



2018/19 Business and Innovation Branch Significant Contracting Plan

Section 221 of the *Local Government Regulation 2012* stipulates that a Significant Contracting Plan must be prepared prior to commencement of a contract that Council has identified as a Significant Contract. Council may, by resolution, amend a Significant Contracting Plan at any time before the end of the financial year to which the plan relates.

1. Key Information

Significant Contract Title: Waste Collection Services	
Group: Customer Engagement & Planning Services	Branch: Waste & Resource Management
Contract Administrator: Garry Reeve	Position: Coordinator Collection Services
Procurement Specialist: Dimitri Simianakis	
Contract/Project Description: Separable Portions contract for supply of general collection services (domestic and commercial waste, recyclables and organic bin collection, public place bins, roll on roll off bins, and dead animal collections), and liquid waste collection services (includes the extraction and transportation of liquid waste from holding tanks located across the region).	
Link to Procurement Plan –	

2. Council Resolutions

Previous Council resolutions:	
This plan endorsed by Council:	

3. Background

Council currently delivers a range of waste collection services through a contract established in 2014. This contract has an expiry date of 9 July 2022. Due to the size and scope of this contract Council is commencing the work for contract renewal in 2020.

Separable Portion A - Collection Service

Council currently delivers 230,000 waste collection services per week. The services include:

- 151,500 general waste collections;
- 62,000 recyclables collections; and
- 16,500 garden waste collections.

Separable Portion B - Liquid Waste Collection Service

The service, delivered to an estimated 660 properties, consists primarily of the pumping out of holding tanks containing sewerage. Additionally, on-call collection of leachate is required at Council landfills, particularly in response to rainfall events.

4. Objectives

What are the objectives of this contract?
Council's objectives and aim for these contracts are to:

<ul style="list-style-type: none"> • provide a consistent service upon which the customer can rely; • achieve and maintain a high standard of performance in the delivery of all services, <i>by ensuring routine and timely services are provided</i>; promote the health and safety of persons delivering the service and the public affected by the services; • maximise and preserve the resource integrity and value of recoverable material within the waste streams; • implement technology that improves the delivery of services to customers and Council's responsiveness to customer requests; • maximise value to Council and ratepayers by offering a service and engaging a contractor that delivers value for money; • fulfil Council's broad waste minimisation objectives and obligations under legislation relating to the provision of waste and resource recovery services; • support a circular economy in which products and materials keep circulating within the economy at their highest value for as long as possible; and • move towards carbon neutral waste collection services.
How will objectives be achieved?
<p>Contract will be structured into two Separable Portions</p> <p>Reputable and capable Contractors will be considered, contracts require a significantly large investment in fit for purpose fleet.</p> <p>Tailored specification and terms and conditions will be developed for this contract.</p> <p>Long term contract to provide surety and ROI to Contractor, and continued and consistent service for ratepayers.</p>
How will achievement of objectives be measured?
Continued monitoring of contractor performance by Council's Waste and Resource Management Branch – Collection Services team.
What are the alternative ways of achieving the objectives? Include reasons for not adopting alternative ways.
<p>Local Buy - Waste Collection Goods & Services (C002/11)</p> <p>Sunshine Coast Council region is one of the largest local government areas in Australia, and this is a large, complex core service provided by Council, therefore a Council developed tender should realise a more competitive outcome than seeking a contractor via any other arrangement.</p> <p>Waste Collection is a core Council service for the region's ratepayers, and as a result this service is performed at a significant cost to Council. Therefore a region specific contract developed by Council will be explicit about the service delivery expectations of Council and the region.</p>

5. Proposed category and contractual arrangements
Which category does this contract fall within?
Operational Works and Services
Which contractual arrangements should be considered for this project, and why?
<ul style="list-style-type: none"> • Bespoke service contract
Due to the nature, risk, cost and service expectation, a specific contract for the delivery of the service needs to be developed.

6. Market and Risk Assessment

Provide an assessment of the market in which the contract is to happen, including an assessment of any procurement risks. Refer to the Risk Assessment Calculator in the Procurement Plan.
<p>There is an established waste collection industry in Australia involving a number of medium to large waste management contractors.</p> <p>Risks:</p> <ul style="list-style-type: none"> • All required services included (public and commercial premises) • All required bins included (larger commercial bins, public bins) • Impact to customers from new contract (change in routine of collection service) • Response to changes in Queensland legislation: <ul style="list-style-type: none"> ○ Waste diversion required to meet Queensland Waste Management and Resource Recovery Strategy targets. ○ Proposed Queensland waste reforms leading to increased private waste contractor involvement in delivery of commercial services. May result in a significant decrease in number commercial services provided by council.
Proposed mitigations for identified risks:
<p>Full review of residential and commercial customer listing</p> <p>Audit of existing services to ensure all service requirements and bins are included.</p> <p>Any required service changes will be fully communicated to those impacted, and a grace period will be in place to allow for any services which may have been missed.</p> <p>Assess and determine Council's waste collection policy and define service levels. Such policy to include arrangements for delivery of green organics (GO) and/or Food Organic Green Organic (FOGO) services.</p>
Undertake an assessment of operational risks relating to the contract/project. Attach details.
<ol style="list-style-type: none"> 1. Key performance indicators (KPIs) will be developed and included with the tender document package. The Contract Administrator will be responsible for reviewing and enforcing the KPIs. 2. Continued growth of the region, increasing the service requirements of Council and the contractor, having to add these services to the schedule, and what impact this may have on viability (if any). 3. Service specifications and contract conditions will need to support and enable significant service changes during the term of the contract (eg reduced number of commercial services or introduce new organic services).

Approvals (prior to resolution)			
Position	Name	Signature	Date
Manager, (of Branch seeking contract)	John Hogg		03/06/2020
Manager, Business and Innovation	Paul Skillen		10 June 2020