

# FACILITY MANAGEMENT MANUAL

## 12 Facility Contracts



**Commissioned by:** Sport New Zealand (Sport NZ), with support from New Zealand Recreation Association (NZRA), Exercise Association of New Zealand and Entertainment Venues Association of New Zealand (EVANZ)

**Authors:** Robyn Cockburn, Trish Amos, Lucy Atkinson, Esther Bukholt and Marilyn Northcote, Lumin

June 2015

**ISBN 978-1-927232-47-7**

The Facility Management Manual has been developed for managers of any recreation, sport or leisure facility. It provides detailed information covering the management and operation of a recreation, sport or leisure facility.

This document is a companion document to the Aquatic Facility Guideline, which can be found on the Sport NZ website and the NZRA website:

<http://nzrecreation.co.nz/index.php/facilities-home/facilities-guidelines>

### **Acknowledgements**

**Caroline Ancell**, Powerco Aquatics, Hawera; **Simon Battrick**, Christchurch City Council; **Richard Beddie**, Exercise New Zealand; **Brian Blake**, The Trusts Stadium; **Ross Blanch**, Rolleston Community Centre; **Tracy-Lee Burkhart**, Consultant; **Penny Claridge**, Skills Active; **Charlie Cordwell**, Tennis Central; **Anita Coy-Macken**, Auckland Council; **Miles Davidson**, EVANZ; **Garth Dawson**, Outdoors NZ; **Jamie Delich**, Sport NZ; **Arvid Ditchburn**, YMCA Auckland; **John Freer**, Boulcott Farm Heritage Golf Course; **Craig Goodall**, RFA The Edge; **Matt Greenwood**, Waimakariri District Council; **Grant Helleur**, YMCA Auckland; **Richard Hollier**, Auckland Council; **Craig Hutchings**, Wellington Regional Aquatic Centre, Wellington; **Andrea Jackson**, Masterton District Council; **Rachel Jury**, H<sup>2</sup>O Xtream, Upper Hutt; **Rob Kennedy**, Sport Tasman; **Kirsty Knowles**, CLM; **Carolyn Lamond**, YMCA Christchurch; **John Latimer**, CLM; **Alison Law**, Kapiti Coast District Council; **Justin Leydesdorff**, Papatoetoe Sports and Community Charitable Trust; **Richard Lindsay**, Sport NZ; **Scott Linklater**, Whangarei Aquatic Centre; **Brent Maru**, Sport Tasman; **Jody Maru**, Motueka Recreation Centre; **Grant McLean**, Sport NZ; **Christine Mercer**, Otahuhu Recreation Centre; **Brian Milne**, Xyst; **Kathy Moore**, Selwyn District Council; **Gareth Moore-Jones**, Ideaus; **Virginia Munro**, Wellington Regional Aquatics Centre; **Tracey Prince**, NZRA; **Brendon Rope**, Pettigrew Green Arena; **Des Smith**, New Zealand Secondary School Sports; **Grant Stewart**, Jetts Fitness; **Pete Thompson**, Splash Palace Invercargill; **Judy Tipping**, Aquatic Consultant; **Lisa Tocker**, Auckland Council; **Julian Todd**, Wellington City Council; **Georgie Witihera**, Auckland Council.

# Table of Contents

<b>1</b>	<b>Introduction</b>	<b>4</b>
1.1	Legal and statutory obligations	4
1.2	Policies	5
<b>2</b>	<b>Reviewing Performance</b>	<b>6</b>
2.1	Self-review	6
2.2	Key performance indicators	7
<b>3</b>	<b>Facility Contracts</b>	<b>8</b>
3.1	Why contract services and programmes	8
3.2	The ethics of contracting	8
<b>4</b>	<b>Types of Contracts</b>	<b>9</b>
4.1	Contract for service: facility management	9
4.2	Contract for service: programme or service delivery	10
4.3	Lease agreements	11
4.4	Hire agreements	12
<b>5</b>	<b>Project Managing Contracts and Leases</b>	<b>13</b>
5.1	Identify contract requirements	14
5.2	Resource the contracting process	14
5.3	Letting the contract	15
5.4	Monitoring the contract	15
5.5	Evaluate and review	16
5.6	Re-letting and terminating contracts	16
<b>6</b>	<b>FAQs</b>	<b>17</b>
<b>7</b>	<b>Templates</b>	<b>18</b>
7.1	Facility hire agreement	19
7.2	Contract / Service Level Agreement Document Structure	23
<b>8</b>	<b>Questions for Educational Context</b>	<b>24</b>
<b>9</b>	<b>References and Further Information</b>	<b>25</b>
9.1	Further information	25

# 1 Introduction

The purpose of this chapter is to provide some useful tips on negotiating, and on-going management of contracts and leases. Contracts can be as simple as 'casual hire' or as complex as a primary service provider e.g. a café, or sports franchise.

