



18.1 **ST KILDA MARINA PROJECT - ENDORSEMENT OF EOI EVALUATION PANEL REPORT**

EXECUTIVE MEMBER: **CHRIS CARROLL, GENERAL MANAGER, CUSTOMER AND CORPORATE SERVICES**

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1. PURPOSE

- 1.1 To present the Expression of Interest (EOI) Evaluation Panel Report and recommendation to Council for endorsement.

2. EXECUTIVE SUMMARY

- 2.1 Council has been preparing for the procurement of a new lease for the St Kilda Marina since early 2017. In February 2018 Council approved the Project Approach, the Probity Plan and Community Stakeholder and Engagement Plan for the early stages of the project.
- 2.2 The key project stages and milestones that have enabled the commencement of the procurement process for a new long-term lease are:
- Under Stage 2 of the project, the St Kilda Marina Site Vision and Objectives, informed by a comprehensive community engagement program, were established and endorsed in a Council Meeting on 4 July 2018.
 - Under Stage 3 of the project, the Site Brief, endorsed on 15 May 2019, was developed with input from Council Officers, technical advisors/consultants and a 23 member community panel. The purpose of the Site Brief is to build a shared understanding of the site and parameters for a future redevelopment of the site, underpin the procurement process for a new lease, and form the basis of a planning scheme amendment process to support delivery of the Site Vision and Objectives.
 - In Stage 4 of the project, a Procurement Plan was developed and endorsed by Council on 5 June 2019 for the St Kilda Marina Project, to serve as an overall guide for the procurement process.
- 2.3 The procurement process detailed in the Procurement Plan is a two-stage process:
- A publicly advertised invitation for Expressions of Interest (EOI).
 - A Request for Proposal (RFP) issued to a shortlist of tenderers following evaluation of EOIs received.
- 2.4 The intention of the EOI process was to introduce the opportunity of the new lease to the market, and seek submissions from suitably qualified developers or consortia who



embrace the City of Port Phillip vision for the site; have the creativity, resources and expertise to respond to the opportunity; and who have the financial and other resources required to meet the obligations expected in the development and lease agreements.

- 2.5 Following endorsement by Council on 5 June 2019, an Invitation for Expressions of Interest (IEOI) was released on 8 June 2019. Following release to the market the EOI document (and accompanying Council Report) was made available to the public.
- 2.6 The purpose of this report is to present the Evaluation Panel's assessment of the Expressions of Interest submitted for the role of developer and operator/tenant for a new long-term lease for the St Kilda Marina, and subsequent recommendations for a list of proponents to be invited to respond to a Request for Proposal for this role.
- 2.7 An evaluation plan was developed and endorsed by the CEO in June 2019 to guide the evaluation process for the expression of interest submissions. The evaluation of the EOIs was conducted in accordance with this plan, and the evaluation panel report has been prepared in accordance with this Plan.
- 2.8 The evaluation process was undertaken by a panel comprising of a mix of internal and external members with expertise pertaining to various key components of the Marina Project. The panel initially undertook an independent review, and subsequently met to agree consensus scores against each evaluation criteria that submitters were required to respond to. The meetings were chaired by a Senior Council Officer with appropriate qualifications and the panel was supported by various technical advisers. Once consensus scores were agreed a total score was calculated for each submission which provided a ranking. The panel then agreed which respondents should be recommended to progress to the next stage, the Request for Proposal Stage.
- 2.9 A summary of the submissions, and the findings of the assessment are set out in a detailed EOI Evaluation Panel Report in Attachment 1. This Attachment will remain confidential to protect the sensitive commercial nature of the submissions.
- 2.10 A Probity Report was completed by the probity advisor to confirm that the process was fair, equitable and unbiased, and no probity breaches were observed or reported.
- 2.11 The RFP is being presented to Council under a separate and confidential Council Report, with the aim to issue the documentation to the successful EOI Respondents early to mid-September 2019.
- 2.12 The RFP will remain confidential for various reasons including that it is the key to a commercial transaction, and to avoid public commentary that may impact the fairness of or unduly influence the process.



3. RECOMMENDATION

That Council:

- 3.1 Notes the contents of the attached EOI Evaluation Panel Report for the St Kilda Marina Project.
- 3.2 Endorses the Evaluation Panel recommendation that Australian Marina Development Corporation (AMDC), Balmain Group (Balmain) and Caribbean Park (CP) be invited to submit a detailed proposal for the St Kilda Marina Project long term lease.
- 3.3 Notes that this Resolution and Council Report without the Attachment (Evaluation Panel Report) will be made public following notification to the EOI respondents. The Evaluation Panel Report and the details of the evaluation will remain confidential to protect the sensitive commercial nature of the submissions.

