



12.2 **ST KILDA MARINA PROJECT - ENDORSEMENT OF THE PROCUREMENT PLAN, UPDATED PROBITY PLAN, UPDATED PROJECT APPROACH AND COMMUNITY & STAKEHOLDER ENGAGEMENT PLAN**

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

PREPARED BY: **MICHELLE RYSANEK, SENIOR PROPERTY PROJECT MANAGER**

1. PURPOSE

To present the St Kilda Marina Project Procurement Plan, Updated Probity Plan, Updated Project Approach and Community and Stakeholder Engagement Plan 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 February 2018, when Council approved the Project Approach and Community Stakeholder and Engagement Plan for the first part of the project.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 In Stage 4 of the project, a Procurement Plan has been developed for the St Kilda Marina Project, 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.
- 2.6 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. The Procurement Plan is provided in Attachment 1.
- 2.7 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.



- 2.8 The Procurement Plan clearly articulates the role of Council, CEO, and the Evaluation Panel in the different stages of procurement planning and implementation. Council's 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.
- 2.9 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.
- 2.10 With the exception of the detailed evaluation criteria which will be made available with the issue of the Invitation for an Expression of Interest in June 2019, and the RFP later this year, the remaining components will remain confidential, as per normal procurement processes, to protect the integrity of the process, and, in doing so, protect the respondent commercial in confidence submissions.
- 2.11 The evaluation criteria are directly connected to the Site Vision and Objectives to ensure that submissions stay true 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.
- 2.12 A Probity Plan is already in place for this project and is publicly available on the City of Port Phillip website. This version has been reviewed and updated where required to ensure that it is reflective of the needs of the procurement stage of the project. Refer to Attachment 2 for the updated Probity Plan.
- 2.13 The Community and Stakeholder Engagement Plan that was endorsed by Council in April 2018 facilitated the engagement approach for stages 1 to 3 of the St Kilda Marina Project. It has now been updated to cover stages the final stages 4 to 6 of the project, being Planning for Procurement, Procurement and Delivery of the Lease, and is presented in Attachment 3 for endorsement.
- 2.14 The evolution of the project works requires updating of the Project Approach document that was endorsed by Council in February 2018. This document has now been updated to include the proposed Planning Scheme Amendment process, and the requirements of the detailed procurement program. The revised Project Approach is provided in Attachment 4 for endorsement.
- 2.15 In line with the process and timeline set out in the Procurement Plan, it is the intention that an Invitation for Expressions of Interest (EOI), the first stage of the procurement model, is issued to the market following endorsement by Council shortly after the endorsement of the Procurement and Probity Plans.



3. RECOMMENDATION

That Council:

- 3.1 Endorses the St Kilda Marina Project Procurement Plan 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.
- 3.2 Endorses the St Kilda Marina Project Probity Plan updated to align with the procurement processes set out in the Procurement Plan.
- 3.3 Endorses the St Kilda Marina Project Community and Stakeholder Engagement Plan, updated to include engagement steps for stages 4, 5 and 6 of the project - Planning for Procurement, and Procurement and Delivery of the New Lease, respectively.
- 3.4 Endorses the Project Approach document, updated to include the Planning Scheme Amendment Process and revised procurement timeline.
- 3.5 Authorises the CEO to make minor editorial updates as required to the above cited documents that do not modify their intent.

