



30<sup>th</sup> May 2014

## **NOTICE OF EXTRAORDINARY MEETING OF THE COUNCIL**

The extraordinary meeting of the Council will be held at

**RIVERINA WATER COUNTY COUNCIL OFFICE BUILDING,  
91 HAMMOND AVENUE, WAGGA WAGGA**

on

**WEDNESDAY, 4<sup>th</sup> JUNE 2014 at 9.30 am**

Your attendance is requested accordingly.

Yours faithfully

A handwritten signature in black ink, appearing to read "G J Haley", is written over a light blue horizontal line.

G J Haley  
GENERAL MANAGER



# **\* AGENDA \***

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# GENERAL MANAGER'S REPORT TO THE COUNCIL

## **BUSINESS WITH NOTICE**

30<sup>th</sup> May 2014

The Chairperson and Councillors:

### **1. TENDER RFT2014/019 SUPPLY OF ELECTRICITY TO LARGE & SMALL SITES**

**RECOMMENDATION:** That Council consider the report "TENDER RFT2014/019 SUPPLY OF ELECTRICITY TO LARGE & SMALL SITES & STREET LIGHTING", whilst the meeting is closed to the public, as it relates to commercial information the disclosure of which would prejudice the commercial position of the person who supplied it, as prescribed by Section 10A(2)(c) of the NSW Local Government Act

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Yours faithfully



Graeme Haley  
GENERALMANAGER

**CLOSURE OF MEETING TO THE PUBLIC**  
**(Confidential Reports)**

## 2. TENDER RFT2014/019 SUPPLY OF ELECTRICITY TO LARGE & SMALL SITES

**RECOMMENDATION:** That Council:

- Award Origin Energy Electricity Ltd the contract for the supply of electricity to Riverina Water's large and small sites for an estimated price of \$757,703 (this cost does not include associated network charges)

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Tenders for the supply of electricity for small sites, large sites, street lighting and high voltage sites were called by WWCC on behalf of Riverina Water County Council, Goldenfields Water County Council and Wagga Wagga City Council. Tenderers were invited to submit fixed prices for a 12 month period ending 30 June 2015. The contract has 2 x 12 month contract extensions that may be utilised at the discretion of each Council.

Please note that this tender is for supply of energy and does not include electricity network charges.

Tenders closed Monday 26 May 2014 and three offers were received.

TENDERER
ERM Power Retail Pty Ltd
Energy Australia Pty Ltd
Origin Energy Electricity Limited

The submissions were assessed by a tender evaluation panel consisting of:

- Mr Chris Lasdauskas – Goldenfields Water County Council
- Mr Jason Ip – Riverina Water County Council
- Mr Mark Hewson – Supervisor Contract Services – Wagga Wagga City Council

The tenders were assessed using the criteria contained in the tender documents, being:

- Price
- Quality / Experience
- Performance Record

The following general convention was used to assign scores against each element of the evaluation criteria. Assignment of scores within ranges was at the discretion of the panel and allocated on an averaged basis against the predetermined weightings.

<b>Score Range</b>	<b>Represents</b>
0	Fails to meet the requirement
1-2	Minimal compliance with the requirement
3-4	Moderately satisfies the requirement
5-6	Partially satisfies the requirement
7-8	Satisfies the majority of the requirement
9-10	Fully Satisfies the requirement

Please refer to APPENDIX A for Tender Assessment Report.

## Rates and pricing

<b>Energy Australia Pty Ltd</b>	<b>Peak</b>	<b>Shoulder</b>	<b>Off Peak</b>
<b>1 Year Fixed large sites: 1/7/2014 - 30/6/2015</b>	4.5364c/kwh	4.5364c/kwh	3.035c/kwh
<b>1 Year Fixed small sites: 1/7/2014 - 30/6/2015</b>	Single tariff sites		
	30.96c/Kwh		
<b>1 Year Fixed street lighting: 1/7/2014 - 30/6/2015</b>	Peak	Shoulder	Off Peak
	4.5634c/Kwh	4.5634c/Kwh	3.035c/Kwh
<b>Metering Charges</b>	\$112/meter per month		
<b>Environmental Charges</b>	0.7398c/kwh		

