The matter of the agenda item being a tender for the provision of services pursuant to Section 90(3)(k) of the Local Government Act 1999 ("the Act") being information that must be considered in confidence in order to ensure that commercial in confidence information is not divulged and Council does not disclose information which may prejudice the outcome of the tender or future tenders.

There is strong public interest in enabling members of the public to observe Council’s transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public expenditure, facilitate participation, assist public awareness and allow for the scrutiny of information. Attendance at a Council meeting is one means of satisfying this interest. The public will only be excluded from a Council meeting when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision making.

In this matter, the reasons that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest are that:

- The disclosure would unreasonably expose commercial in confidence information provided by tenderers through the tender process for the upgrade works to the Barossa Visitor Centre and Tanunda Library and the Council report, attachments, and associated document; and
- The disclosure would give an unfair advantage to a person with whom Council proposes to do business.
On balance, the above reasons which support the need for confidentiality pursuant to Section 90(2) of the Act outweigh the factors in favour of the public interest of open decision making.

**RECOMMENDATION**

That Council:

(1) Under the provisions of Section 90(2) of the Local Government Act 1999 an order be made that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director Corporate and Community Services, Director Development and Environmental Services, Director Works and Engineering Services, Manager Tourism Services, Manager Customer, Library and Heritage Services and the Minute Secretary, in order to consider in confidence a report relating to Section 90(3)(k) of the Local Government Act 1999 relating to the receiving, reviewing and assessing Barossa Visitor Centre/Tanunda Library - Tender for Upgrade Works, being information that must be considered in confidence in order to ensure that Council does not disclose information relating to tenders for the supply of goods, the provision of services or the carrying out of works; and

(2) Accordingly, on this basis, Council is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential to prevent the unreasonable exposure of commercial in confidence information provided by tenderers through the tender process and the Council report, attachments and associated documents and to prevent an unfair advantage to a person with whom Council proposes to do business.
8.2 CONFIDENTIAL AGENDA – MANAGER TOURISM SERVICES/ MANAGER CUSTOMER, LIBRARY AND HERITAGE SERVICES

8.2.1 BAROSSA VISITOR CENTRE/TANUNDA LIBRARY – TENDER FOR UPGRADE WORKS - T0093-2018
Author: Manager Tourism Services and Manager Customer, Library and Heritage Services

PURPOSE
This report seeks Council approval for the awarding of the tender for the delivery of works for the Barossa Visitor Centre/Tanunda Library Upgrade. The scope of works sought was for improvement of the Barossa Visitor Centre experiences and services with the objective to evolve to a more contemporary model. The project is joint funded with Council through the Australian Government Export and Regional Wine Support Program and the International Wine Tourism Competitive Grant which was awarded in July 2018.

RECOMMENDATION
That Council:

(1) Having considered the Tender Evaluation Report for the Tender for Barossa Visitor Centre/Tanunda Library Upgrade Works, awards the contract for the construction component of works to G Force Building and Consulting on the basis that it represents best value for money.

(2) Approves the tendered amount of $194,540 (ex GST).

(3) Approves $84,412 (ex GST) extra unbudgeted funding as a 3rd quarter budget adjustment and addition to the base budget noting there is no scope for these funds to be allocated from existing, alternative budget lines. This amount is in addition to the $135,000 (ex GST) approved project funding (comprising $81,000 Council and partner commitments and $54,000 Grant funds).

(4) Notes that the total project cost is $219,412 (ex GST) with the $24,872 difference over and above the cost identified in (2) & (3) above being the project contingency and non-construction related fittings.

(5) Having considered this matter in confidence under Section 90(2) of the Local Government Act 1999, makes an order pursuant to Section 91(7), that the minutes, agenda report and all attachments and associated documents in relation to Confidential Council meeting held on 19 March 2019 in relation to item 8.2.1 and titled “Barossa Visitor Centre/ Tanunda Library Upgrade Works – T0093-2018” other than the Minutes relating to the identity of the successful tenderer [Item (1)] and this confidentiality order, be kept confidential and not available for public inspection until the end of the Barossa Visitor Centre/
Tanunda Library Upgrade works – T0093-2018 and that the Chief Executive Officer be delegated the power to review and revoke this order.

(6) Authorise the Chief Executive Officer to release information relating to the tender in accordance with Section 91(8)(b) and 91(8)(ba) of the Local Government Act.

REPORT

Background
In March 2018, Council gave approval for officers to make a grant application to the Australian Government Export and Regional Wine Support Package program for International Wine Tourism Competitive Grant Funding for $54,000, with matched funding of $70,000 (excluding GST) in the 2018/19 Budget. Barossa Grape and Wine Association also committed an additional $10,000 and Tourism Barossa $1,000 to make up the consortium to deliver the $135,000 project (excluding GST).

In July 2018, Council was successful in being awarded the $54,000 grant from Wine Australia to deliver a number of initiatives identified to ensure the Visitor Centre services and facilities remain relevant into the future and continue to drive visitor spend and yield – particularly from international markets.

A full brief was developed by Officers taking on board latest trends and recommendations for visitor servicing models into the future. Following a Request for Quote process, Studio S2 Architects was engaged to develop detailed designs for the Centre (refer Attachment 1).

Key initiatives in the upgrade include:
- Increasing street profile and capturing of Tanunda foot traffic to drive visitation - swapping the Barossa Visitor Centre and Tanunda Library spaces and reopening the Murray Street entrance door to increase visibility and direct access from the footpath (NB: current Visitor Centre access off the gardens/square also to be maintained).
- “Apple Store” approach to customer service ie Introduction of smaller concierge/welcome desks to alleviate congestion and noise levels at the main counter and to resolve circulation, access and WHS issues. Booking pods to enable quick conversion of enquires to a sale.
- Improved Story-telling and educational information for visitors on the unique history of winemaking, food and culture of the region, complemented by the use of technology, including video walls and themed displays.
- Barossa Wine Display / learning experience - incorporating the Barossa Chapters and the Barossa Grounds Project – highlighting and communicating the unique characteristics and influencers of Barossa Shiraz (soil, climate, topography) and the sub-regions of the Barossa.
- Creating an experience and vibrancy in the Centre and enticing visitor dispersal and spend throughout the region - via introduction of a ‘Makers Table’ and pop out wine bar inviting operators, producers, winemakers and artists into the Centre for hands on demonstrations, tastings and events.
- Implementation of the newly adopted Barossa Brand through visuals and signage (internal, external plus entrance/welcome signage) to be more visually appealing/inspiring and to ensure professional and consistent messaging.
- Language translations of key information to better service international guests – particularly Chinese market.
Commercialisation opportunities that expand revenue - Increase exposure and range of the Centre’s retail offering supporting local producers - food, art, craft (must meet Barossa Made criteria) and Merchandise that supports the newly adopted Barossa Brand.

The plans also allow for refreshed flexible library spaces – for continuation of library services and programs.

Detailed designs were finalised and Council underwent a Select Tender process to carry out the building works of the project.

Discussion

The Tender was released on the 22 November 2018 to a selection of four builders (two local based builders and two Adelaide based builders) and closed on Tuesday 11 December 2018.

