

**REQUEST FOR PROPOSAL
(RFP)**

UE-DZA-N-17-001

For the supply of

**Notting Hill Supply Area Non Network Options
for**

United Energy Distribution Pty Ltd

The contents of this document may not be disclosed in part or whole without the express written permission of United Energy Distribution Pty Ltd, except for the purposes of submitting the Proposal.

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Section 1 – Instructions to Respondents

PREREQUISITE

This document is confidential. Copyright in the whole and every part of this document belongs to United Energy Distribution Pty Ltd and cannot be used, transferred, copied or reproduced in whole or in part in any manner or form or in any media to any person other than with the prior written consent of UE. By reading further sections of this RFP document you are accepting UE's terms of confidentiality in all respects.

INSTRUCTIONS

You are invited to submit your Proposal for the services nominated in this RFP.

1.1. In this Request for Proposal (RFP) the expression "United Energy" shall, unless otherwise stated, mean United Energy Distribution Pty Ltd

1.2. All queries should be directed by email for the attention of:

Contact Name: Rodney Bray

E-mail: planning@ue.com.au

Telephone (03) 8846 9745

quoting reference number UE-DZA-N-17-001.

1.3. Where a query is as a result of a mistake in this document or the Attachments, or part of this document requires clarification, then United Energy shall communicate the outcome of the query to all parties to whom we have issued a Request for Proposal. Where the query is of such a nature as to influence the Proposal of an interested Respondent, then United Energy shall only communicate its response to that Respondent alone.

1.4. It is required that you submit a Proposal to meet our requirements. Where possible we request that the Proposal be complete and include any assumptions that you have made. Proposals shall include pricing, and shall indicate whether the pricing is firm and what assumptions will alter pricing. The following acts as a 'navigation guide' to the RFP documents:

1.4.1. Section 1 provides instructions on how to respond to this RFP;

1.4.2. Section 2 provides the Scope of services of this RFP;

1.4.3. Section 3 provides the Terms and Conditions of this RFP;



1.4.4. Attachment 1 identifies the scope of the RFP and Section 8 of this Attachment details the Submission requirements. The Proposal is to be submitted to United Energy in an electronic format;

1.4.5. Attachment 2 Section 5 identifies the Data Requirements to submit your Proposal;

1.5. The Proposal must be received by the Closing Date specified in Attachment 1 Section 8;

1.6. Any costs associated with preparing a proposal/s are to be met by the invitee;

1.7. It is the responsibility of the company submitting a reply to this RFP to ensure that United Energy is in possession of any Proposal documents prior to the deadline stated above;

1.8. The contents of this RFP shall be considered confidential and shall not be disclosed by you, your servants or agents to any person, firm or corporation without the consent of United Energy;

1.9. Replies not in accordance with any of the instructions given in this RFP may be disregarded;

1.10. United Energy shall not be bound to accept any of the Proposals received. Submission of a Proposal or a number of Proposals, as part of this process shall be deemed to be the bidder's only offer;

1.11. United Energy shall assess each Proposal in accordance with the requirements of the National Electricity Rules. United Energy will make its selection based on the following criteria:

Maximizing value	<ul style="list-style-type: none">• Maximising the present value of net economic benefit to all those who produce, consume and transport electricity in the National Electricity Market
Credibility of option	<ul style="list-style-type: none">• Technically viable and reliable services to address the need• Evidence and track record proving capability with previous experience• Letters of support or evidence of planning applications (if applicable)• Ability to measure and confirm the agreed services
Commercial risk	<ul style="list-style-type: none">• Agreement of special terms and conditions• Adequate insurance arrangements• Consideration of delivery risk• Financially viable supplier

1.12. United Energy expects bidders to submit bids on a BAFO (best and final offer) basis - it is not a United Energy intention to negotiate the rates and prices set out in the Proposal.

1.13. United Energy will advise all invitees of the status of their RFP submission on the completion of the sourcing selection process.

Section 2 – Scope

BUSINESS OVERVIEW

United Energy (UE)

UE is an electricity distribution business serving approximately 650,000 customers in south eastern Melbourne and the Mornington Peninsula.

UE's business consists of the following elements:

- Management, operation and ongoing development of electricity distribution network assets supplying customers in south-eastern Melbourne and the Mornington Peninsula
- Management of its customers, including metering their electricity consumption, providing back-office services to manage meter data and interface with the national electricity market, and dealing with customer queries, transfers and related matters, and
- An extensive set of information technology assets and systems that underpin the above activities.

UE operates under a heavily outsourced model. The functions performed internally by UE include corporate services (such as legal services and finance), stakeholder relations (such as managing claims and complaints), asset management, information technology strategy and planning, and vendor management.

UE's network field service functions are provided by two separate service providers under Operational and Management Services Agreements.

UE is strictly regulated under Victorian state-based regulatory arrangements.

From 1 July 2008, the Australian Energy Regulator became the economic regulator for both electricity and covered natural gas transmission and distribution in Victoria and responsible for enforcing the applicable laws within its jurisdiction.

UE holds a distribution licence in respect of its network that requires compliance with applicable codes and all guidelines applicable to the licensee under the Essential Services Commission Act 2001 (Vic). The existing codes set out obligations and minimum standards for operating and using distribution systems, including requirements for installing and maintaining connections and metering installations, disconnections and reconnections, and for providing metering data.

Health & Safety

The health and safety of our employees, contractors, visitors and broader community is of the highest priority and is critical to our overall business success. We are committed to reducing the impact of our business operations on the environment and aim to be recognised as a leader in environmental management.

Scope of services

The Scope of services is described in Attachment 1.

Section 3 – RFP Terms and Conditions

1. INTRODUCTION

1.1. Purpose of this Request

- a) The purpose of this Request is to request a proposal from Respondents to address the need identified in Attachment 1.

1.2. Participation

- a) The Respondent's participation in this Request is subject to the Respondent complying with, and submitting a Proposal that satisfies the requirements of, and the terms and conditions set out in this Request.
- b) Respondents should ensure that they have read and understand each section of this Request. A person is deemed to have accepted (and is bound by) the terms, conditions and requirements of this Request upon submission of a Proposal.
- c) United Energy may, in its sole and absolute discretion, invite or approach selected persons that have not registered an interest in the prescribed manner to nonetheless participate in this Request or future procurement processes in relation to the Scope.

2. DISCLOSURE

2.1 UE has in house capacity to develop non network solutions and will be allowing an in house bid in response to this RFP.

The evaluation process will be undertaken in a manner that is fair and transparent. UE intends to evaluate submissions objectively against the evaluation criteria, and without regard to any relationship with the in house bid team.

To mitigate the risks with an in house bid, UE is adopting the following:

- The Procurement Team will be ring fenced so that there is no interaction with the in house bid team
- The Procurement Team and the bid team will not utilise the same advisors (technical, legal or commercial)
- Any early submissions will remain unopened until the submission close date
- Only the Procurement Team will have access to the electronic tender box
- All submissions will be stored in a secure electronic folder accessible only to the Procurement Team and not accessible to the in house team or any other UE staff
- UE will utilise the services of an external independent expert with relevant industry experience to assist with evaluation of submissions
- UE has appointed a probity advisor, Anne Larkins of Dench McClean Carlson, to oversee the RFP process and to report on the process against probity principles at the conclusion of the market engagement

2.2 Suppliers are advised that UE will be running a parallel tender for network solutions.

3. REQUEST PROCESS

3.1. Lodgement of Proposals

- a) Respondents must respond to this Request as set out in Section 8 of Attachment 1 as part of its Proposal.
- b) The Proposal must be in English.
- c) All Proposals must be received by United Energy no later than the Closing Date.
- d) The Respondent warrants that:
 - i) it has used best industry practice, and the most up to date virus detection software available in the market, to detect any virus (or other harmful software that could disable, limit, shut down, or otherwise adversely impact any equipment, software or systems of United Energy) in the Proposal or any other communication to United Energy prior to sending the Proposal or other communication; and
 - ii) to the extent that any virus or harmful software (referred to in paragraph i) is detected, the Respondent will, before sending the Proposal or other communication, fully remove and delete any such virus or harmful software.

