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

Date: Monday, 11 June 2018
Time: 12:00pm
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Komiti Mahi Āta Torotoro Rawa / Strategic Procurement Committee

OPEN AGENDA

MEMBERSHIP

Chairperson
Deputy Mayor Bill Cashmore
Deputy Chairperson
Cr Ross Clow
Cr Dr Cathy Casey
Cr Linda Cooper, JP
Cr Alf Filipaina
Cr Penny Hulse
Cr Daniel Newman, JP

Ex-officio
Mayor Hon Phil Goff, CNZM, JP

(Quorum 4 members)

Michelle Judge
Governance Advisor

5 June 2018

Contact Telephone: +64211950262
Email:michelle.judge@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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.
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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, 2 May 2018, 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.
Te take mō te pūrongo / Purpose of the report

1. To seek endorsement for the Auckland Council Software Procurement Category Strategy.

Whakarāpopototanga matua / Executive summary

2. Council spent approximately $21 million on Software during the 2016/17 financial year. This category plan outlines a strategic approach to procuring software at Council.

3. This category strategy breaks down software by the service that they provide and aligns with the operation model of councils Information, Communication and Technology (ICT) department.

4. While each of these sub categories have their own market dynamics, at a commercial level they can be divided into three market segments with each requiring a different commercial approach.

5. Those three market segments are:
   - Global Strategic Software Suppliers – these are suppliers that form a core part of council’s services and are long standing partners for example SAP and Microsoft.
   - Large Indirect Suppliers – these are suppliers who are multinational but do not have a direct commercial relationship with Council for example Cisco and VMware.
   - Small Direct Software Suppliers – these are smaller software suppliers that we deal with directly for example Envibe and TimeTarget.

6. At a high level the category strategy outlines the following key considerations to understand when procuring software at Council:
   - Focusing on ensuring that council is extracting the maximum value out of its existing software investments. Much of this will rely on supplier relationship management (SRM), as opposed to purchasing new products.
   - Making sure that the publisher (the entity that develops the software product) and reseller (the entity selling the software on behalf of the publisher) commercial dynamic is well understood by council.
   - Focusing on de-risking the purchase of software. This requires council undertaking due diligence focusing on early engagement with council’s ICT department and clear understanding:
     - the software’s capability;
     - the suppliers depth of resourcing, presence in the NZ market and cultural fit with council

7. These issues addressed by the introduction of a variety of new procurement approaches that have been developed. Examples of these approaches include competitive dialogue and agile procurement, which are explained in detail in sections below. This will allow council to have a wide range of procurement tools and approaches that will drive better commercial and operational outcomes when purchasing software.
Ngā tūtohunga / Recommendation/s

That the Strategic Procurement Committee:

a) endorse the Auckland Council Software Procurement Category Strategy.

Horopaki / Context

The Auckland Council Software Procurement Category Strategy is made up of five sub-categories:

Operations and Service Management Software

8. The Auckland Council Software Procurement Category Strategy is made up of five sub-categories:

Operations and Service Management Software

9. This software is defined as all software that supports back-end systems including Data Centre Services, Server Operating Systems, Service Desk and Service Management. Within this sub category Microsoft and Service Now, can be classified as Global Strategic Software Suppliers, while the majority of the remainder are classed as Large Indirect Suppliers.

Information and Development Software

10. This software is defined as software that delivers the following functions:

- Geographic Information Systems,
- Business Intelligence,
- Web and Mobile and
- E-commerce and
- Development

11. Nearly all the key suppliers in this category can be classed as Global Strategic Software Suppliers.

Desktop and Office Productivity Software

12. This software is defined as the Microsoft Office Suite, Windows Operating System, Desktop Virtualisation Technologies and Desktop applications that are managed by the end-user. The sub category is made up of a small number of Global Strategic Software Suppliers and Large Indirect Suppliers, with a very large number of Small Software Suppliers.

Enterprise Package Software

13. This software provides the core systems that run Council's services, including Payments, Consenting, Licensing, Customer Relationship Management (CRM), Purchasing, Asset Management and Human Resources (HR). Nearly all of the of the software in this space is provided by SAP, one of Council's key information technology suppliers.

Line of Business Packaged Software

14. Line of Business Packaged Software is made up of approx. 200 small applications, that support much of Council's wider services. These services are almost exclusively provided by Small Direct Software Suppliers.
Tātaritanga me ngā tohutohu / Analysis and advice

15. This procurement strategy, at its heart, proposes that Council enhances the way it procures software.

Market segments and key considerations:

16. At a commercial level the software market can be divided into three market segments which have particular key considerations when procuring from those market segments:

- **Global Strategic Software Suppliers** – these are suppliers that form a core part of council’s services and are long standing partners for example SAP and Microsoft. The key consideration in this market segment is focusing on ensuring that council is extracting the maximum value out of its existing software investments. Council and the supplier must work together in a collaborative manner, so council’s strategic direction is well understood by the supplier to ensure together we can ensure we are making use of all features of software already owned by council.

- **Large Indirect Suppliers** – these are suppliers who are multinational but do not have a direct commercial relationship with council for example Cisco and VMware. As we do not have direct relationship with the publisher (the entity that develops the software product) making sure that the publisher and reseller (the entity selling the software on behalf of the publisher) commercial dynamic is well understood by council is key to understanding how to approach this market segment. Having this insight to this allows us to work with the reseller and publisher in order to achieve a win-win for council and the reseller.

- **Small Direct Software Suppliers** – these are smaller software suppliers that we deal with directly for example Envibe and TimeTarget. The key consideration in this market segment is focusing on de-risking the purchase of software. This requires council undertaking due diligence focusing on early engagement with council’s ICT department and clear understanding:
  - the software’s capability;
  - the suppliers depth of resourcing, presence in the NZ market and cultural fit with council

Procurement Approaches

17. It has become apparent that traditional procurement approaches are not always well suited to evaluating and purchasing software. Industry wide, a high percentage of software implementations fail, due in part because issues were not fully explored and understood at the procurement phase.

18. Modern software has many critical components, including User Experience, Integration into the wider ICT landscape, Licensing and compliance, Implementation and Project Management, Support and Hosting among others.

19. Customers are often reliant on the software vendor to explain the capabilities of the software, which is not easy to do in a traditional Request for Proposal, which can limit customer/vendor interactions.

20. Council has identified a number of principles and approaches that it believes will improve the quality of purchasing in this category. These approaches have been trialled in a small number of smaller procurements and have proved successful. The approaches are:

- **Competitive Dialogue** – this allows council to thoroughly discuss each aspect of the procurement with suppliers before specifying the requirements and before inviting the suppliers to submit their full and final tenders or proposals.
• Agile Procurement – This approach takes approaches from Agile Project Management methodologies and adapts them for procurement. Interactions with suppliers and stakeholder are broken into ‘sprints’, allowing work that was previously handled sequentially to be worked on concurrently, shortening the procurement approach.

• Using the wider total cost of ownership of the software as an input of the procurement approach. Traditionally procurement evaluation focuses on the price and benefit of the item being purchased. By considering the wider system impacts identified as part of the business case process, procurement can drive down the cost of the wider environment. This may lead to a more expensive individual product being chosen, on the basis that it is cheaper in a broader sense.

• Analyst Led Shortlisting – Council uses Gartner, a global analyst firm to help it understand the capabilities of products. Gartner employs subject matter experts in most ICT industries. This allows council to focus on products that meet its need, enabling shorter time to market and more in-depth examination of each products capabilities.

• Proof of Concepts as Evaluations - With software, paper based evaluations can be of limited value. Allowing council staff to actually use the product will allow better understanding of products and their capabilities.

• Early Engagement with Architects, End Users, ICT Service Owners and Vendors. In traditional models architectural design, requirements gathering, procurement and vender engagement can be siloed, and initiated separately. This can lead to disconnect between teams, and slower time to market. By working as a single team from the beginning, many of these issues can be overcome, and a better outcome can be achieved.

