

**HAWKESBURY CITY COUNCIL
SPECIAL MEETING**

Where People Make the Difference!

SPECIAL BUSINESS PAPER

DATE OF MEETING: 15 November 1994

LOCATION: Council Chambers

TIME: 5:30pm

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Section 4 **Reports for Determination**

ITEM 1: MANAGEMENT OF HAWKESBURY LEISURE CENTRES

FILE NUMBER: GR030/059 PT01/FNC

REPORT:

Construction of the Indoor Sports Stadium has now commenced and submitted to this meeting is a recommendation for the acceptance of a tender for the improvements to the Swimming Centre at South Windsor. The early establishment of a management structure for the operation and control of these centres is important for the commencement of policies and procedures of operation, and importantly, for the promotion of these facilities to ensure the viability of the centres from the time they first commence actively operating.

Consideration of the options of the most appropriate organisational and management structure has been undertaken. Discussions have taken place with sporting organisations and consultants as to the most appropriate structure to ensure operational success and viability of the centres. An organisational structure is proposed that incorporates both the Indoor Sports Stadium and Swimming Centre at South Windsor. A proposed structure diagram is shown as *Attachment No.1*.

The combined management structure proposes that an incorporated Management Committee with a Board of Directors be established, consisting of seven persons;

- two Councillors,
- a representative of the "Indoor Sports Stadium User Groups",
- a representative of the "Swimming Centre User Groups",
- the Divisional Manager of Finance.
- two representatives of the community.

This structure allows for the establishment of a "User Group", comprising representatives of the sports codes in each of the centres, to be represented on the Board of Directors. On a daily basis the sporting codes would actively participate and liaise with the Manager of the Leisure Centres. It is considered that two community representatives, with a appropriately qualified background, could be of assistance in managing the facilities on a commercial basis. Formal policies and practices would be established through the management committee system.

There are advantages in having a single organisational structure for both Centres. This would minimise the number of Management Committees, Centre Managers and economies could be achieved in administration. It would also enable a better remuneration package to be offered that would attract a higher level of manager of the facilities, a key component of the viability of the venture.

The Management Committee would become incorporated under the Associations Incorporation Act, 1984 and it is suggested that it be registered as the "Hawkesbury Leisure Centre Inc.", with the appropriate incorporation being undertaken following Council's adoption of an organisational structure and the development of a constitution.

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A manager would be appointed on a performance based employment to the Incorporated Management Committee to provide the day-to-day administration, control and promotion. In the early stages the focus will be on promotion of both the Centres with the appointment to commence in February, 1995, two or three months before the Indoor Sports Stadium is scheduled for completion and commencement of operation. This would allow for a promotional program to be implemented and the policies, procedures and pricing structures for the daily operation to be established in sufficient time to ensure the early success of the venture. It is anticipated that a salary package for this position, inclusive of a lease back of a car and employment conditions, would be in the range of \$45,000 to \$50,000 per annum - with an incentive payment based upon operating profit.

The operational staffing of both Centres will utilise permanent and casual staffing and supplemented by Contractors to provide specialist services such as learn to swim programs.

The existing Swimming Centre at South Windsor has a permanent full-time superintendent, supported by casual staff as needs fluctuate and demand. All permanent staff would be placed on performance based employment with the opportunity for an incentive bonus. The Superintendent's position would continue with the day-to-day operation of the Swimming Centre under the new management structure. As the Indoor Sports Stadium develops, it is anticipated that a Development Officer will be required to undertake promotional programs and assist with the day-to-day management over the spread of hours the centre is open. The implementation of promotional programs would include schools and other sporting organisations, both local and outside the Hawkesbury area.

Financial projections have been undertaken of both centres. The Indoor Sports Stadium Estimates have been carried out by Mr G.E. Jackson, a consultant for Management, Administration and Sports Development. These Estimates provide projections for five years based upon the commencement of operation in July, 1995 with the Manager commencing in February, 1995. Assumptions have included that the level of borrowing will only relate to operational costs and do not include capital expenditure. The Estimates have been prepared on a monthly cash basis and project an accumulated deficit in operations at the 31 December, 1995 of \$17,520. This is further projected to reflect a deficit at 30 June, 1996 of \$2,420 operating at a surplus from July, 1996. An accumulated surplus is estimated at 31 December, 1999 of \$539,775. The Estimates are shown in *Attachment 2*. A review of those estimates indicates that the usage of the Centre reflects a conservative projection.

