

Procurement Plan

RFQ 06/21

Contestable Electricity Supply for Member Local
Government

Principal: WALGA (on behalf of Member Local
Governments)

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Title: WALGA Contract Manager,
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1. Glossary

Contestable energy	Means, in the context of this Project, any supply point with its own unique National Meter Identifier that is able to be under a contract or sits outside the Synergy gazetted tariff
ESA	Electricity Supply Agreement
Evaluation Panel	The group comprising individual members who will conduct the evaluation of each Response
LGC	Large Scale Generation Certificate
Members	Members of WALGA
MOU	Memorandum of Understanding
NMI	National Meter Identifier
PPA	Power Purchase Agreement
Project	Contestable Electricity Supply for Member Local Governments falling within the greater Energy Sustainability and Renewables Project being undertaken by WALGA.
REC	Renewable Energy Certificate
Respondent or Supplier	Suppliers of energy who may respond to the RFQ
RFQ or Request	Request for Quote
Quote, Submission or Response	The offer provided by a Respondent in response to the RFQ
STC	Small Scale Technology Certification
Steering Group	A volunteer group of representatives of the Local Government's participating in the Project
WALGA	WA Local Government Association

2. Summary of Proposed Procurement

2.1. Background

As the peak representative body for Local Government in Western Australia, WALGA continually adapts and innovates to meet the needs of our Members. The Organisation is uniquely situated to facilitate positive collaboration between Local Governments across the state. WALGA's Corporate Strategy 2020-2025 set a sector vision in which Local Governments enhance community well-being and enable economic prosperity.

As of January 2021, forty-six (46) Local Governments have made declarations acknowledging that climate change is occurring, and that climate change will continue to have significant effects on the WA environment, society, economy, and Local Government sector. Many of these Local Governments have adopted environmental policies with carbon neutral targets included.

WALGA was requested by its Members to explore alternative options for a whole of sector PPA. In the course of engaging with Members it emerged that a PPA would deliver some benefits, but other aspects of energy procurement aggregation that sit beyond the scope of a PPA could also be integrated into a broader Energy Procurement Project.

The founding members of the Steering Group include: Stirling, Mandurah, Perth, Fremantle, Cockburn, Bayswater, Canning, Joondalup, Wanneroo, Gosnells and Armadale.

WALGA is assisting the Local Government sector in order to facilitate an aggregate market process to reduce the cost of conventional energy supply and renewable energy. WALGA is seeking a cost-effective solution to enable Local Government in Western Australia to achieve their renewable energy and carbon emissions targets. The sector sits in the level of government closest to the community and desires a solution that is able to clearly report and articulate sustainable accomplishments.

2.2. Scope

The scope of the procurement is the aggregation of contestable energy supply, as part of the greater Energy Sustainability and Renewables Project. In general terms the phasing is as follows:

Phase 1 – Contestable energy supply and Renewable Energy options

Phase 2 – Load shifting, minimising cost (i.e. energy management systems, contestability assessments, understanding emissions, prepare for carbon offsets and PPA. Un-contestable supply investigation and renewables).

Phase 3 – Carbon offsets, other technologies

Phase 4 – Transport Vehicles and sustainable infrastructure technologies

Phase 5 – Large scale Local Government sustainability projects

There are varying levels of commitment to renewable energy across the sector. Many of the Local Governments participating in this market process have a strong desire to procure renewable energy however are limited by the current options being offered individually in the market. Respondents will be requested to demonstrate best value through their response.

WALGA is assisting to facilitate a three-year (3) agreement in order to align Local Government contracts for the future development of a long-term r PPA in order to secure affordable long-term renewable energy for the sector.

Using a staged approach, WALGA is looking to develop a long-term partner, or consortium of partners, to provide energy and sustainability solutions for the sector.

Three key objectives for the greater project include:

- enhance access to renewable energy for WALGA Members thereby driving positive climate change outcomes;
- diversify supply options and use of new energy technology; and
- leverage the best price outcomes for energy supply.

