

CITY OF WEST TORRENS



## Notice of Committee Meeting

**NOTICE IS HEREBY GIVEN** in accordance with Sections 87 and 88 of the *Local Government Act 1999*, that a meeting of the

### **CITY FACILITIES AND WASTE RECOVERY GENERAL COMMITTEE**

Members: Councillor K McKay (Presiding Member), Mayor M Coxon,  
Councillors: D Mugavin, G Vlahos, B Reynolds, J Woodward, S Pal, A McKay

of the

### **CITY OF WEST TORRENS**

will be held in the Mayor's Reception Room, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 26 MARCH 2019**  
**at 6.00pm**

**Terry Buss PSM**  
**Chief Executive Officer**

#### **City of West Torrens Disclaimer**

Please note that the contents of this Committee Agenda have yet to be considered by Council and recommendations may be altered or changed by the Council in the process of making the formal Council decision.

## 8 REPORTS OF THE CHIEF EXECUTIVE OFFICER

### 8.1 Cummins House - Update

#### Brief

This report provides Committee Members' with an update of the Cummins House property.

#### RECOMMENDATION

The Committee recommends to Council that the report be noted.

---

#### Introduction

At its meeting of 25 September 2018, the Committee was advised that the Administration had:

- written to the State Government advising of Council's decision to vacate the Cummins House property on 31 December 2018;
- sought to arrange a meeting with State Government representatives to discuss transitional arrangements such as the return of assets on loan from the Morphett family and Cummins Society;
- updated the Cummins Society on the recent correspondence with the State Government; and
- notified the National Trust (who were engaged to act as Managers of the property during the interim (extended) lease period) that their contract will not be extended beyond 2018.

The Committee was also advised that then Mayor John Trainer had written directly to the Minister on 14 September 2018 with a response yet to be received on finalising the agenda report of 25 September 2018.

Representative of the Department of Environment and Water will be in attendance to discuss the possible future options for Cummins House.

#### Discussion

Since the Committee's previous meeting, the Administration has been advised that the management of Cummins House (and a number of other heritage properties) has been transferred from the Department of Planning, Transport and Infrastructure (DPTI) to the Department for Environment and Water (DEW).

A response from Minister Spiers (Minister for Environment and Water) has also been received by Mayor Coxon in response to Mayor Trainer's letter of 14 September 2018 (**Attachment 1**). This correspondence was also tabled at Council's meeting on 15 January 2019.

Given the advice received, and at the request of the DEW, Council agreed to enter into a 'holding over' arrangement for a period of time to enable discussions between the parties to occur and to determine whether there may be opportunities for any ongoing involvement by Council with the Cummins House property.

The Administration has also met with these representatives, since the properties transfer to DEW, on a number of occasions regarding this property. As a result of a recent meeting with DEW, representatives indicated that they wished to present a number of options for consideration at this Committee meeting. However, at the time of finalising this report, information is yet to be received by DEW representatives. Should any information be received by the Administration prior to the Committee's meeting, this will be provided to Committee Members. In the event that a suitable and /or favourable arrangement for Council cannot be negotiated prior to 30 June 2019, it is suggested by the Administration that the holding over arrangement be terminated and the property be returned to the State Government.

Most recently the State Government has requested that the front driveway gates be locked to restrict access to the property when there are no persons present. A combination lock has been installed and authorised persons/groups, (e.g. Cummins Society representatives, State Government representatives, Council's security contractor) have been provided with the code.

### **Conclusion**

Following Council's advice to the relevant State Government Department (DPTI) that it wished to terminate the lease it held over the Cummins House property as from 31 December 2018, Council was advised that "ownership" of the property had been transferred to the Department of Environment and Water.

The Department of Environment and Water (DEW) requested, and the Administration consented to enter into a short term holding over arrangement to enable discussions between the parties to occur to determine whether the parties could come to an arrangement where Council may continue to have any ongoing involvement with the property.

Representatives from DEW have indicated that they wish to make a presentation canvassing a number of options for the Committees' consideration to this meeting.

### **Attachments**

1. **Correspondence received from Minister Spiers to Mayor Coxon regarding Cummins House**

Council

Item 17.7 - Attachment 7

18EW0003345



**Government of South Australia**

**Office of the Minister for Environment and Water**

81-95 Waymouth Street  
Adelaide SA 5000  
GPO Box 1047  
Adelaide SA 5001

Tel 08 8463 5680  
minister.speirs@sa.gov.au

Mayor Michael Coxon  
City of West Torrens  
165 Sir Donald Bradman Drive  
HILTON SA 5033

Dear Mayor

*Michael,*

I write regarding a letter dated 14 September 2018 to the Hon Stephan Knoll MP, Minister for Transport, Infrastructure and Local Government regarding the future use of Cummins House. As the ownership of Cummins House will be transferred to my portfolio responsibilities on 1 January 2019, Minister Knoll has asked me to respond on his behalf.

I am supportive of pursuing a positive heritage outcome for Cummins House to maximise opportunities for the future use of this property. To facilitate the exploration of alternative lease options, I am advised that the Department for Environment and Water (DEW) has met with Mr Terry Buss PSM, Chief Executive Officer and have agreed for the lease to be 'held over' for a period of time to allow for a position to be negotiated. During this time, options for the future use of Cummins House can be considered.

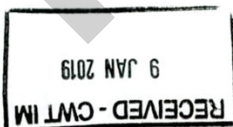
If you require further information on this matter, please contact Mrs Anna Pope, Program Manager, Heritage and Maritime, DEW on telephone 8124 4858 or by email at [anna.pope@sa.gov.au](mailto:anna.pope@sa.gov.au).

I trust this information is of assistance.

Yours sincerely

*[Signature]*  
**DAVID SPEIRS MP**  
Minister for Environment and Water

Date: *03/01/2019*





### 8.3 Weigall Oval Masterplan and Facilities Upgrade - Update

#### Brief

This report provides Committee Members with an update on the Weigall Oval Masterplan and Facilities upgrade project.

#### RECOMMENDATION

The Committee recommends to Council that:

1. The report be received; and
2. The options identified within this report regarding traffic safety along Birdwood Terrace be implemented by the Administration.

---

#### Background

Following Council's reprioritisation of the Community Facility upgrades in December 2013, the Administration engaged experienced consultants and worked closely with the lessee/licensee stakeholders of the Weigall Oval complex (Adelaide Angels Baseball Club; Adelaide Cobras Soccer Club, and Weigall Oval Trainers Association) and the relevant Ward Councillors to produce a draft Masterplan (the draft Plan).

Following endorsement of the draft Plan by Council (at its meeting of 21 January 2014), public consultation was undertaken and a community day was held to encourage feedback on the proposal. Following the consultation period, the draft Plan was refined to take into consideration the comments received prior to Council's endorsement at its meeting of 7 July 2015.

At its meeting of 7 February 2017, Council was advised that an opportunity to secure funding, which would allow the initiatives contained within the endorsed Weigall Oval Masterplan to be implemented, had arisen. At this meeting, Council resolved to:

*"...endorse the Weigall Oval redevelopment as its priority project for funding under the State Local Government Infrastructure Partnership..."*

Subsequently, in May 2017 Members' were advised that the application for funding was successful.

As a result, a government contribution of \$1.2M would be received to enable the completion of the upgrade to Weigall Oval to proceed. The funding guidelines are based on an 80/20 split, with the State Government providing 20% of the total project cost. When the Administration applied for the State Local Government Infrastructure Partnership (SLGIP) funding it was based on the funds that would be required to complete the total project at that time, which was \$6M. However, the overall budgeted cost of the project is \$7M, with Council already allocating \$1M of this project in Council's 2016/2017 budget.

In addition, the conditions of the funding stipulated that works must commence by no later than 31 December 2017 and that Australian steel must be used in its construction.

Council committed to the project and signed the funding deed in late 2017.

The works nominated as part of the grant funding application includes:

- the relocation (and reduction in the number) of the existing tennis courts (from 5 to 4);
- car parking works in the south-western corner of Weigall Oval;
- the demolition of the existing shared baseball and soccer clubroom building,
- construction of a centrally located shared clubroom building;
- a new playspace integrated into the grass mound, providing clear lines of sight;

- remediation and upgrade of the playing surface (including removal of the trotting track and conversion into a green space/playing surface; and
- the provision of separate playing field areas for both senior soccer and baseball (The project will also result in the creation of a new shared junior playing zone).

Stage 1 works were completed and officially opened in September 2018, with the construction of tennis courts and car parking to the south-western corner of the site, a new senior and junior "nature play" playground, a toilet facility and associated landscaping. The official opening also included a farewell function for the Weigall Oval Trainers Association due to the trotting track being removed as part of the Stage 2 works.

## Introduction

At the Committee's meeting held on 25 September 2018, Members' were advised that:

- detailed design and documentation for Stage 2 (new Clubroom facility and associated landscape works) and Stage 3 (playing fields and demolition of existing clubroom) were almost complete;
- a development application has been approved for the remaining stages of work; and
- feedback received to date, from users, has been extremely positive with enthusiasm for the completion of the next stages of this project.

## Discussion

The procurement process for Stages 2 and 3, at the time of writing this report, is underway with the tender process to close on Tuesday 19 March 2019 for the shared clubroom facility and associated site works and landscaping.

A verbal update will be provided at this Committee meeting, however it can be revealed that 9 tender submissions were received by the closing date with a submission range from approx. \$3,000,000 to \$8,300,000. The tender submission prices do vary due to the opportunity for contractors to submit pricing on all the different components (stages) of the project from the new building/car park to the new sports fields/turf.

