
From: Alice Grace <x.xxxxx@xxxxxxxxxxxx.xxx>
Sent: Tuesday, 29 October 2019 3:02 PM
To: Jörn Scherzer <xxxxx.xxxxxxx@xxxxxxxx.xxxx.xx>
Cc: Dan Bonifant <x.xxxxxxx@xxxxxxxxxxxx.xxx>
Subject: Indicative proposal for waste services procurement

Hi Jörn

Thank you for taking the time to meet with Daniel and I last week. Based upon our discussions, we have provided details of a possible procurement process as well as indicative costs and programme for a consultant to support your team in procuring the Hutt City Council (HCC) kerbside collection services. As an option this could also include the landfill management contract. This is not a full proposal for procurement support, rather an indication of the process, programme and costs to help HCC with planning for their upcoming procurement processes. We are more than happy to provide a more detailed proposal on request.

Our experience

Morrison Low are New Zealand's leading council waste procurement specialists, supporting approximately 80% of councils with their procurement processes. We are currently working with Tauranga City Council and Western Bay of Plenty District Council, Auckland Council, Napier City Council and Hastings District Council, and Timaru District Council, Waimate District Council and Mackenzie District Council.

Some of our recent, waste procurement projects (include those for our current clients) include:

- Tauranga City Council and Western Bay of Plenty District Council: collections and facilities
- Timaru District Council, Waimate District Council and Mackenzie District Council: collections and facilities, including landfill management
- Waimakariri District Council: collections and facilities
- Queenstown Lakes District Council: collections and facilities
- Napier City Council and Hastings District Council: collections
- Taman District Council and Nelson City Council: joint landfill management
- Wairoa District Council: collections and facilities, including landfill management
- Waipa District Council: recycling collections
- Tasman District Council: collections and facilities
- Auckland Council: collections and facilities
- Whakatane District Council, Rotorua Lakes Council and Kawerau District Council: collections and facilities, including landfill management
- New Plymouth, South Taranaki and Stratford District Councils: collections and facilities, including landfill development
- Central Otago District Council: collections and facilities
- Dunedin City Council: landfill management

We are also very familiar with HCC's waste services, having recently completed a project with

you for three business cases covering your kerbside collections, resource recovery centres and hazardous waste management.

Waste services included in the procurement

HCC's current waste services include:

- Kerbside collection services:
kerbside sorted recycling crates, council user-pays bag service. HCC is engaging with its community on proposed changes to these kerbside collection services that would be rolled out through its next waste services contract. The kerbside collection contract is with Waste Management and expires in October 2020.
- Landfill management services:
Silverstream landfill operation and management. The landfill management contract is also with Waste Management and also expires in 2020.
- Other services:
recycling drop-off site management, resource recovery centre provision, and hazardous waste services (shared with UHCC). The delivery of these services is impacted by how the kerbside collection and landfill management services are delivered.

HCC could undertake procurement for kerbside collections and landfill management together or as two separate procurement exercises, with the other services considered as part of either procurement process. From our experience, most councils combine procurement for their waste services into one procurement process, because it allows them to consider cost-efficiencies from taking a larger package of work to market in one process.

The kerbside collection contracts alone are expected to cost in excess of \$50 million over the contract term. Given the contract value, the impact waste services have on every ratepayer and the complexity associated with modern collection contracts, there is a need for well-informed decision making in relation to Council's procurement approach. Ensuring the market is well engaged in the process will ensure Council obtains best value for money for its ratepayers.

Our approach

Our proposed approach to your procurement would be based on the process we are successfully utilising with our current waste procurement clients and involves the following stages:

1. Stage 1: Procurement Strategy
2. Stage 2: Registration of Interest (ROI) process
3. Stage 3: Request for Proposals (RFP) documentation
4. Stage 3: RFP support
5. Stage 4: Proposal evaluation, negotiation and award
6. Stage 5: Contract finalisation and advice during mobilisation

Stage 1: Procurement Strategy

This stage involves the preparation of a detailed Procurement Strategy for the waste services. A procurement strategy typically includes:

- Procurement Objectives
- Scope of Procurement
- Supplier Market Assessment
- Procurement Stages
- Proposal Evaluation Process

- Contract Approach: form of contract and contract term
- Financials: operating and capital costs, funding
- Project Management

Typically we undertake a workshop with key council staff to discuss and refine the procurement requirements. Based on the workshop outcome and our knowledge of procurement processes and the market, we draft the Procurement Strategy. This is circulated to the council for feedback and is finalised following receipt of feedback.

At this stage we can refine the kerbside services proposed through the business cases, reviewing options to optimise services such as servicing rural areas, specifying technology to support collection service monitoring, recycling revenue sharing arrangements or the approach to performance measurement. This will be based upon your needs and what is undertaken elsewhere in New Zealand. We have up to date and extensive information based upon our work in other procurement projects.

