

DSD20 MANAGEMENT OF THE COBURG LEISURE COMPLEX - REQUEST FOR TENDER 1333 (CO1333)

Director Social Development

Youth and Leisure

Executive Summary

The attachment to this report is confidential under section 89(2) of the Local Government Act 1989 because it relates to a contractual matter and premature disclosure may be prejudicial to Council's interest and negotiations with other parties.

In accordance with the Brunswick City Baths and Coburg Leisure Complex Re-tendering Project Plan adopted by Council on 12 September 2005, the Management of the Coburg Leisure Complex was advertised in "The Age" newspaper on Saturday 4 March 2006. Tenders closed at 12 noon on Tuesday 11 April 2006.

Council received compliant tender responses from:

- Belgravia Leisure
- CASA Leisure
- LeisureCo
- Moreland City Council (Network Leisure)
- YMCA

A tender evaluation panel considered and rated each of the tender responses against the established evaluation criteria. Tender presentations and interviews were conducted with each tenderer before reference checks were completed for all leading contenders.

As a result of the evaluation process, the panel has recommended Belgravia Leisure Pty Ltd as the preferred tenderer on the basis that their tender response was assessed to provide the best quality and value for money outcome for the community when assessed against the evaluation criteria. The recommended tender response includes the management and operation of the Coburg Leisure Complex, including Coburg Leisure Centre, Coburg Olympic Pool and Pascoe Vale Pool. It is recommended that the Chief Executive Officer be authorised to undertake contract negotiations and execute a contract.

Recommendation

Council resolve:

1. That Belgravia Leisure Pty Ltd be selected as the preferred tenderer in response to the Request for Tender (RFT) No 1333 Management of the Coburg Leisure Complex.
2. That Council authorises the Chief Executive Officer to negotiate and execute a contract with Belgravia Leisure Pty Ltd.
3. That subject to the successful negotiation with Belgravia Leisure Pty Ltd, Council delegates the authority to the Chief Executive Officer, to sign and seal the contracts for RFT 1333 Management of the Coburg Leisure Complex with a commencement date of 1 July 2006.

1. Policy Context

This report is consistent with a number of policies and strategies adopted by Council.

The Moreland Leisure Plan 2001-2006 specifically outlines the need to develop an integrated planning approach to the operation of leisure and aquatics facilities, ensuring that social, environmental and economic factors are taken into consideration. As such the request for tender specifies a triple bottom line approach to management of the facilities and reporting.

In addition, this report and the recommendations are consistent with Council's Asset Management Strategy (BAMS) as the specification gives consideration to the management of the asset over its whole life cycle and identifies the level of service that will be delivered by the asset and how the service will be monitored. As such it contains the necessary asset maintenance requirements for Council's asset protection objectives to be met.

The Moreland Disability Action Plan outlines specific actions in relation to recreation, and addresses actions within the plan, including the development of specific programs to meet the needs of young people and to develop appropriate recreational programs for people with a disability and from culturally and linguistically diverse backgrounds to increase their participation in these programs.

Other Council policies addressed through the recommendations of this report include initiatives and programs to promote positive interaction, shared activities and identification of shared concerns between citizens.

2. Background

Council considered a report at its ordinary meeting held on 12 September 2005 regarding the Brunswick City Baths and Coburg Leisure Centre Management Contracts (CO884 & CO727).

As a result of that report, Council resolved: -

"To adopt the attached Project Management Plan dated September 2005 to enable re-tendering of the Coburg Leisure Complex by 31 March 2006 and Brunswick City Baths prior to 30 June 2007.

That Council should strongly consider an in-house tender."

As a result, officers prepared the necessary service specification which was publicly advertised on 4 March 2006. The tender specification provided the option for organisations to tender for operation of all or part of the management and operation of the Coburg Leisure Complex, including Coburg Leisure Centre, Coburg Olympic Pool and Pascoe Vale Pool. Tenders closed on Tuesday 11 April 2006 and five (5) complying tenders were received for the management and operation of the Coburg Leisure Complex (the three sites) and one (1) complying tender was received for the management and operation of the outdoor pools.

The new contract specification developed for the tender contained a number of additional service requirements aimed at improving safety and quality of service.

Specifically, the new contract requires that:

- Additional lifeguards be used to supervise existing water spaces at the Coburg Leisure Centre and both Outdoor Pools when the learners pools are open to meet Royal Life Saving Society Guidelines.
- Lifeguard to patron ratios be reduced from 1:100 to 1:50 to improve safety.
- Improved cleaning and grounds maintenance standards be met.

- Specified levels of scheduled and reactive maintenance at each facility totalling \$230,000 per annum be undertaken.
- Tenderers provide and facilitate outreach and “Active Moreland” programs and services to the value of \$75,000, ensuring a community development with agreed outcomes is achieved.

