

# Delegation to Award Contract

Strategic Alignment – Dynamic City Culture

Public

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City Finance and Governance  
Committee

**Program Contact:**

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Finance and Procurement

**Approving Officer:**

Michael Sedgman, Chief  
Operating Officer

## EXECUTIVE SUMMARY

Council's Procurement Policy requires Council to approve the award of contracts valued at \$2M (ex GST) and above. The City of Adelaide approached the market for goods and services listed below.

1. Adelaide Town Hall Audio Visual Services

This report outlines the procurement process which has been undertaken in accordance with the approved CoA Procurement Policy, Procurement & Contracts Management Operating Guideline and associated Procurement and Contract Approvals Operating Guideline.

Council approval is sought to award the contract to the preferred tenderer as determined by the evaluation panel. Authority is sought for the Chief Executive Officer, or delegate, to execute the contract, including the approval of any variation (financial and non-financial) to the contract awarded based on this procurement process.

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## RECOMMENDATION

The following recommendation will be presented to Council on 24 October 2023 for consideration.

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Approves the Award of Contract to the preferred tenderer as identified by the Evaluation Panel for the following services:
    - 1.1 Adelaide Town Hall Audio Visual Services
  2. Authorises the Chief Executive Officer or delegate to execute the relevant contract including the approval of any variation (financial and non-financial) to the contract based on the procurement process conducted.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities
Policy	The tender process and proposed award of contract comply with Council's Procurement Policy (Link 1 view <a href="#">here</a> ).
Consultation	In accordance with Council's Procurement Policy, the published forward procurement plan is available on our website for public viewing included the planned procurement for these contracts.
Resource	An outsourced procurement advisor to conduct the procurement process and external legal counsel to develop the tailored AS4000 contract.
Risk / Legal / Legislative	A delay to approval has the potential to impact the ability to provide AV services to events scheduled post 1 <sup>st</sup> January, as well as pricing and commitments from suppliers.
Opportunities	Tender approach enabled ability to choose preferred tenderer increasing our ability to deliver the services in a timely manner and achieve value for money.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	The approved budget allocation for Adelaide Town Hall Audio Visual Services is \$619k for 23/24 with anticipated increases aligned to the revenue budget for the life of the project.
Life of Project, Service, Initiative or (Expectancy of) Asset	<p>Service commencement January 1st, 2024 (subject to finalisation of contract):</p> <ul style="list-style-type: none"> <li>• Tender award post Council decision on 24 October, 2023</li> <li>• Initial service contract completion date January 31st, 2027 (late January being a better time for handover to a different supplier if this is necessary)</li> <li>• Followed by two 12 month extensions at Councils discretion.</li> <li>• Total procurement value approximately \$3.1m</li> </ul>
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

## Procurement Process

1. In accordance with Council's Procurement Policy, an open market approach was undertaken, to ensure a suitably qualified supplier is appointed under the appropriate engagement terms and conditions. The evaluation process consisted of the following stages:
  - 1.1. Stage 1 – Preliminary Evaluation  
The preliminary evaluation allows for receipt of tenders via the public call for tender submission. All documents are viewed and downloaded into the record management system. Conflict of interest forms are submitted to the evaluation panel members. Panel members are trained and educated in good governance to ensure probity and transparency in decision making.
  - 1.2. Stage 2 - Initial shortlisting of tenderers  
Panel members complete individual evaluations and rate the tenderers prior to the formal evaluation meeting. The panel discusses the individual evaluations collectively at the formal meeting. Any major discrepancies in scores are identified through this process thereby ensuing fact and evidence-based decision making to shortlist preferred suppliers.
  - 1.3. Stage 3 – Final shortlisting of tenderers  
Where applicable and identified in the procurement plan, external consultant advice is applied by issuing further clarifications to shortlisted tenderers to minimise risk points raised during the evaluation panel meeting. Final negotiations, reference checks and financial viability assessments are conducted where deemed necessary. Following closure of the due diligence process, the preferred tenderer is established, and relevant authorisations are sought for financial delegations and contract award.
2. Council is required to approve all contract awards \$2M and over in accordance with the Procurement Policy and associated Procurement and Contract Approvals Operating Guideline.
3. This report seeks approval to authorise the Chief Executive Officer, or delegate, to execute the relevant contracts, including the approval of any variation (financial and non-financial) to the contracts based on the procurement process conducted.

## Adelaide Town Hall Audio Visual Services Redevelopment

4. Background and special considerations:
  - 4.1. The Adelaide Town Hall Audio Visual Services project is procuring a supplier for the provision of audio visual (AV) services for various function spaces in the Adelaide Town Hall. These spaces are available for public hire and require additional audio-visual equipment to supplement the existing City of Adelaide (CoA) AV assets.
  - 4.2. Delivery of the contract provides value to Council by ensuring the provision of appropriate AV services to support a large number of internal and public events.
  - 4.3. The evaluation criteria utilised for this contract award were set prior to agreeing the procurement methodology and are as follows:
    - 4.3.1. Price: An assessment of each supplier's Schedule of Rates was undertaken to determine a baseline for evaluating price. Pricing was also assessed for comprehensiveness of value, such that all aspects of the requirements as set out in the Request for Tender specifications, including whole of life cost of the contract term were provided in the suppliers' submissions.
    - 4.3.2. Employment Contribution Test: the percentage of labour hours to be performed in South Australia, in line with the South Australian Government's Industry Participation Policy.
    - 4.3.3. Experience: The tenderer demonstrates experience, knowledge and good past performance in the provision of required services.
    - 4.3.4. Capacity: The tenderer demonstrates appropriate capacity to deliver the services, including how the tenderer will manage the workload, their understanding of product availability, and ability to appropriately control and manage risks to meet the service requirements.
    - 4.3.5. Responsiveness: The tenderer has a track record of providing quality services in a timely manner, and the administrative and technical processes in place to respond to Council and client requests.

- 4.4. The Evaluation Panel consisted of four key stakeholders with relevant expertise within the City Culture and Procurement workgroups. In accordance with Procurement Policy (Link 1 view [here](#)), integrity and probity in the evaluation process is evident in the records completed and filed in our record system.
- 4.5. Five submissions were received for the proposed services, one of which was deemed non-complying due to non-attendance at the mandatory site briefing. Per the evaluation process, the nominated panel members individually evaluated and scored each eligible tender in accordance with the criteria. Clarifications were initially sought from all four tenderers, followed by interviews being undertaken with two shortlisted tenderers.
- 4.6. Upon review of the clarifications, outcome of the interviews and the feedback from reference checks, the Evaluation Panel arrived at consensus in choosing a preferred tenderer. As an outcome of the strict evaluation criteria and process, the tenderer selected is considered as bringing the best value for money and is proposed to be engaged to deliver this critical service provision.
- 4.7. This report seeks approval to authorise the Chief Executive Officer or delegate to execute the relevant contract including the approval of any variation (financial and non-financial) to the contract based on the procurement process conducted.

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## DATA AND SUPPORTING INFORMATION

Link 1 – Procurement Policy (Link 1 view [here](#))

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## ATTACHMENTS

Nil

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