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

Date: Thursday, 6 June 2019
Time: 1.30pm
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Komiti Mahi Āta Torotoro Rawa / Strategic Procurement Committee
OPEN ADDENDUM AGENDA

MEMBERSHIP

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

Deputy Chairperson
Ex-officio
Mayor Hon Phil Goff, CNZM, JP
(Quorum 4 members)

Duncan Glasgow
Governance Advisor

5 June 2019

Contact Telephone: +64 21 579 761
Email: duncan.glasgow@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.
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Community Facilities full facilities contracts performance update

File No.: CP2019/08926

Te take mō te pūrongo
Purpose of the report

1. To update the Strategic Procurement Committee on suppliers’ performance under Community Facilities’ arboriculture services, ecological services, and full facilities maintenance contracts, including the streetscape variation.

Whakarāpopototanga matua
Executive summary

1. In 2016-2017, Community Facilities undertook a procurement process (“Project 17”) to put in place new contracts for managing arboriculture, ecological services, parks, open space and building maintenance, and cleaning services.

2. Contracts were awarded to the successful tenderers in March 2017. Outgoing suppliers were demobilised once the new tenders were awarded, and the mobilisation of the new incumbents concluded in June 2017, with the contracts starting in July 2017.

3. The streetscape variation was awarded to the incumbent full facilities suppliers in December 2018 with the green services (berm mowing, edging and weed management, and vegetation management) starting in April 2019, and the clean services (town centre cleaning, litter bins, loose litter, furniture maintenance) due to start in July 2019.

Ngā tūtohunga
Recommendation/s

That the Strategic Procurement Committee:

a) note that the information contained in the Community Facilities full facilities contracts performance update report, enables transparency on the topic due for discussion in the public excluded part of the meeting.

Horopaki
Context

4. Overall it is pleasing to observe that suppliers continue to build on the progress made in year one. Good responsiveness in relation to any performance concerns and a consistency of performance across the region has been experienced.

5. All suppliers continue to improve their engagement with the community and have embraced the smart procurement aspect of the contracts. In one area the supplier is putting in place initiatives to offer work opportunities for the homeless.

6. The suppliers have made good progress with embracing the core principles of the contract, including self-delivery. One supplier has recently taken over the delivery of the cleaning of public toilets and litter collection which has resulted in improvement with responsiveness and ownership of this difficult service.
7. The suppliers' knowledge of the assets continues to improve as is reflected in the ongoing refinement of work schedules and customised preventative maintenance programmes, which resulted in a noticeable reduction of customer request for services over the 2018 Christmas period.

8. The ongoing development and refinement of the supplier portals and systems has shown improvement this year. It is expected that council officers will have real time visibility of job status and work schedules in due course.

9. Full Facilities suppliers are currently undertaking the winter replanting programmes across the region which are improving the existing plant and mulch stock.

10. The amount of newly vested assets, especially in the Tahi, Toru and Rima areas, continues to present some challenges for the suppliers.

11. Health and Safety is being managed by all suppliers with any incidents thoroughly investigated and appropriate corrective actions put in place.

12. The quality results for the year showed a noticeable improvement by all suppliers compared with year one. It is very pleasing to see that all the suppliers are consistently performing across the region in the ninetieth percentile.

13. All suppliers have shown commitment to continuous improvement with any KPI failures resulting in improvement plans being developed that identify the contributing factors and outline how they will be addressed.

14. The streetscape green services (berm mowing, edging and weed management, and vegetation management) went live on 1 April 2019, with these services being transferred from Auckland Transport to the council. A dedicated streetscape project team has been put in place to manage the transfer and implementation of the streetscape services.

15. All suppliers have fully mobilised for the streetscape green services with all equipment and staff in place. The clean services (town centre cleaning, litter bins, loose litter, furniture maintenance) is on track to go live in July. There is good collaboration between Auckland Transport, Community Facilities staff and the full facilities suppliers with regular positive meetings and the transfer of any requested information.

