

7.10 Contract 2021/226 - Retail Energy (Procurement Australia contract 2506-0641) - Electricity - Small Sites

Abstract

Council is currently party to a number of energy contracts managed and facilitated by Procurement Australia, namely for electricity supply (large markets) and electricity supply to public lighting, both through a Power Purchase Agreement (PPA) for green electricity. Small market electricity is currently provided through a standard supply contract. The expiration dates for these contracts are varied.

In June 2021, Council, along with a range of other councils appointed Procurement Australia as its agent to undertake an open tender process with the intention to enter into Energy Supply Agreements with successful energy retailers. This report focuses on the evaluation for retail energy as it applies to electricity supply (small markets) for a term of three years. The estimated cost of this Contract for a three-year term including the supply of GreenPower® (renewable energy from an accredited generation source) is \$1,145,100 (including GST) and excluding any price adjustment due to rise and fall. The cost to Council after the return of the GST Tax Input Credits is \$1,041,000. Expenditure in future years will be in accordance with approved budget allocations.

Procurement Australia held a competitive tendering process to establish Energy Supply Agreements with an energy retailer or retailers to service members' requirements in New South Wales, South Australia, Queensland, ACT, Tasmania and Victoria. This report seeks for Council endorsement to engage AGL as the Victorian member's energy retailer for electricity supply (small markets) under Procurement Australia Contract No. 2506-0641 satisfying the requirements of the Local Government Act 2020.

Confidential information is contained in **Attachment 2**, as circulated in the confidential section of the agenda attachments, in accordance with in accordance with Section 66 (2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2021/226, Retail Energy - Electricity Small Sites, to:
 - AGL Sales Pty Limited (ACN 88 090 538 337)

at their tendered schedule of rates for an initial contract term of there (3) years. The estimated contract cost for the maximum term is \$1,145,100 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$1,041,000.

2. To authorise the Director Places and Spaces to execute the contract agreements with the above contractors.
3. To note that expenditure under this contract in 2021-22 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.
4. To note the total estimated cost over the 3-year period allows for the supply of GreenPower electricity consistent with Council's Climate Action Plan.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/225, Retail Energy Electricity Small Sites.

2. Policy implications and relevance to community plan and council plan

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021 -31) and Council Plan (2021- 25):

Theme 3 - The Environment

Strategy 3.2 - The environmental impact of Council facilities and assets is further reduced through implementing sustainable practices.

Purchase of green electricity also aligns with the Climate Action Plan Implementation Plan, action 1.7 - Purchase green electricity for Council's small sites. This supports Council achieve its target of 90% actual emission reduction by 2030.

This procurement process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy

3. Background

Council currently purchases energy for its small sites from Origin Energy Electricity Limited under Procurement Australia 2106/0634 contract (Boroondara Contract No. 2018/147).

The current contract for the supply of electricity (small market sites) was for an initial term of two years. Officers negotiated a 12-month extension to coincide with the first year of the Power Purchase Agreement (PPA). This current contract has reached its maximum term and Council is required to enter a new contract.

Procurement Australia advised participating councils in May 2021 of their intention to conduct a new tender process for Retail Electricity contracts. In June 2021, Council indicated its intention to participate in the new tender process being conduct by Procurement Australia.

4. Outline of key issues/options

This type of collaborative procurement model run by Procurement Australia allows Council to leverage its electricity requirements as part of a much larger aggregated volume. This aggregated volume should result in a better commercial outcome for Council than would otherwise be possible.

It should also be noted that the sites listed in **Attachment 1**, which lists the initial supply sites, can be removed at any stage throughout the 3-year terms, similarly sites can be added during the 3-year term.

5. Consultation/communication

Council officers have:

- Assessed the value proposition of the Procurement Australia tender recommendation; and
- Organised for all necessary documentation required to establish the contract to be made available for execution following award of this contract.

6. Financial and resource implications

Council's 2021/2022 adopted budget has a total allocation of \$350,000 across multiple accounts for the provision of electricity supply which would be subject to this contract. All expenditure under the contract will be in accordance with Council's adopted budget at the time.

