

**CM13.8. Provision of Garden and Timber Waste Processing (Mulching) Services
Contract No. C1819-01**

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CONFIDENTIAL	No		
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Purpose of Report

To recommend a preferred contractor for the Provision of Garden and Timber Waste Processing at the Albury Waste Management Centre as part of a regional contract administered by the North East Waste Regional Recovery Group (NEWRRG).

Background

The Albury Waste Management Centre (AWMC) processes in excess of 40,000 cubic metres of garden and timber waste material annually. Under the NSW EPA licence conditions for the site, Council is required to mulch all garden and timber waste material received at the AWMC. The material comprises of approximately 18,000 cubic metres of garden waste, 20,000 cubic metres of pallet and timber waste and 2,000 cubic metres of stump material. The garden waste material is primarily generated from Albury residents, with a proportion generated by the business sector ie, lawn mowing businesses. Pallets and timber waste delivered for processing is generated mainly from local businesses. Stumps are received from Council managed projects or via external contracted work. Mulched product is used on site for various projects, it assists with vegetation layers on capped landfill areas, garden beds, and is supplied back to the community through the Aware Programs Upcycle Shop. Prior to the introduction of the Tarpomatic cover system in September 2018, all pallet mulch was used as a daily cover option in the Southern Valley putrescible cell area. Council has been awarded funding through NSW EPA to purchase a pallet processing unit. This project is in its infancy, however, it will reduce costs associated with this mulching contract as it becomes operational during the latter part of the contract. The AWMC is currently reviewing options to consider future off site alternatives for mulched products.

Albury City Council has previously administered the regional tender for Garden and Timber Waste Processing. However, it was agreed by interested parties that this Request for Tender (RFT) would be administered through the North East Waste and Resource Recovery Group (NEWRRG). NEWRRG was formed in 2014 and is one of seven waste and resource recovery groups in Victoria established under the Environment Protection Act.

The seven participating Councils include AlburyCity, Wodonga, Wangaratta Rural City Council, Shire of Towong, Indigo Shire, Alpine Shire and Benalla Rural City Council.

NEWRGG has jointly procured waste and resource recovery services and infrastructure for its local government areas and Alpine resort partners for many years. This RFT was released collectively through NEWRGG who was responsible for the management of the tender.

The RFT referred to Victorian legislation, regulation and government agencies and referenced the equivalent legislation, regulation and government agencies in NSW. The objective of this contract was to appoint a single contractor for the provision of Garden and Timber Waste Processing services, thus maximising efficiencies through economies of scale to mulch approximately 88,000 cubic metres of collected material within the region annually.

Tenders were invited in a Schedule of Rates format for Contract No. C 1819-01 Provision of Garden and Timber Waste Processing for a two-year period and advertised in the Border Mail on 15 September 2018, Sydney Morning Herald on Tuesday 18 September 2018 and on Tenderlink. Tenders closed on 9 October 2018.

A tender for these services was required due to the existing regional contract expiring on 28 October 2018. The existing contractor for this service is Ausshredding Pty Ltd who has provided a high level of service and quality product. Council has negotiated an extension term with Ausshredding Pty Ltd whilst the tender process is completed.

Tender Evaluation

At close of tenders, five submissions were received from the following companies:

- Ausshredding Pty Ltd (Mildura NSW);
- Green Care Mulching (Geelong VIC);
- Tripple J Plant Hire Pty Ltd (Wendouree VIC);
- Davis Earthmoving & Quarrying Pty Ltd (Ingleside NSW); and
- Riverina Biochar Pty Ltd (Albury NSW).

The assessment process was conducted in accordance with Victorian procurement assessment systems and procedures. The process methodology is similar to the methodology as used by Albury City Council. The process was in accordance with set criteria for evaluation, probity, conformance and mandatory criteria against the evaluation of the RFT document. The evaluation process consisted of all responses being individually evaluated and scored, then these were collated, summarised and discussed by the tender evaluation panel.

The tender evaluation panel consisted of representatives from four of the Victorian Member Councils, one representative from Albury City Council and a staff member from NEWRGG, these being:

- Wodonga City Council, Jason Perna - Waste Management Coordinator;
- Benalla Rural City, Judith Bird - Contracts and Procurement Coordinator;
- Towong Council, Andrew O'Connell - Technical Officer;
- Wangaratta Rural City Council, Brian Bowman – Landfill Manager;
- Albury City Council, Andrea Baldwin - Team Leader Waste Management; and
- NEWRGG, Richard Paschke – Manager Procurement and Planning.

