

**9.9 REQUEST FOR PROPOSALS FOR REDEVELOPMENT OF LEEDERVILLE CARPARKS:
STAGE 2**

- Attachments:**
1. **Redevelopment Proposals Process**
 2. **Redevelopment Proposals Selection Criteria**
 3. **Stage 2 Request for Detailed Proposals**
 4. **Probity Certificate**

RECOMMENDATION**That Council:**

1. **APPROVES the Stage 2 Request for Detailed Proposals at Attachment 3 for the second stage of the Redevelopment Proposals process relating to The Avenue and Frame Court Car Parks, Leederville; and**
2. **AUTHORISES the Chief Executive Officer to engage an independent external accounting firm to conduct due diligence on the commercial and financial assessment undertaken relating to the Stage Two proponent submissions, prior to presenting the preferred proposal to Council for approval to advertise.**

PURPOSE OF REPORT:

To present to Council, the report as requested at its Meeting on 18 October 2022:

REQUESTS the Chief Executive Officer present a report to Council to determine the additional information required from the shortlisted proposals and the selection criteria to be used to determine the preferred proposal prior to the commencement of Stage 2 of the Redevelopment Proposals Process set out in Attachment 1.

BACKGROUND:Leederville Precinct Structure Plan

Leederville is identified as a Secondary Centre in accordance with the Western Australian Planning Commission's (WAPC) State Planning Policy 4.2 – Activity Centres for Perth and Peel (SPP 4.2). In accordance with SPP 4.2, the City has prepared the Leederville Precinct Structure Plan (LPSP) which will replace the Leederville Masterplan and guide future development within the locality.

Prior to being drafted, the LPSP was subject to significant research and public consultation through the 'Design Leederville' community consultation campaign in late 2019.

At its meeting on 14 September 2021, Council recommended that the WAPC approve the LPSP subject to modifications.

Under the LPSP The Avenue and Frame Court Car Parks would be zoned Mixed Use R-AC0 and are earmarked as Key Development Sites. The LPSP provides further guidance for the two landholdings as follows:

The Avenue Car Park

The site is situated within the Cityscape precinct, which is described as:

- A place with mixed uses that complement each other.
- The location for long-term development outcomes.
- The place where landmark development shapes the Leederville skyline.
- Designed to encourage public transport usage.
- A showcase for sustainability and reuse.
- A higher density mixed-use and residential area.
- A key contributor to the success of the Village.

This identifies an acceptable height standard of 18 storeys, which could increase to a maximum height of 23 storeys subject to bonus criteria being met.

Frame Court Car Park

The site is situated within the Urban Frame Type A precinct, which is described as:

- A mixed use area.
- Carefully designed to avoid impacts on existing neighbours.
- An attractive and safe entry point to the core of Leederville for pedestrian, cyclists and vehicles.
- Well-landscaped with lots of shade, green spaces and places to relax.

This identifies an acceptable height standard of 10 storeys, which could increase to a maximum height of 14 storeys subject to bonus criteria being met.

The LPSP is required to be approved by the WAPC before it becomes operational.

Redevelopment Proposals, Leederville

At its meeting on 14 December 2021, Council approved the Chief Executive Officer to commence an expression of interest process for the redevelopment of the City's major landholdings in Leederville, being The Avenue Car Park and Frame Court Car Park.

At its meeting on 21 June 2022, Council approved the redevelopment proposals process, included at **Attachment 1**.

The Stage 1 redevelopment proposals material included the Selection Criteria to be used for the process, included at **Attachment 2**. This was approved for the purpose of advertising and receiving redevelopment concepts for The Avenue Car Park and Frame Court Car Park, Leederville.

Eight submissions were received throughout the advertising period from 27 June to 8 August 2022.

The evaluation panel comprised of six voting members including:

- One representative from DevelopmentWA who has significant experience in assessing submissions of a similar nature and scale;
- Two representatives from the City's Design Review Panel who have extensive design and built form expertise; and
- Three representatives from Administration who have the appropriate land, legal, planning and development knowledge and skills.

The evaluation panel comprised of four non-voting members including:

- One external independent probity advisor;
- Administration's Coordinator Procurement and Contracts; and
- Two commercial subject matter experts from Cygnet West.

The evaluation panel shortlisted three submissions whose submissions received the highest score against the Selection Criteria.

