



INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

INVITATION TO TENDER

Bulk Water Quality Requirements for Sydney Catchment Authority

1. Introduction

The Independent Pricing and Regulatory Tribunal of New South Wales (the Tribunal) is seeking suitably qualified consultants to review the bulk water quality requirements in the Sydney Catchment Authority's Operating Licence and provide advice on any recommendations for amendments.

2. Background

The Sydney Catchment Authority (the Authority) was established in 1999 to protect water quality in the catchment areas that provide Sydney with raw bulk water. In accordance with the *Sydney Water Catchment Management Act 1998* (the Act), the NSW Government granted an Operating Licence to the Authority. It is a requirement of the Act, that the Operating Licence, amongst other things, set out the quality and performance standards that the Authority is to meet in relation to water quality.

The Tribunal is currently conducting its end of term review of the Sydney Catchment Authority's Operating Licence for the purpose of determining the terms of any renewal of the Licence. The renewed Licence will take effect from 1 January 2006.

As part of the review process, the Tribunal is looking at whether the bulk water quality obligations imposed on the Authority under the existing Operating Licence are effective:

- in protecting and enhancing the quality of water controlled by the Authority and
- in minimising risk to human health.

The existing Licence sets out the Authority's responsibilities in respect to: water supplied, catchment and system management, water quality monitoring and reporting, water quality planning. The terms and conditions of the existing Operating Licence in relation to water quality are set out in Schedule 1.

The Tribunal is now looking to appoint a consultant to provide advice and recommendations on the technical aspects of the Authority's water quality obligations under the Operating Licence.

3. Objectives of the consultancy

The objective of the consultancy is to review the Authority's bulk water quality obligations under the Operating Licence (excluding clause 6.8) and to report to the Tribunal on any proposed changes to these obligations and the nature of the changes required.

The consultancy report is to include analysis and advice on:

- Whether the current terms and conditions in Part 6 of the Operating Licence are appropriate and effective in monitoring, maintaining and improving the quality of bulk water supplied by the Authority.
- Whether the scope and identified actions in the Risk Management Plan are effective in achieving the purpose of reducing or removing pollution in the Catchment Area so as to improve bulk water quality? What, if any, outcomes or actions (as opposed to processes) should be monitored and reported on under the Risk Management Plan?
- Whether the performance standards and indicators in Part 6 (ie the site specific standards for bulk water in the Bulk Water Supply Agreement (cl.6.2.(b)), and the Health Drinking Water Guidelines (Schedule 4) are appropriate and effective in assessing the Authority's bulk water quality performance? What, if any, other indicators or standards should be included in the Operating Licence to measure the quality of water controlled by the Authority?

In providing this advice, the consultant must provide a rationale for its recommendation, including the reasoning or data/research used to reach conclusions.

In undertaking this task, the consultant must consider the following:

- Bulk Water Supply Agreement between the Authority and Sydney Water Corporation
- The Sydney Catchment Authority's Water Quality Monitoring Reports
- Australian Drinking Water Guidelines
- Sydney Catchment Authority Operational Audit 2003/2004
- The Tribunal's Issues Paper on *End of Term Review of the Operating Licences for Sydney Water Corporation and the Sydney Catchment Authority*
- Stakeholder submissions that have been received by the Tribunal on this subject, including the Authority's submission
- Interstate or overseas best practice requirements for maintaining bulk raw water quality for comparable water utilities.

The Tribunal's Secretariat will provide the consultant with a briefing session and information package.

In addressing the objectives of the consultancy, the consultant should be able to enlist Sydney Catchment Authority's co-operation, while maintaining an independent review. The consultant will be expected to consult with Sydney Catchment Authority, NSW Health and

other relevant stakeholders as part of the review, in addition to drawing upon professional expertise, and research.

4. Outputs

The required outputs for the consultancy are:

- one draft report and a final written report, addressing the objectives of the consultancy;
- a presentation outlining the major issues and findings of the draft report;
- discussions and meetings with Sydney Catchment Authority, the Tribunal, the Tribunal Secretariat, NSW Health, and other stakeholders and experts where appropriate.

