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

Date:       Wednesday, 7 November 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, Cr 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

1 November 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, 3 October 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."
Ports of Auckland stormwater outfall upgrade

Te take mō te pūrongo / Purpose of the report
1. To provide an update on the Ports of Auckland stormwater outfall upgrade project.

Whakarāpopototanga matua / Executive summary
2. The culvert which runs under Ports of Auckland is in poor condition and needs to be replaced. It also has insufficient capacity to convey stormwater in extreme events, creating a high level of flood risk.
3. Upgrading the culvert will reduce flooding risk to the surrounding area, including the Britomart Station, and enable further development.
4. In 2014 the Tenders and Procurement Committee approved the procurement plan for this project (TEN 2014/10). This included a plan to enter into an early contractor involvement contract with a supplier for the first phase of the project. McConnell Dowell Constructors Limited was selected as the supplier for this first phase.
5. Supplier recommendations for the detailed design and construction of the project have now been developed.
6. An update on supplier recommendations for the Ports of Auckland stormwater outfall upgrade will be presented in the confidential section of the 7 November 2018 Strategic Procurement Committee meeting.

Ngā tūtohunga / Recommendations
That the Strategic Procurement Committee:

a) note the information contained in this report, on the Ports of Auckland stormwater outfall upgrade 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 the supplier.

Horopaki / Context

Background
7. Investigations have shown that the 80-year old culvert under the Ports of Auckland is in poor condition. Hydraulic modelling shows that the culvert has insufficient capacity to convey stormwater in extreme events, creating a high level of flood risk.

8. Failure of the culvert would result in flooding of the lower catchment, including Britomart Station, and potentially serious health and safety issues for Ports of Auckland’s operations. Renewal of the culvert is required to resolve these issues.

9. This project is the third stage of a broader project to upgrade the catchment’s stormwater trunk network to reduce risk of flooding and enable development. The two upstream stages were completed approximately 15 years ago. This project is the final stage, which will connect the previously upgraded stormwater network (on the southern side of Quay Street) to the sea.

10. The project will traverse Quay Street and Ports of Auckland’s multi-cargo area, terminating in a new stormwater outfall near Freyberg Wharf.
Previous decisions
11. The Tenders and Procurement Committee approved the procurement plan for this project on 25 March 2014 (TEN/2014/10).

12. This procurement plan had a budget of $40 million and proposed the procurement would proceed in two phases, with the first phase being to select a supplier to participate in the preliminary design of the project. This is known as an early contractor involvement contract.

13. Staff sought approval to enter into an early contractor involvement contract for this project because of the complexity of issues involved in design and delivery. These included:
   - construction in a busy port operational area
   - construction on land that is part of a staged reclamation
   - working near a major arterial route (Quay Street) and the rail tracks to Britomart Station
   - ensuring that the interests of mana whenua (Ngāti Whātua Ōrākei) and key stakeholders (including Ports of Auckland, KiwiRail and Auckland Transport,) are appropriately and consistently managed throughout the design and construction phases.

14. In 2015, the council entered into a contract with McConnell Dowell to undertake investigation, develop a preliminary design and provide a contract works offer as the first phase of the procurement.

15. The second phase of the procurement comprises the detailed design and construction of the project works.

Tātaritanga me ngā tohutohu / Analysis and advice
16. Options relating to supplier recommendations for the detailed design and construction of the Ports of Auckland stormwater outfall upgrade will be presented in the confidential section of the 7 November 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
17. Delivery of this project will significantly reduce the risk of flooding in the lower areas of the catchment and in the Britomart Station area.

18. This will have positive local impacts for the many residents, businesses and commuters who live, work or commute through this area every day. The project will also benefit Ports of Auckland workers by reducing their health and safety risks.

19. The design of the project will ensure only minor traffic disruption on Quay Street, minimising the potential negative impacts of construction on commuters and local residents. The design also aims to minimise disruption to Ports of Auckland’s operations where possible.

Local board views
20. Staff provided an initial briefing on the project to the Waitematā Local Board in 2014 and updates to the Waitematā Local Board in March 2016 and August 2018. A briefing was provided to the Ōrākei Local Board in June 2016.

21. The boards were generally supportive of the project and procurement approach. There were no specific requests for changes to the project from either board.
**Tauākī whakaaweawe Māori / Māori impact statement**

22. Projects that impact on stormwater and the mauri of waterways are of key interest to mana whenua in their role as kaitiaki. Consultation with mana whenua commenced in 2015 and continues through ongoing hui. All iwi with an interest in this rohe were invited to participate.

23. Five iwi engaged in consultation: Ngāti te Ata Waiohua, Te Kawerau ā Maki, Ngāti Tamaoho, Te Ākitai Waiohua and Ngāti Whātua Ōrākei. Three other iwi expressed an interest but deferred to Ngāti Whātua Ōrākei to give feedback on their behalf: Ngā Maunga Whakahii o Kaipara, Te Rūnanga o Ngāti Whātua and Te Patukirikiri.

24. In their feedback on the project, mana whenua expressed an interest in improving the water quality of stormwater discharged from the Ports of Auckland outlet.

25. The constraints of the existing stormwater network and proposed upgrade prevent implementation of meaningful stormwater quality improvements through this specific project’s works.

26. Improvements to water quality will be addressed through broader initiatives which are being delivered alongside this project. For example, a study is underway of existing stormwater treatment in the CBD catchment and opportunities for further improvement. The water quality targeted rate is also enabling accelerated delivery of projects to achieve water quality improvements.

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

27. Financial implications of the supplier recommendations for the Ports of Auckland stormwater outfall upgrade will be presented in the confidential section of the 7 November 2018 Strategic Procurement Committee meeting.

**Ngā raru tūpono / Risks**

28. Risks arising from the supplier recommendations for the Ports of Auckland stormwater outfall upgrade will be presented in the confidential section of the 7 November 2018 Strategic Procurement Committee meeting.

