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**City Council**

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**Notice of Motion**

MM50.1	ACTION			Ward: 32
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**Re-Opening of Item GM30.20 - Tuggs Incorporated – Revised Proposal for the Redevelopment of the Eastern Beaches Food Service Facilities - by Councillor Nunziata, seconded by Councillor Del Grande**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to a re-opening of Item GM30.20. A two-thirds vote is required to re-open that Item.*

**Recommendations**

Councillor Nunziata, seconded by Councillor Del Grande, recommends that:

1. City Council reject the revised proposal from Tuggs Incorporated dated April 17, 2009.
2. City Council direct the Purchasing and Materials Management Division to conduct a Swiss Challenge Request for Proposal to obtain counter proposals to the revised proposal of Tuggs Incorporated, dated April 17, 2009.

**Summary**

At City Council on May 11 and 12, 2010, Council voted on item GM30.20 Tuggs Incorporated – Revised Proposal for the Redevelopment of the Eastern Beaches Food Service Facilities, a contentious issue which stemmed from an unsolicited proposal from Tuggs Incorporated in 2006 to re-new their lease for 20 years, and the subsequent decision of City Council to, subject to staff's review, accept the unsolicited proposal, which went against staff recommendations and City policy.

Since the May meeting of City Council, the decision regarding entering into the 20-year lease agreement with Tuggs Incorporated has received a lot of media attention, and as a result, further information regarding Tuggs Incorporated, their operation, and the apparent monopoly of food and beverage sales for the Eastern Beaches has come to light. There has also been critique regarding the fact that when this item was dealt with at the May 2010 meeting of City Council there were 16 Councillors absent, as well as the Mayor.

Regardless of the fact that the negotiation process with Tuggs Incorporated resulted in an agreement that sees the City receiving less money than what Tuggs Incorporated had initially proposed, accepting the unsolicited proposal by Tuggs Incorporated, and subsequently authorizing the renewal of their lease without a public Request for Proposal, is contrary to City

policy and is reason alone for this decision to be reconsidered. When an unsolicited proposal is received by the City, due process is to issue a Swiss Challenge Request for Proposal to obtain counter proposals to unsolicited quotations or proposals; to maintain an open and fair process, this should be done in this case.

**REQUIRES RE-OPENING:**

Government Management Committee Item GM30.20 as adopted at City Council on May 11 and 12, 2010.

(Submitted to City Council on June 8 and 9, 2010 as MM50.1)