

CT7221 SUSTAINABLE STREET LIGHTING STAGE 3: STANDARD LIGHTING INSTALLATION AND LIGHT SUPPLY

Report Author: Executive Officer - Climate & Nature
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 of this report. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices, and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachment to this report could be prejudicial to the interests of the Council or other parties. If discussion of this information is required, the Council is recommended to resolve that the item be 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) of the *Local Government Act 2020*.

PURPOSE

This report seeks Council approval to award a contract that complies with Section 108 of the *Local Government Act 2020*.

SUMMARY

The Sustainable Streetlighting Program which commenced in 2013 has replaced over 7000 Council streetlights with cumulative savings of \$2.5 million and an average annual abatement of 3,000 tonnes of carbon emissions. This third stage will see the remaining unmetered streetlights replaced with energy efficient lighting.

This report seeks support for the upgrade of standard streetlighting on Category P (pedestrian) and Category V (vehicle) roads. Quotes were sought December 2022 through the MAV contract: SL3911-2022 Street Lighting Hardware & Installation.

This report recommends accepting lighting supply from Schreder Australia Pty Ltd and installation from Electrix Pty Ltd for the estimated prices in the Confidential Attachments to this report. The recommended price is reflective of current streetlighting market rates and represents the best value outcome for Council.

This item has been included in the public agenda to facilitate openness and transparency in Council's decision making. Confidential attachments are included with the report which contains commercially sensitive information.

RECOMMENDATION

That

- 1. Council approves the quote from Schreder Australia Pty Ltd for lighting hardware under the MAV 'Contract No: SL3911-2022 Street Lighting Hardware & Installation' for the total estimated price of \$541,740 exclusive of GST (\$595,914 inclusive of GST) for the contract period anticipated as 16 March 2023 to 30 June 2023.**
- 2. Council approves the quote from Electrix Pty Ltd trading as Omexon Australia for lighting installation under the MAV 'Contract No: SL3911-2022 Street Lighting Hardware & Installation' for the total estimated price of \$652,808.16 exclusive of GST (\$718,088.97 inclusive of GST) for the contract period anticipated as 16 March 2023 to 30 June 2023.**
- 3. Council delegate authority to the Director Planning & Sustainable Futures to sign contract documents.**
- 4. The confidential attachments to this report remain confidential indefinitely as it relates to matters specified under Section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.**

RELATED COUNCIL DECISIONS

The Sustainable Streetlighting Program has been conducted in three stages with stage one commencing in 2013 and stage two in 2017.

DISCUSSION

Background

The purpose of this report is to seek Council approval to enter contracts for the bulk changeover of inefficient standard streetlighting including Mercury Vapour, High Pressure Sodium and Compact Fluorescent. The roads are inclusive of Category P and Category V roads across the municipality which are minor and major roads such as Burwood Highway and Mt Dandenong Tourist Road.

Ausnet support the program to transition the remaining inefficient streetlights within the 2021-26 period. Ausnet allocated funding specific to each local government within its distribution network, based on the number of streetlights within each municipality. Yarra Ranges Council was allocated \$474,885 (exclusive of GST) in funding.

The lighting changeover will generate electricity savings through the installation of energy efficient streetlighting. Streetlighting was transitioned to the 100 per cent renewable energy contract in July 2021 and as such carbon emissions reductions have already been realised for these lights.

Wildlife and human amenity considerations form part of this project with measures factored into the project cost to reduce light spill and impact to wildlife, particularly across the Hills region.

The Municipal Association of Victoria (MAV) established the following contract: SL3911-2022 Street Lighting Hardware & Installation to enable Victorian Councils to readily transition streetlighting to energy efficient alternatives. This transition forms part of Council's responsibility to operate and maintain lighting as per the *Road Management Act 2004*, this includes the replacement of obsolete lighting such as mercury vapour. The MAV panel was established to allow for the swift transition of lighting and enable access to the time sensitive state government rebate programs.

In September 2022 quotes were sought from all Ausnet approved installers (including those not on the MAV panel) for the Mercury Vapour light replacement. This process resulted in one respondent out of ten approved installers sought for quote.

Over December and January quotes were sought from the MAV streetlighting panel contract to supply Category V lights and additionally for an approved installer to complete the works for both Category P and V lighting upgrades.

The quotation process in September 2022 and again over the December 2022 to January 2023 period was conducted in accordance with the requirements of Council's Procurement Policy. Quotes were assessed for conformity with the quotation documents, and all complied.

The evaluation panel scored light supply against established evaluation criteria including two mandatory requirements; Ausnet approved products and Victorian Energy Upgrades (VEU) approved for the rebate program.