**Ngā koringa ā-muri / Next steps**

29. Next steps are discussed in more detail in the confidential section of the 7 November 2018 Strategic Procurement Committee meeting.

30. The current aim is for the project to start construction in August 2019 and be completed by August 2021.

**Ngā tāpirihanga / Attachments**

There are no attachments for this report.

**Ngā kaihaina / Signatories**

| Authors                  | Craig McIlroy, General Manager Healthy Waters  
|                         | Bruce Palmer, Senior Healthy Waters Specialist |
| Authorisers             | Dean Kimpton - Chief Operating Officer  
|                         | Jazz Singh - General Manager Procurement |
Te take mō te pūrongo / Purpose of the report
1. To provide an update on currently agreed capital projects with a budget of over $5 million.

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 FY19 budget for the 63 (over $5 million) projects included in the report totals $131 million. This number is likely to change due to the carry forward/deferral process.

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
6. As part of the council project management process, all capital projects are updated monthly using the council’s Sentient project management system. Current project details are then used to compile the quarterly update on projects over $5 million that is subsequently presented to the Strategic Procurement Committee. The projects are sorted by Portfolio (Department) and Phase.

7. Details provided in the confidential report include:
   a) Report ID – starting at 1 – to enable project identification for this meeting
   b) Project Sentient ID and Project Name
   c) Project Objectives
   d) Portfolio Department (e.g. Healthy Waters, Community Facilities, etc.)
   e) Ward
   f) Local Board Area (where the Local Board has decision making involvement – otherwise this will say Regional/Region-Wide)
   g) Current IDF project phase of the project (e.g. strategic assessment, initiate, plan, deliver)
   h) Estimated start and finish dates
      - CPI traffic light indicator (Cost Performance Index compares actual project spend to how much would be expected to be spent this far into the project) This indicator is most reliable in the Delivery phase of the project.
• Green indicates that the project has spent less than would be expected this far into the project
• Amber indicates that the project has spent slightly more than would be expected this far into the project
• Red indicates that the project has spent significantly more than would be expected this far into the project. There may be good reasons for this - e.g. land purchases early in projects.
• Grey indicates that the project has yet to have any expenditure
  i) % of project complete per the Project Manager
  j) Total project budget – all years
  k) Total project actuals – all years
  l) Total project budget – FY19
  m) Total project actuals – FY19
  n) Total project variance (Actuals – Budget) – FY19 (a negative figure is an underspend)
  o) Project Manager Commentary
  p) Local Board Commentary

8. As well as a list of all of the projects, the confidential report also includes a breakdown projects by Ward and Department with traffic light values.
9. 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 guidance
10. 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 these in a timely manner.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views
11. Consultation with local boards on the progress of projects is included. More detailed engagement is being managed by the relevant departments within the Operations Division.

Tauākī whakaaweawe Māori / Māori impact statement
12. Māori are regularly kept up to date on project delivery through regular reporting by the appropriate departments in the Operations Division.

Ngā ritenga ā-pūtea / Financial implications
13. Financial implications are reported regularly by the appropriate departments in the Operations Division through the delivery of individual projects.

Ngā raru tūpono / Risks
14. Risks are provided in the confidential report.

Ngā koringa ā-muri / Next steps
15. The next report will be provided at the February 2019 Strategic Procurement Committee meeting.
Ngā tāpirihanga / Attachments
There are no attachments for this report.

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Dan Auber - Enterprise Capability Manager</th>
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<tbody>
<tr>
<td>Authorisers</td>
<td>Andrea Bruce - Enterprise Capability Manager</td>
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<td></td>
<td>Jazz Singh - General Manager Procurement</td>
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Westgate multipurpose facility (integrated library and community centre) construction: status update

File No.: CP2018/20259

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 due to have been granted on 31 October 2018, however work is still progressing on all floors. The Engineer to Contract (the Engineer) is assessing a number of contractor claims for extension of time. The contractor has indicated that physical works will be completed mid-December. This should not affect the planned opening in March 2019.

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 3 October 2018 in a report and presentation titled “Westgate multipurpose facility (integrated library and community centre) construction”. A report was given in both the open and confidential sections 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 due date for practical completion of the main construction contract remains 31 October 2018. This date has been passed, however, there are currently three outstanding extension of time claims which may result in a later contractual completion date than currently agreed. The forecasted end of the physical work in mid-December is within current time contingencies.
9. Works are progressing on all floor with flooring, wall linings, service installation and commissioning underway.

**Quality**

10. 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.

11. 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**

12. Henderson-Massey local board has received monthly updates and quarterly reports. The Local Board have been invited to visit site after practical completion. The local board have approved the process to adopt naming of the facility and rooms gifted from local mana whenua.

**Tauākī whakaaweawe Māori / Māori impact statement**

13. Council staff are confirming names to be gifted by the local mana whenua, Te Kawerau a Maki and Ngāti Whātua o Kaipara for the facility and rooms within. Artists are completing work on art to be installed during the fit-out period.

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

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

15. 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**

16. Risk management involving identification, mitigation and control is being continually implemented and the risk management plan is operating.

17. Two new risks have identified since the last report and another resolved.

18. Some costs associated with these risks have been identified. Staff are working to ensure these are as minimal as possible. Staff are also working to ensure any delays to the contract delivery are minimal.

**Ngā koringa ā-muri / Next steps**

19. 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.

20. 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

<table>
<thead>
<tr>
<th>Author</th>
<th>John Schermbrucker – Head of Project Delivery</th>
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<tr>
<td>Authorisers</td>
<td>Rod Sheridan - General Manager Community Facilities</td>
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<td>Dean Kimpton - Chief Operating Officer</td>
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<td>Jazz Singh - General Manager Procurement</td>
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Update on city centre development programme

File No.: CP2018/20011

Te take mō te pūrongo / Purpose of the report
1. To update the Strategic Procurement Committee on the city centre development programme, including procurement activity and pipeline of forward works.

