

1. PURPOSE

This Standard Operating Procedure (SOP) details the requirements and steps to be taken when planning and implementing Third Party Works. This SOP does not relate to schemes undertaken in accordance with Part 13, Division 6, Owner Finance, of the Water Act 1989.

2. APPROVAL

Executive Manager Infrastructure.

3. DEFINITIONS:

'Third Parties' are people or companies, other than East Gippsland Water (EGW) or those acting on EGW's behalf, and include land/property developers, consultants, contractors, agencies, other utilities or property-owners.

'Third Party Works' are activities proposed or carried out by Third Parties that may impact on EGW's water and/or sewerage infrastructure assets. Third Party works are generally proposed by the Third Party and are usually at the cost of the Third Party, subject to EGW's approval as outlined in this SOP. Third Party works proposed may impact on existing EGW infrastructure assets (modifications or augmentation), or may create new assets that are gifted to EGW. Third Party works include Owner-Funded Works, Developer Works and Sundry Debtor Works.

'Works Agreement' is a legal agreement between EGW and the Third Party(s) acknowledging that the Third Party has requested EGW to undertake works on their behalf for an agreed sum. EGW will arrange the engineering design, project and contract management to complete the agreed works. EGW will be the Principal contractor and will be fully responsible for the engagement and supervision of contractors including all Health, Safety and Environmental management.

A **'Contractor'** or **'Consultant'** is the duly qualified and experienced person / company engaged by and acting on behalf of the Third Party, as approved by EGW.

4. PROCEDURE:

Third Parties may propose works that may impact on, or be impacted by, EGW works (including EGW infrastructure assets such as pipes, pumps and associated assets). Third Parties must advise EGW of such proposed works and seek EGW approval before commencing works. EGW will consider Third Party Works proposals and may refuse, or approve, or approve with conditions. EGW will advise the Third Party of its determination in relation to any Third Party works proposal in writing.

Subject to prior written approval by EGW, Third Parties may wish to make their own arrangements for engineering consulting services and contractors for Third Party works, or the Third Party may seek EGW to carry out works on its behalf, at EGW's discretion. Approval by EGW to any Third Party works proposal will be assessed on a case-by-case basis and is subject to EGW's requirements including, but not necessarily limited to, the following;

- 4.1 Third Party works must meet industry standards and EGW requirements. Engineering consultants and contractors proposed to manage and construct Third Party works must demonstrate that they are appropriate legal and financial entities with suitable insurances and relevant management systems in place, including health safety and environmental management systems. Contractors and consultants must demonstrate that they have appropriate qualifications, knowledge and expertise, particularly relating to water and sewerage infrastructure engineering, design, project and contract management. EGW may seek comment from referees and/or from previous clients.