4. KEY POINTS/ISSUES

- 4.1 The St Kilda Marina is and has been located at 42 A - E Marine Parade, Elwood since 1969. The Marina 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.
- 4.2 The 50 year 'head lease' between Council and Australian Marinas (A'Asia) Pty Ltd (Australian Marinas), began on 18 March 1968 and, through a supplemental agreement to the original lease, expired on 30 April 2019.
- 4.3 On 7 February 2018, Council endorsed the Project Approach which sets out the various stages of the project, Stages 1 to 6, and the associated timeline. On 18 April 2018 Council endorsed The Community Stakeholder and Engagement Plan for Stages 1 to 3 of the project. Both are key documents guiding the project to secure a new long-term lease arrangement for the site. They are available on the St Kilda Marina Project web page (<http://www.portphillip.vic.gov.au/st-kilda-marina.htm>).
- 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 approved an interim three-year lease with the existing tenant, Australian Marinas Pty Ltd. 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.
- 4.5 Since the Council Meeting approving the Project Approach (February 2018), Officers have implemented stages 1 and 2 of the Project Approach with Stage 3 recently concluded with the endorsement of the St Kilda Marina Project Site Brief setting out the current conditions and criteria for the desired future state of the site.
- 4.6 The project has moved into Stage 4 with work being done to progress the strategic planning requirements for the site; and the drafting of the Procurement Plan and the accompanying Probity Plan and Community and Stakeholder Engagement Plan updated to reflect the requirements of the procurement and planning processes.



The Development of a Site Brief and Community Engagement

- 4.7 In a Council Meeting dated 15 May 2019 Council endorsed the St Kilda Marina Site Brief. The Site Brief was informed by comprehensive community engagement program.
- 4.8 To ensure the full potential of the site is realised as part of a new lease arrangement, Council committed to a multi-stage community engagement program, working closely with the community at key stages of the project to understand and consider the community's values and aspirations for the local area and specifically for the site and documented these in a Site Brief to enable their delivery.
- 4.9 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.
- 4.10 Under Stage 3 of the project, the Site Brief was developed with input from Council Officers, technical advisors/consultants and the community. In summary the engagement program included the following. More details are available in the Council Report dated 15 May 2019.
- a) The recruitment of a 24-member Community Panel via Expression of Interests with selections made using a computer generated random selection process to ensure the selection criteria was met and a diverse representation resulted. The community panel was established to bring a focussed community voice with broad perspectives to the development of solutions for the future of the marina site. Following commencement of the process the panel dropped to 23 members due to the departure of one person.
 - b) Through the Community Panel process, community panel members worked with Council officers and technical advisors to develop a set of mandatory and discretionary criteria (design criteria) for key components of the site, grouped under five categories. These were:
 - Views and movement
 - Marina function
 - Complementary uses
 - Open space, public realm and carparking
 - Environmental design and Coastal Resilience.
 - c) The ideas explored by the Community Panel were tested with the broader community at the mid-way point of the panel process via an online survey. In total 368 people completed the survey. Participants represented diverse connections to the Marina, including residents, boat owners, Bay Trail users, business owners and visitors. The feedback demonstrated broad community sentiment on the Panel's progress of design criteria development, and supported the Panel's ongoing deliberations.
- 4.11 The outcomes of the Community Panel and wider community consultation process have informed the development of the St Kilda Marina Site Brief endorsed in the 15 May 2019 Council Meeting. The St Kilda Marina Site Brief is available on the St Kilda Marina Project web page (<http://www.portphillip.vic.gov.au/st-kilda-marina.htm>).



4.12 The purpose of the Site Brief is to:

- a) Build a shared understanding of the site and the parameters of a future redevelopment of the site under a new long-term lease to deliver the vision and objectives, including what outcomes are required and what is and is not permitted.
- b) Underpin the procurement process for a new long-term lease by informing the market and guiding interested parties to provide suitable proposals for a long-term lease arrangement. The design criteria also support the development of evaluation criteria that will be used to assess the submissions on an “apples for apples” basis.
- c) Form the basis of a planning scheme amendment process to support delivery of the Site Vision and Objectives.

Operating Model

4.13 An options assessment was undertaken of the possible operating models for the site. This was a critical part of determining the procurement model and approach, discussed further in the report.

4.14 The existing Lease in place at the St Kilda Marina is a 50-year Build, Lease Land/Own, Improvements, Operate and Transfer model (similar in concept to a BOOT model – Build, Own, Operate and Transfer). Under this model, the existing Head Tenant designed and delivered all the facilities, including the buildings, infrastructure, dry storage buildings and wet berths, and has received all revenues and incurred all operating costs during the lease period.

4.15 In exchange for making the site available, Council has received annual rent (both fixed and a proportion of the gross revenue received by the Head Tenant). Council will also receive, at the end of the lease, all of the improvements installed by the Head Tenant during its tenure (with the exception of the wet berths and associated infrastructure).

4.16 As part of the new process being undertaken by Council, a range of operating models available to Council have been considered and analysed. These options range from Council acting as the Landlord (i.e. as per the current Lease arrangement whereby the Lessee is responsible for all aspects of SKM) through to Council taking on the role as the developer and operator of the facility.

4.17 Three options were assessed:

Option 1 Integrated Private Development/Build, Lease Land/Own Improvements, Operate & Transfer

Option 2 Council Develops & Operates

Option 3 Mixed - Private Develops & Operates Commercial / Council Develops & Operates Public Realm.

4.18 Option 3 could be arranged in a number of ways and hence has a range of sub-options. The simplest of these is Council having responsibility for the public realm only through to more complex sub-options that would see Council developing and owning any number of non-marina facilities at St Kilda Marina.

4.19 The overall assessment of the three options concluded that Option 1 is the preferred operating model for Council. While it presents some risks for Council, the risk profile is lower than the other two options. Furthermore, given the comprehensive process



Council has undertaken with the development of the vision and site brief for the project, Council is well positioned to conduct a procurement and contracting process that will produce the desired outcomes whilst minimising Council's risk exposure. The Procurement Plan provided in Attachment 1 discusses the operating model options and the assessment.

Procurement Plan

- 4.20 A Procurement Plan has been developed for the St Kilda Marina Project 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.
- 4.21 The Procurement Plan is provided in Attachment 1. It details the procedures behind the key parts of the procurement process including:
- a) expressions of interest (EOI)
 - b) evaluation and shortlisting of the EOIs received
 - c) the request for proposals (RFP)
 - d) the evaluation and selection of preferred proposal (s)/bid(s)
 - e) negotiation with the preferred respondent/s
 - f) recommendation.
- 4.22 It identifies workflows for the preparation of key documents, outlines the procurement process objectives and principles, key stakeholders and governance structure, evaluation processes for submissions and sets out a timetable for key project phases and ultimate selection of a preferred tenderer.
- 4.23 The Procurement Plan will enable the Council to set deadlines and support consistent communication of the procurement process to the community, interested bidders and state government.
- 4.24 The Procurement Plan also includes a reference to the need for a planning scheme amendment running in parallel with the procurement process to support the delivery of the redevelopment of the site as part of a new lease.
- 4.25 The approach to the planning scheme amendment including the planning pathway and controls is being presented Council for endorsement at this same Council Meeting on the 5 June 2019.
- 4.26 The Procurement Plan also serves to inform interested parties including the community and key stakeholders, and market about the process adopted by Council to procure a new lease for the site.

Procurement Model

- 4.27 The proposed procurement model 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.
- 4.28 This two-stage process will enable Council to assess the capability of interested parties through the EOI and select only those that Council believe can achieve the project



objectives to participate in the more detailed RFP phase of procurement. This approach has the benefit of an open, publicly advertised phase which reaches out the broader market, following which it ensures that only qualified participants are invited. It is only the shortlist of qualified participants that will need to commit significant resources to the RFP phase.

- 4.29 The two-stage model also allows for a level of market sounding on elements of the process and the St Kilda Marina Site Brief at the (first) EOI stage. The intelligence from this will inform the RFP approach and contribute to a more robust procurement exercise through increasing market confidence in a process that has had the input of very specific market expertise.