At its meeting on 18 October 2022, Council endorsed the three submissions for progression to Stage 2 of the redevelopment proposals process. At this Meeting, Council requested the Chief Executive Officer present a report to Council to determine the additional information required from the shortlisted proposals and the selection criteria to be used to determine the preferred proposal.

The shortlisted proponents presented their Stage One submissions to Council Members at the Council Workshop on 25 October 2022. Each proponent provided a (strictly) 20 minute presentation followed by (strictly) 10 minutes for Council Members to ask questions of the information submitted and presented. This was timed for probity purposes.

The draft Stage 2 Request for Further Information was workshopped with Council Members at the Council Workshop on 29 November 2022. The Stage 2 Request for Further Information was retitled Stage 2 Request for Detailed Proposals and has been updated following the feedback received from Council Members.

The City has engaged Cygnet West to provide commercial expertise and Stantons to provide independent probity advice throughout the entire process (Stage One and Two).

DETAILS:

The Selection Criteria, included at **Attachment 2** and approved by Council at its meeting on 21 June 2022, will be used throughout the Redevelopment Proposals Process (Stage 1 and 2).

The Stage 2 Request for Detailed Proposals, included at **Attachment 3** will enable further information to be submitted for evaluation against the Selection Criteria. This is based on the following:

- Gaps in information received from the shortlisted proponent proposals against the Selection Criteria;
- Assessment of shortlisted proponent proposals against the Draft Leederville Precinct Structure Plan;
- Feedback from Council Members regarding the shortlisted proponent proposals and Stage 2 Request for Detailed Proposals;
- Feedback from Cygnet West regarding the commercial aspects of each shortlisted proponent proposal; and
- Feedback from Stantons and Cygnet West regarding the redevelopment proposals process.

CONSULTATION/ADVERTISING:

State-wide consultation will occur with the preferred proponent business case, prior to Council considering whether to proceed with a major land transaction or the redevelopment of the sites.

LEGAL/POLICY:

Stage 2 of the redevelopment proposals process will comply with the requirements of the *Local Government Act S3.59(2)* which states that 'a local government is to prepare a business plan' and invite and consider public submissions on that business plan before it enters into a major land transaction.

The business plan can be prepared by the City's consultants on behalf of the City or by the City itself.

Transfer of the title and the contract of sale is the mechanism to condition items outlined in proponent submissions.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to approve the Stage 2 Request for Detailed Proposals.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Thriving Places

We encourage innovation in business, social enterprise and imaginative uses of space, both public and private.

Our physical assets are efficiently and effectively managed and maintained.

Our town centres and gathering spaces are safe, easy to use and attractive places where pedestrians have priority.

Sensitive Design

Our built form is attractive and diverse, in line with our growing and changing community.

Our planning framework supports quality design, sustainable urban built form and is responsive to our community and local context.

Innovative and Accountable

Our resources and assets are planned and managed in an efficient and sustainable manner.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any specific sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any specific public health outcomes in the *City's Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

The cost of the redevelopment proposals process would be met through the City's existing operational budget.

The proceeds that come from this process could be utilised to fund Unfunded Projects listed in the City's Long Term Financial Plan.

COMMENTS:

Following Council approval of the Stage 2 Request for Detailed Proposals, this will be sent to the three shortlisted proponents.

The proponents will respond and complete their Stage 2 submissions by 6 February 2023.

The Evaluation Panel will complete their assessment of the Stage 2 submissions and an independent external accounting firm will conduct due diligence on the commercial and financial assessment undertaken.

A preferred proponent business case will be drafted and presented to Council for approval to advertise.

The preferred proponent business case advertising will be state-wide to comply with the major land transaction requirements of the *Local Government Act*.

Following advertising, the result of advertising will be presented to Council.

STAGE 1



STAGE 2



Non-Weighted Compliance Selection Criteria

The following non weighted criteria is essential for the full assessment of Proponents Submissions, a failure to address the key commercial terms would result in disqualification.

