

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

Date: Wednesday, 5 September 2018
Time: 9.30am
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
Members	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

29 August 2018

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Terms of Reference

Responsibilities

The committee is established to assist the chief executive to undertake the management procedure of ensuring sound 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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PUBLIC EXCLUDED

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C4	CONFIDENTIAL: Resource consent processing services - supplier recommendation report	30

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, 8 August 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.”

Information report - 5 September 2018

File No.: CP2018/15222

Item 8

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 – 5 September 2018.

Ngā tāpirihanga / Attachments

No.	Title	Page
A 	Strategic Procurement Committee Forward Work Programme - 20180905	11

Ngā kaihaina / Signatories

Author	Michelle Judge - Governance Advisor
Authoriser	Jazz Singh - General Manager Procurement

STRATEGIC PROCUREMENT COMMITTEE FORWARD WORK PROGRAMME FY2019

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.

1. Delivery on Annual Plan outcomes (Contracts to be awarded)

Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes Highlight financial year quarter and state month if known			
					FY19			
					Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
1.1	St Marys Bay Outfall construction contract	Approve procurement plan	Decision: Agree procurement plan and award contract		Q1 Sept 18			
1.2	Resource Consent Supplier Recommendation Report	Approve Supplier Recommendation Report	Decision: Approve Supplier Recommendation Report		Q1 Sept 18			
1.3	America's Cup 36 progress update	Provide an update on the awarding of the Project Alliance Agreement for the construction of infrastructure needed to host the 36th America's Cup	Receive: progress update Next update will be considered in October 2018	\$212m		Q2 Oct 18		
1.4	City Centre Development	Provide an update on the strategy for procurement of city centre development programme and pipeline of forward works	Receive: progress update Progress to date: Update received at the 13 December 2017 meeting Resolution number STR/2017/59 - Item C4 Next update will be considered in October 2018	\$370m (total council family spend)		Q2 Oct 18		
1.5	Ports of Auckland stormwater project	Approve awarding of contract to successful supplier for Ports of Auckland stormwater project	Decision: Approve awarding of contract			Q2 Oct 18		
1.6	Strategic procurement plan for waste services	To approve a strategic plan for procurement of waste services over the next five years.	Decision: Agree procurement plan			Q2 Dec 18		
1.7	St Marys Bay Outfall construction contract	Approve supplier recommendation report	Decision: Approve awarding contract			Q2 Dec 18		

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1.8	Organics (Food Waste) Processing, caddies and food waste bins	Award contract for food waste process services, caddies and bins	<p>Progress to date:</p> <p>Decision taken to approve the contract award for food waste process services, caddies and bins at 11 July 2018 meeting</p> <p>Resolution number STR/2018/37 – Item C2</p> <p>Next update will be considered in Q4</p>						Q4
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Attachment A

2. Review delivery of Capital Projects									
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes				
					Highlight financial year quarter and state month if known				
					FY19				
					Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	
2.1	Westgate multipurpose facility (integrated library and community centre) construction	Elected member oversight of progress of Westgate multipurpose facility	<p>Progress to date:</p> <p>Update received at the 7 March 2018 meeting Resolution number STR/2018/11- Item C2.</p> <p>Update received at 11 June 2018 meeting Resolution number STR/2018/34- Item C3</p> <p>Update received at 8 August 2018 meeting Resolution number STR/2018/38 – Item C1</p> <p>Receive: no decision required</p>		Q1 Sept 18				
2.2	Capital Project Delivery	Elected member oversight of progress of Major Projects	<p>Progress to date:</p> <p>Update received at 6 September 2017 meeting Resolution number STR/2017/37 - Item C2.</p> <p>Update received at 13 December 2017 meeting Resolution number STR/2017/61 - Item C6.</p> <p>Update received at 7 March 2018 meeting Resolution number STR/2018/11- Item C2.</p> <p>Update received at 11 June 2018 meeting Resolution number STR/2018/32 – Item C1</p> <p>Receive: no decision required</p>		Q1 Sept 18				
2.3	Forward Work Programme (Pipeline)	Elected member oversight of pipeline of activity for capital works delivery forward work programme	<p>Progress to date:</p> <p>Update received at 11 June 2018 meeting – Resolution number STR/2018/25 – Item 10</p> <p>Receive: no decision required</p>			Q2 Oct 18			

