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## Project 17: Auckland Council maintenance contracts

File No.: CP2017/11572

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### Purpose

1. The purpose of this report is to seek agreement from the local board on:
  - community and workforce priorities for this local board area (smart procurement); and
  - site specific issues (if any) that are unique to the local board and may require particular attention over and above standard maintenance service specifications.

### Executive summary

2. Auckland Council's maintenance contracts for parks, buildings and open space expire on 30 June 2017. This has presented a unique opportunity to reconsider and reshape how council approaches the maintenance of Auckland Council's assets and open spaces in the future.
3. At the end of March 2017, a new contract structure was approved by the Strategic Procurement Committee and Finance and Performance Committee, with contracts due to commence 1 July 2017.
4. One of the key performance indicators for each supplier is a Community Outcomes and Workforce Development Plan, which includes smart procurement measures and targets.
5. This report seeks formal feedback from the local board on community and workforce measures (smart procurement) that are a priority to this local board, noting that targets may be developed over the next six to twelve months as a baseline is established.
6. This report seeks formal feedback from the local board on site specific issues (if any) that are unique to the local board area and may require particular attention for 2017/2018, and is over and above standard service specifications.

### Recommendations

That the Waiheke Local Board:

- a) agree the following local priorities for year one (2017/2018) of new maintenance contracts:
  - community and workforce priorities for this local board area (smart procurement) (refer Attachment A to this agenda report).
  - site specific issues (if any) that are unique to the local board and may require particular attention over and above standard maintenance service specifications
- b) note that community and workforce (smart procurement) targets may be developed over the next six to 12 months to establish a baseline.
- c) note that Auckland Council will continue to encourage, support and work with volunteer and community groups across the region in alignment to the new maintenance contracts.

## Comments

### Background

7. Auckland Council's maintenance contracts for parks, buildings and open space expire on 30 June 2017. This presented a unique opportunity to reconsider and reshape how we approach maintenance of Auckland Council's assets and open spaces in the future.
8. Over the last 12 months, Community Facilities has engaged with local boards and the governing body to provide direction and shape up the procurement of a new contract structure. This included receiving formal feedback from all local boards in March 2017, prior to a decision being made.
9. At the end of March 2017, the new contract structure was approved by the Strategic Procurement Committee and Finance and Performance Committee, with contracts due to commence on 1 July 2017.
10. The new maintenance contracts incorporate three main service types for the Auckland region:
  - *Full Facilities* – maintenance of parks, open spaces, sports fields, buildings, public toilets, cleaning (including toilets in town centres), locking and unlocking services of park gates and public toilets, rubbish bin emptying, weed control, mowing and maintenance of streetscape gardens;
  - *Arboriculture* - street tree pruning, park tree pruning, street tree and powerline clearance, species specific pruning, tree inspections and removals and planting/aftercare maintenance; and
  - *Ecological* - pest animal and pest plant monitoring and control, ecological restoration, revegetation and enrichment planting and reactive pest control/monitoring.
11. A key change to maintenance contracts is that the majority of service levels will now be outcome-based (e.g. 'rubbish bins shall not exceed the bin's capacity and items shall not overflow'), as opposed to services that were previously prescriptive or frequency based (e.g. 'rubbish bins are emptied once a day').
12. Refer to **Attachment B** for the final version of the Full Facilities Service Specifications, which outline agreed outcome statements that will apply across the Auckland region from 1 July 2017.
13. Arboriculture and ecological services are specialist contracts, largely based on compliance with legislation and policies. Specifications are detailed, technical and more prescriptive in nature.

### Smart Procurement

14. Key performance indicators measure how well the supplier is doing to meet their contractual agreement with Auckland Council.
15. One of the key performance indicators for each supplier is a Community Outcomes and Workforce Development Plan. This outlines community and workforce measures and targets to be agreed with each supplier.

### Community and Workforce

16. These key performance indicators include setting smart procurement targets that reflect the local character of each area, of which local boards play a key role in identifying.
17. **Attachment A** outlines a minimum set of community and workforce measures (smart procurement), noting that specific targets will be determined over the next six to 12 months as a baseline is established.

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18. This report seeks agreement from the local board on identifying key community and workforce measures (smart procurement) to focus on for year one (2017/2018).

