



VICTORIA POLICE



Victoria Police Centre Market-led Proposal

Project Summary – April 2017

This summary should not be relied upon to completely describe the rights and obligations in respect of the Project, which are governed by the Agreement for Lease and associated documents. The Agreement for Lease is available online at www.tenders.vic.gov.au

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Introduction

In January 2017, the Victorian Government entered into a contract with Cbus Property and Australia Post to develop a new office building at 311 Spencer St, Melbourne, and subsequently lease this facility to the State for use as a new Victoria Police Centre (VPC).

This Project Summary provides information about the VPC and is divided into two parts.

The first part is an overview of the project, including the rationale for delivery as a market-led proposal, and summarises:

- the market-led proposal process
- the value for money evaluation
- contract milestones.

The second part details the key commercial features of the project, including:

- the main parties and their general obligations
- the broad allocation of risk
- the treatment of various project issues.

Part One: Project overview

1.1 VPC project outcomes

In May 2015, a market-led proposal was received from Cbus Property and Australia Post to develop a VPC for use as Victoria Police headquarters. The VPC will be jointly funded and developed by Cbus Property and Australia Post on land owned by Australia Post at 311 Spencer Street, Melbourne. The VPC will provide Victoria Police with the ability to control and secure their own precinct by integrating with the adjacent City West Police Complex (CWPC) at 313 Spencer St, Melbourne. Victoria Police proposes to sub-lease a portion of the new VPC to other policing agencies with similar accommodation needs.

The VPC will also provide the appropriate security required for a police headquarters. The features of the site combined with landscaping, urban design interventions, built form initiatives and invisible technologies will provide Victoria Police with a secure facility that remains integrated into the wider streetscape. The site is within close proximity to Southern Cross Station and provides excellent access and egress to the arterial road network.

Cbus Property and Australia Post have selected Woods Bagot to design a distinctive office solution that will meet the needs for Victoria Police now and into the future. Characteristics of the VPC include:

- 65,000m² of Net Lettable Area over 39 floors
- a fully integrated base building and fit-out to PCA A grade standard
- 600 car parking spaces for police vehicles and a helipad
- integration with the CWPC through multiple physical connections
- specific security configuration to meet Victoria Police needs
- bicycle parking, gymnasium and internal town hub/food court.

The development will be designed to achieve the following sustainability ratings in accordance with government policy for new buildings:

- 5 star Green Star rating
- 4.5-star NABERS Energy for base building rating
- 4.5-star NABERS Water for whole building rating

Construction of the VPC is due to commence in 2017 with completion expected in 2020. Project completion will coincide with the expiry of the current lease for Victoria Police headquarters at the World Trade Centre (WTC).

Diagram 1: VPC image and site



1.2 The market-led proposal rationale and due diligence process

The proposal was assessed by Government in accordance with five stage process detailed in the Market-led Proposals Guideline.

Table 1: Assessment timetable

Date	Stage/Milestone
May 2015	Proposal submitted
May 2015	Stage One assessment completed and concluded that the proposal should progress to Stage Two.
September 2015	Stage Two assessment complete and concluded that the proposal should progress to Stage Three.
February 2016	Stage Three assessment complete and concluded that the proposal should progress to Stage Four.
December 2016	Stage Four assessment complete and concluded that proposal should progress to Stage Five.
January 2017	Stage Five complete and contract awarded.

Assessment due diligence

Stage One assessment

Preliminary assessment - a preliminary assessment was undertaken by the Department of Treasury and Finance (DTF) to determine whether the proposal complied with information requirements and had potential to meet the criteria of the Market-led Proposals Guideline. The Stage One assessment concluded that the proposal should progress to Stage Two on the basis that:

- There was potential for the proposal to be unique given the characteristics of the site location.
- There was potential for the proposal to meet a service need given the known expiration of the current Victoria Police headquarters lease at the WTC.
- There was potential for the proposal to deliver benefits.

Stage Two assessment

Strategic assessment - a strategic assessment was undertaken by DTF, in conjunction with Victoria Police, which determined that the proposal demonstrated uniqueness and benefits that could not be realised through a competitive tender process. Government approved the proposal progressing to Stage Three through an exclusive negotiation on the basis that:

- The proposal had unique benefits of a secure site and integration with the CWPC.
- The site has material security benefits appropriate for Victoria Police.
- The proposal met a service need given the known expiration of the current Victoria Police headquarters lease at the WTC.
- The proposal was deliverable and feasible and there was potential to provide value for money and other benefits.

