



Item No: 19.3

Date: 21 March 2022

Attachment: A

<b>Meeting:</b>	Council
<b>Title:</b>	East Waste - Mattress Collection Contract
<b>Responsible Manager:</b>	Group Manager Assets & Infrastructure, Ben Clark
<b>Author:</b>	Group Manager Assets & Infrastructure, Ben Clark
<b>Key Pillar:</b>	<b>Strategic Framework – Key Pillar 4 – Assets – Continue to provide for and maintain a good standard of assets and public infrastructure</b>
<b>Key Focus Area:</b>	<b>Financial Guiding Principle 1- Finances managed responsibly</b>
<b>Type of Report:</b>	Decision Required

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Chief Executive Officer indicates that the matter contained in this report may, if the Council so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(b) of the Act, that being where Council proposes to conduct business with a party for the delivery of services.

### Recommendation (Public)

#### Pursuant to s90(3)(b)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Acting Chief Executive Officer Scott Reardon, Group Manager Assets & Infrastructure Ben Clark, Group Manager Planning, Environment, Regulatory & Customer Service Joshua Bowen, Manager Community Development & Engagement Fiona Deckert, Communications & Marketing Manager Sarah Spencer and Council Secretariat Danielle Edwards be excluded from attendance at the meeting for Agenda Item 19.5 'East Waste - Mattress Collection Contract'.

The Council is satisfied that, pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council proposing to conduct business and/or could prejudice the commercial position of the Council

In addition, Council has further considered that the 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 negotiate a cost-effective proposal for the benefit of the Council and the community.

### Recommendation (Public)

That Council:

- 1) agrees to commit its mattress and ensembles collection until 30 April 2025;
- 2) delegates authority to the Chief Executive Officer to finalise and sign the contract on behalf of Council.

## Recommendation (Public)

### Pursuant to s.91(7)

That having considered Agenda Item 19.5 'East Waste - Mattress Collection Contract' in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report and attachments relevant to this Agenda Item be retained in confidence for a period of 12 months excepting that Council authorises the release of the minutes to substantive party/parties to enable enactment of the resolution) and that pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Council delegates to the Chief Executive Officer the review and power to revoke this Order

and

That Council resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* and re-admit the public.

## Summary

Approximately three years ago, landfill operators and Suez ResourceCo implemented an additional charge to process mattresses which at its peak was around \$70/mattress. This resulted in a significant cost impost to Councils and was also resulting in poor environmental outcomes. As a result of new suppliers entering the market East Waste has undertaken a tender process and are now seeking the Town of Walkerville's commitment of our mattresses collected until the 30<sup>th</sup> of April 2025.

## Background

At their Ordinary Meeting of 16 March 2020, in relation to item 14.4.1 East Waste Draft Budget and Annual Business Plan 2020/21, Council resolved the following:

### **CNC317/19-20**

1. *That Council endorses the 2020/ 21 East Waste Draft Budget and Annual Business Plan and requests that Administration write to East Waste advising of Council's decision.*
2. *That Council requests that the Waste Advisory Group consider Walkerville's hard waste costs of disposing mattresses and provide options and / or recommendations for Council's consideration.*

This report was presented to the Waste Advisory Group (WAG) on 3 September 2020, at which they resolved as follows:

### **WAG6/20-21**

*That the Waste Advisory Group recommends to Council, to implement a \$25 per mattress fee for the collection of mattresses, up to a maximum of two (2) mattresses per year, as a part of the 'at call hard waste service'.*

At the Ordinary Council meeting dated 21 September 2020 Council resolved the following:

### **CNC101/20-21**

*That Council implement a \$25 per mattress fee as a part of the 'at call hard waste service'.*

## Discussion/Issues for Consideration

As a part of the 'at call hard waste' collection service provided by the Town of Walkerville, residents can access the collection and disposal of mattresses through East Waste. As it currently stands there is no limit on the number of mattresses residents can dispose of through hard waste (East Waste may contact us if the number is excessively high e.g. over 5 mattresses in one collection). Currently Council subsidises the cost of mattress collection with residents being charged \$25 per mattress collected.

The number of mattresses collected in the 2021 calendar year was 119. Under the proposed contract by East Waste, Town of Walkerville will save approximately an additional \$4.78 per mattress, equating to approximately \$568 in savings. The total estimated savings for East Waste Councils under the proposed agreement is approximately \$55,000 per annum.

## Options for Consideration

### Option 1

That Council:

- 1) agrees to commit its mattress and ensembles collection until 30 April 2025;
- 2) delegates authority to the Chief Executive Officer to finalise and sign the contract on behalf of Council.

### Option 2

That Council directs Administration to undertake the following alternate action(s):

- \_\_\_\_\_

## Analysis of Options

### Option 1

Option 1 will enable Council to realise immediate and on-going savings until 2025 in regards to the collection of mattresses and ensembles as a part of the at call hard waste collection service.

### Option 2

Option 2 will allow Council to discuss and provide an alternative recommendation in regards to mattress and ensemble collection as a part of the at call hard waste collection service.

## Financial Implications

The recommendation will allow for immediate savings to be realised for collection of mattresses and ensembles as a part of the at call hard waste collection service.

## Community Implications

There are no perceived community implications.

## Regional Implications

There are no perceived regional implications.

## Governance Implications

There are no perceived governance implications.