Role of Council

- 4.30 The Procurement Plan clearly articulates the role of Council, CEO, and the Evaluation Panel in the different stages of procurement planning and implementation.
- 4.31 The Leasing Process Overview diagram in the Procurement Plan, identifies the activity and role of Council for each of the 12 procurement process steps.
- 4.32 Council's role in the procurement process includes:
- a) Review and approval of the Site Vision and Objectives.
 - b) Review and approval of the Site Brief (including mandatory requirements and allowable uses).
 - c) Approval of the Statutory Planning pathway.
 - d) Review and approval of the Procurement Plan (including delegated authority to CEO).
 - e) Review and approval of the Expression of Interest (EOI) document.
 - f) Consideration of the recommendation from the EOI Evaluation Panel and the CEO regarding the short list of Proponents selected to participate in the Requests for Proposal (RFP) and makes a decision.
 - g) Review and approval of the RFP document.
 - h) Participation in a non-voting capacity and in line with predetermined protocols at a design presentation by respondents following an initial evaluation of proposals.
 - i) Consideration of the recommendation from the RFP Evaluation Panel and CEO for entering into a Lease with the Preferred Proposal and makes a decision.

Evaluation of Tenders and Evaluation Plans

- 4.33 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.
- 4.34 With the exception of the detailed evaluation criteria which will be made available with the issue of the Invitation for an Expression of Interest in June 2019, and the RFP later this year, the remaining components will remain confidential, as per normal procurement practices, to protect the integrity of the process, and, in doing so, protect the respondents' commercial in confidence submissions.



4.35 The evaluation criteria are directly connected to the Site Vision and Objectives to ensure that submissions stay true 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.

4.36 The City of Port Phillip CEO will have a key role in approving both Evaluation Plans.

EOI Evaluation

4.37 The Procurement Plan proposes the approach for the evaluation of the EOI submissions.

4.38 In summary, the evaluation process for the EOI submissions involves the following key components:

- a) Mandatory compliance criteria – pass or fail criteria that test for compliance with Council procurement processes as set out in the invitation for EOI document.
- b) Qualitative criteria that address the experience and capacity of the bidder and their consortium team members, vision for the redevelopment particularly in terms of alignment with Site Objectives, and financial capacity.
- c) An evaluation panel that comprises of a mix of internal and external members experienced in this nature of project and specialists in key areas such as design, commercial property, and Council and community values and expectations of benefit from the site for the community.
- d) An evaluation panel chair who will be an appropriately qualified senior Council Officer responsible for the smooth running of the panel and panel process and final recommendations to Council via the CEO.
- e) A range of technical consultants that overview specific technical details of the submissions relevant to their expertise and provide comprehensive advice to assist panel members in making a decision.

4.39 Key elements for Council's role in this process are:

- a) Council will approve the evaluation criteria for the EOI.
- b) Council will approve the skills, expertise and mix of internal and external members required for the evaluation panel. The CEO will approve the specific individual appointments to the panel.

RFP Evaluation

4.40 The Procurement Plan also proposes the approach for the evaluation of the RFP submissions.

4.41 In summary, the evaluation process for the RFP submissions involves the following key components:

- a) Mandatory compliance criteria – pass or fail criteria that test for compliance with Council procurement processes as set out in the tender documents, compliance with legal requirements including the key lease conditions, and compliance with the mandatory design requirements.
- b) Qualitative criteria that address the experience and capacity of the bidder and their consortium team members, vision for the redevelopment particularly in



terms of alignment with Site Objectives, a planning and transition strategy for the site, the commercial terms and viability of the offer, the corporate and social responsibility initiatives in the bids, and the financial offer.

- c) An Evaluation Panel that comprises of a mix of internal and external members experienced in this nature of project and specialists in key areas such as design, commercial property development, marina design and marina operational requirements, and Council and community values and expectations of benefit from the site for the community.
- d) An Evaluation Panel Chair who will be an appropriately qualified senior Council Officer responsible for the smooth running of the panel and panel process and final recommendations to Council.
- e) A range of technical consultants that overview specific technical details of the submissions relevant to their expertise and provide comprehensive advice to assist panel members in making a decision on the preferred bid.
- f) A Design Review Panel (DRP) comprising of likely three architectural and urban design experts specialising in complex and unique community works will also be appointed specifically to support Evaluation Panel Members to assess and score the design components of the submissions.