3.2. Requests for further information

- a) Respondents must submit all communications related to this Request in writing. All communications are to be submitted electronically to the email address specified in 1.2 above.
- b) United Energy is not obliged to answer any questions or requests for further information. Where United Energy provides an answer to a question or provides further information in response to a request, United Energy may, in its sole and absolute discretion, also choose to provide the initial question and/or the answer and/or information provided, in each case to any of the other Respondents

3.3. Obligation to notify errors

If, after a Proposal has been submitted, the Respondent becomes aware of an error (including any inconsistency with this Request) in the Proposal (excluding clerical errors which would have no bearing on the information provided or United Energy review of the Proposal) the Respondent must promptly notify United Energy of such error.

3.4. Material changes

- a) The Respondent must notify United Energy promptly in writing of any:



- i) material change to any information contained in its Proposal;
 - ii) event which may affect or have an impact on the capability or capacity of the Respondent;
 - iii) circumstances which may affect the truth, completeness or accuracy of any of the information provided by or on behalf of that Respondent within, or in connection with, its Proposal.
- b) Upon receipt of any written notification pursuant to section 3.4a), United Energy reserves the right to:
- i) review the change and exclude the Respondent from further participation in this Request process;
 - or
 - ii) invite the Respondent to amend its Proposal accordingly.

4. GENERAL CONDITIONS OF RESPONSE

4.1. Status of this Request

- a) This Request is an invitation to Respondents to submit a Proposal to United Energy. By submitting a Proposal, a person is deemed to have accepted (and be bound by) the terms, conditions and requirements of this Request.
- b) Subject to the terms and conditions of this Request which are binding on the Respondent on submission of its Proposal:
 - (i) no binding legal or equitable arrangement or other understanding (including arising in contract, tort (including negligence), equity, strict liability, statute or otherwise) will exist between United Energy and a Respondent arising from or in connection with the subject matter of this Request including in relation to the procurement of any goods or services referred to in any Proposal (including the Scope); and
 - (ii) each Proposal constitutes a non-binding response by the Respondent to United Energy with respect to this Request.

4.2. Other United Energy rights

Notwithstanding any other provision in this Request, United Energy may, in its sole and absolute discretion and at any stage of the Request process, do anything in relation to this Request process, including to do all or any of the following:

- a) changing the structure of the Request process or the requirements of this Request;
- b) terminating further participation (either in whole or part) in the Request process by any Respondent for any reason;
- c) varying, amending (including by replacement) or terminating the Request process (either in whole or part);
- d) amending any part of this Request, changing any information in this Request or adding to this Request including to alter, vary or extend any time or date specified in this Request for all or any Respondents or other persons;
- e) adding new scheduled events;
- f) waiving any requirement or obligation of the Respondent or of other Respondents in submitting a Proposal;

- g) holding discussions or meetings with the Respondent or with other Respondents at any time;
- h) inviting any other person to submit a Proposal;
- i) requesting additional information from the Respondent or other Respondents;
- j) allowing the Respondent or other Respondents to clarify or materially alter a Proposal at any time or not seeking clarification or permitting material alteration of a Proposal;
- k) selecting a shortlist of preferred Respondents, or electing not to do so, which United Energy may undertake by considering, or not considering, the extent to which a Respondent complies with any criteria listed;
- l) conducting further discussions with one or more Respondents and improving any Proposal;
- m) considering all or part of any Proposal, including a non-conforming Proposal (which may include non-compliance with any criteria listed or a Proposal that is received after the Closing Date);
- n) rejecting all or any part of any Proposals, at any time, including a Proposal that complies with the requirements of this document or a Proposal which may be ineligible without seeking clarification in relation to that Proposal;
- o) permitting a Respondent to correct a Proposal;
- p) at any time disqualifying any Respondent from submitting a Proposal, or excluding its Proposal from further consideration;
- q) declining any Proposal submitted under this Request;
- r) terminating or suspending the process set out in this Request;
- s) entering into or commencing a further process with any Respondent, in relation to the Scope (or goods and/or services similar to them) without prior notice to the other Respondents, including by utilising any information gained in or in relation to this Request process (subject to complying with any confidentiality obligations which United Energy has accepted as set out in this Request);
- t) taking such other action as it considers, in its sole and absolute discretion, appropriate in relation to requesting a Proposal; and/or

- u) electing not to provide any Respondent with any reason for any actions or decisions it may take including in respect of the exercise by United Energy of any or all of the above mentioned rights.

