

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

Date: Thursday, 25 May 2023
Time: 10.00am
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Komiti mō te Kaitaonga me te Whakahaere i ngā Whakapaunga Pūtea / Expenditure Control and Procurement Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	Cr Maurice Williamson	
Deputy Chairperson	Cr Greg Sayers	
Members	Cr Angela Dalton	IMSB Member Tony Kake, MNZM
	Cr Julie Fairey	Cr Mike Lee
	Cr Alf Filipaina, MNZM	Cr Daniel Newman, JP
	Cr Shane Henderson	IMSB Chair David Taipari
Ex-officio	Mayor Wayne Brown	
	Deputy Mayor Desley Simpson, JP	

(Quorum 5 members)

Duncan Glasgow
Kaitohutohu Mana Whakahaere Matua /
Senior Governance Advisor

19 May 2023

Contact Telephone: +64 9 8902656
Email: duncan.glasgow@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

ITEM	TABLE OF CONTENTS	PAGE
1	Ngā Tamōtanga Apologies	5
2	Te Whakapuaki i te Whai Pānga Declaration of Interest	5
3	Te Whakaū i ngā Āmiki Confirmation of Minutes	5
4	Ngā Petihana Petitions	5
5	Ngā Kōrero a te Marea Public Input	5
6	Ngā Kōrero a te Poari ā-Rohe Pātata Local Board Input	5
7	Ngā Pakihi Autaia Extraordinary Business	5
8	Summary of Expenditure Control and Procurement Committee information memoranda and briefings (including the forward work programme) – 25 May 2023	7
9	All of Government external recruitment services supply panel agreement	13
10	Te Whakaaro ki ngā Take Pūtea e Autaia ana Consideration of Extraordinary Items	
PUBLIC EXCLUDED		
11	Te Mōtini ā-Tukanga hei Kaupare i te Marea Procedural Motion to Exclude the Public	17
C1	CONFIDENTIAL: Parks and Community Facilities Full Facilities Contracts Performance update	17
C2	CONFIDENTIAL: All of Government external recruitment services supply panel agreement	17

1 Ngā Tamōtanga | Apologies

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Click the meeting date below to access the minutes.

That the Expenditure Control and Procurement Committee:

- a) whakaū / confirm the ordinary minutes of its meeting, held on [Tuesday, 18 April 2023](#), including the confidential section, as a true and correct record.

4 Ngā Petihana | Petitions

5 Ngā Kōrero a te Marea | Public Input

6 Ngā Kōrero a te Poari ā-Rohe Pātata | Local Board Input

7 Ngā Pakihi Autaia | Extraordinary Business

Summary of Expenditure Control and Procurement Committee information memoranda and briefings (including the forward work programme) – 25 May 2023

File No.: CP2023/00608

Te take mō te pūrongo Purpose of the report

1. To tuhi ā-taipitopito / note the progress on the Expenditure Control and Procurement Committee forward work programme appended as Attachment A.
2. To whiwhi / receive a summary and provide a public record of memoranda or briefing papers that have been distributed to the Expenditure Control and Procurement Committee.

Whakarāpopototanga matua Executive summary

3. This is a regular information-only report which aims to provide greater visibility of information circulated to Expenditure Control and Procurement Committee members via memoranda/briefings or other means, where no decisions are required.
4. No information items have been distributed.
5. The following workshops/briefings have occurred:

Date	Subject
19/04/2023	Confidential Workshop: Auckland Transport update

6. Note that, unlike an agenda report, **staff will not be present to answer questions about the items referred to in this summary.** Committee members should direct any questions to the relevant staff.

