
SOUTH WAIRARAPA DISTRICT COUNCIL

16 MAY 2012

AGENDA ITEM C1

LEASE OF GREYTOWN CAMPGROUND

Purpose of Report

To provide progress for the tendering and leasing of the Greytown Campground in Soldiers Memorial Park, seek approval as to the recommendations and approval to commence negotiations with the preferred Lessee.

Recommendations

Officers recommend that the Council:

1. Receive the information
2. Grants permission to commence negotiations with the preferred Lessee.

1. Executive Summary

The lease for the above is due to expire on 30 June 2012. The existing Lessee has indicated they are not prepared to renew the lease for a further term. Opus International Consultant Limited has been engaged to manage the re-tender process and lease negotiation on behalf of Council. A formal Request For Proposal (RFP) process has commenced, with tenders closing on 13 April 2012. The proposals have been evaluated with a clear preferred Lessee.

2. Background

The Greytown Campground is part of Soldiers Memorial Park situated on Kuratawhiti Street, Greytown and is owned by South Wairarapa District Council (SWDC). Soldiers Memorial Park is an "Historic Reserve" under the Reserves Act 1977 and has a Reserve Management Plan (RMP) that was adopted by Council on 29 August 2007. Section three of the RMP refers specifically to the Greytown Campground and allows for the use of the specified area as a campground.

The Deed of Licence for the Campground, between SWDC and Mrs Noeline Ball, has been renewed and extended on a number of occasions. The current Deed is due to expire on 30 June 2012 and Mrs Ball has indicated she will not agree to another renewal.

3. Discussion

Opus International Consultants (Opus) were appointed in March to undertake a RFP process to identify possible interested parties, and to negotiate a long term (10 years) lease with the preferred

Lessee. An offer of service including methodology, cost and timeline was provided by Opus and accepted by Council.

The advertising portion of the project commenced on 21 March with adverts running in the Wairarapa Times-Age, the Wairarapa News, the Dominion Post, on the SWDC website, Tenderlink and direct email to all members of the Holiday Parks New Zealand. Proposals closed on 13 April 2012.

Opus provided an “information pack” to interested parties. This pack was approved by SWDC and included:

1. *The RFP Information and Conditions*
2. *A draft Lease (annual rent of \$2,000, initial term of 10 years plus one 10 year renewal)*
3. *The Reserve Management Plan*
4. *The District Plan extracts on protected trees within Soldiers Memorial Park*
5. *An updated Campground Plan.*

Over the course of the advertising (20 March to 11 April) there were higher than expected levels of interest. A total of 33 information packs were sent out with the majority sent to local individuals and several to the South Island. Four “open homes” were held at specified times to allow prospective parties to view the property.

In total two proposals were received, Neil and Ann Smith’s submission was received by the RFP closure of 4pm on Friday 13 April 2012 and Jan Barrett’s submission by the agreed extension of 4pm on 18 April 2012. A summary of all received proposals is as follows:

- Respondent No.1 - Neil and Ann Smith
- Respondent No.2 - Jan Barrett

The RFPs were evaluated under the following criteria:

Attribute	Description
Vision	Identify the scope for new and/or re-development of the campground and the future direction of the park. Specify long and short and term objectives, e.g. Accreditation by Top10, Qualmark or another industry recognised organisation.
Community/Amenity Value	Show how the proposal will align with Council’s Long Term Planning, the Reserve Management Plan and the desired community outcomes. Also, why the proposed option will ensure best use of South Wairarapa District Council’s designated reserve land during the course of an agreement.
Relevant Experience	Demonstrating experience in the services offered through summary details of other relevant public amenity based solutions and accompanying referees.
Operational Methodology and Ease of Implementation	<p>The methodology to be used to manage the campground, identifying the management structure/approach to operational matters, e.g. cleaning, maintenance, fee structures, the interface with the front amenities block ‘public’ users, etc.</p> <p>The reasons why a proposed solution can be easily implemented and operated with minimal impact on South Wairarapa District Council’s operations, finance and customer service teams.</p>

Financial Surety

The evidence based reasons why a proposed option is more likely to reduce South Wairarapa District Council's financial risk in terms of long term (>10 years) predictability and surety and positive cash flow. The South Wairarapa District Council expects the camp to be 100% self-funding.

Responses were evaluated and scored against a predetermined ranking to determine individual scores relating to each attribute, these rankings being Excellent, Good, Partial or Unsatisfactory. A summary of the individual ranks achieved are as follows:

Vendor	Excellent	Good	Partial	Unsatisfactory
Neil and Ann Smith	11	16	4	5
Jan Barrett	0	9	21	6

Following the attribute scoring, these results were placed against the stated weightings to ascertain the preferred respondent. Neil and Ann Smith received a weighted score of 70% and Jan Barrett received 40%.

The review panel agreed that the Jan Barrett proposal lacked any specific detail, or failed to demonstrate alignment with the attributes and this was evident in the low scores achieved. The submission from Neil and Ann Smith outlined their plans for the campground based on short, medium and long-term goals and placed achievable targets for development of the campground and provided clear responses to the questions sought.

It was felt that Neil Smith's background as a builder strengthens their proposal as it potentially allows them to upgrade the facilities at no cost, and with benefit, to SWDC. They also have some ideas to increase revenue.

4 Conclusions & Recommendation

As a result of this evaluation process, Neil and Ann Smith emerged with the highest score. The evaluation team are confident that they will provide an excellent service to the community and reduced financial and operational risk to the Council, based on the information submitted. They have specific long and short term plans and are community minded. They also state within their proposal that:

- The Greytown campground could become a thriving business
- Promote the campground through advertising and establishment of a website.
- Achieving Top 10 / Family Park or other industry standard accreditation.
- To foster a positive working relationship with SWDC.
-we are certain that we can run the campground with no expense to the SWDC.
-existing buildings and park-like surroundings make the Greytown campground a unique facility.

It is recommended Council confirm Neil and Ann Smith as the preferred Lessee and approve the commencement of negotiations.