

## 10.12. Lease to operate the North Sydney Olympic Pool Cafe and Gelato Bar - Tender 24/2025

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<b>ATTACHMENTS</b>	1. CONFIDENTIAL - Tender 24/2025 [10.12.1 - 4 pages]
<b>CSP LINK</b>	<b>Outcome 2 – A connected and socially inclusive community where everyone is valued</b> S2. Provide new and improved public and community spaces for people to meet and connect  <b>Outcome 3 – An active community with space for everyone to exercise and enjoy the outdoors</b> O2. Maximise the capacity of our existing open spaces and recreational facilities

### PURPOSE:

The purpose of this report is to provide Council with the assessment and recommendation of Tender 24-2025 - Lease to Operate North Sydney Olympic Pool (NSOP) Café and Gelato Bar.

### EXECUTIVE SUMMARY:

- Tenders were called and received until 3pm Thursday 4 November 2025 for the submission of tenders for the lease to operate the NSOP Café and Gelato Bar. When the tender period closed, only two submissions had been received.
- Tenders were subsequently assessed in accordance with Council's Procurement Policy and s55 of the Local Government Act (1993). With only two submissions received, the uncertainty surrounding the Café and Gelato Bar's financial capacity, and the matters detailed in the confidential attachment to this report, it is not possible to reliably determine suitability or accept either tender submission.
- It is proposed to operate the Café and Gelato Bar in-house by the NSOP operations team for an initial 12-month period, in order to establish a clear understanding of its operational performance and commercial value, thereby providing an informed basis for any future tender for the lease.

### RECOMMENDATION:

- 1. THAT**, under the Local Government (General) Regulation 2021 – Reg 178 (Acceptance of tender submissions) Council, after considering the submissions for the proposed contract under tender 24-2025, decline to accept any of the tender submissions and carry out the requirements of the proposed contract itself.
- 2. THAT** Council endorse the NSOP Café and Gelato Bar being operated in-house by the NSOP operations team for an initial 12-month period, in order to establish a clear understanding of

its operational performance and commercial value, thereby providing an informed basis for any future tender for the lease to operate the NSOP Café and Gelato Bar.

**3. THAT** Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

(d)(i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and because consideration of the matter would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services.

(d)(ii) commercial information of a confidential nature that would, if disclosed confer a commercial advantage on a competitor of the Council and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.

It is further noted that the release of this information would, on balance, be contrary to the public interest as publication of all tendered documents would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services.

## Background

The redeveloped NSOP includes spaces for a cafe/kiosk on level 3 and a gelato bar on level 2. Initially, the decision was made to outsource the operations of the Café and Gelato Bar, to encourage a high standard of food and beverage products meeting community expectations, reduce additional operational commitments for Council when operationalising the new NSOP, and aligning with the high-quality of the greater venue.

In June 2024, North Sydney Council issued an Expression of Interest (EOI) 6-2024 for leases to operate the NSOP Café and Gelato Bar, which closed on 4 July 2024. 10 cafe and gelato bar businesses were notified and expressed interest in responding to the EOI, however, no responses were received. Feedback from the businesses identified that the capital investment required to fit-out and equip the 'bare-shell' cafe was not financially viable. This resulted in Council's decision to fit out and furnish the level 3 cafe.

In October 2025, following updates to the NSOP-build timeline and acknowledgment of lead times required for the successful operator to prepare for the opening of the Cafe and Gelato Bar, Tender 24/2025 was issued. The tender was for a five-year lease agreement and five-year option. The lease includes a licence to utilise the seating area directly adjacent to the level 3 cafe.

## Report

The methodology adopted to undertake the tender evaluation of Tender 24/2025 was based on selection criteria outlined in the tender documents and in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Open tenders were called and were received until 3pm Thursday 4 November 2025 via Tenderlink. At close of tenders, only two tenders were received.

Listed in **strict alphabetical order**, the tenderers were:

<b>Tenderer</b>
Aqua X Press
Prophetable Hospitality Pty Ltd

Information provided by tenderers which is commercial-in-confidence has been protected and will not be disclosed in accordance with section 10A(2)(d) of the Local Government Act 1993.

A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

The following information is treated as confidential in the confidential attachment:

### 1. Tender evaluation including selection criteria

The tender process has been reviewed and endorsed by Council's Procurement Panel

for adherence to the Procurement Policy.

## **2. Tender evaluation panel results**

The final ranking and point scores (out of a total 100) of the tenders are identified in the table in the confidential attachment. The assessment was based on Council's standard tender evaluation methodology, as outlined in the selection criteria.

## **3. Funding and costing details**

Application for access to documentation should be through lodgement of a GIPA Public Information application form and payment of prescribed fees.

Due to only two submissions being received, coupled with the uncertainty surrounding the Café and Gelato Bar's financial capacity, it is not possible to accurately assess the operational value, as it does not allow for a robust or reliable evaluation of the proposals.

It is recommended the Café and Gelato Bar be operated in-house by the NSOP operations team for an initial 12-month period, in order to establish a clear understanding of its operational performance and commercial value, thereby providing an informed basis for any future tender for the lease to operate the NSOP Café and Gelato Bar.

Under Local Government (General) Regulation 2021 – Reg 178 (Acceptance of tender submissions) Council can decline to accept any of the tender submissions and carry out the requirements of the proposed contract itself.

## **Consultation requirements**

No community engagement or consultation was required in the development of this report.

## **Financial/Resource Implications**

If under Local Government (General) Regulation 2021 – Reg 178 (Acceptance of tender submissions) Council decline to accept any of the tender submissions and carry out the requirements of the proposed contract itself, Council will be responsible for all financial implications related to the set up and operation of the NSOP cafe and gelato bar. Financial modelling and further details can be found in the confidential attachment.

## **Legislation**

s55 NSW Local Government Act (1993)

The Local Government (General) Regulation 2021