3. Endorse Procurement Category Strategies								
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes Highlight financial year quarter and state month if known			
					FY19			
					Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
3.1	Professional Technical Services	Implementation of professional technical services category	Receive: No decision required – update from approved strategy by T&P 2016			Q2 Oct 18		
3.2	ICT Technology Services	Create a plan for engaging the market to purchase Technology Services – Cloud, Data Centre Services, Print, Network.	Receive: No decision required			Q2 Oct 18		
3.3	Professional Services	Create a plan to go to market and manage professional services across Auckland Council.	Receive: No decision required			Q2 Nov 18		

4. Enhance Group Sourced Procurement								
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes Highlight financial year quarter and state month if known			
					FY19			
					Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
4.1	Fleet Optimisation Update	Keep Committee informed on progress of Fleet changes	<p>Progress to date:</p> <p>Update received at the 7 March 2018 meeting - Resolution number STR/2018/5 – Item 10.</p> <p>Update received at the 11 July 2018 meeting – Resolution number STR/2018/39 – Item 9.</p> <p>Decision: approve business plan</p>			Q2 Oct 2018		
4.2	Group Sourced Procurement update	Keep Committee informed on progress against Group Sourced Procurement objectives	<p>Progress to date:</p> <p>Update provided at the October 2017 meeting Resolution number STR/2017/4 – Item 11</p> <p>Update received at the meeting on 7 March 2018 Resolution number STR/2018/4 – Item 9</p> <p>Update received at the meeting on 8 August 2018 Resolution number STR/2018/42 – Item 9</p> <p>Receive: no decision required</p>			Q2		

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5. Improve Procurement Maturity					
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes Highlight financial year quarter and state month if known

See completed section below

6. Other					
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)	Budget / Funding	Expected timeframes Highlight financial year quarter and state month if known

See completed section below

Completed

Attachment A

1. Delivery on Annual Plan outcomes (Contracts awarded)			
Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)
1.1	Refuse Collections	Change from collection of Bags to Bins for Waitakere and North Shore. Part of aligning refuse collection services across the region	Decision: Agree to extend current contract with Veolia for a further 2 years – 6 September 2017 – Resolution STR/2017/36 – Item C1
1.2	Electricity Procurement	Approve Procurement Plan for Electricity procurement	Update provided at the October 2017 meeting Resolution number STR/2017/47 - Item C3
1.3	External Legal Services	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	Decision: Agree to contract awards for 2 years. 13 December 2017 meeting, Resolution Number STR/2017/57 – Item C2
1.4	Graffiti Eradication and Enforcement Services	Approve procurement plan for graffiti Eradication and Enforcement Services	Decision: agree procurement plan- 13 December 2017 meeting, Resolution Number STR/2017/58 – Item C3 Decision: approve procurement plan at 2 May 2018 meeting, Resolution number STR/2018/18 – Item 10 and Resolution number STR/2018/20 – item C1
1.5	Electricity supply SRR	Approve the supplier recommendation report for electricity supply services	Decision: agree SRR- 13 December 2017 meeting, Resolution Number STR/2017/56 – Item C1
1.6	Overflow Planning Services	Approve the procurement plan for overflow planning services to process resource consents.	Decision taken to approve the procurement plan at 4 April 2018 meeting. Resolution number STR/2018/15 – Item 10 and Resolution number STR/2018/13 – item C2
1.7	External Recruitment Supplier	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.	Decision taken to extend AoG agreements at 4 April 2018 meeting, Resolution number STR/2018/14 – Item 9 and Resolution number STR/2018/12 – item C1
1.8	Building Consents Regional Overflow Model	Approve the supplier recommendation for the Building Consents Regional Overflow Model	Decision: procurement plan agreed - 13 December 2017 meeting, Resolution number STR/2017/60 – Item C5 Decision: Supplier recommendation agreed at 11 June 2018 meeting, Resolution number STR/2018/27 – Item 12 and

			Resolution number STR/2018/33 – Item C2
1.9	Waiheke Island Waste Services Contracts	Approve a contract extension for Waiheke Island waste services contract	Update provided at the 11 July 2018 meeting, Resolution number STR/2018/41 – Item 11 and Resolution number STR/2018/36 – item C1 Decision: Approved contract extension at 11 July 2018 meeting.

