

**RESOURCE RECOVERY GROUP
MINUTES
SPECIAL MEETING OF COUNCIL**

THURSDAY 30 JUNE 2022

**HELD AT 9 ALDOUS PLACE BOORAGOON
AND
BY VIDEO CONFERENCE**

Our Purpose: *We deliver innovative and sustainable waste management solutions*

On behalf of our Participant Local Government



Resource Recovery Group formerly Southern Metropolitan Regional Council

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1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Deputy Chairperson welcomed everyone in attendance and declared the meeting open at 4.00pm.

"I respectfully acknowledge the traditional owners of the land on which this meeting is taking place today – the Nyungar people of Western Australia and pay our respects to their elders' past and present".

2. RECORD OF ATTENDANCE / APOLOGIES

PRESENT

Cr Karen Wheatland (Deputy Chairperson)
Cr Andrew White
Mr Nick King (REG Member)
Mr Mick McCarthy (REG Member)
Mr Graham Tattersall (REG Member)
Mr Tim Youé
Mr Chris Wiggins
Mr Brendan Doherty
Mr Keith Swift
Ms Ann Johnson

City of Melville
Town of East Fremantle
Town of East Fremantle
City of Melville
City of Fremantle
SMRC, Chief Executive Officer
RRG, Executive Manager Corporate Services
RRG, Executive Manager Strategic Projects
RRG, Executive Manager RRRC Operations
RRG, Manager Governance & Culture

APOLOGIES

It was noted that Cr Doug Thompson (Chairperson) is currently on leave.

3. DISCLOSURE OF INTERESTS:

Nil

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5. PUBLIC QUESTION TIME

Nil

6. ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING PERSON

Nil

7. PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8. ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETING MAY BE CLOSED TO THE PUBLIC

Nil

9. REPORTS OF THE CEO

REPORT NO	9.1
SUBJECT	T2022-03 COMPOSTING FACILITY DECOMMISSIONING & SALVAGE WORKS
REPORTING OFFICER	Brendan Doherty, Executive Manager Strategic Projects
RESPONSIBLE OFFICER	Tim Youé, Chief Executive Officer
EMPLOYEE'S INTEREST	Nil
DATE OF REPORT	28 June 2022
FILE REFERENCE	FD:Tenders /T2022-03 /Reports
ATTACHMENTS	Nil

COUNCIL RESOLUTION

22.06-01 MOVED: CR A WHITE SECONDED: CR K WHEATLAND

CEO RECOMMENDATION/S:

1. COUNCIL RESOLVES THAT THE FOLLOWING CONTRACT VARIATIONS BE APPROVED AS PART OF THE TENDER SCOPE TO REMOVE FIXED ASSETS IN THE WASTE COMPOSTING BUILDING, AWARDED TO DELTA PTY LTD UNDER TENDER T2022-03 COMPOSTING FACILITY DECOMMISSIONING & SALVAGE WORKS:

Variation No	Description	Notes	Value (ex GST)	Percentage of original contract
1	Removal of Cable Tray on internal back wall in Aeration Building	Quote ref: W2399	\$2,800.00	1.5%
2	Retaining Compactor 3 (as required for RRG's operations)	As per tender pricing 5.2.1 (iii)	\$6,230.00	3.4%
3	Demolish, remove and dispose off site, of ground slab only, 56m x 44m x .2 thick in Aeration Building. Saw cut perimeter as required	Quote ref: W2399	\$75,580.00	40.9%
Total			\$84,610.00	45.8%

CARRIED 2/0

VOTING REQUIREMENT

Simple Majority

PURPOSE OF REPORT

To report on contract variations after awarding tender T2022-03 Compost Facility decommissioning and salvage works and associated variations to Delta Pty Ltd

NATURE OF COUNCIL'S ROLE IN THE MATTER:

Advocative

Not applicable

Executive

The regional council is responsible for ensuring the local government complies with its procurement contracts pursuant to the Local Government Act 1995 and regulations.

Legislative

Tenders for Providing Goods or Services – Local Government Act (S. 3.57)
Local Government (Functions and General) Regulations 1996.

IMPLICATIONS TO CONSIDER:

Consultative:

Not applicable

Strategic relevance:

Key Focus Area Resource Recovery

Objective 2.2 Our business is efficient, financially viable & sustainable
Strategy

Strategies	Actions	Timeframes				Informing Document
		2020/21	2021/22	2022/23	2023/24	
2.2.2 Develop an appropriate and efficient asset management strategy	a. Develop and deliver a transition maintenance program for assets	✓	✓			AMP
	b. Develop and deliver an asset management plan for repurposing of assets	✓	✓			AMP

Policy related:

Purchasing Policy

Financial:

Expenditure for this project is allowed for in the revised 2021/22 budget PCAP56700 \$1,476,450 and proposed 2022/23 budget.

