

## Infrastructure Committee Committee Agenda

**Date:** Thursday, 10 August, 2017  
**Time:** 10:30 am  
**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei  
**Attendees:** Cr Greg Martin (Chairperson)  
Her Worship the Mayor Sheryl Mai  
Cr Stu Bell  
Cr Vince Cocurullo  
Cr Crichton Christie  
Cr Tricia Cutforth  
Cr Shelley Deeming  
Cr Sue Glen  
Cr Phil Halse  
Cr Cherry Hermon  
Cr Greg Innes  
Cr Jayne Golightly  
Cr Sharon Morgan  
Cr Anna Murphy

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

<b>1. Declarations of Interest</b>	
<b>2. Apologies</b>	
<b>3. Confirmation of Minutes of Previous Infrastructure Committee Meeting</b>	<b>5</b>
<b>4. Decision Reports</b>	
4.1 Policy for Renewal - Berm Mowing	11
4.2 LED St Light Upgrade Programme	25
4.3 Pohe Island Carpark and Amenity	31
4.4 Car Park to Park - Working Party	47
<b>5. Information Reports</b>	
5.1 Infrastructure Operations Report Update - August 2017	51
5.2 Contracts Approved Under Delegated Authority August 2017	65
5.3 Service Delivery Review Update - Public Toilets and Cemeteries	73
5.4 Service Delivery Review - Solid Waste Collection	97
<b>6. Public Excluded Business</b>	
6.1 Solid Waste - Procurement of Services	
<b>7. Closure of Meeting</b>	

## Infrastructure Committee – Terms of Reference

### Membership

**Chairperson:** Councillor Greg Martin

**Members:** Her Worship the Mayor Sheryl Mai  
Councillors Stu Bell, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Shelley Deeming, Sue Glen, Jayne Golightly, Phil Halse, Cherry Hermon, Greg Innes, Sharon Morgan, Anna Murphy

**Meetings:** Monthly

**Quorum:** 7

### Purpose

To oversee the management of council's infrastructural assets, utility services and public facilities.

### Key responsibilities include:

- Services including the provision and maintenance of:
  - Infrastructure projects and support
  - Infrastructure project co ordination
  - Transportation
  - Waste and Drainage
  - Water
  - Parks and Reserves.
- Shared Services – investigate opportunities for Shared Services for recommendation to council.

### Delegations

- (i) All powers necessary to perform the committee's responsibilities, including, but not limited to:
  - (a) the approval of expenditure of less than \$10 million plus GST.
  - (b) approval of a submission to an external body.
  - (c) establishment of working parties or steering groups.

- (d) power to establish subcommittees and to delegate their powers to that subcommittee.
- (e) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).
- (f) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002







## 1. Minutes: Infrastructure Committee Thursday, 13 July 2017

---

*Minutes of a meeting of the Infrastructure Committee of the Whangarei District Council held in the Council Chamber Forum North on Thursday 13 July 2017 at 10.30am*

**Present:**

Greg Martin (Chairperson)

Her Worship the Mayor Sheryl Mai, Crs Stu Bell, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Shelley Deeming, Jayne Golightly, Phil Halse, Cherry Hermon, Greg Innes and Sharon Morgan

**In Attendance:**

Chief Executive (Rob Forlong), General Manager Finance and Corporate (Alan Adcock), General Manager Strategy and Democracy (Jill McPherson), Manager Northland Transportation Alliance (Peter Thompson), Executive Assistant (Judi Crocombe) and Senior Meeting Co ordinator (Carolyn Brindle)

Procedural motion

**Moved: Cr Martin**

**Seconded: Cr Innes**

“That the meeting be adjourned and reconvene at 10.45am today in the Council Chambers.”

**CARRIED**

**THE MEETING ADJOURNED AT 10.01AM AND RECONVENED IN THE COUNCIL CHAMBERS  
AT 10.45AM THURSDAY 13 JULY**

*Minutes of a meeting of the Infrastructure Committee of the Whangarei District Council held in the Council Chamber Forum North on Thursday 13 July 2017 at 10.45am*

**Present:**

Greg Martin (Chairperson)

Her Worship the Mayor Sheryl Mai, Crs Stu Bell, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Shelley Deeming, Jayne Golightly, Phil Halse, Cherry Hermon, Greg Innes and Sharon Morgan

**Apologies:**

Crs Sue Glen and Anna Murphy

**Moved: Cr Innes**

**Seconded: Cr Cocurullo**

“That the apologies be sustained.”

**CARRIED**

**In Attendance:**

Chief Executive (Rob Forlong), General Manager Finance and Corporate (Alan Adcock), General Manager Strategy and Democracy (Jill McPherson), Manager Northland Transportation Alliance (Peter Thompson), Executive Assistant (Judi Crocombe) and Senior Meeting Co ordinator (Carolyn Brindle)

**1. Confirmation of minutes of a Meeting of the Infrastructure Committee held on held on 8 June 2017**

**Moved: Cr Innes**

**Seconded: Cr Deeming**

“That the minutes of the Infrastructure Committee meeting held on Thursday 8 June 2017, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

**CARRIED**

**2. Notice of motion – revocation of resolution and substitution with another**

**Moved: Cr Bell**

**Seconded: Cr Cocurullo**

“That the Infrastructure Committee;

1. Revokes the following resolution of the Infrastructure Committee meeting 8 June 2017:

*“That the Infrastructure Committee;*

- a) *Endorses that the name for the Pocket Park at 109 Port Road is chosen by a working party formed by selected Councillors and three members of the local Hapu.*

- b) *Selects Councillors Greg Martin (Chairperson), Sue Glen and Phil Halse to form part of the working party.*
- c) *Delegates the selection of the name to the working party.*
- d) *Requests the working party complete the name selection prior to June 30<sup>th</sup> 2017.*
- e) *Approves staff prepare the formal naming agenda for the next available Council committee meeting following the opening ceremony at the site."*

And resolves:

That to name the Pocket Park at 109 Port Road:

- a) The Councillors select the name from those already submitted by members of the public and Te Parawhau by way of the priority selection process below.
- b) If required to meet cultural protocols the name selected through the selection process is to be embargoed until the official blessing, naming and opening ceremony.

#### Selection process

1. The selection process will be managed by the Whangarei District Council General Manager of Infrastructure.
2. Staff will prepare a list of the names to be considered including any supporting narrative received from those who submitted the name.
3. Councillors will individually rank their top 5 preferences and score them with a score of 5 being their most preferred name, through to a score of 1 being their least preferred name.
4. The Councillor's scores for each name will then be collated and the name with the highest combined score will be the name for the Pocket Park at 109 Port Road.
5. If when the Councillors individual scores are collated, 2 or more names receive the same overall highest ranking score, the same process will be followed as above, except from those names Councillors will rank their 2 most preferred names and score them with a score of 2 being the most preferred and a score of 1 being their least preferred name.
6. In the unlikely event of having gone through step 5) of the selection process, 2 more more names still receive the same overall ranking score, the Chairman of the Infrastructure Committee will decide from those names the name of the Pocket Park at 109 Port Road."

