

3.3 MIDLAND JUNCTION ARTS CENTRE - ACTIVATION, LEASE AND SERVICE PAYMENT TO PROVIDE COMMUNITY ARTS PROGRAMS AND SERVICES (RFT22MS24)

Ward: (Midland/Guildford Ward) (Community and Libraries)

Disclosure of Interest: Nil

Authorised Officer: (Executive Manager Community Wellbeing)

An attachment to this report is **CONFIDENTIAL** as it includes information regarding a contract which may be entered into by the local government and which relates to a matter to be discussed at the meeting and a matter that if disclosed would reveal a trade secret or contains information about or of value to a person. Should Council seek to discuss the confidential information, Council should resolve to move behind closed doors.

KEY ISSUES

- Council resolved on 17 November 2021 to authorise the CEO to release an Expressions of Interest (EOI) seeking a suitably qualified and experienced tenant to deliver community art services via Midland Junction Arts Centre (MJAC). This resolution prescribed funding range per year, and authorised the MJAC building lease and funding model to be a 10 year (3+4+3) approach.
- There was only one respondent to the EOI, Mundaring Arts Centre Incorporated (MAC Inc.).
- Tender RFT22MS24 – MJAC activation, lease and service payment to provide community arts programs and services was privately released to MAC Inc. on 19 April 2022.
- The scope of this tender includes: the professional management of MJAC; the consistent delivery of community arts programs including exhibitions, workshops, artist residencies, talks, tours and performing arts events; developing industry and community partnerships; developing the capacity of local artists; and securing additional funding opportunities to expand service delivery.
- MAC Inc. responded with three offers corresponding to 4, 5 and 6 days of service operation. None of the offers from MAC Inc. are within the pre-set estimate budget.
- The submission from MAC Inc. for six days is the preferred offer based on the City's evaluation.

It is recommended that the Council resolve to select Mundaring Arts Centre Incorporated as the preferred tenderer for the six days per week service delivery option as outlined in the report and allow the option to extend the contract.

BACKGROUND

The City has sought to continue the activation of its iconic heritage building, the Midland Junction Arts Centre (MJAC) through the delivery of consistent community arts programs.

MJAC is vested to the City by Development WA (DWA) (formerly the Metropolitan Redevelopment Authority) for the purpose of education and community arts and under Management Order cannot be used for any other purpose.

The building began as the Midland Junction Technical School in 1904 and has also housed a TAFE, primary school, Kalla Yeedip Arts and the Australian Opera Studio, before being vested to the City by DWA. MJAC holds a special and significant history as a place of education and learning, community and arts activity for over 100 years; with thousands of people having connected with the building in its past lives.

Following a Council resolution on 17 November 2021 directing the continuation of the service for 10 years (3+4+3), the City sought Expressions of Interest (EOI-005MS-LE) from experienced not-for-profit arts organisations to occupy and manage the Centre. Responding organisations must be appropriately resourced to deliver a range of community arts programs including – without limitation – exhibitions, workshops, artist residencies, talks, tours and performing arts events for the benefit of the community.

The City received one EOI respondent being Mundaring Arts Centre Incorporated, and the City then entered into a closed tender process.

Current MJAC Lease Agreement with MAC Inc. 2017-2022

Mundaring Arts Centre Inc. (MAC Inc.) have been engaged by the City since 2014 via tender to provide a range of specialist art and cultural services including artwork commissions, collection valuations, community arts programming, public art strategy and associated guidelines for developer contribution assessments.

In November 2016 this service grew to include the activation and management of the MJAC building following an EOI process (EOI-MB092016). MAC Inc. were awarded a three year lease with a two year extension option, expiring in March 2022 to publicly activate the building four days per week. In April 2022 this lease was extended a further 9 months to 31 December 2022 to accommodate timeframes required to complete the private tender process.

The City has contributed significant investment to the management and activation of MJAC (\$1,592,750 in direct funding 2017-2022) ensuring consistent and quality arts programming for the community and activation of an iconic City heritage asset. The deliverables of this agreement with MAC Inc. are measured by nine KPIs with the organisation providing quarterly reports as well as annual audited financial statements to acquit their City funding.

DETAILS

Item	Response
Contract term for lease and services:	Initial: 36 months from 1 January 2023. Extension option(s): 48 months with a further extension option of 36 months to a maximum total period of 120 months.
Price basis:	Lump sum - variable price
City approval to proceed to request:	Executive Manager, Community Wellbeing
Request closing date:	15 June 2022
Offer validity expiry date:	16 September 2022
Anticipated lease commencement date:	1 January 2023

SUBMISSIONS

Pre-qualification requirements for this request:

To be eligible for selection, Tenderers must have been successfully shortlisted from the City's expression of interest EOI-005MS-LE – MJAC building activation, lease and conditional grant to provide community arts programs and activities.

