

6.3. 2023-2024FY REGISTER OF SOLE AND SPECIALISED SUPPLIERS - INTERIM UPDATE

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DEPARTMENT	Finance and Corporate Services

RECOMMENDATION

That Council resolves to:

- 1. Approve the additional proposed suppliers attached as nominated Sole Source and Specialised Suppliers under s 235 (a) and (b) of the *Local Government Regulation 2012* for the supply of equipment and services, for the remainder of the current 2023-2024 financial year.**
- 2. Approve the removal of the proposed supplier attached for the remainder of the current 2023-2024 financial year.**
- 3. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to Sole and Specialised Suppliers subject to Council's normal procurement policies and procedures.**

EXECUTIVE SUMMARY

To ensure the smooth running of Councils' day-to-day operations, Council requires goods and services from a vast range of contractors and suppliers. However, there are some instances in which, obtaining multiple quotations for goods and/or services, as required under legislation, is unable to be achieved.

For Council to meet its obligations in these circumstances, a Register of Sole and Specialised Suppliers is maintained and reviewed on a regular basis.

Council's current Register of Sole and Specialised Suppliers expires on 30 June 2024. As part of the bi-annual review process, an interim review was recently conducted to identify any further suppliers who will be required to provide goods and/or services throughout the remainder of the 2023-2024 financial year, and whose goods and/or services meet the definition of sole or specialised.

BACKGROUND

Council is obligated to request written quotations or tenders for medium and large sized contractual arrangements as set out in the *Local Government Regulation 2012*.

In some circumstances, Council is unable to meet the legislative criteria to obtain a sufficient number of quotations and/or tenders, which may be due to the specialist nature of the supply, or there being only one supplier reasonably available.

In these instances, the *Local Government Regulation 2012* includes exemptions for Council to enter into medium or large sized contract(s) with supplier(s) from a Register of Sole and Specialised Suppliers.

At the 30 May 2023 Ordinary Council Meeting, Council resolved to approve the current Register of Sole and Specialised Suppliers for the 2023-2024 financial year.

The current register is made up of fifty-eight (58) suppliers who provide a wide range of varying goods and services to Council. To ensure Council complies with s 235 of the *Local Government Regulation 2012*, regular reviews are conducted. A recent interim review was undertaken.

During the interim review, a further nine (9) suppliers have been identified for addition to the register:

1. AirBridge Networks
2. Archeology Survey Team
3. Cairns Local News
4. CommBank
5. EDMS Pty Ltd
6. Hidrostal Pty Ltd
7. Komatsu Australia
8. Liquitek Pty Ltd
9. TerreCom

And the removal of:

1. Heyne Mechanical Solutions

It is proposed that Council approve the amended Register of Suppliers under the “sole” and “specialised” supplier provisions of the *Local Government Regulation 2012* to include the further nine suppliers identified and remove one supplier.

COMMENTS

S 224 of the *Local Government Regulation 2012* prescribes that Council must request written quotations or conduct a tender process for medium and large sized contractual arrangements as defined below:

*(2) A **medium sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$15,000 or more but less than \$200,000 in a financial year*

*(3) A **large sized contractual arrangement** is a contractual arrangement with a supplier that is expected to be worth, exclusive of GST, \$200,000 or more in a financial year.*

Occasionally, Council is unable to obtain more than one sufficient quote during the procurement process due to the lack of appropriately qualified and/or experienced suppliers. This is due to there being only one supplier, or due to the specialist nature of the supply.

The regulation also acknowledges that there are instances where it is not always possible to meet these requirements and provides for a number of exceptions to manage these instances. Chapter 6, Part 3, Division 3 of the Regulation identifies exceptions for medium and large sized contractual arrangements if:

S 235:

(a) *The local government resolves it is satisfied that there is only one (1) supplier who is reasonably available;*

(b) *The local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.*

To ensure regulatory compliance, Council's Procurement Coordinator coordinates a Register of Sole Source and Specialised Suppliers that is established and reviewed, ensuring that both the legislative requirements and operational needs are met.

PROPOSAL

1. Approve the additional proposed suppliers attached as nominated Sole Source and Specialised Suppliers under s 235 (a) and (b) if the *Local Government Regulation 2012* for the supply of equipment and services, for the remainder of the current 2023-2024 financial year.
2. Approve the removal of the proposed supplier attached for the remainder of the current 2023-2024 financial year.
3. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to enter into contracts, negotiate, finalise and execute any and all matters associated with or in relation to Sole and Specialised Suppliers subject to Council's normal procurement policies and procedures.

FINANCIAL/RESOURCE IMPLICATIONS

All purchases of goods and/or services from Sole and Specialised suppliers will be in line with approved budgets and therefore, there are no financial or resource implications that arise from this recommendation.

RISK MANAGEMENT IMPLICATIONS

By reviewing and approving the overall Register of Sole Source and Specialised Suppliers on a regular basis, Council is ensuring compliance with s 235 of the *Local Government Regulation 2012* and maintaining an awareness of the nature of Council contracting within exemptions under the Regulation.