*On the motion being put Cr Innes called for a division:*

*For the motion:*

*Crs Bell, Christie, Cocurullo, Deeming, Hermon, Golightly, Halse and Cutforth (8)*

*Against the motion:*

*Crs Martin, Innes, Morgan and Her Worship the Mayor (4)*

*Absent:*  
*Crs Glen and Murphy (2)*

**CARRIED**

### **3 Operations Report Update Infrastructure**

**Moved: Cr Innes**  
**Seconded: Cr Golightly**

“That the Infrastructure Committee note the Infrastructure Operations report.”

**CARRIED**

### **3. Contracts Approved Under Delegated Authority**

**Moved: Her Worship the Mayor**  
**Seconded: Cr Cocurullo**

“That the Infrastructure Committee note the contracts awarded under Chief Executive and General Manager delegated authority.”

**CARRIED**

### **4. Infrastructure Capital Projects Report for the Month Ending 31 May 2017**

**Moved: Cr Deeming**  
**Seconded: Cr Hermon**

“That the Infrastructure Committee notes the Infrastructure Capital Projects Report for the month ending 31 May 2017.”

**CARRIED**

### **5. Temporary Road Closure – Northland Car Club 2017**

**Moved: Cr Christie**  
**Seconded: Cr Cocurullo**

“That the Infrastructure Committee

- a) approves the following roads be temporarily closed to ordinary traffic for the Northland Car Club events in accordance with the Local Government Act (1974)

- a. **Sunday 3 September 2017**

Rosythe Road, Waipu. 400 metres from SH1 to a point 1.5 kilometres from SH1

- b. **Sunday 15 October 2017**

Doctors Hill Road, 800 metres from SH1 to Mountfield Road

- c. **Sunday 26 November 2017**

Crows Nest Road, Hukerenui. From a point 2 kilometres from SH1 to Paiaka Road

**d. Sunday 28 January 2018**

Kaiikanui Road, from a point approximately 5 kilometres from Pigs Head Road to a point approximately 3 kilometres towards Webb Road

**Periods of closure:** 9:30am – 5:00pm

- b) approves the sides roads off the roads to be closed also be temporarily closed for a distance of up to 100 metres from the intersection for safety purposes.
- c) delegates to the Chair of the Infrastructure Committee and the Infrastructure Services Group Manager the power to consider objections and cancel or amend any or all of the temporary road closures if applicable.”

**CARRIED**

**7. Service Delivery Review Update**

**Moved: Cr Morgan**  
**Seconded: Cr Cocurullo**

“That the Infrastructure Committee note the completed Service Delivery Reviews for the Water, Wastewater, Stormwater, Hikurangi Flood Scheme and Parks and Recreation activities.”

**CARRIED**

**The meeting closed at 11.41am**

Confirmed this 10<sup>th</sup> day of August 2017

Greg Martin (Chairperson)





## Policy for Renewal - Berm Mowing

**Meeting:** Infrastructure Committee  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Jeff Devine (Roading Manager)

### 1 Purpose

To present the following Council policy to the Committee for consideration.

### 2 Recommendations

That the Infrastructure Committee approves:

- a) Policy 0123 – Roadside Berm mowing.
- b) that requests from the community for assistance with mowing of roadside berm in front of private properties, be sent to the Community Funding Committee for consideration for a Community Grant.

### 3 Background

The following is a new policy presented to the Committee for adoption, attachment 1.

- Policy 0123 – Roadside Berm Mowing.

The policy has previously been presented to the Committee in September 2016, and further discussed by the Committee in an Infrastructure Update meeting on the 6<sup>th</sup> June 2017, agenda attached (Attachment 2).

### 4 Discussion

Council regularly receives requests from residents asking Council to maintain and/or mow roadside berms in front of their properties mainly in urban areas. The reasons for these requests are many and range from the size of the berm; the difficulty of access, slopes, the inability of the property owner to maintain the berm due to age or mobility and in some cases the requests come from absentee owners who may have holiday homes in the District.

This policy is intended to set out Council's process for dealing with such requests from members of the public.

It is currently Council policy that Council do not undertake the mowing of roadside berms outside private properties and Council relies on property owners to maintain their roadside berms. However, there is no requirement that forces a property owner to mow their berm and in some areas of urban Whangarei property, owners do choose not to mow their property frontages.

Council does take on the responsibility for maintaining some of the berms associated with Council owned properties, such as parks. Council also maintain some berms where there is no adjoining property owner, such as parts of the foreshore along the harbour's edge. The only other urban areas included in Council's mowing programmes are traffic islands within the road carriageway and some areas, usually high banks that are required to be mown for visibility and safety reasons.

Council does not maintain all the berms outside of all properties it owns or is responsible for. A decision is made by the Department owner of the property or asset, to what level of maintenance is appropriate for each site.

In rural areas, roadside berms are generally not maintained by the property owners or by Council unless it is safety mowing for visibility reasons.

Council currently budgets approximately \$210,000 annually within the Parks Department to undertake the roadside berm mowing programme in accordance with the current policy.

This mowing programme is the current level of service provided by Council to the Community and it is the basis on which the setting of the current rates funding is based. If the Community were to request a higher level of service that included berm mowing throughout the City, then the funding requirements would need to be increased either by an increase in rates or a decrease in some other service currently provided, to offset this cost. It has been estimated, based on current contract rates, that it would cost an additional \$1,015,000 per year to mow all roadside berms in the urban areas of the District.

The Committee considered the cost of mowing berms across the District in the Infrastructure Update meeting on 6 June 2017.

The current policy on roadside mowing has been in place for the Whangarei District Council for more than 15 years and during that time, and through public consultations on Annual Plans and Long Term Plans, there has not been a drive from the Community to change this policy, increase funding or the level of service provided for roadside mowing.

Where residents are unable to maintain their own property frontages, Work and Income NZ (WINZ) have advised that a grant can be made available to people to help maintain their properties, where appropriate, and there are numerous lawn mowing contractors available across the District.

It is recommended that Council confirms the current policy.

If Council receives Community requests for assistance with the mowing of roadside berms in front of private properties, that are not consistent with this proposed policy, it is recommended that the requests be sent to the Community Funding Committee for consideration for a Community Grant.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the Agenda publication on the website.

## **6 Attachments**

1. Policy 0123 – Roadside Berm Mowing. Draft for Review 2017.
2. Infrastructure Update Meeting Agenda - 6 June 2017 including attachments

# **Whangarei District Council Policy**

## **Roadside Berm Mowing Policy**

## **Policy 0123**

Policy title			
Audience (Primary)	Internal/external*	Business Owner (Dept)	Roading
Policy Author	J Devine	Review date	July 2017

## Policy

That Council does not undertake the mowing of roadside berms outside private properties and that Council relies on property owners do choose not to mow their property frontages.

That Community requests for assistance with the mowing of roadside berm in front of private properties be sent to the Funding Committee for consideration for a Community Grant.

