

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

**Date:** Wednesday, 7 June 2017  
**Time:** 9.30am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert Street  
Auckland

---

## Strategic Procurement Committee

### OPEN AGENDA

---

#### MEMBERSHIP

|                           |  |
|---------------------------|--|
| <b>Chairperson</b>        | Mike Lee   |
| <b>Deputy Chairperson</b> | Ross Clow  |
| <b>Members</b>            | Cr Dr Cathy Casey<br>Deputy Mayor Bill Cashmore<br>Cr Linda Cooper, JP<br>Cr Alf Filipaina<br>Cr Penny Hulse<br>Cr Daniel Newman, JP<br>Cr Greg Sayers |
| <b>Ex-officio</b>         | Mayor Hon Phil Goff, CNZM, JP  |

(Quorum 5 members)

**Sonja Tomovska**  
**Governance Advisor**

**31 May 2017**

Contact Telephone: 890 8022  
Email: [sonja.tomovska@aucklandcouncil.govt.nz](mailto:sonja.tomovska@aucklandcouncil.govt.nz)  
Website: [www.aucklandcouncil.govt.nz](http://www.aucklandcouncil.govt.nz)



## TERMS OF REFERENCE

### Responsibilities

The committee is established to assist the chief executive to undertake the management procedure of ensuring sound procurement processes are followed in relation to procurement of goods and services necessary to deliver on the work programme and operations outlined in the 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 contracts 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 Finance and Performance Committee chair.

The committee will have responsibility for:

- awarding of contracts of \$22.5 million or greater
- awarding of contracts less than \$22.5 million which are sensitive or may impact on the reputation of the council if the chief executive refers the matter to the committee
- oversight over the procurement processes and procedures.

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) the power to establish sub-committees

## **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.

| <b>ITEM</b>            | <b>TABLE OF CONTENTS</b>  | <b>PAGE</b> |
|------------------------|---|-------------|
| 1                      | Apologies   | 7           |
| 2                      | Declaration of Interest   | 7           |
| 3                      | Confirmation of Minutes   | 7           |
| 4                      | Petitions   | 7           |
| 5                      | Public Input  | 7           |
| 6                      | Local Board Input   | 7           |
| 7                      | Extraordinary Business  | 8           |
| 8                      | Notices of Motion   | 8           |
| 9                      | Procurement of streetscape services - contracts for Auckland's central and southern regions               | 9           |
| 10                     | Consideration of Extraordinary Items  |             |
| <b>PUBLIC EXCLUDED</b> |   |             |
| 11                     | Procedural Motion to Exclude the Public   | 13          |
| C1                     | Confidential: Procurement of streetscape services - contracts for Auckland's central and southern regions | 13          |
| C2                     | Albany Stadium Pool Project and Contracts Update  | 14          |



## 1 Apologies

At the close of the agenda no apologies had 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 Strategic Procurement Committee:

- a) confirm the ordinary minutes of its meeting, held on Wednesday, 10 May 2017, 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 Governance 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

There were no notices of motion.

## Procurement of streetscape services - contracts for Auckland's central and southern regions

File No.: CP2017/08350

### Purpose

1. To note an update on the streetscape contracts for the central and southern regions.

### Executive summary

2. Maintenance of the road reserve is a shared responsibility between Auckland Transport, Community Facilities and Waste Solutions. The responsibilities were agreed between respective chief executives of Auckland Council and Auckland Transport as part of the amalgamation in 2010.
3. Streetscape services which are provided by Waste Solutions currently cover the collection of loose litter, litter bin clearing and maintenance, and the collection of illegally dumped materials from all public areas, excluding parks and reserves, in the Auckland region. Streetscape services are provided through four separate contracts for the central, western, southern, and northern regions of Auckland.
4. Auckland Council and Auckland Transport have agreed an overall strategy for provision of these services, going forward. It has been agreed that Community Facilities will manage Auckland Transport's streetscape responsibilities from 1 July 2018, under Project 17 contracts.
5. As part of this change Project 17 contracts will also pick up other responsibilities currently managed by Waste Solutions from 1 July 2018.
6. The streetscape contracts managed by Waste Solutions for the central and southern regions expire on 30 June 2017, with the option to extend for further periods.
7. Extensions of these contracts will allow Community Facilities and Waste Solutions to conclude their discussions around the most efficient and effective delivery of future services.
8. Community Facilities and Waste Solutions have agreed that Waste Solutions will pick up illegal dumping for all public areas including parks from 1 July 2017. The scope will be increased to include the collection of illegally dumped materials from areas previously managed under the Community Facilities contracts, as these were excluded from Project 17 contracts.
9. Further details on the Streetscape services contracts will be presented for approval in the confidential section of the 7 June 2017 Strategic Procurement Committee meeting

### Recommendation

That the Strategic Procurement Committee:

- a) note the information contained in this report, on the streetscapes contracts for Auckland's central and southern regions, enables transparency on the topic due for discussion in the public excluded part of the meeting.

### Comments

10. Maintenance of the road reserve is a shared responsibility between Auckland Transport, Community Facilities and Waste Solutions. The responsibilities were agreed between the respective chief executives of Auckland Council and Auckland Transport at the time of amalgamation.