4.3. **Responsibility for Request costs**

Participation in any stage of the Request process, or in relation to any matter concerning the Request, will be at the sole risk, cost and expense of the relevant person or Respondent. United Energy will not be responsible for any costs, losses or expenses incurred by any person or Respondent in preparing or lodging a Proposal, in taking part in the Request process or in taking any action related to the Request process.

4.4. **Information provided**

Neither United Energy nor any of its employees, officers, agents, contractors, consultants or advisers gives any representation or warranty, express or implied, and does not assume a duty of care to any person:

- a) regarding the accuracy or completeness of any information or statement given or made in this Request in connection with this Request; or
- b) that such information has been independently verified by United Energy.

4.5. **Respondent's warranties**

Each Respondent warrants that, in lodging its Proposal:

- a) it has not relied on any express or implied statement, warranty or representation, whether oral, in writing or otherwise made by or on behalf of United Energy, its officers, employees, agents, contractors or consultants, or any other conduct, as adding to or amending the terms and conditions of this Request; and
- b) it is satisfied as to the accuracy and sufficiency of its Proposal.

Nothing in this Request will affect the terms and conditions of any existing contract between United Energy and the Respondent (if any).

4.6. **Liability**

To the maximum extent permitted by law, United Energy will not have any Liability to any Respondent whatsoever as a consequence of any act, fact, matter, event or thing arising from, or in connection with, this Request or a Respondent's participation in the Request process including for any costs, losses, expenses, liabilities or damages incurred or suffered by the **Respondent**:

- a) in preparing for or responding to this Request;

- b) in otherwise acting in reliance upon this Request;
- c) in relying or interpreting any information provided by or on behalf of United Energy arising from or in connection with this Request;
- d) as a result of any omissions or inaccuracies contained within this Request or in any information provided by or on behalf of , United Energy arising from or in connection with this Request; and
- e) arising out of or in connection with:
 - i) the Respondent's participation in or responding to any discussions, negotiations, interviews, enquiries or requests for details or information, whether before or after the Closing Date;
 - ii) the Respondent's participation in the Request process generally;
 - iii) United Energy exercising or failing to exercise, in its sole and absolute discretion, any of its rights under this Request; or
 - iv) anything that United Energy does or fails to do in connection with the process under this Request, including failing to otherwise act in accordance with this Request.

The Respondent releases United Energy from all claims in respect of any costs, expenses, losses or damages incurred or suffered as a result of or in connection with the Request process, the rejection of, failure to evaluate or failure to accept any Proposal or any clarification session.

4.7. **Precedence of documents forming part of this Request**

- a) If there is any inconsistency between this Section 4 and any other part of any attachment to, or document referenced in, this Request, the terms of this Section 4 will prevail to the extent of that inconsistency.
- b) The terms and conditions in this Request will prevail over any further terms that the Respondent may include in its Proposal or otherwise provided to United Energy, and any such further terms will be of no force or effect.

4.8. **Ownership of Proposals**

- a) Subject to paragraph b), all Proposals submitted in response to this Request will become the property of United Energy.
- b) Each Respondent:

- i) subject to paragraph ii), retains ownership of all intellectual property rights in its Proposal; and
- ii) grants to United Energy (and its officers, employees, contractors, advisors, consultants and agents) a non-exclusive, perpetual, irrevocable, royalty-free, fully transferable and sub-licensable world wide licence to:
 - A) use, reproduce, communicate, modify, publish, adapt and disclose; and
 - B) exercise all rights of the owner of the intellectual property rights in, the whole or any part of its Proposal (including any and all information, materials, data, concepts, ideas, know-how, methodologies and processes comprised in the Proposal).

