

EOI7308 WATER TANK INFRASTRUCTURE SPECIALIST PANEL

Report Author: Executive Officer, Climate and Nature;
Smart Water Network Facilitator

Responsible Officer: Director Planning & Sustainable Futures

Ward(s) affected: All Wards;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

Confidential Information is contained in Attachments 1 and 2 to the report. This information relates to the governance structure for the Monbulk Creek Smart Water Network (MCSWN), contractual matters and contains commercially sensitive information including but not limited to, the name of tendering parties, the evaluation panel members, and the evaluation of the EOI tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachments to this report could be prejudicial to the interests of the Council or other parties. If a discussion of any of this confidential information is required, the Council is recommended to resolve that item by having it deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1), g(i)g(ii) and 9(2) of the *Local Government Act 2020*.

SUMMARY

This report summarises the evaluation process and seeks Council approval for the establishment of a panel of pre-qualified Water Tank Infrastructure Specialists. Yarra Ranges Council has set potable water use reduction targets across the organisation and increasingly requires rainwater tanks across its facility portfolio. Council is also participating in an innovative research program called the Monbulk Creek Smart Water Network which requires rainwater tank installations.

The Monbulk Creek Smart Water Network (MCSWN), aims to support vulnerable platypus populations in the Monbulk Creek by regulating the water levels and reducing the impacts of peak high and low stormwater events on the aquatic ecology. These environmental flows will be regulated using remote technology and real-time monitoring controlling release from rainwater tanks and the Belgrave Lake and Birdsland Lake reservoirs.

The tanks supplied under the MCSWN will be grant funded but facilitated through council. The anticipated expenditure of the MCSWN project, combined with future tank installations at facilities, has triggered the need for this EOI3708 Water Tank Infrastructure Specialist Panel.

This item has been included in the public agenda to facilitate the openness and transparency in Council's decision making. Confidential attachments have been included with the report which contain commercially sensitive information that is not to be disclosed while the meeting is open to the public.

RECOMMENDATION

That

- 1. Council appoints the following contractors to EO13708 Water Tank Infrastructure Specialists panel (subject to the satisfactory compliance checks) for the initial period of three (3) years:**
 - ***BPC Projects Pty Ltd.***
 - ***Plumbtrax Pty Ltd.***
 - ***ODM Plumbing Pty Ltd.***
 - ***EJ's Plumbing Pty Ltd.***
- 2. The Director of Planning and Sustainable Futures be delegated authority to extend the panel term by one (1) period of three (3) years, a potential maximum panel term of six (6) years.**
- 3. The confidential attachments to this report remain confidential indefinitely as they relate to matters specified under sections 3(1), (g)(ii) of the Local Government Act 2020.**

RELATED COUNCIL DECISIONS

No previous Council decisions relevant to this item.

DISCUSSION

Purpose

Under section 9(2)(b) of the *Local Government Act 2020*, Yarra Ranges Council's anticipated facility upgrades, combined with the Monbulk Creek Smart Water Network (MCSWN) has triggered the need to establish a pre-qualified Water Tank Infrastructure Specialists Panel for use in the installation of residential and non-residential rainwater tanks as a part of the MCSWN Project and other associated works.

The MCSWN project is a collaboration between six stakeholders:

- Melbourne Water (MW)
- University of Melbourne (UoM)
- Department of Energy, Environment and Climate Action (DEECA)

- Yarra Ranges Council (YRC)
- South East Water (SEW)
- Australian Research Council (ARC).

As a part of the residential and non-residential tank delivery portion of the MCSWN project, we will be inviting local residents to show an expression of interest in joining the project. Eligible residents will receive a rainwater tank that is linked to their domestic plumbing, in exchange for remote accesses to release 50 per cent or greater, of the stored water, into the Monbulk Creek for the purpose of strategic environmental flows.

The unique nature of the residential and non-residential properties that this project will target, adds complexity to the tank installation and delivery. It is anticipated that the panel will offer a range of specialisations of providers to meet the outcomes of the project. Creating the Panel will aid in keeping the project costs competitive, transparent, timely and will allow us to allocate works to panel members who represent the highest professional safety standards suited to the individual works they are awarded.

An advertisement calling for Expression of Interest (EOI) was placed in the Age newspaper on, Saturday 29 July 2023. The EOI closed on Wednesday 23 August 2023 and four submissions were received.

Background

Council's commitment to providing quality, safe and compliant infrastructure requires the engagement of suitably experienced plumbing specialists to undertake works on residential and non-residential projects. To achieve this, an EOI was opened for submissions to establish a Panel of pre-qualified plumbing specialists.