16. The quality of the streetscape green work which has been underway for two months has been good with only isolated areas where berms have not been mown. These unmown berms are due to asset data problems rather than supplier performance.

17. In support of the ‘green’ streetscape services, a dedicated team has been set up investigate the feasibility of a standardized approach to weed management. Similarly, Community Facilities is also working with Biosecurity in managing pest plants along the road corridor.

18. The mowing of berms adjacent to homeowners is also being reviewed in line with the policy of managing this. By April next year, a standardised approach will be presented to the Strategic Procurement Committee for feedback.

19. The arboriculture contracts have been impacted this year due to dealing with the final clean-up of last year’s storm event. This has resulted in the volume of tree work undertaken in the first few months of this year being less than in a normal year.

20. Both ecological contracts are performing to a high standard and are on track to deliver the full programme of works for this year.

Tātaritanga me ngā tohutohu
Analysis and advice

21. This report is for information only, no action from the Committee is required.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

22. A dedicated Community Facilities operations team, the Operational Management and Maintenance Delivery Coordinators, have been assigned to each of the 21 local boards. This team is the key contact for maintenance and operational issues for council’s open space and built assets, and serve as liaison when suppliers are requested to meet with the local boards to discuss social and environmental initiatives, and address maintenance concerns.

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

23. Local boards receive weekly updates on contractor performance, specifically with regards to the full facility contracts. The weekly updates provide evidence of the quality audit outcomes for each local board.

Tauākī whakaaweawe Māori
Māori impact statement

24. Suppliers work collaboratively with council to achieve better outcomes for Māori, by supporting skills development, labour market participation, and engagement with Māori-owned businesses. Targets and measures to achieve Māori outcomes have been incorporated as part of the contracts and are covered in the financial implications section of this report. These are linked to KPIs and are measured and monitored.

Ngā ritenga ā-pūtea
Financial implications

25. The shift from a prescriptive service delivery approach to outcomes-based contracts, resulted in an increase in service levels for open space and building maintenance works.

26. The Smart procurement outcomes that are required in the Project 17 contracts are listed below. These will be delivered via the development and delivery of a Community Outcomes and Workforce Development Plan.

- Increase capability and capacity – suppliers are required to create sustainable businesses that provide training and development, to ensure continued quality delivery of services over the term of the contract.

- Youth employment – suppliers should facilitate connecting work-ready youth to local employment by creating local jobs, with training and development opportunities.

- Diversity and inclusion – suppliers should promote inclusion, reduce discrimination and remove barriers to opportunity and participation, particularly for disadvantaged groups who face barriers to employment e.g. long term unemployment, and people with disabilities.

- Valuing Māori – suppliers are required to work collaboratively with council to achieve better outcomes with Māori, by supporting skill development and labour market participation, and engagement with Māori owned businesses.

- Pacific Auckland – suppliers should support further training, development and labour market participation for Pacific youth and communities.

- Local community and economy – suppliers should support local business where reasonable/practical, and should meet the social needs of the delivery area.

27. The contracts have flexibility to remove assets, and allow active participation by third sector and volunteers, to deliver maintenance outcomes. Suppliers, and any of their sub-contractors, are required to establish, document, implement, maintain and continually improve an environmental management system.
Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations

28. Risks relating the Project 17 contracts will be discussed in the confidential section of the Strategic Procurement Committee meeting.

Ngā koringa ā-muri

Next steps

29. Community Facilities will continue to manage suppliers with the intent of improving on-the-ground performance and realising the benefits of the contracts.

30. Community Facilities will continue to report weekly to local boards and annually to this committee, on suppliers’ performance.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Geoff Pitman – Head of Contracts and Supplier Management</th>
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| Authorisers | Rod Sheridan - General Manager Community Facilities  
Aaron Donaldson - Head of ICT & Corporate Procurement |
Strategic Procurement Committee  
06 June 2019

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:

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<td>Reason for passing this resolution in relation to each matter</td>
<td>Particular interest(s) protected (where applicable)</td>
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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.</td>
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