

**Date:** Tuesday, 17 May 2016  
**Time:** 9.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert Street  
Auckland

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## **Tenders and Procurement Committee**

### **OPEN MINUTE ITEM ATTACHMENTS**

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**Facilities Management & Maintenance Contracts – Progress Update and Next Steps**

May 2016

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# Community Facilities' Portfolio

- 41 Pools and Recreation Centres
- 2700 Local and Sports Parks
- 32 Regional Parks
- 900+ Public Toilets
- 30+ Community Centres
- 130+ Halls/Venues for hire
- 55 Libraries
- 51 Cemeteries (active and inactive)
- 60+ Corporate Buildings
- + dog pounds + local board offices + volcanic cones + ...



## Current Situation

Fragmented contracts across regions:

- 38 existing contracts with 29 suppliers
- Set up in 2012 following open and competitive tenders.
- Total annual value of approx. \$124m per annum.
- Multiple functional and geographical splits.
- Mix of performance and frequency based contracts
- All contracts expire on 30 June 2017.

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## Services provided

- |  |  |
|--|--|
| 1. Building Maintenance  | 2. Grounds and open space  |
| <input type="checkbox"/> Plumbing, Electrical, HVAC, Carpentry     | <input type="checkbox"/> Sports fields and passive turf management |
| <input type="checkbox"/> Painting, Building washdowns              | <input type="checkbox"/> Street / park gardens                     |
| <input type="checkbox"/> Fire and Security hardware and monitoring | <input type="checkbox"/> Litter collection and waste removal       |
| <input type="checkbox"/> Lifts                                     | <input type="checkbox"/> Waterways / watercourse                   |
| <input type="checkbox"/> Pool Plant                                | <input type="checkbox"/> Arboriculture                             |
| <input type="checkbox"/> Cleaning                                  | <input type="checkbox"/> Specialist ecological services            |
| <input type="checkbox"/> Compliance                                | <input type="checkbox"/> Pest control                              |
| <input type="checkbox"/> Recycling and Waste                       |  |



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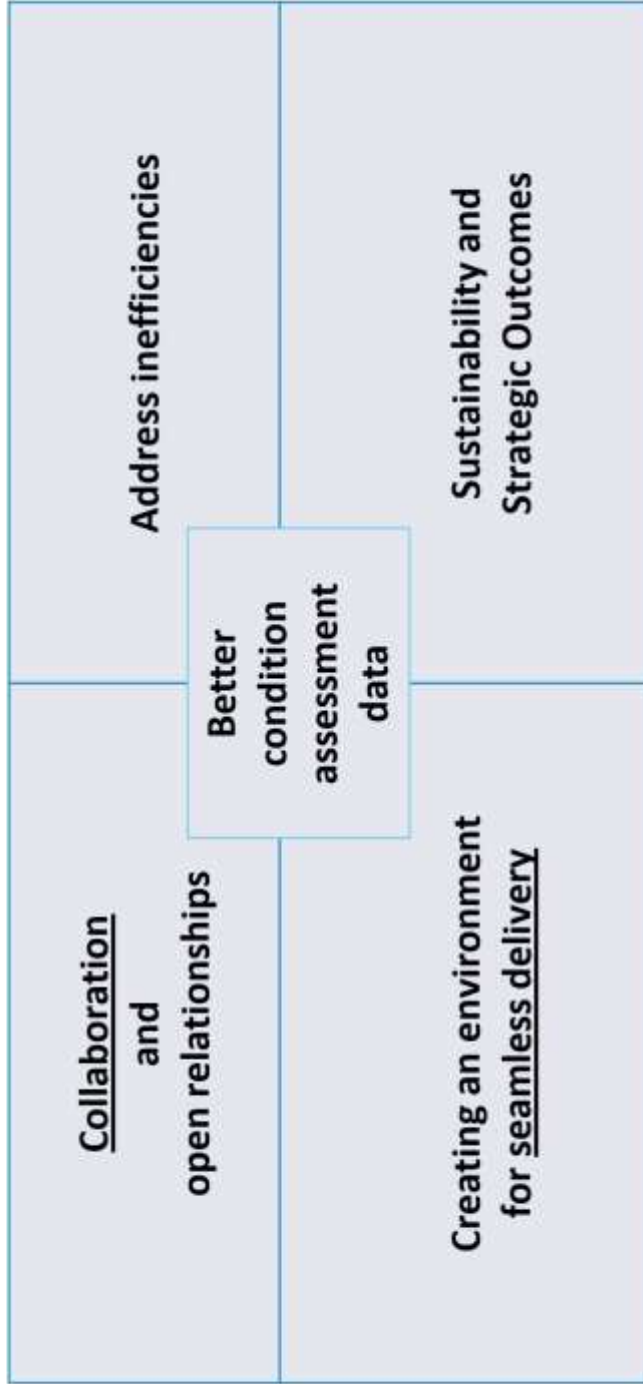
## Services provided (Contd)

- ### 3. Parks amenities management
- Playgrounds, skate facilities and courts
  - Lighting (amenity)
  - Fountains, water features & services irrigation
  - Hard surfaces (eg paths, tracks, cycleways and car parks)
  - Beaches / coastal structures
  - Fixtures and furniture maintenance
  - Public toilets and changing rooms
  - Access management for gates, toilets
  - Parks structures (bridges, staircases, viewing platforms, handrails, and safety barriers)
  - Operations and maintenance and management of all small water and wastewater systems

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# Future Contracts Development



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# Opportunities for improvement

## Within Community Facilities:

- Improve asset data – improved pricing; reduced risk/costs
- Consistent renewal delivery - collaboration between Council opex and capex teams
- Standardise designs & specifications
- Remove duplication of effort & associated inefficiencies

## Whole of life asset management approach:

- Reduce risk & improve transparency
- Provide a clear & programme managed approach
- Drive down reactive spend – more planned approach

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## Opportunities for improvement (cont'd)

### Achieve consistency across Council family

- Creation of additional scale
- Seamless delivery methodology across open space & road corridor maintenance contracts & renewals (AT)
- Implement cross-organisation Supplier Relationship Management framework

### Build collaborative relationships with suppliers:

- Transfers more risk to / share risk with the supplier – i.e. moving from frequency-based to performance or outcome-based models
- Drive continuous improvement & innovation
- Engage suppliers in whole of life decision making (reactive vs. planned work)
- Use long term contracts, with mechanism to shorten term for poor performance

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# Stakeholder Engagement

## Governance

- T&P Committee
- Local Boards

## Community Services

- Parks, Leisure, Libraries, ACE

## Market Engagement

- Current key suppliers
- Wider market

## CCOs

- Auckland Transport
- Panuku
- Regional Facilities Auckland

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# Procurement Approach

- Open and competitive two-stage process
- Go to market in one go
- Regular communication to T&P Committee and approval:
  - 1. Procurement plan and go to market – July 2016**  
To be confirmed: regional split; contract term; specialist, region-wide services
  - 2. Supplier recommendation and contract award – Feb. 2017**



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## Desired Outcomes

- Focus on Health, Safety and Environment
- Reduce waste and duplication; seamless delivery
- Whole of Life Cost / Value for Money
- Making our size work
- Corporate responsibility
- Community and stakeholder satisfaction

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