

CONTRACTUAL MATTER - CONTRACT 3035 - LEASE AND OPERATION OF COMINOS HOUSE, 27-29 GREENSLOPES STREET MANUNDA - DIVISION 5

PGS | 63/1/481 | #7861855

RECOMMENDATION:**That Council:**

- 1. Approves the award of Contract 3035 – ‘Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda’ over part of Council reserve being lot 13 on NR843558 to Cairns and Far North Environment Centre Inc for a lease period of 10 years, commencing 1 July 2026, subject but not limited to the terms and conditions herein; and**
- 2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to the contract and the trustee lease.**

INTERESTED PARTIES:

- Cairns and Far North Environment Centre Inc. (**CAFNEC**)
- Friends of Cominos House Inc.
- Samoan Independent Seventh Day Adventist Church in Qld Inc.

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

Cominos House forms part of Council’s network of community activities spaces, providing a conducive and tranquil space for the Cairns community to run activities or meetings. The Premises includes office space suitable for small businesses.

The current trustee permit for the operation of Cominos House on lot 13 on NR843558, 27-29 Greenslopes Street, Manunda (**Appendix 1**) is due to expire on 30 June 2026.

The leased area to be offered to the successful tenderer will be part of lot 13 on NR843558 identified by the red hatched area in **Appendix 2**. The driveway in the northeast corner of the lot provides access for the adjoining lot 10 on C198285 and will not be included within the Cominos House leased area.

In preparation for the expiry of the current tenure arrangement, Council undertook a competitive open tender process to identify a suitably qualified organisation to lease and operate the facility.

Council invited tender submissions via an open tender process from 13 March 2026 to 8 April 2026 to establish a Trustee Lease agreement through Contract 3035 – Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda) for the engagement of a Trustee Lessee.

At the time of the tender closing, three submissions were received and subsequently evaluated in accordance with the criteria prescribed in the tender documentation.

The tender process ensured a transparent, equitable and merit-based assessment of proponents, enabling Council to select a Trustee Lessee that best aligns with its operational, financial and community objectives for the facility.

Approval is now sought to award Contract 3035 – Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda (lot 13 on NR843558) to a community organisation being Cairns and Far North Environment Centre Incorporated (**CAFNEC**) for a lease period of 10 years, commencing 1 July 2026.

The Trustee Lessee will manage, maintain and operate the facility, support compatible activities and businesses from the premises, and deliver both community and regional benefits.

BACKGROUND:

The primary objectives of the tender were to engage a suitably qualified, innovative, and experienced Trustee Lessee to deliver high-quality operations, management, and maintenance of Cominos House.

While Cominos House is not heritage listed, it is included on the Local Places of Significance Register; therefore, the Trustee Lessee must demonstrate appropriate maintenance capabilities relevant to such a building and site.

Council's objectives for Cominos House under this lease agreement are to provide:

- a) **High Quality Operations and Management:** The Premises supports the hiring out of upstairs office spaces and the downstairs community use area. The Trustee Lessee will deliver high quality, reliable and compliant facility management services through a structured approach.
- b) **Maintenance:** The Premises is on the Local Places of Significance register and requires ongoing maintenance. There is a maintenance schedule to be adhered to with clear and understood roles and responsibilities with respect to all other repairs and maintenance. The Trustee Lessee will ensure that the Premises is well maintained to support its longevity.
- c) **Delivery of Community benefits:** The Premises supports the equitable and inclusive access to its spaces and facilities. Bookable spaces are available for use throughout the day and evening, including weekends.

- d) **Reserve Purpose:** Use of the Premises will align with the reserve purpose of Local Government, Community Building.

