

PREFERRED SUPPLIER ARRANGEMENT (PSA) CT005378 – TRANSPORT OF RECYCLABLE MATERIALS

CIA | 63/1/495* | #7846408

RECOMMENDATION:

That Council:

1. **Appoints the following three suppliers to Preferred Supplier Arrangement (PSA) CT005378 – Transport of Recyclable Materials, for a term of two years commencing on 1 July 2026, with two extension options up to 12 months each available at Council’s discretion:**
 - **Linfox Australia Pty Limited**
 - **Blacks Transport (Qld) Pty Ltd**
 - **Mainfreight Distribution Pty Ltd**
2. **Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contract, negotiate, finalise and execute any and all matters associated with or in relation to this contract subject to Council’s normal procurement policies and practices.**

INTERESTED PARTIES:

- Linfox Australia Pty Limited trading as Linfox Intermodel
- Blacks Transport (Qld) Pty Ltd
- Mainfreight Distribution Pty Ltd

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

Cairns Regional Council’s (Council) Materials Recovery Facility (MRF) was commissioned in October 2020. The facility is capable of processing up to 25,000 tonnes of recyclable material per annum (15 tonnes per hour) and services Cairns and the broader Far North Queensland region. The MRF features optical sorting, screening and quality control systems which achieve high-quality recovered cardboard, paper, plastics, glass, steel and aluminium materials.

Council requires the transport of recovered recyclable commodities from the MRF to approved end markets for sale. These commodities include, but are not limited to, paper, cardboard, plastics and metals, and are a critical component of Council’s resource recovery and revenue-generating activities.

Council invited tenders, via a public procurement process, to establish PSA 3018 for the transportation of the material to processing and recycling facilities. Tenders closed in March 2026 and three tender submissions were received and subsequently evaluated.

As an outcome of the evaluation process, it is recommended to appoint all three Suppliers to PSA CT005378 – Transport of Recyclable Materials in no preference order.

BACKGROUND:

The services required under PSA CT005378 include the collection, handling, transport and delivery of recyclable materials from the MRF (or other nominated Council facilities within the Cairns region) to approved processing and recycling facilities, primarily located in South-East Queensland.

Council currently utilises both rail-based and road transport services for the movement of these commodities. Rail has been the primary source of transport services to date. Whilst it has been an efficient storage and transport method, the reliability and consistency of this service can fluctuate, resulting in disruptions to commodity movements, increased operational risk and impacts to storage capacity, processing efficiency and revenue outcomes.

Road transport is also utilised by Council to support the movement of recyclable materials, particularly where rail services are unavailable, delayed or unsuitable. However, this service is engaged on an ad hoc basis, typically through one-off purchase orders or short-term arrangements, with no formal long-term contract or panel arrangement in place. This approach limits Council's ability to secure consistent pricing, service reliability and capacity, and introduces operational and commercial risk, particularly during periods of increased demand or disruption to rail services.

The establishment of this panel of preferred suppliers will ensure a reliable, cost-effective and resilient logistics framework for transport services. It will enable Council to ensure continuity of commodity sales in alignment with operational, financial and environmental objectives.

COMMENT:

Council invited submissions via an open tender process pursuant to section 228 and 233 of the *Local Government Regulation 2012* (Qld).

Tenders for PSA CT005378 – Transport of Recyclable Materials was advertised on 27 February 2026 and closed on 25 March 2026. A notification email was also sent to suitable transportation companies identified via market scanning once the tender was released. There were eight downloads of the tender documents during the tender period and. At tender closing time, submissions were received from the following three suppliers:

- Linfox Australia Pty Limited trading as Linfox Intermodel (local office)
- Blacks Transport (Qld) Pty Ltd (non-local)
- Mainfreight Distribution Pty Ltd (non-local)

The evaluation panel consisted of three suitably experienced Council officers within Resource Recovery. Assistance during the procurement process was provided by a member of the Contracts Unit within the Procurement and Payables branch.

Each tender submission was checked for conformance, evaluated and scored by the evaluation panel based on the following evaluation criteria and percentage weightings:

- Criteria A – Relevant experience 15%
- Criteria B – Key personnel and technical skills 5%
- Criteria C – Resources and management systems 15%
- Criteria D – Understanding and methodology 15%
- Criteria E – Business profile 10%
- Criteria F – Value for money 40%

Evaluation Process:

The submissions were reviewed to ensure all response schedules were provided and adequately addressed. Clarifications were sought from tenderers to confirm various aspects of their submissions. Panel members then reviewed all the information prior to finalising their scores and comments.

As an outcome of the evaluation process, it is recommended to appoint all three Suppliers to PSA CT005378 – Transport of Recyclable Materials in no preference order. Suppliers will be engaged based on their availability, performance, reliability and rates.

The recommendation to appoint all three Suppliers is made on the following basis:

- They have relevant previous transportation experience and suitable existing networks in place;
- They have nominated suitable personnel and resources;
- They have demonstrated they have suitable management systems in place;
- They can meet Council's required timelines for the removal and delivery of recyclable materials;
- They have provided pricing that is considered value for money.

OPTIONS:

Option One: (recommended)

That Council:

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Option Two:

Council does not endorse the evaluation panel's recommendations for PSA CT005378 and adopts an alternative course of action.

CONSIDERATIONS:

Risk Management:

Council's risk exposure is minimised as all three companies demonstrate strong experience in delivering high-volume transportation services. They company have sound management plans and robust operational procedures in place. The contract also includes clauses that provide Council with contractual protection for non-performance in service delivery.

Council Finance and the Local Economy:

The current financial year spend for transport (1 July 2025 to 30 April 2026) was approximately \$439,898 excluding GST. The cost of transport logistics will continue to be offset by the revenue generated from commodity sales. There is sufficient budget allocated within the overall operational budget of Resource Recovery for the services provided under PSA 3018.

There is a Price Adjustment formula included in the Scope that adjusts the fuel component of the costs on a monthly basis in line with the Cairns Terminal Gate Pricing. This mechanism meets legislative compliance in regard to the ongoing fuel pricing variability.

At this stage it is unknown what the distribution of spend will be under this PSA for the three suppliers. Potentially all three suppliers will have a spend over \$200,000 on an annual basis. Suppliers will be engaged based on their availability, performance, reliability and rates.

Natural Environment:

Increased reliance on heavy vehicle transport may lead to higher traffic volumes in and around the MRF, as well as along key transport routes. This will be managed through the approved Traffic Management Plan and the use of designated loading bays. Transitioning from exclusively rail-based transport to incorporating road-based or multi-modal options may result in increased emissions.

Corporate and Operational Plans:

The services forming the basis of this Contract relates to the following goals in Council's Corporate Plan 2025-2030:

- Focus 1: Robust economy
- Focus 5: Focused Council

Statutory:

The tender process was conducted in accordance with legislative requirements under the *Local Government Act 2009* and the *Local Government Regulation 2012*, with additional consideration given to obligations under the Heavy Vehicle National Law.

Policy:

Council's Procurement Policy has been adhered to throughout this procurement activity.

CONSULTATION:

Relevant Council officers within Resource Recovery, Cairns Infrastructure and Assets were consulted as they manage the transportation requirements under this arrangement.

ATTACHMENTS:

Nil



Steve Cosatto
Executive Manager Resource Recovery



Toni Veronese
Associate Director Service Delivery



Mark Wuth
Director Cairns Infrastructure and Assets