Payment will be made in line with the respective Tenderer's Schedule of Rates.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

8. Social and environmental issues

The proposed new Contract has the option to allow Council to purchase accredited GreenPower® (renewable energy from an accredited generation source) as desired albeit at a premium cost to normal energy costs. Council does not currently purchase any accredited GreenPower® for small sites however it is included as an action in the endorsed Climate Action Plan.

Purchase of GreenPower as for small market electricity will ensure Council's entire electricity purchase is 100% renewable and reduce Council's current emissions by 40% (8% of 2007 emissions).

9. Evaluation and review

As a result of the procurement process conducted by Procurement Australia, it is recommended that Council award Contract No. 2021/226, Retail Energy Electricity Small Sites to:

- AGL Sales Pty Limited (ACN 88 090 538 337)

at their tendered schedule of rates. The estimated contract cost for a maximum term of three (3) years is \$1,145,100 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$1,041,000.

Manager: **David Shepard, Manager Environmental Sustainability & Open Spaces**

Report officer: David Shepard, Manager Environmental Sustainability & Open Spaces

ATTACHMENT 1: SITE DETAILS

BOROONDARA CITY COUNCIL

Point of Delivery	Site Address	Fuel	State	Billing Class
61020004768	Cnr Memorial High St Cotham Rd KEW VIC 3101	ELEC	VIC	Business
61020045380	- LOWER DRIVE KEW VIC 3101	ELEC	VIC	Business
61020062600	35 Gellibrand Street Kew VIC 3101	ELEC	VIC	Business
61020070455	23 Allambee Ave Camberwell VIC 3124	ELEC	VIC	Business
61020075611	- Columba Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61020105518	101 BELMORE ROAD BALWYN VIC 3103	ELEC	VIC	Business
61020121606	Linda Crescent HAWTHORN VIC 3122	ELEC	VIC	Residential
61020121903	Carpark Corner Earl St Willsmere Road KEW VIC 3101	ELEC	VIC	Residential
61020123055	Corner Camberwell Road Gillman Street HAWTHORN EAST VIC 3123	ELEC	VIC	Residential
61020133708	RESERVE ROAD CAMBERWELL VIC 3124	ELEC	VIC	Residential
61020134571	533 High Street KEW VIC 3101	ELEC	VIC	Residential
61020144507	6 Wandeen Street Balwyn North VIC 3104	ELEC	VIC	Business
61020231056	P/L & BBQ / - Anderson Road Hawthorn East VIC 3123	ELEC	VIC	Business
61020245187	- Rathmines Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61020252316	PL / 90 Union Road SURREY HILLS VIC 3127	ELEC	VIC	Business
61020295083	Child Care / - Anderson Road Hawthorn East VIC 3123	ELEC	VIC	Business
61020295091	Mat Health / - - Hawthorn East VIC 3123	ELEC	VIC	Business
61020297252	- Victoria Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61020331771	95 Doncaster Road Balwyn North VIC 3104	ELEC	VIC	Business
