



17.1 **Kauri Community & Sports Centre – New EOI Tender (Report No: 74/19)**

Motion – Exclusion of the Public – Section 90(3)(b & d) Order C120319/1408

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
conducting business; or
would prejudice the commercial position of the Council.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected
to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.
3. The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Councillor Lonie, Seconded Councillor Snewin

Carried

Following an unsuccessful Head Lease negotiation with Kauri Community & Sports Centre Inc. (KCSC), Council resolved at its meeting on 10 October 2017 to seek Expressions of Interest (EOI) for the day-to-day operational management of the Kauri Community & Sports Centre ("*Centre/Facility*"). An EOI was advertised, and at the close of the EOI three (3) submissions were received.

Two submissions were deemed to be non-complying, and the third proposed costs that were considered excessive based on the services offered. The EOI was not therefore progressed. Administration subsequently proposed that a staff facility manager be appointed to manage and promote the facility, however this was not supported by Council.

Management of the Centre is therefore currently being provided by existing staff.

On 17 August 2018 Administration received a subsequent unsolicited proposal from one of the EOI proponents (Belgravia Leisure) to undertake management of the Centre. The proposal focused on activating the facility between the hours of 8:30 am and 4:00 pm Monday to Friday for an interim period of six (6) months at an estimated cost of approximately \$16,000, with Council receiving all revenue generated from programs using the Centre. This proposal was not supported by Council.

As management of the Centre is still being provided by existing staff as an extension of their normal duties, Administration is keen to formalize a more sustainable and effective management arrangement. It is therefore proposed that a 2nd EOI process be undertaken with a revised scope to appoint a suitable facility manager.

Motion

C120319/1409

1. That Administration undertakes an Expression of Interest Tender to seek parties interested in managing the Kauri Community & Sports Centre for an initial 3 year term;
2. Following the completion of the Expression of Interest, a report be submitted to Council outlining offers received; and

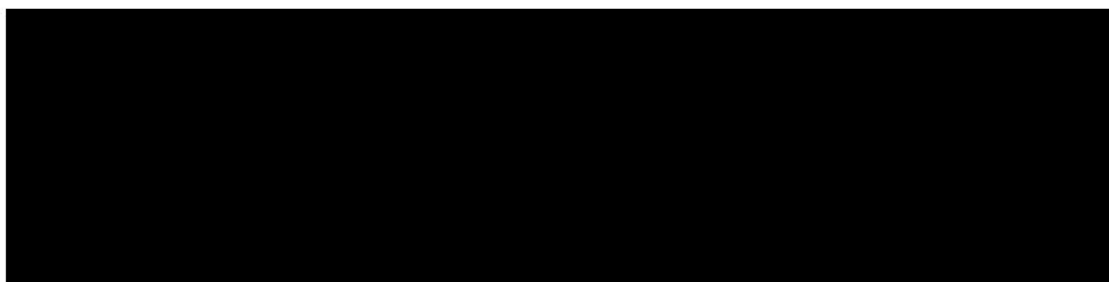
RETAIN IN CONFIDENCE - Section 91(7) Order

C120319/1410

That having considered Agenda Item 17.1 Kauri Community & Sports Centre – New EOI Tender in confidence under section 90(2) and (3)(b&d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the amount of the tender be held in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Councillor Lonie, Seconded Councillor Snewin

Carried



ITEM NUMBER: 17.1

CONFIDENTIAL REPORT

KAURI COMMUNITY & SPORTS CENTRE – NEW EOI TENDER

Pursuant to Section 83(5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.**

- d. Commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.**

Recommendation – Exclusion of the Public – Section 90(3)(b & d) Order

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender in confidence.

 - 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 74/19 Kauri Community & Sports Centre – New EOI Tender on the following grounds:
 - b.** pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
would prejudice the commercial position of the Council.

 - d.** pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected

to prejudice the commercial position of the person who supplied the information, or
to confer a commercial advantage on a third party.

 - 3.** The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: **17.1**

Subject: **KAURI COMMUNITY & SPORTS CENTRE – MANAGEMENT SERVICES
EOI TENDER**

Date: 12 March 2019

Written By: Property Management Officer

General Manager: City Assets and Services, Mr H Lacy

SUMMARY

Following an unsuccessful Head Lease negotiation with Kauri Community & Sports Centre Inc. (KCSC), Council resolved at its meeting on 10 October 2017 to seek Expressions of Interest (EOI) for the day-to-day operational management of the Kauri Community & Sports Centre ("*Centre/Facility*"). An EOI was advertised, and at the close of the EOI three (3) submissions were received.

Two submissions were deemed to be non-complying, and the third proposed costs that were considered excessive based on the services offered. The EOI was not therefore progressed. Administration subsequently proposed that a staff facility manager be appointed to manage and promote the facility, however this was not supported by Council.

