



GLADSTONE
REGIONAL COUNCIL

**SPECIAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS - CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 23 January 2024

Commencing at 9.00am

**Mark Holmes
CHIEF EXECUTIVE OFFICER, Acting**

Table of Contents

ITEM	PAGE
S/1. OFFICERS' REPORTS	3
S/1.1. LEASE OF ADDITIONAL LAND TO IMPACT COMMUNITY SERVICES LTD - 2 RAFTING GROUND ROAD AGNES WATER.....	3
S/1.2. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT OPERATING MODEL	7
S/1.3. TENDER 139-23 GLADSTONE ENTERTAINMENT AND CONVENTION CENTRE CAFÉ/ RESTAURANT LEASE AND CATERING AND BAR SERVICES	12
S/1.4. PSA 92-24 CORPORATE UNIFORMS AND PPE.....	15
S/1.5. SPECIALISED SUPPLIER - SLIP-ON FIRE UNIT	18

S/1. OFFICERS' REPORTS

S/1.1. LEASE OF ADDITIONAL LAND TO IMPACT COMMUNITY SERVICES LTD - 2 RAFTING GROUND ROAD AGNES WATER

Responsible Officer: General Manager Assets and Environment

Prepared By: General Manager Asset and Environment

Council Meeting Date: 23 January 2024

File Ref: CP8.2

Purpose:

The purpose of this report is to allow Council to consider the disposal of the part of Lot 8 on RP 619964 situated at 2 Rafting Ground Road to IMPACT Community Services Ltd.

Officer's Recommendation:

That Council:

1. Resolves that s236(1)(b)(ii) of the *Local Government Regulation 2012* applies to the proposed lease of Lot 8 on RP 619964, Agnes Water to IMPACT Community Services Limited ("the Lease") on the following terms and conditions:
 - (a) A term of 10 years;
 - (b) At a rental of \$1.00 per annum payable on demand;
 - (c) Such other terms as the Chief Executive Officer deems appropriate in the circumstances; and,
2. Authorises the Chief Executive Officer to negotiate, finalise and execute all matters associated with or in relation to the Lease.

Summary:

IMPACT Community Services Ltd (Impact) lease a portion of Lot 8 on RP 619964 situated at 2 Rafting Ground Road, Agnes Water from Council, and have expressed interest in acquiring the balance of Lot 8 for an ambitious plan for future staged development including a multipurpose health facility with urgent care and bed places, commercial spaces for health services such as radiology and pathology, staff accommodation, training spaces and co-location of health-related services.

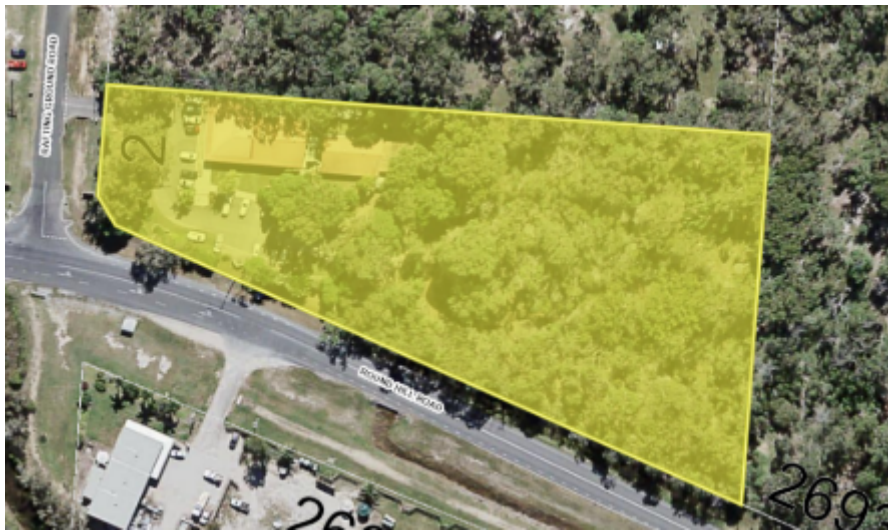
Link to Corporate Plan:

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Background:

Lot 8 RP619964 otherwise described as 2 Rafting Ground Road, Agnes Water is a 1.37 ha block of freehold land at the corner of Rafting Ground and Round Hill Roads, Agnes Water (illustrated in the below image). Lot 8 is zoned as Community Facilities under the current planning scheme. Development within the Communities Facilities zone may include the provision of municipal services, government installations, hospitals and schools and community infrastructure of an artistic, social or cultural nature.



Lot 8 has previously been the subject of a Strategic Review which identified the value of the land given Council currently has limited freehold land within Agnes Water and there is demand for land for community services.

The two buildings situated within Lot 8 have housed a Rural Primary Health Service Program for over 20 years, previously auspiced by both Miriam Vale Shire Council and Gladstone Regional Council. Impact have occupied part of Lot 8 since 2016, providing primary health care services including community nursing and allied health services to the Discovery Coast Community.

Their occupation was initially through a licence agreement and more recently, a 10-year lease following a resolution from Council in 2022. The current lease area is illustrated below.



Risk Management Summary:

The officer's recommendation reduces the risk of Lot 8 not being utilised for the benefit of the community. Rejecting the expression of interest could lead to reputational damage, given the nature of the request to expand health services to the community.

Options and Opportunity Analysis:

IMPACT recently submitted an Expression of Interest to acquire the whole of Lot 8, allowing them to progress a masterplan to expand the range of services they can offer. Councillors have been briefed on the details of the expression of interest and plans.

Assessing IMPACT's plans officers consider them to be consistent with the current zoning and Council's own strategic priorities around health service provision in the region.

By leasing the land (as opposed to a disposal by transfer or sale), Council can retain the freehold land to ensure it continues to be used for the community's benefit.

Having recently negotiated a lease with IMPACT, the lease should be able to be put in place without delay should Council adopt the Officer's Recommendation.

Officers received enquiries from Queensland Health's Wide Bay Hospital and Health Service expressing their interest in the balance of the lot. Their requirements of at least 10,000 square metres for a Multi Purpose Health Service, ideally with the option to extend exceeded the 8,500 square metres available in the balance of Lot 8.

Option 1 – The Officer's Recommendation

Council resolves to dispose the balance of Lot 8 to Impact. For Council to enter a lease with Impact without a Tender or Auction process, Council must resolve that the exemption in s236(1)(b)(ii) of the *Local Government Regulation 2012* applies to the lease.

Option 2 – Reject the request

Council may elect to reject Impact's expression of interest and seek another use for the balance of Lot 8. This option would curtail Impact's ambitions to expand the services currently provided from Lot 8.

Stakeholder Engagement:

Councillors and officers from Governance and Risk and Strategic Property have been consulted in the consideration of Impact's proposal.

Legal and Regulatory Implications:

Under s227 of the *Local Government Regulation 2012* (“LGR”), Council cannot enter a valuable non-current asset contract (a contract for the lease or sale of freehold land) unless it first invites written tenders or offers the non-current asset for sale by auction. There is an available exception to s227 of the LGR, that is where:

- (a) s236(1)(b)(ii): the valuable non-current asset (land) is disposed of to a community organisation...

Financial and Resource Implications:

Costs for registration of the negotiated lease would be recovered from the lessee.

Anticipated Resolution Completion Date:

A lease on similar terms to the current lease should be able to be executed between parties within 3 months of resolution

Attachments:

Nil.

S/1.2. PHILIP STREET COMMUNITIES AND FAMILIES PRECINCT OPERATING MODEL

Responsible Officer: General Manager Community and Lifestyle

Prepared By: Manager Community Partnerships

Council Meeting Date: 23 January 2024

File Ref: CC5.1

Purpose:

To allow Council to consider the ongoing service and facility management model for the Philip Street Communities and Families Precinct.

