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

**Date:** Wednesday, 4 September 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**

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

Members

(Quorum 4 members)

**Duncan Glasgow**  
Governance Advisor  

29 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>6.1</td>
<td>Local Board Input - Waiheke Local Board - Waiheke Island waste services</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Extraordinary Business</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Procurement plan for Retrofit Your Home services</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Update on procurement of Healthy Waters operations and maintenance contracts</td>
<td>33</td>
</tr>
<tr>
<td>10</td>
<td>Extension of Legal Services panel contracts</td>
<td>37</td>
</tr>
<tr>
<td>11</td>
<td>Update on the procurement of Waiheke resource recovery and waste services</td>
<td>41</td>
</tr>
<tr>
<td>12</td>
<td>Update on procurement of food scraps processing services</td>
<td>47</td>
</tr>
<tr>
<td>13</td>
<td>Summary of Strategic Procurement Committee information memoranda and briefings, including the Forward Work Programme - 4 September 2019</td>
<td>51</td>
</tr>
<tr>
<td>14</td>
<td>Consideration of Extraordinary Items</td>
<td></td>
</tr>
</tbody>
</table>

**PUBLIC EXCLUDED**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Procedural Motion to Exclude the Public</td>
<td>61</td>
</tr>
<tr>
<td>C1</td>
<td>CONFIDENTIAL: Procurement of Healthy Waters Southern operations and maintenance contract and regional catchpits and treatment devices contract</td>
<td>61</td>
</tr>
<tr>
<td>C2</td>
<td>CONFIDENTIAL: Extension of Legal Services panel contracts</td>
<td>61</td>
</tr>
<tr>
<td>C3</td>
<td>CONFIDENTIAL: Approval of the Waiheke resource recovery and waste services supplier recommendations</td>
<td>62</td>
</tr>
<tr>
<td>C4</td>
<td>CONFIDENTIAL: Supplier recommendations for food scraps processing services</td>
<td>62</td>
</tr>
</tbody>
</table>
1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Strategic Procurement Committee:

a) confirm the ordinary minutes of its meeting, held on Wednesday, 7 August 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.

6.1 Local Board Input - Waiheke Local Board - Waiheke Island waste services

Te take mō te pūrongo
Purpose of the report
1. Cath Handley, Chairperson Waiheke Local Board will speak to the committee.

Ngā tūtohunga
Recommendation/s

That the Strategic Procurement Committee:

a) receive the Waiheke Local Board Input regarding Waiheke Island waste services procurement and thank Cath Handley, Chairperson Waiheke Local Board, for attending.
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 approve establishment of a supplier panel to provide Retrofit Your Home services, such as heating, insulation and solar energy interventions, for a total value of up to $27 million ($9 million per year for a term of three years).

Whakarāpopototanga matua
Executive summary
2. The Retrofit Your Home programme was first established by Waitākere City Council and then adopted by Auckland Council in 2011. It provides a finance option to homeowners wishing to carry out insulation and clean heating retrofits.

3. Homeowners can access up to $5,000 towards retrofit improvements from the council and then repay this through their rates bill over a term of nine years.

4. Since 2011 there has been steady demand for Retrofit Your Home finance, with the council receiving 2,500 to 3,000 applications a year. To date over 23,700 homes have had insulation or heating retrofit work completed with Retrofit Your Home finance.

5. The introduction of eight new interventions to the Retrofit Your Home programme, such as solar hot water heating, solar panels and home energy storage systems, was approved by Environment and Community on 13 August 2019 (ENV/2019/134).

6. These new interventions will contribute to Auckland Council’s goals to reduce carbon emissions and make Auckland homes healthier and more energy efficient.

7. The Retrofit Your Home programme is delivered through a panel of 20 suppliers approved to offer home retrofitting services to customers, with the option that they pay for these products through Retrofit Your Home finance as part of their rates (see suppliers in Attachment A).

8. The panel contracts were due to expire in October 2019. They have been extended by staff to February 2020 to allow time for introduction of new Retrofit Your Home interventions.

9. Staff recommend establishing a new supplier panel to deliver existing and new Retrofit Your Home interventions over the next three years (see procurement plan in Attachment B).

10. To procure these services, staff propose to carry out an open, single-stage procurement in which a Request for Proposals will be released to the market in October 2019. Responses will be assessed against criteria such as price, service methods, track record and sustainability of materials and performance.

11. Suppliers will be appointed for three years. Staff will monitor work quality throughout the duration of this contract. Contracts will include associated performance improvement and termination clauses if expected standards are not being met.

12. New suppliers will have an opportunity to join the panel through an annual Request for Proposals. This will encourage a wide range of suppliers to participate in the panels.

13. While contracts will have a combined total value of $27 million over three years, there is no minimum value for each individual contract. The value of individual contracts will be determined by the number of customers who wish to purchase services from each supplier.

14. This procurement is funded through budgets approved in the Long-term Plan 2018-2028. Retrofit Your Home is managed to provide up to $9 million in finance per annum. The total amount of debt that the programme can hold at any one time is capped at $35 million.
Ngā tūtohunga
Recommendations
That the Strategic Procurement Committee:

a) approve the procurement plan (as shown in Attachment B to the report) to establish a Retrofit Your Home supplier panel for up to $9 million per annum of budget over three years from February 2020 to January 2023 for a total value of up to $27 million

b) delegate authority to the chief executive of Auckland Council to appoint suppliers to the Retrofit Your Home panel, including any variations to their contracts throughout the duration of the panel term.

Horopaki
Context
15. The Retrofit Your Home programme was established by Waitākere City Council to provide a finance option to homeowners wishing to retrofit their homes with insulation and clean heating options. It was then formally adopted by Auckland Council in 2011 and extended across the region.

16. Auckland Council is one of 10 councils around New Zealand that currently offers a Retrofit Your Home-type scheme (commonly referred to as a voluntary targeted rate scheme).

17. Through the Retrofit Your Home programme homeowners can access finance of up to $5,000 which is recovered by way of a targeted rate on the property applied over nine years.

18. To date Retrofit Your Home has supported over 23,700 homeowners to make energy efficient retrofits. It currently delivers funding support to around 2,800 Auckland homes each year.

19. It delivers an estimated annual carbon emission saving of 345 tonnes of CO2-equivalent and has achieved a carbon emission savings of approximately 2,915 tonnes of CO2-equivalent since its inception.

20. The benefits of the programme for homeowners include energy savings and the health benefits associated with warmer, drier homes.

21. The Retrofit Your Home programme is managed within an annual assistance budget envelope of $9 million per annum. The total debt related to the Retrofit Your Home programme at any one point in time is capped at $35 million.

Review of the Retrofit Your Home programme
22. As noted in a report to Environment and Community Committee on 13 August 2019, an internal review of the Retrofit Your Home programme has been completed by staff.

23. The review found that the council should retain most of our existing clean heat and insulation interventions. It also recommended introduction of new interventions to further align the programme to low carbon and energy efficiency goals.

24. The Environment and Community Committee approved the introduction of eight new interventions on 13 August 2019 (ENV/2019/134). These are:
   - solar panels (roof and ground-mounted)
   - solar water heating
   - heat pump water heating
   - type 2 Electric Vehicle chargers
   - energy storage batteries
   - double-layered curtains
   - solar pump
   - LED lighting.
25. The committee also approved removal of flued gas from the list of approved interventions as it does not meet low carbon and energy efficiency criteria for inclusion in the programme.

Current supplier panel and term of contract

26. The Retrofit Your Home programme currently has a panel of 20 suppliers approved to offer homeowners home retrofitting services with the option to pay for these products through Retrofit Your Home finance.

27. A list of the current suppliers, showing the number and value of applications they have delivered since inception of the panel is shown in Attachment A. Some suppliers were added to the panel in October 2018, so they have delivered less work.

28. Contracts with all suppliers were initially due to expire in October 2019. The contracts have been extended through to February 2020 by staff.

29. This extension was to the time of the contract only. Funding for this extension was available within the initial $18 million contract value approved in September 2017.

30. This extension will allow additional time for suppliers for new interventions to be procured, along with suppliers for the existing interventions.

Tātaritanga me ngā tohutohu

Analysis and advice

Analysis of the current supplier market for Retrofit Your Home services

31. The present market for retrofit interventions, including supply and installation of insulation, clean heating, LED lighting and double-layered curtains, is well established and diverse.

32. The product and installation requirements for the Retrofit Your Home programme insulation and clean heating interventions are aligned with EECA’s (the Energy Efficiency and Conservation Authority) Warmer Kiwi Homes programme. This means there is strong industry knowledge of installation requirements and a large variety of products available that meet the requirements for a clean heat and insulation retrofit.

33. The design and installation of solar systems will be delivered in accordance with AUS/NZ 5033 Regulation Installation and safety requirements for photovoltaic (PV) arrays.

34. In the insulation and clean heating market there are several large national suppliers as well as many smaller businesses in the market capable of delivering the products and services required. This healthy market is reflected by the comparatively large number of suppliers (20) participating in the current panel.

35. The present supplier market for solar interventions is less well known. Staff are aware of approximately 150 suppliers across New Zealand who offer solar panel installation.

36. The Sustainable Energy Association of New Zealand maintains a registry of members able to supply and manufacture products that comply with International and New Zealand Standards and design and install systems that deliver results according to AUS/NZ 5033 Regulation Installation and safety requirements for photovoltaic (PV) arrays. This registry currently has over 30 members operating in Auckland.

37. The market for photovoltaic suppliers is growing. Market growth from 2017 to 2018 was 17 percent and from 2018 to 2019 was 26 percent.

38. Given the strong focus by central government on reducing carbon emissions, staff expect the public demand for energy efficient products will continue to grow. This will encourage more suppliers to enter the market and keep prices competitive over the coming years.
Procurement outcome – Continue use of supplier panels

39. In developing the procurement plan, staff have considered options for both:
   • how the services are best contracted by the council (the contracting model)
   • how the services are best procured by the council (the procurement approach).

40. For the contracting model, staff considered three options. These included:
   • option one: continue the supplier panel approach
   • option two: appoint a small number of suppliers to provide all Retrofit Your Home services
   • option three: customers choose suppliers for each individual Retrofit Your Home application and the council pays all suppliers.

