

10.1.4 TENDER KAP06-09/10- LEASING OF LOT M1 (PART) AT KARRATHA AIRPORT

File No: TT.82
Attachment(s) Confidential Evaluation Report
Responsible Officer: Executive Manager Technical Services
Author Name: Acting Airport Manager
Disclosure of Interest: Nil

REPORT PURPOSE

For Council to consider the outcome of Tender KAP 06 – 09/10, for the leasing of Part of Lot M1 at Karratha Airport.

Background

Lot M1 has been made available for lease within the Karratha Airport Terminal. The lot is 29m² and has been partitioned to form two leased areas, the portion of which is being considered for lease is 13.4m². The remaining portion is utilised by the Tien Tsin Inne for storage of consumables. This site has been valued as part of an airport rental valuation conducted 15 February 2010 and has been allocated a rental value of \$15,480 p.a. (GST exclusive).

Due to the known potential for interest from multiple parties, expressions of interest to tender for this site were called for.

Tenders were called and advertised in the West Australian on 27 March 2010 and the Pilbara News on 31 March 2010.

Tenders closed at 2pm on Wednesday 14 April 2010.

Two (2) responses were received:

1. Jayrow Helicopters
2. Formula Aviation

Issues

The leasing of this area is a short term option for both parties. Jayrow are looking for office space as their planned hangar space on the Airport's rotary GA apron is incomplete and their current arrangement within the terminal is part of the upgrade to the check-in and baggage handling facilities.

Formula Aviation are looking to enter the Karratha market and are interested in the terminal GA tenancies where Virgin currently operate from however these will not be available until the aforementioned upgrade.

Options

The options for Council are:

1. Accept the preferred tender;
2. Accept an alternate tender; or
3. Reject all tenders.

Policy Implications

There are no relevant policy implications pertaining to this matter.

Legislative Implications

Local Government Act (1995) Section 3.58 regarding the disposal of property.

Financial Implications

Council will realise unbudgeted income from this lease.

Conclusion

It is the opinion of the Evaluation Group that the best option for Council is to enter into a lease with Jayrow Helicopters who are existing tenants on the airport precinct. Further lease options for new tenants will be available once building works are completed.

Voting Requirements

Simple

RECOMMENDATION

That the Recommendation submitted by the Executive Manager Technical Services in the confidential evaluation report for Tender KAP06-09/10 be considered.

