

11.1 Confidential – Community Owned Renewable Energy Project – Expression of interest outcomes

This report details the outcomes of an expression of interest (EOI) procurement process and seeks approval for the establishment of a panel of preferred suppliers of solar power systems to our communities.

This is an update on a previously reported project, concept or issue.

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Attachments: 1. EOI Evaluation summary matrix (2 pages)

1 Executive summary

1.1 Topic

This report details the outcomes of an expression of interest (EOI) procurement process and seeks approval for the establishment of a panel of preferred suppliers of solar power systems to our communities.

1.2 Context

This report details the outcomes of an EOI process conducted to appoint a panel of companies to supply solar power systems to our community.

It is suggested that Council consider this item in Confidence. Section (ii) 90(3)(b), 90(3)(d) of the Local Government Act 1999 is suggested as the most appropriate to use for this purpose.

This item is presented as a confidential item as it details commercial proposals for the supply of solar power systems. Our procurement policy and process focuses on ensuring that information which may confer a commercial advantage or could prejudice commercial position in the course of tendering is preserved.

1.3 Suggested outcome

That Council approve the establishment of a panel of suppliers of solar power systems to our community.

2 Recommendation(s).

1. **That:**
 - a. **under the provisions of Section 90(2) of the Local Government Act 1999 an order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.**

- b. the Council is satisfied that it is necessary that the public be excluded to enable the Council to consider the report at the meeting on the following grounds:

Section 90(3)(b) information the disclosure of which -

- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
- (ii) would, on balance, be contrary to the public interest;

Section 90(3)(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which -

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to the public interest;

- c. accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.

1. That this report be received and noted.
2. That Council approve the establishment of a panel of suppliers of solar power systems to our community comprising the following EOI respondents:
 - ZEN Home Energy Systems
 - Nu Energy
 - Solar Man
 - Ingenero.
3. That the Local Government Association be advised of our intention to withdraw from the Solar Councils Community Program following the establishment of the above supply panel.
4. That the matter of the Community Owned Renewable Energy Project – Expression of interest outcomes having been considered in confidence under Section 90(3)(b), 90(3)(d) of the Local Government Act 1999 an order be made under the provisions of Section 91(7) and (9) of the Local Government Act 1999 that the Community Owned Renewable Energy Project – Expression of interest outcomes report and the minutes relating to discussion of the subject matter be kept confidential until the procurement process for the establishment of the panel of suppliers is complete and legal agreements executed.

Key factors

2. Discussion

The EOI was launched in the marketplace on 30 November 2010 and closed on 18 January 2011, with 15 submissions received. The EOI documentation specified the

criteria that each submission would be assessed against. This is summarised in the table below.

Criteria	Purpose
Price	Details of pricing for the supply and installation of PV systems.
Demonstrated Ability	Details of the number of installations undertaken in the last 12 months including photographic examples of recent work.
Resources (<i>Physical/Financial/Personnel</i>)	Details of the financial, organisational and personnel capability to perform the contract including systems/processes to manage quality of installations, relevant accreditations for installers and system designers qualifications of sales staff and project managers and insurances and OHS&W systems.
Functionality/Operational	Details of the system components to be used (PV panels, inverters, framing and mounting systems, switchgear and monitoring/display equipment).
Customer Service including After Sales Service/Warranties	Details of steps undertaken in the system design process, hand over training and/or installation reports provided to customers, any warranties and/or guarantees provided in relation to materials and whether financing options are provided.
Secondary objectives	An outline of any secondary objectives that may be contributed to including: <ul style="list-style-type: none"> • local economic development • industry skills development • research and development • community education about renewable energy and energy efficiency

An evaluation plan including weightings for each of the above criteria was agreed by the evaluation panel prior to the close of the EOI.

3.1 Shortlisting process

The membership of the evaluation panel is described in the supporting non confidential report within this agenda.

The evaluation panel members and advisors discussed each EOI submission and declared the submission presented by Solaris as non conforming.

