

7.11. FNQ056 REGIONAL COLLECTION AND REMOVAL OF FERROUS METAL, NON-FERROUS METAL AND USED LEAD ACID BATTERIES

REPORT AUTHOR Technical Field Officer Resource Management

MANAGER Manager Environment and Planning

DEPARTMENT Environment and Planning

RECOMMENDATION

That Council:

- 1 Awards Contract FNQ056 – Collection and Removal of Ferrous Metal, Non-Ferrous Metal and Used Lead Acid Batteries to Sims Group Australia Holdings Pty Ltd with a contract term of 5 years with two extension options of up to 12 months each (5 + 1 + 1), with maximum total term of 7 years.**
- 2 Delegates authority to the CEO in accordance with the *Local Government Act 2009* to enter into contracts, finalise and negotiate any and all matters relating to this contract and each package subject to normal procurement practices and policies.**

EXECUTIVE SUMMARY

As part of its ongoing recurrent operations, council receives ferrous metal, non-ferrous metal, used lead acid batteries and abandoned vehicles at its transfer stations and other council facilities. Effective resource recovery enables the safe disposal of this material and maximum diversion from landfill. The sale of these materials also represents a revenue to council which benefits both rate payers and the local community.

Far North Queensland Regional Organisation of Councils (FNQROC) invited tenders on behalf of the participating councils for the Regional Collection and Removal of Ferrous Metal, Non-Ferrous Metal, Used Lead Acid Batteries (ULABs) and End of Life (EOL) Vehicle Processing under a collective procurement arrangement, with each council to form an individual contract with the selected supplier/s.

A public tender was advertised via VendorPanel on 9 September 2025 and at the close of the public tender process on 14 October 2025, FNQROC received two (2) submissions that were subsequently evaluated by the evaluation panel members comprising of representatives from participating councils.

Whilst there are several councils involved in the offer to the market, each council enters into individual contracts with the selected suppliers as FNQROC does not have formal delegated authority to enter into contract on behalf of councils.

Approval is therefore sought to award the contract to Sims Group Australia Holdings Pty Ltd.

BACKGROUND

Collective procurement arrangements established by FNQROC enable both participating member councils and suppliers to realise a number of efficiency gains and economies of scale and provide improved local delivery supply chains.

FNQROC invited tenders for the regional collection and removal of ferrous metal, non-ferrous metal, ULABs and EOL vehicles on behalf of the following councils:

- Cassowary Coast Regional Council;
- Cook Shire Council;
- Croydon Shire Council;
- Douglas Shire Council;
- Etheridge Shire Council;
- Hope Vale Aboriginal Shire Council
- Mareeba Shire Council; the
- Tablelands Regional Council;
- Wujal Wujal Aboriginal Shire Council and
- Yarrabah Shire Council.

The tender was split into four (4) packages:

- Package 1 – Ferrous Metal – Collection Service
- Package 2 – Non-ferrous Metal – Collection Service
- Package 3 – ULABs – Collection Service; and
- Package 4 – EOL Vehicle Processing

Council participated in all four packages – packages 1, 2, 3, & 4.

The primary objectives of this contract were to:

- Ensure a safe and efficient service for the collection and removal of ferrous and non-ferrous scrap metal, used lead acid batteries and end of life vehicle processing.
- Maximise diversion of waste from landfill through effective resource recovery and;
- Improve management of metal stockpiles and improve safety concerns over the risks posed by metal stockpiles accumulating across the region, particularly in cyclone season.

This contract covers collection and disposal of ferrous metal, non-ferrous metal and used lead acid batteries including transport, insurances and waste levy charges, from council's transfer stations.

The contract is for a term of 5 years with two extension options of up to 12 months each (5 + 1 + 1), with maximum total term of 7 years.

COMMENTS

The Request for Tender was advertised to the open market via VendorPanel on 9 September 2025. At the close of the public tender process on 14 October 2025, FNQROC received submissions from two suppliers for the four packages of services required.

Submissions were received from the following suppliers for the following packages:

Package	Participating Councils	Supplier
Package 1 – Ferrous Metal – Collection Service	Cassowary Coast Regional Council Cook Shire Council Croydon Shire Council Douglas Shire Council Etheridge Shire Council Hope Vale Aboriginal Shire Council Mareeba Shire Council Tablelands Regional Council	Sims Group Australia Holdings Pty Ltd

	Wujal Wujal Aboriginal Shire Council Yarrabah Aboriginal Shire Council	
Package 2 – Non-Ferrous Metal – Collection Services	Cassowary Coast Regional Council Cook Shire Council Douglas Shire Council Mareeba Shire Council Tablelands Regional Council	Lucas Duncan Robinson-Grey Sims Group Australia Holdings Pty Ltd
Package 3 – ULABs– Collection Service	Cassowary Coast Regional Council Cook Shire Council Douglas Shire Council Mareeba Shire Council Wujal Wujal Aboriginal Shire Council	Lucas Duncan Robinson-Grey Sims Group Australia Holdings Pty Ltd
Package 4 – EOL Vehicle Processing	Cook Shire Council Douglas Shire Council Mareeba Shire Council Tablelands Regional Council	No submissions received

Each tender submission has been checked for conformance, and evaluated and scored by the evaluation panel based on following qualitative criteria and percentage weightings, which were previously agreed by the council representatives as follows:

Packages 1, 2, 3 & 4

- Local Business – 10%
- Relevant Experience and Capability – 20%
- Collection Schedule & Resources – 30%
- Work Procedures and Methodology – 20%
- Value for Money – 20%

Following detailed evaluation, the recommendation is to award Packages 1, 2 & 3 to Sims Group Australia Pty Ltd.