Lessees of the site have been informed at all stages of the project. Notice of termination of lease/licence have been provided to the Clubs, however their use of the site will continue until further notice from Council (when 3 weeks' notice will be provided before site mobilisation and construction commence).

### Lease of new clubroom facility

A number of meetings have been held with members of the Soccer and Baseball Clubs to discuss new tenancy arrangements once Stage 2 and 3 works have been completed.

Given the nature of the proposed new operation at the oval, it has been agreed to date with the Clubs that:

- An amalgam of a lease and licence will be arranged being:
  - A lease of the dedicated baseball and soccer fields and kitchen areas and nominated change rooms to the respective clubs on a 24/7/365 basis.
  - Licence of the function/clubroom space (i.e. no exclusive use) and the shared/seasonal junior playing space.

- There may be instances where the clubs will/may desire sole use of the function space (for example major presentation nights etc.), or where one club may require use of the 4 change rooms (although such usage is currently not envisaged by the parties).
- The Club representatives were also made aware that the new lease/licence agreements would be for a period of 5 years as a greater term would only be recommended should the club/organisation be contributing significant capital to the facility, which is not the case in this instance.

Other key areas regarding terms of the lease/licence that require further discussion include:

- Council to retain "control" of the facility during the latent defects period;
- Given the significant investment in a new facility by Council, Council will be looking for access to the facilities, (especially function space) for use by the community;
- Council would further expect/require that fees for use/hire to CWT Community Groups would be at nominal levels, (commercial rates can apply for use by commercial entities etc.).

#### Traffic Concerns along Birdwood Terrace

Following the official opening of the Stage 1 works, Weigall Oval has experienced increased use by local families. A local resident had also raised concerns as a result of the increased popularity of this site and as a result the following motion was passed by Council at its meeting of 11 December 2018:

*"Council consult with local residents early in 2019 on the proposal to install and implement safety measures along Birdwood Terrace adjacent to the new Weigall Oval community space to improve public safety, and in particular, children using Weigall Oval. Following completion of the consultation, the Administration report back to Council on the outcomes of the consultation and provide cost estimates to implement any safety measures that may arise from the consultation."*

Subsequently, the Administration undertook public consultation with park users over three weekends in January and February 2019, as well as 2 weekdays (after school) in March 2019. Approximately 32 family groups utilising the playspaces at Weigall Oval were consulted, and all but one family group had children present.

The following topics were discussed with the families:

1. Traffic safety along Birdwood Terrace following the opening of Stage 1 works;
2. Measures that could be implemented to remedy any safety issues; and
3. Measures that could be implemented to encourage users to utilise on-site car parking rather than street parking.

A summary of the results are detailed below:

<b>Comments on Traffic Safety along Birdwood Terrace</b>	<b>Number that agreed</b>
• No traffic issues along Birdwood Terrace	24 of 32 families
• Potential issue if young child (aged under 4) ran off from parents	14 of 32 families
• Parents should watch their children	26 of 32 families
• Potential issue if one parent has more than one child - more difficult to monitor them all	3 of 32 families
• Cars speed along Birdwood Terrace	12 of 32 families
• Bike (shared path) is of more concern as children play along path and bikes travel fast in this section	28 of 32 families
<b>Comments on Remedies</b>	<b>Number that agreed</b>
• Would not like to see fencing along Birdwood Tce	27 of 32 families
• Vegetation or other natural barriers could be an option rather than fencing if something had to be added	17 of 32 families
• Nothing is needed - the playground is far enough away from the road	24 of 32 families
<b>Comments on Car parking</b>	<b>Number that agreed</b>
• Did not know on-site parking was available	13 of 32 families
• Would not park in on-site carpark even though available (street parking closer)	9 of 32 families
• Walk or ride to the site so car parking not an issue	15 of 32 families
• Onsite carpark is often full	4 of 32 families

Following the consultation and as a result of concerns raised by families regarding the interface between the Westside Bikeway and the playspaces, advice was sought from Council's Traffic Team (**Attachment 1**).

Council's Traffic Team confirmed that the site has good sightlines for cyclists and no interference such as low hanging tree branches. Issues between bicycles and children should therefore be minimal. The Traffic Team were cautious about erecting any type of barricade in close proximity to the bike path as legislation dictates how close barricades can be to shared paths. In addition, a fence was previously located close to the bikeway but was removed as part of the masterplan process and as a result of the community feedback received. Other options could be investigated which would not restrict access to the Park nor affect shared path regulations.

Some potential resolutions could include painting courteous messaging on the shared path such as "Children present", or "Shared path, please slow down". In addition, standard pedestrian signage could be erected along Birdwood Tce for vehicle traffic as well as along the shared path for bicycle traffic. The length of the shared path along Birdwood Tce could also be painted an alternate colour (such as green similar to many bicycle lanes across Adelaide) to draw park users' attention to the path. All of these options could be implemented using the current operational budgets.

Although the consultation with park users did not reveal a safety issue along Birdwood Tce between vehicles and children, the Administration believes that it would be remiss to not investigate natural landscaping options around the junior playspace which is the area of greatest concern for families. Options will be investigated and implemented during the Stage 2 works.

Stages 2 and 3 of the development will include further on-site car parking which will be more visible to the public from Birdwood Terrace and will hopefully result in decreased usage of off-street car parking.

The design of the playspaces are very successful and its success is reflected in the amount of continued use the park is receiving. The common statement from most families consulted was that Weigall Oval Stage 1 upgrade has presented an open and inviting park with so many natural elements for children to enjoy.

## Conclusion

The procurement process for Stages 2 and 3 of the Weigall Oval Masterplan have commenced with the tender process to close on Tuesday 19 March 2019 for the Clubroom Facility and ancillary works.

Following Council's motion regarding safety along Birdwood terrace, public consultation was undertaken at Weigall Oval with advice sought from Council's Traffic Team. As a result, the Administration have proposed that the following measures be implemented by the Committee and the area to be monitored for any future safety concerns:

- Courteous messaging be painted on the shared path such as "Children present", or "Shared path, please slow down";
- Standard pedestrian signage be erected both along Birdwood Tce for vehicle traffic as well as along the shared path for bicycle traffic;
- Natural landscaping options around the junior playspace be investigated and implemented during the Stage 2 works.

In addition, the length of the shared path along Birdwood Tce could be painted an alternate colour (such as green similar to many bicycle lanes across Adelaide) to draw park users' attention to the path.

Further, a lease agreement will continue to be negotiated between the Administration, the Adelaide Angels Baseball Club and the Adelaide Cobras Soccer Club.

## Attachments

### 1. Weigall Oval Playspace Layout





CITY OF WEST TORRENS



## **Confidential Report Item 10.1**

of the

**CITY FACILITIES AND WASTE RECOVERY GENERAL COMMITTEE**

of the

**CITY OF WEST TORRENS**

will be held in the Mayor's Reception Room, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 26 MARCH 2019  
at 6.00pm**

---

Pursuant to Section 83 (5) of the *Local Government Act 1999* the Confidential Item for the Committee meeting is delivered to the Committee Members upon the basis of my recommendation that the matters to which the Agenda relates be received, considered and discussed by the Committee in confidence under Part 3 of the Act.

**Terry Buss PSM  
Chief Executive Officer**

### **City of West Torrens Disclaimer**

Please note that the contents of this Committee Agenda have yet to be considered by Council and recommendations may be altered or changed by the Council in the process of making the formal Council decision.

**INDEX**

**10 Confidential..... 1**  
10.1 Kerbside Waste and Recycling Collection Contract - Offer to Extend..... 1

Released



## 10 CONFIDENTIAL

### 10.1 Kerbside Waste and Recycling Collection Contract - Offer to Extend

#### Reason for Confidentiality

The Committee is satisfied that, pursuant to Section 90(3)(b)(i) and (b)(ii) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (b)(i) information the disclosure of which - could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council.
- (b)(ii) information the disclosure of which - would, on balance, be contrary to the public interest.

#### RECOMMENDATION

It is recommended to City Facilities and Waste Recovery General Committee that:

1. Pursuant to Section 90(2) of the *Local Government Act 1999*, Committee orders, that the public, with the exception of the Chief Executive Officer, members of the Executive and Management Teams in attendance at the meeting, and meeting secretariat staff, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report Item 10.1 Kerbside Waste and Recycling Collection Contract - Offer to Extend, attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(b)(i) and (b)(ii) because it may prejudice the commercial position of the Council and lead to Council not obtaining or securing the best possible price for the waste and recycling contract. In addition, Council considers the disclosure of this information would, on balance, be contrary to the public interest because the disclosure of Council's commercial position may severely prejudice Council's ability to secure the best possible outcome for the waste and recycling contract for the benefit of the Council and its community.
2. At the completion of the confidential session the meeting be re-opened to the public.

#### Brief

This report provides a recommendation for Council to consider regarding continuation of Council's waste collection services beyond the expiry date of 30 April 2020 of its kerbside waste and recycling contract.

#### RECOMMENDATION

The Committee recommends to Council that:

1. A renegotiated offer from Solo Resource Recovery for a five year extension to the current waste contract involving the provision of refurbished vehicles be endorsed; and
2. The Mayor and Chief Executive Officer be authorised to finalise contract negotiations and execute an agreement to give effect to this decision.