4. KEY POINTS/ISSUES

Background

- 4.1 St Kilda Marina is a key strategic site within Council's property portfolio and presents a significant opportunity in terms of social, environmental, economic and cultural possibilities for the municipality and State.
- 4.2 The Marina is located at 42 A - E Marine Parade, Elwood since 1969. It occupies approximately 8Ha (80,000 m²) of foreshore Crown Land for which Council is appointed as the Committee of Management. Existing uses include marine services (boat storage and launch infrastructure, repairs, fuel for boats and sales), restaurants/cafes, service station and car parking
- 4.3 The 50 year head lease between Council and Australian Marinas (A'Asia) Pty Ltd (Australia Marinas), through a supplemental agreement, commenced on 1 May 1969 and expired on 30 April 2019.
- 4.4 To cover the gap between the expiry of the existing lease and the commencement of a new lease, Council at a meeting on 3 April 2019 endorsed an interim three-year lease with the existing tenant, Australian Marinas Pty Ltd subject to State Government approval. The purpose of the interim lease is to support the continuity of existing operations on the site while procurement for a new long-term lease is undertaken, and enable a smooth transition between the existing and new lease if a new operator is appointed.
- 4.5 Council has been preparing for the procurement of a new lease for the St Kilda Marina since early 2017. In February 2018 Council approved the Project Approach, the Probity Plan and Community Stakeholder and Engagement Plan for the early stages of the project.



- 4.6 Under Stage 2 of the project, the St Kilda Marina Site Vision and Objectives were established and endorsed in a Council Meeting on 4 July 2018. The site vision and objectives were informed by a comprehensive community engagement program undertaken during this stage, and were intended to drive design and operating outcomes for the site.
- 4.7 Under Stage 3 of the project, the Site Brief, endorsed on 15 May 2019, was developed with input from Council Officers, technical advisors/consultants and a 23 member community panel who were selected as a representation of the wider Port Phillip community.
- 4.8 The purpose of the Site Brief is to build a shared understanding of the site and parameters for a future redevelopment of the site, underpin the procurement process for a new lease, and form the basis of a planning scheme amendment process to support delivery of the Site Vision and Objectives.
- 4.9 In Stage 4 of the project, a Procurement Plan was developed for the St Kilda Marina Project and endorsed by Council on 5 June 2019, to serve as an overall guide for the procurement process that will culminate in Council, with the required Victorian Government approvals, entering into a new long-term lease for the St Kilda Marina.
- 4.10 The Procurement Plan is designed to ensure a robust, transparent and equitable procurement process is undertaken, with a clearly defined governance structure for the evaluation of proposals.
- 4.11 The proposed procurement model detailed in the Procurement Plan is a two-stage process:
- a) A publicly advertised invitation for Expressions of Interest (EOI).
 - b) A Request for Proposal (RFP) issued to a shortlist of tenderers following evaluation of EOIs received.
- 4.12 The Procurement Plan clearly articulates the role of Council, CEO, and the Evaluation Panel in the different stages of procurement planning and implementation. Council has a key role in approving the procurement approach, as well as the EOI document and evaluation criteria, EOI short list, RFP document and evaluation criteria, and final decision on the lease.
- 4.13 The Procurement Plan outlines the procedures for evaluating submissions for the two key stages, EOI and RFP. However, the detail that will facilitate the evaluation, being 1) the detailed evaluation criteria, 2) the weightings and 3) the evaluation panel members are contained in a confidential Evaluation Plan for both stages.
- 4.14 The evaluation criteria are directly connected to the Site Vision and Objectives to ensure that submissions stay true to the aspirations of Council and the Community. They also embrace the mandatory and discretionary (desirable) criteria articulated in the Site Brief as means of ensuring responses adhere to the mandatory criteria, and testing and ranking proposals in their ability to accommodate the desirable criteria.



- 4.15 A Probity Plan is in place for this project and is publicly available on the City of Port Phillip (CoPP) website.

Invitation for Expressions of Interest

- 4.16 Following endorsement by Council on 5 June 2019, an Invitation for Expressions of Interest (IEOI) was released on 8 June 2019. The intention of the IEOI document was to seek Expressions of Interest (EOIs) from the market for the role of developer and operator/tenant of the St. Kilda Marina under a new long-term lease arrangement.
- 4.17 The IEOI Document was advertised in The Age (across two Saturdays), The Financial Review, and in the Marine Industries Association newsletter, and made available on the TenderLink website from 8 June 2019.
- 4.18 The EOI document (and accompanying Council Report) was made public following release to the market on 8 June 2019.
- 4.19 The EOI Document requested that EOI responses from interested parties be submitted on or before 2PM, 5th of July 2019.
- 4.20 All EOIs received were lodged in the Tenderlink tender box before the closing time.