21. By implementing one or more of the above approaches council believes we can improve time to market, de-risk implementation and support, save money and ultimately deliver the best solution to the end user of that solution, either internally or externally.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views
22. There are no local board impacts associated with this category strategy.

Tauākī whakaaweawe Māori / Māori impact statement
23. There are no Māori impacts associated with this category strategy.

Ngā ritenga ā-pūtea / Financial implications
24. All software purchases will be budgeted for and the proposed approaches will deliver greater value, and where possible lower costs.

Ngā raru tūpono / Risks
25. This strategy provides a range of tools and approaches that will allow an appropriate level of risk mitigation to applied to each procurement. This will improve our risk status, as it is a move from a ‘one size fits all’ approach that was previously employed.

Ngā koringa ā-muri / Next steps
26. Council have trialled the procurement approaches identified above in a small number of lower risk projects. These have proven to be successful in reducing time to market, risk and have achieved excellent commercial outcomes.

27. Council is currently looking to develop a series of toolkits to be used appropriately in upcoming procurements.
Ngā tāpirihanga / Attachments

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Ngā kaihaina / Signatories

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<tr>
<td>Author</td>
<td>Stephen Horsley - Procurement Manager</td>
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<tr>
<td>Authoriser</td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
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• Overall Approach
• Current Arrangement by Sub Category
• SRM
• Risk, Implementation Plan and Benefits
Category Scope

The Software Category consists of the following sub-categories:

- Operations and Service Management Software
- Information and Development software
- Desktop and Office Productivity Software
- Enterprise Packaged Software
- Line of Business Packaged Software

The organizations that this category strategy covers are:

- Auckland Council
- Regional Facilities Auckland (RFA)
- Panuku
- ATEED
Category Scope - Purpose

The purpose of this category strategy is to develop a consistent and managed approach of:

- Develop a series of commercial approaches and methodologies that will allow Council to purchase software appropriately for within different supplier markets
- Working collaboratively with suppliers
- Being open to change and fostering innovation
- Understanding and leveraging the Reseller/Supplier market to achieve market leading pricing and access to rebates
- Adopt Agile procurement methodologies that support the use of Proof of Concepts and ‘Fast Fail/Succeed’ approaches
- Shorten time to market
Overall Approach - Software

At a high level, Auckland Council will implement three key approaches for purchasing and managing software. These relate to the size of the company, the nature of the commercial relationship, and the nature of the software. These approaches will be used across the 5 sub categories.

- **Global Strategic Software Suppliers** (SAP, ESRI, Microsoft, ServiceNow)
  These suppliers require individual plans and approaches given their size, level of integration and criticality to Council’s success. As they are very embedded in our business, much of the emphasis is on Supplier Relationship Management (SRM) to further our investment.

- **Strategic Software Suppliers** (Cisco, BlueCoat, VMware)
  These suppliers transact through a reseller, and often have small local presence. Key goals in this area include:
  - Go to market to appoint sole reseller to obtain open book pricing that includes access to rebates
  - Ensure that Software Publisher primes all engagements, instead of handing off support to their local partners

- **Indirect Software Suppliers**
  Ensuring any publisher has a strong local partner network in NZ, with at least fully accredited partners

- **Use analyst services such as Gartner to assist with short listing, which allows more indepth analysis of software**
Overall Approach - Software

- Small Software Publishers
  - Council often has a requirement for niche products, which are often supplied by very small companies.
  - Key to ensuring success in this area is to understand the supplier’s capability and ability to deal with a large enterprise customer such as Council.
  - As such, the procurement approach should emphasise getting to know suppliers, especially at a cultural and operational level, as these factors have proved to critical in ensuring successful delivery of software projects.
Procurement Principles - Software

- Software is a complex item to purchase. Aspects to be considered include:
  - Do the features meet our requirements?
  - User Experience
  - Integration into the wider ICT landscape
  - Licensing and compliance
  - Implementation and Project Management
  - Support and Hosting (if Cloud Hosted)
  - Features Roadmap
  - Is the product really Vapourware/Marketecture

- Reliance on the vendor to fully understand the product.

- Industry wide, a high percentage of software implementations fail, due in part because these aspects were not fully explored and understood at the procurement phase. Traditional RFP methods are not well suited to uncovering this level of detail.

- This category strategy proposes that a number of alternative approaches are taken, depending on the situation.
Procurement Principles- Software

- Competitive Dialogue/Agile Procurement
  - Traditional RFP methods are often poor at allowing both sides to understand each-others requirements, capabilities, approaches and culture.
  - In addition, RFPs can be quite rigid, and can result in Council purchasing something that fitted the RFP requirements, which many not be the best product in the market place.
  - Approaches such as Agile Procurement or Competitive Dialogue allow suppliers and purchasers to work closely together in a structured manner, and co develop solutions that will best meet our requirements
    - Council initially provides a full list of requirements, outcomes sought, evaluation weightings and an overall timeline.
    - Suppliers are given time to develop their intital proposal, which they then present to Council.
    - Council provides feedback on the proposal, with a range of rellevant staff from both sides present – engineers, managers, end users
    - Subsequently, the supplier formally submits the proposal which is evaluated

- Understand TCO
  - Often software implementation and integration can come with significant costs outside the direct license and implementation costs. Understanding the wider costs of implementing software prior to selecting a product is key to ensuring successful project delivery and cost to ratepayers.
Procurement Principles - Software

- Analyst Led Shortlisting
  - Analyst firms such as Gartner (which Council has a current contract) employ specialists with in-depth understanding of specific ICT product categories. Engaging with Gartner early can shortcut procurement processes considerably, allowing a shortlist to be created that consists of companies that direct meet our requirements. This allows the emphasis of the procurement activity to move to understanding the product and getting the best price.

- Proof of Concepts (POC) as Evaluation
  - Often the best way to understand the capability of software is to use it. Incorporating POCs into a procurement ensures that commercial tension is achieved, and end users have a full understanding of the product.

- Early Engagement.
  - Procurement needs to work with End Users, ICT Service Owners and Enterprise Architects from the beginning of an opportunity being identified. In doing this, we can ensure that the correct commercial approach is taken to meet customer requirements.
Category Scope – Current Arrangement

Operations and Service Management Software

Operations and Service Management Software is defined as all software that supports back-end systems for the following functions:

- Data Centre Services (e.g. Virtualisation, Back up, Anti Virus etc)
- Server Operating Systems (e.g. Microsoft Server 2012)
- Service Desk and Service Management (e.g. Service Now)
- Network and UC Services (e.g. Cisco Prime)
- Monitoring and Event Management (Microsoft SCOM, Splunk)
- Cloud Management (Cloudamize)
- Automation (HP OO)
- Miscellaneous Operations Software (TABS)
Operations and Service Management Software

- Software in the operations space has largely been reliant on a number of key multi-national vendors (HPE, Microsoft, Cisco, Symantec, Citrix).
- The software is largely purchased through large framework/MSA type agreements, in most cases through a reseller (e.g. Insight for Microsoft).
- Council is looking to become more commercially savvy with the purchase of software through resellers and is moving to a preferred reseller for each software vendor commercial model, which will allow it to access rebates.
Category Scope – Current Arrangement

Information and Development software

- is defined as software that delivers the following functions:
  - Geographic Information Systems (GIS) – e.g. ESRI, FME
  - Business Intelligence (BI) – e.g. SAP Business objects
  - Web and Mobile – e.g. Microsoft Sharepoint, BlinkMobile
  - E-commerce and Development – e.g. SAP Hybris
Information and Development software

