

6.2.5 Major Recreation Facilities Contract Extension

Responsible GM: Lili Rosic
Author: Michael Casey

Recommendation(s)

That Council endorse offering the final 3-year contract extension included in the Major Recreation Facilities Contract to Aligned Leisure.

Attachments

1. CONFIDENTIAL REDACTED - Major Recreation Facilities Contract Extension - Financial & Contract Information [6.2.5.1 - 1 page]

Executive Summary

A review of the Aligned Leisure, facility managers performance with the Major Recreation Facilities contract has been undertaken. A 94% compliance was achieved, with the outstanding items not able to be achieved due to COVID-19 restrictions and impacts.

The review included the costs submitted for the next three years, the contract itself and the most appropriate operating model.

Officers recommend Council endorses offering the final 3 year contract extension of the Major Recreation Facilities contract to Aligned Leisure.

Background

The Major Leisure Facilities contract includes management of Cardinia Life, the Pakenham Regional Tennis Centre (PRTC), four seasonal outdoor pools, Officer Community Hub, and programming of IYU Recreation Reserve. Included in the current contract is the administration and management of the domestic basketball competition.

In 2016, the facility management contract was awarded to Aligned Leisure, and in 2019 the contract was extended for a three-year term, which expires on 30/6/2022. Council has the option to extend the contract for a final three-year period.

Alternate options for operation of Council's leisure facilities were not investigated through this period, following Council's provisional support for the contract extension mid-2021.

The extension of the contract in 2019 included all services and operations being consistent with the first contract, and several new services. Some of the new services included in the contract:

- Cardinia Life street team
- Year 10 activation initiative
- Water smart education program
- Schools network forum

These new services were included in the performance review. The performance review found:

- Compliance with 39 of the 40 tender specifications.
- Compliance with 10 of the 12 new services added to the contract. The two outstanding items (Year 10 activation initiative and Water Smart Education Process) are both school related impacted by COVID.
- Provision of inclusive programming, with all abilities Aussie Hoops, Wheelchair Tennis, a BlindSport and Recreation Victoria partnership program, accessible swimming lessons, and the achievement of Accessible Communication Accreditation
- Donating prizes and giveaways to a number of 'get active' promotions including Walk to School, Mobile March, Active April, and to local schools and user groups to support as action items.
- Aligned Leisure raised over \$10,000 to donate to the Victorian Bushfire Appeal, and \$3,000 was donated to the Casey Cardinia Foundation from the 2020 fun run
- Aligned Leisure's partnership approach, involved in St Francis Xavier's Better Man project, Council's Together We Can leadership summit, This Girl Can program, He Can So We Can Too gender equity initiative, International Women's Day, and Share the Dignity campaign,

Except for 2021/22, the contract has operated a guaranteed model every year, with a surplus share arrangement. The guaranteed model means that any deficit from the budget is the responsibility of the contractor. Any surplus is shared in accordance with the surplus share.

In 2021/22 the contract is operating a non-guaranteed model, reflecting the uncertainty of COVID-19. Any deficit from the budget this year is Council's responsibility and any surplus from budget will be recovered by Council. The non-guaranteed model has a lower cost to Council.

As owners of the Cardinia Leisure Facilities, Council has born the cost of contract variations in 19/20, 20/21 and will also incur costs during the 21/22 financial year. These COVID-19 related challenges have not been unique to Cardinia Shire. Shutdowns, restrictions and the slow return of members, swim lesson participants and stadium teams have been the predominant causes of these variations.

Programming at IYU Recreation Reserve, (a recreation reserve located on Henry Road in Pakenham) was ceased through the COVID-19 impact variation periods and will not resume through this final contract extension period. This aspect of the contract saw Aligned Leisure run one clinic per week, building into a small weekly competition. Participation has been very low since the outset, with the tenant soccer club catering to all needs on site.

Next steps for the leisure contract

A review of management and operation options for Council's leisure facilities will commence immediately. If third party management and operation of Cardinia's leisure facilities is identified as the preferred model, a review of the contract specifications and contract will commence and lead to a tender process.

Policy Implications

Any exemptions or breaches occurring through the Major Facilities Contract will be managed in accordance with Council's Procurement Policy 2021-2025, including variations under contract and contract over expenditure.

Relevance to Council Plan

2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

2.1.2 Plan and maintain safe, inclusive and connected open spaces, places and active travel routes.

5.1 We practise responsible leadership

5.1.1 Build trust through meaningful community engagement and transparent decision-making.

5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.

Climate Emergency Consideration

Aligned Leisure and Council will continue to implement measures and practices with the operation of the leisure centres and pools to reduce and minimise the environmental impact.

Consultation/Communication

The contract review, consultation occurred with:

- Finance
- Procurement
- Russell Kennedy Lawyers

Financial and Resource Implications

Officers have worked with Council's Coordinator of Financial Planning, Analysis and Systems to review the information and arrive at a recommendation.

Conclusion

The current contract has been significantly affected by COVID-19 with restrictions impacting operations, and staggered/slow return rates across memberships, swim school and stadium.

The performance of the incumbent facility management contractor through this contract period, and through COVID-19 has met expectation.

It is recommended that Council formally endorses a three- year extension to the Major Recreation Facilities Contract, including contract amendments, to Aligned Leisure.