

**ITEM 14. TENDER - ENVIRONMENTAL SUSTAINABILITY PLATFORM – PART
3**

FILE NO: X001499

TENDER NO: 1610

SUMMARY

This report provides details of the tenders received for the Environmental Sustainability Platform – Part 3.

The Environmental Sustainability Platform is designed to collect, manage and report on Local Government Area environmental data, including electricity, gas, water, transport, and waste. This platform is an essential tool to allow the reporting of the Local Government Area environmental performance against the stated Sustainable Sydney 2030 targets.

On 18 May 2015, Council resolved to accept the recommendation to proceed with the original Environmental Sustainability Platform tender. The tender comprised of four parts:

- Part 1 – Developing a data transformation methodology for resource and emissions performance data for the entire local government area attributed to sectors
- Part 2 – Data collection, business rules and reporting of “top down” data as specified by the methodology developed in Part 1 for use by key City of Sydney staff
- Part 3 – Data collection, business rules and reporting of actual performance reporting and tracking of sustainability programs (eg. CitySwitch) for use by key City of Sydney staff
- Part 4 – Reporting and presentation of data to the organisation and the wider community

The selected supplier for Part 3 withdrew its proposal prior to entering a contract. Part 3 was subsequently respecified and a request for tender released to market. The development on Parts 1, 2 and 4 informed the requirements for Part 3 and led to a more defined specification.

The recommendations of the Selection Panel regarding the responses received to the Request for Tender for Part 3 are the subject of this report.

This report recommends that Council accept the tender offer of Tenderer ‘C’ for the Environmental Sustainability Platform – Part 3.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offer of Tenderer 'C' for the Environmental Sustainability Platform – Part 3 for a period of three years, with the option of an extension of two years;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender;
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly; and
- (D) Council approve an increase to the budget for the project as detailed in confidential Attachment A to the subject report.

ATTACHMENTS

Attachment A: Tender Evaluation Summary (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The Environmental Sustainability Platform will contain environmental data collected from a range of data sources for the City of Sydney Local Government Area (LGA). The platform will allow City staff to better understand the environmental footprint of the LGA, to monitor progress toward State environmental targets, and test various environmental action scenarios. It will also facilitate the communication of relevant data to stakeholders via a web-based interface and will provide the public with the ability to extract reports based on user-generated queries.
2. On 18 May 2015, Council resolved to accept the recommendation to proceed with the original Environmental Sustainability Platform tender. The tender comprised of four parts:
 - (a) Part 1 – developing a data transformation methodology for resource and emissions performance data for the entire local government area attributed to sectors;
 - (b) Part 2 – data collection, business rules and reporting of “top down” data as specified by the methodology developed in Part 1 for use by key City of Sydney staff;
 - (c) Part 3 – data collection, business rules and reporting of actual performance reporting and tracking of sustainability programs (eg. CitySwitch) for use by key City of Sydney staff; and
 - (d) Part 4 – reporting and presentation of data to the organisation and the wider community.
3. On 3 August 2015, the selected supplier for Part 3 withdrew its proposal prior to entering a contract. The development of Parts 1, 2 and 4 proceeded. This helped to further inform the requirements for Part 3 and led to a more defined specification. A new Request for Tender for Part 3 was released to market in January 2016.
4. Part 3 is an essential part of the Environmental Sustainability Platform as it allows the City to monitor, report, and review the environmental performance of participants within sustainability programs provided by the City.
5. Monitoring the performance of program participants is also important to determine the effectiveness of the City’s programs. This allows the City to make informed decisions about program actions and opportunities to ensure that the greatest environmental outcome is being achieved for the resources and budget being allocated.
6. Reporting of performance to program participants can help to motivate further achievement of environmental outcomes. The data can also be used as a basis for any award and recognition actions that may be included with the programs.
7. Data from Part 3 of the Environmental Sustainability Platform can be compared with the estimated performance of a particular sector (residential, retail, commercial buildings etc.) from Part 2 of the ESP. This comparison will further enhance the City’s ability to demonstrate the effectiveness of its sustainability programs by comparing to other businesses and/or residents within the city and beyond.