## Adoption

To be considered by the infrastructure Committee for adoption on the 13<sup>th</sup> July 2017

This Draft Policy has been approved for adoption by the Roading Manager and the Group Manager Infrastructure and Services

\_\_\_\_\_  
Roading Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Group Manager Infrastructure and  
Services

\_\_\_\_\_  
Date

Policy adopted by XXXXXXXX Resolution on XX XXXXXXXXXXXX 20XX

## INFRASTRUCTURE UPDATE ONLY

### Berm Mowing

---

**Reporting officer** Jeff Devine (Roading Manager)  
**Date of meeting** 6 June 2017

### Executive Summary

Council's current policy for roadside berm maintenance is that it relies on the adjoining property owner to maintain their own berms. A request has been made to reconsider that policy and assess costs of a higher level of service provided by Council which is shown below.

Location	Annual Maintenance costs	Comment
Existing Maintenance Council owned property berms	\$210,000	Parks maintenance contracts (existing policy)
Whangarei Entranceways berm maintenance	\$300,000	Plus one off development costs of \$250,000 year 1
Residential berm mowing urban areas	\$1.1M (total)	>9m berm width \$113,000 (top 10%) >500m <sup>2</sup> berm area \$101,000 (top 10%)
Waipu Entranceways berm maintenance	\$12,000	SH1 intersection with The Braigh, Shoemaker and Nova Scotia Rds
<b>Total</b>	<b>\$623,000 to \$1.6M</b>	

### Discussion

Council asked staff to investigate the cost of changing the current policy on roadside berm mowing in the District.

### Background

It is currently Council policy that Council does not undertake the mowing of roadside berms outside private properties and Council relies on property owners to maintain their roadside berms. However, there is no requirement that forces a property owner to mow their berm and in some areas of urban Whangarei property owners do choose not to mow their property frontages.

Council does take on the responsibility for maintaining some of the berms associated with Council owned properties, such as parks and other Council owned properties in the City. Council also maintain some berms where there is no adjoining property owner, such as parts of the foreshore along the harbour's edge. The only other urban areas included in Council's mowing programmes are traffic islands within the road carriageway and some areas, usually high banks that are required to be mown for visibility and safety reasons.

Council does not maintain all the berms outside all of properties it owns or is responsible for. A decision is made by the Department that is the property or asset owner as to what level of maintenance is appropriate for each site.

In rural areas, roadside berms are generally not maintained by the property owners or by Council unless it is safety mowing for visibility reasons.

Council currently budgets approximately \$210,000 annually within the Parks Department to undertake the roadside berm mowing programme in accordance with the current above policy.

Staff have considered 3 requests for Council to take responsibility for, and fund, berm mowing and maintenance on:

- the 3 State Highway entranceways entering Whangarei City,
- mowing excessively wide or large berms in front of urban residential properties,
- a specific request from Waipu 2000, a Community group, for an increase in grants to cover the mowing of the berms at the 3 entranceways into Waipu.

## 1 Whangarei Entranceways Berm Maintenance

Areas bordering the State Highways are currently maintained by NZTA, but at a lower level of Service.

Council officers obtained estimated costs for Council to take over maintenance of the following areas (refer map Attachment 1):

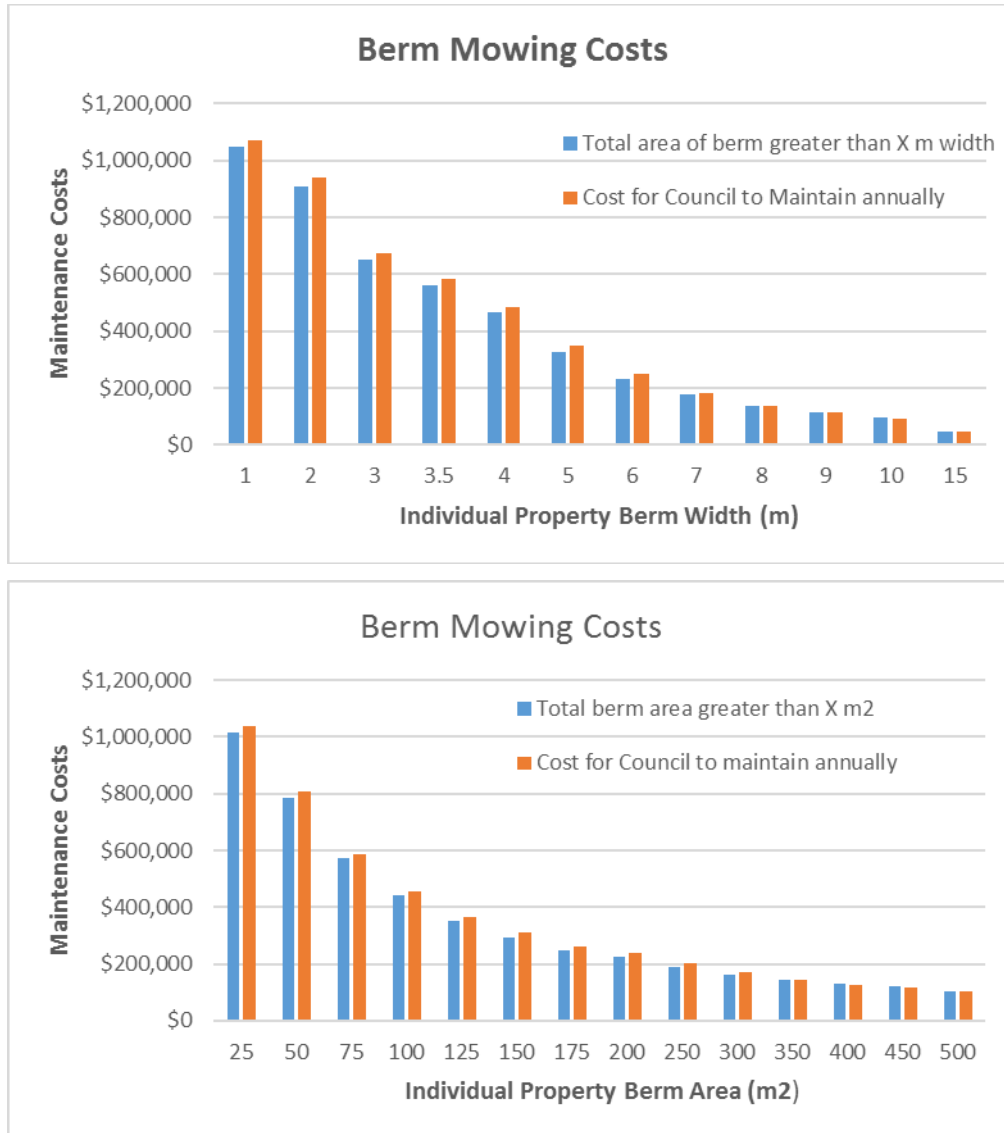
- Southern Entrance; - Lookout Hill into the City, stopping at the Otaika shops.
- Western Entrance: - Whangarei Museum to Silverstream Rd.
- Northern Entrance: - Springs Flat to the southern end of the Kamo Bypass.

The proposed works allow for development work to improve the existing amenity and allow for improved future annual maintenance.

