

ITEM 9 TENDER T1000197 - LEASE OF STANWELL PARK CHILDREN'S CENTRE

This report recommends acceptance of a tender for the Lease of Stanwell Park Children's Centre in accordance with the requirements of the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Stanwell Park Children's Centre is approved for 40 early education and care places, and the agreement will fully utilise centre capacity to meet the community's needs. The lease will provide operational stability for local families and the service provider. It also brings the centre into alignment with Council's management of its other early education and care facilities.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the *Local Government (General) Regulation 2021*, Council accept the tender of Big Fat Smile Group Ltd for the Lease of Stanwell Park Children's Centre, in the sum of \$467,204 (GST inclusive)
- 2 Pursuant to Section 47 of the *Local Government Act 1993*, Council authorises the grant of a lease in respect of community land for a term of ten (10) years to Big Fat Smile Group Ltd for Stanwell Park Children's Centre, 22-26 Stanwell Avenue, Stanwell Park NSW 2508, part lot 11, lot 12, lot 13 and lot 14 in Deposited Plan 22200.
- 3 Council delegate to the General Manager the authority to finalise and execute the lease agreement and any other documentation required to give effect to this resolution.
- 4 Council grant authority for the use of the Common Seal of Council on the lease and any other documents, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Sarah Taylor, Manager Libraries + Community Facilities

Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

There are no attachments for this report.

ACRONYMS USED IN REPORT

Abbreviation	Meaning
ACECQA	Australian Children's Education and Care Quality Authority
ECEC	Early Childhood Education and Care
GST	Goods and Services Tax
NSW	New South Wales
QIP	Quality Improvement Plan

BACKGROUND

Stanwell Park Children's Centre (also known as Stanwell Park Childcare Centre) is located at 22-26 Stanwell Avenue, Stanwell Park NSW 2508. The centre was constructed in 1990 and opened in 1991 as a purpose-built 40 place childcare centre. The centre operated as a children's early education and care centre until the service closed in the early 2000's. Council's Community Facilities team made the centre available for hire as a community space ('hall'), and a childcare service commenced hiring part of the building in 2016 and has a hire agreement in place until the end of 2025.

Tenders were invited for this lease by the open tender method with a close of tenders at 10.00 am on 7 August 2025.

Seven (7) tenders were received by the close of tenders and all tenders have been scrutinised and evaluated by a Tender Evaluation Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of Libraries & Community Facilities, Community Culture & Engagement, and Commercial Operations & Property Divisions.

The Tender Evaluation Panel evaluated all tenders in accordance with the following Evaluation criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Provision of satisfactory references from referees for previous projects of similar size and scope.
- 2 The Tenderer or their Authorised Representative must attend a site inspection.
- 3 Minimum ACECQA (Australian Children's Education and Care Quality Authority) Rating of "Meeting" across all 7 quality areas in all centres of operation.

Evaluation Criteria

- 1 Proposed rental payable to Council and centre works – 25%
- 2 Experience and satisfactory performance in providing early education and care service of similar size and scope – 20%
- 3 Proposed service provision to meet needs of local community – 20%
- 4 Proposed service implementation plans – 15%
- 5 Demonstrated strengthening of local economic capacity – 10%
- 6 Demonstrated social value and community development – 10%

The mandatory evaluation criteria have been met by the recommended tenderer.

The Tender Evaluation Panel utilised a weighted scoring method for the evaluation of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the evaluation criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the evaluation criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council.

TABLE 1 – SUMMARY OF TENDER SUBMISSIONS

Name of Tenderer
Big Fat Smile Group Ltd
Bungalow Group Pty Ltd
Early Learning Investments Pty Ltd
Happy Hearts Academy ELC Pty Ltd
Planetwork Pty Ltd
Stanwell Park Early Learning Ltd
UOW Pulse Ltd

The recommended tenderer is:

- Big Fat Smile Group Ltd.

PROPOSAL

Council authorise the engagement of Big Fat Smile Group Ltd to carry out the Lease of Stanwell Park Children's Centre.

The recommended tenderer has satisfied the Tender Evaluation Panel that it is capable of undertaking the works to Council's standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Evaluation Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Evaluation Panel
- 2 Governance
- 3 Legal Services
- 4 Infrastructure Strategy and Planning

Comments received from internal consultation were taken into consideration in preparing the lease proposal and tender documents. No objections were received in relation to the proposal to grant a lease for Stanwell Park Children's Centre for a ten (10) year term.