Legal and statutory:

Tenders for Providing Goods or Services – Local Government Act (S. 3.57)
Local Government (Functions and General) Regulations 1996

Risk related:

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
ES02	Diminished Engineering Integrity (Existing Infrastructure & Plant)	Structural or process failure, safety incidents	1- Engineering review team 2-Contractor Management Meetings,	Medium 8
ES05	Poor project evaluation/Project failure	Selection of unproven or unviable technologies, contractors and technology providers. Unable to provide services. Unable to achieve product quality and processing efficiencies	1- Contracts with purchasers	Medium 8

BACKGROUND:

The composting facility has transitioned to processing only FOGO waste stream and parts of the facility have become redundant as processing of the FOGO waste stream does not require the original equipment that was designed to handle a mixed waste stream from a two-bin system. In addition to this the maturation buildings are being re-purposed to accommodate:

- reduced footprint requirement for composting;
- waste transfer station; and
- plastics processing facility.

The first stage of decommissioning and salvage was completed in 2021 including the digesters and associated equipment in the tipping building.

The remainder of the redundant equipment and associated concrete structures and buildings in the discharge, maturation and compost load out buildings are now being removed and in this regard tenders were invited and awarded under CEO delegated authority in March 2022.

The CEO used his delegated authority to accept tender T2022-03 composting facility decommissioning & salvage works awarding Delta Pty Ltd for the lump sum value of \$184,595.00 ex gst.

This was reported to Council in the May 2022 Information Bulletin.

REPORT

The following variations to the contract have been awarded to date:

Variation No	Description	Notes	Value (ex GST)
1	Removal of Cable Tray on internal back wall in Aeration Building	Quote ref: W2399	\$2,800.00
2	Retaining Compactor 3 (as required for RRG's operations)	As per tender pricing 5.2.1 (iii)	\$6,230.00
Total			\$9,030.00

A new variation is proposed to facilitate the partial removal of the existing concrete floor in the waste composting building.

The removal of the existing concrete maturation floor incorporated channels for the supply of compost processing air to windrows. The floor channels are not suitable for future use requiring heavy equipment installation and the trafficking of mobile and heavy equipment.

The variation pricing is as follows:

Variation No	Description	Notes	Value (ex GST)
3	Demolish, remove and dispose off site, of ground slab only, 56m x 44m x .2 thick in Aeration Building. Saw cut perimeter as required	Quote ref: W2399	\$75,580.00

REPORT NO	9.2
SUBJECT	T2022-04 COMPOSTING FACILITY CIVIL WORKS
REPORTING OFFICER	Brendan Doherty, Executive Manager Strategic Projects
RESPONSIBLE OFFICER	Tim Youé, Chief Executive Officer
EMPLOYEE'S INTEREST	Nil
DATE OF REPORT	28 June 2022
FILE REFERENCE	FD:Tenders/T2022-04/Reports
ATTACHMENTS	Nil

COUNCIL RESOLUTION

22.06-02 MOVED: CR A WHITE SECONDED: CR K WHEATLAND

CEO RECOMMENDATION/S:

2. COUNCIL GIVES ITS DELEGATED AUTHORITY TO THE CEO TO AWARD A CONTRACT FOR CONSTRUCTION OF CONCRETE FLOOR SLAB AS PART OF STAGE 2 COMPOSTING FACILITY CIVIL WORKS UP TO THE LUMP SUM VALUE OF \$480,000.00 EX GST.
3. THE CEO REPORT TO COUNCIL ANY EXERCISE OF THE DELEGATED AUTHORITY.

CARRIED 2/0

VOTING REQUIREMENT

Absolute Majority

PURPOSE OF REPORT

To request the CEO be given delegated authority for the award of a contract for construction of a concrete floor slab in the composting facility.

NATURE OF COUNCIL'S ROLE IN THE MATTER:

Advocative

Not applicable

Executive

The regional council is responsible for ensuring the local government complies with its procurement contracts pursuant to the Local Government Act 1995 and by council resolution can delegate its procurement powers to the CEO.

Legislative

Tenders for Providing Goods or Services – Local Government Act (S. 3.57)
Local Government (Functions and General) Regulations 1996.

IMPLICATIONS TO CONSIDER:

Consultative:

Not applicable

Strategic relevance:

Key Focus Area Resource Recovery

**Objective 2.2 Our business is efficient, financially viable & sustainable
Strategy**

Strategies	Actions	Timeframes				Informing Document
		2020/21	2021/22	2022/23	2023/24	
2.2.2 Develop an appropriate and efficient asset management strategy	a. Develop and deliver a transition maintenance program for assets	✓	✓			AMP
	b. Develop and deliver an asset management plan for repurposing of assets	✓	✓			AMP

Policy related:

Purchasing Policy

Financial:

Expenditure for this project is allowed for in the revised 2021/22 budget PCAP56700 \$1,476,450 and proposed 2022/23 budget.