This section links with the following Facility Management Manual chapters:

**Chapter 2 – Customer Care**

**Chapter 4 – Strategy and Planning**

**Chapter 7 – Financial Management**

**Chapter 9 – Monitoring**

## 1.1 Legal and statutory obligations

Many of the legal and statutory requirements of facility owners also apply to a contractor or lessor. Legal advice should be sought when negotiating major contracts for service to ensure that legal and statutory obligations on both sides are clear and there is no room for error. This is especially important in terms of public liability, food provision, risk management issues and alcohol.

Failing to meet these obligations can result in costly fines or at worst, the closure of the service or facility.

The following laws and standards are relevant to the responsibilities and accountabilities of facility managers in managing contracts.

- Accident Compensation Act 2011
- Building Act 2014
- Children and Young Persons and their Families Act 1989
- Companies Act 1993
- Consumer Guarantees Act 1993
- Crimes Act 1961
- Employment Relations Act 2000
- Fair Trading Act 1986
- Food Act 1981
- Goods and Services Tax Act 1975
- Hazardous Substances and New Organisms Act 1996
- Health and Disability Services (Safety) Act 2001
- Health and Safety in Employment Act 1992
- Holidays Act 2003
- Human Rights Act 1993
- Industry Training Act 1992
- Injury Prevention Rehabilitation and Compensation Act 2001
- Local Government Act 2002

- Privacy Act 1993
- Resource Management Act 1991
- Standards Act 1988
- Standards relating to food, hygiene, customer satisfaction, water quality, etc.

*Further information:*

<http://www.legislation.govt.nz/>

## 1.2 Policies

Facility policies that cover the contracts process could include but are not limited to:

- Complaints policy
- Financial policy
- Health and safety policy
- Human resources policy
- Risk management policy .

## 2 Reviewing Performance

### 2.1 Self-review

Prior to using this chapter, do a quick check on how the facility is performing in contract management.

#### Contract self-review

Description	Self assessment
<p><i>Contract tendering</i></p> <ul style="list-style-type: none"> <li>All contracts are ethically and transparently tendered, evaluated and negotiated.</li> </ul>	
<p><i>Contract performance measurement</i></p> <ul style="list-style-type: none"> <li>All contracts have clear and realistic performance measures.</li> </ul>	
<p><i>Expert advice</i></p> <ul style="list-style-type: none"> <li>Expert advice from lawyers and insurance agents is sought and acted on where required.</li> </ul>	
<p><i>Contractors as partners</i></p> <ul style="list-style-type: none"> <li>Contractors feel that they are partners in the business of the facility contributing to outcomes.</li> </ul>	
<p><i>Contract evaluation</i></p> <ul style="list-style-type: none"> <li>All contracts are regularly and transparently reviewed, results are shared with contractors and used to make future contract decisions.</li> <li>Any known conflicts of interest have been declared and investigated</li> </ul>	

## 2.2 Key performance indicators

Area	Indicators	✓
<b>Process</b>	All contracts for service are based on a clear rationale and outcome. The tendering and selection process for contracts is ethical and transparent. Clear expectations are set and documented.	
<b>Relationship management</b>	The contract is mutually beneficial to all parties. All parties are active in building positive working relationships.	
<b>Performance monitoring</b>	The contract is evaluated against agreed performance criteria. Performance issues are promptly resolved. These are clearly documented.	

## 3 Facility Contracts

Facility managers are required to manage contracts for the delivery of services ranging from managing the entire facility through to the delivery of a swim school programme, a food outlet or café, or a cleaning service. The same principles of contract negotiation apply to all contracts regardless of their size or type.

### 3.1 Why contract services and programmes

Facility owners or managers may decide to contract out various services or programmes for a number of reasons including:

- Policy and service delivery, separated as part of a deliberate strategy, services contracted to an internal or external contractor
- Cost savings, where contracting in a competitive environment may result in improved efficiencies
- Skills and experience in delivering the service are not available in-house
- The service operates outside the vagaries of a political environment
- Operational flexibility, as contractors may respond more quickly to marketplace changes
- Contracting reduces the risk to the owner by delivering a service at a known cost
- Ensuring maximum usage by having anchor or head tenants
- Diversifying the service and product range and thereby adding value to the customer
- Delivering a service that is not a core part of a facility's business but is desirable to have (e.g. catering).