The final written report should be provided in seven (7) bound copies and one (1) loose leaf copy, as well as in PDF format suitable for web publication. Seven bound copies of the draft reports will also be required.

The consultant should note that the final report may be released as a public document. As such, the report should be clearly and logically set out and written in plain English, avoiding the use of unnecessary technical terms.

On completion of the consultation, the consultant's reports, working papers and advice provided to the Tribunal will become the property of the Tribunal.

5. Conditions of Tender

5.1 Timing

The successful tender must be able to meet the following work schedule:

Contract Program

Month 2005	Date	Activity
May	30	Inception meeting with the Tribunal secretariat
June	30	Submission of draft report
June	To be confirmed	Presentation of findings and major issues at public workshop
August	30	Submission of final report to the Tribunal

Fortnightly progress reports will be required to be provided to the Tribunal in writing. Progress meetings in addition to those in the above table are expected. The consultancy workplans should reflect this.

5.2 Fee

The fee quoted is to be inclusive of all costs including Goods and Services Tax, incidental expenses and disbursements. Payments will be due within 28 days of receiving an invoice as per an agreed payment schedule. The consultancy may wish to outline a draft payment schedule.

A detailed breakdown of the consultancy costs is required with the proposal. The proposal should include estimates of the time required for the project, consultants to be involved in the project, their rates, and a total fee estimate. Staff costs should be clearly reconciled to the detailed work plan.

The consultant should allow for presentations to the Tribunal, discussion and meetings with staff of the Tribunal, and stakeholder meetings as required.

5.3 Proposal

The consultancy proposal should:

- demonstrate an appreciation of the task
- describe the intended approach for undertaking the review
- list the personnel to be involved, including resumes detailing their experience
- include a detailed work plan and allocation of resources
- outline any potential conflicts of interest
- preferably, include details of previous clients who can be contacted.

5.4 Presentation

Short listed tenderers may be required to make a presentation or attend an interview on their proposal, as part of the tender evaluation process.

5.5 Criteria for selection

In selecting the successful consultant, the Tribunal may consider any relevant matter including (but not limited to):

- understanding the regulatory and policy framework applicable to bulk water supplied by the Authority
- experience in similar projects
- proposed consultancy fee and value for money
- proposed methodology/approach
- previous performance for the Tribunal, or other regulatory authority of water utilities
- adequate resourcing and ability to provide results within the stated timeframe
- proposed quality assurance procedures
- guaranteed availability of key staff
- demonstrated ability to enlist the Sydney Catchment Authority's co-operation, whilst engendering a sense of acceptance of the relevant outcomes.

5.6 Acceptance of Tender

The Tribunal reserves the right to:

- accept no tender at all
- postpone indefinitely the acceptance of a tender
- call for new tenders
- appoint one or more tenderers to undertake the review
- approve or reject any sub-contractors the tender may wish to appoint.

5.7 Consultancy contract

The project will be subject to the terms and conditions which the consultant has accepted under the contract agreement.

Comments and/or requests for amendments to the terms and conditions of the contract should be raised with the Tribunal before commencing the consultancy.

The Tribunal reserves the right to modify contract terms for the final contract, as it considers appropriate.

6. Parties to the consultancy

The party managing and commissioning the consultancy is the Independent Pricing and Regulatory Tribunal of New South Wales. The primary contacts are:

Lil Cullen (02) 9290 8410
Email: lil_cullen@ipart.nsw.gov.au

Julianne Mahony (02) 9290 8402
Email: julianne_mahony@ipart.nsw.gov.au

7. Lodgement of Tender

Two bound copies and 1 loose-leaf copy of the tender should be lodged in a sealed envelope marked 'BULK WATER QUALITY REQUIREMENTS FOR SYDNEY CATCHMENT AUTHORITY' and addressed to:

Ms Meryl McCracken
General Manager, Support Services
Independent Pricing and Regulatory Tribunal of NSW

at, PO Box Q290
QVB POST OFFICE NSW 1230

or, Level 2
44 Market Street
SYDNEY NSW 2000

so that it is received by no later than 5.00 pm Sydney time, on **23 May 2005**