



Tendering Policy

United Energy's contestability of
connection and augmentation guideline



Table of Contents

1. United Energy	3
2. Policy Objectives	3
3. Tender Policy	4
3.1. UE Policy	4
3.2. Contestability Options	4
4. UE Tender Process	5
4.1. Tender Process	5
4.1.1. Tender Issue	5
4.1.2. Tender Review & Recommendation	5
4.1.3. Post Tender – Contract Award	5
4.2. Pre-Conditions for Contractors wishing to Tender	6
5. Completing the Works	6
5.1. Connection Agreement/Deed	6
5.2. Contracting the Works	7
6. Special Circumstances	7
7. Fees and Charges	7
8. UE Dispute Handling Procedure	7
9. Contact Details	8
10. Other Important Contacts	8
11. Appendix A – Fees & Charges	9



1. United Energy

United Energy (UE) operates under a distribution licence that is issued by the Essential Services Commission of Victoria (ESCV). Our network covers about 1472 square kilometres and we distribute electricity to approximately 665,000 customers across east and south-east Melbourne and the Mornington Peninsula.

2. Policy Objectives

This guideline is provided to inform customers of the process to follow if a customer wishes to exercise the tendering options provided to them in UE's offers in relation to network connection, augmentation or relocation. This policy document is a guide only.



3. Tender Policy

3.1. UE Policy

In keeping with its objectives to inform customers of their rights with regard to access to the distribution system, UE Connection Offers include the price for connection and augmentation works and a number of contestability or tendering options. These options are intended to provide the customer with the opportunity to assess and choose the most practical and cost effective solution.

UE offers are based on prices obtained from our construction service providers and their expert knowledge. However, where customers prefer to benchmark such prices, UE has a tendering policy that informs customers of the processes for determining market prices for network connection, augmentation or relocation of network assets.

Beyond this customers have the option to undertake both the tender and work themselves.

3.2. Contestability Options

On requesting connection services or augmentation works, UE offers the following tender options:

1. Customer may choose UE to undertake both the design and construction of the project as per the connection offer and waive its rights to call for tenders
2. Customer may choose UE to undertake the design and request UE to call tenders on their behalf for the construction of the project.
3. Customer may choose UE to undertake the design only and choose to call tenders themselves for the construction of the project.
4. Customer may choose to call tenders and undertake both the design and construction of the project utilising contractors approved by UE.

It should be noted that under options 2, 3 and 4 the customer is choosing to undertake the works themselves whether under a UE tender or its own tender process. Under options 2, 3 and 4, the customer is required to sign a UE Contract/Agreement to ensure that the works are undertaken:

- ✓ By approved contractors
- ✓ To the required standards
- ✓ Using approved materials
- ✓ To provide audit access to UE representatives
- ✓ To indemnify UE
- ✓ To provide defects liability and warranty cover

Whether UE is chosen to undertake the works or the Customer chooses to seek tenders and undertake the works themselves, UE is still required to complete a number of tasks, which are non-contestable works. These include design approval, final connection of supply and updating our systems and drawings.

Non-contestable elements of the works are charged on a project by project basis and the charges are calculated on our estimate of the required hours to undertake the work.

Where the customer prefers UE to undertake the works, the non-contestable costs will be detailed in our Offer along with UE's price for undertaking the works.



Where the Customer elects to tender and undertake the works themselves the details of non-contestable charges will be specified in the UE Contract/Agreement.

A customer who elects to call tenders and undertake the construction work will need to arrange its own design services other than non-contestable design services. If required, UE can provide a list of design consultants to assist the customer.

4. UE Tender Process

4.1. Tender Process

4.1.1. Tender Issue

Selective Tenders will be called within 20 business days of a request and will be reviewed and a recommendation for award made within 10 business days of the tender close, subject to availability of contractors to submit to tender interviews, reference checks and submission of required documentation. Note: the tender period will be a minimum of 10 business days.

Public Tenders will be called within 20 business days of a request and submissions will be reviewed and a recommendation for award made within 20 business days of the tender close, subject to availability of contractors to submit to tender interviews, reference checks and submission of required documentation. Note: public tenders will require extended tender periods and review time depending on the number of submission received.

Before the tender is issued, UE will provide a copy of the tender documents to the Customer to review and to identify any special requirements (timing, work hours etc) appropriate to the works. UE will manage the tender process.

4.1.2. Tender Review & Recommendation

Tender submissions will be reviewed for

- technical,
- commercial, and
- health and safety compliance

following which UE will make a recommendation to the Customer.

A copy of the tender and recommendation will be provided to the customer at the conclusion of the tender process.

Where no bids are received or bids are not competitive, UE will refer the process to the Customer to consider other alternatives.

4.1.3. Post Tender – Contract Award

On acceptance of the recommendation by the Customer, UE will notify the successful contractor and assist in making the necessary arrangements to commence the works according to the agreed timeframe.

