



AGENDA

Tenders and Procurement Committee Meeting Tuesday, 30 July 2024

Date Tuesday, 30 July 2024

Time 8.30am

Location Meeting Room 1
District Council Building
King George Place
Timaru

File Reference 1688402

Timaru District Council

Notice is hereby given that a meeting of the Tenders and Procurement Committee will be held in the Meeting Room 1 , District Council Building, King George Place, Timaru, on Tuesday 30 July 2024, at 8.30am.

Tenders and Procurement Committee Members

The Mayor (Chairperson), Chairperson Commercial and Strategy Committee, Chairperson of the appropriate Standing Committee whose work is being tendered, Chairperson of the Environmental Services Committee

Quorum – no less than 3 members

Local Authorities (Members' Interests) Act 1968

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Nigel Trainor
Chief Executive

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- 1 Apologies**
- 2 Identification of Items of Urgent Business**
- 3 Identification of Matters of a Minor Nature**
- 4 Declaration of Conflicts of Interest**

5 Confirmation of Minutes

5.1 Minutes of the Tenders and Procurement Committee Meeting held on 11 June 2024

Author: Rachel Scarlett, Governance Advisor

Recommendation

That the Minutes of the Tenders and Procurement Committee Meeting held on 11 June 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Tenders and Procurement Committee Meeting held on 11 June 2024**



MINUTES

Tenders and Procurement Committee Meeting Tuesday, 11 June 2024

Ref: 1688402

**Minutes of Timaru District Council
Tenders and Procurement Committee Meeting
Held in the Meeting Room 1 , District Council Building, King George Place, Timaru
on Tuesday, 11 June 2024 at 8.31am**

Present: Clrs Peter Burt (Chairperson), Sally Parker, Michelle Pye

In Attendance: **Councillors:** Clrs Gavin Oliver, Scott Shannon

Officers: Nigel Trainor (Chief Executive), Andrew Dixon (Group Manager Infrastructure), Suzy Ratahi (Land Transport Manager), Rachel Scarlett (Governance Advisor)

1 Apologies

1.1 Apologies Received

Resolution 2024/10

Moved: Clr Peter Burt

Seconded: Clr Sally Parker

That the apology of Mayor Nigel Bowen be received and accepted.

Carried

2 Identification of Items of Urgent Business

No items of urgent business were received.

3 Identification of Matters of a Minor Nature

No matters of a minor nature were raised.

4 Declaration of Conflicts of Interest

No conflicts of interest were declared.

5 Confirmation of Minutes

5.1 Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 16 May 2024

Resolution 2024/11

Moved: Clr Peter Burt

Seconded: Clr Sally Parker

That the Minutes of the Extraordinary Tenders and Procurement Committee Meeting held on 16 May 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

6 Consideration of Urgent Business Items

No items of urgent business were received.

7 Consideration of Minor Nature Matters

No matters of a minor nature were raised.

8 Exclusion of the Public

Resolution 2024/12

Moved: Clr Michelle Pye

Seconded: Clr Sally Parker

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows at 8.34am.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
9.1 - Contract 2663 Road Resurfacing 2024-26 Tender Acceptance	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To protect commercially sensitive information</p> <p>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>

Carried

9 Public Excluded Reports

9.1 Contract 2663 Road Resurfacing 2024-26 Tender Acceptance

Contract 2663 Road Resurfacing 2024-26 Tender Acceptance be released to the public as below;

Resolution 2024/13

Moved: Clr Sally Parker

Seconded: Clr Michelle Pye

Resolution 2024/14

1. That the tender submitted by Fulton Hogan Limited for the sum of \$6,443,300.00 excluding GST (six million, four hundred and forty-three thousand, three hundred dollars) for Contract 2663 Timaru District Road Resurfacing Contract 2024-26 be accepted.
2. That the Group Manager Infrastructure be authorised to approve contract variations to allow changes in the scheduled works within approved budgets.
3. That the successful tender and awarded amount be released to the public.

Carried

10 Readmittance of the Public

Resolution 2024/15

Moved: Clr Michelle Pye

Seconded: Clr Sally Parker

That the meeting moves out of Closed Meeting into Open Meeting at 8.53am.

Carried

The Meeting closed at 8.53am.

.....

**Clr Peter Burt
Chairperson**

6 Reports

6.1 Sustainable South Canterbury Trust - Contract Renewal

Author: Grant Hamel, Waste Operations Manager

Authoriser: Andrew Dixon, Group Manager Infrastructure

Recommendation

That

1. The Tender and Procurement Committee approves Contract 2661 – Sustainable South Canterbury Trust for the six year term commencing 1 August 2024, backdated to 1 July 2024 for the sum of \$1,397,788.68 excluding GST.
2. That the Group Manager Infrastructure be authorised to approve contract variations and escalations as per contract conditions within approved budget amounts.
3. That two further two-year term extensions be approved and that the Chief Executive is delegated authority to execute these.

Purpose of Report

- 1 To provide background and gain approval of the Tenders and Procurement Committee for the terms and conditions negotiated with Sustainable South Canterbury Trust (SSCT) for a six-year contract, plus extension options of two plus two years.

Assessment of Significance

- 2 This matter is assessed of low significance in accordance with Council's Significance and Engagement Policy as the contract is in accordance with Council policies, plans and budget provisions.

Background

- 3 The original contract for waste recovery services was signed in 2004 for a period of 15 years. At that time the SSCT was known as Aoraki Wastebusters.
- 4 Since July 2019 the contract has been extended as variations to the original contract.
- 5 A new contract has now been drafted between both parties and is for a six-year period, with options for two further two-year extensions. The prices are subject to annual cost escalations based on Statistics NZ business price indices.
- 6 Timaru District Council (TDC) adopted its Waste Minimisation Management Plan (WMMP) on 1 July 2024. The WMMP sets out the activities and plans for effective and efficient waste management and minimisation and several of the initiatives to be adopted are related to the services provided by SSCT. These include using fewer products and materials and sustaining their use for as long as possible, by measures including repairing, reusing, sharing and repurposing them.

