

Date: Tuesday, 25 March 2025
Time: 10.30am
Meeting Room: Groundfloor Boardroom,
Venue: Auckland Town Hall,
301-305 Queen Street, Auckland

Waitematā Local Board Workshop

OPEN AGENDA

MEMBERSHIP

Chairperson	Genevieve Sage
Deputy Chairperson	Greg Moyle, (JP, ED)
Members	Alexandra Bonham
	Allan Matson
	Richard Northey, (ONZM)
	Anahera Rawiri
	Sarah Trotman, (ONZM)

(Quorum 4 members)

Katherine Kang
Democracy Advisor

21 March 2025

Contact Telephone:
Email: Katherine.kang@aucklandcouncil.govt.nz
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This workshop will be held in-person and via Microsoft TEAMS. Please use the following link to join the meeting via Microsoft TEAMS: [Join the meeting now](#)

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Karakia

Whakataka te hau ki te uru.

The wind blows from the west.

Whakataka te hau ki te tonga.

The wind blows from the south.

Kia mākinakina ki uta.

It pierces the land with its wintry nip.

Kia mātaratara ki tai.

And slices the sea with its freezing chill.

Kia hī ake ana te atakura

When the red dawn breaks

he tio, he huka, he hauhū.

there is ice, snow and frost.

tihei mauri ora!

indeed, there is life

1 Ngā Tamōtanga | Apologies

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

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

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

Local Board Workshop

File No.: CP2025/04878

Te take mō te pūrongo Purpose of the report

1. To present the Waitemata Local Board workshop agenda for 25 March 2025.

Whakarāpopototanga matua Executive summary

The following will be board specific:

2. Most workshops are open to the public to attend as observers in person or online.
3. Some sessions may not be open to the public. The staff / chairperson and deputy chairperson decide which sessions are open to the public, depending on the sensitivity of the information being discussed. If a session is not open, a reason will be provided below.
4. The public can observe the workshop on via MS Teams. The link can be found on the front page of the agenda.
5. Local Board workshops provide an opportunity for local boards to carry out their governance role in the following areas:
 - a) Accountability to the public
 - b) Engagement
 - c) Input to regional decision-making
 - d) Keeping informed
 - e) Local initiative / preparing for specific decisions
 - f) Oversight and monitoring
 - g) Setting direction / priorities / budget.
6. Workshops do not have decision-making authority.
7. Workshops are used to canvass issues, prepare local board members for upcoming decisions and to enable discussion between elected members and staff.
8. Members are respectfully reminded of their Code of Conduct obligations with respect to conflicts of interest and confidentiality.
9. The following will be covered in the workshop:

Item 1 – 10.10am – 11.10am	
CLOSED Workshop Item	
Item 2 – 11.10am – 12.10pm	
Parks and Community Facilities	
Presenter/s:	Jennifer Rose, Matt Scott, Sarah Jones, Jennifer Rose
Purpose:	Item 1: Contractor performance review: the Parks and Community Facilities staff will provide the board a review on the contractor performance. Item 2: Te Ara Hura – P27 Full Facilities Contracts: staff to provide the board a briefing on the Te Ara Hura, 2027 PCF maintenance contracts programme, and to seek feedback on

	<p>service aspects that matter most to each community and focus areas for local priority.</p> <p>Governance role: Local initiatives and keeping informed</p> <p>Proposed Outcome/s: The Board will be updated on the Te Ara Hura, 2027 PCF maintenance contracts programme. The board will also be provided with a contractor performance review.</p> <p>Attachment/s: Attachment A - PCF workshop runsheet Attachment B - PCF Contractor Performance Update Attachment C - Te Ara Hura Political Report Attachment D - Te Ara Hura Memo Attachment E - Te Ara Hura presentation</p>
<p>12.10pm – 1.10pm Break</p>	
<p>Item 3 – 1.10pm – 2.10pm</p>	
<p>Auckland Transport – Corridor Plans</p> <p>Presenter/s: Miguel Menezes - Technical Lead - Network Optimisation, Anita Lin - Anita Lin, Alex Elton-Farr - Local Board EMRP</p> <p>Purpose: Auckland Transport staff to update the board about the 'Corridor Plans.' A corridor plan is a long-term plan for optimisation of a key arterial route. AT is keen to inform local boards about these plans before AT engages with the wider community.</p> <p>Governance role: Local initiatives and keeping informed</p> <p>Proposed Outcome/s: The board is aware of and understand corridor plans in their areas before AT starts wider engagement. This advice also provides the board with information to inform their feedback later in the process (after public engagement) when AT engages with the board at consult level of engagement.</p> <p>Attachment/s: Attachment F - Auckland Transport Corridor Plans presentation</p>	
<p>Item 4 – 2.10pm – 2.40pm</p>	
<p>254 Ponsonby Road opening day discussion</p> <p>Presenter/s: Bill Jackson - Senior Project Manager, Anthea Holmes - Senior Event Organiser</p> <p>Purpose: Staff to provide the board a verbal update on the opening day for the 254 Ponsonby Road project. Noting that the opening is in the early planning stages. This will be a closed session as the discussion may involve commercial sensitivity issues.</p> <p>Governance role: Local initiatives</p>	

Proposed Outcome/s: The board would be able to provide feedback on the planning for the 254 Ponsonby Road opening day.	
2.40pm – 2.50pm	
Break	
Item 5 – 2.50pm – 3.50pm	
Work Programme 24/25 – Leases Items	
Presenter/s:	Tsz Ning Chung - Community Lease Specialist
Purpose:	The Community Lease Specialist will provide the board an update on the lease items for work programme 2024/2025. The following leases will be discussed – Kelmarna Community Garden Trust, 192 Parnell Road, Italian Society at Freemans Bay Community Centre and Herne Bay Petangque Club Inc. Staff and the board will also discuss other leasing matters.
Governance role:	Local initiatives and keeping informed
Proposed Outcome/s:	The board is aware of and understand corridor plans in their areas before AT starts wider engagement. This advice also provides the board with information to inform their feedback later in the process (after public engagement) when AT engages with the board at consult level of engagement.
Attachment/s:	Attachment G – Leasing remaining leases workshop
Item 6 – 3.50pm – 4.50pm	
CLOSED Workshop Item	

Ngā tāpirihanga Attachments

No.	Title	Page
A	PCF workshop runsheet	11
B	PCF Contractor Performance Update	13
C	Te Ara Hura Political Report	21
D	Te Ara Hura Memo	33
E	Te Ara Hura presentation	39
F	Auckland Transport Corridor Plans presentation	61
G	Leasing remaining leases workshop	97