- The software platforms in the Business and Information space is largely settled, with a small number of large enterprise platforms used, often with horizontally integrated vendors.
- GIS software is purchased in a unusual manner- Council purchases its software off resellers with sole distribution rights in the NZ market. These resellers effectively act as the software company within NZ (Eagle for ESRI, Locus for FME). These arrangements diminish Council’s commercial leverage.
- There is greater movement in the Mobile and Big Data space.
- Council currently use Blink Mobile for its app development, however there is likely to be a move to ‘first party’ apps (e.g. using SAP mobile apps to deploy SAP to phones).
- Currently Council does not own a big data platform, but is currently working to understanding its requirements to scope a possible procurement.
Category Scope – Current Arrangement

Desktop and Office Productivity Software

Is defined as the Microsoft Office Suite, Windows Operating System, Desktop Virtualisation Technologies and Desktop applications that are managed by the end-user.
Desktop and Office Productivity Software

- Software in this space can be grouped into four areas:
  - Office Productivity Software
  - Desktop Operating Software
  - Desktop Virtualisation Software
  - Miscellaneous Desktop Software
- Office Productivity Software
  - This is largely provided by Microsoft, and is purchased under AOG Enterprise agreements through Insight. Council has recently moved to Office 365, and as such is on a subscription agreement. Other core apps are provided by Adobe (Acrobat) and Google (Chrome)
- Desktop Software
  - Again, this is provided by Microsoft. Council operates a largely Windows 7 environment, but is slowly moving to Windows 10. Desktop Virtualisation Software
  - Council is currently implementing Vmware Workspace one
Desktop and Office Productivity Software

- Desktop Virtualisation Software
  - Council operates a very significant Citrix Virtual Desktop Infrastructure (VDI) environment
  - There are two key users of this platform
    - Legacy Application Users, who operate older applications that are not compatible with current OS technologies. This user base is declining, especially with the completion of NewCore
    - Library Public Computing, which is served via a second Citrix farm. This is a platform that will exist for the foreseeable future
  - Currently ICT Operations is trialing latest generation Vmware cloud based application virtualization software. It is believed that adopting this type of service will allow greater flexibility for end users, and support the End User Compute hardware strategy of BYOD and CYOD.

- Miscellaneous Desktop Software
  - Council users require a very large number of custom applications. These are not supported by the Busienss Systems team, rather they are packaged by the Enterprise Client Systems teams, and managed by the end users. Most of the licencing and commercial manage
• Miscellaneous Desktop Software
  • Council users require a very large number of custom applications. These are not supported by the Business Systems team, rather they are packaged by the Enterprise Client Systems teams, and managed by the end users. Most of the licensing and commercial management is carried out by the Asset Management team.
Category Scope – Current Arrangement

Enterprise Packaged Software

- This category is largely supplied by SAP. Key products include:
  - SAP CRM (All core processes)
  - SAP Plant Maintenance
  - SAP Ariba (Procurement)
  - SAP Success Factors (HR and Payroll)
  - SAP Max Attention (Support and Architecture)
  - Oracle Hyperion Financial Planning
Enterprise Packaged Software

- SAP provides the core systems that run Council’s services, including payments, consenting, licensing, CRM, purchasing and HR
- Much of this capability was delivered as part of the ‘NewCore’ project
- The core systems are heavily customized, and are very complex.
- Newer SAP systems include Ariba and Success Factors, which are SaaS Cloud apps.
- Council’s SAP contract was renegotiated in 2016, resulting in $33 million in savings over 10 years.
Category Scope – Current Arrangement

Line of Business Packaged Software

- This category is made up of approx. 200 small applications, that support much of Councils wider services. Services include:
  - Building Inspection Scheduling
  - Pools and Leisure systems
  - Time Scheduling Services
  - Libraries Systems.
- Due to the attention given to the NewCore project, many of these applications are very out of date and provide poor customer experience.
- In addition, most of the suppliers in this category are small, and can have difficulty dealing with a customer the size of Council
Line of Business Packaged Software

- Given the age of many of the applications, the focus of this category is to procure and replace or upgrade these services
- Key to ensuring success in this area will be the following:
  - Speed to market
  - Understanding supplier capability
  - In country support
Business Requirements

- Speed to market – there is a need to shorten procurement and project delivery timelines.
- Better understand vendor capabilities before purchasing
- Access innovation
- Eliminate ‘surprises’ during implementation
- Pay as you use licensing
- Long term price stability
- Ability to try products before purchasing
What does success look like?

The non-financial benefits this category strategy would ideally realise are:

- Procurement time spent reduced from 3 months to 2 months
- Increases % of implementations occurring within original scope and price
- Simplified purchasing

Success Just Ahead
Supplier Relationship Management (SRM) Strategy

Auckland Council will adopt an SRM approach with key suppliers across this category and sub-categories. To undertake this approach Procurement will ask all key stakeholders to be supportive of this approach.

The intent of SRM for Auckland Council and CCO’s is to:

- Differentiate our approach in managing key supplier relationships
- Positioning ourselves as a ‘Customer of Choice’ in the market
- Promoting performance transparency
- Deliver continuous improvement
- Provide the suppliers with a consistent engagement experience

By delivering on the intent of SRM the Council and CCO’s will establish an open collaborative relationship with key suppliers which will unlock value outside of what is captured in the contract, whilst ensuring what value was identified in the negotiation of the contract is delivered.
Supplier Relationship Management (SRM) Strategy

The identified key suppliers that will be managed via an SRM strategy will be:

- SAP
- Microsoft
- Esri
- ServiceNow

To deliver SRM procurement will undertake the following activities with the suppliers identified in the table above (following the successful SRM pilot program):

- Undertake a monthly review meeting
- Share with the suppliers all Council and CCO strategies that impact the relationship
- Work together to improve processes and deliver innovation
- Defined engagement and escalation protocols
## Risks

Following is a table that defines the risks associated with this strategy:

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Name</th>
<th>Probability</th>
<th>Impact</th>
<th>Score</th>
<th>Mitigation</th>
<th>Contingency</th>
<th>Action By</th>
<th>Action When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>Siloed behavior</td>
<td>Medium</td>
<td>High</td>
<td></td>
<td>Working with engaged teams first to prove the value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workload</td>
<td>This approach is more work intensive</td>
<td>High</td>
<td>Medium</td>
<td></td>
<td>Picking carefully which projects would best benefit from this approach</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Action Plan

Our actions to support the undertaking of this strategy are comprised of 3 time periods – short, medium and long term. The intent of the strategy is to deliver sustainable relationships with our suppliers and which is supported by the need to plan for activities past the market engaging activities and execution of contracts. As detailed in the SRM section of this category strategy Auckland Council and CCO’s need to work closely with our suppliers to drive shared value from the relationship beyond what is captured in the contract.
Action Plan

**Short Term (6-12 months)**
- Develop Toolkit based on international research and internal experience
- Trial approaches on a subset of procurements

**Medium Term (12-24 months)**
- Fully implement approach, rolling it out to all procurements where appropriate.
- Conduct training with ICT staff to allow them to embed these approaches into their day to day integrations with suppliers.

**Long Term (24 months+)**
- Review approaches in line with international research
Benefits

Soft benefits:
• Improved time to market
• Lower risk projects
• Allows suppliers an opportunity to innovate and suggest alternative approaches

Hard Benefits:
• Improved TCO
• Reduced pricing due to better understanding of licensing and implementation
• Tightly defined scopes will reduce later contract variations
Te take mō te pūrongo / Purpose of the report
1. To provide the forward work programme update of currently agreed capital projects that are scheduled to be delivered in FY2019.

