

**MARKETING AND EVENTS COMMITTEE  
REPORT**

**Agenda Item 5.1**

**11 September 2007**

**TENDER EVALUATION REPORT: NEW YEARS EVE /  
MOOMBA WATERFEST OPERATIONS AND LOGISTICS**

**Division** Economic Development

**Presenter** Peter Stewart, Manager Events Melbourne

**Purpose**

1. To seek Council approval to award a contract to P&R Events Australia for New Years Eve Operations and Logistics tender and a contract to Momentum Events Management for the Moomba Waterfest Operations and Logistics tender.

**Recommendation from Management**

2. That the Marketing and Events Committee recommend that Council:
  - 2.1. award the contract for New Years Eve Operations and Logistics Services to P&R Events Australia for an initial term of three years, with an option to extend the contract for a further two years, for the value of \$346,725 over the initial term and otherwise in accordance with the negotiated terms and conditions of contract;
  - 2.2. award the contract for Moomba Waterfest Operations and Logistics Services to Momentum Events Management for an initial term of three years, with option to extend the contract for a further two years, for the value of \$698,540 over the initial term and otherwise in accordance with the negotiated terms and conditions of contract.

**Key Issues: Tender Evaluation Process**

3. In the past, Council has had two management models for the delivery of its New Years Eve and Moomba Waterfest events. The City of Melbourne staff examined the different delivery options for both events and determined to test the market in relation to possibly engaging one contractor to deliver the Operations and Logistics elements of both the New Years Eve and Moomba Waterfest events and to establish if any efficiencies were able to be realised. The tender documents requested pricing and operational information from respondents for each event individually and for the delivery of both events as a single contract.
4. The tender evaluation process has identified that there would be cost savings by entering into a combined contract for both events with the highest ranked tenderer P & R Events Australia. However after considering tender submissions, the time frames available to plan and implement both projects and the current commitment of P & R Events Australia, the panel had significant concerns that combining the New Years Eve and Moomba Waterfest Operations and Logistics contract posed increased risks to Council and the safe delivery of both events. It has been identified that separate contracts offers the lowest risk for Council.

5. P & R Events Australia has delivered New Years Eve for the past three years and has significant knowledge of this event. The company however has not previously delivered a large scale, multi-faceted, multi-day major event of the complexity of Moomba Waterfest and would be required to spend a significant amount of time researching and planning for Moomba Waterfest at the same time as planning and delivering the New Years Eve event. P & R Events Australia has a number of other projects currently committed during this time.
6. The second ranked tenderer, Momentum Events Management, has provided Operations and Logistics services for Moomba Waterfest for the past five years. The performance of this contractor has been exceptional both in the planning of the event and particularly in the delivery of the event 'on the ground'.
7. Momentum Events Management is available to commence work, with few other commitments, as soon as Council makes its decision.
8. Moomba Waterfest and New Years Eve are Melbourne's two largest free public events and have a very high profile. There are significant political ramifications for the City, particularly in relation to public safety and potential media issues if these events are not well managed and not of high standard.
9. The scale of the Moomba Waterfest and New Years Eve events are second only to events such as the Grand Prix and Spring Racing Carnival in terms of complexity. Past performance and experience is exceptionally important in assessing potential service providers' capability to deliver these events.
10. All members of the Tender Evaluation Panel concur with the recommendation that P&R Events Australia be appointed as the Service Provider for the New Years Eve Operations and Logistics services and Momentum Events Management be appointed as the Service Provider Moomba Waterfest Operations and Logistics services.

#### Invitation to Tender

11. Tenders for the New Years Eve and Moomba Waterfest Operations and Logistics Contract closed on 13 June 2007 after a 4 week tender preparation period. No late tenders were received.

#### Evaluation Criteria and Weighting System (See attachment 1)

Criteria	Weightings
<b>Cost</b> Event Management Fee Cost Efficiencies	50%
<b>Experience, Capability &amp; Past Performance</b> Company Organisational Structure Experience in providing the Services Past performance and Referee Reports Current commitments Knowledge of City of Melbourne Event Procedures Budget Management Environmental Sustainability	30%

