

## Elise Adams

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**From:** Mark Snowdon [msnowdon@racingqueensland.com.au]  
**Sent:** Friday, 2 December 2011 7:43 AM  
**To:** Brett Thomson  
**Cc:** Malcolm Tuttle; Chris Fulcher; Russell Thompson; Shara Reid; Paul Brennan; Robert Bentley  
**Subject:** RE: 0709 - Consultant Appointments - Selection of Preferred Suppliers  
**Attachments:** image001.png

Hi Brett

I will phone this morning to discuss.

In the meantime I would appreciate if you could provide the information relating to Contour as per the email of 7<sup>th</sup> November to set you up as a preferred supplier.

In relation to the other items we are dealing with the bulk of these internally and I will discuss these with you once we are at a draft stage.

## Mark Snowdon

Project Director



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**From:** Brett Thomson [mailto:Brett@contource.com.au]  
**Sent:** Friday, December 02, 2011 5:32 AM  
**To:** Mark Snowdon  
**Cc:** Malcolm Tuttle; Chris Fulcher; Russell Thompson; Shara Reid; Paul Brennan; Robert Bentley  
**Subject:** RE:0709 - Consultant Appointments - Selection of Preferred Suppliers

Mark,

Further to your email of 07 November and subsequent meetings with RQL, we have compiled a comprehensive response to the subject, including:

- IIP Delivery Team Structure including options for roles and responsibilities.
- Selection Criteria for Preferred Suppliers
- Purchasing Policy Requirements
- Intellectual Property rights
- Limitations on consultants responsibilities with respect to Horse/Greyhound/Participant safety and workplace issues
- Consultancy Services Contracts between RQL and Contour

We would appreciate the opportunity to table our draft response with yourself and the RQL IIP Team at a meeting next week to ensure that it complies with RQL directions moving forward.

Please phone me to discuss.

Regards,

**Brett Thomson**

5/09/2013

BE AdvDipBus CPEng RPEQ CEnvP CPESC  
MIEAust MEIANZ MQELA GAICD  
**Director**

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**From:** Mark Snowdon [mailto:msnowdon@racingqueensland.com.au]  
**Sent:** Monday, 7 November 2011 4:47 PM  
**To:** Brett Thomson  
**Cc:** Malcolm Tuttle  
**Subject:** Consultant Appointments

Brett

As per our discussion we need to implement the following selection criteria to the appointment of all suppliers of the IIP.

Could you please initially prepare something for CCE and we will need this produced on all suppliers engaged to date for our records. Obviously this will only need to be done once for each suppliers.

### 1.1. Selection of Preferred Suppliers

The selection of preferred suppliers should be based on selection criteria that could include:

- Technical capability and experience
- Financial capacity and viability
- System and management responsibility incorporating product and service compliance with agreed industry standards
- People
- Business/organisation factors
- Favourable referee reports (a successful track record to deliver)
- Racing Queensland Limited's 6 key principles:
  1. Value for money;
  2. Quality of product, service, and support;
  3. Open and fair competition;
  4. Accountability of outcomes;

5. Use of Queensland product where price competitive, and where quality standards are met; and
6. Suppliers are compliant with all taxation requirements.

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-----Original Message-----

From: Paul Brennan [mailto:pbrennan@racingqueensland.com.au]

Sent: Tuesday, 6 December 2011 9:31 AM

To: Chris Fulcher

Cc: Brett Thomson; Mark Snowdon

Subject: RE: Cairns

Chris

Sorry for the delayed response I had an ordinary week last week and didn't get an opportunity to respond to your email and fee proposal for Cairns. When I spoke to Brett last week I wasn't aware of the value of work still required to be undertaken to finalise the detail design and development of a full scope of works and bill of quantities.

Following receipt of your fee proposal I have discussed this internally, but unfortunately due to the costs associated with finalising the detail design this will require Government approval, which will dictate one of the below approaches:

- RQL to proceed with Contour to undertake the detail design without going to the market and prior to Government approval of the business case;
- b. RQL to go to the market for the detailed design, prior to the Government approval of the business case;
  - c. RQL to await business case approval and then engage Contour to have the work undertaken; or
  - d. RQL to await business case approval and then go to market to have the work undertaken.

