



Redland
CITY COUNCIL

MINUTES

SPECIAL MEETING

Wednesday, 1 December 2010

**Council Chambers
1st floor Administration Building
Bloomfield Street Cleveland. Qld 4163**



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1 DECLARATION OF OPENING

The Mayor declared the meeting open at 2.48pm.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

PRESENT:

Members:

Cr M Hobson PSM	Mayor
Cr W Boglary	Councillor Division 1
Cr D Henry	Councillor Division 3
Cr J Burns	Councillor Division 4 entered at 2.49pm
Cr B Townsend	Councillor Division 5
Cr T Bowler	Councillor Division 6
Cr K Reimers	Councillor Division 8
Cr K Williams	Councillor Division 9
Cr H Murray	Councillor Division 10

Executive Leadership Group:

Mr G Stevenson PSM	Chief Executive Officer
Mr P Navin	Acting General Manager Customer Services
Mr N Clarke	General Manager Governance
Mr M Drydale	General Manager Corporate Services
Mrs T Averay	General Manager Development & Community Standards

Officers:

Mr N Barclay	Service Manager Waste Operations
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Minutes:

Mrs J Thomas	Corporate Meetings & Registers Team
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APOLOGY

Cr C Ogilvie	Councillor Division 2
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ABSENT

Cr M Elliott	Deputy Mayor and Councillor Division 7
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3 DECLARATION OF INTEREST

The Mayor reminded Councillors of their responsibilities in relation sections 172, 173 and 174 of the *Local Government Act 2009*.

4 CUSTOMER SERVICES

4.1 CONTRACT VARIATION FLEET PANEL OF PROVIDERS FOR PLANT HIRE 1210-2009-FLT – WASTE MANAGEMENT

Datworks Filename: GOV Special Meetings 2010
WM Contract – RWW-0025 Mainland Operations

Responsible Officer Name: Patrick Navin
Acting General Manager Customer Services

Author Name: Patrick Navin
Acting General Manager Customer Services

EXECUTIVE SUMMARY

The current extension for the Contract for The Operation of Mainland Waste Handling Facilities at Birkdale and Redland Bay (Contract RWW 0025) expires on 31 December 2010. A further 6 month extension option is available to 30 June 2011. It is also expected that the completion of landfilling operations at Birkdale Landfill could extend a few months past 30 June 2011.

However, due to a number of performance issues and the fact that the current contractor has indicated that they were not prepared to extend the contract under the existing terms and conditions required, without significant renegotiation of the contract, Waste Operations proceeded to explore other opportunities with a view of providing an efficient and cost effective solution for this essential service. Council's Contracts Management Services were contacted and a solution regarding using Council's current arrangement of Panel of Providers for Plant Hire 1210-2009-FLT was considered the most viable option for Council at this stage.

PURPOSE

The purpose of this report is to seek a resolution of Council to give the necessary delegated authority to the Chief Executive Officer to accept the quotation from River City Plant Hire Pty Ltd for a minimum period of six (6) months, with the opportunity to extend the contract up to 4 months, to a maximum cost of \$1,600,000.

BACKGROUND

On 28 October 2005 the Chief Executive Officer awarded Contract RWW-0025 for the Operation of Waste handling facilities at Birkdale Landfill, Giles Road Hardfill and the Redland Bay Waste Transfer Station. The contract commenced on 1 July 2005 for a period of three (3) years with options to extend for three (3) one (1) year periods. The last 1 year option (excluding Giles Road which has been removed from the contract) was only approved for a 6 month period as the contractor had indicated that any extension past the 6 month period would require renegotiation.

The Contractor has also had a number of performance issues over the term of Contract RWW-0025. These include workplace health and safety issues, plant operation and maintenance issues including a significant number of breakdowns, inappropriate charging and not following direction leading to infringement notices being issued by the Department of Environment and Resource Management. Considering that the final filling of a landfill is the most crucial part of the operation and the history with the current contractor, it was decided to investigate other options for the operation of the Mainland Waste Handling Facilities of Birkdale and Redland Bay for the period from 1 January 2011 to the completion of landfilling activities at Birkdale Landfill.

Council's Contracts Management services were contacted to assist with determining a solution that would satisfy operations and ensure that these services could continue to be provided. Given the short time frame it was considered seeking quotations from the current arrangement of Panel of Providers for Plant Hire 1210-2009-FLT was the most viable option for Council at this stage. As one item of plant, the landfill compactor, was not on the plant hire list, it was decided that all providers would be contacted with a view to submitting a price for hire of the landfill compactor. Of all on the panel, four (4) companies responded to confirm they were able to provide Council with the required equipment and a formal quotation process was conducted.

Quotation documents closed in the tender box located in the administration building, on the corner of Middle and Bloomfield Streets, Cleveland Qld 4163 on Tuesday 23 November 2010 at 2.00pm.

At the close of quotation, two (2) submissions were received from the following companies:

- River City Plant Hire Pty Ltd;
- Earthpro Pty Ltd.

The evaluation panel was established and consisted of the following officers:

- Neil Barclay, Service Manager, Waste Operations;
- Lynne Best, Senior Contracts Manager, Waste Operations;
- Trevor De Ridder, Waste Contracts Officer;
- Tracey Justice, Contracts Officer, Contracts Management Services Unit.

Of the submissions received at the close of quotation:

- Two (2) quotations were deemed conforming by the evaluation panel and addressed the pre-determined evaluation criteria specified in the quotation documents.