Three tenders were received and assessed in accordance with Council’s Procurement, Sourcing and Selection Process by a tender Evaluation Panel consisting of:

- Joanne Thomas, Director Corporate and Community Services
- Joanne Seabrook, Manager Tourism Services
- Tania Paull, Manager Customer, Library and Heritage Services

A Tender Evaluation Report (refer Attachment 2), has been prepared summarising the Evaluation Panel’s assessment of compliance with pre-qualification criteria and evaluation of qualitative criteria using a weighted scoring system as follows:

- WH&S & Risk Management 15%
- Local Economic Benefit and Social Inclusion 5%
- Organisation Structure, Facilities and Resources 10%
- Experience 50%
- Implementation Schedule 20%

Detailed analysis of the Evaluation Panel’s assessment of the Tenderers against the above criteria and justification for the allocation of scores is provided within the Tender Evaluation Report.

All Tenders came in significantly over the $135,000 construction budget component of approved funds. A review of the budget was undertaken to ascertain the difference between the project budget and the proposed contract amount and possible reasons behind the discrepancy. These include:

- JBG Architects were engaged in February 2017 to develop conceptual design plan and budget estimations. This pricing is now two years old.
- JBG’s budget estimation did not include a contingency component (this has since been added into project costings).
- Studio S2 Architects detailed designs include more substantial and bespoke joinery to match existing ‘Barossa Food’ display.
- Studio S2 Architects plans incorporate new features including Barossa Wine Library, pop-out wine bar utilising existing barn doors and servery window.

A value management exercise followed in the effort to reduce pricing whilst carefully retaining key project deliverables. This included adjustment of the joinery requirements, limiting the scope of painting, deletion of some electrical scope and ceiling works. In addition, a reduction of some Library furniture and shelving to reuse existing. All Tenderers were asked to resubmit pricing based on changes by 9 January 2019.
The value management exercise reduced resubmitted Tender pricing by all three tenders from between 6% and 48% and the Tender Evaluation Matrix was updated.

**Summary and Conclusion**

Based on the evaluation and the final pricing, G Force Builders and Consultants are considered the overall preferred supplier. Although the recommended pricing has been reduced by 48% via the value management exercise, the total cost is still $84,412 over the project budgeted amount of $135,000 for the base construction. This is in addition to funds that were already allocated within the Visitor Centre and Library operational budgets for items such as furniture renewal and some components of the IT requirements.

As per section 4.5.2 of Council’s Budget and Business Plan and Review Policy, the financial impact considerations of this additional funding are set out in the Financial Management Considerations below and in an updated Due Diligence Report (refer Attachment 3).

There is opportunity to reduce scope of the project to further reduce costs, but this would impact key project deliverables and potentially, Council’s grant funding agreement with Wine Australia.

The Barossa Visitor Centre has established itself as one of the best in Australia for several years; however in order to remain relevant and valued into the future and deliver continued economic tourism benefits to our region, Council needs to keep evolving its service offer and the visual amenity of the space. The facility is subject to significant foot traffic (circa 130,000 per annum) and notwithstanding the objective of achieving the grant outcomes, is showing signs of wear and tear from the use it receives. It is now approaching 10 years since the previous refurbishment works and there has been no significant maintenance investment in the internal fabric of the building during that period. The swapping of the Visitor Centre and Library spaces will also enhance the amenity of the Library elements of the facility.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment 1: Barossa Visitor Centre/Tanunda Library - Detailed Designs HPE Ref: 18/87644
Attachment 2: Tender Evaluation Report HPE Ref: 19/14664 and 19/14993
Attachment 3: Due Diligence Updated Report HPE Ref: 19/14908

**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

Community Plan

- Natural Environment and Built Heritage
- Community and Culture
- Infrastructure
- Business and Employment

1.3 Ensure environmental and agricultural sustainability and historic significance of the region is retained.
1.5 Provide support and advice to preserve properties and sites which have historic significance.
2.1 Initiate and support activities which encourage participation and pride in the Barossa Council area.
2.2 Support the development of activities that celebrate the history and culture of the Barossa and its people.
2.6 Support a vibrant and growing arts, cultural, heritage and events sector.
3.5 Advocate for and seek out funding opportunities that support the development of community, health and other facilities and infrastructure from both state and federal government.
5.3 Help build the capacity of the tourism sector and encourage the development of tourist services, including eco and recreational tourism infrastructure.
5.6 Participate in main-street programs that strengthen the retail and hospitality sector.
5.13 Support economic development through events.

Corporate Plan
1.2 Work toward developing township streetscapes, entrances and open spaces that are attractive, welcoming and maintained to an agreed level of service.
1.4 Facilitate innovative and sustainable preservation and use of built heritage.
2.1 Deliver sound community infrastructure and public space planning activities which incorporate place-making principles and take into account the future needs of the community.
2.2 Collect, maintain and make accessible our Aboriginal heritage, and the history and heritage of our community.
2.6 Provide, promote and support community arts and cultural events, programs, attractions and services.
2.7 Provide library services and cultural spaces that are places for learning, participation, innovation, creativity and well-being for the community.
3.2 Ensure Council’s parks, gardens and playgrounds are accessible, relevant, and safe and maintained to an agreed level of service.
3.9 Ensure Council facilities and assets are accessible, safe and maintained to an agreed level of service.
3.11 Advocate for the allocation of State and Federal funding to maintain and invest in infrastructure within our region.
5.1 Provide visitor information services through the visitor information centre and associated activities of Council.
5.3 Support Barossa regional branding in our tourism activities and product.
5.4 Participate in initiatives, or advocate for, investment in creative industries and cultural tourism.

Legislative Requirements
This procurement activity complies with section 49 of the Local Government Act 1999 and The Barossa Council’s Procurement Policy.

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial Management Considerations
There is no capacity to fund the additional $84,412 from existing budget allocations. This needs to be funded as a 3rd Quarter adjustment to operational expenditure. All the expenditure is operating rather than capital as Council is not the owner of the building.

As per the requirements of Council’s Budget & Business Plan and Review Policy and Prudential Management Policy, the original New Initiative (NI), Due Diligence Report and Bid Analysis Tool (BAT) has been reviewed taking into account the additions on
this project. Checking whole of life costs, a BAT score of 74 applies and noting with the 18/19 budget process, the lowest approved NI had a BAT score of 46.

Should Council approve this recommendation, a budget adjustment will be completed to assign an additional $84,412 ex GST to operating expenditure.

As Council’s 19/20 LTFP did not provide for “Discretionary budget” there is no funding to bring forward into 18/19. The additional cash will then be taken from Council’s existing cash and investments and the financial position checked with the next Budget update due as at 31 March 2019.

At the February 2019 meeting, Council adopted the Mid-year Budget review 2018/19 where Council’s Financial sustainability and the Key Performance Indicators were checked against adopted target ranges.

The effect with the additional expenditure shows the KPI’s are within Council’s adopted target ranges; the first % is the Mid-Year Budget review results and the second % with the $84,412 expenditure, as follows:

Operating Surplus Ratio - reducing from 0.5% to 0.25%, Net Financial Liabilities Ratio - increasing from 34.1% to 34.3% and Asset Sustainability Ratio - 3 year average - unchanged at 83%

Un-spent existing budget allocations from both Visitor Centre and Library 18/19 (and already identified for allocation to this project from operational budgets) are pending the progression of this project.

Resource Considerations
Project management and implementation will be managed by existing officer resources.

Risk Management Considerations
Should the additional $84,412 not be funded, Council may not be able to meet key grant deliverables as outlined in the grant agreement with Wine Australia and risk losing the grant or assessing whether the funding should be returned with the commensurate potential impact on Council’s reputation and the delivery of visitor services overtime through the facility.

