


## 10. AGREEMENT FOR THE MANUFACTURE AND SUPPLY OF PLASTIC REFUSE BAGS

<b>Officer responsible</b> City Water and Waste Manager	<b>Author</b> Marea Carney, Contracts Co-ordinator, DDI 941-8452
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The purpose of this report is to seek approval to exercise the first right of renewal for a 12-month period for the above agreement and to delegate the authority for the second right of renewal for an additional 12 month period to the City Water and Waste Unit Manager.

### BACKGROUND

The Council entered into a three year agreement with Elldex packaging for the manufacture and supply of plastic rubbish bags on 1 November 2002. The agreement term was for one year with two rights of renewal for a period of 12 months each at the sole discretion of the Council. The recommendation to the Committee did not state how the rights of renewal were to be exercised. This report seeks to clarify this matter.

The Solid Waste Manager has confirmed that he has been satisfied with the level of service, the quality of product from Elldex and overall is happy with the performance of the supplier and the agreement. He therefore supports the extension of this agreement for a further 12 months. Elldex have confirmed that any increase in price would not exceed the CPI. Based on the annual CPI for the period to 30 June 2003 of 1.5% this would potentially increase the annual cost from \$615,630 to approximately \$625,000 for this right of renewal.

To facilitate this process for the subsequent year it is considered appropriate that, subject to the performance of Elldex over the next 12 months authority to exercise further rights of renewal be delegated to the City Water and Waste Manager.

- Recommendation:**
1. That in respect of the agreement with Elldex for the manufacture and supply of plastic refuse bags, the Council authorise the City Water and Waste Manager to exercise the first right of renewal for a further period of 12 months.
  2. That the Council also grant the City Water and Waste Manager delegated power to exercise a second right of renewal for a further 12 months, should he consider such further renewal to be justified.