

Meeting Date: Tuesday 21 February 2012
Location: Committee Rooms 2 & 3, Level 5, Civic Centre, 1 Devlin Street,
Ryde
Time: 7.30pm

NOTICE OF BUSINESS

Item		Page
1	CONFIRMATION OF MINUTES - Civic Precinct Committee Meeting held on 11 May 2011	1
2	RYDE CIVIC PRECINCT REDEVELOPMENT STAGE 3 STATUS UPDATE	4

1 CONFIRMATION OF MINUTES - Civic Precinct Committee Meeting held on 11 May 2011

Report prepared by: Meeting Support Coordinator

Report dated: 10 February 2012

File No.: CLM/12/1/1/2 - BP12/105

In accordance with Clause 3.4.4 of Council's Code of Meeting Practice, a motion or discussion with respect to such minutes shall not be in order except with regard to their accuracy as a true record of the proceedings.

RECOMMENDATION:

That the Minutes of the Civic Precinct Committee Meeting 1/11, held on Wednesday 11 May 2011, be confirmed.

ATTACHMENTS

- 1 Minutes - Civic Precinct Committee - 11 May 2011

ITEM 1 (continued)

ATTACHMENT 1



Civic Precinct Committee

MINUTES OF MEETING NO. 1/11

Meeting Date: Wednesday 11 May 2011

Location: Committee Room 2, Level 5, Civic Centre, 1 Devlin Street, Ryde

Time: 7.30pm

Councillors Present: The Mayor, Councillor Etmekdjian and Councillors Campbell, Maggio, O'Donnell, Petch, Salvestro-Martin and Yedelian OAM

Apologies: Councillors Butterworth, Li, Perram, Pickering and Tagg.

Staff Present: General Manager, Manager – Governance, Development Director – Civic Precinct Project, Project Manager – Ryde Town Centre.

ADJOURNMENT OF MEETING

In accordance with Clause 2.5.1 of the Code of Meeting Practice, The Mayor, Councillor Etmekdjian adjourned the Civic Precinct Committee Meeting as a quorum was not present, the time being 7.30pm. The Civic Precinct Committee Meeting was adjourned to:

*Wednesday, 11 May 2011 at 8.15pm
Committee Room 2, Level 5, Civic Centre.*

The following Councillors were present at the time: The Mayor, Councillor Etmekdjian and Councillors Campbell, Maggio, O'Donnell, Petch and Salvestro-Martin.

Apologies had been received from Councillors Butterworth, Li, Perram, Pickering, Tagg and Yedelian OAM.

MEETING RESUMED

Upon the arrival of Councillor Yedelian OAM, the Meeting resumed at 8.22pm in Committee Room 2, Level 5 of the Civic Centre, 1 Devlin Street, Ryde.

The following Councillors were present at the time: The Mayor, Councillor Etmekdjian and Councillors Campbell, Maggio, O'Donnell, Petch, Salvestro-Martin and Yedelian OAM.

ITEM 1 (continued)
DISCLOSURES OF INTEREST

ATTACHMENT 1

There were no disclosures of interest.

1 CONFIRMATION OF MINUTES - Civic Precinct Committee Meeting held on 16 March 2010

RESOLUTION: (Moved by Councillors Petch and Maggio)

That the Minutes of the Civic Precinct Committee Meeting 1/10, held on Tuesday 16 March 2010, be confirmed.

Record of Voting:

For the Motion: Unanimous.

2 CIVIC PRECINCT REDEVELOPMENT COMMUNICATIONS AND ENGAGEMENT WITH THE COMMUNITY

Note: Cathy Jones made a presentation to Council in relation to this Item.

RESOLUTION: (Moved by Councillors Petch and Maggio)

That the Civic Precinct Committee delegates to the General Manager the authority to proceed with the Civic Precinct Communications and Engagement Plan and initiate the community communication process as set out in this report.

Record of Voting:

For the Motion: Unanimous.

The meeting closed at 8.25pm.

CONFIRMED THIS 21ST DAY OF FEBRUARY 2012.

Chairperson

2 RYDE CIVIC PRECINCT REDEVELOPMENT STAGE 3 STATUS UPDATE

Report prepared by: Project Manager - Development; Development Director - Civic Precinct Project

Report dated: 8 February 2012

File No.: GRP/09/7/5 - BP12/98

REPORT SUMMARY

This Report summaries progress on Stage 3 of the Civic Precinct Redevelopment Project to date and informs the Civic Precinct Committee of the actions required to complete Stage 3 in accordance with the Council Resolution for item 2 of the Extraordinary Council Meeting No. 17/11 of 18 October 2011.

This report outlines the procurement process undertaken to date and identifies the four short listed EOI Proponents who have been invited to participate in the Request for Tender process.

The report identifies that the Civic Precinct project is on track to comply with this resolution

RECOMMENDATION:

That the Ryde Civic Precinct Redevelopment Stage 3 Status report be received and noted.

ATTACHMENTS

- 1 Civic Precinct Planning and Tender Program Stages 3-4 - 14 02 2012
- 2 Evaluation Panel Members' CVs
- 3 OCM Probity Assurance Report COR-EOI 4-11
- 4 SUM Risk & Audit Report COR-EOI 4-11

Report Prepared By:

Malcolm Harrild
Project Manager – Development

Mitch Corn
Development Director - Civic Precinct Project

Report Approved By:

John Neish
General Manager

ITEM 2 (continued)

Discussion

History

At the Extraordinary Council Meeting No.17/11, scheduled for 18 October and concluded on 8 November 2011, Council resolved:

1. *That Council determine to progress to the end of stage 3 and delegate to the General Manager to undertake an EOI and tendering process in accordance with Option 1 as outlined in this report, and a further report recommending a preferred development partner be presented to Council by August 2012.*
2. *That the procurement process for tendering and selecting an appropriate development partner for a private public partnership with the City of Ryde be designed so that the selection criteria:-*
 - *Provides appropriate options for the provision of community, civic and administration facilities (as previously discussed with Council) located in Top Ryde.*
 - *Evaluates design excellence and sustainable practices (minimum 4 green star rating for the residential component and 5 green star rating for the commercial and civic elements) as a significant element of the evaluation process.*
 - *Evaluates overall site massing and urban design.*
 - *Evaluates quality of the design and the reputation of the design team nominated.*
 - *Evaluates demonstrated experience in building/developing multi million dollar mixed use developments.*
 - *Evaluates demonstrated financial integrity.*
 - *Evaluates commercial offer to Council.*
 - *Evaluates the standard and quality of the facilities, finishes and fit out offered in exchange for land sale.*

Upon receipt of legal advice, in Mayoral Minute MM16/11 at the Council meeting of 22 November, 2011, it was resolved to amend the *private public partnership*, noted in item 2 (above), to remove the words *private* and *public*.

Following the Resolution of 8 November, the procurement process has been managed in accordance with the Stage 3-4 program included in Option 1, **ATTACHMENT 1**, since updated to reflect the estimated Gazettal of the Planning Proposal in March 2012.

The procurement process has been carried out in accordance with Council's procurement policies and the Local Government Act 1993, No.30, S55, and monitored by an external Probity Auditor, O'Connor Marsden, and Council's Section Unit Manager, Risk and Audit.

ITEM 2 (continued)

The procurement process to identify a successful tenderer to undertake the project consists of two stages:

1. An Expression of Interest (EOI) invitation, the purpose of which was to select a short-list of Proponents to be invited to participate in a tender process, and
2. A Request for Tender (RFT) process, the purpose of which is to enable Council to identify a tenderer with whom Council can enter into a commercial agreement to undertake the project confident the tenderer has all the attributes to ensure an advantageous outcome for Council and the community.

Context

Expression of Interest (EOI)

In accordance with the Procurement Governance arrangements, the plan for the EOI explained that the submissions received by Council would be assessed by an Evaluation Panel, the terms of reference for which were to:

- assess and evaluate EOI Submissions in accordance with this Evaluation Plan, taking into account reports and advice from the Technical Advisors (if required);
- score each EOI Submission in accordance with the scoring methodology provided for in this Evaluation Plan; and
- make a report and recommendations to the General Manager (in the form of the EOI Evaluation Report) in relation to the evaluation process, the outcome of the evaluation process and the Proponents to be invited to participate in the RFT Process.

In addition to Council's two representatives, Mitch Corn and Malcolm Harrild, the Evaluation Panel included senior independent experts from the development, construction and design industries,

- Michael Collins, Director, Michael Collins & Associates
- Ron Moir, Executive Chairman, WT Partnership
- Professor Ken Maher, Chairman, Hassell
- Steve Hennessy, WT Sustainability

The CVs of the independent experts are included in **ATTACHMENT 2**.

The Evaluation Panel met on 15 December, 2011 and reviewed and the Evaluation Plan and agreed the weightings to be applied to the evaluation criteria. The Evaluation Plan was then approved by the General Manager on 22 December, 2011.

ITEM 2 (continued)

The EOI document, COR-EOI 4/11, advised potential proponents that,

Council is seeking to enter into an agreement with a private sector developer to undertake a redevelopment of the Ryde Civic Precinct involving design, construction and financing of:

- A. *a New Civic Centre, New Council Office Building, car parking for both facilities and a restructured public domain and project managing the relocation of those facilities; and*
- B. *an appropriate residential/commercial development including car parking.*

The procurement process to identify a successful tenderer to undertake the Project comprises two stages:

- 1. *the EOI Invitation, the purpose of which is to select a short-list of Proponents to be invited to participate in a tender process; and*
- 2. *an RFT Process, the purpose of which is for Council to identify a successful tenderer with whom Council will enter into a commercial agreement to undertake the project.*

The Proponents were instructed that they would be required to complete Returnable Schedules consisting of

- 1. Expression of Interest (EOI) Form
- 2. Statutory Declaration Form
- 3. Occupational Health Safety and Rehabilitation Form
- 4. Proponent Capability
- 5. Appreciation and Understanding of the Project
- 6. Financial Capacity, Contractual Structure and Funding
- 7. Proponent's Team Structure and Experience in Delivery of Similar Projects

The EOI, COR-EOI 4/11 was advertised to the open market via newspapers and Council's website on 22 November, 2011. Documentation was made available in two parts.