NON-WEIGHTED COMPLIANCE CRITERIA – COMMERCIAL TERMS		
CRITERIA	COMPLETED Y/N	Proponents to reference the criteria response location in their submission, i.e., pages or section numbers
Provide a minimum of 400 public parking bays across one or both sites with 10% of car parking bays to provide easy access for mobility impaired and provide short term access.	Yes / No	
Public car park design concept, proposed ownership and tenure structure, lease and or management agreement draft principles, operational management plan, and in the event of a lease or management agreement, a parking fee schedule and operating expenditure plan, and 10-year operational cashflow.	Yes / No	
Indicative commercial terms to outline the proposed transaction arrangement (e.g., buy, lease, trade or enter joint venture with CoV).	Yes / No	

PROJECT VISION AND DESIGN PRINCIPLES (50% WEIGHTING)		
CRITERIA	COMPLETED Y/N	Proponents to reference the criteria response location in their submission, i.e., pages or section numbers
<p>1. Context and Character</p> <ul style="list-style-type: none"> • Developer understanding of the distinctive character of the Leederville precinct and how a new development would integrate, celebrate, and speak to the character of Leederville. • Effective interface with adjacent heritage and character buildings including the YMCA HQ adjacent to the Frame Court site. 	Yes / No	

PROJECT VISION AND DESIGN PRINCIPLES (50% WEIGHTING)		
<p>2. Landscape Quality</p> <ul style="list-style-type: none"> Removal of mature trees and planting within the site must be replaced with mature trees and planting within the development site. Consideration of Water Corporation drain on both sites as a key access route and potential walking trail. Achieved through built form design and delivery infrastructure considerations including maintenance access, and a celebration of the former seasonal freshwater stream. Active interface with the area zoned Public Open Space within the Leederville Precinct Structure Plan, adjacent to Site 2. 	Yes / No	
<p>3. Built Form & Scale</p> <ul style="list-style-type: none"> Quality of the proposed ground floor interface and its contribution to the experience of the precinct. Includes streetscape and landscape design, cultural infrastructure, and the delivery of active public spaces, both linear (laneways) and open (plazas). Architectural aspirations, design approach and strategies to achieve design excellence (including design review by the City's panel). Conceptual designs illustrating the project and vision inclusive of plan views, sections, elevations, height, and massing in perspectives. 	Yes / No	
<p>4. Functionality and Build Quality</p> <ul style="list-style-type: none"> Commitment to innovation, which may include energy and water sourcing, built form and design, community, social and economic outcomes. 	Yes / No	
<p>5. Sustainability</p> <ul style="list-style-type: none"> Approach to sustainable development to outline key environmentally sustainable design initiatives that will be included. Achievement of minimum Green Building Council of Australia 5 Green Star Certificate. 	Yes / No	
<p>6. Amenity</p> <ul style="list-style-type: none"> Design, accommodate and demonstrate economic activation towards the improvement of the daytime and evening economy of the precinct. Demonstrated diversity in product mix and pricing targeted to meet a wide variety of household demographics. 	Yes / No	

PROJECT VISION AND DESIGN PRINCIPLES (50% WEIGHTING)		
<p>7. Legibility</p> <ul style="list-style-type: none"> • Provision of a pedestrian link along 1) the eastern side of the Leederville Parade site, to integrate with existing Oxford Street built form and 2) along the eastern side of the Frame Court site, to integrate with adjacent site. • Prioritise access and connectivity to public transport (particularly Leederville train station) and active transport modes. • Understanding of existing and subsequent traffic issues; access and circulation, with a project design that delivers appropriate mitigation strategies. 	Yes / No	

DEVELOPMENT PROPOSAL (30% WEIGHTING)		
CRITERIA	COMPLETED Y/N	Proponents to reference the criteria response location in their submission, i.e., pages or section numbers
1. Approach to land assembly to address amalgamation, subdivision, and issue of Title(s) for each site	Yes / No	
2. Statutory planning and development programme, and if applicable staging concepts and programme, inclusive of a public car parking strategy ensuring reasonable public carparking is retained throughout the planning and development process.	Yes / No	
3. Proposed development mix in schedule form for each site, setting out the various uses by product typology, floor areas and parking ratios.	Yes / No	
4. Anticipated construction and operational employment generation.	Yes / No	

FINANCIAL CAPACITY AND TRACK RECORD (20% WEIGHTING)		
CRITERIA	COMPLETED Y/N	Proponents to reference the criteria response location in their submission, i.e., pages or section numbers
1. Proponent contact details	Yes / No	
2. Proponent corporate structure	Yes / No	
3. Proponent business and company profile	Yes / No	
4. Demonstrated: <ul style="list-style-type: none"> • Financial capacity; • Capability and experience in delivering similar scale projects; and • Capacity to deliver the proposed development, including details of other projects, current and planned for year 2023 – 2025. 	Yes / No	