11. **Waste Solutions** contracts for streetscapes cover the following services, from all public areas, excluding parks, reserves and transport hubs:
  - loose litter collection, using foot orderlies
  - litter bin clearing and maintenance, and
  - collection of illegally dumped materials.
12. **Auckland Transport** contracts cover the following services, for all roads and town centres:
  - berm mowing
  - leaf fall
  - mechanical sweeping – kerb and channel
  - footpath washing and gum removal
  - bus shelter installation, maintenance and washing.
13. **Community Facilities** contracts cover the following services, in parks and reserves:
  - loose litter collection
  - litter bin clearing and maintenance
  - illegal dumping
  - planting and maintenance of planter boxes
  - vegetation control

*Overall strategy going forward*

14. From 1 July 2018, Community Facilities will manage Auckland Transport's current responsibilities, under the newly awarded Project 17 contracts.
15. Community Facilities and Waste Solutions will also conclude discussions on the most efficient and effective way to undertake the collection of loose litter and emptying of litter bins from a region wide perspective. These discussions could not be completed earlier as contracts under Project 17 have only recently been confirmed.
16. It is considered appropriate that any agreed changes to Waste Solutions' contracts will come into effect from 1 July 2018, to align with the Auckland Transport service transfer to Project 17 contracts.
17. Following completion of the Project 17 procurement, Community Facilities has agreed that collection of illegal dumping from parks will be transferred to the Waste Solutions' streetscape contracts from 1 July 2017.
18. The reason for the change of responsibility for illegal dumping is that Waste Solutions lead the enforcement of waste collection contracts and waste bylaws which include illegal dumping. Waste Solutions is therefore best equipped to manage this activity rather than Community Facilities.
19. Regardless of future scope changes under the Waste Solutions' and Community Facilities' contracts, collection of illegal dumping and enforcement will remain with Waste Solutions.

*Streetscape contracts for central and southern regions*

20. The local board areas that are covered by each contract have been included in Table One below:

| <i>Streetscape contract regions</i> | <i>Local board areas</i>  |
|-------------------------------------|---|
| Central region                      | Albert-Eden, Maungakiekie-Tāmaki, Ōrākei, Puketāpapa, Waitematā         |
| Southern region                     | Franklin, Howick, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Papakura |
| Northern region                     | Devonport-Takapuna, Hibiscus and Bays, Kaipātiki, Rodney, Upper Harbour |
| Western region                      | Henderson-Massey, Waitākere Ranges, Whau                                |

**Table One: Local board areas covered under existing streetscape contracts**

21. In 2013, Auckland Council's Tenders and Procurement Committee awarded the Streetscape Central Region contract to Eco Maintenance Limited for an initial four-year term to 30 June 2017, with an option to extend for a further two years (1+1) at the council's discretion (TP/2013/21).
22. In 2012, the Tenders and Procurement Subcommittee awarded the Streetscape Southern region contract to Civic Contractors Limited for an initial three-year term to 30 June 2015 (TP/2012/40). In 2015, the chief executive approved the extension of the contract for two years to 30 June 2017, with an option to extend for a further one year, at the council's discretion. This approval was provided for under the umbrella of the procurement plan for the Waste Management and Minimisation Plan, as approved by the Tenders and Procurement Committee (TP/2013/1).
23. Extensions of these contracts will provide sufficient time for Community Facilities and Waste Solutions to complete the arrangements described above and to implement any agreed changes to the contracts.
24. The scope of services under these contracts is to be increased to include collection of illegal dumping from areas controlled by Community Facilities, which include parks, reserves, and open spaces. The budget will be transferred to ensure there is no additional cost to the council for delivering this service.

## Consideration

### Local board views and implications

25. Local boards were consulted and inputted to the development of the Auckland Council's Waste Management and Minimisation Plan, which was adopted in 2012. Local boards will also be consulted on the review of the Waste Management and Minimisation Plan, which will occur 2017 and 2018.
26. The delivery of these services is considered business as usual and will have no negative implications for local boards in the contract areas. As there is no significant change in the current services to ratepayers, there has not been any consultation with local boards around the proposed extension and changes to the contracts.
27. Following the decision in the confidential section of the meeting, the local boards covered by these contracts will be provided with an update on these contracts.

### Māori impact statement

28. Mana whenua were not consulted during the preparation of this report. However, it is recognised that the collection, disposal and minimisation of waste to landfill is of interest to mana whenua in their role as kaitiaki of natural environments.
29. As part of the overall implementation of the Waste Management and Minimisation Plan, staff are engaging with interested mana whenua and mataa waka organisations on a number of projects related to waste minimisation and resource recovery.

### Implementation

30. There are no implementation issues arising from the report. Any implementation issues relating to the streetscape contracts have been noted in the report titled “Confidential: Procurement of streetscape services – contracts for Auckland’s central and southern regions”.

### Attachments

There are no attachments for this report.

### Signatories

|             |   |
|-------------|---|
| Authors     | Persees Antia, Waste Management and Minimisation Plan Procurement Lead<br>Ian Stuppel, General Manager Waste Solutions                                  |
| Authorisers | Barry Potter - Director Infrastructure and Environmental Services<br>Dean Kimpton - Chief Operating Officer<br>Jazz Singh - General Manager Procurement |

## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

b)

That the Strategic Procurement Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

### **C1 Confidential: Procurement of streetscape services - contracts for Auckland's central and southern regions**

| Reason for passing this resolution in relation to each matter  | Particular interest(s) protected (where applicable)  | Ground(s) under section 48(1) for the passing of this resolution   |
|--|--|--|
| The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains detailed information about council's strategy for procuring refuse collection services. If released this information could prejudice council's position in negotiations with waste suppliers.</p> | <p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |

**C2 Albany Stadium Pool Project and Contracts Update**

| Reason for passing this resolution in relation to each matter   | Particular interest(s) protected (where applicable)   | Ground(s) under section 48(1) for the passing of this resolution   |
|---|---|--|
| <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> | <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains commercially sensitive information that may affect the outcome of the financial settlement negotiations with the contractor.</p> | <p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p> |