## FURTHER

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the City Facilities and Waste Recovery General Committee orders that the Item 10.1 Kerbside Waste and Recycling Collection Contract - Offer to Extend, attachments and any associated documentation, excluding the Minutes, having been considered by the City Facilities and Waste Recovery General Committee in confidence under Section 90(3)(b)(i) and (b)(ii), be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting, on the basis that it may prejudice the commercial position of the Council and lead to Council not obtaining or securing the best possible price for the waste and recycling contract. In addition, Council considers the disclosure of this information would, on balance, be contrary to the public interest because the disclosure of Council's commercial position may severely prejudice Council's ability to secure the best possible outcome for the waste and recycling contract for the benefit of the Council and its community.
  2. Committee delegates the power of review, but not the extension, of the confidential order to the Chief Executive Officer on a monthly basis in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.
- 

## Introduction

The cities of West Torrens and Marion undertook a tender process in 2005 for a kerbside collection service of general waste, comingled recycling and organics bins, and it involved 28,696 rateable properties within our municipality.

In April 2006 the City of West Torrens entered into a seven year contract with Solo Resource Recovery to provide the kerbside collection bin service. A contract extension of five years was agreed subsequently which Council endorsed on 19 June 2012. A substantial rebate was negotiated as a part of the contract renewal, as explained in the report included with this agenda as **attachment 1**.

A contract extension was negotiated in April 2018 for a further two years to 30 April 2020 and this was approved under delegation by the Chief Executive Officer. Further savings were achieved as outlined in the memo included with the agenda as **attachment 2**.

In January 2019 Council received an unsolicited offer from Solo Resource Recovery to extend the current contract further. Following subsequent negotiations this offer has been progressed to that described in a letter from Solo dated 18 March 2019 (**Attachment 3**).

In July 2017, the Chinese Government announced a tightening of its National Sword Policy. Effective from 31 December 2017, China advised that the acceptable contamination threshold for recyclable materials would be reduced from 5.0 per cent to 0.5 per cent, effectively restricting Australia from selling recovered recyclables to China. The impact of National Sword has resulted in disruption to the international recycling industry and this has relevance to the contract extensions considered in this report.

## Discussion

Two offers have been made by Solo:

1. To provide new vehicles and extend the contract by seven years (option 1);
2. To provide refurbished vehicles and extend the contract by five years (option 2).

Both options incorporate:

- New side-arms that allow the collection of 140L, 240L and 360L bins. The current side-arms are restricted to a single size of bin;
- Improved information and reporting systems through Fleetmax and Waste Track; and
- Provision of an educational vehicle (or support to an equivalent value if the vehicle is not required).

Collection vehicles will be fitted with a camera system capable of 360° video and image capture to support the proposed Waste Track system. Current vehicles are emission standards Euro 3 rated, but the new vehicles proposed will be Euro 6 compliant.

	CO	HC	NO <sub>x</sub>	PM
	Grams per kilometre			
Euro III	2.1	0.66	5.0	0.1
Euro VI	1.5	0.16	0.4	0.01

CO = Carbon monoxide, HC = Hydrocarbon, NO<sub>x</sub> = Nitrogen oxide, PM = Particulate matter

Fleetmax is a GPS enabled system that allows Council to monitor collection vehicles in terms of location, speed of travel and bin lifts.

The addition of Waste Track will allow for capture of video and photographic evidence of collection issues encountered, such as unrepresented bins, overfull/contaminated bins and the presentation of non-Council bins. Waste Track also provides electronic reporting for collection issues.

### Option 1 - New Vehicles

A seven year extension is being offered which involves new vehicles being provided and results in the following changes to current arrangements, effective from 1 May 2020:

- The red bin collection rate falling from just over \$1.10 per lift currently to \$0.97 per lift, an estimated saving to Council of \$188,889 per annum;
- The recyclables processing rate increasing from \$44.51 currently to \$60.00 per tonne, an estimated increase in cost to Council of \$74,893 per annum;
- Payment rebates offered for contract extensions in the past, currently \$628,007 per annum, being discontinued.

The \$60.00 per tonne for recyclables reflects the current market rate, but would be subject to market forces, with the then market rate to apply from 1 May 2020 and thereafter. This analysis assumes a \$60.00 rate, but that could clearly be lower or higher over the 12 months of the cost estimate. The arrangement to apply will be agreed in writing with Solo if this option is selected.

Option 1 proposes a net estimated additional annual cost of \$514,011, as shown in the following table:

Collection	From	To	Expected Change
Landfill Waste - Collection	1,651,543	1,462,654	(188,889)
Organics - Collection	438,021	438,021	0
Organics - Processing	327,424	327,424	0
Recyclables - Collection	687,450	687,450	0
Recyclables - Processing	209,873	284,766	74,893
Street Bins	55,623	55,623	0
New Bins Green Organics	45,577	45,577	0
Re-negotiated Contract Reduction	(628,007)	0	628,007
<b>Total</b>	<b>2,787,504</b>	<b>3,301,516</b>	<b>514,011</b>

Benefits per annum associated with this extra cost have been estimated as follows:

Estimated Option 1 Benefits	\$
Value of New Vehicles	360,000
China Sword - Extra Cost	211,610
Education Vehicle Benefit	10,390
<b>Total</b>	<b>582,000</b>

The value of new vehicles has been independently verified, the China sword cost is based on a movement of \$45 per tonne and the vehicle benefit reflects the cost spread over the seven year life of the proposed contract. The China sword movement reflects the rate change by Solo when the five year extension described in attachment 1 was negotiated.

The assessment of the Administration is that option 1 offers value for money relative to current contract arrangements. However, we are not able to confirm that a better offer would not be possible if the service was put to tender. Solo is suggesting a less favourable outcome if services are tendered, but we are not in a position to advise on the likelihood of this being the case.

### Option 2 - Refurbished Vehicles

A five year extension is being offered which involves refurbished vehicles being provided and it results in the following changes to current arrangements, effective from 1 May 2020:

- The red bin collection rate falling from just over \$1.10 per lift currently to \$0.90 per lift, an estimated saving to Council of \$294,441 per annum;
- The recyclables processing rate increasing from \$44.51 currently to \$60.00 per tonne, an estimated increase in cost to Council of \$74,893 per annum;
- Payment rebates offered for contract extensions in the past, currently \$628,007 per annum, being discontinued.

The \$60.00 per tonne for recyclables reflects the current market rate, but would be subject to market forces, with the then market rate to apply from 1 May 2020 and thereafter. This analysis assumes a \$60.00 rate, but that could clearly be lower or higher over the 12 months of the cost estimate. The arrangement to apply will be agreed in writing with Solo if this option is selected.

Option 2 proposes a net estimated additional annual cost of \$408,459, as shown in the following table:

Collection	From	To	Expected Change
Landfill Waste - Collection	1,651,543	1,357,102	(294,441)
Organics - Collection	438,021	438,021	0
Organics - Processing	327,424	327,424	0
Recyclables - Collection	687,450	687,450	0
Recyclables - Processing	209,873	284,766	74,893
Street Bins	55,623	55,623	0
New Bins Green Organics	45,577	45,577	0
Re-negotiated Contract Reduction	(628,007)	0	628,007
<b>Total</b>	<b>2,787,504</b>	<b>3,195,963</b>	<b>408,459</b>

Benefits per annum associated with this extra cost have been estimated as follows:

Estimated Option 2 Benefits	\$
Value of Vehicle Refurbishments	120,000
China Sword - Extra Cost	211,610
Educational Vehicle Benefit	14,545
<b>Total</b>	<b>346,156</b>

The benefits to Council under this option would be greater if vehicles were replaced with new vehicles during the five year extension term which Solo has undertaken to do if necessary. There are risks associated with an extension of refurbished vehicle arrangements in relation to vehicle breakdown and reliability, but we have confidence that these are manageable by Solo without service levels being compromised.

The China sword cost is based on a movement of \$45 per tonne and the vehicle benefit reflects the cost spread over the five year life of the proposed contract. The China sword movement reflects the rate change by Solo when the five year extension described in attachment 1 was negotiated.

The assessment of the Administration is that option 2 offers less value than option 1 and it obviously does not lend itself to a competitive tender arrangement.

A shorter term arrangement like five years, rather than seven years, does have advantages, given uncertainty in the waste market, especially in relation to recycling with a decline in commodity prices and questions being raised about the whether MRF's will continue as going concerns in South Australia. We may also be on the cusp of a technological shift in waste and transport solutions and might benefit from waiting to see what emerges over the next few years.

Council also has some data issues regarding collection services that are expected to limit being able to develop an industry leading service. Data provided by Waste Track will enable CWT to obtain detailed and specific information by property on bin presentation, fill and contamination rates.

### *Shift in Technology*

Electric vehicle and autonomous driving technology is now entering a maturation phase. With recent improvements in battery technology, electric heavy vehicles are becoming feasible. Volvo has announced that electric garbage trucks will be trialled in Hamburg, Germany in early 2019. Volvo has also been developing a self-driving garbage truck since 2017, allowing the operator to drive to the start of a collection route then operate as a runner.

CWT and Solo are open to exploring these technologies in the next 5 to 7 years. They do offer an environmentally friendly and quieter solution to combat urban infill.

### *National Sword Impact*

The beginning of 2018, saw commercial recycling companies experience a significant increase in operating costs as containers already on route to China, carrying recyclables considered too contaminated to be accepted, were rejected, resulting in companies having to transport materials back to the point of origin. To put the 0.5 per cent contamination rate restriction into perspective; in a typical load of polyethylene terephthalate (PET) plastic bottles, bottle tops represents an average contamination rate of 2.0 per cent. China's current commitment to domestic environmental and sustainable initiatives indicate that it intends to internalise resource recovery for the foreseeable future.