To allow for new technologies and innovative solutions, Council reserves the right to invite and evaluate submissions to include further Contractors to the panel throughout the life of the contract.

Subject to approval of the proposed Water Tank Infrastructure Specialists Panel, it is intended that officers seek quotations from the approved contractors for the rainwater tank installations. This will ensure that the Monbulk Creek Smart Water Network and the Council, receive best value for money for the residential and non-residential tanks.

A summary of the evaluation process is included in Confidential Attachment 1. A summary of the project Governance and Funding is attached as Confidential Attachment 2. Attachments 3 and 4 contain further information about the project.

Local councils are governed by the *Local Government Act 2020*. Under that Act, Section 108 and 109 of the Act cover the principles, procedures and processes around buying goods, services and undertaking works that must be followed by local councils. This seeks to provide guidance, achieve high standards of probity, transparency, accountability, and risk management. Section 108 of the Act details that each council will set the contract value above which tenders or expressions of interest for contracts must be invited. Due to the grant funding being over \$250,000 (ex GST) per annum, an EOI Panel Selection Process was undertaken to ensure compliance with the Yarra Ranges Council Procurement Policy.

The specification and contract documentation for this panel has been developed in consultation with Council's Procurement, Risk and Governance team and the Department and Sustainable Environments as the primary users of the proposed Panel.

Options considered

The EOI process has been carried out in accordance with the requirements of Council's Procurement Policy.

Responses were assessed for conformity with the EOI documents, and no submissions were eliminated from further evaluation because of non-conformance.

The evaluation panel scored all submissions against a pre-established evaluation criterion. A summary of the criteria is as follows:

Criteria	Weighting
Demonstrated experience in relevant projects	40%
Resourcing	20%
Capacity to meet timelines and operate within cost constraints	25%
Local and social sustainability objectives	10%
Environmentally Sustainable Business Practices	5%
Compliance with OHS, Insurance and Child Safety requirements	PASS/FAIL
Appropriate Qualifications	PASS/FAIL

A heavier 'demonstrated experience' weighting was given due to the complexity of sites installations and the Occupational Health and Safety risks resulting. All EOI submissions received were qualified, licensed contractors with registered interest in the type and scale of the residential and non-residential tank installations.

Recommended option and justification

Following an extensive evaluation process, detailed in Confidential Attachment 1, the evaluation panel were unanimous in their decision to recommend all four EOI submissions to become part of the Water Tank Infrastructure Specialists Panel.

The evaluation panel request that Council adopts the recommendations within this report.

FINANCIAL ANALYSIS

Current adverse market conditions are significantly impacting the plumbing industry. The supply of steel, pumps, and the associated technology with the installation of the rainwater tanks has increased due to the direct and indirect impacts of the Covid-19 pandemic.

Council's water tank requirements across its own portfolio will access funding streams such as the Preparing Australian Communities grant funds, Capital Works and Assets Renewal budgets. This panel will be able to service these installations and it is anticipated that this will exceed \$500,000 (ex GST) cumulative spend within the life of this panel. All figures in this section exclude GST.

Overall funding for the Monbulk Creek Smart Water Network is provided through various grants totalling \$1,610,800 including Melbourne Water Incentives grant, DEECA Grant and a South East Water grant to cover the MCSWN project until Mid-2026. This funding is being held across multiple of the partner organisations.

The current funding contract states that Council will receive \$682,800 across milestone payments over the coming three (3) years from the above \$1,610,800 total. Of this, tank procurement will utilise \$390,000, with \$292,800 provided to Council for the hosting of the facilitator role. In addition, Melbourne Water is holding \$778,000 for the project, with a proportion available for further tank procurement in future years. The timing and the total amount of funds released to council for tank procurement will depend on progress of the roll out and will only occur after exhaustion of the current \$390,000 held by Council.

Council is contributing to this program by hosting the role of the facilitator and the smart technology releases from assets on our land. There is also a small Council financial contribution totalling \$35,000 towards social research associated with the project out of existing funds.

The approved Water Tank Infrastructure Specialists Panel will allow for competitive quoting to help reduce costs and achieve the best outcomes for Council and the MCSWN project.

See Governance and Funding Arrangement Sheet attached in Confidential Attachment 2.

APPLICABLE PLANS AND POLICIES

This report supports Council's strategic framework in being a high performing organisation that delivers quality and value for money services, to our community.

This report contributes to the following objective(s) in the Council Plan:

Yarra Ranges Council – Council Plan 2021-2025:

- Protected and Enhanced Natural Environment
- Quality Infrastructure and Liveable Places

Yarra Ranges Council Environment Strategy Plan 2015-2015:

- Goals 2,3,4,5

Integrated Water Management Plan 2017

- Sections 1,2,3,5,6

Liveable Climate Action Plan 2020-2030

- Action 8.1

Melbourne Water Healthy Waterways Strategy 2018-2028

- Sections 17.1, 17.5.2, 17.5.3.

