

18.3 Facility Management and Leisure Services Tender

File Number: IN23/64
Responsible Director: Director Connected Communities
Attachments: Confidential

CONFIDENTIAL MATTERS

This report contains confidential information as defined in the *Local Government Act 2020*. The relevant ground applying is S3(1)a of the Act concerning Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

In its confidential meeting, Council resolved to make this report public excluding confidential attachments.

EXECUTIVE SUMMARY

Council currently has ten (10) Leisure Facilities managed under contract. There are currently two (2) contracts in place for management of these facilities, each with its own commencement date, length of term and terms and conditions.

These facilities are to be combined into one management arrangement to be managed by an external management company following the expiry of current contract terms on 30 June 2023.

Council has undertaken a two-stage tender process. Stage one was an Expression of Interest (EOI) to engage with the market and identify shortlisted suppliers. Stage two was a formal Request for Tender (RFT) inviting shortlisted suppliers to respond to the Facility Management and Leisure Services tender for Manningham's ten leisure facilities, commencing on 1 July 2023.

Council received four (4) Request for tender submissions. These submissions have been evaluated by the Tender Evaluation Panel, and the Panel is providing a recommendation to Council in relation to the preferred supplier to undertake the Facility Management and Leisure Services Contract for Manningham, commencing 1 July 2023 for an initial Contract Term of 5 years.

The Tender Outcome Award Report is provided as an attachment to this report (Confidential Attachment One). The Tender Outcome Report provides a recommendation on the preferred supplier for Council to authorise the CEO, or delegate, to approve the tender outcome recommendation and undertake signing of the Contract documentation.

COUNCIL RESOLUTION

MOVED: CR STEPHEN MAYNE
SECONDED: CR ANDREW CONLON

That Council:

- A. Award Aligned Leisure Pty Ltd the contract for the provision of Facility Management and Leisure Services for the initial term of 5 years, with 2 Up to 5 years contract extension options, commencing from 1 July 2023.**
- B. Authorise the Chief Executive Officer to finalise the contract documentation with Aligned Leisure Pty Ltd.**
- C. Authorise the Chief Executive Officer to advise all unsuccessful tenderers that their tender has been unsuccessful.**
- D. Authorise the Chief Executive Officer to make this report public excluding attachments after advising the Tenderers of the outcome of the tender process.**

CARRIED UNANIMOUSLY

2. BACKGROUND

- 2.1 A review process was undertaken to consider options regarding facility management and leisure services provision and to determine a suitable management model to achieve this service. Following a thorough review, it was identified that Council would undertake a two-stage tender process for 'a one contract, one operator' management model for Manningham's ten leisure facilities.
- 2.2 A Tender Evaluation Panel was established for this Tender. The Panel's role was to evaluate both the EOI and the RFT. Council's probity advisor, Pitcher Partners have been present at all meetings held with the Tender Evaluation Panel throughout the EOI and RFT process to ensure best practice and probity compliance. Pitcher Partners have provided a Final Report on the Tender process as an attachment to this report (Confidential Attachment Two)
- 2.3 An independent consultant and aquatic and leisure industry expert from Sport and Leisure Solutions, Mr Jim Corbett, was also engaged as a voting member on the tender evaluation panel to provide an independent report to Council on the process and outcomes of the EOI and the RFT. Sport and Leisure Solutions Report on the Tender process is provided as an attachment to this report (Confidential Attachment Three)

3. DISCUSSION / ISSUE

- 3.1 Please refer to Tender Outcome Award Report - Attachment One for information outlining the process undertaken to evaluate the Tender submissions and reach an agreed recommendation on the preferred supplier.

4. COUNCIL PLAN / STRATEGY

- 4.1 The consolidation of the management of Council's leisure facilities contracts responds to action 1.1.3- *Quality indoor and outdoor aquatic facilities to meet the needs of active recreation and organised sport participation* - Review options regarding management of Aquarena at the end of the current contract term, within Council's Active for Life Recreation Strategy 2010-2025 (Reviewed 2019).
- 4.2 The consolidation of the leisure facilities contracts responds to action 1.6.5 - *Quality indoor stadium facilities to meet the needs of active recreation and organised sport participation - Consolidate current stadium management contracts and undertake a tender process for their management and operation at the conclusion of the current contracts' terms, within Council's Active for Life Recreation Strategy 2010-2025 (Reviewed 2019).*
- 4.3 The consolidation of Council's leisure facilities contracts also aims to produce relevant outcomes for the Council Plan 2021-2025 and Health and Wellbeing Strategy 2021-2025.

5. IMPACTS AND IMPLICATIONS

- 5.1 The alignment of the contract to key Council plans and strategies provides the most appropriate method to generate clearly aligned community priorities and outcomes from the preferred supplier. This alignment has provided a strategic basis to assist in the evaluation of tender responses.
- 5.2 The alignment of the specification to key Council plans and strategies also allows for the development of robust service plans in partnership with the preferred supplier, that will allow contractor performance to be measured and evaluated on an ongoing basis throughout the term/s of the contract.
- 5.3 The award of one Contract and the appointment of the preferred supplier will require a transition to be undertaken across all 10 Manningham leisure facilities. A transition plan has been prepared and additional resourcing is being sourced to manage this process for Council.
- 5.4 The preferred supplier has indicated approximately \$6.3 million would be spent over the contract term for local Manningham and eastern region-based businesses and the preferred supplier has an organisational procurement policy that aligns with Council's Procurement Policy.

6. IMPLEMENTATION

6.1 Finance / Resource Implications

- 6.1.1 This two-stage tender process was undertaken seeking 'value for money' for the provision of leisure services and facility management.
- 6.1.2 An external Probity Advisor is engaged throughout the evaluation and contract award process for the two-stage tender process.

6.1.3 Resourcing will be required to manage the tender process to completion (contract award). This includes a strategic project management resource and a Transition officer who will be required for up to six (6) months to directly manage the transition in/out for this contract.

6.2 **Communication and Engagement**

6.2.1 A communications plan has been developed to manage the communications to stakeholders, including but not limited to:

- Councillors;
- Community;
- Existing Facility Staff;
- Council Staff;
- Members and Patrons; and
- Sporting Associations, clubs, and casual user groups of facilities

6.2.2 A comprehensive Transition Plan (transition in and out) is being developed to ensure communication and engagement methods are timely, appropriate and managed by Council with the preferred supplier and existing operators and ensure minimal impact to ongoing provision of services at all facilities.

6.2.3 It is standard practice for Council's website to include relevant details of the tender outcome following Council's resolution. This will provide information about the tender outcomes, the names of the submitter and the schedule of rates. This is consistent with our tender processes across Council. Council's resolution will also be made public.

6.3 **Timelines**

6.3.1 The preferred supplier to be notified of the tender outcome on 1 March 2023.

6.3.2 The unsuccessful suppliers to be notified of the tender outcome on 2 March 2023 and tender debrief meetings scheduled.

6.3.3 Council must notify incumbent contractors of any change to their existing contract agreements no later than 31 March 2023.

6.3.4 The new contract will commence 1 July 2023 for an initial contract term of 5 years.

7. **DECLARATIONS OF CONFLICT OF INTEREST**

No officers involved in the preparation of this report have any general or material conflict of interest in this matter.