The loss of the Chinese market has resulted in the significant devaluation of recyclables as a commodity.

### *International Markets Follow Suit*

The initial response from Australian commercial recycling companies was to seek alternate international markets to receive recovered recyclables. Secondary markets have been inundated with material prompting them to take action against the sudden increase in volume.

In July 2018 the Vietnamese Government advised that it will stop issuing new licences for the import of recyclables.

In October 2018, the Malaysian Government has also advised that no new licences will be issued for the import of recyclables.

Both Vietnam and Malaysia have announced their intent to phase out foreign recyclables and focus on internal recovery initiatives. Similar discussions have been held in other countries, and it can be expected that within the next seven years Australia will have no option but to develop domestic capacity to process and reuse captured recyclables.

### *Industry in Crisis*

In February 2019, Environmental Protection Authority (EPA) Victoria issued notices to SKM Recycling preventing SKM's Coolaroo and Laverton material recovery facilities (MRF) from receiving material, and as a result 32 Victorian councils have had no option but to send more than 1,000 tonnes of collected recyclables to landfill, representing two weeks of collections.

SKM has closed its South Australian transfer station and this has added pressure to the remainder of South Australia's kerbside comingled recyclables processing service. Northern Adelaide Waste Management Authority (NAWMA) increased operations in an effort to compensate for the loss of processing capacity and is currently operating 22 hours per day.

The collapsed commodity price of recovered recyclables has resulted in an increase to processing costs. Commercial recycling companies are assessing the viability of continuing operation in South Australia, there being limited MRFs in South Australia currently with the ability to process recyclables collected through kerbside bins. Visy has indicated that they are seeking commitment from South Australia while they revise their local operations, so at this time they are not developing business plans beyond 2021.

### *Market Support*

Supporting an extension of Solo's contract with Council, incorporating the continued use of Visy's MRF, will provide Visy confidence to continue its South Australian operation. Visy is the only operator in this sector that processes and reuses collected recyclables rather than bundling and exporting all materials for sale. Visy's packaging division channels recyclables to produce bottles, cans and cardboard based packaging.

### *Strategic Cost / Benefit*

Given the current instability in the South Australian commercial waste and recycling sector, tendering for a new service provider may provide a cost saving, but there is also a risk of a more expensive outcome. A long-term risk is the potential closure of Visy's South Australian operation, resulting in the loss of processing capacity and increased demand on existing MRFs that could impact to increase processing costs.

Council should position itself to take advantage of emerging technology and therefore lead innovation in the waste management and resource recovery sector.

The City of Holdfast Bay has confirmed its interest in participating in a joint procurement for a new kerbside waste and recycling service in 2025 with the City of West Torrens. Acceptance of a five year extension will allow West Torrens' and Holdfast Bay's contracts to align.

Although not directly linked to the direction Council takes in relation to its kerbside waste and recycling collection contract, regard must be taken of Council's partnership arrangement with Solo Resource Recovery for the Morphett Road Waste Transfer Station.

Solo manage and operate the site under a lease agreement with Council on a 25 + 5 years term. The initial term of 25 years includes June 2023 and Solo has the option to renew for a further 5 years.

The lease arrangement with Solo generates approximately \$100,000 per annum in royalties based on waste through-put at the site.

Over the initial lease term of 25 years, Solo has made substantial capital improvements at the site and apart from providing waste dumping services at the site for a large portion of western Adelaide, it serves as a base for Solo's operations for its waste collection contracts.

It is in Council's interest for Solo to maintain a strong presence in the waste sector here in Adelaide and continuation of Council's contact arrangements with Solo for both the waste transfer station and kerbside collection helps support that continued strong presence.

### **Conclusion**

Two offers from Solo Resource Recovery to extend its kerbside waste contract with Council are presented in this report for Council consideration with the Administration recommending Option 2 (refurbished vehicles - 5 years).

Should the Committee not support either of the options offered by Solo, the Administration will commence preparation for a competitive tender process for Council's next kerbside waste collection contract.

### **Attachments**

- 1. Extract from the Confidential Council Agenda and Minutes 3 July 2012 - Item 21.1 Extension of Waste Collection Contract**
- 2. Memo to CEO from GM Corporate and Regulatory regarding Extension of Waste Collection Contract**
- 3. Letter from Solo Resource Recovery RE Contract Kerbside Waste and Recycling Collection Services**

CITY OF WEST TORRENS



## Confidential Report Items 21.1 and 21.2

of the

**COUNCIL MEETING**

of the

**CITY OF WEST TORRENS**

will be held in the Council Chambers, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 3 JULY 2012**  
**at 7.30 PM**

---

Pursuant to Section 83 (5) of the Local Government Act 1999 the Confidential Item for the Council meeting is delivered to the Council Members upon the basis of my recommendation that the matters to which the Agenda relates be received, considered and discussed by the Council in confidence under Part 3 of the Act.

**Terry Buss**  
**Chief Executive Officer**

### **City of West Torrens Disclaimer**

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.



CONFIDENTIAL REPORT ITEMS 21.1 AND 21.2  
3 July 2012

---

## INDEX

21. CONFIDENTIAL .....	1
21.1 Extension of Waste Collection Contract .....	1
21.2 Sale of 125-133 South Road Thebarton (Former Thebarton Folk Federation Centre and Junction Theatre Site).....	Error! Bookmark not defined.

Released

CONFIDENTIAL REPORT ITEMS 21.1 AND 21.2  
3 July 2012

Page 1

## 21. CONFIDENTIAL

### 21.1 Extension of Waste Collection Contract

#### Reason for Confidentiality

It is recommended that this report be considered in **CONFIDENCE** in accordance with Section 90(3)(b) of the *Local Government Act 1999*, which permits the meeting to be closed to the public for business relating to the following: -

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest

#### RECOMMENDATION

1. That Council orders pursuant to Section 90(2) of the *Local Government Act 1999* that the public, with the exception of the Chief Executive Officer, Deputy Chief Executive Officer, General Manager Corporate and Regulatory, General Manager Urban Services, Executive Manager Organisational Support, Executive Assistants, and Governance Officer, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report (21.1 - Extension of Waste Collection Contract), attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(b).
2. Further, that at completion of the confidential session the meeting be re-opened to the public.

#### Brief

This report proposes extension of Council's waste collection contract.

#### RECOMMENDATION

It is recommended to Council that:

1. Extension of the term of the existing waste collection contract with Solo Resource Recovery for a further 5 years and one month until 30 April 2018 be endorsed.
2. The Mayor and Chief Executive Officer be authorised to finalise contract negotiations and execute an agreement to give effect to the above resolution.
3. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999*, the Council orders that the report *Extension of Waste Collection Contract* and all relevant documentation, but not the minutes, having been considered in confidence under Section 90(3)(b), be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. Further, that Council delegates the power of review of the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

---

## Introduction

Following a joint tender process with the City of Marion, Council resolved in June 2005 to appoint Solo Resource Recovery ('Solo') for the provision of kerbside waste and recycling collection services for a period of 7 years.

A contract was executed on 23 December 2005 (with the City of Marion also executing a common contract with Solo) for a seven year term, with the option to extend for an additional three year period. The initial seven year term expires on 31 March 2013.

The City of West Torrens currently has a \$3.065 million budget for kerbside waste and recycling collection services in the 2011/12 financial year.

In March 2011 Solo approached both the Cities of West Torrens and Marion offering to begin discussions to consider exercising the option to extend the respective contracts.

In partnership with the City of Marion, significant market research and subsequent joint negotiations with Solo has occurred to assess and recommend the best procurement approach to obtain ongoing kerbside waste and recycling collection services.

Solo's offer is predicated on both councils agreeing to extend their common contracts.

Marion Council considered and endorsed a similar recommendation to approve a contract extension at their Council meeting held on 12 June 2012.

The purpose of this report is to:

- Share the indicative outcomes of current negotiations to date with Solo; and
- Seek Council approval to extend the term of the contract with Solo until 30 April 2018 (being the three year extension period, plus an additional two years and one month) on substantially improved commercial terms and conditions.

In March 2011 Solo approached both the Cities of West Torrens and Marion to exercise the option to extend their contract.

The Cities of West Torrens and Marion engaged a waste industry expert (Chris Brideson of Water + Waste Innovations Pty Ltd) to undertake a market assessment of current South Australian waste industry conditions, identify changes to current technologies and service levels since 2005, and to identify potential opportunities for price reductions.

Chris Brideson previously assisted West Torrens and Marion in their waste contract tender, and also facilitated the recent Charles Sturt / Tea Tree Gully tender (where the contract was awarded in May 2011).

CONFIDENTIAL REPORT ITEMS 21.1 AND 21.2  
3 July 2012

Page 3

## Discussion

### Market Assessment and Procurement Strategy

The outcome of the Chris Brideson review highlighted:

- Solo and Cleanaway are effectively the current active contractors in the market:
  - Only four South Australian metro councils have let contracts for kerbside collection services in the last two years. Solo was successful with Charles Sturt and Tea Tree Gully contracts in May 2011, with Cleanaway successful with Pt Adelaide Enfield and Prospect contracts in May 2010 and July 2010 respectively.
  - The number of active suppliers in the South Australian market was very small, with only Solo and Cleanaway considered currently competitive based on the outcomes of the most recent tenders. SITA is providing services to a small number of metropolitan councils and East Waste is also providing waste collection services to its member councils plus Unley.
- Enhancement in current technologies and service levels has occurred since Council's contract was awarded in 2005 (eg in-vehicle data management, vehicle standards, customer service standards, bin supply and maintenance, food organics, service rates, carbon price);
- Opportunities existed to leverage a reduction in the cost of Solo's service to Council (due to market changes, Solo's desire to retain our contract without going through an open tender process, and the ability to strip out costs incorporated to recover the capital cost of initial bin purchases and the depreciation of trucks).

Chris Brideson's review estimated the two councils could gain an estimated 10 per cent worth of additional value from current contract arrangement through direct renegotiation, or through undertaking a new tender against current technology and service standards.

### Supplier Performance

Council also considered the ongoing performance of Solo as part of this initial assessment. While we acknowledge there are general issues from time to time (eg bin presentation matters, missed collections etc) we consider these are common in terms of the provision of such services.

Overall we considered Solo's performance over the life of the current contract to have been solid. Missed collections averaged just 0.08 per cent of estimated total collections over the last two years to April 2012. In addition, our experience is that Solo has been responsive in addressing escalated matters promptly.

### Negotiation Strategy and Objectives

Based on the outcomes of the Chris Brideson review, representatives from Marion and West Torrens agreed a strategy based on the following principles:

- We had a sound understanding of the current waste market conditions (including the potential value we could expect to achieve) and pricing;

- Both Councils were willing to consider recommending extending their respective agreements with Solo, provided Solo offered adequate value in return to our councils to do so (compared to what we might reasonably expect to have received had we gone to tender). Value would be considered to include:
  - Enhanced service levels to residents;
  - Provision of new technologies;
  - Reductions to the cost of the service.
- In the event Solo didn't offer sufficient value, we reserved the right to re-tender our kerbside waste and recycling collection contracts.

#### Indicative Negotiated Outcomes

A joint negotiation team with senior staff from both councils has met with Solo over a series of meetings since the start of 2012 to progress negotiations.

As part of this process, the councils identified an opportunity to discuss extending the term for an additional two years beyond the three year extension option (refer to 'Proposed Term' discussion later in this report for the basis of this opportunity).

While negotiations have not yet been finalised, the most recent offer from Solo suggests there is significant value being offered to both councils.

In return for both Marion and West Torrens councils extending their respective contracts to 30 April 2018 and agreeing to vary the labour rise and fall index on a quarterly basis (rather than annually), Solo has currently offered to West Torrens:

1. Effective 1 July 2012 to provide:
  - An annual cost saving in the order of \$516,288 (\$43,024 per month), subject to contractual rise and fall;
  - Improvements in service levels, including a reduction in the number of days to provide new bins / repair bins from five to two days and implementation of enhanced customer service standards at their Customer Service Centre including monthly reporting - at no cost to Council;
  - Confirmation that they support the promotion of disposal of food waste via the green organics collection service, rather than to landfill - at no cost to Council.
2. By 31 March 2013 to:
  - Supply and install GPS systems in all Solo collection vehicles to allow Council real time viewing of bin locations and bin collection events - at no cost to Council;
  - Provide carbon offsets to neutralise the CO-2 produced by Solo's collection vehicles - at no cost to Council;
  - Repaint Solo's fleet of collection vehicles (with revised signage to be agreed with Council) - at no cost to Council.

CONFIDENTIAL REPORT ITEMS 21.1 AND 21.2  
3 July 2012

Page 5

3. In addition, Solo has committed to overhaul its fleet of collection vehicles (engines, transmissions, lifters, body work, as required) at a cost of up to \$50,000 per vehicle to present the fleet to Council's ratepayers as new and to ensure ongoing delivery of a reliable, high quality collection service - at no cost to Council.

These other improvements provide an additional value to Council estimated at \$142,248 per annum, mostly from 31 March 2013, to provide total savings / benefits of \$658,536 per annum as follows:

	<b>Savings/Benefits Per Annum</b>
5 Year Extension	\$516,288
Vehicle Fleet Overhaul	80,000
Other Benefits	62,248
	-----
<b>Total</b>	<b>\$658,536</b>
	-----

This translates to an estimated saving / benefit to Council over the period 1 July 2012 to 30 April 2018 of \$3.72 million.

The amount currently budgeted in 2011/12 for kerbside waste collection totals \$3.065 million.

#### Proposed Term

While the current contract allows for a 3 year extension, both the Cities of Marion and West Torrens are recommending extending the term for an additional 2 year and one month period (to expire on the 30 April 2018) on the basis of:

- Strategic purposes - it aligns our contract end dates with other large councils (Charles Sturt and Tea Tree Gully) who are also under contract with Solo, thereby providing for an opportunity (potentially) to:
  - Undertake a larger joint procurement activity in the future;
  - Influence the future supply market for similar services (a larger contract may be more attractive to existing suppliers, or interstate suppliers not currently operating within SA, thereby increasing the competitive pressures at play);
  - Influence the level of technology that may be made available at that time.
- Financial purposes -
  - It increases the value of cost savings to each Council (Solo have offered in the order of an additional \$94,000 cost saving per annum over the full extension period of 5 years in return for a 5 year contract extension);
  - It provides an additional 2 years of cost savings;
  - It minimises costs to each Council and the market in undertaking a tender process.
- Risk purposes - it minimises transition risks to a new service provider.

### Purchasing and Tendering Policy

Council's *Purchasing, Tendering and Sale and Disposal of Assets Policy* allows for a variety of methods of approaching the market, including direct negotiation with suppliers. In determining the most appropriate procurement strategy, this policy requires Council to consider a range of factors including but not limited to:

- The total estimated value of the contract;
- The number of known suppliers in the marketplace;
- Council requirements such as the minimisation of risk and the need for urgent supply.

The chosen strategy will also seek to meet a range of principles, including demonstrating fairness, integrity and transparency in its decision making processes, striving to achieve the best value for money in the procurement activity, mitigating relevant risks, and ensuring compliance with all relevant statutory obligations.

On the basis of the market assessment undertaken by the Chris Brideson review and the outcomes of current Solo negotiations, we consider the principle of adopting an open transparent process (ie an open tender) to procure ongoing kerbside waste and recycling collection services is outweighed by the cost of approaching the market compared to the extremely low likelihood of obtaining a better value for money outcome than what could be achieved through direct negotiation.

Accordingly we consider our *Purchasing, Tendering and Sale and Disposal of Assets Policy* supports the recommended procurement strategy of direct negotiation with Solo.

### Risks Considered

#### Procurement Process

A risk identified was the perception the proposed process of extending the contract term for an additional two year period through direct negotiation with Solo may not be considered fair and transparent to the market.

To mitigate this risk we have taken reasonable steps to:

- Understand the capacity of local suppliers and the current market conditions through the provision of independent expert advice;
- Identify potential value we could have reasonably achieved had we gone through an open tender process;
- Validate what value Solo was able to offer; and
- Demonstrate sound justification to support the recommendation.

#### Operational Failure

A major risk identified through the negotiations with Solo was the risk of operational failure of Solo's collection vehicles during the proposed extension period (the general life of a waste collection vehicle is 7 to 10 years).

CONFIDENTIAL REPORT ITEMS 21.1 AND 21.2  
3 July 2012

Page 7

To mitigate this risk Solo have committed to:

- Repaint all vehicles by 30 March 2013; and
- Overhaul all collection vehicles as required to ensure continual delivery of a reliable, high quality collection service.

We have confirmed with the manufacturer of Solo's collection vehicles the proposed overhaul commitment would effectively bring the condition of the vehicles back to near-new condition.

#### Financial Implications

While negotiations have not been finalised, based on the most recent offer from Solo, it is possible Council could achieve from 1 July 2012 an annual cost saving in the order of \$516,288 per annum (subject to contractual rise and fall provisions) for the term of the extension period.

It is important to note the potential savings are only expected to be realised for the proposed contract extension period. It is anticipated future contracts will need to allow for replacement of bins, and the provision of a new fleet of collection vehicles.

A saving on the waste contract of \$450,000 was factored into the 2012/13 budget.

#### **Conclusion**

In summary, both West Torrens and Marion staff considered:

- The extent of potential cost savings offered by Solo is significantly higher than the expectations considered achievable by the outcomes of Chris Brideson's review (estimated at 10 per cent). The potential cost savings alone reflect a reduction of approximately 16.8 per cent compared to current expenditure levels. We consider this is primarily due to offering a greater extension period.
- The non-cash benefits offered by Solo (to repaint/upgrade its fleet, provide additional technology, commitment to enhanced service standards, and reductions to the impact of their operations on the environment etc) are significant and comparable to current market levels.
- Undertaking an open tender process would not achieve equivalent levels of benefit (financial or otherwise) to the residents of either Council.



CITY OF WEST TORRENS



**Minutes**  
**of the**  
**Council & Committee Meetings**

- Urban Services Standing Committee
- Governance Standing Committee

of the

**CITY OF WEST TORRENS**

held in the Council Chambers, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 3 JULY 2012**  
**at 7.30 PM**

**Terry Buss**  
**Chief Executive Officer**

**21. CONFIDENTIAL****21.1 Extension of Waste Collection Contract****Reason for Confidentiality**

It is recommended that this report be considered in **CONFIDENCE** in accordance with Section 90(3)(b) of the *Local Government Act 1999*, which permits the meeting to be closed to the public for business relating to the following: -

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest

**RECOMMENDATION**

1. That Council orders pursuant to Section 90(2) of the *Local Government Act 1999* that the public, with the exception of the Chief Executive Officer, Deputy Chief Executive Officer, General Manager Corporate and Regulatory, General Manager Urban Services, Executive Manager Organisational Support, Manager Regulatory Services, Executive Assistant, and Governance Officer, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report (21.1 - Extension of Waste Collection Contract), attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(b).
2. Further, that at completion of the confidential session the meeting be re-opened to the public.