2.3. Transition

The successful Respondent must comply and manage a smooth transition from any existing supply arrangements into the new agreement, if applicable, including:

1. All the required arrangements with Western Power to transfer sites over, as applicable, in a timely manner prior to commencement of the new Electricity Supply Contract (Contract).
2. Establishment of account data (billing data, contact details, billing arrangements and similar items).
3. Introduction of the Account Manager to the relevant Local Government Officers upon request.
4. Changes associated with the transfer and new arrangements including meter upgrade where required.
5. Compliance to the achieved Sector-wide pricing arrangement and contract structures for individual contracts.
6. A non-commodity cost schedule to analyse unbundled viability for Local Governments who are not familiar with the structure. This schedule will be provided to the successful supplier upon approval to participate from and for each Local Government who has confirmed their participation after award from WALGA. The project manager may assist with analysis at the request of each Local Government who has confirmed.
7. Where Local Governments have contracts that expire prior to commencement Respondents are expected to, in their best efforts, provide a similar price presented in the successful bid.
8. Where Existing Local Government contracts expire past the commencement date of 1st April 2022, Respondents are expected to offer the rates provided in the successful bid commencing during any period between the 1st April 2022 – 31st March 2025.
9. It is preferred that there will be flexibility to transfer contestable sites in or out of resulting Local Government contracts, I.e. NMIs, meters, without affecting either peak and/or off peak bundled/un-bundled pricing as agreed under the contract.
10. The successful Respondent will be required to provide annual reviews on loss factors, network tariffs included with any cost saving optimisation services. The WALGA Project Manager will assist with reviews.

2.4. Contract Management Plan

A contract management plan will be developed for this project. Elements will include but may not be limited to:

- a) Transition in / transition out of participating Local Governments.
- b) Performance Monitoring of Contractor(s).
- c) Dispute resolution issues.
- e) Assistance when requested for billing and payments.
- f) Statutory compliance assistance with issues such as OH&S, Environmental, Industrial and Human Resource Management.
- g) Assistance with Commonwealth, State and Local government licenses and approvals.
- h) Monitoring of the currency of relevant insurance coverage.

2.5. Key Performance Indicators

The criteria that may be used to measure the performance of the contractor by each Local Government respective to their contract with assistance from the Project Manager and participating Members are as follows:

- a) Billing accuracy.
- b) Customer satisfaction.
- c) Delivery.
- d) Value for money outcomes.
- e) Conversion rate of non-contestable energy.

2.6. Price Basis

In its simplest form, pricing is for: (1) peak, and (2) off-peak, rates for Contestable energy and daily supply charge.

The Supplier's price/s will be fixed for the duration of the three-year contract term.

It is WALGA's preference that there should be no minimum take or pay provisions applied to any Local Government contracts. However, when required, respondents can demonstrate their ability to manage take or pay obligations as a total group volume. For example, provisions that measure the sum of the electricity consumption of all contestable sites provided in the RFQ will form the combined agreed annual consumption for the purpose of measuring minimum take or pay across the collective project participants.

Alternative offers inclusive of renewable energy offers may be received through the RFQ.

The format for pricing lodgement is in the RFQ documentation and entails the completion of a pricing schedule in a prescribed format alongside an offer document. Further pricing requirements are set out in the response criteria.

2.7. Local Government Data

Respondents are authorised by participating Local Governments to collect meter data from Western Power for the purpose of development of their submission in response to this Request for Quotation ('RFQ'). All Local Governments participating in this RFQ have provided data consent forms authorising Western Australia Local Government Association to:

1. Obtain the electricity meter standing data and historical consumption data, including interval data, billing data, contract information, invoices and data in any online systems, for the purpose of delivering services and in order to prepare a quotation for our electricity supply both individually and as an aggregate body with any other supplies at the discretion of Western Australia Local Government Association.
2. Site lists (NMI, Meter, Supply Address) Contestable and Non-contestable.
3. Obtain and identify standing data and NMI information on un-contestable meters relating to our business from our supplying Electricity and Gas Retailers and the Electricity Network Operator, Western Power with the intent of making our aggregate load contestable.
4. Local Governments will provide an estimate of their future load, taking into account renewable installs, likely increases, EV implications.

2.8. Contract Commencement Date

The proposed contract commencement date is 1 April 2022.

Member contracts shall commence from 1 April 2022 in accordance with the Members transition requirements.

2.9. Contract Term

The proposed contract term is three (3) years, 1 April 2022 – 31 March 2025. WALGA's sustainability procurement will have broader objectives that extend beyond the contract term.

2.10. Number of Contractors

Ideally a single supplier will be appointed from the WALGA Waste & Energy – Preferred Supplier Panel (PSP007). However, this market approach relies on the merits of responses, and WALGA reserves the right to appoint one or multiple suppliers, depending on the best outcome for all Local Governments.

2.11. Funding

The availability of appropriate funding is within the remit of each participating Member. The management of the procurement process and ongoing project contract management sits with WALGA on behalf of its Members. Members will contract manage their Local Government's ESA.

2.12. Governance and Probity

The WALGA Energy Preferred Supplier Panel will be utilised for the RFQ. All current major energy retailers in WA sit on the WALGA Preferred Supplier Panel, complemented by a number of smaller retailers who supply infrastructure and operate as vertically integrated companies.

The Steering Group Members will endorse the recommendation report prior to the report being presented to the WALGA Finance and Services Committee as a delegate of State Council for approval. Members may have their own governance processes including presentation of the recommendation to their Council or Delegation as required.

Due to the complexity, value and stakeholder engagement required, WALGA will consider additional probity measures to be undertaken throughout the process. Probity advisory may be engaged for the evaluation phase. Probity may be sourced from the WALGA Governance Team or externally from a registered probity advisor.

Each Member is able to immediately adopt the energy contract which is Tender exempt through WALGA, under the Local Government Act 1995 and Local Government (Functions and General) Regulations. WALGA will perform a competitive process on behalf of its Members.

The Principal to each Energy Supply Contract is each participating Member. A full list of anticipated, participating Local Governments at date of this Procurement Plan is included in Attachment 1.

2.13. Contract Conditions

It is WALGA's intention to execute a Term Sheet under the framework of its Preferred Supplier Panel to reference the project activity.

Electricity Supply Agreement documentation will be collated; pending review this will be the direct terms for supplying energy to this project.

ESA documentation forming part of this project may be further subject to legal review and negotiation with the intention that this becomes the member contract conditions. Members will have the ability to negotiate departures if required.

2.14. Stakeholder Research

The Steering Group have had extensive input into the development of the project and executive level briefing was hosted by WALGA. Industry has also been consulted on the upcoming project.

An exemption application will be lodged with the ACCC

2.15. Approval to Proceed

WALGA will receive signed MOU's from participating Members which will be accepted as an authorisation to proceed to RFQ.

3. Procurement Risk Analysis

3.1. Risk Analysis

Risk	Causes	Likelihood	Consequence	Treatment	Revised Risk After Treatment
Procurement Risks					
Suppliers do not respond to RFQ	<ul style="list-style-type: none"> Poor communication from WALGA Project scope too large or complex 	Low	High	<ul style="list-style-type: none"> Engagement of current suppliers Identification and engagement of important suppliers to the sector 	Low
Members do not proceed to contract after RFQ recommendation.	<ul style="list-style-type: none"> Product is not fitting to individual needs Pricing is not more favourable Communication to Members is poor 	Medium	Medium	<ul style="list-style-type: none"> Clear Project plans and updates distributed by WALGA Clarity and strength of Recommendation Report. Memorandums of understanding signed by participating parties Aggregation will result in savings according to modelling, and taking a TCO approach 	Medium
Minimum volume not achieved	<ul style="list-style-type: none"> Members withdraw after RFQ process leaving offers below minimum threshold 	Medium	High	<ul style="list-style-type: none"> Clear Project plans and updates distributed by WALGA Memorandums of understanding signed by participating parties Evaluation phase negotiations Supplier proposals for minimum threshold price points. 	Low
ACCC interim Exemption not granted prior to market RFQ process	<ul style="list-style-type: none"> Wide scope of the exemption produces many rounds of questioning from ACCC 	Low	Low	<ul style="list-style-type: none"> Strong communication and relationships built with the ACCC exemptions team Legal drafting of exemption application. 	Low
ACCC Exemption not granted	<ul style="list-style-type: none"> ACCC deem the project uncompetitive 	Low	High	<ul style="list-style-type: none"> Strong communication and relationships built with the ACCC exemptions team 	Low

	<ul style="list-style-type: none"> • Scope of exemption application is too broad 			<ul style="list-style-type: none"> • Build application off Eastern States precedence. • Legal drafting of exemption application. 	
Probity and Process Risks	<ul style="list-style-type: none"> • Tight timeframes on project • Influence of market • Evaluation panel size is large 	Low	High	<ul style="list-style-type: none"> • Declarations completed • Evaluation handbook to outline procedural fairness • Division of duties • Use of Procurement systems 	Low
Project Management Risks					
Incorrect charging	<ul style="list-style-type: none"> • Prequalified pricing is not extended at the Member Quotation stage • The Supplier includes additional costs or charges not in accordance with prequalified rates • Billing not in accordance with quotation 	Low	Medium	<ul style="list-style-type: none"> • Spend analysis and quotation control • Review of reporting • Local Government feedback • Compliance audits carried out during term of contract • Meeting with members during the course of the contract 	Low
Market Risks					
Supplier of choice goes into administration or financial distress during the term of the contract	<ul style="list-style-type: none"> • Financial viability of the company • Inadequate cash flow • Reputational risk relating to adverse publicity or market events 	Low	High	<ul style="list-style-type: none"> • Consistent monitoring of supplier • Ongoing monitoring and assessment of financial due diligence during the term of the contract • Strength of ERA retail licensing process and requirements 	Low
Green energy price spikes in WA	<ul style="list-style-type: none"> • Volatility of renewable projects • High demand for green energy 	Low	Medium	<ul style="list-style-type: none"> • Evaluation process to identify green energy and alternative offers. • Begin negotiating long term PPA as soon as possible • Stay informed with industry 	Low

3.2. Management of Risks

Strategies to manage the risks identified include:

a) Develop energy literacy, hands on education and procurement guidance through strong communication during the project – via communications plan – which includes TCO (total cost of ownership approach).

This may include the benefits of renewable energy, contract protections, renewables, and future phases may source carbon and hydrogen technologies (all only achievable with an aggregated approach).

b) Contractual provisions e.g. removal of take or pay terms, standard industry terms and conditions;

c) Assistance by WALGA to Members in transition to ensure cost savings achieved;

d) Ongoing contract management by WALGA and determined performance measures.

3.3. Assessment of Constraints and Critical Success Factors

Whilst an MOU establishes everyone's intentions to participate in the quotation process, there is no obligation to accept the outcome where preferential value is not identified from the process. Members will be able to reserve the right not to proceed to Contract if they are not satisfied with the process outcome.

In order to mitigate challenges at key decision making points WALGA has engaged with Members early and intends to facilitate open and clear lines of communication with senior management. This poses significant risk as Member commitment will remain unclear until the end of the initial quotation process and how much load will be required to successfully contract with the successful Respondent(s). The reverse dynamic may also evolve with greater than anticipated participation in the project from Members. The collective level of spend over time will grow and continue to inform aggregate pricing mechanisms over time. WALGA will not guarantee a minimum spend level through the market process but will guide the anticipated level of spend with meaningful data and analysis. The evaluation phase determined by offers and alternative offers may entail negotiation to secure a minimum load before proceeding to contract.

4. Communications

Communication with Members will be coordinated by the WALGA Project Manager, primarily through the Steering Group and as set out below.

Stakeholder	Communication method	Who
Steering Group	Ad hoc meetings Newsletters	Project Manager
Evaluation Panel	Weekly meetings Ad hoc meetings RFQ Briefing Consensus meeting	Project Manager (WALGA Commercial Development Manager may attend in the event of an impasse)
Member	General updates, requests for input, endorsements	SG member
	Monthly updates	Project Manager
LG CEOs	Updates, engagement	WALGA CEO
LG Procurement Officers	Advice on process	WALGA Commercial Manager
Suppliers	Updates on process progress RFQ process Intelligence sharing Early RFQ Advice Industry & RFQ Briefings RFQ Clarifications	Project Manager

5. Procurement Specifics and Methodology

5.1. Procurement Methodology

METHODOLOGY
Invitation Method
<p>A closed RFQ through the WALGA Energy Preferred Supplier Panel on APET360 will be utilised to invite Suppliers to respond.</p> <p>WALGA has determined that the closed RFQ process will allow WALGA and the Steering Group to effectively communicate needs throughout the procurement process.</p>
Assessment Method
<p>An Evaluation Panel has been established by the Steering Group, and chaired by WALGA. The Evaluation Panel – made up of the members set out in section 6.1 – is responsible for conducting evaluations and assessments in accordance with the Evaluation Plan. It is recommended where possible that individuals of the evaluation panel differ from individuals on the steering group. Concession may be made where there are limited resources for a Steering Group Local Government Member to delegate two representatives for the Steering Group and the expertise of the delegate is crucial to the Evaluation Panel.</p> <p>The RFQ will incorporate non weighted and weighted assessment criterion with consideration of presented pricing to determine overall value presented.</p> <p>The process will require consensus from the Evaluation Panel.</p>

5.2. Evaluation Process

The following evaluation process will be used in respect of this Request:

- a) Submissions are assessed against the Selection Criteria: Compliance, Qualitative and then Pricing, using a Value for Money approach.
- b) Responses are firstly checked for completeness and compliance by the WALGA Chairperson. Responses that do not contain all information, or do not comply with compliance criteria requested (e.g. completed Offer and Attachments) may be excluded from evaluation.
- c) Each voting Evaluation Panel member will score each Submission against the qualitative criteria. Each criterion is weighted to indicate the relative degree of importance that the Principal places on the different aspects of the submission
- d) It is anticipated that three (3) individual cost models will be prepared for price analysis (Bundled, Unbundled and Renewables). Any alternative price offers will be separately evaluated concurrent to the conforming offers, however will not be considered unless accompanied with a conforming offer. The Project Manager and designated non scoring evaluators will undertake initial price analysis. The cost models will be provided as part of the evaluation consensus meeting to determine best value for money.
- e) A shortlisting process may occur through the evaluation process and additional assessment undertaken. This may include; clarifications, pricing rounds, value for money

considerations, further price analysis, respondent presentations, and any other assessment as required. An additional consensus meeting with the evaluation panel may be required.

- f) A Value for Money decision that includes qualitative ranking, cost, and the risk of each Respondent is made by the Evaluation Panel, and a recommendation report completed.
- g) The recommendation report will be provided, signed off by all evaluators and presented to the Steering Group for endorsement. Upon endorsement, the recommendation report will then be presented to the WALGA Finance and Services Committee for approval. Participating Members may also use or adapt the Recommendation Report to satisfy their own governance requirements.
- h) An award of the RFQ may then be provided to the Respondent whose submission is considered the most advantageous to the Local Government sector.
- i) The award of the contract will be followed by a process of acceptance by each project participant. Should participants withdraw from the project, reducing the minimum requirements of the price offer, alternative negotiations may be required. Upon completion of project participant's approval to proceed to contract, the project term sheet will be executed.
- j) Unsuccessful Respondents will be notified that their offer(s) was not accepted.

5.3. Invited Respondents

The following Preferred Suppliers of WALGA with the identified capacity to supply to the project will be invited to the Request for Quote:

- Avertas Energy Limited
- Alinta Energy
- Infinite Energy
- Perth Energy
- Shell Energy
- Synergy

Other smaller and boutique suppliers to the WALGA Panel that supply contestable energy may not have the capacity to supply energy at the anticipated volume required at this stage of the project. However they may have future opportunities to supply to the WALGA project for sustainable energy generation, PPA development and other renewable developments.

These suppliers will be notified of the quotation process and extended the opportunity to nominate to be invited into the RFQ, if they consider they have the capacity to supply the total number of meters and collective energy volume included in the RFQ. This ensures the entire WALGA Panel is extended notification of the process and the opportunity to respond if relevant.

5.4. Request Period

The Request period will be managed as follows:

Activity	Description
RFQ Number	RFQ 06/21

Activity	Description
Notice of Request	APET 360
Supplier registration on APET360	APET 360
Method of Obtaining Request Documentation	APET 360
Response Period (Days)	29 Days
Questions to be lodged to	APET 360
Management of Questions	Toby Costanzo
Last Day Clarifications to be submitted (prior to deadline)	Five (5) Days
Method of Quote Lodgement	APET 360

5.5. Supplier Briefing

Attendance at this meeting not mandatory.

The purpose of the Briefing session will be to give an overview of the entire project and estimated volumes to the market, formally. The Supplier Briefing will provide Respondents with the opportunity to clarify any uncertainties with the Project Manager prior to the closing of the RFQ.

Suppliers will be requested to lodge questions to the Project Manager prior to the briefing, for example by Close of Business Thursday the 5th August.

Notes will be taken during the Briefing and disseminated to Invited Suppliers shortly thereafter.

5.6. Approval to award

This award may be contingent on a minimum quantity that is specified through the quotation process. WALGA's award will be subject to Members acceptance to the level of the minimum quantity. WALGA Members will be extended a period to commit to the offer (either through delegated authority or Council resolution) prior to WALGA proceeding with the project. WALGA recommends pre-approval for to proceed on the successful offer prior to returning the Memorandum of Understanding. The RFQ recommendation and acceptance of the offer will be constructed on this basis.

WALGA remains the primary approver for the project and through the evaluation will establish the minimum contractual commitment from Members to proceed with the execution of Member contracts.

A Steering Group has been agreed – including the founding members – refer to Attachment 2 for stakeholder names. This group is responsible for taking information back to their respective Local Government, as well as providing directional decisions to support the overall project strategy.

Please see the table below for the key approvals required from RFQ close to acceptance of an Energy contract by a Member.

Approval Milestones for RFQ Process to award

What	Who
Evaluation completed by individual panel members prior to a consensus meeting	Evaluation Panel Chair convenes
Evaluation Panel provides Recommendation to Steering Group via Project Manager	Steering Group endorse
WALGA obtains award of RFQ from WALGA Finance and Services Committee.	WALGA
Local Governments receive and approve offer through their internal governance.	Local Government approve
WALGA collates approved and committed offers.	WALGA Project Manager
WALGA confirms and proceeds to Contract with Supplier(s)	WALGA Project Manager
Suppliers present ESA Contracts to Members.	Member

6. Evaluation

6.1. Evaluation Team

The Evaluation Panel involvement is subject to change due to unknown circumstances such as conflict of interest or unavailability. The evaluation team is to comprise of:

Name	Position	Organisation / Role	Responsibility
Toby Costanzo	Contract Manager (Project Manager)	WALGA Non-Voting Chairperson	<ul style="list-style-type: none"> • Security of bid documentation. • Initial Compliance and Technical Assessment • Oversee evaluation process & meetings • Price Analysis • Consensus
Jenna Waight	Finance Analyst	City of Joondalup Non-Voting	<ul style="list-style-type: none"> • Price Analysis • Consensus
Jennie Arts	Sustainable Environment Strategy Officer	City of Bayswater Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Tony Natale	Strategic Procurement Manager	City of Cockburn Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Jade Fong	Strategic Procurement Advisor	City of Wanneroo Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Darren Turner	Strategic Procurement Lead	City of Perth Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Karin Wittwer	Energy Efficiency Project Officer	City of Mandurah Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
William Jeon	Senior Sustainability Officer (Energy)	City of Stirling Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Neil Burbridge	Manager Environmental Services	City of Armadale Voting	<ul style="list-style-type: none"> • Qualitative assessment • Consensus
Andrew Blitz	Commercial Development Manager	WALGA Non-Voting	<ul style="list-style-type: none"> • Consensus in the event of an impasse

6.2. Selection Criteria and Weightings

6.2.1. Compliance and Disclosure Criteria (Non Weighted)

The following compliance and disclosure criteria is to apply for this procurement:

a)	<p>i) Declarations</p> <p>The Respondent declares that to the best of its knowledge, no actual or potential conflict of interest in the performance of obligations under the Agreement exist if the organisation is awarded, nor that any such conflicts of interest is likely to arise during the Contract. If not, provide details.</p> <p>The Respondent agrees that there will be no cost payable by the Principal towards the preparation or submission of this Request irrespective of its outcome.</p>
b)	<p>i) Contract Conditions</p> <p>Respondents are to submit their ESA which they may utilise with any resulting Award</p>
c)	<p>i) Critical Assumptions</p> <p>Respondents are to specify any assumptions they have made that are critical to the Quote, including assumptions relating to pricing and ability to provide the Requirements in the manner specified in this Request.</p>
d)	<p>i) Pricing</p> <p>Respondents are required to provide pricing options under the structure outlined in the pricing schedule provided.</p> <p>Bundled prices must be excluding GST but inclusive of all other items such as Energy Charge, Capacity Charge, Network Charge, Renewable Energy Charge (LGC, STC), Loss Factors, Market Fee and Load Following Ancillary Service Charges etc. Daily Supply Charge if applicable may be quoted separately.</p> <p>WALGA requires that Respondents are able to offer both of the whole of participating Local Government unbundled energy rates and individual bundled rates for each participating Local Government. A portion of Local Governments may elect a bundled structure whilst others may elect for unbundled.</p> <p>For comparative purposes and to determine project level value WALGA requires that respondents provide two price options eligible for each participating Local Government as follows:</p> <ol style="list-style-type: none"> 1. Standalone uniform rate per NMI to Local Government for direct access (bundled) 2. Standalone uniform rate per NMI to Local Government if the group is awarded (bundled) <p>At the whole of sector level, WALGA also requires:</p> <ol style="list-style-type: none"> 1. The offer of a single un-bundled peak/off peak structure 2. The offer of a single rate per year for carbon offsetting or renewable energy certificates. The preferred renewable source is LGCs. <p>Other Pricing considerations:</p> <ul style="list-style-type: none"> • WALGA requires a bundled and un-bundled option for all participating Local Governments with 100% renewable surcharge per contract year, 100% offset fixed surcharge per contract year, peak and off-peak, all connection, daily use charges and cancellation fees. (The participating Local Governments intend that all contestable sites will be awarded to a single supplier).

	<ul style="list-style-type: none"> • For Bundled offers, with the exception of pass-through of changes to Network Charges, and any variations to costs due to changes of operating Energy Laws, the offered price must remain fixed for the duration of the new Contract. • Renewable offering must be sourced from WA generation including the location of renewable energy supply • No security deposit will be payable by any participating Local Government under any circumstance. • Suppliers must provide a minimum threshold of consumption across the aggregate load of supply in this RFQ and additional threshold margins based on lesser levels of collective participation. The mechanism must be based around total volume only and agnostic of bundled and unbundled proportional take up from the sector. • The Price Schedule covers the period from 1 April 2022 – 31 March 2025 without extension. Renewables pricing for the period applicable from 1 April 2024 – 31 March 2025 will be a crucial consideration. • Each Local Government will be provided with the aggregate project pricing alongside their specific bundled price offer. • No Security Deposit will be payable by any participating Local Government under any circumstance. <p>i) CPI</p> <p>WALGA prefers no CPI-related increases during the term of Contract. If required, respondents must clearly outline how CPI adjustments are applied.</p> <p>ii) Alternative Quotes</p> <p>Any Alternative Quote must be accompanied by a conforming Quote. Quotes submitted as Alternative Quotes must in all cases be clearly marked "Alternative Quote". The Principal may in its absolute discretion reject any Alternative Quote.</p>
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Conforming submissions that are not fully compliant to the requirements set in the 6.2.1. Compliance and Disclosure Criteria (Non Weighted) will not be considered. Where a compliant offer is submitted the Evaluation Panel will consider non-compliant offers and must disclose which criteria specifics their respective offer does not adhere too and provide explanation to why the criteria departure is beneficial for the sector. The evaluation panel must agree to accept on the evidence provided and will disclose the specifics relating to the concession in the evaluation report.

6.2.2. Qualitative Criteria (Weighted)

The following qualitative criteria is to apply for this procurement:

Qualitative Criteria		Weighting
a)	Contract Management and Flexibility Respondents are requested to provide project information and capabilities relating to this RFQ for contract management and flexibility. Key consideration include the following but are not limited to:	60%

	<ul style="list-style-type: none"> • Energy management services (load profiling, capacity alerts, demand management) • Flexibility for roll-in and roll-out • ESA format and structure • Take or pay provisions • Methodology to sleeve energy from locally sourced generation projects, if required • Information relating to process for smart metering, new installation, contestability requests with affiliated cost structures • Service level arrangements and capabilities • Post implementation annual reviews on loss factors and network tariffs • Dedicated and experienced/qualified account management • Information and Billing Systems utilised for this Contract <p>(Maximum 15 page limit)</p>	
b)	<p>Sustainability and Renewable Technology</p> <p>Respondents are requested to provide project information and capabilities relating to this RFQ for:</p> <ul style="list-style-type: none"> • RECs that are sourced from WA generation including the location of renewable energy supply and the environmental benefits of utilising these sources • Methodology to procure against non-contestable meters and street lighting • Current and evolving technology types • Renewables and positive climate change communications • Alternative supply options and contingencies • And any other related information <p>(Maximum 10 page limit)</p>	30%
c)	<p>Value Added Services</p> <p>Respondents are requested to provide project information and capabilities (including emerging capabilities) relating to this RFQ for value added services such as:</p> <ul style="list-style-type: none"> • Ease of transition from current offer to future PPA or alternative contract structures • Batteries and storage • Unbundled to Bundled billing validation (for example tenant on charging services) • Public lighting capability • EV and charging infrastructure • Electricity buy back/feed in capabilities sub-meter monitor or other energy related products and services • Future project development <p>(Maximum 7 page limit)</p>	10%

6.3. Evaluation Rating Scale

The following evaluation rating scale will be used to assess qualitative criteria:

Rating	Definition	Score
UNACCEPTABLE	Was not evaluated as it did not provide any requested information relevant to the evaluation criterion. The Evaluation Panel is not confident that the Respondent would be able to meet the requirements of the Request.	0
INADEQUATE	Totally unconvincing and requirement has not been met. The Respondent provided an inadequate response to the criterion. Claims against the evaluation criterion were not relevant to the requirements. The Evaluation Panel is not confident that the Respondent would be able to meet the requirements of the Request to the required standard.	1
VERY POOR	Significantly flawed and fundamental details are lacking. The Respondent provided a very poor response to the criterion. Minimal information provided in response to the evaluation criterion. The Evaluation Panel has critical reservations that the Respondent would be able to meet the requirements of the Request to the required standard.	2
POOR	Unconvincing. The Respondent provided a poor response to the criterion. Significant shortcomings in claims made against the evaluation criterion. The Evaluation Panel has major reservations that the Respondent would be able to meet the requirements of the Request to the required standard.	3
MARGINAL	The Respondent has provided a marginal response to the criterion and may not cover all aspects. Response has some shortcomings and deficiencies in demonstrating claims against the evaluation criterion. The Evaluation Panel has some reservations that the Respondent would be able to meet the requirements of the Request to the required standard.	4
ADEQUATE	The Respondent has provided an adequate response to the criterion. Claims against the evaluation criterion cover the basic requirements. The Evaluation Panel is reasonably confident that the Respondent would be able to meet the requirements of the Request to the required standard.	5
GOOD	Response complies and is credible. The Evaluation Panel is reasonably confident that the Respondent would be able to meet the requirements of the Request to a good standard.	6
VERY GOOD	Response complies, is convincing and credible. No uncertainties or shortcomings in claims against the criterion. The Evaluation Panel is confident that the Respondent would be able to meet the requirements of the Request to a very good standard.	7

Rating	Definition	Score
SUPERIOR	Response complies, is convincing and credible. All claims substantiated and supported. The Evaluation Panel is highly confident that the Respondent would be able to meet the requirements of the Request to a high standard.	8
OUTSTANDING	Highly convincing and credible. Respondent demonstrates outstanding quality in response to the criterion. All claims demonstrated and substantiated. The Evaluation Panel is very confident that the Respondent would be able to meet the requirements of the Request to a high standard.	9
EXCELLENT	Highly convincing and credible. Respondent demonstrates excellent quality in response to the criterion. Comprehensively documented with all claims fully substantiated. The Evaluation Panel is extremely confident that the Respondent would be able to meet the requirements of the Request to a very high standard.	10

7. Procurement Timeframes

The following table provides an estimated timeline from the commencement of developing the procurement plan, through to the award of a contract.

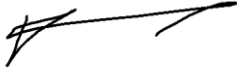
The indicative timeframes for each stage of the procurement process are as follows:

Stage	Indicative Timeframe
Procurement Plan and Evaluation Plan approved	June 2021
MOU's obtained	June – August 2021
Local Governments to provide updated forecasts of energy consumption volume compared to their standing data. (for example Covid-19 having an impact on historical volumes)	June - August 2021
Declarations of Conflict & Interest obtained from Evaluation Panel	August 2021
RFQ released to invitees	Monday 9 th August 2021
Supplier Briefing	Thursday 12 th August 2021 at 10:00AM
RFQ Closes	Monday 30 th August 2021 at 2:00PM WST
Evaluation of RFQ submissions	September 2021
Recommendation Report complete and Steering Group Endorsement	October 2021
WALGA award of contract	11 th October 2021
Member governance approval	November - December 2021
Contract transition	December 2021 – April 2022
Contract commencement date	1 st April 2022

8. Approval

Prior to presentation to the CEO, the Steering Group has received and endorsed this Procurement Plan:

Prepared By:



Toby Costanzo
Contract Manager, WALGA

Chairperson

Endorsed By:



Zac Donovan
Executive Manager Business Solutions, WALGA

Approved By:



Nick Sloan
CEO, WALGA

Attachment 1 – Initial Project Participants

WALGA has received meter consumption data from the following Members, which is intended to be represented into the RFQ on the basis of an MOU. The following list is subject to change

City of Albany	City of Armadale
Shire of Augusta Margaret River	Town of Bassendean
City of Bayswater	City of Belmont
Bunbury-Harvey Regional Council	City of Bunbury
City of Busselton	Town of Cambridge
City of Canning	Shire of Carnamah
Shire of Corrigin	Town of Cottesloe
Shire of Cuballing	East Metropolitan Regional Council
City of Fremantle	City of Greater Geraldton
City of Gosnells	City of Joondalup
City of Kalamunda	City of Kwinana
City of Mandurah	Shire of Manjimup
City of Melville	Town of Mosman Park
Mindarie Regional Council	Shire of Mundaring
Shire of Northampton	City of Perth
City of Rockingham	Shire of Serpentine-Jarrahdale
City of South Perth	City of Stirling
City of Subiaco	City of Swan
Town of Victoria Park	City of Vincent
City of Wanneroo	Shire of Williams
West Metropolitan Regional Council	City of Kalgoorlie
City of Cockburn	Shire of Plantagenet
City of Nedlands	Shire of Northam
Town of East Fremantle	Town of Claremont

Attachment 2 – Steering Group Members

Armadale/Gosnells/Serpentine-Jarrahdale – Jessie Parrish, Switch your thinking Program Officer
Bayswater - Dan West, Acting Manager Sustainability and Environment
Canning - Melanie Bainbridge, Sustainability Lead
Cockburn – Tony Natale, Strategic Procurement Manager Procurement
Gosnells – Jessie Parrish, Switch your thinking Program Officer
Joondalup – David Hale, Electrical Projects Engineer Infrastructure Management Services
Mandurah - Karin Wittwer, Energy Efficiency Project Officer, Environmental Services
Perth – Phill Raso, WA CitySwitch Program Manager
Stirling – Clayton Chipper, Coordinator Sustainability Parks and Sustainability
Wanneroo - Manager Contracts & Procurement