Additional requirements within the proposed new service specification also include:

- Participation in Council training opportunities including cultural diversity and disability awareness.
- Annual non-user survey.
- Detailed reporting on stakeholder and community engagement.
- To plan, provide and manage a yearly one or two day Active Moreland Expo.
- Participate at no cost to Council in three Expos or festivals per annum.
- Conduct Level 2 CERM benchmarking every two years.
- Develop a Service Charter within three months of contract commencement.
- Finalise development of an Environmental Management Plan.
- Developing a branding/marketing strategy for each facility.
- Increased Yearly Service Plan obligations.
- Provide uniforms to staff with Council & Centre branding as the dominant logo.

An evaluation panel of four officers and an independent consultant was established to assess all complying tenders against the predetermined selection criteria set out below.

This evaluation was undertaken by attributing points to each proposal against the various pre-determined selection criteria. The scoring was undertaken independently by panel members prior to a joint discussion of differences and an agreed score being finalised. It should be noted that all scoring was undertaken by the Council officers on the assessment panel and that the independent/non-voting member did not have voting or scoring rights. Final scoring is contained within **Attachment 1 - Tender Evaluation Spreadsheet**.

3. Issues

Following tender analysis, the tender evaluation panel sought clarification from tenderers on their tender responses to ensure that each tender response was being assessed on the same basis and level of understanding. In this regard, further clarification was sought from the leading contenders on:

- Lifeguard rostering, supervision and ratios
- Specific opening hours of learners’ pools and diving pools
- Staff awards and conditions
- Specific cleaning standards to be undertaken
- Clarification of “on-costs” within tender bids
- Financial impact of managing the Coburg Leisure Centre as a separate entity without management responsibility for the Coburg Olympic Outdoor Pool and Pascoe Vale Outdoor Pool.

Lifeguard Rostering, supervision and ratios

All respondents confirmed that:

- Two qualified lifeguards would be actively supervising the water when both the 25m and learners pool are open at the Coburg Leisure Centre.
- Specific lifeguards would be rostered to supervise learner pools and diving pools at the outdoor pools when open.
- Lifeguard ratios would be 1:50 (maximum) at all times.

Specific opening hours of learners' pools and diving pools

It was established that each tenderer has budgeted for reduced hours of operation for the learner pools to accommodate additional supervision requirements within the new tender. Previously, learner pools did not require specific lifeguard supervision, and as such, remained open throughout the scheduled opening times.

Current scheduled opening times without dedicated lifeguard supervision for learner pools are:

Coburg Leisure Centre	6.00am to 9.30pm
Outdoor pools	11.00am to 7.00pm

The budgeted opening hours for the operation of learner pool in each tender response are:

	Coburg Leisure Centre	Outdoor Pools
Belgravia Leisure	9.00am to 7.30pm	11.00am to 3.00pm in non school holiday weeks
LeisureCo	12.00noon to 6.30pm	11.30 am to 6.15 pm
YMCA	8.00am to 8.00pm	Not specified

A comparison of staff awards and conditions, cleaning standards and clarification of staff on-costs is contained within the confidential **Attachment 2**.

Community Consultation

An evaluation panel was established to review and consider all tender responses. The evaluation panel consisted of: -

Nicholas Burt – Manager Youth and Leisure (Chair)

Derryn Wilson – Manager Aged Services

Derek Madden – Manager Finance

Tony Oulton – Unit Manager Leisure Facilities

Martin Sheppard – Smart Connection Company (Independent and non-voting panel member).

Following tender presentations and scoring by the panel, reference checks were completed on Belgravia Leisure Pty Ltd, LeisureCo and the YMCA. The majority of referees were selected from councils that had experience with two of the three operators either currently or previously managing their facilities. Each council was asked to score both previous and current providers against established evaluation criteria. Scores were then collated and averaged for inclusion in the tender evaluation process. Eight local governments were consulted through this process, including in Victoria and other states.

As part of the contract commencement the successful tenderer will undertake a business planning exercise including programming and consultation with users and potential users of the facility.

4. Consultation

The issues contained within this report were discussed with Councillors at an Issues and Discussion Workshop on Monday 24 April 2006. In addition, Councillors discussed the process and had input into the Brunswick City Baths and Coburg leisure Centre Retendering Project Plan.

5. Financial and Resources Implications

The financial and resources implications section of this report are contained within confidential **Attachment 3.**

It is noted that the recommended tender response is for the management and operation of the Coburg Leisure Complex, including Coburg Leisure Centre, Coburg Olympic Pool and Pascoe Vale Pool.