**COUNCIL DECISION**

MOVED Cr Farnden SECONDED Cr McKay that the recommendation be adopted.

**CARRIED**

8.42 pm the meeting moved into Confidence.

This report proposed extension of Council's waste collection contract.

**RECOMMENDATION**

It is recommended to Council that:

1. Extension of the term of the existing waste collection contract with Solo Resource Recovery for a further 5 years and one month until 30 April 2018 be endorsed.
2. The Mayor and Chief Executive Officer be authorised to finalise contract negotiations and execute an agreement to give effect to the above resolution.
3. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999*, the Council orders that the report *Extension of Waste Collection Contract* and all relevant documentation, but not the minutes, having been considered in confidence under Section 90(3)(b), be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. Further, that Council delegates the power of review of the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

**COUNCIL MEETING**  
3 July 2012

Page 17

**8.46pm** Cr Vlahos entered the meeting.

### **COUNCIL DECISION**

MOVED Cr Farnden SECONDED Cr A O'Rielley that the recommendation be adopted.

### **CARRIED**

**8.58 pm** the confidential session closed and the meeting reopened to the public.

## **21.2 Sale of 125-133 South Road Thebarton (Former Thebarton Folk Federation Centre and Junction Theatre Site)**

### **Reason for Confidentiality**

It is recommended that this report be considered in **CONFIDENCE** in accordance with Section 90(3)(b)(i) of the *Local Government Act 1999*, which permits the meeting to be closed to the public for business relating to the following: -

- (b) information the disclosure of which -
  - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest.

### **RECOMMENDATION**

1. That Council orders pursuant to Section 90(2) of the *Local Government Act 1999* that the public, with the exception of the Chief Executive Officer, Deputy Chief Executive Officer, General Manager Corporate and Regulatory, General Manager Urban Services, Executive Manager Organisational Support, Executive Assistant and Governance Officer, be excluded from attendance at so much of the meeting as is necessary to receive, discuss and consider in confidence, information contained within the confidential report (21.2 - Sale of 125-133 South Road Thebarton (Former Thebarton Folk Federation Centre and Junction Theatre Site), attachments and any associated documentation submitted by the Chief Executive Officer, specifically on the basis of the provisions of Section 90(3)(b)(i) and (ii).
2. Further, that at completion of the confidential session the meeting be re-opened to the public.

### **COUNCIL DECISION**

MOVED Cr Coxon SECONDED Cr Haese that the recommendation be adopted.

### **CARRIED**

**8.59 pm** the meeting moved into Confidence.

**9.00pm** the Confidential Session commenced.

**Note: The Confidential Minutes are kept separately from this document.**

**Note: In addition Council resolved as follows:**

In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report relating to the Sale of 125-133 South Road Thebarton, the Minutes arising from the report (21.2 - Sale of 125-133 South Road Thebarton (Former Thebarton Folk Federation Centre and Junction Theatre Site), attachments and any associated documentation, having been considered by the Council in confidence under Section 90(3)(b)(i) and (ii), be kept



## Memo

To Terry Buss  
 From Bill Ross  
 Date 8 June 2017  
 Subject Extension of Waste Collection Contract

Hi Terry,

A two year extension of our waste collection contract until 30th April 2020 is proposed in this memo.

### Background

A contract extension of 5 years and one month to 30 April 2018 was endorsed by Council on 19 June 2012, based on the confidential report attached. It followed a comprehensive negotiation process that was:

- Negotiated jointly with Marion Council;
- Supported by independent specialist advice from Chris Brideson which allowed us to negotiate objectively a competitive contract extension with Solo without the need for a formal tender process.

This negotiation resulted in substantial savings / benefits to Council, estimated at \$658,536 per annum, as follows:

	<b>Savings/Benefits Per Annum</b>
5 Year Extension	\$516,288
Vehicle Fleet Overhaul	80,000
Other Benefits	62,248
	-----
<b>Total</b>	<b>\$658,536</b>
	-----

This translated to an estimated saving / benefit to Council over the period 1 July 2012 to 30 April 2018 of \$3.72 million.

The amount then budgeted for kerbside waste collection totalled \$3.065 million.

The senior staff of both Marion and West Torrens Councils were extremely pleased with this outcome and it was recommended confidently to both councils as a competitive / value for money outcome.

---

### Further Extension

A further two year extension is now proposed on more favourable terms than the previous contract extension, with a further rebate of \$5,000 per month offered to WTC, effective from 1 January 2017. This will result in:

- An additional annual saving for WTC of \$60,000;
- A saving over the full rebate period of \$220,000.

Senior staff of Marion and Holdfast Bay Councils are extremely comfortable, as we are, with two year contract extensions on similar terms to those offered to WTC. All parties were extremely pleased and very comfortable with the contract extension in 2012 and the latest extension is on more favourable terms again.

Marion and Holdfast Bay Councils are moving to formalise contract extensions before the end of June 2017.

The proposed extension also gives WTC much needed additional time to consider how best to structure its next collection contract, which I expect will involve a much different structure and a competitive tender process.

Given the circumstances of the latest extension offer, I am more than comfortable with the extension being approved under delegation, rather than being referred to Council as Marion and Holdfast Bay are doing.

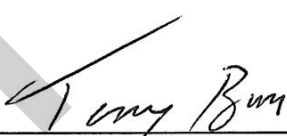
I **recommend** your approval be given under delegation for the waste collection contract with Solo Resource recovery to be extended for a further two years until 30 April, 2020.

Regards



**Bill Ross**  
GM Corporate & Regulatory

Approved



---

**Terry Buss**  
Chief Executive Officer

8 June 2017



86-88 Chenderah Bay Drive  
Chenderah NSW 2487  
P.O. Box 1427  
Kingscliff NSW 2487  
AUSTRALIA

Services: 02 6674 7647  
Admin: 02 6674 7653  
Fax: 02 6674 7657  
Email: [solorr@solo.com.au](mailto:solorr@solo.com.au)  
Web: [www.solo.com.au](http://www.solo.com.au)

REF: WT Extension SA11-2019

18 March 2019

Mr. Bill Ross  
General Manager Corporate & Regulatory  
City of West Torrens Council  
165 Sir Donald Bradman Drive  
Hilton SA 5033

Dear Bill,

**RE: Contract Kerbside Waste and Recycling Collection Services and China Sword Crisis**

As you are aware, Council and Solo recently agreed to extend the current contract to run until April 30 2020, delivering to Council significant savings over this period.

Further to our recent ongoing discussions re the impacts of China Sword, we would like to submit two contract extension proposals to Council.

**Option One - New Trucks**

Subject to Council agreeing to a 7 year extension, the base rate for the residual waste bin will be \$0.97 + GST plus rise and fall per weekly scheduled service.

**Option Two – Combined Refurbished Existing Trucks and Replacement**

Subject to Council agreeing to a 5 year extension, the current fleet will be refurbished including repainting/signwriting, modifying the current lifters to allow for service of differing size bins and installing the onboard data management systems as per our original offer. Trucks would be replaced as required during the term. The base rate for the residual waste bin will be \$0.90 + GST plus rise and fall per weekly scheduled service.

As mentioned, the base rate for the residual waste bin under options 1 and 2 will be as per above and the base rates for each of the other services at the conclusion of the current extension will be the base rates (excluding the current monthly rebates) at the commencement of the new extension and inclusive of the cost of replacement up to 2% pa of damaged/stolen garbage and recycling bins. Under these proposals, in addition to the current rebates in place continuing for the current term, Solo will absorb any additional recycling processing costs from Visy until the current extension expires on 30 April 2020. Based on current tonnages, this will save Council approximately \$455,000 over the remaining current extension.

At 30 April 2020, our recycling processing charge would be \$60 per tonne ex GST and adjusted (up or down) through market reviews by Solo and Council as required. This review mechanism would replace the current CPI adjustments.

All other contract conditions would remain the same.