As the release of funds is contingent upon RQL meeting all Government probity requirements it is imperative that RQL has Government approval if there is to be any deviation from agreed protocols. Bob met with Government last Friday and we are awaiting a response in relation to the approach we are able to take on Cairns.

Mark and I will keep you briefed as information comes to hand.

Thanks  
Paul



709

**Brett Thomson**

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**From:** Brett Thomson  
**Sent:** Monday, 12 December 2011 12:01 PM  
**To:** 'Paul Brennan'; Chris Fulcher  
**Cc:** Mark Snowdon; Malcolm Tuttle (mtuttle@racingqueensland.com.au); smurray@racingqueensland.com.au; Rbentley@racingqueensland.com.au; Russell Thompson; Kate Broadbent  
**Subject:** RE: Cairns Procurement  
**Attachments:** GOVERNMENT PROCUREMENT - CAIRNS.DOCX; img-Z12100030.pdf; img-Z12111558.pdf

PB/MS,

With regard to Paul's email below, we would consider the situation to fall well within the auspices of the "SOLE SUPPLIER" criteria of the State Government Procurement Policy, especially in the context of the "critical" nature of the sub-project, the relationship between customer and supplier and the 3 Foundation Concepts of the State Procurement Policy and the limited risk and relative low cost of this component of this sub-project.

Following on from our meeting regarding procurement policy, please take the time to review the attached "Government Procurement - Cairns.Docx". We supply this as information for your consideration.

The part of the document describes the **PROCESS FOR APPLICATION FOR "SOLE SUPPLIER"** that may be used to introduce the concept to the Board. This information has been generally taken from the State Government website

The Second part of the document is application of the Sole Supplier process to the specifics of the Cairns Sub-Project

The third part is an example application to Government.

(The other two attachments are supporting info from the State Government Purchasing Policy).

We, we will be in RQL offices this afternoon at 2.30 on other matters, and would be pleased to discuss this further at that time.

Regards,

Brett Thomson  
BE AdvDipBus CPEng RPEQ CEnvP CPESC  
MIEAust MEIANZ MQELA GAICD  
Director

For and on behalf of:  
CONTOUR Consulting Engineers Pty Ltd



## **QLD GOVERNMENT – PROCESS FOR APPLICATION FOR “SOLE SUPPLIER”**

### **1. Introduction**

The Queensland State Purchasing Policy has, among its objectives, two equally ranking criteria:

- 1.1. To achieve value for money; and
- 1.2. To ensure probity and accountability for outcomes.

Achievement of these objectives would generally be by the following means:

- Achieving value for money – completing the project by the most economical means
- Ensuring probity and accountability – completing the required paperwork so that it satisfies audit.

### **2. Normal Practice**

The generally accepted best means of achieving the above objectives for engaging suppliers is by tendering to three or more firms, or by going to a competitively neutral commercialised business unit of DPW or other State Government agency, such as Q Build.

### **3. Reasons for Exemption**

There are 5 main reasons why exemption to normal practice may have to be sought in order to achieve the State Purchasing Policy objectives:

- 1.1. **Accessing existing standing offer and/or preferred supplier arrangements.** Examples of this are not common, but may occur in situations such as supply of air conditioning units for Cooler Schools.
- 1.2. **Pursuing the second or subsequent stage of a multi-stage procurement process.** Multi-stage developments such as Woolloongabba Cricket Ground are good examples.
- 1.3. **A sole supply situation exists.** An example is where there is a **high degree of technical expertise required, eg tension structures or technically complex projects.**
- 1.4. **A genuine urgency exists.** This is the most frequently used reason and the most frequently abused. If this is the reason, there must be adequate accompanying documentation to prove that the urgency is genuine and not a result of inadequate planning.
- 1.5. **The procurement is from a competitively neutral commercialised business unit of DPW or other agency acting for the Crown in the same right of the State of Queensland.** This is the means by which Q Build or other commercialised business units such as Roadtek can be engaged.

Whichever reason or reasons are used, it is **absolutely essential** that sufficient accompanying documentation is provided to answer any questions that any of the signatories below (Page 3) may raise.

### **4. Completing the Form on the following page**

Place – name of the site, eg. Greenbank State School.

Project – name of the project, eg. New Teaching Block Stage 1.

Reasons – delete those not applicable and provide details to adequately support those reasons which are applicable.