<b>Berm Maintenance SH1 &amp; 14</b>	<b>Initial Development Costs</b>	<b>Annual Maintenance Costs</b>
Southern Entrance (3km)	\$ 85,000	\$ 63,900
Western Entrance (2.6km)	\$ 28,500	\$ 60,200
Northern entrance (3.7 km)	\$138,000	\$176,300
<b>Total Cost (estimate)</b>	<b>\$251,500</b>	<b>\$300,400</b>

## 2 Residential Berm Mowing in Urban Areas

Council officers have assessed the costs for increasing the berm mowing level of service to be provided by Council in Urban areas. This has been assessed by both "berm width" and "total berm area" in front of individual residential properties.



Details of the berm mowing costs assessment are shown in Attachment 2.

The estimated cost to maintain all berms in front of residential properties in the District's urban areas would be \$1.1M per annum. These costs are not subsidised.

The cost to maintain the top 10% of property berms with widths greater than 9m would be \$112,950 per annum.

The top 10% of berms based on berm area greater than 500m2 would cost \$101,207 per annum for Council to maintain.

### 3 Waipu Entranceways Berm Maintenance

The Waipu Community Group, Waipu 2000 and Beyond Association, have requested an annual grant of \$12,000 per annum for the mowing and upkeep of the 3 road entranceways from SH1 at Waipu. (see Attachment 3).

The Waipu 2000 Community Group currently receives grants from Council for undertaking maintenance activities in Waipu totalling \$40,000 per annum, and is the result of an historic agreement with Council since 1994. Grants currently are provided for:

- Roadside watertable maintenance and litter and vegetation control throughout Waipu - \$20,000 per annum funded by Roding.
- Mowing of 3 parks in Waipu - \$8,000 per annum funded by the Parks Department.
- Emptying and cleaning rubbish bins in Waipu - \$12,000 per annum funded by the Waste Department

Waipu 2000 say they have been undertaking the mowing of the entranceway berm areas for the past 22 years but have not been funded directly for this activity.

Waipu 2000 requested NZTA fund 50% of the proposed cost for this work but NZTA have refused their request as their own contractors already have responsibility to maintain this area, although to a much lower standard, and Waipu 2000 do not meet NZTA's Health & Safety standards for working on the State Highway Network.

## **Next Steps**

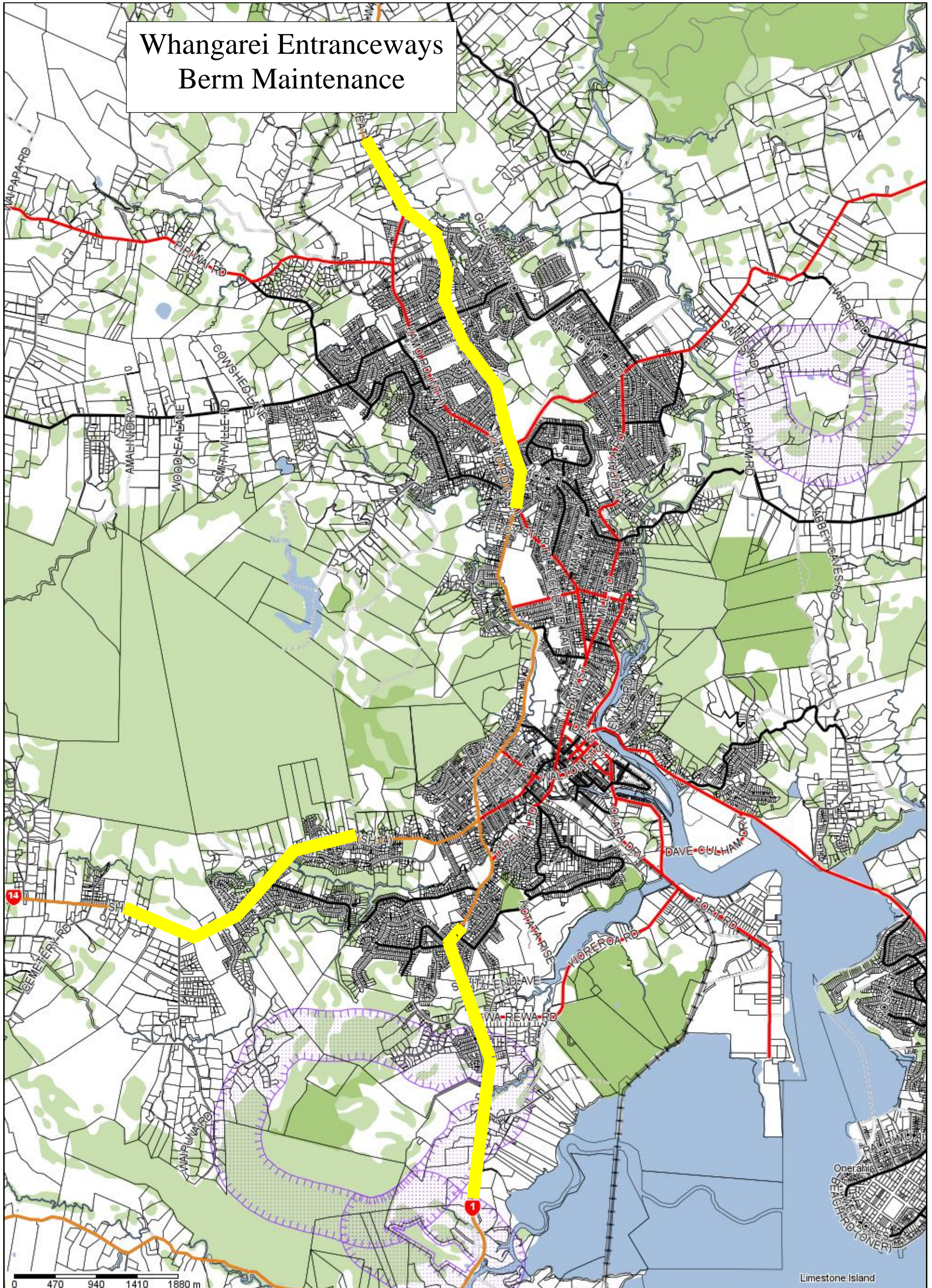
If the Committee wishes to amend the current berm mowing policy, then provision will need to be made in the 2018-28 LTP budgets for increased funding.

## **Attachments**

1. Whangarei Entranceway Berm Maintenance Location Map.
2. Urban Residential Berm Mowing Costs.
3. Waipu 2000 request for Berm Mowing Grant.



