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Dear Mr Farrell

CITY OF PORT PHILLIP – CIVIL INFRASTRUCTURE MAINTENANCE CONTRACT (CIMC) PROBITY ADVISOR REPORT

We were engaged by the City of Port Phillip to provide probity advisory services in relation to the procurement process for the provision of civil infrastructure maintenance services.

Background and Context

City of Port Phillip (Council) is seeking to appoint a suitably qualified and experienced contractor for the provision of civil infrastructure maintenance services which includes the provision of routine and preventative maintenance services on Council's civil assets.

The procurement process involved a Request for Tender (RFT) following a market engagement process which was released to the open market on 27 February 2021 and closed on 1 April 2021 with four (4) submissions being received.

The contract will be for an initial contract term of seven (7) years with an option to extend for up to a further six (6) months.

Set out below is an overview of the process followed and of the probity tasks and activities we undertook to form our view of the process from a probity perspective.

Overview of Process

The procurement process involved the following key steps:

- Conduct of a market engagement process;
- Decision to conduct a single stage procurement process comprising an open Request for Tender;
- Development of the CIMC Procurement Plan;
- Development of the Tender Evaluation Plan incorporating an overview of the evaluation process, criteria, and methodology;
- Finalisation of RFT documents which were made available to the market for download on 27 February 2021;
- Conduct of an optional site visit of the depot on 17 March 2021;

- Issuing of addenda during the response period, including an extension of the tender close date from 26 March to 1 April 2021;
- Receipt of four (4) submissions in accordance with RFT requirements on 1 April 2021 from the following tenderers:
 - Tenderer A;
 - Tenderer B;
 - Tenderer C; and
 - Fulton Hogan Industries Pty Ltd.
- Assessment of the submissions against the filter criteria and confirmation that all met the requirements;
- Evaluation of submissions in accordance with agreed evaluation criteria, weightings and methodology and decision to shortlist two tenderers for interview;
- Issuing of clarifications and conduct of interviews with both shortlisted tenderers on 29 and 30 April 2021;
- Further evaluation following interviews and decision to conduct a Best and Final Offer (BAFO) process;
- Final evaluation following receipt of BAFO responses and identification of the preferred tenderer; and
- Issuing of the Tender Delegate Report incorporating overview of the procurement process and the recommendation to award the contract to Fulton Hogan Industries Pty Ltd.

Summary of Probity Advisor's Tasks

Set out below is a summary of probity tasks undertaken in relation to the procurement process for the provision of civil infrastructure maintenance services. A number of these probity tasks were performed throughout the process to confirm ongoing adherence to documented procedures. While this summary does not represent an exhaustive list of tasks, our key tasks performed included:

Market Engagement phase

- Attendance at initial project kick-off meeting on 22 October 2020;
- Provision of probity protocols for the conduct of the market engagement phase;
- Provision of a Probity Information Sheet for circulation to project team members with both a direct and indirect involvement in the CIMC process;
- Review of draft market engagement questionnaire; and
- Provision of Probity Briefing to project team members on 9 December 2020.

Request for Tender phase

- Review of the following process documentation and provision of probity advice for:
 - CIMC Procurement Plan;
 - Tender Evaluation Plan;
 - RFT documents, including tender conditions, specifications and response schedules;
 - Addenda 1-5 inclusive;
 - Tender Forum Q&A Register;
 - Tender Evaluation Panel (TEP) Meeting Minutes from 6 April 2021;
 - Clarification questions issued to shortlisted tenderers;

- TEP Meeting Minutes from 11 May 2021;
 - BAFO request to shortlisted tenderers;
 - TEP Meeting Minutes from 18 May 2021;
 - Draft Delegate Report; and
 - Final Tender Evaluation Matrices.
- Provision of probity guidelines for the conduct of the site visit;
 - Review of procedures and documentation in respect of confidentiality and conflict of interest and provision of probity advice. This included reviewing signed conflict of interest declarations and confidentiality deeds noting:
 - There were no conflicts of interest declared that impacted the ability of TEP members to act without conflict; and
 - Confirmation of confidentiality undertakings.
 - Attendance at meetings, including:
 - Site visit conducted at depot on 17 March 2021;
 - TEP pre-evaluation commencement meeting on 6 April 2021;
 - TEP meeting for initial consensus scoring on 19, 20 and 21 April 2021;
 - TEP meeting for interview preparation on 28 April 2021;
 - Tenderer interviews with shortlisted tenderers on 29 and 30 April 2021;
 - TEP meeting following interviews for further evaluation on 3 May 2021;
 - TEP meeting for further evaluation of corporate social responsibility on 11 May 2021; and
 - TEP meeting following BAFO process for identification of preferred tenderer on 18 May 2021.
 - Review of documents, emails, correspondence, and provision of probity advice during the procurement process.

Probity Conclusion

Our role as Probity Advisor was to provide independent advice as requested during the process to ensure the adopted processes are developed, managed and completed according to relevant policies and documented procedures, and that the adopted processes are consistent with Council probity requirements. These probity requirements include:

- Compliance with the framework applying to procurement decisions as set out in Council procurement policy;
- Use of an appropriately competitive process;
- Fairness and impartiality;
- Consistency and transparency of process;
- Identification and management of conflicts of interest; and
- Appropriate security and confidentiality arrangements.

In our view, based on the tasks undertaken above:

- The procurement process was, in all material respects, developed, managed and completed in accordance with relevant documented procedures and probity requirements; and
- All probity matters that came to our attention during the procurement process have been addressed in an appropriate manner.

Please contact Nathan Hudson if you wish to discuss this matter further.

Yours sincerely,

PITCHER PARTNERS CONSULTING PTY LTD



DANIEL BYRNE

Executive Director