Submissions received were evaluated on 24 November 2010 in line with pre-determined evaluation criteria. The evaluation panel requested clarification from both submissions in regards to hourly rates for standby time and plant hire attachment costs. Responses to these were received on 29 November 2010.

The evaluation panel reconvened the evaluation meeting on 30 November 2010 to assess the clarification responses. During the evaluation meeting, the panel reassessed the submission from Earthpro Pty Ltd as it was felt that the proposed personnel did not meet the required needs of the operations and had allocated insufficient resources.

Whilst River City Plant Hire Pty Ltd scored lowest in terms of costs, their submission scored highest in line with the non financial criteria and met the requirements for proposed personnel, operational capability and capacity and the proposed equipment fully met the needs of operational requirements.

The submission from River City Plant Hire Pty Ltd was considered to offer Council best value for money.

It is recommended that Council accept the submission from River City Plant Hire Pty Ltd and enter into a contract for services to be carried out at Birkdale Landfill and Waste Transfer Station, Redland Bay Waste Transfer station and Giles Road Hardfill facility commencing 1 January 2011 for a period of six (6) months, with the possibility of an extension for a further 4 months under the terms and conditions provided during the quotation process.

ISSUES

There have been ongoing problems with the current contractor, mainly with plant issues but because of the uncertainty in regard to the proposed Redland Bay Transfer Station and the remaining life of the Birkdale Landfill it was decided to keep the current contractor until 31 December 2010. Continuing problems are mainly related to plant breakdowns and on many occasions various items of plant have been down for many days in a row which has affected contract performance.

Also in August this year a variation was processed which gave Council back the immediate control of stormwater and other miscellaneous works. These works are now provided under Council Plant Hire contract but the running of the Transfer Stations and the working of the Landfill face still resides under the current contract. Management is of the opinion that one of the reasons for plant breakdowns is because the current contractor's price is too low. It is recognised that to improve performance and prevent future plant breakdowns that there will be increased costs, however this was recognised when the budgets were prepared and allowance has been made to cover this increase.

RELATIONSHIP TO CORPORATE PLAN

The recommendation primarily supports Council's vision for **Green Living** - Our green living choices will improve our quality of life and our children's lives, through our sustainable and energy efficient use of resources, transport and infrastructure, and our well informed responses to risks such as climate change.

And vision 9, **An efficient and effective organisation** - Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

FINANCIAL IMPLICATIONS

For a 6 month period from 1 January 2011 the result of using the Plant Hire contract will result in an estimated increase of in expenditure of \$250,000 to \$500,000 to provide this service. There are sufficient funds available in the 2010/2011 budget to cover this increase.

PLANNING SCHEME IMPLICATIONS

The Land Use Planning Group was not consulted as it is considered that the outcome of recommendations in this report will not require any amendments to the Redlands Planning Scheme.

CONSULTATION

The Acting Service Manager Waste Operations, Contracts Manager and Contract Officer have been consulted in regard to this report.

OPTIONS

PREFERRED

1. To award a contract under the Fleet Panel of Providers for Plant Hire 1210-2009-FLT – Waste Management to River City Plant Hire Pty Ltd commencing 1 January 2011 for a period of six (6) months with the option to extend for a further 4 months up to a maximum amount of \$1,600,000 (GST exclusive);
2. To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009* to:
 - a. make, vary and discharge the contract in accordance with the agreed contract terms for any changes; and
 - b. to sign all relevant documentation.

ALTERNATIVE

That Council not accept the Officer's Recommendation and that negotiations with the current contractor commence to ensure that this essential service can continue to be performed post 31 December 2010.

OFFICER'S RECOMMENDATION

That Council resolve as follows:

1. To award a contract under the Fleet Panel of Providers for Plant Hire 1210-2009-FLT – Waste Management to River City Plant Hire Pty Ltd commencing 1 January 2011 for a period of six (6) months with the option to extend for a further 4 months up to a maximum amount of \$1,600,000 (GST exclusive);
2. To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the Local Government Act 2009 to:
 - a. make, vary and discharge the contract in accordance with the agreed contract terms for any changes; and
 - b. to sign all relevant documentation.

MOTION TO CLOSE MEETING

Moved by: Cr Murray
Seconded by: Cr Reimers

That the meeting be closed to the public under section 72 (1) of the *Local Government (Operations) Regulation 2010* to permit discussion on this item:

The reason that is applicable in this instance is as follows:

"(e) contracts proposed to be made by it." (Council)

CARRIED

MOTION TO REOPEN MEETING

Moved by: Cr Williams
Seconded by: Cr Reimers

That the meeting be again opened to the public.

CARRIED

COUNCIL RESOLUTION

Moved by: Cr Reimers
Seconded by: Cr Murray

That Council resolve as follows:

- 1. To award a contract under the Fleet Panel of Providers for Plant Hire 1210-2009-FLT – Waste Management to River City Plant Hire Pty Ltd commencing 1 January 2011 for a period of six (6) months with the option to extend for a further 4 months to a maximum amount of \$1,600,000 (GST exclusive);**
- 2. To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009* to:**
 - a. make, vary and discharge the contract in accordance with the agreed contract terms for any changes; and**
 - b. to sign all relevant documentation.**

CARRIED

5 MEETING CLOSURE

There being no further business, the Mayor declared the meeting closed at 3.06pm.

Signature of Chairperson: _____

Confirmation date: _____