# Whangarei Entrancesways Berm Maintenance







### Areas and Annual Costs for Maintenance based on Individual Property Berm Width

Berm Width's (m)	Total	Width > 1 m	Width > 2 m	Width > 3 m	Width > 3.5 m	Width > 4 m	Width > 5 m	Width > 6 m
AREA (m <sup>2</sup> ):	1,053,921	1,049,490	909,645	652,457	562,280	465,745	328,510	230,427
COST (per annum):	\$1,077,030	\$1,072,042	\$938,335	\$672,764	\$584,173	\$486,864	\$349,544	\$248,458

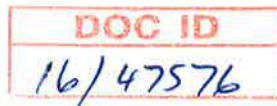
Width > 7 m	Width > 8 m	Width > 9 m	Width > 10 m	Width > 15 m
178,496	135,664	115,490	95,658	48,974
\$182,399	\$138,644	\$112,950	\$92,086	\$46,330

### Areas and Annual Costs for Maintenance based on individual property Berm Area

Berm Area (m <sup>2</sup> )	Total	AREA>25 m <sup>2</sup>	AREA>50 m <sup>2</sup>	AREA>75 m <sup>2</sup>	AREA>100 m <sup>2</sup>	AREA>125 m <sup>2</sup>	AREA>150 m <sup>2</sup>	AREA>175 m <sup>2</sup>
AREA (m <sup>2</sup> ):	1,053,921	1,014,945	786,141	572,759	440,927	349,585	294,906	249,623
COST (per annum):	\$1,077,030	\$1,039,408	\$806,814	\$588,482	\$454,269	\$363,836	\$309,470	\$262,698

AREA>200 m <sup>2</sup>	AREA>250 m <sup>2</sup>	AREA>300 m <sup>2</sup>	AREA>350 m <sup>2</sup>	AREA>400 m <sup>2</sup>	AREA>450 m <sup>2</sup>	AREA>500 m <sup>2</sup>
226,611	187,742	159,766	144,132	131,571	122,582	105,287
\$238,948	\$200,761	\$169,420	\$142,873	\$124,869	\$116,652	\$101,207





Waipu 2000 and Beyond Association.

The CEO Whangarei District council.

Dear Sir,

I would like to apply for funding together with NZTA for the mowing and upkeep of the three entrances to Waipu.

CRM#  
RDG 04200

We have been donating our time since the bypass 22 years ago and find we need to access more funds to continue to do this. At a meeting with NZTA, they said that a combined funding for this, could be an option.

I would be pleased if you could facilitate this. I believe we do quarterly clean-ups and mowing of the three entrances and would appreciate possibly a \$1000. Per each entrance on a 4 times a year basis. This would be \$6000 for WDC and the same for NZTA.

Hoping this suggestion is suitable for you.

Yours faithfully.

A.D. Solomon.

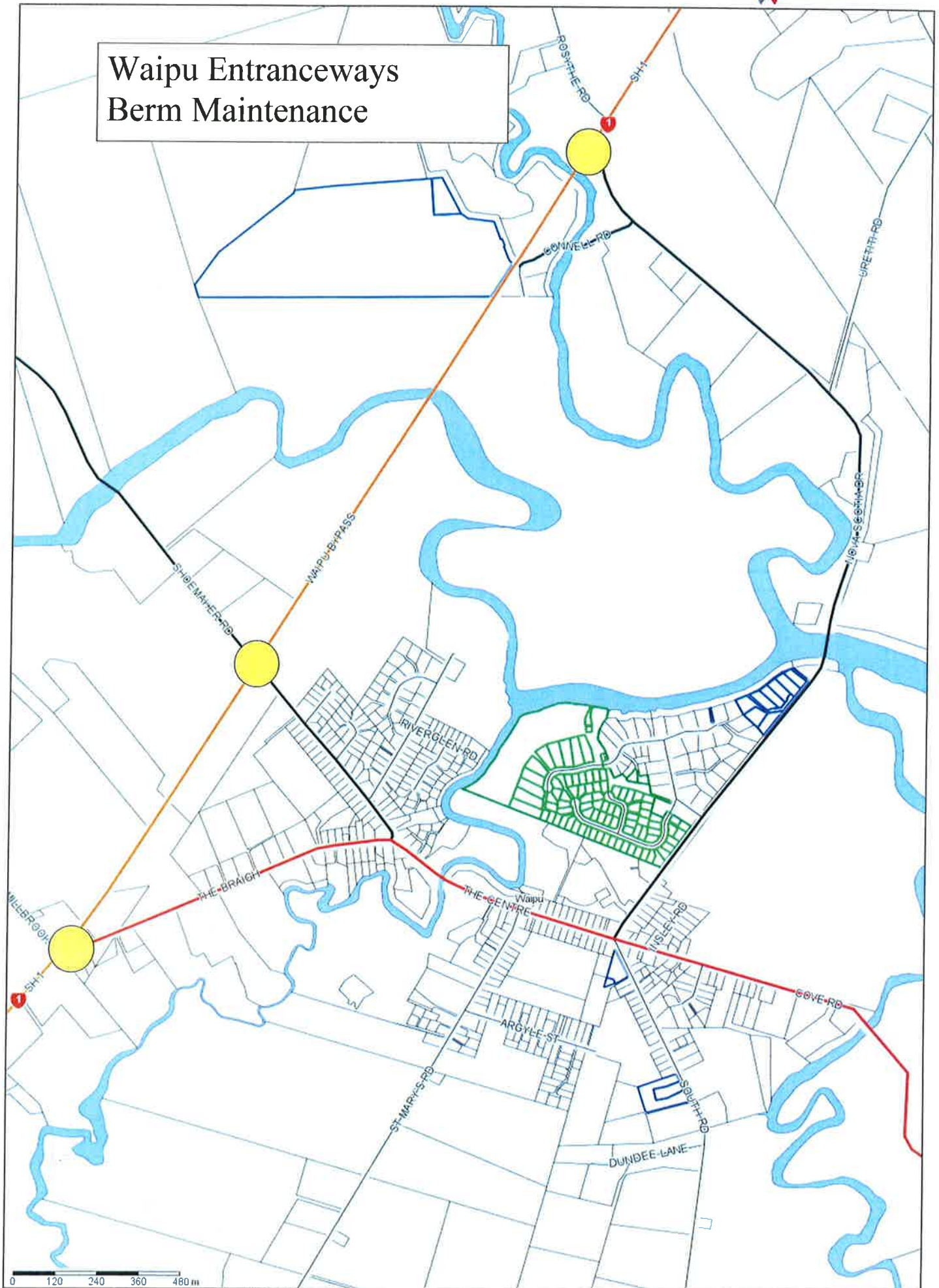
Chairman, Waipu 2000 and Beyond.

8 St. Marys road,

Waipu 0510

28/4/2016.

## Waipu Entranceways Berm Maintenance



## LED St Light Upgrade Programme

**Meeting:** Infrastructure  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Jeff Devine (Roading Manager)

### 1 Purpose

The purpose of this report is to seek Council approval for an increase in project budget for the LED St Light Upgrade Programme to \$6.6 Million in the 2017/18 financial year.

### 2 Recommendations

That the Infrastructure Committee

- a) Notes that due to the 85% subsidy offered by NZTA. The ratepayer funding for this project will be no more than \$1.822 million and maybe less than \$1 million.
- b) Approves the increase in Project budget for the LED St Light Upgrade Programme to \$6.6 million for the 2017/18 financial year.

### 3 Background

Council manages over 5,000 streetlights on its road network. Most of these streetlights are High Pressure Sodium Vapor lamps (HPSV). The streetlights network provides lighting to improve road safety at night and to provide lighting for pedestrians using footpaths. Streetlights also provide a significant security function at night by reducing the incidence of crime.

