

I hereby give notice that an ordinary meeting of the Revenue, Expenditure and Value Committee will be held on:

Date: Tuesday, 18 March 2025
Time: 2.00pm
Meeting Room: Room 1, Level 26
Venue: Te Wharau o Tāmaki - Auckland House
135 Albert Street
Auckland

**Komiti mō te Moni Whiwhi, mō te Whakapaunga
me te Uara /
Revenue, Expenditure and Value Committee
OPEN AGENDA**

MEMBERSHIP

Chairperson	Cr Desley Simpson, JP	
Deputy Chairperson	Cr Greg Sayers	
Members	Mayor Wayne Brown (Ex-officio)	Cr Daniel Newman, JP
	Cr Chris Darby	Cr Sharon Stewart, QSM
	Cr Julie Fairey	Hokura Chair David Taipari
	Hokura Member Tony Kake, MNZM	Cr Ken Turner
	Cr Kerrin Leoni	Cr Maurice Williamson

(Quorum 6 members)

Phoebe Chiquet-Kaam
Kaitohutohu Mana Whakahaere /
Governance Advisor

13 March 2025

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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	Options for supply, maintenance and distribution of refuse and recycling bins contracts	7
9	Procurement plan for supply, maintenance and distribution of refuse and recycling bins	15
10	Supplier recommendation for regional small waters and wastewater systems operations and maintenance contracts	21
11	Better Value Projects update	25
12	Status Update on Action Decisions from Revenue, Expenditure and Value Committee – 18 February 2025	33
13	Summary of Revenue, Expenditure and Value Committee information memoranda and briefings (including the forward work programme) - 18 March 2025	35
14	Te Whakaaro ki ngā Take Pūtea e Autaia ana Consideration of Extraordinary Items	
PUBLIC EXCLUDED		
15	Te Mōtini ā-Tukanga hei Kaupare i te Marea Procedural Motion to Exclude the Public	37
C1	CONFIDENTIAL: Supply, maintenance and distribution of refuse and recycling bins contracts: Further options analysis pre-procurement	37
C2	CONFIDENTIAL: Procurement plan for supply, maintenance and distribution of refuse and recycling bins	37
C3	CONFIDENTIAL: Supplier recommendation for regional small waters and waste water systems	38
C4	CONFIDENTIAL: Insurance Renewal Update 2025-2026	38
C5	CONFIDENTIAL: Building Consents Department Service and Financial Performance review	38

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 Revenue, Expenditure and Value Committee:

- a) whakaū / confirm the ordinary minutes of its meeting, held on [Tuesday, 18 February 2025](#), 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

Options for supply, maintenance and distribution of refuse and recycling bins contracts

File No.: CP2025/00948

Item 8

Te take mō te pūrongo

Purpose of the report

1. To update the committee with the initial work undertaken and options considered for the Supply of Refuse and Recycling Bins and Bin Recall, Retrofitting and Distribution Services contracts.

Whakarāpopototanga matua

Executive summary

2. Auckland Council manages delivery of the Auckland region's kerbside refuse, recycling and food scraps bins collections. To support these collections, a fleet of over one million bins is required. In 2015, the council centralised the supply of refuse and recycling bins, storage and distribution, bin maintenance, and bin recall services across the Auckland region to improve efficiency and consistency.
3. As the current contract nears its conclusion, the council faces two key provisional items that may or may not be required depending on future decisions that are expected to impact costs during the upcoming contract term: aging bin infrastructure and potential changes to refuse collection frequency. Staff anticipate customer bin exchange requests, primarily for size adjustments, that will be required to accommodate the new collection frequency if approved by council. At the same time, aging bin infrastructure increases the likelihood of faults, adding pressure to maintenance operations and overall service reliability.
4. If the fortnightly refuse collection policy decision is delayed it may necessitate the renewal of the program's earlier implementation, which could lead to costly rework or inefficiencies. To address these challenges a detailed assessment has been initiated to determine the most cost-effective approach to the renewal programme. The assessment will be completed following a decision on the fortnightly collection and prior to any decision made to commence regional fortnightly refuse collection.
5. To prepare for the 2026 new contract(s), staff conducted a thorough evaluation of the existing contracts, identifying strengths and areas for improvement. An options analysis was undertaken, resulting in a long list and subsequent shortlist of initial procurement options.
6. At this stage, the initial recommended option represents the best value-for-money approach. However, it is based on limited available data and requires testing with the market. A less prescriptive procurement approach as recommended in the accompanying procurement report to this agenda will facilitate broader market engagement and provide the opportunity to explore and test outsourcing options beyond the current shortlist.

Ngā tūtohunga

Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi tīpoka / note that staff have evaluated a broad range of potential contract options and developed a shortlist which will be tested as part of the procurement approach.

Horopaki Context

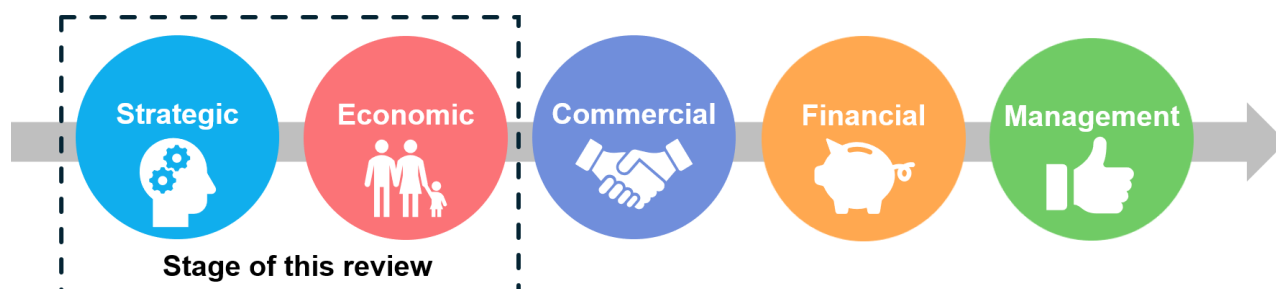
7. Auckland Council Waste Solutions manages kerbside waste services across the region, maintaining an inventory of over one million bins in various sizes for refuse, recycling and food scraps. To provide consistent and efficient waste management, the council initiated a procurement process in 2015 to centralise bin supply, repair, retrofitting, and distribution services.
8. Under the resulting contract, the primary contractor (Sulo (N.Z.) Limited) subcontracts Bin Recall, Retrofitting and Distribution Services to another supplier that manages local bin manufacturing, while certain maintenance and logistics tasks are subcontracted to another supplier. This contract has played a vital role in supporting Auckland's waste management system and is set to expire in June 2026.
9. Current and potential future challenges include the following:
 - Heavy reliance on manual processing of service bin requests leads to errors and makes it challenging to efficiently manage demand fluctuations, ultimately affecting the customer experience.
 - Market competition: In New Zealand, there is only one manufacturer for kerbside bins, potentially limiting competition and impacting procurement options.
 - Lack of comprehensive data on bin inventory and lifespan: Outdated technology, unclear data ownership, immature asset management practices, and evolving policy requirements contribute to the absence of critical data. This data gap makes it challenging to accurately plan, assess, and mitigate risks associated with bin maintenance and replacement.
 - Two key provisional items that may be required depending on future decisions that are expected to impact costs during the upcoming contract term: aging bin infrastructure and potential changes to refuse collection frequency. By 2026, 46 percent of refuse bins will be over 30 years old, and 6 percent of recycling bins will be over 24 years old - well beyond the typical lifespan recommended by manufacturers. Staff anticipate customer bin exchange requests, primarily for size adjustments, that will be required to accommodate the new collection frequency if council decides to move to fortnightly refuse collection. At the same time, aging bin infrastructure increases the likelihood of faults, adding pressure to maintenance operations and overall service reliability. To address these challenges a detailed assessment has been initiated to determine the most cost-effective approach to the renewal programme. The assessment will be completed following a decision on the fortnightly collection and prior to any decision made to commence regional fortnightly refuse collection.
10. With the contract's expiration approaching, Auckland Council needs to determine the best path forward to address aging infrastructure, adapt to changing collection requirements, and ensure the continued delivery of efficient waste management services.

Tātaritanga me ngā tohutohu Analysis and advice

Methodology and approach

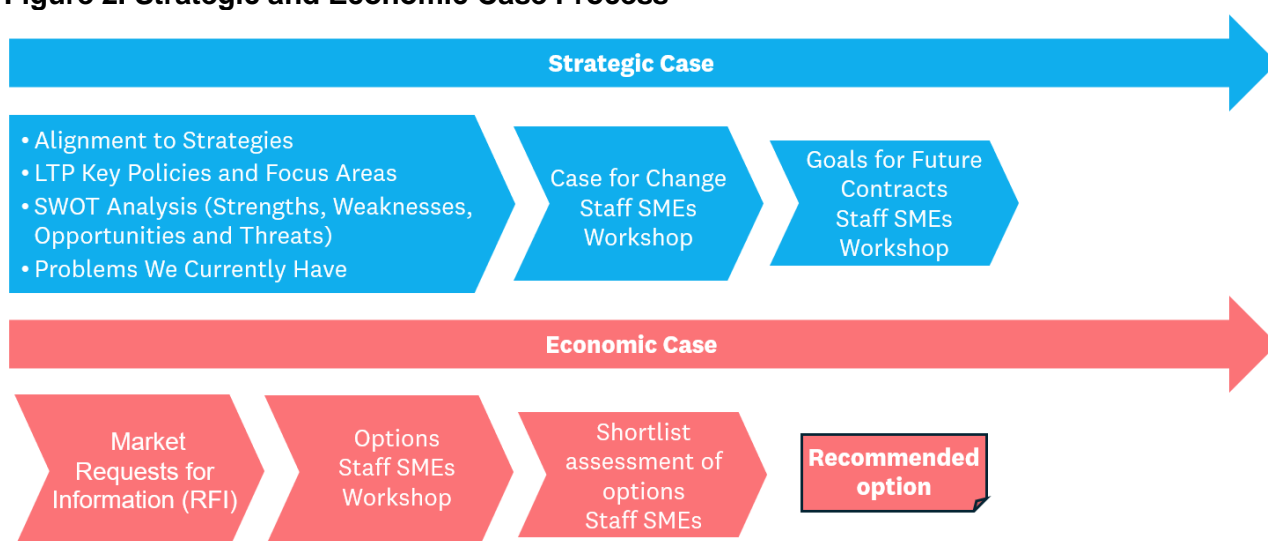
11. The review draws on the Better Business Cases™ framework developed by New Zealand Treasury. The overall stages are shown in the diagram below. Completing the strategic case and options analysis in the economic case helps identify the best initial option that optimises public value. This is a preliminary finding, as elected member engagement, market testing, as well as financial and implementation planning will provide further insights.

Figure 1. Better Business Cases™ Framework



12. The diagram below shows the inputs and staff workshops informing this review process.

Figure 2. Strategic and Economic Case Process



Proposed goals for future contracts

13. The strategic case process has identified areas for improvement in the current contracts and established clear objectives for the future contracts. In order of weighting and focus these are:
- Detailed and integrated asset management plan that supports whole of life service requirements
 - Create seamless fully automated customer experience
 - Strong whole of life outcomes (including recycling and social outcomes considerations)
 - Strong risk mitigation considerations supporting reliability and service continuity (whether NZ or offshore based).

Options analysis – All potential options to initial recommended option

14. The Better Business Cases™ framework helped generate a list of all potential options, ranging from consolidating with the refuse collection services contract to a joint venture with other councils. The analysis considered multiple contractual dimensions, including scope, solution models, delivery models, implementation approaches, and funding structures. The table below outlines these key dimensions, with the actual range of options representing multiple combinations of these dimensions.

Item 8

Dimension	Status Quo	Alternative Options					
Scope (what) Total = 4	Bundled (a) Supply of Refuse and Recycling bins and b) Bin Recall, Retrofitting and Distribution Services	Separate contracts for (a) and (b) Bin storage incorporated - Information system incorporated		Separate contracts for (a) and (b) Bin storage incorporated Services - Bin storage separated - Information systems separated		Direct contracting for heavy duty/large bins for (a) and (b) combinations	
Solution (how) Total = 7	Fully Outsourced (a) and (b)	Insource - (a) Outsource - (b)	Outsource - (a) Insource - (b)	Fully insourced (a & b)	Waste collector (alignment of collections and bin service) - bin manufacture and full maintenance services (a & b)	Setting up co-operative with other councils - (a)	Setting up co-operative with other councils - (b)
Delivery - (who and what) Total = 3	Onshore Manufacturer (a) Subcontracted (b) Mixed (external/internal) storage arrangements	Splitting the region into several contracts for (b)			Multiple contracted manufacturers for (a). Noting there is only one domestic manufacturer		
Implementation Total = 6	Currently replacing bins on failure and installing RFID - reactive New Contracts (both) start 1 July OR extended date	Mass renewals	Delayed Renewals - sweat the assets for e.g. 10 years)	Gradual renewals (condition-based renewals) - proactive	(b) delayed implementation, to finalise information system	(b) starts day 1, information system has a staged implementation	
Funding Total = 3	Rates funded	User pays (the customer owns bin and pays for maintenance)			Cost on charge (Auckland Council owns the bin and the customer pays for maintenance)		

15. Each potential option dimension was evaluated with input from key management and specialists across the organisation, considering pros and cons, as well as cost-benefit aspects. The most viable options were then selected for further evaluation using a multi-criteria analysis.
16. A team of management and specialists conducted a multi-criteria decision analysis to evaluate the 11 most viable potential contractual model dimensions. The criteria were designed to assess how well each option met key objectives and critical delivery factors. Objectives were prioritised and weighted to account for 50 percent of the total score, while the critical delivery factors were equally weighted to make up the remaining 50 percent. Using a table a weighted scoring system was used to generate a performance summary for each option, helping determine whether it should be shortlisted, discarded, or used as a baseline. These estimates are preliminary and have not been tested in the market. They provide an initial framework for differentiating between options, with all details kept confidential to safeguard the council's negotiating position.
17. From the initial long list of options, four bundled options have been shortlisted, with one representing the current arrangements for baseline comparison. A table was used to compare these shortlisted options, evaluating both benefits and costs. Benefits were assessed based on how well each option aligned with the key objectives. Cost components were categorised into three areas: bin renewal program costs, other investment costs, and cost mitigations. These costs were further classified into five levels, ranging from none to very high. These are early indicative estimates not tested with the market and are to give a foundational understanding that allows differentiation between the options. The details are confidential to maintain council's potential negotiating position.

Option assessment findings – Contract arrangements

18. The option analysis for Auckland Council's Supply of Refuse and Recycling Bins and Bin Recall, Retrofitting and Distribution Services contract considered various models, including full outsourcing, co-operative approaches, and insourcing. Highlights of the review found that:
- Full outsourcing: This approach minimises commercial risk by transferring financial and operational uncertainties - such as fluctuating material costs, supply chain disruptions, and manufacturing inefficiencies - to the supplier. It also maximises operational efficiency by leveraging economies of scale and supplier expertise while reducing procurement and administrative burdens on the council.
 - Insourcing: Requires significant investment and resource management. This model is more complex and resource-intensive, with a current lack of business expertise in the area.
 - Co-operative approaches: Co-operative approaches offer some further potential economies of scale, but there is high risk of complex management and governance structures, potentially conflicting priorities and goals, and a current lack of business expertise in the area.
 - Breaking the bin recall, retrofitting and distribution services contract area from regional into multiple contract areas could create opportunities to support locally-based suppliers, reduce carbon footprint, and foster innovation. However, increasing the number of contract areas may also lead to a loss of economies of scale, inconsistencies in service quality, and added administrative complexity.
 - Two separate contracts (one for supply of refuse and recycling bins and another for bin recall, retrofitting and distribution services): Initial analysis indicates that both approaches yield marginally similar outcomes, with a single contract slightly better aligning with some of the council's proposed objectives and less administration complexities.
 - Waste management collector integration: Consolidating bin maintenance within collector's contract area could improve logistical efficiency and reduce the number of relationships managed. However, this approach presents significant financial and administrative challenges. The council currently lacks the necessary systems to support this model, requiring additional investment in infrastructure and process changes. As the waste collection contracts are not up for renewal, implementing this change would require an unplanned contract variation, resulting in higher costs due to the absence of competitive procurement. It would also introduce additional administrative complexity, including increased oversight, approvals, and contract management for a large, high-value agreement. Furthermore, the waste collectors may still subcontract the service, reducing any anticipated efficiency benefits.

Option assessment findings – Approach to bin renewals

19. The option analysis evaluated the current bin renewal approach, which is reactive and based on customer-reported bin failures.
20. Two key provisional factors anticipated to impact costs during the upcoming contract term are aging bin infrastructure and potential changes to refuse collection frequency. If council decides to transition to fortnightly refuse collection, it will influence exchange requests primarily for size adjustments. At the same time, aging bin infrastructure increases the likelihood of faults, placing strain on maintenance operations and overall service reliability. If the fortnightly refuse collection policy decision is delayed it may necessitate the renewal program's earlier implementation, which could lead to costly rework or inefficiencies. To address these challenges a detailed assessment has been initiated to determine the most cost-effective approach to the renewal program. The assessment will be completed following the council decision whether to proceed with fortnightly collection.

Tauākī whakaaweawe āhuarangi Climate impact statement

21. Waste Solutions is preparing for climate change and responding to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, in particular Action area E6: Manage our resources to deliver a zero waste, circular economy. This is supported by Priority Action 9 of the 2018 Waste Management and Minimisation Plan to “Work in partnership with others to achieve a Zero Waste Auckland”.
22. Waste Solutions is committed to ensuring the link between waste reduction and climate change is clear to residents, helping to explain the need for service changes that reduce waste to landfill and create a circular economy.
23. These contracts are scoped to plan for building future waste services resilience. They will consider hazards that come with disasters that can impact the delivery of regular waste services and can create new sources of waste. Auckland is susceptible to a wide variety of hazards and the effects of climate change are likely to worsen the impact of hazard events in the future.
24. Overseas suppliers may show interest in these contracts, which will present both opportunities and challenges in managing environmental impacts, in particular carbon emissions associated with sourcing materials, manufacturing process and transportation. Waste Solutions will look at opportunities to offset the environmental impact of engaging with overseas suppliers and ensure alignment to Te Tāruke-ā-Tāwhiri and broader sustainability goal of contributing to a net-zero carbon future.

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

25. This procurement will not have any significant impacts on other members of the council group. Waste Solutions will consult with the Council Group if any significant impacts are identified.
26. The procurement process and the new contract/s are expected to require collaboration with several departments within the council beyond Waste Solutions, including Communications, Legal, Finance and Customer Services. Waste Solutions will maintain close communication with these departments during development of the new contracts to ensure that they are prepared for any potential impacts.

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

Local impacts

27. The procurement of suppliers for bin manufacturing and maintenance services will generate significant local benefits by supporting Auckland's waste management services and enhancing community resilience. These contracts contribute directly to local outcomes as follows.
 - Ensuring the continued provision of kerbside refuse collections, which supports health and cleanliness across communities and aligns with local expectations for essential public services.
 - Introducing rates-funded charging in areas previously served by pay-as-you-throw systems which will make refuse collection more accessible and equitable. This change is expected to reduce financial strain for households and simplify waste management for residents regionally.
 - Supporting the shift from weekly to a proposed fortnightly rubbish collection if implemented. Fortnightly collection encourages waste minimisation and responsible disposal habits. This aligns with the council's sustainability goals and the values of local communities to reduce their environmental impact.

- Fortnightly recycling collection for wheelie bins for all households reinforcing the commitment to sustainable practices and encouraging residents to participate in recycling, helping to reduce landfill waste and environmental footprint.

Local board views

28. Local Boards have not been directly consulted on this procurement as each contract is an Auckland wide service.
29. Ongoing collaboration with local boards will continue to be a priority for Waste Solutions, ensuring that waste services are responsive to local needs, maintain high standards, and reflect the values and aspirations of Auckland's diverse communities. As opportunity arises, Waste Solutions will look to engage with local boards.

Tauākī whakaaweawe Māori Māori impact statement

30. Waste Solutions acknowledges the high priority that iwi and hapū place on environmental stewardship, a focus consistently raised in submissions to the Waitangi Tribunal. Our approach to procurement and service delivery reflects a commitment to uphold these values by selecting suppliers who can actively contribute to environmental sustainability, aligning with iwi and hapū aspirations for waste reduction and ecosystem health.
31. Suppliers will be required to adopt sustainable practices that minimise environmental impact, reduce waste, and promote circular economy principles. This includes exploring opportunities for bin design and materials that reduce resource consumption and enhance recyclability, supporting the council's commitment to sustainability and the kaitiakitanga (guardianship) role of Māori.
32. Auckland Council staff have engaged with Māori businesses (through direct engagement and in collaboration with Amotai) and kaitiaki of the operational Interim Mana Whenua Engagement Forum to ensure awareness of this procurement opportunity.
33. This procurement was raised at the February 2025 Resilience and Infrastructure Mana Whenua Forum as an opportunity for local suppliers in the Auckland region, primarily for the delivery of supply of bin recall, retrofitting and distribution services.
34. Further details outlining Māori impacts are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting agenda for 18 March 2025.

Ngā ritenga ā-pūtea Financial implications

35. At this early stage of options assessment, we have conducted a preliminary analysis of the various options for the contracts. This initial analysis provides a foundational understanding that allows us to differentiate between the options based on their potential benefits, costs, and risks. While these variations are outlined, they are not yet quantified in monetary terms.
36. A more detailed financial evaluation will be necessary as we progress through the process. This will include a thorough cost-based analysis once the scope of the options has been clarified, and the procurement phase has captured price and cost data from the market.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

37. Key risk and mitigations are outlined in the confidential report to the Revenue, Expenditure, and Value Committee meeting on 18 March 2025.

Ngā koringa ā-muri

Next steps

38. Following the completion of the tender process, shortlisted procurement options will be reviewed to determine the recommended approach, with value for money as a key consideration. Supplier recommendations will be presented to the Revenue, Expenditure, and Value Committee for approval in September 2025.

Item 8

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

Authors	Andrew Morris - Senior Advisor Chantelle Subritzky - Head of Value For Money
Authorisers	Justine Haves - General Manager Waste Solutions Parul Sood - Deputy Director Resilience and Infrastructure Ross Tucker - Group Chief Financial Officer

Procurement plan for supply, maintenance and distribution of refuse and recycling bins

File No.: CP2025/03239

Item 9

Te take mō te pūrongo

Purpose of the report

1. To provide an update on the procurement plan for the supply, maintenance and distribution of refuse and recycling bins.

Whakarāpopototanga matua

Executive summary

2. Waste Solutions manages the region's kerbside refuse, recycling and food scraps services, maintaining supply and renewal of an inventory of over one million bins of various sizes.
3. The current contract for the **Supply of Refuse and Recycling Bins and Bin Recall, Retrofitting and Distribution Services** was approved by the Tenders and Procurement committee in 2015 (TEN/2015/35) and will expire at the end of June 2026.
4. Preliminary soft market engagement with suppliers was completed in November 2024 to inform the procurement strategy.
5. This procurement will bring significant local benefits by supporting waste management and enhancing community resilience. This will be through the continuation of kerbside refuse collections, promoting equitable access to refuse collections through the introduction of rates-funded charging, and supporting a potential shift to fortnightly rubbish collection to encourage waste minimisation.
6. To acknowledge the importance of environmental stewardship through this procurement, there will be a requirement for suppliers to adopt sustainable practices that minimise environmental impacts.
7. More details regarding the procurement plan for this project will be provided in the confidential section of the to the Revenue, Expenditure and Value Committee meeting agenda for 18 March 2025.

Ngā tūtohunga

Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi tīpoka / note the information contained in this report on the supply of refuse and recycling bins and bin recall, retrofitting and distribution services enables transparency on the topic due for discussion in the public excluded part of the meeting.
- b) whakau / confirm that the confidential report and its resolutions remain confidential until reasons for confidentiality no longer exist.

Horopaki

Context

8. Auckland Council is undertaking the procurement of services for the supply of refuse and recycling bins, as well as bin recall, retrofitting and distribution services.
9. Auckland Council Waste Solutions manages the region's kerbside refuse, recycling and food scraps services, maintaining an inventory of over one million bins of various sizes.

10. The Tenders and Procurement committee approved the award of the contract for Supply of Refuse and Recycling Bins and Bin Recall, Retrofitting and Distribution Services for a total value of \$67.67 million to Sulo (N.Z.) Limited (Sulo), for a ten-year period (TEN/2015/35). The contract commenced in 2015 and is set to expire on 30 June 2026 and includes the following services:
- supply of refuse and recycling bins across the Auckland region
 - storage and distribution services
 - bin maintenance services
 - bin recall services.

Value for money review recommendations

11. The value for money review of these contracts draws on the Five Case model of the Better Business Case TM framework from the NZ Treasury due to it being aligned to New Zealand public sector needs. This framework is shown below:

Figure 1. Better Business Cases™ Framework



12. Completing the strategic case and analysing the long and short list of options in the economic case will help identify the best initial option that provides the highest public value.
13. The strategic case identified goals of future contracts by assessing strategic fit, making the case for change, defining scope and identifying benefits and risks.
14. The economic case identified a broad range of potential options and narrowed these down to a shortlist of options that were most likely to maximise public value and these were further assessed.
15. This report expands on the value for money review by providing an approach for standard contract items (not including provisional items) as part of the commercial case.

Supply of refuse and recycling bin service contracts

16. The supply of refuse and recycling bins services will cover the Auckland region for a seven-year contract term from 1 July 2026 to 30 June 2033. The service scope includes the provision of 80 litre, 120 litre, 240 litre, 360 litre, 660 litre, and 1100 litre wheelie bins for both refuse and recycling services across the region. Over the contract term, the estimated quantity of bins required is approximately 1.3 million. This contract scope does not include supply of food scraps bins, which are managed under a separate contract.
17. The supply of bin recall, retrofitting and distribution services cover the Auckland region for a seven-year contract term, from 1 July 2026 to 30 June 2033 for all sizes of refuse, recycling and food scraps bins. This contract term is aligned with the 2024-2034 Long-term plan. The service scope includes:
- Managing customer requests for service (RFS), such as replacing, fixing, exchanging, and repairing bins.
 - Providing distribution services related to bin RFS requests.
 - Provisions of storage for the bins.

18. The proposed procurement scope excludes two provisional items. As explained above the proposed decision to move to a fortnightly collection, if approved will influence bin supply and impact the renewal of bins over the contract period. Renewals supply is dependent on the fortnightly collection decision. These two items will require subsequent approval if implementation details are confirmed (a fortnightly collection decision) to be varied into the contracts:
 - a. **The proposed fortnightly refuse collection:** Staff anticipate customer bin exchange requests, primarily for size adjustments, that will be required to accommodate the new collection frequency if council decides to move to fortnightly refuse collection.
 - b. **The renewal program:** The legacy Auckland City and Manukau City bins are nearing the end of their lifespan (20 years) and will require inspection and potential replacement. Additionally, assessment will be needed on retention or replacement of aged 140 litre bins in legacy North Shore and Waitakere. To achieve best value for money, the renewal program timeline will be determined following a decision on the fortnightly refuse collection. This will reduce the number of aged bin replacements from an increase in bin exchange requests if the fortnightly collection policy is approved. The renewal program will inspect and replace end of life bins not exchanged because of the fortnightly refuse collection policy change to reduce duplication of effort.
19. For council and suppliers to better manage potential increases in requests related to these provisional items, suppliers will be informed during the procurement process. This proactive approach will support resource planning and operational readiness. Informing suppliers in advance and seeking future committee approval, offers several benefits:
 - ensures uninterrupted delivery of business-as-usual services while addressing potential surges in bin replacement and exchange demands
 - facilitates better planning and coordination with the awarded supplier to meet peak demand for supply of refuse and recycling bins
 - provides council with adequate time to test the market for the renewal program to ensure value for money
 - maximises the lifespan of assets to avoid unnecessary replacements, ultimately saving ratepayers money
 - protect council's interests if subsequent negotiations for the provisional items are required.
20. The provisional items will be included as part of the initial procurement scope and retained in the contract to be addressed as possible future variations at Auckland Councils discretion, dependent on the fortnightly collection policy decision. Council will not financially commit to these provisional items now because:
 - A detailed assessment has been initiated to determine the most cost-effective and justifiable approach to the renewal program. Approval to undertake a fortnightly trial following detailed assessment from the trial community consultation will be sought from committee in late 2025. Should approval be granted, the fortnightly trial will be conducted in 2026 with the assessment completed shortly after. On completion of the detailed assessment, a committee decision will be made as whether to commence regional fortnightly refuse collection.
 - If the fortnightly refuse collection policy is implemented, there is potential impact on volume of bin exchanges and the renewal program.
 - Both provisional items are scheduled for implementation between 2027 and 2031, with the fortnightly collection change anticipated to occur first if approved. Noting if the fortnightly refuse collection policy decision is delayed it may necessitate the renewal program's earlier implementation, which could lead to costly rework or inefficiencies.

Tātaritanga me ngā tohutohu Analysis and advice

21. Procurement options and recommendations are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting agenda for 18 March 2025.

Tauākī whakaaweawe āhuarangi Climate impact statement

22. Waste Solutions is preparing for climate change and responding to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, in particular Action area E6: Manage our resources to deliver a zero waste, circular economy. This is supported by Priority Action 9 of the 2018 Waste Management and Minimisation Plan to "Work in partnership with others to achieve a Zero Waste Auckland".
23. Waste Solutions is committed to ensuring the link between waste reduction and climate change is clear to residents, helping to explain the need for service changes that reduce waste to landfill and create a circular economy.
24. These contracts are scoped to plan for building future waste services resilience. They will consider hazards that come with disasters that can impact the delivery of regular waste services and can create new sources of waste. Auckland is susceptible to a wide variety of hazards and the effects of climate change are likely to worsen the impact of hazard events in the future.
25. Overseas suppliers may show interest in these contracts, which will present both opportunities and challenges in managing environmental impacts, in particular carbon emissions associated with sourcing materials, manufacturing process and transportation. Waste Solutions will look at opportunities to offset the environmental impact of engaging with overseas suppliers and ensure alignment to Te Tāruke-ā-Tāwhiri and broader sustainability goal of contributing to a net-zero carbon future.

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

26. This procurement will not have any significant impacts on other members of the council group. Waste Solutions will consult with the Council Group if any significant impacts are identified.
27. The procurement process and the new contract/s are expected to require collaboration with several departments within the council beyond Waste Solutions, including Communications, Legal, Finance and Customer Services. Waste Solutions will maintain close communication with these departments during development of the new contracts to ensure that they are prepared for any potential impacts.

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

Local impacts

28. The procurement of suppliers for bin manufacturing and maintenance services will generate significant local benefits by supporting Auckland's waste management services and enhancing community resilience. These contracts contribute directly to local outcomes as follows.
 - Ensuring the continued provision of kerbside refuse collections, which supports health and cleanliness across communities and aligns with local expectations for essential public services.

- Introducing rates-funded charging in areas previously served by pay-as-you-throw systems which will make refuse collection more accessible and equitable. This change is expected to reduce financial strain for households and simplify waste management for residents regionally.
- Supporting the shift from weekly to a proposed fortnightly rubbish collection if implemented. Fortnightly collection encourages waste minimisation and responsible disposal habits. This aligns with the council's sustainability goals and the values of local communities to reduce their environmental impact.
- Fortnightly recycling collection for wheelie bins for all households reinforcing the commitment to sustainable practices and encouraging residents to participate in recycling, helping to reduce landfill waste and environmental footprint.

Local board views

29. Local Boards have not been directly consulted on this procurement as each contract is an Auckland wide service.
30. Ongoing collaboration with local boards will continue to be a priority for Waste Solutions, ensuring that waste services are responsive to local needs, maintain high standards, and reflect the values and aspirations of Auckland's diverse communities. As opportunity arises, Waste Solutions will look to engage with local boards.

Tauākī whakaaweawe Māori Māori impact statement

31. Waste Solutions acknowledges the high priority that iwi and hapū place on environmental stewardship, a focus consistently raised in submissions to the Waitangi Tribunal. Our approach to procurement and service delivery reflects a commitment to uphold these values by selecting suppliers who can actively contribute to environmental sustainability, aligning with iwi and hapū aspirations for waste reduction and ecosystem health.
32. Suppliers will be required to adopt sustainable practices that minimise environmental impact, reduce waste, and promote circular economy principles. This includes exploring opportunities for bin design and materials that reduce resource consumption and enhance recyclability, supporting the council's commitment to sustainability and the kaitiakitanga (guardianship) role of Māori.
33. Auckland Council staff have engaged with Māori businesses (through direct engagement and in collaboration with Amotai) and kaitiaki of the operational Interim Mana Whenua Engagement Forum to ensure awareness of this procurement opportunity.
34. This procurement was raised at the February 2025 Resilience and Infrastructure Mana Whenua Forum as an opportunity for local suppliers in the Auckland region, primarily for the delivery of supply of bin recall, retrofitting and distribution services.
35. Further details outlining Māori impacts are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting agenda for 18 March 2025.

Ngā ritenga ā-pūtea Financial implications

36. Financial implications are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting for 18 March 2025.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

37. Risk and mitigations are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting for 18 March 2025.

Ngā koringa ā-muri

Next steps

38. Next steps are outlined in the confidential report to the Revenue, Expenditure and Value Committee meeting agenda for 18 March 2025.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

Authors	Justine Haves – General Manager Waste Solutions. Anthony Chaney – Waste Customer & Operations Manager (Area 1-4) Paula Nicolini – Procurement Manager
Authorisers	Parul Sood - Deputy Director Resilience and Infrastructure Ross Tucker - Group Chief Financial Officer

Supplier recommendation for regional small waters and wastewater systems operations and maintenance contracts

File No.: CP2025/03238

Item 10

Te take mō te pūrongo

Purpose of the report

1. To provide an update on the procurement of small waters and wastewater systems operation and maintenance contracts.

Whakarāpopototanga matua

Executive summary

2. Healthy Waters and Flood Resilience is responsible for the maintenance of the council's water and wastewater assets in regional parks, local parks and reserves. This also includes responsibility for Eke Panuku property where assets are not connected to the public water and wastewater network managed by Watercare.
3. These maintenance services are carried out through two small waters and wastewater operations and maintenance contracts (small waters), one for the north / west area and one for central / south. These contracts were approved under delegated authority in June 2017 for four years by the Chief Executive at the time, Stephen Town. The contract renewal terms included two periods of two years, eight years in total. The contracts will end their contract term, including renewals on the 30 June 2025.
4. The new contracts will improve Healthy Waters and Flood Resilience level of service, ensure legislative and regulatory compliance and mitigate risks around public health and environmental impacts. A procurement plan was approved by the Revenue, Expenditure and Value Committee on 18 June 2024 to replace the current small waters contracts (Resolution number ECPC/2024/17) and a procurement process began soon after.
5. The small waters contracts for this procurement are divided into contract areas for the north, west, central and south areas, including regional sampling and laboratory testing services.
6. All new contracts will commence on 1 July 2025, subject to committee approval, and will expire on 30 June 2029 in their 4-year initial term. The contracts can be renewed for two plus two years at the sole discretion of Auckland Council (under delegation to the Chief Executive) based on performance of the contractors.
7. Further detail on the procurement of the contracts is provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Ngā tūtohunga

Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi tīpoka / note the information contained in this report, on the small waters and wastewater systems operation and maintenance contracts, enables transparency on the topic due for discussion in the public excluded part of the meeting
- b) tuhi tīpoka / note that the confidential report contains information that could prejudice the council's commercial position with suppliers and commercially confidential information for suppliers.

Horopaki Context

8. Healthy Waters and Flood Resilience is responsible for the maintenance of council's water and wastewater assets in regional parks, local parks and reserves. This includes responsibility for Eke Panuku property where assets are not connected to the public water and wastewater network managed by Watercare.
9. These maintenance services are carried out through two small waters and wastewater operations and maintenance contracts (small waters), one for the north / west area and one for central / south. These contracts were approved under delegated authority in June 2017 for four years by the Chief Executive at the time, Stephen Town. The contract renewal terms included two periods of two years, eight years in total. The contracts will end their contract term, including renewals on the 30 June 2025.

Procuring new small waters and wastewater systems operations and maintenance contracts

10. In June 2024 the Revenue, Expenditure and Value Committee approved a procurement plan that outlined the process for procuring new small waters and wastewater systems operations and maintenance contracts (small waters) for up to eight years (Resolution number ECPCC/2024/179).
11. The plan outlined a staged procurement process to identify suppliers, starting with an open request for expression of interest (stage one), followed by a request for proposal (stage two).
12. The procurement process (involving a request for expression of interest followed by a request for proposal) ran from July to November 2024, with negotiations taking place between December 2024 and February 2025.
13. Further context will be provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Tātaritanga me ngā tohutohu Analysis and advice

14. Analysis and advice regarding the procurement is provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Tauākī whakaaweawe āhuarangi Climate impact statement

15. Operations and maintenance of small water supply and wastewater systems will assist with resilience to the impacts of climate change by ensuring that Aucklanders have continuous access to safe drinking water and wastewater. Provision of reactive maintenance in the contracts will allow for response to the challenges of the increased frequency and intensity of weather events caused by climate change.
16. During negotiations staff discussed and clarified with the suppliers on how they will plan for and commit to reducing their carbon emissions, including using more efficient vehicles as well as other low carbon footprint technology and equipment.
17. The small waters contracts also contribute to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by maintaining more resilient potable freshwater sites across Tāmaki Makaurau. Most of small waters sites have been upgraded and maintained to supply drinking water to World Health Organisation's limits (20 litres per person per day) during extreme drought period experienced by rural communities.

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

18. The procurement of small water and wastewater operations and maintenance services will not impact Auckland Transport. If any works require road closure or traffic management this will be undertaken following Auckland Transport's traffic control requirements.
19. Watercare are not impacted by the small waters contract but do deliver the sampling and laboratory testing services in some of the current contract areas for the incumbent suppliers.
20. A small proportion of the assets being maintained are owned by Eke Panuku (less than six per cent of total contract assets). Healthy Waters and Flood Resilience have ensured that Eke Panuku's assets and maintenance requirements are accurately prescribed within the procurement.
21. Probity was involved at all stages of the evaluation and negotiations. Legal services as well as Resilience and Insurance Services provided advice on contractual items during the negotiation period.

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

22. Healthy Waters and Flood Resilience will continue regularly engaging with local boards on the operational delivery and management of small waters and wastewater system.
23. These assets support local communities in response to emergencies. The potable water sites on the west coast of Auckland were an essential freshwater provision following the 2023 storm events and supported communities with water for drinking and cooking due to the long power outages.
24. Regulatory changes from the Water Services Authority / Taumuata Arowai are in effect and are implemented in current delivery of services by the incumbent contractors. No new methodology is needed to be factored into the new contracts to comply.

Tauākī whakaaweawe Māori Māori impact statement

25. Mana whenua have not been consulted on during the procurement process, as there are no changes in the level of service from what is currently being delivered. Healthy Waters and Flood Resilience do engage with mana whenua on project-by-project basis when there are changes to site services or for upgrade projects.
26. Further details on Māori impact are provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Ngā ritenga ā-pūtea Financial implications

27. Details regarding financial implications for the small waters and wastewater systems operation and maintenance contracts are provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

28. Details regarding risks and mitigations are provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Ngā koringa ā-muri

Next steps

29. Next steps for the procurement of the contracts are provided in the confidential section of the 18 March 2025 Revenue Expenditure and Value Committee meeting agenda.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

Authors	Craig Mcilroy - General Manager Healthy Waters and Flood Resilience Vivian Dias - Head of Capital Procurement Jayesh Solanki - Manager Regional Operations
Authorisers	Barry Potter - Director Resilience and Infrastructure Ross Tucker - Group Chief Financial Officer

Better Value Projects update

File No.: CP2025/02568

Te take mō te pūrongo

Purpose of the report

1. To update the Revenue, Expenditure and Value Committee on the Better Value Projects programme's progress to implement the ten delivery principles and present case studies of three capital projects to inform improvements.

Whakarāpopototanga matua

Executive summary

2. The Better Value Projects programme responds to a call for change in how the council group procures and effectively spends ratepayers' money on capital projects.
3. To focus the programme, it has been structured around ten delivery principles that that will make the biggest difference to improving in this area.
4. Buy in and culture change at all levels of the council organisation and group, and particularly by those staff directly involved in delivering capital projects will be key to the programme's success. Communications, clearer processes and training have commenced to ensure the ten principles are being considered in our day-to-day work.
5. A business lead and programme manager for the Better Value Projects programme have been appointed and a cross-council team established. Short, medium and long-term initiatives have been identified and our next report will provide a more detailed programme plan.
6. Short-term initiatives include identifying key standard designs that can be adopted as a model for other projects, targeted use of maximum prices, and strengthening problem definition and value assessment throughout projects among other initiatives.
7. We need to make sure that the improvements are practical and informed by lessons from real world case studies. This month the committee will hear case studies on the Milford Beach steps, Jubilee Bridge replacement (Panmure) and Meola Rd project (Point Chevalier / Westmere).
8. Further engagement with staff, local boards, council-controlled organisations (CCOs) and mana whenua will be required as the Better Value Projects Programme progresses.

Ngā tūtohunga

Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi tīpoka / note the progress update on the Better Value Projects programme including the analysis of the following case studies which will inform the implementation of improvements as part of the programme:
 - i) Milford Beach steps - replacement of four sets of concrete steps to access Milford Beach walkway (Attachments A-B)
 - ii) Jubilee Bridge - replacement walking / cycling bridge on the Panmure Basin (Attachments C-D)
 - iii) Meola Road upgrade - Point Chevalier to Westmere improvements (Auckland Transport) (Attachment E).

Horopaki Context

9. On 18 February 2025, staff presented the scope of activity underway as part of the programme established by the Auckland Council Chief Executive to drive improvements in procurement and effective spending. The Better Value Projects programme responds to direction in the Mayoral Proposal for the Annual Budget 2025/2026 which identified how Auckland Council procures and effectively spends ratepayers' money (particularly on capital projects) as an area where changes are needed.
10. The report outlined ten delivery principles that will make the biggest difference to improving the value that Aucklanders receive from the council procuring and delivering capital projects:
 - 1) Early problem definition and robust value assessment – *are we solving the right problem?*
 - 2) Rightsizing our investment - *are we investing the right amount?*
 - 3) Increase use of standard designs - *can we use standardised designs?*
 - 4) Setting maximum prices - *have we set cost limits?*
 - 5) Factor in past supplier performance - *are we choosing the best suppliers?*
 - 6) Focus on local suppliers - *are we leveraging local suppliers?*
 - 7) Streamline processes and remove barriers - *can we simplify processes and remove barriers?*
 - 8) Manage consultation and consultancy carefully - *are we managing consultation and consultancy costs?*
 - 9) Independent assessment - *have we independently reviewed the project?*
 - 10) Continuous value assessment - *are we still getting value at every stage?*
11. To focus the programme, it has been structured around these ten delivery principles. The report noted that there will not be a one size fits all approach and further work will be undertaken to validate each principle and then design and implement the process changes that will make the biggest impact.
12. We need to make sure that the improvements are practical and informed by lessons from real world case studies. These case studies will identify the issues, root causes, lessons that can be applied / addressed and any recommended improvements for implementation as part of the Better Value Projects programme.

Tātaritanga me ngā tohutohu Analysis and advice

We are ensuring our organisation is clear on the desire for improved outcomes through the Better Value Projects programme.

13. To achieve this, we are planning a series of communications, clearer processes and training. Communication to Kāhui Rangatira (Tier 2 and 3 council leaders) and to key delivery teams has already begun to ensure that the value of spend on capital projects and the ten principles are being considered in our day-to-day work.
14. Buy in and culture change at all levels of the council organisation and group, and particularly by those staff directly involved in delivering capital projects will be key to the programme's success.
15. We have commenced engaging with the CCOs on the Better Value Projects programme and this will be a focus for what we do next as the programme progresses as well as engagement with local boards and mana whenua.

We have progressed the Case Study initiative.

16. We are actively identifying a pipeline of appropriate case study scenarios to analyse and report to the committee.
17. Case studies being presented this month are:
 - Milford Beach Steps - replacement of four sets of concrete steps to access Milford Beach walkway (Attachments A-B)
 - Jubilee Bridge - replacement of existing Panmure Basin walking / cycling bridge (Attachments C-D)
 - Meola Road upgrade - Point Chevalier to Westmere improvements (Auckland Transport) (Attachment E).
18. Lessons from these projects will be prioritised for progressing and embedding in our capital delivery process. Some lessons will have a more immediate impact or will be more practical to implement.
19. For example, a key lesson from the Milford Steps project is that it would have benefitted from an early problem definition discussion which included a robust value assessment and setting a maximum price. Instead, early design and option considerations for this project defaulted to a 'like for like' renewal approach without reference to an acceptable level of spend and a low-risk appetite led to minimum viable design alternatives such as precast or prefabricated steps not being considered.
20. The Milford Steps case study has already resulted in tangible changes such as six coastal renewal projects being moved from Tier 1 consultants to smaller and more local providers, better suited to deliver the council's requirements and aligning with principle 6. The Milford Steps case study also identifies improvement actions in the process space around things like early problem definition and gateway reviews which will benefit future projects.
21. We will continue to report to the committee with a variety of case studies, including in-progress projects that demonstrate the application of the ten delivery principles and any resulting outcomes.

We have investigated and identified initiatives to aid in the progression and embedding of the ten Better Value Projects principles.

22. Some initiatives are currently considered short term quick wins which we will progress alongside medium-term initiatives in the next six months. The remaining initiatives are anticipated to be longer term and require more scoping. If we can progress these faster, we will. We expect this to be a dynamic list, as we learn more, we will likely add other initiatives, and potentially remove some if they don't prove practical.
23. We have appointed a business lead and programme manager for the Better Value Projects programme and established a cross-council team to ensure we progress at pace with these initiatives to achieve the programme outcomes. We also have key representatives from each of our delivery areas to ensure we cater for the nature of their projects, and that they are well informed and are contributing to and have buy-in to the improved practices.
24. Future reports to the committee will set out the programme plan and provide more detail on the anticipated timing and steps required to pursue the ten principles.

We are actively focusing on the short-term initiatives

25. These short-term initiatives include:
 - a) Progressing a review of our most commonly procured capital projects and identifying key standard designs (principle 3) that can be adopted as a model for other projects.

- b) Adding guidance to procurement material used for contractor engagement and Request for Proposals to allow for a targeted use of maximum prices (principle 4) in appropriate cases to trial the benefits of this approach. The inclusion of wording to promote challenge to suppliers to include value for money elements / options in their proposals / tenders is also being considered including elements that: provide further savings for the council group; save time or enable earlier completion without compromising the deliverable or outcome (principle 2); provide a more sustainable solution or a non-build solution that meets the same outcome as an intended built-proposal (principle 1).
- c) Strengthening our existing delivery process to require projects to give consideration, where relevant, to the ten delivery principles at appropriate steps throughout the life of a project.
- d) Strengthening the existing gating process where projects over \$1 million value are reviewed (and spot-checking projects of less than \$1 million value) for quality at appropriate stages by the Enterprise Portfolio Management Office (EPMO) and Financial Advisory to ensure projects are giving consideration to the ten delivery principles and their components. This independent check (principle 9) will give our business owners confidence as well as the public and elected members that projects are ready to progress to the next stage. We will continue to evolve this as new lessons come to light.
- e) Embedding lessons from case studies into our processes as each case study is reviewed. Also taking lessons from our projects at completion, ensuring these are appropriately triaged and prioritised. This will make it easier for project managers to review lessons as their projects start and progress, and that our delivery framework is continuously updated as new lessons are identified.
- f) Ensuring that we have clear problem statements (principle 1), with several options including non-built, and that an initial value assessment is completed before substantial design is undertaken (principle 10).
- g) Putting more focus on business cases to ensure we have clear outcomes identified, with clear alternative options proposed with whole of life costs defined.
- h) Strengthening our existing review process to ensure quality and compliance with our good practice, and appropriate levels of review based on the scale and complexity of each initiative (principles 9 and 10).

Tauākī whakaaweawe āhuarangi Climate impact statement

- 26. Throughout its lifecycle, capital infrastructure is a significant contributor to greenhouse gas (GHG) emissions in Tāmaki Makaurau. Infrastructure has an important role to play in the transition to net-zero emissions by 2050, particularly when we consider the whole-of-life GHG emissions of infrastructure assets.
- 27. The council's goals around emissions reduction are beginning to influence all our infrastructure investment decisions. For example, reducing greenhouse gas emissions is a criterion in the Investment Impact Assessment (IIA) process that informs the development of the long-term plan and annual budgets.
- 28. Emission reduction also has been weighted highly in the investment scenarios that have informed the council budget decisions since 2022 and is becoming a priority within the council business case development. It is also part of the sustainable procurement framework, and the procurement policies of council-controlled organisations.
- 29. Improvements progressed as part of the Better Value Projects programme will need to ensure that emission reductions and climate impacts are considered.

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

30. All council group entities (excluding the Auckland Future Fund) currently deliver capital projects. While the initial focus of the Better Value Projects programme is on the council organisation, any improvements and lessons will be shared with or informed by the CCOs as well as inform the implementation of the CCO reform programme and group shared services.
31. In addition, we will use group mechanisms such as the to-be-developed Group Procurement Strategy and policies and projects where both Auckland Council and CCOs contribute to the overall project deliverable to implement better value across the council group.
32. Council staff have commenced engaging with the relevant CCOs on the Better Value Projects programme.
33. In addition, Auckland Transport will present a case study on the Meola Road Project to this meeting and have considered the ten delivery principles in analysing the lessons learned from that project.

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

34. Local boards commission a significant capex programme. Spending and delivery to support local board programmes are included in the Better Value Projects initiative as we need to ensure that all our capital expenditure is sensible and justifiable. We need to ensure that improvements we take forward recognise the variables relating to who the decision-maker is.
35. One of the ten delivery principles that is key to the Better Value Projects programme is the use of smaller local providers which has been strongly advocated for by local boards.
36. Engagement with local boards will be a key part of the Better Value Projects programme as it progresses.