<b>Plan for Proposed Services</b> Proposed work plan and methodology Proposed Organisational Structure Proposed Personnell Continued Availability of Resources Proposed Sub Contractors Risk Management Plan Health & safety systems and work practices	<b>20%</b>
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12. Council's procurement strategy was to request tenderers to provide a submission for managing the
13. Operations and Logistics elements of both New Years Eve and Moomba Waterfest events as a combined contract and in their submissions, detail the potential efficiencies associated with this option. The Invitation to Tender document was structured to allow flexibility for Council to enter into two separate contracts if required by requesting an event management fee to deliver the combined events, as well as a fee for each project as a stand alone contract.
14. The evaluation process followed by the Panel involved:
  - 14.1. conducting in depth analysis of each submission to assess the capability of each tenderer;
  - 14.2. scoring tenders on the basis of the weighted criteria; and
  - 14.3. ranking the tenderers in accordance to their criteria performance.
15. The panel relied upon information from tender submissions to determine the perceived strengths and weaknesses of the short-listed Tenderers, as they related to the business requirement and the tender evaluation criteria. The following comments apply:
  - 15.1. P&R Events Australia – Ranked No. 1 – total price over three years for New Years Eve was \$346,725 and for Moomba Waterfest \$598,975 - This tenderer is the previous provider for New Years Eve event management services and therefore has a comprehensive understanding of the City of Melbourne event requirements and provided a strong plan for delivering the services. The experience of allocated project staff in delivering multi-day/multi facetted events was of concern to the panel as was the current level of commitment to other projects at a time when the planning and delivery phases for the Council projects overlaps.
  - 15.2. Momentum Events Management – Ranked No. 2 – total price over three years for New Years Eve was \$504,400 and for Moomba Waterfest \$698,540 - This tenderer is the previous provider of Moomba Waterfest Operations and Logistics services and therefore has a comprehensive understanding of the City of Melbourne event requirements and provided an excellent plan for delivering the services. This tenderer has delivered a number of multi-day/multi facetted events including the operations management for the Spring Racing Carnival at Flemington. The current level of commitment is not deemed to present a risk to the successful delivery of the Council projects.

- 15.3. Event Intelligence – Ranked No. 3 – total price over three years for New Years Eve was \$276,675 and for Moomba Waterfest \$409,825 - This tenderer's submission demonstrated that they had worked with the City of Melbourne on smaller event projects in the past and therefore had only limited understanding of Council event requirements. However, the panel had some concern that the event management fee provided indicated that the interpretation of the scope of the project was not fully understood.
- 15.4. Strut and Fret – Ranked No. 4 – total price over three years for New Years Eve was \$563,508 and for Moomba Waterfest \$520,160 - This tenderer has provided event management services to Council previously and therefore presented a sound plan for delivering the services. This tenderer was very strong in creative development and event programming however their experience and capability in delivering event operations and logistics is relatively low compared with the top ranking tenderers.
- 15.5. Hyder Consulting – Ranked No. 5 – total price over three years for New Years Eve was \$762,244 and for Moomba Waterfest \$732,621 - This tenderer's submission indicated that there was a sound understanding of the brief and that there was some previous experience and capability in delivering projects of a similar nature. The tender response however relied heavily on the experience of the Project Manager and it was difficult to determine the capacity of other staff who would be dedicated to this project.

### **Performance Measurement**

16. The tender documents indicate how performance standards will be met. Service providers are required to provide the service at the time and frequency agreed in the planning schedule, implement the approved management plans and complete all project management tasks outlined in the Service Specification, respond to mutually agreed variations to services, deliver detailed event reports and a final report, facilitate regular Work In Progress meetings, and achieve Council's commitment to the provision of a high quality service to its community.

### **Comments**

17. The previous contractual arrangements whereby separate contracts for New Years Eve and Moomba Waterfest Operations and Logistics Services have existed has been a successful formula for the delivery of these two major events for Melbourne over the past three years.

### **Pecuniary Interest and Probity Statement**

18. No member of the evaluation panel has a pecuniary or personal interest in the tenders or contract.
19. The evaluation has fully complied with the *Local Government Act 1989* ("the Act") and the Conditions of Tendering. No potential tenderer had access to the final specification prior to its release. All advice, written or verbal, provided to a respondent clarifying any aspect of the tender documentation was also provided to all other respondents. No tenderer was provided any advantage over other tenderers, and all were treated fairly and equally during the tendering process. Information provided by tenderers which has been deemed confidential, has been protected, and will not be disclosed. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer/s.
20. Tenderers were provided Council's Conditions of Tendering. These conditions state that canvassing of Councillors by any tenderer on any matter relating to the tender will result in automatic disqualification.

### **Time Frame**

21. The approved timeline is for the period from September 2007 to September 2012. Conditions of the three year contract include an option to extend the contract for a further two year period.