Firm – list the firm the project manager proposes to invite.

Note: Any questions about this process should be directed to Procurement Services.

# CAIRNS SUB-PROJECT of the RQL INDUSTRY INFRASTRUCTURE PLAN

## Versus

## GOVERNMENT PROCUREMENT POLICY

### 1.0 Introduction

The Queensland Office of Racing is part of The Department of Employment, Economic Development and Innovation under the "Office of Liquor and Gaming Regulation".

Under the Qld Government Procurement Policy, there is a pathway available to submit a request to the 'Director' or 'Director General' (depending on the funding amount) to engage key consultancy services under the **"Single Select / Sole Supplier / Direct Sourcing"** process.

### 2.0 Direct Sourcing - Alternative Procurement Pathway

Government funded agencies may make direct approaches to a **"Single Provider"** to invite them to quote the services. **"Direct Sourcing"** occurs in very specific circumstances, such as under extreme urgency, and/or if the goods and services can only be provided by one supplier (e.g. a commissioned work of art, or specialist one-off designs where specific expertise is paramount to technically complex projects, etc).

Hence, agencies can use Direct Sourcing processes where there is effectively only one supplier who are able to provide the goods or service.

### 3.0 Justification

The **"Sole Supplier"** process is required by RQL for the Cairns project in that:

- RQL are pursuing the **second, or subsequent stage, of a multi-stage procurement process** commenced by RQL in July 2010 under the Industry Infrastructure Plan (IIP).
- **Timing is urgent** with regard to wet season construction, turf grow-in seasons, and continuity of racing industry product/business.
- The **time limitations have NOT been caused by inadequate planning**. On the contrary, the planning and preliminary designs are complete and waiting on the shelf.
- The Queensland Government and the stakeholders require construction to commence as soon as possible, as **completion of the Cairns facilities upgrade are key to the continuing functioning of the Queensland Racing Industry**.
- The **timing of the completion of the Cairns Project is integral to the success of the IIP as a whole**. Specifically, due to industry requirements maintaining racing product and training business to the industry in the context that Townsville cannot commence until Cairns is complete (racing and training requirements during the Townsville construction period to be shared between Mackay and Cairns).
- There is truly **only one consultancy available to RQL** that has on offer the required:
  - Value for Money
  - Experience,
  - High degree of technical expertise,
  - Capacity,
  - Resources,
  - Management structure,
  - Project understanding (from being involved in the initial stages of the multi stage procurement process of the IIP),
  - Proven ability to perform the requirements inside the limited time and cost budgets.
  - Queensland Company

#### 4.0 Probity

Based on the above, there is a valid pathway to procure key consultancy services as:

- Achieving value for money; Hourly Rates and Percentage Fees of Contour Consulting Engineers have been compared against industry norms for scales of fees, and benchmarked against comparable professional engineering service providers and found to be at or below the comparisons.
- Achieving value for money; The fees as proposed by Contour Consulting Engineers fall within the RQL budget for the services required.
- Achieving value for money; The Services required are for the completion of designs already commenced by Contour Consulting Engineers. To engage a different supplier would equate to loss of continuity to the project, learning curve for new consultant, and loss of historical knowledge. All these factors would result in consequences to costs and/or time.
- Achieving value for money; There is a history of Contour consistently providing high value service to RQL projects, that has equated to significant value-adding.
- Ensuring probity and accountability; RQL to maintain the Project Management Role, with all management, procurement, expenditure and risk decisions to be maintained by RQL.
- Ensuring probity and accountability; The Services required are for the completion of designs already commenced by Contour Consulting Engineers. Construction phase is not included in this proposal and are to be completed by RQL/CJC.

#### 5.0 State Procurement Policy

The State Government Procurement Policy has three key policy concepts as discussed below.

##### 5.1 Advancing Priorities of Government

It is considered that the above complies with Foundation Concept 1 of the State Policy in that the proposal will:

- Help to develop Queensland suppliers
- Contribute to a sustainable future for Queensland
- Support Fairness in employee conditions
- Contribute to improved workforce skills and training for Queensland

##### 5.2 Value for Money

With regard to State Policy Foundation Concept 3 "Value for Money":

- Contribution to the advancement of the priorities of Government; It is understood that Government funding of the Racing Industry Infrastructure Plan included specific deadlines for the delivery of completed projects and the cost budgets for those projects. The proposed procurement of services seeks to facilitate those goals.
- Non-cost factors such as fitness for purpose, quality service and support, and sustainability considerations; RQL have had a long relationship with the supplier, with a proven track record with regard to quality of product, service and support. Based on this relationship, there have been additional value added to each project through continuous improvements in technology and innovation. It is considered that the proposed supplier indeed has a value adding relationship with RQL. The Supplier is also a qualified professional in Environmental Engineering including sustainability.