3. Endorse Procurement Category Strategies

Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)
3.1	Waste Solutions Procurement Strategy	Create plan for go to market exercise for all waste collection (including food waste) and disposal activity prior to 2020	Update provided at the October 2017 meeting Resolution number STR/2017/40 - Item 9 Decision: Confirm strategy/challenge
3.2	Organics (food waste) Processing caddies and food waste bins	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.	Update provided at the October 2017 meeting Resolution number STR/2017/40- Item 9 and Resolution number STR/2017/45 – Item C1 Update received at 11 July 2018 meeting Resolution number STR/2018/40 - Item 10 and Resolution number STR/2018/43 – Item C1
3.3	ICT hardware	Create a plan for engaging the market to purchase ICT Hardware.	Update received at 7 March 2018 meeting – Resolution number STR/2018/7 – Item 12 and Resolution number STR/2018/10 – Item C1 Receive: No decision required
3.4	ICT Software	Create a plan for engaging the market to purchase Software.	Update received at 11 June 2018 meeting – Resolution number STR/2018/24 – Item 9 Decision: agree to endorse the Software Procurement Category Strategy
3.5	Vertical Construction Category Strategy	Development of the overall strategy for vertical construction and building	Update received at 11 June 2018 meeting – Resolution number STR/2018/29 – Item 14 and Resolution number STR/2018/34 – Item C4 Decision: endorse the vertical construction procurement category strategy

4. Enhance Group Sourced Procurement

Priority #	Area of work	Reason for work	Strategic Procurement Committee role (decision or direction)
4.1	Sustainable Procurement Framework	Give effect to principles to be agreed in Group Procurement Policy	Update provided at the December 2017 meeting. Resolution number STR/2017/53 Item 9

5. Improve Procurement Maturity

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

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

Attachment A

Update on capital projects over \$5 million

File No.: CP2018/15758

Item 9

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 11 June 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.
4. Staff will keep the capital project report updated, and report this to the Strategic Procurement Committee on a quarterly basis.
5. The FY18 budget for the 52 (over \$5 million) projects included in the report totals \$131,704.92.
6. The data in this report was first prepared for the Finance and Performance Committee quarterly report which includes data up to 30 June 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

7. 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.
8. The details included in the report which is attached to the confidential report are as follows:
 - Project ID and Project Name
 - 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.)
 - Estimated start and finish dates
 - CPI calculation (Cost Performance Index compares actual project spend to how much would be expected to be spent this far into the project)
 - % of project completion

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- Total project budget – all years
 - Total project actuals – all years
 - Total project budget – FY18
 - Total project actuals – FY18
 - Total project variance (Actuals – Budget) – FY18 (A negative figure is an underspend)
 - Project Manager Commentary
 - Local Board Commentary
9. The report has a traffic light system which is detailed below:
- Green – the spend on this project is in line with how far through the project the project manager believes we are.
 - Amber – the spend on this project is slightly ahead of how far through the project the project manager believes we are.
 - Red – the spend on this project is significantly ahead of how far through the project the project manager believes we are.
10. 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

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

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

12. 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

13. 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

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

Ngā raru tūpono / Risks

15. Risks are reported in the confidential report.

Ngā koringa ā-muri / Next steps

16. The next report will be provided at the November 2018 Strategic Procurement Committee meeting.

Ngā tāpirihanga / Attachments

There are no attachments for this report.

Ngā kaihaina / Signatories

Author	Dan Auber – Enterprise Capability Manager
Authorisers	Ramari Slattery - Head of Strategic Portfolio & Programme Office Jazz Singh - General Manager Procurement

Procurement plan for St Mary's Bay and Masefield Beach water quality improvement project

File No.: CP2018/14185

Item 10

Te take mō te pūrongo / Purpose of the report

1. To provide an update on the St Mary's Bay and Masefield Beach water quality improvement project.

Whakarāpopototanga matua / Executive summary

2. The St Mary's Bay and Masefield Beach water quality improvement project will significantly reduce sewerage overflows into the Waitematā Harbour at these beaches.
3. It is one of the first major projects to be funded through the new water quality improvement targeted rate and forms part of the wider Western Isthmus Water Quality Improvement programme.
4. The project is a priority for completion before the America's Cup begins in early 2021.
5. The project requires the reconfiguration of the stormwater outfall network between London Street and Point Erin, including construction of a new storage pipeline, pump station and outfall at Point Erin. The new outfall will replace the existing failed outfall at Masefield Beach, which will be removed.
6. Design of the project is underway and a notified consent application has been lodged.
7. An update on the procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be presented in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Ngā tūtohunga / Recommendations

That the Strategic Procurement Committee:

- a) note the information contained in this report, on the St Mary's Bay and Masefield Beach water quality improvement project, 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 in negotiations with suppliers.