### **Relation to Council Policy**

22. Council aims to deliver quality services that are responsive to business and community expectations, demonstrably cost-effective and subject to public accountability. Council is committed to delivering its services equitably and in a way that meets customer needs, minimises costs and recognises Council accountability.

### **Finance**

23. In relation to New Years Eve 2006, Council paid a total of \$806,500 ex GST to P & R Events Australia for management of the event. This figure included the provision of Operations and Logistics Services.
24. Operations and Logistics for Moomba Waterfest in 2007 were provided by Momentum Events Management at a cost of \$226,000.
25. In 2007-08, the budget for New Years Eve is a net Council contribution of \$689,055 taking into account budgeted sponsorship revenue for the event.
26. In 2007-08, the budget for Moomba Waterfest is a net Council contribution of \$1,422,357 taking into account budgeted revenue for the event, and excluding employee costs.
27. As identified above council has provided a funding allocation in 2007-08 for these two events. Expenditure associated with acceptance of the recommended tender is within the 2007-08 budget allocation provided by Council.

### **Legal**

28. When Council intends to enter into a contract for the purchase of goods and services or the carrying out of works valued at \$100,000 or more, section 186 of the Act imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

### **Sustainability**

29. Refer to Attachment No. 2 – Sustainability Assessment – New Years Eve / Moomba Waterfest Operations and Logistics.

### **Comments**

30. Moomba Waterfest and New Years Eve are Melbourne's two largest free public events and have a very high profile.
31. The New Years Eve and Moomba Waterfest events have grown in stature and reputation over the past four years. Public, community and political expectations surrounding the event are at an all time high.
32. The scale of the Moomba Waterfest and New Years Eve events are second only to events such as the Grand Prix and Spring Racing Carnival in terms of complexity.
33. Contractors within the events industry vary significantly in relation to proven experience, risk management and capability. Contractors can therefore use inferior sub-contractors and suppliers and the cheapest options do not necessarily provide Council with the best outcome.

## Background

### Current Arrangements

34. The current contracts have expired for both events and new contracts are required.
35. Previously P & R Events Australia were contracted to Council to deliver total event management services for New Years Eve from 2004 – 2006 which included management of the Operations and Logistics elements of the event. Momentum Events Australia were contracted by Council to provide those services to the Moomba Waterfest event from 2003 – 2007.
36. New Years Eve and Moomba Waterfest are owned and fully funded by the City of Melbourne. This program of free events holds a special place in Melbourne's cultural life. It presents a unique focus on Melbourne's magnificent waterways, parks and gardens.
37. Attendance across both events has been increasing annually. In 2006/7 New Years Eve attracted a record 500,000 people and in 2007, a total of 900,000 people attended Moomba Waterfest.

### Rationale for putting out to tender

38. A Best Value Contract Review confirmed that the best method of obtaining the services is to purchase them from a Service Provider.

### Expected Outcomes

39. The key deliverables in the planning, management and delivery of the Operations and Logistics infrastructure overlay includes:
    - 39.1. project planning of the operations and logistics elements of the events;
    - 39.2. preparation of an Event Plan;
    - 39.3. obtain all relevant permits and approvals associated with the event from organisations such as Public Authorities A-Team, Work Cover etc;
    - 39.4. management of all sub-contractors delivering services for the operations and logistics elements of the events;
    - 39.5. financial management of the operations and logistics elements of the events;
    - 39.6. attend regular Work in Progress meetings with Council's Contract Manager and other event planning meetings as required;
    - 39.7. project delivery of the operations and logistics elements of the events;
    - 39.8. submission of reports including WIP reports and Acquittal report; and
    - 39.9. consideration of a business continuity plan including Pandemic Plans.
  40. The desired outcome is to achieve best value for Council and deliver a high quality operational and logistics overlay for a set management fee over three (3) years.
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### Attachments:

1. Tender Evaluation Summary Worksheet – New Years Eve / Moomba Waterfest Operations and Logistics
2. Sustainability Assessment – New Years Eve / Moomba Waterfest Operations and Logistic



## TENDER EVALUATION SUMMARY WORKSHEET

**Contract Name:** New Year's Eve / Moomba Waterfest Operations and Logistics  
**Contract No.** 3341

Insert Highest Possible Score (required to automatically calculate weighted score) **10**

