



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that a Meeting of the Tenders Subcommittee will be held on:-

DATE: **Friday** **25 August 2006** **TIME:** **9.00 am**

VENUE: **Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere**

to consider the business as set out herein and to take any necessary action connected therewith.

Pp

Sharan Simiona .

21 August 2006

Ngareta Delamere
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

Councillors JM Clews, QSO, JP (Chairman)
 RI Clow (Deputy Chairman)

Chief Executive Officer

Director: City Services

Director: Corporate & Civic Services

Director: Strategy & Development

Director: Quality Assurance

Director: Finance

Maori Issues Manager

Mayor RA Harvey, QSO, JP (ex officio)

Deputy Mayor CA Stone (ex officio)

(Quorum 4 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 25 AUGUST 2006,
COMMENCING AT 9.00 AM**

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WAITAKERE, ON FRIDAY, 25 AUGUST 2006,
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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Meeting Minutes - 11 August 2006

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 11 August 2006, as circulated, be taken as read and now be confirmed.



4 **CONTRACT FOR VALUATION SERVICES**

PURPOSE OF THE REPORT

The purpose of this report is to obtain approval from the Tenders Subcommittee for the Director: Finance to enter into a contract between Council and Quotable Value Rating (QV Rating) for the provision of Valuation Services and the maintenance of Councils National Property Database.

BACKGROUND

Council is required under the Rating Valuations Act 1998 to prepare and maintain a District Valuation Roll for the District. The roll is required for the purposes of rating. Council's current contract with Quotable Value Rating expired on 30 June 2006 and a new contract needs to be negotiated so Councils rating services and legal obligations under the Rating Valuations Act 1998 and Local Government (Rating) Act 2002 can be maintained. This includes the provision of a National Property Database for all the properties within our district.

STRATEGIC CONTEXT

Council has legal obligations to meet under the Local Government (Rating) Act 2002, Rating Valuations Act 1998 and the Rating Valuations Rules. Once met, these requirements allow us to structure a rating database for the collection of Waitakere City Council rates.

ISSUES

The provision of valuation services has been contestable since 1 July 1998. Since this time a small number of Councils moved to other service providers, but these have tended to be smaller local authorities, some of which have subsequently renegotiated with Quotable Value Rating. Currently Quotable Value Rating is the largest valuation service provider in the country and holds contracts with 65 Local Authorities, which includes most of the larger authorities in the Auckland Region.

The rating valuations environment is specialised and differs from standard valuation practice. Quotable Value Rating has specialist knowledge in this area, has strong local knowledge and has delivered good service to Council over previous years. They can provide a complete service in the delivery of rating valuation services, and have provided solutions to all of the numerous provisions of the Rating Valuations Act and Rating Valuation Rules with which Council must comply. For the continuity and experience that Quotable Value Rating offer they minimise Councils exposure to non-compliance with legislative requirements. Council is also currently working with Quotable Value Rating to provide a new set of property values (Annual Rental Values) for use in Councils rating review that is being conducted during the 2006/2007 year.

The current contract for valuation services is \$555,000 per annum. Quotable Value has indicated a new price for a three year term of \$580,000. However should Council wish a six year term would drop to \$540,000. For maintaining our National Property Database to the standard required by Office of the Valuer General the contract price remains the same at \$43,000.

RESOURCES

There are no additional resources required as a result of any ongoing contract with Quotable Value other staff time.

CONCLUSION

Contracting Quotable Value Rating/Quotable Value New Zealand to provide valuation services for the district ensures stable continuity of service by a supplier with a proven track record and competency and experience in providing rating valuations in Waitakere City.

RECOMMENDATIONS

1. That the Contract for Valuation Services report be received.
2. That approval be given for the Director: Finance to enter into a contract with Quotable Value New Zealand to be its Valuation Service Provider for term 1 July 2006 to 30 June 2012 at the quoted price of \$540,000 plus GST per annum.
3. That approval be given for the Director: Finance to enter into a contract with Quotable Value New Zealand for a National Property Database Management Contract for term 1 July 2006 to 30 June 2009 at the quoted price of \$43,000 plus GST per annum.

Report prepared by: John MacKenzie; Group Manager: Rates.



