



DIRECTOR SHIRE SERVICES REPORT

11th September 2007

DSS2	SOUTH WEST ROCKS SEWAGE TREATMENT PLANT AUGMENTATION
FILE: 965 SLM	{ Folio No. * }

SUMMARY:

Reporting on the required upgrade to the existing electricity supply for the South West Rocks Sewage Treatment Plant

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DESCRIPTION:

As part of the overall augmentation of the South West Rocks Sewage Treatment Plant and the construction of the Water Recycling Plant, a major upgrade to the existing electricity supply is required. This upgrade is an essential element in the overall project.

Country Energy has supplied a quotation for the installation of a new substation, underground high voltage cabling and removal of redundant infrastructure. The total cost being \$171,899.59 inclusive of GST.

Council's Purchasing of Goods and Services Policy (M11:17) requires formal tenders for purchases over \$150,000. This requirement is based on Section 55 of the Local Government Act 1993. However Part 3 of Section 55 states that "*This section does not apply to the following contracts:*

- *A contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenders, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders."*

Country Energy is the sole provider for this work in this area. It should also be noted that the existing electrical service to the plant is Country Energy's infrastructure.

REPORT IMPLICATIONS:

- ***Environmental***

Nil

- ***Social***

Nil

- *Economic (Financial)*

An amount of \$250,000 has been provided within the overall project budget for this upgrade.

- *Policy or Statutory*

The acceptance of the quotation by Country Energy is in line with the provisions of Section 55 of the Local Government Act 1993.

- *Director's Review*

The upgrade to the electrical supply to the sewage treatment plant is a critical part of the overall project, and should therefore proceed.

RECOMMENDATION:

- 1 That tenders not be called for the upgrading of the electricity supply to the South West Rocks Sewage Treatment Plant due to the unavailability of competitive tenderers.
- 2 That Country Energy be engaged to upgrade the electricity supply to the South West Rocks Sewage Treatment Plant in the amount of \$171,899.59.

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DIRECTOR SHIRE SERVICES