Should a compromised agreement be negotiated with Wine Australia, the deliverables will be reduced, and Council may not be able to continue to transition services to future visitor requirements to the extent envisaged.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy. Detailed Consultation with a range of stakeholders has already been undertaken in the development of the project brief to date and plans displayed in the Visitor Centre.
OUT OF CONFIDENCE

NOTE REFER TO JOINERY
DRAWINGS FOR CONTROLS
AND POWER REQUIREMENTS
TO JOINERY UNITS

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DRAWINGS FOR CONTROLS
AND POWER REQUIREMENTS
TO JOINERY UNITS
THE BAROSSA COUNCIL
TENDER EVALUATION PANEL REPORT
INTERNAL WORKING DOCUMENT

TENDER NO:  T0093-2018
TENDER NAME:  Barossa Visitor Centre and Tanunda Library Internal Upgrade
TENDER TYPE:  ☒ Open    ☐ Select
TENDER RELEASE DATE:  22/11/2018
TENDER CLOSE DATE:  3.00pm Monday 10 December 2018
TENDER CONTACT OFFICER:  Jo Seabrook

1. DESCRIPTION OF TENDER

1.1 Purpose

Barossa Visitor Centre and Tanunda Library internal fitout and upgrade is designed to improve the Barossa Visitor Centre (BVC) experience, ensuring it is relevant and meeting demands of visitors to the region now and into the future. The overall aim is to educate visitors on the region in such a way that they will be inspired to stay longer and spend more, therefore generating increased investment in the region.

An International Wine Tourism Grant has been received to deliver on the $135,000 project. The objective of the program is to grow the number of/ spend of international spend is to the region.

1.2 Scope

Visitor Centre and Library internal alterations and renovation:
- demolition of reception desk, installation of service pods and concierge desk
- installation of new lighting, signage, floor coverings and painting to make good.
• installation of visitor experience area including video collateral and media wall
• installation of the ‘Barossa Makers’ table, Barossa Chapters terroir experience area, expansion of ‘Barossa Made’ gift shop area and merchandise joinery.
• Installation of barn door window and bench

BVC outdoor alterations, renovation and installation:
• visitor WiFi and personal electronic device charging station
• opening of the currently closed Murray Street footpath entrance

Library relocation
• electrical works for library service pod and computer desks
• joinery for public computer desk and display stands
• painting to make good

1.3 Type of Contract/Agreement to be Executed

A Works Agreement will be executed with the successful tenderer.

1.4 Term of Contract/Agreement

To be negotiated on approval of additional funding.

1.5 Budget clarification

• Existing approved construction base budget: $135,000 ex GST 2018/19
• Required recommended adjusted construction base budget to undertake project $194,540 ex GST.
• Non construction tender fitting budget items: $24,872 ex GST
• An additional $84,412 ex GST is required pending approval.

2. EVALUATION PANEL

In accordance with Council’s Procurement Planning, Sourcing and Selection Process; a Tender Evaluation Panel was formed to evaluate submitted tenders. The Panel consisted of:

• Joanne Thomas Director, Corporate and Community Services
• Jo Seabrook Manager, Tourism Services
• Tania Paull Manager Library, Customer and Heritage Services;

3. TENDERS RECEIVED AND PREQUALIFICATION ASSESSMENT

3.1 Three tenders were received by the closing time/date of 3:00 pm (Adelaide Time) Monday 10 December 2018. A site inspection was
included during the tender preparation period.

The table below sets out a list of tenders and details whether the tender was conforming.

3.2 Conforming Tender

The tenderers were assessed for compliance with the following pre-qualification criteria:
1. Tender Form – Formal offer/Declaration (Schedule 1)
2. Tenderer’s Details (Schedule 2)
3. Financial Capacity (Schedule 3)
4. Certification (Schedule 4)
5. WH&S (Schedule 5)
6. Local Economic Benefit and Social Inclusion (Schedule 6)
7. Industrial Relations Record (Schedule 7)
8. Conflict of Interest (Schedule 8)
9. Referees (Schedule 9)
10. Organisation Structure, Facilities & Resources (Schedule 10)
11. Experience & Timeframe (Schedule 11)
12. Implementation Schedule & Transition Plan (Schedule 12)
13. Value Added Services & Innovation (Schedule 13)
14. Warranty (Schedule 14)
15. Pricing (Schedule 15)
16. Statement of Conformity (Schedule 16)

Compliance with pre-qualification criteria was assessed on a ‘yes/no’ basis, with a ‘no response’ across multiple criteria (or a non-negotiable criteria such as a licence to do the required work) considered a non-conforming tender and excluding the tenderer from further evaluation. However a potential Supplier may still proceed to further evaluation if their non-conformance is assessed as being in relation to items that are insufficient/immaterial in terms of the risk represented to Council to exclude them at this point of the assessment.

<table>
<thead>
<tr>
<th>TENDERER</th>
<th>CONFORMING TENDER (YES/NO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-Force</td>
<td>YES</td>
</tr>
<tr>
<td>GC&amp;J Constructions</td>
<td>YES</td>
</tr>
</tbody>
</table>
4. EVALUATION CRITERIA

The tenders were also evaluated according to the following qualitative criteria and associated weightings: eg

- WHS & Risk Management (Schedule 5) – 15%
- Local Economic Benefit & Social inclusion (Schedule 7) – 5%
- Organisational Structure, Facilities & Resources (Schedule 10) – 10%
- Experience (Schedule 11) – 50%
- Implementation Schedule and Transition Plan (Schedule 14) – 20%

The criteria were listed and described in the tender documents as the criteria, and weightings that would be used for tender evaluation purposes.

5. EVALUATION METHODOLOGY

An evaluation of tender responses against the above criteria was conducted based on a weighted scoring system using Council’s standard Tender Evaluation Matrix. Point scores were allocated from 0 to 5 on the following basis:

<table>
<thead>
<tr>
<th>POINTS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Excellent</td>
</tr>
<tr>
<td>4</td>
<td>Very Good</td>
</tr>
<tr>
<td>3</td>
<td>Good or better than average</td>
</tr>
<tr>
<td>2</td>
<td>Acceptable</td>
</tr>
<tr>
<td>1</td>
<td>Marginally adequate</td>
</tr>
<tr>
<td>0</td>
<td>Will fail to satisfy required standards</td>
</tr>
</tbody>
</table>

Allocation of an appropriate score was informed by the tenderers’ provision of relevant information/evidence in relation to, but not necessarily limited to, the following factors for each of the nominated evaluation criteria:

**Financial Capability** – Financial capacity to undertake the service.

**Work Health & Safety and Risk Management** – Commitment, Programmes & Procedures.

**Quality of Service** – Principles of Quality Assurance, contracts performed under its QA system.
**Organisation Structure, Facilities & Resources** – Management Skills, technical Experience, organization structure, plant, equipment, are they using subcontractors and contingency arrangements.

**Experience** – How many years undertaking this work, any termination of projects, current contracts, other commitments, other Council experience.

**Customer Service Plan** – Ability to manage complaints, procedures, leaflets to be used.

**Implementation Schedule & Transition Plan** – Timeline and activities project plan, minimize disruption, information leaflets.

