

# AGENDA

Greater Shepparton City Council

## ADDITIONAL COUNCIL MEETING

9:00AM, Tuesday 11 April 2023

Studio 1, Riverlinks Eastbank

### COUNCILLORS

Cr Shane Sali (Mayor)

Cr Anthony Brophy (Deputy Mayor)

Cr Seema Abdullah

Cr Dinny Adem

Cr Geoffrey Dobson

Cr Greg James

Cr Ben Ladson

Cr Sam Spinks

Cr Fern Summer

### VISION

**GREATER SHEPPARTON, GREATER FUTURE**

A thriving economy in the foodbowl of Victoria with excellent lifestyles, innovative agriculture a diverse community and abundant opportunities

# Values

Values reflect what we feel is important. Organisations may have core values that reflect what is important in the organisation. These values may be guiding principles of behaviour for all members in the organisation.

## **Respect first, always**

We are attentive, listen to others and consider all points of view in our decision making.

## **Take ownership**

We take pride in honouring our promises and exceeding expectations, and are transparent with and accountable for our actions.

## **Courageously lead**

We lead with integrity, and stand up and stand by what is in the best interests of the Greater Shepparton community.

## **Working together**

We work collaboratively to create higher quality outcomes that are more efficient, thoughtful, effective and responsive. We cannot accomplish all that we need to do without working together.

## **Continually innovate**

We are open to new ideas and creatively seek solutions that encourage us to do our best for our community.

## **Start the celebration**

As ambassadors for our people and place, we proudly celebrate the strengths and achievements of Council and the Greater Shepparton community.

**A G E N D A  
FOR THE  
ADDITIONAL COUNCIL MEETING  
HELD ON  
TUESDAY 11 APRIL 2023 AT 9:00AM**

**CHAIR  
CR SHANE SALI  
MAYOR**

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## Risk Level Matrix Legend

**Note: A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.**

Likelihood	Consequences				
	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
<b>Almost Certain (5)</b> Would be expected to occur in most circumstances (daily/weekly)	LOW	MEDIUM	HIGH	EXTREME	EXTREME
<b>Likely (4)</b> Could probably occur in most circumstances (i.e. Monthly)	LOW	MEDIUM	MEDIUM	HIGH	EXTREME
<b>Possible (3)</b> Reasonable probability that it could occur (i.e. over 12 months)	LOW	LOW	MEDIUM	HIGH	HIGH
<b>Unlikely (2)</b> It is not expected to occur (i.e. 2-5 years)	LOW	LOW	LOW	MEDIUM	HIGH
<b>Rare (1)</b> May occur only in exceptional circumstances (i.e. within 10 years)	LOW	LOW	LOW	MEDIUM	HIGH

**Extreme** Intolerable – Immediate action is required to mitigate this risk to an acceptable level. Event/Project/Activity is not to proceed without authorisation

**High** Intolerable – Attention is needed to treat risk.

**Medium** Variable – May be willing to accept the risk in conjunction with monitoring and controls

**Low** Tolerable – Managed by routine procedures

## 1 Welcome to Country

Cr James will now present a Welcome to Country on behalf of the Yorta Yorta Elders Council and the 16 family groups.

## 2 Acknowledgement

We, Greater Shepparton City Council, acknowledge the Yorta Yorta Peoples of the land which now comprises Greater Shepparton, we pay our respect to their tribal elders, we celebrate their continuing culture and we acknowledge the memory of their ancestors.

## 3 Privacy Notice

This public meeting is being streamed live via our Facebook page and made available for public access on our website along with the official Minutes of this meeting.

All care is taken to maintain your privacy; however as a visitor in the public gallery, it is assumed that your consent is given in the event that your image is broadcast to the public. It is also assumed that your consent is given to the use and disclosure of any information that you share at the meeting (including personal or sensitive information) to any person who accesses those recordings or Minutes.

## 4 Governance Principles

Council considers that the recommendations contained in this Agenda gives effect to the overarching governance principles stated in Section 9(2) of the *Local Government Act 2020*. These principles are as follows:

1. Council decisions are to be made and actions taken in accordance with the relevant law;
2. priority is to be given to achieving the best outcomes for the municipal community, including future generations;
3. the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
4. the municipal community is to be engaged in strategic planning and strategic decision making;
5. innovation and continuous improvement is to be pursued;
6. collaboration with other Councils and Governments and statutory bodies is to be sought;
7. the ongoing financial viability of the Council is to be ensured;
8. regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
9. the transparency of Council decisions, actions and information is to be ensured.

