



City of Richmond

Report to Committee

To: Parks, Recreation and Cultural Services Committee
Date: January 2, 2024

From: Keith Miller
 Director, Recreation and Sport Services
File: 11-7125-01/2023-Vol 01

Re: **Award of Contract 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses**

Staff Recommendation

1. That Contract 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses be awarded to L.I.T. Aquatics Ltd. for a three-year term for the projected contract value of \$1,449,000 exclusive of taxes, as described in the report titled, “Award of Contract 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses”, dated January 2, 2024, from the Director, Recreation and Sport Services;
2. That the Chief Administrative Officer and the General Manager, Community Services, be authorized to extend the initial three-year term, up to the maximum total term of five years, for the maximum total amount of \$2,415,000 exclusive of taxes, as described in the report titled, “Award of Contract 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses”, dated January 2, 2024, from the Director, Recreation and Sport Services; and
3. That the Chief Administrative Officer and General Manager, Community Services, be authorized to execute the contract and all related documentation with L.I.T. Aquatics Ltd.

Keith Miller
 Director, Recreation and Sport Services
 (604-247-4475)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Department	<input checked="" type="checkbox"/>	
Purchasing	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO

Staff Report

Origin

Since 2005, Aquatic Services has provided advanced lifesaving, lifeguarding, and first-aid instructional and recertification courses (Advanced Aquatic Courses) in City of Richmond facilities through a revenue sharing contract with a third-party service provider. The five-year contract with the current service provider, L.I.T. Aquatics Ltd., will end in May 2024.

To engage qualified service providers and ensure competitive pricing for the provision of Advanced Aquatic Courses, a procurement process was undertaken. The purpose of this report is to provide a summary of the submission results and to seek Council's approval to enter into a new three-year contract (Contract 8239P) with L.I.T. Aquatics Ltd., with an option to renew for an additional two-year term.

This report supports Council's Strategic Plan 2022-2026 Focus Area #3 A Safe and Prepared Community:

3.2 Leverage strategic partnerships and community-based approaches for comprehensive safety services.

This report supports Council's Strategic Plan 2022-2026 Focus Area #6 A Vibrant and Active Community:

6.1 Advance a variety of programs, services, and community amenities to support diverse needs and interests and activate the community.

This report supports the Recreation and Sport Strategy 2019-2024 Focus Area #6 Community Capacity Building:

6.6 Develop and implement career awareness, preparation and development strategies to attract and educate new leaders.

Background

The City offers Advanced Aquatic Courses at two facilities, Minoru Centre for Active Living and Watermania, for individuals looking to pursue a career in aquatics. Through a revenue sharing contract, the courses are delivered by a third-party service provider with the specialized expertise and quantity of qualified personnel required to teach these specific types of courses. Seasonal registration for the Advanced Aquatic Courses is processed through the City's registration system. The service provider invoices the City for course-related supply costs as well as their share of net revenues. The balance of net revenues is retained by the City.

The City of Richmond continues to be a municipal leader in offering Advanced Aquatic Courses. By contracting with a third-party service provider, the City has been able to increase the number of Advanced Aquatic Course offerings by approximately 20 per cent, compared to pre-pandemic numbers. Over 2,500 individuals take part in these training courses annually, enabling the City to continue actively recruiting vital aquatics staff, such as Instructor/Lifeguards, Swimming Instructors and Aquatic Attendants, thus supporting an increase in the delivery of swimming

lessons and other aquatic services to the community. In addition, many of these courses support individuals working in other City departments, including Recreation and Sport Services, Parks Services, and Fire-Rescue, as well as the general public. By conveniently offering these courses in Richmond, current or future City staff have the opportunity to train and practice in the same facilities they work in, thus creating an increased level of confidence and sense of ownership.

Public Request for Proposals Process

A Request for Proposals (RFP) 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses was posted to BC Bid on Thursday, October 19, 2023, and closed on Thursday, November 16, 2023. Four proposals were received including three complete submissions and one deemed incomplete as it did not respond to all requirements of the RFP.

Proposal Evaluation

The Evaluation Committee, consisting of three City staff, undertook independent reviews of the three complete submissions. Proposals were scored and evaluated against pre-determined criteria that included:

- Corporate profiles and background;
- Project understanding;
- Methodology, workplan and schedule;
- Skills, expertise, and qualifications of personnel;
- Available resources and capacity to deliver the services; and
- Financial proposal, including value-added services and revenue sharing arrangement.