Evaluation Plan

- 4.21 An evaluation plan was developed and endorsed by the CEO to guide the evaluation process for the expression of interest submissions.
- 4.22 The EOI Evaluation Plan sets out the evaluation process and allocates the responsibilities of the Evaluation Panel members. It identifies:
- the evaluation principles;
 - the evaluation approval structure;
 - the identity of the persons appointed to undertake the evaluation (Evaluation Panel);
 - the composition of the technical advisory group;
 - the evaluation process and program;
 - the evaluation criteria (to match that provided in the invitation for EOI document)
 - the weightings for the evaluation criteria; and
 - probity requirements and other process issues.

Evaluation Process

- 4.23 A detailed assessment of the EOI submissions was undertaken. All panel members independently assessed the EOI submissions and participated in a meeting forum to agree the consensus scores.



- 4.24 The panel members included a mix of Council officers and external consultants. The expertise of panel members covered design/urban design, commercial property development, Council Policy and delivery of community benefits, Marina development and operations.
- 4.25 The panel was chaired by a Senior Council Officer with appropriate qualifications and experience.
- 4.26 The panel was supported by specialist financial advice which was incorporated into the deliberations of the Panel at its evaluation meetings. A marina project advisor and procurement advisor also provided support during the evaluation process.
- 4.27 A probity advisor provided key probity considerations for evaluation processes to the panel and was present at all meetings to provide advice as required.
- 4.28 The assessment of the EOIs was undertaken on a criterion by criterion basis, with each submission assessed against the criterion.
- 4.29 Consensus scores were agreed for each submission against the criterion, and panel comments recorded. A total score was calculated for each submission which provided a ranking.
- 4.30 The panel then agreed which respondents should be recommended to progress to the next stage, being the Request for Proposal Stage.
- 4.31 A summary of the submissions, and the findings of the assessment are set out in a detailed EOI Evaluation Panel Report in Attachment 1. This Attachment will remain confidential to protect the sensitive commercial nature of the submissions.
- 4.32 A Probity Report was completed by the probity advisor to confirm that the process was fair, equitable and unbiased, and no probity breaches were observed or reported.

Request for Proposal

- 4.33 The RFP is being presented to Council under a separate and confidential Council Report, with the aim to issue the documentation to the successful EOI Respondents early to mid-September 2019.
- 4.34 The RFP will remain confidential for various reasons including that it is the key to a commercial transaction, and to avoid commentary that may impact the fairness of or unduly influence the process.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Extensive consultation with the community has informed the development of the Site Vision and Objectives and the design criteria in the St Kilda Marina Site Brief. The design criteria were determined through a community panel process involving a panel of 23 community members working collaboratively with technical consultants and council officers from August to December 2018 to determine the mandatory and



desirable attributes for the site. The Site Brief is a critical document informing respondents to the procurement process about the current conditions and the desired future state of the St Kilda Marina.

- 5.2 A Community and Stakeholder Engagement Plan that outlines the engagement process to accompany the project procurement and planning pathway, as well as delivery of the lease, was endorsed in a Council Meeting on 5 June 2019 and is a public document.
- 5.3 The Victorian Government is a key stakeholder. Not only is the site crown land but it has regional significance. Council officers meet regularly with Victorian Government representatives from DELWP to discuss project progress and specific issues that arise. They have been involved in the development of the Site Brief. Representatives from Parks Vic have also reviewed and had input to the Site Brief. DELWP is currently contributing to the development of Request for Proposal document and associated draft lease.
- 5.4 The organisations submitting an expression of interest will be contacted with the outcome of their EOI the day following Council's decision / endorsement of the recommendation to progress certain respondents to the RFP stage.
- 5.5 This Council Report without the Attachment (Evaluation Panel Report) is to be made public once EOI respondents are notified of the outcome of the EOI process. The details of the evaluation will remain confidential to protect the sensitive commercial nature of the submissions.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 To ensure that effective probity practice (and principles of integrity, impartiality and confidentiality) underpins the procurement process a probity plan was developed and endorsed by Council in February 2019. A probity advisor has been involved in the project from late 2017 to assist the project to develop various tools to ensure probity is effectively managed. The probity advisor has been closely involved in the procurement process including input to the procurement plan, updating the procurement plan to suit the procurement process, input in the IEOI, the EOI evaluation plan, overseeing the evaluation panel meetings, review of the EOI evaluation panel report, and general probity advice as issues arise.
- 6.2 An EOI evaluation plan was developed to guide the EOI evaluation process. The plan includes the evaluation panel membership, the technical advisory group skills requirements, the evaluation criteria and weightings, a scoring guide and program.
- 6.3 A probity auditor has also been engaged in advance of the procurement process to review key documents such as the invitation for EOI, the EOI evaluation plan, the EOI evaluation panel report, and provide advice, if required, for any complex probity issues that arise.
- 6.4 The evaluation criteria were tailored to ascertain the bidder and bidder teams experience, expertise and capability, financial capacity and test their alignment with Council's vision and objectives for the site. The EOI process was adopted with the



aiming of receiving proposals that are feasible, robust and meet the needs of the project.