Changes in streetlight technology have made Light Emitting Diode (LED) lights become the preferred lantern type both within New Zealand and across the world. The benefits of LED streetlights are detailed below:

- They are energy efficient, resulting in energy savings of 40-60% over the existing HPSV streetlights.
- Their life span is about 20 years compared to 3-5 years for HPSV, resulting in less maintenance costs over the life of the LED lantern.
- They produce a better quality white light which is more beneficial in terms of road safety and security than the existing yellow/pink lights.

The Council has allowed for the conversion of the existing streetlights to LED in the 2019-20 and 2020-21 financial years (Years 5 and 6) of the 2015-2025 Long Term Plan (LTP).

## 4 Discussion

The New Zealand Transport Agency (NZTA) has recognised the potential benefits of LED streetlights and has recently offered an enhanced Financial Assistance Rate (FAR) of 85% for LED conversion projects. This is much higher than Council's normal FAR of 53%.

NZTA also recommend that the streetlights on major roads to be upgraded to the meet the required lighting standard for safety improvements as part of this project. This will require a number of additional new streetlights being installed on major road intersections but this will also be funded at the higher FAR rate of 85%.

To qualify for the 85% FAR, the LED lanterns must be purchased and installed by 30 June 2018.

It is therefore in Council's interests to accelerate the funding of this work to obtain this higher FAR rate to maximise the amount of NZTA funding received.

The estimated cost of the LED Streetlight conversion is \$6.6 million (excluding GST). The payback period for this project is estimated as 10 years based on the expected power and maintenance savings. In other words, the LED lights pay for themselves over time.

The breakdown of this amount is shown in the following table:

Description	Estimated Cost (excl GST)
LED Luminaire Supply (P Category)	\$850,000
LED Luminaire Installation (P Category)	\$1,820,000
LED Luminaire Supply & Installation (V Category) – Includes upgrades on Twin Coast Discovery Highway Lighting Upgrade and Arterial Road intersections	\$3,605,000
V Category Design Fees	\$125,000
Supervision & Council Costs	\$200,000
<b>TOTAL ESTIMATED COST</b>	<b>\$6,600,000</b>

### 4.1 Financial/budget considerations

As shown in the table below Council allocated \$3,851,000 funding for this project in the 2015-25 LTP over 2 years in 2019-20 and 2020-21. In the recently approved Annual Plan Council approved bringing forward Year 5 funding to the current new year, 2017-18, amounting to \$2,175,000 to commence the project. This funding however was assumed to be at Councils standard FAR rate of 53%.

The recent NZTA offer to increase the FAR for this project to 85% means Council can undertake the LED replacement programme, and the V Category upgrade programme to the value of \$6,600,000 and reduce Council's funding share for the project down from \$1.8Million to \$990,000. The requirement is that this funding must be claimed in the 2017-18 financial year.

It is intended to purchase all the light fittings in bulk separately and upfront, and let multiple installation contracts to ensure this condition is met. However, if Council was unable to meet this condition for whatever reason, as long as Council could complete and claim \$4 Million in the first year, then any remaining works that would be undertaken at a 53% FAR, would



result in the total \$6.6 million project still being completed for Council's budgeted share of the original project.

<b>LED St Light Upgrades</b>	<b>2017/18 LTP Year 3</b>	<b>2018/19 Year 4</b>	<b>2019/20 Year 5</b>	<b>2020/21 Year 6</b>	<b>Total Funding</b>	<b>Subsidy Rate (FAR)</b>	<b>Ratepayer Share</b>
2015/25 LTP	-	-	\$2,175,000	\$1,676,000	<b>\$3,851,000</b>	<b>53%</b>	<b>\$1,810,000</b>
Annual Plan 2017/18 Approved	\$2,175,000	-	-	\$1,676,000	<b>\$3,851,000</b>	<b>53%</b>	<b>\$1,810,000</b>
Current Proposed Funding	\$6,600,000		-	-	<b>\$6,600,000</b>	<b>85%</b>	<b>\$990,000</b>
Split Year achievement	\$4,000,000	\$2,600,000			<b>\$6,600,000</b>	<b>85% / 53%</b>	<b>\$1,822,000</b>

## 4.2 Procurement

To accelerate the LED Streetlight Conversion, it is intended to procure the LED luminaires (P-Category lights) as a separate supply only contract. This is because there are 3,300 local road lights (over half the total network) and the LED luminaires need to be manufactured and shipped from overseas and typically takes about 3 months for the luminaires to arrive from the date they are ordered.

The higher-powered luminaires required for the arterial road network (V-Category lights) will be sourced from a separate supply and install contract, because design work is required for these lights before the luminaire design is known.

During the period while the P-Category luminaires are being manufactured, Council will release tenders for the installation of these luminaires. The intention is that this installation contract will be let before the luminaires arrive, so that installation can get underway as soon as the luminaires are available.

To further accelerate the LED luminaire procurement, Council is looking at piggy-backing on Auckland Transport's (AT) procurement process that they undertook earlier in 2017 to secure the best LED luminaires for the LED conversion of their local road network (P Category) that is currently underway in Auckland. This allows Council to get the benefits of Auckland's buying power to get better rates for the luminaires.

The AT procurement process used a robust methodology which tested the quality, price and whole-of-life costs of the LED luminaires tendered as well as the reliability of the supplier. The AT procurement contract required the suppliers to provide a 10 year warranty for their luminaires. AT also has a quite rigorous testing regime as part of its approval process to ensure that sample luminaires do in fact meet their data supplied. This includes full photometric testing to test the light output, spread, quality and colour of luminaire.

As a result of the AT procurement process, the following luminaires were approved by AT for their streetlight conversion (more than one luminaire was chosen because AT had 40,000 P Category lights to replace and wanted several suppliers to ensure delivery on time):

1. I-Tron – 19w
2. TerraLED Mini - 19.56w
3. TransLEDer – 23w
4. Mini Martin – 28w

The price range for these luminaires from the AT procurement process was between \$250 to \$350 (excl GST) per unit, with the I-Tron being the cheapest unit at \$254 (excl GST) per luminaire (including shorting cap for future central management system). The I-Tron has the lowest energy consumption of these luminaires and has the lowest whole-of-life cost. It is also the most aesthetically pleasing of the luminaires.

The I-Tron is supplied by AEC Illuminazione from Italy. They are the same supplier that has been used for the LED lighting that was installed as part of the Mill/Nixon project (Stages 1 and 2).

It is intended to enter into a supply contract with AEC Illuminazione for the I-Tron luminaires, using Council's standard terms and conditions and other technical details which will ensure that the luminaires are to the right quality and standard. This will include the requirement for the luminaires to have a 10 year warranty.

There is some time pressure to secure the I-Tron booking as soon as possible because the suppliers are going on a 3-week mid-summer break in August, and will stop production during this period.

This procurement methodology has been approved by NZTA for use by Council in the procurement of the light fittings for Council's LED Upgrade Project.