**Preferred Option & Reasoning**Option 1

Option 1 is the preferred option as it will allow for the collection of mattresses and ensembles to continue seamlessly while allowing Council to realise savings for each mattress and ensemble collected as a part of the at call hard waste collection service.

**Attachment**

Attachment A	Letter WALKERVILLE Commitment of Mattresses to East Waste (D360) until April 2025
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RELEASED

14 March 2022

Ms Kiki Cristol  
Chief Executive Officer  
Town of Walkerville  
PO Box 55  
WALKERVILLE SA 5081  
(sent via email: [kcristol@walkerville.sa.gov.au](mailto:kcristol@walkerville.sa.gov.au))

Dear Kiki,

**Re: AGREEMENT TO COMMIT HARD WASTE COLLECTED MATTRESSES & ENSEMBLES TO EAST WASTE FOR DELIVERY TO DITRIBUTION 360 PTY LTD UNTIL 30 APRIL 2025**

Mattress collection and disposal through hard waste collections has been common practice across all Member Councils for many years. Approximately three years ago, landfill operators and Suez ResourceCo implemented an additional charge to process mattresses which at its peak was around \$70/mattress. This resulted in a significant cost impost to Councils and was also resulting in poor environmental outcomes.

In response to this and to protect Member Councils from rising costs, East Waste engaged a local company and worked with them establish a mattress collection and recycling business. This resulted in reduced costs, with the savings passed through to Member Councils. Additionally, it provided environmental benefits as the bulk of materials are recycled or processed for energy recovery, as opposed to being landfilled. As the process at the time was in it's infancy and there were no other reputable suppliers in the market, there were no ongoing contractual arrangements implemented.

With an additional entrant into the Adelaide market in 2021 and with the cumulative spend by East Waste in excess of \$500,000/year (collecting approximately 11,500 mattress and ensembles in the 2021 calendar year) a Tender was developed for the collection and processing of mattresses. While East Waste manage all the bookings, we do not have the assets suitable for collection and therefore contract this component out. This open Request for Tender was developed in accordance with East Waste's Procurement Policy and released in January 2022.

Following a review of the Tender Evaluation Panel's report, the East Waste Board resolved to enter into a three-year contract with Distribution 360, the Organisation that has been successfully undertaking the service. Distribution 360 undertake the collections and from a processing perspective currently perform to a high environmental standard, ensuring at least 75% of material is recycled, and are pursuing further improvements.

***Entering into a three-year agreement for the collection and processing of mattresses with Distribution 360 will see savings of approximately \$55,000/annum passed through to Member Councils.***

With the Town of Walkerville introducing a co-payment for mattress collection this contract will provide further savings for the material collected.

To ensure integrity of the contract and assurances for the life of the contract, East Waste is now seeking Council's commitment on mattresses and ensembles to this contract through until 30 April 2025. An agreement is attached and we request return of this by **Thursday 14 April 2022**, in order for East Waste to be able to continue receiving and arranging the Town of Walkerville mattress and ensemble collections through hard waste bookings.

We look forward to continuing to assist Council with an effective and seamless component of hard waste collections. If you have any questions in relation to the contract or attached agreement, please don't hesitate to contact me.

Yours sincerely,



**ROB GREGORY**  
**GENERAL MANAGER**

RELEASED

**AGREEMENT TO COMMIT HARD WASTE COLLECTED  
MATTRESSES & ENSEMBLES TO EAST WASTE FOR  
DELIVERY TO *DITRIBUTION 360 PTY LTD* UNTIL 30 APRIL  
2025**

**DATE:**

**BETWEEN:**

**EASTERN WASTE MANAGEMENT AUTHORITY** of 1 Temple Court, Ottoway SA 5013 (“the Authority”)

**AND**

**TOWN OF WALKERVILLE** of 66 Walkerville Terrace, Gilberton, SA 5081 (“Council”)

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- 1 Council is a member of the Authority.
  - 2 East Waste is currently arranging Mattresses & Ensembles booked by residents for disposal through Hard Waste Collections to be collected and processed by Distribution 360 Pty Ltd. Council is paying East Waste ‘at cost’ for the service.
  - 3 East Waste through a transparent procurement process has determined that Distribution 360 Pty Ltd is the preferred tenderer and secured a three (3) year contract for the Collection and Processing of Mattresses & Ensembles with them.
  - 4 Council hereby commits that it will continue to instruct the Authority to deliver Mattresses & Ensembles booked by residents for disposal through Hard Waste Collections, exclusively to Distribution 360 Pty Ltd, until 30 April 2025, being the date on which the Contract term ends.
  - 5 On the basis of and in reliance upon this commitment from Council, the Authority will enter into a contract with Distribution 360 Pty Ltd that the Authority will continue to deliver Mattresses & Ensembles booked by residents for disposal through Hard Waste Collections from the Council to Distribution 360 until 30 April 2025 pursuant to the terms of the Contract. In due course a summary of the key contract terms will be provided to Council.
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**EXECUTED AS AN AGREEMENT**

**EXECUTED by EASTERN WASTE  
MANAGEMENT AUTHORITY** )  
under delegated authority )  
in the presence of: )

.....  
Signature

.....  
Signature of Witness

.....  
Name

.....  
Name of Witness

.....  
Position

**EXECUTED by TOWN OF  
WALKERVILLE** )  
under delegated authority )  
in the presence of: )

.....  
Signature

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Signature of Witness

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Name

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Name of Witness

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Position

