

## 13.4 QTVP/20/09 - Gas Energy Supply to Aqualife Centre

<b>Location</b>	East Victoria Park
<b>Reporting officer</b>	Jayde Robbins
<b>Responsible officer</b>	John Wong
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	Nil

### Recommendation

That Council accepts the submission from and authorises award of contract to Electricity Generation and Retail Corporation trading as Synergy (ABN 58 673 830) for the supply of gas to Aqualife Centre under the following contractual arrangements:

- a) Contract Term of two (2) years with the option of three, one-year extensions
- b) Pricing as contained within Synergy submission.

### Purpose

The purpose of the report is to consider and award the contract for gas supply to Aqualife. The acceptance of any tendered offers and the subsequent awarding of such contracts are to be determined by Council.

### In brief

- Submissions were invited for the supply of gas to the Aqualife Centre for a two (2) year period through the Western Australian Local Government Association (WALGA) Preferred Supplier Arrangement eQuotes reference VPR368382 posted on 17 September 2020. October 2020.
- The Request for Quotation closed on 5 October 2020 and the Town received three (3) submissions as follows:
  - Alinta Sales Pty Ltd
  - Perth Energy Pty Ltd
  - Synergy
- Suppliers were requested to provide a bundle price per gigajoule for the supply and delivery of the requested Gas Energy.
- An evaluation of the Quote submissions against the Town's compliance criteria and price has been completed and it is recommended that Council accepts the submission made by Synergy and awards the contract for the supply of gas to Aqualife Centre for a period of two years with a commencement date of 1<sup>st</sup> January 2021.
- Sufficient budget exists within the operating/maintenance budget for this facility, for the gas supply costs under this contract.
- Submissions were requested to provide addition information to the request for quotation in relation to any options for carbon offset. All submissions have responded there is not currently any sustainability offset options associated with a gas contract. Other solutions are currently being investigated.

### Background

1. The Town's Aqualife Centre uses gas supplies to heat the swimming and leisure pools within the Centre.

2. Due to the high volume of gas used at Aqualife it is classed as a "contestable site", and therefore the Town can go to market for gas supply.
3. The value of the total contract over two years with the option of three further one-year extensions is likely to exceed \$250,000.
4. The previous contract with Kleenheat gas has expired, however has been extended on a three-month contract extension expiring 31<sup>st</sup> December 2020.
5. A report was presented to November Agenda Briefing Forum for award of this contract, however late information was received relating to one of the submissions, which was followed up by the Senior Procurement Officer and validated by WALGA. This required the evaluation panel to review the new information, re-evaluate the tender and submit a revised recommendation for consideration at December Ordinary Council Meeting.

## Compliance criteria

6. The Town went through WALGA e-Quotes preferred supplier's arrangement. All suppliers are pre-qualified against major compliance and qualitative criteria. These requirements are in addition to the robust prequalification process that the suppliers on the WALGA Preferred Supply Arrangement been through as conducted by WALGA, on behalf of Members. Suppliers were requested to provide a bundle price per gigajoule.
7. Price should include all applicable fees and charges.

## Evaluation process

8. As the tender was submitted through WALGA panel there was no need to do a qualitative assessment as the suppliers are all pre-qualified.
9. All submissions were evaluated against the Town's compliance criteria by the Senior Procurement Officer, and all submissions were deemed compliant.
10. The submissions were assessed against price only as follows:

<b>Price</b>	<p>Weighting 100%</p> <p>The price criterion was assessed based on a lump sum cost for using the estimated 13,000 Gigajoules of gas per year.</p> <ul style="list-style-type: none"> <li>▪ A bundle price per gigajoule to supply gas based on the use of 13,000 Gigajoules of natural Gas per year.</li> <li>▪ Price should include all applicable fees and charges.</li> </ul>
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## Strategic alignment

<b>Civic Leadership</b>	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.	The expected costs associated with this contract is within the allocated maintenance and operating budget. The Town is seeking best value for money through tendering for contestable gas supply at the Aqualife Centre.

<b>Environment</b>	
Strategic outcome	Intended public value outcome or impact

EN05 - Appropriate and sustainable facilities for everyone that are well built, well maintained and well managed.	The Aqualife centre provides recreational services to the Town and the wider community. Reliable gas supply ensures the service is maintained at an acceptable level for the community.
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<b>Social</b>	
Strategic outcome	Intended public value outcome or impact
S01 - A healthy community.	The Aqualife centre provides a community site for social interaction of various groups and demographics, as well as health benefits to patrons utilising the facility.

## Engagement

Internal engagement	
Asset Planning	Budget control, tender/specification development
Procurement	Provided advice and acted as a probity advisor throughout the process.
Business Services	Aqualife Manager and team on the operational obligations of the tender.

## Legal compliance

[Section 3.57 of the Local Government Act 1995](#)

[Part 4 Division 2 of the Local Government \(Functions and General\) Regulations 1996](#)

## Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	Revenue reduction	Moderate	Likely	High	Low	Treat – Award Tender
Environmental	Not applicable				Medium	
Health and safety	Not applicable				Low	
Infrastructure/ ICT systems/ utilities	Not applicable				Medium	
Legislative compliance	Not Applicable				Low	

Reputation	Community complaints, media exposure	Moderate	Likely	High	<i>Low</i>	Treat – Award Tender
Service delivery	Disruption to facility, possible closure	Moderate	Likely	High	<i>Medium</i>	Treat – Award Tender

## Financial implications

<b>Current budget impact</b>	<p>The provision of QTVP/20/09 Gas Energy Supply for Aqualife Centre is estimated to cost \$291,304 over a two-year contract term and exceeds the \$250,000 tender requirements, therefore requiring Council approval.</p> <p>Sufficient funds exist within the annual budget to address this recommendation.</p>
<b>Future budget impact</b>	<p>Future financial budgeting covering operating and maintenance costs, including gas supply, for the Aqualife facility have been included in the long term financial plan.</p>

## Analysis

11. The Town received a total of 3 submissions. All 3 submissions were deemed compliant.
12. The assessment of the submissions was undertaken by a panel that included:
  - Building Officer
  - Coordinator Strategic Assets
  - Leisure Facilities Operations Manager
13. The submissions were assessed 100% on price as the suppliers were pre-qualified through the WALGA e-quote panel service.
14. The submissions were ranked overall as below:

Company	Ranking
Alinta Sales Pty Ltd	3
Perth Energy Pty Ltd	2
Synergy	1

## Relevant documents

[Council Policy 301 Purchasing](#)