Stage 2 Request for Detailed ProposalCar Park

- Confirmation of the total number of public car bays to be delivered at both public car parks proposed for The Avenue and Frame Court sites.
- Provision of an 'as if complete' market value of the public car parks returned to the City, with a supporting valuation, inclusive of relevant market evidence, rationale, input assumptions and valuation calculations that include a 10-year discounted cashflow approach.
- Provide an order of magnitude cost plan for the public car parks prepared by a reputable and experienced quantity surveyor.
- Confirmation of the basis of fee simple title of the public car parks to be returned to the City at both The Avenue and Frame Court sites, for example will the car parks be returned as:
 - o Freehold (Green Title) Subdivision;
 - o Freehold (Survey Strata) Subdivision; or
 - o Freehold (Community Title) Subdivision.
- Confirmation of what lettable, civic (public amenities) or community spaces will be returned to the City in freehold title. Confirmation that these spaces will be collocated with the public car parks and in the same title. If not, a project concept plan illustrating the siting and scale of each facility.
- Confirmation that public car parks will be returned to City fit for operation with specification agreed with the City including but not limited to a fully integrated parking management system, security and CCTV technology, lighting and power, appropriate vertical transportation and ventilation.
- Staging plan that outlines 200 public car bays maintained throughout the development schedule.
- Outline of the form and specification of the public car parks to be returned to the City. To this end, provide conceptual public car park plans and floor by floor design illustrating the built and operating specifications of the public car parks with confirmation of adaptable design/re-use provisions including design considerations for in ground services and structural and operational compliance to National Construction Codes, with alignment to the City's Asset Management Sustainability Strategy.

Development Proposal

- Confirmation of the proposed development built form delivery outcomes for both sites including estimated building area for each land use within each site.
- Confirmation of all public spaces, plazas, laneways, accessways and any other areas to be retained/returned (ceded) back to the City as public realm.
- Confirmation of, where public / shared spaces are created in "Common Property", relevant strata/community title management statements will retain obligation and responsibility for perpetual maintenance, repair and upgrade, with alignment to the City's Asset Management Sustainability Strategy.
- Framework outlining responsibility for undertaking of land amalgamation requirements, inclusive of a high level work breakdown structure and where appropriate a quantity surveyor cost plan, together with confirmation of which party is to deliver and to pay for each item, for example but not limited to:
 - o Land amalgamation;
 - o Land subdivision;
 - o Statutory planning including MRS Amendment(s);
 - o Servicing authority consultation;
 - o Identification and removal of redundant services;
 - o Services upgrades and associated headworks charges on subdivision;
 - o Water Corporation main drain design and upgrade consultation, management thereof and delivery to satisfaction of the Water Corporation;
 - o Consultant costs to support the above process and delivery requirements;
 - o Existing lease or other interests in land, identification, management, relocation and renegotiation, and where relevant cost and compensation thereof;
 - o Development and management of public spaces, plazas, laneways and accessway; and
 - o Requisite road, drainage and accessway upgrades.
- Following from the above, provision of a program and work breakdown structure that details the roles and responsibilities of the City and developer, which also then ties into the Commercial Terms (below).

Leederville Precinct Structure Plan

Proposals must show complete alignment with the provisions outlined in the Leederville Precinct Structure Plan.

- Summary of dwelling diversity, as per Leederville Precinct Structure Plan.
- Provision of future adaptation allowance, outlined through minimum 3.5m floor to ceiling height, as per Leederville Precinct Structure Plan.
- Provision of landscaping including deep soil areas, as per Leederville Precinct Structure Plan.
- Built form design aligned with building and podium height restrictions, as per the Leederville Precinct Structure Plan.
- Summary of car parking provision within the required provisions for residential (resident and visitor) and all non-residential land uses, as per Leederville Precinct Structure Plan.
- Plan that shows high quality built form that creates an effective relationship with Oxford Street and YMCA building through appropriate setbacks, to ensure transition to the Village sub-precinct along Oxford Street and heritage listed YMCA building.
- Plan that shows active uses with the newly created public open space at the Frame Court site. Through 6.1 Development Incentives for Community Benefit of the Leederville Precinct Structure Plan, Additional Criteria #9 and/or #14 can be achieved through the design and redevelopment of the new public open space in conjunction with Oxford Street Reserve and Leederville Skate Park, as per the City's key objectives and requirements.