61020434251	- Through Road Camberwell VIC 3124	ELEC	VIC	Business
61020443897	57A BUCHANAN AVENUE BALWYN NORTH VIC 3104	ELEC	VIC	Business
61020487366	Burwood Vi / - - Camberwell VIC 3124	ELEC	VIC	Business
61020525126	446 Auburn Road HAWTHORN VIC 3122	ELEC	VIC	Business
61020633300	5-9 Cotham Road KEW VIC 3101	ELEC	VIC	Business
61020692306	154 CANTERBURY ROAD CANTERBURY VIC 3126	ELEC	VIC	Residential
61020718003	Park / Stanhope Garden CAMBERWELL VIC 3124	ELEC	VIC	Business
61020727464	- Parring Road BALWYN VIC 3103	ELEC	VIC	Business
61020842306	- Henry Street HAWTHORN VIC 3122	ELEC	VIC	Business
61020982004	- Love Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61021035027	- Gordon Street BALWYN VIC 3103	ELEC	VIC	Business
61021052212	31 Willow Grove KEW EAST VIC 3102	ELEC	VIC	Business
61021141702	PARK / - Studley Park Road KEW VIC 3101	ELEC	VIC	Business
61021322002	Park BBQ / - Whitehorse Road BALWYN VIC 3103	ELEC	VIC	Business
61021330015	- Guildford Road SURREY HILLS VIC 3127	ELEC	VIC	Business
61021476260	431 AUBURN ROAD HAWTHORN VIC 3122	ELEC	VIC	Business
61021889734	- Parring Road BALWYN VIC 3103	ELEC	VIC	Business
61021990016	Traffic Co / Belmore Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61022000055	3 THEATRE PLACE CANTERBURY VIC 3126	ELEC	VIC	Business
61022011192	CNR Robinson Road HAWTHORN VIC 3122	ELEC	VIC	Business
61022024399	440 High Street KEW VIC 3101	ELEC	VIC	Business
61022305120	- Burke Road KEW VIC 3101	ELEC	VIC	Business
61022331729	PARK / 17 Whitehorse Road BALWYN VIC 3103	ELEC	VIC	Business
61022393735	PARK / 25 Fairview Street HAWTHORN VIC 3122	ELEC	VIC	Business
61022643117	649 Glenferrie Road HAWTHORN VIC 3122	ELEC	VIC	Business
61022790018	- Balwyn Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61023013228	- Charles Street KEW VIC 3101	ELEC	VIC	Business
61023033176	Park / 95 Bowen Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61023085466	- Smart Street HAWTHORN VIC 3122	ELEC	VIC	Business
61023431882	90 Maud Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61023692771	- Station Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61023778119	120 Whitehorse Road BALWYN VIC 3103	ELEC	VIC	Business
61023901705	88-90 Union Road SURREY HILLS VIC 3127	ELEC	VIC	Business
61024205731	8 Bryson Street CANTERBURY VIC 3126	ELEC	VIC	Business
61024307702	230 Balwyn Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61024366105	21 Columba Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61024386720	440 High Street KEW VIC 3101	ELEC	VIC	Business
61024392307	ROTUNDA GR / Canterbury Road CANTERBURY VIC 3126	ELEC	VIC	Business
61024400185	11 Leason Street KEW EAST VIC 3102	ELEC	VIC	Business
61024420298	- Rathmines Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business