Part One provided the background to the project, its scope and commercial framework. It also described the procurement and EOI processes. 92 organisations downloaded a copy of this document through Tenderlink.

Part Two was accessible to proponents only upon satisfactory completion of a confidentiality deed and a statement of GST registration, followed by payment of a document access fee of \$500. Part Two provided guidance on the general requirements for EOI submission and the mandatory and evaluation returnable schedules and annexures to enable a proponent to lodge a valid submission.

ITEM 2 (continued)

Eleven organisations completed the access requirements and download Part Two through Tenderlink.

At the close of the Expression of Interest at 10am on 23 December 2011, 9 submissions were received:

- All Park Products
- Billbergia Pty Ltd
- Crown Group Pty Ltd
- Frasers Property Australia Pty Ltd
- Ryde Civic Consortium, consisting of
 - J. Hutchinson Pty Ltd
 - Galileo Funds Management
 - Scott Carver & Associates
- Leighton Properties Pty Limited
- Lend Lease Development
- Mirvac Projects Pty Limited
- Payce Consolidated Limited

The submissions were opened in accordance with established City of Ryde protocol by the Service Unit Manager, Risk and Audit, with two of his staff assisting, and observed by Andrew Marsden, the Probity Auditor from O'Connor Marsden and Malcolm Harrild, representing the project. No members of the public attended.

Following independent analysis of the EOI submissions, distributed to them in a secured format on 10 January 2012 and including a Compliance Report, the Evaluation Panel members met on 24 January at the offices of Clayton Utz in Sydney, in the presence of the Probity Auditor and the Section Unit Manager, Risk and Audit.

At this meeting the Evaluation Panel

- Considered the Compliance Report prepared on 9 January and resolved that the submission from All Park Products was non-complying and disqualified from further assessment;
- Resolved to accept the legal advice which noted that the modification of Returnable Schedule 2 by Lend Lease Development Pty Limited was not material and included the submission for further assessment;
- Resolved to accept the unsigned Returnable Schedule from Crown Group Pty Ltd and included the submission for further assessment;
- Reviewed the individual assessments by the Evaluation Panel Members and conducted an initial scoring of submissions;
- Received presentations from and discussed the advice of each of the independent expert Evaluation Panel Members;

ITEM 2 (continued)

- Conducted a final scoring and ranking of submissions;
- Resolved that there was no need to seek any clarifications of Proponents' submissions.
- Resolved to recommend that the first four ranked Proponents be invited to participate in the RFT process and determined the process should any Proponents decline to accept that invitation.

Following the evaluation process, the Evaluation Panel ranked the four highest scoring Expression of Interest submissions as,

1. Leighton Properties Pty Limited
2. Lend Lease Development Pty Limited.
3. Billbergia Pty Ltd
4. Mirvac Projects Pty Limited

The recommendation of the Evaluation Panel was submitted to the General Manager for approval at which time he also received reports on the Expression of Interest and evaluation process from the Probity Auditor, **ATTACHMENT 3**, and the Service Unit Manager Risk and Audit, **ATTACHMENT 4**.

On 6 February 2012 the General Manager confirmed from his reading of the two probity reports that there was nothing to indicate that the evaluation process and procedures followed by the Evaluation Panel did not comply with the Probity Management Plan for Stage 3 of the project or were not consistent with the Evaluation Plan or the tender requirements outlined in the Local Government Act 1993 and the Local Government (General) Regulations 2005 and the Local Tendering Guidelines.

The General Manager accepted the Evaluation Panel's recommendations and authorised the Chair of the Evaluation Panel to proceed to the next stage, inviting the short-listed EOI Proponents to participate in the Request for Tender process. This was in keeping with the delegations given to the General Manager by Council resolution on 8 November 2011.

Subsequently, invitations were sent to the four highest ranked proponents advising them of their selection, providing them with an outline of the RFT content and seeking their formal confirmation that they wished to participate in the Request for Tender process. All four confirmed their wish to participate by 5pm on 8 February, 2012.

As a consequence, the Request For Tender documentation was formally issued to the short listed Proponents on Friday, 10 February, 2012.

ITEM 2 (continued)

Request for Tender (RFT)

The program time frames, **ATTACHMENT 1**, provide industry standard periods for the procurement of an appropriate development partner. To date, the time frames have allowed a proficient and detailed procurement process.

The development industry has endorsed Council's process by providing outstanding Expression of Interest submissions. The Evaluation Panel has been encouraged by the thoroughness of the submissions and detailed responses it has received. It is therefore anticipated the short listed Proponents for the RFT will offer competitive tenders to achieve the most advantageous outcome for Council in line with Council's key objectives being:-

Community Benefit

Provide community benefit including a multi-purpose performance space that meets the needs of the local community now and into the future.

Design

Deliver design excellence within the planning parameters of LEP 2010 as amended by the Planning Proposal and the currently exhibited Development Control Plan.

Sustainability

Be environmentally sustainable by having the capacity to deliver 4 star Green Star residential and 5 star Green Star commercial and public buildings (or higher).

Financially viable

Optimise financial returns to Council and its ratepayers, so that the financial burden required to replace the existing run down and inefficient facilities is minimised, the value of Council owned assets are improved and our overall operating costs are reduced.

Revitalisation

Contribute to the revitalisation of the Ryde Town Centre and complement the recently completed Top Ryde City shopping centre.

Traffic

Minimise additional traffic on local roads as a result of the redevelopment. The majority of traffic is to be directed from and onto State roads (not local) in accordance with infrastructure previously provided. Significantly reduce traffic movements in comparison to those generated by the current approved land use plans.

These objectives guide the Development Project which will be selected on a range of criteria which will include amongst other things:

- Optimising the quality of the public domain
- Demonstrating excellence in design
- Demonstrating leading practice in environmental sustainability

ITEM 2 (continued)

- Providing a value for money solution for Council, with completion on time and on budget
- Delivering the Project whilst balancing the relocation and ongoing operational activities of the Council offices within the overall development program
- Maximising the direct, indirect and long term commercial benefits to Council.

As outlined in the procurement program, the short listed tenderers have 10 weeks to form their proposal for independent analysis. The tender documentation encourages a low risk approach whilst considering the objectives outlined above.

The tender documentation expands Council's resolved objectives and forms key assessment criteria. The tenderers are expected to submit relevant detail allowing the Evaluation Panel to make firm assessments of the tenders and recommend the most appropriate development partner for Council.

The tender structure calls for the completion of returnable schedules. The returnable schedules outline specific detail in regards to Council's resolved objectives. The headings of the returnable schedules are provided below. These demonstrate the wide nature of the tender assessment. The vast array of information requested around sustainability, urban design, financial capability and delivery expertise illustrates Council's intent and determination to achieve the best possible outcome for the site.

Outline of Request for Tender Information

Tenderers are required to provide the following material in order to submit a valid RFT submission.

Understanding of the Project, including

- Meeting the Project Objectives;
- Management of the Project including a relocation and ongoing operational activities of Council offices;
- Achieving excellence in design, innovation and environmental sustainability (minimum 4 star Green Star residential , 5 star Green Star commercial and public building);
- Key value drivers and managing risks; and
- Identification of the five top risks including, how they will be managed and mitigated.

Capability, including

- Capability experience and expertise;
- Financial capacity;
- Organisation and team structure;
- Details of experience, expertise, commitment and scope of involvement of each participant;
- Delivery;
- Financial statements;

ITEM 2 (continued)

- Outline of the proposed management and delivery team, and
- Identities of professional consultants of the core team.

Development Concept and Sustainability, including:

- Development concept;
- Compliance with the performance brief;
- Cost plan;
- Concept plan;
- Development concept report, and
- Information on sustainability.

Financial return and risk to Council, including:

- Financial offer including estimated cost of works in kind;
- Feasibility analysis including discounted cash flow financial model;
- Cost plan, and
- Details of parent and other guarantees.

Delivery and Planning, including

- Statement of development and construction methodology;
- Project management plan, and
- Project program.

Additional Details, including

- Review and commentary of Risk Allocation Table, Outline of Commercial Terms and Draft Project Delivery Agreement.

This outline list represents a high level snap shot. The tenderers (under each topic) are required to supply a large amount of information for each topic. For example, the level of design and sustainability input alone involves the submission of the following key information/ tables/ specifications and drawings;

Development Concept

Tenderers are required to provide material that demonstrates,

- High quality design that enhance the landmark urban qualities of the Precinct;
- Appropriate and innovative urban form and structure;
- Commitment to, and strategy for, design excellence across all aspects of Project, and
- Compliance with the Performance Brief

Plans and Tables

- Concept plan for the Precinct;
- Ground floor plans defining vehicular and pedestrian movements;
- Proposed tunnel connection points;
- Road modifications and realignments to boundaries forming a Proposed final site plan;

ITEM 2 (continued)

- Proposed lot divisions within the Precinct;
- Proposed changes to existing bridge structure west set down points;
- Street elevations and massing setbacks and transitions between uses;
- Range of perspectives;
- 4 cross sections north south/east west;
- Individual montages drawings and images;
- Floor area schedules;
- Car park schedule showing the number of spaces proposed per Lot;
- Public domain schedule showing the nature and extent of the public domain;
- Montages showing the proposed development(s) imposed on existing aerial photographs
- 3D Model: design is to be submitted in both 2D and 3D software, and
- Development Concept Report

Sustainability

Tenderers are required to provide material that demonstrates,

- How the Project will deliver 4 star Green Star residential and 5 star Green Star commercial and public buildings (or higher);
- How the Project will comply with the 9 key Green Star categories listed in the Evaluation Criteria and compliance with the Performance Brief;
- In relation to each specific tool, Tenderers are required to submit a completed draft Green Star rating matrix for each proposed building type, and
- A Report outlining the Tenderer's approach to sustainability including addressing the sustainable development issues listed in the Evaluation Criteria including,
 - How a sustainability management plan that formally communicates and manages the sustainability requirements for the Project will be developed;
 - High-level project timeline that identifies key sustainability events;
 - Quality assurance procedures for verifying requirements have been implemented
 - Tenderer's approach to "future proofing" the New Council Office Building and the New Civic Centre in relation to life-cycle costing;
 - Details of key sustainability initiatives delivered in past projects;
 - Details of sustainability initiatives associated with current similar works, and their value;
 - List of Accredited Green Star Professionals employed by the Tenderer and CVs of key staff that would be charged with delivering on the sustainability aspects of the Project;
 - Copy of the Tenderer's Green Building Council membership certificate, and
 - Details of the Tenderer's scope of interest, expertise, specialisation, services and any awards that recognise the Tenderer's sustainability credentials.

