

7.2 Contract No. 2020/99 - Management and Operation of Junction Skate and BMX Park

Abstract

This report seeks Council's endorsement to award Contract No. 2020/99, Management and Operation of Junction Skate and BMX Park. The current contract for this service is due to expire on 30 June 2021.

Located at 387 Riversdale Road, Hawthorn East, the Junction Skate and BMX Park is one of Melbourne's best action sports facilities and possesses international standard spine bowls and street courses. The Park is highly utilised by young people in Boroondara and attracts participants from the regional area due to its size and variety of physical features. The Park is a youth-focused and safe space where people of all abilities can enhance their health and wellbeing by getting active and creating social connections.

The contract will provide for the management and operation of the Junction Skate and BMX Park at the annual Contract Price for an initial four-year term (1 July 2021 to 30 June 2025) with a possible further extension, at Council's discretion, of one term of three years to a maximum contract term of seven years.

The new contract contains a number of specific outcomes, including

- Effective and efficient delivery of programs and services including, but not limited to, the provision of onsite supervision, private lessons, free clinics and activities, satellite programming and events
- Maximising the safety levels of programs, services and the environment
- Effective engagement of children and young people
- Ensuring diversity of programs and services
- Increased access and participation by non-traditional users
- Efficient and regular collaboration with relevant Council services; and
- Continuous improvement of planning and management processes

The recommended Contractor has committed to several new deliverables that are not offered under the current contract. The new deliverables are detailed in confidential **Attachment 1** and include, but are not limited to, new and innovative programs and services, the implementation of new technology, new community engagement strategies and streamlined collaboration with Council's Children, Young People and Families team.

The Contract Price to be paid to the Contractor for this contract in the initial four-year term is \$370,237 (excluding GST), which is in accordance with Council's Long Term Financial Strategy. Despite the Contractor committing to a number of new deliverables that are not provided under the current contract, the amount is consistent with the Contract Price paid to the incumbent Contractor over the current contract term (taking into account annual increases to staff wages and other operational expenses).

Due to the value of the contract, it was publicly tendered in accordance with Section 186 of the *Local Government Act 1989*. An extensive tendering and evaluation process was undertaken from October 2020 to March 2021.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definition of 'confidential information' in Section 3(1) of the Local Government Act 2020 as the information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2020/99, Management and Operation of Junction Skate and BMX Park, to Victorian YMCA Community Programming Pty Ltd (ABN 75 092 818 445) at the Contract Price for an initial term of four years with a possible extension to a maximum contract term of seven years.
2. To authorise the Chief Executive Officer or his delegate to execute the contract agreements with the above Contractor.
3. To note that any extension to the initial contract term will be the subject of a further report to Council.

Responsible director: Carolyn McClean, Director Community Support

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract 2020/99, Management and Operation of Junction Skate and BMX Park.

2. Policy implications and relevance to community plan and council plan

The report is relevant to contractor compliance with the conditions for Contract No.2020/99, Management and Operation of Junction Skate and BMX Park, and is consistent with the following theme and strategies in the Boroondara Community Plan (2017-27) and Council Plan (2017-21):

Community Plan Theme 1 - Your Community, Services and Facilities

Strategy 1.3: Deliver, facilitate and advocate for services and programs that promote health, wellbeing, safety and a sense of community.

Council Plan Theme 1 – Your Community, Services and Facilities

Strategy 1.1: Plan, maintain and renew multi-purpose facilities and sports precincts to meet broad, intergenerational needs of the community now and into the future.

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy and Evaluation Plan for this tender process.

3. Background

The Junction Skate and BMX Park (located at 387 Riversdale Road, Hawthorn East) is one of Melbourne's best action sports facilities, possessing international standard spine bowls and street courses. The Park is highly utilised by young people in Boroondara and attracts participants from the regional area due to its size and variety of physical features. The Park is a youth-focused and safe space where people of all abilities can enhance their health and wellbeing by getting active and creating social connections.

The Park opened in November 2000 and was initially staffed by Council's Youth Services team. While it consistently saw high participation rates, there were some perceptions within the community that the Park was unsafe and associated with anti-social behaviour. To address these concerns, in 2008 Council engaged an external contractor to provide supervisory services during defined timeframes at the Park. In 2011, a new contract was developed which included increased hours of supervision and the requirement to provide programs, services and events at the Park. The current contract commenced in 2015 and will expire on 30 June 2021.

