

Anne Dalton & Associates

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21 September 2018

Ms Siona Jones
Procurement Manager
Bass Coast Shire Council

by email

Dear Ms Jones

**PROBITY REPORT:
BASS COAST SHIRE COUNCIL
CAPE PATERSON LEASE PROCESS EOI NO 18002**

The purpose of this Probity Report is to provide an overview of the probity tasks we have undertaken for the above process and to give our findings in relation to this process (including the forensic basis for those matters).

1 Background

1.1 Anne Dalton and Associates was engaged to provide probity advisory services to this process in February 2018. As probity advisers we are not decision makers in this process.

2 Overview of the procurement process

2.1 Bass Shire Council (**Council**) has undertaken a public EOI process for the Lease of the Cape Paterson Caravan Park.

2.2 The main steps of the process were as follows:

- The EOI was advertised publicly on 5 June 2018 and closed on 31 July 2018. We were not notified of any late responses;

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- Council received 5 responses to the EOI prior to closing time. After consideration, one response was determined to be non conforming, and the remaining four were considered sufficiently compliant for evaluation;
- All 4 responses were read by all scoring members individually and considered against the published criteria and the approved evaluation methodology (and weightings) at the evaluation meeting on 21 August 2018. As a result of that evaluation and scoring, the three top ranked respondees were taken forward for interviews and clarifications, the fourth ranked scoring sufficiently lower to not justify further consideration of that response;
- The evaluation team then reconvened on 11 September 2018 to consider the interviews, the answers to clarifications and the Best and final offers.
- Following the further analysis of the pricing material, and the inclusion of that material in the evaluation matrix, the evaluation team agreed that Mexicala Pty Ltd was the top ranked respondee and that it should be recommended as the preferred contractor for this contract¹; and
- The Council report on the process (provided to us in draft on 14 September 2018) details the evaluation and recommendation process (together with the evaluation matrix and other attachments) in email of 14 September 2018.

3 Probity principles

3.1 The overall focus of the probity tasks undertaken was to ensure that the process was undertaken in an accountable and transparent manner and in particular that the following objectives were present:

- Fairness and impartiality;
- Use of competitive process/value for money;
- Consistency and objectivity;
- Security and confidentiality of information; and
- Identification and resolution of conflicts of interest.

3.2 Additionally, we reviewed the process to assess adherence to the Council's Procurement Policy and the relevant provisions of the *Local Government Act 1989* (Vic) as to conduct requirements of Council staff (section 95) and section 208A with respect to the value for money requirements of the "best value principles". Nothing came to our attention to indicate those requirements were not adhered to.

¹ The evaluation scoring matrix was updated to reflect the pricing and records the ranking of the respondees.

4 Probity tasks undertaken

4.1 We undertook the following probity tasks:

- review of the draft EOI and advice with respect to it;
- review of the draft evaluation methodology and advice with respect to it;
- provision of probity briefing material to team;
- attendance at the consensus meeting with evaluation team (21 August 2018) including checking any issues with conflicts (there were declared non material perceived conflicts declared by two members. We considered that those perceived conflicts arose out of normal business as usual contacts with 2 of the respondees and that other than the declarations no further mitigations were required) and noting the weightings had been agreed and documented);
- attendance at the consensus meeting on 11 September 2018²;
- review of the (draft) Council report on the evaluation process, including the evaluation matrix and the conflict declarations³; and
- provision of this Probity Report.

5 Probity findings

5.1 In undertaking the above tasks, and in coming to the findings we do, we had regard to the following facts, circumstances, observations, particulars and matters:

- The conflict declarations were reviewed, and we note that the conflicts declared were perceived and not material. We considered that the reasonable management of such conflicts was the declarations, the probity briefing, the probity plan and our monitoring of the process to ensure no impact of such declarations on the integrity of the process;
- We were not made aware of any breaches of confidentiality;
- We provided the probity briefing material to the evaluation team prior to the commencement of the evaluation. We were satisfied, from our observations, that the evaluation team understood the probity principles and applicability of the principles to the evaluation process;
- From our attendances and from our review of relevant documentation, including the evaluation report and scoring matrix, we consider that the

² By phone

³ As provided by emails of 13 and 14th September 2018 from Nick Ellis.

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evaluation process was undertaken in accordance with the published documentation and the approved evaluation methodology; and

- From our attendances at the meetings we observed the evaluators and was satisfied that they appeared to make their assessment free from improper influence of any other persons. No probity concerns were raised with me by the evaluators or any other person.

6 Conclusion

6.1 As indicated above, our role has been to:

- advise in respect of and to review the documentation and processes;
- provide advice in respect of those processes; and
- assess adherence to documented procedures.

6.2 On the basis of all of the above matters it is our overall assessment that all probity requirements have been met, and that we have not been made aware of any probity issues which remain outstanding or unresolved that have the potential to undermine the integrity of the process. Nothing has come to our attention to indicate that the probity requirements of the *Local Government Act 1989 (Vic)* and relevant Council policies and procedures have not been met.

We would be pleased to discuss any issue arising from this report, if required.

Yours faithfully



Anne Dalton

Probity Practitioner

Anne Dalton & Associates

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