ITEM 2 (continued)

Evaluation Panel

The tenderers have been allocated 10 weeks to form and submit their tenders. Upon submission, in accordance with an Evaluation Plan, the tenders will be assessed. The assessment will be carried out over a 7 week period. Reports will be commissioned from independent consultants for each key criterion in the tender to provide expert advice on detailed compliance with the RFT. For example, a team of architects will assess the Urban Design components of the submissions and provide a report for each tenderer.

These reports will be considered by the Request For Tender Evaluation Panel which will consist of the same members that considered the Expression of Interest submissions, being two members representing Council (Development Director and Development Project Manager) and the following senior independent experts from the development, construction and design industries,

- Michael Collins, Director, Michael Collins & Associates;
- Ron Moir, Executive Chairman, WT Partnership;
- Professor Ken Maher, Chairman, Hassell, and
- Steve Hennessy, WT Sustainability.

The CVs for these Panel Members are included in **ATTACHMENT 2**.

The Evaluation Panel will consider the expert reports provided by the independent consultants and score the tender submissions in accordance with an Evaluation Plan and specific criteria that are set and weighted by the Panel. This approach is consistent with the Probit Plan, Council's procurement processes, the Local Government Act, 1993 and Local Government Tendering Guidelines. It offers the most transparent and independent assessment thereby allowing Council to make informed decisions utilising independent professional assessment.

As with the Expression of Interest process, all evaluation procedures and meetings will be monitored by the Probit Auditor and Council's Section Unit Manager, Risk and Audit

The Evaluation Panel will conclude by selecting one or two development partners to further negotiate Commercial Terms.

The findings of the tender process will be documented and presented to the General Manager and Council in accordance with the Evaluation Plan and program, **ATTACHMENT 1**.

Finance

At the Extraordinary Council Meeting No.17/11, scheduled for 18 October and concluded on 8 November 2011, Council resolved:

ITEM 2 (continued)

4. That Council approve expenditure of \$2.6 million from the Civic Precinct Reserve to the Civic Precinct Project budget (with costs to be recouped from the project returns)

The current project budget to the end of Stage 3, August 2012, is within this limit and compliance with the Request For Tender's financial criteria require the developer's contributions to Council to reimburse Council for all its development expenditure, including this budget.

Whilst there is no financial implication to Council in progressing with the four short listed organisations, those Proponents will be expending substantial funds in responding to the Request For Tender documentation.

ITEM 2 (continued)

ATTACHMENT 1

ID	Task Name	Duration	Start	Finish	Project
1	Civic Precinct Planning and Tender Program Stages 3-4	223 days?	Tue 18/10/11	Fri 17/08/12	CP 4, 2011
2					Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun
3	LEP DCP	120 days?	Tue 18/10/11	Fri 30/03/12	CP 1, 2012
4					CP 2, 2012
5	Potential Council Resolution of Planning Proposal	1 day?	Tue 18/10/11	Tue 18/10/11	CP 3, 2012
6	DCP Development Control Plan Workshop Exhibition	24 days	Tue 24/01/12	Fri 24/02/12	CP 4, 2012
7	Planning Amendment Gazetteal	20 days?	Mon 5/03/12	Fri 30/03/12	CP 1, 2013
8	Consolidate DCP / Access Submissions	19 days?	Tue 28/02/12	Fri 23/03/12	CP 2, 2013
9	Council Resolution of DCP Workshop & Resolution	1 day	Tue 27/03/12	Tue 27/03/12	CP 3, 2013
10					CP 4, 2013
11	Consultant Appointment	32 days	Wed 18/10/11	Thu 11/2/11	CP 1, 2011
12					CP 2, 2011
13	Negotiation with current consultant team	28 days	Wed 18/10/11	Fri 25/1/11	CP 3, 2011
14	Commission Consultant Team	1 day	Thu 11/2/11	Thu 11/2/11	CP 4, 2011
15					CP 1, 2012
16	Civic Precinct Tender Process	223 days?	Tue 18/10/11	Fri 17/08/12	CP 2, 2012
17					CP 3, 2012
18	Preparation of Civic and Performance Brief	67 days	Tue 11/1/11	Tue 31/01/12	CP 4, 2012
19	Preparation of Tender Documentation for sale of land	67 days?	Tue 11/1/11	Tue 31/01/12	CP 1, 2013
20	Develop Expressions Of Interest (EOI) document	24 days?	Tue 18/10/11	Fri 18/11/11	CP 2, 2013
21	EOI briefing to Council	1 day	Tue 21/02/12	Tue 21/02/12	CP 3, 2013
22	EOI from Developers	23 days?	Wed 22/02/12	Fri 23/03/12	CP 4, 2013
23	Shortlist from EOI	19 days?	Tue 16/01/12	Fri 3/02/12	CP 1, 2011
24	Tender Ryde Civic Precinct Project	43 days?	Fri 16/02/12	Tue 10/04/12	CP 2, 2011
25	Tender evaluation	30 days?	Mon 16/04/12	Fri 25/05/12	CP 3, 2011
26	Council review tender evaluation	1 day	Tue 12/06/12	Tue 12/06/12	CP 4, 2011
27	Negotiate with selected tenderer(s), and finalise contract	51 days?	Wed 13/06/12	Fri 17/08/12	CP 1, 2012

Project: Project Plan Final Draft
Date: 16/04/2012

Task: Critical Task Progress

Milestone Summary Rolled Up Task

Rolled Up Critical Task Rolled Up Milestone Rolled Up Progress

Soft External Tasks Project Summary

Group By Summary Deadline

Page 1

ITEM 2 (continued)

ATTACHMENT 2



MICHAEL COLLINS

Director | Michael Collins and Associates

Mike Collins is a leading Sydney property practitioner. He has been involved in property economics, real estate valuation, property consultancy and asset management for over 40 years, and is professionally qualified in property economics and valuation. He runs his own property advisory company which provides services to the public and private sectors throughout New South Wales.

Throughout his career, Mike has played a leading role in the marketing, evaluation and divestment of many publicly owned and specialised properties, both on market and off market, for local and State government organisations. He has a particular expertise for developing marketing and evaluation frameworks to ensure best value for money and to ensure the highest levels of probity, accountability and transparency in any property dealings, and in the development of project delivery documents. He has served on many design excellence juries and tender evaluation panels.

In addition to his activities in the mainstream commercial market place, Mike has long been interested and involved in the public, community and cultural dimensions of property, and this shows in his involvement in the delivery of a wide range of important cultural and public venues in Sydney including the Capitol Theatre, the City Recital Hall, Customs House and numerous Sydney 2000 Olympic Games facilities.

Mike has an industry-wide reputation as an expert in the field of property economics and this is reflected in his involvement in a number of major NSW Government property-based enterprises. He is a former Chairman of the Barangaroo Delivery Authority, the Sydney Foreshore Authority, the NSW Land and Housing Supply Co-ordination Task Force and the Heritage Council of New South Wales.

He is a former National and NSW President of the Australian Property Institute, the professional institute representing the property valuation and land economist professions in Australia.

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ABN: 17 059 487 964

ITEM 2 (continued)

ATTACHMENT 2

WT PARTNERSHIP



RON MOIR

CURRENT POSITION Executive Chairman Asia/Pacific
Joint Chairman WT Partnership International Ltd

PROFESSIONAL EXPERIENCE 36 Years

COUNTRIES WORKED Australia, New Zealand, Fiji, Singapore, Hong Kong, Thailand and United Kingdom

PROFILE Ron trained and qualified in Aberdeen, United Kingdom where he worked for a building and civil engineering construction group which operated throughout Scotland. He commenced his apprenticeship in 1969 with Alexander Hall & Son Builders and worked on a variety of projects in the capacity of quantity surveyor and estimator, involving clients ranging from Local and Regional Governments, major oil companies, the Department of Defence and the residential development division of the firms' construction group.

Ron joined WT Partnership (WTP) in Sydney in 1986 and progressed through the company becoming a Director and Share Holder in 1992. WTP had developed a specialist expertise in health facilities cost management and Ron supplemented that team working on the John Hunter and Liverpool Teaching Hospitals in the late eighties and early nineties. Ron was invited by the Queensland Governments' Health Department to participate in their Project Delivering Steering Committee and together with other experts analysed the planning and cost efficiencies of all metropolitan Brisbane's existing and proposed health facilities. In the mid nineties WTP were appointed Cost & Project Managers of the "Market City" Redevelopment in Sydney where Ron acted as Project Director for the complex Retail and Residential components. In preparation for the Sydney Olympics WTP were appointed cost consultants on several components of the Games facilities at Homebush which also involved the relocation of the Sydney Showground facilities which formed part of the Olympic precinct.

WTP was at the forefront of the Sydney residential boom during early 2000 and Ron carried out both cost and project management roles on numerous major high rise CBD Sydney developments.

Ron has considerable experience in dispute resolution and litigation having acted as both "expert witness" and Court appointed "Referee" on a variety of matters in both the Building and Infrastructure sectors. He is a qualified member of the RICS "Oceania Expert Witness Registration Scheme."

As Managing Director for the Australasian businesses of WTP Ron has gained considerable experience in the different procurement methods throughout Asia and understands the "risk profiles" applicable to each region and the respective business cultures and work practices.