Horopaki / Context

Water quality in the western isthmus

8. A combined sewer network (which carries both stormwater and wastewater) services approximately 15,000 households in central Auckland. The network is very close to capacity and combined sewer overflows are frequent, with increasing public concern regarding these.
9. To address these issues in June 2018 Auckland Council adopted a Long-term Plan which includes a new water quality improvement targeted rate. This will generate \$452 million of funds over ten years, which will be matched by an investment of \$404 million from Watercare, to fund an accelerated water quality improvement work programme.

10. The Western Isthmus Water Quality Improvement Work Programme is the largest workstream funded through the targeted rate. It aims to progressively reduce wastewater overflows into the Waitematā Harbour from hundreds of events to six or less per outfall each year.

St Mary's Bay water quality improvements

11. The St Mary's Bay catchment consists of a combined sewer system with pockets of separated systems. The St Mary's Bay area experiences high frequencies of wastewater overflows from three engineered overflow points. Two further overflow points discharge directly onto Masefield Beach.
12. As part of the transformation of Auckland's waterfront into a more vibrant and liveable place, there is a strong desire for more recreational and contact activities in the area. This creates an urgent need to improve St Mary's Bay's water quality.
13. A St Mary's Bay water quality improvement programme took place in 2016 with input from Healthy Waters, Watercare Services Limited, Panuku, Westhaven Marina, Auckland Transport, NZTA and various stakeholder groups. This considered various options for improving water quality in the area.
14. The St Mary's Bay and Masefield Beach improvement project was identified as a preferred initiative to enable tangible water quality improvements in the medium-term, while not precluding further improvements as additional remediation of the network occurs.
15. The project involves the construction of a storage pipeline to capture and store current overflows and divert them to a new outfall structure at Point Erin. A new pump station within this structure will return flows to the sewer. When the capacity of the sewer is such that flows cannot be received, the system will discharge through a new sea outfall from Point Erin to a more dispersive receiving environment in the harbour.
16. In addition to the new storage pipeline and outfall, new connections will be built at London Street and St Mary's Park, along with new local connections and a rising main to existing wastewater infrastructure on Sarsfield Street.
17. A key objective of this project is to achieve completion of construction by December 2020 before the America's Cup in early 2021. This requires construction to start in early 2019.
18. The resource consent application for the project has been submitted and a hearing will be held in September, with a decision expected by October 2018.
19. The project will have major benefits through:
 - reducing sewerage overflows in this area from over 200 to around 20 per year.
 - reducing risks to public health from water contact
 - improving the aesthetics of beaches and the harbour
 - improving operation of the stormwater system
 - contributing to restoring the mauri of the harbour.
20. It also reduces implementation risk for the full Western Isthmus Water Quality Improvement Programme as, through undertaking this project, further improvements to the combined network can take place without continued contamination of these beaches. This is important as the full suite of proposed solutions will take some time to implement.
21. An update on the procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be presented in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Tātaritanga me ngā tohutohu / Analysis and advice

22. Options and advice relating to procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be discussed in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

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

Local impacts

23. As outlined above, this project will have significant benefits for people living in the local area as it will reduce the current level of pollution from combined sewer discharges to two local beaches (St Mary's Bay and Masefield Beach).
24. This will reduce public health risk from the current baseline, enabling the bays to be safely used for recreation, and improve the aesthetics and water quality of the local beaches. It will also enable planned development to revitalise and transform these waterfront areas.
25. During the public consultation and resource consent process, local residents have expressed strong support for these improvements to water quality. However, they have raised concerns relating to two main topics. These are:
- a) construction of the pipeline could impact on cliff stability and hence impact properties and structures on these properties.
 - b) impacts from construction causing disruption to the local community.
26. Advice received from a specialist tunneling engineer and geotechnical investigations is that there will be no impact on cliff stability from the construction of this pipeline. The alignment of the project has also been selected to minimise construction impacts on the local community as far as is practicable.