The tender specifications for the redevelopment of the Swimming Centre required a projection of the likely operational costs and revenues based upon the demographic data provided. Three of the tenders included Estimates of Income and Expenditure, and whilst the criteria on which the Estimates varied in accordance with the individual tenders, the results in projections at the end of the first years were similar and showed a surplus \$15,000, \$18,200 and 26,500 respectively. Other similarly developed centres in other Councils have produced similar results after the first year's operations.

The net cost of operating the South Windsor Swimming Centre is \$45,000 to \$50,000 deficit on an annual basis. The proposed Centre would convert that loss to a positive situation.

It is anticipated that the Indoor Sports Stadium will be fully operative from May, 1995, and the Swimming Centre, South Windsor fully operative from December, 1995. Based upon the

financial projections, following a period of successful operation, it is felt that the financial arrangement be reviewed prior to 31 June, 1997, with consideration being given to some return to Council for some component of the large amount of Capital Funding of these facilities for provision of other community facilities. Recognition in the Leisure Centre's budget for the future maintenance and improvements of these Centres would be expected and a long term financial plan developed by the Management Committee.

Capital cost and sources of available funding of the two complexes are detailed below;

Capital Costs -

Indoor Sports Stadium

Tender Price	\$ 2,315,008
Sewer Headworks Contribution	72,895
Development/Building Application Fees	5,162
Furniture & Fittings	25,000

Total	\$ 2,418,065
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Swimming Centre South Windsor

Tender Price	\$ 3,592,000
DA & BA	8,145
Furniture & Fittings	42,000
Gymnasium Equipment	150,000

Total	\$ 3,792,145
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Total Costs both complexes	\$ 6,210,210
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Funding -

Indoor Sports Stadium

Commonwealth Government Grant	\$ 200,000
State Government Grant	40,000
Contribution;	
- Hawkesbury District Basketball Assoc.	25,000
- Hawkesbury District Netball Assoc.	200,000
Council Funds;	
- Sale of Land Castlereagh Road	1,881,830
- Bligh Park Development	71,235

\$ 2,418,065

Swimming Centre South Windsor

Council Funds;

- Bligh Park Development \$ 3,792,145

Total Source of Funds \$ 6,210,210

Given the projected financial position of the two centres it is considered that Council could fund the early operating costs from overdraft. This would then be recovered from the Hawkesbury Leisure Centre Inc. when the net operational position became a profit. Interest charges for the overdraft would be charged on the level of the overdraft provided to the Leisure Centres. It is important that the Leisure Centres be established as a "Strategic Business Unit" with full costs and revenues recorded separately as profit centres.

RECOMMENDATION:

THAT:-

1. The proposed organisational structure for the care, control and management of the Indoor Sports Stadium and Swimming Centre, South Windsor be adopted.
2. Hawkesbury Leisure Centres Inc., be delegated care, control and management of Indoor Sports Stadium and South Windsor Swimming Centre under Section 377 of Local Government Act, 1993.
3. The funding of the construction of the Indoor Sports Stadium and Swimming Centre, South Windsor be adopted as detailed in the report.
4. Council provide short term funding for the operation of the Hawkesbury Leisure Centres and this be reimbursed when the Centres become financial.
5. Council nominate 2 (two) representatives to the Board of Directors of the proposed Hawkesbury Leisure Centres Inc., and call for expressions of interest for the (2) two community representatives.
6. The position of Manager be contracted by Council until the Hawkesbury Leisure Centres has become incorporated, following which the transfer to the Management Committee will be effected.
7. The Seal of Council be affixed to the necessary documents.

ATTACHMENTS:

AT-1 Management Committee Structure

AT-2 Five Year Financial Projections - Indoor Sports Centre.

FN:ORB15SBX.F01

****** END OF ITEM 1 ******

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ITEM 2: HAWKESBURY SWIMMING CENTRE, COX STREET, WINDSOR -
DESIGN AND CONSTRUCT TENDERS**FILE NUMBER:** GT020/228 PT01-PT03/ENG**REPORT:**

Design and Construct Tenders for the Hawkesbury Swimming Centre were called with an original closing time of 2pm on 16th September, 1994, however, as Council is aware, representations were made from prospective tenderers and the closing date was extended until 30th September, 1994. When tenderers were advised of this extension, the actual time of closing for the tenders was not reconfirmed. Consequently, when the tenders were opened on 30th September, two tenders arrived after that time on the same day. It is considered that there would not be any advantage gained by the tenderers and as such, all tenders were considered in the appraisal process.

There were a total of fourteen submissions received, with one submission, that of Avoca Constructions Pty Ltd advising that there was far too much latitude within the scope of the works to enable them to form a competitive submission and they would not be submitting any information to be reviewed. The remaining thirteen tenders were reviewed in detail by the Building Committee to enable a recommendation to be made to Council.