QUALIFICATIONS

- Fellow of the Royal Institution of Chartered Surveyors
- Fellow of the Australian Institute of Quantity Surveyors
- Associate of the Institute of Arbitrators & Mediators Australia

MAJOR PROJECTS

- Chatswood Interchange Residential Development
- John Hunter Teaching Hospital
- Liverpool Teaching Hospital
- Jacksons Landing Development
- Top Ryde Shopping Centre
- The Horizon Residential Tower
- Market City Redevelopment
- Castle Towers Shopping Centre
- Westpoint Shopping Centre
- Sydney Opera House Maintenance Program
- Village docklands Residential, Melbourne
- National Maritime Museum, Sydney
- Royal Sydney Golf Club Facility Upgrade
- Sydney Showground Relocation Program

SPECIALIST COMPETENCY

- Dispute Resolution & Expert Witness
- Court Appointed Referee & Mediation
- Project Management & Project Delivery Strategist
- Independent Certifier on behalf of Major Financial Institutions

CONTACT DETAILS: WT Partnership Level 24, Northpoint, 100 Miller Street, Sydney NSW 2060
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ITEM 2 (continued)

ATTACHMENT 2

Curriculum Vitae

Ken Maher

Chairman
Professor, FBE UNSW

Ken Maher is a Sydney based architect and landscape architect, and is executive Chairman of HASSELL, Australia's largest international multidisciplinary design practice involved in major urban projects throughout Australia and Asia. He has postgraduate qualifications in landscape architecture and environmental studies, and has a strong interest in multidisciplinary thinking in the design of our cities.

In 2009 Ken was awarded the Australian Institute of Architecture's highest accolade, the AIA Gold Medal which recognises distinguished service by Australian architects who have designed or executed buildings of high merit, produced work of great distinction resulting in the advancement of architecture, or endowed the profession of architecture in a distinguished manner. In 2010 he received the Australian Award in Landscape Architecture for his life time contribution to the landscape profession.

Ken has also received many awards for projects he has led within HASSELL including two Sulman Medals and the Sir Zelman Cowen Award. He speaks frequently at conferences and public forums on design, sustainability and the future of cities throughout Australia and internationally.

Ken is active in practice and academia, a Professor in the Faculty of the Built Environment of the UNSW, chair of the FBE Dean's Advisory Council, chair of the UNSW Campus Advisory Design Panel, and a board member of the UNSW Foundation. He was a founding board member of the Green Building Council. He has been influential in setting environmental and urban design policies for the Australian Institute of Architects as NSW President and has served as a member of the National Executive,

as Chair of the NSW Board of Architectural Education, and has initiated high level summits for reviewing city design and urban strategy issues. Ken was inducted as a Fellow of the API in 1998, as a Life Fellow of the Institute of Architects in 2007, as a Fellow of the Green Building Council in 2008, and a Fellow of the Australian Institute of Landscape Architects in 2010.

He has been an advisor to government in design and the built environment, including chairing Premier Bob Carr's Urban Design Advisory Committee introducing innovative measures to improve high density housing design. Ken is currently chair of the City of Sydney's Design Advisory Panel, and is a member of the Federal Government's Built Environment Industry Innovation Council.

Ken has a strong interest in the role of design in contributing to public life and the critical relationship between design and achieving a sustainable future.

Qualifications

- _1986 Graduate Diploma of Environmental Studies, Macquarie University
- _1976 Graduate Diploma of Landscape Design, UNSW
- _1974 Master of Architecture, University of New South Wales
- _1970 Bachelor of Architecture, UNSW, First Class Honours

Awards and Prizes

- _2010 AILA National Awards, Australian Award in Landscape Architecture
- _2009 Australian Institute of Architecture Gold Medal
- _2002 RAIA (NSW Chapter) Awards, Sir John Sulman Award for Architectural Merit National Institute of Dramatic Art, Sydney
- _1998 Royal Australian Institute of Architects National Awards - Sir Zelman Cowen Award for Public Buildings, Olympic Park Rail Station, Sydney, NSW
- _Numerous Australian Institute of Architects awards

Professional Affiliations

- _2010, Fellow, Australian Institute of Landscape Architects
- _2008 Fellow, Green Building Council of Australia
- _2007 Life Fellow, Royal Australian Institute of Architects
- _1998 Fellow, Australian Property Institute
- _1986 Fellow, Royal Australian Institute of Architects
- _1986 Associate, Australian Institute of Landscape Architects
- _1976 Associate, Royal Australian Institute of Architects
- _1970 Registered as Chartered Architect in NSW

Recent Project Experience

- _2010 Barangaroo Master Plan, NSW
- _2010 Civic Place Parramatta, NSW
- _2009 Darwin Waterfront Master Plan, NT
- _2009 ANZ Centre, Docklands, VIC
- _2008 Tianjin Exhibition Centre, China
- _2008 Darwin Convention Centre, NT
- _2008 Expert Policy Advisor, Dubai Government, Centre for Research and Urban Innovation, UAE
- _2008 Riverside Project, Waterfront Common and Hillside Precinct, Perth, WA
- _2008 2030 Sustainable Sydney - Central Station Strategy, Sydney, NSW
- _2008, Callan Park Land Use Plan, Sydney, NSW
- _2007 Darwin Waterfront Master Plan, NT
- _2007 SCG Master Plan, Sydney, NSW
- _2006, Perth Cultural Centre Urban Design Study
- _2005 Kelvin Grove Urban Village, QLD
- _2005 Port Adelaide Centre Urban Design, SA
- _2005 Kelvin Grove Urban Village Master Plan, QLD
- _2003 Ningbo New City Master Plan, China
- _2003 Victoria Park Revised Master Plan/Public Domain, Sydney, NSW
- _2002 National Institute of Dramatic Art (NIDA) Parade Theatre, Sydney, NSW

HASSELL

ITEM 2 (continued)

ATTACHMENT 2

WT SUSTAINABILITY



QUALIFICATIONS / AFFILIATIONS

- B Eng (Hons) Building Services
- MBA
- Chartered Professional Engineer
- Fellow Engineers Australia
- Fellow CIBSE
- Fellow AICD
- Associate Fellow AIM
- Member Society of Light and Lighting
- Registered Professional Engineer
- Accredited Green Star Professional
- Accredited NABERS Assessor
- Accredited BEEC Assessor

MAJOR PROJECTS

- New Parliament House, Canberra
- High Court of Australia
- National Gallery
- Sydney Opera House
- Aurora Place, Sydney
- Sydney City Council
- 321 Exhibition Street, Melbourne
- 135 King St, Sydney
- UNSW

STEVE HENNESSY

CURRENT POSITION Director

PROFESSIONAL EXPERIENCE 30 years

COUNTRIES WORKED Australia, United Kingdom

PROFILE Stephen has authored a broad selection of technical papers and publications relating to building services, and delivered keynote presentations at industry and professional forums over many years.

Stephen's expertise is widely recognised, and he has been invited to sit on a range of Boards, committees and panels, including the NSW Division of the Property Council of Australia, the Chartered Institute of Building Services Engineers ANZ Region, Standards Australia ME62 and AS/NZS3666 committees, the Department of Climate Change and Energy Efficiency 'Commercial Building Disclosure Implementation Forum', and the NSW Department of Environment and Heritage NABERS Advisory Panel.

In 2007 Stephen was awarded a Silver Medal by the Chartered Institution of Building Services Engineers for service to the industry.

Skills and experience

Stephen entered the engineering field in the UK nearly 30 years ago via a circuitous route, first as an indentured design technician, followed by some building services engineering contracting work. It was an enforced period of contemplation following a serious parachuting accident, however, which led him into the ranks of professional engineering.

Today, as a Director of WT Sustainability, Stephen devotes his time to team leadership with a particular focus on energy and life cycle optimisation.

CONTACT DETAILS: WT Sustainability Suite 2.02, 181 Miller Street, North Sydney NSW 2060
Tel: 02 8197 9140 Email: shennessy@wtsustainability.com.au Web: www.wtsustainability.com.au

ITEM 2 (continued)

ATTACHMENT 2

WT SUSTAINABILITY

This emphasis on sustainability has been developed over almost 20 years, most of it as an engineer with and then director of AHA Management (during this period, he was at the front end of the sustainability movement; this included roles such as Partner Support Manager with the pioneering organisation SEDA, assisting organisations to identify and implement energy savings opportunities) and subsequently as a Director of Steensen Varming Australia (where he worked on energy and sustainability projects over a range of iconic buildings including the Sydney Opera House, the National Gallery, the High Court of Australia and Parliament House in Canberra).

Stephen has undertaken a significant number of NABERS energy and water ratings. He is recognised as one of Australia's most prominent prolific and proficient assessors, and as a consequence he has been engaged to provide training on behalf of the scheme administrators.

Stephen's extensive experience in the design, operation, auditing and management of buildings and building engineering services continues to be leveraged to the benefit a wide range of clients. He believes that, given the reality of climate change, this type of experience and expertise has never been more critical. For Stephen, the era of the building professional has arrived.

CONTACT DETAILS: WT Sustainability Suite 2.02, 181 Miller Street, North Sydney NSW 2060
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ITEM 2 (continued)

ATTACHMENT 3



City of Ryde Council

Probity Assurance Report: Expression of Interest (COR – EOI – 4/11) for the Ryde Civic Precinct Redevelopment

February 2012

ITEM 2 (continued)

ATTACHMENT 3

Mr John Neish
General Manager
City of Ryde Council
Locked Bag 2069
NORTH RYDE NSW 1670



**O'Connor Marsden
& Associates Pty
Limited**

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www.ocm.net.au

Copy to: Mr John Schanz, Service Unit Manager – Risk and Audit

1 February 2012

Dear John,

Probity Assurance Report: Ryde Civic Precinct Redevelopment Project – Expression of Interest (COR – EO1 – 4/11)

In accordance with our proposal dated 4 November 2011, the City of Ryde Council (City of Ryde) has requested O'Connor Marsden & Associates Pty Ltd (OCM) to undertake a review of the Expression of Interest (EOI) process for the selection of shortlisted organisations to be invited to tender for the redevelopment of the Ryde Civic Precinct. In this capacity, OCM has set out its report below in regard to probity aspects of the City of Ryde's evaluation process Civic Precinct Redevelopment EOI.

