



# **AGENDA**

**Friday, 6 August 2021**

**Special Council Meeting**

**I hereby give notice that a Special Meeting of Council will be held on:**

**Date: Friday, 6 August 2021**

**Time: 4:00pm**

**Location: Council Chambers**

**Peter Franks**  
**Chief Executive Officer**



## Order Of Business

|            |  |          |
|------------|--|----------|
| <b>1</b>   | <b>Members in Attendance .....</b>   | <b>5</b> |
| <b>2</b>   | <b>Apologies/Leave of Absence/Absence on Council Business .....</b>  | <b>5</b> |
| <b>3</b>   | <b>Declaration of Conflicts of Interest .....</b>  | <b>5</b> |
| <b>4</b>   | <b>Infrastructure Services.....</b>  | <b>7</b> |
| <b>7.1</b> | <b>Tender Award - Operation and Management of Council's Aquatic Facilities and<br/>Dimbulah Caravan Park .....</b> | <b>7</b> |



- 1 MEMBERS IN ATTENDANCE**
- 2 APOLOGIES/LEAVE OF ABSENCE/ABSENCE ON COUNCIL BUSINESS**
- 3 DECLARATION OF CONFLICTS OF INTEREST**



## 4 INFRASTRUCTURE SERVICES

### 7.1 TENDER AWARD - OPERATION AND MANAGEMENT OF COUNCIL'S AQUATIC FACILITIES AND DIMBULAH CARAVAN PARK

**Date Prepared:** 5 August 2021  
**Author:** Director Infrastructure Services  
**Attachments:** Nil

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#### EXECUTIVE SUMMARY

The purpose of this report is to consider tenders received for the operation and management of Council's aquatic facilities and Dimbulah Caravan Park and to appoint a lessee/s for the facilities.

#### RECOMMENDATION

That Council:

1. subject to the finalisation of an acceptable contract, awards the Tender for Operation and Management of Council's Aquatic Facilities and Dimbulah Caravan Park to Keelwater Pty Ltd;
2. and delegates authority to the Chief Executive Officer to finalise the contract and lease in consultation with the Mayor and Councillors.

#### BACKGROUND

The Dimbulah Pool and Caravan Park are currently operating under a two (2) year Lease arrangement with no option for extension, with the contract term due for expiry on 31 August 2021.

The Mareeba and Kuranda facilities are currently operating under a two (2) year Lease arrangement which incorporated two (2) x one (1) year options for extension, with the first term due for expiry on 31 August 2021.

The current lessee indicated to Council that they were interested in pursuing the first of the one (1) year extension option and requested Council to consider this.

Council resolved, at its meeting on 19 May 2021, that in addition to considering the option to extend the current lease by one (1) year, it would invite EOIs under *Section 228 (3) of the Local Government Regulation 2012* prior to inviting written tenders from short-listed respondents.

The expression of interest process enabled Council to evaluate the best method of providing service and value to the community before moving to a tender process.

EOIs closed on Friday, 25 June 2021 and three (3) responses were received:

- Jason and Donna Salecich (Keelwater Pty Ltd)
- Kevin Davies (Business name "TBA" at time of EOI, confirmed as Busy Bee in tender)
- June and Sydney Cotter (Cotter's Aquatic Swim & Fitness)

At the Council meeting of 21 July 2021, Council resolved to invite all three (3) respondents to provide written tenders for operation and management of Council's aquatic facilities and Dimbulah Caravan Park for the period commencing 1 September 2021.

Respondents have been invited to provide written tenders, and officers have held discussions with each of the tenderers and provided further documentation to tenderers to assist them with preparing their offers. Tenderers were required to provide written tenders by close of business on 2 August 2021.

Cotter's Aquatic Swim & Fitness advised Council on 29 July 2021 that they would not be tendering for Mareeba Swimming Pool or Kuranda Aquatic Facility, nor did they wish to extend the current lease for these two facilities.

Busy Bee provided a written tender to Council but withdrew their offer on 4 August 2021.