The Park is currently managed and operated by YMCA Victoria under a limited supervision and programming management model, with a number of benefits including a reduction in anti-social behavior and the opportunity to engage with young people. The current model works well for the community and Council, and it is Council officers' recommendation to continue with the same management model under Contract No. 2020/99.

During the 2018-19 Financial Year (the last financial year being unimpacted by the COVID-19 pandemic), the Park had over 27,000 attendances during supervised hours, conducted 228 programs for over 900 participants and hosted a number of events. Park users generally consist of skateboarders, BMX riders, scooter users and inline skaters.

Under this new Contract, Council seeks to maintain consistently high participation levels at the Park, enhance the service provision to the community and deliver programs and services in an efficient and effective manner.

Specification Development

The process for developing the contract specification and tender documentation was the subject of extensive internal stakeholder consultation and was guided by an internal Project Working Group. In addition to internal resources, Council officers sought legal advice and conducted a workshop with officers from relevant Local Government Areas to draw on collective experiences managing skate and BMX facilities to further inform the development of the specification. The development of the contract specification and tender documentation was overseen by Council's Senior Procurement Advisor.

A number of key improvements were made to the current contract specification and conditions, including:

- Streamlined documentation to remove redundant information and over-prescriptiveness, whilst ensuring Council maintains the greatest protection from a risk perspective
- Improved and better-defined Key Performance Indicators and reporting processes
- Updated scope of services and references to Acts and legislative requirements
- Included references to key guiding documents (e.g. Boroondara Community Plan, Customer Experience Improvement Strategy, Sport and Recreation Strategy etc.)
- Improved maintenance schedule; and
- Increased emphasis on engagement of youth and inclusive access

In line with the current contract to operate and manage the Park, the two key financial parameters of the contract are:

- **Contract Price:** this is the sum paid to the Contractor to manage the Park
- **Betterment Share:** if the Contractor achieves a surplus beyond the Contract Price, the additional amount will be shared between Council and the Contractor

Fees and charges will continue to be set within industry standards which position the Park equitably with benchmarked surrounding facilities. The following programs and services were offered at the Park, and had associated fees and charges, in the 2020-21 Financial Year:

- Private parties
- Private lessons
- Group lessons
- Educational bookings (single or series)
- Skate Club lessons

Specific outcomes from the contract at the Park include:

- Effective and efficient delivery of programs and services including, but not limited to, the provision of onsite supervision, private lessons, free clinics and activities, satellite programming and events
- Maximising the safety levels of programs, services and the environment
- Effective engagement of children and young people
- Ensuring diversity of programs and services
- Increased access and participation by non-traditional users
- Efficient and regular collaboration with relevant Council services; and
- Continuous improvement of planning and management processes

Non-traditional users to be targeted via tailored programming at the Park include, but are not limited to:

- Females
- People with disability or special needs
- People from low income households or suffering disadvantage
- People from CALD backgrounds
- Socially isolated individuals

A number of key Council strategic documents were considered in the preparation of the tender documentation for this Contract, including but not limited to:

- Boroondara Community Plan 2017-27
- Boroondara Sport and Recreation Strategy 2016
- Boroondara Children and Young People's Strategy 2015
- Boroondara Customer Experience Improvement Strategy 2014-15

Invitation to tender

In accordance with Council's procurement procedures, Council invited tenders from suitably qualified and experienced organisations for the management and operation of the Junction Skate and BMX Park. A notice of intent to tender was published in the 'Tenders' section on the "Australasian Leisure Management" website six weeks prior to advertising the tender.

An Invitation to Tender was advertised in the 'Local Government Tenders' section of "The Age" newspaper on Saturday 31 October 2020 and on Council's and the Australasian Leisure Management websites. The closing date for submissions was 4.00pm, Wednesday 15 December 2020.

The contract period is for an initial four years from 1 July 2021 to 30 June 2025. The contract can be extended for an additional and final three-year term from 1 July 2025 to 30 June 2028. For each contract term, Council must pay the Contractor a Contract Price to perform the services, as outlined above.

