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

**Date:** Wednesday, 7 August 2019  
**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**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson</td>
<td>Deputy Mayor Cr Bill Cashmore</td>
</tr>
<tr>
<td>Deputy Chairperson</td>
<td>Cr Ross Clow</td>
</tr>
<tr>
<td>Members</td>
<td>Cr Dr Cathy Casey</td>
</tr>
<tr>
<td></td>
<td>Cr Linda Cooper, JP</td>
</tr>
<tr>
<td></td>
<td>Cr Alf Filipaina</td>
</tr>
<tr>
<td></td>
<td>Cr Penny Hulse</td>
</tr>
<tr>
<td></td>
<td>Cr Daniel Newman, JP</td>
</tr>
</tbody>
</table>

**Ex-officio**  
Mayor Hon Phil Goff, CNZM, JP

(Quorum 4 members)

---

Duncan Glasgow  
Governance Advisor  

1 August 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.
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.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apologies</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Declaration of Interest</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Confirmation of Minutes</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Petitions</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Public Input</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Local Board Input</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Extraordinary Business</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Update on the procurement plan for Corban Reserve Stormwater Upgrade - Stage one</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Te Manawa multipurpose facility at Westgate (integrated library and community centre) construction: final status report</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>$5M Capital Projects Update</td>
<td>17</td>
</tr>
<tr>
<td>11</td>
<td>Group Source Procurement update 2018-2019</td>
<td>21</td>
</tr>
<tr>
<td>12</td>
<td>Summary of Strategic Procurement Committee information memoranda and briefings, including the Forward Work Programme - 7 August 2019</td>
<td>27</td>
</tr>
<tr>
<td>13</td>
<td>Consideration of Extraordinary Items</td>
<td></td>
</tr>
</tbody>
</table>

**PUBLIC EXCLUDED**

| 14   | Procedural Motion to Exclude the Public                                           | 39   |
| C1   | CONFIDENTIAL: Approval of the procurement plan for Corban Reserve Stormwater Upgrade - Stage one | 39   |
| C2   | CONFIDENTIAL: Te Manawa multipurpose facility at Westgate (integrated library and community centre) construction: final status report | 39   |
| C3   | CONFIDENTIAL - $5M Capital Projects Update                                        | 40   |
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 Thursday, 6 June 2019, 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."
Te take mō te pūrongo
Purpose of the report
1. To note an update on the procurement plan for stage one of the physical works for the Corban Reserve stormwater upgrade project.

Whakarāpopototanga matua
Executive summary
2. The Corban Reserve stormwater upgrade project is required to eliminate a known health and safety risk.
3. This project has been commissioned and designed to safeguard public health and safety through elimination of methane and leachate infiltration from the closed landfill into the existing public stormwater network.
4. The project will also alleviate flooding risk and provide for the future growth of the upstream catchment. Water quality of the Opanuku Stream is also anticipated to improve following the elimination of leachate discharge through the stormwater network.
5. The project is structured into three stages. Stage one consists of the construction of a stormwater pipe along Border Road to the Opanuku Stream to divert the stormwater network away from the Corban Reserve closed landfill. Stage two will decommission the existing stormwater pipe underneath Corban Reserve. Stage three will upgrade part of the local stormwater network along Henderson Valley Road.
6. More details on the procurement plan for stage one of the Corban Reserve stormwater upgrade will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.

Ngā tūtohunga
Recommendations
That the Strategic Procurement Committee:

a) note the information contained in this report on the procurement plan for stage one of the Corban Reserve stormwater 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 commercially sensitive information relating to the procurement of the proposed works for the stormwater upgrade could prejudice council’s position in negotiations with suppliers.

Horopaki
Context
7. A stormwater pipe that runs through a closed landfill in Corban Reserve has been identified as posing an on-going health and safety risk to the public and council staff, due to the presence of landfill gases.
8. Monitoring shows that the pipe is collecting methane gas from the closed landfill at levels which are potentially explosive if ignited. A methane explosion during stormwater upgrade works at the site in 1996 resulted in a fatality.

9. Leachate from the closed landfill is also infiltrating into the stormwater pipe, resulting in elevated heavy metals and levels of ammoniacal nitrate being discharged to the Opanuku Stream.

10. In addition, flooding of residential properties upstream of the pipe is frequent due to existing downstream capacity constraints and debris blocking the inlet to the stormwater pipe. The creation of the landfill has also resulted in an embankment, blocking the natural overland flow path and flooding properties. Flooding of upstream residential properties is currently reported up to five times per year and 21 properties are at risk of flooding in a 1 per cent annual exceedance probability storm event.

11. Council is managing these risks in the short-term through various measures, such as close monitoring of the landfill site and the use of a ventilation system in Corban Reserve to safely disperse gases over reserve land. However, a more permanent solution is needed.

12. Analysis conducted by council staff indicates that construction of a new stormwater pipeline and decommissioning the piped section through the closed landfill is the only way to effectively eliminate these risks.

13. Auckland Council is progressing the delivery of this stormwater upgrade project which will be undertaken in three stages. Stage one of the Corban Reserve stormwater upgrade project is to divert stormwater flows from the 120-hectare Waitaro Stream catchment away from the existing pipe under the closed landfill site at Corban Reserve. To achieve this, a new pipeline will be tunneled along Border Road to the Opanuku Stream.