Whakarāpopototanga matua / Executive summary
2. This report provides a forward work programme update on all currently agreed capital projects scheduled to be delivered in FY2019.
3. The information gathered in preparation for this report has been gathered from a request for capital projects being delivered during FY2019. Project information has been received from the following departments:
   - Community Facilities
   - Healthy Waters
   - Development Programme Office
   - Panuku
4. The report provides a summary of 281 projects totalling $826.6m of expenditure. This includes information on projects currently underway that will incur spend during FY2019 and new projects due to start in FY2019.
5. There is also additional Community Facilities spend for minor capital expenditure covering 862 projects at a total value of $67.6m. This work will be undertaken via the full facilities & maintenance contractors.
6. The project information has been provided by departments from different sources of information and as a result there is some inconsistency in the project information provided.
7. The report provides a summary of spend and some insight to the project details made available. Further work is required to provide consistency of reporting across all departments and to also better understand when procurement support will be required for the projects.
8. Staff will develop the forward work programme further and will provide an update of the report to the Committee on a quarterly basis.
9. Targeted rates, especially in the Healthy Waters programme, could add additional projects to the current programme of activity.
10. There is an intention is to make the FY2019 capital projects forward works programme publicly available to suppliers.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:
a) note the information contained in this report on the updated summary of currently agreed capital projects.
Horopaki / Context

11. As part of the council’s budgeting and planning process, all capital projects are entered into the council’s Sentient project management system. This information has then been used to provide the attached summary of the FY2019 capital projects forward work programme.

12. The report was originally requested by the Strategic Procurement committee to provide transparency and visibility of capital projects to be delivered or commenced in FY2019.

13. Project information was supplied by the following departments to create the attached summary report:
   - Community Facilities
   - Healthy Waters
   - Development Programme Office
   - Panuku

14. The report provides a summary of 281 projects totalling $826.6m of expenditure. This includes information on projects currently underway that will incur spend during FY2019 and new projects due to start in FY2019.

15. There is also additional Community Facilities spend for minor capital expenditure covering 862 projects at a total value of $67.6m. This work is under $300,000 in value (per project) and will be undertaken via the full facilities & maintenance contractors.

16. The project information has been provided by departments from different sources of information and as a result there is some inconsistency in the project information provided to enable the development of a cross-departmental forward work programme. This functionality will be developed by procurement in collaboration with the Operations division.

17. An update of the forward work programme report will be provided to the Strategic Procurement Committee on a quarterly basis.

18. The report provides a summary of spend and some insight to the project details made available. Further work is required to provide consistency of reporting across all departments and to also better understand when procurement support will be required for the projects.

19. Targeted rates, especially in the Healthy Waters programme, could add additional projects and associated budget to the current programme of activity. Further details will become available regarding the targeted rates projects over the next 6 weeks. It is anticipated that this could be in the range of an additional $20m to $30m in value.

20. There is an intention is to make the FY19 capital projects forward works programme available to the public and suppliers via the council’s website and other mechanisms, such as supplier briefings.

21. With the forward work programme being generated from Sentient, an appropriate link can be developed with the quarterly update reporting of over $5m projects provided by the Strategic Portfolio & Programme Office.

Tātaritanga me ngā tohutohu / Analysis and advice

22. A summary of capital expenditure forward work programme activity is provided in the report. However, should committee members require additional clarification or details, council staff will seek to provide additional details and clarification in a timely manner.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

23. Sentient reporting provides a full breakdown of projects by local board area. This is relevant to Community Facilities projects. Further work is required to include these details on other department projects.
24. Māori were consulted on the development of all projects that form the Forward Work Programme.

25. Projects are subject to the confirmation of the Long-term plan 2018-2028.

26. The next report will be provided at the September 2018 Strategic Procurement Committee meeting.

No. | Title | Page
--- | --- | ---
A4 | FY19 Capex Forward Work Programme Summary report | 49

Author | Peter Cunningham - Head of Physical Works & Technical Services Procurement
Authoriser | Aaron Donaldson - ICT Commercial Lead
Update summary report to the Strategic Procurement Committee
Participating departments

- Community Facilities
- Healthy Waters
- Panuku
- Development Programme Office
### FY19 capex forward work programme summary

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of Projects</th>
<th>Estimated Construction Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Facilities</td>
<td>111</td>
<td>100,880,921</td>
</tr>
<tr>
<td>Development Programme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>17</td>
<td>152,500,000</td>
</tr>
<tr>
<td>Healthy Waters</td>
<td>103</td>
<td>461,522,010</td>
</tr>
<tr>
<td>HW Part 1 FRAG</td>
<td>14</td>
<td>7,294,311</td>
</tr>
<tr>
<td>Panuku</td>
<td>36</td>
<td>104,397,817</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>281</strong></td>
<td><strong>826,595,060</strong></td>
</tr>
</tbody>
</table>
## Healthy Waters breakdown of project phase

<table>
<thead>
<tr>
<th>Project count</th>
<th>Estimated Value</th>
<th>Item 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>139,000,085</td>
<td>461,522,010</td>
</tr>
<tr>
<td>19</td>
<td>93,483,693</td>
<td>29</td>
</tr>
<tr>
<td>9</td>
<td>20,579,030</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>34,349,136</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>3,591,027</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>8,798,267</td>
<td>29</td>
</tr>
<tr>
<td>6</td>
<td>101,606,643</td>
<td>6</td>
</tr>
<tr>
<td>103</td>
<td>60,114,130</td>
<td></td>
</tr>
</tbody>
</table>

**Healthy Waters**
- Business case approved
- Physical works commenced
- Preliminary design approved
- Resource consent application lodged
- Resource consent granted
- Strategic assessment approved
- To be confirmed
- Tender document completed
- Grand Total
## Snapshot of the Healthy Waters programme

<table>
<thead>
<tr>
<th>#</th>
<th>Project Name</th>
<th>Cost Range</th>
<th>Current Stage of completion</th>
<th>Forecast completion where project is still on-going</th>
<th>Forecasted value of Project</th>
<th>Actuals as at end of Feb 2018</th>
<th>Forecasted work remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Grove Rd McLennan Box Culvert [1408]</td>
<td>&gt;$5M</td>
<td>Phys works commenced</td>
<td>15/08/2018</td>
<td>17,945,551</td>
<td>15,984,551</td>
<td>1,961,000</td>
</tr>
<tr>
<td>37</td>
<td>102 Pah Road, Papatoetoe [188]</td>
<td>&gt;$1M to 3M</td>
<td>Prelim design approved</td>
<td>30/05/2019</td>
<td>1,139,201</td>
<td>64,201</td>
<td>1,075,000</td>
</tr>
<tr>
<td>46</td>
<td>170-174 Queen Street Northcote Point [424]</td>
<td>&gt;$1M to 3M</td>
<td>Prelim design approved</td>
<td>10/04/2019</td>
<td>1,191,249</td>
<td>171,649</td>
<td>1,019,600</td>
</tr>
<tr>
<td>49</td>
<td>25 Derrimore Heights, Otara [170]</td>
<td>&gt;$1M to 3M</td>
<td>Prelim design approved</td>
<td>31/05/2018</td>
<td>1,112,098</td>
<td>62,098</td>
<td>1,050,000</td>
</tr>
<tr>
<td>53</td>
<td>29 - 37 Third View Avenue [166]</td>
<td>&gt;$500K to 1M</td>
<td>Tender document completed</td>
<td>30/06/2018</td>
<td>655,463</td>
<td>118,463</td>
<td>537,000</td>
</tr>
<tr>
<td>54</td>
<td>29 &amp; 41 Argo Drive [195]</td>
<td>&gt;$500K to 1M</td>
<td>TBC</td>
<td>31/05/2019</td>
<td>910,529</td>
<td>110,529</td>
<td>800,000</td>
</tr>
<tr>
<td>58</td>
<td>36 Buckland Road Mangere [187]</td>
<td>&gt;$1M to 3M</td>
<td>Resource consent granted</td>
<td>25/06/2021</td>
<td>1,919,964</td>
<td>191,964</td>
<td>1,728,000</td>
</tr>
<tr>
<td>71</td>
<td>Bairds Rd &amp; Sean Fitzpatrick Pl, Papatoetoe [175]</td>
<td>&gt;$1M to 3M</td>
<td>TBC</td>
<td>1/04/2020</td>
<td>1,821,461</td>
<td>71,461</td>
<td>1,750,000</td>
</tr>
<tr>
<td>93</td>
<td>Hunua Rd Pipework [306]</td>
<td>less or equal $500K</td>
<td>TBC</td>
<td>No forecast yet</td>
<td>338,487</td>
<td>338,487</td>
<td>-</td>
</tr>
<tr>
<td>99</td>
<td>Kiri Place, Mairangi Bay [1257 &amp; 2442]</td>
<td>&gt;$500K to 1M</td>
<td>Tender document completed</td>
<td>20/11/2020</td>
<td>787,427</td>
<td>222,427</td>
<td>565,000</td>
</tr>
<tr>
<td>99</td>
<td>Morgan St, Alba St, Clayton St - SW Upgrade/Separation, Newmarket [1295]</td>
<td>&gt;$500K to 1M</td>
<td>Tender document completed</td>
<td>30/11/2018</td>
<td>837,235</td>
<td>317,235</td>
<td>520,000</td>
</tr>
<tr>
<td>11</td>
<td>Te Auaunga Awa Oakley Walmsley &amp; Underwood Park Stream [58]</td>
<td>&gt;$5M</td>
<td>Phys works commenced</td>
<td>27/02/2019</td>
<td>22,346,263</td>
<td>13,574,263</td>
<td>8,772,000</td>
</tr>
<tr>
<td>14</td>
<td>Picton Street 1-27 [46]</td>
<td>&gt;$5M</td>
<td>Business case approved</td>
<td>No forecast yet</td>
<td>20,503,412</td>
<td>303,412</td>
<td>20,200,000</td>
</tr>
<tr>
<td>17</td>
<td>Rosedale East Pond Upgrade [398]</td>
<td>&gt;$1M to 3M</td>
<td>TBC</td>
<td>7/11/2019</td>
<td>1,112,748</td>
<td>198,748</td>
<td>914,000</td>
</tr>
<tr>
<td>23</td>
<td>Stanmore Rd to Fife St [41]</td>
<td>&gt;$5M</td>
<td>Prelim design approved</td>
<td>18/12/2019</td>
<td>13,533,119</td>
<td>3,673,119</td>
<td>9,860,000</td>
</tr>
<tr>
<td>23</td>
<td>Swaffield Rd to Ashlynne &amp; Balance Av Papatoetoe</td>
<td></td>
<td>Tender document</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Other departments

