



LATE ITEM BUSINESS PAPER

ORDINARY MEETING

**Wednesday 21 December 2011
at 6.30pm**



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SUPPLEMENTARY ITEMS

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ITEM 9 EN62/11 - Lease of Tennis Court Centres Various Locations in Hornsby Shire

Additional information with "NO CHANGE" to Recommendation

Attached is a copy of an amended version of Executive Manager's Report No. EN 62/11 - Lease Of Tennis Court Centres Various Locations In Hornsby Shire

RECOMMENDATION

THAT Council:

1. Accept the tender from the Beecroft Lawn Tennis Club Inc for Beecroft Village Green, Beecroft for a period of ten years at 30% of court hire.
 2. Accept the tender from Hornsby Kuring-gai District Tennis Association for Boundary Rd, Berowra for a period of ten years at 30% of court hire.
 3. Accept the tender from Hornsby Kuring-gai District Tennis Association for Mills Park, Asquith for a period of ten years at 30% of court hire.
 4. Accept the tender from Eastwood Thornleigh District Tennis Association for Pennant Hills Park, Pennant Hills for a period of ten years at 30% of court hire.
 5. Accept the tender from Rod Fahey Tennis School P/L for Ruddock Park, Westleigh for a period of ten years at 45% of court hire.
 6. Accept the tender from Kim Warwick Tennis Academy P/L for Waitara Oval, Waitara for a period of ten years at a period of 10 years at \$45,000 + 2% of gross yearly revenue in the first year rising to \$70,000 +2% of gross yearly revenue in year 10.
 7. Give delegation to the General Manager to enter into negotiations with the current tennis centre operators for North Epping Oval, North Epping and West Epping Park, West Epping, with a view to entering into contracts for the operation of the respective tennis centres.
1. Amended Report - Lease Of Tennis Court Centres
 2. ENV 62/11 Tender T15 2011 Lease Of Tennis Courts - *This attachment should be dealt with in confidential session, under Section 10A (2) (c) of the Local Government Act, 1993. This report contains information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.*

File Reference: F2011/01086
Document Number: D01826495

Executive Manager's Report No. EN62/11
 Environment Division
 Date of Meeting: 21/12/2011

**LEASE OF TENNIS COURT CENTRES VARIOUS LOCATIONS IN
 HORNSBY SHIRE**

EXECUTIVE SUMMARY

This report replaces EN62/11 – Lease of Tennis Court Centres Various Locations in Hornsby Shire.

Report EN16/11 outlined background to the leasing of a number of Council tennis centres. It recommended that Council authorise the preparation of an Invitation to Tender for those centres. This report outlines the outcome of the tender T15/2011.

Of Council's 18 tennis centres, nine have leases that expired on 30 June 2011. The tennis courts on Berowra Waters Road are being converted to multi purpose netball/basketball courts. Council called tenders for the remaining 8 tennis centres in accordance with the Local Government Act.

It is recommended that tenders be accepted for six of the eight centres. For the remaining two centres, it is recommended that Council give delegation to the General Manager to enter into negotiations with tennis centre operators for those centres with a view to entering into a contract for the operation of the tennis centre.

The award of the contract and execution of the lease will be subject to the obtaining of the Minister's consent in relation to the leases on Crown land and complying with the provisions of the Local Government Act 1993 in relation to leases over land owned by Council. This could take up to six months.

PURPOSE/OBJECTIVE

The report provides a recommendation to accept tenders for six of the eight centres.

DISCUSSION

Tender T15/2011 invited tenders for the following eight tennis centres: Beecroft Village Green, Beecroft; Boundary Road, Berowra; Mills Park, Asquith; North Epping Oval, North Epping; Pennant Hills Park, Pennant Hills; Ruddock Park, Westleigh; Waitara Oval, Waitara; and West Epping Park, West Epping.