41. These were assessed against criteria such as:
   • the degree of customer choice they promote
   • how cost-effective the contracting model would be for the council
   • how well they promote a competitive market with multiple suppliers participating
   • if they allow the council to set specifications for products or monitor the quality of work done by suppliers
   • if they reduce the council’s liability for works done by third-party suppliers.

42. Customer choice is particularly important as the home retrofitting market is diverse in terms of product offering and price. Homeowners are advised to seek multiple quotes to find the most appropriate products for their home.

43. The importance of homeowner choice is reflected in the Retrofit Your Home agreement which includes clauses identifying responsibility for supplier and product selection as sitting with the homeowner.

Table 1. Analysis of options for contracting model against key criteria

<table>
<thead>
<tr>
<th>Option</th>
<th>Promotes customer choice</th>
<th>Cost-effective to contract</th>
<th>Competitive market</th>
<th>Quality of work</th>
<th>Reduces council liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1: Supplier panels</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Option 2: Small number of suppliers</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Option 3: Customer chooses any supplier</td>
<td>✓ ✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
</tbody>
</table>

Key: × = Poor alignment, ✓ = Moderately positive ✓ ✓ = Very positive

44. As Table 1 shows, options two and three are both poorly suited to the Retrofit Your Home model. Option two: procuring a small number of suppliers to deliver all Retrofit Your Home applications would be cost-effective to contract but does not enable customer choice. It also potentially makes the council liable for any flaws in products or installations provided.

45. Option three: Customer chooses any supplier, would mean that the council could not ensure the quality of suppliers providing Retrofit Your Home services. It would also be time consuming and costly for the council to contract such small value jobs to many suppliers.

Preferred option – Refresh the existing supplier panel arrangement

46. Staff’s preferred option is to create a supplier panel to deliver both the existing and new interventions. Supplier panels are well suited to a situation in which the council is procuring a large number of lower value works of a similar nature.
47. Under this option, suppliers will be appointed to the panel for up to three-years, with contracts specifying the Retrofit Your Home interventions they are approved to offer.

48. Overall, staff recommend use of a supplier panel as:
   - this option provides for homeowner choice
   - it allows the council to set standards for the expected quality of interventions, without becoming liable for the delivery of services
   - it enables the council to manage the performance of suppliers and ensure that only suppliers offering quality works are approved to receive council funding
   - it will enable cost-effective delivery of the Retrofit Your Home programme
   - the current panel has performed well in terms of enabling a diverse supplier market and competition, with 20 suppliers currently participating.

Analysis of options for procurement approach
49. In developing the procurement plan, staff have also analysed various options for approaching the market such as:
   - Option A: Multi-stage open tender
   - Option B: Single stage open tender.

50. Options that involved offering a closed procurement to only known suppliers were discarded. These would not be appropriate when the council is interested in testing the market and identifying potential new suppliers for both existing and new interventions.

51. These options were assessed against criteria such as timeliness of procurement, cost to the council and suppliers to participate, and flexibility of approach to awarding contracts (i.e. the ability for the council to vary the specifications for works required during the procurement).

52. As shown in Table 2 below, both open tender options will provide new and existing suppliers in the market an equal opportunity to be involved in the Retrofit Your Home programme.

<p>| Table 2. Options analysis for procurement approach against key criteria |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Option</th>
<th>Timeliness</th>
<th>Cost to participate</th>
<th>Flexibility of approach</th>
<th>Attract new suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A: Multi-stage open tender</td>
<td>x</td>
<td>x</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>Option B: Single-stage open tender</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓ ✓</td>
</tr>
</tbody>
</table>

Key: x = Poor alignment, ✓ = Moderately positive ✓ ✓ = Very positive

53. Option A will increase the cost of participating in the tender to both the council and suppliers. It would also mean that procuring suppliers to the panels would take longer.

54. Staff have a good understanding of the technical specifications and scope of work required through this procurement, so the benefits of a more flexible approach would be limited.

Recommended procurement approach – Option B: Single-stage open tender
55. Staff recommend Option B – to issue an open Request for Proposal to suppliers for all existing and new retrofit interventions. The procurement plan based on this approach is shown in Attachment B.

56. The council currently has all the information necessary for suppliers to calculate a realistic price and therefore a single-stage approach is the recommended option.
57. Under this option, an annual, open request for proposals will be issued to any new suppliers interested in joining the supplier panel. This will ensure the marketplace is fair and competitive and continue to promote a diverse supplier market for Retrofit Your Home interventions.

58. It will also allow the council to identify any emerging suppliers for new interventions, such as solar panels and energy storage interventions, as they enter the market. It would not be efficient to issue a multi-stage procurement annually as this can take up to six months.

**Implementation of recommended option**

59. If this procurement plan is approved, staff will issue the Request for Proposals for suppliers in October 2019.

60. All applications received will be assessed against criteria such as
   - ability to meet technical specifications
   - price
   - service methods, including marketing strategy and sales approach, customer response times, after-sales support, experience offering consumer finance and associated policies for the protection of potentially vulnerable individuals
   - track record
   - resources and management
   - sustainable procurement initiatives – these include sustainable supply-chain models, resource management and product lifecycle, upskilling or training opportunities available to priority groups (including Māori, Pasifika, apprentices, cadets and graduates) and use of the living wage.

**Requirements for suppliers and duration of contracts**

61. To be selected as part of the Retrofit Your Home supplier panel, suppliers will have to be able to supply products and complete installation work to the council’s desired standards.

62. The number of suppliers within the supplier panel will not be capped. Suppliers selected through the initial Request for Proposals will be appointed to the supplier panel for a three-year term. Their contracts will specify the types of interventions they are approved to offer. Contracts will include work quality audit requirements with associated performance improvement and termination clauses should quality standards not be meet.

63. Suppliers appointed in years two and three of this procurement plan will be appointed for one or two years respectively with all contracts expiring in January 2023.

64. All contracts associated with this procurement plan will be managed within the $27 million total value. The addition of new suppliers to the panel will not impact the total value of contracts as individual contracts have no minimum value.

65. The value of individual contracts will be determined by the number of customers a supplier has who wish to purchase services using Retrofit Your Home finance.

66. This arrangement does create a potential risk that suppliers could solicit customers for Retrofit without making them aware of other financing options, which could be more beneficial to homeowners in some cases. For example, some low-income homeowners could be eligible for a $2,500 grant through EECA’s Warmer Kiwi Homes programme.

67. To manage this potential risk, the suppliers’ service agreements will include clauses related to their sales and marketing approach. These clauses will require suppliers to provide customers with information about different funding options for retrofit your home services. This will mean customers can make an informed decision regarding the products they are purchasing and the payment option which is right for their household.

68. The performance of suppliers will be managed through Retrofit Your Home programme auditing to ensure the suitability of products installed and quality of workmanship.
69. The Retrofit Your Home Programme currently generates an estimated annual carbon emission savings of 345 tonnes of CO2-equivalent. The recommended procurement approach in this report for new interventions, such as solar energy, will increase the potential of the programme to achieve carbon emission savings.

70. The introduction of new interventions such as energy storage batteries, solar panels and solar water pumps, will also support climate change adaptation by improving the energy resilience of Auckland's built environment during extreme weather events.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

71. Staff have not identified any significant impacts of this procurement process on other members of the council family, as it will not make changes that impact on other parts of the council involved in delivery of Retrofit, such as the Regulatory Division and Rates team.

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

72. No local board views were sought on this procurement plan as the Retrofit Your Home programme is provided regionally and staff do not anticipate that this procurement will result in any change to local levels of service.

73. This procurement is well aligned to feedback from local boards during development of council’s draft Auckland Climate Action Framework.

74. Nine local boards are funding complementary programmes to promote energy efficiency and healthy homes in their areas. These are Albert Eden, Great Barrier, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Puketāpapa, Waiheke, Waitākere Ranges, Waitematā and Whau.

Tauākī whakaaweawe Māori
Māori impact statement

75. Around 10 percent of those participating in Retrofit Your Home identify as Māori – slightly less than the 11 percent of Aucklanders who identified as Māori in the 2013 census.

76. During evaluation of the Request for Proposals staff will consider upskilling or training opportunities available to priority groups through suppliers, including Māori, Pasifika, apprentices, cadets and graduates.

77. Applications will also be evaluated in terms of the ability to enable the prosperity of Māori owned business with a target of 10 percent Māori owned business engaged within the wider supply-chain delivery of the Retrofit Your Home programme.

Ngā ritenga ā-pūtea
Financial implications

78. The procurement plan recommended in this report can be funded through existing budgets approved in the Long-term Plan 2018-2028. These allow the Retrofit Your Home programme to provide up to $9 million of finance per annum. The programme has a total debt allowance capped at $35 million.

79. Some of the new interventions that will be procured, such as solar panels, cost more than $5,000. The current finance value cap may limit uptake of these interventions. The debt cap for the programme also limits the number and value of applications that it can provide.
80. Staff are currently exploring alternative options for financing the programme which would remove these constraints. Staff will provide an update on these to the appropriate committee of the council in 2020. Any alternative financing arrangements will not impact on the contracts agreed through this procurement process.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

81. Staff have analysed the risks associated with this procurement and assessed them as low to moderate. The risks identified and proposed mitigations are shown below in Table 3.

**Table 3. Risks and proposed mitigations arising from Retrofit Your Home procurement**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood and consequence (L-Low, M-Medium, H-High)</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited number of suppliers for some new interventions</td>
<td>Likelihood: L Consequence: M</td>
<td>It is possible that only a limited number of suppliers will be available for some new interventions. The approach of an open Request for Proposals and refreshing the panels annually will mean that the council attracts as many potential suppliers as possible.</td>
</tr>
<tr>
<td>Low initial uptake of new interventions due to uncertainty around new products and technologies</td>
<td>Likelihood: M Consequence: M</td>
<td>Promotion, awareness and education campaigns will be run to enhance public understanding and acceptance of new technologies.</td>
</tr>
<tr>
<td>Installation of new interventions falls below Council's standards.</td>
<td>Likelihood: L Consequence: H</td>
<td>Council will develop detailed technical specifications for installation and will carry out a thorough risk assessment to inform: a) contractual obligations for suppliers and installers b) the post-installation audit procedure c) the remediation process in the event of a faulty installation.</td>
</tr>
</tbody>
</table>

**Ngā koringa ā-muri**

**Next steps**

82. If this proposal is approved, the initial market engagement will be via a Request for Proposals to be released in October 2019. Suppliers will be appointed to the panels by staff and framework contracts established by 1 February 2020.