Stage Three assessment

Detailed due diligence, investment case and procurement preparation – due diligence and preparation was undertaken by Victoria Police, in consultation with DTF, which determined that the proposal costs were consistent with market benchmarks and that the risk allocation was consistent with existing government leasing arrangements. Victoria Police agreed the terms of the exclusive negotiation with the Cbus Property and Australia Post via a Probity and Process Deed. Government approved the proposal progressing to Stage Four on the basis that the proposal:

- Maintained unique benefits of a secure site and integration with the CWPC.
- Mitigated a key security risk for Victoria Police.
- Provided opportunity to drive improvement and productivity through colocation with the CWPC.
- Was deliverable, affordable and represents value for money.

Stage Four assessment

Negotiation and assessment of final offer – negotiations were undertaken by Victoria Police, in consultation with DTF, which resulted in an agreement that Cbus Property and Australia Post would fund and develop a new VPC for use as Victoria Police headquarters. Government approved the proposal progressing to Stage Five on the basis that the final offer:

- Provided value for money as independently assessed by the Valuer-General Victoria.
- Provided unique benefits of a secure site and integration with the CWPC.

Stage Five assessment

Award contract – The AFL was executed between the State, Cbus Property and Australia Post to deliver the new VPC. A Lease agreement for a period of thirty years will be executed on completion of the design and construction phase.

1.3 Governance and Probity requirements

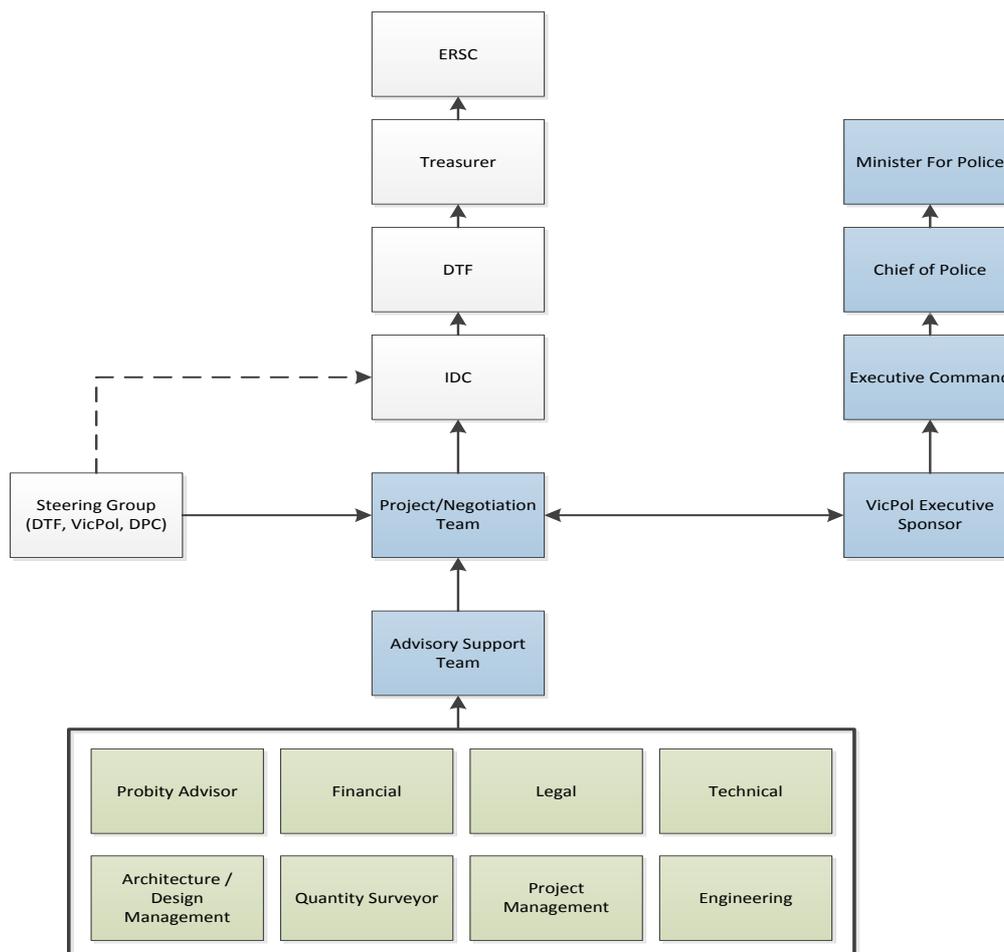
DTF led the assessment of the proposal through Stages One and Two.

Victoria Police, in consultation with DTF, led the assessment through Stages Three - Five. Victoria Police led the negotiations with Cbus Property and Australia Post. Victoria Police was supported in their negotiations by external advisers including:

- Probity adviser - Anne Dalton and Associates
- Property and commercial/financial adviser - Ernst & Young
- Legal adviser - DLA Piper
- Technical and engineering adviser – Jacobs Group
- Security advisers – Citadel Group and IPP

The assessment in Stages Three – Five was undertaken in accordance with a Governance Plan and overseen by the governance structure outlined Diagram 2.

Diagram 2: Governance Structure



A probity plan was in place for both Stages Three and Four to guide the project governance and decision making processes. A probity auditor was appointed to monitor adherence with the plan.

A Probity and Process Deed was executed between Victoria Police and Cbus Property and Australia Post for both Stages Three and Four to guide processes for interaction and negotiation. This included an open and transparent procurement process to engage the project builder.

1.4 Stakeholder engagement process

In accordance with the Market-led Proposals Guideline, the following stakeholders were consulted throughout the assessment process:

- Victoria Police internal business units
- Prospective sub-tenants
- The Police Association and Community and Public Sector Union
- Department of Environment Land Water and Planning
- Melbourne City Council
- VicRoads, Public Transport Victoria, Office of the Victorian Government Architect
- Victorian Managed Insurance Authority
- Industry Capability Network
- Infrastructure Victoria

1.5 Value for money

Value for money was assessed by the State with the support of the commercial and financial adviser, the cost certifier engaged during the design and construction tender process and the legal advisor. The Valuer-General Victoria also considered the Agreement for Lease (AFL) and the Lease.

Factors that supported the overall value for money assessment included that:

- The offer demonstrated best value when compared against existing and alternative accommodation options that could house the Victoria Police headquarters.
- The offer provided improved accommodation standards, enhanced security features and safety benefits for Victoria Police staff.
- The new VPC will be purpose built and the cost of the offer is lower than alternative CBD options which are not purpose built.
- Co-locating with the CWPC offers opportunities for increased operational efficiencies and community benefit.
- The commercial outcome provides an improved risk allocation over the standard State lease.
- The commercial aspects of the Lease are in line with market analysis and reflect a true economic rent.

A competitively tendered and transparent design and construction procurement process was undertaken and the rental costs are affordable and within existing budget parameters.

Table 2: Value for money comparison

Cost of contracted proposal (net present cost)	Benchmark of equivalent state cost (net present cost)	Estimated saving achieved through private proposal
\$606M	\$616M	\$10M

The Project's commercial and financial adviser and the Valuer-General Victoria undertook separate assessments of the proposal and both assessments confirmed that the proposal was within reasonable market ranges when benchmarked against A grade and Premium grade commercial office space, identified from multiple sources. The assessments both confirmed that the proposal provided a value for money outcome for the State on the basis of the qualitative benefits outlined above and the quantifiable costs analysis and benchmarking which included:

- Leasing rates (\$/m² p.a.)
- Storage rates (\$/m² p.a.)
- Outgoings (inclusive of Maintenance + Cleaning \$/m² p.a.)
- Car Spaces (\$ per Car Park per Month); and annual escalation (%)

The Project does not require any capital contribution from the State.

1.6 Contract milestones

The Contract milestone dates for implementing the proposal are outlined below.

Table 3: Key date summary

Contract component	Due date
Contract commencement (AFL executed)	19 January 2017
Design Complete	18 December 2017
Construction Complete	On or before 11 November 2019
Occupation /Lease commencement	1 January 2020 – 31 December 2050
Lease options	3 x 5 years
Contract expiry date	31 December 2065

Part Two: Key commercial features

The key commercial features of the Contract are outlined below.

2.1 Parties to the Contract

The key parties to the Contract are the State of Victoria and the Landlord, a joint venture between Cbus Property and Australia Post, and Cbus Property as Developer.

2.2 Contractual relationships

The State will engage in two separate contractual arrangements:

- AFL in place for the design and construction phase; and
- Lease in place for the occupation phase.

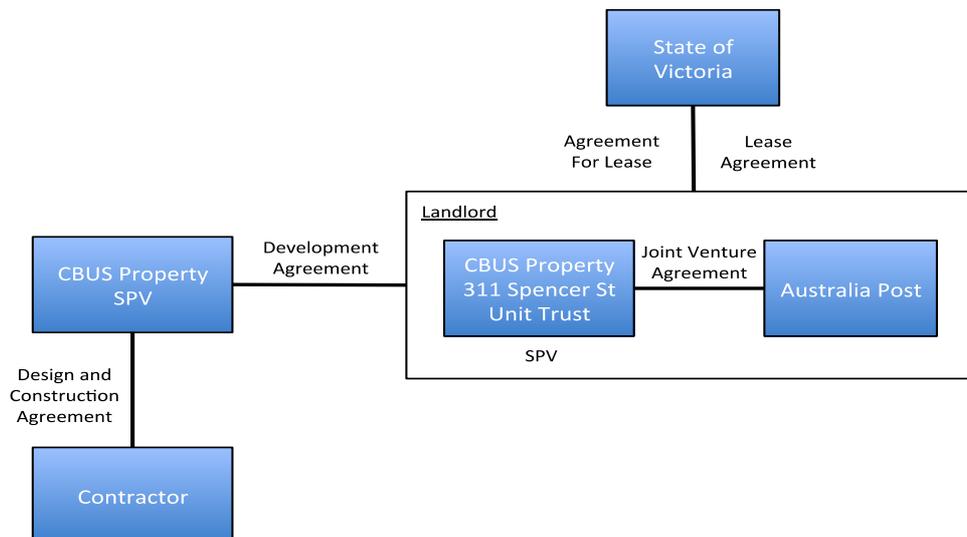
The Lease is based on the State's standard lease agreement although amendments have been made to strengthen particular issues for this arrangement.

The AFL has been based on the AFL prepared and agreed by the State for the 313 Spencer St arrangement. It has also been amended to strengthen particular aspects for this specific arrangement.

Victoria Police proposes to execute an Agreement for Sub-lease and Sub-lease with third party sub-tenants, comprising other policing agencies with similar accommodation needs.

The following structural arrangements outline each entity and the relationship between them.

Diagram 3: Contractual Structure



- Australia Post is a Commonwealth Government owned corporation with a balance sheet strength of approximately \$9B.
- Cbus Property 311 Spencer St Unit Trust is a special purpose vehicle that has been established for this project. It is a subsidiary to the operating company known as Cbus Property Commercial Pty Ltd, which is in turn a subsidiary of United Super Construction and Building Superannuation Fund as the parent company.
- The Landlord consists of both entities as a 50/50 joint venture.

2.3 Risk allocation

Key commercial risks are allocated under the Contract as outlined in table 4 below.

Table 4: Risk Summary

Risk	State	Landlord
Site risks		√
Design risk		√
Construction risk		√
Commissioning risk		√
Operating risk		√
Market risk		√
Industrial relations		√
Regulatory approval		√
Force majeure	√	√
Asset ownership – building		√
Asset ownership - Fitout	√	
Inflation post execution		√
Exchange rate post execution		√
Interest rate		√
Financing/refinancing post execution		√
Relocation risk	√	
Termination	√	√

2.4 General obligations of the contractor

The contractor has specific and clear obligations for each phase of the project, including the development phase and the term of the Lease:

2.4.1 Landlord’s major obligations under the AFL

- Managing risks associated with the ownership, financing, design development, construction, commissioning, operation, maintenance, support and delivery of the facility/service.
- Seeking and securing a planning permit.
- Project-managing the detailed design development, construction and commissioning of the facility.
- Delivering a purpose built facility suitable for police operations and ancillary services, including interconnection with the CWPC, based on the requirements outlined by the Tenant.

A number of additional elements have been included to provide the State tools for management, including:

- look forward test to monitor progress of the works
- allowing State engaged contractors on site
- security vetting processes
- change processes – able to include more scope or reduce scope
- sunset date that enables termination
- Landlord liability for all relocation and alternate lease costs should the project be delivered late
- Defects liability period of twenty-four months
- dispute resolution process that can escalate to binding arbitration.

On achievement of Practical Completion the Landlord will transfer the ownership of the fit-out to the State, however, the Landlord will retain liability for the Defects period.

2.4.2 Landlords major obligations under the Lease

The Landlord has a raft of obligations under the Lease. The key obligations are related to ensuring building performance and maintaining the building. The Lease includes a number of specific tools that help the State to mitigate risk in this regard including:

Warranty that the facility remains fit for use (FFU), supported by the following controls:

- abatement measures that are directly related to the tenants experience and for which non-performance will see the Lease rent payments abated
- a requirement to demonstrate every five years through independent assessment that the building remains FFU
- an agreed asset management plan that commits the Landlord to capital investment
- a requirement that the Landlord redecorate the premises at ten year intervals, including wet areas, carpets, ceiling tiles and paint
- reinstatement obligations in the event the premises are damaged and the parties elect not to terminate the Lease
- a requirement to obtain the Tenant's written consent before transferring its ownership of the property to another party
- the appointment of an agreed expert to resolve disputes that are not able to resolved by the parties
- a market rent review at year fifteen which enables rent to be aligned (increased or decreased) to market rental rates at the time of the review.

2.5 General obligations of the State

The State has specific and clear obligations for each phase of the project, including the development phase and the term of the Lease:

2.5.1 State's major obligations under the AFL:

- Actively participating in the detailed design stage. Victoria Police is obliged to provide all efforts to describe requirements accurately and fully, however, the risk associated with this ultimately rests with the Developer under their fit for purpose obligation.
- Reviewing and commenting on the Developer's key deliverables during the design and construction stages.
- Undertaking the required checking, verification and review of the Developer's information to achieve sign-off at critical milestones.
- Design review and hold points, including samples, prototypes, hold points to review construction progress and confirm that requirements are being met, coupled with display centres to demonstrate fit-out.

2.5.2 State's major obligations under the Lease:

The obligations under the Lease are consistent with standard lease practices. There are no unusual elements that the State would have to undertake under the Lease, however, the Lease does provide for the State to establish security processes to vet contractors, staff, etc. of the Landlord.

2.6 Government costs and service payments

The project requires no capital contribution from the State and no payments during the design and construction process. Payment will commence on project completion in the form of rent payments under the Lease from the State to the Landlord. Rent payments by the State have been independently assessed by the Valuer-General Victoria as being within the benchmark range for A grade and Premium grade commercial office space

2.7 Performance measures and abatement

The Contract contains a number of performance measures to ensure the Landlord is accountable for delivery as expected by the State. Under the AFL, the Landlord must:

- ensure the Net Lettable Area is not less than 95% of the proposed area

- undertake the works in a timely manner and in accordance with the requirements set out in the AFL
- achieve Practical Completion by the date nominated
- construct the works in accordance with the requirements of the deed and the agreed design
- obtain all approvals for the works, and comply with all relevant approvals and all Laws
- prepare prototypes for the Tenant's approval before commencing related works
- provide the Tenant with a complete set of as built drawings, specifications and relevant manuals after Practical Completion
- agree an asset management plan with the Tenant which outlines an agreed upgrade program for plant and equipment and which avoids unnecessary increases in Building Charges.

On completion, the Landlord must:

- consult with the Tenant within 5 days on any Defects and provide a timetable to rectify such Defects
- provide an annual estimate of Building Charges which are paid by the Tenant, an annual statement of actual Building Charges and credit the difference where the estimate exceeds the actual costs
- abate rent and Building Charges if the premises become so damaged that they are unusable
- maintain the building in good structural repair and condition, including water and wind proof
- redecorate the premises at the Landlord's cost at 10 year intervals
- arrange for a nominated contractor to attend within 4 hours of being notified of any failure of services in or to the premises
- hire and install replacement equipment where service failures cannot be repaired promptly
- obtain the Tenant's consent before transferring any part of its interest in the land.

The landlord also warrants that:

- the premises will be free from hazardous materials
- the air-conditioning systems have been chemically treated and maintained in accordance with the relevant Australian Standard
- all essential safety measures be taken in accordance with all laws
- the Building and the Landlord complies with all relevant OHS requirements
- the premises, services and Landlord's fixtures remain fit for the permitted use.

2.8 Default and termination regime

The Contract contains a number of provisions to ensure project completion in line with Victoria Police requirements and the established milestones. Key milestones at which termination processes may be initiated by the State include:

- if the Landlord, despite best endeavours, has been unable to obtain consent of the adjoining property owners at 313 Spencer St for interconnection works
- if the Project has not been completed by the nominated sunset date.

The landlord must:

- appoint an agreed expert to resolve disputes that cannot be resolved between the parties
- pay the Tenant liquidated damages if it has not achieved Practical Completion by the nominated date
- pay for all relocation and alternate Lease costs should the project be delivered late.

If either party materially fails to perform its obligations under the Contract, the default mechanisms will apply. This involves the lodgement of a default notice, requiring the defaulting party to:

- pay the non-defaulting party to remedy the default;
- remedy the default; or

- where the default cannot be remedied, pay compensation.

Failure to comply with the default notice could lead the termination of the Contract.

2.9 Finance and security arrangements

Under the executed AFL, the Landlord funds the design, development and construction of the new VPC, with no contribution required from the State until occupancy, at which point the State commences making rent payments to the landlord.

As security, Cbus Property has provided a letter of support, executed by United Super as an enforceable deed by which it undertakes to:

- continue to fulfil subscriptions in the Cbus Property trusts when they are called for, up to 100% of the development costs
- not change the unit trust holdings
- more generally provide support to the Cbus Property entities in relation to the Project.

Cbus Property has also provided a subscription deed under which:

- United Super undertakes to fulfil and the Landlord entity undertakes to call for, further subscriptions to enable funding to be continued; and
- the Landlord entity agrees to fund the Developer entity and provides an indemnity in relation to any failure to do so.

The Developer also provided a bank undertaking to the value of 5% of the cost of the Project, reduced by 2.5% at Practical Completion, and then half of the balance 12 months later and the remainder at the expiry of the Defects liability period (or completion of Defects rectification).

2.10 State rights at expiry of Contract

The State has agreed to a thirty year lease term with three options to extend, each for five years. Ownership of the asset remains with the Landlord, however, ownership of the fit-out transfers to the state on Practical Completion.

2.11 Process for Government modification of services/facility

The State may seek variations to the requirements, plans or works at any time and has the option to fund any agreed variations through a capital payment or apportioned throughout the lease term using an agreed rentalisation formula.

2.12 Audit and inspection rights of the State

The AFL includes contractual rights for the State to be given access to information and data, including to:

- inspect, observe or test any part of the works or project activities
- examine and make copies of the accounts, records and reports in connection with the Project
- disclose information in connection with the Project to satisfy the disclosure requirements of the Victorian Auditor-General or to satisfy the requirements of Parliamentary accountability.

Appendix 1 Glossary

Terms used in this Project Summary have the meaning given to them in the Contract unless otherwise defined in this Glossary or elsewhere in this document.

Term	Meaning
AFL	Agreement for Lease in place for the design and construction phase
Building	The proposed building to be designed and constructed at 311 Spencer St for use as the new Victoria Police Centre
Building Charges	Costs associated with the occupancy and operation of the building which are incurred by the Landlord such as utilities and services charges and are passed onto the Tenant
Contract	The Agreement for Lease and Lease
CWPC	City West Police Complex at 313 Spencer St, Melbourne
Defects	Defects, omissions or faults
Developer	Cbus Property
DTF	Department of Treasury and Finance
MLP	Market-led Proposal
Landlord	Cbus Property and Australia Post
Laws	Includes any requirements of any statute, rule, regulation, proclamation, ordinance, by-law or local law, present or future, and whether State, Federal or otherwise
Lease	Lease in place for the occupation phase
NABERS	National Australian Built Environment Rating System to measure and compare the environmental performance of Australian buildings and tenancies
PCA	Property Council of Australia
Practical Completion	The stage at which the integrated works are complete and capable of being used for the their intended purpose, with the exception of minor omissions and minor Defects
Project	VPC Accommodation Project
Tenant	Minister for Finance on behalf of the State of Victoria
VPC	Victoria Police Centre
WTC	Current Victoria Police headquarters location at the World Trade Centre at 637 Flinders St, Docklands

Appendix 2 Useful references

Information about the Market-led Proposals process can be found at:

<http://www.dtf.vic.gov.au/Infrastructure-Delivery/Market-led-proposals>

The Victoria Police website:

www.police.vic.gov.au

The Department of Treasury and Finance website:

www.dtf.vic.gov.au

Appendix 3 Key contact details

Department of Treasury and Finance

Website: www.dtf.vic.gov.au

1 Treasury Place

East Melbourne VIC 3002

Phone: (03) 9651 5111

Victoria Police

Website: www.police.vic.gov.au

637 Flinders Street

Docklands VIC 3008

Phone: (03) 9247 6666

Appendix 4 Probity Plan

Probity Plan for Stage Four Assessment – *Market-led Proposals Guideline 2015*

The Government received a market-led proposal for a new Victoria Police Centre (VPC) from Australia Post and Cbus Property (the Proponents) in May 2015. The proposal has been considered at Stages One, Two and Three under the *Market-led Proposals Guideline* (the Guideline). The Government progressed the proposal to Stage Four of the Guideline in February 2016.

The Proponents are seeking to develop a new office building at 311 Spencer Street, Melbourne, and subsequently lease this facility to the Victorian Government for use as a new VPC. The VPC would allow consolidation of Victoria Police CBD operations into one location as the proposed site at 311 Spencer St is adjacent to the recently developed City West Police Complex at 313 Spencer Street.

The main activities during Stage 4 are as follows:

Negotiation and assessment of final offer

Private proponent: Engage with lead Department and DTF to submit a final offer.

Public sector: Lead department and DTF evaluate and benchmark final offer(s), complete negotiations, and recommend to Government whether a proposal should proceed to contract award. Undertake final due diligence and confirm business case.

Stage Four involves completing an exclusive negotiation in order for the Proponents to present a final offer for Government to consider.

The final offer presented to the Government after negotiations should confirm the proposed scope, cost to government, risk allocation and benefits.

The market-led proposal process is designed to ensure transparency, and to maintain the highest level of probity and public accountability in receiving and assessing market-led proposals.

This Probity Plan sets out the principles and practices for engaging with the Proponents during Stage Four assessment in accordance with the Guideline.

The objectives of a Probity Plan are to:

- Ensure prescribed processes have been identified and can be followed or adhered to
- Ensure the processes designed are equitable and conducted with integrity
- Clarify accountability
- Preserve public and Proponents confidence in government processes
- Improve defensibility of process to potential legal challenge or other external scrutiny

A Probity Advisor has been engaged to provide oversight and advice as appropriate during Stage Four

Probity principles

Organisations and officers undertaking or contributing to this Stage Four assessment must ensure:

- Compliance with legal and policy requirements
- Consideration of competitive requirements
- Fairness and impartiality
- Consistency and transparency of process
- Security and confidentiality
- Identification and declaration of conflicts of interest

Responsible officers participating in the assessment process are accountable for ensuring that systems, policies and procedures are adhered to ensure integrity of the assessment process and compliance with this Probity Plan. The key requirements are outlined in Table 1 below.

Table 1: Probity requirements

Requirements	Recommended actions
Compliance with legal and policy requirements	<p>Officers should ensure compliance with government legislation and codes, including:</p> <ul style="list-style-type: none"> • Public Administration Act 2004; • Freedom of Information Act 1982; • Code of Conduct for Victorian Public Sector Employees; • State Services Authority (SSA) Ethics Framework; • SSA Conflict of Interest Policy Framework; • SSA Gifts, Benefits and Hospitality Policy Framework, and • Commonwealth legislation and relevant trade agreements.
Consideration of competitive requirements	<p>Organisations and officers must:</p> <ul style="list-style-type: none"> • ensure appropriate consideration and implementation of competitive processes to deliver a value for money outcome to the State in accordance with the Market-led Proposals Guideline.
Ensuring fairness and impartiality	<p>Organisations and officers must:</p> <ul style="list-style-type: none"> • be honest, open and transparent in their dealings; • use powers responsibly; • address improper conduct; • manage any real or apparent conflicts of interest; and • strive to earn and sustain a high level of public trust. <p>Officers must demonstrate impartiality by:</p> <ul style="list-style-type: none"> • making decisions and providing advice based on merit—without bias, caprice, favouritism or self-interest, and • acting fairly by objectively considering all relevant facts and fair criteria.
Consistent and transparent processes	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> • apply transparency and fairness throughout the assessment process; • maintain records throughout the process, providing enough information to enable independent review; and • ensure any change or variation to process does not unfairly disadvantage the Proponents and minimises additional costs.
Secure and confidential proposal information	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> • set up processes to ensure that information from the Proponents, in particular intellectual property (if relevant), remains confidential.
Identifying and resolving conflicts of interest	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> • identify and address actual and perceived conflicts of interest; and • record all actions taken to address any actual or perceived conflict of interest.
Compliance with Probity Plan	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> • ensure the Stage Four advice records compliance with this Probity Plan.

Declarations of Conflict of Interest and Confidentiality Declarations

Officers (including those contracted by Government to assist with the evaluation) are required to:

- Complete relevant confidentiality declarations (as required) as a condition of participating in the assessment process
- Declare any potential or perceived conflicts of interest to the Chair of the Project/Negotiation team
- Only Project Members that have completed a Confidentiality Deed acknowledging their confidentiality requirements may access Project information;
- A register of Project Members who have signed the confidentiality and conflict of interest documents is to be maintained by the Chair of the Project/Negotiation team or an expressed delegate
- All new members or persons supporting the Project/Negotiation team must complete the necessary documentation to be included in the Project and have access to the Proponent or Project related information
- The conflict check process should be conducted at each phase of the Project

The Chair of the Project/Negotiation team will consider any declarations, seek external probity advice as necessary, and implement necessary controls to manage the conflict. Where there are declared conflicts and/or relationships, assessment or treatment plans must be developed and signed off by the Project/Negotiation Chair.

Interaction with Proponents at Stage Four

As part of the Stage Four process, the Proponents will be asked to enter into a structured, time limited negotiation so that the Project/Negotiation team can provide the necessary information and parameters to form advice to Government at the end of Stage Four.

The parameters for this exchange will be pre-agreed with the Proponents through a Probity and Process Deed, including the treatment of intellectual property (if relevant). An interaction and negotiations protocol will be developed prior to commencing negotiations.

The Chair of all negotiation meetings (being the Project/Negotiation team lead) will reinforce the confidentiality and conflict of interest protocols for those attending the meetings and participating in this process.

Any meetings held with the Proponents must adhere to the following requirements:

- Meetings must be structured around an agenda
- At least two Project Members must be in attendance at any such meeting
- There must be a record of the meeting
- The Probity Advisor may choose to attend any meeting if deemed appropriate

At the end of Stage Four there will be written communication to the Proponents of the assessment outcome.

Debriefs

If a proposal does not proceed past Stage Four, the Proponents will be offered a debrief, either over the phone or at a meeting. Officers conducting the debrief will prepare for the discussion based on the outcomes of the assessment process. Where a debrief meeting is held with Proponents, two officers will be present at the meeting.

Secure and confidential proposal information

Proposal information will be managed to maintain confidentiality and access and distribution limited to those officials involved in the Stage Four assessment and for other purposes under the Guideline.

The State Representative, as defined in the Probity and Process Deed between the State and Proponents will serve as the key contact channel with the Proponents for documentation. Access to information exchanged between the parties will be governed by the terms of the Probity and Process Deed.

Electronic documents will be stored securely and will have access controls in place to limit access to only authorised Project team members. Key documents such as recommendations and assessment reports will be password protected. Specifically:

- Common drive sub-directories being used to store project information will only have access enabled for approved Project Members
- TRIM containers and documents will have appropriate access controls put in place
- Sensitive documents, such as evaluation plans or assessment reports must be password protected if being emailed

Documents will be managed in accordance with Victoria Police's records management policy as appropriate.

Records

Records will be maintained throughout the process to provide sufficient information to enable independent review and consistent with the applicable records management policy requirements.

Governance

Victoria Police will manage the Stage Four process, including managing the overall work streams, providing advice to Government and managing all interaction and negotiation with the Proponents.

The Expenditure Review Sub-committee of Cabinet (ERSC) is responsible for the decision as to whether, and in what form, the Proposal may proceed to Stage Five under the Guideline.

The assessment will be overseen by an Inter Departmental Committee (IDC). This will be the senior oversight body responsible for delivering the final Stage Four advice.

The accountabilities and responsibilities of the various governance entities are set out below. A Probitry Advisor has been engaged to provide probity advice and oversight, as well as process assurance to the Government in relation to the Stage Four activities.

The proposed governance arrangements are outlined below (as extracted from the Project Plan).

Accountabilities and Responsibilities

Role	Accountability / Responsibilities
IDC	<ul style="list-style-type: none"> • Oversee and implement the market-led proposal process • Endorse the Stage Four governance and work plan including negotiation parameters • Endorse Stage Four Probity Plan • Brief the Treasurer
Negotiation Reference Group	<ul style="list-style-type: none"> • Oversee and provide advice to the Project/Negotiation team consistent with clear negotiation parameters • Brief the IDC as required
Project/Negotiation Team	<ul style="list-style-type: none"> • Establish user needs and project requirements • Coordinate project development activities to support the negotiation process • Undertake direct negotiations with the proponent in accordance with the parameters agreed to by the IDC and Victoria Police Executive Sponsor • Provide briefings as required to all stakeholders • Document the negotiation progress and outcomes • Provide advice and recommendations to the IDC and Victoria Police Executive Sponsor • Develop alternative strategies in the event negotiations do not meet agreed parameters
Victoria Police Executive Sponsor	<ul style="list-style-type: none"> • Endorse the negotiation parameters • Provide resources to the project • Provide Victoria Police direction to the project • Brief Victoria Police Executive Command and Chief of Police • Brief the Minister for Police
Advisory Support Teams	<ul style="list-style-type: none"> • Provide specialist advice to the Project/Negotiation team as required
Probity Advisor	<ul style="list-style-type: none"> • Provide independent probity advice as required throughout the negotiation process.

Infrastructure Victoria Review

It is anticipated that the recently created Infrastructure Victoria may have a role in independently reviewing and assuring DTF advice at the conclusion of Stage Four. To facilitate this activity, it is possible that representative(s) of Infrastructure Victoria will be invited to observe Evaluation Steering Committee meetings and review materials produced by the Assessment Working Group during the Stage Four process. Involvement of these representatives will be governed by the same probity principles and procedures set out in this plan.

Management of this Probity Plan

The IDC will have overall responsibility for managing and implementing the requirements of this Probity Plan. The Stage Four advice will record compliance with this Probity Plan.

This plan and any changes made to it, are to be approved by the IDC.

Probity issues and queries

During any process, it is possible that probity issues will arise. In these circumstances, Project Members should bring the matter to the attention of the Chair of the Project/Negotiation team or Probity Advisor for timely advice and resolution. In case of doubts, it is preferred that the matter is preliminary discussed with the Chair of the Project/Negotiation team and the Probity Advisor to agree on a position on the probity issue.

Dealings with the Probity Advisor on a probity issue are done so on the understanding that any such matter will be treated in confidence.

Probity issues will need to be documented and detailed in a Probity Issue File Note – see **Appendix A**, and record of individuals involved and actions undertaken to resolve the issue should be reported to enable appropriate documentation and escalation.

Probity Breaches

If a breach of this plan occurs, it is essential that the breach is identified, reported, documented and investigated. A breach does not necessarily lead to a compromise of the entire process. However, all breaches must be managed according to their risk to the process.

Where appropriate, reliance is placed on legal advice where enabling legislation exists.

Probity Advisor/Auditor

The Probity Advisor for the Project is Anne Dalton & Associates. The Probity Advisor is available to any Project Member to discuss any probity issues or concerns in relation to the Project.

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