- Other departments using Sentient

- Community Facilities:
  - Recording forward work in Sentient – still in development
  - $166m of funding not allocated to specific projects currently
  - Under 300k activity - $67.6m across 862 projects
  - Actively working with CF around the provision of data

- Other departments:
  - Are using Sentient to record project information
  - Are recording appropriate project information for forward work programme use
Observations, challenges & future activity

- Healthy Waters at a good level of maturity; others catching up
- Potential future impact of targeted rates projects – more to add?
- Needs greater consistency of data collection across departments
- Inconsistency creates challenges in presenting data
- Little information on when procurement will take place
- With greater confidence and consistency, the intention is to release the forward work programme to the market
- Continue to work with departments in collation of data
- Report back to committee in 3 months
- Link to project/programme reporting via the SPPO
Te take mō te pūrongo / Purpose of the report
1. To provide the update summary of currently agreed capital projects with a budget of over $5 million as previously reported at the Strategic Procurement Committee at its meeting on 7 March 2018.

Whakarāpopototanga matua / Executive summary
2. This report provides a progress update on all currently agreed capital projects with a budget of over $5 million.
3. Projects are briefly described, including what stage the project is at in its lifecycle, whether the projects are currently under or over budget, and expected completion dates noting any delays.
4. As per the request of this committee at the 7 March 2018 meeting, the report now contains details on the objectives/scope of the project, local board area, project phase and specific project commentary.
5. Staff will keep the capital project report updated and report this to the Strategic Procurement Committee on a quarterly basis.
6. The FY18 budget for the 48 (over $5 million) projects included in the report totals. More information can be found in the confidential report attachment.
7. The data in this report was first prepared for the Finance and Performance Committee quarterly report which includes data up to 31 March 2018.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:

a) note the information contained in this report, on the updated summary of currently agreed capital projects, enables transparency on the topic due for discussion in the public excluded part of the meeting.

b) note that the confidential report contains information that could prejudice council's position with suppliers.

Horopaki / Context
8. As part of the council project management process, all capital projects are updated monthly using the council’s Sentient project management system. The up to date project details are then used to compile the quarterly update on projects over $5m that is subsequently presented to the Strategic Procurement committee.
9. The details included in the report which is attached to the confidential report are as follows:
   - Project ID, Project Name and Project Objectives
   - Portfolio Department (e.g. Healthy Waters, Community Facilities, etc.)
   - Local Board Area
   - Current project phase of the project (e.g. concept, planning, execution & delivery, etc.)
Item 11

• Estimated start and finish dates
• SPI calculation (Schedule Performance Index – a forecast whether the project will be completed ahead or behind schedule)
• CPI calculation (Cost Performance Index – a forecast whether the project will be completed under or over the current project budget)
• % of project completion
• Total project budget
• Total project actuals
• Total project forecast
• Commentary

10. The report has a traffic light system which is detailed below:
• Green = on time and on budget (SPI or CPI equal to 1 in the attached report indicates that the project is on budget and on schedule)
• Amber = slightly above budget and/or slightly behind schedule.
• Red = over budget and behind schedule
• Grey = project commencing – insufficient data to calculate SPI or CPI

11. The report will provide project reporting and commentary from the project manager on all projects

12. The reports are being compiled by the council’s Strategic Portfolio and Programme Office (SPPO) and the quarterly report will be delivered by the Head of the SPPO, Ramari Slattery.

Tātaritanga me ngā tohutohu / Analysis and advice

13. Commentary regarding project progress is provided in the confidential report. However, should committee members require additional clarification or details, council staff will seek to provide additional details and clarification in a timely manner.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views
Consultation with local boards on the progress of projects was not required as this engagement is being managed by the relevant department within the Operations Division.

Tauākī whakaaweawe Māori / Māori impact statement

15. Māori are regularly kept up to date on project delivery through regular reporting by the appropriate department in the Operations Division.

Ngā ritenga ā-pūtea / Financial implications

16. Financial implications are reported regularly by the appropriate department in the Operations Division through the delivery of individual projects.

Ngā raru tūpono / Risks

17. Risks are reported in the confidential report. Projects categorised as red or amber may indicate a risk that these projects could potentially run over budget and/or be delivered behind schedule.

Ngā koringa ā-muri / Next steps

18. The next report will be provided at the September 2018 Strategic Procurement Committee meeting.
Ngā tāpirihanga / Attachments
There are no attachments for this report.

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Peter Cunningham - Head of Physical Works &amp; Technical Services Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
</tr>
</tbody>
</table>
Procurement of building consents overflow services

File No.: CP2018/09351

Te take mō te pūrongo / Purpose of the report
1. To seek approval for the supplier recommendation report for building consent overflow services.

Whakarāpopototanga matua / Executive summary
2. Building consent services are currently provided through a combination of in-house delivery, an overflow delivery model that operates across the Auckland Region and a legacy outsourced provider model that operates exclusively in Manukau. In the central region, in addition to the overflow model there is also an agency provider to manage building consenting volumes.
3. The current contracts for provision of building consent services expire on 30 June 2018.
4. A final recommendation on the continued provision of building consent services will be presented for approval in the confidential section of the meeting.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:

a) note the information in this report enables transparency around the building consents overflow supplier recommendation report due for discussion and approval in the public excluded part of the meeting.

Horopaki / Context
5. Building consent services are currently provided through a combination of in-house delivery, an overflow delivery model, an outsourced provider model and an agency provider to manage building consenting volumes.
6. The preferred regional service delivery model for building consents is one where third-party suppliers are used to process consents and inspect buildings that council staff do not have the capacity to process, e.g. an overflow delivery model. In an overflow model, the suppliers would act as an agent of Auckland Council.
7. Due to restraint on additional staff and to manage risk of over-capacity, the overflow model is considered an essential component to ensure the delivery of an efficient, quality, timely building consenting service.
8. Further information is provided in the confidential report.