If you would like to further discuss the report, please feel free to contact either myself or Sarah Mullins on (02) 9252 2565.

Yours sincerely



**Andrew Marsden
Director**

ITEM 2 (continued)

ATTACHMENT 3

Table of Contents

1	Executive Summary	1
1.1	Introduction	1
1.2	Background	1
1.3	Objectives	1
1.4	Scope	2
1.5	Methodology	2
1.6	Acknowledgement	2
1.7	Conclusion	2
2	Work performed	3
	Appendix A: Probity Principles	9
	Appendix B: Statement of Responsibility	11

ITEM 2 (continued)

ATTACHMENT 3

About OCM

The practitioners and team from O'Connor Marsden & Associates (OCM) are a market leader in the provision of probity and governance services to the government sector across Australia. OCM has assembled a dedicated probity specific team that has conducted a considerable number of individual probity engagements for many Australian Local, State and Commonwealth government sector agencies, particularly targeting projects with high public profiles. The team has successfully addressed many complex probity matters such as conflict of interest management, interactive tendering processes, diverse stakeholder arrangements, detailed negotiation processes, testing phases and alternative bid submissions.

The services we provide are best described through our approach to Governance, Probity, Assurance and Forensic. Under Governance we provide advice and training programs in order to support project and program conformance and performance; under Probity, we review, audit and provide advice in relation to processes undertaken during procurement in order to meet the required standards and provide value-for-money; under Assurance, we examine and report on issues from an independent and expert third party perspective; and under Forensic we provide fraud and corruption risk management solutions, including Investigation Services.

About the Services

The services described in this document are of an audit and internal risk management nature only and are not intended to be of a financial services nature. The information set out in this document is provided for general information purposes and must not be relied on by the City of Ryde Council without seeking independent advice on the relevant issues.

Confidential - this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

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ITEM 2 (continued)

ATTACHMENT 3

1 Executive Summary

1.1 Introduction

At the request of the City of Ryde, Sydney (Council), O'Connor Marsden & Associates (OCM) has undertaken a probity review of the evaluation process in regard to the Expression of Interest for the selection of shortlisted organisations to participate in the Request for Tender for the Ryde Civic Precinct Redevelopment.

The engagement was performed in accordance with the Australian Auditing Standard on Assurance Engagements ASAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Government Auditing and Assurance Standards Board.

Further information in relation to the extent of the procedures performed and the scope of our engagement is detailed below and in the Statement of Responsibility in **Appendix B**.

1.2 Background

Council is seeking to enter into an agreement with a private sector developer to undertake a redevelopment of the Ryde Civic Precinct involving design, construction and financing of:

- a New Civic Centre, New Council Office Building, car parking for both facilities and a restructured public domain and project managing the relocation of those facilities
- an appropriate residential/commercial development including car parking.

The procurement process to identify a successful tenderer to undertake the Project consists of two stages:

1. the EOI Invitation, the purpose of which is to select a short-list of Proponents to be invited to participate in a tender process; and
2. a RFT Process, the purpose of which is to enable Council to identify a tenderer with whom Council can enter into a commercial agreement to undertake the project confident the tenderer has all the attributes to ensure an advantageous outcome for Council and the community.

The EOI was issued to the market on 22 November 2011 with submissions due on 23 December 2011. An Evaluation Panel was formed to undertake the assessment of the EOI submissions consisting of representatives from Council as well as independent experts in the areas of sustainability, commercial and financial advice, architecture and design, cost planning and construction capability.

The Evaluation Panel members undertook their individual assessments of the EOI submissions prior to the consensus evaluation meeting on 24 January 2012. Following the assessment meeting, the Evaluation Panel made a recommendation to the General Manager to shortlist the top four ranked respondents, consistent with the stated EOI intention to shortlist 3 or 4 respondents.

1.3 Objectives

As detailed in our proposal dated 4 November 2011, the overall objective of our engagement was to provide a conclusion based on the work performed on whether anything came to our attention to indicate that the Council evaluation process did not comply with the probity principles in all material respects. If considered appropriate, OCM was also to provide observations and/or recommendations in relation to the probity aspects of the evaluation process, particularly in regard to procedural fairness and equity.

ITEM 2 (continued)

ATTACHMENT 3

1.4 Scope

The scope of our engagement covers the probity aspects of the evaluation process undertaken by Council for the Ryde Civic Precinct Redevelopment Project EOI.

In accordance with generally accepted probity principles, we have focused on Council's evaluation management systems and processes in regard to:

- Accountability of the participants and transparency of the process;
- Fairness, impartiality and honesty in carrying out the process;
- Management of actual, potential and perceived conflicts of interest
- Maintenance of confidentiality and security of documentation and information; and
- Attaining best possible value for money under the prevailing circumstances.

A further description of these principles is included in **Appendix A**.

1.5 Methodology

Our methodology included attendance at selected activities and sighting certain documentation, as more fully described under Work Performed, in order to:

- Review the link between procurement planning and the selected approach to the market;
- Review the documented probity controls, including conflict of interest, confidentiality and security management;
- Review the evaluation procedures, including alignment with the EOI documentation, evaluation meetings, criteria assessment and scoring methodology;
- Review the evaluation documentation, including records, scoring and reporting; and
- Review the communications and meetings between the tenderer and the Council, including the provision of addenda and seeking of clarifications.

1.6 Acknowledgement

We wish to place on record our appreciation of the assistance and cooperation received from the management and staff of the Council.

1.7 Conclusion

Based upon the work described in the Work Performed section, nothing has come to our attention to indicate that the evaluation procedures carried out by Council for the Ryde Civic Precinct Redevelopment Expression of Interest were not compliant with the probity principles described in the Scope in all material respects.

This conclusion covers the period 22 November 2011, the date the EOI was issued to the market, to 31 January 2012, the date of the final approved evaluation report.

ITEM 2 (continued)

ATTACHMENT 3

2 Work performed

In completing our work, we undertook the following tasks in order to form a conclusion from a probity perspective in regard to the EOI evaluation process followed by Council:

1. Held discussions with the Development Director, Mr Mitch Corn, and the Project Manager, Mr Malcolm Harrild, and noted that Council intended to undertake some pre-market testing by having discussions with significant landowners within the local government area as well as industry and construction companies. OCM issued the City of Ryde with some guidance in relation to undertaking these meetings consistent with the NSW Government Tendering Guidelines.
2. Sighted the minutes of a meeting with Hyecorp on 10 November 2011, Frasers Group and Kingston Group on 22 November 2011, and confirmed that the landowner was provided with the following information in relation to the project:
 - a. That Council would be approaching the market and seeking Expressions of Interest, due to be submitted by 23 December 2011
 - b. That there would be a process for shortlisting respondents to be invited to tender
 - c. An outline of Council's expectations for the redevelopment including the civic precinct requirements
 - d. The landowner was provided with a copy of the *Civic Precinct Program, Procurement, Budget and Financial Position Update* which is a publicly available document
 - e. The landowner was advised of the engagement of OCM as Probity Advisers on the project and that any concerns in relation to the process could be raised directly with OCM.

It was confirmed that a copy of the minutes of the meeting, the update document and the probity guidance for pre-market testing was emailed to each stakeholder following the respective meetings.

3. Attended a meeting with an adjacent landowner, Crown International, on 24 November 2011 and provided a briefing on the probity requirements for the process. At this meeting, we observed that Crown (who is a potential respondent as well as landowner) was provided with information on Council's accommodation requirements, and timing of the Council facilities including the civic facilities. It was confirmed that any information provided to Crown International in this meeting is consistent with information that has been made publicly available in the EOI and associated documents and the information provided to all other stakeholders as part of the pre-market testing.
4. Sighted a copy of the advertisement as it appeared in the Sydney Morning Herald, in the local government tenders section, and noted that it contained the following:
 - a. The details of the procurement process including that the process involves an EOI followed by a Request for Tender with shortlisted organisations
 - b. The purpose in informing the market of the project and the proposed delivery structure
 - c. The two parts to the EOI documents, including the need to formally register (and payment of a fee) to obtain the returnable schedules for lodgement
 - d. Contact details for TenderLink if a respondent experienced difficulties with the lodgement requirements
 - e. Instructions for lodging enquiries to the Development Director through the online portal on TenderLink.

ITEM 2 (continued)

ATTACHMENT 3

The information contained in the advertisement is consistent with the requirements of clause 167 of the *Local Government (General) Regulation 2005*.

5. Confirmed via discussions with the Project Manager, Mr Malcolm Harrild, that the EOI opportunity was advertised in a number of newspapers consistent with Clause 167 of the *Local Government (General) Regulation 2005*. Specifically, we note that the EOI was advertised in the Sydney Morning Herald as well as local newspapers, along with electronic advertisement on Council's website portal. The newspapers selected for the advertisement of the RFT are consistent with the definition of 'relevant newspapers' as per Clause 164 of the *Local Government (General) Regulation 2005*.
6. Confirmed, via review of the Evaluation Report and other Council records, that the EOI was issued to the market on 22 November 2011 and submissions closed on 23 December 2011 providing a tender period of 31 days. This is consistent with the *Local Government (General) Regulation 2005* clause 167 which states that tenders should be open for at least 21 days.

Noted that a potential tenderer, Lend Lease Development P/L, requested an extension of time to prepare their response. The extension of time was not granted to Lend Lease, and Lend Lease subsequently submitted within the time frame and have not raised any probity concerns.

