

Tender - Reject and Negotiate - Renewable Energy Concierge

File No: X013361.005

Tender No: 1954

Summary

This report recommends to reject all Tenders received for the delivery of the Renewable Energy Concierge program and negotiate with any suitably qualified provider.

The Renewable Energy Concierge program is designed to facilitate greater uptake of solar in the local government area and uptake of large scale renewable energy generated offsite by residents and businesses, in line with the Renewable Energy Master Plan.

Tender submissions were received and evaluated for the Renewable Energy Concierge. Subsequently, it was identified that the service levels within the Request for Tender and the submissions were divergent enough to warrant a revised scope of works and control measures for the program.

To ensure high quality and timely service delivery, this report recommends Council reject all tender submissions received and enter into negotiations with any suitably qualified provider.

The program delivery timeframe remains unchanged at three years, meaning program completion by June 2023. This allows sufficient time for the negotiation process.

Recommendation

It is resolved that:

- (A) Council reject all tenders received for RFT 1954 Renewable Energy Concierge;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to approach any suitably qualified providers to negotiate, execute and administer the contracts relating to the tender in accordance with the register of delegations from the Chief Executive Officer to staff, as amended from time to time; and
- (D) Council be informed of the successful vendor via the CEO Update.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City has endorsed targets for 50 per cent of electricity used in the local government area to be from renewable energy sources by 2030 and for net zero greenhouse gas emissions by 2050. A suggested target of net zero by 2040 has also been noted by Council at the meeting held on 17 February 2020. Renewable energy is a key way to achieve these targets.
2. The Renewable Energy Concierge is an opportunity to deliver on an action within the City's Environmental Action Strategy to "invest up to \$10 million to accelerate the uptake of renewable energy by our local businesses and residents, with a preference for local sources where feasible".
3. The aim of the Renewable Energy Concierge is to facilitate the installation of at least five megawatts (MW) of new solar photovoltaic (PV) within the City of Sydney by June 2023 and assist city residents and businesses to purchase offsite renewable energy for the remainder of their energy needs.
4. At present, there is around 10MW of local solar. On-site renewable energy uptake is lower in the City than many other Sydney metropolitan jurisdictions, due in part, to the number of multi-unit developments, high proportion of rental properties, and other information barriers. This program is intended to address these issues, and in particular facilitate access to appropriate and relevant information.
5. The Renewable Energy Concierge will provide comprehensive information, support and referral services to residents and businesses operating in the local government area regarding various renewable energy options including onsite solar PV and offsite options including GreenPower, power purchase agreements, and other mechanisms.
6. The service will be available to businesses and residents within the City including owners, tenants and relevant decision makers to provide independent advice that complements existing market services.
7. The Renewable Energy Concierge will be a qualified specialist who is able to respond to enquiries in an informed and consistent way, for example providing guidance on the planning process to solar PV and what planning restrictions are in place in heritage conservation areas.
8. The program will be integrated within other City initiatives including a Solar Challenge (identifies buildings most suited for solar); a renewable energy marketing campaign; and sector based sustainability programs.
9. The Renewable Energy Concierge will work with the City to integrate the service into existing sustainability programs, co-develop materials, and regularly review and enhance the service based on identified customer need.
10. A tender process was undertaken in accordance with the City's Procurement and Contract Management Policy. The City was able to attract four submissions as an outcome of this exercise.
11. Based on the tender evaluation process, none of the tenders were deemed to be compliant.

12. As a result it is recommended Council reject all tender submissions for the Renewable Energy Concierge Tender, and enter into negotiations with suitably qualified service providers.
13. It is anticipated that negotiation would result in the Renewable Energy Concierge delivering the same outcomes while mitigating against potential risk to the City through clarification of service levels, appropriate contract clauses and other controls.

Invitation to Tender

14. The Request for Tender was released via Tenderlink on 23 July 2019 and closed 21 August 2019. It was advertised via Sydney Morning Herald and Daily telegraph newspapers on 16 July 2019.

Tender Submissions

15. Four submissions were received from the following organisations:
 - BOOMPower
 - Komo Energy Pty Ltd
 - Point Advisory
 - The Trustee for BGe Unit Trust/Blue Green Engineering
16. No late submissions were received.

Tender Evaluation

17. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
18. None of the tenders were deemed to be compliant as outlined in the Confidential Tender Evaluation Summary – Attachment A.
19. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) Lump sum price.
 - (b) Qualifications, experience and availability of personnel (including sub-contractors) that will manage and/or provide renewable concierge services.
 - (c) Methodology for identification, interaction and conversion of opportunities to customer investment or purchasing decisions including draft activity resourcing plan and schedule of activities.

- (d) Demonstrated capacity and experience to develop, manage and deliver advisory services relevant to both business and residential customers in the City in relation to solar PV design and installation at commercial (and desirably residential) scale.
- (e) Demonstrated capacity and experience to develop, manage and deliver advisory services relevant to both business and residential customers in the City in relation to purchasing of off-site renewable energy.
- (f) Demonstrated capacity and experience to develop, manage and deliver advisory services relevant to both business and residential customers in the City in relation to educational, promotional or advocacy services on a comparable scale within or on behalf of government or non-profit bodies.
- (g) Demonstrated understanding of customer service requirements relevant to the design, management and provision of concierge services, so as to ensure effective end-to-end advisory support.
- (h) Environmental management and Fair Work requirements.
- (i) Work Health and Safety and financial and commercial trading integrity including insurances.

Performance Measurement

- 20. Upon entering into a contract, the City will ensure performance standards are monitored against specific key performance indicators:
 - (a) Key objectives / deliverables as set out in the specification of Request For Tender and revised Service Levels;
 - (b) Delivery of a high quality service- phone and email service to be monitored by relevant City authority;
 - (c) Data Capture, Administration, Validation and Reporting; and
 - (d) An increase in uptake in the local government area beyond business-as-usual rates

Financial Implications

- 21. There are sufficient funds allocated for this project within the current year's budget and future years' forward estimates.

Relevant Legislation

22. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
23. Local Government Act 1993 - Section 10A provides that a Council may close to the public so much of its meeting as comprises information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
24. Attachment A contains confidential 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.
25. 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

26. Negotiation period (subject to Council approval to reject and negotiate): April-May 2020
27. Services engaged (subject to successful negotiation): June-July 2020
28. Design phase: July-September 2020
29. Program launch: October-November 2020
30. Program completion: June 2023

Options

31. Option 1: Reject and negotiate with suitably qualified contractors with demonstrated capacity to carry out the works and delegate authority to the Chief Executive Officer to enter into a contract. This option is recommended.
32. Option 2: Reject all tenders and re-advertise. This option is not recommended as it is not considered this would attract additional suitable vendors over and above those that have responded to this tender.

33. Option 3: Cancel the tender process outright. This option is not recommended as this program has been designed to overcome known barriers to help city residents and businesses to install solar PV and purchase offsite renewable energy - necessary to meet the City's energy and emissions targets.

Public Consultation

34. There has been no public consultation regarding the tender.

KIM WOODBURY

Chief Operating Officer

Nik Midlam, Manager Carbon Strategy