5 CONTRACT NO. PY06046B - WAITAKERE CITY COUNCIL BUILDING COMPLIANCE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from Tenders Subcommittee to tender Contract No. PY06046B - Waitakere City Council Building Compliance - IQP Inspections and Building Warrant of Fitness certifications, for a thirty three month term, being an initial nine months with two one-year renewals at Council's discretion.

BACKGROUND

This contract is for the Building Compliance management to enable Council to meet its obligations under Compliance Schedules, Section 100 - 111 of the New Zealand Building Act 2004. Cove Kinloch (formerly Joyce Group Limited) has undertaken the role of compliance management for Waitakere City Council for the past three years.

Council Procurement Policy

It is the Council's policy when procuring goods, works or services, to:

- Achieve the right outcomes and best value for money for its ratepayers and citizens;
- Manage risk while allowing staff to exercise business judgement and be innovative;
- Be able to demonstrate fairness;
- "Buy Waitakere" - where all things are equal, preference should be given to a local supplier;
- Reflect best management practices which include:
 - value for money, competitive prices, and cost controls;
 - timeliness;
 - technical standards of workmanship, physical quality and performance;

- increase staff effectiveness and efficiency in the management of tenders and contracts;
- avoidance of legal actions or disputes;
- meeting all corporate, political, legal, regulatory and other obligations (e.g. Health and Safety).

Any procurement option adopted must be consistent with these principles.

ISSUES

It is proposed to let the contract with a thirty three month term, being an initial nine months with two one-year renewals at Council's discretion. The contract value will be \$60,000 plus GST per annum. The longer term allows flexibility to manage the contract efficiently, as compliance requirements are perpetual.

Reasons

The request for an extended term is in line with Council's Procurement Policy and based on the following:

- The longer term will promote value for money setting a platform for competitive pricing due to the volume of work over this period;
- The longer term allows the prospective Contractor to become established and gain specific property knowledge to operate the contract efficiently;
- The tender process, although necessary, is time consuming. The Property Assets section manages over twenty contracts and the extended term allows the staff to manage the contract more effectively and exercise business judgement rather than being consumed by the process every year;
- Despite the request for a thirty three month term, the risk to Council is minimised through the following:
 - performance criteria are specifically stated within the terms and conditions of the contract which allows for early termination for non-performance;
 - the Council is under no obligation to renew the contract after the initial nine month term, or the following renewals thereafter.

RESOURCES

As this contract has the potential to commit funding from future annual budgets the approval of the Tenders Subcommittee is sought prior to tendering. The source of funding will be the aggregate budgets that reside in properties and which are currently managed by the Property Assets section. The anticipated cost for this contract in the current financial year will be met from Property Assets budgets across Council properties.

CONCLUSION

A thirty three month term for the contract reduces the internal cost to Council associated with annual tendering. It provides a platform for competitive pricing and allows Council the flexibility of terminating the contract on an annual basis or continuing for the full term.

RECOMMENDATIONS

1. That the Contract No. PY06046B - Waitakere City Council Building Compliance report be received.

2. That the Contract No. PY06046B - Waitakere City Council Building Compliance be tendered with a thirty three month term, being an initial nine months with two one-year renewals.

Report prepared by: Brenda Hoskins, Property Contracts Team Leader, Property Assets.



6 CONTRACT NO. SP04012U - LINK BRIDGE COFFEE KIOSK - REGISTRATION OF INTEREST

PURPOSE OF THE REPORT

The purpose of this report is to present to the Tenders Subcommittee the results of a registration of interest process for Contract No. SP04012U - Link Bridge Coffee Kiosk and to seek approval to invite tenders for this contract from a shortlist of registrants.

BACKGROUND

Council has recently taken partial occupation of the Link Bridge in terms of a certificate of public use permitting free movement of pedestrians between Railside Avenue and Henderson Valley Road. According to reports by Ontrack/Auckland Regional Transport Authority, by 24 October 2006 the new Henderson Station central island platform will be in operation and a large number of commuters and pedestrians are expected to use the link bridge on a daily basis in order to reach the new station, reach Council offices and migrate over the rail tracks. The main component of the link bridge (stage 1) will be completed by this date and stage 2 (escalators to Railside Avenue) is expected to be completed by late November 2006. In order to provide refreshments for commuters and pedestrians, Council has agreed to provide a modest allocation of space on the link bridge for a concessionaire to establish and operate a coffee kiosk. It is hoped to have the kiosk operational by late 2006 or early 2007.