Management of the Centre is therefore currently being provided by existing staff.

On 17 August 2018 Administration received a subsequent unsolicited proposal from one of the EOI proponents (Belgravia Leisure) to undertake management of the Centre. The proposal focused on activating the facility between the hours of 8:30 am and 4:00 pm Monday to Friday for an interim period of six (6) months at an estimated cost of approximately \$16,000, with Council receiving all revenue generated from programs using the Centre. This proposal was not supported by Council.

As management of the Centre is still being provided by existing staff as an extension of their normal duties, Administration is keen to formalize a more sustainable and effective management arrangement. It is therefore proposed that a 2nd EOI process be undertaken with a revised scope to appoint a suitable facility manager.

RECOMMENDATION

- 1. That Administration undertakes an Expression of Interest Tender to seek parties interested in managing the Kauri Community & Sports Centre for an initial 3 year term;**

2. **Following the completion of the Expression of Interest, a report be submitted to Council outlining offers received; and**

RETAIN IN CONFIDENCE - Section 91(7) Order

3. **That having considered Agenda Item 17.1 Kauri Community & Sports Centre – New EOI Tender in confidence under section 90(2) and (3)(b&d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the amount of the tender be held in confidence for a period of 24 months and that this order be reviewed every 12 months.**
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COMMUNITY

Placemaking: Creating vibrant and safe places

Community: Building a healthy, active and resilient community

Community: Providing welcoming and accessible facilities

Economy: Supporting and growing local business

COUNCIL POLICY

Commercial Leasing Policy.

STATUTORY PROVISIONS

Local Government Act 1999.

BACKGROUND

Previous Relevant Reports & Decisions

- Question on Notice No.: 413/18; Item No.: 9.2.2, '*Kauri Sporting Complex Management*', 11 December 2018;
- Council Report No.: 52/18; Item No.: 17.2, '*Kauri Community & Sporting Complex - EOI Results*', 27 February 2018 (Resolution No.: C270218/1065);
- Council Report No.: 349/17; Item No.: 14.6, '*Kauri Community & Sporting Complex - EOI for Operational Management*', 10 October 2017 (Resolution No.: C101017/929).

REPORT

Administration is recommending that an Expressions of Interest (EOI) tender process be undertaken to identify parties interested in providing the day-to-day operational management of the Kauri Community & Sports Centre.

The proposed tender, will seek to engage a professional Facilities Manager / Venue Operator with specific industry experience in the management of commercial and community sporting facilities to undertake the management of the Kauri Parade Sports Centre on behalf of the Council.

Specific duties will include:

- actively promoting the centre to maximise utilisation of the community facilities whilst achieving target revenues
- coordinating programming and schedules for the community spaces which align with Council community development objectives whilst still allowing Council and the tenant clubs access to the facilities at designated times
- coordinating the day-to-day operation, management and maintenance of the venue's common areas
- acting as a liaison point between Council and the tenants.

The aim of the EOI is to maximise utilisation of the community spaces in line with the council's community development objectives and commercial parameters.

The operator will be required to activate the spaces primarily between 8.30am and 4.30pm Monday to Friday, but also provide after-hours opportunities and support for functions and other hires. An on-site presence (whether full or part time) during business hours is preferred.

An initial term of three (3) years is proposed so that tenderers have the ability to amortise their set up costs over a reasonable period and to attract appropriate staff.

It is expected that the new EOI tender process will take approximately twelve (12) weeks from commencement to conclusion. The following indicative timeline is provided for member's reference:

	Week Beginning	Action
Week 1	Monday 25 March	Expression of Interest preparation by Administration
Week 2	Monday 1 April	EOI Tender – advertised on SA Tender and in relevant publications.
Week 3	Monday 8 April	
Week 3	Monday 15 April	
Week 4	Monday 22 April	Administration evaluation of submissions, and preparation of Reports and documentation for Council.
Week 5	Monday 29 April	
Week 6	Monday 6 May	
Week 7	Monday 13 May	Submission of EOI findings and recommendations to Council.

Week 8	Monday 20 May	Upon advice from Council Tenders from short-listed parties
Week 9	Monday 27 May	
Week 10	Monday 3 June	
Week 11	Monday 10 June	Final negotiations with successful applicant and preparation of Agreement documentation.
Week 12	Monday 17 June	

BUDGET

An annual budget allocation is provided to Council's City Assets & Services Department for the review and implementation of property leases and to undertake commercial procurement.

An operational budget of \$45,500 has been allocated for the management of the facility in 2018/19. Whether this amount is sufficient to fund the management services contract will be identified by the EOI Tender process.

LIFE CYCLE COSTS

Full life cycle costs will be apparent in the subsequent report.