As per AlburyCity's procurement assessment systems and procedures, a separate assessment process was conducted by representatives from AlburyCity, these being Andrea Baldwin (Team Leader Waste Management), Rohan Smith (Waste Management Supervisor) and Peter Hanes (Procurement).

Conformity Check

A conformity assessment was undertaken to ensure the submissions were in accordance with the tender documentation.

Table 1

Tenderer	Pricing Details	Supporting Information	WHS compliance	Comments
Tripple J Plant Hire Pty Ltd	✓	✓	✓	Fully Complies
Riverina Biochar Pty Ltd	✓	✓	✓	Fully Complies
Davis Earthmoving & Quarrying Pty Ltd	✓	✓	✓	Fully Complies
Ausshredding Pty Ltd	✓	✓	✓	Fully Complies
Green Care Mulching	✓	✓	✓	Fully Complies

As indicated above, all submissions were deemed conforming tenders.

Qualitative Assessment

The evaluation panel met on 1 November 2018 to review the submitted tenders and reach consensus based on the results of the individual evaluations. Tenders were evaluated against the following set criteria detailed in the tender document:

- Level of Service and Capability - demonstrated skills, ability to manage labour, resource recovery and provide proven record of compliance;
- Capacity - sufficient resourcing, meet timeframes to supply works, proven skills and experience;
- Safety Systems – WHS and public safety policies and procedures in place; and
- Local content and innovation – new technologies, innovative solutions, local jobs.

Table 2 – shows the respective weighting for each criteria and ratings as a final score

Tenderer	Level of Service 30%	Capacity 40%	Safety Systems 20%	Local Content and Innovation 10%	Total Max 100
Davis Earthmoving	23	30	15	5	73

& Quarrying Pty Ltd					
Green Care Mulching	23	32	16	5	76
Ausshredding Pty Ltd	18	25	14	6	63
Tripple J Plant Hire Pty Ltd	21	28	13	5	67
Riverina Biochar Pty Ltd	16	21	8	7	52

Davis Earthmoving & Quarrying Pty Ltd are a family owned and operated private company, with over 30 years' experience, based in Ingleside, NSW. They currently service several Councils along the east coast and inland NSW. They supply quality recycled landscape products and process approximately 100,000 tonnes of material per annum from their own sources. They have the capacity to meet the requirements of the contract through the use of a track mounted excavator, hydraulic shears, and the use of a horizontal high speed shredder. Davis Earthmoving & Quarrying Pty Ltd possess spare equipment in the event of breakdown, have mechanical support and have provided a methodology and implementation program to deliver the contract. They rated very well in the safety systems component, with a comprehensive quality management system in place. This organisation rated low in local benefit as all plant, equipment and resourcing is sourced from outside of the region.

In reference checks, the tenderer was described as reliable and able to produce a good quality product. They were also described as a robust negotiator when it came to differences of opinion where volume estimates were concerned which does present some minor risks with regard to contract administration.

Green Care Mulching is a Victorian, family owned company based in the Geelong region. They possess extensive experience in the mulching industry, have been in operation for 10 years and provide services to grind, cart and screen landscape and compost products. Green Care Mulching has undertaken a large amount of work for Victorian organisations and Councils and manage in excess of 200,000 tonnes per annum throughout Victoria. Green Care Mulching will utilise a shredder unit, excavator and loaders for the processing of garden and timber waste. As part of the tender process it was mentioned that an increased workforce may be engaged to operate the machinery for the participating Councils. Green Care Mulching has in place an Integrated Management System addressing Health and Safety, Environmental and Quality areas of their business, rating them high in this component of the assessment. Through the assessment process, it was identified that this contractor did not possess any shearing equipment for stump processing, as many sites require shearing of stumps this impacted the overall scoring for this submission. The local benefit was rated low as all plant, equipment and resourcing would be sourced from outside of the region.

The tenderer was described as a reliable operator, able to service the needs of the contract and overall referee reports were generally good.