Point of Delivery	Site Address	Fuel	State	Billing Class
61024421024	- Longstaff Street KEW EAST VIC 3102	ELEC	VIC	Business
61024422855	- Chaucer Crescent CANTERBURY VIC 3126	ELEC	VIC	Business
61024820134	- Prospect Hill Road Camberwell VIC 3124	ELEC	VIC	Business
61024833358	- Mont Albert Road CANTERBURY VIC 3126	ELEC	VIC	Business
61025000290	- Rathmines Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61025001133	SIGN / 666 Glenferrie Road HAWTHORN VIC 3122	ELEC	VIC	Business
61025001488	- LEONIS AVENUE BALWYN NORTH VIC 3104	ELEC	VIC	Business
61025001975	440 High Street KEW VIC 3101	ELEC	VIC	Business
61025084697	88A Balwyn Road BALWYN VIC 3103	ELEC	VIC	Business
61025097939	RSL / 605 Glenferrie Road HAWTHORN VIC 3122	ELEC	VIC	Business
61025131441	11 Alpha Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61025214015	- Strathalbyn Street KEW EAST VIC 3102	ELEC	VIC	Business
61025239084	- Disraeli Street KEW VIC 3101	ELEC	VIC	Business
61025299285	152 Pakington Street KEW VIC 3101	ELEC	VIC	Business
61025352886	- Grange Road Kew VIC 3101	ELEC	VIC	Business
61025493284	Auburn Street HAWTHORN VIC 3122	ELEC	VIC	Business
61025552354	- Wallen Road HAWTHORN VIC 3122	ELEC	VIC	Business
61025913103	- CRESWICK STREET HAWTHORN VIC 3122	ELEC	VIC	Business
61026122042	Guildford Road SURREY HILLS VIC 3127	ELEC	VIC	Business
61026330001	- Lynden Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61026330019	- Foley Street KEW VIC 3101	ELEC	VIC	Business
61026682706	102A Bowen Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61026933198	- Harold Street HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61027004190	CNR / Burwood Road HAWTHORN VIC 3122	ELEC	VIC	Business
61027033577	- Camberwell Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61027229125	827 BOURKE Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61027290722	- Royal Crescent CAMBERWELL VIC 3124	ELEC	VIC	Business
61027293237	383 RIVERSDALE ROAD HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61027382108	PARK / 27 Kireep Road BALWYN VIC 3103	ELEC	VIC	Business
61027391926	- Victoria Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61027400034	- Evans Place HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61027892915	Park / - Princess Street KEW VIC 3101	ELEC	VIC	Business
61028004487	31 Hutchinson Drive Kew VIC 3101	ELEC	VIC	Business
61028010825	208 Whitehorse Road Balwyn VIC 3103	ELEC	VIC	Business
61028011245	10 Rose Street HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61028015781	Jaserfold Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61028282346	- Union Road Surrey Hills VIC 3127	ELEC	VIC	Business
61028365111	- Severn Street BALWYN NORTH VIC 3104	ELEC	VIC	Business
61028403547	420 Camberwell Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61028563103	PARK / 13 Chrystobel Crescent HAWTHORN VIC 3122	ELEC	VIC	Business
61028630011	- Lister Street KEW EAST VIC 3102	ELEC	VIC	Business
61028684121	420 Camberwell Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61028784707	- Chaucer Crescent CANTERBURY VIC 3126	ELEC	VIC	Business
61028790714	PARK 3 / Burwood Road HAWTHORN VIC 3122	ELEC	VIC	Business
61029010957	Child Care / 1 Cherry Road BALWYN VIC 3103	ELEC	VIC	Business
61029013561	Lights / 590 Burke Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61029115112	26 Albury Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61029400198	440 High Street KEW VIC 3101	ELEC	VIC	Business
61029662317	- Rose Street HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61029930005	Park and / 25 Fordham Avenue CAMBERWELL VIC 3124	ELEC	VIC	Business
61029970727	25 Inglesby Road CAMBERWELL VIC 3124	ELEC	VIC	Residential
61030000237	Council Re / 17 Jacka Street Balwyn North VIC 3104	ELEC	VIC	Business
61030003073	Stradbroke / - - Kew East VIC 3102	ELEC	VIC	Business
61030019062	- Mont Albert Road CANTERBURY VIC 3126	ELEC	VIC	Business
61030030805	45 Creswick Street HAWTHORN VIC 3122	ELEC	VIC	Business
61030038499	8 Culliton Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61030075667	2 Wallen Road HAWTHORN VIC 3122	ELEC	VIC	Business
61030080031	- Mont Albert Road CANTERBURY VIC 3126	ELEC	VIC	Business

