

# Request for Tender: Operation and Management of the Merredin Regional Community & Leisure Centre

## 1.1 Introduction

The Shire of Merredin is seeking tenders from suitably qualified and experienced facility management specialists to undertake the management of the Merredin Regional Community and Leisure Centre (MRCLC). The successful tenderer will need to demonstrate a willingness to work in partnership with the Shire and the local community and sporting groups in terms of provision of services and agreed programmes and activities.

The MRCLC is located on Bates Street within the Merredin townsite. Merredin is located in the central wheatbelt, approximately 250km from the Perth metropolitan area.

The centre includes an 8m heated hydrotherapy pool (used for aquafit classes, rehabilitation and swimming/water safety lessons), a grandstand bar and restaurant (able to accommodate 300 people) and a ~300m<sup>2</sup> room (currently being utilised as an indoor children's playground. Note: the playground equipment is not owned by the Shire).

The recreation centre is currently open from 8:30am until 4:30pm on weekdays, with the bar and restaurant open 7 days from 4:00pm, but it is anticipated that these hours will change to better align with the sporting user groups times of attendance. (Refer to Appendix 1 and Appendix 2 for minimum hour expectations for the recreation centre. Bar hours will be negotiated depending upon which type of contract is awarded.

Tenderers will have the option of submitting a tender for:

- a) **Option A:** Full centre management including hospitality function (bar and restaurant)
- b) **Option B:** Centre management excluding hospitality function (bar and restaurant)
- c) **Option C:** Provision of hospitality function (bar and restaurant) under a lease agreement

The successful tenderer/s will be required to enter into a fixed price contractual agreement with the Shire of Merredin for a period of two years, with an option to extend for a further two years plus 1 year. The proposed contract commencement date is 1 September 2023.

Any successful tenderer of Option C will enter into a lease agreement with the Shire of Merredin for a period of 5 years.

## 1.2 Background Information

The Shire of Merredin aspires for the Merredin Regional Community & Leisure Centre to be a welcoming, suitably-equipped and well resources centre for the community; providing healthy and competitive sporting activities and community programs, whilst fostering a positive community spirit.

The Centre should provide a diverse range of affordable, high quality, inclusive, community focused programs and activities, available for a wide range of demographics within the Merredin community. As such, the facility should have services of a high standard that:

- Are inclusive and cater for the needs of all sections of the local community and visitors;
- are used for:
  - fun/enjoyment; socialising and relaxation
  - fitness; health and well-being;
  - tuition and education;
  - sports development and competition;
  - community development;
- demonstrate good business acumen and best practice so that operational costs can be recouped while still maintaining high quality, affordable services;
- provide a functional and safe environment, while at the same time offering innovative and creative leisure opportunities for users;
- encourage and support residents, organisations and groups to participate in a range of recreational activities;
- are committed to customer care in general, but with particular regard to the Centre's sporting user groups.
- are consistent with identified needs and aspirations of the community and are responsive to evolving trends.

The MRCLC is currently managed by a contractor undertaking all operations of the centre (full centre management including hospitality function). The Shire is open to considering two contractors to each run separate areas of the facility if this creates efficiencies, cost effectiveness and a higher level of service to the community.

## 1.3 Definitions

Below is a summary of some of the important defined terms used in this Part:

<b>Contractor's Representative:</b>	Means any Officer or person duly authorised by the Contractor, in writing, to act on their behalf for the purpose of the Contract;
<b>Principal's Representative</b>	Means any Officer of person duly authorised by the Principal, in writing, to act on their behalf for the purpose of the Contract;
<b>Works or Services:</b>	Means the Services, which the Contractor is required to provide to the Principal and the Contractor under the Contract;

## 1.4 Scope of Work

The Scope of works for the operation and management of the Merredin Regional Community & Leisure Centre includes:

- Operation of the facility in accordance with the requirements of all relevant Acts, Regulations, Local Laws and Codes;
- Activities and programs for the community;
- Routine maintenance and upkeep of the facility and grounds;
- Strategies towards continuous improvement of the facility;
- Annual budget, including operations and maintenance budgets;
- Operation of the facility in accordance with the Management Agreement.

## 1.5 Detailed Specification

Submissions for Option A or B must include a proposed Annual Business Plan for the first year of the contract.

