Item 8.

Exemption from Tender - Purchase of 3 Trucks for the Bulky Waste Collection

File No: X093380

Summary

This report seeks an exemption from tender for the purchase of 3 used large compactor trucks to support the City's new bulky waste collection service, and the reallocation of existing Fleet Renewal Program funds to acquire the 3 used compactors and 3 new fully electric flatbed trucks required for service delivery.

At its meeting on 29 June 2026, Council approved the insourcing of the residential bulky waste booked pick up service and illegal dumping service. Currently, planning is being undertaken to commence this service by 1 July 2027.

The current service provider has put forward an offer for the City to acquire 3 used large compactor trucks that are currently operating under the existing contract. These trucks have been specifically configured for bulky waste collection operations, which requires increased compaction rates for the truck body along with reinforced compaction body components and additional holding capacity, unique to the service being undertaken.

The proposed acquisition of the 3 used large compactor trucks provides a defined timeline for delivery of the fleet to support the current planned commencement of service on 1 July 2027.

This report requests Council approve the recommendation, pursuant to section 55(3)(i) of the Local Government Act 1993, not to invite tenders for the purchase of 3 used trucks required to support the City's bulky waste collection service as a satisfactory result would not be achieved by inviting tenders, due to the unavailability of competitive or reliable tenderers.

Recommendation

It is resolved that:

(A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 to purchase 3 used trucks for the bulky waste collection service from Cleanaway Pty Ltd (ABN 79 000 164 938) for the amount set out in Confidential Attachment A to the subject report

(B) Council note that a satisfactory result would not be achieved by inviting tenders for this work as:

(i) the trucks are unique to the current service and have been specifically configured for bulky waste collection operations

(ii) the market for used waste compactor trucks is not competitive due to low availability of suitably equipped trucks

(iii) the supply of new compactor trucks that meet the technical requirements of the service would place the planned service commencement date of 1 July 2027 at risk due to local supply chain constraints

(C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the purchase of 3 used trucks for the bulky waste collection

(D) Council approve an adjustment to the Plant and Asset budget to fund the acquisition of the 3 used large compactors, 3 new fully electric flatbed trucks and associated telematics equipment, which will be funded from within the existing fleet renewal program as outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A. Financial implications (Confidential)

Background

1. The City provides domestic waste collection services to approximately 126,000 residential households across the local government area, including both single unit dwellings and multi-unit dwellings located within high-density residential buildings. These services are essential to protecting public health, maintaining clean and liveable neighbourhoods and supporting the City's environmental and circular economy objectives.

2. The operational environment for waste collection in the City of Sydney is significantly more complex than in most other local government areas due to the very high proportion of multi-unit dwellings, constrained street environments, basement waste storage areas and high levels of pedestrian and traffic activity. These factors require specialised operational planning, manual handling and coordinated access arrangements for many buildings.

3. At its meeting on 29 June 2026, Council approved the insourcing of the residential bulky waste booked pick up service and illegal dumping. At this time, planning is being undertaken to commence this service by 1 July 2027.

4. A review of fleet requirements was undertaken to support the proposed service delivery model, considering the current service provider's fleet arrangements and the operational requirements identified by City Services.

5. Detailed planning has identified that a fleet of 10 trucks is required to deliver the service, comprising of 3 large compactors, 4 medium compactors and 3 flatbed trucks. To reduce upfront capital costs and meet the planned commencement date of 1 July 2027. It is proposed to retain 4 existing medium compactors, acquire 3 used large compactor trucks and 3 new fully electric flatbed trucks.

6. Exemption from tender is being sought as the combined value of the 3 used large compactors may exceed the City's delegation.

7. Fleet Services has undertaken a condition assessment of the trucks being offered, including, mechanical, visual and operational inspections by the City's qualified senior mechanics. The assessment confirms the suitability of the trucks and establishes a baseline of their condition for future reference, which will determine the final purchase price of each truck.

8. The trucks are approximately 7 years old and are proposed to remain in service at least 2 years. Based on their assessed condition, this period is considered appropriate and remains within the service life commonly achieved for comparable waste compactor trucks.

9. Purchasing of these trucks will also provide Fleet Services more time to evaluate fit for purpose electric trucks available in the market and align future procurement with the rollout of supporting EV charging infrastructure in our depots.

10. The proposed acquisition is considered to represent value for money based on the market value of trucks of comparable make, model, age and condition. Compatibility with the City's existing fleet provides additional operational efficiencies through reduced training requirements, existing spare parts holdings and established inhouse maintenance capability, performed by Fleet Services within existing capacity.

Organisational impact

11. The recommended fleet procurement will enable the effective delivery of the Bulky Waste Collection service. The requested assets are integral to the service and align with the workforce resourcing being introduced, ensuring employees have fit for purpose equipment to undertake operations safely and efficiently.

Risks

12. The proposed fleet procurement aligns with the City's risk appetite and tolerance by supporting the safe, reliable and efficient delivery of the Bulky Waste Collection service.

Financial implications

13. The requested funding is proposed to be reallocated from an existing fleet renewal project with a budget surplus. While this would ordinarily be addressed through the quarterly budget update process, seeking approval now will provide greater lead time for fleet procurement and delivery ahead of the planned service commencement date.

14. Details of the proposed budget reallocations and further financial analysis are provided in Confidential Attachment A.

15. The cost of future renewal of these trucks, as well as their ongoing operating cost, will be recoverable through the domestic waste management charge and is not expected to materially impact the long term financial plan.

Relevant legislation

16. The exemption from tender process has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

17. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

18. Attachment A contains confidential commercial information of the tenderers and details of Council's procurement which, if disclosed, would:

    (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business

    (b) prejudice the commercial position of the person who supplied it.

19. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest. The reasons supporting this are that disclosure of the confidential information would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers. In addition, disclosure of the information provided in the course of the procurement process and the assessment of that information would prejudice the commercial position of the participants in the procurement process.

20. Pursuant to sections 496, 501 and 502 of the Local Government Act 1993 (NSW), Council is authorised to levy annual charges for the provision of domestic waste management services and recover the associated costs of delivering those services from service users. This cost recovery framework enables the acquisition cost of domestic waste fleet assets to be funded over their operational life and incorporated into future Domestic Waste Management Charges, ensuring subsequent vehicle renewal and replacement programs are fully funded through the service's long-term financial plan.

Critical dates / Time frames

21. 1 July 2027 – current planned commencement for the Bulky Waste and Illegal Dumping Service.

Options

22. Procure a completely new fleet of trucks to perform the service. This option is not recommended as:

    (a) local supply constraints for the larger compactor trucks will place the planned service commencement date at risk

    (b) the procurement of an entirely new fleet would require a significant increase in funding for the current financial year, beyond that available within the approved fleet renewal program.

    (c) procuring suitable used trucks extends the useful life of existing assets and retains their embodied carbon, while providing additional time for the electric truck market to mature and the City’s EV charging infrastructure program to be delivered.

23. Defer the planned service commencement until a completely new fleet can be procured. This would postpone the planned service improvements that underpin the decision to re-establish bulky waste collection as an in-house service.

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