



# Procurement and Environment Forum

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## Part 1: Electric Vehicles

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# Background

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- Federal and State Government funding has been provided to commercial operators to install Electric Vehicle (EV) charging stations in identified localities throughout the State.
- WALGA has received Member enquiries regarding template agreements offered by operators seeking to install EV charging stations on Local Government (LG) property, raising concerns that the template agreements do not sufficiently address a range of Local Government governance and procurement related considerations.

# From a Governance Perspective

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There are a number of issues emerging from the proposed EV Charging station agreements that require closer inspection and consideration which **WALGA Manager Governance and Procurement, James McGovern** will discuss further in today's Q&A. These issues may include:

- Disposal of Land (s.3.58)
- Public Amenity and Safety
- Environment

*but what of the **Procurement** considerations?*

# Procurement Considerations

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## Consider the number of suppliers

- Has the LG sought to obtain **multiple** Offers from EV Charging providers to compare and assess the best Offer for the LG?

*Feedback received from LG's suggests that operators do not make it explicitly known that there is more than the one provider of EV Charging stations in the market, and many try to create a heightened 'sense of urgency' in seeking the LG's agreement to the contract.*

*Furthermore, some operators are providing their agreements with a caveat of 'commercial in confidence' and Local Governments will need to consider how this may conflict with public accountability / disposal of land obligations under s.3.58.*

An **Expression of Interest** (EOI) or **Request for Information** (RFI) are possible procurement vehicles that could assist the LG to undertake a process to best assess which provider and offer would be most beneficial to the LG.

# Procurement Considerations

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## Term of Contract - what is the proposed term?

- Close consideration of the term of the contract is required. Is the term being offered **flexible** or **negotiable**?
- Will the term offered impact other areas of LG operations, such as the planning or land use. What happens if there is re-zoning, capital works and or a change of land use?
- Is an extended term (of over 10 years) likely to cause any issues for the LG? This should be noted on the Risk Assessment.

## After expiry of the term? What then?

- Will the infrastructure be 'gifted' to the LG? How will this be managed?
- Is the infrastructure to be removed? Could LG assets be damaged, disturbed or impacted in doing so? How will this be managed?

# Procurement Considerations

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Clauses that should be reviewed closely include:

Termination clause:

- how might the LG or operator terminate the agreement, and what are the consequences of such action?

Remediation Clause(s):

- Following expiry of the agreement or execution of the exit clause, how is the operator to remove the infrastructure and remediate the site? Are there are likely to be any hazardous substances? How will the EV Charging station removal be managed? Will this be at cost to the LG?

# Risk Assessment

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Has a comprehensive risk assessment been conducted by the LG to understand all known and potential risks and their possible cost impacts in respect of installing and maintaining the EV Charging infrastructure?

- Has possible loss or damage to property been assessed?
- Can the proposed EV charger cause any damage to property?
- Can the installation, operations or removal of the EV charger cause any damage to property?
- Is it possible that the equipment or its operations could cause or injury or death to any persons?



# Risk Assessment

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- What can go wrong?
  - What would the impact be?
  - How do we manage this?
  - What are the consequences?
  - What level of risk is **acceptable**?

A **Risk Assessment** including an analysis of risks relating to:

1. The proposed EV Charging contract;
2. It's operational risks; and
3. Any associated organisational risks is recommended.

**Your Local Government will have a Risk Policy and framework that will guide you in how to prepare a Risk Assessment framework for this process**



# Procurement Considerations

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## Insurances

Once your EV Charging station requirements have been scoped, and a Risk Assessment prepared, it's recommended you contact LGIS to review the insurances that may be required.

This may include (as an example) Public Liability, Professional Indemnity and Workers Compensation (for workers maintaining the infrastructure).

Both the **types** of insurance required and associated **limits** should be set in consultation with your LGIS contact.

# Procurement Considerations

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## Other considerations that form part of the Conditions:

- Charging of annual licence fees vs. peppercorn rent received
- Use of adjacent land (to the proposed charging site) for installation, repairs etc. What kind of access is required? With what kind of notice period?
- Use of the nominated charging space by the operator and operator's guests when available? Check terms
- Check definitions used in agreement. For example, how is 'kept in **good** condition' defined?
- Check possible costs of dedicated electricity meter and its maintenance and possible subsequent removal post expiry of term
- How are customer complaints to be managed? Signage? Availability?
- How are costs for damage or vandalism to resource to be managed?

# Contact Details



For procurement or governance related advice or assistance, please contact WALGA's Governance and Procurement Services.

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