

## 7.3 Contract No 2021/230 Freeway Golf Course Management

### Executive Summary

#### Purpose

This report seeks Council endorsement for the award of Contract No. 2021/230 - Golf Course Pro-Shop Management. This contract will provide golf course pro-shop management services for Freeway Golf Course for an initial contract term of two (2) years with two possible extensions of four (4) years to be exercised at the discretion of Council. It is a replacement for the previous contract which reached the end of its term during the course closure for reconfiguration in response to the North East Link Project.

The estimated cost of this contract in 2022/2023 is \$52,000 excluding GST which is in accordance with Council's adopted 2022/2023 budget. The estimated total contract cost over the maximum term of ten years is \$2,065,875 (excluding GST).

#### Background

This contract will replace the previous contract 2015/21 Management of Freeway Golf Course which has expired.

Through this contract Council will support the strategic objective of the Boroondara Community Plan to ensure open spaces are well utilised.

#### Key Issues

Freeway Golf Course is currently closed to complete reconfiguration works required in response to the North East Link Project. The course is expected to reopen early in 2023. To support its usage a management contractor is required to manage golf participation and provide supporting services to make the golf experience a quality one.

#### Confidentiality

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 definitions of 'confidential information' in section 3(1) of the *Local Government Act 2020*. The information relates to:

- a) Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released;
- b) private commercial information, being information provided by a business, commercial or financial undertaking that—
  - i. relates to trade secrets; or
  - ii. if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage;

The 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:

1. Award Contract No. 2021/230, Golf Course Pro-Shop Management, to:
  - Greenspace Management Pty Ltd, (ACN 626 072 053);at their tendered schedule of rates for an initial contract period of two (2) years plus two optional extension periods of four (4) years to be exercised at the discretion of Council. The estimated total contract cost for the maximum contract period is \$2,065,875 (excluding GST).
2. To authorise the Director Places and Spaces to sign and execute the contracts on behalf of the Council and to authorise invoices to an amount not exceeding \$2,065,875 (excluding GST).
3. To authorise the Director Places and Spaces to negotiate and execute optional extension periods.
4. To note that expenditure under this contract is in accordance with Council's 2022/23 adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

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**Responsible director: Daniel Freer, Director Places and Spaces**

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## **1. Purpose**

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/230 - Golf Course Pro-Shop Management.

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

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021-25):

### **Theme 1**

Strategy 1.4 - Facilities and sports precincts encourage equal access through social planning, delivery, asset maintenance and renewal.

### **Theme 2**

Strategy 2.1 - Parks and green spaces enable sport and recreation opportunities by maintaining and improving recreation spaces and equipment.

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

## **3. Background**

Council requires a suitably qualified organisation to provide golf course pro-shop management services for Freeway Golf Course in accordance with the requirements of the specification.

### **Invitation to tender**

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to provide golf course pro-shop management services for Freeway Golf Course. The contractor is required to manage and operate the Golf Course Pro Shop, and surrounds in accordance with Council's objectives to meet community golfing needs and to maximise the community's use of the facility

An invitation to tender was advertised in the local government tender section of "The Age" newspaper on Saturday 16 September 2022 and on Council's website. The closing date for submissions initially was 2pm 14 October 2022 which was extended to 21 October 2022 in response to a request from one possible tenderer.

In response to the advertisement, Council received five submissions:

- ClubLinks Management Pty Ltd;
- Gammon Golf Pty Ltd;
- Greenspace Management Pty Ltd;
- Golf Services Management Pty Ltd; and
- Premier Golf Management Pty Ltd.

#### **4. Outline of key issues/options**

Freeway Golf Course has been closed since September 2021 to undertake reconfiguration works required in response to land acquisition as part of the North East Link Project. A course reopening event is scheduled for early 2023 and publicity will be undertaken to advertise the course. There is expected to be real interest in the new course layout and the introduction of wooden faced bunkers which will result in strong participation numbers.

#### **5. Collaborative Procurement Opportunities**

Neighbouring local governments were consulted about the status of their golf course management contracts to assess the possibilities for collaboration. Unfortunately, each of these local governments have existing contracts in place without an expiry in the near term and there was no interest in pursuing a collaborative procurement at this time.

#### **6. Consultation/communication**

Internal consultation with a variety of departments was undertaken to refine the contract structure including Procurement, Communications and Recreation. External consultation with resident golf clubs at the course was undertaken to determine if there were any specific inclusions required in the contract.

Course reconfiguration works have been ongoing over the past year. Promotion of the reopening will commence shortly to encourage players to utilise the course when it reopens early in 2023.

#### **7. Financial and resource implications**

Council's 2022/23 adopted budget contains a total allocation of \$100,104 for management of Freeway Golf Course Pro-shop. Based on the submission of the preferred tenderer and forecast usage \$52,000 is expected to be spent.

The contract is structured to return a set percentage of green fee income to the contractor with Council retaining the rest of the green fee income. Future budgets will reflect both this income and expenditure. During the previous contract period course rounds average close to 50,000 per annum. This provided Council with an average income of just over \$1M per annum which covered the management and maintenance costs of the course and provide a small surplus to Council. The projections under the new contract are for a similar income and expenditure levels.

Green Fees are set by agreement between the contractor and contract supervisor and are designed to encourage participation, support a viable business model and provide a financial return to Council.

#### **8. 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 general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

## 9. Social and environmental issues

This contract will have a positive impact on both social and environmental issues. The management of Freeway Golf Course provides a sporting opportunity which is open to the whole community. Camberwell Men's Golf Club, Camberwell Ladies Club and Harp Social Golf Club are based at the course and provide opportunities for participation in competitions and social activities delivering health and wellbeing outcomes for the community. The successful tenderer intends to deliver a range of tuition and event opportunities to encourage further utilisation of the course and healthy lifestyles.

The successful tenderer has included a number of sustainability initiatives in their submission including:

- Energy efficient equipment in kiosk;
- Energy efficient lighting;
- Environmentally friendly food and beverage packaging;
- Natural fibre uniforms;
- Environmentally friendly cleaning products; and
- Preference for local suppliers.

## 10. Evaluation and review

The evaluation report is provided as **Confidential Attachment 1**.

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2021/230, Golf Course Pro-Shop Management to:

- Greenspace Management Pty Ltd.

<b>Manager and report officer:</b>	<b>David Shepard, Manager Environmental Sustainability &amp; Open Spaces</b>
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