**Value Added Service** – Any other benefits to improve level of service or value.

**Improvement & Innovation** – Any ideas or systems proposed for improved performance.

**Local Economic Benefit & Social Inclusion** – Employment creation and training opportunities, and where staff, subcontractors, equipment and materials are sourced.

**Value for Money** – assessment of price is based on the formula, Price x Multiplication Factor of 100.

### 6. EVALUATION RESULTS SUMMARY

The overall results of the tender evaluation, in terms of ranked order by score based on the original and amended scope and criteria, are summarised below.

<table>
<thead>
<tr>
<th>RANK</th>
<th>TENDERER</th>
<th>Original Price (ex GST)</th>
<th>Value Managed Price (ex GST)</th>
<th>SCORE Based on adjusted pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>G-Force</td>
<td>$376,410</td>
<td>$194,540</td>
<td>355</td>
</tr>
<tr>
<td>2</td>
<td>Juncken Builders</td>
<td>$268,250</td>
<td>$218,670</td>
<td>275</td>
</tr>
<tr>
<td>3</td>
<td>GC&amp;J Constructions</td>
<td>$335,000</td>
<td>$314,725</td>
<td>275</td>
</tr>
</tbody>
</table>
7. SUMMARY ANALYSIS FOR EACH TENDERER

7.1 G-Force
Responses well documented. Evidence of quality systems & WHS, workmanship, high quality joinery projects. Recent experience in visitor centre, cellar door and hospitality projects with a contemporary look. A good fit for the project objectives. Can meet timeframe around 12 weeks and provided and the lowest cost.

7.3 Juncken Builders
Limited detail for the information provided on specification item. Panel contractor, previous qualification information provided. Concern about contingency capability, understood to be busy. Understands the location and service and has high local knowledge. No programme details were provided and no breakdown of costs provided.

Officers in consultation with the CEO determined that whilst full details had not been provided, it was appropriate to enable the local provider quote to be fully understood and interrogated. In the first round of assessment it was the lowest quote but as no breakdown was provided it was not possible to ensure a like for like cost had been given.

7.2 GC & J Constructions
Sound submission. Programme extended to 6 months because they have split either side of Vintage. Can be worked around. Recent projects schools and less retail fit out projects. Highest cost.

8. ISSUES OF CONCERN

The following issues of concern were identified and addressed in the evaluation.

All Tenders came in significantly over the $135,000 base construction budget. A review of the budget was undertaken to ascertain the difference between the project budget and the proposed contract amount and possible reasons behind the discrepancy. These include:

- JBG Architects were engaged February 2017 to develop conceptual design plan and budget estimations. This pricing is now 2 years old.
- JBG’s budget estimation did not include a contingency component (this has since been added into project costings at 5%).
- Studio S2 Architects detailed designs include more substantial and bespoke joinery to match existing ‘Barossa Food’ display.
- Studio S2 Architects plans include new features including Barossa Wine Library, pop-out wine bar utilising existing barn doors and servery window.
A value management exercise followed in the effort to reduce pricing whilst carefully retaining key project deliverables. This included adjustment to reduce the bespoke nature of the joinery requirements, review and reduction of painting requirements, deletion of non-essential electrical scope and ceiling works. In addition, a reduction of Library furniture and shelving to reuse existing.

9. TENDER CLARIFICATION SOUGHT

All Tenderers were asked to resubmit pricing on 20 December 2018 and respond by 9 January 2019. (Schedule 15 & 12)

Amended plans and scope reduction for re-quoting of the job (Schedule 15 – Pricing). Including:

1. Substitute all vinyl for carpet tiles Signature Flooring Verve Spirit 300.
3. Limit painting to make good and
   a. Re-paint only to wall surrounding cellar and library ramp.
   b. New paint to new partitions only.
   c. No painting to plywood & hardwood trim and wall linings.
4. Delete all electrical scope except
   a. power, phone and data to new workstations and booking desks, ipad stations, digital screens and photocopier, point of sale if existing not sufficient
   b. power to Barossa food stand,
   c. relocate suspended ceiling lights.
5. Delete all light boxes. Provide blank black panel.
6. Delete all ceiling works except make good.

Clarify Implementation Schedule, Transition Plan and Timeframe:

Site works to start from 29 April 2019 (after the Barossa Vintage Festival). We suggest closing the current Library section (where most of the detailed work is to be done) for an extended period and keeping minimal impact as possible to the Visitor Centre Services. (Schedule 12 – Implementation Schedule, Transition Plan and Timeframe). Retain book drop off services.

Responses were received by all 3 tenderers.

Detailed pricing was provided by all tenderers so that all tenders could be compared. In addition the proposed shade sail to the outdoor area was removed.
from the pricing. The value management exercise reduced Tender pricing by all three tenders and the Tender Evaluation Matrix was updated.

10. **NEGOTIATION OUTCOMES**

Revised tender responses were received and all had reduced pricing. Further scope changes were made including:
- Removal of outside shade sail, which can add in later years.

G-Force provided the best score and base construction scope price of $194,540 ex GST, due to the removal of bespoke joinery replaced with standard shop quality fittings and removal of shade sail.

10.1 Cost Impact (all figures ex GST)

<table>
<thead>
<tr>
<th>Comparison of final tendered value to current spend/arrangement ($ +/-)</th>
<th>Revised proposed budget additional $59,540 construction costs (proposed GForce)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plus $24,872 other furniture contractor fitting costs</td>
</tr>
<tr>
<td></td>
<td>Total revised budget $219,412</td>
</tr>
<tr>
<td></td>
<td>Original budget $135,000</td>
</tr>
</tbody>
</table>

Comparison of final tendered value to initial submitted costs ($ +/-)

- Reduction by - $193,540

(bespoke joinery significantly reduced)

10.2 Other Benefits – preferred Tenderer

<table>
<thead>
<tr>
<th>Benefits/value adds:</th>
<th>Quality systems WHS, workmanship evident in responses.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contemporary look to their design best fit for the project.</td>
</tr>
<tr>
<td></td>
<td>Current projects in visitor centres cellar door and retail a good match for the project outcome.</td>
</tr>
</tbody>
</table>

| Risk mitigation (eg negotiation of contract conditions/compliance) | Timing of project is important to avoid Vintage Festival and Christmas peak times and Grant requirement so April 2020. |
11. RESIDUAL RISKS

<table>
<thead>
<tr>
<th>Risk</th>
<th>Comments/Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% contingency proves insufficient</td>
<td>Management of variations</td>
</tr>
<tr>
<td>Latent conditions become evident once demolition begins – age of building</td>
<td>Extent of previous works and renovations undertaken by Council / Management of variations</td>
</tr>
</tbody>
</table>

12. OVERALL FINDING

G-Force is considered by the panel as the preferred tenderer due to the detail of information provided their tender responses, the quality systems they operate within the company, including WHS, workmanship was evident in responses and value for money.

Their current projects include similar projects with a contemporary look in visitor centers, cellar doors and retail outlets. The concepts presented gave the panel confidence that G-Force could best meet the project brief and provide an internal upgrade for the Visitor Centre and Library.

The pricing provided was the best price of the tenderers and represents value for money, while still providing the design elements required.

13. RECOMMENDATION OF EVALUATION PANEL

It is recommended that the Tender Evaluation Panel Delegates approve:

G-Force as the preferred Tenderer for the Barossa Visitor Centre and Tanunda Library Internal Upgrade for the lump sum of $194,500 (ex GST). A Works Agreement will be executed following the negotiation of the Implementation Schedule, Transition Plan and Timeframe to ensure continued operation of the Visitor Centre and Library, avoid peak tourist times and for completion by April 2020.

