

# AGENDA

## **Assets Committee**

**Council Chambers  
Thursday  
20 November 2008**



## ASSETS COMMITTEE

NOTICE IS HEREBY GIVEN THAT A MEETING OF THE ASSETS COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 20 NOVEMBER 2008 COMMENCING AT 8.30 AM

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1. MEMBERS PRESENT AND APOLOGIES.

2. CONFIRMATION OF MINUTES:

2.1 Assets Committee Meeting – 27 May 2008. (Pages 1 – 4)

3. MATTERS ARISING FROM MINUTES.

4. INWARD CORRESPONDENCE:

4.1 Procurement Review: (Pages 5 – 8)

4.2 Procurement Review Timeline: (Page 9)

5. GENERAL BUSINESS:

5.1 Review of Delegations.

Copy of Delegations Manual attached.

*Memo from Manager Operations - recommended amendments.* (Pages 10 – 11)

5.2 Progress Report on 2008/2009 Projects

*This report will be tabled at the meeting*

5.3 2009 to 2013 Draft National Land Transport Programme (NLTP) submission

*This report will be tabled at the meeting*

#### 5.4 Okuru Cemetery

Investigations have found the Okuru Cemetery is administered by Council, not local trustees.

Council staff will work with local people to prepare a plan of the cemetery and allocate future burial sites.

Arrangements need to be made for maintaining the cemetery grounds and for burials. The Okuru Cemetery needs to be added to Kumara, Hokitika and Ross in the Cemetery Business Plan and LTCCP.



## ASSETS COMMITTEE

### MINUTES OF A MEETING OF THE ASSETS COMMITTEE, HELD IN THE WESTLAND DISTRICT COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON TUESDAY 27 MAY 2008 COMMENCING AT 8.30 AM

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1. PRESENT:

Councillor K.J. Eggeling (Chairman),  
Councillors A.N. Bradley, R.F. Gugich, K.R. Scott and A. Payn.

APOLOGIES:

Councillor P.J. Davidson.

ALSO IN ATTENDANCE:

R.J. Daniel, Manager Operations; P.G. Anderson, Engineer; G. Byrne, Waste Management and Resources Officer (until 11.30) and V.M. McDermott, Community Liaison Officer

2. CONFIRMATION OF MINUTES.

2.1 Assets Committee Meeting – 26 February 2008.

Moved Councillor Gugich, seconded Councillor Bradley and Resolved that the Minutes of the Assets Committee Meeting held on the 26 February 2008 be confirmed as a true and correct record of the meeting.

3. MATTERS ARISING FROM MINUTES.

3.1 Ministry of Health – Drinking Water Assistance Programme – Capital Assistance Programme

The Engineer advised that Hannahs Clearing will be carried over and put in with Kumara and Ross in September 2008.

#### 4. INWARD CORRESPONDENCE

- 4.1 Wayne Osmers, Manager Programmes Southern, Land Transport New Zealand, Christchurch: Regarding 2008/2009 NLTP Approved Maintenance Allocations.

Moved Councillor Bradley, seconded Councillor Payn and **Resolved** that the letter be received.

- 4.2 Yvonne Warnaar, Senior Engineer Partnerships and Programmes Southern, Land Transport New Zealand: Regarding 2008/2009 NLTP Passenger Transport Operations Allocations.

Moved Councillor Gugich, seconded Councillor Scott and **Resolved** that the letter be received.

- 4.3 David Campbell, Principal Planner, GHD Limited, Christchurch: Regarding State Highway 6 West Coast – Route Security Study.

After a discussion it was agreed that the Manager Operations write to Transit New Zealand and have the following additions included:

Totara River - flooding  
Ferguson's Farm - flooding  
Mount Hercule - slips, dropouts  
Fox Hills - slips, dropouts  
Gates of Haast – large scale slip  
Knights Point – slips, dropouts

- 4.4 John Creagh, Kumara: Regarding Lease of section ex-Cassidy/Kempel, Wanganui River.

Moved Councillor Gugich, seconded Councillor Scott and **Resolved** that John Creagh be advised that occupation of legal road (bach licences) is currently under review. Council is gathering information from other sources and when this is complete he will be advised in due course.

#### 5. GENERAL BUSINESS:

- 5.1 Proposal for Integrated Risk Management Development.

Mr Paul Hume of MWH was present at the meeting and gave a presentation on a proposal for Integrated Risk Management Development.

## 5.2 LTCCP 2009-2019.

Moved Councillor Gugich, seconded Councillor Bradley and **Resolved** that the information provided on long term projects in the 2005/2008 LTCCP be noted for inclusion in the 2009-2019 LTCCP

## 5.3 Occupation of Legal Road (Bach Licences).

A discussion was held on the Occupation of Legal Road (Bach Licences) and Manager Operations advised that he had received information from other Councils

## 5.4 Hans Bay Development – Lake Kaniere Property Owners Association.

Stuart Challenger attended the meeting and after a lengthy discussion it was decided that:

### Roading

Moved Councillor Gugich, seconded Councillor Scott and **Resolved** that a road of 6 metre width seal with 1 metre wide shoulders and open drainage channels, with the inclusion of a 1.4 m wide footpath be put in place.

### Sewerage

It was agreed that the Developer be asked to provide further information on mitigation of visual and other impacts of the pump station and the costs of relocating the pump station to the north.

### Street Lights

Moved Councillor Bradley, seconded Councillor Payn and **Resolved** that the developer be required to install a duct for possible future streetlights in Stuart Street.

## SUPPLEMENTARY AGENDA:

Moved Councillor Bradley, seconded Councillor Scott and **Resolved** that the Supplementary Agenda items be received and considered.

## 5.5 Roading Requests

### 5.5.1 Fourth Street - Kumara

Moved Councillor Gugich, seconded Councillor Scott and **Resolved** that the letters be referred to the Annual Plan meeting on 4 June 2008.

### 5.5.2 White Stump Road - Karangarua

Moved Councillor Bradley, seconded Councillor Payn and **Resolved** that the letter be referred to the Annual Plan meeting on 4 June 2008.

Manager Operations to prepare a new table of costings with all the projects listed on it and to check on R Funding.

## 6. REPORTS

### 6.1 Waste Management and Resources Officer

The Waste Management and Resources Officer attended the meeting and asked the Committee to consider a reduction in days at the Hokitika Refuse site.

Moved Councillor Bradley, seconded Councillor Payn and **Resolved** that the Hokitika Refuse site for the winter months be as follows:

- closed Mondays
- open Tuesday to Sunday 10.30 a.m. to 5.30 p.m.

The winter hours will start from 9 June 2008.

**MEETING CONCLUDED AT 12.40 PM**

Confirmed:

\_\_\_\_\_  
Councillor Kerry Eggeling  
Chairperson

\_\_\_\_\_  
Date

# Procurement review

Physical works, professional services  
and public transport  
Questions and answers



October 2008

## What is the NZ Transport Agency's (NZTA) role in procurement?

NZTA has an independent statutory function under section 25 of the Land Transport Management Act 2003 (LTMA) to approve procurement procedures that are 'designed to obtain the best value for money spent by approved organisations and persons, having regard to the purpose of this Act'.

NZTA also has a role in providing advice and assistance to stakeholders.

## How does the NZTA currently meet its legal obligations to approve procurement procedures?

NZTA meets these obligations by administering the Competitive pricing procedures volume one: physical works and professional services manual and the Competitive pricing procedures volume two: public passenger transport (CPP) manuals.

NZTA also individually approves variations to these procedures, as well as alternative procedures that are submitted by approved organisations.

## What are the current procurement procedures?

The current procedures for approved organisations are contained in the NZTA's CPP manuals. These were developed under previous legislation and generally focus on getting the lowest price up front.

