

## Item 7.

### Exemption from Tender and Contract Extension – Centralised Monitoring and Control System for Parks

File No: X008041

Tender No: 1661

#### Summary

This report provides details of a variation to extend the existing Centralised Monitoring and Control System for Parks contract (tender 1661) with Itech Corporation Pty Ltd for an additional two years with two further options of two years each.

The system is locally known as the Watering and Lighting Tool and Reporting System (WALTRS) and plays an important role in monitoring and controlling water and energy use in parks to help us meet our sustainability targets. For example, it alerts staff to issues with irrigation systems in real time, automatically shuts off irrigation if rainfall is forecast and ensures that sports field lights are switched off after bookings are finished.

The ongoing licencing of WALTRS and the ability to bring on new sites using the amended schedule of rates is required to allow water and energy to be effectively managed in the City's parks. This monitoring and control is an important component of the City's approach to meeting our 2030 sustainability goals in parks and open spaces.

The contract extension will provide ongoing licencing for use of WALTRS. The variation to the existing contract will include:

- (a) up to six years of licencing to maintain access to the WALTRS platform and ongoing system development and support; and
- (b) an amended Schedule of Rates to add new irrigation systems, sports field lights, water features and water recycling systems into WALTRS during the extended licencing period.

This variation is required to align the licensing period for WALTRS with the life of the physical assets that have been installed through the initial capital expenditure in 2017 under the contract.

## Recommendation

It is resolved that:

- (A) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for the services currently provided under the existing Centralised Monitoring and Control System for Parks contract that expires on 30 June 2020;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders for the services referred to in (A) are outlined in Confidential Attachment A to the subject report;
- (C) Council approve a variation as outlined in Confidential Attachment A to the subject report to extend the option of the current Centralised Monitoring and Control System for Parks contract to 30 June 2022, with the option of two additional further terms of two years each;
- (D) Council approve the amended Schedule of Rates outlined in Confidential Attachment B to the subject report; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the contract under clause (C).

## Attachments

**Attachment A.** Summary of Proposed Variation (Confidential)

**Attachment B.** Amended Schedule of Rates (Confidential)

## Background

1. The City entered into a contract with Itech Corporation Pty Ltd (tender 1661) in December 2016 for Centralised Monitoring and Control System for Parks. The contract expiry date is 30 June 2020.
2. Itech Corporation Pty Ltd was selected as the Service Provider following an open tender and was approved by Council on 12 December 2016.
3. The Centralised Monitoring and Control System for Parks contract delivered a web-based tool called WALTRS (Watering and Lighting Tool and Reporting System). WALTRS allows City staff and contactors to remotely monitor and control aspects of water and energy use in parks to help manage our sustainability performance.
4. Under the contract, hardware has been installed in 51 assets across 34 parks to allow the connection of irrigation systems, sportsfield lights, water features and water recycling systems into the WALTRS platform.
5. Under the current contract the WALTRS web-based platform has been established specifically for the City's needs, with the following assets now live in the system:
  - (a) 33 irrigation systems.
  - (b) Ten sportsfield lighting systems.
  - (c) Six water features (monitoring only).
  - (d) Two water recycling systems (monitoring only).
6. The integration of 18 water recycling systems will be included in the contract variation as water quality sensors are installed or upgraded at each site. The water recycling systems will be integrated into WALTRS using the new schedule of rates.
7. WALTRS plays an important role in monitoring and controlling water and energy use in parks to help us meet our sustainability targets. For example, it alerts staff to issues with irrigation systems in real time, automatically shuts off irrigation if rainfall is forecast and ensures that sportsfield lights are switched off after bookings are finished.
8. The ongoing licencing of WALTRS and ability to bring new sites into WALTRS using the amended schedule of rates is required to allow water and energy to be effectively managed in the City's parks. This monitoring and control is an important component of the City's approach to meeting our Sustainable Sydney 2030 sustainability goals in parks and open spaces.

### Financial Implications

9. The cost to extend the Centralised Monitoring and Control System for Parks contract (No. 1661) with Itech Corporation Pty Ltd for up to six years is included in Confidential Attachment A.
10. There are sufficient funds allocated for this service within the draft 2020/21 operating budget and future year forward estimates (the subject of a separate report to Council).

### Relevant Legislation

11. The original tender for contract 1661 was conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
12. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
13. Attachments A and B contain confidential commercial information 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.
14. 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

15. The current Centralised Monitoring and Control for Parks contract expiry date is 30 June 2020.
16. This report is seeking approval to extend the contract to 30 June 2022 with the option of two additional further terms of two years each.

## Options

17. If this variation is not approved, there could be a gap in service while procurement activities take place to deliver a new contract. This would impact on the City's ability to effectively manage water and energy using assets in parks until a new contract is put in place.

## Public Consultation

18. Public consultation has not been undertaken due to the operational nature of this contract.

## DAVID RIORDAN

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