83. Staff will provide a memo to the relevant committee of the council, informing them of the outcomes of the procurement process, including names of suppliers appointed to the panels.

**Ngā tāpirihanga**

**Attachments**

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>List of current Retrofit Your Home suppliers</td>
<td>19</td>
</tr>
<tr>
<td>B</td>
<td>Procurement plan for Retrofit Your Home</td>
<td>21</td>
</tr>
</tbody>
</table>
## Ngā kaihaina Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Authorisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frances Hayton - Principal Grants Advisor &amp; Incentives Team Leader</td>
<td>Gael Ogilvie - General Manager Environmental Services</td>
</tr>
<tr>
<td>Sophie Heighway - Sustainability Initiatives Manager</td>
<td>Barry Potter - Director Infrastructure and Environmental Services</td>
</tr>
<tr>
<td></td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Current suppliers for Retrofit Your Home panel – including number and value of applications

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Contract date</th>
<th>Number of applications</th>
<th>$ value of current applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kensair (Comfort Master)</td>
<td>Oct-17</td>
<td>1,854</td>
<td>$5,028,700</td>
</tr>
<tr>
<td>Smart Energy Solutions</td>
<td>Oct-17</td>
<td>881</td>
<td>$1,998,800</td>
</tr>
<tr>
<td>Yates Corporation Ltd (Mint)</td>
<td>Oct-17</td>
<td>703</td>
<td>$2,147,600</td>
</tr>
<tr>
<td>AirCon New Zealand</td>
<td>Oct-17</td>
<td>692</td>
<td>$1,838,400</td>
</tr>
<tr>
<td>Green Star Insulation</td>
<td>Oct-17</td>
<td>385</td>
<td>$732,800</td>
</tr>
<tr>
<td>Harrisons Home Insulation Ltd</td>
<td>Oct-17</td>
<td>237</td>
<td>$519,600</td>
</tr>
<tr>
<td>Eco Insulation Systems Ltd</td>
<td>Oct-17</td>
<td>123</td>
<td>$258,000</td>
</tr>
<tr>
<td>Heat &amp; Cool</td>
<td>Oct-17</td>
<td>52</td>
<td>$131,500</td>
</tr>
<tr>
<td>The Insulation Warehouse</td>
<td>Oct-17</td>
<td>51</td>
<td>$152,400</td>
</tr>
<tr>
<td>Earth Insulation &amp; Building Ltd</td>
<td>Oct-17</td>
<td>22</td>
<td>$55,300</td>
</tr>
<tr>
<td>Flipside Consultants Limited (Installed)</td>
<td>Oct-17</td>
<td>16</td>
<td>$31,100</td>
</tr>
<tr>
<td>G-Force</td>
<td>Oct-18</td>
<td>15</td>
<td>$28,000</td>
</tr>
<tr>
<td>Premier</td>
<td>Oct-18</td>
<td>15</td>
<td>$35,000</td>
</tr>
<tr>
<td>SAYR</td>
<td>Oct-18</td>
<td>9</td>
<td>$26,800</td>
</tr>
<tr>
<td>Perfect Air</td>
<td>Oct-18</td>
<td>8</td>
<td>$25,800</td>
</tr>
<tr>
<td>Heat Pump Doctors</td>
<td>Oct-17</td>
<td>5</td>
<td>$19,000</td>
</tr>
<tr>
<td>J H Brewster Ltd</td>
<td>Oct-17</td>
<td>4</td>
<td>$11,400</td>
</tr>
<tr>
<td>EcoMatters</td>
<td>Oct-18</td>
<td>1</td>
<td>$1,500</td>
</tr>
<tr>
<td>Davey Waters</td>
<td>Oct-18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Safe-R</td>
<td>Oct-18</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Procurement plan for Retrofit Your Home

Key information

Department AC - Environmental Services
Business unit Sustainability Initiatives
Project manager Fran Hayton
Category of procurement Indirects - Environmental Services

Background

The Retrofit Your Home (RYH) programme was established by Waitakere City Council providing a finance option to homeowners wishing to retrofit their homes with insulation and clean heating options, with the goal of making homes more sustainable. The RYH programme was formally adopted by Auckland Council in 2011 and extended across the region providing homeowners access to up to $5,000 finance which is recovered by way of a targeted rate on the participating homeowner’s property, which will be applied for a maximum period of 9 years. The Retrofit Your Home programme is managed within an annual assistance budget envelope of $9 million per annum with the total debt related to the RYH programme at any point in time capped at $35 million.

The RYH Programme currently has a panel of 20 suppliers able to offer homeowners access to finance. Contracts with these suppliers were initially due to expire in October 2019, these contracts have been extended by staff to February 2020 to allow time for introduction of new Retrofit Your Home interventions.

This procurement seeks to

- enter into new contracts with suppliers for existing retrofit solutions including insulation, clean heat, mechanical extraction (kitchen and bathroom), water efficient hardware, water conservation;
- enter into contracts with suppliers for new retrofit solutions including retrofit LED lighting, thermal curtains and blinds, solar hot water, hot water heat pumps, solar photovoltaics, household batteries and EV chargers.
**Requirements**

This plan covers RYH procurement over the next three years with introduction of new interventions from February 2020 and annually issuing a Request for Proposals (RFP) to refresh the supplier panel.

The initial RFP for this procurement will select suppliers for supply and installation services of

- insulation
- clean heat
- mechanical extraction (kitchen and bathroom),
- water efficient hardware
- water conservation
- LED lighting supply
- double-layered curtains
- solar hot water
- hot water heat pump
- solar photovoltaics
- household batteries.

Detailed product specifications for existing RYH interventions (insulation, clean heat, mechanical extraction (kitchen and bathroom), water efficient hardware and water conservation) are provided in the attached background document ‘Retrofit Product specifications’.

Detailed product specifications are under development for new interventions (LED lighting supply, double-layered curtains, solar hot water, hot water heat pump, solar photovoltaics and household batteries). These product specifications will be in place prior to release of the tender document.

The scope of this procurement does not include:

- Fixtures to the house that are normally removed by the home occupant when they move to a new house.
- Products that do not reach an AS/NZS standard where one exists.
- Fitting/installation services carried out by unqualified tradesmen.
- Products not on the approved products list.
- Fixing non-clean heat products.
Key performance indicators and performance monitoring

The following table identifies the key performance indicators that describe the expected level of performance or quality required.

<table>
<thead>
<tr>
<th>KPI</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of retrofit installation work</td>
<td>Work quality is monitored through auditing or certification of installation work. For insulation, work quality audits are completed by Opus consulting. For heat pumps, work quality is maintained through requiring suppliers to issue an electrical code of compliance. Suppliers are required to correct any work quality issues as they arise and audit results are monitored to identify trends or ongoing issues.</td>
</tr>
</tbody>
</table>

Delivery of service review

A review of service delivery has not been completed for this procurement.

Key stakeholders

The following table identifies key stakeholders and how they are impacted.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Impact of procurement on stakeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Auckland ratepayers are able to access finance through the RYH programme to improve energy efficiency in their homes. The customers of the programme decide which supplier to use and what interventions to have installed in their property. They will expect Council to select reliable suppliers with capability to deliver the services efficiently and cost effectively.</td>
</tr>
<tr>
<td>Energy Efficiency and Conservation Authority</td>
<td>RYH supports the Energy Efficiency and Conservation Authority residential insulation and heating programmes including the Warmer Kiwi Homes initiative.</td>
</tr>
<tr>
<td>Auckland Council</td>
<td>The RYH home programme is complimentary to other residential energy efficiency programmes delivered through the Auckland Council’s low carbon team</td>
</tr>
</tbody>
</table>
**Procurement issues and risks**

Below are prompts to identify and mitigate procurement risk factors

<table>
<thead>
<tr>
<th>How critical is the output of this procurement</th>
<th>□ Not critical □ Moderate □ Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>A panel of approved suppliers is required for the continued delivery of the Retrofit Your Home programme.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Knowledge of supplier market conditions</th>
<th>□ Unknown □ Known □ Known – with constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are currently 20 suppliers on our supplier panel providing these services to Aucklanders. With the introduction of new interventions there could potentially be other suppliers who would be capable of participating in the programme.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Media, political or public interest</th>
<th>□ Low □ Moderate □ High</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is expected to be moderate media or public interest in the expansion of the Retrofit Your Home programme to support solar.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk of procurement failure</th>
<th>□ Low □ Moderate □ High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeframes</td>
<td>□ 6-12mo □ 3-6mo □ less than 3mo (tight)</td>
</tr>
<tr>
<td>The project team is dedicated to ensuring that project timelines are met.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other business/project outcomes</th>
<th>□ Independent □ Dependent □ Interdependent</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Frequency of purchase</th>
<th>□ Regular □ More than once □ One-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements and scope of services will be clearly specified in the RFP and documents that will be issued out to the suppliers. Once the panel is in place, there will be an annual RFP to add suppliers to the panel.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technical/industry specifications</th>
<th>□ Low □ Moderate □ High</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is expected that potential suppliers will have the necessary health and safety qualification/accreditation and be able to meet Auckland Council’s health and safety requirements.</td>
<td></td>
</tr>
</tbody>
</table>
**Sourcing approach**

**Open tender**

<table>
<thead>
<tr>
<th>Approach</th>
<th>Request for Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement method</td>
<td>Advertised on GETS but suppliers will be invited to participate via Ariba</td>
</tr>
<tr>
<td>Rationale</td>
<td>This approach was selected because an open tender will provide new and existing suppliers in the market an opportunity to be involved in the programme as well as keeping the marketplace fair and competitive.</td>
</tr>
</tbody>
</table>

**Evaluation method**

Responses will be evaluated using the Weighted attributes method

<table>
<thead>
<tr>
<th><strong>High-level attribute</strong></th>
<th><strong>Measure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical specifications</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Service method</td>
<td>25%</td>
</tr>
<tr>
<td>Provider track record</td>
<td>20%</td>
</tr>
<tr>
<td>Provider resources and technical capability</td>
<td>20%</td>
</tr>
<tr>
<td>Provider – Sustainability initiatives and health/safety profile</td>
<td>10%</td>
</tr>
<tr>
<td>Price</td>
<td>25%</td>
</tr>
</tbody>
</table>