- 7 The SSCT established the South Canterbury EcoCentre with financial support from TDC. SSCT manage the EcoCentre from where they run waste management education programmes for the community.
- 8 In addition, they manage and run 'The Crow's Nest'. Since 2018 there has been a 111% increase in the materials handled at 'The Crow's Nest' and they now average over 30,000 customers a year. 'The Crow's Nest' in the last 18 months has seen a significant increase in their activity levels and consequently a need to increase their staffing levels.
- 9 In addition, SSCT has supported TDC with developing local circular economy initiatives, assisting TDC in diverting items from the landfill, as SSCT manage the drop off of E-waste, and car seats at Redruth Resource Recovery Park.

Discussion

- 10 This contract has been negotiated with the SSCT. The SSCT are well established and versed in the requirements of achieving a circular economy and are continually considering measures that may expand and enhance their profile. One such example is the recent establishment of a 'repair café' where members of the community are supported in their efforts to repair items, thus reducing materials going to the landfill.
- 11 The Contract Terms and Conditions and price have been negotiated following several meetings between Council Officers and the Chairperson of SSCT. The annual sum of these services is \$232,964.78.
- 12 The substantive change to the previous contract is an increase to the Annual Fee for receiving reusable goods at the landfill. This change has been necessitated by the increased volume of materials being accepted by SSCT and their subsequent resale via 'The Crow's Nest'. Under the previous contract conditions, SSCT were claiming for the additional staff required to manage the workload through a variation to the contract. This is now part of the base contract fee.
- 13 In addition, the contract has been amended to include a provision that SSCT staff are entitled to the Living Wage. Contract rates for labour will be adjusted annually to reflect this.
- 14 The specialist knowledge and community service delivered through the Trust is considered to be a preferred existing supplier arrangement in terms of the Timaru District Council Procurement policy. As a Trust, the rates presented are considered value for money and unlikely to be matched by a commercial supplier. On this basis in accordance with the Timaru District Council Procurement Policy, direct negotiation is acceptable.

Options and Preferred Option

- 15 Option 1 – Approve the renewal of the Sustainable South Canterbury Trust contract for a period of six years with two further rights of renewals of two years. This is the preferred option.
- 16 Option 2 – Decline the renewal of the Sustainable South Canterbury Trust contract. This is not recommended as there is no viable alternative partnership in the area that TDC can align with. This will impact negatively on our Waste Management & Minimisation Plan and severely hinder our ability to achieve some of the goals within the Waste Management & Minimisation Plan

Consultation

- 17 Consultation in the form of contract terms and conditions negotiations has taken place between Council and the Contractor.

Relevant Legislation, Council Policy and Plans

- 18 Waste Minimisation Act 2008
19 New Zealand Waste Strategy
20 Timaru District Waste Assessment 2023
21 Timaru Waste Management & Minimisation Plan 2024
22 Timaru District Council Long-Term Plan 2024-2034

Financial and Funding Implications

- 23 There are no direct financial implications to TDC, as the cost of the services provided in this contract will be fully funded from the Ministry for the Environment's Waste Levy revenue. No rates funding is required.
- 24 The Ministry for the Environment allocates fifty percent of money collected through the Waste Disposal Levy to territorial authorities on a quarterly basis. The funds allocated must be spent on initiatives and projects that promote or achieve waste minimisation. This spending must be in accordance with the territorial authorities WMMP.
- 25 As detailed above there are very strict conditions imposed upon Territorial Authorities as to activities that the Waste Levy money is used for and this contract meets the criteria.

Other Considerations

- 26 SSCT, as well as providing specialist circular economy functions and support to TDC, is also gathering information, and considering options relating to Climate Control. The knowledge they are gaining in this area will provide synergies and opportunities for TDC to work in conjunction with them.
- 27 SSCT facilitate via the Eco Centre Activator many community Eco Education activities. Although schools are a major focus of the programmes, it is not exclusive to schools.

Attachments

Nil

7 Consideration of Urgent Business Items**8 Consideration of Minor Nature Matters****9 Exclusion of the Public****Recommendation**

That the public be excluded from—

- *(a)the whole of the proceedings of this meeting; or
- *(b)the following parts of the proceedings of this meeting, namely,—

10.1 Contract 2657 - Strathallan Corner Toilet Redevelopment Tender Acceptance**10.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 11 June 2024****10.3 Health Monitoring Services****10.4 Grounds Maintenance - Social Housing**

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 are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
10.1 - Contract 2657 - Strathallan Corner Toilet Redevelopment Tender Acceptance	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	To protect commercially sensitive information
10.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 11 June 2024 Matters dealt with in these minutes:	Section 48(1) of the Local Government Official Information and Meetings Act 1987.	The public excluded minutes of the meeting held on 11 June 2024 are considered confidential pursuant to the provisions of the LGOIMA Act of 1987. The specific provisions of the Act that relate to these minutes can be found in the open minutes of

9.1 - Contract 2663 Road Resurfacing 2024-26 Tender Acceptance		the meeting held on 11 June 2024.
10.3 - Health Monitoring Services	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>
10.4 - Grounds Maintenance - Social Housing	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To enable Council to carry out commercial activities</p> <p>To enable Council to carry out commercial or industrial negotiations</p>

Note

[Section 48\(4\)](#) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4)Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof)—
 - (a)shall be available to any member of the public who is present; and
 - (b)shall form part of the minutes of the local authority.”

10 Public Excluded Reports

11 Readmittance of the Public