TERMS AND CONDITIONS:

The offer of a trustee lease to CAFNEC (trustee lessee) in accordance with Council's 'Tenure Arrangements and Disposal of Council Property General Policy', in particular part 1 of the associated Administrative Instruction which outlines arrangements for use by not-for-profit community groups and subject to the following terms and conditions:

- For the administration and oversight of public meeting rooms, open air facilities and associated offices purposes;
- Over part of reserve for local government (Community Building) purposes described as lot 13 on NR843558 as identified in **Attachment 1**;
- For a term of ten years from 1 July 2026;
- Continue to accommodate other users of Cominos House to the extent that is practicable through a booking system;
- Rent in accordance with Council's schedule of fees and charges;
- A maintenance schedule with relevant time frames for major maintenance items will be included in the trustee lease;
- The Lessee is responsible for:
 - rates (general) – lessee may apply for rates based financial assistance
 - charges – sewerage / EML
 - water
 - utilities – electricity / phone / gas
 - public liability insurance noting Council as an interested party
 - bin/waste collection
- Council's standard terms document for trustee leasing registered under dealing no 721169239; and
- Should the negotiations become protracted and the tenure arrangement is not finalised within three (3) months of the date of this approval, Council reserves the right to withdraw its lease offer.

COMMENT:

During the tender period there were 13 downloads of the tender documents, and an open site inspection was conducted. At the tender closing time, three submissions were received from the following three organisations:

- Cairns and Far North Environment Centre Inc (**CAFNEC**)
- Friends of Cominos House Incorporated (**FOCH**)
- Samoan Independent Seventh Day Adventist Church in Qld Inc (**SISDAC**)

All three organisations are local, registered Not-for-Profit organisations therefore a standard not-for-profit lease rental and rates based financial assistance arrangements are applicable.

Evaluation Panel

The evaluation panel consisted of three suitably experienced Council officers from within Licensing & Compliance, Creative Life and Community Spaces branches. Subject matter experts from Finance and Facilities Management were also engaged to provide feedback, including a review of each tenderer's financial information and proposed maintenance plans.

Tender Evaluation Process

Each tender submission was checked for conformance, evaluated and scored by the evaluation panel based on the following evaluation criteria and percentage weightings:

Alignment with Council objectives for the Centre	20%
Demonstrated ability to maintain and operate the facility including relevant experience	40%
Organisational structure, resources, systems, policies, procedures and quality assurance	10%
Community benefit in alignment with the reserve sub purpose	20%
Value for money – financial offer by Tenderer	10%

The evaluation process was undertaken in a staged approach with the evaluation panel conducting several meetings to confirm clarifications required and to conduct in-depth discussions on the merits of each submission.

Stage 1

The three submissions were reviewed to check for conformity. This process confirmed that all three tenders received were conforming.

Stage 2

Initial review of the tender submissions by panel members confirmed several clarifications were required to fully understand each offer, particularly around the nominated maintenance schedules.

Stage 3

An analysis was undertaken of each Tenderer's submitted financial details by the Finance Unit to determine their current financial position, capacity to fund maintenance of the premises, and any financial limitations that may impact future decisions relating to the requirement of the lease. This confirmed that although there were differing levels of available working capital and sources of funding/revenue, all three organisations demonstrated a sound financial status.

A review was also undertaken by Asset Services of each organisations' submission to confirm their ability to maintain a facility listed on the Local Place of Significance register and meet the maintenance requirements outlined in the lease. Whilst all could meet the minimum requirements, there were some differences in the level of detail provided around their proposed maintenance schedules and funding allocations.

Stage 4

Final review of the tender submission and clarification responses and finalisation of the scoring by the evaluation panel.

In summary:

- SISDAC submitted a sound tender response that met the minimum requirements outlined in the tender documentation.
- FOCH submitted a sound tender response that met the minimum requirements outlined in the tender documentation.
- CAFNEC submitted a comprehensive and well-developed tender response that exceeded the minimum requirements outlined in the tender documentation.

Evaluation outcome

As an outcome of the evaluation process, the recommendation is to award Contract 3035 – Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda (lot 13 on NR843558) to Cairns and Far North Environment Centre Inc.