### 3.2 The ethics of contracting

The letting of contracts in a competitive tendering environment requires skill and impeccable ethical behaviour, especially where both internal and external tenders are submitted. Some of the issues which must be considered are:

**Commercial confidentiality:** Detailed information is often supplied and must be treated in strictest confidence.

**Interview process:** All contractors shortlisted must go through the same interview process and it is very important that where in-house bids are being considered, the personnel involved are not included in the interviewing process or privy to any information about other tenders.

**Business performance data:** Provide appropriate information for all submitting tenders; ideally a picture of how the facility has been performing over a 3–5 year period.

**Existing contracting policies:** If any variations are made to existing policies they must be implemented across the board and all tenderers advised accordingly.

**Terms and conditions which favour one contractor:** The contract must be fair and equally attractive to all potential tenderers.

**Information consistency:** Require all contractors to submit the same type and amount of information and ensure that all are treated fairly during the selection process.

**Use weighted attributes system** that transparently shows the basis for the selection, e.g. 15% on track record, 10% cost, 20% proposal content.



## 4 Types of Contracts

Contracts come in all shapes, sizes and types. Some of the contracts that facility managers are likely to be involved with include:

- Contract for service: facility management
- Contract for service: programme or service delivery
- Lease agreements
- Hire agreements.

### 4.1 Contract for service: facility management

In this scenario, a contract is negotiated between the 'owner' (local authority or trust board, etc.), and either an individual or organisation to manage the facility for a fixed period. This contract usually requires the operator to underwrite the facility's financial performance, in return for greater freedom in operating policies than is available under the direct management approach.

Three types of contract managers may be appointed: an individual; a community based organisation; or a commercial management group. The major differences between the three types are:

#### Types of facility management contracts

Types	Positives	Negatives
<b>Commercial</b>	<ul style="list-style-type: none"> <li>Record of management practice</li> <li>More resources and support available than to an individual</li> <li>May be willing to invest capital</li> </ul>	<ul style="list-style-type: none"> <li>Focus is primarily on the commercial imperative</li> <li>May not be linked into the community or special populations</li> <li>May want longer tenure to achieve return on investment</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Often strong links to special populations and experience in delivering to those groups</li> <li>Likely to have community involvement in the decision-making process</li> </ul>	<ul style="list-style-type: none"> <li>(Sometimes) poor management skills and lack of financial management experience</li> <li>Unlikely to have capital funds to invest in the long term</li> </ul>
<b>Individual</b>	<ul style="list-style-type: none"> <li>May be more appropriate for a small community facility</li> <li>More flexible</li> </ul>	<ul style="list-style-type: none"> <li>Lack of support - financial and other resources</li> </ul>

Each contract arrangement is different, but the key principles of many agreements include:

## Contract Arrangements

Party	Key principles
<b>Owner</b>	<ul style="list-style-type: none"> <li>Responsibilities of the owner (local authority or other) and the manager are outlined in a contract</li> <li>The owner retains responsibility for major maintenance of the buildings, plant and major equipment</li> <li>The owner does not exercise day-to-day control over the centre</li> <li>Contract management is often used where the local authority or the owner recognises that it does not have the necessary leisure centre management skills to effectively operate the centre</li> <li>Monitors the the contract and performance of the contractor.</li> </ul>
<b>Owner/manager</b>	<ul style="list-style-type: none"> <li>The manager negotiates a budget with the owner for the ensuing period (normally one year) and underwrites the budget</li> <li>The facility owner has a guaranteed income for the year</li> <li>The length of the agreement is usually short (often 3–5 years)</li> <li>It is important to have clear outcomes stated in the contract with relevant performance measures and indicators in place.</li> </ul>
<b>Manager</b>	<ul style="list-style-type: none"> <li>Short-fall budget projections are met by the manager</li> <li>The manager has an incentive to increase patronage at the centre</li> <li>The manager is not constrained by the same legislation and 'red tape' which affects government authorities</li> <li>Skilled and experienced leisure centre management personnel operate the centre.</li> </ul>

## 4.2 Contract for service: programme or service delivery

A variation to contracting the management of a centre is to contract programmes or services within a centre. This may be considered when the facility doesn't have the staff or the expertise to offer particular programmes. Many aquatic centres contract out swimming school programmes for this reason and other facilities may contract out catering services and cleaning services.

## 4.3 Lease agreements

The basic element in this arrangement is that a legally binding lease is prepared between the owner of the facility (the lessor) and the operator of the facility (the lessee).

