

## ITEM NUMBER: 9.1

### CONFIDENTIAL REPORT

#### WASTE CONTRACT (Report No: 312/20)

*Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Audit Committee consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that the Audit Committee will receive, discuss or consider:*

- b. 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; and would, on balance, be contrary to the public interest.**

**Recommendation – Exclusion of the Public – Section 90(3)(b) Order**

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 312/20 - Waste Contract in confidence.
  
- 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 312/20 - Waste Contract on the following grounds:
  - b.** 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 is conducting business and the disclosure of the information could prejudice Council's commercial position.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Item No: 9.1

Subject: **Waste Contract**

Date: 7 October 2020

Written By: General Manager City Assets and Services

General Manager: City Assets and Services, Mr H Lacy

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## **SUMMARY**

Council has a current contract with Solo Resource Recovery (Solo) for the collection and processing of residual waste, dry recycles and green organic recycling for the city. Solo is primarily a waste collection business and so relies on sub-contract relationships with Southern Region Waste Resource Authority (SRWRA) to dispose of collected residual waste, Visy Recycling to process dry recycles and Jeffries Industries to process green organics recycling. The existing waste contract also requires Solo to collect residual waste from street litter bins and undertake ad-hoc bin collection as directed by Council. A separate contract has been awarded to Solo to collect, recycle and dispose of residual waste from on-demand kerbside hard rubbish collections.

Solo's head contract expires on 31 March 2021 and administration has been examining options to provide Council's waste and recycling collections, processing and disposal. Options examined include:

Option 1: Renegotiate and extend the existing Solo contract.

Option 2: Call open tenders for waste collection and processing services.

SRWRA has committed to build a new Materials Recycling Facility (MRF) at its Seaford Heights facility and Council has resolved that Council will have its dry recycles processed by SRWRA. The new MRF is expected to be commissioned by April 2021.

Based on analysis of the revised pricing offered by Solo, this report seeks Audit Committee support for Option 1 to extend the existing contract with Solo for a further 5 years under revised terms.

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## **RECOMMENDATION**

**That the Audit Committee:**

- 1) support the proposal to extend the existing waste services contract with Solo Resource Recovery based on revised pricing as submitted in their letter dated 28 September 2020 for a period of 5 years until 31 March 2026;**

- 2) recommend the submission of the proposed contract extension to Council for consideration;

**RETAIN IN CONFIDENCE - Section 91(7) Order**

- 3) that having considered Agenda Item 312/20 - Waste Contract in confidence under section 90(2) and (3)(b) of the *Local Government Act 1999*, the Audit Committee, pursuant to section 91(7) of that Act orders that the report, discussion and minutes relevant to this item be retained in confidence for a period of 18 months and the Chief Executive Officer is authorised to release the documents when the purchase order is issued to the successful tenderer.

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**COMMUNITY PLAN**

**COUNCIL POLICY**

Procurement Policy

**STATUTORY PROVISIONS**

Local Government Act 1999

**BACKGROUND**

Council entered into a contract with Solo Resource Recovery (Solo) on 31 March 2006 for the collection and processing of residual waste, dry recycles and green organics recycling for the city. The original contract period was for 8 years, with the option to extend for a further 3 year period.

The original contract was a part of an open tender process undertaken jointly with the Cities of West Torrens and Marion – both of whom engaged Solo under similar terms to that used by City of Holdfast Bay (CHB).

The contract is subject to quarterly rise and fall adjustments which have been duly applied over time by the contractor. The contract was awarded to Solo and under the arrangements, they provided the collection services using their own vehicles and staff, and sub-contracted the processing services for dry recyclables to Visy and the green organics to Jefferies. These sub-contracts continue today. Garbage disposal occurs at the Southern Region Waste Recovery Authority landfill at Seaford Heights, of which the City of Holdfast Bay is a shareholder.

In 2010, CHB extended the contract until 31 March 2017. The extension was subject to council receiving a “rebate” or discount off the total cost of the services, but unit rates were not adjusted. It is likely that Solo funded this rebate partly by reductions in collection costs due to improved efficiency in their operations, partly by expiry of the financing charges for supply of the bin fleet and partly through reductions in depreciation charges for their truck fleet. In any case, Council

was not provided with details of how the rebate was determined – just the amount to be applied. The first (1<sup>st</sup>) contract extension was for a further maximum period of 3 years.

Towards the end of 2014, Council was offered further rebates, due to the change in cost structure for recyclables processing where gate processing fees shifted from a cost to a net revenue. Again the make-up of the rebate was not disclosed but a further contract extension (2<sup>nd</sup> extension) was awarded taking the contract end date to 31 March 2019.

In 2017, further rebates were offered and Solo was awarded a 3<sup>rd</sup> contract extension taking the overall contract end date to 31 March 2021.

One key implication for Council and its contractual relationship with Solo, is that although Council has enjoyed significant discounts at each contract extension, the contract has not been market tested since 2006 - ie for 15 years at the current contract end date of March 2021 – will all contract extensions directly negotiated with Solo.

### **Recycles Processing - Impact of China Sword**

In July 2018, China introduced strict standards for the import of foreign derived recyclables as a result of their China Sword policy.

Solo wrote to CHB as well as their other client Councils (being Cities of West Torrens and Marion) to advise that Visy was increasing their gate fees for processing recyclables at their Wingfield plant from -\$10 net revenue to \$60 per tonne net cost – a turnaround of \$70/t. The increased costs were to apply from 1 June 2018.

The three (3) councils commenced negotiation with Solo and in part with Visy (recognising that the sub-contract was between Solo and Visy – not Councils) and sought various information to Visy's pricing was cost reflective and that Solo was not overcharging their client councils. The three (3) councils also sought legal advice on their commercial position under the contract – particularly in relation to whether a force majeure event had arisen which would allow Solo to recoup Visy's higher costs under the contract.

Sitting in the background was of course the failure of SKM and their subsequent withdrawal from the market – something that none of the council's wanted to see happen as this reduced competition in the marketplace and placed Visy and NAWMA in a dominant market position.

The three Solo client Councils have not paid any additional recyclable processing fees to date as we are still technically in dispute with Solo under the terms of our contract. Marion obtained legal advice which indicated that this was not a Force Majeure event under the contract and on this basis we have all held off paying any additional processing fees. It has only been in recent months that Solo (and Visy) have contacted the three Councils and advised that the additional processing fees are now due.

Since July 2018, information gathering and debate has continued, however in late 2019 each of the three Solo client Councils decided to act in their own right.

Marion opted to be part of the Council Solutions group contract which was awarded in late 2019 to Cleanaway. Marion therefore ended their Solo contract in March 2020 when it expired. Marion has also arranged their own recyclables processing, partnering with other Council Solutions councils to seek a directly negotiated contract – presumably with Visy as we understand that NAWMA is full.

West Torrens (whose contract with Solo also expired in March 2020) has opted to direct negotiate with Solo for a further 5 year extension with recyclables processing sub-contracted through Solo to Visy as part of that extension, but only until March 2021. After that, West Torrens can seek alternative MRF services – most likely at the new SRWRA MRF, or the new CAWRA MRF.

In their negotiations with Solo over collection costs, West Torrens was able to negotiate waste collection costs at around \$0.90/lift with processing of recycling at \$60/t. The extension was for 5 years. Solo also agreed to refurbish all their trucks and install advanced GPS tracking and truck management systems within 1 year of the extension commencing.

From Holdfast Bay's viewpoint, our negotiations with Solo resulted in the recycles processing fee being varied to:

- From 1 October 2018 - \$10/t revenue for recycling was deleted
- From 1 October 2018 to 30 June 2019 – gate fee for Visy recycling services increased to \$45/t (plus GST)
- From 1 July 2019 to 31 March 2021 – gate fee for Visy recycling services increased to \$60/t (plus GST)

## **REPORT**

Given that the other two (2) Solo client councils had entered into revised agreements for their existing contracts, and following an approach by Solo, Administration initiated a review of Council's waste contract options.

Two (2) options were considered:

- Option1: Renegotiate and extend the existing Solo contract
- Option 2: Call open tenders for waste collection and processing services

### **Option 1 – Renegotiate and Extend Solo Contract**

Our aim was to explore the commercial benefit to Council of negotiating a further 5 year contract extension directly with Solo. Objectives were to:

- secure improved pricing from Solo for the waste, recyclables and green organics collections going forward
- to lock in recyclables processing until the new SRWRA MRF came online
- to resolve claims for outstanding requests for payment for additional recyclables processing charges from 1 June 2018

- eliminate the so called Rebates and establish the actual collection costs for each of the waste, recyclables and green organics bins
- secure upgraded or refurbished trucks with new GPS technology

Based on Solo's initial approach, we started preliminary negotiations with Solo to potentially extend our collection contract from 1 April 2021 for a further 5 years. The aim was to test Solo's pricing against the market information available about pricing for West Torrens and Council Solutions contracts.

After a number of without prejudice offers, we have negotiated revised pricing which we believe represents the best deal that Solo is prepared to offer us. Their offer is detailed in their letter dated 28 September 2020 which is presented in Attachment 1.