Whakarāpopototanga matua / Executive summary
2. Auckland Council has allocated approximately $1 billion of capital budget over the next 10 years to support growth and create a more vibrant, pedestrian and environmentally friendly city centre. In addition, the City Rail Link project is also being delivered in the city centre, with joint funding by the council and crown. The council's contribution to the project is $1.563 billion.

3. The city centre projects are being delivered by the council, Auckland Transport and Panuku as an integrated programme of works. This report provides an update on procurement of the downtown, midtown and uptown programmes (see full project list in Attachment A).

4. Downtown programme ($430 million): will deliver a connected and accessible waterfront, support the growth of cruise and ferry services and further activate Queens Wharf. It has been brought forward to align with the America’s Cup, APEC, and Te Matatini in 2021.

5. Procurement of the downtown programme, via Auckland Transport, has progressed as planned with the appointment of Downer, in a joint venture with Soletanche Bachy and HEB, as the suppliers through an early contractor involvement model. The suppliers are now working with the council to develop the main physical works contract. A supplier recommendation for the physical works contract will be presented to the Strategic Procurement Committee in March 2019.

6. Early works procurement is also being carried out for a number of items, outside the main physical works contract, that are either critical to overall programme delivery or need to be ordered well in advance of delivery

7. Midtown and uptown programme ($254 million): will deliver improved pedestrian and public spaces around key transport hubs while leveraging off development opportunities from the City Rail Link, bus infrastructure and the New Zealand International Convention Centre.

8. Procurement of street upgrades projects in this programme is progressing well. The Federal Street stage two physical works procurement is planned for early 2019 and the design consultant procurement for Federal Street stage three is also planned for early 2019.

9. Business case procurement is being undertaken by Auckland Transport for the Wellesley Street bus corridor improvements. The business case and conceptual design procurement for Victoria Linear Park will follow in early 2019. Physical works procurement for the Karangahape Road enhancement project is planned for late 2018.

Ngā tūtohunga / Recommendation
That the Strategic Procurement Committee:

a) receive the update on procurement of city centre development programmes.
Horopaki / Context

Overview of city centre development programme

10. The city centre is geographically defined by the area bound by state highway 1, state highway 16, and the waterfront from which the city centre targeted rate is collected.

11. In the Long-term Plan 2018-2028 the council allocated approximately one billion dollars of capital budget to support growth and create a more vibrant, pedestrian and environmentally friendly city centre (see full list of programmes and projects in Attachment A). These works are partially funded by the city centre targeted rate, which contributes approximately $183 million.

12. Responsibility for delivery of projects funded through budgets for the city centre is split between the council, Auckland Transport and Panuku as follows:
   - Auckland Council - $627.9 million
   - Auckland Transport - $259.2 million
   - Panuku Development - $160.7 million.

13. In addition, the City Rail Link project is also being delivered in the city centre. This project is jointly funded by the council and crown, with council’s contribution being $1.563 billion.

14. There are also significant private sector developments underway in the city centre, such as the New Zealand International Convention Centre, Commercial Bay and the universities.

15. There is a high level of interdependency between the city centre work programme and other projects being delivered across the council group, in particular, the City Rail Link, as well as with the private sector development.

16. The work programme also needs to respond to major international events that will be held in the city centre in 2021 such as the America’s Cup and Asia-Pacific Economic Cooperation (APEC) forum.

Work Programmes

17. The city centre projects are structured into five main work programmes, encompassing projects funded by council, Auckland Transport and Panuku and delivered in an integrated fashion. They include:

18. **Downtown – $430 million.** This programme delivers a connected and accessible waterfront, prepares for the growth of cruise and ferry services and supports further activation of Queens Wharf. It has been brought forward to align with the America’s Cup in 2021.

19. **Midtown and uptown - $254 million.** This programme delivers improved pedestrian and public spaces around key transport hubs. The programme is aligned with, and leverages off, development opportunities from the City Rail Link and bus infrastructure, as well as the New Zealand International Convention Centre.

20. **America’s Cup 36 Infrastructure – $123 million.** This programme delivers infrastructure for the America’s Cup event that will also provide lasting improvements to the city centre. It is jointly funded by the council and central government - $57 million is contributed by the council and $66 million is contributed by central government.

21. **Wynyard Quarter and Westhaven – $161 million.** This programme is led by Panuku. It builds on the success of the waterfront’s regeneration and continues to deliver an accessible and sustainable waterfront. In addition, it will progress planning and engagement for Wynyard Point.

22. The location of works for each of these programmes is shown in Attachment B.
23. This report provides a more detailed update on procurement of the downtown, midtown and uptown work programmes (see list of projects being delivered through these programmes in Attachment A). An update on procurement of America's Cup 36 will be provided after the project alliance agreement for this programme has been finalised.

Tātaritanga me ngā tohutohu / Analysis and advice

Update on procurement of downtown works - $430 million

24. At its 13 December 2017 meeting, the Strategic Procurement Committee approved the Auckland Council and Auckland Transport joint procurement strategy for the downtown infrastructure development programme (resolution number STR/2017/59).

25. This programme of work will deliver a more connected and accessible waterfront with capacity for more cruise and ferry services. As shown in Attachment A, it includes the following projects:
   - Quay Street seawall seismic strengthening (marine works)
   - downtown ferry basin redevelopment (marine works)
   - Cruise ship mooring dolphin (marine works)
   - Quay Street Waterfront Park (streetscapes work)
   - Quay Street enhancement
   - provision of downtown transport hubs (Britomart East and Lower Albert Street)
   - upgrade of Galway Street
   - utilities service trenching and service relocation.

Early contractor involvement phase

26. Since the approval of the procurement strategy for this work programme, procurement has progressed as planned. Downer, in a joint venture with Soletanche Bachy and HEB, have been appointed as suppliers for the initial early contractor involvement contract.

27. Works undertaken during the early contractor involvement phase will include designs, resource consents application and pricing.

28. The contract has also been expanded to include a streetscapes component that has been managed via a separate procurement process. This was originally awarded to JFC and has since been passed on to Downer for delivery.

29. Auckland Transport’s existing physical works panel was used in procurement of the supplier for the early involvement contract and the streetscapes component.

30. Key milestones in the early contractor involvement phase are as follows:
   - Council and the supplier will exchange price estimates for the proposed contract of works - February 2019
   - Price reconciliation will be undertaken using an independent cost estimator – March 2019
   - Contract award for the physical works delivery – March 2019.

Early works procurement

31. In addition to the award of the early contractor involvement contract, various early works procurement items have been identified by the programme team. Early works procurement is required outside of the proposed physical works contract for items that are either a) critical to overall programme delivery or b) have 'long lead-in times' and need to be ordered well in advance of delivery.

32. Procurement activity is currently underway through Auckland Transport for the following items:
Item 11

- end to end service trench delivery and services relocation (critical path)
- pontoon supply (long lead-in time item)
- steel pile supply and casings (long lead-in time item)
- Queen’s Wharf minor repairs (critical path)
- supply of bluestone blocks (critical path).

33. The programme is on track for a supplier recommendation for the main physical works contract to be presented in March 2019 to the Strategic Procurement Committee.

Update on procurement of midtown and uptown works - $254 million

34. This programme will deliver improved pedestrian and public spaces around key transport hubs in the city centre. A full list of projects to be delivered through this work programme is shown in Attachment A.

35. One of these projects, Federal Street stage two is currently in developed design with physical works procurement planned for early 2019. The project will create a shared space for more people to enjoy, and provide better access to upper and lower parts of the central city and public transport routes on Mayoral Drive and Wellesley Street.

36. It will be procured by Auckland Transport using their existing physical works contractor panel. The procurement of design consultants for Federal Street stage three by Auckland Transport is planned for early 2019.

37. Procurement for the detailed business case for the Wellesley Street bus corridor has been undertaken by Auckland Transport. This project will deliver quality and reliable east-west bus facilities along Wellesley Street as part of implementing the regional new network bus system.

38. Procurement for the business case and conceptual design for Victoria Linear Park, which will create an east-west green link through the city, is currently planned for early 2019.

39. Discussions are underway with Skycity regarding a joint project for streetscape upgrades around the vicinity of the New Zealand International Convention Centre on Hobson Street.

40. An infrastructure funding agreement has been executed between council, Auckland Transport and City Rail Link Limited, for City Rail Link Limited to deliver the Albert Street public realm streetscape and bus facilities upgrade as a variation to their existing contract. Contractor pricing is underway and contract award is planned for November 2018.

41. The Karangahape Road Enhancement project aims to create a more pedestrian friendly and appealing street environment that supports the local community and meets the needs of a growing population. The project is currently in detailed design with physical works procurement planned for late 2018 via Auckland Transport, using their existing physical works contractor panel. Construction is planned to start early in 2019.

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

42. The Auckland city centre falls entirely within the Waitematā Local Board boundaries. The delivery of the city centre work programmes described above will give effect to several outcomes identified in the board’s plan, including enabling ‘attractive and versatile public places that meet our communities’ needs’ and providing ‘an accessible, connected and safe transport network with well-designed streets.’

43. Workshops and reports are regularly used to seek feedback from the Waitematā Local Board on specific projects that are being delivered through the city centre work programmes.

44. The local board is also a member of the Auckland City Centre Advisory Board, which provides oversight and guidance on delivery of projects funded through the city centre targeted rate.
**Tauākī whakaaweawe Māori / Māori impact statement**

45. The city centre work programme will contribute to Māori outcomes by enabling manaakitanga (hospitality), kaitiakitanga (environmental guardianship), and highlighting our unique cultural heritage by incorporating Māori design elements.

46. Mana whenua consultation occurs as part of all city centre projects, via the Kaitiaki Forum, monthly Infrastructure and Environmental Services mana whenua hui and other site or project specific hui.

47. Mana whenua are also involved in governance groups for the city centre, with representatives on the council group city centre executive steering group, as well as the Auckland City Centre Advisory Board.

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

48. The Long-term Plan 2018-2028 allocates approximately one billion dollars of capital budget to the city centre. This is partially funded by the city centre targeted rate which contributes approximately $183 million.

49. In addition, the council is investing in the City Rail Link project. This is jointly funded by the council and crown, with council’s contributing $1.563 billion for this long-term plan period.

50. The downtown, midtown and uptown programmes that are described in this report have been allocated $684 million of investment in total over the life of the long-term plan. The responsibility for the delivery of these programmes lie with the council, Auckland Transport, and Panuku, with the America’s Cup alliance delivering some supporting projects.

**Ngā raru tūpono / Risks**

51. Some key risks that have been identified for delivery of the city centre development programme are outlined below in Table Two along with proposed mitigations.

### Table Two: Risks arising from city centre development programme and mitigations

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient capacity and capability in the contractor, sub-contractor and professional services market to deliver proposed works.</td>
<td>Early contractor involvement model for delivery of downtown works will mitigate risks relating to lack of capacity in the supplier market.</td>
</tr>
<tr>
<td>Disruptions caused by significant construction and traffic management may compromise the day to day functions of the city centre, residents and visitors experience.</td>
<td>Holistic communication and engagement programme will be used to inform public about potential disruptions. Development response and travel demand management programme will support businesses, visitors and residents.</td>
</tr>
<tr>
<td>Delays or disruption to delivery of capital works due to lack of coordination between various agencies involved in delivering projects and programmes.</td>
<td>Council group coordination and governance structure has been put in place for the city centre. This will ensure best outcomes for city centre decisions and joint risk management.</td>
</tr>
<tr>
<td>Risk of budget over-runs, leading to insufficient budget to deliver the full scope of works.</td>
<td>Budget management process in place and monitored for delivery programmes.</td>
</tr>
<tr>
<td>Delays in obtaining consent approvals and meeting consent requirements may delay project delivery.</td>
<td>Effective engagement will be carried out with key stakeholders and the community to address concerns. Resource consents will demonstrate thorough assessment of relevant environmental and social impacts.</td>
</tr>
</tbody>
</table>
Ngā koringa ā-muri / Next steps

52. As outlined above, construction or design contracts will be procured for a number of key city centre projects over the next 12 months.

53. In particular, the supplier recommendations for construction of the downtown development programme will be provided to Strategic Procurement Committee by March 2019.

54. Further updates on the city centre development programme will be provided through the quarterly reports on $5 million projects.

Ngā tāpirihanga / Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>A</td>
<td>List of city centre projects</td>
<td>27</td>
</tr>
<tr>
<td>B</td>
<td>Map of programme locations in the city centre</td>
<td>29</td>
</tr>
</tbody>
</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Authorisers</th>
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</thead>
<tbody>
<tr>
<td>John Dunshea - General Manager Development Programmes Office</td>
<td>Barry Potter - Director Infrastructure and Environmental Services</td>
</tr>
<tr>
<td>Jenny Larking - Head of City Centre Programmes</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
List of downtown, midtown and uptown projects

Downtown Programme - $430 million

- Wharf Upgrades
  - Halsey Wharf wave attenuation and surrounding seawall
  - Wynyard Wharf works
  - Hobson wharf wave panels
  - Queen wharf redevelopment including mooring dolphin
  - Berthing – superyachts

- Streetscape Upgrades
  - Quay Street including seawall
  - Britomart
  - Lower Queen Street
  - Lower Albert Street

- Other Works
  - Downtown public spaces, bus interchanges
  - Britomart East
  - Stormwater Daldy Street outfall
  - Wynyard Crossing – bridge
  - Phase One Ferries (Pier 3 & 4)
  - Utilities and services

Midtown and Uptown Programme - $254 million

- Streetscape upgrades
  - Hobson/Nelson Streets
  - Albert Street public realm
  - Federal Street Stage 2 (Mayoral Drive – Wellesley Street)
  - Federal Street stage 3 (Victoria Street to Wyndham)
  - High Street
  - Cross Street
  - Mills Lane
  - Beresford Square
  - Emily Place
  - Victoria Linear Park Stage One

- Karangahape public realm upgrades
- Learning quarter bus interchange and amenity upgrades
- Wellesley Street Bus Corridor
Attachment B

Item 11

Update on city centre development programme
Fleet optimisation update report

File No.: CP2018/20939

Te take mō te pūrongo / Purpose of the report
1. To update the Strategic Procurement Committee on Auckland Council’s fleet optimisation program and the integration of electric vehicles (EVs) into council’s fleet.

Whakarāpopototangata matua / Executive summary
2. An internal review of fleet management resulted in a business case for change being approved by council management in 2016. The management of council’s fleet was moved from Corporate Property to the Procurement team.
3. Significant progress has been achieved on improving fleet utilisation, health and safety concerns and the electrification of the fleet, which now has 14 EVs.
4. Several initiatives have been undertaken to improve fleet use and efficiency. These include purchasing more EVs, reducing the size of the fleet due to under-utilisation, and becoming part of the All of Government (AOG) agreement managed by the Ministry of Business, Innovation and Employment (MBIE) for purchasing vehicles and fuel.
5. Using a range of optimisation initiatives, the total council fleet size has reduced from a high of 847 to 790 at the time of writing this report. However, pressures in council’s delivery of priority projects such as Kauri Dieback and building consents may require increasing the fleet numbers again.
6. The fleet team is now looking to accelerate the electrification of the fleet, as part of contributing to council’s carbon reduction goals.
7. There are opportunities and risks associated with increasing the number of EVs that council owns, including the rapidly changing nature of the EV market and technological advances. However, the current fleet acquisition plan costs can be met within approved budgets.

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

a) note the information contained in this report, on fleet optimization, enables transparency on the topic due for discussion in the public excluded part of the meeting.

Horopaki / Context
8. Council’s fleet is made up of a number of different vehicle types to serve different operational needs. It includes passenger cars, utility vehicles, light commercial vehicles and some heavy duty vehicles.
9. The fleet assets, their use and financial administration was managed using multiple disconnected software systems and several staff members. This resulted in a high administrative burden as services were spread across several different departments within council.
10. An analysis conducted by EY in May 2015 identified that the average utilisation of Auckland Council’s vehicles was 52%, significantly less than the target 70% set in 2013 to align with industry best practice.
11. In 2016, an internal business case was prepared to optimise fleet operations in council. This was approved by management and subsequently consolidated all fleet operations, budget and responsibilities to the Procurement team.
12. At the time of this change, the fleet size was 810 but this grew to a high of 847 due to need to provide vehicles to the newly recruited additional Building Inspectors.

**Implementation**

13. Procurement undertook to look at the following key improvements as a priority for fleet:

   a) introduce a real time booking tool to facilitate greater access to vehicles and provide assurance to the business that vehicles will be available when required;

   b) Develop and implement a driver behavior management framework to support the requirements of the Health and Safety at Work Act 2015;

   c) Develop robust reporting framework for managing fleet utilization;

   d) Enhance the fleet management function capabilities and expertise to better meet the changing fleet and travel requirements of the business and support the ongoing optimisation (and reduction where possible) of the fleet;

   e) Produce a green fleet strategy supported by a 5-year plan to reduce council’s carbon emissions by introducing lower, and no carbon, emitting vehicles, optimising travel patterns (work order / inspection scheduling) and promoting and facilitating alternative forms of transport.

14. Further implementation of the fleet optimisation plan is happening in two stages:

   a) Centralise and consolidate:

      i. vehicle opex and capex budgets;

      ii. the management of the deployment and access to all vehicles into the fleet services function to enable improved utilisation of general pool vehicles.

   b) Transforming how council’s fleet is managed and changing the end user behaviours by:

      iii. introducing new business processes supported by a periodic reporting regime to measure, monitor and manage the utilisation of the fleet, costs and driver behaviours;

      iv. adopting a ‘Swipe n’ Go’ operating system for accessing vehicles and identifying drivers;

      v. promoting and facilitating alternative forms of travel.

