



## Edwardstown Creative Industries Co-working Hub Tender report - Adjourned Item

<b>Originating Officer</b>	Unit Manager Community Cultural Development - Marg Edgecombe
<b>Corporate Manager</b>	Manager City Activation - Greg Salmon
<b>General Manager</b>	General Manager City Development - Ilia Houridis
<b>Report Reference</b>	GC200811F01

### Confidential



### Confidential Motion

That pursuant to Section 90(2) and (3)(k) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Ilia Houridis, Tony Lines, Sorana Dinmore, Kate McKenzie, Jaimie Thwaites, Marg Edgecombe, Donna Griffiths, Greg Salmon, Victoria Moritz and Craig Clarke, be excluded from the meeting as the Council receives and considers information relating to the Edwardstown Creative Industries Co-working Hub Tender report, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to tenders for the supply of goods, the provision of services or the carrying out of works.

### REPORT OBJECTIVE

The item 'Edwardstown Creative Industries Co-Working Hub Tender report ', GC200728F04 (attached as attachment 1) was adjourned at the 28 July 2020 General Council Meeting to allow further discussion on the item.

### EXECUTIVE SUMMARY

In accordance with the Local Government (Procedures at Meetings) Regulations, the debate on an adjourned item will resume and continue at the point it was adjourned. The motion for this item is yet to be Moved or Seconded.

### RECOMMENDATION

That Council:

1. Note the expression of interest received from [REDACTED]
2. Note the recommended outcome of the Tender Assessment Panel to not award the tender.
3. Endorse the decision of the Tender Assessment Panel and resolve not to progress any further with this proposal; and,

4. Endorse administration to go back out to the market and undertake a Tender by Invitation process to seek an operator to establish a creative design co-working space at Edwardstown with total funding of up to \$35,000 per annum for the first 3 years available. The preferred candidate be brought back to Council prior to contracting.
5. Reserve the right to end the tender process at any time.

or:

6. Endorse the tender submission using the discretion of Council, noting that the tender assessment panel recommended not to award.
7. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, Edwardstown Creative Industries Co-working Hub Tender report, the associated appendices and any minutes arising from this report having been considered in confidence under Section 90(2) and (3)(k) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2020.

## Attachment

#	Attachment	Type
1	GC200728F04 - Final Agenda - Confidential - Edwardstown Creative Industries Co-working Hub Tender report	PDF File



## Edwardstown Creative Industries Co-working Hub Tender report

<b>Originating Officer</b>	Unit Manager Community Cultural Development - Marg Edgecombe
<b>Corporate Manager</b>	Manager City Activation - Greg Salmon
<b>General Manager</b>	General Manager City Development - Ilia Houridis
<b>Report Reference</b>	GC200728F04

### Confidential



### Confidential Motion

That pursuant to Section 90(2) and (3)(k) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Ilia Houridis, Tony Lines, Sorana Dinmore, Kate McKenzie, Jaimie Thwaites, Marg Edgecombe, Donna Griffiths, Greg Salmon, Victoria Moritz and Craig Clarke, be excluded from the meeting as the Council receives and considers information relating to the Edwardstown Creative Industries Co-working Hub Tender report, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to tenders for the supply of goods, the provision of services or the carrying out of works.

### REPORT OBJECTIVE

This report provides Council with information on the recent tender process for the Edwardstown Creative Industries Co-working Hub and seeks endorsement to proceed with a Tender by Invitation process to progress the project.

### EXECUTIVE SUMMARY

At General Council Meeting 28 January 2020, Council resolved to:

1. Endorse administration to undertake an Expression of Interest process seeking an operator to establish a creative design co-working space at Edwardstown with total funding of up to \$35,000 per annum for the first 3 years available. The Expressions of Interest will be brought back to Council for consideration before progressing to a select tender or direct selection.
2. Reserve the right to end the Expression of Interest process at any time.

A tender process was undertaken and posted on SA Tenders from 1 April to 5 May 2020. The tender was promoted on social media and through Council's creative industries networks. Despite over 100 organisations downloading the tender documents, one expression of interest was received. The panel met on 14 May 2020 to assess the submission from [REDACTED]

[REDACTED] The assessment panel felt that while the submission provided an average response to the tender it did not fulfil the expectations for the project.



The assessment panel were conscious that the tender was released just prior to the full understanding of the Covid-19 shut down and impact. Creative industries has been one of the hardest hit business sectors during the pandemic which may have impacted on the lack of responses. As recovery plans are put in place, and businesses and practitioners in this sector regroup and look for new ways forward, the co-working model may attract more innovative responses. Therefore, the panel requests to go out to the market again through a Tender by Invitation model, with direct approaches to potential operators and industry bodies who are looking at new ways to support members and affiliates to regenerate business in this sector.

## RECOMMENDATION

That Council:

1. Note the expression of interest received from [REDACTED].
2. Note the recommended outcome of the Tender Assessment Panel to not award the tender.
3. Endorse the decision of the Tender Assessment Panel and resolve not to progress any further with this proposal; and,
  - Endorse administration to go back out to the market and undertake a Tender by Invitation process to seek an operator to establish a creative design co-working space at Edwardstown with total funding of up to \$35,000 per annum for the first 3 years available. The preferred candidate be brought back to Council prior to contracting.
  - Reserve the right to end the tender process at any time.

or:

2. Endorse the tender submission using the discretion of Council, noting that the tender assessment panel recommended not to award.
3. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, *Edwardstown Creative Industries Co-working Hub Tender report*, the associated appendices and any minutes arising from this report having been considered in confidence under Section 90(2) and (3)(k) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2020.

