

## THIRD PARTY WORKS

### 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

Managing Director.

### 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 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 Developer Works and Sundry Debtor Works.

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 in writing before commencing works. EGW will consider Third Party Works proposals and may refuse, approve, or approve with conditions..

Subject to prior written approval by EGW, Third Parties must make their own arrangements for engineering consulting services and contractors for Third Party works. Approval by EGW to any Third Party works proposal will be assessed on a case-by-case basis and is be 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 result from a new development. Such assessment will be at EGW's discretion and may include hydraulic modelling, site investigation, survey and other activities
- 4.5 EGW reserves the right to refuse Third Party development proposals and will provide justification in writing 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 Development Planning Charge will be applied. Development Planning Charges apply where East Gippsland Water are involved in the developer's works (actual charge is based on the final cost of the works). Further information regarding the amount of the Development Planning Charge can be found under the 'Miscellaneous Fees and Charges All Districts' section of the current Financial Year's 'Tariffs, Charges & Pricing Principles' on the EGW website.

- 4.13 On a case-by-case 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.
- 4.14 A Warranty Period (nominally 12 months) will be applied to all gifted assets with the exception of sewer connection points. A Warranty Period Bond will apply to significant developments at the discretion of EGW. Any development where the value of the gifted assets are greater than \$100,000 would require a Bond of 5% or a minimum of \$3,500 for rectification of identified defects during the Warranty Period. On expiration of the Warranty Period, if no defects are detected or identified defects are rectified by the Developer (or relevant party) within a reasonable timeframe, the Warranty Period Bond will be returned to the Developer or relevant party.
- 4.15 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.
- 4.16 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 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 Third Party works undertaken. 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

Workplace health and safety-related aspects of Third Party works are fully the responsibility of the Third Party.

EGW will **not** undertake a review of safety in design, constructability or other Health Safety and Environmental (HSE) aspects of Third Party Works proposals. Approval of the design and/or specification is purely an endorsement that the design meets EGW's minimum technical requirements in accordance with the relevant industry standards and guidelines. The proponent of works remains fully responsible to ensure that all works are carried out in accordance with the relevant Occupational Health and Safety Acts and Regulations, including the engagement of suitably qualified personnel to complete the works as deemed fit on a case by case basis.

## 7. REFERENCES (latest finalised version registered)

- SOP 166 Third Party Works impacts on EGW works (DOC/12/30416)

- SOP 125 Structures Over EGW Works (DOC/10/4896  
East Gippsland Water – Guidelines for Land Development (DOC/110/8081)

## **8. RISK MANAGEMENT**

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

## **9. REVIEW**

This document is reviewed by exception or on a five yearly basis and revised as needed to ensure operational control and compliance with regulations and standards.