This recommendation is based on Cairns and Far North Environment Centre Inc.'s submission, which has clearly demonstrated:

- A comprehensive maintenance schedule that addresses all required maintenance responsibilities and includes proactive planning measures.
- Acceptance of all proposed lease terms and conditions, with no proposed departures.
- It is in a sound financial position, having identified an adequate maintenance budget and demonstrated a strong understanding of the financial requirements associated with operating the facility.
- It has a well-established framework of systems, policies, procedures, and quality assurance measures.
- A strong alignment with Council's objectives for the facility and reflected the priorities identified in the 2024 Our Cairns survey.
- CAFNEC showed a clear understanding of the building's local significance and its potential importance as a destination for visitors to the region.

OPTIONS:

Option 1: (Recommended)

That Council:

1. Awards Contract 3035 – 'Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda' over part of Council reserve being lot 13 on NR843558 to Cairns and Far North Environment Centre Inc for a lease period of 10 years, commencing 1 July 2026, subject but not limited to the terms and conditions herein; and

2. Delegates authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to the contract and the trustee lease.

Option 2:

That Council does not offer the Trustee Lease Agreement for the Lease and Operation of Cominos House, 27-29 Greenslopes Street Manunda and adopts a Council managed model to operate the Centre.

CONSIDERATIONS:

Risk Management:

The recommended Trustee Lessee is well-established, suitably experienced and qualified in operating community facilities and has a well-established framework of systems, policies, procedures, and quality assurance measures in place.

CAFNEC has operated in Far North Queensland since 1981 and demonstrated, through its submission, a clear and practical methodology tailored to local conditions, supported by proven experience managing similar facilities.

The trustee lease has been drafted by Council's legal representatives to adequately cater for the tenure arrangement to ensure that Council's interests are protected. It clearly defines the maintenance and operating requirements of the facility.

Council Finance and the Local Economy:

As a not-for-profit organisation, standard not-for-profit lease rental and rates assistance arrangements will apply. CAFNEC has also demonstrated the knowledge and experience required to apply for grant funding for major maintenance works.

CAFNEC is a locally based organisation that employs local residents, contributing positively to the regional economy.

Community:

CAFNEC has established strong community relationships since their establishment in 1981. The organisation has demonstrated a clear understanding of the building's local significance and its potential importance as a destination for locals and visitors to the region.

Corporate:

This report aligns with Council's Corporate Plan 2025-30, with particular emphasis on:

- Focus Three (Design for Liveability) – invest in community infrastructure and services.
- Focus Four (Community and Culture) – provide spaces and programs for the benefit of the community.

Statutory:

The procurement (tender) process has been conducted in accordance with legislative requirements under the *Local Government Act 2009* and section 228 of the *Local Government Regulation 2012*.

The trustee lease will be prepared in accordance with the requirements of the *Land Act 1994*, *Native Title Act 1993 (cth)*, *Local Government Act 2009*, *Local Government Regulation 2012* and *Land Title Act 1994*.

Policy:

The tender process was undertaken in accordance with Council's adopted Procurement Policy.

The tenure arrangement will be prepared in accordance with Council's '*Tenure Arrangements and Disposal of Council Property General Policy*', in particular part 1 of the associated administrative instruction which provides for use by not-for-profit community groups.

CONSULTATION:

Relevant Council officers from Community Spaces, Property Services, Finance, Procurement, and Asset Services were consulted as part of this procurement process. The Contracts Unit assisted with the facilitation of the tender and provided probity oversight and expert guidance throughout the evaluation process.

ATTACHMENTS:

Appendix 1 – Aerial View of Site

Appendix 2 – Trustee Lease Area and Separate Access to Adjoining Lot



Amy Patterson
Executive Manager Licensing and Compliance



Mark Davey
Director Planning, Growth and Sustainability

Appendix 1 – Aerial View of Site



Appendix 2 – Trustee Lease Area and Separate Access to Adjoining Lot