Tātaritanga me ngā tohutohu / Analysis and advice
9. The overflow model is considered a more feasible alternative to delivering the full service in-house, as it provides flexibility during seasonal peaks and troughs in building consent volumes.
10. Further information is provided in the confidential report.
Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

11. Local boards were not specifically consulted during the development of the recommended delivery model and associated recommended procurement approach.

12. Consultation with Local Boards on the contract terms agreed with the suppliers was not required as these will not impact on the currently approved charge out rates to applicants for building consents.

Tauākī whakaaweawe Māori / Māori impact statement

13. Māori were not specifically consulted during the development of the recommended delivery model and associated recommended procurement approach.

Ngā ritenga ā-pūtea / Financial implications

14. Financials will be presented in the confidential report.

Ngā raru tūpono / Risks

15. Failure to process building consent applications within the statutory timeframes has been identified as a risk for the Building Consents department. The provision of overflow services as recommended in this report is aimed at mitigating this risk by having sufficient accredited resource contracted to the council to ensure the Building Consents department continues to meet the statutory timeframes.

Ngā koringa ā-muri / Next steps

16. There are no implementation issues arising from the report. Any implementation issues relating to the contracts for provision of building consent overflow services have been noted in the report titled “Confidential: Building Consents Overflow Services - Supplier Recommendation Report.”

Ngā tāpirihanga / Attachments

There are no attachments for this report.

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Peter Cunningham - Head of Physical Works &amp; Technical Services Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Ian McCormick - Manager Building Control</td>
</tr>
<tr>
<td></td>
<td>Penny Pirrit - Director Regulatory Services</td>
</tr>
<tr>
<td></td>
<td>Dean Kimpton - Chief Operating Officer</td>
</tr>
<tr>
<td></td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo / Purpose of the report
1. To provide a construction status update to the Strategic Procurement Committee on the Westgate multipurpose facility construction contract with Fletcher Construction Company Limited.
2. To seek approval for a contract variation to the scope and costs for which approved budget is available within the project. Further detail for the committee consideration can be found in the confidential section of this agenda.

Whakarāpopototangā matua / Executive summary
3. Construction of the Westgate multipurpose facility commenced on 6 March 2017, with practical completion on 3 October 2018. The structure is complete and the building largely enclosed with internal fit-out and service work underway.
4. As previously reported functional fit-out items related to the children's library area were to be delivered outside of main contractor contract. The governance group has identified a potential saving and reduced risk by including this work as a variation to the main contract. Budget for this work is held within the project.
5. The contract has incurred delays and costs due to initial pre-commencement works, design documentation changes and extension of time costs. These events have been managed within the time and cost contingency provisions.
6. A health and safety incident recently occurred which has been investigated and corrective actions implemented. Otherwise the health and safety performance record and quality of construction remains good.
7. Due to its higher-risk profile, the Westgate multipurpose facility construction will provide monthly status reporting to the committee.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:

a) note the Status update: Westgate multipurpose facility (integrated library and community centre) construction report.

b) note that the information contained in this report enables further transparency on the proposed contract for Main Contractor: Construction Works for Westgate Multipurpose Facility (Library and Community Facilities) for a variation related to artwork construction and installation in the children’s library area in the confidential section of the agenda.

Horopaki / Context
8. The Westgate Multipurpose Facility project was reported to Strategic Procurement Committee on 7 March 2018 in a memorandum and presentation entitled "Westgate Multipurpose Facility Construction Contract Status Update – February 2018" under the “Update to Capital projects over $5 million” in the confidential section of the agenda.
Tātaritanga me ngā tohutohu / Analysis and advice

9. As previously reported functional fit-out items related to the children's library area were to be delivered outside of main contractor contract. Budget for this work is held within the project and a variation to the main contract is required to include this integrated work within the main contract works.

Health and safety

10. The contractor’s general attitude to the management of health and safety on site is very good, demonstrated by independent audits undertaken on behalf of council and its own reporting. A notifiable incident has recently occurred on site which has been investigated thoroughly and corrective actions have been implemented.

Timeline status

11. The revised due date for practical completion of the main construction contract is 3 October 2018.

Quality

12. Ongoing quality audits are being conducted by the architect and consulting engineers. Quality of construction audited to date has been of a good standard, and no significant quality issues have been reported.

13. These audits confirm the contractor’s attitude and attention to the management of quality construction practice on site is good.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

14. The Henderson-Massey Local Board has received monthly updates and quarterly reports. The local board plans to visit the site on 26 June 2018.

Tauākī whakaaweawe Māori / Māori impact statement

15. Council staff are currently working with local mana whenua around the naming and signage of the facility.

Ngā ritenga ā-pūtea / Financial implications

16. Contract variations to date are within the contract contingency sum allocated with some still to be agreed.

17. Variations and claims not yet agreed are subject to recommendation by the quantity surveyor prior to any final agreement. Any agreed variations will seek approval from the committee.

18. Actions resulting from a project risk workshop have been undertaken to mitigate further cost and time risks for the remainder of the contract programme. Value engineering to minimise costs is on-going but at this stage unlikely to provide significant savings.

19. At contract award some fit-out items including functional art were not included in the main construction contract. Budget is allocated within the project for this work and the governance group has identified a potential saving and reduced risk by including this work as a variation to the main contract.

20. The variation is made up of two portions of work and not yet included under anticipated contract variations. Supply and installation of timber fins mounted to the ceiling and walls of the children’s area and supply and installation of bespoke bookshelves and bins for the children’s area. These are best included within the contract price as the risk of retro-fitting the required seismic restraint features as well as bringing them into the completed building post practical completion has been estimated as cost prohibitive.

21. Budget is available and allotted for this work within the project.
Ngā raru tūpono / Risks
22. The governance group held a risk workshop to review and identify any additional risks. Mitigations and controls have been implemented and the risk management plan is operating.

23. Several of the risks have eventuated since the last report. Notably, two additional extensions of time for delays in providing timely design information, design and coordination problems with regards to structural steel and further changes in design drawings from those issued at tender.

24. Some costs associated with these risks have been identified, and we are working to ensure these are as minimal as possible. We are also working to ensure any delays to the contract delivery are minimal.

25. During the closing stages of the contract, and due to the increase in the number and severity of outstanding risks, status reports to the Strategic Procurement Committee will increase to a monthly frequency for the duration of the contract.

Ngā koringa ā-muri / Next steps
26. The project governance group will continue to work with the professional services team and the contractor to mitigate and control risks and minimise any additional costs.

27. Monthly status update reports will be provided to the Strategic Procurement Committee for the remainder of the contract.

Ngā tāpirihanga / Attachments
There are no attachments for this report.

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>John Schermbrucker - Head of Project Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Rod Sheridan - General Manager Community Facilities</td>
</tr>
<tr>
<td></td>
<td>Dean Kimpton - Chief Operating Officer</td>
</tr>
<tr>
<td></td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
</tr>
</tbody>
</table>
Vertical construction procurement category strategy

File No.: CP2018/08820

Te take mō te pūrongo / Purpose of the report
1. To provide governance visibility and to seek endorsement of the vertical construction procurement category strategy for Auckland Council.

Whakarāpopototanga matua / Executive summary
2. Vertical construction procurement category under the Physical Works and Technical Services portfolio covers all building related construction activities for council.
3. The strategy identifies the challenges and opportunities in the category through spend analysis, market analysis, internal business engagement and strategic supplier interviews.
4. The key challenges/opportunities are: supply market constraints, traditional tendering process, market approach, leverage on the Group spend, supplier performance management and Group strategic supplier relationship.
5. The strategy identifies some key actions to support:
   - a Council Group approach;
   - making the most of our size and scale;
   - being a customer of choice;
   - the efficient delivery of capex projects; and
   - efficient procurement processes.
6. Further information setting out how we propose to approach this procurement category is provided in the report on the confidential agenda.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:
a) note the information in this report enables transparency on the vertical construction procurement category strategy due for discussion in the public excluded part of the meeting.
b) note the confidential report contains information which if released would have a negative impact on the council’s ability to deliver best value to the ratepayers.

