

Kaipara District Council Operations and Maintenance Contracts

Meeting: Council Briefing
Date of meeting: 9 June 2021
Reporting officer: Donnicks Mugutso, Operations Manager

Purpose | Ngā whāinga

To update Council on the proposed procurement approach regarding the expiring operations and maintenance contracts in 3 Waters, Waste Minimisation and Parks and Reserves.

Context | Horopaki

Kaipara District Council (KDC) provides services to the community in the activities of 3 waters, waste minimisation and parks and reserves delivered through 4 term contracts namely:

- Contract 798 - 3 Waters Operations and Maintenance with Ventia Pty Ltd,
- Contract 706 - Eastern and Western Waste and Recyclables Collection, Disposal and Transfer Station Operation with Kaipara Refuse Ltd
- Contract 484 - Hakaru Refuse Facility Operations with Northland Waste
- Contract 860 - Maintenance of Parks, Reserves, Cemeteries, Public Toilets, Buildings and Dargaville Gardens with Downer

All 4 contracts end on the 30th June 2022 and a Procurement Strategy is being developed which will be brought to Council for approval in July.

The 3 Waters Operations and Maintenance Contract 798 was initiated in 2016 as a 3 + 2 + 1 year contract and after two renewals, the term contract ends on 30 June 2022.

The Eastern and Western Waste and Recyclables Collection, Disposal and Transfer Station Operation Contract 706 has been in operation from 2013 as a 6-year (3+3) term contract. It has had three more extensions and is due to expire on 30 June 2022.

The Hakaru Refuse Facility Operations Contract 484 runs until 30 June 2022 and was initiated in 2007 as a 10+5-year term contract.

The Maintenance of Parks, Reserves, Cemeteries, Public Toilets, Buildings and Dargaville Gardens Contract 860 was administered in 2018 and expires on 30 June 2022.

Table 1: Kaipara District Council Infrastructure Operations Term Contracts (excluding Roading)

Contract and Contractor Name	Activity	Duration	Value	Comment
Contract 798 3 Waters Operations and Maintenance – Ventia Pty Ltd	3 Waters	Jul 2016 to Jun 2022	\$12,489,941	The contract has been extended twice to June 2022
Contract 706 Eastern and Western Waste and Recyclables Collection, Disposal and Transfer Station Operation – Kaipara Refuse Ltd	Waste Minimisation	Nov 2013 to Jun 2022	\$ 2,750,650	The contract has had 3 extensions in addition to the initial 3 + 3 year term
Contract 484 Hakaru Refuse Facility Operations – Northland Waste	Waste Minimisation	Jul 2007 to Jun 2022	NIL	Zero rated contract -The contractor gets revenue from handling and disposal of waste brought to the transfer station
Contract 860 Maintenance of Parks, Reserves, Cemeteries, Public Toilets, Buildings and Dargaville Gardens - Downer	Parks and Reserves	Mar 2018 to Jun 2022	\$ 3,615,869	The contract has had no extensions

Discussion | Ngā kōrerorero

Proposed programme

The contracts have generally provided satisfactory performance for Council. However, there are opportunities now to improve the outcomes expected out of the contracts, establishing new and improving existing Key Performance Indicators and evaluating if Council is getting value for money.

As these contracts all expire on 30 June 2022 and such a major procurement takes time and resources, this report sets out the procurement programme and the gateways, some of which will require Council approvals. There are various opportunities that can be achieved through procurement in line with Kaipara District Council's Procurement Strategy, which span, but not limited to: creating synergies across the contract activities, partnering with other Councils or government departments, enhancing mana whenua partnerships, and improving local employment creation. These need to be workshopped, analysed with appropriate techniques, and ranked to bring the best value for Council.

The size and nature of the procurement process cannot be completed inhouse as there is no capacity to complete the programme. In line with KDC's procurement policy, we propose to secure external professional services to help with the procurement process through a closed tender process. A proposed programme is set out in Table 2 below:

Table 2: Proposed Procurement Programme

Activity	Description	Responsibility	Timeline
Procurement of Professional Services Providers (PSP)	To assist with the option assessments and procurement. This will include an interactive session with prospective service providers to establish that Council's objectives and expected outcomes from the procurement are clear.	Council Officers	July 2021
Procurement workshops	To evaluate delivery models and create a roadmap of the procurement process. To establish the procurement methodology To prepare procurement strategy document	PSP Council Officers	August 2021- September 2021
Procurement Strategy	To seek procurement strategy approval from Council	Council Officers Council approval	October 2021
Procurement	To secure the service providers for delivery. Includes tender preparation, tendering, evaluation and recommendation	PSP Council Officers	November 2021- February 2022
Appointment of Contractors	Council Officers to present the result and recommendation of the tender process. Council approval required.	Council approval	March 2022
Informing Contractors	Officers to inform contractors of the Council Decision	Council Officers	March 2022
Pre-commencement of Contracts	Preparation for start of contract with mobilising. Council Officers and Contractors to ensure the transition of service provision is smooth.	Contractors Council Officers	March 2022 -July 2022
Start of Contracts	Contracts start on 1 July 2022	Contractors Council Officers	July 2022

Factors to Consider

While the procurement workshops will consider all delivery models, the 3 Waters Operations and Maintenance contract will be directly affected by the ongoing Three Waters Reform.

The waste minimisation delivery models will also consider the results of the Consultation feedback on Recycling and the feedback from the Deliberations Meeting of 20 May.

• Next steps | E whaiake nei

- Secure a Procurement Professional Services
- Procurement Workshop
- Prepare Procurement Strategy

• Attachments | Ngā tapiritanga

None