## DISCUSSION

The Revitalisation of Edwardstown Employment Precinct action plan endorsed at GCM 23 July 2019 identified the exploration of models to deliver a creative design co-working space in Edwardstown. A report with options for delivery was brought to Council in January 2020 (GC200128R13). Council endorsed to call for Expressions of Interest (EOI) to seek an operator to establish a creative design co-working space at Edwardstown with total funding of up to \$35,000 per annum for the first 3 years available. Tender documents were developed and the tender was released on 1 April 2020 - 5 May 2020.

The tender was lodged on SA Tenders, advertised through industry networks, on the Council website and social media. One submission was received from [REDACTED] (see Attachment 1).



## Tender Assessment

An assessment panel consisting of Unit Manager Economic and Cultural Development, Team Leader Community Cultural Development and City Activation project Design Advisor, supported by Procurement Specialist (for procedural advice) met to assess the tender. While the assessment panel felt the tenderer broadly understood the requirements and there were some positive attributes that the tenderer was offering (streaming services, outdoor lighting etc.), there was unanimous agreement that the proposal did not fully address the criteria of the brief to provide assurance the tenderer would be taking the project in the preferred direction. Given they were the only respondents, the panel asked for clarification from the tenderer to expand on the issues on which they required more information.

Overall the responses to the tender and additional requested information (see Attachment 2) informed the panel that while [REDACTED] appear to be a successful operation in their own field of event set up and design, their tender indicated an approach of adding to their existing operation with additional spaces for other operators rather than the entrepreneurial approach and pro-active collaborative opportunities provided by co-working hubs outlined in the project brief and objectives.

In particular the panel considered that the tenderer had:

- limited overall vision as to what the space could be or become including the breadth of creative industries that could be attracted to such a facility;
- limited understanding of the professional associations and industry groups outside of their own field.;
- limited vision for community interaction and engagement other than examples provided in the project scope;
- limited long-term vision for the facility after the three-year subsidy other than sustainability. While there was mention of a self-generated grant scheme, there were no details of how this would be achieved or managed;
- referenced the key performance indicators in the brief but provided no explanation of how these would be achieved;
- referenced 'leaning heavily' on City of Marion for community engagement and business mentoring. The panel felt uncomfortable with that approach, rather were looking for an operator who would feel confident to operate independently of Council operations other than the subsidy;
- limited consideration for the requirements of a range of creative industries and artists such as waste removal for paints, fumes etc. While this is not vital and an operator may select tenants based on preferred requirements it would have been useful for them to outline their approach and thinking;
- limited planning for marketing and attraction of tenants other than social media;
- not considered the attraction of other funding sources other than rent and Council subsidy. The panel would have liked to see research into other funding sources, sponsorship of grants;
- limited vision on the collaborative nature of co-working hubs, particularly in the creative industries and how this can lead to the generation of new entities, development of new products, opportunities for cross-discipline collaboration.
- limited description of how the Creative Industries Co-working hub would interact and integrate with the broader Edwardstown economy.

(see Attachment 3 for tender report).

The tender was released immediately prior to the Covid-19 restrictions taking full effect. While 110 organisations downloaded the documents only 22% of these were from the creative industries. Uncertainty of what the future held for the Creative Industries during this time may have dissuaded responses to the initial tender.

Noting the assessment and recommendation of the tender assessment panel, Council can exercise discretion and choose to award the tender.



## Proposed process

As all industries find new ways of working, and recovery plans are put in place, practitioners in this sector are now looking forward to re-establishing their practice and delivery to the market. Anecdotally, the co-working model is an attractive and innovative response to continue businesses and growth during these uncertain times. Therefore, the panel requests to go out to the market again, with the following model:

Step	Details	Timeline
1	Promotional Activity inviting brief responses to high level project objectives through registration of interest process, including: <ul style="list-style-type: none"> <li>• direct approaches to potential operators and industry bodies who are looking at new ways to support members and affiliates to regenerate business in this sector</li> <li>• City of Marion website and social media</li> <li>• City of Marion business community</li> </ul>	3 - 21 August 2020
2	Collate and assess registration of interest to tender, selecting up to four tenders to progress to full tender process responding to the full project brief.	24 - 28 August 2020
3	Invitation to tender open	3 September 2020
4	Tender closes	15 October 2020
5	Review Proposals	16 - 24 October 2020
6	Assess Proposals	23 October 2020
7	Report to General Council Meeting 24 November with preferred candidate	24 November 2020
8	Notification and Contract to successful tenderer	Early December 2020

Using this process we will be testing the market in this 'new' time through the registrations of interest and ensure the final tender by invitation candidates are aligned with key project outcomes and entrepreneurial approach required for this venture.

## Attachment

#	Attachment	Type
1	CC202009 Part D RFP Response Schedules [REDACTED]	PDF File
2	Tender response to request for further clarification	PDF File
3	Assessment report Edwardstown Creative Industries Co	PDF File