Officer's Recommendation:

That Council maintains the current operating model for the Philip Street Communities and Families Precinct.

Summary:

The Philip Street Communities and Families Precinct (the Precinct) provides a space that brings together community groups and service providers in a friendly parkland setting and offers a unique opportunity to work collaboratively to deliver for our community, enabling access to resources and services. The Precinct opened in August 2021 and has now been in operation for over two years.

In 2020, Council resolved to endorse an operating model for the Philip Street Precinct that held Council responsible for the operation and maintenance of the facility, with the community voice captured through a formal Advisory Committee representing all segments of the community. It was further resolved to trial this model over a two-year period which commenced in August 2021 and report to Council recommendations on continued operation of the Precinct.

Link to Corporate Plan:

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Background:

In 2009, the Gladstone Region Social Infrastructure and Strategic Plan (SISP), developed in partnership with the former Gladstone Economic and Industry Development Board (GEIDB) and the former Department of Infrastructure and Planning (DIP), recommended that the number one priority social infrastructure objective for Gladstone was the co-location and integration of human and social services and facilities to address the fragmentation of the community support system.

On 19 June 2018, Council approved (vide G/18/3421) an original Life of Project (LoP) cost of \$16.4m (and revised in February 2020 to \$17.9m) for the construction of Stage 1 of the Philip Street Communities and Families Precinct (the Precinct).

At its General Meeting of 2 November 2020, Council considered three alternate operating models:

1. Establishment of an Advisory Committee to drive strategic intent of the Precinct and council to manage asset management, lease management, grant attraction and secretariat support.
2. Engage an existing lead agency where the building lease is taken by a large organisation that then manages the premises with assistance from the management committees of the small organisations involved.
3. Establish an Incorporated Association and give the authority to manage the asset and/or make decisions about it through a lease or management agreement.

Council approved (vide S/20/4341) Option 1, with council's Community Partnership team taking the lead role in the service delivery and maintenance management of the Precinct for the past two years, informed strategically by the Philip Street Advisory Committee. The Philip Street Working Group (PSWP) has documented a Service Model for the Precinct based on the current operating model (refer Attachment 1).

The establishment of an Advisory Committee to strategically lead the precinct provides the opportunity for the community to have a voice in the way the Precinct is operated. Targeted roles were implemented providing input from the First Nations, Culturally and Linguistically Diverse, Young People, Seniors and Disability communities. All roles have been filled and maintain an active membership. Should council endorse the officer's recommendation in this report, to continue to manage and maintain the Philip Street Communities and Families Precinct, expressions of interest for Advisory Committee Members will be called for in March 2024 (existing member's terms expire in May 2024).

Risk Management Summary:

The Operating Model for the Precinct could have a substantial impact on the management of risk associated with the Precinct. Since adopting the original operating model for the Precinct, Council's risk appetite in the "Reputation" and "Regulatory and Legal" risk categories has increased from Minimal to Moderate, suggesting that Council now takes a more balanced approach to taking risk in those categories.

Options and Opportunity Analysis:

The Operating Models presented to council on 2 November 2020, were risk assessed in accordance with council's Risk Management Framework to determine a residual risk profile as per the below. The areas of most impact were identified as service delivery, regulatory and legal/financial. As identified above, since that time, Council has amended its risk appetite from minimal to moderate for regulatory and legal. Option 1 (which was endorsed by council) at the time, presented the lowest risk.