## 5 Apologies

Nil Received.

## 6 Declarations of Conflict of Interest

In accordance with section 130 (1)(a) of the Local Government Act 2020 Councillors are required to disclose any “conflict of interest” in respect of a matter to be considered at a Council Meeting.

**Disclosure must occur immediately before the matter is considered or discussed.**

## 7 Infrastructure Directorate

### 7.1 Resource Recovery Collective Hume Tender Award

Author	Manager Resource Recovery
Approved by	Director Infrastructure
Purpose	For Decision by Council

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### RECOMMENDATION

**That the Council:**

1. award Contract Number 2312 to Cleanaway for an initial period of 7.5 years with an option to extend for a further 7.5 years;
2. award Contract Number 2313 to Western Composting for an initial period of 7.5 years with an option to extend for a further 7.5 years; and
3. authorise the Chief Executive Officer to enter negotiations and execute the contract documents as required.

#### Executive Summary

This report responds to the March 2023 Council Meeting foreshadowed motion: *That consideration of Agenda item 13.1 Resource Recovery Collective Hume Tender Award be deferred until on or before 17 April 2023.*

Council's participation (via a MOU) in the 'Resource Recovery Collective – Hume', a regional collaborative tender for waste and recycling services has resulted in the recommendation within this report for award of contracts for the kerbside collection and associated services.

This report seeks Council's endorsement of the recommendations from the appointed Tender Evaluation Panel (TEP) in line with the advice from Recycling Victoria (RV) as the responsible authority for administering this tender process.

RV has advised that Councils are responsible for considering the TEP recommendations and entering into individual contracts with their successful tenderers. RV further highlights that in the event a determination by Councils is made to not follow the TEP and enter into a contract with other Tenderers under the auspices of the RRCH Council should be aware of

the process it has agreed to under the MOU, the associated Tender Evaluation Plan and Procurement Plan.

Based on the agreed process, RV does not endorse a decision by Council to award a contract to a tenderer that is not supported by the Tender Evaluation Report. RV encourages Council to carefully consider the risks of their decision.

### Contract Details

Contract Number 2312 for Kerbside Bin Collection, handling and disposal for period of 7.5 years with an option to extend for a further 7.5 years.

Contract Number 2313 for FOGO processing for an initial period of 7.5 years with an option to extend for a further 7.5 years.

The Request for Tender was released on 6 June 2022 via eProcure and closed on 19 September 2022. This was well promoted across local, regional and state media and briefing opportunities were provided for prospective tenderers.

### Tender Evaluation

The extensive Tender Evaluation process was conducted in accordance with the Resource Recovery Collective – Hume Tender Evaluation Plan against the agreed and promoted detailed evaluation criteria set prior to the release of the tender. Panel members assessed tenders independently and then met on numerous occasions over several months to complete consensus scoring, seek clarifications from tenderers, conduct reference checks and agree on the shortlisting of preferred tenderers which are now being recommended to Participants.

Breach – During the final stages of the evaluation process, Council identified a potential breach that occurred with respect to one of the tender conditions. Council consulted with RV and confirmation was received that a breach has occurred. As a result, the tenderer subject of the breach has been notified of this breach and disqualified from this tender process in accordance with the conditions of the tender. (Refer to confidential attachments).

### Evaluation Criteria

The evaluation criteria was prepared by Resource Recovery Collective – Hume for which the following objectives were set and agreed to by all Participants for the project and the tender evaluation criteria and weighting were based on:

- Encourage regional investment in people, sustainable infrastructure and innovative services
- Increase in resource recovery while advancing a circular economy
- Maintain a strategic focus in procurement and service delivery
- Embrace innovative waste services models
- Achieve best outcomes for people and the environment

The evaluation considered both qualitative and quantitative (price) components to determine the best value for money option for Council across collection, handling and processing. The highest scoring option presented by the TEP is to use Cleanaway for all services except for FOGO processing for which Western Composting scored the highest as presented in the recommendations of this report. Both recommended tenderers have a strong local presence.

Collaborative tender benefit - Should Council approve the recommendation to award Contract Number 2312 to Cleanaway for residential kerbside collection this would realise further savings as a result of the collaborative tender process.