Tenders received were:-

Tenderer	Location	Architect
Ricon Constructions Group	Mascot	Collingridge & Associates
B. Plus B Construction	Surry Hills	Avnir
Fyntray	Linfield	Ryder Associates
Australian Aquatic Centres	Marrickville	The Rice Dawbney Group
McNamara	Erina Heights	Sandberg Morrin & Schoffel
Winterton Constructions	Parramatta	Australian Aquatic Centres
Leisureworld Pool & Spa Centre	Surry Hills	Scott Carver
Gledhill Constructions	North Richmond	Ainsley
Ayres Rickard	Ryde	Alex O'Grady
ABC Constructions	Drummoyne	Barry Hall
Consolidated Constructions	Seven Hills	Insite
Reidwood	Crows Nest	Prince Associated Designs
	Hornsby	Peter Hunt
		Hooke Handasyde

A spread sheet of comparing the major components of each proposal is included with this report, however, a brief outline of each proposal is set out below:-

Ricon Constructions

The tender provided two proposals, both proposals retaining the existing 50 metre seven lane pool and upgrading it with a wet deck. One proposal was to provide an indoor heated 51 metre eight lane pool, complete with operable bulk head to enable two 25 metre pool configuration along with an adventure and interactive play area/beach pool and a learn to swim pool. The second proposal was to provide an indoor heated 25 metre eight lane pool with similar adventure and interactive play area/beach pool and learn to swim pool. Both proposals included a kiosk undercover with gymnasium, aerobics and creche areas, complete with an upgrading of the existing change toilet areas, including a new roof over these facilities. The proposal also included a fabric roof structure over the leisure water area. It was also proposed to provide some heating to the existing pool to enable an extended swimming season.

Avnir Group

The tender was for a four stage development, the first stage being that tendered proposed a new 50 metre eight lane pool, indoor and heated adjacent to the existing pool with the provision of two new indoor toddlers pools. It is proposed to refurbish the existing changeroom/toilets with the provision of an additional change/shower/toilet area. The existing learners and wading pool were to remain in this proposal and there was no creche, gym or aerobics provided in that proposal.

B. + B. Constructions

The tender contained two proposals. The first proposal involves major reconstruction of the existing 50 metre pool to create an indoor, heated eight lane 51 metre wet deck pool with moveable boom, provision was also made for leisure water adjacent to the pool with a spa, wading pool and kiosk within that area. The existing change/toilets were to be upgraded with the existing learners and toddlers pool to remain. No provision has been made for a creche, gym or aerobics area.

The second proposal upgraded the existing 50 metre pool by the provision of a wet deck and included the construction of a 25 metre eight lane indoor, heated pool with similar facilities as outlined for Proposal 1.

Fyntray

The tender contained two proposals. The first proposal is to provide a 51 metre eight lane indoor, heated facility with a 25 metre eight lane pool at one end, creating an "L" shape. The proposal also incorporates leisure water in the same building, consisting of a wading pool, infants pool and spa pool along with new kiosk, shop, kitchen/store, sauna and office area. It is proposed to upgrade the existing amenities along with the provision of a gymnasium and creche on the ground floor, with aerobics, multi-function room staff changerooms and a seating and viewing area as a second storey.

The second proposal is to reduce the 50 metre eight lane pool to a 25 metre facility only, with the rest of the proposal similar to the first proposal outlined. Both these proposals include upgrading the existing 50 metre pool by the provision of a wet deck and the inclusion of heating

to provide an extended swimming season for this existing facility.

Australian Aquatic Centres

The tender contained two proposals. The first proposal was to provide a new eight lane 51 metre heated indoor facility, with an adjacent area of leisure water and kiosk external to this facility.

The second proposal is to provide a 50 metre eight lane indoor heated facility with the provision of additional leisure water and play facilities.

Both proposals include refurbishment of the existing amenities/toilet area and the provision of gymnasium and aerobics areas. Also included is covering, heating and upgrading the existing 50 metre seven lane facility, with inclusion of a wet deck.

McNamara

The proposal is to extend the existing 50 metre pool from seven lanes to eight lanes and provide an eight lane 25 metre pool at the shallow end forming an "L" shape. Also included is a family lagoon, learners pool and toddlers pool. All these facilities would be indoor and heated. The proposal includes the upgrading of the existing change/toilet areas, including the provision of a new roof. A creche, kiosk and combined gymnasium/aerobics area is also proposed.

Winterton Constructions

The proposal provides for the construction of a 51 metre eight lane pool, 25 metre eight lane pool and small play lagoon undercover and heated. The existing change/toilet area is to be upgraded with an additional mens and womens toilet area and creche provided adjacent to the 51 metre pool. The existing 50 metre pool is to be upgraded with the provision of a wet deck. a gymnasium and aerobics area was not included in this proposal. The proposal also retains the existing learners pool.

