

10.3 Exemption from Tender - Smart Water Metering software and data storage

REPORT BY THE MANAGER WATER AND SEWER AND CHIEF FINANCIAL OFFICER
TO 03 NOVEMBER 2021 ORDINARY MEETING
GOV400088, A000000

RECOMMENDATION

That Council:

1. receive the report by the Manager Water and Sewer and Chief Financial Officer on the Exemption from Tender - Smart Water Metering software and data storage;
2. approve an exemption from tender, in accordance with Section 55(3)(i) of the Local Government Act 1993, for the provision of Smart Water Metering management software and data services, noting that a satisfactory result would not be achieved by inviting tenders;
3. note the reason why a satisfactory outcome would not be achieved by inviting tenders is that:
 - 3.1 the smart water meters were procured through an open tender process and included assessment of operating/management systems, however approval to enter into a long term agreement was not obtained at the time of procurement; and
 - 3.2 the software and data storage is the only fit for purpose solution for the Taggle system and receivers;
4. authorise the General Manager to engage Taggle Pty Ltd to provide the Smart Water Metering management software and associated data services for an estimated contract sum of \$xxx excluding gst and to negotiate the terms of:
 - 4.1 the Software as a Service agreement; and
 - 4.2 the Data Services agreement;to ensure appropriate probity, risk management and data security, term of data retention, location of data storage
5. authorise the General Manager to approve contract variations up to a cumulative total of 15% of the original contract sum.

Executive summary

At the Ordinary Council Meeting on 12 December 2018, Council resolved to engage Taggle Pty Ltd to complete supply and installation of Smart Water Metering Systems in the urban areas of Mudgee, Gulgong, Rylstone, Kandos, Charbon and Clandulla. This procurement was as a result of a tender process carried out in 2018.

As a part of the Smart Water Meter program, an appropriate water meter management system is required to be utilised to ensure access to the data for Councils staff and property owners. The

recommended system is hosted on the cloud and includes data services. It is necessary for Council to enter agreements for these services, and the estimated value of these agreements is over the tendering threshold of \$250,000. This report seeks to obtain an exemption from tendering for the reasons provided in the Detailed Report.

Disclosure of Interest

Nil.

Detailed report

The water meter replacement contract with Taggle Systems Pty Ltd was completed last financial year and the smart water metering system is now in the first year of full operation.

The Customer Portal associated with the newly installed smart water meters is being rolled out to customers this quarter. The Customer Portal provides near real time access to household and business water usage patterns and subsequent cost, providing the customer with the power to manage their water usage.

Taggle Systems Pty Ltd provided draft agreements during tendering for the meter replacement contract to enable the ongoing operation of the smart water meter system by way of Software as a Service (SaaS) and provision of Data Services. The first full year of operation including provision of the Aqualus SaaS and Data Services was included in the water meter replacement contract price.

The cumulative cost of the SaaS and Data Services over the life of the smart water meters was not reported to Council at the time of recommendation of contract award. The purpose of this report is to advise this cost as it is recommended to engage Taggle Systems Pty Ltd for a period of 7 years (not including the current operational year included in the Contract).

Community Plan implications

Theme	Good Governance
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

Strategic implications

Council Strategies

Asset Management Plan.

Council Policies

Procurement Policy.

Legislation

Local Government Act 1993 Section 55 Tendering.

Financial implications

The contracted annual services are estimated at about \$125,000 per annum, this operating budget has been allocated in the 4 year Delivery Program and Operational Plan 21/22. No budget variations are recommended as a part of this report.

Any consulting work accessed through this service contract would require a separate budget variation through a monthly budget review.

Associated Risks

Risks noted from contract – ability to increase fees (in good faith) due to changes in the nature, quantity, and timing of services; cost of equipment.

CLAIRE CAM
MANAGER WATER AND SEWER

JULIAN GEDDES
DIRECTOR OPERATIONS

19 October 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER