

17.1 LATE ITEM: TAMBELLUP CARAVAN PARK - CABINS

ATTACHMENT(S)	Nil
FILE NO	ADM0602; ADM0588
APPLICANT	n/a
AUTHOR	Pam Hull, Strategic Support & Projects Officer
DATE	19 March 2024
DISCLOSURE OF INTEREST	Nil

STRATEGIC IMPLICATIONS	
Strategic Community Plan 2023-2033	Corporate Business Plan 2023 -2027
Community Outcomes	Corporate Initiative
Key Pillar: Broomehill-Tambellup Economy	
4. Versatile Accommodation 4.2 Tambellup short-stay accommodation development This is the Shire developing the Tambellup Caravan Park and creating cabin style accommodation for workers and visitors. This also requires exploring further RV and camping options.	4.2.2 Tambellup Caravan Park – Construction of Stage 1(a) (civil & site works for all of stage 1, install of one or two cabins, move RV Rest Stop to old bowling green site.)

SUMMARY

The purpose of this report is to consider the procurement of two cabins for the Tambellup Caravan Park.

BACKGROUND

The Tambellup Community Cropping Group (TCCG) has been a supporter of the proposal to develop a caravan park in Tambellup since the idea was first proposed, committing funds from its annual community cropping activities towards the project.

Following development of a business case, concept plans for a new caravan park on the site of the former Bowling Club were adopted by the Council in November 2022, with the request that the TCCG be consulted as a financial contributor. The TCCG supported the Council’s decision and confirmed that its preferred involvement was to provide funds to support the purchase and installation of cabins on the site. The 2023/2024 budget includes a contribution from the TCCG of \$150,000 for that purpose.

Several cabin design options and quotes were provided to the TCCG for their feedback and input on 22 November 2023. The TCCG displayed the cabin designs at its 2023 harvest day, for members consideration. The preferred design was ‘The Corsette’ cabin by Fleetwood Australia. The quote for the supply of two cabins as proposed was \$276,000 ex GST.

In December 2023 the TCCG wrote to the Shire offering to purchase and donate two cabins of the preferred design to the development. The Council considered this matter at its December 2023 Ordinary Council Meeting, and resolved as follows:

OFFICER RECOMMENDATION/ COUNCIL DECISION

Moved Cr Wills seconded Cr Dewar that:

1. *The proposed donation from the Tambellup Community Cropping Group of two (2) 'The Corsette' cabins by Fleetwood Australia at a combined value of \$276,000 (ex GST) be accepted, subject to:*
 - a. *full ownership and management of the cabins being transferred to the Shire upon delivery; and*
 - b. *External colour schemes to be approved by the Shire CEO.*
2. *The Tambellup Community Cropping Group be thanked for their generous contribution and support of the Tambellup Caravan Park project.*

CARRIED 7/0
Motion No 152/23

COMMENT

The Chief Executive Officer was contacted by the President of the TCCG on 19 March 2024 to advise that the group was negotiating to purchase a property in the area. The purchase of the land will assist in securing the future of the cropping program but has the potential to limit the TCCG's short-term cashflow position.

The 2023/2024 budget contains provision of \$700,000 for park infrastructure and building upgrades, funded through the Local Roads and Community Infrastructure Program Phase 3 (LRCIP). Activities include civil works and connection of services to the site, and modification or replacement of the existing building to provide a camp kitchen and ablutions. Cost estimates for these activities are not yet available. These funds are required to be expended by 30 June 2024

In order to ensure the progress of the Caravan Park development continues, the Council may wish to consider utilising a portion of these allocations to fund the purchase of two cabins.

Based on the quote received for the cabins proposed in the December Ordinary Council Meeting recommendation, a tender process will need to be undertaken as the cost is likely to exceed the threshold of \$250,000 stated in the *Local Government (Functions and General) Regulations 1996*. This can be achieved by utilising the WALGA Preferred Supplier (Equotes) system where pre-qualified (preferred) suppliers are invited to provide a submission. The process can be undertaken in a shorter period than a traditional tender process and will allow time for the Council to select a supplier before the end of the financial year.

If the Council is supportive of this proposal, staff will commence an Equotes process to invite quotes for the supply and installation of two (2) prefabricated one-bedroom, self-contained cabins.

CONSULTATION

Neil Letter – TCCG
Chief Executive Officer
Manager Finance and Administration

STATUTORY ENVIRONMENT

Local Government Act 1995 s.3.57

3.57. Tenders for providing goods or services

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) Regulations may make provision about tenders.*

Local Government (Functions and General) Regulations 1996 Part 4 Div 2 states in part:

11. When tenders have to be publicly invited

- (1) Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.*
- (2) Tenders do not have to be publicly invited according to the requirements of this Division if –*
 - (a) the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or*
 - (aa) the supply of the goods or services is associated with a state of emergency or a COVID-19 declaration; or*
 - (b) the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program...*

FINANCIAL IMPLICATIONS

The 2023-024 budget includes the following provisions:

- LR309 - \$150,000 for the purchase of cabins, with the expense to be offset by the income that was proposed from the TCCG.
- LR310 - \$550,000 for 'park infrastructure' – this includes civil and headworks to the site. Costs for these elements are not yet known.
- LR311 - \$150,000 for 'building upgrades' – this was proposed for modifications to the existing Bowling Club building, or replacement with appropriate facilities, however, has not been fully costed.

The resolution from the December Ordinary Council Meeting as above would have seen the TCCG purchasing the cabins outright and donating them to the Shire. As such, the income offsetting the expenditure at LR309 from the TCCG under the proposal for consideration, will not be forthcoming.

The \$700,000 contribution by the Shire (LR310, LR311) is funded by allocation from the Local Roads and Community Infrastructure Program (Phase 3). These funds are to be expended by 30 June 2024.

POLICY IMPLICATIONS

Policy 2.1 Purchasing

RISK MANAGEMENT IMPLICATIONS

This item has been evaluated against the Shire's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Moderate" risk that can be managed by specific procedures and with current resources.

ASSET MANAGEMENT IMPLICATIONS

If the proposal is supported:

- The new assets will be incorporated into the Shire's Asset Management framework;
- The cabins (as part of the Caravan Park) will be managed and maintained in accordance with the Shire's existing operational procedures.

VOTING REQUIREMENTS

Simple majority.

OFFICER RECOMMENDATION

1. That the Chief Executive Officer be authorised to seek quotes through the WALGA Equotes system for the supply and installation of two prefabricated one-bedroom, self-contained cabins at the Tambellup Caravan Park.
2. That the Tambellup Community Cropping Group be requested to commit to the purchase of a minimum of two cabins in the 2026/2027 financial year for the Tambellup Caravan Park, and the design to be agreed on by the Chief Executive Officer