External stakeholders were consulted prior to the tender being advertised. The community was actively engaged through information sessions and surveys with parents to best understand their needs and ensure a seamless continuation of services. This feedback was included in the Tender documents. Meetings were also held with the current hirer of the facility to ensure they were aware of the tender and how to apply.

The tender was advertised on 7 July 2025, and a tender briefing was held on 15 July 2025. The session provided tenderers an overview of the lease and information on how to lodge a tender submission.

In accordance with Section 47 of the *Local Government Act 1993 (NSW)*, public notice of the proposal to grant the lease was provided to adjoining residents and a notice was placed on the land and on the Council's public notices webpage.

Two (2) submissions were received by the closing date of 17 July 2025. The submissions related to a tender being undertaken and ensuring community feedback was considered. Neither submission raised objections to the granting of a lease agreement and responses were provided to both submissions.

As no objections to the proposed lease were received, pursuant to section 47 of the *Local Government Act 1993*, the lease does not exceed 21 years, Council can grant the licence under delegation to the General Manager.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2035 Goal 4 "We have a healthy, respectful, and inclusive community".

It specifically delivers on core business activities as detailed in the Community Facilities Delivery and Operational Plan, "Manage Licence Agreements, licensee relationships and sustainability of licensing arrangements" and "Partner with Early Childhood Education and Care (ECEC) sector in relation to social infrastructure planning/community facilities planning".

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the *Local Government Act 1993*.

The risk in granting a lease is considered moderate on the Council's risk assessment matrix and appropriate risk management strategies will be implemented.

There is likely a minor risk to Council's reputation arising from dissatisfaction with the outcome from unsuccessful tenderers and families using the service. A communication plan has been developed to mitigate potential negative communication and sentiment. The communication plan includes updates on Council's website, emails to families who provided feedback, and information sessions for parents with Council staff and the recommended tenderer. Unsuccessful tenders will also have the opportunity to meet with the Tender Evaluation Panel to receive feedback on their submissions.

The current tenancy of Stanwell Park Children's Centre on a hire agreement (up to 12 months) poses a number of risks to Council. It does not fully utilise the available space for early education and care, nor provide stability or surety for the provider and families. These risks will be reduced by approving the recommended tenderer and formalising a lease agreement for 10 years. The tender also enables the Centre to function at its full intended capacity and allow for early education and care from 0 to 5 years, if required, delivering additional spaces for children in a market where there is strong demand from local families. The long-term agreement provides opportunity for the provider to invest into the facility and sets clear maintenance requirements for the lessee.

The lease improves child safety by offering a long-term agreement that includes clauses that stipulate the lessee must comply with Early Childhood Education and Care Legislation and requirements. The lessee must also provide annually to Council their QIP (Quality Improvement Plan) and ACECQA Ratings. In addition to these safeguards the lessee must notify Council of any instances where the service quality rating drops below the service level requirements.

SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Sustainable procurement by providing open and selective Tender method to give local companies the opportunity to provide a submission for the lease.
- The 10-year lease agreement provides stability for families and the service provider. The lease also supports maintenance of the centre by the tenant.
- Weighting in the tender assessment provided for a commitment to social procurement and using local services, labour and materials.

FINANCIAL IMPLICATIONS

Council will receive income of \$467,204 (GST inclusive) for the first five (5) years of the lease agreement. Tenderers were also required to nominate works proposed at the centre for the first five (5) years, with the sum of rental and centre works being assessed in the Evaluation Criteria 1. The lease rental will be reviewed after five (5) years through a market rent review.

The Lessee will be responsible for all costs associated with repairs and maintenance of the centre in accordance with the Building Maintain and Replace Responsibility Schedule. The lease supports maintenance work by offering a rent abatement of up to \$12,000 (excluding GST) per annum for approved work.

CONCLUSION

The granting of the lease is consistent with Our Wollongong Our Future 2035 Community Strategic Plan and enables full utilisation of the early education and care facility. The lease provides stability for and will secure long term quality early education and care service for the Stanwell Park community. It will also formalise the responsibilities for the maintenance and operation of the centre.