14. As part of stage one of the physical works, a section of the stormwater pipe within Murillo Reserve will be daylighted with new boardwalks and planting, providing new amenities for the local community. Stage one also provides for additional access to the Twin Stream Cycleway within Border Road Esplanade from Taranui Place, along with improved planting by the entrance to the esplanade at Border Road.

15. Stage two of the works is to decommission the existing stormwater pipe underneath Corban Reserve. The reserve will then be upgraded with new signage and footpaths, recontouring to improve drainage, and planting. Stage three of the works is to upgrade part of the local stormwater network along Henderson Valley Road. This will include installing a new larger pipe within the road berm and replacing the pipe across Henderson Valley Road.

16. Further context will be presented in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.

**Tātaritanga me ngā tohutohu**

**Analysis and advice**

17. Analysis and advice regarding the procurement plan for stage one of the Corban Reserve stormwater upgrade project will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

18. Additional impacts arising from the procurement plan for stage one of the Corban Reserve stormwater upgrade project will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.
Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

Local impacts
19. This project will have significant positive benefits for people living in the surrounding area as it will eliminate levels of landfill gas and leachate entering the stormwater pipes and the associated health and safety risks. The new pipeline will help increase the capacity of the local stormwater network and reduce flooding of residential properties upstream of the pipe under Corban Reserve.

20. As part of stage one of the physical works, a section of the stormwater pipe within Murillo Reserve will be daylighted with new boardwalks and planting, providing new amenities for the local community. An additional access to the Twin Stream Cycleway within Border Road Esplanade from Taranui Place, along with improved planting by the entrance to the esplanade at Border Road, will also be provided for. Corban Reserve will be upgraded as part of stage two of the Corban Reserve stormwater upgrade project.

Local board views
21. The Henderson-Massey Local Board provided feedback on the proposed stormwater upgrade project at a workshop in August 2018. The board expressed support for the project and requested specific consideration be given to the health and safety issues associated with the site. The board also indicated its support for the upgrades of the Murillo Reserve, Border Road Esplanade and Corban Reserve, which will occur in stages one and two of the project.

Māori impact statement
22. The project brief was provided to mana whenua for review in October 2016 and updated in January 2018. A site visit was hosted by Healthy Waters with Te Runanga o Ngāti Whātua and Te Kawerau ā Maki who expressed interest in the proposed project. Both iwi expressed support for the project and requested that erosion of Opanuku Stream to be considered as part of project design. The potential erosion impact on Opanuku Stream has been carefully mitigated in the design of the outfall. A Cultural Impact Assessment from Te Kawerau ā Maki was received in October 2018 confirming general support for the works as per the site visit.

23. The current discharge of leachate is severely detrimental to the mauri of both the Waitaro Stream and Opanuku Stream. The mauri of two sections of the Waitaro Stream will be significantly improved through regrading, naturalisation and planting as part of the restoration initiatives to undertaken at Murillo Reserve and Corban Reserve.

Financial implications
24. Financial implications arising from the procurement plan for stage one of the Corban Reserve stormwater upgrade project will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.

Risks and mitigations
25. Risks and mitigations arising from the procurement plan for stage one of the Corban Reserve stormwater upgrade project will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.
Ngā koringa ā-muri

Next steps

26. Next steps arising from the procurement plan for stage one of the Corban Reserve stormwater upgrade project will be provided in the confidential section of the 7 August 2019 Strategic Procurement Committee meeting.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Vivian Dias – Strategic Procurement Specialist</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gerhard Van Rooyen – Senior Healthy Waters Specialist</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorisers</th>
<th>Matthew Walker – Group Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Barry Potter - Director Infrastructure and Environmental Services</td>
</tr>
<tr>
<td></td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Te Manawa multipurpose facility at Westgate (integrated library and community centre) construction: final status report

File No.: CP2019/11122

Te take mō te pūrongo

Purpose of the report
1. To provide a final status report to the Strategic Procurement Committee on the Te Manawa multipurpose facility construction contract at Westgate with Fletcher Construction Company Limited.

Whakarāpopototanga matua

Executive summary
2. Construction of the Te Manawa multipurpose facility at Westgate commenced on 6 March 2017, with practical completion granted on 18 December 2018. The facility opened on time on 26 March 2019, with a formal ceremony held on 6 April 2019.

3. Successful negotiations were undertaken between the project governance group and Fletcher Construction Company Limited (Fletcher Construction) management for a final settlement sum within the approved budget to close the contract.

4. The health and safety performance throughout the contract was excellent, and good quality of construction achieved.

5. As no high-level risks remain to the contract, this will be the final status report provided to the committee on this contract.

Ngā tūtohunga

Recommendation/s
That the Strategic Procurement Committee:

a) note the Te Manawa multipurpose facility at Westgate (integrated library and community centre) construction: final status report

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

Horopaki

Context
6. The Te Manawa multipurpose facility project at Westgate was previously reported to Strategic Procurement Committee on 12 December 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, remained excellent to the end of the contract. This was demonstrated by independent audits undertaken on behalf of council and its own reporting. No incidents have occurred for the remainder of the contract period since last reported on 12 December 2018.

Timeline status
8. Practical completion of the main construction contract was achieved on 18 December 2018. This was within the allowed time contingencies set for the construction contract.
9. A period of operational activation and fit-out, not part of the construction contract was completed on time for the facility’s opening on 26 March 2019.
10. A formal opening ceremony and celebration was held at the facility on 6 April 2019.

