

10. ORGANICS PROCESSING PLANT

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Corporate Plan Output: Solid Waste	

The purpose of this report is to advise an updated tender programme and add another company to the tender shortlist.

BACKGROUND

It will be recalled that in February this year the Council approved a shortlist of seven tenderers for an undercover compost plant and funding in the 2001/02 draft Annual Plan for the capital financing of this plant.

TIMETABLE

The project timeframe reported to this Committee envisaged tendering in April. The Legal Services Manager (Peter Mitchell) has subsequently advised that it is not appropriate to tender the proposal whilst it is out for public consultation as part of the 2001/02 budget process. Hence a new timetable is envisaged as follows.

Activity	Date
▪ Go to tender	16 July 2001
▪ Close tenders	26 September
▪ Tender presentations to subcommittee	1 and 2 October
▪ Council elections, negotiations with selected tenderers, subcommittee work, prepare reports, Christmas/New Year break	November/December/January
▪ Report to City Services Committee	February/March 2002

FUNDING

Capital funding of \$5.8m is programmed over the four years 2001/02 through to 2004/05. There is no better information known at this stage which suggests an update here, though the amount and timing will be revisited after tenders have been considered later this year.

TENDERING SHORT LIST

Earlier this year an Australian waste to energy company Brightstar Environmental submitted a registration of interest to tender. They were not included on the shortlist because their minimum input quantity for economic viability is 50,000 tonnes per year, which was considered more than we would want to initially commit for a start-up plant. However, in subsequent discussions with them it has become very clear that their technology is of considerable interest, and that we should not miss the opportunity of including them on the tendering shortlist. There is no legal impediment to this late inclusion.

SUMMARY

The timetable for this project has been delayed as above to allow public consultation in the Council's Annual Plan process. The delay is of no practical significance. It is strongly recommended that Brightstar Environmental be added to the shortlist of tenderers making eight in total.

Recommendation: That Brightstar Environmental be added to the tender shortlist.

Chairman's Recommendation: That the above recommendation be adopted.