REGISTRATION OF INTEREST PROCESS

In order to establish a shortlist of acceptable tenderers, Council has undertaken a ROI process, to ensure that only suitably experienced retailers be invited to bid for the coffee kiosk. The Registrations of Interest was publicly advertised on Saturday, 15 July 2006 and certain known retailers were also invited to apply for Registrations of Interest documents. Registrants were asked to state their skills and experience using the Weighted Attributes Method, commonly used on public projects.

REGISTRATIONS RECEIVED

Four retailers uplifted ROI documents. Registrations from three parties were received by the closing date of 1 August 2006. These retailers are listed in Table 1 below:

REGISTRANT	REG OFFICE
Esquires New Zealand Limited	Auckland
Railside Espresso	Auckland
Supreme Beanz Limited	Auckland

Table 1 - Summary of Registrants

EVALUATIONS OF REGISTRATIONS OF INTEREST

The submissions were evaluated generally in accordance with the Weighted Attribute Method as described in sections 2.4, 2.5 and 2.7 of the Transfund New Zealand Manual. Evaluation was carried out by representatives of the Project Control Group. Consensus was reached between the officers on the scores allocated. Railside Espresso failed to adequately complete the health and safety questionnaire, which resulted in a score of 35 for Management Skills. Railside Espresso's bid was therefore rejected. A summary of the results of the registrants is shown in Table 2 below:

ROI Evaluation	Exper.	Track Record	Tech Skills	Re-source	Management	Total Weight
Weight	25	25	20	15	15	100
Registrant	Grades					Index
Esquires New Zealand Limited	75	80	70	83	83	78
Supreme Beanz Limited	75	65	65	60	60	66
Railside Espresso	60	50	45	45	35	Disqualified

Table 2 - Grading of Attributes

The Registrations of Interest document for this process specified the information required and the format of the registrant's submissions. This document also identified that only the highest ranked registrants would be short-listed for invitation to tender for Contract No. SP04012U - Link Bridge Coffee Kiosk.

The two acceptable registrants demonstrated that they had proven experience in the retailing of food and beverages and could offer a satisfactory service to commuters and the public. In addition to the provision of attribute statements each registrant was required to complete a health and safety questionnaire. The health and safety information provided by the two highest ranking registrants complied with Council's requirements.

RESOURCES

The successful contractor will be required to sign a lease with Council where he offers to pay a modest and fair rent for the future coffee kiosk premises on the link bridge.

SUMMARY

The results of the Registrations of Interest evaluation process show that the two registrants suitable for this process are Esquires New Zealand Limited and Supreme Beanz Limited. These registrants all have scores of more than 60% which represents an 'above average' score and therefore are considered to be experienced and capable of completing Contract No. SP04012U - Link Bridge Coffee Kiosk in a competent manner. It is therefore recommended that the two registrants be invited to tender for Contract No. SP04012U - Link Bridge Coffee Kiosk.

RECOMMENDATIONS

1. That the Contract No. SP04012U - Link Bridge Coffee Kiosk - Registration of Interest report be received.
2. That the two qualifying registrants being Esquires New Zealand Limited and Supreme Beanz Limited be invited to tender for Contract No. SP04012U - Link Bridge Coffee Kiosk.

Report prepared by: Joe Schady, Senior Project Engineer: Special Projects.



7 CONTRACT NO. RM03502B - ELECTRICITY SUPPLY

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to extend the contract period for Contract No. RM03502B - Electricity Supply until March 2009.

BACKGROUND

Waitakere City Council tendered for electricity supply in May 2004 and received one tender for the whole load and one tender for a partial load (which excluded street lighting). The tender requested pricing for a two year and a three year contract period. Genesis Power Ltd [trading as Genesis Energy] was the awarded Contract No. RM03502B - Electricity Supply for electricity supply until the end of March 2007.

The ability to extend Contract No. RM03502B - Electricity Supply for an additional two or three years was included in the contract with Genesis Power Limited. Genesis Power Limited has provided Council with pricing for the additional two or three years for Council's consideration.

