

Subject **11.3 Agreement for the Transfer of Waste to Huntley Heritage Builder's Tip (8878845)**

To the General Manager

Division: **Operations & Services Division**
Department: **Customer and Environmental Services**

Manager: Graham Standen - Group Manager Customer & Environmental Services
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Summary

Council staff have held discussions with Huntley Heritage (Huntley) regarding the possible transfer of Construction and Demolition (C&D) waste from Council's Dunmore Waste and Recycling Depot to Huntley's waste management facility at West Dapto. As a result of these discussions Huntley have offered to enter into an agreement with Council. Under the proposed agreement, Shellharbour City Council would stockpile C&D waste received at the Dunmore Recycling & Waste Disposal Depot, and transport it to Huntley's facility for disposal.

The transfer of inert waste from Dunmore will free up valuable landfill space and extend the life of Council's landfill at Dunmore. This landfill, being a Class 1 landfill, is designed to accept putrescible and inert waste. It is more sophisticated and expensive to construct than the Huntley landfill, which is licensed to accept only inert waste.

The total value of the transfers is likely to exceed \$150,000, a threshold that under normal circumstances would trigger the need to undertake a formal tender process. However, due to the absence of another builder's tip in the area with sufficient capacity to handle the intended quantity of waste to be transported from Dunmore, it is unlikely that any competitive or reliable tenderers would be received should Council call for tenders. In circumstances such as this, the provisions of Clause 55 of the *Local Government Act 1993* allow Council to enter into a contract without undertaking a formal tender process.

Recommendation

- 1. That the Council resolve to not seek tenders for the disposal of inert waste because of the lack of alternative inert landfill facilities to meet Council's demands.**
- 2. Enter into an agreement with Huntley Heritage for the disposal of inert waste at their waste management facility.**

Background

Shellharbour City Council operates a Class 1 Solid Waste Landfill at its Recycling & Waste Disposal Depot at Buckley's Road, Dunmore. Each landfill cell is constructed with an engineered leachate collection and drainage system and is capable of receiving materials with either an inert or solid waste classification, including putrescible town garbage.

The landfill is a valuable community resource and is constructed at great expense to facilitate the management of solid wastes generated within our city. Landfill space particularly for putrescible waste is becoming increasingly valuable.

Of the waste disposed to landfill at Dunmore each year, approximately 19% (2005-2007) is generated by the C&D sector and consists of such materials as plastics, plasterboard, wood, soil and rubble. Due to its inert nature, C&D waste is not required to be disposed of in an engineered solid waste landfill and instead can be disposed of in a less costly Class 2 landfill, commonly referred to as a 'builder's tip'.

Huntley operates a builder's tip at West Dapto and Council staff have discussed the possible transfer of C&D waste from Dunmore Waste and Recycling Depot to Huntley's builders tip. As a result of these discussions Huntley have offered to enter into an agreement with Council.

Under the proposed agreement, Shellharbour City Council would stockpile C&D waste received at the Dunmore Recycling & Waste Disposal Depot, and transport it to the Huntley's facility for disposal.

The agreement will allow inert waste to be diverted from Council's landfill, creating space for putrescible waste and consequently extending the operational life of the landfill.

Additionally, Council will be eligible for a rebate on any Waste & Environment Levy payments made on materials that are transported offsite under this agreement.

It has been estimated that Huntley's facility has a life-expectancy of approximately two years. It is envisaged that waste transfers from Dunmore would take place for approximately that length of time.

The total value of the transfers is likely to exceed \$150,000, a threshold that under normal circumstances would trigger the need to undertake a formal tender process. However, due to the absence of another builder's tip in the area with sufficient capacity to handle the intended quantity of waste to be transported from Dunmore, it is unlikely that any competitive or reliable tenderers would be received should Council call for tenders. In circumstances such as this, the provisions of Clause 55 of the *Local Government Act 1993* allow Council to enter into a contract without undertaking a formal tender process.

Consultations

Internal

Corporate Solicitor
Director Operations & Services
Group Manager Customer & Environmental Services
Manager Financial Services

External

Huntley Heritage

Considerations

Financial/resources implications

The proposed agreement will allow inert waste to be diverted from Council's landfill, creating space for putrescible waste and consequently extending the operational life of the landfill. Additionally, Council will be eligible for a rebate on any Waste & Environment Levy payments made on materials that are transported offsite under this agreement.

Council's administration, handling and transporting costs for recovering and dispatching the inert waste will be cost neutral.

Landfill space, particularly that which accepts putrescible waste, is an increasingly valuable asset.

Legal & policy implications

In accordance with Clause 55 of the *Local Government Act 1993*, a Council is not required to invite tenders before entering in a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.

Public/social impact

Council's landfill is a valuable community resource and is constructed at great expense to facilitate the management of solid wastes generated within our city. The diversion of C&D waste from this landfill to the Huntley facility will save valuable space for putrescible waste and consequently extend the operational life of this community asset.

There will be no impact on the services Council provides, as the public will still be able to deliver builders' waste to its Dunmore Waste and Recycling Depot.

Options

1. Council resolve to enter an agreement with Huntly Heritage for the disposal of inert waste at their waste management facility without seeking competitive tenders; and state the unavailability of competitive or reliable tenderers as reasons for not undertaking a competitive tender process.

2. Council resolve to seek tenders for the disposal of inert waste.
3. Council take no action in sourcing an alternative rate for builders waste.

Conclusions

The transfer of inert waste from Dunmore to Huntley's waste facility will free up valuable landfill space and extend the life of Council's landfill.

The landfill at Dunmore, being a Class 1 landfill, is designed to accept putrescible and inert waste. This class of landfill is more sophisticated and expensive to construct than the Huntley landfill, which is licensed to accept only inert waste.

Landfill space, particularly that which accepts putrescible waste, is becoming increasingly valuable.

Approved for Council's consideration: _____

Attachments

1. Nil