7. Reviewed, from a probity perspective, Part 1 of the Expression of Interest document titled *Ryde Civic Precinct Redevelopment Invitation for Expression of Interest (COR – EOI – 4/11)* and observed that it contained the following clauses with regard to probity:
 - a. Information regarding the project and the procurement approach, being a two stage process involving an EOI and selected RFT based on the EOI shortlist
 - b. The project objectives and vision for the Civic Precinct redevelopment
 - c. An indicative procurement timeline
 - d. The procurement governance including that the decision on shortlisted organisations will be made by the General Manager following recommendations made by the Evaluation Committee
 - e. The scope of the project including the Civic Precinct, provision of a new public domain, and residential, retail and commercial components identified in the Concept Plan
 - f. The commercial framework of the project being to deliver the civic developments and facilitate the commercial developments
 - g. The Council's intention to enter into a Project Delivery Agreement with the successful tenderer
 - h. An outline of the procurement process including that Council intends to shortlist 3 or 4 proponents for the RFT phase of the procurement
 - i. The role and contact details for OCM as the Probity Advisers on the project
 - j. The details of all advisers engaged by Council on the project
 - k. The evaluation methodology including the criteria to be used for the evaluation including reference to the relevant returnable schedules
 - l. An outline of the mandatory criteria to be met by respondents
 - m. Discretion for the Evaluation Panel not to further consider a submission where they are not satisfied that a respondent demonstrates a satisfactory achievement of any of the evaluation criteria

ITEM 2 (continued)

ATTACHMENT 3

- n. Lodgement requirements including that late submissions will generally not be accepted by the City of Ryde, which is consistent with the *Local Government (General) Regulation 2005*
 - o. Instructions that any enquiries by respondents are to be directed through the TenderLink portal or to the Development Director if clarification is required
 - p. The process Council will follow for the opening of EOI submissions including the ability for members of the public to be present, consistent with the Local Government (General) Regulation 2005
 - q. The process for Council issuing amendments to the EOI via an addendum loaded onto the Tenderlink portal
 - r. The requirement for respondents to submit a conforming tender and discretion for Council to reject any submissions that do not comply with the EOI requirements
 - s. Details of the procurement guidelines that apply to this process including the Local Government Tendering Guidelines
 - t. Discretion for Council to not shortlist any respondents and cancel the EOI process and commence a new process
 - u. Reference to the disclosure requirements under the Local Government Act 1993 and the Government Information (Public Access) Act 2010
 - v. Confidentiality requirements as they apply to the process.
8. Reviewed, from a probity perspective, Part 2 of the Expression of Interest document titled *Ryde Civic Precinct Redevelopment Invitation for Expression of Interest (COR – EOI – 4/11)* and observed that it contains the following:
- a. General submission requirements
 - b. The returnable schedules including the mandatory schedules
 - c. A statutory declaration for respondents to complete and return as part of the Mandatory Returnable Schedule 1, which confirmed that the respondent:
 - i. is not aware of any conflict of interest involving any person employed or engaged by Council in relation to the project
 - ii. has not engaged in any unethical behaviour or sought or obtained an unfair advantage in obtaining business with Council in connection with this project
 - iii. has not disclosed any confidential information relating to this project
 - iv. understands and agrees to accept all conditions of the EOI
 - d. the Civic Precinct Plan and aerial map of the site
 - e. planning overview
 - f. the Concept Plan.
9. Reviewed from a probity perspective the *Expression of Interest Evaluation Plan* and noted that it contained the following clauses with regard to probity:
- a. The purpose of the Evaluation Plan including to ensure that the evaluation is carried out in a fair, equitable and transparent manner
 - b. An overview of the project
 - c. Lodgment requirements including reference to the returnable schedules

ITEM 2 (continued)

ATTACHMENT 3

- d. The governance framework for the procurement consistent with the EOI document
 - e. The role and composition of the Evaluation Panel
 - f. The ability for the Evaluation Panel to consult with expert advisers if required
 - g. The requirements for the acceptance of late submissions in accordance with the *Local Government (General) Regulation 2005*
 - h. The process for the opening of EOI submissions
 - i. The process for the initial compliance check of the submissions and the preparation of the compliance report by the Project Manager for consideration by the Evaluation Panel
 - j. Security arrangements to apply to the EOI evaluation including the ability for the Panel members to review the submissions in their own offices subject to approval by the Chair of the Evaluation Panel and confirmation that the security of the submissions has been maintained
 - k. The evaluation methodology including an individual assessment of the submissions by the Evaluation Panel members, seeking input from technical advisers where required, seeking clarification from respondents and the evaluation criteria and applicable weightings
 - l. Scoring guidelines
 - m. Record keeping requirements including meeting minutes and the evaluation report.
10. Attended a meeting of the Evaluation Panel on 15 December 2011 where the Evaluation Plan was discussed and agreed. It was confirmed that the evaluation criteria weightings were approved by the Panel at this meeting and therefore prior to the closing date for submissions on 23 December 2011. The Evaluation Plan was ultimately approved by the General Manager prior to the EOI opening.
11. Attended the EOI opening at 10am on 23 December 2011 and observed the following:
- a. The electronic tender box was opened after the closing date for tenders
 - b. No late responses were received
 - c. There were two representatives from the Council present at the tender opening consistent with the Evaluation Plan as well as the Service Unit Manager – Risk and Audit
 - d. Nine EOI responses were received.

We did not identify anything to suggest that the tender opening process was inconsistent with the process described in the EOI and the Evaluation Plan or with the requirements outlined in the Local Government Act 1993 and the *Local Government (General) Regulations 2005*.

12. Confirmed via review of Council's TenderLink website portal that the list of bidding organisations was made publicly available following the tender close, consistent with clause 175 of the *Local Government (General) Regulation 2005*. The notification confirms that the EOI submissions were opened at the Council offices at 10am on 23 December 2011.
13. Sighted the compliance report discussed and agreed at the Evaluation Panel meeting on 24 January 2012 and noted that only one of the respondents was considered by the Panel to be substantially non-conforming with the EOI requirements. The Panel confirmed that All Parks Products did not submit Part 2 of the EOI document, namely the returnable schedules, and therefore it was agreed that there was insufficient information in the response to enable an assessment of the submission. As such, the Panel agreed that the response would be deemed as significantly non-conforming and not considered further, in accordance with section 6.5 of Part 1 of the EOI document.

ITEM 2 (continued)

ATTACHMENT 3

14. Sighted advice provided by Council's legal advisers, Clayton Utz, in relation to the Deed Poll submitted by one of the tenderers, Lend Lease in place of the Statutory Declaration required to be submitted in the Mandatory Returnable Schedule 2. It was agreed by the Panel at the meeting on 24 January 2012 that, based on the legal advice, Lend Lease's submission would be considered conforming as the Deed Poll served the same purpose as the statutory declaration and there would no prejudice to Council by accepting the Deed Poll.
15. Attended the Evaluation Panel meeting on 24 January 2012 and observed the following:
 - a. All members of the Panel were aware of the bidders and the relevant consortium members for the purpose of identifying any conflicts of interest
 - b. Some members of the Panel had confirmed in writing client relationships with some of the bidders and consortium members but none were of such a nature which created a conflict of interest and the need for the member to be removed from the Panel
 - c. All members of the Panel confirmed that they had undertaken an individual assessment and scoring of the EOI responses prior to the meeting
 - d. The Panel agreed that there were no material clarifications required to be sought from any of the respondents in order for the Panel to be in a position to evaluate the EOI responses
 - e. The Panel members' individual scores were inputted into the evaluation spreadsheet which calculated the average scores and overall scores following the application of the criteria weightings
 - f. The Panel members discussed the rankings of the respondents and confirmed that there was a clear differentiation in scores between the fourth and the fifth ranked respondent
 - g. The Panel agreed that the top four ranked respondents should be invited to tender as part of the RFT phase; however, in the event that two of these respondents confirmed that they did not want to proceed to this next phase of the procurement then the fifth and sixth ranked respondents would be invited to tender.

On the basis of our observation of the evaluation meeting, we did not identify anything to suggest that the process followed for the assessment of the submissions was inconsistent with the agreed methodology in the EOI document and the Evaluation Plan.
16. Sighted the minutes of the Evaluation Panel meeting on 24 January 2012 and confirmed that they contain a record of the meeting attendees, the key items discussed during the meeting and outcomes, including the Panel's agreed recommendation to shortlist the top four ranked tenderers.
17. Undertook a comparison between the evaluation criteria used for the assessment of tenders and those communicated to the market in the EOI document and confirmed they are consistent.
18. Observed the performance of the members of the Evaluation Panel at the meetings we attended. Nothing came to our attention to indicate that the Panel as a whole did not include the appropriate skills, professional qualifications and experience required to undertake an evaluation of this nature. Noted the composition of the Evaluation Panel was also approved by the General Manager as part of his approval of the Evaluation Plan.
19. Reviewed, from a probity perspective, the scoring spreadsheets used to record and calculate scores. We carried out a random check of both the included criteria and the operation of both inputs and results against the scores. Based on this check, we noted that:
 - a. Each individual reviewed the tender responses prior to agreeing on the final consensus scores against the selection criteria
 - b. The evaluation was undertaken against stated criteria

ITEM 2 (continued)

ATTACHMENT 3

- c. The agreed score was arrived at by applying the method outlined in Council's Evaluation Plan
 - d. The scores for the criteria were applied consistently
 - e. The agreed scores were correctly transcribed to scoresheets/spreadsheets.
20. Reviewed from a probity perspective the *Ryde Civic Precinct – Redevelopment – Evaluation Report – COR-EOI-4/11* (Evaluation Report) dated 31 January 2012 and noted that it contained the following clauses with regard to probity:
- a. Overview of the EOI COR-EOI-4/11 including the responses required and the purpose of the Evaluation Report
 - b. A description of the EOI evaluation panel
 - c. The Assessment Schedule including the timelines for the evaluation process
 - d. Administrative matters including descriptions of the declaration of interests, the confidentiality of information, and the Evaluation Plan approval process
 - e. The submissions received, including document distribution, the EOI opening process noting no late submissions and a summary of compliance issues with the submissions
 - f. An overview of the evaluation process including the evaluation criteria and weightings and the scoring system
 - g. An overview of the EOI Panel deliberations
 - h. Review of submissions received and referee checks
 - i. The recommendation
 - j. Appendices including Minutes of the evaluation panel meeting, clarifications sought and received, conflict of interest and confidentiality undertaking, the Compliance Summary Report and the Evaluation Matrix
21. Observed the evaluation process for the tender responses and did not identify anything to suggest that the process followed by the Evaluation Panel for the assessment of submissions was inconsistent with the EOI document, the Evaluation Plan, or the tender requirements outlined in the Local Government Act 1993 and the *Local Government (General) Regulations 2005* and the Local Government Tendering Guidelines.