### Lease agreements

Role	Key elements
<b>Lessor</b>	<ul style="list-style-type: none"> <li>• The lessor receives a guaranteed income from the centre</li> <li>• The lessor has no control over the day-to-day management of the centre except where the terms of the lease have been breached</li> <li>• Most public authorities are required to advertise the basic terms of the lease.</li> </ul>
<b>Lessee and lessor</b>	<ul style="list-style-type: none"> <li>• A lease is between two legal entities, i.e. the parties must be incorporated or individuals</li> <li>• A lease normally includes a list of the rights and responsibilities of both the lessee and lessor, and penalty clauses for non-compliance with the terms</li> <li>• Once the lease has been signed the terms cannot be changed without the consent of both parties, except where expressly stated in the terms e.g. it is usually stated how the annual rent will be adjusted over time</li> <li>• The lease is usually for a long period with an option for renewal</li> <li>• It is difficult for the lessor to withdraw from a lease without the approval of the lessee, although the lease can usually be sold to another party (with the approval of the lessor).</li> </ul>
<b>Lessee</b>	<ul style="list-style-type: none"> <li>• A lessee has property rights over the facility for a specified time in return for a rent</li> <li>• Within the terms of the lease, the lessee has the freedom to manage the centre</li> <li>• The lessee may invest funds in a project knowing they have sufficient tenure to generate a suitable return on their investment.</li> </ul>

Lease agreements may be for the entire facility, or for part of the facility, such as a lease agreement for operating a café. These are typically developed by lawyers for specific lease arrangements.

## 4.4 Hire agreements

Agreements for hiring areas of the facility, or equipment, should cover as a minimum:

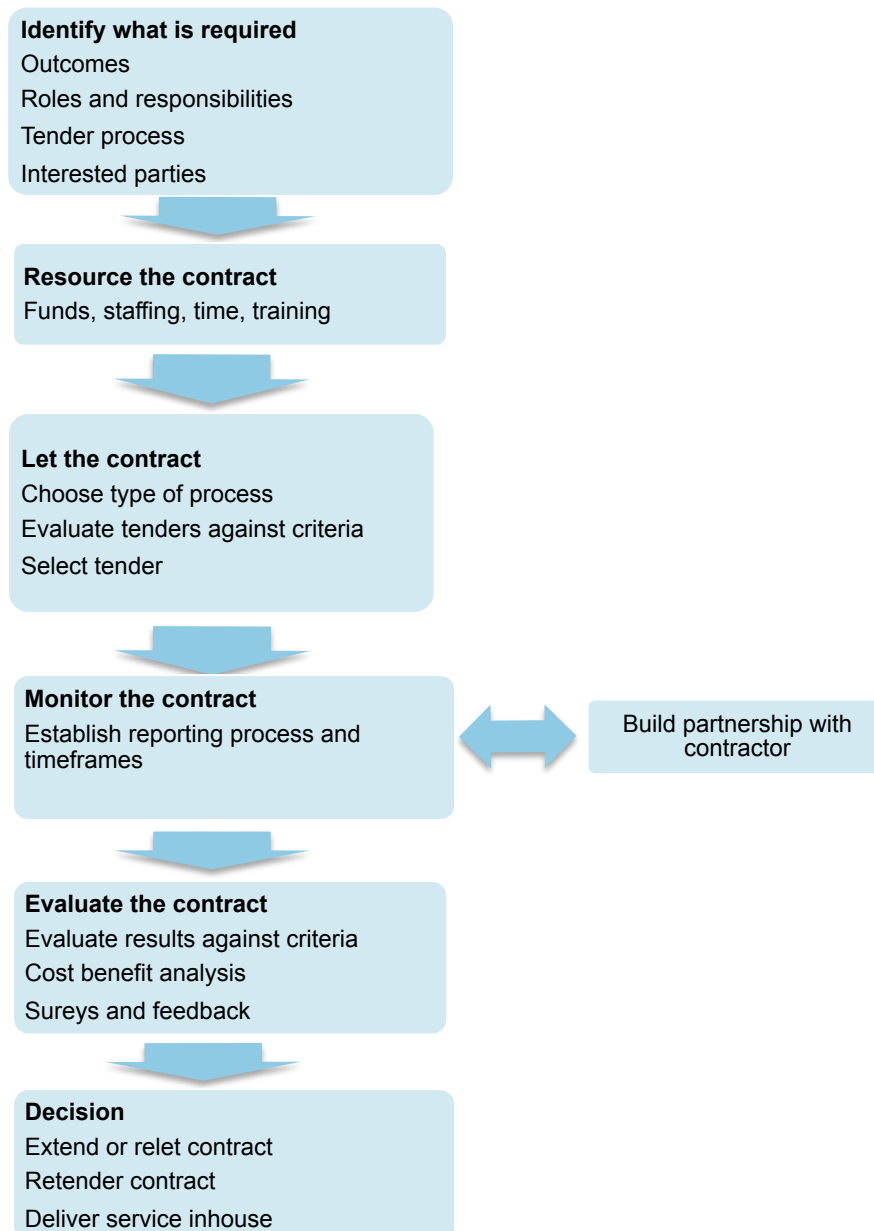
- Specific description of the area to be hired or the equipment to be hired
- Outline of the current condition of the area and equipment, and expected condition on completion of hire
- Expectations regarding cleanliness
- Expectations and obligations regarding health and safety costs
- Any costs incurred if area or equipment is damaged
- Insurance issues (e.g. whether the hirer is covered by the facility's public liability insurance)
- Period for which area or equipment is hired for
- Whether or not staff will be available during hire period
- Legal and statutory obligations the hirer needs to be aware of.