8. Data from Part 3 is also to be exported to the “Open Data Platform” that has been developed in Part 4 of the project. This will allow other stakeholders such as businesses and universities to access this data for research, the building of businesses cases for new innovative start-ups, application development etc. Data governance rules are currently being developed before Part 4 is made public.
9. The Environmental Sustainability Platform is being built in accordance with anticipated objectives of the City’s forthcoming ‘Digital Strategy’, including ‘open data’ and ‘open source’.
10. The emerging ‘Data Governance Framework’ is also being referenced to improve transparency. Data has to be identifiable and auditable, particularly if it is being made more visible. It is anticipated that the ESP will be the first of its kind to adopt this framework.
11. It is essential that the City is able to capture and report on data relating to the targets noted above and to track progress against these targets for our own reporting requirements, including the Green Report, Compact of Mayors, CDP Cities, and the C40 Cities Climate Leadership Group (C40), stakeholder communications and others. This will ensure a rigorous and well-informed approach as to how the City, our residents and our businesses are progressing towards meeting the targets set by Council.
12. The tender resulted in three responses from suitably qualified suppliers. Having evaluated the responses, approval is being sought to proceed toward engagement. This report recommends that Council accept the tender offer of Tenderer ‘C’ for the Environmental Sustainability Platform – Part 3.

INVITATION TO TENDER

13. The project was advertised in The Sydney Morning Herald on 21 January 2016 and 27 January 2016. It was also advertised in The Daily Telegraph and on eTender on 21 January 2016.

TENDER SUBMISSIONS

14. Three submissions were received from the following three organisations (listed alphabetically):
 - Envizi Australia Pty Ltd
 - Institute for Sustainable Futures
 - Kinesis Pty Ltd
15. No late submissions were received.

TENDER EVALUATION

16. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
17. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.

18. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) financial and commercial trading integrity including insurances;
 - (b) the lump sum price and schedule of prices;
 - (c) demonstrated track record and technical ability in delivering works outlined in the specification;
 - (d) capacity to achieve the required scope of works and project program;
 - (e) environmental management;
 - (f) Workplace Health and Safety;
 - (g) meets functional requirements and methodology;
 - (h) meets non-functional requirements and methodology (including conformance to the Major Services Agreement); and
 - (i) provides the necessary scalability.

PERFORMANCE MEASUREMENT

19. Performance will be measured against:
- (a) satisfaction against specified key objectives and deliverables;
 - (b) the quality of work;
 - (c) time;
 - (d) reporting;
 - (e) communication; and
 - (f) WH&S compliance.

FINANCIAL IMPLICATIONS

20. Additional funds are required for this project due to higher than expected project costs. Acceptance of the recommended tender will therefore require Council to increase the budget, as detailed in confidential Attachment A.

RELEVANT LEGISLATION

21. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
22. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.

23. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

24. The licence for the incumbent software currently providing Part 3 functionality has been extended to allow for the delay incurred, due to the previously successful Part 3 Tenderer withdrawing.
25. If Council approval to engage the preferred Tenderer is granted, then the project is expected to be fully operational by late December 2016.

OPTIONS

26. **Proceed with the project** – Council had previously approved proceeding with this project. The sole reason for re-tendering was due to the preferred tenderer withdrawing before contract closure. This is the preferred option.
27. **Do not proceed with the project** - monitoring and reporting on the performance of sustainability programs is required to ensure that Council funds and resources are being allocated to maximise the environmental outcome for the budget available. Ceasing of sustainability programs reporting would likely have a significant negative impact on program participants. This is not the preferred option.

PUBLIC CONSULTATION

28. No external consultation has been undertaken in developing this Tender. There were no external advisers on the evaluation panel.
29. Key participants in the City's sustainability programs participated in the original Request for Tender process. The City will continue to elicit input from this stakeholder group during the development of Part 3 of the Environmental Sustainability Platform.

KIM WOODBURY

Chief Operations Officer