During the current contract period Council has been working on its energy management programme. The savings to date for electricity and gas usage and costs are:

	One-Off Cost Savings	On-Going Cost Savings	One-Off kWh Savings	On-Going kWh Savings
2001/2002	\$ -	\$63,070	-	264,903
2002/2003	\$8,788	\$5,870	85,915	280,759
2003/2004	\$4,497	\$68,563	-	273,734
2004/2005	\$46,244	\$69,595	-	279,978
2005/2006	\$14,083	\$222,893	837,514	631,070
2006/2007 saving from work in previous financial years		\$211,560	-	208,934
Subtotal	\$73,612	\$641,551	923,429	1,939,378
Cumulative Savings		\$715,163	kWh	2,862,807

Table 1 - Council's Corporate Energy Savings

The majority of energy management projects to date have included negotiating electricity and gas contracts, negotiating electricity connection reductions for buildings and sites with Genesis and Vector, closing old electricity accounts not disconnected, identifying possible overcharges and negotiating refunds, correcting power factor problems to avoid penalties, installing light switches, working with West Wave to install variable speed drives, improving gas efficiency at Massey Leisure Centre and Library, and identifying saving from renewable energy projects.

In 2004 Waitakere City joined the international Communities for Climate Protection (CCP™-NZ) campaign. CCP™- NZ is delivered by the International Council for Local Environmental Initiatives (ICLEI) and funded by the Ministry for the Environment. The programme provides encouragement and guidance to local Councils via a strategic framework and peer support locally and internationally.

Council's corporate base year 2002 greenhouse gas emissions were 6,059 tonnes of carbon dioxide equivalents (CO₂e). In a business as usual scenario, where no action is taken, these emissions are expected to rise by 65% by 2010. The key source of greenhouse gas emissions from Council's operations is electricity use for buildings and streetlights.

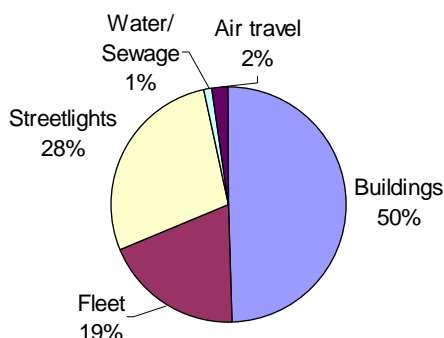


Figure 1 Waitakere City Council Corporate Carbon Emissions

The 'Waitakere City Greenhouse and Energy Action Plan' propose the following targets for Council's corporate emissions (base year 2001) based on a per capita ratio:

- Stabilise total greenhouse gas emissions by 2010;
- Reduce total emissions by 50% by 2021.

These goals are based on the long term community goal to reduce per capita emissions to one tonne per year.

The first greenhouse gas target is intended to be achieved by 2010 through improving the energy efficiency of Council's operations, i.e. to use less kilowatt hours to deliver the same benefits for example lumens of light from street lights or office lights. The second target for 2021 will be achieved in reducing the greenhouse gasses associated with the purchase of electricity and how it is generated, i.e. purchase more electricity generated from renewable sources (wind, solar, small/medium hydro) or from an electricity retailer with a higher mix of renewable energy in their energy mix. Electricity generated from large hydro projects is excluded from consideration from this project as Council is seeking to support the development of new renewable energy generation opportunities for New Zealand to diversify the renewable energy mix.

SCOPE OF WORK

Waitakere City Council's 12-month electricity load is estimated below in Table 1 as at January 2006 (including new buildings) and is anticipated to grow due to new buildings being developed during the next contract period:

Load Grouping	Total Kilowatt Hours	Number of Accounts
Street Lighting	6,109,820	2 accounts
Time of Use sites		
HEP0331 Load*	6,791,145	5 accounts
HEN0331 Load*	522,458	2 accounts
Non-Time of Use sites	2,533,692	251 accounts
Total	15,957,692	265 accounts

Table 1 -Council's Annual Electricity Load

NOTE: HEP0331 and HEN0331 refer to different grid exit points and they incur slightly different pricing due to different electricity losses experienced from each grid exit point.