This submission did not address the requirement of the EOI documents and therefore excluded from further evaluation.

The remaining fourteen submissions were assessed by the panel and advisors were asked to provide comment on the technical aspects of the submission.

The panel allocated agreed team scores against each of the six evaluation criteria in accordance with the approved evaluation plan.

A summary of the assessment undertaken at the evaluation panel meeting is attached to this report (Attachment 1). The final weighted scores at the conclusion of their process re detailed in table 2 below:

EOI respondent	Weighted score
Zen	78
Nu Energy	71
Solar man	65
Ingenero	64
Field Force	57
Ekoenergy	56
Eco-kinetics	55
Nextgen	52
Solar Fund	49
Go Green	48
Design Ecology	47
Royal Rewinds	39
Westek	28
Sharp	12

It is recommended that the four highest scoring submissions:

- ZEN Home Energy Systems
- Nu Energy
- Solar Man

- Ingenero

be appointed to a panel of suppliers.

The inclusion of these four on the panel would provide consumers:

- range of different priced systems (including systems priced below average)
- a range of value add options (including in relation to in home systems for monitoring the amount of power produced)
- a choice of different companies (including a local City of Onkaparinga based company).

The EOI documents provided for a second stage to the procurement process if required. This would involve seeking detailed proposals from respondents shortlisted from stage one. However, the four recommended EOI submissions contained significant detail and proceeding with request for proposal would provide little additional information and add no value.

It is proposed that the supply panel be established for 12 months in the first instance, with the option of extending for a further 12 months. The decision on whether to exercise the 12 month extension would be made following a review of the operation of the panel.

3.2 Council's role

Our role will be to promote the panel to the community and to monitor its operation. Customer satisfaction surveys will be used to monitor the operation of the panel. Data will also be collected on the number of installations.

We will have primary responsibility for marketing and promotion to avoid potential for misuse of council brand or logo or misrepresentation of the panel arrangement.

All transactions will occur directly between the panel supplier and the consumer.

3.3 Involvement in the Solar Councils Community Program

We are participating in the Local Government Association's Solar Councils Community Program. This program runs until 28 May 2011 and has Zen as its supply partner. Subject to Council approval, Zen will be appointed to our supply panel. The prices offered by Zen in the EOI submission are the same as those offered via the Solar Councils Community Program.

To avoid potential confusion within the community it is suggested that we withdraw from the Solar Councils Community Program once our supply panel is established.

3.4 Next steps

Subject to Council approval of the appointment, agreements will be drawn up to engage the four respondents selected for the supply panel. The agreement will include:

- a requirement that detail of sales through the panel to be provided to us for monitoring purposes
- a dispute resolution procedure should a customer have a concern with the supplier than cannot be resolved directly between the two parties
- indemnification for Council against the actions of companies appointed to the panel
- a requirement for any public statements or promotional material relating to their involvement in the panel to be approved by the City of Onkaparinga
- the option of terminating involvement of a company should their performance not be satisfactory.

We will develop a marketing strategy with the following outcomes as its aim:

- provide our communities with the support and education to make an informed choice
- promote sustainable lifestyle choices to our communities
- continue to position the City of Onkaparinga as a market leading and innovative council in regards to its work in sustainability
- clearly absolves the City of Onkaparinga of any risk, responsibility or liability associated with the companies or their products.

1. Risk Analysis

Key risks	How it is proposed to be managed
Occupational health, safety and welfare (OHS&W)	OHS&W was considered in the assessment of EOI submissions. While the companies appointed to the supply panel will not be contractors of council, the agreement with each of the four suppliers will include requirements in relation to: <ul style="list-style-type: none"> • installer training and accreditation • installation procedures and risk assessment processes • insurances and Workcover registration.
Socio-political	A rigorous procurement process has been undertaken to identify suitable companies for appointment to the supply panel. A marketing strategy and engagement agreements utilised to both minimise risk to council and the ensure the effective operation of the program.