Quality
11. Audits undertaken by the architect and consulting engineers have identified minor quality improvements and defects. These are being addressed promptly by the contractor.
12. The contractor’s attitude and attention to the management of quality construction practice remained good to the end of the contract and in addressing any issues during the defects period.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
13. Auckland Transport, Watercare and other parts of the council group were involved in the planning and design of the facility, however were not necessary for the construction contract. The views of council-controlled organisations were not required for the preparation of this report.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
14. Henderson-Massey Local Board received monthly updates and quarterly reports throughout the project. The local board visited the facility on 12 February 2019 and attended the dawn blessing on 25 February 2019.
15. The Henderson-Massey Local Board received and adopted the gifted name for the facility, Te Manawa, along with names for rooms and areas within.

Tauākī whakaaweawe Māori
Māori impact statement
16. The name of the facility, Te Manawa, and names for rooms and areas within were gifted by Ngāti Whātau o Kaipara.
17. The facility was blessed by kaumatua from Te Kawerau a Maki and Ngāti Whātau o Kaipara at the dawn ceremony on 25 February 2019.
18. Artwork representing mana whenua planned to be installed during the fit-out period has been delayed and will be installed later this year.
Ngā ritenga ā-pūtea
Financial implications
19. A final contract sum has been agreed with Fletcher Construction.
20. The final contract sum is within the contract budget, including contingency that has been previously approved by the committee.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
21. Risk management involving identification, mitigation and control is being continually implemented and the risk management plan is operating to close out any remaining risks.
22. All high-level risks previously reported to the committee have been resolved satisfactorily.
23. No new risks have eventuated or been identified since the last report provided on 12 December 2018.
24. Lessons learned during the delivery of the project are being actively recorded and together with improvements will be implemented in other projects of this nature.

Ngā koringa ā-muri
Next steps
25. The project governance group will work to close the contract.
26. Lessons learned from the contract are being gathered and will be available together with improvements implemented in other projects.
27. Due to the successful public opening of the facility and conclusion of contractual negotiations with Fletcher Construction this will be the final status report provided to the committee on this 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, Community Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Rod Sheridan - General Manager Community Facilities</td>
</tr>
<tr>
<td></td>
<td>Ian Maxwell - Director Community Services</td>
</tr>
<tr>
<td></td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
$5M Capital Projects Update

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 78 (over $5 million) projects included in the report totals $276.2 million.

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 commentary report detailing:
   - Report ID – starting at C1 – to enable project identification for this meeting
   - Project name
   - Project objectives
   - Project Sponsor
   - Ward
   - Local board area (where the local board has decision making involvement – otherwise this will say Regional/Region-Wide
Item 10

- Local board Geographical area – the Local Boards affected directly by the project
- 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
- Project manager commentary
- Local board commentary.

8. In addition, a financial report is included, which has the following:
  - Report ID – starting at F1 – to enable project identification for this meeting
  - Project name
  - Ward
  - Local board area (where the local board has decision making involvement – otherwise this will say Regional/Region-Wide
  - Current Investment Delivery Framework (IDF) project phase of the project (for example, strategic assessment, initiate, plan, deliver)
  - Estimated start and finish dates
  - Percentage of project complete per the project manager
  - Total project budget – all years
  - Total project actuals – all years
  - Total project budget – FY19
  - Total project actuals – FY19
  - Total project variance (Actuals – Budget) – FY19 (a negative figure is an overspend)

9. As well as a list of all of the projects, the confidential report also includes a breakdown by ward and department with traffic light values.

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

Tātaritanga me ngā tohutohu
Analysis and advice

11. Commentary from project managers 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.

12. 75% of projects in the Delivery phase have a Cost Performance Index of amber or green. This compares to 74% in the previous quarter. Details on key changes will be provided by senior managers at the meeting.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
13. The council works with Council Controlled Organisations (CCOs) and other departments in a number of different ways while delivering projects. Details and examples are provided in the confidential report.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
14. 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
15. 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
16. The confidential report provides details of budgets, spend and forecast for individual projects. These financials are regularly reported within the relevant departments.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
17. All project risks are stored within the Sentient project management system used for all capital projects. Project managers may have also referred to key risks in their commentary in the confidential report.

Ngā koringa ā-muri
Next steps
18. These reports are provided quarterly.

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>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Ramari Slattery - Head of Strategic Portfolio and Programme Office</td>
</tr>
<tr>
<td></td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo

Purpose of the report

1. To provide an update to the Strategic Procurement Committee on Group Source Procurement for FY19.

Whakarāpopototanga matua

Executive summary

2. This information report aims to provide public visibility of information circulated to committee members, no decisions are required.

What we achieved: FY19 Results

3. In order to measure the progress of our Group Source programme, the ‘benefit’ procurement adds to the organisation is quantified across the group. This benefit is not just limited to cost savings or procuring at the lowest price. It also includes benefit from productivity improvements, costs avoided and revenue generated.

4. FY19 built on the strong results of FY18. FY18 was the first year all three organisations had pipelines built and reported on benefits. In FY18 we reached $112.4M of confirmed benefit. In FY19 we have built on this and have achieved $146.6M of confirmed benefit. Not only have we achieved more as a group this financial year than any before, we have also individually improved on our FY18 results.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>FY18 Result</th>
<th>FY19 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>$59.3M</td>
<td>$66.6M</td>
</tr>
<tr>
<td>AT</td>
<td>$41M</td>
<td>$54.7M</td>
</tr>
<tr>
<td>Watercare</td>
<td>$12M</td>
<td>$25.3M</td>
</tr>
<tr>
<td>Total</td>
<td>$112.4M</td>
<td>$146.6M</td>
</tr>
</tbody>
</table>

5. This financial year was the first time we were able to report on hard, in year OPEX cost savings across the group. In order to achieve this, procurement across the group worked closely with finance to realise savings. Through working more closely with finance, procurement has been able to support all three organisations to make in year savings and has had a positive impact on operating expenditure across the group.