Risk Profile	Option 1 – Council and Advisory Committee			Option 2 – Lead Agency			Option 3 – Incorporated Association		
	Risk	Likelihood	Consequence	Risk	Likelihood	Consequence	Risk	Likelihood	Consequence
Health, Safety and Wellbeing	Medium	Possible	Minor	Medium	Possible	Minor	Medium	Possible	Minor
Financial	Medium	Likely	Minor	Medium	Almost Certain	Minor	Medium	Possible	Moderate
Reputation	Medium	Likely	Negligible	Low	Unlikely	Minor	Low	Possible	Negligible
Environment	Low	Rare	Negligible	Low	Unlikely	Negligible	Low	Unlikely	Negligible
Regulatory and Legal	Low	Unlikely	Negligible	Medium	Possible	Minor	Medium	likely	Negligible
Service Delivery	Low	Possible	Negligible	Medium	Possible	Minor	Medium	Possible	Minor

The collaborative operating model established at the Precinct has resulted in improved relationships between the operating services at the Precinct, more effective referral pathways between providers – meaning community members can access multiple support services in the one precinct, shared learning opportunities, and collective impact.

Since opening, the Precinct has won multiple awards and has been identified as best practice for community hubs by the State Government and other Councils. The Precinct is a true example of multiple tiers of Government, charities and community organisations working together in the best interests of the community.

Following consideration of this report and the Precinct Service Model, options for consideration include:

1. The Officer’s Recommendation is that Council continue to manage and maintain the Philip Street Communities and Families Precinct, with strategic advice provided through the Philip Street Advisory Committee; or
2. Council may request officers explore the adoption of an alternate operating model.

Should Council be of a mind to resolve Option 2, an alternate resolution may be:

“That officers provide a further report to Council by XXXX providing a detailed analysis of alternate options for the operation of the Philip Street Communities and Families Precinct.”

Stakeholder Engagement:

The Advisory Committee is designed to ensure the voice of our community is captured and channeled to inform the strategic intent of the Precinct and its programs. The Advisory Committee presented its first Annual Report to Council in March 2023, with its next report scheduled for February 2024.

In addition to the Advisory Group, the Operations Group consists of representatives from Precinct partners. In the interest of supporting the collaborative environment this also includes representatives from all permanent Tenants. The Operations Group develops and communicates recommendations for consideration by the Advisory Group in relation to Facilities maintenance, health and safety, risk management, site service mix, facility capacity and availability, complementary and competing services and emerging trends and gaps.

The Advisory Committee and Operations Group have been operating effectively to ensure the voice of the community is incorporated into the strategic and operational elements of the Precinct.

Legal and Regulatory Implications:

Any future operating models for the Precinct must be consistent with:

1. The leases to the Salvation Army (Queensland) Property Trust which establish basic service standards and operating conditions; and
2. The Local Government Act 2009 and Local Government Regulation 2012, particularly regarding the leasing, procurement of management services and/or advisory committees, and accommodate any future expansion of the Precinct.

Financial and Resource Implications:

In November 2020, officers tabled a report informing Council of estimates to manage, maintain and depreciate the Philip Street Precinct asset.

These estimates are based on QTC whole of life models that define management cost as operational activities necessary to operate the facility, and in addition the Quantity Surveyors Report for lifecycle maintenance costs for 30 years (April 2020).

Based on this information, it was estimated that Council would absorb an estimated annual management and maintenance cost of \$573,000 for the Ngallil Building, the Maxine Brushe Community Meeting Place and the green spaces.

In addition, as the asset owner, Council is responsible for all costs of depreciation associated with the Precinct. The Salvation Army are responsible for the operating and maintenance costs for the Gumar and Nutchee buildings.

	Ngallil (GRC and NHC)	Maxine Brushe Community Meeting Place	Gumar (Salvation Army)	Nutchee (Communities for Children)	Precinct Civils/Communal Areas
Management	\$47,000	\$49,000	\$41,000	\$47,000	\$314,000
Maintenance	\$9,000	\$12,000	\$10,000	\$10,000	\$142,000
Depreciation	\$18,000	\$18,000	\$16,000	\$18,000	\$122,000
TOTAL	\$84,000	\$87,000	\$74,000	\$84,000	\$578,000

Table 1: Estimated Council cost as at 2 November 2020

An analysis of the 2022/23 actual costs incurred by Council for the Operation of the Precinct amounted to \$186,000.69 (refer below). As demonstrated below, Precinct Partners, the Salvation Army and Communities for Children, reimburse council for partial cost of the 'common area' electricity consumption. There has been a significant reduction in maintenance costs from the estimate in 2020 to actuals in 2022, due to the age of the building and other defects being rectified during the defects period.

Please note, for consistency, this figure does not include employee costs for the Community Partnership team who relocated from the Community Advisory Centre in Goondoon Street, to the Precinct or depreciation.

	Ngallil (GRC and NHC)	Maxine Brushe Community Meeting Place	Gumar (Salvation Army)	Nutchee (Communities for Children)	Precinct Civils/Communal Areas
Rates	\$25,414.94	-	-	-	-
Electricity	\$32,073.68	\$8,954.10	(\$579.44)	(\$623.13)	\$2,359.27
Maintenance (facility, garden, cleaning, refuse)	\$40,733.53	\$10,731.10	-	-	\$66,936.64
Depreciation (whole of facility)	\$175,263.01	-	-	-	-
TOTAL	\$273,485.16	\$19,685.20	(\$579.44)	(\$623.13)	\$69,295.91

Figure 2: Actual costs for 2022/23 year.

As can be seen in the tables above, the Precinct's actual operational costs are significantly lower than the estimates originally presented to Council in 2020, demonstrating an economically responsible approach to the ongoing management and maintenance of the Precinct under Council management. For comparison, the actual operating cost, excluding depreciation, was \$186,000.69.

Anticipated Resolution Completion Date:

31 January 2024.

Attachments:

1. Philip Street Community Precinct Service Model

S/1.3. TENDER 139-23 GLADSTONE ENTERTAINMENT AND CONVENTION CENTRE CAFÉ/ RESTAURANT LEASE AND CATERING AND BAR SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: General Manager Finance Governance and Risk (Acting)

Council Meeting Date: 23 January 2024

File Ref: FM21.1

Purpose:

This report seeks resolution from Council to enter into a lease and contract for the Gladstone Entertainment and Convention Centre Cafe/ Restaurant Lease and Catering and Bar Services.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to enter into contracts with Light Group Pty Ltd for:
 - The lease for the Gladstone Entertainment and Convention Centre Cafe/ Restaurant for a term of five years with an option to extend for a further three periods of five years to a maximum of twenty (20) years in total; and
 - The provision of Catering and Bar Services for the Gladstone Entertainment and Convention Centre for a term of five years with an option to extend for one further period of five years to a maximum of ten (10) years in total.
2. Authorise the Chief Executive Officer to negotiate, finalise and execute all matters associated with or in relation to the lease and contract.

Summary:

An open market tender was conducted in accordance with s232 of the *Local Government Regulation 2012*, and the officer's recommendation is to appoint Light Group Pty Ltd for a period of up to twenty (20) years for the Cafe / Restaurant and ten (10) years for Catering and Bar Services.

Link to Corporate Plan:

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Background:

Council is seeking a suitably experienced commercial operator to lease the café/restaurant directly connected to the Gladstone Entertainment and Convention Centre (GECC) at 58 Goondoon Street, Gladstone. Council is also seeking a suitably experienced operator to deliver catering and bar services at the GECC.

The current agreement with Light Group for the lease at 56a Goondoon Street and the Gladstone Entertainment Convention Centre (GECC) Catering Services is due to expire in February 2024. Council has exercised all extension options within the agreement.

Risk Management Summary:

The existing lease and contract have an expiry date of 28 February 2024. If new agreements are not in place, Council is exposed to the risk of service disruption and potential reputational damage by having no lessee and no contracted caterer for an undefined period.

Options and Opportunity Analysis:

On 28 October 2023, Council released an Invitation to Tender (ITT) to the open market via VendorPanel in accordance with the tender process requirements set out in s228 of the *Local Government Regulation 2012*.

The tender closed on 21 November 2023, with one (1) offer received.

The offer was evaluated by a panel of subject matter experts, based on the following criteria disclosed in the ITT:

Objective Evaluation Criteria	Weighting
Proposed business plan (including financial plan for Portion A) demonstrating financial capacity and performance of Lease and/or Service Provider Agreement terms and conditions	30%
Vision and concept align with GRC's objectives	30%
Relevant experience in successfully running similar hospitality businesses and/or commercial catering operations	20%
Suitable Key Personnel are proposed and have appropriate qualifications and experience	20%

The tender evaluation panel recommends the submission from Light Group Pty Ltd. Light Group Pty Ltd received a high score from the evaluation panel across all evaluation criteria. Their proposed business plan and vision and concept was comprehensively detailed and demonstrated a good clear understanding of GRC's objectives for operation of the café/restaurant and catering and bar services.

The Light Group Pty Ltd have proposed capital investment to reinvigorate the existing restaurant / cafe, and as such have requested an extended lease period beyond Council's original tender proposal, for opportunity to receive a return on their investment.

An extended lease period for the catering services for GECC provides continuity and security for advanced bookings which are usually two to three years in advance.

Award to Light Group Pty Ltd is subject to negotiations being completed to Council's satisfaction prior to entering into the lease and service provider agreement.

Stakeholder Engagement:

A range of Council personnel were involved in preparing the tender and contributed to the evaluation of offers received.

Legal and Regulatory Implications:

Council sought offers via Vendor Panel in accordance with the Local Government Regulation 2012, Local Government Act 2009, and Council's Procurement Policy P-2021-01.

Council's endorsement of this tender award is in accordance with the Register of Delegations – Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation. If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to the officers for re-evaluation. In the interest of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to amended criteria prior to re-evaluation.

Financial and Resource Implications:

The approximate value under the contract is anticipated to be \$200,960 ex GST per year for years 1-10 and \$80,960 ex GST per year for years 10-20, or \$2,819,200 ex GST total over the potential 20-year term.

This comprises the following components:

- Lease - \$80,960 + GST per annum; and
- Catering and Bar Services – up to 15% of Gross Sales. Estimated \$120,000 + GST per annum.

	Years 1-10	Years 10-20	Total
Lease	\$809,600	\$809,600	\$1,619,200
Catering and Bar Services	\$1,200,000	-	\$1,200,000
Total	\$2,009,600	\$809,600	\$2,819,200

Anticipated Resolution Completion Date:

The contract will be awarded in February 2024.

Attachments:

1. CONFIDENTIAL Tender 139-23 Final Evaluation Outcome
2. CONFIDENTIAL Light Group Pty Ltd Refurbishment Proposal

S/1.4. PSA 92-24 CORPORATE UNIFORMS AND PPE

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement (Acting)

Council Meeting Date: 23 January 2024

File Ref: FM21.1

Purpose:

This report seeks resolution from Council to enter into a Preferred Supplier Agreement (PSA) for the Supply and Delivery of Staff Uniforms and Personal Protective Equipment (PPE).

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Panel's recommendation to appoint CQ Embroidery Pty Ltd t/a Everything Uniform to PSA 92-24 Supply and Delivery of Staff Uniforms and PPE and enter into a contract for a term of one year with the option to extend for three further periods of one year to a maximum of four years in total.
2. Authorise the Chief Executive Officer to negotiate, finalise and execute all matters associated with or in relation to the contract.

Summary:

An open market tender was conducted in accordance with s232 of the *Local Government Regulation 2012*, and the officer's recommendation is to appoint CQ Embroidery Pty Ltd t/a Everything Uniform as the preferred Supplier of 92-24 Supply and Delivery of Corporate Uniforms and PPE for a period of up to four (4) years.

Link to Corporate Plan:

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Delivering Value - We work efficiently to deliver value for your rates.

Background:

Council requires the supply and delivery of staff uniforms including corporate uniforms, PPE clothing and work boots.