EVALUATION PANEL SIGN OFF

Name: Jo Thomas
Title: Director Corporate and Community Services
Signature: 
DATE: 8.3.19
Name: Jo Seabrook
Title: Manager Tourism Services
Signature: 
DATE: 8.3.19

Name: Tania Paull
Title: Manager Customer Library and Heritage Services
Signature: 
DATE: 8.3.19

Delegate Approval/Acceptance of Evaluation Panel Recommendation and Authorisation to Issue Contracts to Successful Tenderers

Recommendation Approved

Signed
Name: Martin McCarthy
Title: Chief Executive Officer
Date: 12.3.19
REFERENCE

The purpose of this document in terms akin to Clause 9, Schedule 1 to the FOI Act indicating the intention of the Council is that the Tender Evaluation Panel Report, and associated Evaluation Matrix, is treated as an internal working document.

This results in these documents being exemption from disclosure as they contain matter that relates to:-

(a) Any opinion, advice or recommendation that has been obtained, prepared or recorded; or
(b) Any consultation or deliberation that has taken place;

In the course of, or for the purpose of, the decision-making functions of the Government, a Minister or an agency where the disclosure would, on balance, be contrary to the public interest.
# Tender Name:
Barossa Visitor Centre and Tanunda Library Internal upgrade

<table>
<thead>
<tr>
<th>Tender Reference:</th>
<th>T0093-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Release:</td>
<td>22/11/2018 0:00</td>
</tr>
<tr>
<td>Tenders Close:</td>
<td>3.00pm Monday 10 December 2018</td>
</tr>
<tr>
<td>Tender Opening:</td>
<td>Tuesday 12 December, 12 noon</td>
</tr>
</tbody>
</table>

## Tender Panel

<table>
<thead>
<tr>
<th>Tender Evaluation Team Member #1</th>
<th>Name of Officer</th>
<th>Position of Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Evaluation Team Member #1</td>
<td>Joanne Thomas</td>
<td>Director, Corporate and Community Services</td>
</tr>
<tr>
<td>Tender Evaluation Team Member #2</td>
<td>Jo Seabrook</td>
<td>Manager, Tourism Services</td>
</tr>
<tr>
<td>Tender Evaluation Team Member #3</td>
<td>Tania Paull</td>
<td>Manager Library, Customer and Heritage Services</td>
</tr>
</tbody>
</table>

## Tender Opening

<table>
<thead>
<tr>
<th>Tender Opener #1</th>
<th>Name of Officer</th>
<th>Position of Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Opener #1</td>
<td>Jo Seabrook</td>
<td>Manager, Tourism Services</td>
</tr>
<tr>
<td>Tender Opener #2</td>
<td>Jo Thomas</td>
<td>Director, Corporate and Community Services</td>
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</tbody>
</table>
### Tender:

**Barossa Visitor Centre and Tanunda Library Internal Upgrade**

<table>
<thead>
<tr>
<th>Tender Reference:</th>
<th>T0093-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Reference:</td>
<td>22/11/2018 0:00</td>
</tr>
<tr>
<td>Tenders close</td>
<td>3.00pm Monday 10 December 2018</td>
</tr>
<tr>
<td>Tender opening</td>
<td>12 noon Wednesday 12 December 2018</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender Opening</th>
<th>Tender Opener #1</th>
<th>Jo Seabrook</th>
<th>Manager Tourism Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Opener #2</td>
<td>Jo Thomas</td>
<td>Director Corporate &amp; Community Services</td>
<td></td>
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</tbody>
</table>

### Tender Opening

<table>
<thead>
<tr>
<th>Tenderer</th>
<th>Entity name</th>
<th>Address</th>
<th>ABN</th>
<th>Contact Person</th>
<th>Phone Number</th>
<th>Email</th>
<th>Time of Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenderer #1</td>
<td>G-Force</td>
<td>24 Deacon Avenue, Richmond</td>
<td></td>
<td>Alex Faggionato</td>
<td>08 7225 5775</td>
<td><a href="mailto:alex@forcebc.com.au">alex@forcebc.com.au</a></td>
<td>12.25pm</td>
</tr>
<tr>
<td>Tenderer #2</td>
<td>GC&amp;J Constructions</td>
<td>6 Tenth Street, Gawler</td>
<td></td>
<td>Rhys Brown</td>
<td>(08) 8321 1455</td>
<td><a href="mailto:rhysb@gcj.com.au">rhysb@gcj.com.au</a></td>
<td>12.26pm</td>
</tr>
<tr>
<td>Tenderer #3</td>
<td>Juncken Builders</td>
<td>4 Kalimna Rd, Nuriootpa</td>
<td></td>
<td>Peter Liebelt</td>
<td>08 8562 2983</td>
<td><a href="mailto:pliebelt@blandj.com.au">pliebelt@blandj.com.au</a></td>
<td>12.30pm</td>
</tr>
</tbody>
</table>

### Tender Opening Officers:

- **Tender Opener #1**: 12/12/2018  
  Joanne Seabrook

- **Tender Opener #2**: 12/12/2018  
  Joanne Thomas
### Tender Evaluation Criteria

Barossa Visitor Centre and Tanunda Library Internal Upgrade

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>Schedule Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 1</td>
<td>Management of Community, Program, Training</td>
</tr>
<tr>
<td>Schedule 2</td>
<td>Training Plan, Information Schedule, Facilities Management, Skills, Technical Support</td>
</tr>
<tr>
<td>Schedule 3</td>
<td>Experience of Fabrication, Facilities Management, Skills, Technical Support</td>
</tr>
<tr>
<td>Schedule 4</td>
<td>Schedule 5</td>
</tr>
<tr>
<td>Schedule 6</td>
<td>Schedule 7</td>
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<td>Schedule 8</td>
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Weighting:

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<tr>
<th>Schedule 13</th>
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<th>Schedule 15</th>
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<tbody>
<tr>
<td>Schedule 16</td>
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<td>Schedule 22</td>
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<td>Schedule 25</td>
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<td>Schedule 28</td>
<td>Schedule 29</td>
<td>Schedule 30</td>
</tr>
<tr>
<td>Schedule 31</td>
<td>Schedule 32</td>
<td>Schedule 33</td>
</tr>
</tbody>
</table>

attachment: 2

OUT OF CONFIDENCE
### Conforming Tender & Pre-Qualification Criteria Compliance Assessment Summary

#### Barossa Visitor Centre and Tanunda Library Internal upgrade

<table>
<thead>
<tr>
<th>TENDERER NO.</th>
<th>NAME</th>
<th>SCHEDULE 1 tender form - Normal Offer/Declaration</th>
<th>SCHEDULE 2 Tenderer’s Details</th>
<th>SCHEDULE 3 Financial Capacity</th>
<th>SCHEDULE 4 Certification</th>
<th>SCHEDULE 7 Industrial Revisions Record</th>
<th>SCHEDULE 8 Conflict of Interest</th>
<th>SCHEDULE 13 - Value Added services</th>
<th>SCHEDULE 9 References</th>
<th>SCHEDULE 16 Statement of Conformity</th>
<th>CONFORMING/NON-CONFORMING</th>
<th>TENDER INCLUDED FOR FURTHER EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenderer #1</td>
<td>G. Fine</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tenderer #2</td>
<td>GC &amp; Construction</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tenderer #3</td>
<td>Jundice Builders</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: Panel contractor - Jundice Builders

Some missing information; however, we are a panel contractor - have asked for additional information to be supplied.

