



COFFS HARBOUR CITY COUNCIL

SUPPLEMENTARY REPORT (ORDINARY MEETING)

**COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR**

10 JUNE 2010

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	CONFIDENTIAL ITEM	
	<p>A portion of this report is confidential for the reason of Section 10A (2):</p> <p>(d) commercial information of a confidential nature that would, if disclosed:</p> <ul style="list-style-type: none">(i) prejudice the commercial position of the person who supplied it, or(ii) confer a commercial advantage on a competitor of the council, or(iii) reveal a trade secret. <p>and in accordance with Section 10A (1) the meeting may be closed to the public.</p>	
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SUPPLEMENTARY REPORT (ORDINARY MEETING)

10 JUNE 2010

Mayor and Councillors

CORPORATE BUSINESS DEPARTMENT REPORT

CB10/28 TENDER: SUPPLY OF CONTESTABLE ELECTRICITY FOR METERED SITES, STREET LIGHTING AND GREEN POWER OPTIONS

Purpose:

To report on the Reverse Auction tender undertaken by Regional Procurement Initiative (division of Hunter Council Incorporated) on behalf of Coffs Harbour City Council for the Supply of Contestable Electricity for Metered Sites (greater than 160MWH), Street Lighting and Green Power Options and to gain Council approval.

Description of Item:

Council currently purchases Contestable Electricity for our large Metered Sites and Street Lighting from Country Energy with both contracts expiring on the 30 June 2011 and 31 May 2011 respectively.

At the Council Meeting of 27 May 2010 it was resolved (Resolution No.58) that Council undertake the following:

- A Reverse Auction for the Supply of Contestable Electricity for our Metered Sites and Street Lighting for a period of 24 months and 25 months respectively.
- A Reverse Auction for the Supply of Contestable Electricity for thirty (30) our Metered Sites and Street Lighting for a period of 36 months and 37 months respectively.

Coffs Harbour City Council is a financial and Associate Member of the Regional Procurement Initiative for the Mid North Coast Procurement Alliance Group of Councils.

Regional Procurement Initiative in partnership with Energy Action called Reverse Auction tenders on behalf of Coffs Harbour City Council for the Supply of Contestable Electricity for Metered Sites, Street Lighting & Green Power Options that closed on Monday 7 June 2010.

Cont'd

CB10/28 Tender: Supply of Contestable Electricity for Metered Sites, Street Lighting and Green Power Options ...(Cont'd)

Tenders were evaluated on the following criteria:

- Tender Price
- Quality Assurance- Conform/Not Conform
- Customer Service Breaches
- ESD- Conform/Not Conform (Annual Greenhouse Gas Benchmark Statement)

Tenders were received from the following Companies:

Street Lighting 25 months

1. AGL
2. Aurora Energy
3. Energy Australia
4. TRUenergy

Street Lighting 37 months

1. Energy Australia
2. TRUenergy

Electricity Metered Sites 24 months

1. Aurora Energy
2. TRUenergy

Electricity Metered Sites 36 months

1. Energy Australia
2. TRUenergy

Conforming Tenders

All of the above Companies were conforming to tender document requirements.

Sustainability Assessment:

The supply of Contestable Electricity to Council sites and for Street Lighting is a component of the infrastructure and service provided to the community.

- **Environment**

Council is negotiating a minimum 10% Green Energy. A key part of this tender is the recommended tenderers conformity to IPART Regulations and Green Power.

- **Social**

This Tender is only for the electricity supply component, and as a result there will be no social impact.

- **Economic**

With the cost of Electricity increasing within NSW over the past few years and into the future, it was evident that Council (along with all other NSW Councils) were not going to achieve their current contract rates for the supply of Electricity. This aside the Reverse Auctions assembled all the major Energy Retailers who have vigorously bid for Council's business.

As a financial member of Regional Procurement, Coffs Harbour City Council does not incur any Reverse Auction management fees.

Cont'd

CB10/28 Tender: Supply of Contestable Electricity for Metered Sites, Street Lighting and Green Power Options ...(Cont'd)

Related Policy and / or Precedents:

Tendering procedures were carried out by Regional Procurement Initiative in accordance with Council's own policy and procedures. Regional Procurement's Tender Value Selection System was applied during the tender review process to determine the most advantageous offer. Regional Procurement's policy is that the tender with the highest weighted score becomes the recommended tender (see attachments).

Statutory Requirements:

The calling, receiving and reviewing of tenders was carried out in accordance with the Local Government (General) Regulation 2005-Section 7 Tendering.

Issues:

The major issue for undertaking the Reverse Auction Tender process is the decision to accept either a 24 month or 36 month contract for Contestable Metered Sites and either a 25 month or 37 month contract for Street Lighting.

Assessment of the tenders is contained in the attached confidential supplement.

Implementation Date / Priority:

The contract will be either for a 24 month period for Metered Sites and 25 months for Street Lighting or alternatively 36 months or 37 months respectively. The contracts will commence on the 1 June 2011 for Street Lighting and 1 July 2011 for Metered Sites

Recommendation:

That Council considers and approves Reverse Auction tenders received by Regional Procurement Initiative on behalf of Coffs Harbour City Council for the Supply and Delivery of Electricity for Contestable Metered Sites and Street Lighting RA11011CHCC, and move the motion as detailed in the confidential attachment.

**Dale Allen
Acting Director
Corporate Business**