

ITEM 24 TENDER T19/25 AFFORDABLE HOUSING PROGRAM

This report recommends acceptance of a tender for provision of affordable housing services in accordance with the Council resolution of 10 December 2018, Minute 178. A total of nine tenders were received with four tenders shortlisted for stage 2. This report recommends Council accept the tender submitted by Illawarra Community Housing Trust Ltd trading as Housing Trust (Housing Trust).

RECOMMENDATION

- 1 This item be considered in Closed Session under Section 10A 2(d(iii)) of the Local Government Act 1993 as the report contains commercial information of a confidential nature that would, if disclosed, reveal a trade secret.
- 2 On balance, the public interest in preserving the confidentiality of the information supplied outweighs the public interest in openness and transparency in Council decision-making by discussing the matter in open meeting.
- 3 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept in principle the tender of the Illawarra Community Housing Trust Ltd trading as Housing Trust for the delivery of affordable housing, in the sum of \$4,340,000 excluding GST.
- 4 The General Manager be delegated the power to finalise contract terms with the Illawarra Community Housing Trust Ltd, being terms that are consistent with the items identified in the invitation to tender.
- 5 Council be provided with a further report on completion of the contract finalisation process for Council's consideration prior to execution of any contract.

REPORT AUTHORISATIONS

Report of: Sue Savage, Director Community Services - Creative + Innovative City (Acting)
Authorised by: Greg Doyle, General Manager

ATTACHMENTS

There are no attachments for this report

BACKGROUND

In 2013, Council established the West Dapto Home Deposit Scheme to assist persons into home ownership through Council funding part of the deposit, under a Commonwealth grant through the 'Building Better Regional Cities' program. The scheme was not as successful as hoped, due to rapidly rising land prices in relation to statutory personal income limits specified by the grant. In October 2017, Council entered into a memorandum of understanding with the Federal Government to allow the reallocation of the balance of the funds, currently \$10.4M, to assist with the improvement of affordable housing in the region.

Following a review of options as to how the funds should be used, Council's resolution of 10 December 2018 (Minute 178) outlined a range of options including that the balance of the Commonwealth grant be committed to two delivery areas, of equal sums being: 3a an expression of interest process whereby not-for-profit organisations are requested to provide affordable housing schemes for consideration of funding and, 3b an affordable home-ownership scheme for low to moderate income earners. This report outlines outcomes for the tender process for part 3a. The parameters around delivery of part 3a included:

- Delivery areas in 3a (and 3b) be limited to schemes delivering homes in the Wollongong Local Government Area (LGA).

- That schemes exhibiting innovation and new ways of delivering services are encouraged.
- That schemes targeting, but not limited to single women aged over 50 are encouraged.
- That schemes constructed so as to return an income stream such that they can be continued or expanded beyond the initial funding, are encouraged.

Expressions of interest for the tender were invited by an open expression of interest method on 23 July 2019.

Expressions of interest were judged on the following criteria:

Mandatory Criteria – *must be addressed for a submission to be considered*

- Registration as a not-for-profit Community Housing Provider with the National Regulatory System Community Housing [NRSCH].
- Demonstrated experience in the delivery of affordable housing products and services.
- Must be delivered in the Wollongong LGA.

Accessible criteria and weighting

- Identify new affordable housing options to very low to moderate income earners in the Wollongong LGA, including, but not limited to, single women aged over 50. The options must specify proposed location, target group and delivery model (20%).
- Demonstrate the extent to which the proposal exhibits innovation and new ways of delivering services to very low to moderate income earners seeking affordable housing (20%).
- Outline how any funding provided by Council will be leveraged/supplemented to enhance the affordable housing outcome (10%).
- Demonstrate how the proposal meets the needs of the target group (5%).
- Outline any opportunity for the proposal to return an income stream such that the scheme can be continued or expanded beyond the initial funding (10%).
- Provide a detailed estimate including timeline for the proposal (10%).
- Demonstrated capacity to maintain the financial viability of the proposal and outline this in a business plan (10%).
- Demonstrated appropriate governance structures in place to ensure project delivery (10%).
- Demonstrated strengthening of local economic capacity (5%).

Expressions of interests were scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Governance and Information, Community Cultural and Economic Development, Development Assessment and Compliance and Property and Recreation Divisions.

From this process, four expressions of interest were deemed appropriate for the requirements of Council and were subsequently invited to make a presentation to Councillors (30 September 2019) and to provide a final submission by close of tenders 10am, Tuesday, 29 October 2019.

Four tenders were received by the final close of tenders and all tenders have been scrutinised and assessed by a Tender Assessment Panel.

The Tender Assessment Panel assessed all tenders in accordance with the assessment criteria (above) as set out in the formal tender documents.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of five in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score

for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council.

The following table summarises the results of the tender assessment and the ranking of tenders.

Tenderer	Rank of Tender
Housing Trust (1 Combined)	1
Housing Trust (2 Bellambi)	2
Housing Trust (3 Unanderra)	3
IRT Foundation trading as Illawarra Retirement Trust	4

PROPOSAL

It is proposed that Council award the Housing Trust to deliver the Affordable Housing Project in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Tender Assessment Panel that it is capable of undertaking the works to Council's standards and in accordance with the technical specification.

CONSULTATION AND COMMUNICATION

Public information session 8 August 2019

Presentation to Councillors of shortlisted applicants 30 September 2019

Members of the Tender Assessment Panel

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2022 goal '*We are a healthy community in a liveable city*'. It specifically delivers on the following:

Community Strategic Plan Strategy	Delivery Program 2018-2021 3 Year Action	Operational Plan 2019-20 Operational Plan Actions
5.3.1 Housing choice in the Wollongong Local Government Area is improved, taking into account population growth, community needs and affordability	5.3.1.1 Prepare a Housing Study and Strategy incorporating Affordable Housing Issues	Deliver the Council resolution for affordable housing (targeting of commonwealth funding)

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

FINANCIAL IMPLICATIONS

It is proposed that the program be delivered from the identified budget previously known as West Dapto Home Deposit Scheme.

CONCLUSION

Council endorses the recommendations of this report.