Evaluation Criteria	Weight	Hyder Consulting		Event Intelligence		Momentum Event Management		Strut & Fret Production House		P&R Events Australia	
		Score	Wghtd Score	Score	Wghtd Score	Score	Wghtd Score	Score	Wghtd Score	Score	Wghtd Score
Cost	50	5	25.00	10	50.00	6	28.50	7	36.50	8	37.50
Experience and Capability	30	7	20.40	3	9.00	8	24.00	7	19.50	8	24.00
Plan for Proposed Services	20	7	13.60	5	10.00	9	17.00	6	12.00	7	14.00
<b>TOTAL</b>	<b>100</b>		<b>59.00</b>		<b>69.00</b>		<b>69.50</b>		<b>68.00</b>		<b>75.50</b>
<b>TENDERER RANKING</b>											
		<b>5</b>		<b>3</b>		<b>2</b>		<b>4</b>		<b>1</b>	

## **Sustainability Assessment**

### **Tender Evaluation Report: New Years Eve / Moomba Waterfest Operations and Logistics**

#### **Theme: Inclusiveness and engagement**

##### **Living in Melbourne**

What effect will the proposal have on the quality, quantity and accessibility of; education, leisure, cultural, sports and other community services?

##### **Comments:**

Both Moomba Waterfest and New Years Eve celebrations are free to the public events. They provide a safe accessible and inviting environment for families to experience a range of cultural performances, activities and excitement.

##### **Heritage**

What effect will the proposal have on the cultural heritage of Melbourne's neighbourhoods and buildings?

##### **Comments:**

Both these events take particular care to highlight the cultural heritage of Melbourne. Moomba Waterfest by showcasing a range of community groups who make up the fabric of the Melbourne community. And New Years Eve by developing brand loyalty to the Melbourne CBD and providing an opportunity for families to share a celebration of life in Melbourne.

#### **Theme: Connection and accessibility**

##### **Transport**

What effect will the proposal have on the: a) level of public transport and b) number of transport options/connections with the City of Melbourne?

##### **Comments:**

Both these events make significant use of public transport to move very large numbers of patron. New Years Eve, in particular, provides free public transport throughout the event period. This is designed to leave a legacy of increased use of public transport as a result of the positive experience on the night.

#### **Theme: Inclusiveness and engagement**

##### **Safety**

What effect will the proposal have on the safety and amenity of the public environment, eg streets, laneways, parks and gardens?

##### **Comments:**

During both events large numbers of additional wardens, contract security and police are coordinated throughout the city environs. Extensive pedestrian management and public safety plans are implemented. These plans form the basis for other events to replicate thus leaving an operational legacy to the City. Anecdotal evidence suggests that the safest time to be on the streets of Melbourne, especially at night, is during these events.



**Theme: Environmental responsibility**

**Resource Consumption**

What effect will the proposal have on: a) energy consumption b) water consumption c) stormwater quality d) biodiversity of flora and or fauna

**Impact:** unknown **Likelihood:** low **Magnitude:** minimum

**Comments:**

The vast majority of environmental impacts caused by these two events are simply a transfer of impact from suburban Melbourne to the CBD. A range of event sustainability initiatives are implemented to minimise the use of water and power as well as extensive use of waste wise practices to divert waste from landfill. Both events have waste wise accreditation and assist in educating the community in environmentally sensitive initiatives including; use of public transport, recycling and reduced use of water.

While fireworks do have an impact on local fauna, an extensive education campaign is incorporated in the marketing strategy for pet owners as to how to minimise the impact on their pets. Staging of fireworks also takes into consideration the existing wildlife within the city's parks and gardens by concentrating firing sites in locations that minimise impact. Wildlife rescue volunteers are also in attendance to deal with any specific incidents. The long history and frequency of these types of events has not appeared to have a detrimental impact on the numbers or biodiversity of wildlife within the City's parks and gardens.

Casings of fireworks are designed to leave minimal waste and many are made from recycled materials.

**Theme: Innovation and business vitality**

**Business Melbourne**

What effect will the proposal have on; a) the number and type of jobs? b) business investment? c) access to services? d) visitors to the city?

**Comments:**

Both Moomba Waterfest and New Years Eve celebrations provide significant employment for individuals working in the event supply industry. Several thousand individuals are directly employed by the events in roles as diverse as catering, amusements, marketing, contract security, cleaning & waste, performers, hire equipment and technical services. In addition over 1,400,000 patrons come into the CBD, many of whom take the opportunity to shop and dine in city establishments.

**Theme: Environmental responsibility**

**Waste Management**

How will the issue raise or lower; a) residential quantities of waste to landfill? b) commercial quantities of waste to landfill? c) recycling rates?