ITEM 2 (continued)

ATTACHMENT 3

Appendix A: Probity Principles

Accountability of the participants and transparency of the process

Accountability and Transparency are related concepts. Accountability involves agencies being able to justify the use of public resources to an appropriate authority by allocating and taking responsibility for past and expected performance. This includes aligning the decision making process with the appropriate delegated authority, and keeping adequate records that will leave an auditable trail. Transparency refers to the preparedness to open a project and its processes to scrutiny and possible criticism. This also involves providing reasons for all decisions that are taken and the provision of appropriate information to relevant stakeholders.

Fairness, impartiality and honesty

Individuals and organisations involved in preparing and submitting proposals are entitled to expect impartial treatment at every stage of the process. If they do not consider the process to be fair, impartial and honest they may withhold valuable ideas or be deterred from bidding in the future. Any form of bias, whether driven by personal interests or not, could jeopardise the integrity of the project. Procedures that include multiple person panels, independent members and observers mitigate this risk.

Management of Conflicts of Interest

A conflict of interest is a conflict between the public duty and private interests of a public official where the public official has private interests which could improperly influence their official duties and responsibilities. The community and potential tenderers have a right to expect that public officials will make decisions that are not influenced by private interests. Similarly, when the private sector is engaged to perform public sector duties, there is an obligation to ensure that conflicts of interest are disclosed and effectively managed. Perceived or potential conflicts of interest can be as damaging as actual conflicts, and procedures should be implemented to mitigate the effect.

Maintenance of confidentiality and ensuring security

Although accountability and transparency are fundamental to the work of public sector organisations and public officials, there is some information that needs to be kept confidential, at least for a specified period of time, in order to protect the integrity of the process and give tenderers the confidence to do business with government. This information can include the content of proposals, intellectual property and tenderers' pricing and profit structures. Importantly, much of the information relating to the project needs to be kept confidential up to the point where a contract is executed with the successful tenderer. However, once this has happened, government guidelines require that certain information be released, consistent with the fundamental principles of public sector accountability and transparency, as discussed above. Procedures must be implemented to ensure that no unauthorised release of confidential information occurs.

Attaining value for money

This is demonstrated by the use of an open competitive environment in which the market is tested regularly, and tenderers can make attractive, innovative proposals with the confidence that they will be assessed on their merits. Value-for-Money is not necessarily achieved by accepting the lowest available

ITEM 2 (continued)

ATTACHMENT 3

price. The process should include: the evaluation of non-price criteria (such as the quality of the goods or services offered, the experience and past performance of the providers, the financial strength of the companies, the differing risk factors, the quality of the personnel, etc.); cost-benefit analysis against a target outcome or budget; the assessment of the total cost over the proposed life of the project; and, where appropriate, whether the outcome is best achieved by the Private Sector, using a Public Sector Comparator. Procedures should include a comparison of the non-price and price criteria on a weighted basis, with both the criteria and the weighting between price and non-price criteria declared in the call documentation.

ITEM 2 (continued)

ATTACHMENT 3

Appendix B: Statement of Responsibility

Management's responsibility for the evaluation process

The management of the City of Ryde is responsible for the design and implementation of the evaluation process controls in accordance with Government and the City of Ryde's policies. This responsibility includes establishing and maintaining processes relevant to the evaluation process to ensure that the process meets appropriate probity policies, laws and regulations; and leads to selecting the most appropriate tenderer or tenderers under the prevailing circumstances.

Assurance practitioner's responsibility

Our responsibility is to express a conclusion on the Evaluation Process based on our review. We conducted our review in accordance with the Australian Auditing Standard on Assurance Engagements ASAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Government Auditing and Assurance Standards Board, in order to state whether or not, on the basis of the procedures described and witnessed where appropriate, we have become aware of any matter that makes us believe that the evaluation process is not in accordance with the principles described above.

A review consists primarily of making enquiries, primarily of persons responsible for undertaking the evaluation process and its underlying documentation, applying analytical and other review procedures, and examination of evidence for a small number of transactions or events. A review is substantially less in scope than a reasonable assurance audit conducted in accordance with ASAE 3000. Accordingly, we do not express an audit opinion. Had we performed a reasonable assurance audit as defined by ASAE 3000 or an audit as defined by the Australian Auditing Standards, additional information may have come to our attention, which would have been reported to the City of Ryde.

While conducting our review and/or in our report we may provide advice and/or recommendations in relation to the mitigation of risk of challenge to the processes undertaken by the City of Ryde. In these cases, our responsibility is limited to providing such advice and/or recommendations, based on our experience and knowledge of the subject matter of the project. For the avoidance of doubt, the procedures performed in providing advice and/or recommendations do not constitute an assurance engagement in accordance with the Australian Auditing Standards for Assurance Engagements, nor do they represent any form of audit under the Australian Auditing Standards. We therefore do not express any form of assurance in relation to the advice and/or recommendations, and none should be inferred from any such commentary in this report.

Inherent limitations

Our Work is subject to the following limitations:

- Owing to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.

ITEM 2 (continued)

ATTACHMENT 3

- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the evaluation process, or potential instances of non-compliance that may exist.

Advice and/or recommendations for improvement should be assessed by management for their full commercial impact before they are implemented.

Limitations on use

This report is made solely to the management of the City of Ryde in accordance with our proposal dated 4 November 2011, for the purpose of providing comfort to senior management on the appropriateness and robustness of the evaluation process and should not be quoted in whole or in part without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of the City of Ryde, or for any purpose other than that for which it was prepared.

We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

Independence, Competence, and Experience

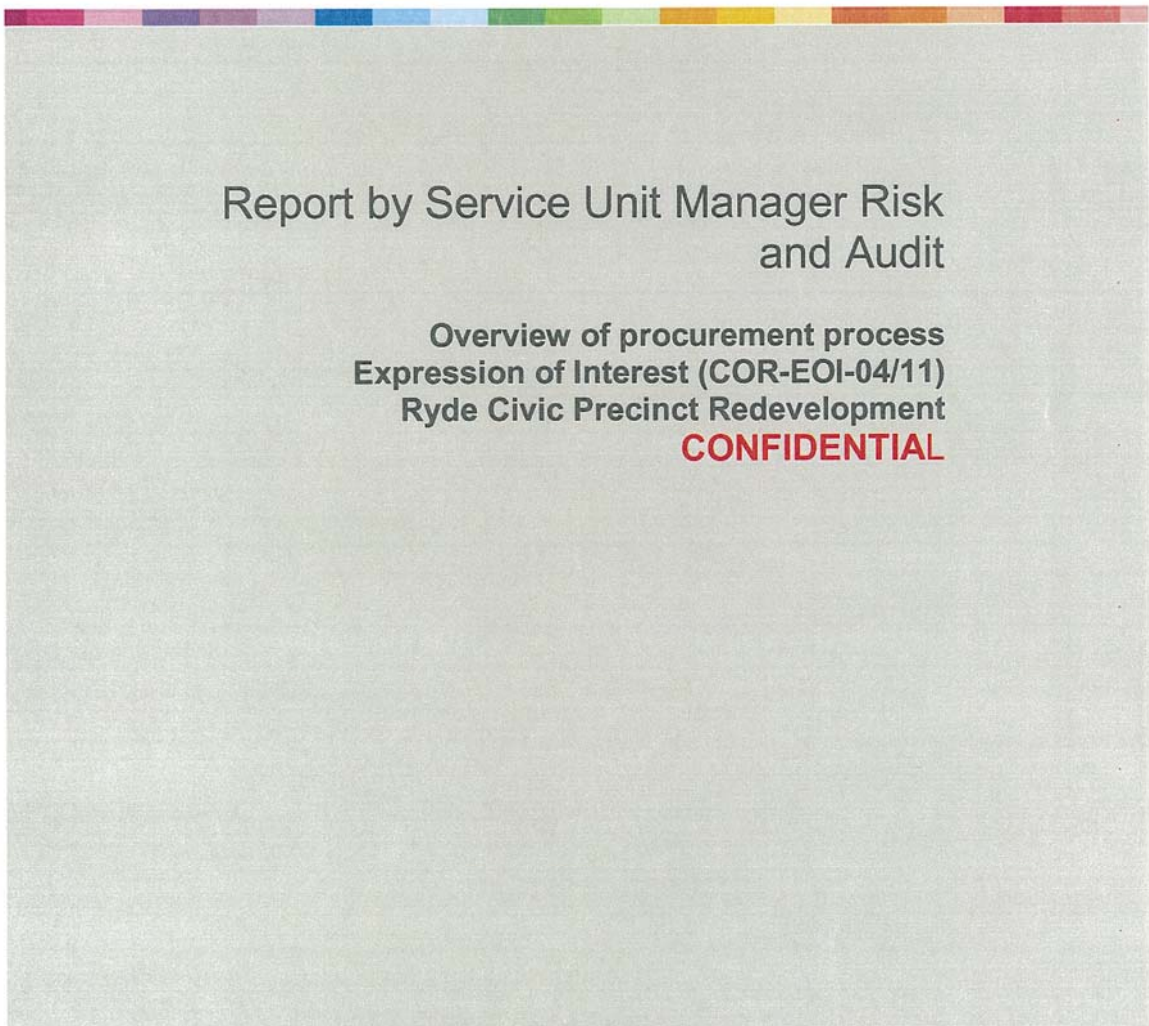
All professional personnel involved in this engagement have met the independence requirements of the Australian professional accounting bodies.