Leisure World Pool and Spa Centre

There were no plans submitted with this proposal, however, the proposal stated that a 25 metre eight lane pool would be provided with associated leisure water. Architectural details and plant specifications would be provided if Council accepted the initial proposal.

Gledhill Constructions

The tender included three proposals. The first proposal is to provide a new 50 metre eight lane pool with a 25 metre eight lane pool at one end forming an "L" shape, the provision of a leisure pool including bubble seat, tots pool, waterslide, two spas, sauna and waterfall, all enclosed and heated. The proposal includes the upgrading of the existing toilet/change areas with the provision of a new kiosk and kitchen area, upgraded entry and reception and new office space.

The second proposal is the same as the first, however, includes a creche, circuit room and aerobics room.

The third proposal differs from the first two, in that the 50 metre/25 metre "L" shaped pool has been reduced to a 25 metre eight lane pool with all the other features as previously described in proposal two. The existing 50 metre pool in all proposals is to be upgraded with the provision of a wet deck and the existing learners pool is to be retained. It is also proposed to provide some heating to the existing pool to extend the swimming season.

Ayres Rickard

This proposal includes the refurbishment and widening of the existing 50 metre pool to an eight lane facility with a 25 metre six lane pool provided at the shallow end forming an "L", with a new wading pool all enclosed and heated. The proposal utilises the existing change/toilet/ administration building without alteration. Future sports and aerobic/gym facilities have been shown on the plan but not included as part of the tender.

ABC Constructions

This tender proposes to enclose and heat the existing 50 metre seven lane pool, provide a new 50 metre eight lane pool and a new 25 metre eight lane pool, also enclosed and heated with a play lagoon and childrens play area adjacent to the 25 metre pool. The existing amenities building is retained unaltered with new changerooms, staff office, kiosk attached to the 25 metre pool and a gymnasium and aerobics with male and female showers above the 25 metre pool area. There is no creche included in the proposal. A number of areas of clarification have been requested from the tenderer, including acoustic ceiling details, construction time and the finish of the pools and the concourse, however, these details at the time of preparation of the report have not yet been supplied.

Consolidated Constructions

This tender contained two proposals. The first proposal is to extend the existing pool to a 51 metre eight lane facility with moveable bulk head to enable conversion to two 25 metre eight lane areas with adjacent leisure water containing a beach area, kiddies slide, fountain, air bubblers, air loungers, water spray, slide pool and raging river. New change/toilet facilities, kitchen/kiosk, gymnasium, aerobics and creche areas, spa, sauna and steam room all to be provided within a new building and the existing building demolished.

The second proposal, which is the tenderers preferred option, on the basis of capital and running costs, is to retain the existing 50 metre pool and upgrade it by the provision of a wet deck, provide an indoor heated 25 metre eight lane pool with leisure water adjacent to this facility and contains two spa pools and sauna and steamroom, a beach area, kiddies slide, fountain island, water spout/air bubblers, air loungers, slide pool and raging river. Again with this proposal, the existing amenities block is to be demolished and a new amenities provided under the same roof as the swimming pool leisure water area, containing a gymnasium, aerobics area, male and female change/toilets, creche, meeting/clubroom, kiosk/kitchen, new entry, shop and staff room, with an open air cafe area and sundeck immediately adjacent to the building on the northern side. The finish to all the facilities provided appears to be superior to other

proposals. A considerable amount of landscaping has been included and the building set out has been designed for ease of control over the entire facility.

Reidwood

The tender consists of two proposals. The first proposal is to retain the existing 50 metre pool and upgrade it with the provision of a wet deck. A new 25 metre eight lane pool and adjacent leisure water consisting of a learners area, toddlers pool and spa, covered and heated. It is proposed to refurbish the existing change/toilet area, provide a new entrance, control and administration area, kiosk and creche on the ground level, with a program (aerobics) area and gymnasium on the second floor above the existing changerooms. The entire area to be included in one building.

The second proposal is similar to the first, with the exception that the existing 50 metre pool would be included in the one building and heated with a larger store and plant room provided.

Both proposals include the retention of the existing learners and toddlers pools.

Comparison of Proposals

In comparing the submissions it was necessary to include many of the optional items provided by tenderers to enable a basis for equitable comparison, ie; provision of wet deck, acoustic ceiling and provision of creche, aerobics and gym area were not included in the base tender.

Virtually all tenders included or gave as an option the provision of a wet deck to the existing 50 metre pool. All proposals included the retention of the existing pool in one form or another.