Stage 2: Registration of Interest (ROI) process

This stage involves preparing a brief ROI that requires suppliers to register an interest in participating in the procurement process and attend supplier briefing sessions with Council. Suppliers are not required to submit detailed information as part of the ROI and there is no shortlisting of suppliers. Supplier briefings are facilitated as part of this stage. Feedback from the suppliers is used to finalise the RFP documentation. Suppliers also gain an insight into council's key requirements, helping them tailor their response once the RFP is released to the market.

Stage 3: Request for Proposals (RFP) documentation

In this stage the documentation required for the RFP is prepared. This typically includes:

- Request for Proposal and response schedules
- Draft conditions of contract
- General and service-specific specifications
- Schedule of Prices

This step involves drafting and revision of documentation, including liaison with council staff as well as legal, risk and assurance, probity and technical advisors, where required. For example, if HCC were to include landfill management in the procurement process, it may be that council elects to have the service-specific specification developed by their technical or engineering advisors.

Stage 4: RFP support

Typically our council clients lead the RFP advertisement and uploading process. Typically we provide support with responses to questions from suppliers during this stage but we can tailor the approach to suit your needs.

Stage 5: Proposal evaluation, negotiation and award

Once the RFP responses are received, we would lead the proposal evaluation and negotiation process, fulfilling several roles including acting as the independent facilitator and as an evaluation team member. As part of this step we would:

- Prepare a tender evaluation plan
- Evaluate and score RFP submissions as an evaluation team member
- Collate evaluation team scores and prepare an evaluation of price submissions ahead of the evaluation team meeting

- Facilitate the evaluation team meeting, where the evaluation team discuss and agree final evaluation scores and shortlist preferred supplier(s)
- Prepare post-tender clarification questions for shortlisted suppliers
- Facilitate post-tender presentations and meetings with shortlisted suppliers, prepare meeting minutes and any follow up clarifications
- Prepare a supplier recommendation report

Stage 6: Contract finalisation and advice during mobilisation

Following selection of a supplier, we would prepare the final contract(s) based on the procurement outcome.

During the lead-up to the commencement of the new contract(s) and the roll out of the new services to the community, Council will be working closely with their selected contractor to ensure a smooth transition. There will be several plans and procedures that need to be prepared by the contractor and specific mobilisation requirements. Council may require ad-hoc advice from Morrison Low during this process.

Project team

Morrison Low has a team of very experienced specialists at a range of levels that can support HCC with your procurement process, and we are able to ramp up our resourcing when required. Our proposed team would consist of the following resources:

- Project Director: Dan Bonifant, Director
(based in Wellington, familiar with HCC's waste services)
- Project Manager: Alice Grace, Senior Consultant
(waste and procurement expertise and familiar with HCC's waste services)
- Team Members:
 - Helen Ramsey, Senior Consultant (waste and procurement expertise)
 - Daniel Yallop, Consultant (waste expertise)
 - Joan Davidson, Consultant (procurement expertise)

Indicative procurement programme

The table below details the high-level programme for the waste services procurement. It is based on the timeframes we know from experience that an effective process takes and assumes confirmation of engagement of a consultant to support your procurement by 6 November 2019.

Activity	Date
Project kick off via teleconference	6 November 2019
Procurement Strategy workshop	13 November 2019
Draft Procurement Strategy	29 November 2019
Draft Registration of Interest (ROI) documentation	6 December 2019
Final Procurement Strategy	13 December 2019
Release Registration of Interest (ROI)	16 December 2019
ROI period closes (2 weeks, one either side of Christmas holiday period)	10 January 2020
Supplier briefing sessions	17 January 2020
Draft Request for Proposals (RFP) documentation	December to January 2020
RFP period (8 weeks, running concurrently with annual plan consultation)	February to March 2020

Proposal evaluation, negotiation and award	April to May 2020
Mobilisation period (six months)	May to October 2020
Contract commencement	November 2020

Indicative pricing

Based on the procurement process above, we have provided an indication of the fee for each stage.

Procurement Stage		Estimated fee (excluding GST and disbursements)
1	Procurement Strategy	\$15,000-\$25,000
2	ROI process	\$5,000-\$10,000
3	RFP documentation	\$25,000-\$40,000
4	RFP support	\$5,000-\$10,000
5	Proposal evaluation, negotiation and award	\$30,000-\$40,000
6	Contract Finalisation and advice during mobilisation	\$5,000-\$10,000

Pricing notes:

- These costs are indicative only, based on our experience with other procurement processes and our knowledge of your waste services. If we were to proceed with this procurement support project, we would provide a more detailed proposal and fee estimate for each stage.
- Our fee estimates are exclusive of GST and disbursements. Disbursements would consist of travel-related expenses (flights, taxis and mileage) for travel between Auckland and your offices in Lower Hutt.

We trust this helps provide an understanding the scope, programme and indicative pricing for your upcoming procurement. We are more than happy to discuss and amend as needed, including providing a more detailed proposal. See you on Friday afternoon.

Thanks

Alice



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