

Section 221 of the *Local Government Regulation 2012* stipulates that a Significant Contracting Plan must be prepared prior to commencement of a contract that Council has identified as a Significant Contract. Council may, by resolution, amend a Significant Contracting Plan at any time before the end of the financial year to which the plan relates.

<b>1. Key Information</b>	
Significant Contract Title: Cotton Tree Holiday Park Management Agreement	
Group: Economic & Community Development	Branch: Community Sport & Development
Contract Administrator: Darrin Collins	Position: Contracts Manager (Holiday Parks)
Procurement Specialist: Alissa Ratcliffe	
Contract/Project Description: Provision of manager to manage the day to day operations at the Cotton Tree Holiday Park. The management of the day to day operations includes, but isn't limited to: <ul style="list-style-type: none"> <li>• operating the reception and office, which includes managing bookings through online booking platform and phones, handling customer and management enquiries, check-in and check-out, issuing receipts and banking processes for office, reception and laundry takings;</li> <li>• cleaning and maintenance of amenities, cabins, and facilities;</li> <li>• grounds and garden maintenance;</li> <li>• supply of consumable goods;</li> <li>• administration of the Residential Tenancy Agreements; and</li> <li>• daily, weekly, and monthly reporting.</li> </ul> This proposed contract will continue the current service delivery model of having the Cotton Tree Holiday Park managed by experienced managers external to Council.	
Link to Procurement Plan: <a href="#">Go to EDDIE - ITT2220 Procurement Plan</a>	

<b>2. Council Resolutions</b>	
Previous Council resolutions:	
This plan endorsed by Council:	

<b>3. Background</b>	
The Cotton Tree Holiday Park is currently operated under the current management agreement that has been in place since February 2018. This agreement is due to expire on 30 April 2023.	
The Cotton Tree Holiday Park is one of six (6) holiday parks operated by the Sunshine Coast Holiday Parks business unit of Council and is situated on the banks of the Maroochy River and the Maroochydore Beach foreshore. The holiday park enjoys a great waterfront location and is close to shopping and restaurant precincts. The holiday park includes: <ul style="list-style-type: none"> <li>• 409 powered tourist sites (24 absolute waterfront)</li> <li>• 26 un-powered tent sites</li> <li>• 9 deluxe villas – 6 x 2 bedroom, 3 x 1 bedroom</li> <li>• 1 four bedroom Beach House</li> <li>• 16 permanent and 15 storage sites</li> <li>• 5 amenity buildings</li> <li>• 3 laundry facilities</li> </ul>	

- 1 camp kitchen and 3 BBQ areas

A new tender must be prepared, and contract awarded, to provide continued management of the holiday park.

#### 4. Objectives

What are the objectives of this contract?

To ensure the continued effective day to day management of Council's largest holiday park.

How will objectives be achieved?

Conduct a public tender process to identify a contractor with the necessary capability and experience in providing management services for a holiday park.

Well-documented scope of services providing clarity to the responsibilities of the manager.

Specialist legal services in the drafting of the Management Agreement in order to achieve Council's objectives and address risks.

Council's supervision and contract management/administration across the term of the contract.

How will achievement of objectives be measured?

Monitoring of the supply of scope and standard of service delivery through Council's supervision and contract management/administration, including monitoring of key performance indicators.

What are the alternative ways of achieving the objectives? Include reasons for not adopting alternative ways.

Internal management of day to day operations by Council staff is an alternate pathway for service delivery. Council currently does not have the capacity to perform this service with internal resources.

#### 5. Proposed category and contractual arrangements

Which category does this contract fall within?

Operational Works and Services

Which contractual arrangements should be applied to this contract, and why?

Bespoke Management Agreement documenting all of the obligations and performance requirements relating to the management of the holiday park. Bespoke document required due to the specific nature of the services to be provided and the commission based pricing.

#### 6. Market and Risk Assessment

Provide an assessment of the market in which the contract is to happen, including an assessment of any procurement risks. Refer to the Risk Assessment Calculator in the Procurement Plan.

As Council's largest holiday park, and the park that generates the most revenue for Council, tenders for this service have historically attracted a strong response and have demonstrated sufficient market depth and supplier capability to deliver these management services.

Risks:

- **Limited submissions** – with current agreement due to expire on 30 April 2023, the tender will need to be released in January 2023. Risk that Council receives limited responses due to tender being required to be released during summer holiday period when prospective respondents will be performing services during the busy holiday period and not in a position to put together a tender response. The previous contract, ITT1714, received seven submissions.
- **Mobilisation** - Insufficient time between contract award and commencement of for successful continuity of service.
- **Pricing** – pricing for this service could be considerably higher than currently being paid. Council has not gone to market for these services in the Cotton Tree Holiday Park for five years, in which time the park has undergone considerable change to be one of the largest holiday parks in Queensland

Proposed mitigations for identified risks:

- **Limited submissions** – public tender process following market sounding and engagement. Tender period has been extended from Council's normal period to ensure sufficient time to respond following completion of summer holiday period. This contract will have a contract term that finished on 30 June rather than 30 April to create a greater period of the time between the busy summer holiday period and the expiry of this contract.
- **Mobilisation** – Procurement program has been developed and contract award targeted for mid March 2023. This will give the successful contractor approximately six weeks to mobilise ahead of service commencement on 1 May 2023.
- **Pricing** – Council is providing the security of a long-term contract (5 year period) to encourage competitive pricing. Attractiveness of this particular holiday park should assist in receiving competitive pricing.

Undertake an assessment of operational risks relating to the contract/project. Attach details.

1. Inability of manager to attract and retain capable and competent staff in order to meet all obligations.
2. Continued growth of the park, increasing the service requirements of the manager and Council.