Parks & Community Facilities

Waitematā Local Board Workshop

Tuesday 25th March – 10.30am – 12.00pm

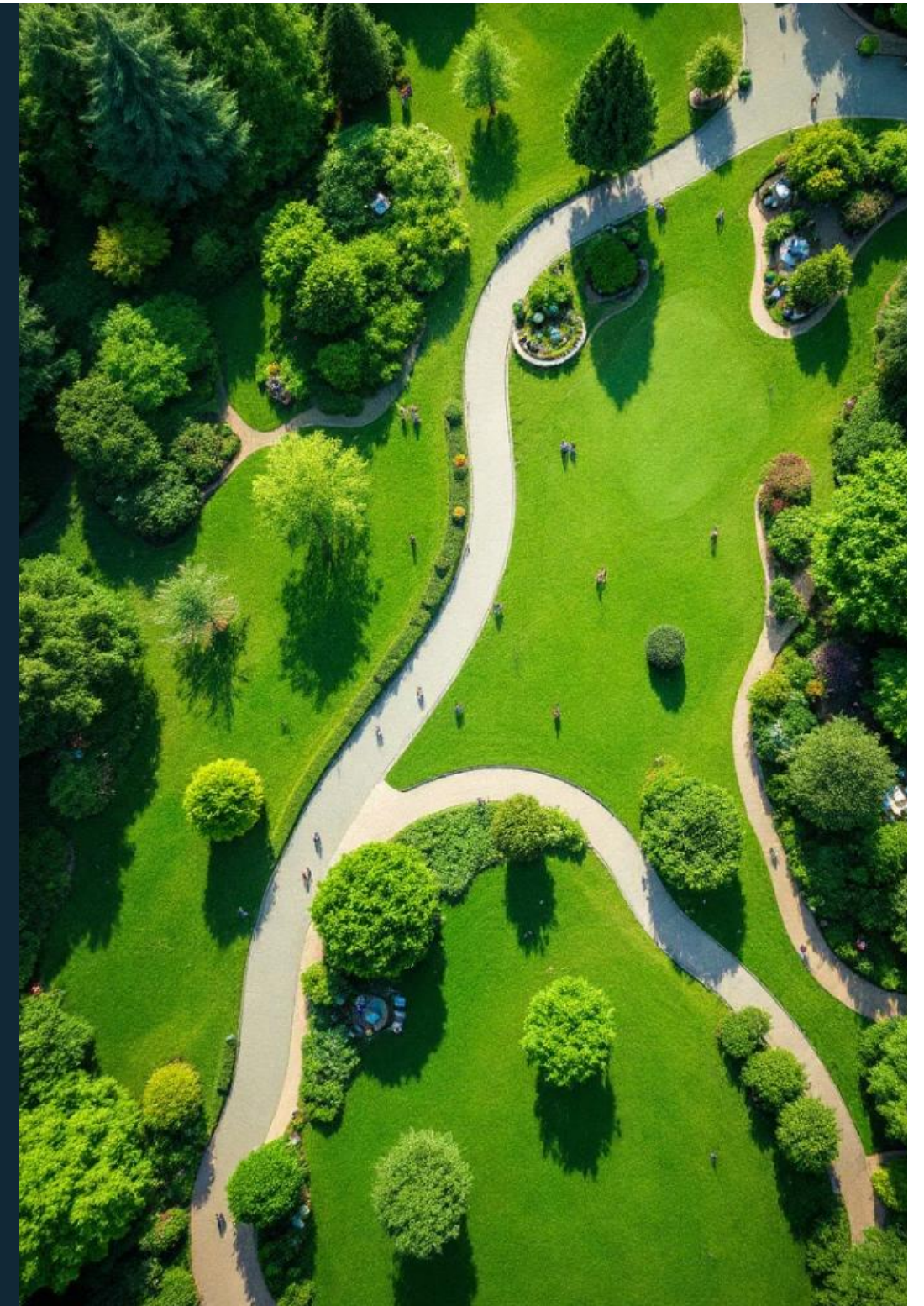
Attendees	
Martin Wong	Area Operations Manager
Katrina Morgan	Work Programme Manager
Sarah Jones	Programme Manager P27 Contracts
Jennifer Rose	Head of Business Performance
Matt Scott	Project Director - Ventia

Item No	Who	Overview of discussion	Time needed
1.	Jennifer Rose Matt Scott	Contractor performance review	15 mins
2.	Sarah Jones Jennifer Rose	Te Ara Hura – P27 Full Facilities Contracts	75 mins

Parks and Community Facilities Performance

25 March 2025 – Waitematā Local Board

Jennifer Rose
Head of Asset and Business Performance,
Parks and Community Facilities



Executive Summary

1 Contract Extensions

Final extensions was granted to June 2027, after the Performance review

2 Performance

Full Facilities contractors have collectively met the established Key Performance Indicators (KPIs) as per the Agreement. Areas of non-compliance managed and monitored through the contract

3 Challenges

No Major challenges around this year . Minor were Litter , Spring flush, infill planting and Grass growth

4 Financial Information

Adjusted service levels for gardens and turf, bin removals to meet the Mayoral' s proposal savings

Cost Avoidance achieved through CPI

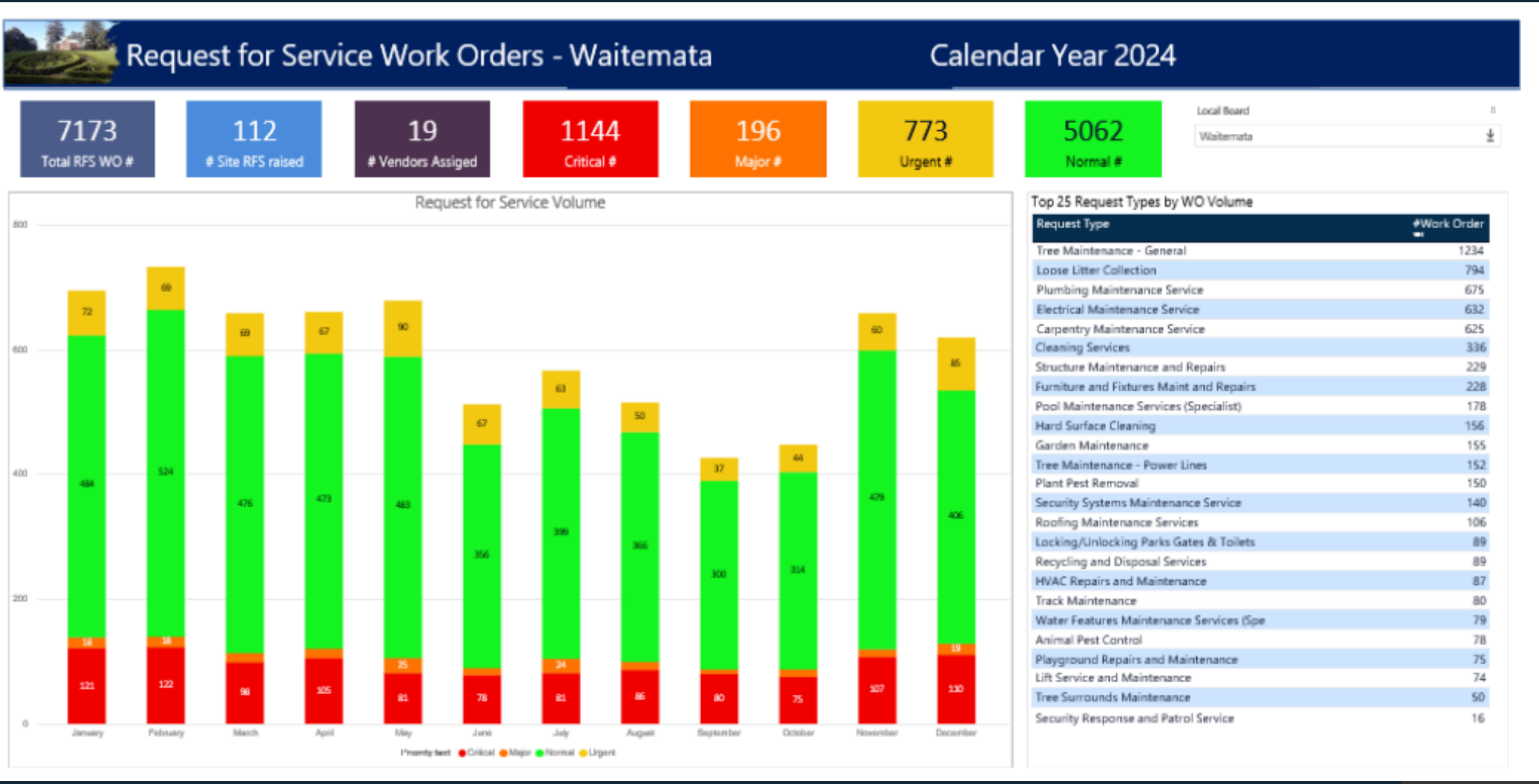
Improved service delivery efficiency in Technical contracts achieved cost avoidance around 100k