Local board views

27. The Waitemata Local Board has been consulted with and briefed on this project through a series of workshops and memos from 2016 onwards. The local board has provided comments to the regulator on the Resource Consent application.
28. The local board supported the project overall but highlighted the concerns raised by local residents regarding cliff stability and disruption, and asked that these be addressed.
29. Positive dialogue with the community and local board on these topics is ongoing ahead of the Resource Consent hearing in September 2018.

Tauākī whakaaweawe Māori / Māori impact statement

30. Extensive consultation with mana whenua has taken place on this project. Mana whenua were involved in the development of the project scope during the initial St Mary's Bay Water Quality Improvement programme in 2016.
31. Following on from this, a formal mana whenua Project Working Group was established in 2017, with representatives from 10 iwi. Of these five iwi have attended regular Project Working Group sessions including:
- Ngāti Whātua o Ōrākei
 - Ngāti Maru
 - Te Ākitai Waihoua
 - Ngāi Tai ki Tāmaki
 - Ngāti Tamaoho.

32. The other iwi involved have requested to stay updated and informed rather than attend. In addition to the Project Working Group sessions, individual hui were held as requested.
33. This approach has resulted in the design of the project being consistent with mana whenua aspirations and iwi support for the Resource Consent application. One iwi, Ngāti Whātua o Ōrākei, made a supportive submission on the Resource Consent. No iwi opposed it.
34. The mana whenua Project Working Group will continue through the project life-cycle to ensure opportunities for mana whenua input and responsiveness are maximised.

Ngā ritenga ā-pūtea / Financial implications

35. Financial implications of the procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be discussed in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Ngā raru tūpono / Risks

36. Risks and proposed mitigations arising from procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be discussed in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Ngā koringa ā-muri / Next steps

37. Next steps arising from procurement of the St Mary's Bay and Masefield Beach water quality improvement project will be discussed in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Ngā tāpirihanga / Attachments

There are no attachments for this report.

Ngā kaihaina / Signatories

Author	Craig McIlroy - General Manager Healthy Waters
Authorisers	Barry Potter - Director Infrastructure and Environmental Services Jazz Singh - General Manager Procurement

Westgate multipurpose facility (integrated library and community centre) construction: status update

File No.: CP2018/15138

Item 11

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.

Whakarāpopototanga matua / Executive summary

2. Construction of the Westgate multipurpose facility commenced on 6 March 2017, with practical completion on 31 October 2018. The structure is complete, and the building enclosed with internal fit-out and service work continuing.
3. The contract has incurred delays and costs due to initial pre-commencement works, design documentation changes and extension of time costs.
4. The health and safety performance demonstrated by the contractor is excellent, and quality of construction remains good.
5. Due to its higher-risk profile, the Westgate multipurpose facility construction will provide monthly status updates to the committee.

Ngā tūtohunga / Recommendation/s

That the Strategic Procurement Committee:

- a) note the Westgate multipurpose facility (integrated library and community centre) construction status update report.
- b) note the information in this report enables transparency on the construction status update for the Westgate multipurpose facility (library and community facilities), due for discussion and approval in the public excluded part of the meeting.

Horopaki / Context

6. The Westgate Multipurpose Facility project was reported to Strategic Procurement Committee on 8 August 2018. A presentation titled "Westgate multipurpose facility (integrated library and community centre) construction" was provided under the "Update to capital projects over \$5 million" in the confidential section of the agenda.

Tātaritanga me ngā tohutohu / Analysis and advice

Health and safety

7. The contractor's general attitude to the management of health and safety on site, aside from a previously reported incident, is excellent. This is demonstrated by independent audits undertaken on behalf of council and its own reporting.

Timeline status

8. The revised due date for practical completion of the main construction contract is 31 October 2018.

Quality

9. 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.
10. 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

11. Henderson-Massey local board has received monthly updates and quarterly reports.

Tauākī whakaaweawe Māori / Māori impact statement

12. Council staff are currently working with local mana whenua around the naming and signage of the facility. The mana whenua involved are Te Kawerau a Maki and Ngati Maunga Whakahii O Kaipara.

Ngā ritenga ā-pūtea / Financial implications

13. Contract variations to date are within the contract contingency sum allocated, with some still to be agreed.
14. 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.

Ngā raru tūpono / Risks

15. Risk management involving identification, mitigation and control is being continually implemented and the risk management plan is operating.
16. Several of the risks have eventuated since the last report. Notably, one additional request for an extension of time for delay in providing timely design information, related to the necessary audio/visual changes after the completion of the main design
17. Some costs associated with these risks have been identified. Staff are working to ensure these are as minimal as possible. Also, staff are working to ensure any delays to the contract delivery are minimal.

