

9.6 Reverse Auction for Supply of Electricity to Contestable Sites and Street Lighting

REPORT BY THE MANAGER FINANCE
TO 21 APRIL 2021 ORDINARY MEETING
GOV400088, ENE100001

RECOMMENDATION

That Council:

1. **receive the report by the Manager Finance on the Reverse Auction for Supply of Electricity to Contestable Sites and Street Lighting;**
2. **the tender from XXX to supply Council with energy to its contestable sites for a period of 18 Months be accepted with contract to commence from 1 January 2022 at an estimated total value of \$xxx excluding GST;**
3. **the tender from XXX to supply Council with energy for street lighting (Mudgee, Gulgong, Rylstone) for a period of 18 months be accepted with contract to commence from 1 January 2022 at an estimate total value of \$xxx excluding GST; and**
4. **authorised the General Manager to execute any necessary contract documentation.**

Executive summary

At the meeting of 17 March 2020, Council resolved to commence the process of a reverse auction for supply of electricity from 1 January 2022 to 30 June 2023 for contestable metered sites and street lighting. The current contracts are due to expire on 31 December 2021.

Disclosure of Interest

Nil.

Detailed report

Regional Procurement® in association with EnergyAction™ has conducted a series of reverse auctions on behalf of Mid-Western Regional Council (MWRC) for the single source supply and delivery of electricity over two (2) categories:

- Category 1: Contestable Metered Sites (Auction started at 2:20pm on 20 April 2021)
- Category 2: Street Lighting (Auction started at 2:00pm on 20 April 2021)

This Reverse Auction was advertised in the following media:

- Uploaded to TenderLink on 13 April 2021
- Sydney Morning Herald on 13 March 2021

Registrations closed 11.00am 20 April 2021.

Contestable sites are those where the electricity consumption exceeds 100MWh per annum. Currently Council has seventeen sites comprising water and sewer pumping stations, swimming pools, Mudgee Depot, Mudgee Sewer Treatment Plant, Glen Willow Complex, Mudgee Valley Caravan Park and Mudgee Administration Centre. The street lighting contract covers the towns of Mudgee, Gulgong and Rylstone. All other sites form part of the “small market sites” category.

Community Plan implications

Theme	Good Governance
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

Strategic implications

Council Strategies

Not applicable.

Council Policies

Procurement Policy - Purchase of Goods and Services above \$250,000 shall be administered in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005

Legislation

Section 55 of the Local Government Act 1993, in conjunction with the Local Government (General) Regulation 2005, provides the legislative framework for tendering

Financial implications

The benchmark is estimated based on projected electricity usage for contract term and the current rate:

Contestable sites \$971,085 per annum

Street lighting \$223,313 per annum

The variations to the budget will be recommended through the relevant Quarterly Budget Review or budget setting process as appropriate.

Associated Risks

Not applicable.

NEIL BUNGATE
MANAGER FINANCE

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

7 April 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER