



CitiPower Pty Ltd, Powercor Australia Ltd and United Energy Distribution Pty Ltd

PART A - Invitation to Tender

Tender Name: 2023 Non-network solution for P3 sites

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A. Instructions to Tenderers

1. About us

This Request for Tender (RFT) is issued by CitiPower Pty Ltd (CP), Powercor Australia Ltd (PAL), and United Energy Distribution Pty Ltd (UE).

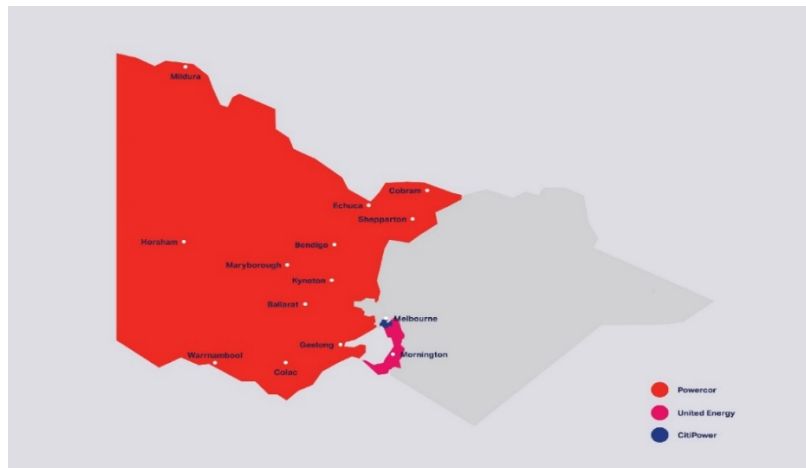
CitiPower, Powercor and United Energy are three of Victoria's five privately owned electricity distributors.

We move electricity to and from more than 1.8 million homes and businesses in Melbourne's CBD, inner, south eastern and western suburbs, the Mornington Peninsula and through central and western Victoria to the South Australian and New South Wales borders.

Our businesses are consistently ranked in the top 5 most efficient and most reliable electricity distribution businesses in Australia.

Our network of poles, wires and other infrastructure are playing a critical role in supporting Victoria's clean energy transition. We are at the forefront of finding innovative ways to support Victoria's energy transition through projects and trials such as community batteries, smart charging for electric vehicles, microgrids and other community energy projects.

Our teams operate from multiple depots; Our Bendigo-based customer contact centre, our CBD headquarters and Mount Waverley corporate office to deliver reliable, safe and affordable electricity by operating, managing and maintaining all network assets and metering services.



2. Vision & Values

Our vision is:



Our values and behaviours guide us in how we go about our business, and how we work with each other and our stakeholders every day:

- Live safely
- Be customer and community minded
- Succeed together
- Be the best you can be
- Improve our business

3. Tenderer to help achieve vision

The successful respondent is expected to help us achieve our vision and work in line with our values in respect of the Tender.

4. Interpretation

- i. Reference in the Tender to “us”, “we” and “our” mean a reference to CP, PAL & UE.
- ii. Reference in the Tender to “you” and “your” mean a reference to the Tenderer, and unless specified otherwise, includes reference to that Tenderer’s staff and sub-contractors.

5. Instructions for tender participants

This tender document is structured in 3 parts.

Part A (Sections A-D) is the information to inform suppliers about the company, the purpose of the tender and how the tender will be assessed.

Part A (Section E) is the information necessary from successful supplier/s who we want to move to the next stage with, who are identified as being able to provide capable and commercially viable non network solution able to be implemented across the identified locations. This information can be completed once the supplier has been selected and notified by us.

Part B is the information required from each supplier, which includes B1 – Solution capability & cost (excel spreadsheet) containing each network constraint site.

6. Lodgement of tenders

Responses shall be –

- i. Submitted via email to NonNetworkSolutions@powercor.com.au and must be submitted in full with compliant tender document/s, and uploaded in full prior to the tender closing time;
- ii. Tenderers are required to submit at the designated time and we will not accept tenders which are not submitted on time; and
- iii. Tenderers are required to provide full details of the proposed solution including cost of solutions in the B1 – Solution capability & cost excel spreadsheet.

7. We are not responsible for inaccurate or inadequate information

All the information that we provide to a Tenderer, whether in the Request for Tender documents or not, is provided in good faith to assist Tenderer's to assess the Tender. None of the information is guaranteed as being accurate or complete. It is the Tenderer's responsibility to interpret and assess the relevance of the information provided. We are not liable for any loss, damage or expense suffered by a tenderer as a result of any inaccuracy or inadequacy in the information we provide.

8. Tenderer must inform itself

It is the Tenderer's responsibility to make all the necessary investigations for it to become thoroughly informed about the subject matter of the Tender, the project, and the nature and location of the work to be completed under the contract, and;

- i. have examined all information which is relevant to the risks, contingencies and other circumstances having an effect on the Tender and which is obtainable by the making of reasonable inquiries;
- ii. have acquired knowledge of typical services as relevant to our assets, business, operations and requirements; and
- iii. be satisfied as to the correctness and sufficiency of the Tender and that the price covers the costs of complying with all relevant obligations and all matters and things necessary for the due and proper performance and completion of the services described in the Request for Tender.

9. Rates of pay and conditions of employment

The successful Tenderer must:

- i. comply with all relevant Workplace Relations and other employment legislation, including awards and certified agreements to which it is party; and
- ii. seek the advice of its employer organisation regarding the application of awards and certified agreements.

10. Quality system

We are a Quality Certified business under ISO 9001 providing a range of guaranteed services. Each tenderer must acquaint itself with these standards. We recognise quality accreditation and prefer Tenderers who are accredited or in the process of gaining accreditation.

The successful Tenderer must perform the contract in accordance with the standards specified in the Request for Tender documents or as otherwise agreed in writing by us.

11. Equal employment opportunity

We will not consider a Tender submitted by a Tenderer who is named in the Australian Parliament as not complying with the Commonwealth's Equal Opportunity for Women in the Workplace (EOWA) legislation.

12. We may vary scope of Services

We may vary the scope of services being tendered for, or the conditions of tendering, by giving written notice of the variation to all Tenderers at any time before the closing date for submission of Tenders.

13. Governing law

The Tender Documents and the tender are governed by the law of Victoria.

14. Tender is an offer capable of acceptance

A submitted Tender is an irrevocable offer capable of acceptance by us. A Tender remains fixed and open for acceptance for 60 days from the Tender closing date.

15. No change of tender after closing date

A Tenderer may not change its Tender after the closing date, unless requested by us and provided in writing to clarify their submission.

16. No right of recourse

A Tenderer is not entitled, in any jurisdiction, to challenge any decision by us, including the following decisions:

- i. to appoint the successful Tenderer;
- ii. to enter into a contract with a Tenderer; and
- iii. to cancel a Tender at any time.

17. Release of tender information

We will maintain the confidentiality of tenderers' information, including information as to price.

18. Status of tenderer

A Tenderer must indicate on the Tender form whether it is tendering as principal or as an agent. If the Tenderer is tendering as an agent, it must specify the name of the principal in the Tender form. We intend to only deal with the Principal.

19. Non-resident tenderer to appoint attorney

If a Tenderer is not a resident of Australia and its head office is not in Australia, it must appoint an attorney in Australia to accept any instructions from us.

20. Intellectual property

Copyright in the Request for Tender and all Tender Documents belongs to and remains our property.

21. Conditions binding

By submitting a Tender, the Tenderer becomes bound by these conditions of tendering. Neither the submission of a Tender nor any acknowledgement of receipt by us creates for the service or is to be taken as an acknowledgement that the Tender is a conforming Tender.

22. Further Assistance and information

A Tenderer must execute all such further documents and do all acts and things required by us for the purposes of giving effect to these conditions of Tender.

23. Financial viability

Prior to contract award, the successful Tenderer/s will be required to submit financial viability information or a bank guarantee. We reserve the right to use an external organisation to verify your financial viability. Financial information may include but is not limited to: contact details of your banker, as well as your current and previous balance sheet, statement of cash flows, and trading profit and loss account. Evidence of poor financial viability may preclude contract award.

24. We may request additional information

We may request a Tenderer to submit additional information by the required date concerning the Tender before any Tender is accepted.

On the basis of submissions to this Tender, respondents may be selected to deliver a presentation to our management and representatives.

Tenderers are encouraged to include within the presentation their concepts and capabilities to deliver the service in an innovative, contemporary and cost effective manner which will provide benefits to us.

25. We have absolute discretion

We have absolute discretion in relation to the evaluation of Tenders and the evaluation of a preferred or successful Tenderer.

26. Post tender negotiations

We reserve the right to enter into post Tender negotiations with any Tenderer (including the preferred Tenderer or any Tenderers that have been short listed) on the basis of all or part of their Tender. The post Tender negotiations may include negotiations to:

- i. Refine the Tender;
- ii. Refine the specification or scope;
- iii. Negotiate the Tenderer's price; or
- iv. Settle the final terms of the proposed contract and any pricing issues, at our sole discretion.

27. Tendering ethics

The Tenderer must not communicate (verbally or otherwise) or have any arrangement or arrive at any understanding with other Tenderer(s) with respect to the Request for Tender or any aspect of the Tender, and the Tenderer represents and warrants to us that it has not done so.

In addition, the Tenderer must not engage in:

- i. any discussion or correspondence with such persons concerning its proposed Tender;
- ii. any collusive activities with any of the other Tenderer(s) or potential Tenderer(s); or
- iii. any conduct or have any arrangement or arrive at any understanding with any of the other Tenderer(s) or potential Tenderer(s),

which in any way could have the effect of reducing the competitiveness of the Tender process, and the Tenderer represents and warrants to us that it has not engaged in any such conduct.

The Tenderer must not, and warrants that it has not, either directly or indirectly or via any third party, consulted with or otherwise obtained any information (whether verbally or otherwise) from any person (including any of the Tenderer's employees, consultants or other personnel) who:

- i. are currently, or have previously been engaged by CP, PAL & UE through the Tenderer; and
- ii. have in any way provided services in relation to, or have been involved in or otherwise assisted CP, PAL & UE with Non network solution offering project.

If and to the extent that any of the Tenderer's employees, consultants or other personnel fall within categories set out in the previous two bullet points, the Tenderer must establish, maintain and strictly enforce appropriate safeguards and protocols to ensure that neither it nor any of its personnel engaged in the preparation of the Tender, breaches the above obligations.

28. Appointment of successful Tenderer(s)

We may contract with the successful Tenderer(s).

29. Appointment of short listed Tenderer(s)

We may select one or more short listed Tenderers. That does not mean that we have accepted any Tender. It simply means that a short listed Tenderer is entitled to negotiate with us. We may request

further information from each of the short listed Tenderers. After assessing the further information, we may make an offer to one or more of the short listed Tenderers for a designated percentage of the contract works. However, we do not have to do so.

30. Notification to short listed and unsuccessful Tenderer(s)

We will notify any short listed tenderer(s) in writing. The notice may be given by any of the following:

- hand delivery to the tenderer's address on the Request for Tender form;
- prepaid post to that address; or
- electronic transmission to the address on the Request for Tender form.

31. Short listed Tenderer appointed as successful Tenderer

If we appoint a short listed Tenderer as a successful Tenderer, we may send that Tenderer a letter of acceptance of the Tenderer's offer or a letter of offer specifying the terms on which it will accept the Tenderer's Tender or modified Tender.

A contract only exists between us and the successful Tenderer when we have executed a contract.

32. Contract to be final

The contract formed between us and a successful Tenderer will govern exclusively the relationship between the parties during the period of the contract. A party cannot rely on any statement, promise or representation made during the negotiation process if it is not included in the contract.

33. Tender response

Tenderer must complete and return **Part B - Tender Response**, including **Part B1 – Solution capability & cost** excel spreadsheet in a separate document.

B. Scope of Services

1. Background

CP, PAL & UE's distribution substations and LV circuits represent a major component of the CP, PAL & UE distribution network which convert and transport electrical energy between the high voltage (HV) network and the LV network, to the customers' supply points.

Distribution substations have had a historically low failure rate. However if a distribution substation's load exceeds its capacity limits, it shortens the life of the transformer and increases the chance of early in-service failure. LV circuits are protected by fuses and when the demand in the circuits exceeds the fuse capacity limit, network outages can occur leading to customer supply interruptions.

Such network incidents typically occurs during early evenings on hot summer days when outages can last for many hours at a time. This is more likely on days of extreme heat.

Priority 3 (P3) sites are which have not experienced supply outages due to overload but will exceed its capacity.

The project need is to address existing overload constraints in order to prevent potential asset failures and fuse operations on hot summer days.

CP, PAL & UE assesses options to avoid the impact of outages for each capacity-constrained site based on an economic evaluation of costs and benefits in order to determine the most prudent and efficient option.

2. Non-network alternatives

Historically, CP, PAL & UE built new electricity infrastructure to meet the increasing demand for electricity by customers. This may involve augmentation of the network, for example, installing new transformers and building new powerlines. These are generally referred to as 'network solutions'. The establishment of these assets is capital intensive and it may be more economical in some cases to implement a non-network option. Such non-network options may be temporary or permanent, but the aim is to be able to defer or replace the building of the network solution.

Non-network solutions are an important component for the effective operation of the network and can involve either the reduction of customer electricity demand at peak times (demand management) or the direct supply of electricity into the grid at the distribution level (generation and storage). Effective and prudent use of non-network solutions can reduce the need for network augmentation and associated maintenance costs, resulting in lower electricity bills for consumers.

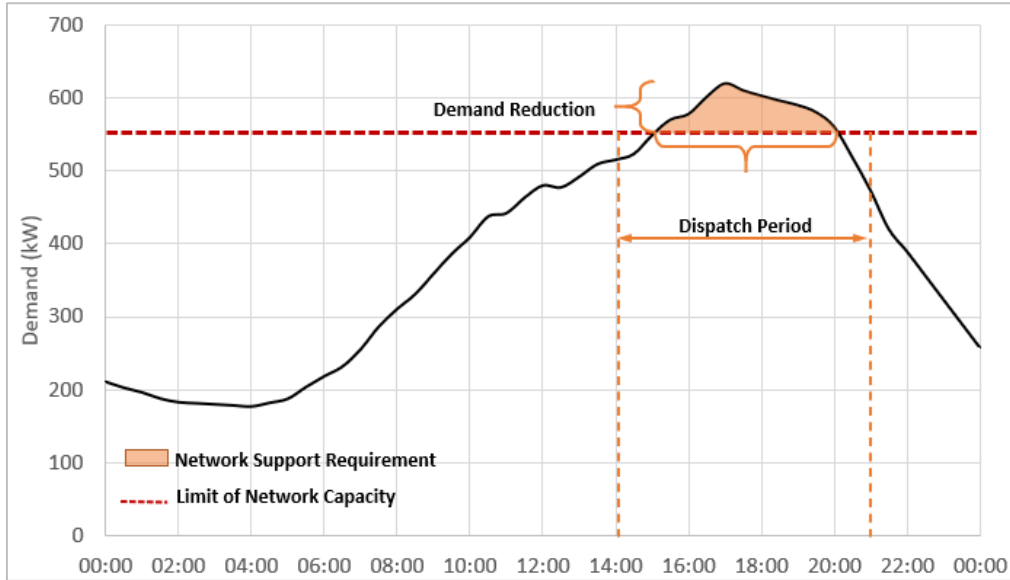
3. Non-network option requirements

Embedded generation, storage or demand management schemes to reduce the magnitude of load-at-risk (or demand reduction required) at the identified capacity-constrained distribution substation and LV supply areas could defer or avoid the proposed network augmentation. Distribution substations and LV circuits being targeted predominantly supply residential customers with a typical load profile as shown in the figure below.

The nominated demand reduction being requested on each capacity-constrained site is at summer residential peak times which is typically within the 3-9pm timeslot on the hottest days (typically 35°C or higher) across the summer.