The tender offers evaluated are summarised as follows:

| <b>Tenderer</b>                                  | <b>Cotter's Aquatic Swim &amp; Fitness</b>                                   | <b>Keelwater Pty Ltd</b>  |
|--|--|---|
| <b>Scope of Offer</b>                            | Dimbulah Swimming Pool and Dimbulah Caravan Park <u>only</u>                 | Mareeba Swimming Pool, Kuranda Aquatic Centre, Dimbulah Swimming Pool and Dimbulah Caravan Park   |
| <b>Tendered Management Fee (ex. GST)</b>         | \$ 80,000<br>(Dimbulah only)   | \$250,000<br>(all facilities)   |
| <b>Contract Arrangement Offered</b>              | Fixed fee with indexation annually.<br>1 year contract term + 1 year option. | Year 1: Cost-plus management fee with "open book" approach.<br>Year 3: Negotiated fee to paid by Council<br>Year 3: Option to enter into a 3 year contract with 2 x 3 year options" |
| <b>Coordination of Repairs &amp; Maintenance</b> | Council and Lessee   | Lessee  |
| <b>Revenue (e.g. admission fees)</b>             | Retained by Lessee   | Retained by Lessee  |

Cotter's Aquatic Swim and Fitness (Cotter's), based in Mareeba, has been engaged by Council to operate Mareeba Swimming Pool and Kuranda Aquatic Facility since 2008, and Dimbulah Swimming Pool and Dimbulah Caravan Park since 2019. Cotter's hold all necessary qualifications, have extensive experience in management of these facilities and have been heavily involved in Mareeba Swimming Club during this time. Cotter's has tendered only for Dimbulah Swimming Pool and Dimbulah Caravan Park and is seeking one (1) year lease with the option to extend for a further year for those facilities only.

Keelwater Pty Ltd (Keelwater) is an established business based in Cairns, having operated Woree Sports and Aquatic Centre under an arrangement with Cairns Regional Council since 2013. Jason Salecich of Keelwater has extensive professional experience in working with community clubs, and operated Mareeba Leagues Club from 1998 to 2003. Keelwater hold all necessary qualifications, have experience in management of pool and have been heavily involved in the Cairns Stingrays Swimming Club. Keelwater's offer is based on the lessee being responsible for overarching management of all four (4) sites, including corporate management, external admin support services,



provision of specialised program instructors for Learn to Swim, and a commitment to work with Council, clubs and other existing user groups to enhance facilities and ensure their continued operation. This includes coordination of all repairs and day-to-day maintenance. Keelwater has proposed to provide Council with a monthly report detailing all costs and facility revenue (excluding from specialist programs) during the first 12 months, to facilitate both parties in negotiating a long-term Lease Agreement on acceptable commercial terms on a simple subsidy arrangement per site.

## **RISK IMPLICATIONS**

### **Financial**

Council must operate facilities in accordance with the available budget.

### **Service Delivery and IT**

Council must appoint a lessee to enable Council's aquatic facilities and Dimbulah Caravan Park to remain open to the public. The offer from Cotters Aquatic Swim & Fitness only applies to Dimbulah Swimming Pool and Caravan Park. The offer from Keelwater Pty is for all three (3) aquatic facilities and Dimbulah Caravan Park.

## **LEGAL/COMPLIANCE/POLICY IMPLICATIONS**

Tenders invited in accordance with Council's Procurement Policy.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

### ***Capital***

Nil.

### ***Operating***

Yes.

### ***Is the expenditure noted above included in the current budget?***

Yes.

## **LINK TO CORPORATE PLAN**

**Financial Sustainability:** A council that continuously looks for savings and opportunities while managing council's assets and reserves to ensure a sustainable future in a cost-effective manner.

**Community:** An engaged community which supports and encourages effective partnerships to enhance the liveability of the shire and the wellbeing of residents in communities which are resilient and prepared for unforeseen events.

**Transport and Council Infrastructure:** The provision of quality services and infrastructure for our growing community that is planned and managed using sound asset management principles.

**Governance:** Sound decision making based on effective frameworks and clear strategic direction to achieve regulatory compliance and affordable levels of service delivered to the community.

## **IMPLEMENTATION/COMMUNICATION**

All tenderers to be notified of outcome in writing.