

### 5.3 LEASE AND OPERATION OF ALTONE PARK GOLF COURSE

**Ward:** (Altone Ward) (Asset Management)

**Disclosure of Interest:** Nil

**Authorised Officer:** (Executive Manager Operations)

An attachment to this report is **CONFIDENTIAL** as it includes information regarding a contract which may be entered into by the local government and which relates to a matter to be discussed at the meeting and a matter that if disclosed would reveal a trade secret or contains information about or of value to a person. Should Council seek to discuss the confidential information during the meeting, Council should resolve to move behind closed doors.

#### KEY ISSUES

- The City sought tenders for RFT21BT66 - Lease and operation of Altone Park golf course.
- A local public notice for the tender was published in The West Australian on 4 December 2021, at the City of Swan Libraries, on the City of Swan website, and sent via email from Tenderlink.
- Submissions were received from each of the following:
  1. Bennie Industries Pty Ltd
  2. Newground Facilities Management Services Pty Ltd
- The submission from Newground Facilities Management Services Pty Ltd is the preferred submission based on the City's evaluation.

It is recommended that the Council resolves to select Newground Facilities Management Services Pty Ltd as the preferred tenderer for RFT21BT66 - Lease and operation of Altone Park golf course. The CEO is to enter into negotiations for the variations and if the negotiations are unsuccessful, proceed to enter into a Contract with Bennie Industries Pty Ltd.

#### BACKGROUND

Altone Park golf course is located on Lot 13639, which is part of Reserve 45992, being the whole of the land comprised in Crown Land Certificate Volume 3116 Folio 878.

The Altone Park Golf Course is currently under a leasing arrangement expiring 31 March 2022. This has been temporarily extended until 31 May 2022.

All fixtures, fittings, plant, machinery and equipment are the tenant's fixtures and subject to tenant's right of removal at the expiry of the lease agreement.

On the 4 December 2021, the City invited public tenders for RFT21BT66 – Lease and operation of Altone Park golf course.

## DETAILS

Item	Response
Contract term:	Initial: The Contract shall be in force for the period of five years and the lease will commence on 1 June 2022.  Extension option(s): There is an option to extend the period of the Contract by a further five years at the end of the initial five year period to a maximum total period of ten years.
Price basis:	The tender was issued with a schedule that identified the quarterly payment from the lessee to the City. This payment would be revenue for the City.
City approval to proceed to request:	Executive Manager Operations
Request closing date:	22 December 2021
Offer validity expiry date:	12 April 2022
Expiry date of any existing contract:	31 May 2022
Anticipated contract commencement date:	1 June 2022

## SUBMISSIONS

Pre-qualification requirements for this request:

Nil

Submissions were received from each of the following:

1. Bennie Industries Pty Ltd (ACN: 139 470 910), 320 Benara Road, Beechboro WA 6063
2. Newground Facilities Management Services Pty Ltd (ACN: 650 038 654), 412 Newcastle Street, West Perth WA 6005.

## EVALUATION PANEL

The evaluation panel included three voting members in accordance with the City's evaluation process requirements.

All evaluation panel members provided declarations of conflicts of interest with no conflicts declared.

## PRELIMINARY ASSESSMENT

The compliance and disclosure requirements for this request were:

Description of compliance criteria
Compliance with the requirements contained in the request
Compliance with the conditions of tendering contained in the request
Compliance with the delivery date/time of lodging the tender
Compliance with and completion of the price schedule(s)
Compliance with the requirement to demonstrate, to the satisfaction of the Principal, capability to undertake the venture and to provide the following minimum relevant financial documentation:  Annual financial statements for financial years ending and June 2020 and June 2021. Financial statements must include profit and loss, balance sheet and accompanying notes  Cash flow budget for the first year of the lease  A statement from Tenderer's accountant regarding the tenderers financial capability to fund the cash flow budget.
Compliance with the requirement to provide the relevant occupational safety and health documentation within the required timeframe as specified in Schedule A.
Compliance with the requirement to attend the mandatory briefing and/or site inspection.

Bennie Industries Pty Ltd and Newground Facilities Management Pty did not provide all the requested annual financial statements and were deemed to be partially compliant. As they were still partially conforming, they were progressed through to the qualitative assessment.

## QUALITATIVE ASSESSMENT

The qualitative requirements for this request were:

Description of compliance criteria	Weighting
Demonstrate your organisation's experience in supplying similar works and services.	40%
Provide an outline of the methodology to be used in supplying the Requirements.	60%

## EVALUATION SUMMARY

Submission	Revenue ranking	Qualitative ranking	Marginal revenue benefit
Newground Facilities Management Pty Ltd	1	1	1
Bennie Industries Pty Ltd	2	1	2

The submission from Newground Facilities Management Pty Ltd is the preferred submission based on the marginal revenue benefit ranking.

## CONSULTATION

A local public notice for the tender was distributed as follows:

- Publication on the City of Swan public website
- Publication in the City of Swan libraries
- Publication in The West Australia, 4 December 2021
- Email notifications sent via Tenderlink.

## ATTACHMENTS

**CONFIDENTIAL:** Lease and Operation of Altone Park Golf Course

## **STRATEGIC IMPLICATIONS**

Strategic Community Plan 2021-2031

- Objective G2.1 Improve capability and capacity

Council Policy POL-C-116 Procurement

## **STATUTORY IMPLICATIONS**

*Local Government Act 1995 (WA)*

Local Government (Administration) Regulations 1996 (WA)

Local Government (Functions and General) Regulations 1996 (WA)

City of Swan Delegation of Authority Register

## **FINANCIAL IMPLICATIONS**

Each tenderer nominated a funding figure which would be paid to the City for leasing of the facility. This information is deemed confidential at this stage and is provided within the confidential attachment.

Newground Facilities Management Pty Ltd has indicated a number of items which need to be resolved prior to the taking control of the site. Negotiations will need to be undertaken before accepting Newground Facilities Management Pty Ltd's response.

## **VOTING REQUIREMENTS**

Simple majority

## **RECOMMENDATION**

That the Council resolve to:

- 1) Select Newground Facilities Management Pty Ltd as the preferred Tenderer.
- 2) Authorise the Chief Executive Officer to enter into negotiations with Newground Facilities Management Pty Ltd for RFT21BT66 - Lease and operation of Altone Park golf course.
- 3) Authorise the Chief Executive Officer to remove the preferred tenderer status from RFT21BT66 - Lease and operation of Altone Park golf course should negotiations be unsuccessful and proceed to enter into a Contract with Bennie Industries Pty Ltd.
- 4) Allow the option to extend the Contract.
- 5) Upon award of the Contract, advise all tenderers.

**MOTION** that the Council resolve to adopt the Officer Recommendation.

(Cr Bowman - Cr Congerton)

## **RESOLVED UNANIMOUSLY TO:**

- 1) Select Newground Facilities Management Pty Ltd as the preferred Tenderer.
- 2) Authorise the Chief Executive Officer to enter into negotiations with Newground Facilities Management Pty Ltd for RFT21BT66 - Lease and operation of Altone Park golf course.
- 3) Authorise the Chief Executive Officer to remove the preferred tenderer status from RFT21BT66 - Lease and operation of Altone Park golf course should negotiations be unsuccessful and proceed to enter into a Contract with Bennie Industries Pty Ltd.
- 4) Allow the option to extend the Contract.
- 5) Upon award of the Contract, advise all tenderers.