

9. TENDER – SCARBOROUGH TEAROOMS

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	Acting Corporate Support Manager
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PURPOSE OF REPORT

The purpose of the report is to:

1. Advise the Board of the result of the tender process to lease the above facility.
2. Obtain the Board's support to a resolution from the Council to exercise its power under delegation to grant the Minister of Conservation's consent to the lease.

EXECUTIVE SUMMARY

3. When this matter was considered by the Board, it asked that the results of the tender process be reported back to it for its information. As a consequence of this the opportunity has been taken to seek from the Council a resolution to exercise its power under delegation to grant the Minister of Conservation's consent to the proposed lease. This will enable the lease to be executed without reference to the Department of Conservation and avoid undue delays in obtaining approval.

FINANCIAL AND LEGAL CONSIDERATIONS

4. The Minister of Conservation has granted delegated authority to administering bodies to exercise his consent to grant leases of public reserves in cases where the activity is an existing use and the effects of the use will be the same or similar in character, intensity and scale.
5. As the Council has met the requirements of the Reserves Act, it can exercise the Minister's delegation in this case because:
 - There is no proposed change to the use of the facility as a restaurant and café;
 - While there will be some cosmetic changes to the building, the footprint of the leased area will remain the same;
 - The tender was publicly notified and no objections were received;
 - The tender document clearly indicated the lease would be subject to the Reserves Act 1977;
 - The proposal has been considered by both the Residents Association and the Board and approved by the Council.

STAFF RECOMMENDATION

That the Board recommend that the Council resolve to exercise its power under delegation to grant the Minister of Conservation consent to the lease pursuant to Section 54(1)(d) of the Reserves Act 1977.

CHAIRPERSON'S RECOMMENDATION

That the staff recommendation be adopted.

BACKGROUND

6. At its meeting on 8 June 2006 the Council was advised that the lease of the Scarborough Fare Restaurant and Café had expired having been issued in 1990 and that because of strong interest in the facility it was proposed to call tenders for a new lease of the premises. It was proposed the lease term would be for a term of 6 years with right of renewal for a further 6 years.
7. A recommendation from the Board approving a delegation to the Corporate Support Manager to accept a tender for the lease of the facility subject to an appropriate evaluation process being complied with was adopted by the Council. The Council was advised that the acceptance of any tender was conditional upon the Department of Conservation's consent.

TENDER ACCEPTANCE

8. A total of 16 tenders were received to the invitation with Compass Group NZ Ltd being awarded the lease of the facility following completion of the evaluation process.
9. Compass Group NZ is part of the Compass Group PLC which is recognised as the largest food service group in the world with operations in over 98 countries at the present time. Within New Zealand the company currently services over 320 contracts daily. The company has been successfully operating the Botanic Gardens Tea Kiosk and Restaurant for some years and also has a strong presence within Christchurch through the provision of catering for the Koru Club for Air New Zealand and has been awarded a contract by the District Health Board.
10. As part of this proposal the company intends to substantially upgrade the facility both internally and externally. The proposed improvements include:
 - A reconfiguration of the service area to achieve a better work space for service staff;
 - Installing bi-folding doors from the café to the outdoor area to create an indoor/outdoor flow;
 - A reconfiguration of the kiosk service area to offer take-away service from two external service points. This will be achieved by closing off the kiosk service area in the café which current causes considerable congestion. The external service areas will be created in both the east and south facing walls which will be protected by new canopies above the outlets;
 - New toilets will be included providing wheelchair access;
 - New cabinetry and service counters will be incorporated.
11. The café service will focus on a modern innovative food offer catering to all markets by offering a deli style range of products available throughout the day which will include morning and afternoon tea. There will also be an a-la-carte menu available offering breakfast, dinner and lunch options. A small bar area is to be created to cater for casual visitors and to offer an area for patrons to enjoy pre-dinner drinks.
12. It was clear through the evaluation process that the company had the experience and financial resources to provide a first class service from the facility, and coupled with this experience in the food trade, it was believed their proposal was the best received. Accordingly the company has been awarded the lease of the facility in accordance with the delegation received from the Council.