Based on the team’s evaluation process, L.I.T. Aquatics Ltd.’s proposal received the highest overall score and was therefore ranked first out of the three complete submissions. A summary is provided in Table 1 below. Although their revenue sharing proposal was not the most profitable, L.I.T. Aquatics Ltd. offered a guaranteed annual minimum profit and is deemed to offer the best value to the City. They possess the resources and capacity required to deliver the volume of Advanced Aquatic Courses required by the City, and, most notably, their proposal demonstrated readiness and the ability to meet the timelines outlined in the RFP. L.I.T.

Table 1: Evaluation Summary of RFP Submissions

Ranking	Vendor Name	RFP Score
1	L.I.T. Aquatics Ltd.	81.80
2	ProSafe First Aid Training School Inc.	61.60
3	The Royal Life Saving Society Canada, British Columbia and Yukon Branch	58.00
4	Pacific First Aid	Disqualified

L.I.T. Aquatics Ltd. has over 25 years of experience and provides services to a variety of Lower Mainland municipalities and businesses, including the City of Richmond since 2005. They are an industry leader with a solid reputation for providing high quality courses and have access to a large pool of highly qualified instructors in order to fulfill all required programming.

Financial Analysis

The City’s contract with the service provider is a variable revenue sharing agreement whereby each party receives an agreed upon percentage of net revenues from the course registration fees collected by the City. Net revenues are determined after deducting program supply costs, including course manuals and exam fees, that are paid directly to the service provider.

In 2023, Advanced Aquatic Course offerings were maximized and yielded high registration numbers. A similar volume of courses are being planned over the next year; therefore, the City’s projected share of net revenues from Contract 8239P has remained steady in the 2024 Operating Budget. After paying the service provider for supply costs and their share of net revenues, the City is anticipated to retain approximately \$300,000 over the initial three-year term, and \$500,000 over the maximum five-year term, should the City choose to execute the optional two-year contract extension. Actual net revenues may fluctuate based on factors such as registration numbers and potential changes to course registration fees.

The projected total cost for Contract 8239P is outlined in Table 2 below, estimated at \$1,449,000 for the initial three-year term and \$2,415,000 for the maximum five-year term. A 15 per cent contingency has been included to allow for growth in Advanced Aquatic Course offerings over the contract term and, therefore, a potential increase in the service provider’s supply costs and share of net revenues.

Table 2: Projected Total Cost for Contract 8239P (2024 – 2029)

Contract Year	Projected Total Cost¹
Year 1 (April 1, 2024 – March 31, 2025)	\$420,000
Year 2 (April 1, 2025 – March 31, 2026)	\$420,000
Year 3 (April 1, 2026 – March 31, 2027)	\$420,000
Contingency 15%	\$189,000
Subtotal: Initial Three-Year Term	\$1,449,000
Optional Year 4 (April 1, 2027 – March 31, 2028)	\$420,000
Optional Year 5 (April 1, 2028 – March 31, 2029)	\$420,000
Contingency 15%	\$126,000
Subtotal: Two-Year Extension	\$966,000
Total	\$2,415,000

¹ Includes supply costs and service provider’s share of net revenues

Financial Impact

Contract 8239P is a variable revenue sharing agreement that includes a guaranteed annual minimum profit to the City. The execution of this contract is estimated to result in net revenue of approximately \$300,000 over the initial three-year term and \$500,000 over the maximum five-year term. The estimated cost to award Contract 8239P to L.I.T. Aquatics Ltd. to deliver the Advanced Aquatic Courses is \$1,449,000 for an initial three-year term, and up to a maximum of \$2,415,000 for the maximum five-year term.

Actual net revenues and costs to the City are contingent on registration revenues received for the Advanced Aquatic Courses offered.

Funding is available within the City's Operating Budget and Consolidated Five Year Financial Plan.

Conclusion

This report requests approval from Council to award Contract 8239P – Delivery of Advanced Lifeguarding, Lifesaving and First Aid Instructional and Recertification Courses to L.I.T. Aquatics Ltd. for an initial three-year term, with the option to renew for an additional two-year term. L.I.T. Aquatics Ltd.'s proposal resulted in the highest overall score, and represents the best value to the City in terms of revenue sharing, experience and capacity to deliver Advanced Aquatic Courses to the residents of Richmond and beyond. Offering these courses from the City's aquatics facilities provides several benefits, such as providing opportunities for more individuals to become qualified Swimming Instructors, Aquatic Attendants and Instructor/Lifeguards.



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