**Exemplar:** Facility hire agreement contract

## 5 Project Managing Contracts and Leases

The major steps in managing contracts are identifying what is required from the contract, providing resources to manage the contract, letting the contract, monitoring and evaluating the contract and finally deciding whether or not to renew it.

The basic principles apply to all types of contracts but the larger the contract, the greater the need for detail and clarity of expectations, because the potential for loss and error is greater.



## 5.1 Identify contract requirements

The process of identifying outcomes, possible legal issues or pitfalls, and clarifying expectations is intrinsic to the successful delivery of the contract. Time spent establishing these boundaries will help to avoid problems later on. Take time to:

- Develop objectives and outcomes for the programme or service (according to established planning practice)
- Develop performance indicators
- Develop a contract specification (if necessary seek the assistance of a consultant to draft tender specifications, and/or monitor the contract)
- Select the type of contract that is suitable for the facility or service:
  - Contract management
  - Lease arrangement (identify here whether it will be full lessee responsibility or joint between lessee/lessor)
- Select the most suitable strategy for selecting a contractor:
  - In-house contract
  - Competitive tender
  - Partnership sourcing
- Establish key criteria for selecting the tender. The weighted attribute method means that evaluation criteria are outlined and weighted according to the needs of the contracting facility
- Decide whether commercial and/or community organisations will be invited to submit a tender
- Analyse the risks versus the returns (overall not only financial) by conducting a cost/benefit analysis
- Check the legal aspects regarding liability in terms of statutory and legal obligations. Seek legal advice as part of the contract process
- Check approvals that need to be sought from the governing body or owner
- Conduct research. Talk with organisations that have contracted out similar services or facilities. What did they learn from the process
- Review and seek advice about insurance.

## 5.2 Resource the contracting process

Resourcing the contracting process includes:

**Financial:** Identifying funding sources.

**Personnel:** One person should be identified as having overall responsibility for the letting and management of the contract process. For larger contracts it may be necessary to establish a project management team.

**Training:** Provide staff with project management training where required.

**Time:** Ensure staff time is allocated for contract or lease management.

## 5.3 Letting the contract

Letting a contract involves two stages, calling for expressions of interest and evaluating tender documents received.

**Tender documents** should include:

- Background information
- Description of the facility or service to be managed
- Performance indicators
- General terms of the contract
- Conditions of the tender.

**Evaluating the tenders** involves the following steps:

- Pre-determining the criteria
- Referee checks
- Selecting the winning contractor (organisational approval may be required at this stage)
- Conducting negotiations and signing the contract.

Ensure the expectations of both parties have been discussed and clarified including equipment and services provided and facility condition at the end of the contract period. The more detailed the contract document, the more likely that expectations of service delivery will be met.

## 5.4 Monitoring the contract

Once a contractor has been selected, it is beneficial to establish a good working relationship with them. The benefits of establishing a working partnership are many, and include:

- Quality service based on a good working relationship, value for money
- Contractors can develop long-term business plans and invest in a facility and staff knowing there is a long-term commitment
- Participants do not suffer through changes if the contract is re-let possibly to another contractor
- Where a partnership has been established with good communication, problems are more likely to be resolved quickly and amicably.

Appoint a person or organisation (where contracts are larger) to monitor the contract, including legal and statutory compliance. A range of techniques may be used including:

- Independent audits
- Regular reporting
- Customer surveys
- Regular inspections
- Benchmarks.

## 5.5 Evaluate and review

Evaluating the contract will determine the effectiveness of the programme or service delivered against the criteria established at the start of the contract. Results from the evaluation process should highlight areas of success and areas which need improvement. Areas for review include:

- Evaluating performance against performance indicators
- Conducting a cost/benefit analysis (financial return to the facility)
- Reviewing the overall implementation of the contract against pre-determined criteria
- Conducting independent customer surveys or resident satisfaction surveys
- Seeking feedback from stakeholder groups, e.g. key user groups, resident associations, community boards, etc.