6. Auckland Council, Auckland Transport and Watercare procurement teams have continued to work together as a group and have added to our group documentation. We have had our Group Procurement Strategy endorsed by the CFOs. We have drafted a Group Supplier Code of Conduct which has been amended, where required, to the individual organisation. These documents provide a clear direction for Group Source and support us working together now and into the future. We have also had access to spend analytics across all three organisations which has informed various workstreams including Strategic Relationship Management with our top (by value spent) suppliers.

7. Sustainable procurement has been a strong focus area of Group Source this financial year. As a council group we have joined Ākina, a social enterprise specialising in positive social and environmental impact. Specifically, Ākina supports the Council group to build positive outcomes into procurement related activities. In line with this, there has been an increase in procurement activities with sustainable outcomes undertaken by the Group.
8. For more detail on what we have achieved please refer to the attached slide pack (Attachment A).

**What we’ve achieved: Highlights**

9. In FY19 the group has supported and operationalised a number of better outcomes for our community. Whether this be through a more environmentally friendly construction approach, a smarter approach to projects or ensuring targeted employment outcomes including workforce development or providing the living wage. Examples of these better outcomes are detailed below.

**Working Smarter, Together - Victoria Linear Park to Albert Park Streetscape upgrade**

10. This programme of works is being procured jointly between Council and Auckland Transport. Due to the synergy with the Wellesley St Auckland Transport upgrade programme and CRL works along Albert St, there was a significant programme synergy and efficiency opportunity identified. Procurement and programme teams from Council and Auckland Transport are working together to achieve group benefits. These include being able to bundle contracts in this area – realising programme delivery efficiencies and using our combined spend to negotiate better rates.

**Creating a Cleaner City – Solar Powered Council building Great Barrier Island**

11. Auckland Council procurement was involved in this activity funded by the One Local Initiative Fund. The procurement was for a solar powered system to power the council’s service centre, local board office, dentist and morgue. It will also provide back-up power for the island’s health centre. The solar panels will provide a cleaner and more renewable energy system for the buildings, which had been powered by diesel generators.

**Supporting Aucklanders – AMETI Eastern Busway 1 Construction**

12. This procurement is one of the first and largest projects in Auckland that includes sustainable outcomes as contractual requirements. Auckland Transport secured a range of positive social and environmental outcomes beyond the physical works for this procurement. Auckland Council’s The Southern Initiative was integral to the development of the social outcomes in this contract and providing ongoing support for both diverse businesses, new recruits and supporting Fulton Hogan to deliver the outcomes.

13. Social outcomes include targeted employment outcomes and supplier diversity. Targeted recruitment outcomes are the creation of quality employment opportunities for groups experiencing barriers to employment (such as Māori, Pasifika and women).

14. To meet the supplier diversity requirement the contractor is required to award five per cent of their subcontract value to Māori owned businesses, Pasifika owned businesses or social enterprises. Environmental outcomes focus on measuring, reporting on and then reducing greenhouse gas emissions, water consumption and waste.

**Where we’re going: FY20 onwards**

15. As the role of procurement within our own organisations matures and we continue to build our reputation as trusted advisors, we are working to increase the visibility of our pipelines and forward work programmes. Additionally, we are also able to analyse spend data across the group by category and portfolio. These developments are enabling us to have a more proactive approach to identifying and implementing group procurement opportunities.

16. A quick win we are currently exploring is panel agreements and syndicated contracts for services delivered across the group. These agreements allow us to benefit off work already done by our colleagues – saving our organisations’ time and money. Aided by our pipelines and view of spend, we can better influence business stakeholders to take advantage of these opportunities.

17. We will also be using this information and more proactive approach to continue to embed sustainable outcomes into our procurement initiatives across the group.
Ngā tūtohunga
Recommendation/s
That the Strategic Procurement Committee:


Ngā tāpirihanga
Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A0</td>
<td>Strategic Procurement Committee - Group Source FY19 results</td>
<td>25</td>
</tr>
</tbody>
</table>

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Duncan Glasgow - Governance Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
$146.6M procurement benefit delivered

247 initiatives with benefit delivered

30% increase in group benefit total on FY18

AC, AT and Watercare have all confirmed more benefit than in FY18

Group Source FY19 Results

28 initiatives with sustainability benefits

$2.5M hard opex in year savings

Benefit Type Results Summary

$133.6M Cost Avoidance

$11.2M OPEX Cost Savings

$329k Productivity Improvements

$40k Revenue

Group Procurement Strategy

Group Spend Analytics

Majority of Section 17a recommendations implemented

Attachment A
Te take mō te pūrongo

Purpose of the report
1. To note the progress on the forward work programme appended as Attachment A.
2. To receive a summary and provide a public record of memoranda or briefing papers that may have been distributed to Strategic Procurement Committee members.

Whakarāpopototanga matua

Executive summary
3. This is a regular information-only report which aims to provide greater visibility of information circulated to Strategic Procurement Committee members via memoranda/briefings or other means, where no decisions are required.
4. The following memos were circulated to members:

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>25/7/2019</td>
<td>Food scraps procurement</td>
</tr>
</tbody>
</table>

5. Note that staff will not be present to answer questions about the items referred to in this summary. Committee members should direct any questions to the authors.

Ngā tūtohunga

Recommendation/s
That the Strategic Procurement Committee:

a) note the progress on the forward work programme appended as Attachment A of the agenda report

b) receive the Summary of Strategic Procurement Committee information memoranda and briefings – 7 August 2019.

Ngā tāpirihanga

Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Strategic Procurement Committee - Forward Work Programme - 07 August 2019</td>
<td>29</td>
</tr>
<tr>
<td>B</td>
<td>Strategic Procurement Committee - Memorandum - Food scraps update - 07 August 2019</td>
<td>37</td>
</tr>
</tbody>
</table>
### Ngā kaihaina

**Signatories**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author</td>
<td>Duncan Glasgow - Governance Advisor</td>
</tr>
<tr>
<td>Authoriser</td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
## Strategic Procurement Committee Forward Work Programme FY2019-2020

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. **EndorseProcurement 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.

### TABLE

<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>
<th>Highlight financial year quarter and state month if known</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Delivery on Annual Plan outcomes (Contracts to be awarded)</td>
<td>Update on refuse collection contracts</td>
<td>Update received at the 3 May 2019 meeting Resolution number STR/2019/39 - Item C1. Supplier recommendations will be provided in December 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Refuse collection contracts</td>
<td>Update on refuse collection contracts</td>
<td>Update received at the 3 May 2019 meeting Resolution number STR/2019/39 - Item C1. Supplier recommendations will be provided in December 2019</td>
<td></td>
<td>Q2</td>
<td>December 2019</td>
</tr>
</tbody>
</table>
| 1.2        | Food scraps processing | Award supplier recommendations for food scraps processing | **Progress to date:**
- Decision: taken to approve the procurement plan for food scraps processing services at 11 July 2018 meeting.
- Supplier recommendations to be provided in September 2019. | | | |
| 1.3        | Waitemata Waste Services | Allow award of contract for all Waste Services for Waitemata Waste Services | **Progress to date:**
- Decision: Approved Procurement Plan.
- Decision: Approved contract extension at 11 July 2018 meeting. 
- Update provided at the 11 July 2018 meeting, Resolution number STR/2018/41 – Item C1 and Resolution number STR/2018/97 – Item C1.
- Decision: Approve awarding of contract. | | Q1 | September 2019 |
| 1.4        | Healthy Waters panel refresh and strategy and professional services panel consolidation strategy | Approval of the Healthy Waters Physical Works & Technical Services Procurement Strategy | **Decision:** Receive update and approve the strategy
- Update received at 3 April 2019 meeting Resolution number STR/2019/25 – Item B.
- Update on suppliers to panels to be provided in Q1 2020. | | Q1 | 2020 |
<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>Highlight financial year quarter and state month if known</th>
</tr>
</thead>
</table>
| 1.5       | Integrated waste collection services procurement plan | Procure new/integrated waste collection services                               | **Progress to date:**  
**Decision:** taken to approve the procurement plan for integrated waste collection services at 6 March 2019 meeting.  
Resolution number STR/2019/22 - Item C4  
Next update will be provided by December 2019. | FY20 Jul-Sep | Q2 2020 |
| 1.6       | Supplier panels for Retrofit Your Home           | Procurement strategy for supplier panels to provide services for the Retrofit Your Home grant programme | **Decision:** To approve strategy for supplier panels for Retrofit Your Home services | FY20 | Q1 September 2019 |
| 1.7       | Corbans Reserve Culvert Upgrade                  | Approval of Procurement Plan for Corbans Reserve Culvert Upgrade market approach for Healthy Waters | **Decision:** Approve the Procurement Plan | FY20 | Q1 August 2019 |