<b>ERM Power Retail Pty Ltd</b>	<b>Peak</b>	<b>Shoulder</b>	<b>Off Peak</b>
<b>1 Year Fixed large sites: 1/7/2014 - 30/6/2015</b>	4.3591c/kwh	4.4984/kwh	3.2141/kwh
<b>1 Year Fixed small sites: 1/7/2014 - 30/6/2015</b>	Single tariff sites		
	This was offered under NSW State Gov. Contract 677*		
<b>1 Year Fixed street lighting: 1/7/2014 - 30/6/2015</b>	Not offered		
<b>Metering Charges</b>	\$112.50/meter per month		
<b>Environmental Charges</b>	0.4894c/kwh		

\*ERM provided the signed deed between themselves and NSWBuy. The pricing within in the deed did not clearly identify what was to be applied to Council and expired 30/06/2013.

<b>Origin Energy Electricity Limited</b>	<b>Peak</b>	<b>Shoulder</b>	<b>Off Peak</b>
<b>1 Year Fixed large sites: 1/7/2014 - 30/6/2015</b>	4.362c/kwh	4.362/kwh	2.956/kwh
<b>1 Year Fixed small sites: 1/7/2014 - 30/6/2015</b>	Single tariff sites		
	28.8c/Kwh		
<b>1 Year Fixed street lighting: 1/7/2014 - 30/6/2015</b>	Peak	Shoulder	Off peak
	4.362c/Kwh	4.362c/Kwh	2.823c/Kwh
<b>Metering Charges</b>	\$95/meter per month		
<b>Environmental Charges</b>	0.787c/kwh		

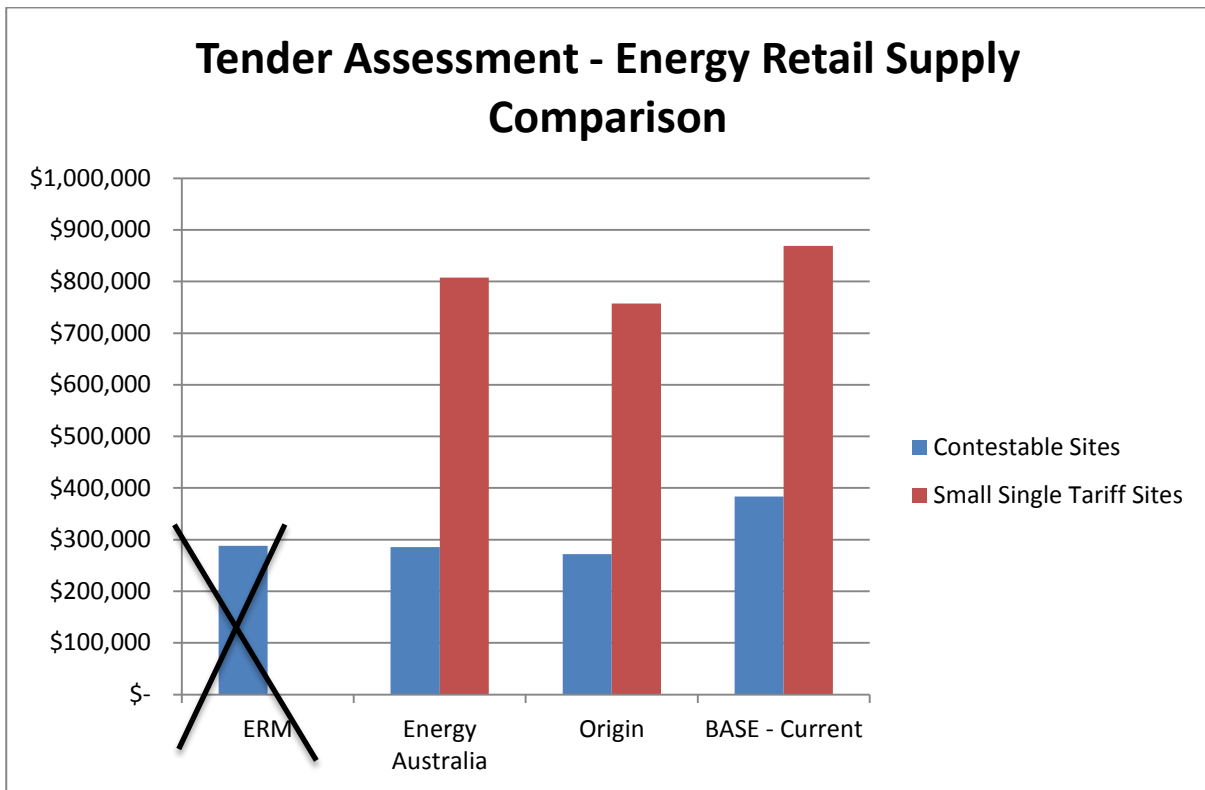
The rates from each tenderer multiplied by Riverina Water's historic annual usage are represented in dollar terms at the table below.