*Refer Attachment 1*

Solo's offer can be summarised as follows:

- Extend contract for 5 years from 1 April 2021 to 31 March 2026
- Revise charging methodology for the kerbside recyclables and organics collection services to a bin lift rate based on service entitled properties
- Proposed new bin lift rates per service entitled property (excl GST):

	<b>New Rate (1)</b>	<b>Old Rate – est (2)</b>
○ Garbage	\$0.82/lift	\$0.8828/lift
○ Recyclables	\$0.83/lift	\$1.0367/lift
○ Greenwaste	\$0.83/lift	\$0.8450/lift

- (1) Quoted rates are subject to Rise and Fall adjustment from 2 April 2020 to end of proposed contract extension
- (2) Old rates for recyclables and organics services were defined as a per fortnight fixed charge. For this report, fortnightly fixed charge converted to equivalent bin lift rate. Includes proportional element of \$420,000 rebate.

- Billing for garbage, recyclables and organics to be based on a bin lift rate multiplied by number of service entitled properties
- Rise and fall applicable on proposed rates and to apply as per contract from 2 April 2020 to end of proposed contract extension
- Recyclables processing to be undertaken at new SRWRA MRF from April 2021
- Council to directly contract recyclables processing with SRWRA
- Council to pay for handling and disposal of contaminated recycles at SRWRA
- Solo to manage repairs and maintenance of recyclable and green bins
- Council to pay for supply of new and replacement recycling and organics bins
- Refurbishment of collection vehicles prior to 31/3/2023 including installation of new vehicle tracking and bin lift data systems
- Current rebates have been absorbed into the new rates
- All other conditions of contract remain unchanged

### **Proposed Solo Contract Extension – Comparative Costs**

For comparison purposes, the forecast annual costs for the Solo contract services have been separated from the waste services that Council proposes to separately contract (ie landfill disposal and recyclables processing) to allow like for like comparisons.

The forecast likely cost of the contracted services (ie landfill disposal and recyclables processing) have been separately presented to show the likely increase in costs from 1.4.21 and to allow the overall total cost of waste services to be identified (excluding street litter collections and bin costs). The comparison is presented in Attachment 2.

*Refer Attachment 2*

The comparison highlights the financial benefit of Solo's revised offer which results in lower costs for collection and transport for each of the three (3) core services – garbage, recyclables and organics.

### **Recyclables Contamination**

Council is proposing to remove recyclables processing from the proposed Solo contract extension and to contract this service directly with SRWRA using their proposed new MRF. As Solo is no longer able to manage the contamination rates (apart from the compaction rate within their vehicles) they propose to transfer contamination management costs to Council. This includes the cost of on-site handling at SRWRA and disposal to landfill. Solo will retain any liabilities associated with rejected loads due to over compaction within the collection vehicle.

This adds around \$86,350 pa to Council's costs related to recyclables and is included in the analysis of Solo contract costs as it was previously included in their contract rates.

### **Recyclables Processing**

The current gate fee for recycling processing at Visy's Wingfield MRF is \$60/t. However this rate is only applicable to the end of the current contract being 31 March 2021. Market rates are currently significantly higher than \$60/t with rates as high as \$130/t being quoted.

Council has decided to excise the recyclables processing from the proposed Solo contract extension and to seek a price from SRWRA for processing at their proposed new MRF at Seaford Heights. It is anticipated that the rate will be around \$90.00/t which increases the cost of the recyclables processing by around \$103,900 pa compared to the current arrangements. Whilst this is a projected real increase in costs, it is not a cost that should be attributed when considering the Solo contract.



## **Advantages**

The advantages of extending the current Solo contract, with proposed changes, are:

- Solo has provided a high quality service with few performance issues. If issues arise (such as missed bins), Solo reacts quickly and with a minimum of input from Council. Solo has responded positively to any service change requests, including litter bin services.
- Extensive knowledge of area including hard to find bins and special needs customers
- Council avoids the cost of running a larger scale tender.
- In the event that Solo is unsuccessful, avoids potential service disruptions that occur during a transition from old to new supplier.
- Avoids risks that new supplier cannot mobilise quickly enough to meet the 1 April 2021 start date (although there is an option to extend Solo's contract by 3-6 months in the event that they don't win the contract to allow a new operator to mobilise).
- Solo willing to transport recycles to an alternative facility in any transition period prior to processing at SRWRA MRF (Would need separate contractual negotiation and pricing from prospective recyclables processing facilities – eg Visy or NAWMA).

## **Disadvantages**

The disadvantages of this option are:

- The contract has not been market tested since originally signed in March 2006. As a result, the commerciality of the contract and its value for money can be questioned.
- There is a probity risk that Council may be unable to justify why it has extended this contract through direct negotiation on a number of occasions and has not proceeded to public tender. Other suppliers may consider this to be unfair and/or restrictive.
- The Solo proposal shifts additional risks to Council (ie contamination risk). However the costs of managing those risks have been accounted in the proposal.
- The revised Solo offer is based on refurbishment of trucks, rather than supplying new trucks which would typically be required under any new contract. This potentially affects the reliability and appearance of the fleet, although these are issues for the contractor to ultimately resolve.
- With a long standing contractor, the drive to innovate and introduce new ideas may lag. Issues such as GPS tracking and electric trucks may not be pushed due to complacency.

## **Independent Assessment**

Council has sought independent review of the proposed contract extension option based on 2 factors – the commerciality of the offer and the probity concerns.

The report from the independent reviewer Mr Mark Booth from BRM Advisory is attached in Attachment 3.

*Refer Attachment 3*

**Option 2 – Advertise the Contract (new 5 year contract to commence 1.4.2021)**

Under this option Council would seek tenders from qualified contractors to operate the collection contract only for waste, recyclables and green organics. Recyclables would be processed at SRWRA and green organics at Jeffries under individual contracts negotiated directly by Council.

The advantage of this option is that the contract would be market tested finally after many years of direct negotiation. It addresses the probity and commercial risks that Council is has not market tested this significant contract for many years contract and would allow council to justify the commerciality of the contract.

It would be proposed to separate the collection and transport service into the main contract, with Council separately negotiating processing and landfill services under separate agreements.

The contract would also include residual waste collection from street litter bins, ad-hoc repairs to bins and the supply of new bins for new premises and the replacement of stolen and/or damaged bins as directed by Council.

A separate contract (currently awarded to Solo) to collect, recycle and dispose of residual waste from on-demand kerbside hard rubbish collections also concludes on 31 March 2021 and this contract will be subject to open tender before that date allowing a transition to a new contractor should Solo not be the successful tenderer.

Whilst the timing to prepare tender documentation, undertake a tender process and award a contract is tight, it is still achievable with sufficient time for a prospective new contractor to mobilise staff, plant and equipment to take over the contract. It is still an option to negotiate with Solo to continue to operate the existing contract for a period of time (say 3 or 6 months) after the conclusion of their existing contract. This would allow any future contractor (assuming Solo was unsuccessful) the opportunity to mobilise over a longer period.

**Advantages**

The advantages of advertising the waste contract, with proposed changes, are:

- Addresses probity and commerciality concerns due to the open tender approach.
- Gives Council access to new and innovative ideas and proposals.
- Council can specify the risk sharing arrangements it wants in the contract, although recognizes that these risks will be priced into the tender price.

**Disadvantages**

The disadvantages of this option are:

- Requires preparation of a specification and tender documentation, which adds costs, risk and staff workloads which the organization may not be able to address adequately.

- Should Solo be unsuccessful, there is transition period where the new contractor comes to grips with the contract and service requirements and localities for services. Possible that during this period, that service disruption occur and damage council's brand.
- The cost of tendering and mobilizing is ultimately built into the contract costs and profit margins.
- Could weaken the overall waste collection/services market due to loss of a contractor (Solo to the SA market).

### **Recommendation**

On balance and based on analysis of the revised pricing offered by Solo, this report recommends that Audit Committee support an Administration recommendation to Council to extend the existing contract with Solo for a further 5 years based on negotiated terms outlined in their letter dated 28 September 2020 and as per this report.

### **BUDGET**

The likely total cost of the Solo contract extension is forecast at around \$2.048m pa compared to the estimated current cost of \$2.156m (excl GST and costs for bin maintenance and street tidy services), representing a savings opportunity of around \$107,800 pa.

The forecast cost of recyclables processing and landfill disposal is estimated to increase to \$1.544m from current estimate of \$1.440m, representing an increase of some \$103,890 pa in costs.

Overall, the total spend on waste services, processing and disposal (excl GST and costs for bin maintenance and street tidy services) is estimated at \$3.591m versus \$3.595m currently, a forecast saving of around \$3,900 pa.

Whilst this sounds a poor result overall, the forecast savings in the Solo contract will offset steep increases in recyclables processing costs and result in a cost neutral position.

### **LIFE CYCLE COSTS**

The costs for these services are included in Council's annual operating budget. There are no life cycle cost issues apart from the ever increasing costs of these services which will impact future budgets.