An estimated provision of \$480,000 for the slab remediation is included in the \$900,000 budget for site leasing purposes reimbursed by the tenants' rent over 5 years.

The initial capital outlay is funded from the Contingency Reserve.

Legal and statutory:

Tenders for Providing Goods or Services – Local Government Act (S. 3.57)

Local Government (Functions and General) Regulations 1996

Enter into a commercial supply agreement binding to all parties

Risk related:

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
ES02	Diminished Engineering Integrity (Existing Infrastructure & Plant)	Structural or process failure, safety incidents	1- Engineering review team 2-Contractor Management Meetings,	Medium 8
ES05	Poor project evaluation/Project failure	Selection of unproven or unviable technologies, contractors and technology providers. Unable to provide services. Unable to achieve product quality and processing efficiencies	1- Contracts with purchasers	Medium 8

BACKGROUND:

The composting facility has transitioned to processing only FOGO waste streams. Parts of the facility have become redundant as processing of the FOGO waste stream does not require the original equipment that was designed to handle a mixed waste stream from a two-bin system. In addition to this the maturation buildings are being re-purposed to accommodate:

- reduced footprint requirement for composting;
- waste transfer station; and
- plastics processing facility.

The first stage of civil works was completed in 2021 including the construction of new push walls and associated repairs in the tipping building.

The second stage of the FOGO transition works includes the remainder of the redundant equipment and associated concrete structures and buildings in the discharge, maturation and compost load out buildings being removed and associated civil works modifications.

In this regard Tenders for T2022-04 Composting Facility Civil Works were invited 23 April 2022 closing 24 May 2022 for Stage 2 civil works. No tenders were received.

The tendered Scope of Works included:

- Remove existing concrete push walls & construct new push walls and associate ground slab works;
- Concrete ramp install;
- Concrete slab remediation;
- Concrete pit infill; and
- Associated minor building and services works.

In accordance with Local Government Act Tender Regulations a request for quotation process was initiated for the various components of the tendered work.

REPORT

Requests for quotation for the slab remediation works have been sought as priority to complete the refurbishment of the new lease area for plastics processing at the southern end of maturation floor. The existing concrete maturation floor incorporates channels for the supply of compost processing air to windrows. The floor channels are not suitable for future use requiring heavy equipment installation and the trafficking of mobile and heavy equipment.

A number of options have been considered for the remediation of the floor including:

1. filling the channels with concrete;
2. placing a thinner raised slab with access ramps on top of the channels; and
3. new flush slab to match the serviceability of adjoining concrete slabs and accessways.

Option 3 has been selected for the following reasons:

- eliminates any risks with mobile plant/pedestrians on slopes/step downs;
- maximise the flexibility/future use of the leased space being created; and
- suitable for the short to medium term use by Chairay.

The quotation pricing received to date for the various options is as follows:

Option	Description	Quoted Price	Variation from anticipated budget
Option 1: 150mm slab on top of existing slab with single entry point	Civil Works: 150 slab with 1.5m x 8m ramp	\$ 268,416.00	-\$ 211,584.00
Option 2: 150mm slab on top of existing slab with 1.5m ramp allround perimeter	Civil Works: 150 slab with 1.5m ramp across full perimeter	\$ 336,900.00	-\$ 143,100.00
Option 3: Remove existing slab and install 200mm slab	Civil Works	\$ 393,490.00	-\$ 86,510.00
Budget (slab remediation package sub-component)		\$ 480,000.00	

All of the options fall within the estimated budget for the slab remediation package sub-component. A demolition component required for Option 3 and is proposed to be carried out by RRG demolition contractor currently carrying out decommissioning works on site.

A separate report addressing the contract for the demolition component has been provided for consideration.

Further quotations will be sought for Option 3 including an allowance in the design to be equivalent to the adjacent concrete slabs which may increase the price. However, it is anticipated that the final pricing will be within 10% of the initial quotation received.

It is proposed that CEO delegated authority be authorised to award a contract for the concrete slab works up to \$480,000 ex GST.

Future Purpose

The new slab remediation works has been selected as the most suitable for the medium to long term use of the building.

The immediate intended use is for leasing space for the development of a plastics re-processing facility. Chairay Sustainable Plastic Co Pty Ltd has signed a Heads of Agreement to lease the space for 5 years, which included a number of proposed pre-conditional action by both parties. They are keen to commence and currently storing their equipment on site. A detailed lease agreement is now being prepared.

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10. **QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**
Nil

11. **CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**
Nil

12. **DECLARATION OF CLOSURE OF MEETING**

There being no further business, the Deputy Chairperson thanked those present for their attendance and the meeting was declared closed at 4.15pm.

I hereby certify that the Minutes of the Special Council Meeting held on 30 June 2022 were confirmed on 25 August 2022.

Cr Doug Thompson
Presiding Member



Signature