The evaluation panel will consist of:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthea Vlotman</td>
<td>Procurement Facilitator</td>
</tr>
<tr>
<td>Frances Hayton</td>
<td>Project manager/contract manager</td>
</tr>
<tr>
<td>Adrian Feasey</td>
<td>Evaluation panel member</td>
</tr>
<tr>
<td>Rikki Stancich</td>
<td>Evaluation panel member</td>
</tr>
<tr>
<td>Matthew Voykovich</td>
<td>Programme Coordinator</td>
</tr>
</tbody>
</table>

**Negotiation strategy**

Suppliers will form part of a panel to offer RYH services to homeowners. Rates will be evaluated to ensure that they are fair and reasonable for the products and services to be provided.
Proposed timeline

Suppliers to provide insulation, clean heat, mechanical extraction (kitchen and bathroom), water efficient hardware, water conservation and LED lighting. Double layer curtains, solar hot water, hot water heat pumps, solar photovoltaics, electric vehicle chargers and household batteries.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertise in GETS</td>
<td>16/09/2019 to be registered in Ariba by 30/09/2019</td>
</tr>
<tr>
<td>Tender release date</td>
<td>1/10/2019</td>
</tr>
<tr>
<td>Tender closing date</td>
<td>1/11/2019 (4 weeks)</td>
</tr>
<tr>
<td>Evaluation complete</td>
<td>22/11/2019</td>
</tr>
<tr>
<td>Supplier Recommendation Report complete</td>
<td>29/11/2019</td>
</tr>
<tr>
<td>Advise successful and unsuccessful suppliers</td>
<td>Week starting 2/12/2019</td>
</tr>
<tr>
<td>Memo to committee of council on supplier recommendations</td>
<td>February 2020</td>
</tr>
<tr>
<td>Supplier debrief</td>
<td>February 2020</td>
</tr>
</tbody>
</table>

Contract and insurance

<table>
<thead>
<tr>
<th>Contract template</th>
<th>Services Agreement (Professional Services)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract duration</td>
<td>1 February 2020 to 30 January 2023</td>
</tr>
<tr>
<td>Rights of renewal</td>
<td>1 extension of one year</td>
</tr>
</tbody>
</table>

Proposed changes to standard contract terms: None
Proposed changes to standard insurance and bond requirements: None

Budget

<table>
<thead>
<tr>
<th>Budget source</th>
<th>2019/2020 – 2023/2024 Retrofit the city capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>WBS code</td>
<td>N.008488.01</td>
</tr>
<tr>
<td>Contract value</td>
<td>$27,000,000</td>
</tr>
<tr>
<td>Contingency*</td>
<td>$0</td>
</tr>
<tr>
<td>Available budget</td>
<td>$9million per annum within a total debt capped at $35million.</td>
</tr>
</tbody>
</table>
The RYH financial assistance budget is $9 million per annum with total debt capped at $35 million.

Contracts with suppliers will have no minimum value; the value of these contracts is determined by the number of customers a supplier has wishing to purchase retrofit products and services from them using Retrofit Your Home finance.

---

**Endorsement**

**Project manager**  
Name and position: Frances Hayton, Principal Grants Advisor & Incentives Team Leader  
Signature:  
Date:

**Reviewer**  
Name and position: Gael Ogilvie, General Manager Environmental Services  
Signature:  
Date:

**Reviewer**  
Name and position: Barry Potter, Director Infrastructure & Environmental Services  
Signature:  
Date:

**Reviewer**  
Name and position: Alan McDonnell, Head of Operational Services Procurement  
Signature:  
Date:

**Probity auditor**  
Name and position: Nick Rennie, Manager Audit & Probity Assurance Services  
Signature:  
Date:
Approval to proceed with sourcing approach

Procurement
Name and position: Jazz Singh, General Manager Procurement
Signature:

Date:

Delegated Financial Authority
Name and position: Stephen Town, Chief Executive
Signature:

Date:

Note: Once this Procurement Plan is approved, any subsequent changes to what is proposed in the plan will require approval from the General Manager Procurement via a memo setting out the changes requested.
Retrofit Your Home product specifications

1. **Insulation**: Good quality, well installed insulation that helps keep the heat in during winter and out during summer.

Insulation products must be on the accepted product list provided on the ECCA website - [https://www.energywise.govt.nz/funding-andsupport/payment-options-for-insulation-and-heating/list-of-acceptedinsulation-products/](https://www.energywise.govt.nz/funding-andsupport/payment-options-for-insulation-and-heating/list-of-acceptedinsulation-products/)

2. **Clean Heat**: For houses with sufficient insulation the ratepayer may elect to install a clean heat source.

Clean Heat products must be on the accepted product list provided on the ECCA website - [https://www.energywise.govt.nz/funding-andsupport/payment-options-for-insulation-and-heating/list-of-acceptedheatingproducts/](https://www.energywise.govt.nz/funding-andsupport/payment-options-for-insulation-and-heating/list-of-acceptedheatingproducts/)

3. **Mechanical Extractions**: Installation of units that extract harmful toxins and excess moisture from the kitchen and bathrooms.

   **Scope and specifications**

   Mechanical Extraction shall be required to meet NZS 4303:1990: Extraction for acceptable indoor air quality. Specific requirements follow:

   - Kitchen exhaust extraction: At least 120mm ducts with a minimum flow rate 200 litres per second or higher, and noise level of less than 60dBA on low speed.
   - Bathroom exhaust extraction: At least 120mm ducts with a minimum flow rate 50 litres per second or higher, and noise level of less than 50dBA.
   - Laundry exhaust ventilation: Extractor fan shall be vented to outside of the house, not into the ceiling, at a minimum of 25 litres per second intermittent or 10 litres per second continuous.
   - Dryers: Shall be vented to outside of the house, not into the ceiling.

For Mechanical Extract Ventilation Systems vented through the roof, a registered qualified plumber or roofer is required for installation of the cowl to meet building standards.
A device must be fitted to prevent water from entering through the outlet (e.g. a cover to protect the outlet grille, outlet grille blades that are angled to deflect rain, automatic shutters that open when the fan is switched on, backflow flaps that are fitted with inline ducted fans).

All electrical work must be carried out by a registered electrician.

4. **Water sustainability.** Installation of water efficiency hardware.

*Scope and specifications*

Only products that are considered fixtures to the house and are not normally removed by the home occupant when they move house will be considered for the Auckland Council Approved Products List.

All toilets and tap equipment shall reach a standard of at least four stars as specified in AS/NZS 6400:2005 - Water efficient products - Rating and labelling. Namely:

- Tap equipment for sinks and hand basins using not more than 7.5 litres of water per minute;
- Dual flush toilets using not more than 4.7 litres full flush; not more than 3.2 litres half flush; average flush volume not more than 3.5 litres.

Toilet flush mechanisms must be able to be adjusted to 3-6 litres within the cistern.

Toilets must comply with NZS 3331: Specification for quality vitreous china sanitary appliances.

Tap ware finish shall be polished chrome plate on dezincification-resistant, lead free brass.

All shower equipment shall reach a standard of at least three stars as specified in AS/NZS 6400:2005 - Water efficient products - Rating and labelling. Namely not more than 9 litres of water per minute.

All plumbing must be carried out by a registered plumber and should comply with the New Zealand building code and with AS/NZS 3500 National Plumbing and Drainage Code.

5. **Water Harvesting:** Installation rainwater harvesting systems.

*Scope and specifications*

The size of the rain tank shall be not more than 15,000 litres.
Rainwater harvesting systems shall be fitted with first flush diverters, leaf screens or alternative water treatment systems required for potable supply.

Polyethylene rain tanks shall comply with AS/NZS 4766:2006 Polyethylene storage tanks for water and chemicals.

Polyethylene pipes used for pressure applications should comply with AS/NZS 4130:2003 - Polyethylene (PE) pipes for pressure applications.

All plumbing must be carried out by a certified plumber and should comply with the New Zealand building code and with AS/NZS 3500 National plumbing and drainage code.

**Notes/Exclusions:**

Rain tank installations for the rural environment may be used as potable supply providing it meets all Health and Safety regulations.

Grey water garden irrigation systems are excluded from the programme.

Outlets for non-potable water shall be identified as non-potable by displaying a safety sign as per New Zealand Building Code G12 - AS1: 4.2.1 Figure 3.

Non-potable water shall be piped with purple pipe and labelled non-potable.

A building consent may be required for any tank connected to household plumbing. This includes rainwater collection systems that:

- Connect to the mains water system as backup and therefore, require a backflow prevention device.
- Exceed 2,000 litres capacity and are supported more than two metres above the ground.
- Exceed 500 litres capacity and are supported more than four metres above the ground.

6. **LED lighting:** Installation of LED light bulbs

**Scope of Service**

All services and products will be provided under contracts directly between the approved service provider and the individual ratepayer. Council will not be purchasing the services and products directly from the approved supplier.

This contract would intend for the following.
• Suppliers to contact (or be contacted by) potential customers and inform them of the programme being offered.

• Suppliers will offer a site visit to do an assessment and provide free advice.

• Suppliers would recommend the solutions that would best suit the client and the site requirements while adhering to all standards and pre-requisites of the programme.

• The supplier would offer the customer a quote of the preferred intervention. This would need to be accepted and signed by the customer.

• The supplier would submit the application and quote to Council for financial assistance.

• The supplier would ensure any Building and Resource consents requirements are met.

• Once finance is approved, the supplier would arrange a suitable time to install the chosen intervention.

• The supplier would then invoice Council for the service, up to the maximum funding amount of $5,000 inclusive of GST.

• Council requires the suppliers to conduct a post installation audit and send a copy of this to council.

• The supplier will submit job details for Insulation retrofits in the programme’s audit system performed by third party of Council’s choosing.

• Council would pay the supplier directly.

• Any additional amount above the funding maximum must be claimed directly from the customer.

• Customers will repay the assistance to Council through a targeted rate mechanism over the maximum of 9 years.

Standard Procurement Plan – Page 12 of 12
Update on procurement of Healthy Waters operations and maintenance contracts

File No.: CP2019/16025

Te take mō te pūrongo

Purpose of the report

1. To note an update on procurement of Healthy Waters contracts, including:
   • operations and maintenance services for the southern area of the Auckland region
   • regional maintenance of catchpits
   • regional maintenance of treatment devices.

Whakarāpopototanga matua

Executive summary

2. Healthy Waters is responsible for managing and improving the health of Auckland’s harbours and waterways, including operating and maintaining the stormwater network and providing flood response.

3. Operations and maintenance of the stormwater network includes proactive inspection and clearance, flood responses, flood issue management and ongoing maintenance of the network such as clearance, treatment device maintenance and minor works.

4. Healthy Waters has four current operations and maintenance contracts for stormwater in the North, Central, West and Southern areas. These contracts are due to expire between June 2020 and June 2025.

5. Establishment of the new contracts provides an ideal opportunity for Healthy Waters to:
   • embed key strategic focus areas within the procurement outcomes
   • align the contract boundaries with the three existing Healthy Waters Lifecycle Management teams and Auckland Council’s three hub approach.

6. Healthy Waters have developed a procurement plan and strategy that has complementary operations and contract strategies that:
   • build resilience into the scope of the contracts to better respond to the impacts of storms which are becoming more frequent because of climate change
   • build resilience and diversity in the supplier mix to maintain a healthy supplier market and a supply chain consisting of both large and small suppliers to ensure sufficient future capacity to respond to the impacts of climate change
   • ensure a more consistent approach across the region to catchpit cleaning and the maintenance of treatment devices.

7. More details regarding the council’s procurement approach will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Ngā tūtohunga

Recommendation

That the Strategic Procurement Committee:

a) note the information contained in this report, on procurement of Healthy Waters operations and maintenance contracts, is provided to enable transparency on the topic due for discussion in the public excluded part of the meeting.
Horopaki

Context

8. The council’s Healthy Waters department is primarily responsible for managing and improving the health of Auckland’s harbours and waterways, operating and maintaining the stormwater network and providing reactive responses to flooding.

9. The management of stormwater and protection of waterways supports the water quality outcomes that the region strives to achieve in the next 30 years in a way that best contributes to Auckland Council’s strategic goals.

10. Healthy Waters has four current operations and maintenance contracts for the north, central (including Waiheke), west and south areas. The contracts provide essential maintenance services to:
   - ensure that stormwater assets are properly maintained to assure performance and to enhance asset life
   - proactively inspect and clear high-risk flooding areas
   - respond to flooding incidents
   - reduce the incidence and severity of potential flooding issues.

11. The four existing contracts are due to expire between June 2020 and June 2025.

12. The need to re-establish the stormwater maintenance contracts provides the council with an opportunity to reset both the operational and commercial strategies underpinning how we maintain our assets and provide enhanced water quality outcomes for Aucklanders.

Future Strategy Considerations

Climate change impacting on assets

13. Auckland has seen a larger number of storm events since the scope of the current contracts was first developed in 2012. The physical impacts of these events has been damaging to the network and responded to via minor and major works within existing budgets.

14. The new contracting phase provides the council with the opportunity to build a proactive strategy to deal with the impacts of significant storms, which are expected to be more frequent due to climate change. Future contracts will adopt a more risk-based approach by including the following within the scope of services:
   - more proactive/planned inspections and maintenance
   - a risk-based approach to proactive maintenance of critical assets that are expected to be affected by climate change (such as coastal assets). This approach will mean high risk assets are maintained more regularly than lower risk assets
   - building additional resources into the contract to allow for an incremental increase in the need for responses due to the effects of climate change.

Tātaritanga me ngā tohutohu

Analysis and advice

15. Healthy Waters and the council’s Procurement Team have a good understanding of the supplier market. However, it is anticipated that additional suppliers may express an interest in the upcoming opportunities.
16. A number of options have been considered for the approach to procuring the services identified in this report. An open market approach is considered the most advantageous by staff. An open market approach will allow the council to:

- reassess the market and supplier options available
- understand what (if any) new innovations may be offered by suppliers in the market
- create competitive tension
- assess if new suppliers wish to enter the catchpit cleaning and treatment device maintenance market.

Recommended procurement approach

17. Details of the recommended procurement approach will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting. This information is being kept confidential to ensure all potential suppliers receive the details of the procurement approach at the same time.

Climate impact assessment

18. The new operations and maintenance contracts are designed to respond to the challenges of the increased frequency and intensity of weather events caused by climate change.

19. This includes the need for preparation and maintenance, such as increased clearing of debris and sediment, and the development of hard infrastructure to deal with more frequent and more violent weather events.

20. Healthy Waters is actively pursuing the implementation of technology to futureproof water sensitive infrastructure, for example fitting sensors to manhole covers to measure water and sediment levels.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera

Council group impacts and views

21. The scope of this procurement is aligned with Service Level Agreements that Healthy Waters has in place for delivery of services for Auckland Transport and Community Facilities.

22. Other council group impacts and views will be discussed in the confidential section of the 4 September 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

23. These contracts will have significant positive benefits for Auckland residents as they will assist with:

- reducing the incidence and severity of potential flooding
- provide the resource capacity to respond to flooding incidents
- provide additional resource and resilience to respond to increasing climatic events.

Local board views

24. Healthy Waters regularly engages with local boards on both operational and project specific initiatives and delivers a large number of water quality and stream restoration projects on behalf of local boards.

25. Staff have noted particular support from local boards for improving the condition of water sensitive infrastructure and employment of locals to maintain local assets. Staff will integrate this feedback into their procurement of operations and maintenance services.
26. More detail will be provided in the confidential section of the 4 September Strategic Procurement Committee meeting.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

27. The contract deliverables are highly aligned with the principles of kaitiaki or guardianship, through seeking to improve water quality outcomes and mitigate the environmental impacts of flood / climate change events. Iwi will be consulted where specific contract activities may have an impact and opportunities for rangatahi employment are currently being explored.

**Ngā ritenga ā-pūtea**

**Financial implications**

28. The financial implications of this procurement will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

29. A key risk identified is the health and safety risk to workers during maintenance activity. This risk will be mitigated by delivering the works under NZS3917 provisions, which enables a site-specific health and safety plan.

30. Other key risks will be discussed in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

**Ngā koringa ā-muri**

**Next steps**

31. Next steps for procurement of healthy waters operations and maintenance contracts will be discussed in the confidential section of the 4 September 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>Dukessa Huettner - Head of Lifecycle Management</td>
</tr>
<tr>
<td>Authorisers</td>
<td>Craig McIlroy - General Manager Healthy Waters</td>
</tr>
<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 take mō te pūrongo
Purpose of the report
1. To note an update on the External Legal services panel contracts.

Whakarāpopototanga matua
Executive summary
2. In January 2018 Auckland Council deployed an innovative contracted provider model for provision of external legal services following an open RFP process. This made a shift from ad hoc estimates-based instructions, to a structured contracting model to achieve:
   - scale economies for shared cost-savings (volume for discount)
   - higher value, tailored services (outcomes focused, not reactive output based)
   - efficient contract management (lower overheads, effective accountability)
   - innovation in “business as usual” services, budget control, and management of organisational risk.
3. The RFP covered 10 legal workstreams, aiming at reducing external spend and achieving efficiency and outcome improvements – particularly in “business as usual” legal workstreams, which are significant within the shared-services Council group.
4. The response to the new model from internal clients, providers and the in-house legal team has been very positive. The first 18 months of the contracts has demonstrated:
   - cost-savings in many “business as usual” workstreams, and rates better than the All of Government (AOG) legal panel
   - improved contract, relationship and performance management practices
   - administrative savings from the lump sum pricing (staff time and cost, both for Council and providers) and consolidating the providers working in any given area
   - the realignment of providers to Council outcomes and risk management, rather than maximising their input pricing.
5. An update on the negotiations with external legal providers will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Ngā tūtohunga
Recommendation/s
That the Strategic Procurement Committee:

a) note the information contained in this report, on the External Legal services panel contracts, enables transparency on the topic due for discussion in the public excluded part of the meeting

b) note that the confidential report contains information that could prejudice council’s position in negotiations with suppliers.
Horopaki

Context


7. The contracted provider model primarily addresses the external relationship but was designed to dovetail with the in-house and client-side initiatives. We believe this contracted provider model was something of a New Zealand-first, especially in terms of the lump sum approach to high-volume workstreams which benefit from a portfolio approach to service delivery and risk management.

8. Contracts were awarded to 10 providers across 10 workstreams, as shown on the attached Provider Matrix. Simpson Grierson, DLA Piper and Buddle Findlay are the main providers, including for various lump sum and exclusive service provision areas. The balance of the providers are engaged on a panel basis. Apart from the lump sum commitments, there is no guarantee of work volume, and spend is allocated across the panels as Legal Services Managers decide when briefing work. There is a higher level of contract management with the three main providers (accounting for approximately 60 percent of Legal Services annual spend) including six monthly performance reviews and KPI measures.

9. Our contract learnings include the need for effective contract management overhead to ensure delivery targets are aggressively pursued (including under each provider’s “Delivery Plan”). Legal operations improvements, including enhanced contract management, are a focus for FY20.

Tātaritanga me ngā tohutohu

Analysis and advice

10. Analysis and advice will be discussed in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera

Council group impacts and views

11. The appropriate responses to help manage legal budgets and spend are not solely related to procurement strategy. Legal Services continues to work on managing budget pressures, the current and future challenges of optimising the balance of internal FTE, a focus on “legal operations” improvements, tools and technology, reducing service levels in some areas, and closer coordination with business units regarding legal expense for major opex projects.

12. The Value for Money review of Legal and Risk has considered these aspects and reports to the Appointments, Performance Review and Value for Money Committee on 5 September 2019.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

Local impacts and local board views

13. The recommendations made in this report are not considered to have any specific impacts on local boards.

Tauākī whakaaweawe Māori

Māori impact statement

14. The recommendation made in this report is not considered to have any specific impacts on Māori.
Ngā ritenga ā-pūtea
Financial implications
15. Financial implications will be discussed in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
16. Legal services will mitigate risks by extending the current arrangements with panel members subject to some minor revisions.

Ngā koringa ā-muri
Next steps
17. Subject to approval of the recommendations above, staff will complete the agreements with external legal providers.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Mathew Lucas - Procurement Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Dani Gardiner - General Counsel</td>
</tr>
<tr>
<td></td>
<td>Jazz Singh - General Manager Procurement</td>
</tr>
</tbody>
</table>
Update on the procurement of Waiheke resource recovery and waste services

File No.: CP2019/15760

Te take mō te pūrongo
Purpose of the report
1. To note an update on the procurement of Waiheke resource recovery and waste services.