2. Review delivery of Capital Projects

<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>Highlight financial year quarter and state month if known</th>
</tr>
</thead>
</table>
| 2.1        | Capital Project Delivery | Elected member oversight of progress of Major Projects, including update on the strategy for procurement of city centre development programme and pipeline of forward works. | **Receive:** no decision required  
**Progress to date:**  
Update received at 6 September 2017 meeting Resolution number STR/2017/57 - Item C2.  
Update received at 13 December 2017 meeting Resolution number STR/2017/61 - Item C5.  
Update received at 7 March 2018 meeting Resolution number STR/2018/11 - Item C7.  
Update received at 11 June 2018 meeting Resolution number STR/2018/32 – Item C1.  
Update received at 5 September 2018 meeting Resolution number STR/2018/54 - Item C1.  
Update received at 7 November 2018 meeting Resolution number STR/2018/80 - Item C2.  
Update received at 6 June 2019 meeting Resolution number STR/2019/1 – Item C1.  
Next update will be considered in 2020 | FY20 | 2020 |
<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 known</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>Forward Work Programme (Pipeline)</td>
<td>Elected member oversight of pipeline of activity for capital works delivery forward work programme</td>
<td>Receive: no decision required</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Progress to date:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 11 June 2018 meeting – Resolution number STR/2018/25 – Item 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 3 October 2018 meeting – Resolution number STR/2018/61 – Item 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Next update to be provided in Q3 2020</td>
<td>FY20 Jul-Sep</td>
<td>Q1 2020</td>
</tr>
<tr>
<td>2.3</td>
<td>Westgate multipurpose facility (integrated library and community centre) construction</td>
<td>Elected member oversight of progress of Westgate multipurpose facility</td>
<td>Receive: no decision required</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Progress to date:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the 7 March 2018 meeting – Resolution number STR/2018/13 – Item C2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 11 June 2018 meeting – Resolution number STR/2018/34 – Item C3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 8 August 2018 meeting – Resolution number STR/2018/38 – Item C1</td>
<td></td>
<td>Q1 August 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 5 September 2018 meeting – Resolution number STR/2018/56 – Item C4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 3 October 2018 meeting – Resolution number STR/2018/66 – Item C3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 7 November 2018 meeting – Resolution number STR/2018/81 – Item C3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at 12 December 2018 meeting – Resolution number STR/2018/94 – Item C4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Final presentation to be provided in Q1 August 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Endorse Procurement Category Strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Enhance Group Sourced Procurement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Fleet Optimisation Update</td>
<td>Keep Committee informed on progress of Fleet changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Progress to date:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the 7 March 2018 meeting – Resolution number STR/2018/5 – Item 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the 31 July 2018 meeting – Resolution number STR/2018/39 – Item 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the 7 November 2018 meeting – Resolution number STR/2018/75 – Item 12</td>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Priority #</td>
<td>Area of work</td>
<td>Reason for work</td>
<td>Strategic Procurement Committee role (decision or direction)</td>
<td>Budget / Funding</td>
<td>Expected timeframes</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------</td>
<td>-----------------</td>
<td>------------------------------------------------------------</td>
<td>-----------------</td>
<td>------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the 06 June 2019 meeting – Resolution number STR/2019/2 – Item 8</td>
<td>FY20 Jul-Sep</td>
<td>FY20 Oct-Dec</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Next updated to be provided in ???</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Decision: approve business plan</td>
<td></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><strong>Progress to date:</strong></td>
<td>FY20 Oct-Dec</td>
<td>FY20 Oct-Dec</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/4 – Item 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the meeting on 7 March 2018 Resolution number STR/2018/4 – Item 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the meeting on 8 August 2018 Resolution number STR/2018/42 – Item 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update received at the meeting on 7 November 2018 Resolution number STR/2018/76 – Item 13</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Receive:</strong> no decision required</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Improve Procurement Maturity

See completed section below.

6. Other

| 6.1       | Review of Contract performance | Update the Committee on the performance of suppliers against key performance metrics under the Full Facilities Maintenance contracts | **Progress to date:** | 2020 |
|           |                             | | Update received at the 2 May 2018 meeting Resolution number STR/2018/21 – Item C7 |                  |
|           |                             | | Update received at the 7 November 2018 meeting Resolution number STR/2018/82 – Item C8 |                  |
|           |                             | | Update received at the 6 June 2019 meeting Resolution number STR/2019/3 – Item C8 |                  |
|           |                             | | **Next update to be provided in 2020** |                  |
|           |                             | | **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>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Picton Street stormwater project</td>
<td>To reduce stormwater runoff to the combined sewer network and overflow volumes from the Wynyard Wharf outfall</td>
<td>Decision: Approve supplier recommendation. Value below $20 million, can be signed off by CEO.</td>
</tr>
<tr>
<td>1.2</td>
<td>Stormwater infrastructure to support the Auckland Housing Programme</td>
<td>Approve the supplier recommendation for stormwater infrastructure to support the Auckland Housing Programme</td>
<td>Decision: update received at 3 April 2019 meeting. Resolution number STR/2019/30 - [Item C2]</td>
</tr>
<tr>
<td>1.3</td>
<td>Refuse Collections</td>
<td>Change from collection of Bags to Bins for Waitakere and North Shore. Part of aligning refuse collection services across the region</td>
<td>Decision: Agree to extend current contract with Veolia for a further 2 years – 6 September 2017 – Resolution STR/2017/36 - [Item C1]</td>
</tr>
<tr>
<td>1.4</td>
<td>Electricity Procurement</td>
<td>Approve Procurement Plan for Electricity procurement</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/47 - [Item C5]</td>
</tr>
<tr>
<td>1.5</td>
<td>External Legal Services</td>
<td>Council has gone out to market for external legal services. Additional scope may mean the contract value over the term of the engagement will exceed $22.5m</td>
<td>Decision: Agree to contract awards for 2 years. 13 December 2017 meeting. Resolution Number STR/2017/57 – [Item C2]</td>
</tr>
<tr>
<td>1.7</td>
<td>Electricity supply SRR</td>
<td>Approve the supplier recommendation report for electricity supply services</td>
<td>Decision: agree SRR- 13 December 2017 meeting. Resolution Number STR/2017/56 – [Item C1]</td>
</tr>
<tr>
<td>1.8</td>
<td>Overflow Planning Services</td>
<td>Approve the procurement plan for overflow planning services to process resource consents.</td>
<td>Decision taken to approve the procurement plan at 4 April 2018 meeting. Resolution number STR/2018/21 – [Item 10] and Resolution number STR/2018/13 – [Item C2]</td>
</tr>
<tr>
<td>1.9</td>
<td>External Recruitment Supplier</td>
<td>Current All of Government (AoG) contract expires October 2017. New AoG contracts have been negotiated by MBIE. Council will enter into AoG agreements for six months and assess whether they meet our needs.</td>
<td>Decision taken to extend AoG agreements at 4 April 2018 meeting, Resolution number STR/2018/14 – [Item 9] and Resolution number STR/2018/12 – [Item C1]</td>
</tr>
<tr>
<td>1.12</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. Resolution number STR/2018/79 – [Item C1] Decision: approved awarding of contract at the 7 November 2018 meeting</td>
</tr>
<tr>
<td>1.13</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>Updates will now be provided as part of the update on Capital Project Delivery.</td>
</tr>
</tbody>
</table>
### Priority # | Area of work | Reason for work | Strategic Procurement Committee role (decision or direction) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.14</td>
<td>Ports of Auckland stormwater project</td>
<td>Approve awarding of contract to successful supplier for Ports of Auckland stormwater project</td>
<td><strong>Decision:</strong> Approve awarding of contract. Decision taken to approve awarding of contract at the 7 November 2018 meeting. Resolution number STR/2018/79 – Item C1. Next update to be provided in April 2019 through the $5 million project report.</td>
</tr>
<tr>
<td>1.15</td>
<td>George Joseph / Craig McIlroy</td>
<td>St Marys Bay and Masfield Beach improvement project</td>
<td><strong>Decision:</strong> Supplier recommendations for the first phase of construction. Report provided to the 6 March 2019 meeting. Resolution number STR/2019/14 – Item 9.</td>
</tr>
<tr>
<td>1.16</td>
<td>Parul Sood</td>
<td>Procurement plan for waste collection services</td>
<td><strong>Decision:</strong> To recommend the waste collections procurement plan to Finance and Performance for approval, incorporating feedback from the Value for Money review on the future of waste services. Update provided to the 6 March 2019 meeting. Resolution number STR/2019/16 – Item 11.</td>
</tr>
<tr>
<td>1.18</td>
<td>Tom Mansell / Craig McIlroy</td>
<td>Daldy Street stormwater outfall project</td>
<td>Update provided at the 1 May 2019 meeting. Resolution number STR/2019/40 – Item C2.</td>
</tr>
</tbody>
</table>

### 3. Endorse Procurement Category Strategies

<table>
<thead>
<tr>
<th>Item</th>
<th>Strategy</th>
<th>Description</th>
<th>Decision</th>
<th>Resolution Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Waste Solutions Procurement Strategy</td>
<td>Create plan for go to market exercise for all waste collection (including food waste) and disposal activity prior to 2020</td>
<td><strong>Decision:</strong> Confirm strategy/strategy. Update provided at the October 2017 meeting. Resolution number STR/2017/40 – Item 9.</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Organics (food waste) Processing caddies and food waste bins</td>
<td>Create plan for go to market exercise for all aspects of the planned Organic (food waste) collection and Processing Service together with the caddies and bins required for collection.</td>
<td>Update provided at the October 2017 meeting. Resolution number STR/2017/40 – Item 9 and Resolution number STR/2017/45 – Item C1. Update received at 11 July 2018 meeting. Resolution number STR/2018/40 – Item C1.</td>
<td></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>Update received at 7 March 2018 meeting – Resolution number STR/2018/7 – Item 12 and Resolution number STR/2018/10 – Item C1.</td>
<td>Receive: No decision required.</td>
</tr>
<tr>
<td>3.4</td>
<td>ICT Software</td>
<td>Create a plan for engaging the market to purchase Software.</td>
<td>Update received at 11 June 2018 meeting – Resolution number STR/2018/24 – Item 9.</td>
<td><strong>Decision:</strong> agree to endorse the Software Procurement Category Strategy.</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>Update received at 11 June 2018 meeting – Resolution number STR/2018/29 – Item 14 and Resolution number STR/2018/34 – Item C4.</td>
<td><strong>Decision:</strong> endorse the vertical construction procurement category strategy.</td>
</tr>
<tr>
<td>3.6</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><strong>Decision:</strong> update received at 12 December 2018 meeting – Resolution number STR/2018/91 – Item 10.</td>
<td></td>
</tr>
<tr>
<td>3.7</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;F 2016. Update received at 3 October Strategic Procurement Committee meeting – Resolution number STR/2018/63 – Item 11.</td>
<td></td>
</tr>
<tr>
<td>3.8</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></td>
</tr>
</tbody>
</table>

### 4. Enhance Group Sourced Procurement

<table>
<thead>
<tr>
<th>Item</th>
<th>Framework</th>
<th>Description</th>
<th>Decision</th>
<th>Resolution Numbers</th>
</tr>
</thead>
<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>Update provided at the December 2017 meeting. Resolution number STR/2017/53 Item 9.</td>
<td></td>
</tr>
<tr>
<td>Priority #</td>
<td>Area of work</td>
<td>Reason for work</td>
<td>Strategic Procurement Committee role (decision or direction)</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
<td>-----------------</td>
<td>-------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Improve Procurement Maturity</td>
<td>Update Committee on implementation of procurement enabling technology</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/4m - Item 11</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>Review of Contract performance</td>
<td>Update the Committee on the performance of suppliers against key performance metrics under the Full Facilities Maintenance contracts</td>
<td>Receive: No decision required. Update provided at May 2018 meeting, Resolution number STR/2018/21 - Item C2</td>
<td></td>
</tr>
<tr>
<td>6.3</td>
<td>Full Facility agreement transfer of streetscape and waste solutions services</td>
<td>To seek approval for the variation of the current Full Facility agreements to transfer the streetscape services from Auckland Transport and Waste Solutions to Community Facilities.</td>
<td>Decision: approval of transfer. Update received at 12 December 2018 meeting Resolution number STR/2018/89 - Item C2</td>
<td></td>
</tr>
<tr>
<td>6.4</td>
<td>ICT Technology Services</td>
<td>Seek approval for the transfer of existing datacentre service to a new multi-cloud environment.</td>
<td>Decision: approval of transfer. Update received at 12 December 2018 meeting Resolution number STR/2018/90 - Item C3</td>
<td></td>
</tr>
<tr>
<td>6.5</td>
<td>Stephen Horsey / Mark Devir</td>
<td>ICT Technology Services</td>
<td>Decision: contract awarding Update provided at the 1 May 2019 meeting Resolution number STR/2019/41 - Item C3</td>
<td></td>
</tr>
<tr>
<td>6.6</td>
<td>Full Facility agreement transfer of streetscape and waste solutions services</td>
<td>Update on the variation of the current Full Facility agreements to transfer the streetscape services from Auckland Transport and Waste Solutions to Community Facilities.</td>
<td>Decision: approval of transfer.</td>
<td></td>
</tr>
</tbody>
</table>
Strategic Procurement Committee
07 August 2019