Remember to provide a summary of the evaluation process to the contractor regardless of whether the contract is to be renewed, extended or retendered.

## 5.6 Re-letting and terminating contracts

When a contract expires, there are three options available, depending on the type of contract negotiated at the start:

- The contractor can exercise automatic right of renewal
- The facility can negotiate an extension of the contract
- The facility can retender the contract.

Generally the latter option would only be chosen if the original contractor has not met with compliance and expected performance standards. If a good working relationship has been established, a new contract might be an opportunity to address any difficulties but it would not be necessary to go through the tender process again.

### **Checklist for terminating a contract**

When all goes well, a good working partnership means that disputes and performance failures are avoided, or addressed. Sometimes, however, the contractor may not have met with expectations or may have failed to comply with statutory obligations. If these issues have been raised with the contractor and nothing has changed, the contract may have to be terminated. If this is the case, the following steps should be taken:

- Formally notify the contractor of breaches of the contract agreement
- Check whether the facility is liable for any compensation payments
- Check whether funds can be withheld as surety
- Appoint a new contractor (to minimise disruption of the service)
- Seek legal advice
- Obtain as much operational data as possible.



## 6 FAQs

**Q: A previous manager has tied us up in a long-term contract, which I don't believe is giving us good value for our facility. How should I go about terminating it? Plus, it was a contract to his brother-in-law - is that even legal?**

*A: Believing is one thing, checking is another. Check the contract performance measures and review them. If you don't think the performance measures are suitable, or measurable, then you have the opportunity to re-negotiate that at contract review time. As a new manager, you also have the opportunity to define and clearly communicate your expectations and how you wish to work together.*

*There is also a difference between legal and ethical. A lawyer can help you work out if your contract is not legal or not legally binding. If you suspect the contract was not ethically tendered or negotiated, and you want to break or change the contract, then make sure you have everything sorted (paper work, supporting documents, legal advice) before you tackle this with the contractor. Sometimes, if there is just a short time to go before your next contract review, you may wish to take this opportunity to release your contractee. Section 6.6 Re-letting and terminating contracts, provides guidance for this course of action and remember to seek legal advice.*

**Q: We're a new facility and it's hard to know how we're going to perform let alone put measures in place for contractors. Where should I start?**

*A: New facility or not, you should still have performance measures. Get your contractors to mirror this pattern as closely as possible. For example, if your customer satisfaction performance measure is 85%, then theirs should be too.*

**Q: I hear on the grapevine, that one of our best contractors wants to break contract and go somewhere else instead. What can I do to keep them on?**

*A: Talk with them! Find out how the contract is working for them and how you best work together to achieve best outcomes for both your businesses. If well done, this process should unearth if there are any issues that relate to your business relationship.*

# 7 Templates

- 7.1 Facility hire agreement
- 7.2 Contract / service level agreement document structure

## 7.1 Facility hire agreement

### Rental Contract – [facility name]

Contract #	User::	Hirer:
Date:	Status: Pending/Firm	Purpose:

#### i. Terms and conditions of hire

##### Conditions of use

[Operating authority] is entitled to impose conditions on the use of the [facility name]. Facility booking or hire refers to any significant use of the centre, its space or equipment as determined by the management.

To simplify this document we refer to the facility as 'the centre'; the group/organisation or individual hiring space, equipment or facilities as 'the hirer' and [Operating authority] as 'the Council'.

##### 1. Bookings

1.1 All booking requests must be made on the appropriate booking form which is available from the centre or via the Council website.

1.2 The hirer will ensure that all sections of the booking form are completed and returned to the centre before the booked activity takes place.

1.3 Regular bookings will be for a period no longer than a year. All regular bookings are subject to review and further agreement by the centre and will need to be booked for each subsequent year.

1.4 Receipt of the booking form by the centre does not constitute acceptance of the booking.

1.5 No booking is confirmed until Council has received a signed rental contract.

1.6 The hirer is expected to include in their booking time any set-up, break-down and warm-up time requirements.

1.7 The hirer will not sub-lease any part of the booking to another group or organisation without prior written consent from the centre.

##### 2. Payments

2.1 Casual bookings must be paid for at the time of booking. Payment should be made at the centre either by eftpos, credit card or cash. Payment can also be made by credit card by phoning the centre during office hours.

2.2 Event and regular hirers will be invoiced in line with the Council's standard terms and conditions of credit which are available on request.

2.3 The hirer must pay all invoices by the due date indicated.

##### 3. Alterations and cancellations

3.1 Booking alterations or cancellations must be sent to the centre's booking coordinator in writing. A fee may be charged for any amendments to a booking.