Ngā tūtohunga Recommendation/s

That the Expenditure Control and Procurement Committee:

- a) tuhi ā-taipitopito / note the progress on the forward work programme appended as Attachment A of the agenda report
- b) whiwhi / receive the Summary of Council Controlled Organisation Direction and Oversight Committee information memoranda and briefings – 25 May 2023.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Forward Work Programme	9

Ngā kaihaina Signatories

Author	Duncan Glasgow - Kaitohutohu Mana Whakahaere / Governance Advisor
Authoriser	Nicola Mills - General Manager Financial and Business Performance

Item 8

**Komiti mō te Kaitaonga me te Whakahaere i ngā Whakapaunga Pūtea / Expenditure Control and Procurement Committee
Draft Forward Work Programme 2023**

This committee deals with assisting the council to be cost effective and make financial savings. The full terms of reference can be found here: [Auckland Council Governing Body Terms of Reference](#)

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2023												
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Procurement															
Recruitment and Temp Supplier Panel P&C	Auckland Council's permanent and temporary positions are often recruited using its supplier panel from All of Government, this panel is due to expire in Sep 2023. A market activity is proposed to identify preferred suppliers either accessing the new All of Government panel members or a sole approach by council.	Decision: Approval of the procurement plan to identify recruitment panel suppliers. A report will be provided in May 2023.													
Electricity (Time of Use / Non Time of Use) C&CS and Corporate Property	Auckland Council electricity supply contracts are due to expire at the end of the year hence Auckland Council is taking its contracts to market to identify a preferred supplier.	Decision: Approval of the procurement plan for the supply of electricity to Auckland Council. A report will be provided in May 2023.													
Recruitment and Temp Supplier Panel P&C	Supplier recommendation report for the award of contract(s) to the preferred supplier that form a panel for council.	Decision: Approval of the supplier recommendation report for recruitment panel. A report will be provided in August 2023.													
Electricity (Time of Use / Non Time of Use) C&CS and Corporate Property	Supplier recommendation report for the award of contract(s) to preferred vendor for the supply of electricity to Auckland Council.	Decision: Approval of the supplier recommendation report for electricity contract(s). A report will be provided in October 2023.													

Item 8

Attachment A

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2023											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Insurance														
Insurance Strategy and Placement Risk and Assurance	Approve insurance strategy and then note outcomes	Note insurance outcome (August) Progress to date: Approve high level insurance strategy and delegate final approval to Group Chief Financial Officer Link to decision Further confidential update in April Link to decision												
Asset optimisation														
Asset recycling Auckland Council and Eke Panuku Development Auckland	Mayoral Proposal for 2023/2024 set asset optimisation and strategic assessment of council's asset ownership as one of the focuses to cover council's financial gap.	Agree to proceed with recommended asset recycling opportunities or disposals Note: Committee has responsibility for approving acquisition and disposal of council property in accordance with the Long-term Plan/Annual Budget and which is not the responsibility of any other committee including non-service property (i.e. the Transport and Infrastructure and Planning, Environment and Parks Committee also have acquisition and disposal responsibilities) Progress to date: Update on asset recycling programme provided Link to decision												
Expenditure Control and Procurement savings target opportunities														
Service optimisation Value for Money	The draft Annual Budget Consultation Document tasks the Expenditure Control and Procurement Committee with identifying \$5 million in savings from Auckland Council and other council controlled organisations.	Agree to recommend to proceed with optimisation opportunities												
Committee savings target Auckland Transport	The draft Annual Budget Consultation Document tasks the Expenditure Control and Procurement Committee with identifying \$7.5 million in savings from Auckland Transport	Provide direction on proposed savings opportunities from Auckland Transport. Progress to date: Confidential Workshop held 19 April 2023												

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2023												
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Section 17A reviews															
Section 17A reviews Value for Money	Council has a legal obligation under section 17A to review the cost-effectiveness of the delivery of our services	Monitor compliance with Section 17A and implementation of review recommendations Agree recommendations arising from Section 17A reviews													

Item 8

Completed

Area of work and Lead Department	Committee role	Whakatau / Decision
Small Waters and Wastewater System maintenance contract renewal Healthy Waters	Approval to exercise the 2 years right of renewal for the Small Waters and Wastewater System maintenance contract from 1 July 2023 to 30 June 2025.	C2 CONFIDENTIAL: Materials Recovery Facility contract costs Link to decision

Attachment A

All of Government external recruitment services supply panel agreement

File No.: CP2023/06154

Item 9

Te take mō te pūrongo

Purpose of the report

1. To tuhi ā-taipitopito / note the information on the All of Government (AoG) external recruitment services procurement approach, for transparency ahead of discussion in the public excluded part of the meeting.