Memorandum

25 July 2019

To: Strategic Procurement Committee Members

Subject: Procurement Update - Auckland Wide Food Scrap Processing Service

From: Parul Sood, Waste Solutions, Programme Director

Contact information: Parul.sood@aucklandcouncil.govt.nz | 021 832 427

Purpose

- To receive an update on procurement of an Auckland wide food scraps processing service.

Summary

- In July 2018 the Strategic Procurement Committee approved the food scrap processing procurement strategy (Resolution STR/2018/43) and staff have been working on the formal procurement processes since. This has included the release of an Open Notice of Information in July 2018, the release of an Open Request for Proposal in December 2018 and its closure in March 2019. Staff have been evaluating responses from suppliers against criteria such as relevant experience and track record and health and safety.

- Due diligence of and negotiations with the potential suppliers is currently underway and is expected to conclude in late August 2019. The findings of the due diligence, negotiation process and supplier recommendations will be presented to the Strategic Procurement Committee on 4 September 2019 Strategic Procurement Committee meeting.

- Staff note that the September 2019 Strategic Procurement Committee meeting will be the last opportunity for decision-making of this nature ahead of the local government election. If decision-making does not occur in September 2019, the timeframes for both the procurement and roll out of the region wide food scraps service will need to be extended. The potential implications of this will be addressed in the September 2019 committee report.

Context

1. Approximately 45 per cent of kerbside waste sent to landfill in Auckland is food scraps, despite up to 35 per cent of Auckland households composting organics. Alongside waste minimisation education and home composting, other complementary council initiatives are needed to reduce the amount of food scraps going to landfill.

2. An Auckland wide collection service to approximately 491,000 urban households will divert around 50,000 tonnes of food scraps per annum. Over time, this is expected to increase to 75,000 tonnes per annum from households in urban Auckland.

3. A key deliverable of Auckland Council’s first Waste Management and Minimisation Plan in 2012 was the introduction of a household food scraps collection service for urban areas of Auckland. This service was reaffirmed as part of the refresh and adoption of council’s Waste Management and Minimisation Plan 2018 (Resolution number ENV/2018/70) and the adoption of the Long-term Plan 2018-2028.
4. The ten-year budget also approved the introduction of a targeted rate of $67 per household to fund this food scraps collection to fund this service. (Resolution number GB/2018/91). This service will be a staged roll-out planned to commence in late 2021.

5. The first stage of the food scraps service started in Papakura in March 2018. This service covers around 18,000 properties and has the ability to be integrated into the region-wide service. Learnings from this service roll out have and will continue to be included in the development of the region-wide food scraps service.

Discussion

6. In July 2018 the Strategic Procurement Committee approved the food scrap processing procurement strategy (Resolution STR/2018/43) and staff have been working on the formal procurement processes since.


8. Since March 2019 staff have been evaluating responses from suppliers against the criteria outlined in the procurement strategy, such as relevant experience, track record and health and safety.

9. Due diligence and negotiations of, and with, the potential suppliers are currently underway and is expected to conclude in late August 2019. This process has taken time as council and potential suppliers have worked through this new service and what successful delivery of a region-wide food scrap service might involve.

10. The findings of the due diligence and negotiation process alongside the supplier recommendation will be presented at the 4 September 2019 Strategic Procurement Committee meeting.

11. The supplier recommendation report was originally scheduled to be considered by the Strategic Procurement Committee at its July 2019 meeting but that has been pushed out to allow further due diligence and negotiations.

12. Staff note that the September 2019 Strategic Procurement Committee meeting will be the last opportunity for decision-making of this nature ahead of the local government election. If decision making on this procurement does not occur in September 2019, the timeframes for both the procurement and roll out of the region-wide food scraps service will need to be extended. The potential implications of this will be addressed in the September 2019 committee report.

Next steps

13. A report outlining supplier recommendations for the region wide food scrap collection service will be presented at the 4 September 2019 Strategic Procurement Committee meeting for its consideration.
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: Approval of the procurement plan for Corban Reserve Stormwater Upgrade - Stage one

<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 relating to procurement of stormwater services.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>

### C2 CONFIDENTIAL: Te Manawa multipurpose facility at Westgate (integrated library and community centre) construction: final status report

<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)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains information that could prejudice council’s position with suppliers and other parties with regard to the resolution of disputes.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>Particular interest(s) protected (where applicable)</td>
<td>Ground(s) under section 48(1) for the passing of this resolution</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains information that could prejudice council's position with suppliers.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>