# Attachment 1





Our Ref: HBay Extension SA12-2020

28 September 2020

The General Manager  
City of Holdfast Bay Council  
24 Jetty Road  
Brighton SA 5033

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

Services: 02 6676 7647  
Admin: 02 6674 7656  
Fax: 02 6674 7657  
Email: solorr@solo.com.au  
Web: www.solo.com.au

**ATT: Mr Howard Lacy - General Manager City Assets & Services**

Dear Howard,

## RE: Contract Kerbside Waste and Recycling Collection Services

Thank you for the opportunity for Solo to be able to present a formal proposal to extend the current kerbside collection contract.

Solo would like to propose to Council that on completion of the current contract (including the extensions already in place) that Solo and Council further extend the contract for an additional 5 years; commencing on the 1<sup>st</sup> April 2021 with a new end date of 31<sup>st</sup> March 2026.

### Service Rates

The rates per service entitled premise effective from the commencement of the extension will be

Garbage \$0.82 + GST service entitled premise  
Recycling \$0.83 + GST service entitled premise  
Organics \$0.83 + GST service entitled premise

The nominated disposal facilities are SRWDD for the Garbage and Litter Bins and the Adelaide Waste and Recycle Centre (AW&RC) for the Recyclables and Organics. All existing rebates under the current contract extension will cease as of the 31<sup>st</sup> March 2021 and upon the implementation of the above provided service rates.

### Rise and Fall

As agreed, Rise and Fall (R & F) will be applied to the above service rates as per the current Contract R & F. R & F will be applied from the 2<sup>nd</sup> April 2020 and will continue until the completion of this extension.

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<input type="checkbox"/> BYRON BAY Address: 2 Fowlers Lane PO Box 342 Bangalow NSW 2479 Phone: 02 6687 0455 Email: byron@solo.com.au	<input type="checkbox"/> HUNTER REGION Address: 25-27 Oakdale Road PO Box 2347 Gateshead NSW 2290 Phone: 02 4947 8511 Email: solohunt@solo.com.au	<input type="checkbox"/> PORT STEPHENS Address: 47 Camfield Drive Heatherbrae NSW 2324 PO Box 806 Raymond Terrace NSW 2324 Phone: 02 4947 7997 Email: solohunt@solo.com.au	<input type="checkbox"/> FRANKSTON REGION Address: 47 Tova Drive PO Box 8236 Carrum Downs VIC 3201 Phone: 03 9770 8040 Email: frankston@solo.com.au	<input type="checkbox"/> CLAYTON Address: 145 Fairbank Road PO Box 1051 Clayton VIC 3168 Phone: 03 9547 8148 Email: frankston@solo.com.au
<input type="checkbox"/> ROSEBUD Address: 4 David Court PO Box 8236 Carrum Downs VIC 3941 Phone: 03 5982 2725 Email: frankston@solo.com.au	<input type="checkbox"/> WARRAGUL REGION Address: 10 A Endeavour Street PO Box 1364 Warragul VIC 3820 Phone: 03 5633 2009 Email: bawbaw@solo.com.au	<input type="checkbox"/> NORTH PLYMPTON Address: 181 Morphett Road North Plympton SA 5037 Phone: 08 8295 5077 Email: solomari@solo.com.au	<input type="checkbox"/> WINGFIELD Address: 401 Hanson Road Wingfield SA 5013 Phone: 08 8447 5725 Email: solomari@solo.com.au	<input type="checkbox"/> WA REGION Address: 59 Burlington Street Naval Base WA 6165 Phone: 08 9410 1566 Email: perth@solo.com.au



## Refurbished Trucks

Each truck would be repainted, sign written, and refurbished as required to allow for the servicing of different sizes of bins. The In Vehicle Management System (IVMS) would be upgraded to bring this in line with our latest technology, including the ability to photograph non conforming services such as contaminated bins as an example.

This upgrade will be at no cost to Council.

This refurbishment program would commence immediately once Council has agreed to the extension and is expected to be in place within 2 years barring any unforeseen delays.

## Information Technology and Communication Systems

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

Fleetmax is an in vehicle data management system (IVMS) 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.

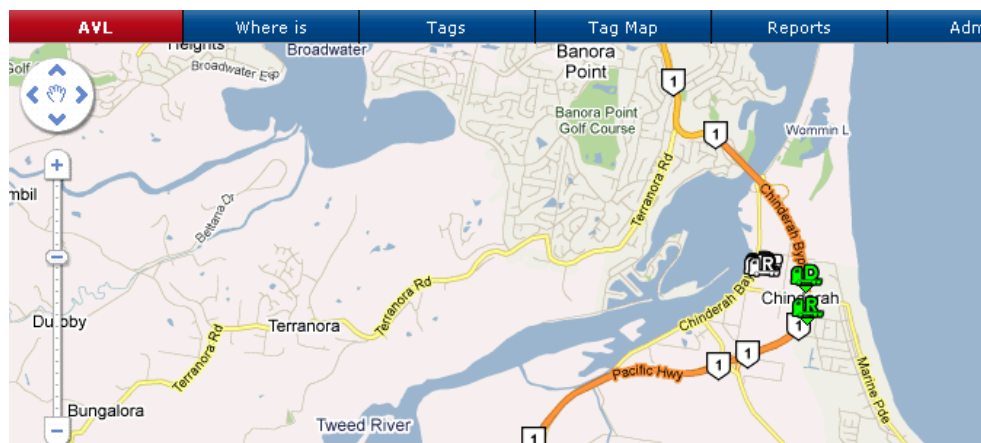
## GPS TECHNOLOGY

Fleetmax technology provides 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

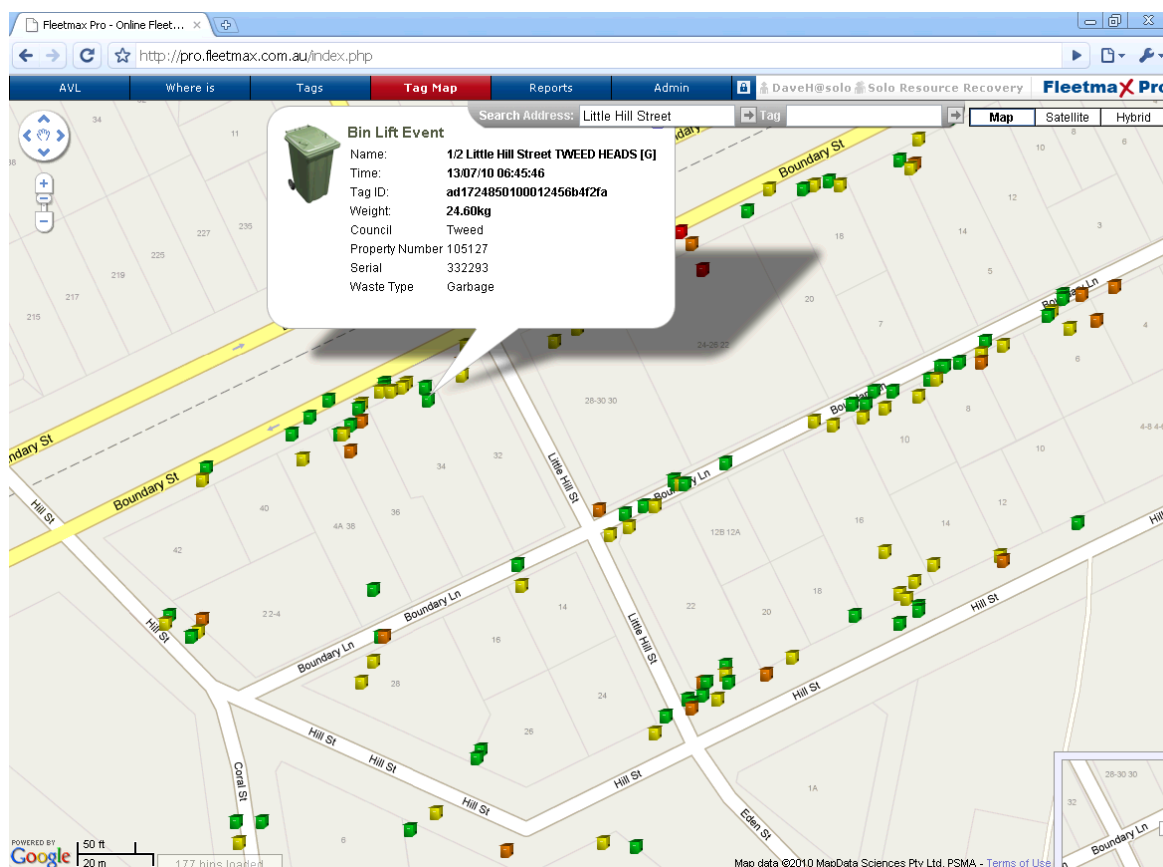
The system works as follows:

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

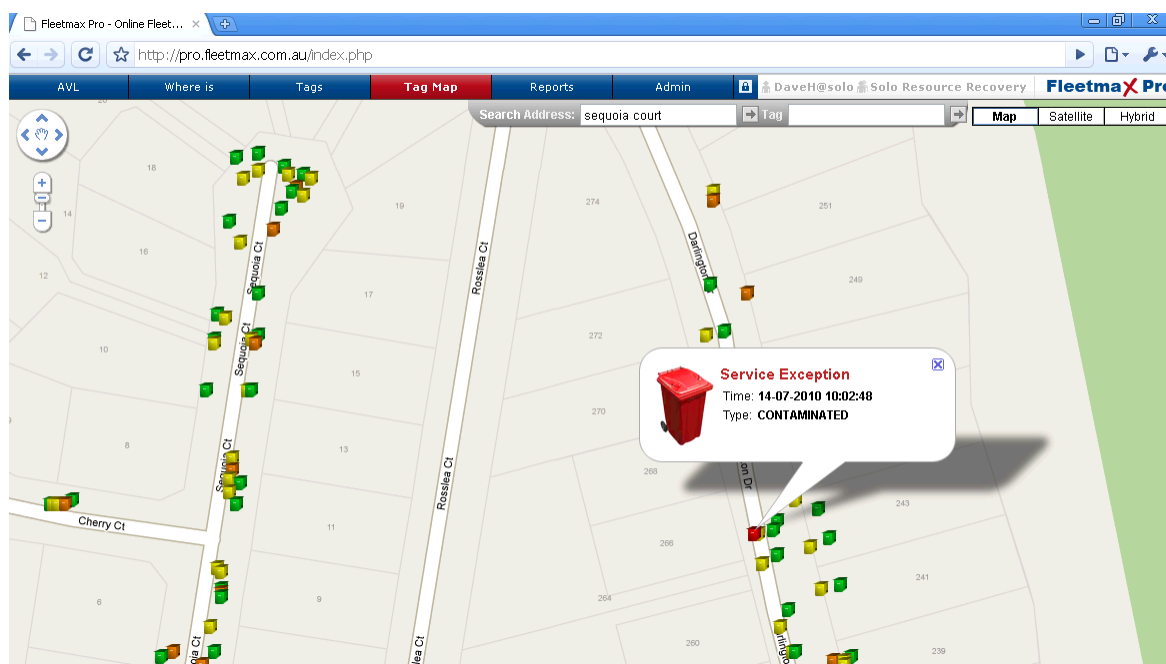




- Each bin will appear on a Google Map screen at the location at which it was serviced. By clicking on each bin, a balloon expands to show the collection time and date and the type of bin.



- Should illegal bins, damaged, wrongly presented or contaminated bins be found, the driver presses 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 'Reports' section of the FleetMax Pro interface. On the left, there is a 'Report Generator' sidebar with options for 'Select Report Type' (set to 'Lift Report'), 'Select Devices' (set to '1930'), 'Report Options', 'Select Time Range' (From: 16-07-2010, To: 16-07-2010), and 'Select Output Format' (set to 'HTML (Webpage)'). A 'Run Report' button is visible at the bottom of the sidebar.

The main table displays a list of collection events. The columns are: Date, Tag, Location, Bin, and a small icon. The data includes various locations such as '161 Bakers Road DUNBIBLE [G]', '160 Bakers Road DUNBIBLE [G]', '157 Bakers Road DUNBIBLE [G]', etc., with corresponding dates and bin numbers.

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

The screenshot shows the 'Reports' section of the FleetMax Pro interface, specifically a 'Service Complaints' report. The sidebar on the left is configured with 'Select Report Type' set to 'Service Complaints', 'Select Devices' set to '1926', 'Report Options' with 'Sort by street' checked, and 'Select Time Range' (From: 05-07-2010, To: 16-07-2010). A 'Run Report' button is at the bottom.

The main table shows a list of service complaints. The columns are: Type, Date, Number, Location, Lat, and Long. The data includes entries like 'OBSTRUCTED - OVER FULL' at 'Banjo Ct, Terranora, NSW, 2486' and 'NOT PRESENTED' at 'Brushtail Ct, Pottsville, NSW, 2489'. A red pin icon is visible next to the 'NOT PRESENTED' entries.

An inset map window is overlaid on the bottom right, showing a street view of 'Brushtail Ct, Pottsville, NSW, 2489'. The map includes a search bar with the text 'Show point -28.37314,153.55707 - Google C...' and a red pin marking the location. The map is powered by Google and includes copyright information for MapData Sciences Pty Ltd, PSMA.





## **Recyclables Processing**

The recyclables collected under this Contract will be sent to the new MRF being built by SRWRA upon its completion. Council will enter a direct commercial arrangement with SRWRA and will be responsible for all costs relating to that arrangement.

Should there be a gap between the end of the current Contract with Visy and the start of the new contract with SRWRA, then Solo and Council will work cooperatively to secure an alternative Sorting Facility to process Council's collected material until such time as they can be delivered to the new SRWRA facility. The costs for this interim arrangement including any alternative travel arrangements and costs will be agreed between Council and Solo. EPA and insurance restraints do not allow for the storage of recyclables at the AW&RC, North Plympton.

## **Rejection of Recyclables and Penalty Payments**

Where Material collected under this Contract is rejected by SRWRA, or where a penalty charge is imposed for any reason whatsoever, including but not limited to Contamination of the delivered Material or unacceptably high levels of glass fines, the Council will pay all associated charges and costs. If the Contractor is required to transport the load to a disposal facility, all associated transport and disposal costs will be paid by Council.

Where a load is rejected by the Sorting Facility due to over compaction, the Contractor will pay all associated charges and costs (evidence of over compaction is required). If the Contractor is required to transport an over compacted load to a disposal facility, all associated transport and disposal costs will be paid by the Contractor. The Contractor must promptly notify the Council of all rejected loads and full details of any non-compliance reports from the Sorting Facility.

## **Transport of Recyclables**

Currently, the nominated facility for the recyclables is the AW&RC at North Plympton. As Council has indicated that the recyclables are to be delivered to the new SRWRA MRF facility at Peddlers Creek then the transport rate to deliver the material will be an additional \$0.1822 + GST per service. This has been calculated in line with the Payment for use of Alternative Facility Clause 4.5.4 of the Specification.

## **Organic Processing**

Solo is happy to continue to be responsible for the processing of the Organics. The processing price would continue in line with the current Contract including Rise and Fall. Our collection pricing is based on the AW&RC at North Plympton continuing to be the nominated disposal location.

## **New Services – Recycling and Organics**

Solo's proposed collection service rates are based on the inclusion of new services for the Recycling and Organics collection service, so as to bring this in line with the current practice for General Rubbish. The cost of new and replacement Recycling bins will be charged in line with the current Contract rates for the supply of Organic Bins.

Solo will be responsible for supply and delivery of parts and any labor associated with bin R&M as per the current Contract. Solo and Council will agree on a base service number of Recyclables and Organic services prior to the commencement of the extension period.



### **Litter Bin Collection**

The current Contract arrangements for the street litter bin collection would continue including pricing as this is part of the current domestic collection Contract. The disposal of this material will continue to be at Councils nominated facility, the SRWDD. The current service levels can be reviewed at anytime should that be required.

### **Hard Waste Collection**

The current Hard Waste collection is a separate Contract and will continue as is. Solo would be happy to explore bringing this service in under the domestic Contract so that all of Councils services are included under that Contract. This would also include having the material collected and transported to Councils nominated facility at an agreed rate should the nominated facility change from the current nominated facility, the AW&RC at North Plympton.

Unless specified, all other Conditions of Contract remain unchanged and in line with the current invoice.

Should you have any questions regarding this letter, please do not hesitate to contact me.

Yours faithfully,

**Solo Resource Recovery**

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

# Attachment 2



SOLO WASTE CONTRACT - TOTAL COST ANALYSIS								
Solo Contract	Current Charges (August 2020) (Rates include Rise and Fall to 30.8.2020)			Solo Proposal 28 September 2020 (Applicable from 1.4.21 - rates subject to Rise and Fall from 2.4.2020)				
<b>GARBAGE COLLECTION</b>								
<i>Collection</i>	No of Bins 19,558	Collections/Yr 52	Bin Rate \$ 1.0723	\$ 1,090,546	No of Bins 19,558	Collections/Yr 52	Bin Rate \$ 0.8200	\$ 833,953
			Rebate -\$192,685	-\$ 192,685				
<b>Garbage Total</b>				\$ 897,861				\$ 833,953
<b>RECYCLABLES COLLECTION</b>								
<i>Collection</i>		Collections/Yr 26	Charge/Collection \$26,402.71	\$ 686,470	No of Bins 19,558	Collections/Yr 26	Bin Rate \$ 0.8300	\$ 422,062
			Rebate -\$159,356	-\$ 159,356				
<i>Transport</i>	Annual Tonnes 3,463	Handling/bulk transfer	Rate per Tonne \$41.4589	\$ 143,572	No of Bins 19,558	Collections/Yr 26	Rate per bin \$0.1822	\$ 92,650
			Rebate -\$33,329	-\$ 33,329				
<i>Contamination</i>	Annual Tonnes		Rate per Tonne (incl)	\$ -	Annual Tonnes 485	Landfill Charge	Rate per Tonne \$168.05	\$ 81,504
					485	Onsite handling	\$10.00	\$ 4,850
<b>Recyclables Total</b>				\$ 637,358				\$ 601,066
<b>ORGANICS</b>								
<i>Collection</i>		Collections/Yr 26	Charge/Collection \$16,525.54	\$ 429,664	No of Bins 19,558	Collections/Yr 26	Bin Rate \$ 0.8300	\$ 422,062
<i>Processing</i>	Annual Tonnes 5,040		Rate per Tonne \$37.8355	\$ 190,691	Annual Tonnes 5,040		Rate per Tonne \$37.8355	\$ 190,691
<b>Organics Total</b>				\$ 620,355				\$ 612,753
<b>SOLO CONTRACT COSTS</b>			(Includes rebates)	\$ 2,155,574			(Rebates removed)	\$ 2,047,772
							Savings compared to current Solo Contract	-\$ 107,802