The number of tender submissions received in response to the advertisement is stated in confidential **Attachment 1**.

4. Outline of key issues/options

There are numerous opportunities for young people in Boroondara to participate in sport and recreation, however few facilities foster a sense of place and encourage independence like the Junction Skate and BMX Park.

While the Park provides the opportunity for young people to engage in physical activity and create social connections, providing supervision and programming services for set hours ensures the Park maintains a welcoming and safe environment where people of all ages and abilities can develop their skills and confidence.

The provision of supervision and programming at the Park is especially important for the youngest and most inexperienced users of the facility. As a regional facility, the layout of the Park is better suited to teenagers and young adults with developed skills. Despite this, the Park is highly utilised by primary school aged children. Providing supervision and programming at the Park allows staff to teach young and inexperienced users appropriate etiquette and how to use the Park in a safe manner. It also plays a critical role in developing the skills and confidence of inexperienced Park users so they can learn to utilise the facility independently.

Skateboarding will also be an Olympic Games event for the first time later this year. This is expected to result in a rise in participation by new and inexperienced skaters, increasing the importance of supervision and programming at the Park.

The programs and services currently provided at the Park are suitable for people of all ages and abilities and include private lessons (individual and group), educational (school) bookings, skate club, birthday parties, free clinics, satellite (off-site) programs and events. The Park's programs and services will continue to be regularly reviewed and modified to ensure they reflect community needs, participation trends and changing demographics.

Additionally, the Contractor has committed to several new deliverables that are not offered under the current contract. The new deliverables are detailed in confidential **Attachment 1** and include, but are not limited to, new and innovative programs and services, the implementation of new technology, new community engagement strategies and streamlined collaboration with Council's Children, Young People and Families team.

Supervision at the Park also assists in the monitoring and deterrence of anti-social behaviour. Since the introduction of supervision at the Park, there have been very few complaints by park users and nearby residents regarding anti-social behaviour and the current Contractor has reported minimal issues associated with safety or anti-social behaviour at the facility.

By providing supervision and programming services at the Park, young people in Boroondara are provided a safe and welcoming environment where they can enhance their physical, mental and social wellbeing. Importantly, if these services were not available at the Park, there would be very few like-for-like alternatives for young people within Boroondara. It is officers' view that the current level of supervision and programming provided at the Park maximises community benefit and should be maintained in the new contract.

5. Consultation/communication

The contract and tender documentation development process was the subject of internal and external stakeholder consultation and was guided through each key phase by an internal Project Working Group and as legal advice.

The tender evaluation process was guided by the Tender Evaluation Panel, identified Specialist Support persons and Council's Senior Procurement Advisor. The Tender Evaluation Panel consisted of Council officers from the Sport and Recreation team, Children, Young People and Families team and the Community Planning and Development department.

6. Financial and resource implications

The Contract Price to be paid to the Contractor over the first four-year contract term (2021/22 - 2025/26) is \$370,237 (excluding GST), which is in accordance with Council's Long Term Financial Strategy. Despite the Contractor committing to a number of new deliverables that are not provided under the current contract, the amount is consistent with the Contract Price paid to the incumbent Contractor over the current contract term (taking into account annual increases to staff wages and other operational expenses).

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

All processes have been carried out in accordance with Council's Procurement Policy and Evaluation Plan for this tender process.

8. Social and environmental issues

The programs and services delivered at the Junction Skate and BMX Park have a direct and beneficial impact upon the physical, social and mental wellbeing of people using them.

Council officers and the Contractor will work together to implement processes to minimise the carbon footprint of the Park.

9. Evaluation and review

The tender evaluation report is provided as confidential **Attachment 1**.

As a result of the tender evaluation, the Tender Evaluation Panel recommends that Council award Contract No.2020/99, Management and Operation of Junction Skate and BMX Park, to Victorian YMCA Community Programming Pty Ltd (ABN 75 092 818 445) at the Contract Price for an initial term of four years with a possible extension to a maximum contract term of seven years (noting any extension to the contract will be the subject of a further report to Council).

Manager: Andrew McHugh, Manager Health and Wellbeing Services

Report officer: Richard Dureau, Recreation Contract Support Officer