

## Late Addendum Report

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### REPORTS FROM THE DIRECTOR ENGINEERING

a23 [E-CM] EC2014-036 Supply of Retail Electricity (Large Sites)

SUBMITTED BY: Contracts

Valid



### Civic Leadership

#### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
  - 1.3 Delivering the objectives of this plan
  - 1.3.2 Council will seek the best value in delivering services
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#### SUMMARY OF REPORT:

Tender EC2014-036 was called to ensure continued electricity supply to Council operated infrastructure that consume more than 160MWh energy per year (Large Sites).

Tenders were officially invited in accordance with the provisions of the Local Government Act 1993 and the NSW Local Government (General) Regulation 2005. Tender submissions closed at 4.00pm (local time) on Friday 4 April 2014 in the Tender Box located in the foyer at the Tweed Shire Council Civic and Cultural Centre, Murwillumbah NSW 2484.

#### RECOMMENDATION:

That:

1. Council awards the contract EC2014-036 Supply of Retail Electricity (Large Sites) to Momentum Energy Pty Ltd for a 3 year contract period commencing on 1 July 2014 (or the first meter read after that date) and finishing on 30 June 2017 (or the first meter read after that date) as per the Contract for the Sale of Electricity between Momentum Energy Pty Ltd ABN 42 100 569 159 and TWEED SHIRE COUNCIL ABN 90 178 732 496 dated 04/04/14.
2. Council delegates the General Manager to sign the Contract Acceptance before close of business on Friday 11 April 2014 and the subsequent Retail Electricity Supply Agreement with Momentum Energy Pty Ltd.
3. ATTACHMENT 1 is CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-
  - (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

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### REPORT:

#### Tender Background

Tender EC2014-036 Supply of Retail Electricity (Large Sites) was called to ensure continued electricity supply to Council operated infrastructure that consume more than 160MWh energy per year (Large Sites).

This proposed Contract will cover the period 01/07/14 to 30/06/2017. It replaces the existing agreement EC2011-006 (with Momentum Energy) for the period 01/07/11 to 30/6/2014.

#### Tender Advertising

As per the requirements of the Local Government Regulation 2005, tenders were officially advertised for EC2014-036 on Tuesday 11 March 2014 in The Sydney Morning Herald. The tender was also advertised in The Brisbane Courier Mail, The Gold Coast Bulletin and the Tweed Link Issued 10 March 2014.

#### Tender Addendums

There was 1 Notice to Tenderers issued before close of tender. Addendum No. 01 was issued to advise tenderers that half hourly raw data for the sites was available for tendering purposes and could be obtained by contacting the Technical enquiries officer.

#### Tender Submissions

As per the requirements of the Local Government Regulation 2005, tender submissions closed at 4.00pm (local time) on Friday 4 April 2014 in the Tender box located in the foyer of the Tweed Shire Council Civic and Cultural Centre, Murwillumbah NSW 2484. One submission was recorded at the Tender Box opening and the details are as follows:

<b>Tenderer</b>	<b>ABN</b>	<b>Tendered Amount (incl GST)</b>
Momentum Energy Pty Ltd	42 100 569 159	Schedule of Rates

#### Late and/or Non-Conforming Tenders

Since the close of tender there have been a number of submissions received via email and the details are as follows:

<b>Tenderer</b>	<b>ABN</b>	<b>Tendered Amount (incl GST)</b>
ERM Business Energy	87 126 175 460	Schedule of Rates
AGL Sales Pty Ltd	88 090 538 337	Schedule of Rates

None of the late and/or Non-conforming offers were assessed or considered in line with Councils Procurement Policy. Emailed tender submissions are not accepted.

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### Tender Evaluation Criteria

The evaluation criteria as per Tender Evaluation Plan dated 5 March 2014 was as follows:

<b>Criterion</b>	<b>Document Reference</b>	<b>Weighting (%)</b>
Value for Money (Normalised Tender Price)	Schedule 2 & 3	65
Financial Details and Capacity	Schedule 4	Yes/No Item
Customer Service Agreement	Schedule 5	5
Proposed Retail Electricity Supply Agreement (RESA) and Conditions	Schedule 8	10
Company Insurances	Schedule 9	Yes/No Item
Sustainable Procurement	Schedule 10	10
Local Content	Schedule 11	10
	Total	100

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### Evaluation Summary

As there was only one conforming tender received, the only assessment that could be made is to compare the rates offered with the current rates under Contract EC2011-006.

Momentum Energy Pty Ltd is the existing provider under Contract EC2011-006 and the rates offered for Tender EC2014-036 are actually lower than the current agreement. This means there should be a slight drop in the consumption component costs of future electricity bills.

Details of the comparisons are shown on the attached Tender Evaluation Spreadsheet which is CONFIDENTIAL in accordance with Section 10A(2)(c) of the Local Government Act, 1993, because it contains information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business. Accordingly, disclosure of the information is not in the public interest.

However it must be noted that the majority of the cost of electricity bills (60 to 70%) is in the Network and Government charges which are pass through charges by any retailer and as such the consumer has no control over the rates of this part of bills.

In summary, the offer from Momentum Energy Pty Ltd is deemed as the most advantageous option for Council to ensure electricity for large sites is competitive until 30 June 2017.

### Recommendations

It is recommended that Council awards Contract EC2014-036 Supply of Retail Electricity (Large Sites) to Momentum Energy Pty Ltd for a 3 year contract period commencing on 1 July 2014 (or the first meter read after that date) and finishing on 30 June 2017 (or the first meter read after that date) as per the Contract for the Sale of Electricity between Momentum Energy Pty Ltd ABN 42 100 569 159 and TWEED SHIRE COUNCIL ABN 90 178 732 496 dated 04/04/14.

And that Council delegates the General Manager to sign the Contract Acceptance before close of business on Friday 11 April 2014 and the subsequent Retail Electricity Supply Agreement with Momentum Energy Pty Ltd.

### OPTIONS:

1. That Council accepts the recommended Tenderer.
2. That Council does not accept the recommended tenderer.

### CONCLUSION:

It is recommended that Council awards Contract EC2014-036 Supply of Retail Electricity (Large Sites) to Momentum Energy Pty Ltd.

### COUNCIL IMPLICATIONS:

#### a. Policy:

Procurement Version 1.3.

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**b. Budget/Long Term Financial Plan:**

Electricity is an operational charge that is covered in the budget allocation for each operational site.

**c. Legal:**

Not Applicable.

**d. Communication/Engagement:**

**Inform** - We will keep you informed.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

*(Confidential)* Attachment 1. EC2014-036 Supply of Retail Electricity (Large Sites) - Tender Evaluation Report (ECM 3335963).

*(Confidential)* Attachment 1. EC2014-036 Supply of Retail Electricity (Large Sites) - Large Sites Historical Contract Rates (ECM 3335969).

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