



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

22 MAR 2017

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
JEREMY HANSON MLA (CHAIR), MICHAEL PETERSSON MLA (DEPUTY CHAIR), SUZANNE ORR MLA,
MARK PARTON MLA

Inquiry into referred 2015–16 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE 14
27 February 2017

Asked by Alistair Coe MLA:

Chief Minister, Treasury and Economic Development Directorate 2015-16 Annual Report,
Economic Management Output 2.1

In relation to: outsourcing street light network

1. Please outline what information has been collected regarding the current state of the street light network.
2. Please outline the original tender parameters provided to potential contractors.
 - a. What variable risks have been identified that could substantially alter the terms of the contract in the future?
 - b. What access is given the potential contractors in the course of their investigations of the street light network?
 - c. What incentives are being offered or built into the project to make it attractive to contractors?
3. Please outline the duties and responsibilities that will be delegated to the successful contractor.
 - a. How will conflicts be resolved over whether the ACT government or the contractor has responsibility for an issue?
4. Will reporting of damaged or faulty street lights change from Access Canberra to a separate platform?
 - a. Will the contractor contribute to the running costs of Access Canberra so far as they pertain to the maintenance and service of the street light reporting function on the website?
5. Please outline the expected timeline for this project from now until its forecast end date.

Mr Andrew Barr MLA: The answer to the Member's question is as follows:—

1. Information about the state of the streetlight network comes from various sources: reports by members of the public; and submitted documents for streetlight works, including inspections by

the contracted streetlight superintendent and maintenance provider. This is used to update databases for the streetlights maintained by Transport Canberra and City Services.

2(a) and 2(c) The Territory issued a Request for Tender (RFT) in November 2016 for an Energy Performance Contract (EPC) for a complete management solution for the streetlights. This includes ensuring the total project cost to the Territory does not exceed current expenditure on Territory street light assets. EPCs generally involve longer contract terms, attractive bundles of services and transfer significant responsibility for delivering outcomes. While the contractor must guarantee energy consumption savings, it is common for the principal to retain some energy price risk. The details of retained risks will be negotiated as part of finalising the contract when the procurement process is complete.

2(b) Following the RFT process the Territory intends to select two to three Tenderers to participate in an interactive, competitive detailed facilities study ("DFS") process and develop an EPC project proposal. The participants of the DFS will be provided access to the street light network.

3. The RFT is for an EPC for a complete management solution for our streetlights to deliver operations and maintenance (including some minor capital works), energy efficiency upgrades, and a 'backbone' platform for future Smart City options for the streetlight network. The existing streetlight maintenance contract is managed by Transport Canberra and City Services, and they will manage the EPC.

3(a) The EPC will set out the responsibilities of ACT government and the contractor and the processes for dispute resolution.

4. It is expected that reporting of damaged or faulty streetlights will continue to be available through the Access Canberra website.

4(a) Running costs of Access Canberra will remain subject to their existing funding processes.

5. The RFT closed in early February 2017, and the evaluation process associated with this has now commenced. Two or three of the tenderers will then progress to the 12 week DFS Phase. The new contract is expected to commence in the second half of 2017 and will be for a minimum of seven years.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: 

Date: 22.3.17

Mr Andrew Barr MLA
Treasurer