As a minimum, CP, PAL & UE requires that any non-network option be able to reduce demand during a specified 3 hour window in the 3-9pm timeslot, with one day's advance notice from CP, PAL or UE for up to 4 events.

Figure 1 Typical load profile on maximum demand day



Note: The non-network option for each site shall be a complete standalone solution to address the site constraint and be implemented by 1st December 2023. Due to time and resource constraints, CP, PAL & UE will be unable to consider a partnership solution with a 3rd party or facilitate a partnership solution with multiple 3rd party proposals.

4. Conditions of service

4.1 Confidentiality of network information

As a requirement by the Foreign Investment Review Board (FIRB), all network information shall be stored securely in Australia. As part of delivering the tender, the successful tenderer may have access to sensitive network information including customer details and usage, which will be bound by this requirement from FIRB.

4.2 Approval for marketing material

Should the tenderer wish to include references to CP, PAL or UE in their marketing material, they shall seek approval from us before doing so.

5. Data requirements from non-network service providers

A detailed proposal including the information listed below should be submitted by the requested date. Details required include:

- Name, address and contact details of the person making the submission.
- Name, address and contact details of the person responsible for non-network support (if different to above).
- A detailed description of services to be provided including:
 - Type of action or technology proposed.
 - Expected demand reduction (in kW) per site.
 - Proposed dispatching arrangement.
 - Period of notice required to enact service.
 - Expected take up rate (if applicable).
 - Expected success rate (if applicable).
 - Expected total cost per site including a breakdown of:
 - Fixed costs (\$)
 - Variable costs (\$/kWh)
 - Variable costs other (\$) such as network connections and/or council permits/ leases.
 - Other supporting information including:
 - Evidence and track record proving capability and previous experience in implementing and completion of projects of the same type as the proposal.
 - Preliminary assessment of the proposal's impact on the network (if applicable).
 - Where appropriate, evidence of a planning application having been lodged.
- A method outlining measurement and quantification of the agreed service, including integration of the proposed solution with the CP, PAL & UE network.
- A statement outlining that the non-network service provider is prepared to enter into a network support agreement (NSA) with CP, PAL & UE (subject to agreeing terms and conditions).
- Letters of support from partner organisations.
- Any special conditions to be included in an NSA with CP, PAL & UE, such as network modelling/design and costs for marketing.

6. Summer 2023/24 program sites

The B1 – Solution capability & cost excel spreadsheet outlines the list of summer 2023/24 P3 capacity-constrained network sites currently being assessed for distribution system augmentation. It also provides technical information, total customer numbers connected and the maximum demand reduction required for each site.

The economics of each option will be assessed on a per site basis to determine the most efficient solution for that site. Tenderers may be awarded some sites or all sites, depending on the outcome of the economic and technical assessments for each site. It should be noted that the demand reduction required is equivalent to the load-at-risk reduction required to bring the loading of the constrained site below its capacity limit.

The estimated cost of augmentation for each site at this stage is indicative only. The deferral cost provides the maximum payment from CP, PAL & UE which may be available to non-network service providers for deferring the proposed augmentation by one year.

7. Enquiries and submissions

Final written submissions from interested parties to address the network capacity constraints described in this document are **due by 23rd June 2023**. CP, PAL & UE recommends engagement as early as possible in order to provide any further information required, or to enable us to assist in developing proposals.

All enquiries and submissions should be directed to NonNetworkSolutions@powercor.com.au

C. Selection Criteria

1. Selection criteria

The tenderers will be assessed against the following selection criteria.

This criteria is intended to provide respondents with an indication of the major factors that will be considered in evaluating the tenders received. Tenderers should therefore ensure that they provide sufficient information to enable their tender to be given proper consideration.