## Why do the current procurement procedures need to change?

The current legislation, the LTMA, takes a broader view of procurement than the earlier legislation under which the current procedures were developed. The LTMA requires consideration of 'value for money' while keeping in mind fair competition and encouraging competitive and efficient markets. In addition, the CPPs do not always provide the flexibility or ability to innovate that approved organisations have indicated they want.

## What is the aim of the procurement review?

The LTMA changed the focus of procurement procedures to include obtaining best value for money spent by approved organisations. The purpose of the procurement review, initiated in 2006, is to identify improvements to procurement procedures which will help approved organisations obtain better value for money from National Land Transport Programme (NLTP) funded projects.

## Why is public transport procurement now included in the review?

A review of public transport procurement procedures commenced in 2005. The stage one report for the review of physical works and professional services procurement procedures made it clear that there were a substantial number of features common to both reviews. As a result, work began to combine the two reviews into one.



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## What does value for money mean for procurement?

In a procurement context, it means maximising the benefits of activities approved for NLTP funding, while at the same time minimising the overall costs of a project during its lifetime, and not simply focusing on getting the lowest price up front.

## Who is affected by the review?

Local authorities that receive funding from NZTA's NLTP will be most affected by the review. However, the supplier market (contractors and consultants) should also notice positive changes in relation to how these authorities procure their goods and services.

## How has the review been undertaken?

Stage one involved a formal consultation process that began in April 2007. An analysis of the feedback from the consultation was incorporated in the stage one review report. This report recommended an integrated suite of changes designed to provide better tools and improved guidance for approved organisations. The executive summary of the stage one review report and the summary of feedback are available online at [www.landtransport.govt.nz/funding/procurement/index.html](http://www.landtransport.govt.nz/funding/procurement/index.html).

Stage two of the review began in November 2007. This is the implementation stage of the review and involves the development and roll-out of a new Procurement manual that will provide better tools and improved guidance.

An interim *Procurement manual* is being piloted by nine approved organisations, plus NZTA's state highways division. Their practical experiences, along with a formal feedback process aimed at all other approved organisations and the supplier market, will help inform the final version of the manual when it is released in mid-2009.

## How will the NZTA implement these changes?

The new *Procurement manual* will be the primary vehicle for delivering the change initiatives outlined in the stage one review report. The manual will help approved organisations to develop procurement strategies and to select procurement procedures that are suitable for their individual needs.

## What is in the *Procurement manual*?

The manual consists of two parts:

- Part I will provide a strategic framework to help approved organisations think about procurement in a strategic manner (ie value for money, fair competition and competitive and efficient markets). It will also provide approved organisations with a step-by-step guide to developing procurement strategies to address their procurement needs.
- Part II will contain a range of procurement procedures that will address most procurement activities. It will also contain guidance and rules to help approved organisations select the appropriate procedure for a particular circumstance, or to develop custom made procedures where appropriate.

## How detailed will an approved organisation's procurement strategy need to be?

The level of detail required in a procurement strategy will be driven by the procurement needs of the approved organisation. Some organisations may have a very simple strategy and others may require a more sophisticated approach to capture a range of procurement activities.

## What support will there be to help approved organisations develop these strategies?

NZTA will work with approved organisations to help them develop strategies that are fit for purpose and relevant to their needs.

These strategies will be 'living documents', responsive to the changing needs and environments of approved organisations and as such are likely to need to be 'refreshed' or reviewed on a regular basis.

## How will the *Procurement manual* work?

The new *Procurement manual* will contain a range of procurement procedures designed to meet many of the procurement needs of approved organisations. These procedures will offer greater flexibility than the current CPPs and they will incorporate measures to help maximise value for money and focus on more than just supplier selection methods.

The use of some procurement procedures suited to complex procurement activities are likely to be conditional on an approved organisation having an appropriate procurement strategy in place or under development, as well as the capability to use the procedures.

## What benefits will the new procurement procedures offer approved organisations?

There are a number of benefits including:

- enabling approved organisations to get better value from their NLTP funding
- giving approved organisations more consistency while enabling flexibility
- increasing efficiency and encouraging long-term strategic thinking
- allowing approved organisations to tailor their procurement procedures to their own unique circumstances
- providing approved organisations with knowledge and skills that they can apply to all their procurement activities.