<b>Tenderer</b>	<b>Estimated annual cost of power</b>
Energy Australia Pty Ltd	\$807,390
ERM Power Retail Pty Ltd	Not able to be compared*
Origin Energy Electricity Limited	\$757,703

\*ERM made no offer for street lighting & their offer of small sites is confusing.

Cost changes over previous rates using the same historical annual usage dataset was estimated to be \$868,934 which is an estimated cost saving of \$111,231.

## APPENDIX A





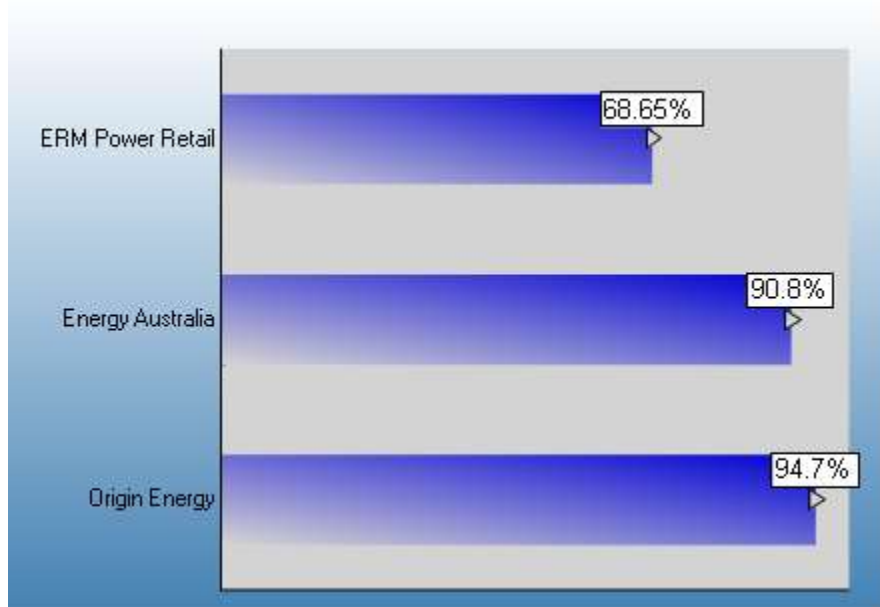
## Results

### Provider Ranking

Providers	Non Price		Price	Final Rank
Origin Energy	94.7%	1	\$0.00 1	1
Energy Australia	90.8%	2	\$0.00 1	1
ERM Power Retail	68.65%	3	\$0.00 1	1

### Overall Provider Effectiveness

Providers	Effectiveness
Origin Energy	<u>94.7 %</u>
Energy Australia	<u>90.8 %</u>
ERM Power Retail	<u>68.65 %</u>



Section: Price

Providers	Effectiveness
Energy Australia	96 %

Origin Energy	99 %
ERM Power Retail	68 %

Section: Capability/experience

Providers	Effectiveness
Energy Australia	60 %
Origin Energy	75 %
ERM Power Retail	60 %

Section: Performance record

Providers	Effectiveness
Energy Australia	80 %
Origin Energy	80 %
ERM Power Retail	82.5 %