TENDERS RECEIVED

Genesis has submitted pricing to extend Contract No. RM03502B - Electricity Supply for either a period of either two or three years. This is summarised in Table 2 below:

TENDERER	REG OFFICE	TENDER PRICE Two Year Contract (EXCL GST)	TENDER PRICE Three Year Contract (EXCL GST)
Genesis Power Limited [trading as Genesis Energy]	Hamilton	\$2,835,646	\$4,325,885

Table 2 - Summary of Contract Costs

The prices are for energy usage costs only and do not include daily line charges as these are determined by the network company annually. The tender prices are estimated on the energy usage above and final costs will depend upon the usage of Council sites during the contract period.

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

Tender	Attributes	Exper.	Track	Tech.	Manag.	Method.	Price	Contract Number RM03502B
Evaluation			Record	Skill	Skill			Total Weights
	Weights	6	6	6	6	6	70	100
Tenderer	Tender Sum			Grades				INDEX
Genesis Power Ltd	\$2,794,483.00	60	60	60	60	65	50	53

Table 3 - Summary of Tender Evaluation

Genesis Power Limited has supplied electricity to Council installations since 2000 through the electricity supply contracts. A number of issues were experienced during this contract with successful resolution or outcomes, working with Genesis and the electricity meter reading company to reduce the number of un-read sites, assisting with the negotiation to reduce line charges for Waitakere Central Library (saving \$11,303) and other buildings, and providing electronic data transfer for EnergyPro (Council's energy monitoring system).

TAGS, ERRORS OR OMISSIONS

There are no tags, errors or omissions.

CREDIT CHECK

A credit check on Genesis Power Limited has been requested.

JOB COSTS

Compared to the current 2004-2007 electricity contract the overall price increase for electricity supply costs only, excluding line costs for the two contract extension periods are 12.6% for the two-year contract extension and 14.5% for the three-year contract extension as summarised below in Table 4:

Load Grouping	Current Unit Price	2 Year Contract Extension	% Increase	3 Year Contract Extension	% Increase
Time of Use					
HEP0331 (average)	\$0.0831	\$0.0887	6.7%	\$0.0873	5.1%
HEN0331 (average)	\$0.0831	\$0.0886	6.6%	\$0.0871	4.8%
Non Time of Use	\$0.0826	\$0.0890	7.7%	\$0.0915	10.8%
Street Lighting	\$0.0697	\$0.0842	20.8%	\$0.0856	22.8%
Estimated Annual Energy Cost with Equivalent Loads*	\$1,259,620	\$1,417,823	12.6%	\$1,441,962	14.5%
Estimated Line Annual Cost*	\$1,228,727	\$1,228,727		\$1,228,727	
Estimated Annual Average	\$2,488,347	\$2,646,550	6.4%	\$2,670,689	7.3%

Table 4 Tender Price Comparison

Note: The new sites Council has opened in 2005/2006 have been added into the current price comparison to allow equitable comparison of electricity usage and costs. Annual line cost of \$675,743 for 2005/2006 is used to compare annual costs for comparability, although they are typically changed by Vector every 12 months.

The estimated annual electricity costs (electricity usage and line charges) for the two contract extension periods is shown below in Table 5 Comparison of Annual Electricity Costs, not taking into account changes in Council's energy use due to changes in business, nor increased line charges as these are determined by the network company, not the electricity retailer.

Contract Period	2006-07	2007-08	2008-09	2009-10
April 2007 - March 2009	\$690,728	\$2,640,643	\$1,961,728	
	3 months	12 months	9 months	
April 2007 - March 2010	\$694,450	\$2,655,531	\$2,681,997	\$1,980,087
	3 months	12 months	12 months	9 months

Table 5 Comparison of Annual Electricity Costs

SOURCE OF FUNDING

Budget provision for this contract has not been fully provided for in the Long Term Council Community Plan. The difference for a full year term for 2007/2008 is \$354,589.

The overall shortfall in 2006/2007 is limited due to exposure to three months of contract period and is estimated to be \$257,495.

There are two main areas where the shortfall has occurred:

Libraries: The combined effect of a budget error and an underestimation for the new libraries has produced a shortfall.

Transport: Although the street lighting budget did account for an increase in power charges, the full extent was not budgeted for and a shortfall has resulted in this area as well.