---

**Tender Evaluation Participants:**

- **Tender Evaluation Team Member #1**
  - Joanne Thomas
  - Signature
  - 12/12/2018

- **Tender Evaluation Team Member #2**
  - Signature
  - 12/12/2018

- **Tender Evaluation Team Member #3**
  - Signature
  - 12/12/2018

---

OUT OF CONFIDENCE
<table>
<thead>
<tr>
<th>TENDERER NO.</th>
<th>NAME</th>
<th>COMMENTS</th>
<th>LICENCE VERIFICATION</th>
<th>ABN VERIFICATION</th>
<th>INSURANCE VERIFICATION</th>
<th>WHS SYSTEM VERIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenderer #1</td>
<td>G-Force</td>
<td>Quality of workmanship assessed as high. Excellent joinery skills. Recent examples of cellidor &amp; contemporary look. Pricing lowest.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tenderer #2</td>
<td>GC&amp;J Constructions</td>
<td>Sound submission. Programme extended to 6 months because they have split either side of Vintage. Can be worked around. Recent examples schools. Highest cost.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tenderer #3</td>
<td>Juncken Builders</td>
<td>Limited detail information provided on specification item, lump sum cost only. Panel contractor so will resort to previous qualification information provided. Concern about contingency capability - understood to be busy. No programme provided and no breakdown of costs. Local knowledge and experience.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## SECTION A (of A-E): General Information

<table>
<thead>
<tr>
<th>Title of Proposal:</th>
<th>BAROSSA VISITOR CENTRE/TANUNDA LIBRARY UPGRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location (nearest township):</td>
<td>TANUNDA</td>
</tr>
<tr>
<td>GPS Coordinates:</td>
<td>__________________________</td>
</tr>
<tr>
<td>Name of Requesting Body:</td>
<td>Internal</td>
</tr>
<tr>
<td>Type:</td>
<td>Department BAROSSA VISITOR CENTRE and LIBRARY SERVICES</td>
</tr>
<tr>
<td>or Section 41 Committee</td>
<td>__________________________</td>
</tr>
<tr>
<td>or Other (please describe):</td>
<td>__________________________</td>
</tr>
<tr>
<td>Budget Manager:</td>
<td>JO SEABROOK and TANIA PAULL</td>
</tr>
<tr>
<td>Position Title:</td>
<td>MANAGER BVC AND MANAGER LIBRARY</td>
</tr>
<tr>
<td>Contact Phone:</td>
<td>0400 996 575 (JS) and 0407 688 995 (TP)</td>
</tr>
<tr>
<td>Contact Email:</td>
<td>__________________________</td>
</tr>
<tr>
<td>Asset Class(es):</td>
<td>Asset name / description?</td>
</tr>
<tr>
<td>More than one asset?:</td>
<td>No</td>
</tr>
<tr>
<td>Asset Project Type:</td>
<td>Capital Renewal</td>
</tr>
<tr>
<td>or Capital Replacement</td>
<td>__________________________</td>
</tr>
<tr>
<td>or Capital Upgrade</td>
<td>135000</td>
</tr>
<tr>
<td>or New Asset</td>
<td>__________________________</td>
</tr>
<tr>
<td>Current Asset Number(s) if known:</td>
<td>More than one asset?</td>
</tr>
<tr>
<td>Operating (Yes/No):</td>
<td>No</td>
</tr>
<tr>
<td>Is there an existing Council Commitment (Y/N):</td>
<td>No</td>
</tr>
<tr>
<td>If Yes, identify reference in Council Minutes:</td>
<td>Refer Agenda Item 7.3.1 - 20/3/18 Council Meeting</td>
</tr>
</tbody>
</table>
THE BAROSSA COUNCIL

DUE DILIGENCE REPORT - LEVEL 2 - PROJECT FEASIBILITY STUDY (Sections A to E)

In 2016, The Barossa Council together with Tourism Barossa and South Australian Tourism Commission representatives, underwent a strategic planning session to ensure the Barossa Visitor Centre services and facilities continue to drive visitor spend and yield for both international and domestic tourists to the Barossa into the future. A number of tourism reports were reviewed and a Tourism Services Development Plan was developed. A key action was to develop concept plans to address a number of opportunities to grow the spend of tourists in the Barossa wine region. The Barossa is recognised as a global wine region, comparable with the greatest wine regions in the world. The Barossa Visitor Centre is often the first point of call for visitors to the region and it is important that the Centre reflects the Barossa Brand and delivers an engaging and educational experience for visitors that entices them to discover not only the known Barossa icons, but the unexpected gems too. It was identified that the Barossa Visitor Centre required an upgrade - to expand and improve the Visitor Centre experiences and services, with the overall objective to enhance engagement with international visitors and consequently increasing spend and length of stay in the Barossa region. Key outcomes of the Barossa Visitor Centre Upgrade include:

- Opening up of an old entrance to Murray Street footpath. Enabling better access and visibility of the entrance. Currently access is impaired and visitors have difficulty finding the entrance.
- Removal of the main counter and replacing with service pods and a concierge desk. The current long counter is a large barrier between staff and visitors, making it difficult for interaction and accessing information and spaces. It has also led to congestion, noise and circulation issues that is not conducive of a good customer experience.
- Introduction of a video wall and lounge where visitors can watch promotional and educational videos of the region including a selection with subtitles in different languages.
- Introduction of a 'Barossa Makers’ Table, a space that will showcase pop-up winemakers, producers, artists and craftspeople in the region allowing for better engagement through hands on demonstrations, tastings and discussions.
- Introduction of a Barossa Wine display - incorporating the ‘Barossa Chapters’ and Barossa Grounds Project – communicating the unique characteristics and influencers of Barossa Shiraz – soil, climate, topography. (refer supporting attachments)
- Outdoor space upgrades – wi-fi, shade, outdoor charge-up facilities (for devices & vehicles) and better access to existing verandah nooks.
- Expansion of ‘Barossa Made’ gift shop - showcasing authentic Barossa produce, art & craft. Providing visitors with a special memento of their trip to the Barossa (particularly important to Chinese visitors).
- Development of packages that appeal to international visitors (based on research).

Business & Employment

Community and Culture

Natural Environment and Built Heritage

Corporate Plan

1.2 Work toward developing township streetscapes, entrances and open spaces that are attractive, welcoming and maintained to an agreed level of service.

2.1 Deliver sound community infrastructure and public space planning activities which incorporate place-making principles and take into account the future needs of the community.

2.2 Collect, maintain and make accessible our Aboriginal heritage, and the history and heritage of our community.

2.6 Provide, promote and support community arts and cultural events, programs, attractions and services.

2.7 Provide library services and cultural spaces that are places for learning, participation, innovation, creativity and well-being for the community.

3.2 Ensure Council’s parks, gardens and playgrounds are accessible, relevant, and safe and maintained to an agreed level of service.

3.9 Ensure Council facilities and assets are accessible, safe and maintained to an agreed level of service.

3.11 Advocate for the allocation of State and Federal funding to maintain and invest in infrastructure within our region.