Contract Services	Current Charges (August 2020)			Forecast Council Costs (Applicable from 1.4.21)				
<b>RECYCLABLES PROCESSING</b>								
<i>Processing</i>	Annual Tonnes 3,463	Visy Gate Fee	Rate per Tonne \$70.00	\$ 242,410	Annual Tonnes 3,463	SRWRA Gate Fee (est)	Rate per Tonne \$90.00	\$ 311,670
			Rebate -\$34,630	-\$ 34,630				
<b>Recyclables Total</b>				\$ 207,780				\$ 311,670
<b>LANDFILL</b>								
Levy = \$140/t	Annual Tonnes 7,331		Rate per Tonne \$168.05	\$ 1,231,975	Annual Tonnes 7,331		Rate per Tonne \$168.05	\$ 1,231,975
<b>Landfill Total</b>				\$ 1,231,975				\$ 1,231,975
<b>CONTRACT SERVICES</b>				\$ 1,439,755				\$ 1,543,645
							Savings compared to current Contract Service Costs	\$ 103,890

Total Waste Services	Current Charges (August 2020)		Forecast Council Costs	
<b>FORECAST TOTAL WASTE COSTS</b>		\$ 3,595,328		\$ 3,591,416
			Savings compared to Total Waste Services Costs	-\$ 3,912

**Notes:**

No of Bins = actual as per August 2020 invoice  
Rates as per August 2020 invoice  
Annual tonnage for 12 months ending 30.6.2020  
Landfill tonnes = Kerbside collection+Street Bins+ Hard waste = 6251+740+340=7331

**Notes:**

No of Bins = actual as per August 2020 invoice  
Rates as per Solo revised offer letter dated 28 Sept 2020  
Annual tonnage for 12 months ending 30.6.2020  
Landfill tonnes = Kerbside collections+Street Bins+ Hard waste = 6251+740+340=7331  
Recycles contamination = 14% (485t)  
Assumes recyclables contamination disposed to SRWRA landfill + \$10/t for onsite handling.  
Rates subject to R&F from 2.4.20

# Attachment 3



1 October 2020

Howard Lacy  
General Manager Assets & Services  
City of Holdfast Bay  
24 Jetty Road  
Brighton SA 5048



Dear Howard,

### **Confidential - Waste Contract Renewal**

We refer to your instructions to provide advice on the merits of the proposed extension of the waste management contract with Solo Resource Recovery without undertaking an open market process as required under the City of Holdfast Bay Procurement Policy.

#### **EXECUTIVE SUMMARY**

The City of Holdfast Bay first entered into a contract for the collection of municipal waste, dry recyclables and green organics with Solo Resource Recovery on 31 March 2006. This contract has subsequently been extended to 31 March 2021 without being subjected to an open or competitive process tender. Solo Resource Recovery and City of Holdfast Bay have engaged in exclusive commercial negotiation to further extend this contract to 31 March 2026.

The City of Holdfast Bay Procurement Policy requires that a tender process must be used where a purchase is greater than \$50,000, although Council can join tender processes which have been conducted by strategic alliances. The Policy contains provision for the application of this Policy to be waived in certain circumstances by either the Chief Executive Officer or the Council. These circumstances include pursuing a method which will bring the best outcome for the Council.

Subject to the resolution of some relatively minor commercial issues in my view, the proposed extension of the contract with Solo Resource Recovery through direct negotiation satisfies this criteria. The contract will provide the City of Holdfast Bay with a price which is broadly reflective of prices which have been tested on the open market, will ensure there is no loss of knowledge in any transfer of service provider and ensure the standard of service provided to the community under the current contract remains. Further, the City of Holdfast Bay has negotiated an upgrade to the vehicle fleet to bring this in line with the latest technology used by Solo, although this does not include the ability to weigh individual bins.

However, we note that the continued extension of the contract does not constitute best practice and does not afford the City of Holdfast Bay to assess what new initiatives the market may offer and accordingly we strongly recommend that the next contract term be entered into only after an open market process.

Our detailed report follows.



## 1. BACKGROUND

- 1.1 The City of Holdfast Bay (CHB) entered into a collection and processing contract for collection of municipal waste, dry recyclables and green organics with Solo Resource Recovery (Solo) on 31 March 2006. This original contract was a piggy back onto contracts awarded through an open tender established by the Cities of West Torrens and Marion, both of whom engaged Solo under similar terms to that used by CHB.
- 1.2 The original CHB contract with Solo was for a period of 8 years and had an expiry date of 31 March 2014.
- 1.3 The contract contained an option to extend the term for up to a further maximum extension of three years.
- 1.4 The contract was reasonably typical of a waste contract and was subject to quarterly rise and fall adjustments which, according to the CHB, have been duly applied over time by Solo.
- 1.5 As required under the contract Solo provided the collection services using their own vehicles and staff, and sub-contracted the processing services for dry recyclables to Visy Industries (Visy) and the green organics to Jefferies Soil. These sub-contracts continue today.
- 1.6 In 2010, CHB extended the contract until 31 May 2017. This extension was subject to CHB receiving a "rebate" or discount off the total cost of the services, but unit rates were not adjusted.
- 1.7 Towards the end of 2014, CHB was offered further rebates, due to the change in cost structure for recyclables processing where gate processing fees shifted from a cost to CHB to a net revenue. The make-up of this rebate was again not disclosed to the CHB but a further contract extension was awarded to 31 March 2019.
- 1.8 In 2017, a further uncontested contract extension was awarded to Solo until 31 March 2021.
- 1.9 Solo and CHB have recently engaged in exclusive commercial negotiation to further extend this contract to 31 March 2026.
- 1.10 There have been some significant changes in the waste management industry in recent years which may be relevant considerations.
  - 1.10.1 The collapse of the SKM Recycling Group has reduced competition in the recyclable processing market strengthening the market position and power of Visy.
  - 1.10.2 A number of Adelaide metropolitan councils have banded together (under the banner of the now defunct Council Solutions regional subsidiary) to contract collection of municipal, kerbside and green wastes. This contract was awarded to Cleanaway Waste Management Limited (Cleanaway).



## 2. **PROCUREMENT POLICY**

2.1 The City of Holdfast Bay Procurement Policy (23 May 2017) has the following purpose.

*"The Council is committed to providing best value to the community within the framework of fairness, transparency and accountability. The community and business operators have a valid interest in the approach adopted by the Council in purchasing goods and services and entering into contracts. Council ensures that purchases are made in the best interests of the community and in accordance with Council's Strategic Plan and legislative requirements."*

2.2 The Policy applies to all contracts and tenders organised by Council employees and associates on behalf of Council, it sets out the principles that should be applied to all purchases, the purchasing methods available and when they should be used and risk management considerations.

2.3 The CHB is committed to the following six core principles when selecting suppliers.

1. Value for Money
2. Transparent, Accountable, Fair and Ethical Standards
3. Social and Environmental Sustainability
4. Local Economic Development
5. Work Health and Safety
6. Fit for Purpose

2.4 The Procurement Policy states that tenders will be called for contracts in excess of \$50,000 provided that a competitive process is practicable and will deliver greater benefit than other methods. We note that under the Policy Council approval is required if another purchasing method is to be used for purchases in excess of \$100,000.

2.5 The Policy is prescriptive in the requirements of tendering, including the development of a commercial strategy and the development of evaluation criteria which are stated to 'usually address compliance with contract terms and conditions, the technical merit of the goods or services offered, the skills of the tenderer to fulfil the specified requirements and an assessment of the risks or constraints associated with each offer.' Council can also join tender processes which have been conducted by strategic alliances.