RELEVANT LAW

This report seeks Council's approval to award the four EOI submissions with a place on the Plumbing Specialist Panel and that it complies with the Section 108 of the *Local Government Act 2020*.

SUSTAINABILITY IMPLICATIONS

Economic impacts

Economic impacts have been considered as a part of the project specification and evaluation process. This project may help to stimulate the local economy through the engagement of contractors purchasing goods and services locally.

Social Implications

Social impacts have been considered as part of the project specification and evaluation process. We found that there were 35 Full-time and Part-time staff across the recommended four submissions living in YRC. Only one submission had no local staff and did not reside in the area but was willing to use local material suppliers and even hire new staff from the YRC shire if needed.

Across the four recommended submissions there was combined support for diversity and inclusion, from female staff in their work teams, traineeships, Indigenous and social enterprise, indigenous employment opportunities and supporting local sports clubs (e.g. Netball and Football).

Environmental

Collection of rainwater has numerous environmental benefits, including reduced requirements for potable water via larger civic water storage systems and other freshwater systems. This is particularly important during dry periods and more so now that the Bureau of Meteorology has declared an El Nino event. Rainwater tanks also help in the reduction of stormwater runoff and can help to reduce water velocity in rivers and creeks in extreme rainfall events. Every addition of a rainwater tank on council facilities has positive environmental impacts.

The MCSWN project is expected to have an overall positive environmental impact for the local Monbulk Creek and the Platypus.

Stormwater is a key threat to the health of Monbulk Creek from flash flooding events, pollution, and litter. This project is located within a priority area for the management of stormwater. The installations of the rainwater tanks will help protect the Monbulk creek by reducing the volume of polluted stormwater runoff it receives. Monbulk creek has high environmental values, including a vulnerable Platypus population.

This project will assist in addressing climate change issues around the increased stormwater management and improving environmental flows in the Monbulk creek Catchment. This system when fully functioning will have a positive effect on mitigating flooding events, improving the water quality flowing into the Monbulk Creek, while providing households with water savings.

COMMUNITY ENGAGEMENT

Targeted stakeholder consultations are currently being undertaken for the MCSWN program through letters of introduction for the project and the option for residents to fill out an expression of interest in joining the project. This is being supported by Melbourne Water and will target properties of the highest geographical priority.

Environmental Volunteer groups active along the Monbulk Creek were engaged directly on Thursday 12th October at an event in Birdsland. These volunteers will be a critical component to spreading the word about the MWSWN and engaging directly with landholders. There were also several expressions of interest to host tanks on their land.

Broader community engagement is planned through upcoming events in October 2023 and planning is underway for a community webinar in November 2023.

Community engagement relating to tank installations via other funding streams will be developed on a case-by-case basis although it is not expected to be as extensive as the engagement for the MCSWN project.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Tank Installation onto Council facilities will be undertaken in collaboration with the Facilities, Minor Works, and Strategic Assets teams.

For the MCSWN project, collaboration internally with staff and externally with Melbourne Water, South East Water, University of Melbourne and the Australian Research Centre will be fundamental for the project's success, for the life of the project.

There are steering committee meetings (every 3 months), working group meetings (approx. 2-3 months) and Application Program Interface (API) meetings for the control protocols and updates for the rainwater tanks (every 3 weeks).

RISK ASSESSMENT

This has been considered as part of the project implementation, management, and delivery of the project. The use of the Water Tank Infrastructure Specialists Panel will ensure that contractors are fully compliant with legislation and Council's contractual requirements and that their ongoing compliance will be monitored throughout the operation of the panel. In doing so, this will ensure that Council meets its legislative and legal obligations and mitigates its risks relating to procurement and OHS compliance.

There is significant cost and time risks directly associated with this opportunity, particularly given the external funding milestones linked to the funding agreements.

CONFLICTS OF INTEREST

Two Officers acting on behalf of Council and members of the originally proposed evaluation panel declared Conflicts of Interests prior to the EOI closing. Following the declaration, they were removed from the evaluation panel as both were considered a direct conflict of interest. However, in both cases, the plumbing specialist that they had a conflict of interest with did not end up placing a formal submission to the EOI. Despite this, the process demonstrated best procurement practice.

ATTACHMENTS TO THE REPORT

1. EOI7308 Confidential Attachment for Council Evaluation Report
2. Governance and Funding Arrangements Chart
3. Tanks for Platypus House and Tank Diagram
4. Tanks for Platypus Brochure