Whakarāpopototanga matua

Executive summary

2. Auckland Council (AC), Auckland Transport (AT), Eke Panuku (EP) and Tātaki Auckland Unlimited (TAU), known as the Auckland Council Group, proposes to source recruitment services using the AoG external recruitment services contract via a secondary procurement process. This will involve the selection of a subpanel of providers following an initial Ministry of Business, Innovation and Employment (MBIE) AoG recruitment panel selection process.
3. Auckland Council Group has been party to an agreement with MBIE under the AoG Talent Acquisition panel since 2013 to utilise the service of external recruitment agencies, primarily to fulfil contingent workforce needs for frontline roles that are required to be recruited at pace to ensure continuity of services, and for the recruitment of specialist roles, such as ICT. MBIE's second generation contract was signed in 2017 and extended until September 2023. The second generation contract was similar to the first generation contract, with minor updates to fees and terms. The council group's use of the contract was approved by the Strategic Procurement Committee on 28 September 2021 (resolution STR/2021/44).
4. The external recruitment services contract expires on 19 September 2023, the next generation of this All-of-Government contract is called Talent Acquisition Services (TAS) to better represent the range of services government agencies require
5. MBIE announced their tTAS contract would start on 20 September 2023. MBIE received and evaluated 102 responses to their request for submissions and council staff participated in the tender preparation and the evaluations of responses, which were probity checked by external parties. The tender submissions were evaluated on recruitment methodology, knowledge, track record, continuity of service, post placement care, innovation, diversity and inclusion.
6. The group is now looking to select a sub-panel of suppliers from the AoG MBIE contract through a secondary procurement process, with council group-specific, cost-effective sourcing strategy to cater to our permanent and temporary recruitment needs. The plan does not necessarily commit the group to spend the approved value, however it will provide the option to leverage the terms and conditions on an as needed basis within current salary budgets.
7. A report seeking the Expenditure Control and Procurement Committee's approval of the procurement approach has been provided as part of the confidential agenda for the committee's 25 May 2023 meeting. Following approval of the approach, the secondary procurement process will be completed between June and July 2023, with recommendations on preferred suppliers being reported to the Expenditure Control and Procurement Committee for approval in August 2023.

Ngā tūtohunga Recommendation/s

That the Expenditure Control and Procurement Committee:

- a) tuhi ā-taipitopito / note the information contained in this report enables transparency on the topic due for discussion in the public excluded part of the meeting.

Horopaki Context

8. The group has in-house recruitment teams that manage the recruitment requirements for most of its permanent employees. Over 98 per cent of permanent, fixed-term and casual employees were recruited using the internal recruitment teams in 2022.
9. The in-house team are not resourced to find contingent workers at a short notice. There remains a need for a sub-panel of suppliers to cover and deliver the recruitment of temporary or contingent staff, an option for payroll only services, and permanent staff for the group when required.
10. The group also relies on external recruitment agencies to cater to the contingent workforce requirements for different business units and group entities. Utilising recruitment agencies is efficient and effective as they have the market knowledge to supply the relevant staff rapidly. Many of the contingent workers are frontline staff, and speed is important to maintain services. These agencies also have established a network for technical and high-profile roles when our internal service has been unable to source the skills required in the time available, such as for ICT roles.
11. Since signing up to the second generation contract in 2017, 19 agencies from a panel of 42 agencies have been utilised by the group through the AoG contract. These agencies catered to council group needs, especially in short-term contingent workers, along with particular focus areas such as ICT, Māori, and Pasifika recruitment. A large majority of spend under the AoG contract goes towards the contingent workforce (contractors and temporary staff) wages and salaries.
12. Further context will be provided in the confidential section of the Expenditure Control and Procurement Committee meeting agenda.

Tātaritanga me ngā tohutohu Analysis and advice

13. Auckland Council staff are involved in evaluating the agencies that participated in the tender proposal with MBIE for the TAS.
14. MBIE plans to award the TAS contract by end of May 2023. The group will then be able to select and confirm the sub-panel agencies for participation in the secondary procurement.
15. By working with a sub-panel, the group will build more efficient relationships and see an enhanced understanding of the group's needs by those preferred agencies. Staff will continue to work to achieve the most value from the panel by leveraging the group's purchasing power.
16. The fees charged to the group are a percentage of the salary paid to the candidate hired through the recruitment agency. Through the secondary procurement process the charges for the agency fees and administration fees can be negotiated. However, the statutory fees cannot be influenced through negotiations.
17. MBIE has confirmed that their negotiation process will be completed by end of May 2023, following which the Auckland Council Group will conduct the secondary procurement process.
18. Further analysis and advice will be provided in the confidential section of the Expenditure Control and Procurement Committee meeting agenda.