Submissions were received from each of the following:

1. Mundaring Arts Centre Incorporated, Mundaring WA.

Tenderers were required to provide three offers for 4, 5 or 6 days per week of MJAC services.

EVALUATION PANEL

The evaluation panel included three voting members with representatives from two business units in accordance with the City's evaluation process requirements.

In addition to the voting members, the evaluation panel included one non-voting member from Community and Libraries.

All evaluation panel members provided declarations of conflicts of interest with no conflicts declared.

PRELIMINARY ASSESSMENT

The compliance and disclosure requirements for this request were:

Description of compliance criteria
Compliance with the requirements contained in the request
Compliance with the conditions of tendering contained in the request
Compliance with the delivery date/time of lodging the tender
Compliance with and completion of the price schedule(s)
Compliance with the requirement to provide financial information as requested by the Principal as specified within clause 6.2.6
Compliance with the requirement to provide the relevant occupational safety and health documentation within the required timeframe as specified in Schedule A

All tenderer was deemed to be compliant and, therefore, passed through to qualitative assessment.

QUALITATIVE ASSESSMENT

The qualitative requirements for this request were:

Description of compliance criteria	Weighting
Demonstrate your organisation's experience in devising and delivering community arts programs.	40%
Demonstrate the skills and experience of key personnel to be used on this project.	30%
Provide an outline of the methodology to be used in supplying the Requirements.	30%

EVALUATION SUMMARY

Submission	Price ranking	Qualitative ranking	Marginal cost benefit ranking
Mundaring Arts Centre Incorporated - Four Days	1	3	2
Mundaring Arts Centre Incorporated - Five Days	2	2	3
Mundaring Arts Centre Incorporated - Six Days	3	1	1

The submission from Mundaring Arts Centre Incorporated – Six Days is the preferred submission based on the City's evaluation.

CONSULTATION

After an Expression of Interest, EOI-005MS-LE, was publicly advertised on 11 December 2021, the City shortlisted one Respondent, Mundaring Arts Centre Incorporated, for a closed private tender process.

ATTACHMENTS

CONFIDENTIAL: RFT22MS36-SOR – MJAC activation, lease and service payment to provide community arts programs and services

STRATEGIC IMPLICATIONS

The recommendations in this report align to the following objectives and strategies:

Strategic Community Plan 2021-2031:

- E 1.1 – Actively support and develop thriving local businesses and centres
- E 2.1 – Advocate and attract business and investment opportunities
- E 3.1 – Strengthen the capacity and integration of the tourism industry
- S 1.2 – Build social inclusion and connectivity in local places and areas
- S 2.1 – Build service delivery options to meet the future needs of aged, youth, families and children
- B 1.1 – Create community places to live, relax and work
- B 2.1 – Manage current and future assets and infrastructure

Midland Local Area Plan 2021:

B1.1 Create community places to live, relax and work

S1.2 Build social inclusion and connectivity in local places and areas

E3.1 Strengthen the capacity and integration of the tourism industry

Council Policy POL-C-116 Procurement

STATUTORY IMPLICATIONS

Local Government Act 1995 (WA)

Local Government (Administration) Regulations 1996 (WA)

Local Government (Functions and General) Regulations 1996 (WA)

Delegation of Authority Register 2021

FINANCIAL IMPLICATIONS

Budget item description:	PCA Visual Arts Midland	
Budget account / job no:	OP 1006867.66298	
Budget item amount:	\$370,000	
Total expenditure to date:	\$0	
Total commitments:	\$0	
Available budget balance:	2021/22	\$370,000
Forward estimated amount(s)*:	2022/23	\$370,000
	2023/24	\$370,000
	2024/25	\$370,000
	2025/26	\$370,000

*Forward estimated amount is a provisional amount and is subject to Council approval through the annual budgeting process.

The preferred tenderer's offer is:

- Within the current budget.
- Not within the forward estimated amount within the City's Long Term Financial Plan, however, this will be covered under the 2023-2024 financial year budget process.

VOTING REQUIREMENTS

Simple majority

RECOMMENDATION

That the Council resolve to:

- 1) Select Mundaring Arts Centre Incorporated as the preferred tenderer for the six days per week service delivery option as outlined in the report.
- 2) Allow the option to extend the contract.

CARRIED EN BLOC