3.2 Failure to provide notice for any cancellation, postponement or reduction in the hire period of a booking may result in the following fee; 20% of the venue hire price within the 90 days of the hire period, the full amount if within 30 days of the hire period.

3.4 The centre reserves the right to alter or cancel a booking at any time provided it gives the hirer one month's written notice.

3.5 The centre may cancel the booking if it considers that the management or control of the booking is deficient or inadequate and/or the behaviour of those attending could lead to danger or injury to any person or material damage to any property, including the centre.

#### **4. Liability**

4.1 The Council is not liable for any loss or expense the hirer incurs if the centre is not able to make the facilities available as a result of fire, flood, earthquake, Civil Defence measure, failure or any other event beyond the centre's reasonable control. In such cases, the centre will refund any booking fees.

4.2 The Council is not liable for any indirect or consequential loss arising under or in connection with the booking's terms and conditions. The extent of the Council's liability to the hirer for any loss, damage, claim or expense (whether due to Council negligence or otherwise) is limited to the booking fee.

#### **5. Health and safety and standard of behaviour**

5.1 The hirer will take all practicable steps to ensure that the provisions of the, Health and Safety in Employment Act 1992 are met at all times.

5.2 The hirer will ensure that all participants, coaches, instructors, team managers, officials and spectators obey the centre's rules at all times. This includes not entering any part of the facility that is not included in the booking.

5.3 The hirer will ensure that no one enters the booked space before the booking's start time unless otherwise arranged.

5.4 The staff member on duty at the time of the booking has the final decision-making authority regarding any health and safety matter concerning the booking.

5.5 For events, the hirer will provide marshals to ensure the orderly behaviour of participants at all times. All marshals are to be made aware of the centre's relevant emergency policies, procedures and practices. The centre will provide the hirer with this information at the time of booking.

5.6 The hirer is responsible for providing their first aid requirements.

5.7 Warming up or use of ball is prohibited on the mezzanine level.

5.8 The walkway on the mezzanine level must be kept clear at all times.

#### **6. State of the premises**

6.1 The hirer may be required to participate in the inspection of the hired facilities either before or after the booked activity takes place.

6.2 The hirer is responsible for the cost of repair or replacement of equipment or facilities, if damage is caused by the hirer's misuse.

6.3 The hirer agrees that if the facility is not left in a similar state to that in which it was found in terms of tidiness an additional cleaning fee may be charged.

#### **7. Food and drink**

7.1 Catering is to be provided exclusively by the onsite café. Self catering is not permitted within the facility.

7.2 No food or drink except water bottles are to be bought onto the sports courts.

7.3 No alcohol is permitted on the premises unless served by the onsite caterer.

**8. General**

8.1 Merchandise - The hirer will ensure merchandise, including food, beverages and souvenirs, are not sold by the hirer or any of their agents without prior written consent from the centre.

8.2 Photography and Filming - The hirer will not permit any photography, including the use of television, radio broadcasting or filming, without prior written consent from the centre.

8.3 Photography and Filming - Unless otherwise notified, the Council reserves the right to film and/or photograph any booking for its own historical records and for publicity purposes. Council will seek your permission for publication of images.

8.4 Storage - No storage of equipment is permitted without prior approval. If approval is provided, the hirer acknowledges that they store or use their own property at the centre at their own risk.

8.5 Compliance - The hirer must comply at their own expense with all applicable statutes, regulations, bylaws, payment, consents and the Council's policies and procedures relating to the centre's use, occupation, safety and security.

8.6 Advertising material - The hirer will not permit any advertising to be displayed in the facility without prior written consent from the centre.

8.7 Variation - The Council reserves the right to vary the standard terms & or to impose further conditions in addition to those specified at any time.

*Failure to comply with any of the "Terms and Conditions of Hire" may result in the cancellation of all or part of your booking.*

**ii. Date and Times of Use**

# of Bookings:	Expected: 0	Starting:	Ending:

Facility/Equipment	Day	Start date	Start time	End date	End time	Fee	Xfee	Tax	Total

**iii. Payment Method**

Rental Fees	Extra Fees	Tax	Rental Total	Damage Deposit	Total Applied	Balance	Current

--	--	--	--	--	--	--	--

**iv. Other Information**

The undersigned has read and on behalf of the hirer agrees to be bound by this Rental Contract and the Terms and Conditions contained herein. The conditions in this contract will apply for all bookings for this calendar year.