Ausshredding Pty Ltd is based in Mildura, a private company with approximately 14 years experience. Ausshredding Pty Ltd has provided details on their experience and ability in performing contracts of this nature on a number of similar projects throughout Victoria and NSW. Ausshredding Pty Ltd

propose to utilise a high speed shredder. The machine is equipped with magnets for metal extraction purposes, they have the capacity to address dust suppression, an excavation unit for pre-processing and shearing equipment for oversized mulching requirements. Ausshredding Pty Ltd has held the regional contract for the past two years for the North East Councils and AlburyCity. They are familiar with all sites and utilise local resources and mechanical support. Ausshredding Pty Ltd have upgraded their machinery over recent months to include the high speed shredder unit, which will significantly improve the level of service this company can offer.

The tenderer was described as a reliable operator and the volume estimates were trusted. The operator has purchased a new machine that eliminates some of the minor service issues experienced by the Councils in the existing contract.

Tripple J Plant Hire Pty Ltd is based in Ballarat, a private company with approximately 15 years' experience. Tripple J Plant Hire Pty Ltd has provided details on their experience and ability in performing contracts of this nature on a number of similar projects throughout Victoria. Tripple J Plant Hire Pty Ltd will utilise a shredder unit, excavator and loaders for the processing of garden and timber waste. They rated well in the level of service they could offer and have the capacity to provide the service across the region. Tripple J Plant Hire Pty Ltd has very good safety systems in place and is currently developing an Environmental Management System in accordance with ISO1400 to further achieve high standards in environmental and safety management.

Riverina Biochar Pty Ltd is an Albury based organisation. This organisation has no experience working with mulching contracts. Their work history extends to sewer infrastructure, sludge management and knowledge of in-vessel composting systems. Riverina Biochar Pty Ltd are able to supply some equipment as needed for mulching work but would need to purchase a shredder and excavator as these items are not in their existing fleet. Riverina Biochar Pty Ltd rated low in safety systems, capacity and ability to provide a level of service due to not having had previous experience or a track record in the mulching industry.

Based on the qualitative assessment, Davis Earthmoving & Quarrying Pty Ltd, Green Care Mulching, Ausshredding Pty Ltd and Tripple J Plant Hire Pty Ltd are capable of undertaking this contract. Riverina Biochar Pty Ltd has no previous experience in this activity and thus were not further considered for this contract.

Quantitative Assessment

In reviewing the financial component of the assessment, Ausshredding Pty Ltd provided the most cost effective option across all Councils. The table below highlights Ausshredding Pty Ltd's indicative costs for each Council based on estimated volume for the two-year term of the contract.

Table 3

	Albury City Council (inclusive GST)	Regional Group of Councils (inclusive GST)	Score (Max 100)*
Ausshredding Pty Ltd	\$ 475,200	\$ 977,260	100
Green Care Mulching	\$ 572,000	\$1,233,276	83
Davis Earthmoving & Quarrying Pty Ltd	\$ 677,600	\$1,368,955	70
Tripple J Plant Hire Pty Ltd	\$704,000	\$1,594,780	67

* Score based on estimated contract costs for Albury City Council.

Based on the evaluation, Ausshredding Pty Ltd represents the least expensive option for all Councils participating in the Garden and Timber Waste Processing tender.

It should be noted that AlburyCity is the largest Council making up approximately 49% of the overall cost and product for the contract annually.

From the quantitative assessment the submission from Ausshredding Pty Ltd was rated more favourable than the submissions from Green Care Mulching (\$97K or 20%) and Davis Earthmoving & Quarrying Pty Ltd (\$202K or 43%) and Tripple J Plant Hire Pty Ltd (\$229K or 48%). The contract value for all of the participating regional Councils provides a significant saving with Ausshredding Pty Ltd in comparison to Green Care Mulching, Davis Earthmoving & Quarrying Pty Ltd and Tripple J Plant Hire Pty Ltd.

AlburyCity's current annual budget for mulching services is \$ 221,000 including GST (\$442,000 over a two-year period). The budget can be adjusted to cater for the minor increase in costs.