The evaluation panel did not evaluate Package 4 as no submissions were received. Councils EOL Vehicle Processing requirements will be considered as part of the FNQROC Regional Resource Recovery Plan.

Sims Group Australia Pty Ltd are recommended for contract award.

- Sims provided the most suitable and competitive submission for all of the participating councils.
- They provided a collection schedule that was considered appropriate with suitable resources committed to each of the packages and the identification of suitable contingency measures.
- They have proven experience as the incumbent supplier having held the existing contract for the last 10 years.

Lucas Duncan Robinson-Grey submitted a tender for Packages 2 and 3. Upon review, the submission was found to be incomplete and lacking several key pieces of information required for assessment. Consequently, the tender was scored significantly lower against the evaluation criteria.

PROPOSAL

That Council:

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- 2 Delegates authority to the CEO in accordance with the *Local Government Act 2009* to enter into contracts, finalise and negotiate any and all matters relating to this contract and each package subject to normal procurement practices and policies.

FINANCIAL/RESOURCE IMPLICATIONS

There is no cost expenditure to Council for this Contract. The revenue generated from the sale of materials directly benefits ratepayers and the wider community. Over the past 12 months, the annual revenue amounted to approximately \$120,000. Future revenue is expected to remain of a similar nature, however, it will depend on market values, material types, transport fees, and the volume of materials received.

RISK MANAGEMENT IMPLICATIONS

Price

The metal market is notoriously volatile. This arrangement incorporates a formula which allows for monthly Rise & Fall. Prices are provided, inclusive of all expenses, as follows:

Ferrous Metal

The price is based on the supplier's nominated percentage of the Tex Report monthly rate and RBA exchange rate (US\$ to AU\$) for Ferrous Scrap export which is a worldwide standard document referred to for the price of steel. This percentage is fixed for the contract term.

The rate offered incorporates a deduction for sea freight, which is variable and is adjusted every 2 months as per the Baltic Exchange Index and a Waste Contribution Charge (waste levy) which is adjusted annually as per the Queensland Government Waste Levy.

There is a risk that if the freight and waste levy charges exceed the rate payable to Council, Council could see a cost for this service.

Non-Ferrous Metal

The price is based on the supplier's nominated percentage of the weekly average Copper, Aluminium and Lead London Market Exchange prices and RBA exchange rate (US\$ to AU\$). The non-ferrous rates are therefore variable and adjusted weekly, however the fixed percentage will remain for the contract term. Transport charge will be applied for picked up material as per transport rate schedule. Transport rates will be reviewed bi-annually starting 1 July 2026.

Used Lead Acid Batteries

The price is based on the supplier's nominated percentage of the monthly average Lead London Metal Exchange price and RBA exchange rate (US\$ to AU\$). The ULAB rate is therefore variable, however the fixed percentage will remain for the contract term. Transport charge will be applied for picked up material as per transport rate schedule. Transport rates will be reviewed bi-annually starting 1 July 2026.

SUSTAINABILITY IMPLICATIONS

Economic:

Cost benefit to Council.

Environmental: Recycling reduces the amount of waste going to landfill and scrap metal recycling reduces illegal dumping and its impact on the environment.

Social: The project will benefit the local community by ensuring scrap metal and batteries are appropriately disposed of and assists in reducing anti-social activities such as illegal dumping.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 2 – Prosperity

Council plans, builds and maintains the infrastructure required to improve our lifestyle and promote economic growth, working actively to support local businesses.

2.2 - Support local business through local procurement.

Theme 3 - Service Delivery

We deliver Council services effectively and efficiently to meet community expectations, focusing on the wellbeing of both the community and our employees.

3.6 - Deliver Council services to meet community expectations.

3.9 - Preserve, protect and improve our unique environment.

Operational Plan 2024-2025 Actions:

3.9.7 - Develop and publish a Waste Reduction and Recycling Plan 2025-2030.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
Service Provider	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

CONSULTATION

Internal: Resource Management Team
Councillor Workshop 18 Nov 2025
External: FNQROC

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

1. Evaluation Summary FNQ056 [7.11.1 - 1 page]

Regional Evaluation Summary for FNQ056

Package	Supplier 1 Unweighted average overall score	SIMS Metal Unweighted average overall score
1 - Ferrous	No submission	56.83%
2 - Non-Ferrous	28.67%	74.83%
3 - ULABs	28.63%	75.83%
4 – EOL Vehicle processing	No submission	No submission