2.6 The Procurement Policy provides grounds for exemptions from the Policy.

*"3.5.1 In certain circumstances and emergencies the Chief Executive Officer or Council's Elected Members may, waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Council must record its reasons in writing for waiving application of this Policy."*





### 3. THE SOLO OFFER

- 3.1 Solo has proposed that on completion of the current contract (including the extensions already in place) that Solo and Council further extend the contract for an additional five years; commencing on the 1st April 2021 to end on 31<sup>st</sup> March 2026.
- 3.2 Solo has proposed the rates per service to each entitled premise effective from the commencement of the extension will be:
  - 3.2.1 Garbage \$0.82 + GST service entitled premise.
  - 3.2.2 Recycling \$0.83 + GST service entitled premise.
  - 3.2.3 Organics \$0.83 + GST service entitled premise.
- 3.3 The nominated disposal facilities are SRWDD (Southern Region Waste Resource Authority depot) for the Garbage and Litter Bins and the Adelaide Waste and Recycle Centre (AW&RC) for the Recyclables and Organics.
- 3.4 All existing rebates under the current contract extension will cease as of 31 March 2021 and upon the implementation of the above provided service rates.
- 3.5 Rise and Fall provisions will remain as per the current contract and will be applied to the above service rates on 2 April 2020 (i.e. the day after the new term commences).
- 3.6 Solo will refurbish trucks at their cost, this includes repainting and sign written as required to allow for the servicing of different sizes of bins. Solo will upgrade their In-Vehicle Management System (IVMS) to bring this in line with their latest technology, including the ability to photograph non conforming services such as contaminated bins. The vehicle and collections component of the IMVS will be accessible in real time by Council on-line.
- 3.7 Solo will charge CHB an additional \$0.1822 plus GST per service to transport recyclables to the Southern Region Waste Resource Authority site.
- 3.8 Solo will continue to be responsible for the processing of Organics. The processing price is proposed to continue in line with the current Contract including Rise and Fall. The collection pricing is based on the AW&RC at North Plympton continuing to be the nominated disposal location.
- 3.9 The cost of new and replacement Recycling bins will be charged in line with the current Contract rates for the supply of Organic Bins. Solo will be responsible for supply and delivery of parts and any labour associated with bin repairs and maintenance as per the current Contract.
- 3.10 The current Contract arrangements for the street litter bin collection would continue including pricing as this is part of the current domestic collection Contract.
- 3.11 The current Hard Waste collection contract is a separate contract and is not impacted by the proposed extension (unless CHB determined it wished to bring the service under the domestic contract).



## 4. DISCUSSION

### 4.1 Commercial considerations

- 4.1.1 We note that contract rates for service (lift costs) are somewhat dependent upon the vagaries of collection routes, terrain and disposal point, however based on our knowledge of recent market tested services the rates on offer are competitive and reflective of the market.
- 4.1.2 Further, the CHB waste collection costs are forecast to be lower than current costs if the Solo proposal is accepted.
- 4.1.2.1 The Garbage rate is \$0.82 compared to the current \$1.0723 per service.
- 4.1.2.2 The recyclable collection costs are forecast to decrease by \$36,000 per annum, even after allowing for the additional transport cost.
- 4.1.2.3 The organics collection costs are forecast to be \$8,000 per annum lower.
- 4.1.3 The additional charge of \$0.1822 plus GST per service to transport recyclables to the Southern Region Waste Resource Authority is permitted under the current contract (nominated alternative facility). However, if CHB was to go to open tender for waste collection services this would be the nominated facility under the tender document and the charge would not apply. While we acknowledge that a tenderer may seek to increase their rates per service for delivery to the SRWDD, equally they may not. The transport of municipal waste does not attract a cost penalty and the rate per service is lower than the recyclable rate per service. We recommend that this additional charge be subject to further negotiation.
- 4.1.4 The commitment to the refurbishment of trucks is stated as 'expected to be in place within 2 years barring any unforeseen delays'. If CHB proceeds with the extension of the Solo contract we strongly recommend that the timeframes for refurbishment be contractually agreed with financial penalties for non-compliance.
- 4.1.5 We note that there are three contractors who process organics for councils in metropolitan Adelaide and that the largest of these is Jeffries who process CHB organics under sub-contract. We recommend that prior to committing to any extension of the contract term the commercial rates for 'organics processing' and the 'supply of bins' should be informally market tested to ensure CHB continues to receive value for money for this service.
- 4.1.6 The Solo proposal does not include provisions for the introduction of future technologies such as vehicles being equipped with the technology to weigh individual bins or vehicles to be powered by alternate fuels. In our view, these are matters which ought to be addressed at the expiration of this contract and should form part of the tender specification for the next waste collection contract.



## 4.2 Procurement issues

- 4.2.1 The CHB Procurement Policy applies to all contracts and tenders, it sets out the principles that should be applied to all purchases, the purchasing methods available and when they should be used. The waste collection contract represents a significant financial commitment by the CHB and under the terms of the Procurement Policy would require a tender to be conducted, which has not occurred for a number of years.
- 4.2.2 There are provisions for exemptions from the Procurement Policy to pursue a method which will bring the best outcome for the Council.
- 4.2.3 There are grounds for Council to determine that entering into the contract extension with Solo merits an exemption from this Policy.
- 4.2.4 Set out in Table One below is the extent to which the contract with Solo would satisfy the core principles from within the CHB Procurement Policy.

**Table One: CHB Procurement Principles**

Procurement principle	Comment
1. Value for Money	The service rates offered are reflective of rates in the broader market which were obtained by open tender.
2. Transparent, Accountable, Fair and Ethical Standards	Not satisfied the procurement process is not open or transparent. The negotiations have been conducted ethically.
3. Social and Environmental Sustainability	The company provides education programs and uses engagement tools to drive reduction in waste to landfill. Drivers perform bin checks to provide feedback on presentation and contamination
4. Local Economic Development	The company is located adjacent to the Council area (unlike its competitors).
5. Work Health and Safety	The company is required under contract with CHB to be compliant with the relevant legislation.
6. Fit for Purpose	The company is the current (and long standing) service provider.

- 4.2.5 Further, it is reasonable to assume that Solo would have a high degree of compliance with any evaluation criteria set by Council under a tender process, in that: they currently comply with the contract terms and conditions; as the long standing provider of the services the technical merit and skills of the tenderer are unquestioned, and the risk of dealing with the company has been managed for many years.



### 4.3 Governance issues

4.3.1 Section 48 of the Local Government Act requires that a Council must consider a report addressing the various prudential issues set out in subsection (2) before committing to a project (such as entering into a waste contract) in the following circumstances.

“48 (1)(b)(i) where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or

(ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or

(iii) where the council considers that it is necessary or appropriate.”

4.3.2 While waste management is a significant cost for CHB it does not trigger the threshold set out in Section 48, therefore a Prudential Report is not required unless the Council determined that one as necessary or appropriate given the expenditure involved.

4.3.3 We note that the Ombudsman SA and the South Australian Government Auditor General have both investigated and reported on instances where public bodies, including councils, have extended existing contracts without undergoing open procurement processes.

4.3.4 Given the length of time since the CHB has undertaken an open procurement process for waste collection services, the CHB ought to be aware that a further extension of the term of the Solo contract could give rise to such an investigation. Accordingly, if Council proceeds to award the contract extension it must clearly set out its reasons for doing so.

Should you require clarification on any aspect of this advice please do not hesitate to contact me.

Yours sincerely  
**BRM ADVISORY**

MARK BOOTH  
Director

Email: [mbooth@brmadvisory.com.au](mailto:mbooth@brmadvisory.com.au)  
Direct line: 08 8168 8402 or 0414 804 949

**Minutes of the Ordinary Meeting of Council of the City of Holdfast Bay held in the Council Chamber, Glenelg Town Hall, Moseley Square, Glenelg, on 9 November 2021 at 7:00pm.**

**MEMBERS PRESENT**

Mayor A Wilson  
Councillor R Abley  
Councillor A Bradshaw  
Councillor P Chabrel  
Councillor R Clancy  
Councillor J Fleming  
Councillor C Lindop  
Councillor S Lonie  
Councillor W Miller  
Councillor R Patton  
Councillor J Smedley  
Councillor R Snewin

**STAFF IN ATTENDANCE**

Chief Executive Officer – R Bria  
General Manager Assets and Delivery – M de Heus  
General Manager Community and Business – M Lock  
General Manager Strategy and Corporate – P Jackson  
General Manager Alwyndor – B Davidson-Park

**1. OPENING**

Her Worship the Mayor declared the meeting open at 7.00pm.

**2. KAURNA ACKNOWLEDGEMENT**

With the opening of the meeting Her Worship the Mayor stated:

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

**3. SERVICE TO COUNTRY ACKNOWLEDGEMENT**

The City of Holdfast Bay acknowledged all personnel who have served in the Australian forces and services, including volunteers, for our country.

**4. PRAYER**

Her Worship the Mayor requested all present to pray and read the following Prayer:

Heavenly Father, we pray for your presence and guidance at our Council Meeting.

Grant us your wisdom and protect our integrity as we carry out the powers and responsibilities entrusted to us on behalf of the community that we serve.

**5. APOLOGIES**

5.1 Apologies Received – Nil

5.2 Absent - Nil

**6. ITEMS PRESENTED TO COUNCIL - Nil****7. DECLARATION OF INTEREST**

Members were reminded to declare their interest before each item.