<p>□ BYRON BAY Address: 2 Fowlers Lane PO Box 342 Bangalow NSW 2479 Phone: 02 6687 0455 Email: <a href="mailto:byron@solo.com.au">byron@solo.com.au</a></p>	<p>□ HUNTER REGION Address: 25-27 Oakdale Road PO Box 2347 Gateshead NSW 2290 Phone: 02 4947 8511 Email: <a href="mailto:solohunt@solo.com.au">solohunt@solo.com.au</a></p>	<p>□ PORT STEPHENS Address: 47 Camfield Drive Heatherbrae NSW 2324 PO Box 806 Raymond Terrace NSW 2324 Phone: 02 4947 7997 Email: <a href="mailto:solohunt@solo.com.au">solohunt@solo.com.au</a></p>	<p>□ FRANKSTON Address: 47 Tova Drive PO Box 8236 Carrum Downs VIC 3201 Phone: 03 9770 8040 Email: <a href="mailto:melbourne@solo.com.au">melbourne@solo.com.au</a></p>	<p>□ CLAYTON Address: 145 Fairbank Road PO Box 1051 Clayton VIC 3168 Phone: 03 9547 8148 Email: <a href="mailto:melbourne@solo.com.au">melbourne@solo.com.au</a></p>
<p>□ ROSEBUD Address: 4 David Court PO Box 8236 Carrum Downs VIC 3941 Phone: 03 5982 2725 Email: <a href="mailto:melbourne@solo.com.au">melbourne@solo.com.au</a></p>	<p>□ WARRAGUL REGION Address: 16 Pearse Street PO Box 1364 Warragul VIC 3820 Phone: 03 5633 2009 Email: <a href="mailto:bawbaw@solo.com.au">bawbaw@solo.com.au</a></p>	<p>□ NORTH PLYMPTON Address: 181 Morphett Road North Plympton SA 5037 Phone: 08 8295 5077 Email: <a href="mailto:solomari@solo.com.au">solomari@solo.com.au</a></p>	<p>□ WINGFIELD Address: 401 Hanson Road Wingfield SA 5013 Phone: 08 8447 5725 Email: <a href="mailto:solomari@solo.com.au">solomari@solo.com.au</a></p>	<p>□ PERTH Address: 59 Burlington Street Naval Base WA 6165 Phone: 08 9410 1566 Email: <a href="mailto:perth@solo.com.au">perth@solo.com.au</a></p>





Solo prides itself on technological innovation and the proposal will ensure that Council will continue to be at the forefront of providing the latest in technology and the best level of service to the Ratepayers. The proposal will include the following benefits:

### New Trucks

On acceptance of our proposal, a new fleet of collection vehicles will be introduced (approximately) within the following 8 months. These trucks will include the following features.

#### Robotic Arm Technology

The trucks will be equipped with the latest lifters and lifter heads that will allow for different bins sizes such as 140L, 240L and 360L MGB's being able to be serviced by the same truck with minimal wear and tear to the bins, thus extended bin life (and therefore reducing costs).

#### Information Technology and Communication Systems

Solo propose the use of two integrated information and communication systems, (with the vehicle and collections component accessible in real time by Council online; to monitor operations). These will be complimented by 2 way radios in the collection vehicles, support vehicles (including the Contract Supervisor's vehicle) and Customer Service Centre.

1. Fleetmax is an in vehicle data management system that records on the Google Maps platform all collection vehicles routes for each day, the vehicle locations, the times and dates of bins they service and any issues relating to the collections. The reportable issues can include damaged bins, contamination, overfull bins and other parameters as desired. Fleetmax is a useful tool for providing high quality, predictive customer service by allowing real time access to collections.
2. Waste Track – Solo propose the use of Waste Track or similar system to deliver the customer service requirements of the contract. Waste Track has been developed by the same software company as Fleetmax and integrates perfectly with Fleetmax. Waste Track represents the latest in customer relationship management (CRM). The software is designed specifically for Council kerbside collection contracts in Australia. It includes powerful reporting functions which will be used to provide information to Council.

Below shows an example of a service exception capture from Waste Track depicting optional photographic evidence:

The screenshot displays the Waste Track web application interface. At the top, there is a navigation bar with options: Asset map, Manage sites, Customer Services, Collections, Admin, and Logout. The user is logged in as Alec Seddon, Glen Shire Council. The main content area is titled 'Service Exception' and contains the following details:

Details	
Timestamp	29/07/2015 06:49:15
Category	Damaged
Stream	Garbage
Type	Split
Customer	None
Site	20 LUGGA PLACE, THE PINES (99145)
Geocoded Address	20 LUGGA PLACE THE PINES
Coordinates	-34.081167,150.55699
Recorded by	Truck 08

Below the details are 'Edit' and 'Delete' buttons. To the right, there is a 'Photos' section with a 'Sidelift' photo showing a damaged bin. Below the photo is a 'Map' section showing the location on a map with a red pin.



## GPS Technology

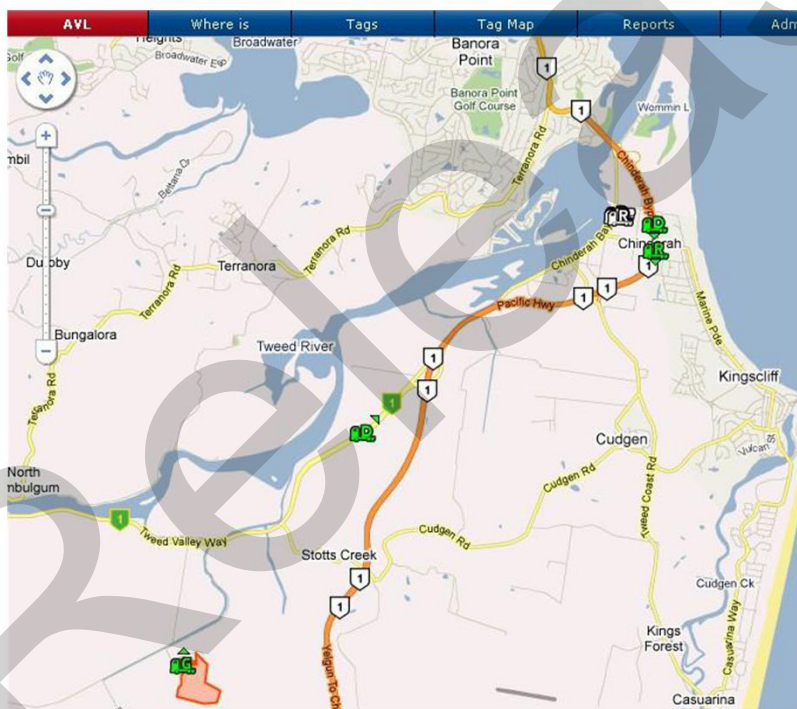
As part of this submission, Solo commits to utilising its existing Fleetmax technology to provide real time data on:

- The location of vehicles;
- The position of bins and the location and time and date of each collection;
- Bins identified as contaminated
- Location of problem bins
- Hot Spot Areas

Solo have been utilising Fleetmax since 2009 for In Vehicle Data Management Systems (IVMS) and we have been one of the developing partners with over 230 vehicles and more than 20 Councils logging on to view Solo operations.

The Fleetmax system works as follows:

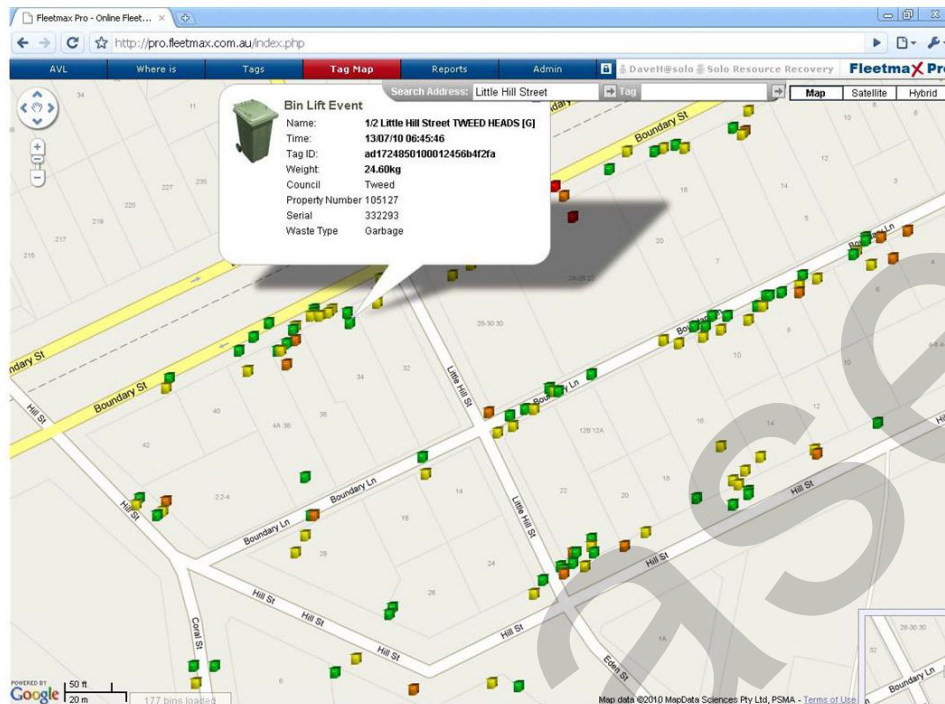
1. Each vehicle can be tracked to monitor or discover its location



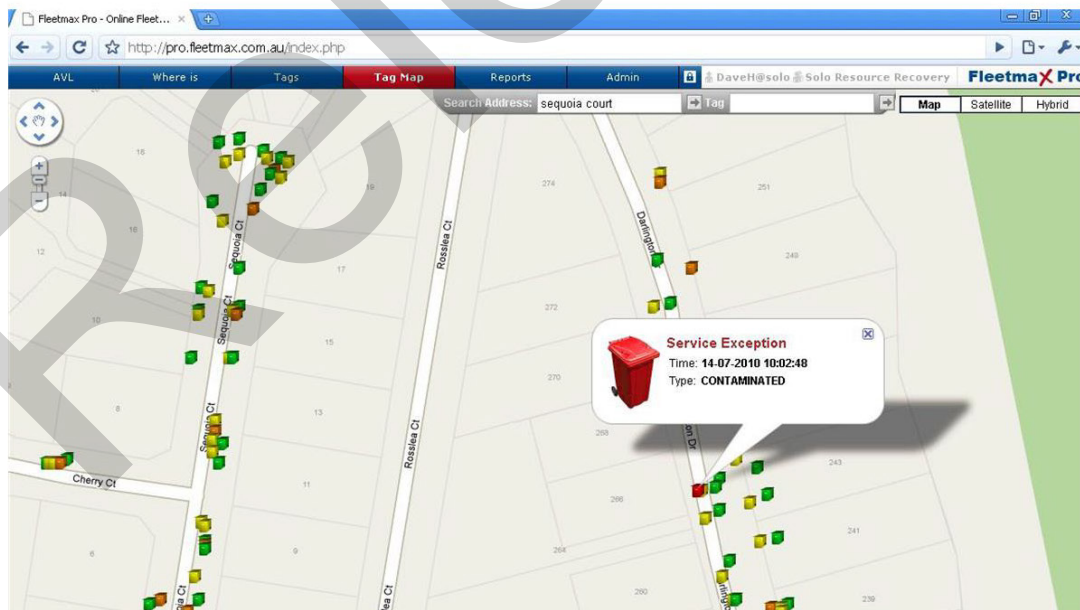




- Each bin will appear on a Google Map screen at the location at which it was serviced. By clicking on each bin, a balloon expands to show the collection time and date and the type of bin.