5.1 Provide visitor information services through the visitor information centre and associated activities of Council.

5.3 Support Barossa regional branding in our tourism activities and product.

5.4 Participate in initiatives, or advocate for, investment in creative industries and cultural tourism.

Please provide a clear description of the proposal

Please provide the justifications for the proposal with reference to the Strategic Plan

Business & Employment

Community and Culture

Natural Environment and Built Heritage

Corporate Plan

1.2 Work toward developing township streetscapes, entrances and open spaces that are attractive, welcoming and maintained to an agreed level of service.

2.1 Deliver sound community infrastructure and public space planning activities which incorporate place-making principles and take into account the future needs of the community.

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5.3 Support Barossa regional branding in our tourism activities and product.

5.4 Participate in initiatives, or advocate for, investment in creative industries and cultural tourism.

Please describe how the success of this project will be measured

We will be able to measure against the below objectives via various methods.

- Deliver additional international tourism expenditure of $170 million by 2019-20.
- Grow the number of travel and spend by tourists visiting a region of Australia for the purposes of international wine tourism.
- Bookings - The B/V/C booking system collects data on number of bookings, origin of the customer, average booking value and length of stay. This data will be collected and monitored before and after the project delivery so that trends can be clearly demonstrated.
- Data collected by Tourism Australia and South Australian Tourism Commission
- Build a stronger pull for Australia’s food, wine & experience tourism leading to more visitors and more resilient and competitive wine-based tourism businesses.
- Visitation/Enquiries – daily statistics are collected on visitor enquiries and their country of origin. This data will be collected and monitored before and after the project delivery to provide clear tracking of increases/decreases per market segment (by country of origin).
- Data collected by Tourism Australia and South Australian Tourism Commission
- Improve the wine tourism experiences and opportunities on offer.
- Satisfaction rating – The B/V/C encourages feedback via the TripAdvisor platform. This is encouraged via signage, online links, and fortnightly emails to customers who have booked/Stayed. Our satisfaction rating is monitored and reported on quarterly.
- Verbal/written feedback. The B/V/C is the consumer face of the Barossa and has valuable intelligence on consumer insights/feedback. The B/V/C receives a higher proportion of international visitors (approx. 25% of our overall visitation), a survey to all team members could be conducted to gauge any improvements on wine experiences on offer.
### SECTION C (of A-E): 10 Year Funding Requirements & Financial Outcomes

**Title of Proposal:** BAROSSA VISITOR CENTRE/TANUNDA LIBRARY UPGRADE

<table>
<thead>
<tr>
<th>Yearly Cost Net (GST Exclusive)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI - Income Total Funding</td>
<td>(219,412)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>NI - Capital Total Capital</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>NI - Operating Net Operating</td>
<td>(219,412)</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

**Project Annual Profit/(Loss):** - - - - - - - - - -

**Project Cumulative Profit/(Loss):** - - - - - - - - - -

---

### How will the proposal be funded?

**Funding**

- **External Contribution/Grants:** ($54k Wine Australia, $10k BGWA, $1k Tourism Barossa) 65,000
- **Council Reserves:** Council Contribution ($70k existing plus additional $84,412 through Tender process) 154,412

**Total:** 219,412

---

### Is there a build or purchase cost for an asset?

**Capital Expenditure**

- **Building:**
  - Structures eg displays, shelving
  - Equipment & video wall
  - Other

**Total:** - - - - - - - - - -

---

### All Operating Revenue and Expenses below are additional, ie., a result of the new initiative (with GST excluded) and do not include previous normal level operations

- **Net Operating Result Profit/(Loss):** (219,412) - - - - - - - - - -
- **Total Operating Revenue:** 219,412 - - - - - - - - - -
- **Total Operating Expenses:** 219,412 - - - - - - - - - -
- **Total Maintenance Expenses:** - - - - - - - - - -

---

### Operational Revenue:

**User Charges**

**Cabin Fees**

**Seedling Sales**

**Other Income**

### Operating Expenses:

- **Operating Cost of Construction (building not owned by Council):** 196,510
- **equipments / fittings:** 22,902
- **No changes envisaged to base budget - subject to annual Council approval and not included here**

### Maintenance Expenses:

- **covered under existing lease arrangement with BGWA:** ($14.25p per annum)
SECTION D (A-E): Strategic Analysis

**Social Impact** - What effect will the proposal have on community wellbeing; the development of strong and engaged communities; a liveable district; connected people and places; healthy lifestyles and healthy communities?

Barossa Tourism operators such as wineries, accommodation providers, restaurants, cafés, Attractions, tour companies, retailers, artists etc. will have direct benefit from the project. The project’s main objectives is to increase visitor spend up to increased amount of activities they participate in and improved length of stay. This provides for a direct economic impact for the regions tourist operators (not just wine tourism). Currently The Barossa Tourism industry contributes $164 million in visitor expenditure to the state, however only 9% are overnight international visitors (Source: Tourism Research Australia). The BVIC holds 60,000 visitor enquiries per annum and 25% of these are international, therefore we are seeing an even higher proportion of international visitors utilising our services.

Indirectly, the Tourism Industry is supported by a supply chain that generates significant economic multipliers. Every dollar spent on tourism generates an additional 20 cents in other parts of the economy (source: Tourism Australia) eg supermarkets, petrol stations, newsagents etc.

In addition to the economic impact, international visitors will benefit directly from a better customer experience both in the BVIC and the Barossa. The initiatives aim to further commodify, promote and further experiences for the international visitor; making the region more appealing and ‘stop to purchase’. The White interactive display, video wall and Barossa Visitor Centre Display will also provide a more engaging and meaningful experience.

Indirectly, many domestic visitors will also benefit from the enhancements identified in the project, particularly those from interstate who have little knowledge of the region and are looking for a more in-depth and tailored Barossa experience.

1. Explain how the benefits of the project are planned to be sustained beyond the life of the grant.

The project’s benefits will last far longer than the duration of the grant. The new wineries and restaurants are expected to remain open for at least 5 years. The improvements to the roads and landscape, while not permanent, are expected to remain in place for at least 20 years. The project will also create jobs in the region, which will continue to support the community for years to come.

**Cultural impact** - what effect will the proposal have on; developing a learning community; support for cultural diversity; local identity; preservation of cultural heritage and planning for the future; creativity and artistic expression?

**Environmental impact** - What effect will the proposal have on; actively responding to climate change; responsible management of water resources; landscapes, habitats and local biodiversity; waste and contamination; an environmentally aware and engaged community?

**Economic impact** - What effect will the proposal have on; a supportive business environment; a strong, adaptable and diversified economy; leadership in environmental best practice; developing active business networks?

**Organisational impact** - What effect will the proposal have on; improving organisational efficiency and effectiveness?

- Introduction of a concierge/welcome desk at the front to alleviate congestion and noise levels at the main counter and a re-work of the main counter to reduce circulation, accrued and WML issues.
### SECTION E (of A-E): Business Analysis

#### Title of Proposal:
BAROSSA VISITOR CENTRE/TANUNDA LIBRARY UPGRADE

#### Grant money to be expended between May 2018 and May 2020

#### Alternative options - Indicates other solutions that have been considered so that unnecessary investigations are not required at a later time

#### Potential Income - Should include any forecast savings and provide an assessment of their on-going nature

#### Timeframe - Should be established after a realistic review of all of the above categories and should be aimed at preventing carry-overs.