Risk

- Business Risk – the Albury Waste Management Centre's licence conditions stipulate that mulching of garden and timber waste is a requirement. This activity has been in place for a number of decades and continues to be a key activity of the ongoing management of garden and timber waste material. Mulching of material assists with saving valuable landfill space and enables Council to reuse the material for rehabilitation and other environmental purposes. Mulching of material is a key initiative of the Halve Waste program, reducing organic material landfilled and using it for an alternative purpose assists Council in working towards achieving its Halve Waste goals.

- Corporate Risk – it is proposed that Council enter into a regional contract arrangement with six other Councils. Although separate contractual arrangements will be in place with each individual Council, any issues will be managed through consensus between the participating Councils. All participating Councils have nominated the preferred vendor to their respective Councils and have endorsed the assessment panel's recommendation.
- WHS and Public Risk – the contractual obligations for all parties in relation to Work Health and Safety and public risks are well documented within the contract. Due to the type of machinery utilised, public safety has a high priority when the work is being carried out.
- Delivery Program Risk – low risk, a key component of the contract is to comply with the schedule and ensure monthly mulching activities at the Albury Waste Management Centre occur. The contract is firm on this schedule requirement for Council to meet its NSW EPA licence conditions. The contractor is required to ensure back up machinery is available in the event of break down.

Community Engagement

This project aligns with the objectives of Albury 2030 in seeking to be a leader in natural resource management and promoting effective waste management practices. Council can ensure that ongoing management of the processing of garden waste and timber material can be managed to meet these objectives.

The partnership with neighbouring Councils to improve sustainability, continue productivity, and enable our communities to benefit from a uniform approach, will strengthen the message within our regional community. This project aligns with the Two Cities One Community Strategic Plan.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Table 4

	Qualitative	Quantitative
Ausshredding Pty Ltd	63	100
Green Care Mulching	76	83
Davis Earthmoving & Quarrying Pty Ltd	73	70
Tripple J Plant Hire Pty Ltd	67	67

With regard to the quantitative assessment, Ausshredding Pty Ltd was clearly the most competitive, being 20% favourable to Green Care Mulching. From a qualitative perspective the submission from

the four shortlisted tenderers was strong, showing a wealth of experience, knowledge in the industry, relevant resourcing to accommodate the contract and solid management capabilities. Ausshredding Pty Ltd has addressed minor service issues experienced in the current contract with the purchase of new machinery.

Based on the quantitative and qualitative assessment, it is deemed that the submission from Ausshredding Pty Ltd provides the best value for Council to deliver this service.

Conclusion

The Albury Waste Management Centre processes in excess of 40,000 cubic metres of garden and timber waste annually. As part of the licence conditions for the waste management facility, the garden and timber waste is required to be mulched. Council outsources the mulching activity to external contractors as specialised equipment in the form of high speed shredders are required to perform the mulching process.

In conjunction with the North East Waste Regional Recovery Group, Council opted to enter into a regional contract, administered by the North East Waste Regional Recovery Group to maximise economies of scale achieved through a regional tender. The scope of the project includes the processing of approximately 88,000 cubic metres annually across the region, of this 40,000 cubic metres of garden and timber waste material product is mulched at the Albury Waste Management Centre.

Tenders were invited for Contract No. C1819-01 – Provision of Garden and Timber Waste Processing which closed on 9 October 2018. Five submissions were received for this regional contract that includes seven Councils from NSW and Victoria (RAMJO and NEWRRG), participating Councils include AlburyCity, Wodonga, Wangaratta Rural City Council, Shire of Towong, Indigo Shire, Alpine Shire and Benalla Rural City Council.

As a result of the tender process, it is considered that Ausshredding Pty Ltd can sufficiently meet all the legislative, Council and operational requirements stipulated in the original specification. Overall, the tender from Ausshredding Pty Ltd is assessed as being able to provide the best service and value option for Council.

AlburyCity's current annual budget for mulching services is \$221,000 (including GST). The tender submissions, in comparison to the existing contract, will enable Council to maintain a similar annual budget for the next two years based on the recommendation of this report.

During November and December all participating Councils with the exception of Albury, have endorsed the assessment panel's recommendation of Ausshredding Pty Ltd.

Recommendation

That Council accepts the tender from Ausshredding Pty Ltd for Schedule of Rates Contract No. C1819-01 Provision of Garden and Timber Waste Processing over a two-year term, commencing 1 March 2019 with an estimated value for Albury City Council of \$475,200 (inclusive of GST).

