



Document Name: Tendering Guide

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	Title:	Name:	Signature:	Date:
Sponsor:	Customer Projects Team Leader	John Hemsley		
Approval:	JEN Delivery Manager	David Atkin		

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1. Jemena Electricity Networks (Vic) Ltd

Jemena Electricity Networks (VIC) Ltd (JEN) is the company licensed by the Victorian Government to distribute electricity in the north-western suburbs of Melbourne.

JEN has networks covering about 950 square kilometres and serving about 285,000 connections.

2. Guideline 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 JEN's offers in relation to network connection, augmentation or relocation.

This policy document is a guide only.

3. Tender Policy

3.1. JEN's Policy

In keeping with its objectives to inform customers of their rights with regard to access to the distribution system, JEN 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.

JEN offers are based on prices obtained from our construction service provider and its expert knowledge. However, where customers prefer to benchmark such prices, JEN 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 service connections or augmentation works and where there is a contribution to be made by the customer, JEN offers the following tender options:

1. Customer may choose JEN 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 JEN to undertake the design only and choose to call tenders themselves for the construction of the project.
3. Customer may request JEN to undertake a tender process (prepare, issue, evaluate and recommend).
4. Customer may choose to call tenders and undertake both the design and construction of the project utilising contractors approved by JEN.

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

- ✓ By approved contractors
- ✓ To the required standards
- ✓ Using approved materials
- ✓ With audit access provided to JEN representatives
- ✓ Indemnifying JEN against losses arising from the works
- ✓ With a provision for defects liability and warranty cover

Whether JEN is chosen to undertake the works, or the Customer chooses to seek tenders and undertake the works themselves, JEN 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 JEN to undertake the works, the non-contestable costs will be detailed in our Offer along with JEN'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 JEN 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, JEN can provide a list of design consultants to assist the customer.

4. JEN Tender Process

4.1. JEN Tender Procedure

JEN has in place an approved tender and contract formation process (Contract Award Process Procedure) consistent with electricity industry requirements. This tender and contract formation process includes the empanelling of selective or open tenders.

The Contract Award Process is subject to annual audits and is periodically reviewed for currency and relevance to electricity industry and general industry practice.

JEN believes this tender procedure to be both transparent and fair, providing a consistent methodology for the assessment of tender submissions and subsequent recommendations for award.

The Contract Award Process Procedure is JEN's guide to:

- Key objectives of the tender process
- Identifying responsible officers
- How and when tenders, quotations and expressions of interest are called
- How to conduct contract re-negotiations
- Tender review and recommendation processes
- Contract award processes
- Authority levels
- Records management

Where customers request JEN to call tenders, it will call either a Selective Tender (drawn from its list of approved contractors) or a Public Tender.

4.2. Tender Process

4.2.1 Tender Issue

Tenders will be called within 20 business days **of a request** and Selective Tenders 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, JEN 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. JEN will manage the tender process.

4.2.2 Tender Review & Recommendation

Tender submissions will be reviewed for

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

Following this review, JEN 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, JEN will refer the process to the Customer to consider other alternatives.

4.2.3 Post Tender – Contract Award

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

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

The Customer is responsible for sending JEN a detailed construction program. It will be used by JEN to schedule construction audits. Should this program alter, the Customer must notify JEN 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 the Council approved services plan
- adequate project management
- quality of workmanship
- use of approved contractors

Where the construction works are considered unsatisfactory, JEN 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.

4.3. Pre-Conditions for Contractors wishing to Tender

JEN has established a panel of Approved Contractors. It is from this list of Approved Contractors that JEN will invite Selective Tenders.

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

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 JEN'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 JEN Contestability Options, and assume the responsibility for the completion of the construction works, the Customer will still be required to enter into a JEN Contract/Agreement for the performance of the works.

The JEN Contract/Agreement will set out JEN' 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 against loss for JEN 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 JEN's approved design, material specification and technical performance standards. Full documentation of JEN'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 JEN to provide the project management services for a fee.

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

7. Fees and Charges

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

The inclusion of JEN Fees will provide Customers with the ability to compare the costs of each option provided in JEN'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 change 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. JEN Dispute Handling Procedure

Where a customer is unhappy with the tender process, it is JEN's policy that the issue is first discussed with the Project Planner 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 Planner is entitled to a further review by JEN's Delivery Manager.

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

9. Contact Details

The contact points for preliminary enquiries, submission of applications and follow-up enquiries are the New Connections Office of JEN's contractor Jemena at the following locations:

- Jemena Pty Ltd
321 Ferntree Gully Road
Mount Waverley VIC 3149

Postal Address:
Locked Bag 7000
Mount Waverley Vic 3149

- Telephone 1300 131 871
- Facsimile 9351 2223

10. Other Important Contacts

Essential Services Commission (Victoria)

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

2nd Floor, 35 Spring Street
Melbourne Vic 3000

Telephone: (03) 9651 0222

Facsimile: (03) 9651 3688

Call Centre: 1300 134 575

Energy Safe Victoria

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

Level 3, 4 Riverside Quay,
Southbank

Postal Address:

PO Box 262

Collins Street West Melbourne Vic 8007

Telephone: (03) 9203 9700

Facsimile: (03) 9686 2197

Energy and Water Ombudsman (Victoria)

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

Energy and Water Ombudsman

(Victoria) Ltd

GPO Box 469D

Melbourne Vic 3001

Free call: 1800 500 509

(mobile rates apply)

Free fax: 1800 500 549

Appendix A – Fees & Charges

Fees payable to Jemena Electricity Networks (VIC) Ltd (JEN) include costs incurred in integrating the new assets with JEN's existing assets (includes physical assets and electronic data).

JEN 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 JEN or Customer.	The fee is based on the project and the option taken by the customer.
Tender Fee	Preferred tender Panel	At JEN's discretion approximately \$3,900.00 (excl. GST) *	* Fee indicative - commensurate to project size and complexity
	Open tender	At JEN's discretion approximately \$7,755.00 (excl. GST)*	* Fee indicative - commensurate to project size and complexity
Design Re-submission Fee		\$120 + \$60 per hour (after 2 hrs, excl. GST)	Per re-submission payable in advance
Field Re-audit Fee		\$110 + \$55 per hour (after 2 hrs, excl. GST)	Per re-audit payable in advance