- 4.2 All engineering designs, plans and specifications for Third Party works must be submitted to, and approved in writing by, EGW. EGW will review plans and specifications to ensure that they are compliant with relevant standards and required levels of service. EGW does not accept any liability for the accuracy or engineering efficacy of such designs, plans and specifications that it may approve.
- 4.3 Contractors proposed to be used in the supply of materials and construction of water and/or sewerage infrastructure must be approved in writing by EGW prior to any works commencing.
- 4.4 An assessment may be required of the ability of existing infrastructure to satisfactorily service any new development and the impacts on existing customers that may result from a new development. Such assessment will be at EGW's discretion and may include hydraulic modelling, site investigation, survey and other activities, all at the Third Party's cost.
- 4.5 EGW reserves the right to refuse Third Party development proposals and will provide justification for that decision.
- 4.6 Following completion of Third Party works, and successful commissioning of any relevant assets created, the ownership of such assets is gifted (or transferred) to EGW (subject to EGW accepting the asset). The on-going operation, maintenance and replacement/upgrade of accepted gifted assets is then the responsibility of EGW.
- 4.7 Where arrangements for Third Party design and construction of water and sewerage infrastructure are approved by EGW, the contractual arrangements applying must be clearly identified (generally the Third Party (Developer) will be the Principal, with the Consultant acting as Project Manager and Superintendent for the Third Party). All contractors engaged by the Third Party are employees of the Third Party.
EGW is not a party to these Third Party contractual arrangements.
- 4.8 The Third Party (or authorised representative) are fully responsible for the planning, obtaining any and all approvals, construction, testing, commissioning, completion, reinstatement and all other matters and costs relating to the Third Party works.
- 4.9 The Third Party (including any Principal, Project Manager, their agents and contractors), must comply with EGW directions for the works, including liaison with other EGW staff, contractors or relevant authorities / utilities.
- 4.10 EGW will arrange to carry out regular audits of the works in progress, to ensure compliance with previously agreed / approved EGW requirements.
- 4.11 All works must be designed and constructed in accordance with the relevant Water Services Association Australia (WSAA) Codes of Practice and Standards and EGW requirements as specified in Technical Bulletins. Approval for any departure from these Codes of Practice and Standards must be obtained from EGW in writing. Standards Association of Australia (SAA) standards may also apply and a recognised standard General Conditions of Contract may be used. All relevant EGW Policies, Standard Operating Procedures, Work Instructions and Technical Bulletins must be incorporated into the specifications and works where relevant. EGW may require certain standard specified equipment to be incorporated into the works, at the Third Party's cost.
- 4.12 A suitable financial security to the estimated value of the proposed works (e.g. Bank Guarantee or monetary bond) may be required by EGW to be lodged by the Third Party prior to commencement of the works. Upon successful commissioning and formal acceptance by EGW of the completed works, the financial security will be returned to the Principal less any additional costs or bond for outstanding works (completion of works or rectification of identified defects) or Warranty Period (nominally 12 months and 5% of total project cost or minimum \$500).

- 4.13 Complete surveyed As-Constructed plans, asset creation information (with evidence of actual asset creation costs including consultant fees), plant risk assessments, operation and maintenance manuals and other information relevant to the safe, efficient and effective ownership, operation and maintenance of the completed works are required to be supplied to EGW before acceptance of the completed works can be provided. The required information must be supplied in hard-copy and / or suitable electronic format, for incorporation into EGW's management systems.
- 4.14 All design, plans, specifications and other documentation required for the full and complete construction and commissioning of the works are deemed to be vested with EGW. EGW may make other requirements as may be necessary, as specific proposals/designs are developed.

EGW may also be prepared to arrange the works fully on behalf of the Developer, subject to receipt of a written request from the developer. This option would be subject to EGW's works program and availability of contractors. A Works Agreement and payment to EGW of the estimated value of the works would be required prior to any works commencing.

EGW staff and/or our consultants can provide advice and assistance, including feasibility and cost estimates for any works required. A fee will be charged for this service, however, the fee will be credited towards any future fees / charges incurred as a result of works undertaken (either by Third Party or Works Agreement) . Enquiries or proposals for Third Party works for the provision of water and/or sewerage infrastructure should be directed to EGW's Bairnsdale office as soon as possible.

5. TRAINING

Relevant EGW staff will be trained in the application of these procedures.

6. SAFETY

Except for works to be arranged by EGW (under a Works Agreement) workplace health and safety-related aspects of Third Party works are fully the responsibility of the Third Party. EGW is responsible for workplace health and safety-related aspects that relate to its own activities. To this end, EGW's Contractor Safety Management Systems apply to EGW's activities.

7. REFERENCES (LATEST FINALISED VERSION REGISTERED)

- o EGW SOP 167 New Customer Contributions Procedures (DOC/12/28728)
- o EGW Land Development Manual (DOC/11/8081)

8. RISK MANAGEMENT

This SOP forms an integral part of East Gippsland Water's Risk Management Program.

9. APPENDICES

Nil.

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