Thirteen tenders were received as follows:

- 1. Beecroft Village Green, Beecroft:**
 - a. Beecroft Lawn Tennis Club Inc
- 2. Boundary Road, Berowra:**
 - a. Berowra Tennis Club Inc
 - b. Hornsby Kuring-gai District Tennis Association (HKDTA)
- 3. Mills Park, Asquith:**
 - a. Hornsby Kuring-gai District Tennis Association (HKDTA)
- 4. North Epping Oval, North Epping:**
 - a. North Epping Rangers Sports Club Inc

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5. **Pennant Hills Park, Pennant Hills:**
 - a. Eastwood Thornleigh District Tennis Association Inc
6. **Ruddock Park, Westleigh:**
 - a. Grand Slam Tennis Academy
 - b. Rod Fahey Tennis School P/L
 - c. Westleigh Tennis Club Inc
7. **Waitara Oval, Waitara:**
 - a. Hornsby Kuring-gai District Tennis Association (HKDTA)
 - b. GG's Tennis
 - c. Kim Warwick Tennis Academy
8. **West Epping Park, West Epping:**
 - a. YMCA of Sydney

The following criteria were used for the evaluation of tenders

- Track Record and expertise
- Capacity to deliver and meet principle objectives of the tender on p. 19
- Coaching and personnel qualifications, accreditations, and member of Tennis NSW
- Methodology, management and activities/programs
- Financial capability of the tenderer, rental offered and proposed capital works/asset management plan

The tender panel evaluated each tender against the above criteria and the tenders were assessed as conforming or non conforming.

The attached confidential memo ENV 26/11 (Attachment 1) provides the rental offered for each centre and a summary of the evaluation. Full details of the tender evaluation are on file.

BUDGET

By accepting the recommended tenders, there is proposed to be an increase in income in tennis court rental of at least \$55,000 if estimates provided by the tenderers are correct.

As previously reported (see Report no. EN16/11), there is the possibility that the minister administering the Crown Lands Act 1989 may direct that a levy of 15% of all proceeds received in respect of further leases of the respective crown reserves be paid into the Public Reserves Management Fund pursuant to Section 106 of the Crown Lands Act. Should such a direction be implemented, the financial return to Council will be adversely impacted as five of the eight centres (Beecroft, Berowra, Mills, North Epping and Pennant Hills Park) are on Crown land.

POLICY

Leases of the subject tennis courts are expressly authorised in the respective adopted Plans of Management.

Five of the eight centres are on Crown land. The Crown Lands Act 1989 requires that money raised through the operation of the reserve or received through any approved leasing must be used for the purpose of improving and maintaining the reserve (Land and Property Management Authority, Reserve Trust Handbook, 2007).

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CONSULTATION

The tender panel comprised a staff member from the Parks and Landscape Team, a staff member from Tennis NSW and an independent leisure management consultant. Council's Property Officer, Allan Selway, has also been consulted.

TRIPLE BOTTOM LINE SUMMARY

Triple Bottom Line (TBL) attempts to improve Council decisions by being more accountable and transparent on social, environmental, and economic factors. It does this by reporting upon Council's strategic themes.

Working with our community

The community was informed of the tender through advertising in Council's "Tenderlink" website and in the Sydney Morning Herald and the Advocate newspapers.

Conserving our natural environment

Sustainable energy and water initiatives will be considered in all future tennis centre improvements.

Contributing to community development through sustainable facilities and services

Council's objective is that tennis facilities are accessible to the whole community no matter what age or ability. These facilities allow for player development and participation on a number of levels.

Fulfilling our community's vision in planning for the future of the Shire

Council is working with Tennis Australia to help deliver the goals outlined in Tennis 2020 a facility development and management framework for Australian tennis. This will ensure that tennis is available to the Hornsby shire community and is able to respond to community needs and growth targets.

Supporting our diverse economy

Sport provides direct benefits to the local community through economic factors such as wages and retail spend.

Maintaining sound corporate and financial management

The tennis environment is changing to one where facility operations are self sustaining. This requires a more business like approach in order to respond to increased demands and expectations of both the community and council.

Other Sustainability Considerations

The environmental, social policy and management systems of the tenderers were taken into consideration in assessing the tender.

RESPONSIBLE OFFICER

The responsible officer is Ms Dana Spence, Parks Asset Coordinator, on 9847 6896 between 8:30am and 5pm, Monday to Friday.

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DIANE CAMPBELL
Acting Executive Manager - Environment
Environment Division

Attachments:

1. Memo EN26/11 Tender T15/2011 - Lease of Tennis Centres

File Reference: F2011/01086
Document Number: D01826205

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