



I hereby give notice that an ordinary meeting of the Tenders and Procurement Committee will be held on:

Date: Tuesday, 22 September 2015
Time: 9.30am
Meeting Room: Level 26, Room 1
Venue: 135 Albert Street
Auckland

Tenders and Procurement Committee OPEN AGENDA

MEMBERSHIP

Chairperson	Cr Dick Quax
Deputy Chairperson	Cr Denise Krum
Members	Cr Anae Arthur Anae Cr Cameron Brewer Cr Sharon Stewart, QSM Cr Sir John Walker, KNZM, CBE
Ex-officio	Mayor Len Brown, JP Deputy Mayor Penny Hulse
Ex-officio (without voting rights)	All other councillors

(Quorum 3 members)

Quorum must include at least 2
named voting members.

Katherine Wilson
Democracy Advisor

16 September 2015

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TERMS OF REFERENCE

Responsibilities

The Committee is established to assist the Chief Executive to undertake the management procedure of ensuring sound probity procedures are followed in relation to procurement of goods and services necessary to deliver on the work programme and operations outlined in Council's adopted Annual plan.

It will ensure that reasonable purchasing procedures have been followed in awarding contracts and will provide an efficient mechanism for documenting the approvals for those contracts.

Within a framework where contracts are an operational matter delegated to the Chief Executive, this Committee will consider all tenders beyond the Chief Executive's financial delegations. The Chief Executive may refer contracts within his financial delegations which are sensitive or may impact on the reputation of the Council.

The Chief Executive has power to award contracts up to \$20 million alone and the power to award contracts up to \$22.5 million jointly with the mayor and relevant committee chair.

The Committee will have responsibility for:

- Awarding of contracts greater than \$22.5 million; and
- Awarding of contracts less than \$20 million which are sensitive or may impact on the reputation of the Council where the Chief Executive refers the matter to the Committee;
- Oversight over the tendering and procurement process and procedures of the Governing Body and local board; and
- Developing a tendering and procurement strategy as policy for recommendation to the Governing Body for adoption.

From time to time the Committee may advise the Chief Executive and Council on changes to the Procurement and Contracts probity procedures.

Powers

All powers necessary to perform the Committee's responsibilities.

Except:

- (a) powers that the Governing Body cannot delegate or has retained to itself (section 2)
- (b) where the Committee's responsibility is limited to making a recommendation only
- (c) where the Committee's responsibility sets out financial limitations

Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.

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1 Apologies

Apologies from Cr AJ Anae, Cr CE Brewer, Mayor LCM Brown and Member PA Hulse have been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Tenders and Procurement Committee:

- a) confirm the ordinary minutes of its meeting, held on Tuesday, 18 August 2015, including the confidential section, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Democracy Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day's** notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Procurement Pipeline Update Report

File No.: CP2015/18570

Purpose

1. To provide the Tenders and Procurement Committee an update on the upcoming procurement activity at Auckland Council (the “pipeline”).

Executive Summary

2. In order to leverage the council’s scale to increase efficiency and value for money, the Procurement Department has embarked on a journey to build a pipeline of forward works across the organisation. This will also keep the supply market well-informed of upcoming opportunities to enable them to better plan and respond to Council’s requirements.
3. This pipeline view provides the Tenders and Procurement Committee with an indication of the procurement projects that will require their consideration and approval.
4. Please note that this report covers the available forward work programmes. Some business groups are still in the process of drafting their 2016 Financial Year work programmes.

Recommendation/s

That the Tenders and Procurement Committee:

- a) receive the first procurement pipeline report and presentation.

Attachments

There are no attachments for this report.

Signatories

Author	Julia Khoo, Manager Procurement Analysis and Support
Authoriser	Sara Hay – General Manager Procurement

Supplier Relationship Management

File No.: CP2015/19016

Purpose

1. To present the Tenders and Procurement Committee with:
 - an overview of what Supplier Relationship Management in Procurement does,
 - an update on the PACE (Performance Assessment Coordinated Evaluation) trial also known as supplier scorecard, and
 - the Visy supplier strategic direction and plan.

Executive Summary

2. As part of taking a strategic approach to procurement, Auckland Council created a team within Procurement in November 2014 called Supplier Relationship Management (SRM). The team's primary function is to work with Auckland Council's strategic and critical suppliers and associated business units to develop supplier plans to ensure contract value is kept and new value is captured throughout the contract life.
3. One of the initiatives being rolled out by the SRM team is PACE. NZTA and Auckland Transport are currently using PACE to manage the performance of their suppliers. Auckland Council is now looking at applying the same supplier scorecard methodology to increase dialogue between suppliers and business units whilst at the same time ensuring work is delivered within contracted key performance indicators.
4. SRM at Council focus on strategic and critical suppliers. Visy is one of Auckland Council's strategic suppliers who are in the waste sector. Auckland Council awarded Visy a contract that runs until 2024. The supplier relationship management team has put a supplier plan for actions in the short (1 year), medium (1-2 years) and long term (2+ years).

Recommendation/s

That the Tenders and Procurement Committee:

- a) receive the three presentations on Supplier Relationship, Performance Assessment Coordinated Evaluation and Visy.

Attachments

There are no attachments for this report.

Signatories

Author	Cristina Lavender, Manager Supplier Relationship
Authoriser	Sara Hay – General Manager Procurement