Hirer:

Title:

Name:

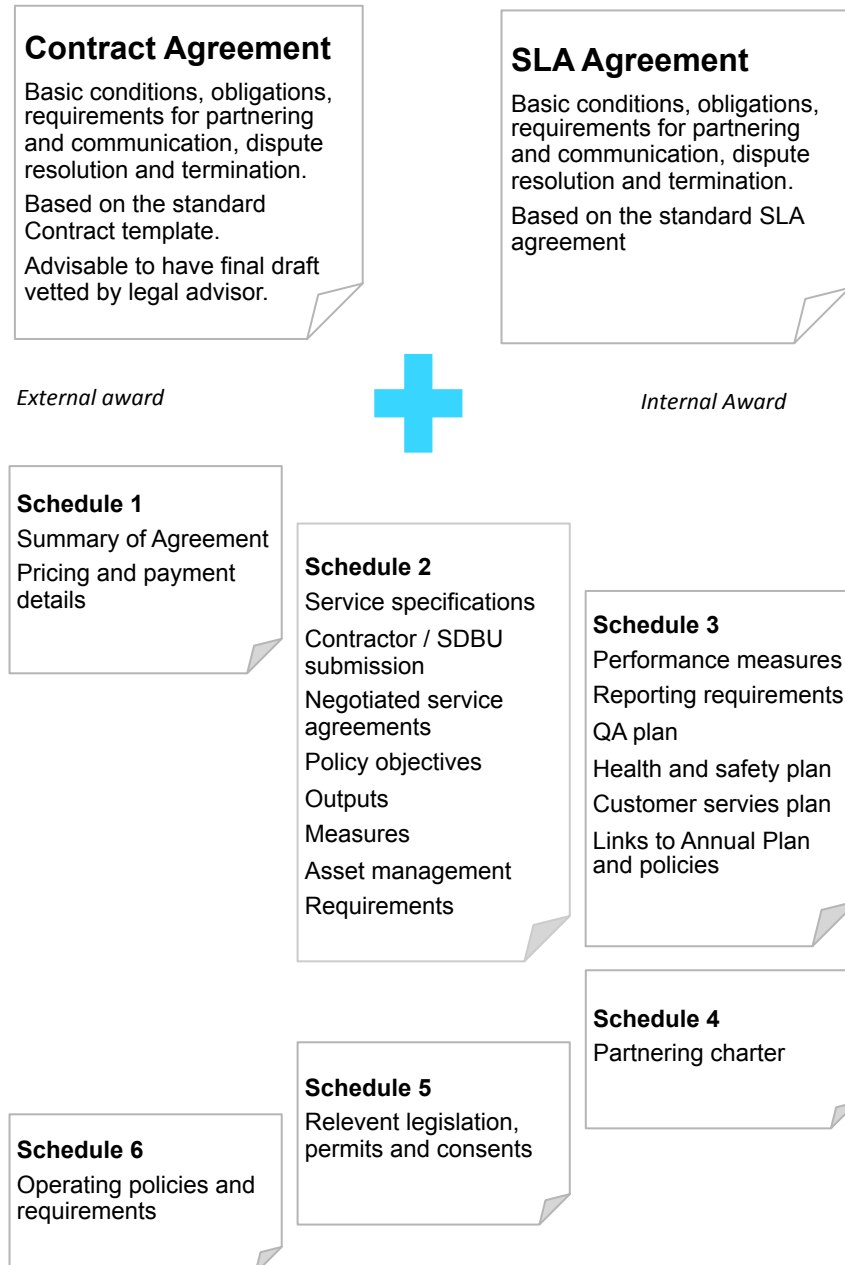
Date:

Phone:

Cellphone:

## 7.2 Contract / Service Level Agreement Document Structure

Schedules typically included in a contract or SLA. Service level specifications should be similar for both internal and external service providers. The number of schedules and their specific content should be tailored to suit the type and requirement of the service required.



## 8 Questions for Educational Context

### **Facility contracts**

Facility owners or managers may decide to contract some services or programmes for a number of different reasons. List four of the reasons why a facility manager might contract out services.

### **Types of contracts**

Contracts may be: Commercial, Community, or Individual. Each of these types of contracts has both positives and negatives. For each one of the three, identify one negative and one positive.

Some facilities are leased from the owner (lessor) by the facility manager (lessee). Briefly identify the different roles of 'lessor' and 'lessee'.

### **Managing contracts**

Managing leases and contracts effectively requires good basic project management skills. Identify the major steps in the project management of contracts.

What is meant by 'ethical conduct' in the process of contracting out programmes or services? Provide an example of ethical conduct in this context.



## 9 References and Further Information

### 9.1 Further information

New Zealand legislation <http://www.legislation.govt.nz/>

NZ Government Electronic Tenders Service (GETS) accessed from [www.gets.govt.nz](http://www.gets.govt.nz)

