

ITEM NO: 7

SUBJECT: SPRINGWOOD TOWN CENTRE PROJECT: CALL FOR EXPRESSIONS OF INTEREST

FILE NO: F03231

Recommendations:

1. *That the Council proceed to invite Expressions of Interest (EOI) on the Civic Centre Site, the Northern Car Park and the Southern Car Park following the process outlined in this report.*
 2. *That a Social and Cultural Assessment be completed by March 2008 to provide information for the development of detailed proposals by those Proponents selected to proceed to Stage 2 of the procurement process.*
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Report by Group Manager Community and Corporate

Report summary:

The purpose of this report is to present for approval by the Council the process and documentation to proceed to advertisement of a Call for Expressions of Interest in the redevelopment of one or more of three sites in Springwood Town Centre. It is proposed that the Call for Expressions of Interest (EOI) is made over the period Monday 5 November to Friday 14 December 2007.

Background

The objectives of the Springwood Town Centre Project (as detailed in the Options report and adopted by the Council for public exhibition) are:

- To contribute to achieving an ongoing economically viable, vibrant and diverse commercial and retail centre; and
- To maintain and enhance community facilities and services offered within Springwood Town Centre.

Stage 1 of the project focuses upon seeking Expressions of Interest on redevelopment of one or more of three sites owned and/or managed by the Council in the Springwood Town Centre. An Options Report, which outlined the context of the project and different options for presentation of the sites to the market, was placed on public exhibition seeking written submissions over the period 13 August to 24 September 2007. One hundred and forty five (145) submissions were received during this period, and the Council considered these submissions at an Extraordinary Meeting of the Council held in Springwood on 12 October 2007.

The following minute is provided from the 12 October 2007 Extraordinary Council meeting on the Results of the Public Exhibition of the Options Report for the Springwood Town Centre Project.

The Council resolved:

- “1. That the Council accept and note the submissions received.*
- 2. That the Council receive a report presenting the documentation and process to be followed for the Call for Expressions of Interest (EOI) on three specific Council owned or managed sites within Springwood Town Centre being the Northern Car Park, the Southern Car Park and the Civic Centre Sites. That opportunities and suggestions outlined in the Options Report are amended in the EOI documentation as detailed in this report.*
- 3. That where practical the criteria used for assessment of the EOI recognise the issues raised by the public submissions including, but not limited to:
 - i. Relevant previous experience;*
 - ii. Financial capacity;*
 - iii. Conformance with LEP 2005;*
 - iv. Net community benefit of the Initial Proposal;*
 - v. Attention to triple bottom line outcomes.**
- 4. That consideration be given in the preparation of the 4 year Management Plan 2008-2012 for resources to undertake a review of strategic plans relating to Springwood Town Centre Master Plan; Springwood Town Centre Parking; and for the preparation of a city wide parking strategy.*
- 5. That expressions of interest be called for members of the community to take part in an Advisory Committee for Springwood concurrent with the Expression of Interest process.*

This committee would be comprised of eight members and be selected to be as representative as possible of interested community members and groups such as the Springwood Chamber of Commerce.

This Advisory Committee meet on a monthly basis or as required at the time and place that the Committee shall decide.

The Advisory Committee be chaired by the Mayor or nominee and that the first meeting discuss a “terms of reference” and guidelines for meeting procedure.
- 6. That the Council will, if there is adequate available facilities on the nominated date, conduct the Council Meeting that considers the EOI within Springwood.”*

(Minute No. 289 1 (File F03147): 12/10/2007)

The following section of this report outlines the process to be followed for the Call for Expressions of Interest on three (3) Council owned and/or managed sites within Springwood

Town Centre being the Northern Car Park, the Southern Car Park and the Civic Centre Sites (the Sites).

Procurement process

A two stage procurement process is proposed in this project, comprising:

Stage 1: Call for Expressions of Interest (EOI):

Stage 1 is a process to invite and evaluate EOIs, and select a short list of potential parties to be invited to submit detailed proposals for the Sites. EOIs will be required to include a summary statement of their proposal; details of financial capacity to deliver the project; details of previous project experience and experience in partnering; a statement on how their proposal and their processes, procedures, concept plans, and construction methods align with triple bottom line or economic, social and environmental sustainability outcomes. Tender prices for the sites will not be asked for in the EOIs.