**Impact:** positive **Likelihood:** high **Magnitude:** moderate

**Comments:**

The conduct of these events increases the cleaning effort applied to the venues used for these events. Additional staff and operational resources are applied to the sites and as the events are Waste Wise accredited they have a level of scrutiny and effort than is normal allocated to diverting waste streams from landfill and other contamination areas. Specific details are contained in the debrief reports of these events.

**Theme: Well managed and leading corporation**

**Staff & Contractors**

How will the issue influence; a) health and wellbeing? b) annual staff turnover? c) employee satisfaction? d) the behaviour of contractors working on behalf of the City?

**Comments:**

Both Moomba Waterfest and New Years Eve celebrate life in Melbourne. They assist in building comrade amongst the population and can help break down cultural differences and intolerance. This is replicated in staff and contractors who have the opportunity to contribute to a very public and well regarded events program.

**Theme: Connection and accessibility**

**Communications Infrastructure**

What effect will the proposal have on Melbourne's information technology and telecommunications infrastructure?

**Comments:**

Not Applicable

**Theme: Financially responsible corporation**

**Finance**

How will the issue affect the return on Council's investment portfolio?

**Comments:**

These events showcase Melbourne to the broader community and throughout Australia. The opportunity for businesses and other organisations to seek partnerships with the City of Melbourne are greatly enhanced by the profile generated by these events.

**Financial Targets**

How will the issue require a variation to the annual financial targets?

**Comments:**

Not applicable

**Theme: Well managed and leading corporation**

**Performance management**

Will the project be monitored? a) what system will be used? b) Will it be reported internally or externally, or both? c) Is the deliverable listed in your business plan?

**Comments:**

Both Moomba Waterfest and New Years Eve are significant events that are listed in the Events Melbourne Business Plan. Extensive operational plans are developed and implemented to ensure the successful delivery of these events. These plans incorporate adherence to world best practices and in many instances are at the cutting edge of efficient, safe and effective event management. Comprehensive reporting processes are undertaken and extensive acquittal reports are prepared for senior management and Council.

**Partnership**

If the project is collaborative; a) which other agencies are participating? b) Which other divisions or branches are participating? c) Is the partnership formal? d) Is the partnership integral to the success of the project?

**Comments:**

Partnerships with both internal Branches within the City of Melbourne together with external suppliers, public authorities and sponsors provide enormous opportunities to form long lasting relationships of mutual benefit to all involved. These partnerships are essential to the successful delivery of these events.

**Organisation development (Courage)**

How does this issue change the way we normally do things?

**Comments:**

Events of this nature have been instrumental in influencing community behaviour. In areas including use of public transport, recycling, minimising water usage, understanding different cultures reducing crime and a range of other social behaviours both Moomba Waterfest and New Years Eve celebrations have contributed to influencing behavioural change.

**Organisation Development (Integrity)**

Does the issue support decisions made by Council and if so how?

**Comments:**

These events are a public manifestation of Council's commitment to the community by providing an accessible, affordable celebration of Melbourne's cultural diversity.

**Organisation development (Respect)**

How does this issue consider other perspectives, contributions and circumstances?

**Comments:**

Both Moomba Waterfest and New Years Eve have programs that are developed around the differing needs of various sectors of the community. All ages, ethnic backgrounds and social groups are considered in the delivery of these events.

**Organisation development (Excellence)**

What are the special elements of the issue and how could these be improved?

**Comments:**

Moomba Waterfest and New Years Eve are the largest annual free to the public events in Australia.

**FINANCE ATTACHMENT**

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**TENDER EVALUATION REPORT: NEW YEARS EVE / MOOMBA WATERFEST  
OPERATIONS AND LOGISTICS**

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The total Events Branch Budget \$7.555 million includes provision for the New Years Eve and Melbourne Waterfest events.

**Joe Groher**  
Manager Financial Services

**LEGAL ATTACHMENT**

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**TENDER EVALUATION REPORT: NEW YEARS EVE / MOOMBA WATERFEST  
OPERATIONS AND LOGISTICS**

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When Council intends to enter into a contract for the purchase of goods and services valued at \$100,000 or more, section 186 of the *Local Government Act* 1989 (“the Act”) imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Where a Council seeks expressions of interest, the Council must, when ready to enter into the contract, invite tenders from some or all of those who registered their interest in undertaking the contract.

The Act does not require Council to accept the lowest tender.

**Kim Wood**  
Manager Legal Services