The evaluation criteria for light supply were weighted as follows;

- Price – 50%
- Yearly Energy Cost – 25%
- Delivery Timeframe – 25%

The evaluation criteria for light installation were weighted as follows;

- Price – 50%
- Delivery Timeframe – 50%

The Category P and V lighting upgrades are estimated to be completed by 30 June 2023, with 1,665 lights to be replaced with energy efficient alternatives.

Options considered

Global economic and market challenges along with volatility in the industry has resulted in unprecedented pressures of resource capacity and supply challenges.

An open tender was considered however it was determined this would not result in additional responses given the volume of work and limited resourcing noted by MAV and experience from the quotation process in September 2022.

Recommended option and justification

Following the evaluation process as detailed in Confidential Attachment 1, the evaluation panel were unanimous in their decision to recommend Schreder Australia Pty Ltd for light supply and Electrix Pty Ltd for light installation.

FINANCIAL ANALYSIS

Current adverse market conditions are significantly impacting the streetlighting industry, particularly the supply of resourcing and materials. This is further outlined in attachment 3.

The recommended quotes (supply & install) are reflective of current market rates and represent best value outcome for Council.

Income for the project (exclusive of GST):

- Department of Transport estimated allocation – \$700,000.
- State Government rebates – \$330,000.
- Ausnet rebate allocation – \$474,885.

Expenditure for the project (exclusive of GST):

- Lighting Audit – \$41,400.
- Independent consultant – \$135,000.
- Ausnet project fee – \$90,000.
- Light Supply & Installation – \$1,194,548.

It is estimated that there will be \$90,000 in savings each year in operational costs, based on figures of savings from the first and second streetlighting program.

APPLICABLE PLANS AND POLICIES

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

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

And the Liveable Climate Plan 2020-2030 specific targets of:

- Net zero emissions by 2040
- Zero operational energy expenditure by 2040

Yarra Ranges Council Procurement Policy, 2021 - 2025

RELEVANT LAW

Schedule 7A – Street lighting, of the *Road Management Act 2004*, outlines the responsibilities for installing and operating streetlights within Victoria. Under this Act, council is responsible for the installation and operating costs of streetlights on roads as detailed under Section 3 of Schedule 7A. Operating costs relate to:

- The costs of electricity supply; and
- Maintenance and repair costs; and
- Replacement costs for obsolete lighting.

The Public Lighting Code 2015 from the Essential Services Commission regulates the provision of public lighting and outlines obligations for distributors and public lighting customers (municipal councils or VicRoads). This Code specifies the relationship between these parties and requirements for asset management including:

- Ownership
- Servicing levels
- Standards for new assets
- Altering existing assets.

SUSTAINABILITY IMPLICATIONS

Economic Implications

This project may help to stimulate the local economy through the engagement of contractors purchasing goods and services locally.

Social Implications

Project management will ensure limited aesthetic changes following lighting changeover. The savings arising from this project will help reduce Council's operational expenditure on electricity, allowing greater investment in service delivery for the community. Good public lighting improves visibility for pedestrians and road users and enhances safety.

Environmental Implications

Council will demonstrate clear leadership and sustainable business practices by switching to energy efficient technology. This will support the transition to a low energy future.

Lighting installers must dispose of the existing lighting infrastructure sustainably. Following e-waste recycling procedures will ensure the potential waste impacts are limited.

Yarra Ranges Council is currently participating in a regional wildlife sensitive lighting study undertaken by the University of Melbourne. The final report from this study identified project sensitive lighting opportunities for inclusion.

COMMUNITY ENGAGEMENT

A community engagement plan will be developed, which will be in place prior to works commencing and will outline the benefits of the streetlighting upgrades. The engagement is anticipated to occur using social media channels, newsletter and Council publications.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Members of the Sustainability, Infrastructure Services and Capital Works teams have partnered on the evaluation and will continue to partner and collaborate to ensure effective delivery. Independent consultants Ironbark Sustainability were engaged to oversee the audit, procurement, installation, and rebate claims.

This initiative was established through the Eastern Regional Greenhouse Action (EAGA) group who assisted with the business case and liaison with the Department of Transport and Ausnet.

RISK ASSESSMENT

The associated project risks include; project design, overall project management, contract terms and conditions. There are also risks directly associated with timeframe for the works in relation to the state government rebates for the different lighting types.

The risks have been mitigated through engaging an independent expert Ironbark Sustainability to project manage the program of works and process the state government rebates. The contract terms and conditions have been mitigated through Council's use of the MAV panel.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Confidential Evaluation Report
2. Confidential MAV Evaluation Report
3. Consideration for Streetlighting Procurement