

5.11. SURF LIFE SAVING SERVICE CONTRACT

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DEPARTMENT	Infrastructure Services

RECOMMENDATION

That Council:

1. **resolves in accordance with section 235 of the *Local Government Regulation 2012* that the Council's register of sole source suppliers be extended to include:**
 - **Surf Life Saving Queensland (ABN: 27 360 485 381)**
2. **delegates authority to the Chief Executive Officer in accordance with *Local Government Act 2009* to negotiate, finalise and execute any and all matters in relation to this contractual arrangement.**

EXECUTIVE SUMMARY

It is a requirement of the *Local Government Regulation 2012* (Regulation) to invite written quotations or tenders where the carrying out of works or the supply of goods or services involves a cost greater than \$15,000 or \$200,000 respectively. Additionally, Council's Procurement Policy contains provisions regarding the obtaining of quotes for amounts less than \$15,000.

The Regulation acknowledges that there are instances when it will not always be possible to meet this requirement and provides for a number of exceptions to manage these instances. One of these exceptions is sole source suppliers where it has been identified that they are a key supplier, who are the only reasonable option, from which Council can obtain goods and services.

A further sole source supplier has been identified and a resolution of Council is sought to add this supplier to the register adopted by Council on 13 October 2015.

Since 1930 Surf Life Saving Queensland has worked for and on behalf of the community of Queensland to ensure the beaches and lagoons continue to be recognised as a safe and enjoyable major tourist destination for user groups. Surf Life Saving Queensland has developed a "total service" principle providing the most efficient and effective service to the community. This is achieved through the coordinated delivery of all of the following:

- Professional Aquatic Safety Services (Lifeguards);
- Lifesaving Patrols (Surf Life Saving Clubs);
- Lifesaving Operations Support Services (Varies within regions);
- Community Education (public, schools, tourists and community groups);
- Liaison with Stakeholders (Emergency Services, Community Groups etc.); and
- Research and Development Programs (lifesaving equipment, technology).

The current lifeguard contract with Surf Life Saving Queensland (SLSQ) expires 30 June 2017. A quote has been received from SLSQ to provide lifeguard services for the next 3 years (2017/2018, 2018/2019 and 2019/2020).

The quote for the 2017/2018 year is \$184,516.82 excl. GST and will rise/fall in subsequent years in line with the contractual arrangements. The approximate cost over the 3 year contract period will be \$553,550 excl. GST.

BACKGROUND

The legislative requirement for a sole source supplier requires Council to be satisfied that the supplier is the only supplier that can reasonably provide the required goods or services. The emphasis is on the word "reasonably" and advice from the Department of Infrastructure, Local Government and Planning is that this should be interpreted on a regional and operational basis.

Regional basis interpretation:

- There is only one supplier in the rate paying or immediate region of Council and they are considered to be providing a competitive service, then they can be deemed a reasonable sole source of supply.

Operational basis interpretation:

- The purchase of goods and services from a sole source to support existing assets in an original equipment manufacturer (OEM) or associated systems (AS) type situation may also be deemed a reasonable sole source of supply.

COMMENT

Since 1930 Surf Life Saving Queensland has worked for and on behalf of the community of Queensland to ensure the beaches and lagoons continue to be recognised as a safe and enjoyable major tourist destination for user groups.

Surf Life Saving Queensland has developed a "total service" principle providing the most efficient and effective service to the community. This is achieved through the coordinated delivery of all of the following:

- Professional Aquatic Safety Services (Lifeguards);
- Lifesaving Patrols (Surf Life Saving Clubs);
- Lifesaving Operations Support Services (Varies within regions);
- Community Education (public, schools, tourists and community groups);
- Liaison with Stakeholders (Emergency Services, Community Groups etc.); and
- Research and Development Programs (lifesaving equipment, technology).

Staffs have now identified a further supplier to be included onto the Register of Sole Source Suppliers. Details of the supplier, the products they provide and the rationale to be added as a sole source supplier follow:

Table 1.

Supplier	Product	Rationale
Surf Life Saving Queensland (ABN: 27 360 485 381)	Professional Aquatic Safety Services (Lifeguards) Lifesaving Patrols (Surf Life Saving Clubs) Lifesaving Operations Support Services (Varies within regions) Community Education (public, schools, tourists and community groups) Liaison with Stakeholders (Emergency Services, Community Groups etc.) Research and Development Programs (lifesaving equipment, technology).	Surf Life Saving Queensland has developed a "total service" principle providing the most efficient and effective service to the community.

For the reasons provided above, staff are satisfied that legislative requirements for these suppliers to be registered as sole source suppliers have been met.

