

Management report to Council

Agenda item 6.6

**Melbourne Fashion Week AV and Lighting Design Tender
Contract No. 3588**

Council

Presenter: Katrina McKenzie, Director City Economy and Activation

26 February 2019

Purpose and background

1. The purpose of this report is to seek approval to award the contract for the Melbourne Fashion Week (MFW) Audio Visual and Lighting Design (Contract No. 3587) to Austage Melbourne Pty Ltd for a term of one year, with two additional one year extension options.
2. This contract provides the production development and delivery of the MFW audio visual and lighting, including design, set up and operation.
3. The current contract is being delivered by Austage Melbourne Pty Ltd under a one year contract with two one year options to extend. The options to extend were exercised with the final year contract expiring March 2019.
4. The tender was advertised in 'The Age' newspaper on 3 November 2018. Four tender submissions were received and three were compliant.
5. Consistent with the industry approach the tenderers were advised that the value of the contract was \$150,000 exclusive of GST, and asked to provide their best creative and value-for-money content for the tender.
6. The Tender Evaluation Panel assessed each submission based on the evaluation criteria of Cost (30 per cent), Experience and Capability (30 per cent), Plan for Proposed Services (30 per cent) and Supplier Compliance Management (10 per cent).
7. The tender evaluation summary is contained in Attachment 1.

Key issues

8. Austage Melbourne Pty Ltd were evaluated as the preferred tenderer by the Tender Evaluation Panel as their submission demonstrated the strongest alignment with the service specifications of the contract, as well as the most appropriate use of available budget, and their experience, capability and past performance was to an extremely high standard.
9. The costs for appointing the recommended tenderer are \$150,000 annually, and are provided for in the current budget.

Recommendation from management

10. That Council awards the contract for the Melbourne Fashion Week Audio Visual and Lighting Design to Austage Melbourne Pty Ltd for a term of one year at an annual cost of \$150,000, with two additional one year extension options in accordance with the negotiated terms and conditions of contract.

Attachments:

1. Supporting Attachment (Page 2 of 2)

Supporting Attachment**Legal**

1. Pursuant to section 186 of the *Local Government Act 1989* (Vic), before a Council enters into a contract for the purchase of goods or services to the value of \$150,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.

Finance

2. Approval of this contract will commit the City of Melbourne to \$150,000 (exclusive of GST) expenditure across the FY2018–19 and 2019–20 budgets, with the option for commitment in the following two years. This figure will be incorporated within the proposed MFW budget as part of the annual budgeting process.

Tender Evaluation Summary

3. The membership of the Tender Evaluation Panel was as follows:

Title and/or Company	Generalist or Nominated Speciality	Full or Advisory Member
Alexandria Garlan, Category Manager,	Procurement Specialist (Chair)	Full
Fiona Twist, Premier Events Manager	Industry Expert	Full
Brooke Ryan, Senior Event Coordinator	Industry Expert	Full
Tanya Tribuzio, Events Marketing Manager	Generalist	Full

4. Scoring of the five conforming tenderers:

Summary of Final Scoring				
Company	Price	Financial Score (30%)	Non-Financial Score (70%)	Total Score (100%)
Austage Melbourne Pty Ltd	\$150,000	30.00%	45.26%	75.26%
Tenderer A	\$150,000	30.00%	32.73%	62.73%
Tenderer B	\$160,000	28.13%	30.25%	58.38%

Conflict of interest

5. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Occupational Health and Safety

6. Tenderers were evaluated on methods within their proposals to minimise and/or eliminate hazards and workplace injuries.

Stakeholder consultation

7. City of Melbourne undertakes a yearly extensive research project on the MFW event to gain insights, feedback and data on the year's success and areas for improvement. This includes consumer surveys, stakeholder interviews and other data.

Environmental sustainability

8. Tenderers were evaluated on methods within their proposals to minimise energy usage and waste in addition to using sustainable or renewable energy sources and materials.