Commercial Terms

- Outline all equity partners participating in the bid and their proposed respective share of the equity in the project.
- Outline of how funding of the development will be procured, including at a minimum, funding for:
 - Land amalgamations/servicing costs;
 - Land acquisition funding; and
 - Construction funding for the balance of the project.
- To enable the City to assess the net present value of commercial terms, the City requires:
 - Outline of the deal structure for the acquisition of The Avenue and Frame Court land in schedule and project timeline format (see below).
 - Within the deal structure outline of the consideration to the City by way of:
 - The 'as if complete' market value of the public car parks returned to the City;
 - The construction cost of the public car parks returned to the City with quantity surveyor Cost Plan – Order of Magnitude;
 - Other consideration, deemed or actual, in respect to land assembly; and
 - Other cash payments/consideration for the City's land.
 - Provision of a payment and delivery schedule in line with the anticipated program and work breakdown structure provided under Development Proposal (above).



PO Box 1908
West Perth WA 6872
Australia
Level 2, 40 Kings Park Road
West Perth WA 6005
Australia
Tel: +61 8 9481 3188
Fax: +61 8 9321 1204
ABN: 84 144 581 519
www.stantons.com.au

4 December 2022

Mr David MacLennan
Chief Executive Officer
City of Vincent
244 Vincent Street
Leederville,
WA 6007

Dear David,

PROBITY CERTIFICATE: EOI PROCESS FOR REDEVELOPMENT CONCEPTS FOR THE AVENUE AND FRAME COURT CARPARKS, LEEDERVILLE

This report details our opinion regarding the probity of the processes undertaken for the conduct of the evaluation process for the above Expression of Interest (EOI) process.

On this occasion, Stantons International (Stantons) was engaged by the City of Vincent (CoV) to provide probity oversight of the evaluation process for this two-stage selection process to select a developer (or developers) for the Avenue and Frame Court carpark sites, known as Sites 1 and 2 in all subsequent procurement (land sales) documentation.

This report outlines the involvement of Stantons in this process and confirms the evaluation was conducted in a fair and consistent manner, which complied fully with Local Government and CoV guidelines and had ensured that potential conflict of interest situations had been addressed in an appropriate manner throughout the process.

2. Involvement of Stantons

Stantons was appointed to the project as the independent Probity Advisor on 13 April 2022 and as such had the opportunity to review the draft EOI document before release to the market on 27 June 2022, and to provide ad-hoc probity advice before the closing of tenders on 8 August 2022. We were represented as the independent probity advisor at the Evaluation Panel consensus scoring meetings held on 30 August and 5 September 2022 and provided probity oversight of the discussions relating to the development of the shortlisting recommendation to the Council of CoV for progression to the second phase of the process, now known as the Detailed Request for Proposal (RFDP) phase. Our review of the background information provided to us, along with the engagement kick-off meeting, provided confidence that the process had been well-managed and in accordance with the terms and conditions of the EOI document and that the proposed procurement process was likely to produce an outcome that would be supportable and free from the likelihood of challenge based on any claimed probity weakness.

3. Purpose and Scope



Liability limited by a scheme approved under Professional Standards Legislation

Stantons is a member of the Russell Bedford International network of firms

The purpose of this review has been to ensure that the tendering and evaluation process was administered fairly and impartially to all parties and was consistent with relevant Western Australian State Government, Local Government and CoV regulations, policies, and guidelines.

4. Summary and Evaluation Methodology

The EOI process was structured as an open invitation process, which was advertised publicly, and which allowed all appropriately qualified and experienced organisations to participate in the process. Concurrent with the appointment of Stantons as the project Probity Advisors, CoV appointed Cygnet West as the agent to market the opportunity and to perform the role of commercial advisors to the project team.

The evaluation process was clearly enunciated in the EOI document and was followed by the Evaluation Panel members. In accordance with the evaluation plan, the outcome of the evaluation process was the production of an evaluation spreadsheet for presentation to Council which provided details of the outcome of the consensus scoring process and which made a recommendation for three organisations to progress to the second stage RFDP process, from which one proponent would be identified for consideration by Council and endorsement as the preferred proponent.

