



A CENTRE OF REGIONAL EXCELLENCE

AGENDA

EXTRAORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

21 MAY 2014

AT 4.00pm

AGENDA

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

PRESENT

DECLARATION OF INTEREST

PUBLIC FORUM

PRESENTATIONS - NIL

MAYORAL MINUTES - NIL

STAFF REPORTS

Operation Reports

COUNCIL COMMITTEE MINUTES - NIL

DELEGATES REPORTS - NIL

NOTICES OF MOTION - NIL

QUESTIONS WITH NOTICE - NIL

NOTICE OF RECISSIONS - NIL

BUSINESS OF GREAT URGENCY

as identified by Clause 241 of the Local Government (General) Regulations 2005

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OPERATION REPORTS

ITEM-1 OPER - 21/05/14 - CLARENCE COLLIERY WATER TRANSFER SCHEME PURCHASE OF GENERATOR

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

SUMMARY

This report provides a rationale for the proposed purchase of a 1250kVA generator to be used on a temporary basis at the Clarence Colliery Water Transfer Scheme and on a permanent basis at the Lithgow Wastewater Treatment Plant.

COMMENTARY

As Council will be aware, the Clarence Colliery Water Transfer Scheme Upgrade is due to be completed by 31st May 2014 and all components of the Scheme have been completed with the exception of the provision of power to the pump station at the Colliery dam. Council will recall that it engaged Clarence Colliery to proceed with the upgrade of the power to this pump station, however regrettably due to delays in providing some components, in particular the transformer, power will not be available to be connected to the pump station by Clarence Colliery until June.

The strict conditions of the Federal Grant require that the Clarence Transfer System be completed by 31st May 2014.

The commissioning of the scheme cannot take place without power to the Clarence Colliery pump station and it is proposed to provide temporary power to the pump station to enable testing and commissioning of the Scheme by the hire of a 1250kVA generator.

Representatives from the Department of Environment being the Federal Department who are the principal funding agency for the upgrade of the Clarence Transfer System have requested that an onsite inspection be carried out on 29th May 2014 to witness the Clarence Transfer System in operation actually delivering water to Farmers Creek Dam. This can be undertaken with the temporary use of a generator which has been hired to provide power to enable this to happen. The generator is currently on site and is in the process of being commissioned.

With regard to the hire of the generator, Council is also required to purchase a generator of a similar size in conjunction with the upgrade of the Lithgow Wastewater Sewerage Treatment Plant. This was a condition of consent to ensure that during power failures that a generator is available to enable key operations of the Wastewater Treatment Plant to continue without causing any potential pollution in Farmers Creek. This purchase is being funded through the Sydney Catchment Authority and the Office of Water and it is proposed rather than calling tenders that cost savings could be achieved by purchasing the generator that is to be hired for a four week basis for use at the Clarence Transfer System.

A quotation for the hire of a suitable sound attenuated generator compliant with current Mines Specification, a fuel cell and ancillary equipment has been obtained from Premi– Air Hire totalling \$73,092.80 inc GST for a four week period. This quotation was accepted in accordance with Council’s Purchasing Policy.

A second option being the purchase of the generator as opposed to hiring has also been investigated. A quotation of \$206,250.00 inc GST from Premi– Air Hire has been received as attached. The purchase of a generator could save three weeks hire of the generator at an estimated cost of \$50,861.25 inc GST. Regrettably a generator of this size and specification is not available through LGP or State Government Contracts thus requiring the calling of tenders in the normal fashion if purchase via open tender was to proceed.

The potential savings in purchasing the generator as opposed to hiring the generator suggest that purchasing the generator outright is an advantage to Council.

It should be noted that Council is still owed a total of \$368,234.79 from the grant funds available from the Clarence transfer scheme. With the proposed testing of the CTS and the demonstration to be held on 29th May 2014, Council will have completed its obligations in regard to the Deed of Variation and Milestone 14. Following discussions with Department of Environment, they are more than pleased to have the generator being used to demonstrate that the Clarence Transfer System is operational and subject to ensuring that the generator is onsite there seems no reason why Council will not be able to seek final payment of this outstanding amount.

The issue for Council to consider is therefore to continue with the four week hire of the generator and invite tenders for the purchase of a similar generator to be utilised at the Lithgow Wastewater Treatment Plant or reduce the hire costs by purchasing the generator currently being utilised for the testing of the Clarence Transfer System and gain substantial cost savings which could be reallocated to meet other costs associated with this project.

POLICY IMPLICATIONS

The tendering requirements of the Local Government Act do not apply to a contract where, because of extenuating circumstances, remoteness or the unavailability of competitive or reliable tenderers, a Council decides by resolution (which states the reason for the decision) that a satisfactory result would not be achieved by inviting tenders. (Section 55 3 (i) of the Local Government Act 1993)

FINANCIAL IMPLICATIONS

As outlined above.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Quotation for purchase of generator
2. Quotation for hire of generator

RECOMMENDATION

THAT due to the extenuating circumstances it would not be financially advantageous for Council to hire and separately purchase generators that Council instead purchase a 1250kVA sound attenuated mines specification compliant generator from Premi–Air Hire Eastern Creek Sydney at a cost of \$206,520 inc GST.

BUSINESS OF GREAT URGENCY

In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only of:

- a) A motion is passed to have the business transacted at the meeting: and*
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.*