

**17.1 PLACE BRANDING SERVICES TENDER**

<b>File No:</b>	<b>CM.77</b>
<b>Responsible Executive Officer:</b>	<b>Director Corporate Services</b>
<b>Reporting Author:</b>	<b>Manager Marketing &amp; Communications</b>
<b>Date of Report:</b>	<b>16 March 2018</b>
<b>Applicant/Proponent:</b>	<b>Nil</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s):</b>	<b>Confidential Tender Evaluation Report</b>

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**PURPOSE**

For Council to consider tender submissions for the delivery of Place Branding Services, RFT 27-17/18.

**BACKGROUND**

In November 2017, Council endorsed the City of Karratha Place Branding Strategy and agreed to invite tenders for its implementation based on the following scope of works:

- a) Develop a creative campaign concept that captures the City's tourism, business and lifestyle opportunities;
- b) Prepare marketing platforms identified in the strategy including social media and web assets, brand look and feel and brand guidelines;
- c) Develop full asset library including photography, videography, design templates;
- d) Develop a public relations campaign for the national media to improve external perceptions of the region;
- e) Launch campaign development, execution and evaluation across all media channels;
- f) Provide social media training for City of Karratha staff and local community groups, tourism providers and businesses;
- g) Coordinate all paid media booking services; and
- h) Annual implementation for up to three years.

Tenders were advertised on 5 January 2018 and closed on 2 February 2018. Eight submissions were received by the closing date from the following organisations:

- Trilogy Advertising and Marketing solutions
- The Mad Empire
- Marketforce
- Forbes Partners
- Circul8 Communicate
- CGM Communications
- ADS Advertising Services
- 303 Mullenlowe

Tender submissions were evaluated by a three person panel consisting of:

- Director Corporate Services
- A/Director Community Services
- Manager Marketing & Communications

The tenders were first assessed for compliance with the tender documents. The tenders were then assessed against the qualitative criteria that were weighted.

The criteria and associated weightings were:

<b>Criteria</b>	<b>Weighting</b>
Price	50%
Relevant Experience	20%
Capacity to Deliver	10%
Methodology	20%

The Regional Price Preference Policy was not applied as there were no local tenderers.

It should be noted that the evaluation panel has not recommended the highest ranked tender (based on being the cheapest compliant tender) owing to deficiencies in experience, capacity and methodology.

A copy of the Evaluation Report is contained within the confidential section of the Agenda.

**LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is considered to be of high significance in terms of social and economic issues.

**COUNCILLOR/OFFICER CONSULTATION**

Councillors and Officers participated in workshops during the development of the Place Branding Strategy.

Following the evaluation process, two shortlisted agencies were invited to present to Councillors and the Executive Management Team on 13 March 2018.

**COMMUNITY CONSULTATION**

Consultation has occurred with the local tourism industry through the Tourism Advisory Group, local businesses through the Small Business Advisory Group and other key industry stakeholders including the KDCCI and Pilbara Development Commission. Further consultation with businesses and other external stakeholders will form a significant part of the project to ensure the delivery of the campaign is authentic and accurately reflects the sentiment of the community.

**STATUTORY IMPLICATIONS**

Tenders were called in accordance with Section 3.57 of the *Local Government Act 1995* Part 4, Division 2 – Tenders for providing goods and services of the *Local Government (Functions and General) Regulations 1996*.

**POLICY IMPLICATIONS**

Purchasing Policy CG-12 is applicable in relation to the tender process.

**FINANCIAL IMPLICATIONS**

The Place Branding Strategy included a budget estimate of \$1.91M to deliver Place Branding services over four years. This estimate was inclusive of fixed paid media and advertising costs of \$150,000 for the launch and \$120,000 for each subsequent year of delivery.

Tender pricing varied greatly and although the recommended tenderer is at the upper end of the range, the price is within the original estimate.

As part of their submissions tenderers were required to provide pricing for annual delivery after year one, as well as a breakdown to deliver separable portions the tourism, lifestyle and business components. Given the significant amount of upfront work associated with the development of creative material and establishment of assets, there are considerable efficiencies in delivering the Place Branding campaign in full.

Council has set aside \$200,000 in the 2017/18 Budget to finalise the Place Branding strategy and for initial content and asset development. Finalisation of the Strategy cost \$30,000 leaving \$170,000 to contribute to content and asset development. This is considered an adequate amount to commence activity this financial year with the remainder of activity subject to future budget allocation.

In addition, at the November 2016 Budget Review a reserve account was established for the purpose of funding Destination Marketing, Business Attraction, Property Development and Tourism activities. Any or all of the Place Branding services can be funded through this reserve.

**STRATEGIC IMPLICATIONS**

This item is relevant to the Council’s approved Strategic Community Plan 2016-2026 and Corporate Business Plan 2016-2021. In particular, the Operational Plan 2017-2018 provided for this activity:

Programs/Services:	2.d.2.2	Marketing Services
Projects/Actions:	2.d.2.2.1	Prepare and Implement a Place Branding Strategy

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	ROI will be evaluated and reported on an ongoing basis throughout the campaign. The contract will be structured with Stop/Go points at the completion of each year of delivery allowing Council the ability to withdraw should it consider the City is not achieving a desirable ROI.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	High	It is anticipated this campaign will deliver significant reputational benefit to the City, however it should be noted that there is some reputational risk attached being able to deliver on the campaign promise. This will be managed carefully with the appointed tenderer to ensure the appropriate messaging is delivered throughout the campaign.
Compliance	N/A	Nil

**IMPACT ON CAPACITY**

Significant coordination and support from the City’s Marketing & Communications team will be required to facilitate this project. While additional resourcing may be required in the future to assist in the delivery of this project it is anticipated that this will initially be absorbed within in existing resources.

**RELEVANT PRECEDENTS**

There are no relevant precedents related to this matter.

**VOTING REQUIREMENTS**

Simple Majority.

**OPTIONS:**Option 1

As per Officer's recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to:

1. ACCEPT the tender submitted by \_\_\_\_\_ Pty Ltd ABN \_\_\_\_\_ as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT 27-17/18 – Place Branding Services; and
2. EXECUTE a contract with \_\_\_\_\_ Pty Ltd, SUBJECT to any variations of a minor nature.

Option 3

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to:

1. ACCEPT the tender submitted by \_\_\_\_\_ Pty Ltd ABN \_\_\_\_\_ as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT 27-17/18 – Place Branding Services for the following separable portions:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
2. EXECUTE a contract with \_\_\_\_\_ Pty Ltd, SUBJECT to any variations of a minor nature.

Option 4

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to DEFER consideration of this matter pending further information.

**CONCLUSION**

The City of Karratha Place Branding strategy was endorsed by Council on 20 November 2017. Tenders for its implementation were called on 5 January 2018 and closed on 2 February 2018. The Evaluation Panel has completed the tender evaluation process and is seeking Council endorsement to appoint the recommended tenderer, Circul8 Communicate, to progress to the delivery phase of this project.

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**OFFICER'S RECOMMENDATION**

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to:

1. **ACCEPT** the tender submitted by Circul8 Communicate ABN 11 123 609 049 as the most advantageous tender to form a contract, based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFT 27-17/18 – Place Branding Services; and
2. **EXECUTE** a contract for one year with three one year options at the City's sole discretion with Circul8 Communicate Pty Ltd, **SUBJECT** to any variations of a minor nature.