PROPOSAL

That Council:

1. **resolves in accordance with section 235 of the *Local Government Regulation 2012* that the Council's register of sole source suppliers be extended to include:**
 - **Surf Life Saving Queensland (ABN: 27 360 485 381)**
2. **delegates authority to the Chief Executive Officer in accordance with *Local Government Act 2009* to negotiate, finalise and execute any and all matters in relation to this contractual arrangement.**

FINANCIAL/RESOURCE IMPLICATIONS

The purchase of materials and services in the 2017/2018 financial year is budgeted annually with suppliers engaged on an as required basis for delivery of both operational and capital program delivery.

The register of sole source suppliers' process will improve the use of Council's resources.

YEAR ONE 2017/2018				
Beach	No. of Lifeguards	Service Duration	Hours of Operation	Cost
Four Mile Beach, Port Douglas	1	All Year Round 365 Days	Stinger Season (1 Nov– 31 May) weekdays, weekends, public holidays and school holidays 1 Nov-30 Apr 9 hours per day - 9.00am to 6.00pm	\$157,000.38 Excl. GST
	2	June July School Holidays	1 May-31 May 8 hours per day - 9.00am to 5.00pm Low Risk Stinger Season (usually 1 Jun–31 Oct) weekdays, weekends, public holidays and school holidays 8 hours per day - 9.00am to 5.00pm	
Note: Sundays + Public Holidays (9am–5pm) are covered by the Port Douglas Surf Life Saving Club from Jul to Nov and Apr to Jun.				
TOTAL COST Year 1				\$172,700.42 Incl. GST

Table 2.

YEAR ONE 2017/2018				
Beach	No. of Lifeguards	Service Duration	Hours of Operation	Cost
Four Mile Beach, Port Douglas (Priority 1)	2 nd lifeguard	Christmas School Holidays 09/12/2017 – 21/01/2018	Monday – Sunday 9am – 6pm	\$18,739.98 Excl. GST
Total Cost Year 1				\$20,613.98 Incl. GST

Table 3.

YEAR ONE 2017/2018				
Beach	No. of Lifeguards	Service Duration	Hours of Operation	Cost
Four Mile Beach, Port Douglas (Priority 2)	2 nd lifeguard	September School Holidays 16/09/2017 – 1/10/2017 Easter School Holidays 30/03/2018 – 15/04/2018	Monday – Sunday 9am – 5pm Monday – Sunday 9am – 5pm	\$8,776.46 Excl. GST
Note: Sundays + Public Holidays (9am–5pm) are covered by the Port Douglas Surf Life Saving Club from Jul to Nov and Apr to Jun.				
Total Cost Year 1				\$9,654.11 Incl. GST

Table 4.

The current lifeguard contract with Surf Life Saving Queensland (SLSQ) expires 30 June 2017. A quote has been received from SLSQ to provide lifeguard services for the next 3 years (2017/2018, 2018/2019 and 2019/2020).

The quote for the 2017/2018 year is \$184,516.82 excl. GST and will rise/fall in subsequent years in line with the contractual arrangements. The approximate cost over the 3 year contract period will be \$553,550 excl. GST.

The quote for 2017/2018 includes the following:

- One lifeguard on duty 365 days of the year;
- A second lifeguard on duty during the June / July School Holidays;
- A second lifeguard on duty during the Christmas School Holidays;
- A second lifeguard on duty during the September School Holidays; and
- A second lifeguard on duty during the Easter School Holidays.

Infrastructure Services has allocated funds in the draft 2017/2018 Operational Budget to cover the cost of this service contract. Subsequent Operational Budgets will need to reflect this 3 year contract.

RISK MANAGEMENT IMPLICATIONS

This register of sole source suppliers does not commit Council to any financial expenditure terms and meets all legislative requirements. Council considers and adopts its annual budgets separately.

SUSTAINABILITY IMPLICATIONS

Economic: Undertaking a process by which the suppliers are identified as a sole source supplier allows suppliers to be directly engaged saving both time and expense for Council and suppliers.

Environmental: Suppliers will be required to work in compliance with Council's environmental plans and policies.

Social: Ensure the beaches and lagoons continue to be recognised as a safe and enjoyable major tourist destination for user groups

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 2 - Building a Sustainable Economic Base

2.1.3 - Provide information sessions regarding the "preferred supplier" application process to support local business.

2.2.3 - Encourage business activity and investments by removing unnecessary bureaucratic processes.

2.2.4 - Promote and support - 'Buy Local'.

Theme 5 – Governance

5.1.3 - Monitor and regularly review procurement practices to ensure legislative compliance and "value for money".

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 Meeting the responsibilities associated with regulating activities through legislation or local law.

CONSULTATION

Internal: Consultation has occurred with officers across the relevant departments

External: Nil

COMMUNITY ENGAGEMENT

No specific community engagement has been completed relating to the sole source supplier status for Surf Life Saving Queensland (SLSQ). SLSQ has been providing this service for Council for many years and has performed well for Council and the community.

ATTACHMENTS

Nil