This contract needs to be let as it is an essential service and we are unlikely to obtain a better price. It is recommended that this committee approve the contract and that the Chief Executive be directed to identify and target savings in the operational budget for 2006/2007 and that these savings together with the consequences be brought to the Finance and Operational committee for approval. Furthermore it is recommended to the Long Term Community Council Plan and Annual Plan Special Committee that an additional \$354,589 be included in the 2007/2008 budget to fund electricity. A similar adjustment will be required for 2008/2009. Should these recommendations be rejected by the subsequent Committees then a variation report be brought back to this Committee detailing reductions and the resulting reductions in levels of service.

SUMMARY

It is recommended that Contract No. RM03502B - Electricity Supply be extended for two years - April 2007 to March 2009. This would enable Council to benefit from lower price increases for another two years as it further investigates how to increase the supply of electricity with a higher renewable energy mix and investigates how to source part of the electricity load from dedicated renewable energy supplies.

Council will benefit from a lower energy usage price increase of 12.6% for the Council's entire electricity load from extending the current contract for another two years rather than re-tendering potential price increases of 24 - 30% as experienced through previous tender processes and the same supplier winning the contract.

Genesis Power Limited has been supplying electricity to Council at a cost effective price since 2000. The tender round for the supply of electricity for 2004-2007 resulted in two tenders being received. Only one tender covered street lighting, resulting in Genesis not only winning the tender on price and attributes, but also being the only tender willing to cover the street lighting load.

Before tendering electricity supply in 2009 work will need to be initiated with electricity retailers to the Auckland area to ensure they have a better understanding regarding their ability to supply electricity for street lighting. Council continues to be left in a situation where other electricity retailers will not tender supplying electricity for Council's street lighting load.

Council is currently developing the 'Waitakere City Greenhouse and Energy Action Plan' which includes a target of '20% of Council electricity from new renewables by 2011'. The first stage of this project during 2007-2009 will be to tender supply of one Council building to be supplied from 100% renewable energy from a new renewable electricity generation. The second stage will be to tender a larger proportion of Council electricity requirements to be supplied from 100% renewable energy from dedicated renewable energy generation, and incorporate a greater weighting to the electricity mix for the weighted attributes to ensure the 2009 electricity contract is supplied from a higher level of renewable energy in their electricity mix than currently.

It is recommended that a clause be added to Contract No. RM03502B - Electricity Supply that stipulates, "*Waitakere City Council retains the right to gain electricity supply from a third party for a trial project to source new renewable energy (excluding large hydro) as part of Council overall electricity supply without prejudice to this contract. The Council will offer Genesis the opportunity to provide electricity from a new renewable electricity supply (excluding large hydro).*"

RECOMMENDATIONS

1. That the information be received.
2. That the Chief Executive Officer be directed to identify savings in the 2006/2007 budget to fund the electricity cost shortfall of \$257,495 and that these savings together with consequences be brought back to the Finance and Operational Performance Committee for approval.
3. That it be recommended to the Long Term Council Community Plan and Annual Plan Special Committee that an additional \$354,589 be included in the 2007/2008 year to fund electricity charges.
4. That it be recommended to the Long Term Council Community Plan and Annual Plan Special Committee that an additional \$242,713 be included in the 2008/2009 year to fund electricity charges.
5. That subject to a satisfactory credit check, the proposal for contract extension from Genesis Power Limited for Contract No. RM03502B - Electricity Supply be accepted for a period of two years, April 2007 to March 2009.
6. That the extension for the Contract No. RM03502B - Electricity Supply be negotiated with Genesis Power Ltd, based upon the pricing offered.
7. That the following condition (or similar wording) be negotiated and added to Contract No. RM03502B - Electricity Supply; *“Waitakere City Council retains the right to gain electricity supply from a third party for a trial project to source new renewable energy (excluding large hydro) as part of Council overall electricity supply without prejudice to this contract. The Council will offer Genesis the opportunity to provide electricity from a new renewable electricity supply (excluding large hydro).”*
8. That the commitment of funds for the 2006/2007, 2007/2008 and 2008/2009 financial years for Contract No. RM03502B - Electricity Supply be approved.
9. That the authority to enter into Contract No. RM03502B - Electricity Supply on behalf of Council be delegated to the Director: Corporate and Civic Services.

Report prepared by: Michelle Dawson, Project Manager Cleaner Production.

