

Addendum Report

REPORTS THROUGH THE GENERAL MANAGER

REPORTS FROM THE DIRECTOR ENGINEERING AND OPERATIONS

a28 [EO-CM] EQ2010-165 - Tweed Regional Aquatic Centre Cafe Operation and/or Licence

ORIGIN:

Recreation Services

FILE NO: EQ2010-165

SUMMARY OF REPORT:

A tender seeking expressions of interest to operate the café/kiosk at the Tweed Regional Aquatic Centre was advertised in the Tweed Link on 5 October 2010. The tender period expired on 27 October 2010 with only one tender submitted.

RECOMMENDATION:

That:

- 1. Pursuant to clause 178(1)(b) of the Local Government (General) Regulation 2005 Council declines to accept the Tender received for EQ2010-165 – Tweed Regional Aquatic Centre Café Operation and/or Licence, as the tender does not represent value for money.**
- 2. Pursuant to clause 178(3)(e) of the Local Government (General) Regulation 2005 Council enters into direct negotiations, in accordance with the Independent Commission Against Corruption (ICAC) Guidelines, with the tenderer, with a view to entering into a suitable licence agreement to obtain best value for money.**
- 3. Council executes all documents under the Common Seal of Council.**

Addendum Report

REPORT:

A tender seeking expressions of interest to operate the café/kiosk at the Tweed Regional Aquatic Centre was advertised in the Tweed Link on 5 October 2010. The tender period expired on 27 October 2010 with only one tender submitted.

In accordance with clause 178(1) of the Local Government Regulation, Council may accept or decline the tender.

The tenderer has indicated that because the café is not currently commercially operative, it is difficult to estimate potential income and costs streams. Accordingly a settling in period has been requested, say for 6 months prior to a commitment for 3 years being made, as per the licence agreement attached to the tender documentation.

In this regard, pursuant to clause 178(1)(b) of the Local Government Regulation, Council intends to decline the tender as submitted and pursuant to clause 178(3)(e) enter into negotiations with the tenderer to discuss an introductory establishment period prior to a 3 year commitment from either party.

Such an arrangement can be created by entering into an Agreement that will detail the parameters of the introductory period and the licence agreement will be attached so that the two agreements are collateral to each other.

It is recommended that Council notify the tenderer that the tender as submitted will be declined, however, will pursuant to clause 178(3)(e) enter into negotiations to formulate a mutually acceptable introductory period that, at the expiry of that period and if both parties agree, will culminate in both Council and the tenderer entering into a licence for 3 years.

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

As detailed in the body of the report.

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

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Nil.