4.9. **Confidential information**

- a) Prior to receiving a copy of this Request and at any time after it receives a copy of this Request, the Respondent may be asked by United Energy to execute a confidentiality agreement with United Energy in form and substance satisfactory to United Energy. The Respondent must sign that confidentiality agreement as a condition to it commencing or continuing its participation in this Request process. The terms of that confidentiality agreement will apply to this Request and any other information provided by or on behalf of United Energy or the Respondent under or in relation to this Request or the Request process.
- b) Where a confidentiality agreement with United Energy has not been signed by the Respondent, the following clauses 4.9 c) to e) will apply.
- c) The terms of this Request and any additional information provided by United Energy to the Respondent in connection with this Request that has not been previously disclosed publicly are confidential and must not be disclosed by the Respondent, in part or in whole, to any third party (other than a Respondent's directors, officers, employees, contractors, consultants, shareholders, parent organisations and advisers on a need to know basis only, for the purpose of preparing the Proposal) without United Energy prior written approval. The Respondent must ensure that the recipients of any information contained within this Request are bound to and comply with the same confidentiality undertakings imposed on the Respondent in respect of the information provided.
- d) United Energy may disclose the content of any Proposal submitted by a Respondent under this Request, in part or in whole, to anyone for any purpose.

- e) If the Respondent considers that any material provided as part of any Proposal is confidential, it must notify United Energy in writing of such material prior to submitting the Proposal, in which case:
- i) United Energy may, subject to clause 4.9e)ii), only disclose the relevant material which is actually confidential to its officers, directors, employees, contractors, staff, consultants, shareholders and advisers for the purpose of reviewing the Proposal;
 - ii) United Energy may disclose the relevant material or information to the extent that the material or information is used for;
 - iii) United Energy will ensure that the persons to which it discloses the relevant material which is actually confidential are bound to respect the confidentiality of the material provided.

4.10. **Disclosures by United Energy**

United Energy obligation to maintain the confidentiality of any Respondent's material under clause 4.9e) does not apply to the extent that the confidential information is in the public domain or becomes public knowledge otherwise than due to a breach of clause 4.9e) or is required to be disclosed by law.

4.11. **Public statements**

Except with the prior written approval of United Energy, Respondents must not make a statement, issue any document or material or provide any other information for publication in any media concerning the Request, including in relation to the Respondent's Proposal.

4.12. **Applicable law**

The laws applying in the State of Victoria apply to this Request and the process set out in this Request. Each Respondent must comply with all relevant laws and each Respondent irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria.

4.13. **Interpretation**

In this Request, unless expressly provided otherwise:

- a) a reference to the words "including", "for example" and "such as" are not words of limitation;
- b) if a word or phrase is defined, its other grammatical forms have corresponding meanings;
- c) words importing the singular number include the plural and vice versa, a gender includes both genders and words importing persons include partnerships, trusts, corporations, joint



ventures, unincorporated associations, unincorporated or statutory bodies, other entities and governmental agencies; and

- d) headings are inserted for convenience of reference only and will be ignored in construing this Request.

5. **DEFINITION OF TERMS USED IN THIS REQUEST**

In this Request, unless defined elsewhere in this Request:

Closing Date means the closing date and time specified in Attachment 1 Section 8 (as may be modified in accordance with this Request).

Liability means any cost, loss, expense, liability or damage:

- a) whether arising from or in connection with any proceeding or claim or not;
- b) liquidated or not;
- c) legal or equitable (including arising in contract, tort (including negligence), equity, strict liability, statute or otherwise);
- e) present, prospective or contingent; or
- f) owed, incurred or imposed by or to or on account of or for the account of any person alone or severally or jointly with another or others.

Proposal means any response to this Request for Proposal submitted by a Respondent.

Request means this Request For Proposal, any attachments and any referenced documents.

Respondent means an organisation which submits a Proposal to this Request and is deemed to have accepted the terms, conditions and requirements of this Request in accordance with Section 3.