4.42 Key elements for Council's role in this process are:

- a) Council will approve the evaluation criteria for the RFP, as well as the weighting between financial and non-financial criteria in the RFP. The weightings of individual non-financial criteria will be approved by the CEO.
- b) Council will approve the skills, expertise and mix of internal and external members required for the evaluation panel. The CEO will approve the specific individual appointments to the panel. The RFP evaluation panel will have increased membership and a wider range of skills and expertise to that of the EOI panel to cover the comprehensive submissions addressing a more complex set of criteria.
- c) Council will provide input into the DRP membership, with the CEO approving the individual appointments to the DRP.

4.43 The Evaluation Plan for the RFP will be approved by the CEO prior to the release of the RFP.

4.44 Further detail regarding the evaluation criteria, the panel composition and other aspects of evaluation are provided in the Procurement Plan.

Procurement Timeline

4.45 A procurement timeline has been included as an indicative program for the process.

4.46 The current timeline shows execution of the lease in June 2020, with two months program contingency. Actual deadlines will be updated once the process is endorsed, and once commitments to key durations are agreed.

Probity Plan

4.47 A Probity Plan is already in place for this project and is publicly available on the City of Port Phillip website. This version has been reviewed and updated where required to



ensure that it is reflective of the needs of the procurement stage of the project. Refer to Attachment 2 for the updated Probity Plan.

- 4.48 The Probity Plan has been developed with the Councillors' roles and requirements in mind balancing their intention for maximum transparency in the process and to engage with the community and other stakeholders, with good probity practice required to protect the integrity of the competitive process. It works in tandem with the Council's Code of Conduct and procurement policy, which must be followed by personnel involved with the project.
- 4.49 The Probity Plan is in two parts. The first deals with probity in general for the project. The second part deals specifically with procurement requirements applicable to the conduct of competitive processes such as establishment of the new lease and related engagements of contractors and consultants.

Community and Stakeholder Engagement Plan

- 4.50 The Community and Stakeholder Engagement Plan that was endorsed by Council in April 2018 facilitated the engagement approach for stages 1 to 3 of the St Kilda Marina Project.
- 4.51 It has now been updated to cover stages the final stages 4 to 6 of the project, being Planning for Procurement, Procurement and Delivery of the Lease, and is presented in Attachment 3 for endorsement.
- 4.52 Key elements of this plan include:
- a) Information sessions to provide information and address queries about the endorsed Site Brief, Procurement Plan and Planning Process (Stage 4).
 - b) Consultation with the Community and Key Stakeholders on the Planning and Legislative Process including submissions in relation to the proposed Planning Scheme Amendment (Stage 4).
 - c) Seeking community feedback on the proposed designs of the successful bidder (Stage 6).
 - d) Provision of project updates to key stakeholders and the community (throughout).

Project Approach

- 4.53 As the project has evolved through the stages, particularly Stage 3 where the St Kilda Marina Site Brief was developed and endorsed, and detailed planning for procurement proceeded, a detailed procurement plan was developed and the need for a planning scheme was realised.
- 4.54 This has further informed The Project Approach document that was endorsed by Council in February 2018.
- 4.55 This document has now been updated to include the proposed Planning Scheme Amendment process, and the requirements of the detailed procurement program. The revised Project Approach is provided in Attachment 4 for endorsement, with the modifications highlighted in red.

Invitation for Expressions of Interest

- 4.56 In line with the process and timeline set out in the Procurement Plan, it is the intention that an Invitation for Expressions of Interest (EOI), the first stage of the procurement



model, will be issued to the market following endorsement by Council shortly after the endorsement of the Procurement and Probity Plans.

- 4.57 The EOI and associated council report will be made available to the public very shortly after the EOI is released to the market, to ensure all parties have access to the EOI at the same time through a broadly advertised public advertisement process. This approach is to avoid any party receiving a perceived or actual advantage over another party by receiving the report before the EOI is officially released to the market.