The financial risk to Council is mitigated by Council officers having assessed these products and services as being suitable and the suppliers as being the only reasonable option from which Council can obtain these relevant products and services.

If the Register of Sole Source and Specialised Suppliers is not approved by Council, there may be unnecessary delays in appointing suppliers and additional resources required to comply with the alternate methods of procurement.

SUSTAINABILITY IMPLICATIONS

Economic:	The maintenance of a register of sole/specialised suppliers approved by Council enables efficient contractual processes.
Environmental:	Nil
Social:	Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 2 - *We will put the customer at the centre of our service delivery and process improvement as we deliver efficient and appropriate services based on community expectations.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2023-2024 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.
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CONSULTATION

Internal: Procurement Team, Management Team, various relevant officers.
Ordinary Council Meeting on 30 May 2023.
Councillor Workshop on 24 October 2023.
Ordinary Council Meeting on 31 October 2023.
Councillor Workshop on 21 November 2023.

External: Nil

COMMUNITY ENGAGEMENT

This proposal will fall within the 'inform' category of Council's Community Engagement Framework.

ATTACHMENTS

1. 23-24 FY Register of Sole Source and Specialised Suppliers new and removed [6.3.1 - 1 page]

Register of Sole and Specialised Suppliers 23-24 FY

Term: 01 December 2023 - 30 June 2024

Supplier Name	Supplier Account No	Category	Section	Goods and/or Services	Comments / Justification
Airbridge	7893	Specialised	ICT	Reseller of Telstra services & specialised supplier for radio / wireless communications services	Institutional knowledge - The vendor has knowledge of the sites and the installed equipment, where they provide on-site maintenance to. Consistency - Council Staff are familiar with the product / services provided and the maintenance is carried out to high quality standards, with the minimum of travel fees. Authorised vendor - Airbridge are authorised Telstra, Skymesh and Starlink providers (this being the tool set Council uses)
Archeology Survey Team	TBC	Specialised	PMO	Cultural Heritage Consultant	AST is a cultural heritage consultant which provides advice and guidance in relation to matters of Cultural Heritage within the Douglas Shire. AST have extensive knowledge and strong relationships with both Jabalbina, and the local traditional owners, through their past working experiences together. Due to the relationships formed, they provide a critical connection to the local traditional owners and assist with negotiations and discussions in relation to local cultural heritage matters.
Cairns Local News	8288	Sole	People & Community Services - Media	Independent Free Newspaper Providing Locally Based Specific Content	Cairns Local News is the only independent, free newspaper specifically dedicated to local content for the Cairns and surrounding region. DSC is provided with a four page pull-out where Douglas Shire specific content and information can be published and distributed to a wide local audience who may not utilise or have access to other media channels.
Commonwealth Bank of Australia		Sole	Finance	Banking	Commonwealth Bank Of Australia - The supplier, through a third party, specialises in capturing, measuring, and reporting consumer spend data with the Council iQ product. The supplier is the only vendor currently in the market that can measure granular spend categories. The Council iQ product is being adopted by Councils across Australia. CommBank has accessed to 380 spend categories. Other products in the market currently do not offer the depth of data analysis. The tool will be a valuable addition to our economic assessment of events, activities, developments and initiatives across the Shire.
EDMS Pty Ltd	7769	Specialised	Infrastructure - Civil	Engineering Design Services	EDMS provide engineering design services, including computer modelling and preparation of construction plans. They have extensive experience providing solutions for the marine industry, which is highly specialised in nature. EDMS is based in Cairns whereas other specialised providers of similar services are located Townsville South
Heyne Mechanical Solutions	8009	Specialised	Infrastructure - Workshop	Plant Repairs	Heyne Mechanical Solutions is the only locally based supplier able to provide parts, service, repairs and have the diagnostic tools for software upgrades to Council's Grader Roller.
Hidrostal Pty Ltd	8945	Specialised	W&WW	Submersible Pumps	Hidrostal provide specialist pumps which reduce blockage rates at Council's wastewater treatment plants.
Komatsu Australia		Specialised	Infrastructure - Workshop	Plant Repairs	Komatsu Australia, has the equipment, diagnostic tools and the required training to Carry out major repairs and part supply for the new grader
Liquitek Pty Ltd	8309	Sole	W&WW	NEOTEC UV Disinfection Parts	Liquitek are the only distributor of NEOTEC UV Disinfection System in Australia.
TerreCom	8097	Specialised	ICT	Enterprise Network Management and Solutions	As Telstra no longer deals direct for corporate / enterprise services an alternative provider is required. TerreCom are authorised Telstra, Aussie Broadband, Fortinet, CISO and Next DC resellers. (This being Council's tool set). The vendor has knowledge of all Council sites and installed equipment. TerreCom also employs several ex-Telstra engineers who had previously worked with DSC over a ten year period, and therefore hold extensive knowledge and experience of DSC's systems and equipment, which ensures consistency and continuity of service.