The kiosk area varied from using the existing facilities, to the provision of new facilities with an area of 32m², 34m² and 37m² by Australian Aquatic Centres, Gledhill and Consolidated respectively. If the use of the Centre is to be encouraged, adequate facilities need to be provided to encourage people to spend leisure time at the Centre and includes the availability of quality refreshments during and after use of the programs.

A creche area which will encourage use of the Centre by mothers with small children is also considered essential and the most generous areas were provided by Gledhill (57m²) and Consolidated (105m²).

To gain maximum usage of the Centre it is considered that the provision of a dry area (gymnasium and aerobics) is necessary to complement the wet areas (lap swimming and leisure water). Of the proposals providing dry areas, the larger gymnasium areas were provided by Consolidated (176m²), Gledhill (211m²) and A.B.C. (290m²). It is considered that a gym area of 200m² would be adequate for a facility of this size. The larger aerobics areas are Consolidated (143m²), Reidwood (158m²), Gledhill (193m²) and A.B.C. (376m²). Whilst the size of the aerobics area is not as critical as the gym area, as classes may be adjusted in size and number to suit demand, it should be of adequate size so participants do not feel restricted. It should be noted that Ayres Rickard indicated a total area in their proposal of 1185m², however, this is considered to be unrealistically large.

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The area of leisure water and associated facilities is obviously one of the most important aspects of a Centre of this type. Reidwood provided 290m² of leisure water and included a spa pool. Consolidated provided 298m² and included two spas, sauna, steamroom, water slide and numerous adventure facilities for use by children. Gledhill provided 310m² and included two spas, slide, sauna, tots pool, waterfall and adventure facilities.

The majority of tenders nominated Chlorine for water sanitation. The exceptions were B + B (ozone/chlorine) and Reidwood (ozone/bromine).

Heating proposals were generally by gas fired boiler with the exceptions being Leisureworld (heat pump/solar) and McNamara (heat pump/gas). In comparing heat pump and gas, the capital cost of heat pumps is more expensive than gas, however, the ongoing running costs using electricity is generally cheaper than gas **subject to** the appropriate tariff being provided by the electricity supplier. Some discussions have been undertaken with Prospect Electricity which are encouraging and if Council resolves to accept the tender recommended by the Committee, it is considered further negotiations should take place with a view to heating the facility using electricity as an energy source.

Acoustic ceilings were included by a number of tenderers including Gledhill, McNamara, Ricon, Reidwood, Ayres Rickard and Consolidated. It is considered this is an essential element of design due to the relatively close proximity of the surrounding residential area.

construction time varied from twenty six weeks to approximately fifty two weeks. It is considered that 40-50 weeks will be required for completion of the project, which will include lead in time for approvals etc.

Pool finishes varied from paint to fully tiled. Fully tiled finish is probably the most desirable finish, being proposed by Winterton, B + B and the Avnir Group. The next most preferred treatment is a pebblecrete type finish and was proposed by Gledhill, McNamara, Australian Aquatic Centres and Consolidated.

The finish provided to the concourse is probably as important as the finish to the pools. Finishes varied from broomed concrete, through non-slip paint and tile/pool carpet combinations through to fully tiled with non-slip tiles which is felt to be the most desirable finish to provide to the concourse. The full tiled proposal was by Consolidated.

One of the major advantages of the proposal by Consolidated Constructions is that the provision of a totally new facility with regard to administration areas, amenities and dry areas is that the facility appears to have been planned with a view to efficient operation and most effective use of space provided. The architectural style of the building appears to be pleasing and the quality of finish proposed is of a high standard. This is the only proposal which provides a completely new indoor area. All other proposals utilise the existing building in some form albeit refurbished.

Conclusion

The Building Committee considers that the proposal by Consolidated Constructions for the provision of a new 25 metre eight lane pool, leisure area and facilities all enclosed and heated with the provision of a wet deck and heating to the existing 50 metre pool at a total cost of \$3,592,000 (three million five hundred ninety two thousand), is the preferred option, based on the architectural merit of the proposal, value for money and indicated quality of finish and is recommended to Council for acceptance.

RECOMMENDATION:

THAT the design and construct tender submitted by Consolidated Constructions (Proposal Two) with the inclusion of White New Zealand pebbles to interior of all new pool basins, pergola to kiosk, heating to existing outdoor pool and provision of car park, at a lump sum price of \$3,592,000 (three million five hundred ninety two thousand) be accepted.

ATTACHMENTS:

AT-1 Hawkesbury Swimming Tender table

FN:ORB15SBX.E02

****** END OF ITEM 2 ******

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