**8. CONFIRMATION OF MINUTES****Motion****C091121/2461**

**That the minutes of the Ordinary Meeting of Council held on 26 October 2021 be taken as read and confirmed.**

Moved Councillor Lonie, Seconded Councillor Patton

**Carried Unanimously**

**9. PUBLIC PRESENTATIONS**

9.1 **Petitions - Nil**

9.2 **Presentations - Nil**

9.3 **Deputations**

9.3.1 **Botten Levinson Lawyers**

*Mayor Wilson approved a deputation from Botten Levinson Lawyers on behalf of Ms Christine Grant regarding the request to remove a significant tree in front of 10A Augusta Street, Glenelg.*

*Representatives from Botten Levinson Lawyers did not attend. Confidential Item 18.2 – Request to remove significant tree in front on 10A Augusta Street, Glenelg (Report No: 347/21) was adjourned to a later date, to be advised to Botten Levinson Lawyers.*

**10. QUESTIONS BY MEMBERS**

10.1 **Without Notice**

10.1.1 **Seawall Apartment Squatters**

Councillor Miller asked if Administration has the ability to undertake a site inspection at the Seawall Apartments.

General Manager Community and Business provided a response.

10.1.2 **Carpark Opposite Windsor Theatre, Brighton**

Councillor Snewin asked a question in relation to activity in the car park opposite Windsor Theatre, Brighton.

General Manager Community and Business provided a response.

10.1.3 **Caretaker Period Provisions**

Councillor Bradshaw asked a question in relation to the caretaker period provisions.

CEO provided a response.

**10.1.4 Brighton Road Corridor Study**

Councillor Lindop asked for an update on the Brighton Road Corridor Study and the traffic lights at Edwards Street corner.

General Manager Assets and Delivery provided a response.

**10.1.5 Glenelg Jetty Storm Damage**

Councillor Smedley asked if the damage to the Jetty would be removed and if there was a public safety concern.

General Manager Assets and Delivery and General Manager Community and Business provided a response.

**10.1.6 Glenelg Town Hall Restoration Update**

Councillor Chabrel asked for an update on the restoration works at the Glenelg Town Hall.

General Manager Assets and Delivery provided a response.

**10.1.7 Glenelg Jetty Storm Damage – Depth of Water Indicators**

Councillor Clancy asked if water depth indicators could be considered for the Jetty.

General Manager Assets and Delivery provided a response.

**10.2 On Notice****10.2.1 Collaboration with West Torrens and Marion Councils  
(Report No: 367/21)**

Councillor Clancy asked the following questions:

“Could administration advise what meetings have been held with adjoining councils to collaborate to reduce costs or improve our environment in the last two years?

What has been the result of those meetings?

What approaches have been made by the adjoining councils”?

Cr Clancy is aware of discussions in relation to storm water.

**ANSWER – Chief Executive Officer**

The table attached identifies where City of Holdfast has or is collaborating with other local authorities and organisations to improve outcomes, quality of services, take advantage of economies of scale and utilise specific expertise to deliver improved outcomes for the community. Adjoining Councils are identified in the table. Approaches made by adjoining councils are included in this table and are normally worked through with the approaching council to see if there is mutual benefit in being involved [Refer Attachment 1].

**11. MEMBER'S ACTIVITY REPORTS - Nil****12. MOTIONS ON NOTICE****12.1 Motion on Notice – Purchase of Land - Councillor Fleming (Report No: 385/21)****Leave of the Meeting**

Mayor Wilson sought leave of the meeting to move Item 12.1 Notice on Motion – Purchase of Land – Councillor Fleming (Report No: 385/21) in confidence at Item 18, Items in Confidence.

Leave of the meeting was granted.

**13. ADJOURNED MATTER - Nil****14. REPORTS OF MANAGEMENT COMMITTEES AND SUBSIDIARIES****14.1 Minutes – Audit Committee – 20 October 2021 (Report No: 383/21)**

The public minutes of the meeting of the Audit Committee held 20 October 2021 were presented to Council for information and endorsement.

**Motion****C091121/2462**

**That Council notes the public minutes of the meeting Audit Committee of 20 October 2021 namely:**

- 1. That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:
 
  - Monthly Financial Statements
  - Risk Management and Internal Control
  - Audit – External/Internal/Cyber Security
  - Alwyndor Investment Strategy
  - Public Interest Disclosures – previously Whistle-Blowing
  - Economy and Efficiency Audits
  - Audit Committee Meeting Schedule**
- 2. That the Audit Committee has reviewed the General Purpose Financial Reports for the year ending 30 June 2021, as required under Section 126(4)(a) of the Local Government Act 1999, and found them to present fairly the state of affairs of the Council as required under the Local Government (Financial Management) Regulations 2011;**
- 3. That the Audit Committee recommends that Council adopts the 2020-21 Annual Report, subject to design and minor alterations, and the inclusion of the audited financial statements;**
- 4. That the Audit Committee recommends to Council the approval of the Business Continuity Policy.**

Moved Councillor Smedley, Seconded Councillor Snewin

**Carried Unanimously****14.2 Information Report – Southern Region Waste Resource Authority Board Meeting – 25 October 2021 (Report 386/21)**

The information reports of the Southern Region Waste Resource Authority (SRWRA) Board meeting held on 25 October 2021 were attached and provided for information.



**Motion****C091121/C2463**

1. That the Information Reports of the Southern Region Waste Resource Authority Board meeting held on 25 October 2021 are noted.

**RETAIN IN CONFIDENCE – Section 91(7) Order**

2. That having considered Attachment 2 to Report No: 386/21 Information Report – Southern Region Waste Resource Authority Board Meeting – 25 October 2021 in confidence under Section 90(2) and 3(b) and 3(d) of the *Local Government Act 1999*, the Council, pursuant to Section 91(7) of the Act orders that Attachment 2 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Councillor Lindop, Seconded Councillor Smedley

**Carried Unanimously****15. REPORTS BY OFFICERS****15.1 Items in Brief (Report No: 368/21)**

These items were presented for the information of Members.

After noting the report any items of interest were discussed and, if required, further motions proposed.

**Motion****C091121/2464**

**That the following items be noted and items of interest discussed:**

1. Commencement of update of the Regional Plan for Greater Adelaide
2. Glenelg Policing Petition
3. Christmas in Holdfast Bay
4. 2021-2022 Open Space Grant Program
5. Green Adelaide Grant Agreements

Moved Councillor Lonie, Seconded Councillor Lindop

**Carried Unanimously****15.2 Appointment of Deputy Mayor (Report No: 376/21)**

Section 51 of the *Local Government Act 1999* allows Council to appoint a Deputy Mayor for a term not exceeding four years. The Deputy Mayor may act in the absence of the Mayor, in the Office of the Mayor.

The current appointed Deputy Mayor was Councillor Abley. This appointment was up to 30 November 2021.

Council has previously made the appointment for a Deputy Mayor for a term of one year. It was Council's prerogative to choose a different length of term.

**Nominations**

Her Worship the Mayor called for nominations.

A nomination was received for Councillor Smedley. Her Worship the Mayor announced that Councillor Smedley had been nominated for the appointment as Deputy Mayor, which was included in the Council's motion.

**Conflict of Interest**

Councillor Smedley declared a material conflict of interest for Item 15.2 Appointment of Deputy Mayor (Report No: 376/21) before the vote. The nature of the material conflict of interest (pursuant to Section 73 and 74 of the *Local Government Act 1999*) was that if successful he will receive an additional allowance.

Councillor Smedley dealt with the conflict of interest by leaving the meeting at 7.24pm.

**Motion****C091121/2465**

**That Councillor Smedley be appointed as Deputy Mayor from 1 December 2021 to the end of this Council's term.**

Moved Councillor Snewin, Seconded Councillor Lonie

**Carried Unanimously**

Councillor Smedley re-joined the meeting at 7.26pm.

15.3 **Civic Centre Redevelopment** (Report No: 377/21)

Council's 2020-21 Annual Business Plan included an Elected Member initiative and budget to undertake concept designs and a feasibility assessment for the redevelopment of the Brighton Civic Centre as a community hub.

After an extensive procurement process, JPE Design Studio were engaged to undertake concept development. The development process included targeted engagement and consultation with users of the site, as well as a desktop review of previously developed concepts and reviews.

Taking into account views expressed during engagements and experiences from previous processes, three concepts were developed on the basis of future sustainability, what is most cost-effective in the long term and what gives the overall best outcome. A fourth option was included by Administration based on what would be required to meet minimum legislative standards, noting that this did not address the original intent to redevelop the site as a community hub.

**Motion****C091121/2466**

**That Council:**

1. **notes the Concept Design Options Report developed by JPE Design Studio (Attachment 2); and**
2. **considers the next step in development of the concept as part of the 2022/23 Annual Business Planning process.**

Moved Councillor Lonie, Seconded Councillor Snewin

**Carried Unanimously**15.4 **Strategic Plan – Approval** (Report No: 378/21)

The *Local Government Act 1999* (the Act) requires Council to undertake a comprehensive review of its strategic management plans within two years after each general election. As the last general election was held in November 2018, a review of the current strategic plan - Our Place 2030 - was undertaken and received by Council in February 2021 (Report No 60/21). The review recommended that a new strategic plan be developed, which was provided for Council's consideration as a draft in June 2021 (Report No 208/21).

