

SUPPLEMENTARY BUSINESS PAPER 1

COUNCIL MEETING

Tuesday 15 March, 2011

Distributed on 10 March 2011

Meeting commences at 6.30pm

**Council Chambers
Level 3, 2-14 Fisher Street
Petersham**

MEETING AGENDA – PRECIS SUPPLEMENTARY ITEMS

The following report appears as a late item with Mayoral approval as information required for the preparation of the report was not available at the time of distribution of the Business Paper.

1 Mayoral Minutes

2 General Manager's Reports

C0311 Item 15 SHORT TERM CONTRACT FOR RECYCLING SERVICES 3

File Ref: 2147-01/14832.11

Council is coming to the end of an SSROC regional contract for the processing of recyclables. Tenders have been called for the provision of recycling services and Council is still in the assessment phase. A decision on the tender will not be made until after the current contract expires. The purpose of this report is to seek Council approval to enter into a new short-term contract with Council's current provider of recycling services to allow time to finalise a decision on the new tender.

RECOMMENDATION 4

THAT Council:

- 1. authorise the General Manager to enter into a short term contract with Visy Recycling on the same terms as the existing contract subject to such changes as the General Manager considers appropriate to address the short term nature of the contract; and**
- 2. note that because of the extenuating circumstances, namely that tenders have already been called and are still under assessment but will take some months to finalise; Visy is the existing supplier and has provided a satisfactory service to date, a satisfactory result would not be achieved by inviting tenders for the short term.**

Report No: C0311 Item 15

Subject: SHORT TERM CONTRACT FOR RECYCLING SERVICES

File Ref: 2147-01/14832.11

Prepared By: Jan Orton - Manager, Environmental Services

SYNOPSIS

Council is coming to the end of an SSROC regional contract for the processing of recyclables. Tenders have been called for the provision of recycling services and Council is still in the assessment phase. A decision on the tender will not be made until after the current contract expires. The purpose of this report is to seek Council approval to enter into a new short-term contract with Council's current provider of recycling services to allow time to finalise a decision on the new tender.

RECOMMENDATION

THAT Council:

1. **authorise the General Manager to enter into a short term contract with Visy Recycling on the same terms as the existing contract subject to such changes as the General Manager considers appropriate to address the short term nature of the contract; and**
2. **note that because of the extenuating circumstances, namely that tenders have already been called and are still under assessment but will take some months to finalise; Visy is the existing supplier and has provided a satisfactory service to date, a satisfactory result would not be achieved by inviting tenders for the short term.**

BACKGROUND

Council is coming to the end of an SSROC regional contract for the processing of recyclables.

In April 2004 Marrickville Council, along with Rockdale and Waverley Councils, entered into a regional recycling contract with Visy Recycling. The contract is a five year contract for the processing of kerbside recycling. The contract expired in April 2009 however Council took up both years of the optional 1 + 1 year extension. Council is now in the final extension year with that is due to expire in April 2011.

SSROC was approached to see if member councils were interested in a regional tender for the processing of recyclables. There was limited interest by member councils and due to the lack of participation SSROC did not pursue coordinating or administering this project.

Council has been in negotiation with SSROC councils since the middle of 2010 to call for new tenders for this service however after several attempts to reach agreement on the nature of the contract, in October last year Council embarked on the tender process alone.

DISCUSSION

Tenders for a five year contract with a 1+1 option have been received. This contract period has been selected to secure a better rate per tonne from industry as this presents a longer term option for industry with guaranteed product supply over a reasonable time. The contract term does not interfere with any option to move towards AWT as this will be for Council's garbage disposal and still require recycling to be collected and processed separately. Source separation at kerbside of recycling is still considered best practice to achieve maximum recovery.

The call for tenders closed in October 2010 and staff are in the process of assessing the tenders received. This assessment has taken longer than expected due to the need to review financial and industrial implications, and a final decision will not be made prior to the expiry of the current contract.

Council's current contract is with Visy. Service and support from Visy has been satisfactory over the past seven years. The purpose of this report is to seek Council approval to enter into a new short term contract with Visy as Council's current provider to allow time to finalise a decision on the new tender.

FINANCIAL IMPLICATIONS

Not applicable. The intention of this process would be to enter into a contract with the current supplier of recycling processing services with the same terms and conditions.

OTHER STAFF COMMENTS

The management of the recycling contract has been conducted in partnership with Infrastructure Services and with advice from the Principal Solicitor.

PUBLIC CONSULTATION

Nil.

RECOMMENDATION

THAT Council:

- 1. authorise the General Manager to enter into a short term contract with Visy Recycling on the same terms as the existing contract subject to such changes as the General Manager considers appropriate to address the short term nature of the contract; and**
- 2. note that because of the extenuating circumstances, namely that tenders have already been called and are still under assessment but will take some months to finalise; Visy is the existing supplier and has provided a satisfactory service to date, a satisfactory result would not be achieved by inviting tenders for the short term.**

Ken Hawke
Director, Planning & Environmental Services

ATTACHMENTS

Nil.