UE involvement post award will be limited to its audit role and acceptance of hand-over of completed works.



The Customer is responsible for sending UE a detailed construction program. It will be used by UE to schedule construction audits. Should this program alter, the Customer must notify UE immediately.

Typical audits are itemised in (but not limited to) the list below:

- cable installation techniques
- materials handling and storage
- jointing practices
- depth of cover of cables
- installation compliance with underground cable plan and associated drawings.
- installation compliance with Council approved services plan adequate project management
- quality of workmanship
- use of approved contractors

Where the construction works are considered unsatisfactory, UE will not allow the newly constructed connection assets to be connected to its distribution network, pending full rectification of all non-conformances by the Customer.

4.2. Pre-Conditions for Contractors wishing to Tender

UE's service providers have established a panel of Approved Contractors. It is from this list of Approved Contractors that UE will invite Selective Tenders.

Contractors wishing to be considered for contestable works will need to submit themselves for certification by UE. Permits to access the distribution system will not be issued to contractors who are not certified by UE.

The certification process requires:

- The Contractor to submit for approval a Management Plan
- Proven experience in electrical distribution works
- Appropriate levels of insurance coverage
- The Contractor to meet UE's indemnity requirements.

5. Completing the Works

5.1. Connection Agreement/Deed

Where a Customer chooses the tendering options under 2, 3 or 4 of the UE Contestability Options and assume the responsibility for the completion of the construction works, the Customer will still be required to enter into a UE Contract/Agreement for the performance of the works.

The UE Contract/Agreement will set out UE requirements including:

- the standard and quality of work and materials to be used;
- specialised training and experience required from Approved Contractors;
- warranties to be provided by the Customer in relation to post commissioning defects and faults;
- an indemnity of UE against loss e.g. customer supply outage.



5.2. Contracting the Works

Choosing option 2, 3 or 4 will result in the Customer directly engaging the contractor and managing the works.

The tender documents and contractual terms and conditions will be issued on behalf of the customer. The scope of work will be based on UE approved design, material specification and technical performance standards. Full documentation of UE's requirements will be included in the tender documents.

6. Special Circumstances

Customers without access to the full range of contract and project management services may request UE to provide the project management services for a fee.

Alternatively, UE can assist customers in sourcing alternative project management consultants.

7. Fees and Charges

Depending on the contestability choice made and the tender process followed UE will levy costs and charges as prescribed in Appendix A - Fees & Charges.

The inclusion of UE Fees will provide Customers with the ability to compare the costs of each option provided in UE's Offer and make their choice accordingly.

As noted above there are additional costs where a public tender is requested. These costs are subject to changes based on current advertising charges and the additional time involved in reviewing companies not normally associated with electrical distribution work but who may have applied for accreditation for the purposes of winning the tender.

8. UE Dispute Handling Procedure

Where a Customer is unhappy with the tender process, it is UE's policy that the issue is first discussed with the Project Manager coordinating the tender process in relation to options provided in the Offer.

A Customer who is still not satisfied with the handling of their concerns by the Project Manager is entitled to a further review by UE's Manager Customer Project.

If a review of the situation proves unsatisfactory Customers are advised to contact the Essential Services Commission.



9. Contact Details

The UE distribution area is split into two regions with different service providers operating in each. ZNX operates in our northern region, and Downer operates in our southern region. Contact points for preliminary enquiries, submission of applications and follow-up enquiries are the New Connections Office of UE:

- Telephone 1300 131 689
- Facsimile 1300 131 684

Or our Service Providers:

- ZNX Customer Projects Manager
Locked Bag 19, Mount Waverley, VIC 3149
- Downer Customer Projects Manager
194-198 Cheltenham Road, Keysborough Victoria 3173

10. Other Important Contacts

Essential Services Commission (Victoria)

<http://www.esc.vic.gov.au>

Energy Safe Victoria

<http://www.esv.vic.gov.au>

Energy and Water Ombudsman (Victoria)

<http://www.ewov.com.au>



11. Appendix A – Fees & Charges

Fees payable to United Energy Distribution Pty Ltd (UE) include costs incurred in integrating the new assets with UE's existing assets (includes physical assets and electronic data).

UE has set the costs based on achieving best practice and will regularly monitor their applicability. All fees are subject to variation and as a minimum CPI rises.

Fee	Description	Amount	Comments
Non-Contestable Fees	Design Approval, Final Connection of Supply, Updating Systems and Drawings.	Calculated on hours spent per project whether work undertaken by UE or Customer.	The fee is based on the project and the option taken by the customer.
Tender Fee	Preferred tender Panel	At UE's discretion approximately \$3,900.00 (ex. GST) *	* Fee indicative - commensurate to project size and complexity
	Open tender	At UE's discretion approximately \$7,755.00 (ex. GST)*	* Fee indicative - commensurate to project size and complexity