Submission for Option C must demonstrate how they satisfy each of the Shire's lease agreement criteria as well as submit a proposed organisational plan.

### 1.5.1 Annual Business Plan

A proposed Annual Business Plan for the first year of the contract is to be provided as part of the tender submission.

#### 1.5.1.1 Option A

As a minimum, the Business Plan for **Option A: Full centre management including hospitality function (bar and restaurant)** should include the following:

- a) The Contractors proposed operational budget, including projected income and expenditure for the following activities:
  - i. Fees and Charges (Refer to appendices for current fees and charges);
  - ii. Program content;
  - iii. Salaries and wages;
  - iv. Catering, merchandising and vending;
  - v. Advertising;
  - vi. Equipment and the maintenance of Equipment;
  - vii. Rubbish (and the management thereof);
  - viii. Management and administration fees;
- b) Proposed seasonal operating hours (there is some flexibility in the spread of hours of operation, however there needs to be consideration towards minimum hours required

for training and game time for regular user groups, plus allowances for other programming and events. Refer to appendices for expectations and current user group usage details);

- c) A proposed schedule of usage, activities and programs to be provided at the facility (including details of use for the ~300m<sup>2</sup> room, if applicable);
  - d) The Contractors commitment towards the Shire's Philosophy and Objectives;
  - e) The Contractors commitment towards continuous improvement for the duration of the contract;
  - f) The Contractors commitment towards fostering positive relationships and providing high levels of service to sporting clubs and regular user groups;
  - g) Expected staffing requirements and proposed training schedules;
  - h) Staffing qualification requirements;
  - i) Proposed venue hire and booking process (previous examples of work are acceptable);
  - j) A sample marketing and promotional plan (previous examples of work are acceptable);
  - k) A sample customer service charter, including customer feedback process (complaints and compliments) and customer satisfaction survey (previous examples of work are acceptable);
  - l) Commitment to operating the facility in accordance with the Management Agreement.
- Appendix 1.

### 1.5.1.2 Option B

As a minimum, the Business Plan for **Option B: Centre management excluding hospitality function (bar and restaurant)** should include the following:

- a) The Contractors proposed operational budget, including projected income and expenditure for the following activities:
  - i. Fees and Charges (Refer to appendices for indicative fees and charges);
  - ii. Program content;
  - iii. Salaries and wages;
  - iv. Catering, merchandising and vending (if applicable);
  - v. Advertising;
  - vi. Equipment and the maintenance of Equipment;
  - vii. Rubbish (and the management thereof);
  - viii. Management and administration fees;
- b) Proposed seasonal operating hours (there is some flexibility in the spread of hours of operation, however there needs to be consideration towards minimum hours required for training and game time for regular user groups, plus allowances for other

programming and events. Refer to appendices for expectations and current user group usage details);

- c) A proposed schedule of usage, activities and programs to be provided at the facility (including details of use for the ~300m<sup>2</sup> room, if applicable);
- d) The Contractors commitment towards the Shire's Philosophy and Objectives;
- e) The Contractors commitment towards continuous improvement for the duration of the contract;
- f) The Contractors commitment towards fostering positive relationships and providing high levels of service to sporting clubs and regular user groups;
- g) The Contractors commitment to working effectively and collaboratively with the Contractor of the bar and restaurant;
- h) Expected staffing requirements and proposed training schedules;
- i) Staffing qualification requirements;
- j) Proposed venue hire and booking process (previous examples of work are acceptable);
- k) A sample marketing and promotional plan for the facility (previous examples of work are acceptable);
- l) A customer service charter, including customer feedback process (complaints and compliments) and customer satisfaction survey(previous examples of work are acceptable);
- m) Commitment to operating the facility in accordance with the Management Agreement (Appendix 1).

### **1.5.1.3 Option C**

As a minimum, submissions for Option C: Provision of hospitality function (bar and restaurant) under a lease agreement should include the following:

1. Evidence of satisfying each of the Shire's lease agreement criteria (Attachment 6);
2. An organisational plan detailing the applicant's vision for the proposed lease space, including;
  - a. General usage and hours (noting the Shire's intention for the opening hours to align with at least 30% of the sporting user groups requirements (User group operational hours are detailed in Appendix 2);
  - b. Commitment towards and proposed fees for 5 days exclusive use of the facility per annum for the Merredin Agriculture Show;

- c. Proposed hiring process and fees for use of facility by schools/community groups;
- d. Evidence of qualifications/licences to deliver the proposed service;
- e. Commitment towards operating the facility in accordance with the Draft Lease Agreement (Attachment 6), particularly the maintenance of equipment and management of rubbish/waste at the facility.

### 1.5.2 Fees and Charges

The Principle will be solely responsible for setting and collecting and being the recipient of “base level” fees and charges for the sporting user groups which are currently:

- Burracoppin Football Club
- Burracoppin Hockey Club
- Civic Bowls Club
- Merredin Districts Amateur Basketball Association
- Merredin Districts Lawn Tennis Club
- Merredin Golf Club
- Merredin Junior Cricket Club
- Merredin Junior Football
- Merredin Hockey Club
- Merredin Little Athletics
- Merredin Netball Association
- Nukarni Football Club
- Nukarni Cricket Club

As part of the Principle’s community philosophy, the Principle also reserve the right to solely set the fees and charges for hire of the Centre and/or ovals for community events, school or interschool sports carnivals to a maximum number of 6 uses per year. The Contractor will be the collector and recipient of these other Fees and Charges.

In consultation with the Contractor, the Principle will determine the other Fees and Charges applicable during the Contract Term and these will be as specified in the Annual Business Plan and Budget. The Contractor will be the collector and recipient of these other Fees and Charges. An indicative Table of Fees and Charges is provided in Appendix d).

### **1.5.3 Sporting User Groups Memorandum of Understanding (MOU)**

The Contractor will be involved with MOU negotiations with the User Groups and the Principle which will outline any other negotiated fees and charges or offset of duties that may be incurred such as waste removal or cleaning for use of the kiosk / kitchen, meeting rooms etcetera. The Contractor will be the collector and recipient of these other Fees and Charges.

### **Implementation Timetable**

The proposed contract commencement date is 1 September 2023. It is envisioned that the successful tenderer/s will participate in a 1 month handover with the current Contractor to ensure continuity of service for the community.

### **1.6 List of Applicable Documents**

- a) Appendix 1: Draft Management Agreement
- b) Appendix 2: User Group Operational Hours
- c) Appendix 3: Merredin Regional Community & Leisure Centre Precinct and Facility Plans
- d) Appendix 4: Indicative Merredin Regional Community & Leisure Centre Fees & Charges
- e) Appendix 5: Merredin Regional Community & Leisure Centre Statement of financial performance for the year ended 30 June 2022
- f) Appendix 6: Draft Lease Agreement – Bar and Function Room within Merredin Regional Community & Leisure Centre
- g) Shire to detail other appendices

### 5.3.2 Price Schedule

The below price schedule will only be in relation to whichever option (A, B or C) has been specified in the proposed Annual Business Plan.

#### 5.3.2.1 Option A

Year	Service Description	Tender Unit	Price Tendered (ex GST)	GST	Price Tendered (inc GST)
1	Operation and management of the Merredin Regional Community & Leisure Centre (including hospitality function)	Per year			
2	Operation and management of the Merredin Regional Community & Leisure Centre (including hospitality function)*	Per year			

\*Extension option of 2 years will be based on year 2 plus annual CPI (Shire to specify CPI details – which quarter, which CPI type etc.).

#### 5.3.2.2 Option B

Year	Service Description	Tender Unit	Price Tendered (ex GST)	GST	Price Tendered (inc GST)
1	Operation and management of the Merredin Regional Community & Leisure Centre (excluding hospitality function)	Per year			
2	Operation and management of the Merredin Regional Community & Leisure Centre (excluding hospitality function)*	Per year			

\*Extension option of 2 years will be based on year 2 plus annual CPI (Shire to specify CPI details – which quarter, which CPI type etc.).



### 5.3.2.3 Option C

Please specify below the fee in which you are proposing to pay the Shire of Merredin for lease of the Bar and Function Room of the Merredin Regional Community & Leisure Centre.

<b>Description</b>	<b>Unit</b>	<b>Proposed Leasing Fee payable to the Shire of Merredin</b>
Lease of Bar and Function Room of Merredin Regional Community & Leisure Centre	Per year or Per month	