Criteria	Suggested Type	Description
Contract Departures	Screening	No significant departures from our Contract Terms & Conditions.
Scope Departures	Screening	No significant departures from our scope of services.
Occupational Health and Safety	Screening	Evidence of an OH&S Management System or Company OH&S Policy Statement.
Specification Compliance	Screening	Compliance with the business requirements and specification.
Capability, Experience Capacity and Resourcing	Screening	Demonstrates an understanding of the requirement and an ability to provide non-network solutions to meet the demand constrained locations (or part thereof). Demonstrates a capacity to fulfil the requirement in line with project timeline; Demonstration of resource availability with the necessary skillset / qualification.
Implementation approach	Screening	Demonstrates how the solution will deliver the products and services requested.
Organisational Change Management	Screening	Demonstration of suitable change management techniques and previous success.
Vulnerable customers policy	Screening	Policy that demonstrates how to maintain service for customers that are deemed vulnerable and/or on life support.
Delivery of program	Screening	Ability to meet the non-network demand relevant to the nominated site/s (timeliness).
Implementation history	Evaluation	Demonstrates the success of the solution which has been implemented elsewhere and/or on another network.
Network impact	Evaluation	Ability to meet the network requirements (the demand reduction required).
Cost benefit analysis	Evaluation	Cost benefit analysis exceeds network augmentation solution.

Note: For P3 sites, proposals will be considered acceptable if it satisfies the following:

- Minimum 5kW demand reduction.

D. Basis of Tender

1. Tender Information

Tender information	
Tender name:	2023 Non-Network Solution for P3 sites
Issue date:	Friday 26 th May 2023
Closing date:	Friday 23 rd June 2023 4:00 pm
Solution Implementation date:	Friday 1st December 2023

TENDERS RECEIVED AFTER 4:00 PM ON THE CLOSING DATE MAY BE REJECTED

The tenderer may request in writing, clarification or elaboration of any of the tender Documents. Any clarification or elaboration given to one tenderer will also be given to all other tenderers.

All enquires relating to all tendering and contract elements of this tender should be directed to NonNetworkSolutions@powercor.com.au

2. Tender documents

The tender includes the following documents:

Part A	A. Invitation to Tender	For you to review <ul style="list-style-type: none"> • Section A – General conditions • Section B, C, – Specific requirements • Section E – Information to be provided by the supplier/s once short listed.
Part B	B. Tender Response	For you to submit <ul style="list-style-type: none"> • B. Tender Response • B1. Solution capability & cost spreadsheet must be submitted in a separate document.
	B1. Solution capability & cost	

E. Information that will be required from selected Suppliers

1. Insurance requirements

We require the following insurance provisions for this contract:

Product liability

Provide evidence of your compliance and certificate for a minimum **\$20 Million** any one event, unlimited in the aggregate **Product Liability Insurance** (covering loss or damage arising out of the Insured's business activities).

Public liability

Provide evidence of your compliance and certificate for a **minimum \$20 Million** any one event, unlimited in the aggregate **Public Liability Insurance** (covering loss or damage arising out of the Insured's business activities).

Workers compensation

Provide evidence of your compliance and certificate for **Workers Compensation insurance**.

Public liability			
Insurance company:		Policy number:	
Amount \$:	\$20,000,000	Expiry date:	

Product liability			
Insurance company:		Policy number:	
Amount \$:	\$20,000,000	Expiry date:	

Work cover			
Insurance company:		Policy number:	
Amount \$:	As required by law	Expiry date:	

Please provide insurance certificates of currency (if applicable) to support your response.

2. Subcontractors

The tenderer must complete this form (if applicable).

Note: Unless subcontractors are nominated herewith and are approved by us, they will not be permitted to work under this Services Agreement.

The following subcontractors and suppliers are proposed for the services:

Subcontractor's or Supplier's Name	Description of Services to be Assigned

3. Contract compliance

We will issue a contract to the shortlisted suppliers containing the standard terms and conditions which the Tenderer shall indicate below that your tender complies with all Clauses of the Conditions of Contract.

Our tender complies with the Conditions of Contract.

(tick box indicates full compliance)

However, if your tender does not fully comply, set out below, or annex to this sheet, a tabulated statement showing clearly and in order of the relevant clauses, all departures from our **Part C - Conditions of Contract**.

Clause Number	Clause Title	Nature and reason for Departure

Note: The provision of an alternative clause is not an acceptance of your contract variation, as such, non-acceptance of the set Terms and Conditions will leave your bid non-compliant.