## What will happen to the current CPP manuals?

Approved organisations will continue to use the CPP manuals until such time as they transition to the new procurement environment and can use the new *Procurement manual*. The current CPP manuals will be phased out by the end of the transition period.

## What if an approved organisation's procurement requirements aren't covered in the *Procurement manual*?

Approved organisations will be able to seek approval from NZTA for 'custom made' procurement procedures associated with a specific procurement activity. In some instances NZTA may require approved organisations to develop customised procedures for activities not covered by the *Procurement manual*.

## How much consultation has there been with stakeholders?

The former Land Transport NZ consulted extensively with the transport sector and key stakeholders. The *Procurement manual* being developed aims to reflect feedback from consultation calling for greater flexibility, fewer rules and better guidance.

## What are the timeframes for moving to the new procurement environment?

A pilot of the interim *Procurement manual* is under way with selected approved organisations beginning in the second half of this year. Feedback from the formal process will be used to inform the interim *Procurement manual* before the formal roll-out of the final version from approximately mid-2009.

## How is the NZTA going to roll out the manual to all approved organisations?

NZTA aims to finalise the manual in mid-2009. There will be a three-month lead in period to provide time for approved organisations to review their internal processes before they begin using the manual. More information will be available on the transition to the new manual in early 2009. We anticipate a transition period of approximately one year. The CPP manuals will be phased out at the end of this transition period.

## What support will the NZTA provide to those moving to the new environment?

NZTA will work with approved organisations to make sure they understand the new environment and are able to operate within it. NZTA may need to work more closely with some approved organisations than others.

Approved organisations will be provided with assistance and advice from the NZTA as they develop procurement strategies and begin working with the manual.

A copy of the interim *Procurement manual* and answers to some frequently asked questions about it are available at [www.landtransport.govt.nz/funding/procurement](http://www.landtransport.govt.nz/funding/procurement).

For further information on the procurement review please go to [www.landtransport.govt.nz/funding/procurement](http://www.landtransport.govt.nz/funding/procurement).

If you wish to receive email updates on the progress of the review please email [procurement@nzta.govt.nz](mailto:procurement@nzta.govt.nz) with the word 'SUBSCRIBE' in the subject line.

Any questions about the review can also be sent to the above email address.



# The procurement review timeline

Physical works, professional services  
and public transport



November 2008

A review of the procedures for public transport procurement began in 2005 and the review of physical works and professional services commenced in 2006. Both reviews have involved reference groups comprising representatives from approved organisations, suppliers, sector organisations, and government departments and agencies.

Stage one of the physical works and professional services review involved a formal consultation process that began in April 2007. Analysis of the feedback from that consultation was incorporated into the stage one review report, a copy of which is available at [www.landtransport.govt.nz/funding/procurement/background.html](http://www.landtransport.govt.nz/funding/procurement/background.html). This report recommended an integrated suite of changes designed to provide better tools and improved guidance for approved organisations.

Stage two of the review began in November 2007 and integrated the physical works, professional services and public transport procedures into one review. Stage two is the implementation stage and involves the development and roll-out of a new *Procurement manual*. An interim version of this new manual is currently being piloted with 10 approved organisations and the New Zealand Transport Agency's (NZTA) Highways and Network Operations Group. Copies of the interim *Procurement manual* can be downloaded from the NZTA website [www.landtransport.govt.nz/funding/procurement/](http://www.landtransport.govt.nz/funding/procurement/).

During November and December 2008, the NZTA is hosting a series of roadshows around the country to provide local authorities, their suppliers and any other interested parties with information on the new procedures and the feedback process on the interim manual (refer covering letter).