Section 122(6) of the Act requires that "members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management

plans". An engagement process was undertaken between 12 July and 8 August 2021 via both digital and analogue methods.

Comments were received and incorporated, to form a proposed final Strategic Plan. It was therefore recommended that Council accept this Strategic Plan for commencement from 1 January 2022.

**Motion**

**C091121/2467**

**That Council:**

1. **endorses the Strategic Plan Our Holdfast 2050+, subject to any minor typographical corrections that may be required; and**
2. **approves the Strategic Plan Our Holdfast 2050+ commence from 1 January 2022.**

Moved Councillor Lindop, Seconded Councillor Abley

**Carried**

**Division Called**

A division was called and the previous decision was set aside.

Those voting for: Councillors Abley, Bradshaw, Chabrel, Clancy, Fleming, Lindop, Lonie, Miller, Patton, Smedley, Snewin. (11)

Those voting against: No Councillors (0)

Her Worship the Mayor declared the motion

**Carried Unanimously**

- 15.5 **Nominations Sought for the Industrial Relations Consultative Council** (Report No: 381/21)

The Local Government Association (LGA) sought nominations for a Local Government member on the Industrial Relations Consultative Council (IRCC) for a three year term commencing 17 March 2022. Ideally, nominees will have demonstrated experience relevant to industrial relations and work, health and safety matters, and ability to represent the views of the Local Government Association.

Elected members should consider if they meet the Selection Criteria on the Call for Nominations Information Sheet (Part A) for the position.

Any member who wishes to be nominated for the position needs to have their nomination endorsed by Council prior to submission to the LGA. If Council does not have a nominee it may just note the report.

**Motion**

**C091121/2468**

**That Council notes the report.**

Moved Councillor Smedley, Seconded Councillor Patton

**Carried Unanimously**

- 15.6 **Local Government Reform and Update to Code of Practice – Access to meetings and Documents** (Report No: 382/21)

The *Statutes Amendment (Local Government Review) Act 2021* (the Review Act) was assented to by the Governor on 17 June 2021, and the first round of changes commenced on 20 September 2021. The Review Act updates the *Local Government Act 1999*.

As the legislation relating to Informal Gatherings has changed (Council Policy revoked on 12 October 2021 – C121021/2440) it was also necessary to update Council's Code of Practice – Access to Meetings and Documents (the Code), to refer to 'Information and Briefing Sessions' and implement changes recommended by the Local Government Association. Other minor updates were included to the Code and all proposed amendments were shown as tracked changes.

Section 92(5) of the *Local Government Act 1999* requires that before a council adopts, alters or substitutes a Code of Practice under that section, it must make copies of the proposed Code available for inspection at the Brighton Civic Centre and on Council's website and follow the relevant steps in the public consultation policy (Community Consultation and Engagement Policy). This would be managed by Administration as 'Consult' under Council's Community Consultation and Engagement Policy.

**Motion**

**C091121/2469**

**That Council:**

- 1. endorses the proposed changes to the Code of Practice – Access to Meetings and Document; and**
- 2. approves for Community Consultation the changes to the Code of Practice for 21 days, pursuant to Section 92(5) of the *Local Government Act 1999*.**

Moved Councillor Lonie, Seconded Councillor Smedley

**Carried Unanimously**

**15.7 Container Deposit Scheme (Report No: 375/21)**

The Minister for Environment and Water, the Hon David Speirs announced the release of the "Improving South Australia's recycling makes cents" Container Deposit Scheme (CDS) discussion paper for community, industry and business feedback, which asked for feedback on presented options and opportunities to modernize the CDS. Consultation opened Friday 24 September and closes Friday 19 November.

A review of the CDS commenced in January 2019, with the release of the "Improving South Australia's Recycling makes cents" scoping paper to which Council submitted a response to.

A draft response was prepared, which mirror some of the same sentiments as those listed within the 2019 submission.

**Motion**

**C091121/2470**

**That Council endorse the proposed response to the CDS discussion paper and authorise the Chief Executive Officer to send the response on behalf of Council, with any minor amendments as required.**

Moved Councillor Lindop, Seconded Councillor Chabrel

**Carried Unanimously**

**15.8 40 KM/H Area Speed Limit Public Consultation (Report No: 374/21)**

This report recommended broad scale community consultation with residents and the wider community regarding the proposed introduction of a 40 km/h speed limit within the City of Holdfast Bay.

The initial engagement on issues and solutions for an Integrated Transport Strategy identified speed, minimising through traffic (rat running), increasing walkability and safety

as key issues of concern. In addition, Council's traffic team continually receive complaints regarding vehicle speeds along residential streets.

A council wide or precinct based 40 km/h speed limit was one of a suite of strategies being considered to address traffic concerns.

Arterial roads under the care and control of the Department of Infrastructure and Transport (DIT) are predominately posted at 60 km/h and would not be included as part of any proposal for changes to speed limits.

**Motion**

**C091121/2471**

**That Council support community engagement to help inform a proposed 40 km/h speed limit within the City of Holdfast Bay and that the engagement findings and a recommendation report is presented back to Council.**

Moved Councillor Patton, Seconded Councillor Fleming

**Carried Unanimously**

**16. RESOLUTIONS SUBJECT TO FORMAL MOTIONS - Nil**

**17. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING - Nil**

**18. ITEMS IN CONFIDENCE**

Item 12.1 Notice on Motion – Purchase of Land – Councillor Fleming (Report No: 385/21) was considered in Item 18, Items in Confidence, as per leave of the meeting granted.

**Conflict of Interest**

Councillor Smedley declared a perceived conflict of interest for Item 18.1 Motion on Notice – Purchase of Land – Councillor Fleming (Report No: 385/21). The nature of the perceived conflict of interest (pursuant to Section 75 and 75A of the *Local Government Act 1999*) is Councillor Smedley provides advice to a party who consults to the owner of the property.

Councillor Smedley dealt with the perceive conflict of interest by making it known and leaving the meeting at 7.57 pm.

**18.1 Motion on Notice – Purchase of Land – Councillor Fleming (Report No: 385/21)**

**Motion – Exclusion of the Public – Section 90(3)(b) and (d) Order**

**C091121/2472**

- 1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 385/21 Motion on Notice – Purchase of Land – Cr Fleming in confidence.**
- 2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 385/21 Motion on Notice – Purchase of Land – Cr Fleming on the following grounds:.**
  - b. 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 is proposing to conduct business; or would prejudice the commercial position of the Council.**

- d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Miller

Carried

**RETAIN IN CONFIDENCE – Section 91(7) Order**

**C091121/2474**

That having considered Agenda Item 18.1 385/21 Motion on Notice – Purchase of Land – Cr Fleming in confidence under section 90(2) and (3)( b) and (d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the minutes be retained in confidence until further notice and the Chief Executive Officer is authorised to release the documents when the matter is concluded, giving due consideration to any relevant commercial transactions, and that this order be reviewed every 12 months.

Moved Councillor Miller, Seconded Councillor Lonie

Carried Unanimously

Councillor Smedley re-joined the meeting at 8.38pm.

Councillor Abley left the meeting at 8.38pm.

Councillor Abley re-joined the meeting 8.38pm.

Councillor Lonie left the meeting at 8.38pm.

- 18.2 **Request to remove significant tree in front of 10A Augusta Street, Glenelg** (Report No: 347/21)

**Motion – Exclusion of the Public – Section 90(3)(i) Order**

**C091121/2475**

- 1 That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 347/21 Request to Remove Significant Tree in front of 10a Augusta Street, Glenelg in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 347/21 Request to Remove Significant Tree in front of 10a Augusta Street, Glenelg on the following ground:
- i. pursuant to section 90(3)(i) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information relating to potential litigation that the Council believes

on reasonable grounds will take place involving the Council if the tree is not removed, which will be discussed, and this information ought not be made available to the public as it could be detrimentally affect the Council's position if litigation is progressed.

3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Bradshaw, Seconded Councillor Clancy

**Carried Unanimously**

Councillor Lonie re-joined the meeting at 8.40pm

**RETAIN IN CONFIDENCE - Section 91(7) Order**

**C091121/2477**

That having considered Agenda Item 18.2 Report No: 347/21 Request to Remove Significant Tree in front of 10A Augusta Street, Glenelg in confidence under section 90(2) and (3)(i) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act, orders that the Report and Attachments be retained in confidence until further notice and the Chief Executive Officer is authorised to release the documents when the matter is concluded, giving due consideration to any relevant legal considerations, and that this order be reviewed every 12 months.

Moved Councillor Lindop, Seconded Councillor Miller

**Carried Unanimously**

**CLOSURE**

The Meeting closed at 8.42pm.

**CONFIRMED**

**23 November 2021**

**MAYOR**