

**ITEM 11. TENDER – AMENDMENT TO LEASING AND OPERATION OF VARIOUS CAFÉS WITHIN PARKS****FILE NO: S100618****TENDER NO: 1660****SUMMARY**

This report details the recommendation for the leasing and operation of Bellevue Cottage, Leichhardt Street, Glebe.

At its meeting on Monday 21 November 2016, Council resolved the outcomes of Tender 1660 for the leasing and operation of the Pirrama Park kiosk, Bandstand Café and Bellevue Cottage. The appointment of operators for Pirrama Park kiosk and Bandstand Café is underway.

Council accepted the offer of Tenderer 'A' for the leasing and operation of Bellevue Cottage but, before the lease was executed, Tenderer 'A' withdrew their submission.

As a result, this report recommends that Council reject all tender offers for Bellevue Cottage and enter into a reject and negotiate process to find a suitable tenant for the leasing and operation of the site.

**RECOMMENDATION**

It is resolved that:

- (A) Council reject the tenders received for the appointment of a café operator for Bellevue Cottage, for the reasons set out in confidential Tender Evaluation Summary, Attachment B to the subject report;
- (B) authority be delegated to the Chief Executive Officer to enter into negotiations and a subsequent lease with a suitably qualified cafe operator to operate Bellevue Cottage;
- (C) Council be informed of the successful café operator for Bellevue Cottage by way of a CEO Update; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the relevant leases relating to the tender.

**ATTACHMENTS****Attachment A:** Premises Plan - Bellevue Cottage**Attachment B:** Tender Evaluation Summary (Confidential)

**(As Attachment B is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)**

**BACKGROUND**

1. The City has three unique parkland café/ kiosk sites available for lease in Glebe, Pyrmont and Darlinghurst. Each site features an iconic building which has a mixed use potential and existing DA approval. We are looking to commence the leases of these sites from early 2017.
2. The City engaged Brain & Poulter, expert food and beverage consultants, to seek high calibre operators for each premise.
3. At its meeting on Monday 21 November 2016, Council resolved the outcomes of Tender 1660 for the leasing and operation of the Pirrama Park kiosk, Bandstand Café and Bellevue Cottage.
4. The leasing documentation is now being finalised for Pirrama Park kiosk and Bandstand Café.
5. Council accepted the offer of Tenderer 'A' for the leasing and operation of Bellevue Cottage but, before the lease was executed, Tenderer 'A' withdrew their submission.
6. As a result, this report recommends that Council reject all tender offers for Bellevue Cottage and enter into a reject and negotiate process to find a suitable tenant for the leasing and operation of the site.

**INVITATION TO TENDER**

7. The tender was advertised on 9 September 2016 in:
  - (a) the Sydney Morning Herald;
  - (b) the Daily Telegraph; and
  - (c) the Wentworth Courier.
8. The tender closed on Thursday 6 October 2016.

**TENDER SUBMISSIONS**

9. Three submissions were received from the following organisations (listed alphabetically) for the leasing and operation of Bellevue Cottage:
  - Antnicx Pty Ltd- Bellevue Cottage
  - Sam Suz Pty Ltd- Bellevue Cottage
  - Stix Catering Pty Ltd- Bellevue Cottage
10. No late submissions were received.

**TENDER EVALUATION**

11. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of tenders as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment B.

13. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) the vision;
  - (b) experience in successfully running a similar café/kiosk in urban parklands;
  - (c) business plan, including financial plan;
  - (d) environmental sustainability management;
  - (e) Work, Health & Safety; and
  - (f) provision of relevant insurances.

**FINANCIAL IMPLICATIONS**

14. Further details will be found in confidential Tender Evaluation Summary – Attachment B.

**RELEVANT LEGISLATION**

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Attachment B contains confidential commercial information of the tenderers for Bellevue Cottage and contingencies which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.
18. Section 47 of the Local Government Act 1993.

**CRITICAL DATES / TIME FRAMES**

19. The proposed commencement dates for each of the leases will be early 2017.

**PUBLIC CONSULTATION**

20. A public notification has been undertaken for Bellevue Cottage for a period of 28 days under Section 47 of the Local Government Act 1993.

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