Risk Management Summary:

The intent of the Preferred Supplier Agreement (PSA) is to mitigate risks associated with the unavailability of PPE and field uniforms, and to reduce Council exposure that may be a result of corporate and field staff clothing and PPE being unavailable.

Options and Opportunity Analysis:

To reduce the risk that Council will not have access to corporate uniforms and PPE Council is seeking to appoint a Preferred Supplier of Corporate uniforms and PPE.

The PSA provides Council with efficiencies when engaging our service provider as follows:

- (a) s232 of the Local Government Regulation 2012 allows Council to enter into contracts with Suppliers on a PSA for engagements \$15,000 ex GST and over, without the need for a formal quoting and tender process.
- (b) Suppliers on the PSA have been appointed in accordance with the requirements of Council's Procurement Policy including meeting Safety Requirements, Local Content and value for money.
- (c) Engagement will be approved via purchase orders in accordance with Council's Register of Financial Delegations.

On 28 October 2023, Council released an Invitation to Tender (ITT) to the open market via VendorPanel in accordance with the tender process requirements set out in s228 of the *Local Government Regulation 2012*.

The tender closed on 21 November 2023, with four conforming offers received.

The four conforming offers were evaluated by a panel of subject matter experts, based on the following criteria disclosed in the ITT:

Objective Evaluation Criteria	Weighting
Lead times meet GRC timing requirements	25%
Offer demonstrates capability to meet GRC's requirements and understanding of the Scope of Work	40%
Nominated past performance meets GRC's experience requirements	35%

The tender evaluation panel recommends the submission from CQ Embroidery Pty Ltd t/a Everything Uniform as it presents the best overall offer to Council.

There were instances where other offers received provided many alternative PPE clothing and boots when specific brands were requested. As uniforms are approved by CEO and PPE clothing is specified to meet the needs for the employees wearing, this did not meet the specifications on the scope. This poses a high-risk of contract variations and specific requirements not meeting the needs for GRC employees. Further, the offer from CQ Embroidery Pty Ltd t/a Everything Uniform meets the lead time of the PPE and corporate clothing and provided the additional inclusions within their methodology, where there were other offers that did not.

The award of a contract to CQ Embroidery Pty Ltd t/a Everything Uniform is subject to the successful negotiation of contract terms.

Appointment to a PSA gives no guarantee or representation as to the volume or value of orders to be issued by Council and term extensions are the sole discretion of Council.

Stakeholder Engagement:

A range of Council officers were involved in the preparation of the tender and contributed to the evaluation of offers received.

Legal and Regulatory Implications:

Council sought offers via Vendor Panel in accordance with the Local Government Regulation 2012, Local Government Act 2009, and Council's Procurement Policy P-2021-01.

Council's endorsement of this tender award is in accordance with the Register of Delegations – Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation. If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to the officers for re-evaluation. In the interest of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to amended criteria prior to re-evaluation.

Financial and Resource Implications:

Appointment to the PSA does not commit financial resources. Engagement of the supplier under the PSA will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however it will be subject to Sound Contracting Principles and Register of Delegations.

The approximate value under the contract is anticipated to be \$320,000 ex GST per year or \$1,280,000 ex GST over the potential 4-year term.

Anticipated Resolution Completion Date:

The contract will be awarded in February 2024.

Attachments:

1. CONFIDENTIAL PSA 92-24 Final Evaluation Outcome

S/1.5. SPECIALISED SUPPLIER - SLIP-ON FIRE UNIT

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: General Manager Finance Governance and Risk (Acting)

Council Meeting Date: 23 January 2024

File Ref: PE1.1

Purpose:

This report seeks resolution from Council to enter into a contract with a Specialised Supplier, making use of the provisions in section 235(a) of the *Local Government Regulation 2012*, that allows for exceptions to the requirement for written quotes or tenders.