The two consensus scoring meetings of the Evaluation Panel were conducted in a manner that was free from bias, allowed for the viewpoints of all members to be considered and was free from any intrusion of unsubstantiated personal views. The project secretariat captured all scores in an accurate manner, along with the narratives to support the agreed scores. The consideration of the final consensus scoring process resulted in the identification of three proponents that achieved acceptable weighted scores to justify recommendation to Council for consideration. Applying a 60% hurdle rate, these three proponents, Proponent 1 at 74.89%, Proponent 6 at 74.39% and Proponent 7 at 60.43% satisfied the short-listing requirements, with the remaining five proponents failing to achieve an acceptable hurdle score. Stantons supports this outcome as being fair and supportable.

5. Notable Events

Stantons considered that the tendering and evaluation process was conducted in conformity with the EOI and the information provided to the prospective and actual proponents to participate in the process.

The development of a recommended short-list for consideration by Council was endorsed by the Evaluation Panel on 23 September 2022 and was forwarded to Council for consideration on a confidential basis at the Council Meeting on 17 October 2022. Stantons and the project secretariat maintained regular contact during the tendering and evaluation process to identify, discuss, and resolve potential probity matters. On this basis, we consider that the formal process up to the time of the recommendation being made to Council was managed in a manner that was free from any notable events that would require identification in this report.

After consideration by Council and presentations by the short-listed proponents to a quorum of Council Members on 25 October 2022, a small group of councillors presented a paper which questioned the outcome of the evaluation process, particularly the commercial outcomes of the three proposals and proposed a form of due diligence process for application as a checking mechanism at this stage in the process. It raised the concept of forming a Commercial Review Advisory Panel consisting of up to four external nominees and Council representatives to review the report that had been presented to Council before any decision was taken to endorse the advancement of the three short-listed proponents to the second stage RFDP process. This proposal raised serious probity concerns for the writer, particularly relating to the following:

1. The introduction of any form of review panel at this stage of the process was not in accordance with the endorsed evaluation plan, which had been considered by all parties before the EOI was issued and which had been the basis for the submission of proposal and for the conduct of the completed stage one EOI evaluation.
2. It was an implied criticism of the role of Cygnet West and their capabilities, who had been appointed as a result of a public tendering process, to perform their commercial advisory role

and had not been made aware of any likelihood of a third-party review of the outcome of the key deliverable assigned to them.

3. Council had been provided with very clear guidelines applied by the Local Government Association of Western Australia (WALGA) and from myself relating to the separation of the administrative functions of the conduct of the tendering and evaluation process and the approval process which was a Council responsibility.
4. I had concerns that any commercial evaluation or review, at this stage in the overall process, by a group that had not been involved in the process to that point, would inevitably seek to review the qualitative considerations that had been conducted by the Evaluation Panel, which would have been a totally unacceptable outcome from a probity and process perspective.

After consideration of this proposal at a Council workshop held on the evening of 29 November 2022 and my strong representations to the members, it was resolved that some form of commercial review of the strength of the proponents would be justified before Council was required to make a final decision on the preferred proponent and that this would occur once final RFDP responses had been received and evaluated in accordance with the endorsed evaluation plan. It was agreed that this task would be undertaken by an external accounting professional and not by a panel and that there would be a specific exclusion applied to the review of non-quantitative criteria. Steps have now been taken by the secretariat to prepare for this amended approach and we confirm that we consider this change will strengthen the overall process and will not raise unexpected probity issues.

Following the resolution of this situation, we are confident that no significant probity issues remain outstanding which would have the potential to have an impact on the outcome of the process from a probity perspective.

6. Recommendations

No specific recommendations are made as a result of this review.

7. Deviations from Normal Procedures

Other than for the potential to have introduced an additional layer of review into the endorsed process for the first stage of the overall EOI process, this process has been conducted in a manner that has been in accordance with the endorsed evaluation plan and all relevant Local Government and CoV procurement processes.

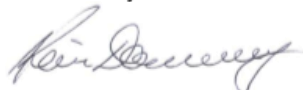
8. Conclusion

SI are satisfied in relation to the following:

- The process applied all relevant Local Government, State and CoV procurement policies;
- It is our opinion that the evaluation process was free from bias and inequity;
- Documentation supporting the evaluation process provides sufficient evidence for third party review and accurately describes the process undertaken; and
- The process was conducted fairly and equitably.

It is our opinion that the process was fair and equitable and in accordance with the requirements of the EOI document. Should you wish to discuss any of the issues raised in this report, please contact the undersigned.

Yours faithfully



Kevin Donnelly
Principal, Probity & Procurement
STANTONS INTERNATIONAL