

## ITEM 11 TENDER T1000218 - LEASE TO OPERATE AND MANAGE CAR PARK AT 37 MARKET STREET WOLLONGONG

This report recommends that Council declines to accept the tenders submitted for Tender T1000218 – Lease to operate and manage the car park facilities located at Lot 602 DP812146 37 Market Street, Wollongong in accordance with Section 178(1)(b) of the *Local Government (General) Regulation 2021*. The report further recommends proceeding to negotiate firstly with the tenderers, or in the event of failure of negotiations with the tenderers, any other party with a view to entering into a Lease agreement.

### RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the *Local Government (General) Regulation 2021*, Council decline to accept any tender received for the lease to operate and manage car park at 37 Market Street, Wollongong and resolve to enter into negotiations with the tenderers or any other party with a view to entering into a Lease agreement in relation to the subject matter of the tender.
- 2 In accordance with Section 178(4) of the *Local Government (General) Regulation 2021*, the reason for Council hereby resolving to enter into negotiations with the tenderers or any other party and not inviting fresh tenders is that it is anticipated that a satisfactory outcome can be achieved with a party who demonstrate a capacity and ability to undertake the terms and conditions of the Lease agreement.
- 3 Council delegate to the General Manager the authority to undertake and finalise the negotiations, firstly with the tenderers and in the event of failure of negotiations with those tenderers, any other party, with a view to entering into a Lease Agreement in relation to the subject matter of the tender.
- 4 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

### REPORT AUTHORISATIONS

Report of: Roisin OSullivan, Manager Commercial Operations + Property (Acting)  
 Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

### ATTACHMENTS

There are no attachments for this report

### BACKGROUND

Council owns the multi-level carpark at 37 Market Street, Wollongong, known as Courthouse or Market Street carpark located on operational land being Lot 602 DP 812146. The asset was built in the late 1980s and contains 525 parking bays over ten split levels.

The Market Street carpark is currently being operated under a Management Deed which was entered into on 16 July 2024 with a 12-month term. Under the Deed, the operator being Secure Parking Pty Ltd (Secure) is responsible for collecting gross parking revenue, deducting all expenses relating to the car park and management fees, paying Council the net revenue each month.

A report dated 16 May 2024 was submitted to Council's Executive Management Committee regarding the future management of the carpark with a recommendation of:

1. *Based on the estimated revenue Council could generate under its existing fees and charges compared with estimated establishment costs and ongoing costs to self-manage the Market Street Carpark, it is recommended that Council undertake a tender to lease the Market Street carpark and receive a commercial rental return.*
2. *It is also recommended that Council request Secure to continue its operation of the Market Street carpark under the existing Deed until the tender process is finalised and lease awarded.*

Tenders were invited by the open tender method with a close of tenders at 10.00 am on 3 June 2025.

Two (2) tenders were received by the close date and 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 Property, Finance, Procurement & Governance 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**

Referees	Provision of satisfactory references from referees for previous projects of similar size and scope.
Financial capacity	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 the lease/licence.
Workplace health and safety, Environmental and Quality management systems	The Tenderer is to submit their Workplace Health and Safety, Environmental and Quality Management system information including any certifications.
Site Inspection	The Tenderer or an authorised representative is required to attend the site to inspect, either at the scheduled time or independently prior to submission of their Tender.

### **Evaluation Criteria**

Proposed Rental Payable to Council	30%
Transition In and Management Plan	5%
Asset Improvement Plan, Program and Concept	20%
Demonstrated Activation Program and Approach	10%
Demonstrated experience and satisfactory performance in operating premises of similar size, scope, risk profile and staff qualifications	15%
Workplace health and safety, Environmental and Quality management systems	10%
Demonstrated strengthening of local economic capacity	10%

The Tender Evaluation Panel has concluded that the two (2) tenders received were non-conforming, details of which have been circulated to Council under separate cover.

It is recommended that the tenders be declined, and negotiations be undertaken with the tenderers, or any other party, with a view to entering into a contract for the subject matter of the tender.

The Tender Evaluation Panel anticipates that a satisfactory outcome will be achieved through a negotiation process conducted in accordance with Council's Procurement Policies and Procedures.

### **CONSULTATION AND COMMUNICATION**

- 1 Members of the Tender Evaluation Panel
- 2 Nominated Referees – 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.
- 3 External Consultant

## PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2032 Goal 2 “We have an innovative and sustainable economy” and 2.1 ‘Local employment opportunities are increased within a strong local economy’.

It specifically delivers on core business activities as detailed in the Property Services Delivery and Operational Plan of ‘Carry out commercial business management of Council operational lands’.

## 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 the lease is considered low based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

## SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Sustainable procurement by providing open and selective Tender method to give local companies the opportunity to provide a submission for the lease.
- Weighting in the Tender assessment provided for using local services, labour and materials.

## FINANCIAL IMPLICATIONS

It is anticipated that by negotiating with the current tenderers or another party, that a satisfactory commercial outcome will be achieved in an efficient timeframe.

## CONCLUSION

Council should endorse the recommendations of this report with a view that a satisfactory outcome will be achieved through a negotiation process with either the tenderers or another party conducted in accordance with Council’s Procurement Policies and Procedures resulting in a satisfactory value for money outcome for Council.