It is proposed that the Council may nominate a short list of any proponents to proceed to Stage 2 by April 2008. Invitations to submit a detailed proposal will be extended at the Council’s absolute discretion.

Stage 2: Request for Detailed Proposal (RDP):

Stage 2 is a process to invite and evaluate proposals from the short listed proponents that may address detailed design proposals, financial offers to the Council, identification of risks and proposed project programs.

It is recommended that the EOI Call document indicate that the Council reserves the right to consider non-complying proposals in both stages, however that in stage 1 a non-complying proposal must be accompanied by a complying proposal. This would allow for innovative solutions to be considered which might not fit directly within the specifications.

Tender Evaluation Panel:

The evaluation of the Stage 1 EOI submissions and Stage 2 RDP submissions would be the responsibility of a Tender Evaluation Panel (TEP) that would comprise of five persons with a spread of expertise aligned with the scope of the project. The composition of the TEP may differ between stages. The General Manager would approve the final composition of the TEP but it is expected that the Stage 1 TEP would be comprised of:

	Role	Description
1.	Facilitator	BMCC staff member from Assets and Contract Management Branch
2.	Expert	BMCC staff member with the relevant skills (eg design, planning, property)
3.	Expert	Representative from the Department of Lands
4.	Independent	BMCC staff member with no previous involvement in the project
5.	Independent	Industry expert with no interest in the outcome

The TEP would make recommendations to the Council who will make the final decisions on the preferred proposals. For this reason the Councillors should not be on the TEP.

The TEP may be assisted by various independent advisers to undertake the evaluation. The Probity Advisor will monitor the tender evaluation proceedings and process.

Evaluation process:

Both stages of the procurement process are formal tender processes and need to follow the Council's Tendering Policy and the Local Government Act and relevant tendering regulations.

A draft Evaluation Plan has been prepared, in accordance with the Council's Tendering Policy, to guide the tender evaluation process. The draft Evaluation Plan provides guidance in such matters as the evaluation process to be followed, the role, membership and requisite skills of the Tender Evaluation Panel, other advisor roles, guiding principles, probity, security measures, and outlines an evaluation process to be followed. The Evaluation process would be divided into the following phases:

- Phase 1 - Receipt and registration of EOIs (via E-tender);
- Phase 2 - Evaluation of EOIs against evaluation criteria;
- Phase 3 - Clarification and investigations;
- Phase 4 - Value for Money evaluation; including risk assessment;
- Phase 5 - Recommendation of short listed Proponents in an Evaluation Report.

It is proposed that a report on the EOI evaluation would be presented to the Council by the end of March 2008. The report would include a comparison of all proposals submitted and reasons as to why the selected proposal/s is/are selected. The Council would make the final decision as to selection of any Proponents to be invited to proceed to Stage 2: RDPs.

The Council is currently introducing web-based tendering procedures. The most recent tender process being undertaken by the Council (Recycling Contract 07) allows potential tenderers to download tender documents and lodge tender submissions via the web. It is proposed that the Springwood Town Centre EOI also use a web-based tendering process. One advantage of using a web-based approach is that it streamlines the process for both the Council and Proponents. It also provides subscribers to the NSW Department of Commerce's www.tenders.nsw.gov.au facility with email alerts of the EOI. Advice received is that this accords with sound probity practices.

Evaluation criteria:

The Stage 1 EOI evaluation criteria must be measurable and/or demonstrable. The draft criteria include, but are not limited to:

1. Financial capacity to deliver the project;
2. Relevant project and partnering experience;
3. Compliance with planning policies, and in particular LEP 2005;
4. Net benefit to the community and Council of the Initial proposal;
5. Attention to Triple Bottom Line outcomes.

It would be expected that the criteria may change in Stage 2 of the procurement process to allow for matters which had not been explored in depth at the first stage, it is likely that more detailed proposals would be evaluated on how they would concentrate on risk allocation, certainty of delivery, design and financial return.

Financial implications for the Council:

The Council has allocated a budget of \$160,000 to this project. It is expected that the project will stay within this budget.

The sale, lease or other approach for redevelopment of one or more of the sites is proposed to supply additional income and/or resources to the Council in order to enhance community facilities and services offered within Springwood Town Centre. The Council has as yet identified no details of what would be considered adequate compensation for use of the land.

