initial findings the cost savings involved would be negligible (\$15,100) when compared against the reduced “buy-in” of the FOGO program.

Fixing new lids to older bin stock has in other councils resulted in improperly sealing lids due to differences in bin design, which in the case of the FOGO bin may reduce resident confidence and correct behaviour due to the increased risk of odours and fly and insect infestation.

Whilst the author is aware other councils have managed a lid swap at a reduced rate, it was the joint consensus of the three member council representatives (Melville, Fremantle and East Fremantle) that due to the timing constraints and scale of this program across the three (3) local governments it was generally felt this option would not be suitable. Consequently, this was not a proposed option in the Request for Tenders.

However, separate pricing was sought for the lid change, which incorporated a 15% allowance for bins that would not take the new lid, therefore need to be replaced. The total price for a lid swap was also cheaper than initial estimates with savings of \$3 per bin. The costs associated with this are shown in the table above (Option 2).

Either option will come in under budget, however, it is the Operation’s department view that the additional approximate cost of 6.5% (Option 1), will reduce project risk and ensure a more seamless transition to the new service. In addition, this option is in line with the other member councils (City of Melville & Fremantle) who have all elected to provide new bins to their residents.

Therefore, a lid swap option is not recommended.

Strategic Implications

KEY FOCUS AREA 4: Natural Environment

Aspiration: *Maintaining and enhancing our river foreshore and other green, open spaces with a focus on environmental sustainability and community amenity.*

4.2.1 *Reduce waste through sustainable waste management practices*

Risk Implications

Risk	Risk Likelihood (based on history & with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That Council does not approve the tender award – delay FOGO rollout	Unlikely (2)	Minor (2)	Moderate (5-9)	REPUTATIONAL Substantiated, public embarrassment, moderate impact, moderate news profile	Accept Officer Recommendation

Risk Matrix

Consequence \ Likelihood		Insignificant	Minor	Moderate	Major	Extreme
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating is provided below. Any items with a risk rating over 16 will be added to the Risk Register, and any item with a risk rating over 16 will require a specific risk treatment plan to be developed.

Risk Rating	4
Does this item need to be added to the Town's Risk Register	No
Is a Risk Treatment Plan Required	No

An assessment of the Tenders for the supply of bins indicated that the two respondents have the financial capacity to undertake the contract. Project specific risk assessments have been developed and will be used in the management of this project.

Site Inspection

Not required.

Comment

The SMRC have verbally confirmed that a FOGO processing facility will be available from the 1 July 2019. Requests for Proposals closed on the 22 January 2019 for the divestment of the RRRC site

including the provision of FOGO Processing. The divestment is a complex transaction and the evaluation period for Requests for Proposals will occur between 20 February 2019 and 18 July 2019. During this period, it is envisaged that a FOGO Processor will be awarded a contract, with services to be available from the 1 July to support roll-out of the FOGO bin schedule in the first 2 weeks of July. The delivery of waste bins, caddies, and liners will be aligned to meet the timelines of delivering the FOGO Services to East Fremantle.

Subject to the acceptance of the tenders, the estimated implementation program of the 3 Bin FOGO system is scheduled to commence in July 2019. The member councils and the SMRC have agreed to role out the new service to East Fremantle first.

The Town's current kerbside collection contract is structured so a change to FOGO is easily managed, as there will be no need to adjust our current contract as the same number of bin lifts will occur once FOGO is implemented.

If Council elects to accept the full bin replacement program as recommended, the bins retrieved by the contractor will be sent to their reprocessing partners and converted back into a mouldable High Density Polyethylene (HDPE). This product is then used by the contractor to manufacture new bins. The bins supplied through the tender are manufactured from around 30% recycled material.

Both the City of Melville at their special meeting of Council on 18 December 2018, and the City of Fremantle at their ordinary meeting on the 12 December 2018 supported their officers' recommendation to award contracts to both Mastec Australia and Source Separation Systems Pty Ltd.

In accordance with the tender documentation the Town is required by 7 March 2019 to make a decision as to whether it wishes to accept or reject offers otherwise the pricing will lapse.

The WALGA eQuote submission received from the preferred supplier (Mastec Australia) demonstrates that the company has the relevant experience and capacity to deliver the required works in accordance with the Town's objectives. Therefore, it is recommended that their submission be accepted as it offered the most competitive price, and was the most comprehensive in terms of addressing the selection criteria and demonstrates the best value option for the Town.

The Tender received from Source Separation Systems Pty Ltd offers the most competitive price, and was rated the highest in terms of addressing the selection criteria and demonstrates the best value option for the Town.



7.1 OFFICER RECOMMENDATION/COUNCIL RESOLUTION 200219

Moved Cr Watkins, seconded Cr Harrington

That Council:

- award the contract for the supply and delivery of waste bins to Mastec Australia at the tendered price of \$208,079 (GST exc), as per the schedule below:**

Description of Bin	Qty	Price per unit	Total Price
Supply and deliver of new 240L Lime Lid FOGO Bin (hot stamped & embossed)	3,025	\$ 30.80	\$93,170
Supply and deliver of new 140L Lime Lid FOGO Bin (hot stamped & embossed)	60	\$ 27.35	\$1,641
Supply and deliver of new 140L Red Lid Rubbish Bin (hot stamped & embossed)	2,950	\$ 27.35	\$80,683
Supply and deliver of new 360L Yellow Lid Recycling Bin (hot stamped & embossed)	360	\$ 55.00	\$19,800
Purchase of new 240L Red Lid	150	\$ 5.20	\$780
Retrieve and reuse old bins	3,157	\$ 3.60	\$11,365
Return old bins for further use	100	\$ 6.40	\$640
TOTAL			\$208,079

- award the contract for the supply of kitchen caddies and liners to Source Separation Systems Pty Ltd at the tendered price of \$38,887 (GST exc), as per the schedule below:**

Description of Bin	Qty	Price per unit	Total Price
Purchase of Kitchen Caddies	3,200	\$ 4.05	12,960
Purchase of 8L compostable liners (75/roll)	6400	\$ 3.99	\$25,536
Purchase of 35L compostable liners (20/roll)	100	\$ 3.91	\$391
TOTAL			\$38,887

- authorise the Mayor and Chief Executive Officer to sign and affix the Town's Common Seal to the contracts above. (CARRIED UNANIMOUSLY)**

8. CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 6.17pm.

I hereby certify that the Minutes of the Special meeting of the Council of the Town of East Fremantle, held on 26 February 2019, Minute Book reference 1. to 8. were confirmed at the meeting of the Council on

19 MARCH 2019

Presiding Member