Point of Delivery	Site Address	Fuel	State	Billing Class
61030096472	315 Doncaster Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61030129843	Corner Kilby and Frater St KEW EAST VIC 3102	ELEC	VIC	Residential
61030163711	Main Dr KEW VIC 3101	ELEC	VIC	Business
61030177925	-- Glenferrie Road HAWTHORN VIC 3122	ELEC	VIC	Business
61030206237	- Smith Reserve HAWTHORN VIC 3122	ELEC	VIC	Business
61030206253	- Smith Reserve HAWTHORN VIC 3122	ELEC	VIC	Business
61030235334	840 Riversdale Road CAMBERWELL VIC 3124	ELEC	VIC	Business
61030245160	BIKE PATH / 158 Mountain View Road Balwyn North VIC 3104	ELEC	VIC	Business
61030272916	440 High Street KEW VIC 3101	ELEC	VIC	Business
61030272922	440 High Street KEW VIC 3101	ELEC	VIC	Business
61030284836	399A Belmore Street Balwyn VIC 3103	ELEC	VIC	Business
61030323503	- Auburn Road HAWTHORN EAST VIC 3123	ELEC	VIC	Business
61030325160	- Riversdale Road Camberwell VIC 3124	ELEC	VIC	Business
61030353211	- Linda Crescent HAWTHORN VIC 3122	ELEC	VIC	Business
61030359011	76 Campbell Street KEW VIC 3101	ELEC	VIC	Business
61030387366	22 Green Street CAMBERWELL VIC 3124	ELEC	VIC	Business
61030450712	283 Doncaster Road BALWYN NORTH VIC 3104	ELEC	VIC	Business
61030453706	- Charles Street HAWTHORN VIC 3122	ELEC	VIC	Business
61030471205	450-500 High Street KEW VIC 3101	ELEC	VIC	Business
61030507329	440 High Street KEW VIC 3101	ELEC	VIC	Business
64071045606	PARK / 25 Parkin Street GLEN IRIS VIC 3146	ELEC	VIC	Business
64072920688	330 Burke Road GLEN IRIS VIC 3146	ELEC	VIC	Business
64072921174	PARK / 25 Parkin Street GLEN IRIS VIC 3146	ELEC	VIC	Business
64072948695	999 Estella Street GLEN IRIS VIC 3146	ELEC	VIC	Business
64072955759	58 MUNRO AVE ASHBURTON VIC 3147	ELEC	VIC	Business
64072956212	PARK / 58 MUNRO AVE ASHBURTON VIC 3147	ELEC	VIC	Business
64072969148	337 High Street ASHBURTON VIC 3147	ELEC	VIC	Business
64072980097	7 Samarinda Avenue Ashburton VIC 3147	ELEC	VIC	Residential
64073047333	19A Bath Road Glen Iris VIC 3146	ELEC	VIC	Business
64073050118	1 Trent Street GLEN IRIS VIC 3146	ELEC	VIC	Business
64073844753	101 Glen Iris Road Glen Iris VIC 3146	ELEC	VIC	Business
64073844812	Park / - DUNLOP STREET GLEN IRIS VIC 3146	ELEC	VIC	Business
64073844828	37 Gardiner Parade GLEN IRIS VIC 3146	ELEC	VIC	Business
64073844927	B / 282 WARRIGAL ROAD GLEN IRIS VIC 3125	ELEC	VIC	Business
64076277761	LIGHTING / 282A Warrigal Road GLEN IRIS VIC 3146	ELEC	VIC	Business
64076560275	3 Welfare Parade ASHBURTON VIC 3147	ELEC	VIC	Business
64076566959	337 High Street ASHBURTON VIC 3147	ELEC	VIC	Business
64076566967	100 Glen Iris Road GLEN IRIS VIC 3146	ELEC	VIC	Business
64076946813	287 High Street Ashburton VIC 3147	ELEC	VIC	Business
64077065530	100 Glen Iris Road GLEN IRIS VIC 3146	ELEC	VIC	Business
64077124427	18 LISTON STREET GLEN IRIS VIC 3146	ELEC	VIC	Business
64077611609	- Marquis Street ASHBURTON VIC 3147	ELEC	VIC	Business
64077772506	22 MOIRA STREET ASHBURTON VIC 3147	ELEC	VIC	Business
64077806445	- Dunlop Street ASHBURTON VIC 3147	ELEC	VIC	Business
64077843743	- Winton Road ASHBURTON VIC 3147	ELEC	VIC	Business
64077886505	549-557 Warrigal Road Ashwood VIC 3147	ELEC	VIC	Business
64077928405	2A Myrmiong Street GLEN IRIS VIC 3146	ELEC	VIC	Residential
64077974837	Markham Re / 80 Victory Boulevard ASHBURTON VIC 3147	ELEC	VIC	Business
64077978185	999 Estella Street GLEN IRIS VIC 3146	ELEC	VIC	Business
64078175643	282B Warrigal Road Glen Iris VIC 3146	ELEC	VIC	Business
64078187340	21 ESTELLA Street GLEN IRIS VIC 3146	ELEC	VIC	Residential
64081015424	1 CRESCENT ROAD GLEN IRIS VIC 3146	ELEC	VIC	Residential
64081354274	- Gardiner Parade GLEN IRIS VIC 3146	ELEC	VIC	Business
64081781874	1 Summerhill Road GLEN IRIS VIC 3146	ELEC	VIC	Business
VAA0035544	34 LINDA CRESCENT HAWTHORN VIC 3122	ELEC	VIC	Business
61020759368	521 RIVERSDALE ROAD CAMBERWELL VIC 3124	ELEC	VIC	Business
61030114945	188 HIGH STREET KEW VIC 3101	ELEC	VIC	Business
64070000173	PUBLIC LIGHTING CAMBERWELL VIC 3124	ELEC	VIC	Business