15. A phased introduction of new GPS based tracking (Telematic) devices has been implemented. Initially, these devices were installed in the general pool vehicles, followed by the then operational pool vehicles, and finally, the dedicated vehicles. Currently these devices are installed in all of council’s fleet vehicles.

16. The Telematic devices provide required data to enable the fleet team to monitor use, and identify opportunities to optimise the fleet size and makeup.

17. Data received from the Telematic units enabled the fleet team to complete the removal of all business unit-specific operational pool vehicles. These vehicles were reclassified to be either dedicated to a role, or moved to the general pool.

18. Working with Custom Fleet and Poolcar (our booking system provider), the fleet team have calculated that the average use for pool cars over the period March 2018 – August 2018 was 63%. Whilst still below council’s target of 70% this is a significant improvement from 52% on 2015. With a range of initiatives underway, the fleet team believe 70% utilisation is achievable, and could even be exceeded.

19. During financial year 2017/18, the fleet team successfully reduced the size of the council fleet by 57 Vehicles. Council also managed to avoid purchasing a further 26 new vehicles by redeploying vehicles.
20. In financial year 2018/19, there will be requests for additional vehicles to support delivery of initiatives such as the Kauri Dieback project (Environmental Services), and cleaner waterways (Healthy Waters).

21. There is also a requirement to support the increase in building consent staff to meet consenting demand. Details of the number and type of vehicles that will be required will be part of the business cases currently being developed by the relevant business units. The fleet team are working closely with the Corporate Property team as they implement their property strategy to identify how this could provide opportunities to further reduce overall fleet size and increase use.

22. There are now 10 E-Bikes in the Pool Car Booking system (three at Albert St, three at Bledisloe, two at Graham St, one each at Henderson and Ōrewa). E-Bikes will continue to be promoted as an option for local travel.

23. Other initiatives such as Skype for Business, ridesharing in pool cars, public transport options (Hop card) could provide other opportunities to further reduce the fleet size.

**Electric Vehicles**

24. Council is currently working on a case to accelerate the electrification of our fleet to lead the way in our carbon reduction goals. As part of our vehicle replacement program 12 Hyundai Ioniq full EVs were purchased in 2017/18, bringing the current total number of EVs in the fleet to 14.

25. Seven Hyundai Ioniqs have been incorporated into the Albert St pool, and two each will be included in the Ōrewa and Henderson service centre pools when the charging infrastructure has been completed. The final Hyundai Ioniq is the Mayor's car.

**Tātaritanga me ngā tohutohu / Analysis and advice**

25. There is currently a limited range of EVs available in New Zealand. There are only five compact type full EVs available on the AOG catalogue, one van, and currently no SUVs or utes.

26. There are two larger vans from China currently available on the market, but these are not on the AOG catalogue. In addition, the safety rating of these vehicles has not been investigated or rated. As we introduce more EVs into the fleet and in time find suitable vehicles for dedicated ‘tool of trade’ vehicles, council should consider how staff are reimbursed when they charge their council vehicles at home.

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

27. We have not specifically consulted with local boards regarding the fleet optimisation programme. However, fleet services provide an important tool to enable council staff to provide effective services to elected members and the community. These needs are taken into account in any decisions on changes to fleet. Our vehicles are driven by staff to attend local board meetings; our pool vehicles are not utilised by elected officials.

**Tauākī whakaaweawe Māori / Māori impact statement**

28. We have not specifically consulted with Māori for this report. The environmental impacts of our fleet changes should have a positive impact on all residents of Tāmaki Makaurau.

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

29. The current EV acquisition plan can be funded from current the fleet and future capex budgets. If we were to accelerate the introduction of EVs, Procurement would need to seek additional funds.
Ngā raru tūpono / Risks
30. The key risks identified with EVs being introduced to the fleet is the rapidly changing technology and market for EVs. These will have to be taken into account in our future plans for fleet optimisation.

Ngā koringa ā-muri / Next steps
31. The next fleet update report will be provided to the March 2019 Strategic Procurement Committee meeting.

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

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Alan McDonnell - Head of Operations Services Procurement</th>
</tr>
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<tbody>
<tr>
<td>Authorisers</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo / Purpose of the report
1. To update the Strategic Procurement Committee on Group Source Procurement activities for the first quarter of FY2019.

Whakarāpopototanga matua / Executive summary
2. This information report aims to provide public visibility of information circulated to committee members. No decisions are required.

FY 2018/19 (July 2018 – September 2018) overview:
3. We have confirmed a total of $20.5 million of procurement benefits across the Group to the end of September 2018. Attachment A contains more information.

4. The draft Group Procurement Strategy has been shared with the local board procurement working group and is now with Auckland Transport and Watercare for feedback. Once this feedback has been received, staff will bring the draft Group Procurement Strategy to the Strategic Procurement Committee to endorse.

5. There have been some positive activities in both sustainable procurement and social procurement areas.

6. Key council priorities such as Kauri Dieback prevention programmes received strategic procurement support to commence prevention activities.

7. The current pipeline for Group Sourced Procurement benefits are $123.5 million and this includes hard opex savings targets of $12.5 million.

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

a) receive the information report.

Ngā tāpirihanga / Attachments

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<td>A</td>
<td>Group Source Procurement Update - results</td>
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Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Authoriser</th>
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<tbody>
<tr>
<td>Sarah Minotti - Group Source Procurement Programme Lead</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Group Source Procurement

FY19 Results to End of September
What we’ve achieved so far: Group Source FY19

Targets
Group Hard Opex in year Target: $12.5M

Forecasting Group Procurement Benefits of $123.5M

Current State
AT Confirmed Benefits: $7.4M ($721k in year savings)

Watercare Confirmed Benefits: $988k ($895k in year savings)

Type of Benefits
$1.5M Hard Opex in year savings
Decrease in expenditure for:
- Internet Infrastructure
- Manned Security Services
- Chemical Rebates

$17.9M Cost Avoidance
- Controlled Area Notice Officers (Kauri Dieback Disease)
- Procurement of LED lights for street lights (Stage 2)
- Hayman Park

$71k Productivity Improvements
- Mobiles
- Penetration Services and Code Review Services
Information report - 7 November 2018

File No.: CP2018/19936

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 – 7 November 2018.

