

Westland Waste and Recycling Services

Council update and
discussion 24th August 2023



Why are we talking about this

The current contract for kerbside collections (waste and recycling) and transfer stations will expire soon

Council staff have been considering how to procure and contract services most effectively

There is potential for the three Councils on the Coast to collaborate

- To manage the cost increases that are coming
- To improve the resilience of service delivery
- To make best use of Council staff and resources
- To deliver the best outcome for the community

What is changing?

Costs are increasing

- Waste levy costs are increasing
- Emissions trading scheme costs are increasing

Government are aiming to standardise kerbside recycling (Hokitika)

- Council will need to start collecting glass
- Council will need to start collecting food waste

Opportunities for collaboration

- Making best use of Council staff time and resources
- Improving efficiency
- Coordinated management and reporting – do it once and well for all of the Coast

What are the options?

Westland-Only Procurement and Contract Management:

The council could handle the procurement and contract management solely within the Westland region.

Joint Procurement with Individual Contracts:

The council could collaborate with other entities for joint procurement efforts but maintain separate contracts and contract management for each entity.

Joint Procurement with Individual Contracts and Joint Contract Management:

Collaborative procurement could lead to individual contracts for each entity with contract management could be shared/coordinated for improved efficiency.

Joint Procurement with a Single Contract and Contract Management:

The council could opt for joint procurement leading to a single, consolidated contract, along with shared contract management.

Options vs objectives

	Westland only	Joint procurement Individual contract (one supplier) Westland management	Joint procurement Individual contract (one supplier) Joint Management	Joint procurement Single contract Joint Management
Cost Management				
Resilient Service Delivery				
Efficiency				
Effectiveness				

Options vs objectives

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Cost Management	This approach is expected to be the most expensive, reflecting limited economies of scale.	While the contractor should be able to leverage a coast wide presence, separate management of each contract may make it difficult or limit the ability to achieve cost savings to be passed on to the Council/community.	The contractor should be able to leverage a coast wide presence across the three contracts. Joint management of the contracts will make it easier to achieve cost savings, particularly if reporting and contract management activities are combined where practical.	The contractor will be able to leverage a coast wide presence within a single contract (avoiding multiple reporting lines and associated costs). The economies of scale are expected to be in the range 5-10% (MfE, 2007)
Resilient Service Delivery	Limited ability to reallocate resources in the event of disruptions.	Contract specifications can be designed to provide for use of regional resources to address disruptions. Any adjustments will require coordination between individual Council contract managers.	Contract specifications can be designed to provide for use of regional resources to address disruptions. Coordinated contract management will make this easier to achieve at a practical level.	A single contract specifications should provide for reallocation of resources to address localised disruptions.
Efficiency	Westland specific Council and contractor time/effort for contract management and reporting.	Savings are expected through a joint procurement process. Westland specific Council and contractor time/effort for contract management and reporting	Savings are expected through a joint procurement process. Joint contract management and reporting will reduce contractor and Council costs.	Savings are expected through a joint procurement process. Managing a single contract including reporting will reduce contractor and Council costs.
Effectiveness	A Westland specific contract can be specified to deliver on community outcomes.	A Westland specific contract can be specified to deliver on community outcomes. By retaining the contract management Council will retain the ability to focus on Westland specific activity and outcomes.	A Westland specific contract can be specified to deliver on community outcomes. A joint management approach may reduce Council's ability to maintain a focus on Westland specific activity and outcomes.	A joint specific contract will need to balance outcomes across the region. A joint management approach may reduce Council's ability to maintain a focus on Westland specific activity and outcomes.

Comments

In summary

- If cost is the key focus then joint procurement, a single (regional) contract and joint contract management is likely to be procured.
- Coordinated delivery across the region with a single supplier is likely to provide more resilience than a Westland only arrangements.
- Both procurement and contract will be more efficient if undertaken at a regional level.
- Effectiveness is a balance between achieving shared outcomes (such as waste diversion, high quality service delivery) and the ability to focus on Westland specific matters.

On balance:

- A joint approach is recommended, particularly for procurement of services.
- The analysis also suggests there are significant benefits from joint management of services across the region.