Request for Service Work Orders – Waitematā Calendar Year 2024

Item 3

Attachment B



Calendar Year 2024

Full Facilities Contract Audit Heatmap

Calendar Year 2024

Local Board

Multiple selections

Item 3

Attachment B

Month	January			February			March			April			May			June			July			August			September			October			November			December			Total		
Element Audited	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score	#A	#E	Score
Water Feature	19	93	97.83%	16	80	97.50%	14	70	100.00%	15	75	98.67%	19	94	96.77%	12	60	95.00%	17	85	97.65%	15	75	98.67%	6	28	100.00%	14	69	97.10%	13	64	95.16%	19	95	98.95%	179	888	97.74%
Turf	159	750	96.37%	183	891	96.72%	181	893	98.42%	258	1273	96.68%	253	1256	98.81%	232	1140	96.83%	254	1259	99.20%	207	1027	97.36%	235	1153	98.61%	241	1175	98.37%	233	1131	97.15%	125	616	97.21%	2561	12564	97.73%
Tracks (incl. Structures)	9	28	96.15%	4	14	85.71%	6	17	93.75%	8	22	95.00%	4	14	57.14%	1	4	100.00%	9	29	85.71%	22	65	76.67%	23	74	84.51%	14	41	94.87%	14	45	81.82%	10	31	75.86%	124	384	84.38%
Toilet	35	206	95.63%	38	212	92.92%	37	193	99.48%	26	134	94.78%	44	245	93.88%	46	186	89.78%	66	298	94.30%	68	297	95.96%	90	391	97.44%	79	359	97.77%	84	386	95.60%	52	207	97.58%	665	3114	95.66%
Streetscapes Green	17	79	87.84%	35	169	95.18%	35	141	100.00%	57	264	91.83%	61	273	96.30%	27	127	96.03%	27	126	99.21%	23	114	95.61%	34	167	96.41%	24	101	96.97%	51	237	92.48%	23	101	99.00%	414	1899	95.39%
Streetscapes Clean	28	127	94.49%	44	240	98.32%	42	197	99.49%	101	512	94.86%	64	335	94.83%	80	452	91.70%	110	577	98.43%	148	804	97.25%	133	792	98.35%	161	872	99.19%	84	468	97.00%	122	656	99.08%	1117	6032	97.28%
Street Garden	43	167	87.97%	72	285	91.35%	88	334	97.21%	65	233	86.11%	157	614	96.66%	48	187	92.97%	49	182	91.18%	38	141	92.81%	59	226	97.31%	70	271	94.19%	53	207	94.00%	65	238	96.05%	807	3085	93.89%
Sportsfields	20	55	98.18%	21	67	97.01%	18	58	82.76%	38	118	94.07%	28	102	95.10%	40	152	93.42%	26	98	97.96%	19	70	92.86%	10	31	80.65%	21	82	98.78%	42	158	99.37%	40	135	96.30%	323	1126	95.12%
Response WO	31	33	93.75%	48	48	89.58%	30	30	96.67%	24	28	80.77%	36	36	86.11%	37	38	97.33%	40	42	90.24%	22	24	91.30%	22	22	100.00%	40	40	90.00%	36	36	91.67%	29	30	93.22%	395	407	91.52%
Litter	89	252	91.74%	128	355	95.47%	95	274	96.32%	137	380	94.64%	127	357	94.56%	127	342	87.09%	134	383	96.83%	148	411	95.51%	120	345	96.18%	146	409	97.51%	140	385	95.73%	95	260	96.09%	1486	4153	94.92%
Hard Surfaces & Paths	50	155	93.55%	71	235	94.44%	82	266	96.18%	105	329	92.31%	98	305	94.37%	70	218	89.40%	105	328	95.66%	102	322	89.42%	119	370	95.65%	130	402	95.21%	100	315	94.60%	61	187	95.68%	1093	3432	93.96%
Gardens & Plants	74	285	91.07%	90	347	93.29%	93	351	96.25%	112	398	86.58%	92	347	95.35%	68	249	88.21%	63	232	95.54%	76	292	87.37%	69	261	96.08%	81	305	97.01%	95	353	88.99%	54	208	88.50%	967	3628	92.03%
Furniture, Playgrounds & Recreational Equipment	61	202	90.95%	85	305	93.71%	76	275	97.44%	116	422	91.50%	109	397	93.30%	78	262	89.62%	115	382	94.64%	116	385	89.76%	132	438	95.38%	129	445	97.05%	129	437	93.24%	78	249	95.08%	1224	4199	93.60%
Building Maintenance	49	297	97.98%	77	439	97.48%	70	369	100.00%	62	346	95.92%	79	444	96.58%	57	314	95.86%	57	315	98.01%	50	305	96.35%	80	421	97.34%	70	397	97.72%	86	475	98.09%	50	266	95.80%	787	4388	97.33%
Building Cleaning	39	120	99.17%	41	105	99.04%	39	97	98.96%	32	149	91.22%	48	145	97.92%	48	137	97.76%	68	166	98.73%	72	245	96.72%	97	304	98.03%	84	208	99.02%	85	228	99.12%	52	114	100.00%	705	2018	97.90%
Total	399	2849	94.40%	514	3792	95.39%	502	3565	97.79%	629	4683	93.52%	713	4964	96.09%	567	3868	93.17%	673	4502	97.11%	649	4577	94.64%	736	5023	97.11%	810	5176	97.60%	716	4925	95.52%	549	3393	96.51%	7457	51317	95.79%

Contract Audit Overview - Waitematā Calendar Year 2024

Audit Local Board
Waitematā

96%

Combined Audits

96%

Outcome Audits

80%

Response Audits

Category	#A	#E	Avg Score
Building Maintenance	273	1468	98.21%
Water Feature	129	639	97.81%
Litter	368	1064	97.24%
Building Cleaning	179	568	97.16%
Furniture, Playgrounds & Recreational Equipment	446	1525	96.82%
Turf	413	2039	96.56%
Toilet	168	846	95.98%
Sportsfields	67	224	95.54%
Streetscapes Clean	189	847	95.49%
Streetscapes Green	80	360	95.17%
Gardens & Plants	386	1417	94.96%
Hard Surfaces & Paths	407	1241	94.37%
Street Garden	175	661	92.04%
Response WO	80	85	87.88%
Tracks (incl. Structures)	52	149	81.48%

Please Note: Full Facilities contractors are measured at Contract Region, this means all Local Board results are combined and shown at Contract Region level, and may not reflect the overall scoring as a whole, and are just shown to give a break down for each Local Board to understand that specific area.

FF Combined Audit Score

FF Audit Score - Outcome Audits

FF Audit Score - Response Audits

Elements Scoring Under 90%

Element	#	%
Is the water feature clear of debris?	128	89.84%
Is the external cladding in good condition? Has it been maintained to ensure structural integrity?	84	88.10%
Is street furniture clean, safe, functional, fit for purpose and visually pleasing?	150	88.00%
Are all bus shelter surfaces free of algae, lichen and moss?	8	87.50%
Has the work been completed to satisfaction?	80	87.50%
Are hard surfaces & paths clean, free of moss, algae and weeds?	404	85.89%
Are distribution board schedules in distribution boards?	13	84.62%
Are the distribution boards clean, tidy and free from an accumulation of dust and debris?	13	84.62%
Are floor bins being emptied into the correct bins for collection?	6	83.33%
Do any weeds or pest plants exceed the maximum height/width and/or coverage allowance?	122	80.33%
Are all exterior areas such as courtyards (but not including car parks) free of rubbish, dirt, moss, grime and leaves?	26	76.92%
Are the tracks drainage systems maintained and cleaned to conserve the loss of surface materials and to prevent flooding or damage to the asset? (Includes open drains/channels alongside the track, cesspits and culverts and any other device to prevent water entering the track surface).	17	76.47%
Have all posters and stickers been removed from the bus shelter?	8	75.00%
Does the street garden meet contract specifications (appropriate to the species and site)?	173	72.25%
Have correct bin liners been supplied?	7	71.43%
Are the tracks and the in-ground steps (including box steps) safe, uniform, weed free, clean, clear of vegetation encroachment and functional for their intended use?	42	57.14%
Was the sportsfield weedfree?	3	0.00%

Waitematā Local Board



SPOTLIGHT ON: Empowering Futures Our most recent good news stories!

Ventia’s programme, in partnership with Jobs and Skills Hub and MSD, empowers rangatahi and those facing challenges by providing job opportunities.

The programme onboarded 26 diverse kaimahi for the 2024-2025 summer season, targeting school leavers, those on benefits, and individuals needing a fresh start. Four were employed in the Waitematā Local Board Area.

Wha Region – Summer Contract figures	
Howick	1
Maungakiekie-Tāmaki	2
Ōrākei	5
Waitematā	4
TOTAL	12

Participants gained valuable work experience through three-month contracts, with pathways to permanent employment and career growth. Success stories, like Sarah's journey from homelessness to permanent employment, highlight its impact. Ventia is committed to enhancing the programme to empower more individuals in the future.



HIGHLIGHT ON: Community Engagement



Ewelme Cottage

- We provide mulch and removal of green waste for community groups who help with working bees on the site.

Auckland Heritage Roses Festival

- We provide materials, plants, and support at Parnell Rose gardens for the volunteer group. The group helps maintain areas of the gardens.

Fukuoka Gardens We provide materials and plants.