ITEM 2 (continued)

ATTACHMENT 4



 City of Ryde
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ITEM 2 (continued)

ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

Executive Summary

- 1.1 This report is designed to provide the General Manager with advice regarding the initial procurement phase (Expression of Interest) of the Ryde Civic Precinct Redevelopment.
- 1.2 In my role as Service Unit Manager – Risk and Audit, I have been requested to provide an overview of the procurement process as well as providing an overview of the engagement of Council's Probity Advisor to the project.
- 1.3 The scope of this report is limited to the initial procurement phase (Expression of Interest) in relation to the Ryde Civic Precinct Redevelopment project.
- 1.4 This report will cover the following;
 1. General observations of the Governance Structure of the procurement
 2. Observations regarding the procurement process followed. This will also include comment on the Internal (independent of the project) processes conducted in relation to the EOI including managing Council's e-procurement facility (Tenderlink) and opening of submissions
 3. An overview of the engagement of the projects Probity Advisors (O'Connor Marsden and Associates – OCM)

Conclusions

- 1.5 The governance structure adopted for this procurement is considered appropriate for a project of this size and technical nature
- 1.6 In general, based on my observations, the procurement process has been consistent with the requirements of the City of Ryde Procurement Framework, Local Government Act and Regulations and has adhered to sound probity principles. This opinion is supported by the report of OCM (attached under separate cover) which concluded;

"Based upon the work described in the Work Performed section, nothing has come to our attention to indicate that the evaluation procedures carried out by Council for the Ryde Civic Precinct Redevelopment Expression of Interest were not compliant with the probity principles described in the Scope in all material respects"
- 1.7 In regard to the Internal processes conducted in relation to the EOI, I can confirm that these processes were conducted in accordance with Council's Procurement Framework and procedures.
- 1.8 In regard to the engagement of the OCM, it is my opinion that OCM has conducted a probity review in accordance with their terms of engagement. In my observations, this has included a thorough review of the EOI procedures as well as providing probity advice to the project team members, external evaluation panel, prospective and actual respondents to the EOI and other persons as required. This is evidenced by their attached report (under separate cover).

ITEM 2 (continued)

ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

Detailed report

Purpose and Scope

- 2.1 The purpose of this report is to review the initial procurement process (Expression of Interest) relating to the Ryde Civic Precinct Redevelopment project.
- 2.2 The report has been prepared by John Schanz, Service Unit Manager Risk and Audit.
- 2.3 The report has been prepared as at Thursday, 2 February 2012 following receipt of the Probity Advisors report.

Scope

- 3.1 The scope of this report is limited to the initial procurement phase (Expression of Interest) in relation to the Ryde Civic Precinct Redevelopment project.
- 3.2 This report will cover the following;
 1. General observations as to the Governance Structure of the procurement
 2. Observations regarding the procurement process followed and whether it was in adherence with the City of Ryde's internal Procurement framework, Section 55 of the Local Government Act and accompanying regulations, probity principles and procurement best practice.

This will also include comment on the Internal (independent of the project) processes conducted in relation to the EOI including managing Council's e-procurement facility (Tenderlink) and opening of submissions
 3. An overview of the engagement of the projects Probity Advisors (O'Connor Marsden and Associates – OCM).
- 3.3 The scope of this report is subject to the following limitations:
 - Council has engaged a separate probity advisor (OCM) on this project. The scope of their engagement was to cover the probity aspects of the evaluation process undertaken by the City of Ryde in relation to this project. While this report incorporates comments on my observations as to the overview of the OCM engagement, I have not undertaken any Audit, reperformance or review of OCM's Internal procedures or processes.

ITEM 2 (continued)

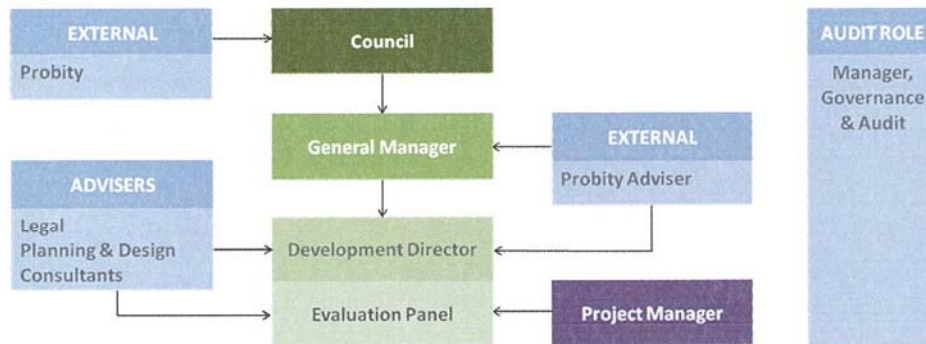
ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

4. Governance Structure

4.1 The Governance structure adopted for this project is summarised below.

Refer below for a diagram of the project governance framework for the project.



Source: Probity Management Plan: Stage 3A and 3B of the Ryde Civic Precinct Redevelopment

- 4.2 The structure in place for the initial procurement phase (EOI) reflected this structure
- 4.3 Council has extensively utilised the services of a number of specialist external advisors (legal, planning, design etc) in the compilation of procurement documents
- 4.4 As noted in the EOI Evaluation plan (presented previously) and in the EOI Evaluation report and minutes (attached under separate cover), this included the involvement of four industry specialists on the evaluation panel.
- 4.5 The Governance Structure also incorporates the involvement of the Probity Advisor to oversee the evaluation process and to ensure that this is conducted in accordance with sound probity principles.
- 4.6 // I am of the opinion that the Governance structure adopted for the procurement phase of this project is appropriate given the scale and technical nature of this project.

ITEM 2 (continued)

ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

5. Observations regarding the procurement process followed

- 5.1 A summary of the procurement process followed is contained within the EOI evaluation plan (forwarded earlier) and the EOI evaluation report (attached under separate cover).
- 5.2 In my role, I have provided advice to both the Project Manager and Development Director and have liaised extensively with both persons regarding the procurement process. This also involved a planning session held prior to the EOI process.
- I have also had access to the probity advisor and to the evaluation team.
- 5.3 I have overseen/participated in the procurement process in the following capacity;
- Reviewed the draft and final procurement document and provided comments
 - Reviewed the EOI evaluation plan and provided comment
 - Reviewed the Probity plan as applicable to the procurement (and overall project probity) and provided comment
 - Attended meetings of the EOI evaluation committee as an independent observer on the following dates;
 - o Thursday 15 December 2011 (Initial meeting to confirm evaluation plan, criteria and confirm weightings) prior to the closing of submissions on Friday 23 December 2011
 - o Tuesday 24 January 2012 – EOI Evaluation meeting
 - Reviewed the EOI Evaluation report and provided comments
- 5.4 In addition, in my role of Service Unit manager – Risk and Audit, I was actively involved in the administration of the EOI process through Council's E-Procurement system (Tenderlink). This involved the following;
- The loading of Part 1 and Part 2 of the EOI procurement documents onto the Tenderlink site
 - Administration of the responses to Part 1, seeking access to Part 2 of the documents. This involved sending potential respondents a Confidentiality Deed and GST Questionnaire to complete before they would be invited to respond to part 2
 - The review of completed Confidentiality Deeds and GST Questionnaires in conjunction with the Development Director
- 5.5 I also managed the opening of the submissions which was done in accordance with standard Council protocol and in line with the requirements of the Local Government (General) Regulations pertaining to tendering. There was a total of 10 submissions received (7 electronically through Tenderlink, 3 in the hard copy Tender Box).

ITEM 2 (continued)

ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

- 5.6 Of these 10 submissions, one was received into both through Tenderlink and the hard copy tender box. In total, there were 9 submissions in relation to this EOI.
- 5.7 In conclusion, it is my opinion (based on my observations of the process followed as well as the Internal processes conducted by my unit) that the procurement process was conducted in accordance with the following;
- ✓ - Council's Procurement Framework
 - ✓ - Section 55 of the Local Government Act
 - ✓ - Local Government (General) Regulations pertaining to Tendering
 - ✓ - Sound probity principles
 - ✓ - Procurement best practice
- 5.8 This conclusion is supported through the report of the Probity Advisor. This is as highlighted through an extract from the Probity Advisor report (dated 1 February 2012) as set out below;

"21. Observed the evaluation process for the tender responses and did not identify anything to suggest that the process followed by the Evaluation Panel for the assessment of submissions was inconsistent with the EOI document, the Evaluation Plan, or the tender requirements outlined in the Local Government Act 1993 and the Local Government (General) Regulations 2005 and the Local Government Tendering Guidelines. "

ITEM 2 (continued)

ATTACHMENT 4

Report by SUM Risk and Audit – Ryde Civic Precinct Redevelopment

6. Probity Advisors role

- 6.1 A detailed description of the Probity Advisor's role in the process is contained within the Probity Advisors report dated 1 February 2012. This is attached under separate cover.
- 6.2 This outlines the objectives, scope and methodology of their engagement and provides a detailed outline of the work performed in relation to their engagement.
- 6.3 The scope of their engagement is identified in the report dated 1 February 2012 as below;

The scope of our engagement covers the probity aspects of the evaluation process undertaken by Council for the Ryde Civic Precinct Redevelopment Project EOI. In accordance with generally accepted probity principles, we have focused on Council's evaluation management systems and processes in regard to:

- Accountability of the participants and transparency of the process;*
- Fairness, impartiality and honesty in carrying out the process;*
- Management of actual, potential and perceived conflicts of interest*
- Maintenance of confidentiality and security of documentation and information;*
- and*
- Attaining best possible value for money under the prevailing circumstances*

- 6.4 In reviewing the Probity Advisors report and through my observations and interactions with representatives from OCM, I am of the opinion that this scope has been fulfilled.

These observations have included;

- Provision of the Probity Advisors report as attached under separate cover
- Provision of process related advice to project team members, other City of Ryde employees and to the evaluation panel (internal and external members)
- Consultation with project consultants
- Consultation with prospective and actual respondents to the EOI and other persons as required
- Extensive review of the process as evidenced in the "Work Performed" section of the report by the Probity Advisor

As indicated in the scope limitations (outlined in section 3.3 of this report), I have not performed any Audit, review or otherwise of OCM's Internal procedures, processes nor have I reviewed their working papers.