#### PROPOSED TIMEFRAMES FOR THE COMPLETION OF THE PROCUREMENT REVIEW

DATE	ACTIVITY
September 2008–March 2009	Pilot of interim <i>Procurement manual</i> by 10 approved organisations and the NZTA Highways and Network Operations group.
October 2008	Interim <i>Procurement manual</i> available on the NZTA website.
November/December 2008	Roadshow presentations throughout New Zealand.  Feedback document available on the NZTA website, seeking feedback from all stakeholders.
March–May 2009	Analysis of feedback, including information from the pilot, and refinement of the new manual.
May–June 2009	The NZTA Board considers finalised manual.
July 2009	New <i>Procurement manual</i> released.
July–September 2009	Three month lead-in period.  Approved organisations (AOs) review internal processes to ensure alignment with the new manual.  The NZTA arranges schedule of workshops and meetings to assist AOs with strategy development and general training.
October 2009	The new <i>Procurement manual</i> is available for use by all approved organisations, subject to rules of use and working with the NZTA on strategy development.



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## 5.1 Review of Delegations – Refer to Delegations Manual

	<b>Amendment</b>	<b>Reasons</b>
Page 12	<u>Add</u> c) Civil Defence Emergency Management and Rural Fire activities	Transfer of Civil Defence responsibility to Operations Staff. Rural Fire not previously included in jurisdiction.
Page 15	<u>Management Team</u> Contractual Authority capital expenditure in estimates \$100,000 to \$200,000  Contractual Authority emergency expenditure not provided in estimates \$60,000 to \$200,000  Contractual Authority non capital expenditure in estimates \$100,000 to \$200,000	Cost increases since limits set in 1990's  Important that delegations do not delay emergency response.  Cost increases
Page 16	<u>Chief Executive</u> Contractual Authority capital expenditure in estimates \$50,000 to \$100,000  Contractual Authority emergency expenditure not provided in estimates \$30,000 to \$100,000  Contractual Authority for non capital expenditure in estimates \$50,000 to \$100,000	Cost increases  To ensure emergency response not delayed.  Cost increases
Page 18	<u>Manager Operations</u> Contractual Authority capital expenditure provided for in estimates \$30,000 to \$60,000  Contractual Authority emergency expenditure not provided in estimates \$10,000 to \$100,000  Contractual Authority non capital expenditure provided in estimates \$20,000 to \$50,000	Cost increases  To ensure emergency response not delayed.  Cost increases
Page 19	<u>Engineer</u> Double all delegations	Cost increases
Page 22	<u>Contracts Supervisor</u> Double all delegations	Cost increases
Page 23	<u>Engineering Officer</u>	

	Double all delegations	Cost increases
Page 24	<u>Swimming Pool Manager</u> Double all delegations	Cost increases
Page 28	<u>Assistant Engineer</u> Increase delegations from \$2,000 to \$10,000	Consistent with Engineering Officer
Page 33	<u>Information Technology Officer</u> Increase delegations from \$2,000 to \$5,000	Cost increases
Page 34	<u>Waste Management and Resources Officer</u> Increase delegations from \$2,000 to \$5,000	Cost increases
Page 37	<u>Gardener – Part Time</u> Delete	Position no longer in place.
Page 39	<u>Pool Charges</u> Set annually by Council, not delegated to Managers	High public interest, implications to budget
Pages 56 and 57	<p><u>Tender Procedures</u> The Land Transport Management Act 2003 requires approved organizations to have an approved “procurement procedure” for access to funds from the land transport disbursement account.</p> <p>Procurement procedures must be designed to obtain best value for money.</p> <p>The procurement procedures for land transport activities can be applied to all Council activities.</p> <p><b><u>Recommendations:</u></b> That the tender procedures remain in place pending preparation of “Procurement Procedures” for approval by the New Zealand Transport Agency (NZTA). That Land Transport New Zealand and Transit New Zealand be amended to read “New Zealand Transport Agency”.</p> <p>That Transit New Zealand Act be amended to read - “Land Transport Management Act 2003” (Note: The Manager Operations is part of a team working with NZTA on developing model “Procurement Procedures” for use by all transport authorities. Procedures for Westland are to be developed as part of next LTCCP</p>	