Officer's Recommendation:

That:

1. In accordance with Section 235(a) of the *Local Government Regulation 2012*, Council is satisfied that Bell Fire Equipment Company Pty Ltd is the only supplier reasonably available to deliver a slip-on fire unit of the same consistency and capacity as existing unit.
2. Endorse the recommendation that the contract for \$17,460.00 ex GST be awarded to Bell Fire Equipment Company Pty Ltd.
3. Authorise the Chief Executive Officer to negotiate, finalise and execute all matters associated with or in relation to the contract.

Summary:

Officers have determined that there is only a single supplier to provide the specialised equipment required and are recommending that the contract be awarded to that supplier.

Link to Corporate Plan:

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Background:

Due to the nature of some goods and services, there may be only one supplier who is reasonably available or who provides a specialised service.

Section 225 of *Local Government Regulation 2012* (LGR) provides Council cannot enter into a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote. Section 224(2) of the LGR defines medium sized contractual arrangement as a contractual arrangement with a supplier that is expected to be worth \$15,000 or more (plus GST) but less than \$200,000 over a financial year (or longer term of contract). Section 224(4) of the LGR provides expected value is the total expected value of all Council's contracts with the supplier for goods and services of a similar type under the arrangement.

There are several exceptions in the LGR including:

- Section 231 Council can establish an approved contractor list by EOI process (this is for services only, not goods or works, and it is suggested in the King & Co commentary on LG Online that Council needs more than 1 supplier on a list);
- Section 232 Council can establish Prequalified Supplier Register via tender process (if 1 of the points in 232(3) applies which includes that the preparation and evaluation of invitations every time would be costly);
- Section 234 where the supplier is on LGAQ contract arrangement;
- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available;
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders;
- Section 235(c) where a genuine emergency exists; and
- Section 235(f) the contract is made with or under an arrangement with a government agency.

In addition to the specific requirements of the LGR sections, Council officers are required to comply with the local government principles in section 4 of *Local Government Act 2009* and the sound contracting principles in section 104(3) of the LGR, as well as the provisions of the Council's Procurement Policy.

To support the business in meeting its obligations under the LGR requirements – Council's procurement corporate standard adds a further requirement to issue 2 or more written invitations to quote where the contract value is \$5,000 to \$15,000 and the exceptions do not apply.

Risk Management Summary:

Council's Contracts and Procurement team have identified an organisational need for the exception to be applied to the supplier contained within this report, as a purchase is required exceeding \$15,000 ex GST thus requiring the application of the following exceptions:

- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available; and
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders.

The purchase of a slip-on fire unit that is not consistent with the existing unit poses an operational risk, where officers engaging in traditional or contemporary planned burns would likely be required to be familiar with and utilise equipment that functions differently. This risk can be mitigated by maintaining consistency between the two units.

Options and Opportunity Analysis:

Council currently has a Slip-on Fire Unit on a vehicle for the First Nations Fire Officer position and the Cultural Burn program, however for Council to continue to deliver a burning program safely and effectively, Council need a minimum of at least two equipped fire units (of the same consistency and capacity) and vehicles (with trained staff) and a water vehicle (1000L minimum).

Stakeholder Engagement:

Internal procurement stakeholders and the Manager of Environment and Conservation have been involved in preparing this report.

Legal and Regulatory Implications:

It is a requirement of section 225 of the LGR to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000.

Additionally, Council's Procurement Corporate Standard requires a minimum of two (2) quotes for all purchases of goods and services greater than \$5,000 and three (3) quotes for all purchases greater than \$15,000.

Section 235 of the LGR provides the following exceptions to the requirement relevant to this request including:

- (a) the local government resolves it is satisfied that there is only (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.

Financial and Resource Implications:

The quoted value for this procurement is \$17,460 ex GST.

The procurement activity making use of this resolution will be subject to Council's Register of Financial Delegations.

Anticipated Resolution Completion Date:

The contract will be awarded in February 2024.

Attachments:

N/A