

**ITEM 10 TENDER T1000160 - LEASE OF BULLI BEACH CAFE**

This report recommends acceptance of a tender for T1000160 the lease of Bulli Beach Café in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

**RECOMMEDATION**

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tender of The Trustee for Birloom Unit Trust T/as Bulli Beach Café, ABN (26 199 680 073) for the new lease agreement as per tender T1000160 for Bulli Beach Café.
- 2 The lease be awarded for an initial term of Five (5) years, with two options to extend of five years each.
- 2 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.
- 3 Council grant authority for the use of the Common Seal of Council on the lease and any other documentation, should it be required, to give effect to this resolution.

**REPORT AUTHORISATIONS**

Report of: Lani Richardson, Manager Commercial Operations + Property  
Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

**ATTACHMENTS**

There are no attachments for this report.

**BACKGROUND**

Wollongong City Council (Council) sought submissions from experienced qualified food operators to enter into a lease for a prominent beach front location at part Lot 68 in Deposited Plan 1102884 also known as Bulli Beach Café, Trinity Row, Bulli NSW 2516. An outdoor dining licence will run concurrently with the lease agreement over the building.

Bulli Beach Café is currently occupied with the current lease expiring 1 December 2024. Council provided the current tenant with an extension to the current lease under holdover provisions to allow the tenant to operate over the summer period until such time the property would be vacated to allow Council's Project Delivery team to undertake a capital works project to the building which includes the replacement of the outdoor awning structure and the grease trap. The proposed works are estimated to be completed by September 2025 and the proposed new lease will then commence for the café.

Tenders were invited for this lease by the open tender method with the tender closing at 10.00am on Thursday, 7 November 2024. Three (3) tenders were received by the closing date, 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 the Commercial Operations & Property, Finance and Customer & Business Integrity 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 Satisfactory references from referees for previous projects of similar size and scope.
- 2 Financial capacity that tenderers may be required to provide information required by an independent financial assessment provider engaged by Council. Council will review and determine whether such financial assessment is acceptable to Council and demonstrates the tenderer's financial capacity to enter into a lease.
- 3 Food safety certificate that tenderers have already obtained or willingness to obtain within 2 months of Contract award.

- 4 Site inspection that tenderers or their authorised representative/s must attend one of the site inspections as advertised.
- 5 Operating Objectives that tenderers acknowledge the successful lessee is required to contribute towards Council operating objectives and commitment to obtaining any associated approvals.
- 6 Workplace Health and Safety that tenderers must provide working examples of workplace health and safety documentation, including risk management policies and procedures.

### Evaluation Criteria

- 1 Proposed Annual Rental Payable to Council – Weighting 30%.
- 2 Demonstrated Experience and Satisfactory performance in operating premises of similar size, scope and risk profile – Weighting 20%.
- 3 Staff qualifications and experience – Weighting 20%.
- 4 Proposed Business Plan – Weighting 20%.
- 5 Demonstrated strengthening of local economy – Weighting 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 below summarises the results of the tender evaluation and the ranking of tenders.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
The Trustee for Birloom Unit Trust T/as Bulli Beach Café	1
The Diggies Group T/as Diggies	2
The Wolf Pack Organisation T/as His Boy Elroy	3

### PROPOSAL

Council should authorise the engagement of the Trustee for Birloom Unit Trust to enter into a new lease agreement in accordance with the requirements for this leasing tender.

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 Nominated Referees
3. Statutory Notification

### PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 Goal 2 "We have an innovative and sustainable economy" and Strategy 2.3.1 "Build our city as a tourist destination of choice for conferences, events and a place to live, learn, work & visit".

## 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.

## SUSTAINABILITY IMPLICATIONS

The recommended tenderer demonstrated at least three (3) of their own sustainable business practices that they have used in similar operations and plan to introduce to this site. Such initiatives included in their submission were:

- **Waste Reduction:** Commit to minimising food waste through portion control and composting.
- **Eco-Friendly Materials:** Utilise biodegradable packaging for takeout orders and encourage customers to bring reusable containers.
- **Local Partnerships:** Collaborate with local organisations focused on conservation and sustainability efforts.

## FINANCIAL IMPLICATIONS

Herron Todd White provided market valuation advice to Council on 31 July 2024 to assist with lease negotiations as part of the tender process. Granting the new lease agreement will result in a rental uplift of 6.65% on the current passing rent and is above the market rental valuation advice.

## CONCLUSION

This report concludes the procurement process for the lease of the Bulli Beach Café and pending adoption of the recommendations, the new lease will deliver a defined income stream to Council that will support the delivery of Council services.