- Should illegal bins, damaged, wrongly presented or contaminated bins be found, the driver can press a button identifying the particular problem with the bin and that information is recorded in the Fleetmax system.





4. Reports can be generated to show collection data.

The screenshot shows the 'Report Generator' interface in the Fleetmax Pro application. On the left, there are filters for 'Select Report Type' (set to 'Lift Report'), 'Select Devices' (set to '1930'), and 'Report Options'. The main area displays a table of collection data with columns for date, time, device ID, location, and coordinates. A 'Run Report' button is visible at the bottom left of the table area.

Date	Time	Device ID	Location	Lat	Long
2010-07-16	06:59:22	ad1724850100012456b4d0a1	161 Bakers Road DUNBIELE [G]	-28.35193	153.38759
2010-07-16	06:59:41	ad1724850100012456b4d09e	160 Bakers Road DUNBIELE [G]	-28.35177	153.38787
2010-07-16	06:59:56	ad1724850100012456b4d09d	157 Bakers Road DUNBIELE [G]	-28.35162	153.38811
2010-07-16	07:00:12	ad1724850100012456b4d09c	156 Bakers Road DUNBIELE [G]	-28.35147	153.38833
2010-07-16	07:00:27	ad1724850100012456b4d09b	151 Bakers Road DUNBIELE [G]	-28.35137	153.38851
2010-07-16	07:00:38	ad1724850100012456b4d098	149 Bakers Road DUNBIELE [G]	-28.35137	153.38853
2010-07-16	07:00:51	ad1724850100012456b4d09a	148 Bakers Road DUNBIELE [G]	-28.35127	153.38868
2010-07-16	07:01:06	ad1724850100012456b4d097	146 Bakers Road DUNBIELE [G]	-28.35108	153.38893
2010-07-16	07:01:24	ad1724850100012456b4d097	142 Bakers Road DUNBIELE [G]	-28.35086	153.38933
2010-07-16	07:01:58	ad1724850100012456b4e4b2d	137 Bakers Road DUNBIELE [G]	-28.35055	153.38999
2010-07-16	07:02:07	ad1724850100012456b4cd31	135 Bakers Road DUNBIELE [G]	-28.35044	153.39002
2010-07-16	07:02:18	ad1724850100012456b4e4b2c	134 Bakers Road DUNBIELE [G]	-28.35041	153.39003
2010-07-16	07:02:36	ad1724850100012456b4cf44	127 Bakers Road DUNBIELE [G]	-28.35025	153.39062
2010-07-16	07:02:57	ad1724850100012456b4cf43	117 Bakers Road DUNBIELE [G]	-28.35009	153.39156
2010-07-16	07:04:37	ad1724850100012456b4d044	15 Dalles Court DUNBIELE [G]	-28.35398	153.38767
2010-07-16	07:04:49	ad1724850100012456b4d043	16 Dalles Court DUNBIELE [G]	-28.35408	153.38763
2010-07-16	07:05:04	ad1724850100012456b4d046	19 Dalles Court DUNBIELE [G]	-28.35424	153.38754
2010-07-16	07:05:17	ad1724850100012456b4d049	21 Dalles Court DUNBIELE [G]	-28.35438	153.38735
2010-07-16	07:05:30	ad1724850100012456b4d04c	23 Dalles Court DUNBIELE [G]	-28.35442	153.38729
2010-07-16	07:05:43	ad1724850100012456b4d04a	25 Dalles Court DUNBIELE [G]	-28.35444	153.38733
2010-07-16	07:06:10	ad1724850100012456b4d04d	26 Dalles Court DUNBIELE [G]	-28.35431	153.38722
2010-07-16	07:06:19	ad1724850100012456b4d048	24 Dalles Court DUNBIELE [G]	-28.35433	153.38718
2010-07-16	07:06:29	ad1724850100012456b4d04b	22 Dalles Court DUNBIELE [G]	-28.35433	153.38719
2010-07-16	07:10:04	ad172485010001243159e255	393 Bakers Road BYANGUM [G]	-28.36255	153.37103
2010-07-16	07:10:14	ad172485010001243159e256	393 Bakers Road BYANGUM [G]	-28.36255	153.37102
2010-07-16	07:10:35	ad17248501000124c6d375ab	ad17248501000124c6d375ab	-28.36235	153.37009
2010-07-16	07:14:36	ad17248501000124c19685a6	Rivergum Court MURWILLUMBAH [G]	-28.34222	153.37079
2010-07-16	07:14:55	ad17248501000124c19684a8	Rivergum Court MURWILLUMBAH [G]	-28.34228	153.37081
2010-07-16	07:15:06	ad17248501000124c10c34db	6 Rivergum Court MURWILLUMBAH [G]	-28.34233	153.37081
2010-07-16	07:15:32	ad17248501000124c19685ba	4 Rivergum Court MURWILLUMBAH [G]	-28.34214	153.37075
2010-07-16	07:15:44	ad17248501000124c19685af	3 Rivergum Court MURWILLUMBAH [G]	-28.34203	153.37082
2010-07-16	07:15:44	ad17248501000124c19685af	3 Rivergum Court MURWILLUMBAH [G]	-28.34203	153.37082
2010-07-16	07:15:57	ad17248501000124c19685ae	2 Rivergum Court MURWILLUMBAH [G]	-28.34119	153.37096
2010-07-16	07:16:27	ad172485010001243159d8ee	1 Rivergum Court MURWILLUMBAH [G]	-28.34147	153.37067

5. Reports can be generated to show presentation problems or damaged bins.

The screenshot shows the 'Report Generator' interface with the 'Service Complaints' report selected. The report filters are set to 'From: 05/07/2010 00:00' and 'To: 16/07/2010 23:59'. The table lists various complaints such as 'OBSTRUCTED - OVER FULL' and 'NOT PRESENTED' with their respective dates, times, and locations. A 'Show point' map window is open, displaying a map of the area around Brushtail Ct, Pottsville, NSW, with a red pin indicating a specific location. The map includes street names like Lomandra Ave and Manupial Dr.

Type	Date	Number	Location	Lat	Long
OBSTRUCTED - OVER FULL	15-07-2010 10:07:49		Banjo Ct, Terranora, NSW, 2486	-28.23738	153.50239
NOT PRESENTED	12-07-2010 12:03:31		Brushtail Ct, Pottsville, NSW, 2489	-28.37314	153.55707
NOT PRESENTED	12-07-2010 12:03:53		Brushtail Ct, Pottsville, NSW, 2489	-28.3732	153.55747
NOT PRESENTED	06-07-2010 08:34:40		Cabinet Ct, Tweed Heads South, NSW, 2486	-28.20911	153.52277
OBSTRUCTED - OVER FULL	07-07-2010 11:42:57		Darlington Dr, Banora Point, NSW, 2486	-28.22412	153.53482
NOT PRESENTED	13-07-2010 07:30:16		Hillcrest Ave, Tweed Heads South, NSW, 2486	-28.19963	153.51675
OBSTRUCTED - OVER FULL	13-07-2010 09:48:12				153.51813
OBSTRUCTED - OVER FULL	09-07-2010 11:09:12				153.51977
NOT PRESENTED	06-07-2010 06:27:15				153.5178
NOT PRESENTED	09-07-2010 06:50:39				153.53821
NOT PRESENTED	06-07-2010 07:27:38				153.51695
NOT PRESENTED	06-07-2010 07:50:58				153.519
NOT PRESENTED	12-07-2010 11:26:18				153.55562
NOT PRESENTED	15-07-2010 07:08:57				153.51379
NOT PRESENTED	15-07-2010 06:17:53				153.48774
OBSTRUCTED - OVER FULL	05-07-2010 06:10:00				153.56898





**Education Vehicle**

Solo would provide to Council at no cost a community education vehicle such as a Mercedes Sprinter van, fitted out for use at events and other community opportunities for education and promotion of the kerbside service. The value of the van would be up to \$80,000 including fitout and would be used by Council's staff at Council's discretion. Should Council decide that it does not require the education van, Solo would agree to support the Education / Audit programs run by Council to the value of \$80,000 (Eighty Thousand) including GST. This funding would be provided as monthly payments for the duration of the extension.



**SERVICE LEVELS**

Solo will work with Council to introduce MUD or alternative services over the next 12 months to address any significant bin clutter and urban in fill issues.

I trust this proposal meets with Council's approval and we are available to provide further detail or welcome the opportunity to discuss the options presented in person. If the Council has any questions regarding this letter, please do not hesitate to contact me.

Yours faithfully,  
**Solo Resource Recovery**

.....  
**Adrian Rose**  
State Manager SA