#### The project plan would be developed using Council’s Project Scope template

#### THE BAROSSA COUNCIL

#### DUE DILIGENCE REPORT - LEVEL 2 - PROJECT FEASIBILITY STUDY (Sections A to E)

#### The Business Analysis provides details of the resource and business implications of the proposal. The analysis should be concise and as accurate as available evidence will allow.

#### Risks - All proposals will require the identification and implications of key risk; this will include those associated with not undertaking the proposal as well as those inherent in pursuing the improvement

#### Proposal Team - is aimed at identify potential impacts on other teams/Work Areas and ensuring that there is sufficient capacity available in those areas

#### Capacity and Capability - Is aimed at identifying ongoing demands on resources and ensuring that an approach as outlined in the development and implementation of the proposal is feasible

#### Key Stakeholders - Provides an assessment of potential expectations and commitments that may be associated with the proposal

#### Key Assumptions - Document the key underlying evidence on which the proposal is based and should give some indication of the variability inherent in these assumptions

#### The project plan would be developed using Council’s Project Scope template

#### Attachment 3

#### OUT OF CONFIDENCE
Project Name: Barossa Visitor Centre and Tanunda Library upgrade

Describe Risk(s) of not doing this project (including not limited to Financial, Public, Commercial, Council, Climate - Risks):

Visitor Centre will not provide contemporary visitor services and address visibility and access issues. Reduced visitation to Visitor Centre and declining sales and booking income. Visitor Centre not meeting changing needs of visitors. Need to keep evolving our service offer and visual amenity. The facility is subject to circa 130,000 visitors per annum and is showing signs of wear and tear from the use it receives. Library - WHS issues as a result of poor counter layout and people movements.

### Risk Priority Number (RPN) Calculation

\[ \text{RPN} = \text{Likelihood of Risk Occurring} + \text{Impact if Risk Occur} + \text{Who Controls Risk} + \text{Political Environment} \]

<table>
<thead>
<tr>
<th>Likelihood of Risk Occurring</th>
<th>Impact if Risk Occur</th>
<th>Who Controls Risk</th>
<th>Political Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost Certain</td>
<td>Catastrophic</td>
<td>TBC</td>
<td>Extreme Impact</td>
</tr>
<tr>
<td>Likely</td>
<td>Major</td>
<td>Both</td>
<td>Major Impact</td>
</tr>
<tr>
<td>Possible</td>
<td>Moderate</td>
<td>Both</td>
<td>Moderate Impact</td>
</tr>
<tr>
<td>Unlikely</td>
<td>Minor</td>
<td>Both</td>
<td>Minor Impact</td>
</tr>
<tr>
<td>Rare</td>
<td>Insignificant</td>
<td>External Bodies</td>
<td>Insignificant Impact</td>
</tr>
</tbody>
</table>

### Cost Priority Number (CPN) Calculation

\[ \text{CPN} = \text{Additional Staff Resources Required} + \text{Cash Required (non sal) - Current Year} + \text{Future Project Financial Commitments} + \text{Period of Future Financial Commitments} \]

<table>
<thead>
<tr>
<th>Additional Staff Resources Required</th>
<th>Cash Required (non sal) - Current Year</th>
<th>Future Project Financial Commitments</th>
<th>Period of Future Financial Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>No additional FTE</td>
<td>$0</td>
<td>No</td>
<td>&lt;3 out of 10 years</td>
</tr>
<tr>
<td>Under 1 FTE or additional salary funding</td>
<td>$20,000</td>
<td>Yes &lt; $20,000</td>
<td>5-10 out of 10 years</td>
</tr>
<tr>
<td>&gt;1 FTE</td>
<td>&gt; $20,001</td>
<td>Yes &gt; $20,001</td>
<td>On-going &gt;10 years</td>
</tr>
</tbody>
</table>

### Impact Priority Number (IPN) Calculation

\[ \text{IPN} = \text{Health & Safety Impact} + \text{Environmental Impact} + \text{Social/Comm Wellbeing Impact} + \text{Business & Economic Impact} \]

<table>
<thead>
<tr>
<th>Health &amp; Safety Impact</th>
<th>Environmental Impact</th>
<th>Social/Comm Wellbeing Impact</th>
<th>Business &amp; Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public at large at threat</td>
<td>Significant Positive Impact</td>
<td>Net Positive Impact</td>
<td>Net Positive Impact</td>
</tr>
<tr>
<td>Section of the community/council employee at threat</td>
<td>Positive Impact</td>
<td>Positive Impact</td>
<td>Positive Impact</td>
</tr>
<tr>
<td>Neutral Impact</td>
<td>Neutral Impact</td>
<td>Neutral Impact</td>
<td>Neutral Impact</td>
</tr>
<tr>
<td>Negative Impact</td>
<td>Negative Impact</td>
<td>Negative Impact</td>
<td>Negative Impact</td>
</tr>
</tbody>
</table>

### Benefits Priority Number (BPN) Calculation

\[ \text{BPN} = \text{Funding (External) Sources} + \text{Savings} + \text{Beneficiaries} + \text{Service Levels Outcome (to Community)} \]

<table>
<thead>
<tr>
<th>Funding (External) Sources</th>
<th>Savings</th>
<th>Beneficiaries</th>
<th>Service Levels Outcome (to Community)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully Funded via External Sources</td>
<td>Generates Savings immediately</td>
<td>TBC - Region Wide &amp; Beyond</td>
<td>Industry Best Practice</td>
</tr>
<tr>
<td>Part Funded External &gt;50% of Total Cost</td>
<td>&lt; 12 months</td>
<td>TBC - Region Wide</td>
<td>Achieving contemporary standards</td>
</tr>
<tr>
<td>Part Funded External &lt;50% of Total Cost</td>
<td>1 - 5 years</td>
<td>TBC - Section of Community/Key Stakeholders</td>
<td>Improvement/increase in Services Level</td>
</tr>
<tr>
<td>Potential for funding</td>
<td>2 &gt; 5 years</td>
<td>TBC - Limited number of Beneficiaries</td>
<td>No Change to Current Service Level</td>
</tr>
</tbody>
</table>

### Financial Sustainability Priority Number (FSNP) Calculation

\[ \text{FSNP} = \text{Operating Budget Impact} + \text{Capital Budget Impact} + \text{Justification for Council Involvement} \]

<table>
<thead>
<tr>
<th>Operating Budget Impact</th>
<th>Capital Budget Impact</th>
<th>Justification for Council Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favourable</td>
<td>Asst Renewal - Like for Like Replacement</td>
<td>Legislative Requirement / Must Do</td>
</tr>
<tr>
<td>No Effect/Not Applicable</td>
<td>No Effect/Not Applicable</td>
<td>Should Do</td>
</tr>
<tr>
<td>Unfavourable</td>
<td>New Asset</td>
<td>Like To Do</td>
</tr>
</tbody>
</table>

### Innovation / Continuous Improvement / Other Considerations Priority Number (IOPN) Calculation

\[ \text{IOPN} = \text{Opportunities for Regional /Sector Collaboration} + \text{Addressing Local or Regional Emergency Plans} + \text{Continuous Improvement} + \text{Other Strategic Plans (Public Health, DAIP)} \]

<table>
<thead>
<tr>
<th>Opportunities for Regional /Sector Collaboration</th>
<th>Addressing Local or Regional Emergency Plans</th>
<th>Continuous Improvement</th>
<th>Other Strategic Plans (Public Health, DAIP)</th>
</tr>
</thead>
</table>