Evaluation method

19. MBIE have conducted their initial evaluations.
20. The secondary procurement will involve staff from People and Culture and Finance departments within Auckland Council and the council-controlled organisations (CCOs), to ensure the specific recruitment needs of the council group are met.
21. Conflict of interest declarations will be required from each evaluator. They are reviewed and managed during the procurement process. Once the procurement approach is approved, any changes to the sourcing option and evaluation panel will be documented and approved by the General Manager Procurement.
22. Staff will evaluate the price and non-price submissions submitted through the secondary procurement process, followed by due diligence, clarifications, and negotiations.
23. There are due diligence checks and risk assessments which may be undertaken over and above the evaluation/negotiation stages as risk mitigation.

Tauākī whakaaweawe āhuarangi Climate impact statement

24. It is not anticipated that there will be significant climate impact through this procurement activity.
25. MBIE aims to collect information via annual reporting on the carbon emissions of the AoG panel providers, as part of the Carbon Neutral Government Programme (CNGP) and the government's target to reach carbon zero by 2050.
26. In line with group sustainable procurement guidelines, this procurement will also consider how low carbon and climate action outcomes can be achieved in the contracts and how they are measured and reported within New Zealand.

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

27. Auckland Council, Auckland Transport, Eke Panuku, and Tātaki Auckland Unlimited are taking a group source approach to derive better discounts and create value from this procurement process.

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

28. The procurement of external recruitment services is not considered to have any specific impacts on local boards.

Tauākī whakaaweawe Māori Māori impact statement

29. The AoG recruitment panel will include specialist agencies focusing on Māori and Pasifika roles. The new AoG contract evaluation process had 20 per cent of the selection weighting based on the agency's understanding and ability to deliver upon broader outcomes, specifically diversity and representation.
30. All primary agency providers on the panel will be briefed on the group's Māori outcomes frameworks and their role in supporting these outcomes.

Ngā ritenga ā-pūtea Financial implications

31. The AoG agreement allows the group to access reduced fees when sourcing contingent workers or permanent employees.

32. The financial implications of these procurements will be provided in the confidential section of the Expenditure Control and Procurement Committee meeting agenda.

Item 9 **Ngā raru tūpono me ngā whakamaurutanga**
Risks and mitigations

33. The risks and mitigations relating to the AoG procurement approach will be provided in the confidential section of the Expenditure Control and Procurement Committee meeting agenda.

Ngā koringa ā-muri
Next steps

34. Once the committee has approved the procurement approach in the confidential section of this meeting, staff will conduct the secondary procurement process.
35. The indicative timeline for the secondary procurement activity is as follows:

Table 1. Timeline

Activity	Indicative date
Tender release date	6 June 2023
Tender closing date	29 June 2023
Evaluation complete	13 July 2023
Negotiation complete	3 August 2023
Expenditure Control and Procurement Committee meeting to approve supplier recommendations	24 August 2023
Advise successful and unsuccessful suppliers	31 August 2023
Supplier debrief	Early Sept 2023
Contract start	October 2023

Ngā tāpirihanga
Attachments

There are no attachments for this report.

Ngā kaihaina
Signatories

Authors	Danny Doyle – Strategic Procurement Specialist Howard Chaffey – Talent Acquisition Manager
Authorisers	Pauline Marrier d'Unienville - General Manager People and Culture Richard Jarrett - Director Group Services Nicola Mills - General Manager Financial and Business Performance

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Expenditure Control and 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: Parks and Community Facilities Full Facilities Contracts Performance update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains detailed financial information pertaining to the contract and penalties that if shared would prejudice current and future negotiations with suppliers.	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.

C2 CONFIDENTIAL: All of Government external recruitment services supply panel agreement

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	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. 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 commercial negotiations with potential suppliers.	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.