- Cost-related factors including whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal; The supplier has proven numerous occasions that their involvement adds value to the whole-of-project-cost, primarily through quality of documentation leading to ease of construction/tendering, and negotiation with construction contractors to provide the best possible outcome for the construction dollar (low cost of Starthayr Track, and sand procurement at Mackay, and negotiations with Local Authority Approvals Processes are a prime examples where the consultant has saved projects significant whole-of-project costs)

Thus, and with respect to the critical nature of the procurement, RQL wish to secure value for money primarily by **effective supplier relationship** management through which the value of technology, innovation and continuous improvement is achieved. Value for money results will improve where whole-of-project costs of the offering are considered and reduced.

Long-term relationships with suppliers are common. Suppliers attitudes to the agency as a valued customer are crucial to the value that RQL, as a customer, will derive from the delivery of the service. In this regard, it is considered that the proposed supplier indeed has a value adding relationship with RQL.

### 5.3 Probity and Accountability

It is considered that the above complies with Foundation Concept 3 of the State Policy in that:

- The procurement decision will be documented and defensible
- There is a high degree of transparency
- The procurement is ethical
- Complies with established Government's Procurement Practices

### 6.0 Closure

The "Sole Supplier" procurement process is utilised throughout Government to meet project timelines and budget expenditure requirements, when there is need for urgency and/or there are limited services providers that are able to deliver the required services inside the technical, time, and budget constraints.

It is understood that all Government Departments work under the same Procurement Guidelines excerpt from webpage <http://www.business.qld.gov.au/sales-customer-service/winning-new-business/tendering-to-government/government-procurement.html>

Following is an example of an application form to Queensland Government to request "Sole Provider" processes.

## PROCUREMENT SERVICES

### APPLICATION FOR SOLE SUPPLIER

PROJECT: Industry Infrastructure Plan - Proposed Upgrade of Queensland Racing Facilities

SUB-PROJECT: Cairns Jockey Club, Cairns, Queensland

PROJECT MANAGER: Racing Queensland Limited

SERVICES REQUIRED: Civil/Structural/Environmental Consulting Engineering Design Services

Approval is sought for the above mentioned project to allow an invitation to be issued to a single supplier for the following reasons:

- RQL are pursuing **the second, or subsequent stage, of a multi-stage procurement process** commenced by RQL in July 2010 under the Industry Infrastructure Plan (IIP).
- **Timing is urgent** with regard to wet season construction, turf grow-in seasons, and continuity of racing industry product/business.
- The **time limitations have NOT been caused by inadequate planning**. On the contrary, the planning and preliminary designs are complete and waiting on the shelf to be finalised.
- The Queensland Government and the stakeholders require construction to commence as soon as possible, as **completion of the Cairns facilities upgrade are key to the continuing functioning of the Queensland Racing Industry**.
- **The timing of the completion of the Cairns Project is integral to the success of the IIP as a whole**. Specifically, due to industry requirements maintaining racing product and training business to the industry in the context that Townsville cannot commence until Cairns is complete (racing and training requirements during the Townsville construction period to be shared between Mackay and Cairns).
- There is truly **only one consultancy available to RQL** that has on offer the required:
  - Experience,
  - High degree of technical expertise,
  - Capacity,
  - Resources,
  - Management structure,
  - Project understanding (from being involved in the initial stages of the multi stage procurement process of the IIP),
  - Proven ability to perform the requirements inside the limited time and cost budgets.
  - Queensland Company
- Achieving value for money; **Hourly Rates and Percentage Fees of Contour Consulting Engineers have been compared against industry norms for scales of fees, and benchmarked against comparable professional engineering service providers and found to be at or below the comparisons.**
- Achieving value for money; **The fees as proposed by Contour Consulting Engineers fall within the RQL budget for the services required.**
- Achieving value for money; **The Services required are for the completion of designs already commenced by Contour Consulting Engineers. To engage a different supplier would equate to loss of continuity to the project, learning curve for new consultant, and loss of historical knowledge. All these factors would result in consequences to costs and/or time.**
- Achieving value for money; **There is a history of Contour consistently providing high value service to RQL projects, that has equated to significant value-adding.**
- Ensuring probity and accountability; **RQL to maintain the Project Management Role, with all management, procurement, expenditure and risk decisions to be maintained by RQL.**