Whakarāpopototanga matua
Executive summary
2. As the current Waiheke waste contracts are set to expire on 30 June 2020, a procurement plan to establish new contracts from 1 July 2020 was approved by the Strategic Procurement Committee on 7 February 2019 (resolution STR/2019/7). This included three bundles that could be procured separately or together as follows:
   - bundle one: for the provision of refuse, recycling collections, illegal dumping services, throw 'n' go bins, bin maintenance, and bag and bin supply
   - bundle two: for the provision of haulage, refuse transfer station and community resource recovery park operational services and community education and support services
   - bundle three: for the inorganic collection service.
3. In September 2018, a workshop was held with the Waiheke Local Board to agree the non-price attributes and weighting of criteria for this procurement. Criteria included health and safety, methodology, capability, social, community, environmental and cultural outcomes, future focus and price. Non-price attributes were 70 percent of the weighting and price was 30 percent.
4. A request for proposal was released to the market on 18 April 2019 and closed on 11 June 2019. Three proposals were received from suppliers and were assessed by a procurement panel consisting of staff from Waste Solutions. The results from these assessments will be presented to the Strategic Procurement Committee as part of its confidential report seeking its approval to award the Waiheke resource recovery and waste services supplier recommendations at its 4 September 2019 meeting.
5. As part of the Waiheke governance pilot, local board endorsement of the recommended supplier is being sought ahead of Strategic Procurement Committee decision-making. This enables the local board to have a role in decision-making over waste services procurement for its community.
6. At the time of writing this report, an extraordinary Waiheke Local Board business meeting had been scheduled for 29 August 2019 to enable the board to endorse its preferred supplier. The local board's feedback will be tabled in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting to assist in the committee’s decision-making.

Ngā tūtohunga
Recommendations
That the Strategic Procurement Committee:

a) note the information contained in this report, on the approval of the Waiheke resource recovery and waste services supplier recommendations, 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 Auckland Council's position with potential suppliers.
Horopaki Context

Tīkapa Moana Hauraki Gulf Waste Plan and current Waiheke waste services

7. The Waste Management and Minimisation Plan 2018 recognises the unique nature of the Hauraki Gulf Islands and their need for tailored approaches to waste. Accordingly, the Tīkapa Moana Hauraki Gulf Islands Waste Plan was developed specifically for this region of Auckland and was adopted as part of the overall waste plan.

8. The Waiheke Waste Plan that forms part of the Tīkapa Moana Hauraki Gulf Island Waste Plan was co-developed with the Waiheke community and local board and is the guiding framework for the design and delivery of waste services, resource recovery and engagement and education.

9. The current supplier for Waiheke waste services (Waste Management New Zealand Limited) was awarded a contract in 2009 for a period of 10 years and a total contract value of $21,114,043. This contract was extended for one year for expiry on 30 June 2020 by the Strategic Procurement Committee on 11 July 2018 (resolution STR/2018/37). The contract's scope of services includes:

- the weekly collection of residential solid waste and recyclables
- the collection of inorganics (until 2016)
- the operation of the Waiheke waste transfer station and haulage of materials
- illegal dumping services
- thrown 'n' go bin collection at ferry points.

10. In 2016, AIM Services was awarded the contract for inorganic collection services and the Island Waste Collective was awarded the contract for the processing of the inorganic material.

Procuring waste services for Waiheke

11. In February 2019, the Strategic Procurement Committee approved the procurement plan for Waiheke waste services (resolution STR/2019/7). A key aim of this procurement process was to provide best value for ratepayers and residents of Waiheke and the wider Auckland region.

12. The local community and Waiheke Local Board have expressed a strong desire to see an increase in waste minimisation and management on Waiheke. To achieve this and give the opportunity for as wide a range as possible of commercial and community groups to tender for contracts, the procurement plan proposed the bundling of waste services on Waiheke. Bundling all services into one contract would limit the number of tenderers and may not align with the desired outcomes and expectations of the local community and board.

13. Three service bundles were proposed:

- bundle one: an open request for proposal process for collections, including provision of refuse and recycling collections, illegal dumping services, throw ‘n’ go bins, bin maintenance, and bag and bin supply.
- bundle two: an open request for proposal process for waste processing services, including provision of haulage, refuse transfer station and community resource recovery park operational services and community education and support services.
- bundle three: an open request for proposal process for the inorganic collection service.

14. Bundles could be awarded to suppliers individually or combined into one contract, depending on what achieved the best value for Waiheke.
15. The request for proposal was released to the market on 18 April 2019 and closed on 11 June 2019. Three proposals were received from suppliers and were assessed by a procurement panel consisting of staff from Waste Solutions, Probit and Procurement. The results from these assessments are detailed in a report that will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Tātaritanga me ngā tohutohu
Analysis and advice

Procurement criteria for Waiheke waste services

16. The procurement approach approved by the Strategic Procurement Committee in February 2019 was designed to enable the selection of a supplier or suppliers who provide cost-effective and sustainable waste services, which are aligned with local board and community desires, as well as the outcomes of the Waste Management and Minimisation Plan 2018 and the Tikapa Moana Hauraki Gulf Islands Waste Plan.

17. The criteria and weightings outlined in Table 1 below were determined through consultation with the Waiheke Local Board at a workshop on 27 September 2018. Scoring scenarios were also modelled through the evaluation template to ensure these weightings achieved the desired outcomes and goals of the procurement.

Table 1. Criteria and weightings for Waiheke waste services procurement

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-price attributes</td>
<td>Health and safety</td>
<td>Pass/fail</td>
</tr>
<tr>
<td></td>
<td>Methodology</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Capability</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Social community, environmental and cultural outcomes</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Future-focus (innovation and waste reductions)</td>
<td>10%</td>
</tr>
<tr>
<td>Price attribute</td>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>

18. Subject to the committee’s approval, the new contract will take effect from 1 July 2020, and will remain in place until 30 June 2030.

Climate impact assessment

19. A key objective of these services is to reduce waste to landfill and turn waste into resources. This will reduce greenhouse gas emissions from landfills and will also reduce emissions from the production of new materials through reuse and recycling of existing materials.

20. Electric vehicles for kerbside collections were proposed by all tenderers and were included in the tendered contract values. This will eliminate emissions from collection vehicles and aligns with the Electric Island 2030 initiative, which aims for Waiheke to have all electric vehicles by 2030.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

21. This procurement has implications across multiple council departments including Waste Solutions, Customer Services, Communications, Digital and Transformation, and Commercial and Finance.
22. To ensure the impacts and views of these departments are known and understood, an overarching project and team was established for Waiheke waste services. This procurement forms a part of that project and involves representatives from each of these departments.

23. For this procurement, representatives from Procurement and Probity were present in the tender evaluations and negotiations with the potential suppliers.

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

Local impacts

24. As identified through consultation on the waste plan, there is a desire for greater community management of waste on Waiheke. The council has provided a mentoring programme for community groups to improve capacity and capability in relation to waste and resource recovery services.

25. Once the new contract is awarded, the Waiheke community will benefit from local economic and community development opportunities. An outcome of this procurement will be to ensure that waste services are put in place that will increase diversion from landfill, champion on-island solutions and help to make Waiheke a cleaner and more attractive place to live in.

Local board views

26. The Waiheke Local Board was consulted throughout development of the Tikapa Moana Hauraki Gulf Islands Waste Plan. The board also provided feedback on waste services during development of the Waste Management and Minimisation Plan 2018 through the following resolution: ‘that Auckland Council promote locally based service providers across all the waste streams that ensures on-island control of the full waste stream with community participation within the Waiheke local board area’ (resolution WHK/2018/16).

27. Several workshops have been held with the Waiheke Local Board regarding the procurement of Waiheke waste services (5 April 2018, 5 July 2018, 27 September 2018, 21 February 2019, 4 April 2019 and 8 August 2019). Prior to the request for proposal being released to the market, regular briefings were held between Waste Solutions staff and the local board chair to ensure the board was informed of progress and the board’s views continued to be considered.

28. The Waiheke Local Board governance pilot to trial an increased level of devolved decision-making to the board is currently underway. This is a three-year trial and formal changes to decision-making (with some case by case exceptions) will not be made until the trial is evaluated and reported back in 2021. In the interim, staff support enabling the board to have a role in decision-making over waste services procurement for their community.

29. Consequently, with the support of the Waiheke Local Board, staff recommended to the Strategic Procurement Committee that the Waiheke Local Board be asked to consider the supplier contract award decision and endorse a recommendation to the Strategic Procurement Committee. While the final approval to award this contract still lies with the committee, a report is scheduled to be presented for the board’s endorsement of its preferred supplier at its 29 August 2019 meeting. This is considered to be an additional step in the approval process.

30. Local board feedback obtained formally at its 29 August 2019 meeting will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Tauākī whakaaweawe Māori
Māori impact statement

31. Waste minimisation and the reuse of resources is of key significance to mana whenua in their role as kaitiaki of the natural environment in Tāmaki Makaurau.
32. These aspirations were further confirmed through consultation with mana whenua on the draft Waste Management and Minimisation Plan 2018 and the Tikapa Moana Hauraki Gulf Islands Waste Plan.

33. The procurement of Waiheke waste services gives effect to the waste minimisation aspirations of mana whenua through aligning with their feedback on the waste plan. This feedback notes the importance to mana whenua of ‘waste minimisation and turning waste into resources’, and states that the council will ‘identify and progress waste-related opportunities with mana whenua in the islands’.

34. While this procurement provided mana whenua organisations with the opportunity to tender for Waiheke waste services alongside other community groups, no proposals were received from mana whenua organisations.

Ngā ritenga ā-pūtea

Financial implications

35. A key aim of this procurement process was to provide best value for ratepayers and residents of Waiheke and Auckland. The cost to provide waste services to households on Waiheke is approximately $470 per rateable property per annum. There is currently a difference of $230 between the cost of waste services on Waiheke and what Waiheke ratepayers pay through a targeted rate ($240 per annum). The shortfall is subsidised through regional rates funding.

36. To reduce this subsidy, the council must reduce waste costs on Waiheke. A key objective for council and the local board is to reduce the waste produced per capita. This will in turn reduce waste costs and provide savings to ratepayers.

37. The council sought pricing for weekly and fortnightly recycling collections during the tender process. It was determined that fortnightly recycling collections provided on average a 75 percent saving for the service, compared to weekly collections. Moving to fortnightly recycling collections also aligns with Tikapa Moana and the service frequency across the rest of the Auckland region.

Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations

38. One of the key risks for this procurement is the Strategic Procurement Committee not awarding the contract at its September 2019 meeting, ahead of the local government elections. This risk is considered low due to the robustness of the procurement process that has been undertaken. However, if the contract is not awarded by the committee in September 2019, an urgent extension of the existing contract will need to be sought to enable waste services to continue uninterrupted on Waiheke while staff re-tender for these services.

Ngā koringa ā-muri

Next steps

39. Feedback obtained from the local board regarding its preferred supplier will be presented to the Strategic Procurement Committee as part of the contract approval report in the confidential section of its 4 September 2019 meeting.

40. Subject to the committee’s approval, the new contract will take effect from 1 July 2020 and will expire on 30 June 2030.

Ngā tāpirihanga

Attachments

There are no attachments for this report.
## Ngā kaihaina
### Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Marcus Braithwaite - Senior Waste Specialist</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Terry Coe - Waste Enterprises and Refuse Manager</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorisers</th>
<th>Parul Sood - General Manager Waste Solutions</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>
Update on procurement of food scraps processing services

File No.: CP2019/15647

Te take mō te pūrongo
Purpose of the report
1. To note an update on procurement of an Auckland-wide food scraps processing service.

Whakarāpopototangata matua
Executive summary
2. Forty-five percent of household kerbside waste sent to landfill is food scraps. A food scraps collection service serving urban Auckland is expected to divert around 50,000 tonnes of food waste per annum. Over time this is expected to increase to 75,000 tonnes per annum.

3. In October 2017, the Strategic Procurement Committee endorsed Auckland Council’s revised procurement strategy for the food scraps service (resolution STR/2017/46).

4. Since this was approved staff have been undertaking further work to progress procurement of food scraps processing services.

5. Recommendations arising from this work will be presented in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Ngā tūtohunga
Recommendation
That the Strategic Procurement Committee:

a) note the information contained in this report, on procurement of an Auckland food scraps processing service, is provided to enable transparency on the topic due for discussion in the public excluded part of the meeting.

Horopaki
Context
6. Approximately 45 percent of kerbside waste sent to landfill in Auckland is food scraps, despite up to 35 percent 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.

7. 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.

8. In recognition of this potential for waste minimisation, a key deliverable of Auckland Council’s first Waste Management and Minimisation Plan in 2012 was the introduction of a household organics (food scraps) collection service for urban areas of Auckland.

9. The first stage of the food scraps service started in Papakura in March 2018. This service covers around 18,000 properties and will soon be integrated into the region-wide service.

10. In March 2018, Auckland Council also sought feedback through the development of the new Waste Management and Minimisation Plan 2018 and the Long-term Plan 2018-2028 on the introduction of a region-wide urban food scraps collection and the use of a targeted rate to fund this.
11. Support for the food scraps collection was reaffirmed by the Environment and Community Committee on 12 June 2018 with the adoption of Auckland Council’s Waste Management and Minimisation Plan 2018: Working Together for Zero Waste (resolution ENV/2018/70). This plan includes an initiative to introduce a household food scraps collection service to all urban Auckland households.

12. The introduction of a targeted rate with a cost of approximately $67 per household to fund this food scraps collection was also approved by the Governing Body through the Long-term Plan 2018-2028 decision making process on 31 May 2018 (resolution GB/2018/91).

13. A food scrap processing procurement plan has been developed based on the strategy approved by the Strategic Procurement Committee in October 2017 (resolution STR/2017/46).

Tātaritanga me ngā tohutohu
Analysis and advice

14. The approach and recommendations for procurement of food scraps processing services will be described in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

Tauākī whakaaweawe āhuarangi
Climate impact assessment

15. The food scrap service will divert nutrient rich material from household kerbside refuse. The gas produced by a processing plant will be captured and re-used.

16. This will contribute to climate change mitigation by reducing Auckland’s greenhouse gas emissions of methane from landfills.

17. Introduction of a food scraps collection is aligned with Auckland Council’s goal in the draft Auckland Climate Action Framework to ‘Grow a low-carbon resilient food system’.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

18. Council staff will engage throughout development of food scraps processing services with any impacted council-controlled organisations.

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

19. Local boards have been involved in consultation on the food scraps collection through both the review of the Waste Management and Minimisation Plan 2018 and the Long-term Plan 2018-2028.

20. In their feedback, Waitematā Local Board advocated for a decentralised composting system. Staff do not consider that a decentralised approach is feasible as it would require approximately 2,500 smaller (20 tonnes per year) processing facilities and significantly increase cost to residents.

21. Several local boards (Hibiscus and Bays, Ōrākei, Kaipātaki and Rodney) also advocated for an opt-out food scraps collection service or discounts for those who compost at home.

22. This proposal was considered through the Long-term Plan 2018-2028 decision making process. The Governing Body chose to provide a service to all urban households, with no provision for opt-outs (resolution GB/2018/91).
**Tauākī whakaaweawe Māori**

**Māori impact statement**

23. The food scraps service is of interest to mana whenua in their role as kaitiaki of natural environments.

24. As part of the overall implementation of the Waste Management and Minimisation Plan, the council has engaged with interested mana whenua and mataawaka organisations on several projects related to waste minimisation and resource recovery, such as the Para Kore ki Tāmaki project which is delivered through marae.

25. The council also consulted with mana whenua and mataawaka organisations on the draft Waste Management and Minimisation Plan 2018. Some mana whenua also gave feedback on the food scraps targeted rate through the long-term plan process.

26. In summary, feedback received from Māori to date has supported provision of a food scraps collection service but has not focused specifically on how these scraps should be processed.

**Ngā ritenga ā-pūtea**

**Financial implications**

27. The financial implications of procurement of food scraps processing will be described in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

28. The risks arising from procurement of food scraps processing services will be described in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

**Ngā koringa ā-muri**

**Next steps**

29. Next steps arising from procurement of food scraps processing services will be described in the confidential section of the 4 September 2019 Strategic Procurement Committee meeting.

**Ngā tāpirihanga**

**Attachments**

There are no attachments for this report.

**Ngā kaihaina**

**Signatories**

<table>
<thead>
<tr>
<th>Author</th>
<th>George Fietje - Resource Recovery Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Parul Sood - General Manager Waste Solutions</td>
</tr>
<tr>
<td></td>
<td>Barry Potter - Director Infrastructure and Environmental Services</td>
</tr>
<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</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 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. 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 – 4 September 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 - 4 September 2019</td>
<td>53</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>
**STRAategic PROCUREMENT COMMITTEE FORWARD WORK PROGRAMME FY2020**

This committee deals with ensuring sound procurement processes are followed in order to deliver on the work programme and operations outlined in council’s adopted Annual Plan. It has responsibility for awarding contracts of $22.5 million or greater, awarding sensitive contracts and oversight of procurement strategies, processes and procedures.

**Priorities for 2018 will be on initiatives which:**

1. Delivery on Annual Plan Outcomes
2. Review delivery of Capital Projects
3. Endorse Procurement Category Strategies
4. Enhance Group Sourced Procurement
5. Improve Procurement Maturity

**The work of the Committee will:**

- Approve award of contracts and variations within the Committee’s delegations.
- Monitor the delivery programme of major capital projects and recommend reporting to Finance and Performance Committee.
- Endorse procurement strategies and process improvements related to the Committee’s responsibilities.
- Monitor progress and make recommendations on group sourced procurement activities.

<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
<th>Budget / Funding</th>
<th>Expected timeframes highlight financial year quarter and state month if known</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Delivery on Annual Plan outcomes (Contracts to be awarded)</td>
<td></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 1 May 2019 meeting Resolution number STR/2019/39– Item C1. Supplier recommendations will be provided in December 2019</td>
<td></td>
<td>Q2 December 2019</td>
</tr>
<tr>
<td>1.2</td>
<td>Food scraps processing</td>
<td>Award supplier recommendations for food scraps processing</td>
<td>Progress to date: Decision: Approved contract extension at 11 July 2018 meeting Resolution number STR/2018/37 – Item C2. Supplier recommendations to be provided in September 2019.</td>
<td></td>
<td>Q1 September 2019</td>
</tr>
<tr>
<td>1.4</td>
<td>Healthy Waters panel refresh and strategy and professional services panel consolidation strategy</td>
<td>Approval of the Healthy Waters Physical Works &amp; Technical Services Procurement Strategy</td>
<td>Decision: Receive update and approve the strategy Update received at 3 April 2019 meeting Resolution number STR/2019/25 – Item 8. Update on suppliers to panels to be provided in December 2019</td>
<td></td>
<td>Q2 December 2019</td>
</tr>
<tr>
<td>Item</td>
<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>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>--------------</td>
<td>----------------</td>
<td>---------------------------------------------------------------</td>
<td>------------------</td>
</tr>
</tbody>
</table>
| 1.5  | 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. | | Q2 2020 |
| 1.6  | 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  
**Report to be provided in Sept 2019 / Q1 2020** | | Q1 September 2019 |
| 1.7  | 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  
Decision taken to approve the procurement plan at 7 August 2019 meeting.  
Resolution number STR/2019/59 – Item C1  
Next update will be provided December 2019. | | Q2 December 2019 |
| 1.8  | 1.8        | Healthy Waters Maintenance Contract Southern | | | Q1 September 2019 |
| 1.9  | 1.9        | External legal services | External Legal Services | Covering approval for the one-year extension from Jan 2020 and a request to increase the contract value | | Q1 September 2019 |
| 2    | 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 - 11 June 2018 - STR/2018/32 – Item C1  
Update - 5 September 2018 - STR/2018/54 – Item C1  
Update - 7 November 2018 - STR/2018/80 – Item C2  
Update - 6 June 2019 - STR/2019/49 – Item C1  
<table>
<thead>
<tr>
<th>Priority #</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Strategic Procurement Committee role (decision or direction)</th>
<th>Budget / Funding</th>
<th>Expected timeframes highlight financial year quarter and state month if known</th>
</tr>
</thead>
<tbody>
<tr>
<td>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><strong>Receive</strong>: no decision required <strong>Progress to date:</strong> Update received at 11 June 2018 meeting – Resolution number STR/2018/25 – Item 10 Update received at 3 October 2018 meeting – Resolution number STR/2018/61 – Item 9 Next update to be provided in 2020</td>
<td></td>
<td>FY20 Oct-Dec</td>
</tr>
<tr>
<td>3.</td>
<td>Endorse Procurement Category Strategies</td>
<td></td>
<td><strong>See completed section below.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Enhance Group Sourced Procurement</td>
<td></td>
<td><strong>Progress to date:</strong> Update received at the 7 March 2018 meeting - Resolution number STR/2018/5 – Item 10. Update received at the 11 July 2018 meeting – Resolution number STR/2018/39 – Item 9. Update received at the 7 November 2018 meeting – Resolution number STR/2018/75 – Item 12. Update received at the 06 June 2019 meeting – Resolution number STR/2019/44 – Item 8. Next updated to be provided in</td>
<td><strong>Decision</strong>: approve business plan</td>
<td>2020</td>
</tr>
<tr>
<td>4.1</td>
<td>Fleet Optimisation Update</td>
<td>Keep Committee informed on progress of Fleet changes</td>
<td><strong>Progress to date:</strong> Update provided at the October 2017 meeting STR/2017/4 – Item 11. Update received at the meeting on 7 March 2018 STR/2018/4 – Item 9. Update received at the meeting on 8 August 2018 Resolution number STR/2018/42 – Item 9. Update received at the meeting on 7 November 2018 Resolution number STR/2018/76 – Item 13. Update received at the meeting on 7 August 2019 resolution number STR/2019/56 – Item 11. <strong>Receive</strong>: no decision required</td>
<td></td>
<td>2020</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> Update provided at the October 2017 meeting STR/2017/4 – Item 11. Update received at the meeting on 7 March 2018 STR/2018/4 – Item 9. Update received at the meeting on 8 August 2018 Resolution number STR/2018/42 – Item 9. Update received at the meeting on 7 November 2018 Resolution number STR/2018/76 – Item 13. Update received at the meeting on 7 August 2019 resolution number STR/2019/56 – Item 11.</td>
<td></td>
<td>2020</td>
</tr>
</tbody>
</table>
### Attachment A