Horopaki / Context
7. Further context on the vertical construction category strategy is provided in the confidential report.

Tātaritanga me ngā tohutohu / Analysis and advice
8. Further analysis and advice on the category strategy is provided in the confidential report.
9. A sustainable procurement strategy will be embedded within the various category initiatives which will actively support local employment opportunities, environmental benefits and local amenity improvements.

10. Local board views are addressed at the programme and project level as part of local board consultation for the capex works programme.

**Tauākī whakaaweawe Māori / Māori impact statement**

11. As part of the sustainable procurement strategy, Māori employment opportunities will be sought through the procurement documents for targeted projects and preference will be given for willing participation by suppliers.

**Ngā ritenga ā-pūtea / Financial implications**

12. Further details on the category strategy is provided in the confidential report.

**Ngā raru tūpono / Risks**

13. Risk details are provided in the confidential report.

**Ngā koringa ā-muri / Next steps**


15. Market sounding and supplier briefing sessions will be undertaken to prepare the market.

16. Strategy implementation according to the action plan over three time periods captured in the strategy document.

**Ngā tāpirihanga / Attachments**

There are no attachments for this report.

**Ngā kaihaina / Signatories**

<table>
<thead>
<tr>
<th>Author</th>
<th>Peter Cunningham - Head of Physical Works &amp; Technical Services Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo / Purpose of the report
1. To note progress on the forward work programme (Attachment A).

Whakarāpopototanga matua / Executive summary
2. This is the regular information-only report which aims to provide public visibility of information circulated to committee members via memo or other means, where no decisions are required.
3. Note that, unlike an agenda decision report, staff will not be present to answer questions about these items referred to in this summary.

Ngā tūtohunga / Recommendation/s
That the Strategic Procurement Committee:
   a) receive the information report – 11 June 2018.

Ngā tāpirihanga / Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A0</td>
<td>Strategic Procurement Committee  Forward Work Programme - 20180611</td>
<td>71</td>
</tr>
</tbody>
</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Michelle Judge - Governance Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Aaron Donaldson - ICT Commercial Lead</td>
</tr>
</tbody>
</table>
This committee deals with ensuring sound procurement processes are followed in order to deliver on the work programme and operations outlined in council’s adopted Annual Plan. It has responsibility for awarding contracts of $22.5 million or greater, awarding sensitive contracts and oversight of procurement strategies, processes and procedures.

Priorities for 2018 will be on initiatives which:

1. **Delivery on Annual Plan Outcomes**
2. **Review delivery of Capital Projects**
3. **Endorse Procurement Category Strategies**
4. **Enhance Group Sourced Procurement**
5. **Improve Procurement Maturity**

The work of the Committee will:

- Approve award of contracts and variations within the Committee’s delegations.
- Monitor the delivery programme of major capital projects and recommend reporting to Finance and Performance Committee.
- Endorse procurement strategies and process improvements related to the Committee’s responsibilities.
- Monitor progress and make recommendations on group sourced procurement activities.

## Delivery on Annual Plan outcomes (Contracts to be awarded)

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
<th>Budget / Funding</th>
<th>Expected timeframes</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Highlight financial year quarter and state month if known</td>
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<td>FY18</td>
<td>FY19</td>
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<td>Apr-Jun</td>
<td>Jul-Sep</td>
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<td>Oct-Dec</td>
<td>Jan-Mar</td>
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<td>Apr-Jun</td>
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</tr>
<tr>
<td><strong>1.1</strong></td>
<td>Building Consents Regional Overflow Model</td>
<td>Approve the supplier recommendation for the Building Consents Regional Overflow Model</td>
<td><strong>Progress to date:</strong></td>
<td></td>
<td>Q4 June 18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Decision:</strong> agree procurement plan- 13 December 2017 meeting, Resolution Number STR/2017/60 – Item C5</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Supplier recommendation will be provided in June 2018</td>
<td>$370m (total council family spend)</td>
<td>Q1 July 18</td>
</tr>
<tr>
<td><strong>1.2</strong></td>
<td>City Centre Development</td>
<td>Approve procurement plan and award contract for City Centre Development project</td>
<td><strong>Progress to date:</strong></td>
<td></td>
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<td></td>
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<td><strong>Decision:</strong> Agree procurement plan and award contract</td>
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<td><strong>Update received at the 13 December 2017 meeting Resolution number STR/2017/59 - Item C4</strong></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Next Update will be considered in July 2018</strong></td>
<td>$212m</td>
<td>Q1 July 18</td>
</tr>
<tr>
<td><strong>1.3</strong></td>
<td>America’s Cup 36 progress update</td>
<td>Update on the infrastructure delivery in support of AC36</td>
<td><strong>Receive:</strong> progress update</td>
<td></td>
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</tr>
<tr>
<td><strong>1.4</strong></td>
<td>Organics (Food Waste) Processing, caddies and food waste bins</td>
<td>Award contract for food waste process service, caddies and bins</td>
<td><strong>Decision:</strong> Agree to award contract</td>
<td></td>
<td>Q1 August 18</td>
</tr>
<tr>
<td><strong>1.5</strong></td>
<td>St Marys Bay Outfall construction contract</td>
<td>Approve procurement plan and then award contract for St Marys Bay stormwater project</td>
<td><strong>Decision:</strong> Agree procurement plan and award contract</td>
<td>$35 million</td>
<td>Q1 August 18</td>
</tr>
</tbody>
</table>
### 2. Review delivery of Capital Projects

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
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<td>FY18</td>
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<td>Apr-Jun</td>
</tr>
<tr>
<td>2.1</td>
<td>Capital Project Delivery</td>
<td>Elected member oversight of progress of Major Projects</td>
<td></td>
<td></td>
<td>Q4</td>
</tr>
<tr>
<td>2.2</td>
<td>Westgate multipurpose facility</td>
<td>Elected member oversight of progress of Westgate multipurpose facility. Receive report, review and approve variation to contract for Westgate MPF</td>
<td></td>
<td></td>
<td>Q4</td>
</tr>
<tr>
<td>2.3</td>
<td>Forward Work Programme (Pipeline)</td>
<td>Elected member oversight of pipeline of activity for capital works delivery forward work programme</td>
<td></td>
<td></td>
<td>Q4</td>
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</tbody>
</table>

#### Progress to date:
- Update received at the 6 September 2017 meeting Resolution number STR/2017/37 - Item C2.
- Update received at the 13 December 2017 meeting Resolution number STR/2017/61 - Item C6.
- Update received at the 7 March 2018 meeting Resolution number STR/2018/11 - Item C2.
- Next Update will be considered in June 2018.

### 3. Endorse Procurement Category Strategies

<table>
<thead>
<tr>
<th>Priority #</th>
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<th>Expected timeframes</th>
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<td>FY18</td>
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<td>Apr-Jun</td>
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<tr>
<td>3.1</td>
<td>ICT Software</td>
<td>Create a plan for engaging the market to purchase Software.</td>
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<td>Q4</td>
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<tr>
<td>3.2</td>
<td>Vertical Construction Category Strategy</td>
<td>Development of the overall strategy for vertical construction and building</td>
<td></td>
<td></td>
<td>Q4</td>
</tr>
<tr>
<td>3.3</td>
<td>ICT Technology Services</td>
<td>Create a plan for engaging the market to purchase Technology Services – Cloud, Data Centre Services, Print, Network.</td>
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<td>Q1</td>
</tr>
<tr>
<td>3.4</td>
<td>Professional Services</td>
<td>Create a plan to go to market and manage professional services across Auckland Council.</td>
<td></td>
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<td>Q1</td>
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<tr>
<td>3.5</td>
<td>Professional Technical Services</td>
<td>Implementation of professional technical services category</td>
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<td>Q1</td>
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### 4. Enhance Group Sourced Procurement

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<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
<th>Budget / Funding</th>
<th>Expected timeframes Highlight financial year quarter and state month if known</th>
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<tbody>
<tr>
<td>4.1</td>
<td>Fleet Optimisation Update</td>
<td>Keep Committee informed on progress of Fleet changes</td>
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<td>FY18: April to June FY19: July</td>
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<td>Progress to date:</td>
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<td>Q1 July 18</td>
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<td>Update received at the meeting on 7 March 2018</td>
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<td>Resolution number STR/2018/5 – Item 10.</td>
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<td>Receive: No decision needed</td>
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<tr>
<td>4.2</td>
<td>Group Sourced Procurement</td>
<td>Keep Committee informed on progress against</td>
<td></td>
<td></td>
<td>FY18: April to June FY19: July</td>
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<tr>
<td></td>
<td>update</td>
<td>Group Sourced Procurement objectives</td>
<td></td>
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<td>Q1 July 18</td>
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<td>Progress to date:</td>
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<td>Update provided at the October 2017 meeting</td>
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<td>Resolution number STR/2017/4 – Item 11.</td>
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<td>Update received at the meeting on 7 March 2018</td>
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<td></td>
<td>Receive: No decision required</td>
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</tbody>
</table>

### 5. Improve Procurement Maturity

See completed section below

### 6. Other

See completed section below
## Completed

### 1. Delivery on Annual Plan outcomes (Contracts awarded)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Refuse Collections</td>
<td>Change from collection of Bags to Bins for Waitakere and North Shore. Part of aligning refuse collection services across the region</td>
<td><strong>Decision:</strong> Agree to extend current contract with Veolia for a further 2 years – 6 September 2017 – Resolution STR/2017/36 – Item C1</td>
</tr>
<tr>
<td>1.2</td>
<td>Electricity Procurement</td>
<td>Approve Procurement Plan for Electricity procurement</td>
<td><strong>Update</strong> provided at the October 2017 meeting Resolution number STR/2017/47 - Item C3</td>
</tr>
<tr>
<td>1.3</td>
<td>External Legal Services</td>
<td>Council has gone out to market for external legal services. Additional scope may mean the contract value over the term of the engagement will exceed $22.5m</td>
<td><strong>Decision:</strong> Agree to contract awards for 2 years. 13 December 2017 meeting, Resolution Number STR/2017/57 – Item C2</td>
</tr>
<tr>
<td>1.4</td>
<td>Graffiti Eradication and Enforcement Services</td>
<td>Approve procurement plan for graffiti Eradication and Enforcement Services</td>
<td><strong>Decision:</strong> agree procurement plan- 13 December 2017 meeting, Resolution Number STR/2017/58 – Item C3</td>
</tr>
<tr>
<td>1.5</td>
<td>Electricity supply SRR</td>
<td>Approve the supplier recommendation report for electricity supply services</td>
<td><strong>Decision:</strong> agree SRR- 13 December 2017 meeting, Resolution Number STR/2017/56 – Item C1</td>
</tr>
<tr>
<td>1.6</td>
<td>Overflow Planning Services</td>
<td>Approve the procurement plan for overflow planning services to process resource consents.</td>
<td><strong>Decision:</strong> approve procurement plan</td>
</tr>
<tr>
<td>1.7</td>
<td>External Recruitment Supplier</td>
<td>Current All of Government (AoG) contract expires October 2017. New AoG contracts have been negotiated by MBIE. Council will enter into AoG agreements for six months and assess whether they meet our needs.</td>
<td><strong>Decision:</strong> Agree to extend AoG agreements or run own market exercise. <strong>Decision:</strong> taken to extend AoG agreements at 4 April meeting. Resolution number STR/2018/12 – Item C1</td>
</tr>
</tbody>
</table>

### 3. Endorse Procurement Category Strategies

<table>
<thead>
<tr>
<th>Priority</th>
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<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Waste Solutions Procurement Strategy</td>
<td>Create plan for go to market exercise for all waste collection (including food waste) and disposal activity prior to 2020.</td>
<td><strong>Decision:</strong> Confirm strategy/challenge <strong>Update</strong> provided at the October 2017 meeting Resolution number STR/2017/40 - Item 9</td>
</tr>
<tr>
<td>3.2</td>
<td>Organics (food waste) Processing caddies and food waste bins</td>
<td>Create plan for go to market exercise for all aspects of the planned Organic (food waste) collection and Processing Service together with the caddies and bins required for collection.</td>
<td><strong>Update</strong> provided at the October 2017 meeting Resolution number STR/2017/40- Item 9 and Resolution number STR/2017/45 – C1</td>
</tr>
<tr>
<td>3.3</td>
<td>ICT hardware</td>
<td>Create a plan for engaging the market to purchase ICT Hardware.</td>
<td><strong>Update</strong> received at the meeting on 7 March 2018 Resolution number STR/2018/10 – Item C1. <strong>Receive:</strong> No decision required</td>
</tr>
</tbody>
</table>
### 4. Enhance Group Sourced Procurement

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Sustainable Procurement</td>
<td>Give effect to principles to be agreed in Group Procurement Policy</td>
<td>Update provided at the December 2017 meeting, Resolution number STR/2017/53 - Item 9</td>
</tr>
</tbody>
</table>

### 5. Improve Procurement Maturity

<table>
<thead>
<tr>
<th>Priority</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Ariba update</td>
<td>Update Committee on implementation of procurement enabling technology</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/4 – Item 11</td>
</tr>
</tbody>
</table>

### 6. Other

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Update on Waste Solutions contracts</td>
<td>Update the Committee on the current state of all waste contracts prior to the preparation of the Waste Solutions Procurement Strategy</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/41 - Item 10 and Resolution number STR/2017/46 – item C2</td>
</tr>
<tr>
<td>6.2</td>
<td>Review of Project 17 Contract performance</td>
<td>Update the Committee on the performance of suppliers against key performance metrics under the Project 17 Full Facilities Maintenance contracts</td>
<td>Receive: No decision required. Update provided at May 2018 meeting, Resolution number STR/2018/21 – item C2</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>C1</th>
<th>CONFIDENTIAL: Update on capital projects over $5 million</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>Particular interest(s) protected (where applicable)</td>
<td>Ground(s) under section 48(1) for the passing of this resolution</td>
</tr>
</tbody>
</table>
| 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. | s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains information that could prejudice council's position with suppliers. | s48(1)(a)  
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. |

<table>
<thead>
<tr>
<th>C2</th>
<th>CONFIDENTIAL: Building consents overflow supplier recommendation report</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
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<td>Ground(s) under section 48(1) for the passing of this resolution</td>
</tr>
</tbody>
</table>
| 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. | s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. 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). In particular, the report contains information that if made public, will have a negative impact on council's relationship with suppliers. | s48(1)(a)  
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. |
C3  CONFIDENTIAL: Status update: Westgate multipurpose facility (integrated library and community centre) construction

<table>
<thead>
<tr>
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<th>Ground(s) under section 48(1) for the passing of this resolution</th>
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<tbody>
<tr>
<td>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.</td>
<td>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains information that could prejudice council’s position with suppliers and other parties with regard to the resolution of disputes.</td>
<td>s48(1)(a) 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.</td>
</tr>
</tbody>
</table>

C4  CONFIDENTIAL: Vertical construction procurement category strategy

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<thead>
<tr>
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<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>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. s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains information that may prejudice the Auckland Council Group and the supply market if made publicly available.</td>
<td>s48(1)(a) 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.</td>
</tr>
</tbody>
</table>