## Council Plan / Key Strategic Activity

### ENVIRONMENT and CLIMATE EMERGENCY

We will prioritise our environment and take urgent action to reduce emissions and waste in order to protect public health and create a region that mitigates and adapts to climate change.

5.8 Support a circular economy and reduce waste to landfill.

### Risk Management

Risk associated with having executed a commitment under MOU to the Resource Recovery Collective - Hume Tender process include the following should the recommendation not be accepted:

- Compliance with RRCH Tender Process
  - In the event a determination by Council's not to follow the TEP and enter into a contract with other Tenderers under the auspices of the RRCH, Council should be aware of the process it has agreed to under the MOU, the associated Tender Evaluation Plan and Procurement Plan
  - RV does not endorse a decision by Council to award a contract to a tenderer that is not supported by the Tender Evaluation Report. Refer confidential attachments for detailed advice by RV on compliance
- Financial Implications
  - Council forego cost saving opportunities under the collaborative procurement process and are exposed to inflation and market forces at time of re-tendering
- Current Kerbside Collection Service
  - The current kerbside collection and processing contract expires October 2023 which leads to a disruption to kerbside collection and processing services beyond October 2023

Risk to the operational execution and management of the Contract include the following:

Risks	Likelihood	Consequence	Rating	Mitigation Action
Delays in Contract Award	Unlikely	High	Moderate	Would need Ministerial Approval to allow extension of Contract
Contractor failing financially	Unlikely	High	Moderate	Financial capability checks completed on tenders in contention as part of the evaluation process
Death or serious injury to the public in the conduct of the service	Rare	Catastrophic	High	Trucks to meet safety requirements detailed in specification for safe movements and blind spot mitigation
Contractor withdrawal of service for safety compliance reasons	Rare	High	High	Regular surveillance and communication with successful tenderer by Superintendent

### **Policy Considerations**

Key regulatory and current state changes have been considered in the preparation of the Tender to determine the performance outcomes required in alignment with Local and State Government requirements with the ability to adapt to new requirements.

### **Financial Implications**

Recycling Victoria have provided significant resourcing and financial support towards the management of the Resource Recovery Collective – Hume. This has included funding the costs of specialist probity, legal, technical and procurement resources. At this stage, a financial contribution from Participants has not been sought.

This tender will allow Council to project the cost of these services more accurately over the long term as well as the ability to leverage significant tonnages from across the region ensuring value for money services can be achieved.

In the event that the recommendation is not adopted by Council there is a significant financial risk including:

- Continuation of Current Kerbside Collection and Processing Services
- Cost associated with reconvening the tender process
- Loss of access to cost savings under the collaborative procurement process
- Impact of inflation and market forces at time of re-tendering

### **Legal / Statutory Implications**

Environment Protection Act 2017 (Vic)  
Circular Economy Act 2021 (Vic)  
Local Government Act 2020 (Vic)

### **Environmental / Sustainability Impacts**

The Contract encourages innovative management of waste streams where productivity and sustainability outcomes can be achieved.

### **Social Implications**

The Contract encourages regional investment in people, sustainable infrastructure, and innovative services. As a result, the Contract will achieve best outcomes for people and the environment.

### **Economic Impacts**

The Contract will increase resource recovery as we advance towards a circular economy through innovative waste services that adopts a price and risk model to ensure continuity of service. By improving recycling and contamination rates as well as maintaining a leadership position in Victoria with adaptable goals.

### **Consultation**

Officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

### **Strategic Links**

Greater Shepparton 2030 Strategy  
Waste and Resource Recovery Strategy 2013-2023

### **Conclusion**

The award of Contract Number 2312 to Cleanaway and Contract Number 2313 to Western Composting per Resource Recovery Collective - Hume Collaborative Tender.

### **Attachments**

Nil

## 8 Confidential Management Reports

### 8.1 Designation of Confidentiality of Information - Attachments

The following report attachment has been designated confidential by the Chief Executive Officer under Governance Rule 107 and in accordance with the definition of *Confidential Information* in the Local Government Act 2020 (the Act).

- Item 7.1 Resource Recovery Collective Hume Tender Award

This document contains information which is consistent with the definition of 'private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking disadvantage.'

## 9 Close of Meeting