Ngā tāpirihanga / Attachments

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<tbody>
<tr>
<td>A</td>
<td>Strategic Procurement Committee Forward Work Programme - 7 November 2018</td>
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</tr>
</tbody>
</table>

Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Michelle Judge - Governance Advisor</th>
</tr>
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<tbody>
<tr>
<td>Authoriser</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
### 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)

<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 Highlight financial year quarter and state month if known</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>City Centre Development</td>
<td>Provide an update on the strategy for procurement of city centre development programme and pipeline of forward works</td>
<td>Receive: progress update</td>
<td>$370m (total council family spend)</td>
<td>FY19: Q2 Nov 18</td>
</tr>
<tr>
<td>1.2</td>
<td>Ports of Auckland stormwater project</td>
<td>Approve awarding of contract to successful supplier for Ports of Auckland stormwater project</td>
<td>Decision: Approve awarding of contract</td>
<td></td>
<td>FY19: Q2 Nov 18</td>
</tr>
<tr>
<td>1.3</td>
<td>Strategic procurement plan for waste services</td>
<td>To approve a strategic plan for procurement of waste services over the next five years.</td>
<td>Decision: Agree procurement plan</td>
<td></td>
<td>FY19: Q2 Dec 18</td>
</tr>
<tr>
<td>1.4</td>
<td>St Marys Bay Outfall construction contract</td>
<td>Approve supplier recommendation report</td>
<td>Decision: Approve awarding contract</td>
<td></td>
<td>FY19: Q2 Dec 18</td>
</tr>
<tr>
<td>1.5</td>
<td>America’s Cup 36 progress update</td>
<td>Provide an update on the awarding of the Project Alliance Agreement for the construction of infrastructure needed to host the 36th America’s Cup</td>
<td>Receive: progress update</td>
<td>$212m</td>
<td>FY19: Q2 Dec 18</td>
</tr>
<tr>
<td>1.6</td>
<td>Organics (Food Waste) Processing, caddies and food waste bins</td>
<td>Award contract for food waste process services, caddies and bins</td>
<td>Decision taken to approve the contract award for food waste process services, caddies and bins at 11 July 2018 meeting Resolution number STR/2018/17 – Item C2</td>
<td></td>
<td>FY19: Q4</td>
</tr>
</tbody>
</table>

**Progress to date:**

- Update received at the 13 December 2017 meeting Resolution number STR/2017/59 - Item C4
- Next update will be considered in November 2018

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Information report - 7 November 2018
### 2. Review delivery of Capital Projects

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
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<td>Oct-Dec</td>
<td>Jan-Mar</td>
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<tr>
<td>2.1</td>
<td>Westgate multipurpose facility (integrated library and community centre) construction</td>
<td>Elected member oversight of progress of Westgate multipurpose facility</td>
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<td>Q2</td>
<td>Nov 18</td>
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<td><strong>Progress to date:</strong></td>
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<td>Update received at the 7 March 2018 meeting Resolution number STR/2018/11 - Item C2.</td>
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<td>Update received at 11 June 2018 meeting Resolution number STR/2018/34 - Item C3</td>
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<td>Update received at 8 August 2018 meeting Resolution number STR/2018/38 – Item C1</td>
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<td>Update received at 5 September 2018 meeting Resolution number STR/2018/56 – Item C3</td>
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<td></td>
<td>Update received at 3 October 2018 meeting Resolution number STR/2018/66 – Item C1</td>
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<td></td>
<td><strong>Receive:</strong> no decision required</td>
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<tr>
<td>2.2</td>
<td>Capital Project Delivery</td>
<td>Elected member oversight of progress of Major Projects</td>
<td></td>
<td>Q2</td>
<td>Dec 18</td>
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<td><strong>Progress to date:</strong></td>
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<td>Update received at 6 September 2017 meeting Resolution number STR/2017/37 - Item C2.</td>
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<td>Update received at 13 December 2017 meeting Resolution number STR/2017/61 - Item C6</td>
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<td>Update received at 7 March 2018 meeting Resolution number STR/2018/11 - Item C2.</td>
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<td>Update received at 11 June 2018 meeting Resolution number STR/2018/32 – Item C3</td>
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<td>Update received at 5 September 2018 meeting Resolution number STR/2018/54 – Item C1</td>
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<td></td>
<td><strong>Receive:</strong> no decision required</td>
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<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>Q2</td>
<td>Dec 18</td>
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<td><strong>Progress to date:</strong></td>
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<td>Update received at 11 June 2018 meeting – Resolution number STR/2018/25 – Item 10</td>
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<td>Update received at 3 October 2018 meeting – Resolution number STR/2018/61 – Item 9</td>
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<td></td>
<td><strong>Receive:</strong> no decision required</td>
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</tbody>
</table>
### 3. Endorse Procurement Category Strategies

<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>
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<tbody>
<tr>
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<td>FY19</td>
<td>Highlight financial year quarter and state month if known</td>
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<td>Oct-Dec</td>
<td>Jan-Mar</td>
</tr>
<tr>
<td>3.1</td>
<td>Professional Services</td>
<td>Create a plan to go to market and manage professional services across Auckland Council.</td>
<td>Receive: No decision required</td>
<td>Q2 Dec 18</td>
<td></td>
</tr>
<tr>
<td>3.2</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>
<td>Receive: No decision required</td>
<td>Q3</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>Professional Technical Services</td>
<td>Implementation of professional technical services category</td>
<td>Receive: No decision required – update from approved strategy by T&amp;P 2016 Update received at 3 October Strategic Procurement Committee meeting – Resolution number STR/2018/63 – Item 11</td>
<td>Q3</td>
<td></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>
<th>Budget / Funding</th>
<th>Expected timeframes</th>
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<td>FY19</td>
<td>Highlight financial year quarter and state month if known</td>
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<td>Oct-Dec</td>
<td>Jan-Mar</td>
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<tr>
<td>4.1</td>
<td>Fleet Optimisation Update</td>
<td>Keep Committee informed on progress of Fleet changes</td>
<td>Progress to date:</td>
<td>Q2 Nov 2018</td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Group Sourced Procurement update</td>
<td>Keep Committee informed on progress against Group Sourced Procurement objectives</td>
<td>Progress to date:</td>
<td>Q2</td>
<td></td>
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<td></td>
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<td></td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/4 – Item 11. Update received at the meeting on 7 March 2018 Resolution number STR/2018/4 – Item 9. Update received at the meeting on 8 August 2018 Resolution number STR/2018/42 – Item 9. Receive: no decision required</td>
<td>Q2 Nov 18</td>
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</tbody>
</table>
### 5. Improve Procurement Maturity

| Priority # | Area of work | Reason for work | Strategic Procurement Committee role (decision or direction) | Budget / Funding | Expected timeframes
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<td>Highlight financial year quarter and state month if known</td>
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See completed section below

### 6. Other

| Priority # | Area of work | Reason for work | Strategic Procurement Committee role (decision or direction) | Budget / Funding | Expected timeframes
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<td>Highlight financial year quarter and state month if known</td>
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|                |                |                |                                                           |                 | FY19                |
|                |                |                |                                                           |                 | Oct-Dec | Jan-Mar | Apr-Jun |

#### 6.1 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

**Progress to date:**
- Update provided at the 2 May 2018 meeting
- Resolution number STR/2018/21 – Item C2
- Update: no decision required

**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>
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</table>

| 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 C3 |
| 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 C2  
Decision: Approve procurement plan at 4 April 2018 meeting, Resolution number STR/2018/15 – 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 C1  
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 C2  
Decision taken to extend AoG agreements at 4 April 2018 meeting, Resolution number STR/2018/12 – Item C1 |

<p>|                |                |                |                                                           |                 | Q2                  |
|                |                |                |                                                           |                 | Nov 2018            |</p>
<table>
<thead>
<tr>
<th>Item</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8</td>
<td>Building Consents Regional Overflow Model</td>
<td>Approve the supplier recommendation for the Building Consents Regional Overflow Model</td>
<td><strong>Decision:</strong> procurement plan agreed - 13 December 2017 meeting, Resolution number STR/2017/60 – Item C5, <strong>Decision:</strong> Supplier recommendation agreed at 11 June 2018 meeting, Resolution number STR/2018/27 – Item C2 and Resolution number STR/2018/33 – Item C2</td>
</tr>
<tr>
<td>1.9</td>
<td>Waiheke Island Waste Services Contracts</td>
<td>Approve a contract extension for Waiheke Island waste services contract</td>
<td>Update provided at the 11 July 2018 meeting, Resolution number STR/2018/41 – Item 11 and Resolution number STR/2018/36 – Item C1, <strong>Decision:</strong> Approved contract extension at 11 July 2018 meeting.</td>
</tr>
</tbody>
</table>

### 3. Endorse Procurement Category Strategies

<table>
<thead>
<tr>
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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>Update provided at the October 2017 meeting Resolution number STR/2017/40 – Item 9</strong></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 Organics (food waste) collection and Processing Service together with the caddies and bins required for collection.</td>
<td><strong>Update provided at the October 2017 meeting Resolution number STR/2017/40 – Item 9 and Resolution number STR/2017/45 – Item C1</strong></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 received at 7 March 2018 meeting – Resolution number STR/2018/7 – Item 12 and Resolution number STR/2018/10 – Item C1</strong></td>
</tr>
<tr>
<td>3.4</td>
<td>ICT Software</td>
<td>Create a plan for engaging the market to purchase Software.</td>
<td><strong>Update received at 11 June 2018 meeting – Resolution number STR/2018/24 – Item 9</strong></td>
</tr>
<tr>
<td>3.5</td>
<td>Vertical Construction Category Strategy</td>
<td>Development of the overall strategy for vertical construction and building</td>
<td><strong>Update received at 11 June 2018 meeting – Resolution number STR/2018/29 – Item 14 and Resolution number STR/2018/34 – Item C4</strong></td>
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</table>

### 4. Enhance Group Sourced Procurement

<table>
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<th>Strategic Procurement Committee role (decision or direction)</th>
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<tbody>
<tr>
<td>4.1</td>
<td>Sustainable Procurement Framework</td>
<td>Give effect to principles to be agreed in Group Procurement Policy</td>
<td><strong>Update provided at the December 2017 meeting, Resolution number STR/2017/53 Item 9</strong></td>
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</table>

### 5. Improve Procurement Maturity

<table>
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<tr>
<th>Priority #</th>
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<th>Strategic Procurement Committee role (decision or direction)</th>
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<tbody>
<tr>
<td>5.1</td>
<td>Ariba update</td>
<td>Update Committee on implementation of procurement enabling technology</td>
<td><strong>Update provided at the October 2017 meeting Resolution number STR/2017/4 – Item 11</strong></td>
</tr>
<tr>
<td>Priority #</td>
<td>Area of work</td>
<td>Reason for work</td>
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<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>
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</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

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: Supplier recommendations for Ports of Auckland stormwater outfall project

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<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)(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 that could prejudice council's position in negotiations with stormwater suppliers.</td>
<td>s48(1)(a)</td>
</tr>
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**C2** CONFIDENTIAL: Update on capital projects over $5 million

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<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
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<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 may prejudice council's position with suppliers.</td>
<td>s48(1)(a)</td>
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</table>
### C3  CONFIDENTIAL: Westgate multipurpose facility (integrated library and community centre) construction: status update

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<tr>
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<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>
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### C4  CONFIDENTIAL: Community Facilities full facilities contracts performance update - November 2018

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<tr>
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<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.</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>
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### C5  CONFIDENTIAL: Fleet optimisation update report

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<tr>
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<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.</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>
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