Ngā koringa ā-muri / Next steps

18. 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.
19. Monthly status update reports will continue to 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

Author	John Schermbrucker – Head of Project Delivery
Authorisers	Rod Sheridan - General Manager Community Facilities Dean Kimpton - Chief Operating Officer Jazz Singh - General Manager Procurement

Resource consent processing services - supplier recommendation report

File No.: CP2018/15199

Item 12

Te take mō te pūrongo / Purpose of the report

1. To provide an update on Auckland Council's procurement of resource consent processing overflow services.

Whakarāpopototanga matua / Executive summary

2. The Resource Management Act requires resource consent applications to be processed within statutory timeframes.
3. Resource consent services are currently provided through a combination of in-house delivery and an overflow delivery model that operates across the Auckland region.
4. The current contracts for provision of overflow services for processing resource consent applications expire on 30 September 2018.
5. An update on the continued provision of resource consent services will be presented for approval in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Ngā tūtohunga / Recommendation/s

That the Strategic Procurement Committee:

- a) note that the information in this report enables transparency around the supplier recommendation report for resource consents processing services, due for discussion and approval in the public excluded part of the meeting.

Horopaki / Context

6. Council's Resource Consents department's mandate is to deliver consenting services which are consistent, easy to use and provide quality outcomes for Auckland's customers, and for the environment.
7. The Resource Consents department processes approximately 17,000 resource consent applications annually. This number can fluctuate seasonally and in response to economic conditions.
8. Resource consent services are currently provided through a combination of in-house delivery, and an overflow delivery model using an external supplier panel to manage resource consenting volumes.
9. 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, and timely resource consenting service.
10. The current contracts of provision of overflow services for processing resource consent applications expire on 30 September 2018.
11. An update on the continued provision of resource consent services will be presented for approval in the confidential section of the 5 September 2018 Strategic Procurement Committee meeting.

Tātaritanga me ngā tohutohu / Analysis and advice

12. The overflow model is considered a more feasible alternative to delivering the full service in-house. It ensures sufficient processing capacity is available, and provides flexibility during seasonal peaks and troughs in resource consent application volumes.

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

13. Local boards can have input into decisions relating to whether resource consent applications are notified and open for public submissions. The department manages the outsourced services for processing resource consent applications to ensure that applicants receive seamless service delivery, whether delivered in-house or by consultant planners.

Tauākī whakaaweawe Māori / Māori impact statement

14. Resource consent processing services can impact Māori when, for example, resource consent applications involve sites of significance to Māori. Consultation with mana whenua is often required during the resource consent application process. Planners processing resource consent applications are required to demonstrate their experience under the current legislation which includes the requirements to engage with mana whenua and value Te Ao Māori principles.

Ngā ritenga ā-pūtea / Financial implications

15. Financials will be presented in the confidential section of the agenda.

Ngā raru tūpono / Risks

16. The Resource Management Act requires resource consent applications to be processed within statutory timeframes.
17. Failure to process resource consent applications within the statutory timeframes has been identified as a risk, that the Resource Consents department mitigates by ensuring it has sufficient resources to meet the statutory timeframes.

Ngā koringa ā-muri / Next steps

18. There are no implementation issues arising from the report. Any implementation issues relating to the provision of resource consent processing services will be noted in the confidential section of the agenda.

Ngā tāpirihanga / Attachments

There are no attachments for this report.

Ngā kaihaina / Signatories

Author	Peter Cunningham - Head of Physical Works and Technical Services, Procurement
Authorisers	Ian Smallburn - General Manager Resource Consents Dean Kimpton - Chief Operating Officer Jazz Singh - General Manager Procurement

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

a)

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: Update on capital projects over \$5 million

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.	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.

C2 CONFIDENTIAL: Procurement plan for St Mary's Bay and Masefield Beach water quality improvement project

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.	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 commercially sensitive information relating to procurement of stormwater services.	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: Westgate multipurpose facility (integrated library and community centre) construction: status 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
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>In particular, the report contains information that could prejudice council's position with suppliers and other parties with regard to the resolution of disputes.</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>

C4 CONFIDENTIAL: Resource consent processing services - supplier recommendation report

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 information that if made public, will have a negative impact on council's relationship with 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>