### 4.3 Options

Other options that have been considered:

a) Do Nothing: – This option is to continue to maintain the existing streetlights. This option would not achieve the power and maintenance savings that LED lights will provide. We will also be forced to replace all 750 Mercury Vapor luminaires anyway due to these lights becoming phased out in accordance with the UN Minamata Convention on mercury products. So, this option would still require Council to fund the replacement of the Mercury Vapor lights over the short term.

b) Replace with LED Lights as Existing Lights Fail: – While this option will result in the power and maintenance savings being realised more slowly over a 3-10 year period, the costs will be at Council's normal FAR of 53%, so the programme will actually cost Council more than if the new lights are installed in bulk in the 2017/18 financial year. It will also mean that Council will lose the buying power of buying all the lights at one time and the payback period, (to refund the replacement cost of the lights) will be much longer, and therefore it will also be longer before Council realises the overall savings. The current offer from NZTA to have improvement works also funded at the higher FAR rate would also be missed.

### 4.4 Risks

The following risks have been identified:

a) The quality of LED Streetlights purchased. The LED lights will only be sourced from Auckland Transport approved suppliers that have gone through a rigorous testing regime. This testing and approval regime is managed by Auckland Transport, NZTA and Christchurch City Council on a national basis. In addition, the streetlights will have a warranty period of 10 years. This will help guarantee that the streetlights achieve their expected lifespan.

b) That the streetlight upgrade cannot be completed by 30 June 2018, putting the 85% FAR at risk. This risk can be mitigated by progressing the project as quickly as possible. This includes securing the P and V Category luminaire supply as early as possible.

It is intended to separate the bulk purchase of both P and V category lights from the installation contracts to obtain discounts through Auckland Transport's purchasing power and ensure this is completed within the required timeframes. It is also intended to let multiple installation contracts to utilise all the available contract resources. Initial discussions with the 3 major local suppliers has already been undertaken.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the publication of this agenda on the website.



## Pohe Island Carpark and Amenity

**Meeting:** Infrastructure Committee  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Simon Weston

### 1 Purpose

To seek approval to proceed with the design and construction of access and amenity infrastructure at William Fraser Memorial Park as detailed on the Master Plan.

### 2 Recommendation/s

That the committee

- a) approves the '*Spatial Masterplan*' for William Fraser Memorial Park on Pohe
- b) utilize the budget for 2017-19 financial years to design and construct access and amenity infrastructure as shown on drawing '*Prioritised Site – 2017-2019 Financial Year*'.

### 3 Background

The Pohe Island Carpark & Amenity project was the realization of the 20/20 vision to provide an alternative access point to the Hatea Loop Walkway (carparking) while providing elements to further engage the community.

With the commitment to deliver infrastructure that will incorporate the William Fraser Memorial Park Management Plan and the 20/20 vision a Spatial Masterplan of Pohe Island was developed by the in-house project team to facilitate future works and ensure the whole of the Pohe Island Development works both as one large park and as independent elements.

The objective of this plan is to deliver alternative access to the Hatea Loop, service several local clubs and provide a range of elements to actively engage the community via a connection to the sea, considerations for the access impaired, youth activation and play zones and green corridors which can be utilized by various groups.

### 4 Discussion

Current time lines to deliver infrastructure to the community in 2017/18 are tight, which is also influenced by the difficulties associated with developing a landfill. A decision needs to be made so the Project Team has direction to deliver on the 20/20 vision with a physical delivery early next calendar year.

The Master Plan will incorporate facilities that have a wide appeal to the community as it includes elements that target a wide audience. The link to the sea and view of the Hihiaua precinct and the returning view is anticipated to continue the momentum of providing a regional renown centrally located park with a sweeping vista of green, blue with an urban backdrop.

#### **4.1 Financial/budget considerations**

The \$1.5m for this financial year (2017/18) will be used to commence the development of a large centrally located carpark on Pohe Island to service the local clubs and the Hatea Loop, this will also allow earthworks and drainage to be installed to facilitate future activation zones.

In the following financial year (2018/19) the remaining \$1.0m will be used begin construction of the activation zones.

Further funding will be required to fully develop the area as planned and this will form part of the deliberations of the LTP.

The \$800,000 from the previous financial year (2016/17) will be carried forward for future development.

#### **4.2 Policy and planning implications**

The Master Plan incorporates the view set by the 20/20 vision and conforms with the William Fraser Memorial Park Management Plan and the Jewel of the City Report which both were developed based on community feedback.

### **5 Significance and engagement**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via report publication on the website.