In the submissions received on the Options Report concerns were expressed by members of the community regarding risks associated with the sale of the land. It should be noted that one of the Probity principles guiding the Project is that the Council seek “value for money”. This will need to be a key consideration in the evaluation of the EOIs and a critical consideration in the evaluation of Stage 2: RDPs.

Sustainability Assessment (Triple Bottom Line Reporting):

The Springwood Town Centre project is guided by the 25 year Strategy for the City of Blue Mountains and seeks to maintain an economically, socially and environmentally sustainable town centre. This focuses upon improving the economic viability of the town centre together with maintaining the centre’s viability as a place for delivery of the community facilities and services, both public and private. The Options Report and the draft EOI call document list the project objectives and propose economic, social and environmental outcomes for delivery by the project.

It is proposed that the EOI call document requires submission of a written description of how the processes, procedures, concept plans and construction methods of each proposal would align with Triple Bottom Line. One proposed evaluation criterion for the EOI is “Attention to triple bottom line outcomes”. This is to ensure that due consideration is given to the sustainability of each proposal.

This report also recommends that a Social and Cultural Assessment is prepared by March 2008. This report is to outline the projected needs and gaps in provision of community and cultural facilities and services in Springwood town centre. This will enable the Council to provide more detailed information on community facility and service requirements for the consideration of all Proponents invited to proceed to Stage 2 of the procurement process.

Legal and risk management issues for the Council

As stated above, Stage 1 of the procurement process: the EOI is proposed to be conducted in accordance with the Council’s Tendering Policy and relevant government legislation. A legal adviser to the Council and the Probity Auditor for the project will both check the draft EOI Call documentation for soundness and compliance with relevant legislation.

The Council appointed Probity Auditor is Acumen Alliance. Their primary function has been to develop and monitor the Probity Plan for the project and to sign off on the Expressions of Interest process. The Probity Plan outlines the following principles and objectives that are elements of good probity practice, namely:

- Obtaining Value for Money;
- Fairness and Impartiality;
- Confidentiality;
- Conflict of Interest;
- Transparency of the Process;
- Identification and Management of Conflicts of Interest;
- Accountability; and
- Monitoring and Evaluation of Performance.

Upon the commencement of the Call for Expressions of Interest maintenance of the probity principles, and especially the confidentiality of project information, becomes critical.

Maintenance of access to adjoining properties:

A number of specific issues relating to maintenance of existing access from adjoining private land parcels over the Council owned or managed land also need to be considered. In addition to formal and registered rights of way and easements that appear on the land titles (certificates of title) for the subject sites, there are also a number of existing informal and historic access ways to adjoining private land. It is considered that the Council may have moral and legal responsibilities associated with maintenance of some of these access ways.

Redevelopment of these sites may require the Council to ensure the maintenance of these access ways both physically and legally. A base level of information has been incorporated into the draft EOI Call document with the advice that detailed investigations will need to be undertaken and that there may be the need for rights of way to be established as part of any agreement reached for the redevelopment of any of the three sites.

Marketing

A draft Marketing Strategy and advertisement have been prepared for the EOI. It is proposed to market the EOI to the commercial and retail development sectors through advertisements in the local press, the Sydney Morning Herald Tender section, and the Financial Review Tender section. It is also proposed to seek publicity of the EOI through press releases distributed to relevant press, industry magazines and industry websites.

The use of extensive colour and graphics in advertising is considered to be unnecessary as it is unlikely that any additional benefits of such an approach would warrant the extra design and advertisement costs.

External consultation

As stated previously in this report, the EOI evaluation is to be conducted within strict confidentiality. However in order to allow for the potential for community consultation on critical matters the draft EOI Call document indicates that the Council reserves the right to take the successful proposals to the community for comments between Stage 1 and Stage 2, and after Stage 2. The draft EOI Call document indicates that the summary statement and other non-commercial in confidence information contained in any EOI may be made public and placed on public exhibition or used in other ways to seek community comment.

Conclusion

This report recommends that the Council proceed to invite Expressions of Interest (EOI) on the Civic Centre Site, the Northern Car Park and the Southern Car Park following the process outlined in this report.

The report also recommends that the Council undertakes a Social and Cultural Assessment of Springwood Town Centre before March 2008 to provide information for the development of detailed proposals by those Proponents selected to proceed to Stage 2 of the procurement process.

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