- 6.5 The evaluation panel membership includes a mix of internal and external expertise and varied but relevant skills to ensure submissions are being reviewed from a range of perspectives covering the various requirements of the site and project objectives. The evaluation panel is supported by technical advisors covering the financial, procurement and project management expertise required to guide the process and appropriately assess submissions.
- 6.6 A legal advisor has been involved at key points including review of the invitation for expression of interest and in the development of the documentation for the next stage (which includes an assessment of any issues and feedback arising from the EOI process).
- 6.7 All participants in the procurement process have completed deed of confidentiality and conflict of interest declaration forms.
- 6.8 The documentation to be issued to the respondents invited to submit a proposal will include a Draft lease as the indicative contract setting out the obligations between Council as Landlord, and the Tenant. The finalisation of the lease will follow a negotiation process with the successful RFP respondent.
- 6.9 A risk register which is reviewed and updated as required monthly supports a risk based approach to the management of this project, including risks associated with the procurement process.

7. FINANCIAL IMPACT

- 7.1 The EOI process requires Council Officer time, and probity, marina related and commercial/strategic consultancy services in the order \$30,000. This is accommodated in the budget for this project.

8. ENVIRONMENTAL IMPACT

- 8.1 St Kilda Marina is a key foreshore site valued by not only the Port Phillip community but also the wider community, particularly boat owners and marine and foreshore enthusiasts.
- 8.2 A new lease arrangement for St Kilda Marina is recognised as an opportunity to improve the contribution of the site to the municipality and region. These aspirations are reflected in the Site Vision and Objectives, which identify broad environmental, social, cultural and economic benefits that the project is seeking to achieve to provide improved benefits for the broader community.
- 8.3 The St Kilda Marina Site Brief endorsed at a Council Meeting on 15 May 2019 articulates the mandatory and discretionary criteria that will guide respondents in the tender process to achieve the Site Vision and Objectives, with a key component focussing on Environmental and Coastal Resilience.



9. COMMUNITY IMPACT

- 9.1 St Kilda Marina is a key foreshore site valued by not only the Port Phillip community but also the wider community, particularly boat owners and marine and foreshore enthusiasts.
- 9.2 A new lease arrangement for St Kilda Marina is recognised as an opportunity to improve the contribution of the site to the municipality and region. These aspirations are reflected in the Site Vision and Objectives, which identify broad environmental, social, cultural and economic benefits that the project is seeking to achieve to provide improved benefits for the broader community.
- 9.3 The St Kilda Marina Site Brief endorsed at a Council Meeting on 15 May 2019 articulates the mandatory and discretionary criteria that will guide respondents in the request for proposal process to achieve the Site Vision and Objectives which aims to achieve considerably improved benefits for the community. These include but are not limited to significantly increasing and improving public realm and open space, year-round activation through the provision of facilities for the broader community, improving movement throughout the site, and improving marina functionality.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The Invitation for Expressions of Interest and recommendation for the shortlist of respondents invited to submit a proposal for developer and operator/tenant for the new lease for the St Kilda Marina aligns with Strategic Direction 4, “We are growing and keeping our character”. It supports the delivery of the specifically identified Council Plan key outcome, “a city of diverse and distinctive neighbourhoods and places”. The St Kilda Marina Lease is a specific priority in the Council Plan.
- 10.2 It also aligns with Strategic Directions 3 (We have smart solutions for a sustainable future) and 6 (Our commitment to you) by supporting delivery of the following outcomes:
 - A financially sustainable, high-performing and well-governed organisation that puts the community first.
 - A city that is adapting and resilient to client change.
 - A water sensitive city.
- 10.3 St Kilda Marina is a key strategic site within Council's property portfolio and presents a significant opportunity in terms of social, environmental, economic and cultural possibilities for the St Kilda foreshore, the municipality and the State.

11. IMPLEMENTATION STRATEGY

- 11.1 TIMELINE
 - 4 September 2019 – Endorsement of EOI Panel Recommendation
 - 5 September 2019 – EOI Respondents notified



- Early to mid-September – Approval of RFP documentation by Council
- Early to mid-September – RFP documentation issued to Respondents

11.2 COMMUNICATION

- The organisations submitting an expression of interest will be contacted with the outcome of their EOI the day following Council's decision / endorsement of the recommendation to progress certain respondents to the RFP stage.
- This Council Report without the Attachment (Evaluation Panel Report) is to be made public once EOI respondents are notified of the outcome of the EOI process. The details of the evaluation will remain confidential to protect the sensitive commercial nature of the submissions.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS 1. St Kilda Marina Project EOI Evaluation Report