

9.7 Exemption from Tender - Landfill Compactor

REPORT BY THE MANAGER PROCUREMENT AND FLEET
TO 20 SEPTEMBER 2023 ORDINARY MEETING
GOV400103, COR400616

RECOMMENDATION

That Council:

1. **receive the report by the Manager Procurement and Fleet on the Landfill Compactor;**
2. **approve an exemption from tender, in accordance with Section 55 (3) (i) of the Local Government Act 1993 for the replacement of a landfill (vibrating) compactor; noting that due to extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;**
3. **note the reasons why a satisfactory outcome would not be achieved by inviting tenders are:**
 - 3.1 **there are very limited suppliers for landfill (vibrating) compactors;**
 - 3.2 **attempts to seek quotations via a Prescribed Entity with known suppliers failed to provide a response;**
4. **delegate authority to the Manager Procurement and Fleet to seek quotations directly from any known supplier;**
5. **delegate authority to the General Manager or their delegate to review a purchase recommendation on completion of an appropriate evaluation process; and**
6. **delegate authority to the General Manager or their delegate to amend budgets as required should the recommendation be endorsed**

Executive summary

The existing landfill compactor has been identified for replacement in the 2023/24 financial year. Given our inability to be able to yield a quotation from processes already undertaken, this report seeks Council's endorsement to approach the market directly, therefore providing exemption from a formal tender process.

Disclosure of Interest

Nil

Detailed report

To ensure delivery of Council's 10 year plant replacement plan, plant is identified for replacement each financial year. The existing landfill compactor has been identified for replacement in the 2023/24 financial year and is showing signs of fatigue with regular visits required by both internal mechanical staff and contractors for repair and maintenance to continue to make available for

waste staff therefore replacement is inevitable and cannot be delayed. This plant item is utilised daily and is essential to the compaction and management of waste at our Mudgee Waste facility. Staff have approached the market through Local Government Procurement who provide Council the ability to approach the market via Specialised plant pre-qualification panels, however, unfortunately the market have not responded.

Given that there is only two known suppliers to date, Council staff believe that a value for money outcome can be achieved for Council by approaching the plant dealerships directly. This approach also allows Council to continue to ensure specification is met and risk management maintained.

With the influx of plant replacement costs, we have estimated that a replacement landfill compactor will be in the vicinity of \$750,000 to \$850,000, however we are unable to confirm until a price is provided to us. Our previous compactor was \$683,500 and is almost 8 years old, hence the requirement for replacement.

Community Plan implications

Theme	Good Government
Goal	An effective and efficient organisation
Strategy	Pursue efficiencies and ongoing business improvement

Strategic implications

Council Strategies

Council's 10 year Plant Replacement Plan.

Should this not be approved, the replacement of this plant will be delayed (to an unknown timeframe) as tenders would need to be run until such time that a supplier responds. This would come at a significant cost to Council in resource time as well as potential significant downtime should the exiting plant item fail or require major repair.

Council Policies

Not Applicable

Legislation

Local Government Act

Financial implications

The financial implications of this purchase can not be confirmed until such time as a firm quotation is supplied for a replacement, however please note that the current budget has allowance for a replacement plant item.

Associated Risks

The highest risk would be a major failure of the current plant item leaving the waste facility unable to manage incoming waste to the landfill appropriately. Given the type of plant is very specialised, it would be very difficult to find a wet or dry hire plant item available with a reasonable distance and without a significant costs if one is able to be sourced. There is not like for like item on any current preferred supplier list for Council, therefore we would be required to approach the open market to seek a hired replacement.

KRISTIE WARD
MANAGER PROCUREMENT AND FLEET

LEONIE VAN OOSTERUM
DIRECTOR CORPORATE SERVICES

5 September 2023

Attachments: Nil

APPROVED FOR SUBMISSION:

JULIAN GEDDES
ACTING GENERAL MANAGER