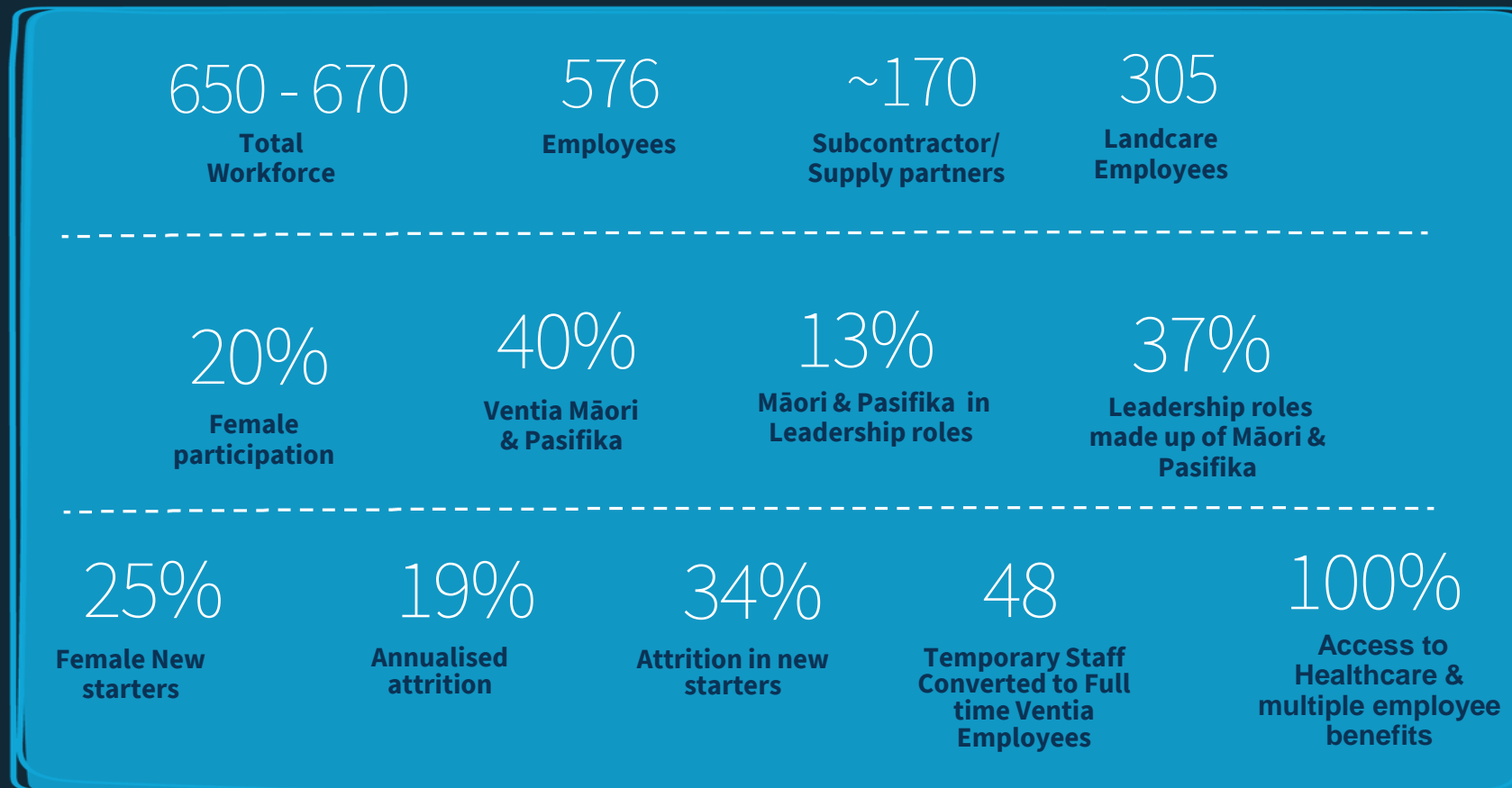
WORK IN PROGRESS: Assessing Community Needs & Priorities to Drive Meaningful Change

At Ventia, we are dedicated to making a positive impact for tāngata/ people, hāpori/ communities, and te taiao/ the environment.

To ensure we are delivering outcomes that matter most to communities, we are currently working on a **Local Needs Analysis (LNA)** report for the Waitematā Local Board Area.

An **LNA** is a strategic tool used to identify and understand the specific needs of a community. By leveraging comprehensive data, LNA helps us identify the outcomes we want to see socially, environmentally, and economically in a community so that we can tailor social value initiatives to address these needs. This targeted approach ensures that we can create meaningful and lasting impacts on the community by delivering more relevant and impactful social value.

Smart Procurement



Distribution of our Workforce

- By Local Board Area

Local Board	FM	Open Space	Total	% total workforce
Waitemata	103	30	133	26%
Orakei	31	30	61	12%
Howick	20	30	50	10%
Maungakikie / Tamaki	24	30	54	11%
Kaipatiki	19	30	49	10%
Devonport / Takapuna	22	30	52	10%
Upper Harbour	26	30	56	11%
Hibiscus Coast and Bays	26	30	56	11%
	271	240	511	100%

- By Region

Area	FM	Open Space	Total	% total workforce
Tahi	93	120	213	42%
Wha	178	120	298	58%
			511	100%



Manaaki Tangata

In February 2024, Ventia introduced the Manaaki Tangata service into the Full Facilities Maintenance Contract to develop and support our Māori employees in their career path. Initial engagement has seen our Māori participants request the implementation of immersion training introduced onto the Full Facilities Maintenance Contract in support of



Pathways to Employment

In late 2023, Ventia partnered with Red Cross NZ to help facilitate sustainable employment opportunities within the Full Facilities Contract through the 'Pathways to Employment' service. We have so far engaged two Work Experience ex-refugee trainees through Red Cross and are in the process of onboarding our third at present.



Jobs & Skills Hub Initiative

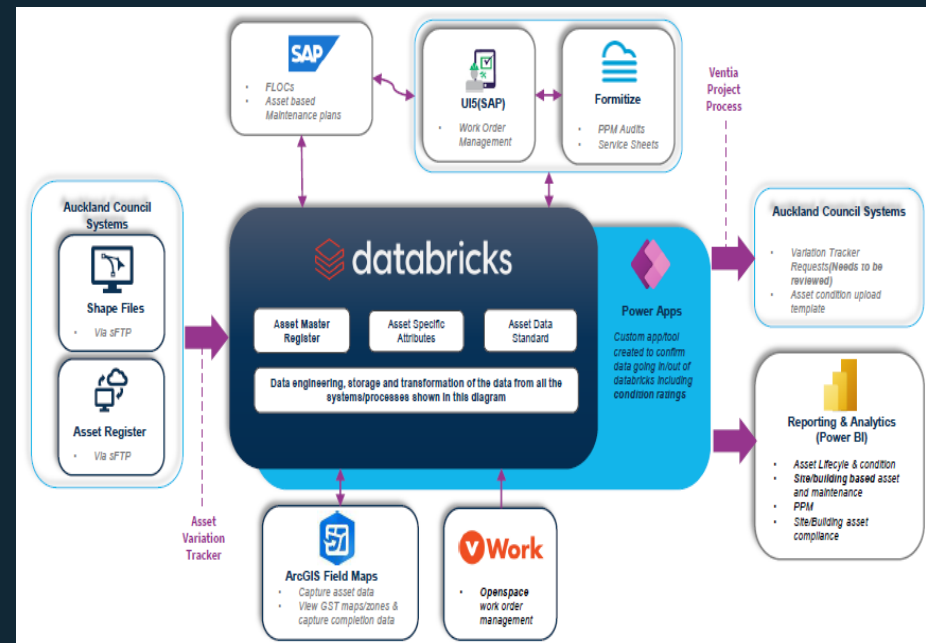
Rolled out late in 2023 through the Jobs and Skills Hub initiative. This program focusses on local school leavers, along with Ministry of Social Development clients and other clients currently on benefits. Through this program, we successfully recruited five Rangitahi into our General Services Team and one Rangitahi into a Trades Cadetship.



Uptempo

Uptempo has partnered with Ventia to support Pasifika in sustainable employment opportunities and workforce progression strategies in addition to assisting our team in creating a culturally responsive workplace that nurtures Pacific values. Currently, seven Pasifika women from our Full Facilities Maintenance Contract are participating in the Uptempo mentor program.

Innovation - Highlights



The Asset Data Flow & Innovation unlocks the ability to innovate while keeping our key asset management principles in mind (including being able to link everything we do back to an Auckland Council asset without manual steps).



- Use of modern GIS related tools:
 - Exploration and use of drone 3D imagery and AI image recognition overlaid on top of our existing 2D GIS data



- Robotic Mowers
 - IOT sensors and other data(e.g. weather data) to predict maintenance requirements
 - These innovations aim to improve service delivery and reduce environmental impact

Options update for P27 “Te Ara Hura” Full Facilities Maintenance Contracts

File No.: CP2024/16260

Te take mō te pūrongo Purpose of the report

1. To update the committee with the initial work undertaken and options considered for the P27 “Te Ara Hura” Full Facilities Maintenance Contracts.
2. To seek endorsement from the committee to not proceed with further investigation into the fully insourced facilities maintenance model or fully outsourcing to a single entity model.
3. To update the committee on staff’s proposed further investigation into shortlisted options, including the initial recommended option of a hybrid contract model.

Whakarāpopototanga matua Executive summary

4. In 2017, Auckland Council consolidated the maintenance of parks and community facilities under a set of outcome-based contracts expiring in 2027. These contracts aimed to leverage the council's scale, simplify maintenance operations and manage risks through outsourcing.
5. As part of the 2027 contract renewal process, Auckland Council has been gathering feedback from staff, suppliers and performance data to assess the current state and explore future options. This has included identifying strengths and key areas for improvement in the current contracts, as well as an environment scan of facilities management best practices across New Zealand and Australia.
6. Findings from the options analysis have indicated that full insourcing is cost-prohibitive due to the scale of the operations required, while full outsourcing to a single entity would pose a high risk to council.
7. The current shortlisted options for contract delivery include the status quo option of baseline conventional outsourcing, a hybrid model of modified contracts, and a strategic alliance.
8. The initial recommended option from the value for money assessment is a hybrid approach as this will retain the strengths of the current contract while enhancing effectiveness. It proposes maintaining a balance between outcomes-based and frequency-based terms that have proven beneficial to Auckland, while keeping several main suppliers to provide flexibility, mitigate risks, support community delivery, and diverse and local suppliers.
9. The investigation into the optimal hybrid contract model is currently in its early stages and will be presented to elected members, local boards and mana whenua for feedback to help identify further specific goals. This will later inform market testing.
10. This is the first of several updates for this committee to ensure the committee is informed and involved in the development process before a final recommended option for contract delivery is approved in 2026.

Ngā tūtohunga Recommendation/s

That the Revenue, Expenditure and Value Committee:

- a) tuhi ā-taipitopito / note that staff have assessed a wide range of potential options for the contracts and developed a short list of options and an initial recommended option.
- b) ohia / endorse staff not progressing with further work to investigate either a fully insourced facilities maintenance model or fully outsourcing to a single entity model.

- c) tuhi ā-taipitopito / note that staff will progress further investigations into shortlisted options for the P27 “Te Ara Hura” Full Facilities Maintenance Contract with focus on the initial recommended option of the hybrid contract structure explained in the report.

Horopaki Context

Current contracts

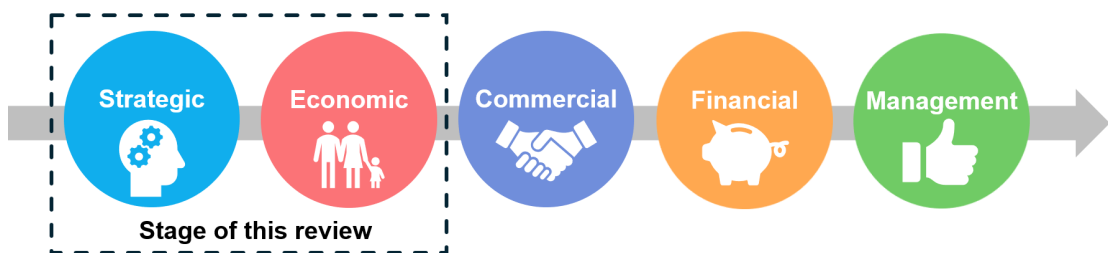
- 11. In 2017, Auckland Council combined the full facilities maintenance contracts for its Parks and Community Facilities assets to leverage council’s scale and transform its maintenance practices into outsourced, outcome-based, 10-year contracts across a small number of main contractors. This simplified the organisation, enabled the addition of additional services to be provided under the same budget and moved significant risk onto the suppliers to manage.
- 12. The current contracts expire in 2027. Managing these contracts over the past seven years has provided valuable insights, leading to numerous successes and a few significant challenges.
- 13. The project is at a very early options analysis stage, and this is the first of several updates. Elected members, local boards and mana whenua will have input before any market engagement.

Tātaringa me ngā tohutohu Analysis and advice

Methodology and approach

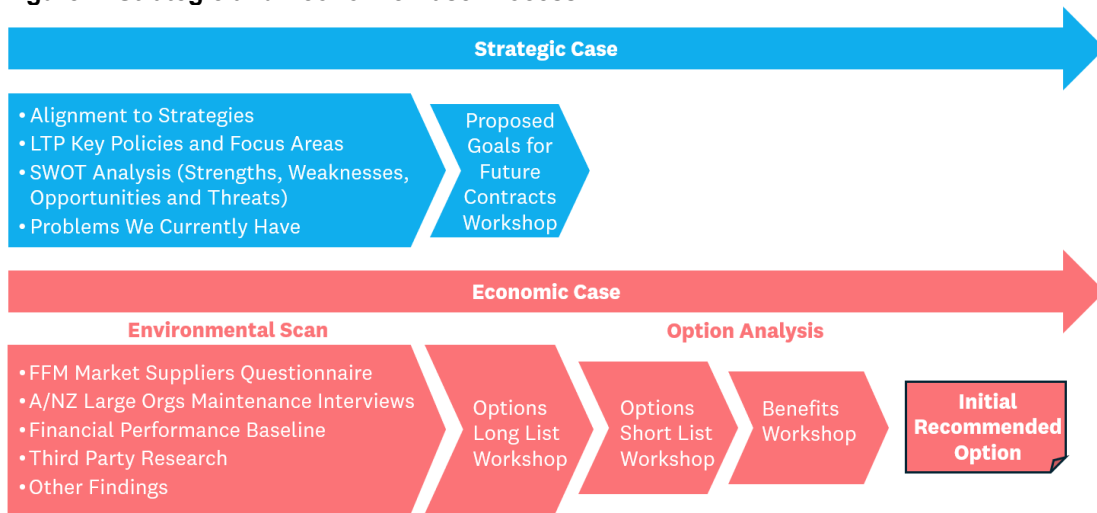
- 14. The review draws on the Better Business Cases™ framework developed by New Zealand Treasury. The overall stages are shown in the diagram below. Completing the Strategic Case and options analysis in the Economic case assists with the identification of an initial recommended option that optimises 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



- 15. The diagram below shows the intensive research, inputs and workshops informing this review process.

Figure 2. Strategic and Economic Case Process



Proposed goals for future contracts

16. The current contracts have areas that can be improved, establishing clear objectives for future contracts. In order of weighting and focus these are:

- reduce undue council risk and cost commitments
- improve contract service delivery
- achieve our social, environmental and supplier diversity targets (including policies that favor local and diverse suppliers, and enhancing sustainable procurement practices)
- increase our understanding of asset condition
- increase our understanding of asset “cost to serve”.

17. While these objectives are framed from a regional perspective, the goals of local boards will be assessed in the upcoming stages of the feedback process with local boards.

Environmental scan

18. When council’s scale was leveraged in 2017 by moving from 38 small contracts to five larger contracts, it generated \$30m of ongoing cost avoidance. Cost analysis of the current contracts found costs were stable over time for areas such as open spaces, but there were significant measurable increases in the built environment over the last few years.

19. The environmental scan found there was interest from some organisations in moving to outcomes-based contracts. Some of the challenges noted with outcomes-based contracts was around a belief that some tasks suited scheduled work in order to improve risk and cost control.

20. The environmental scan found larger contracts enable economies of scale with greater sharing of resources, lowering pricing, enabling low council overheads and low contractor overheads.

Options analysis – All potential options to initial recommended option

21. The Better Business Cases framework helped generate a list of all potential options, ranging from full insourcing to outsourcing to a single alliance partner. There were 162 potential options identified initially, which included every variant of how contracts could be delivered (i.e. the ‘dimensions’ of the contracts). The table below details the dimensions, with the actual

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range of options representing multiple combinations of these dimensions.