- Ensuring probity and accountability; The Services required are for the completion of designs already commenced by Contour Consulting Engineers. Construction phase is not included in this proposal and are to be completed by RQL/CJC.
- Contribution to the advancement of the priorities of Government; It is understood that Government funding of the Racing Industry Infrastructure Plan included specific deadlines for the delivery of completed projects and the cost budgets for those projects. The proposed procurement of services seeks to facilitate those goals.
- Non-cost factors such as fitness for purpose, quality service and support, and sustainability considerations; RQL have had a long relationship with the supplier, with a proven track record with regard to quality of product, service and support. Based on this relationship, there have been additional value added to each project through continuous improvements in technology and innovation. It is considered that the proposed supplier indeed has a value adding relationship with RQL. The Supplier is also a qualified professional in Environmental Engineering including sustainability.
- Cost-related factors including whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal; The supplier has proven numerous occasions that their involvement adds value to the whole-of-project-cost, primarily through quality of documentation leading to ease of construction/tendering, and negotiation with construction contractors to provide the best possible outcome for the construction dollar (low cost of Starthayr Track, and sand procurement at Mackay, and negotiations with Local Authority Approvals Processes are a prime examples where the consultant has saved projects significant whole-of-project costs)
- Contribution to the advancement of the priorities of Government; It is understood that Government funding of the Racing Industry Infrastructure Plan included specific deadlines for the delivery of completed projects and the cost budgets for those projects. The proposed procurement of services seeks to facilitate those goals.
- Non-cost factors such as fitness for purpose, quality service and support, and sustainability considerations; RQL have had a long relationship with the supplier, with a proven track record with regard to quality of product, service and support. Based on this relationship, there have been additional value added to each project through continuous improvements in technology and innovation. It is considered that the proposed supplier indeed has a value adding relationship with RQL. The Supplier is also a qualified professional in Environmental Engineering including sustainability.
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Thus, and with respect to the critical nature of the procurement, RQL wish to secure value for money primarily by effective supplier relationship management through which the value of technology, innovation and continuous improvement is achieved. Value for money results will improve where whole-of-project costs of the offering are considered and reduced.

Long-term relationships with suppliers are common. Suppliers attitudes to the agency as a valued customer are crucial to the value that RQL, as a customer, will derive from the delivery of the service. In this regard, it is considered that the proposed supplier indeed has a value adding relationship with RQL.

The philosophy is to streamline the traditional process for ensuring delivery of this sub-component of Racing Queensland Limited's Industry Infrastructure Plan. This is to ensure that Plan may be rolled out efficiently for the industry as a whole (maintenance of racing product and training facilities) and in the context of future projects (Townsville) programmed critical path being linked to the completion of the Cairns Sub-Project.

This entire strategy is built around the smoothest and most efficient delivery program possible.

Hence there is an urgent need to commission the following list of Principal Consultants. The methodology used to select these consultants is that they are proven performers in the timely and professional delivery of contract documentation and they provide value-for-money outcomes. The volume of work was issued based on their stated capacity to immediately commence works and complete within the allocated timeframe. The estimated value of the each commission is shown below.

It is proposed to issue an invitation to the following firm against each of these services:

Services	Consultant	Approx Cost
Racecourse Civil/Environmental Engineering Design and Documentation	Contour Consulting Engineers Pty Ltd	\$56,179.00

1. Recommended/Not Recommended

2. Recommended/Not Recommended

\_\_\_\_\_  
A/Assistant Director      Date

\_\_\_\_\_  
Director, Dep. ??????      Date

3. Recommended/Not Recommended

4. Approved/Not Approved

\_\_\_\_\_  
Manager, Procurement Services      Date

\_\_\_\_\_  
General Manager, Project Services      Date

