

# Understand Your Waste Contract

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# Disclaimer

- ❑ This presentation does not represent legal advice. You should seek independent advice on any material in this presentation.



# Overview

- ❑ In understanding the waste contract we will cover:
  - ❑ What is a Waste and Recycling Contract and why have one?
  - ❑ Key Considerations
  - ❑ How do I prepare before entering into contract(s).
  - ❑ Opportunities and Potential Pitfalls of the Waste/Recycling Contract

# What is a Waste & Recycling Contract

- ❑ Generally the contract is for the provision of waste and recycling services to the business over a period of time and rate (may vary).
- ❑ For Small and Medium Enterprises, will generally be a Standard Service Agreement with the waste/recycling contractor.
- ❑ For Larger Enterprises (or others that chose to), it will be the enterprise's contract with the waste/recycling contractor.
- ❑ The reasons why the enterprise should have one include:
  - ❑ To maximise recycling and resource recovery
  - ❑ To minimise costs of waste and recycling
  - ❑ Provide some certainty in costs and operability of the site

# Key Considerations

- ❑ Business should target Waste Hierarchy Objectives first.
- ❑ High waste is generally an indication of inefficiency in the business or suppliers. Work with key suppliers to take back packaging, reduce packaging or make packaging easily recyclable.
- ❑ Source separation of recycling streams provides highest resource recovery ( quality and value)
- ❑ Do you want to enter into a short/medium or long term arrangement?
- ❑ Do you want multiple suppliers or a single provider?
- ❑ Landfill Levy (\$35/tonne on 1/7/11) will most likely continue to increase to \$50/ tonne +





# How do I Prepare?

- ❑ Need to understand what to ask for.
- ❑ Options include undertaking high level waste/recycling audit to identify all the streams, estimated volumes and additional recycling opportunities.
- ❑ When to get quotes or put to tender is generally driven by the size of the contract or business rules.
- ❑ Need to provide a consistent basis for suppliers of the service to quote/tender so comparison can be made.



# How do I Prepare?

- ❑ Can provide a schedule for pricing for conforming bid and option to provide non conforming options that can be justified
- ❑ For a major waste contract, may benefit from engaging independent waste consultant to undertake process and assess bids.
- ❑ Site visit recommend to review access constraints and look a waste streams generated



# What Streams could be included?

- Cardboard
- White Paper
- Confidential Paper
- Co-mingled Recycling
- Organics ( Food & Vegetation)
- Plastics
- Polystyrene
- General Waste (to landfill or further recovery)
- Metals
- Timber (pallets)
- Cartridges, Fluoro Tubes, Compact Fluorescent Lamps, Electronic Waste, Batteries
- Liquid ( Grease Traps, Oily water etc)
- Hazardous Waste



# What Collection Systems is Best?

- ❑ Range of collection/handling systems are available including:
  - ❑ Frontlift ( 1.5m<sup>3</sup>, 3m<sup>3</sup>, 4.5m<sup>3</sup>, 6m<sup>3</sup>)
  - ❑ Rearload ( 140L, 240L, 660L, 1100L)
  - ❑ Bulk bins /Compactors and Skips ( 3m<sup>3</sup> – 40m<sup>3</sup>)
  - ❑ Liquid Vacuum for bulk liquid
  - ❑ Offsite or onsite confidential paper shred
  - ❑ Auto-bailers (cardboard, plastics)
  - ❑ Medical and quarantine 240L bin pickup
  - ❑ And many others

# Bins Types and Storage



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# Collection Systems



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# Opportunities in a Waste/Recycling Contract

- ❑ If tendering or getting quotes, get a minimum of three (metro) to ensure competitive pricing.
- ❑ Ensure contract can not be rolled over, only extended at customer discretion
- ❑ Request service on a payment per tonne basis for both transport and disposal to reduce risk of over servicing empty bins (where possible- generally bulk bins only)
- ❑ Consider requesting on a no bin rental basis
- ❑ Consider scheduled services and more bins/lower frequency servicing where possible and room permits

# Opportunities in a Waste/Recycling Contract – cont'

- ❑ Ensure additional services (waste or recycling) not tendered can be provided by other providers during the term of the contract as required
- ❑ Increases during term only from CPI (or similar) or demonstrated increase from levy / other government charges. Note: disposal is only a component of the cost of the service.

# Opportunities in a Waste/Recycling Contract – cont'

- ❑ Ensure reporting requirements( info/ frequency/in Kgs) are specified or ask for a example reporting.
- ❑ Specify for larger contracts, regular meeting ( quarterly, annually) to review reports and for service provider to identify improvement opportunities.
- ❑ Request ongoing training, education and materials on waste and recycling to be provided by service provider and ask how they will deliver this.

# Potential Pitfalls of the Waste/Recycling Contract

- ❑ Roll over clause in most waste service providers catch customers unawares, locking into a further term and unable to take advantage of lower pricing or new recycling opportunities.
- ❑ Increases within term need to be agreed up front and justified by the service provider. It is reasonable to challenge the increase.
- ❑ Transition to a new service provider can create some disruption if not managed well ( both parties).
- ❑ Regular reviews will prevent inefficiencies and additional costs creeping in.

# Summary

- ❑ Good preparation, understanding your waste volumes and knowing what to ask for is key prior to tendering or entering a contract.
- ❑ Be mindful of the pitfalls ( roll over contracts, price increases during contracts) and mitigate where possible.
- ❑ Avoidance of waste generation is most preferable through working with suppliers and improving internal processes
- ❑ Generally, effective source separated recycling streams will provide the lowest overall costs structure and highest resource recovery.
- ❑ Review at scheduled intervals with the waste/recycling provider, analyze reporting and target ongoing improvements.