#### Environmental

19. Each supplier is also required to develop an environmental management system that monitors, measures and sets goals. At a minimum the following will be measured – local boards will have the opportunity to identify (at a later date) what measures they seek regular reporting on:
- energy conservation;
  - water conservation;
  - waste management and recycling;
  - chemical use; and
  - Scope 1 and Scope 2 greenhouse gas (GHG) emissions.
20. Environmental key performance indicators will track progress of these goals, noting that this specifically includes targets for suppliers to annually reduce their carbon footprint and annually reduce use of agri-chemicals (as outlined in Auckland Council's Weed Management Policy).

#### **Local Service Level Variations**

21. Feedback received from local boards indicates the following most common and typical maintenance issues experienced in their area, which is largely due to the prescriptive nature of the previous contract model:
- toilets not being clean;
  - rubbish bins overflowing; and
  - grass in parks getting too long.
22. New maintenance contracts intend to address these common issues through an outcome-based model, as outlined in the background section above.
23. In some cases, there may be some site specific issues, or a common maintenance problem, that is unique to the local board area and requires particular attention. For example, a 100 per cent spray free reserve, overflowing bins near tourist beaches, litter caused from freedom campers in a particular location.
24. This report seeks agreement from the local board on site specific issues (if any) that are unique to the local board area and may require particular attention for 2017/2018, and is over and above standard service specifications.

#### **Asset Data**

25. Over the last six months, Auckland Council's asset data team conducted a full system review of asset information to support the development of new maintenance contracts.
26. **Attachment C** outlines an updated asset list for this local board area as at 2 June 2017.
27. Note that asset data is continually updated to reflect council decisions and asset assessments, and that new maintenance contracts have flexibility to accommodate changes.

#### **Volunteers and Community Groups**

28. Auckland Council values the huge number of volunteer and community groups across the region, who undertake a significant amount of work over many years to shape and maintain the beauty of Auckland.
29. Council will continue to encourage and support volunteers, community empowerment initiatives and local community groups where they align to council's objectives and enhance our community.

30. Under the new maintenance contract model, council does not expect volunteers to have to undertake work to address poor performance in contract delivery, such as cleaning up litter where the supplier has a responsibility to do so.
31. It is acknowledged that many volunteer and community groups achieve a sense of pride, value and enjoyment in supporting maintenance work, such as restoration, garden maintenance and pest control. Council will continue to work with these groups and with suppliers to support them as best as possible in these activities.
32. Over the next few months, council staff will be in contact with key volunteer and community groups where maintenance related work is undertaken, to ensure alignment of objectives and determine how council and suppliers can best support this work.

## Consideration

### Local board views and implications

33. Project 17 has engaged with local boards through various channels including:
  - Local Board Chairs Procurement Working Group;
  - Local Board Chairs Forum presentations;
  - memorandums;
  - cluster workshops;
  - individual local board workshops; and
  - business meeting reports.
34. Community Facilities is now seeking agreement from local boards on smart procurement priorities and local service level variations (if any) for 2017/2018, prior to new contracts commencing on 1 July.
35. This information will be provided to suppliers and Community Facilities before new contracts commence.

### Māori impact statement

36. Auckland Council is committed to meeting its responsibilities under Te Tiriti o Waitangi/the Treaty of Waitangi and its broader statutory obligations to Māori.
37. Māori responsiveness requires the collective effort of everyone. Under the new contracts, suppliers will work collaboratively with council to achieve better outcomes with Māori and for Auckland. This will include:
  - building positive relationships with Māori – effective communication and engagement with Māori, developing resilient relationships with mana whenua;
  - significantly lift Māori social and economic well-being; and
  - building Māori capability and capacity.
38. Through these contracts, opportunities to support local community outcomes and economic development include (but are not limited to):
  - providing employment opportunities, in particular for local people and for youth;
  - increasing capability and capacity (apprenticeships, cadetships or equivalent) in particular for youth;
  - building on community and volunteer networks;
  - focusing on smart procurement initiatives that support Māori outcomes.

## Implementation

39. Mobilisation is currently underway with suppliers to prepare for 1 July 2017 (day one). This includes finalising processes, implementing systems, recruiting staff, purchasing equipment, creating health and safety plans and developing work schedules.
40. Local boards are meeting new suppliers in June 2017 and will have the opportunity to present and discuss local priorities with the supplier.
41. Reporting requirements for local boards on local service levels and contractor performance is currently underway.
42. New maintenance contracts take effect on 1 July 2017, noting that there may be up to 12 months to bed in changes, particularly with regards to systems and reporting.

## Attachments

No.	Title	Page
A	Community and Workforce measures	
B	Full facilities specifications	
C	Waiheke asset list	

## Signatories

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