Tauākī whakaaweawe Māori Māori impact statement

37. Mana whenua have described¹ council's current relationship model as transactional with a focus on delivering projects and programmes of work rather than building strong relationships with Māori. Council continues to work with mana whenua to ensure efficient and meaningful engagement that leads to projects that have benefits for both mana whenua and the wider community including value for money.
38. When mana whenua are involved in project design from the outset, it creates a number of benefits including agreed standardised designs, designs that are sensitive to the cultural landscape and in some instances opportunities for Māori and local businesses through our procurement processes. However, meeting our obligations to mana whenua can in some instances have time and cost implications for project delivery.
39. Any proposed changes to procurement and delivery processes will need to carefully consider this dimension as they are developed. It is likely that for the council to improve both value for money outcomes and outcomes for Māori, high-quality engagement with mana whenua early in the project scoping and problem definition phase will be critical.
40. Principle 6 and the focus on local suppliers provides an opportunity to achieve Māori outcomes through the use of diverse suppliers and supplier diversity initiatives such as the Amotai.

¹ He Waka Kōtuia – Te Tiriti o Waitangi Audit, June 2024

Ngā ritenga ā-pūtea Financial implications

41. Improvement of our procurement and capital delivery processes is expected to result in improved value for money for Auckland ratepayers. Reducing the number and size of capital project costs overruns will also reduce financial risk and help improve the council's financial resilience.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

42. Key risks and mitigations for the Better Value Projects programme include:

Risk	Mitigation
Lack of resource, focus or appropriate direction / oversight to implement meaningful change.	The programme is supported by a dedicated business lead and programme manager, a cross-council project team, a steering group of relevant senior managers and executives, direct oversight by the Group Chief Financial Officer and regular reporting to the Revenue Expenditure and Value Committee.
Implementation of significant changes to how we procure and deliver capital projects could cause disruption that slows down inflight projects, increase costs due to delays and / or negatively impact the delivery of projects that are important to Aucklanders.	The programme will apply careful change management and the use of pilot initiatives in instances where immediate system change might create too much disruption.
Implementation of 'one-size-fits-all' approaches negatively impact the procurement and / or project delivery of certain asset classes.	The programme recognises that each asset class portfolio has its own complexities, cost drivers, risks and challenges that may require a more targeted approach to achieve desired improvements within this programme. This will be considered through careful programme design, testing and validation informed by subject matter experts from across the business.
Some system changes such as bringing capability in-house that is currently outsourced or changing how some procurement and project related functions are currently delivered could require organisation change.	Any such organisational changes would be carefully change managed in consultation with relevant staff. The programme does not envisage large structural changes.

Ngā koringa ā-muri Next steps

43. Next steps for the programme include:
- progressing further case studies to share lessons and get feedback
 - preparing a more complete plan of initiatives to deliver against the ten principles and presenting a programme of work to the committee
 - ensuring the importance of better value project delivery is understood across the council group
 - completion of the short-term initiatives.
44. Ongoing updates on progress with the Better Value Projects programme will be provided to the Revenue, Expenditure and Value Committee. These will continue to include analysis of case studies on individual projects where there are lessons for improving project delivery outcomes.
45. Future meetings will also report on progress with particular activities and process changes arising from the programme.

Ngā tāpirihanga Attachments

No.	Title	Page
A⇒	Milford Steps case study	
B⇒	Presentation - Milford Steps case study	
C⇒	Jubilee Bridge case study	
D⇒	Presentation - Jubilee Bridge case study	
E⇒	Meola Road Project case study and presentation	

Ngā kaihaina Signatories

Authors	Kerri Foote - Investment Area Lead, Well-managed Local Government Mike Lichtwark - Executive Officer, Group Finance Malcolm Savage – Head of EPMO
Authoriser	Ross Tucker - Group Chief Financial Officer

Status Update on Action Decisions from Revenue, Expenditure and Value Committee – 18 February 2025

File No.: CP2025/04026

Item 12

Te take mō te pūrongo Purpose of the report

1. To update the committee on action decisions made at the last meeting.

Whakarāpopototanga matua Executive summary

2. The information provided below is a status update on action decisions only that were made at the Revenue, Expenditure and Value Committee meeting on 18 February 2025:

Resolution Number	Item	Status
ECPC/2025/4	Section 17A review update and approval of Terms of Reference	The Waste (Bins Manufacturing and Maintenance) review has been completed and is being reported to the committee this month. The Stormwater contracts review is currently underway.
ECPC/2025/7	Group Shared Services update	Processes are being developed to enable the committee's request.
ECPC/2025/10	CONFIDENTIAL: Update to Pools and Leisure contract negotiations	Staff have progressed the committee's resolutions

Ngā tūtohunga Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi tīpoka / note the status of decisions made at the 18 February 2025 meeting.

Ngā tāpirihanga Attachments

There are no attachments for this report.

Ngā kaihaina Signatories

Authors	Phoebe Chiquet-Kaan - Governance Advisor Mike Lichtwark - Executive Officer, Group Finance
Authoriser	Ross Tucker - Group Chief Financial Officer

Summary of Revenue, Expenditure and Value Committee information memoranda and briefings (including the forward work programme) - 18 March 2025

File No.: CP2025/02409

Item 13

Te take mō te pūrongo

Purpose of the report

1. To note the progress on the Revenue, Expenditure and Value 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 Revenue, Expenditure and Value Committee.

Whakarāpopototanga matua

Executive summary

3. This is a regular information-only report which aims to provide greater visibility of information circulated to Revenue, Expenditure and Value Committee members via memoranda / briefings or other means, where no decisions are required.
4. There were no workshops held and no memos or information items have been distributed.
5. This document can be found on the Auckland Council website, at the following link:
<http://infocouncil.aucklandcouncil.govt.nz/>
 - at the top left of the page, select meeting / Te hui “Performance and Appointments Committee” from the drop-down tab and click “View”;
 - under ‘Attachments’, select either the HTML or PDF version of the document entitled ‘Extra Attachments’.
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 Revenue, Expenditure and Value Committee:

- a) whiwhi / receive the Summary of Revenue, Expenditure and Value Committee information memoranda and briefings (including the forward work programme) - 18 March 2025 report.
- b) tuhi tīpkoa / note the progress on the 2025 forward work programme appended as Attachment A of the agenda report.

Ngā tāpirihanga Attachments

No.	Title	Page
A⇒	Revenue, Expenditure and Value Committee Forward Work Programme - 18 March 2025	

Ngā kaihaina Signatories

Author	Phoebe Chiquet-Kaan - Governance Advisor
Authoriser	Ross Tucker - Group Chief Financial Officer

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

That the **Revenue, Expenditure and Value Committee**

- a) whakaae / agree to 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: Supply, maintenance and distribution of refuse and recycling bins contracts: Further options analysis pre-procurement**

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 information that could prejudice the council's position 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.

C2 **CONFIDENTIAL: Procurement plan for supply, maintenance and distribution of refuse and recycling bins**

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 commercially sensitive information.	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.

C3 CONFIDENTIAL: Supplier recommendation for regional small waters and waste water systems

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 commercially sensitive information.	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.

C4 CONFIDENTIAL: Insurance Renewal Update 2025-2026

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 details of the proposed insurance strategy, policies and programme for which terms and costings are being negotiated with the insurance market	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.

C5 CONFIDENTIAL: Building Consents Department Service and Financial Performance review

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 the report contains a presentation of the service and financial performance of the building consents department including trends, costs, opportunities and pressures and the service and performance reviews programme have been conducted in confidential to allow a free and frank discussion of the risks and opportunities in relation to that service and financial performance	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.