

ITEM 18 TENDER T1000225 - LEASE OF BEACHSIDE RESTAURANT - STUART PARK, NORTH WOLLONGONG

This report recommends acceptance of a tender for the lease of the Beachside Restaurant at Stuart Park, North Wollongong in accordance with the requirements of the *Local Government (General) Regulation 2021*.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the *Local Government (General) Regulation 2021*, Council accept the tender of The Grounds of Alexandria Pty Ltd for the lease of the Beachside Restaurant Stuart Park, North Wollongong.
- 2 Enter into a lease agreement for five (5) years with a five (5) year option in accordance with the provisions of the proposed Lease agreement.
- 3 Council delegate to the General Manager the authority to finalise and execute the Lease and any other documentation required to give effect to this resolution.
- 4 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: Roisin OSullivan, Manager Commercial Operations + Property
Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

The Beachside Restaurant at Stuart Park, North Wollongong is a long-standing commercial property situated in the highly sought-after North Wollongong Foreshore and Blue Mile precinct. The current operator has leased the premises since 1 January 1986, with the existing lease due to expire on 10 July 2026.

In accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*, Council commenced a public tender process for a new lease of the site.

Tenders for the lease were invited through open method with a close of tenders at 10.00am on 4 November 2025.

Two (2) submissions were received by the close of tenders, and all tenders have been assessed by a Tender Evaluation Panel constituted in accordance with Council's Procurement Policies and Procedures.

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. Referees
2. Mandatory Site Inspection
3. Operational Objectives
4. Demonstrated Satisfactory Environmental & Sustainability
5. Workplace Health & Safety Documentation
6. Current Certificates, Registrations and Insurances
7. Financial Capacity

Evaluation Criteria

- | | |
|---|-----|
| 1. Proposed annual rental payable to Council | 30% |
| 2. Demonstrated strengthening of local economic capacity | 10% |
| 3. Proposed Business Plan | 30% |
| 4. Staff qualifications and experience | 10% |
| 5. Demonstrated experience and satisfactory performance in operation premises of similar size, scope and risk profile | 20% |

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 weighted evaluation criteria as specified in the tender documentation. The method then considers 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 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 Grounds of Alexandria Pty Ltd	1
Top Pub Mittagong Pty Ltd	2

PROPOSAL

It is proposed that Council approve entering into a lease agreement with The Grounds of Alexandria Pty Ltd for the Beachside Restaurant at Stuart Park, North Wollongong in accordance with the proposed lease agreement outlined in the Public Tender documentation.

The recommended tenderer has demonstrated to the Tender Evaluation Panel its ability to meet the obligations specified in the draft lease agreement which was attached to the tender documents. The Panel is satisfied that the tenderer possesses the required experience, operational capacity, and commitment to deliver high-quality hospitality offering at this iconic location.

Referees nominated by the recommended tenderer were contacted by the Tender Evaluation Panel and provided positive feedback, confirming their satisfaction with the tenderer's performance in similar commercial lease arrangements.

Considering a declared Conflict of Interest, the General Manager stepped away from any role or involvement in this matter, including prior to the tender and through the evaluation and reporting of the outcome.

Under Section 377 (1) of the *Local Government Act 1993*, Council is not permitted to delegate powers to any staff member other than the General Manager. Where there is a declared conflict of interest, the appropriate course of action is for the General Manager to sub-delegate their authorities and powers in relation to this matter to a staff member of their choosing, and for that staff member to implement the decision of Council. If Council so resolves as per items 3 and 4 of the recommendation, the General Manager has indicated that they will promptly sub-delegate those items to the Director Community Services.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Evaluation Panel
- 2 Nominated Referees
- 3 Council's Procurement and Governance divisions
- 4 Legal Services

- 5 Pursuant to Chapter 6 Division 2 Section 47 of the *Local Government Act 1993*, Council is required to give public notice of the proposed lease. The 28-day statutory advertising period closed on Tuesday 7 October 2025 at 5pm. One (1) submission was received with no objection.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2035 Goal 3 – ‘We foster a diverse economy, and we value innovation, culture, and creativity’. It specifically delivers on core business activities as detailed in the Community Strategic Plan 3.3 – ‘Increase and attract new business investment and enterprise to Wollongong while supporting and growing existing local businesses’.

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*. The risk of entering into a lease agreement is considered low based upon Council’s risk assessment matrix and appropriate lease management will be implemented in accordance with the lease terms.

The General Manager has a declared conflict of interest and has accordingly sub-delegated his authorities and powers in relation to this matter.

SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Sustainable procurement by providing open tender method to give companies the opportunity to provide a submission for the lease.
- Weighting in the Tender assessment provided for strengthening of local economic capacity using local services, labour and materials.
- The commercial lease agreement promotes sustainable business practices including mandatory use of sustainable packaging and sourcing of products and limited wastage. The successful tenderer demonstrated sustainable practices.

FINANCIAL IMPLICATIONS

Walsh and Monaghan were engaged to undertake an independent assessment of the market rental value of the tenancy for the premises at Stuart Park, North Wollongong to assist the evaluation panel with assessment of tender submissions. Council will receive rental income under the lease in accordance with the information circulated to Council under separate cover.

CONCLUSION

Council should endorse the recommendations in this report and approve entering into a commercial lease agreement with The Grounds of Alexandria Pty Ltd for the Beachside Restaurant at Stuart Park, North Wollongong. This offer provides a commercial return to the community and aligns with Council’s operational objectives for the property.