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 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 potential respondents to the procurement process about the current conditions and the desired future state of the St Kilda Marina.
- 5.2 The updated Community and stakeholder engagement plan to incorporate Stages 4 to 6 of the project is being presented to Council as part of this report. This outlines the engagement process to accompany procurement and the planning pathway, as well as delivery of the lease.
- 5.3 Drop-in information sessions for the community and stakeholders are proposed to occur on 13 and 15 June 2019 following this Council Meeting and the Council Meeting in June where the St Kilda Marina Site Brief was endorsed (15 May 2019). This will be an opportunity for the community and stakeholders to ask any clarifying questions of those involved in development the Site Brief, Procurement Plan, and planning pathway and tools and engagement approach to be adopted for the project.
- 5.4 The Victorian Government is a key stakeholder. Not only is the site on 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 the Site Brief.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Key pieces of legislation that pertain to the site include but are not limited to the St Kilda Land Act 1965, Crown Land Reserves Act 1978, Coastal Management Act 1995, Planning and Environment Act 1987, Retail Leases Act 2003, Marine Safety Act 2010 and Port Management Act 1995. The implications of the legislation have been reviewed by State Government and legal and technical advisors as the criteria for the Site Brief has been developed. The Site Brief sets out the legislative and governance framework, and the design criteria considers the relevant legislation.
- 6.2 It has been determined, based on the design criteria, that a Planning Scheme Amendment will be required for the site to support the delivery of the site vision and objectives. Various options to determine planning pathways and tools are being considered, including how the planning pathway should align with procurement, and is being brought to Council in a separate Council Report at the same Council Meeting as this one.



ORDINARY MEETING OF COUNCIL 5 JUNE 2019

7. FINANCIAL IMPACT

7.1 A project budget of \$1.075M was approved in the Ordinary Council Meeting dated 7 February 2018.

The costs are broken down as shown in the table below:

Financial Year	2017/18	2018/2019	2019/2020	2020/2021	Total
Consultant costs (site investigations and surveys, urban design, market research, probity)	\$265,000	\$255,000	\$111,000	\$30,000	\$661,000
Legal costs (legislation and contract advice)	\$35,000	\$55,000	\$50,000	\$35,000	\$175,000
Community and Stakeholder Engagement	\$60,000	\$150,000	\$20,000	\$10,000	\$240,000
TOTAL OPEX	\$360,000	\$460,000	\$180,000	\$75,000	\$1,075,000

7.2 A budget review is currently being undertaken in light of the increased understanding of the requirements for the site now that Stage 3 and the development of the site brief is complete. Any proposed changes will be considered as part of the Council Budget process.

7.3 There may be an opportunity to enhance financial returns from the site, although this will be determined by the extent to which Council wishes to achieve non-financial benefits. This will be considered in more detail in the early part of the procurement process.

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.



- 8.4 The Community Panel and Council was generally supportive of the coastal criteria and the environmental design criteria, expressing high ambition for incorporating best practice environmental design into site infrastructure.

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 tender 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 This report contains information that 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

TIMELINE

- 11.1 5 June 2019 – Council Report requesting endorsement of a proposed planning scheme amendment process to support delivery of the Site Vision and Objectives.
- 11.2 8 June 2019 – Issue of the Invitation for an Expression of Interest (EOI) to the market following advertisement in The Age.
- 11.3 13 and 15 June 2019 – Stakeholder and Community Drop In information sessions for the Site Brief, Procurement Plan and planning scheme amendment process.

ORDINARY MEETING OF COUNCIL 5 JUNE 2019



12. OFFICER DIRECT OR INDIRECT INTEREST

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

TRIM FILE NO: 20/15/63

ATTACHMENTS

1. St Kilda Marina Project - Procurement Plan Final - 23 May 2019
2. St Kilda Marina Project Probity Plan - Procurement Update
3. St Kilda Marina Project_Community & Stakeholder Engagement Plan May 2019 Update
4. St Kilda Marina Project - Updated Project Approach - May 2019