**Item 13**

<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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>FY20 Budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jul-Sep</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Oct-Dec</td>
</tr>
</tbody>
</table>

#### 5. Improve Procurement Maturity

See completed section below.

#### 6. Other

6.1 Review of Contract performance

- **Progress to date:**
  - Update received at the 2 May 2018 meeting Resolution number STR/2018/21 – Item C2
  - Update received at the 7 November 2018 meeting Resolution number STR/2018/82 – Item C4
  - Update received at the 6 June 2019 meeting Resolution number STR/2019/50 – Item C2
  - 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>
<th>Budget / Funding</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>
<td></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>
<td></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>
<td></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 C3</td>
<td></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>
<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>1.6</td>
<td>Graffiti Eradication and Enforcement Services</td>
<td>Approve procurement plan for graffiti Eradication and Enforcement Services</td>
<td><strong>Decision:</strong> agree procurement plan- 13 December 2017 meeting, Resolution Number STR/2017/58 – Item C3&lt;br&gt;<strong>Decision:</strong> approve procurement plan at 2 May 2018 meeting, Resolution number STR/2018/18 – Item 10 and Resolution number STR/2018/20 – Item C1</td>
<td></td>
</tr>
<tr>
<td>1.7</td>
<td>Electricity supply SRR</td>
<td>Approve the supplier recommendation report for electricity supply services</td>
<td><strong>Decision:</strong> agree SRR- 13 December 2017 meeting, Resolution Number STR/2017/56 – Item C1</td>
<td></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><strong>Decision</strong> taken to approve the procurement plan at 4 April 2018 meeting, Resolution number STR/2018/15 – Item 10 and Resolution number STR/2018/12 – Item C2</td>
<td></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><strong>Decision</strong> 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>
<td></td>
</tr>
<tr>
<td>1.10</td>
<td>Building Consents Regional Overflow Model</td>
<td>Approve the supplier recommendation for the Building Consents Regional Overflow Model</td>
<td><strong>Decision:</strong> procurement plan agreed - 13 December 2017 meeting, Resolution number STR/2017/60 – Item C5&lt;br&gt;<strong>Decision:</strong> Supplier recommendation agreed at 11 June 2018 meeting, Resolution number STR/2018/27 – Item 12 and Resolution number STR/2018/33 – Item C2</td>
<td></td>
</tr>
<tr>
<td>1.11</td>
<td>Waiheke Island Waste Services Contracts</td>
<td>Approve a contract extension for Waiheke Island waste services contract</td>
<td>Update provided at the 11 July 2018 meeting, Resolution number STR/2018/41 – Item 11 and Resolution number STR/2018/36 – Item C1&lt;br&gt;<strong>Decision:</strong> Approved contract extension at 11 July 2018 meeting</td>
<td></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><strong>Decision:</strong> Approve awarding of contract&lt;br&gt;Resolution number STR/2018/79 – Item C1&lt;br&gt;<strong>Decision:</strong> approved awarding of contract at the 7 November 2018 meeting</td>
<td></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>
<td></td>
</tr>
<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&lt;br&gt;Decision taken to approve awarding of contract at the 7 November 2018 meeting&lt;br&gt;Resolution number STR/2018/79 – Item C1&lt;br&gt;Next update to be provided in April 2019 through the $5 million project report.</td>
<td></td>
</tr>
<tr>
<td>1.15</td>
<td>George Joseph / Craig McIlroy</td>
<td>St Marys Bay and Masefield Beach improvement project</td>
<td><strong>Decision:</strong> Supplier recommendations for the first phase of construction&lt;br&gt;Report provided to the 6 March 2019 meeting Resolution number STR/2019/14 - Item 9</td>
<td></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&lt;br&gt;Update provided to the 6 March 2019 meeting Resolution number STR/2019/16 - Item 11</td>
<td></td>
</tr>
<tr>
<td>1.17</td>
<td>Alan McDonnell / Graham Bodman</td>
<td>Graffiti Contracts</td>
<td>Update provided at the 6 March 2019 meeting Resolution number STR/2019/19 – Item C1&lt;br&gt;Receive update on graffiti contracts</td>
<td></td>
</tr>
</tbody>
</table>
## Attachment A

### Item 13

<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>1.18</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>

### 2. Review delivery of Capital Projects

2.1 Westgate multipurpose facility (integrated library and community centre) construction | Elected member oversight of progress of Westgate multipurpose facility | Final update received at 7 August 2019 meeting resolution number STR/2019/60 - Item C2 |

### 3. Endorse Procurement Category Strategies

3.1 Waste Solutions Procurement Strategy | Create plan for go to market exercise for all waste collection (including food waste) and disposal activity prior to 2020 | Update provided at the October 2017 meeting Resolution number STR/2017/40 - Item 9 Decision: Confirm strategy/challenge |
3.2 Organics (food waste) Processing caddies and food waste bins | Create plan for go to market exercise for all aspects of the planned Organic (food waste) collection and Processing Service together with the caddies and bins required for collection. | Update provided at the October 2017 meeting Resolution number STR/2017/40- Item 9 and Resolution number STR/2017/45 – Item C1 Update received at 11 July 2018 meeting Resolution number STR/2018/40 - Item 10 and Resolution number STR/2018/43 – Item C1 |
3.3 ICT hardware | Create a plan for engaging the market to purchase ICT Hardware. | Update received at 7 March 2018 meeting – Resolution number STR/2018/7 – Item 12 and Resolution number STR/2018/10 – Item C1 Receive: No decision required |
3.4 ICT Software | Create a plan for engaging the market to purchase Software. | Update received at 11 June 2018 meeting – Resolution number STR/2018/24 – Item 9 Decision: agree to endorse the Software Procurement Category Strategy |
3.5 Vertical Construction Category Strategy | Development of the overall strategy for vertical construction and building | Update received at 11 June 2018 meeting – Resolution number STR/2018/29 – Item 14 and Resolution number STR/2018/34 – Item C4 Decision: endorse the vertical construction procurement category strategy |
3.6 ICT Technology Services | Create a plan for engaging the market to purchase Technology Services – Cloud, Data Centre Services, Print, Network. | Decision: update received at 12 December 2018 meeting – Resolution number STR/2018/91 – Item 10 Receive: No decision required – update from approved strategy by T&P 2016 Update received at 3 October Strategic Procurement Committee meeting – Resolution number STR/2018/63 – Item 11 |
3.7 Professional Technical Services | Implementation of professional technical services category | Receive: No decision required. |
3.8 Professional Services | Create a plan to go to market and manage professional services across Auckland Council. | Receive: No decision required. |

### 4. Enhance Group Sourced Procurement

4.1 Sustainable Procurement Framework | Give effect to principles to be agreed in Group Procurement Policy | Update provided at the December 2017 meeting. Resolution number STR/2017/53 Item 9 |
<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>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/2017/4 – item 11</td>
</tr>
<tr>
<td>5.1</td>
<td>Ariba update</td>
<td>Update Committee on implementation of procurement enabling technology</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Other</td>
<td>Update Committee on the current state of all waste contracts prior to the preparation of the Waste Solutions Procurement Strategy</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/41 - item 10 and Resolution number STR/2017/46 – item C2</td>
</tr>
<tr>
<td>6.1</td>
<td>Update on Waste Solutions contracts</td>
<td>Update the Committee on the current state of all waste contracts prior to the preparation of the Waste Solutions Procurement Strategy</td>
<td>Update provided at the October 2017 meeting Resolution number STR/2017/41 - item 10 and Resolution number STR/2017/46 – item C2</td>
</tr>
<tr>
<td>6.2</td>
<td>Review of 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>
</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>
</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>
</tr>
<tr>
<td>6.5</td>
<td>Stephen Horsley / Mark Denvir</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>
</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>
</tr>
</tbody>
</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Strategic Procurement Committee

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

**C1 CONFIDENTIAL: Procurement of Healthy Waters Southern operations and maintenance contract and regional catchpits and treatment devices contract**

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains commercially sensitive information that could prejudice the council's position in negotiations 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>

**C2 CONFIDENTIAL: Extension of Legal Services panel contracts**

<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)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. In particular, the report contains information sensitive to the arrangements between Auckland Council and the External Legal 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>
### C3 CONFIDENTIAL: Approval of the Waiheke resource recovery and waste services supplier recommendations

<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. 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 information that could prejudice the council's position with potential 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>

### C4 CONFIDENTIAL: Supplier recommendations for food scraps processing services

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains commercially sensitive information that could impact on the council's position in negotiations 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>