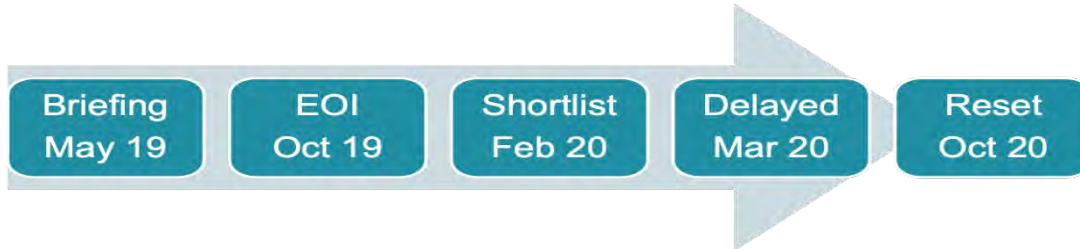

Asset Lifecycle Delivery Services (ALDS)





Background



- **Briefing** – originally known as “Maintenance, Renewals and Minor Works”
- **EOI** – the ALDS EOI was released in Oct '19 and three tenderers shortlisted in Feb '20
- **Cancellation** – due to reasons outside of our control, Council cancelled the ALDS transaction process and approached the market with an entirely new transaction process
- **Reset** – a new transaction process is underway. The project delay allowed Water and Waste Directorate (WW) to better understand and more clearly define ALDS objectives and scope

Current State

The Business Situation

-  Increasing capital works program
-  Maintenance demand also increasing, but variable
-  Consolidation of what we do to drive efficiencies
-  Asset / maintenance management capability in-development

The Supply-Chain Situation

-  100s of contracts and quotes pa
-  Opportunity for efficiency in bundling
-  Key contracts expiring
-  Many suppliers of varying capability

The City of Gold Coast’s (City) Water and Waste directorate (WW) intends to enter into a strategic, collaborative, long term contract with a suitably experienced, qualified and equipped delivery partner (contractor/consortia/partnership/joint venture) for planned and reactive maintenance, refurbishment and renewal programs, and other works at WW assets, for the next five to 10 years implemented in a phased approach dependent on contract and contractor performance.

Driver and Objectives

 DRIVER	Strive to minimise price increases to our customers while delivering improved safety, reliability and performance of our assets
 OBJECTIVES	
IMPROVE CUSTOMER SERVICE Minimise price increases, improve service and response times, provide opportunities for local businesses and the community	DRIVE EFFICIENCY Consolidate contracts, improve data and asset management, implement systems, implement smart solutions
ENSURE VALUE FOR MONEY Draw on best practice to maximise asset life, continually improve systems and processes, leverage innovation and share capability	FUTURE PROOF THE BUSINESS Implement a flexible and collaborative long-term contract to augment our capability and implement safe, sustainable and smart solutions

Scope of Works

The scope of works for this contract are planned and reactive maintenance, refurbishment and renewal programs, and other works at WW assets, for the next five to 10 years dependent on contract and contractor performance. This includes on water and sewerage network infrastructure, at treatment plants, on pump stations, and minor works on other WW sites as required.

WW will continue to utilise internal civil maintenance crews. Likewise day to day operation and maintenance activities at sewage treatment plants is generally undertaken by WW internal crews.

This contract will be with a single delivery partner who is dedicated to the City's preventative, programmed, and reactive maintenance, works and services. Works may include but are not limited to:

- Water, sewer and recycled water network renewals programs
 - reservoir roof replacements
 - pressure main (water and sewer) replacements
 - gravity sewer relining
 - wet well refurbishments
 - switchboard replacements
 - network hydrant and valve replacement
 - maintenance hole inspections and refurbishments
- Civil maintenance
 - planned and reactive network maintenance
 - miscellaneous civil works at treatment plants and pump stations
 - network valve maintenance
 - cleaning and maintenance of pump stations and wetwells
 - sewer inspection, location, jet-rodding and patch repairs

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- pump station decommissioning
 - inspection and cleaning of water and sewerage structures

 - Mechanical and electrical maintenance on network and facility assets
 - supply of pumps, spares and ancillary equipment
 - preventative maintenance and breakdown repairs on a range of specialist mechanical and electrical equipment including generators, fuel tanks, air compressors, blowers, rotating machinery, lifting equipment, height safety equipment, instrumentation and RPZ assemblies
 - general electrical installation, repairs, maintenance, replacement or refurbishment
 - general mechanical installation, repairs, maintenance, replacement or refurbishment
 - network and treatment plant odour control units
 - pipeline cathodic protection systems.

Delivery

The City undertook market research to inform and allow finalisation of the project's contract delivery strategy. Information collated does not provide any company a competitive advantage in any subsequent tender process. Numerous contract delivery options were considered.

The transaction will be delivered in stages as follows:

Stage 1: Public Advertisement for Expressions of Interest (EOI)

Submission of a single EOI will be invited for the delivery of the Contract.

The Tenderers who are assessed to provide the highest combination of approach, capability, capacity and key personnel experience will be invited to participate in Stage 2. There will be no price assessment in Stage 1.

Stage 2: Early Tenderer Involvement (ETI) including Interactive Dialogue

If the City shortlists one or more Tenderers who submit an Offer under Stage 1 EOI, Stage 2 will be undertaken with each of the Shortlisted Tenderers. Shortlisted Tenderers must execute the ETI Contract to be eligible to participate in ETI and the subsequent Stages.

The objectives of Stage 2 are to:

- collaboratively develop the commercial framework for the relationship
- test and ensure cultural and behavioural 'fit' between WW and potential delivery entity
- provide an opportunity for WW to refine its requirements through understanding market capability, appetite for risk, constraints and opportunities
- an opportunity for potential delivery entity to develop a greater understanding of WW business and requirements
- allow potential delivery entity to optimise team, proposed systems, tools and strategies
- provide a platform to propose changes to optimise the program for both the potential delivery entity and WW.

Stage 2 will comprise a series of facilitated workshops with Shortlisted Tenderers designed to address, allocate and mitigate contract risks while at the same time providing an opportunity for the City to assess the alignment of Shortlisted Tenderers behaviours to those expected of a long-term collaborative delivery entity. The workshops will reference Shortlisted Tenderers submissions and cover the proposed

development/operational approach, payment/performance management approach, and other commercial details.

Workshop discussions will be treated as commercial in confidence and an independent probity advisor will be present to protect intellectual property.

Stage 3: Select Tender

The City may invite Stage 2 Shortlisted Tenderer/s to participate in Stage 3 Select Tender. Evaluation of the Stage 3 submissions will be based on both price and non-price criteria such as personnel, delivery methodology and resourcing.

The City may then select a Successful Tenderer to enter a Contract.

Timeline

Milestone	Anticipated dates
Market notification uploaded to LGtenderbox and open LG forum	20 October 2020
LG forum Q&A period	20 October – 3 November 2020
Issue EOI	November 2020
EOI Presentations	January 2021
Shortlist from EOI	February 2021
Commence ETI	March 2021
Invite Select Tender	October 2021
Recommendation to Award presented to Council	February 2022
Commence transition in period, such as establish local presence, contract management, governance structure	March 2022
Contract term	WW anticipates initial term of 10 years minus up to five years dependent on contract and contractor performance, <u>or</u> initial term of five years with multiple extensions up to a combined total of five years dependent on contract and contractor performance. This will be developed with Shortlisted Tenderers during Stage 2.

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