Table – Full Facilities Maintenance options identification from facilitated workshop Dimension	Business as Usual	Alternative Options			
Scope (what)	Full Facilities: Full Facilities bundle of asset management services to Auckland communities, for defined open spaces and facilities. Also includes community services delivered in respect of non-council assets.	Focused Scope: Business as Usual coverage reduced to exclude: <ul style="list-style-type: none"> Rural corridor maintenance (Rodney and Franklin total cost for berm mowing and roadside vegetation is FY24 \$1.2m) Minor capital works Soft services for corporate AC properties (Of \$4.2m corporate property, \$-1m is soft, ~\$1.7m hard, remainder has no description. (transfer of service) Co-management activities (to be managed separately under more appropriate arrangements). (Tūpuna Maunga opex ~\$4m). 	Enhanced Full Facilities: Business as Usual coverage increased to include: <ul style="list-style-type: none"> Healthy Waters – some exploration done (Healthy Waters total planned maintenance for the whole network FY24 \$8m, unable to get breakdown) Stream maintenance – some exploration done (Healthy Waters \$3.2m) Illegal dumping– some exploration done (Waste Solutions FY28 Budget \$3.3m) Building WOF (FY24 Actual \$175k) In-shore marine and marinas – (new service) Corporate AC property management Pest management on non-council land. – (new service, Local board discretionary spend FY24 actual ~\$200k). 		
Solution (how)	Hybrid out-sourced/in-house delivery: Multiple OS and FM delivery contracts out-sourced. Some in-house technical specialities and self-delivery of additional services re community requests.	Modified In-house Delivery of Regional parks: bring some extra services (excluding bulk mowing) in-house. Set up community teams of specialist horticulturists aligned to local board areas.	FFM Crown-Controlled Organisation: Establish a single arms-length FF supplier as alternative to in-house provision. Potential purchase of an existing FF supplier operation.	Full In-house Delivery: All delivery by In-house staff. Establish necessary systems and processes. Purchase capital assets. Potential purchase of an existing FF supplier operation.	
Delivery - (who and what)	Conventional Out-sourcing: Out-sourced to four current suppliers until 30 June 2027. Outcomes-based, lump sum payment in advance. Over five regional zones matching 21 local board boundaries.	Modified Contracting: Schedule-based contracting used for low risk, high frequency services. Plus Planned Prevention Management (PPM) planning and prioritisation in-house, profit sharing and transparency of sub-contractor margins. + More or less zones/suppliers	Strategic Alliance: Out-sourced to a single headline contractor, under a 10 year plus 5 yearly renewable contract (10+5). Pre-competted sub-contractor panel. Tier 2 contractors meeting social procurement and supplier diversity targets.		Public Private Partnership: A 20-25 year DMO concession out-sourced to a <i>consortia</i> . Possible limitations on user fee charging. May not be suitable for PPM work.
Implementation	Big bang: All implemented at 30/06/27.	Phased: Contracts phased from 1/7/27 to 30/06/29.			
Funding	Council operating and capital budgets.	Offset by seeking opportunities for targeted rates.		Offset by seeking opportunities for user fees (subject to Local Board discretion).	

22. Multi-criteria decision analysis has been completed with a selection of key management and specialists from across the organisation to narrow down the dimensions to the long list of five potential options. These criteria are based on achieving key objectives and critical delivery factors.

Item 3

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23. The table below displays the long list of options assessed.

Assessment criteria	Assessment Weighting	Service Solution			Service Delivery		
		1. Baseline (largely outsourced)	2. Mixed out-sourced & in-house	3. Full in-house (direct provision)	1. Baseline (Conventional outsourcing)	2. Modified contracts	3. Strategic alliance
Objectives							
• Improve contract service delivery?	12%	1	2	2	1	3	3
• Achieve our Social Procurement & Supplier Diversity targets	8%	0	2	0	1	3	3
• Increase our understanding of asset condition	7%	0	1	3	1	3	3
• Increase our understanding of asset "cost to serve"	7%	0	1	3	1	3	2
• Reduce undue council risk and cost commitments	16%	0	0	0	0	3	2
Critical Success Factors							
• Alignment to councils' goals and requirements for improvement	10%	1	3	3	1	3	3
• Potential Value for Stakeholders	10%	2	3	2	2	3	3
• Supplier Capacity & Capability	10%	3	3	2	3	3	1
• Potential Affordability?	10%	2	3	0	2	3	2
• Potential Achievability?	10%	3	3	1	3	3	1
Summary		1.2	2	1.5	1.4	3	2.3
Advantages and Disadvantages:							
Overall Assessment		Carry forward as baseline option	Carry forward to shortlist	Discard	Carry forward as baseline option	Carry forward to shortlist	Carry forward to shortlist

24. From the five key long listed options assessed, only three options are proposed to be carried forward to a short list: the status quo, a strategic alliance, and modified contracts with a mix of outsourcing and in-housing. The table below assesses these options in terms of benefits and costs

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	Do Nothing 1. Baseline Conventional out- sourcing. After 30 June 2027	Alternative Option 2. Strategic alliance	Recommended Way Forward 3. Modified contracts
Benefits			
Objectives			
Improve contract service delivery	As good as now	Potential qualitative improvement	Potential qualitative improvement
Meet the council's social procurement and diverse suppliers' targets	Poor	Strong improvement	Strong improvement
Improve our understanding of asset condition	As good as now	Potential qualitative improvement	Potential qualitative improvement
Improve our understanding of "cost to serve"	As good as now	Strong improvement	Strong improvement
Reduce undue council risk and cost commitments	As good as now	Potentially poor	Good
Change in cost			
One-off costs to council			
Systems and processes	None	Potentially increase	Potentially low
Consultancy	None	Medium	Potentially very low
Plant and equipment	None	None	Potentially low
Cost pressures (additional)			
Local and diverse suppliers	None	Potential medium cost impact	Potential medium cost impact
Weakened negotiating position		Potentially high	Market interest is a risk
Market prices	Expected upwards cost pressure - the current market prices of our current contracts may be higher than what we are currently paying*		
Cost pressure mitigations			
Discount from longer term contracts	Not applicable		Potentially positive impact
Efficiencies from council managing PPM and frequency schedules			Potentially positive impact
Local suppliers or community groups delivering some services at remote locations			Potentially low positive impact
Community groups volunteering			Potentially low positive impact
Park Rangers delivering specific services at regional parks			Potentially low positive impact
Overall benefits and costs			
Total assessment			

Option assessment findings

25. Through the options analysis into the contract delivery model above, staff were able to undertake an initial assessment into outcome-based contracts vs scheduled or frequency-based services. Since 2017, outcomes-based contracts have proven beneficial in several aspects of contract service delivery. These include the transfer of risk, weather impacted

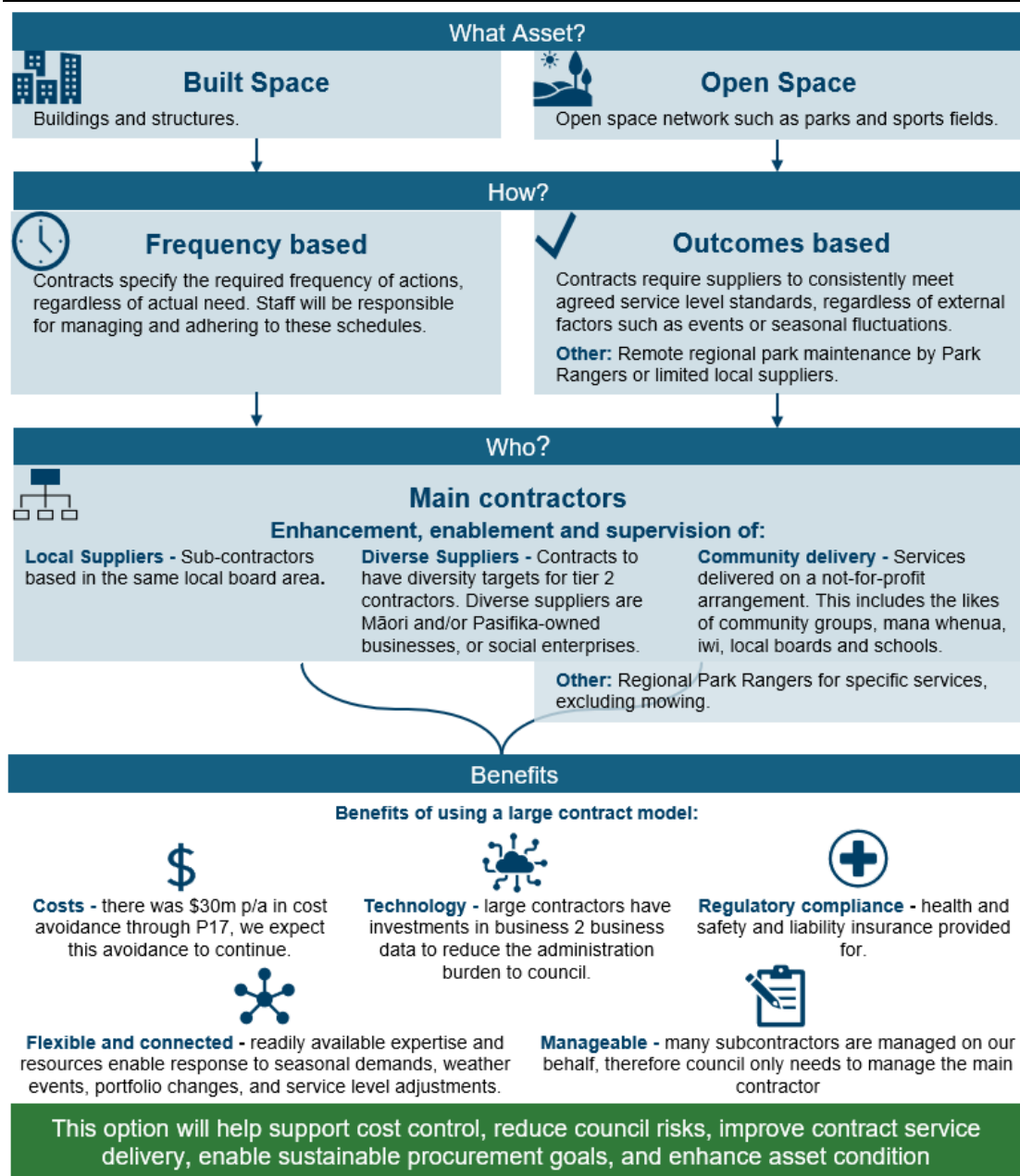
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- services and where service standards are more easily set, such as open space mowing. However, they may add complexity and higher costs in areas requiring strict compliance.
26. In contrast, scheduled or frequency-based services are seen as better for controlling predictability of service and cost and for compliance outputs like building warrant of fitness. While these contracts offer cost stability, they may lack the flexibility required for high-impact or reactive services. There is an implementation risk with this where council currently has a low inhouse understanding on frequency setting. A hybrid contract model will allow an appropriate balance between outcomes based and frequency-based service contracts to be set and further work will be undertaken on this and brought to the Committee for decision.
27. Staff were also able to assess the viability of bringing all full-facilities maintenance inhouse to be delivered. There are examples of similar parks and community facility contracts being brought in house or insourced in New Zealand and examples of this occur in Tauranga and Christchurch. Typically, this has occurred where failure of a single contractor has impacted council reputation in a region and that contractor is the only available supplier. Insourcing is considered to be cost prohibitive for Auckland Council because of the size and scale of resource required, and likely establishment costs.
28. As a result of the assessment to this point, a Public Private Partnership with a single alliance partner for all contracts is not considered viable. This option presents high risk due to council's reliance on a single partner.
29. For the reasons outlined in the long list and short list assessment, fully outsourcing to a single supplier, or fully insourcing to council will not be progressed for further investigation.
- The shortlisted options identified above will be further tested through the next phase of local board engagement and initial market testing. Other options for contract delivery will continue to be analysed in conjunction with the initial recommended option to ensure that detailed options analysis is undertaken prior to committee approval in 2026.

Initial recommended contract model option for further testing

30. Analysis undertaken to date has found that the key objectives and goals may be able to be addressed by the initial recommended option of a hybrid contract model, including using diverse and local suppliers, and improvements in asset condition reporting.
31. The initial recommended option of a hybrid contract model could mean that there will be a combination of outsourced suppliers providing services through a multi-supplier contract model, but also have the flexibility to bring certain delivery of small, specific services inhouse where appropriate.
32. At this stage, it is anticipated that the model will retain outcomes-based terms where it has proven of benefit to Auckland such as open spaces and continues to use several main suppliers to enable some options and mitigate risk.
33. The model also has the ability to introduce frequency/schedule-based work to enable cost predictability in high compliance areas such as built environment and continues to use several main suppliers to enable some options and mitigate risk. Additionally, rules and drivers could be established to visibly achieve local supplier procurement and asset improvement needs.
34. The use of a mix of suppliers could also reduce supply chain and health & safety risks while encouraging competition. The larger suppliers provide surge capacity during emergencies, while over 200 subcontractors offer a diverse pool of local suppliers. The optimal size of these contracts and number of suppliers and areas will be further investigated as part of the next stage.
35. The following diagram illustrates the initial recommended option (subject to further investigation and change according to elected member feedback and market feasibility):"

Figure 3. About the initial recommended option



36. This option is at an early phase of the project and a thorough business case will be established through elected member feedback and market testing. This will allow a detailed cost-based analysis to be completed to assist decision making.

37. Most of the options, including the initial recommended option, allow the implementing of local supplier and diverse supplier procurement policies supporting our sustainable procurement. This will enable a stronger enablement of local and diverse suppliers, as well as improved transparency to local boards.

Tauākī whakaaweawe āhuarangi Climate impact statement

38. Suppliers' emissions are primarily a result of the combustion of petrol and diesel in the vehicles and equipment they operate to deliver the requirements of the contract. Suppliers

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- also have a degree of control over Auckland Council's fertilizer, refrigerants, water, open space waste and building energy greenhouse gas (GHG) emissions through their planned maintenance activities.
39. Reducing GHG emissions and delivering sustainability and environmental outcomes more generally are core requirements of the contracts. These outcomes are monitored using the KPIs, reported through the suppliers' environment management systems, and delivered through planned maintenance and supplier operations.
 40. All council suppliers have been introducing electric vehicles and equipment into their fleet to minimise GHG emissions.
 41. 3All Full Facilities suppliers are reporting GHG emission data resulted from the delivery of their contract. Most Full Facilities suppliers have their own emission reductions plans/targets that align with the government requirement and have achieved a reduction in emissions from last year. Where suppliers are not achieving emission reductions, the council is working with them to help them to meet their targets.
 42. The further work on options will seek no deterioration to current response and commitments of reducing our contribution to climate change. Improvement opportunities and costs will be better understood once more market pricing has been acquired.
 43. New initiatives are likely to take time to imbed and performance improvements are likely to be incremental over the options tenure rather than sudden.

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

Current situation

44. The current contracts manage a range of built and open space services on behalf of Auckland Transport and Eke Panuku.
45. The further work on options will aim to preserve or improve flexibility, allowing for adjustments to future changes in scope. The cost of flexible scope/s will be better understood once more market pricing has been acquired.

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

46. The full facilities maintenance contracts span both local and regional assets.
47. Over the tenure of the contract from 2017 there has been improvements in local enhancements, which individual Local Boards have negotiated for their area.
48. Feedback from local boards about the current arrangements has been focused on Social Procurement and Supplier Diversity. The initial recommended option enhances on the current delivery of this.
49. Local board views on options will be engaged as the next step in the process.
50. New initiatives are likely to take time to embed and performance improvements are likely to be incremental over the options tenure rather sudden.

Tauākī whakaaweawe Māori Māori impact statement

51. The most impactful economic objectives focus on indirect spending through subcontracting opportunities with Māori and/or Pasifika-owned businesses and social enterprises. This approach aims to deliver enhanced outcomes for Māori communities in Tāmaki Makaurau.
52. The existing contract was established prior to the council's development of a sustainable toolkit for tender and contract measures. Currently, suppliers provide some information on various metrics related to both primary contractors and subcontractors. However, these

contracts lack specific targets or incentives for social procurement and supplier diversity, limiting their potential impact.

53. The new contracts will aim to have supplier diversity targets for tier two contractors. The diverse suppliers are Māori and/or Pasifika-owned businesses, or social enterprises.
54. The initial recommended option would include the ability for full facilities maintenance services to be delivered by smaller groups and the community. This includes the likes of community groups, mana whenua, iwi, local boards and schools.
55. Some new initiatives are likely to take time to imbed and performance improvements are likely to be incremental over the options tenure rather than sudden.

Ngā ritenga ā-pūtea Financial implications

56. The financial implications for the future P27 contracts could be significant, depending on the chosen contract delivery model and the outcome of the procurement process. To provide context, the total expenditure for the full facilities contracts in FY23 2022/2023 Financial Year—including scheduled repairs and maintenance across five areas with four suppliers—amounted to approximately \$165 million. However, the full financial impact of the future contracts will not be fully understood until further along in the process, once procurement has been completed and a final delivery model has been approved.
57. At this early stage of options assessment, we have conducted a preliminary analysis of the various options for the Full Facilities Maintenance 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.
58. 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.
59. The shortlisted options have identified potential cost pressures, along with associated mitigations. Given the current market conditions, it is likely that all procurement options will face increased costs compared to current contract terms. Therefore, options that support cost mitigation strategies are particularly appealing. Mitigations may include longer-term contracts and a range of operational efficiencies, both of which are highlighted as benefits in the short list. Additionally, separating the contracts into "open spaces" and "built spaces" is expected to improve contract management, supporting both performance and some degree of cost control.

Ngā raru tūpono me ngā whakamaurutanga

60. The following risks have been identified; as this is very early in the project lifecycle, mitigation strategies will be developed once the program has gained enough clarity of risk. Moving to the next phase, clarification is the current mitigation strategy.
 - **Multi-year inflationary pressure combined with CPI cap in the contract:** Risks driving up supplier pricing (market re-pricing current contracts), where tendered prices may be higher than the current contracts.
 - **Insufficient market interest:** Resulting in low or not enough submissions and lack of competitive pressure.
 - **No feasible cost savings due to multiple upwards cost pressures:** Focus becomes cost containment.
 - **After a decade with outcomes-based contracts, low inhouse understanding means council has learning curve on frequency setting:** Resulting in too much cost or poor visible quality of maintenance.

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- **Higher cost due to council seeking greater control through new terms:** new terms may include frequency based, quality assurance and utilising the subcontractor market to achieve councils goals. While this is intended to enhance accountability and service quality, it may also lead to higher supplier pricing if suppliers adjust their costs to accommodate the additional oversight and compliance requirements.
- **Systems continue to remain inadequate to the task:** Councils' largest operational contract has had low ICT focus. There is high reliance on contractors ability to have technological solutions that support Business2Business efficiencies.
- **Project delay:** Resulting in a weakened position to negotiate from.
- **Elections:** Decision making spans over the electoral term.

Ngā koringa ā-muri Next steps

61. Staff will continue to undertake further analysis into the initial recommended option, as well as the shortlisted options through local board engagement and market testing. The endorsement of the recommended option does not preclude analysis of the other options.
62. The committee will continue receive further reports on the progress of the Te Ara Hura (P27) Programme, including a report for the approval of the procurement plan in December 2025 and the recommended option in 2026.

Ngā tāpirihanga Attachments

No.	Title	Page
A	Te Ara Hura P27 Full Facilities Maintenance Contracts - Value for Money Indicative Assessment	
B	Te Ara Hura P27 - Assessment Appendix - Market Environmental Scan	

Ngā kaihaina Signatories

Authors	Jessica Grant - Senior Administrator Andrew Morris - Senior Advisor Chantelle Subritzky - Head of Value For Money
Authorisers	Taryn Crewe - General Manager Parks and Community Facilities Max Hardy - Director Group Strategy and Chief Executive Office Ross Tucker - Group Chief Financial Officer



Memorandum

25 March 2025

To: Waitematā Local Board

Subject: Te Ara Hura (The Way Forward) 2027 Parks and Community Facilities maintenance contracts optimisation programme

From: Sarah Jones – Programme Manager (P27 Contracts)

Contact information: sarah.jones2@aucklandcouncil.govt.nz

Purpose

1. To provide a briefing on the Te Ara Hura, 2027 PCF maintenance contracts programme and to receive feedback on:
 - Service aspects that matter most to each community
 - What are the current maintenance pain points
 - Focus areas for local priority.



Summary

2. In 2017 Council's maintenance contracts for Parks and Community Facilities were combined into 10-year outcome-based agreements, with four main contractors over five areas.
3. These full facility contracts come to the end of their term on 30 June 2027.
4. The Te Ara Hura 2027 programme scope is to implement the next round of full facilities maintenance contracts.
5. Work started in 2023. Options were taken from an initial list of 162, to a short list with one recommended option.
6. These options were presented to the Revenue, Expenditure and Value (REV) Committee in November 2024, where resolution ([ECPCC/2024/47](#)) was passed. This directed that staff continue to investigate the shortlisted options, focusing on a contract structure that allows for a range of frequency and outcome specifications, services may be delivered by full facility contractors, staff or by specialists.
7. There are several high-level dimensions that influence the contract operating model. These are supplier size, geographic areas versus specialists, contract management systems, types of services and the specifications.
8. Increased decision-making implications mean more local flexibility is required in delivering the maintenance services. The contracts are being designed to make this as efficient and effective as possible.
9. Local priorities that are different to the standard contract could be achieved by:
 - a funding top up by local the board
 - removal of some services from the standard
 - specific key performance indicators (KPI) added into the contract.
10. Local board feedback will be captured, collated and used to help frame the contract operating model.
11. The recommended approach, contract operating model and procurement plan will be presented to the Revenue, Expenditure and Value (REV) Committee in December 2025. The resulting decision will allow us to progress to tendering in early 2026.

Context

12. In 2017 Auckland Council combined maintenance contracts for Parks and Community Facilities into 10-year outcome-based agreements with four main contractors over five areas.
13. Key learnings have been identified, both positive and negative. Some of the main disadvantages are unclear contract specifications, inadequate asset information and that transferring the operational risk of keeping the assets up to standard to the contractor limits our oversight. Some of the advantages are simplified operations, extra services delivered within the budget, operational risks shifted to suppliers and significant cost avoidance.
14. The full facility contracts come to the end of their term on 30 June 2027. We are therefore working through requirements for going out to market for the next 10 to 15 years of contracts. The final length will be determined after working through advice around getting the best value balanced against getting capital investment from the contractors.
15. The current round of Local Government Act Section 17A, service delivery and value for money review is under way by other teams. This is looking at a range of issues and coincided with the



Te Ara Hura P27 work. The review has therefore considered the current and proposed future contract operating model, to ensure the maintenance contracts follow a robust process and provide value.

16. Increased decision making for local boards means more flexibility is required to be built into the maintenance contracts, to allow for local priorities. This needs to be balanced against cost efficiency and consistent quality of maintenance across Auckland.

Discussion

Scope

17. The programme scope is to implement the 2027 Parks and Community Facilities full facilities maintenance contracts. The main goals are:

- consistent quality and delivery across Auckland
- effective level of flexibility for local priorities
- clarity for customers
- continue cost avoidance successes
- reduce council risk
- achieve social, environmental and supplier diversity targets.

18. To help achieve this, staff started collecting lessons learnt, feedback, reviewing specifications and considering options for the contract operating model in 2023.

Options assessment

19. The early business case work considered a wide range of criteria to develop preferred options. These included factors such as:

- strategic
- economic
- commercial
- financial
- management.

20. The process helped create the goals list used in the scope definition. These will be refined through the life of the programme.

21. Staff have worked through options about the form of the contract operating model. The initial list of 162 options was worked down to a long list and then a short list with one recommended option.

22. This work was presented to and discussed with the REV Committee in November 2024. The report, 20241107 P27 Options update to REV committee - political report, is attached as appendix A. Resolution [ECPC/2024/47](#) was passed. It reads:

That the Revenue, Expenditure and Value Committee:

- a) tuhi ā-taipitopito / note that staff have assessed a wide range of potential options for the contracts and developed a short list of options and an initial recommended option.
- b) ohia / endorse staff not progressing with further work to investigate either a fully insourced facilities maintenance model or fully outsourcing to a single entity model.
- c) tuhi ā-taipitopito / note that staff will progress further investigations into shortlisted options for the P27 “Te Ara Hura” Full Facilities Maintenance Contract with focus on the initial recommended option of the hybrid contract structure explained in the report.



d) tuhi ā-taipitopito / note that when the Council moved from 38 small contracts to 5 large contracts in 2017, a significant ongoing cost avoidance of \$30m was generated. The further investigation into the initial recommended option proposed looks to ensure continued efficient delivery of these services, while enhancing some areas of the contracts.

23. Several constraints to delivering the new maintenance contracts have been identified:

- Long Term Plan budget
- cost inflation since 2017
- requirement to maintain cost avoidance achieved
- technology
- market availability.

24. These may limit how, and to what extent, the programme will deliver improvements.

Contract operating model

25. The operating model has several dimensions that need to be decided. How these key levers are used influences the cost, efficacy and efficiency of the contracts. The major levers are:

- supplier model - large or small suppliers
- geographic coverage and size of areas or functional suppliers
- types of services covered by the full facility contract and by specialist suppliers
- details of specifications
- contract management systems and processes.

26. In general, the contract model is likely to have a mix of the first three dimensions, with flexibility where required. Mainly large suppliers and areas is likely to create the most value for money and economies of scale across the city but will not suit every situation. Local boards can give feedback on these elements. Changes may have cost implications.

27. The types of services and the specifications are key areas that can influence local priorities and what communities experience. Some of these will be standard across Auckland, some may be specific to local boards. The cost implications need to be understood, so local feedback will be used to request the relevant information during the tender stage.

28. At present, the mixed contract operating model may be:

- mainly large full facility suppliers with a few specialists and local suppliers
- the size of areas could be similar to the existing split but with some tweaks
- a standard set of service levels across Auckland with flexibility for local priorities
- a range of outcome and frequency specifications
- have a mechanism to deliver local priorities.

Local priorities

29. The local board can provide feedback on all aspects of the new contracts. Areas of specific interest for each board will be captured in the local priorities section.

30. Increased decision-making implications mean more local flexibility is required in the contracts. Individual assets will continue to be able to be taken out or added through the life of the