### **6 Attachments**

1. Pohe Island Spatial Masterplan
2. Pohe Island Prioritised Site – 2017-2019 Financial Year

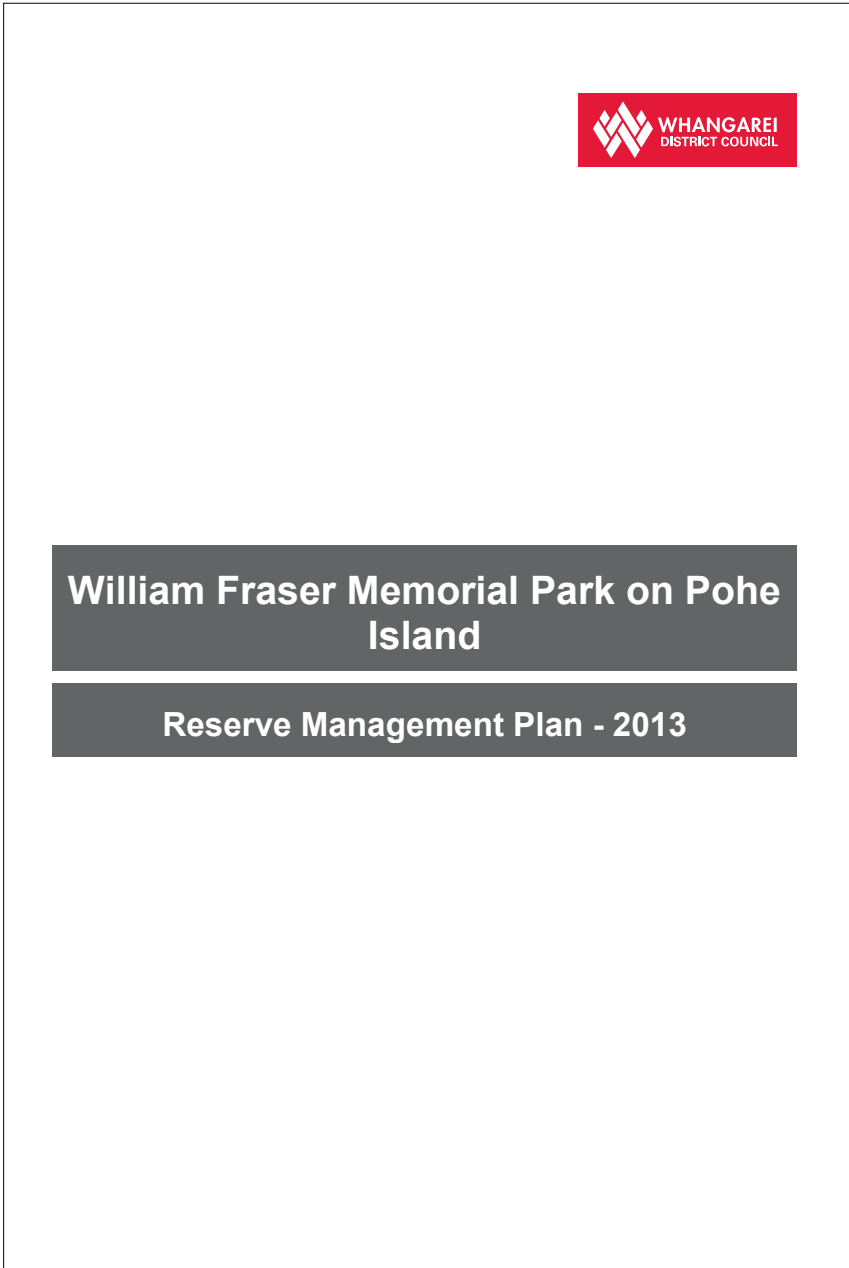
WILLIAM FRASER MEMORIAL PARK  
ON POHE ISLAND  
2017-2019 FINANCIAL YEAR

26TH JUNE 2017

NOT FOR PUBLICATION

DEFINING THE BRIEF

WILLIAM FRASER MEMORIAL PARK (WFMP) ON POHE ISLAND  
RESERVE MANAGEMENT PLAN



**SUMMARY**  
*The reserve management plan sets the direction for the management and control of WFMP for which we have responsibility. It provides a framework for carrying out future management in an integrated way. The Plan has involved consultation with the community and has been adopted by Council.*

2020 MOMENTUM



**SUMMARY**  
*Councils adopted vision for the development of the inner city over the next decade through a range of projects. WFMP on Pohe Island features 7 strategic projects for the site.*

JEWEL OF THE CITY REPORT 2017




**SUMMARY**  
*Survey by the Youth Advisory Group focused on the users of the Hatea Loop, their comments and suggestions to improve this asset.*

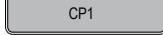
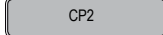
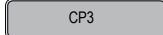
REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17







**LEGEND****ROADING**

-  New Gateway Entry/Arrival
- Rally Track Maintained

**CAR PARKS**

-  CP1 New Large Car park - 300-400 Car Parks
-  CP2 New Rugby Clubrooms - Private Car Park
-  CP3 New Car Parks




**SHARE PATHS**

-  New Pavement - 3.0 Meters wide
-  New Public Promenade
-  Central Plaza Corridor
-  Children's Fun Walk

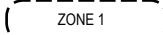
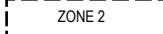
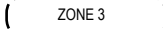
**ACTIVATION ZONES**

-  Youth Zone
-  Play Zone
-  Water Connection, Interaction
-  New Viewing Platforms

**SOFT LANDSCAPE**

-  Active Open Space - Maintained large open space of Turf/Tree areas. These zones can be developed as activity zones in future works
-  Informal Open Space - Mass planting, un-manicured Turf, Trees etc.
-  Re-vegetation areas

**CLUBS - FUTURE DEVELOPMENTS**

-  ZONE 1 Rowing
-  ZONE 2 Future Rugby Clubrooms
-  ZONE 3 Future Bike Northland Facility





## LEGEND

### CAR PARKS



New Large Car park - 300-400 Car Parks

### PATHS



New Pavement - 3.0 Meters wide



New Public Promenade



Central Plaza Corridor



Children's Fun Walk



Rally Track Maintained

### ACTIVATION ZONES



Youth Zone



Play Zone



Water Connection, Interaction



Possible Skate Park Extension



New Toilets

### SOFT LANDSCAPE



Active Open Space - Maintained large open space of Turf/Tree areas



Open Space - Green Corridor Connection

### PRIORITY STAKEHOLDER GROUPS

- COUNCIL
- HAPU
- RALLY NZ
- SPORT NORTHLAND
- MAD HATTERS
- ROCK AND ROLL CLUB
- ROWING
- SKATEBOARD





LARGE CAR PARK

“Vehicle parking areas will be established close to the active recreation facilities (i.e. skate park, sports fields, children’s playground, marine leisure) at the western end of the Reserve”. **Reserve Management Plan 2013**

“Other than the single, yearly Rally, no vehicle based recreational activities are anticipated or will be permitted on this site” **Reserve Management Plan 2013**

“Vehicle parking in association with public marine leisure activities will be provided as part of the main car park close to the marine leisure area” **Reserve Management Plan 2013**

“Licenses may be granted for mobile shops and stalls to sell food and drinks” **Reserve Management Plan 2013**

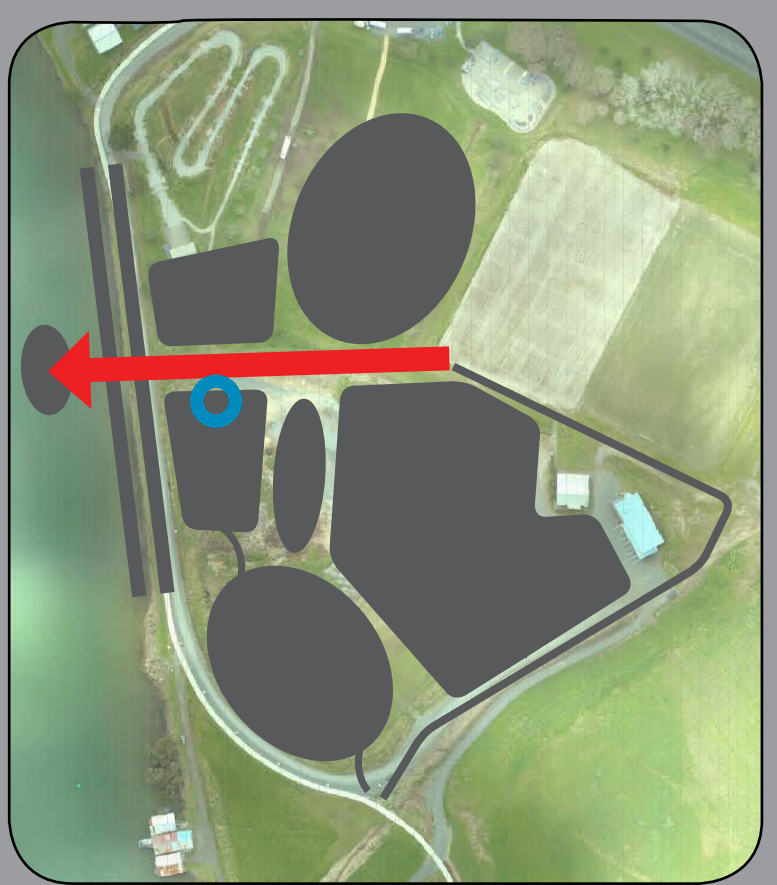
“Pop up and mobile vender’s will be located in the car parks when completed” **20/20 Momentum**

“Suggestions, more car parking” **Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





CENTRAL PLAZA CORRIDOR

“Clear visual and physical linkages to the harbor and Town Basin will be established”. **Reserve Management Plan 2013**

“Additional toilets may be required closer to the main car park” **Reserve Management Plan 2013**

“Amenity lighting will be provided in vehicle parking areas and near toilet facilities to increase public and personal safety and help deter crime” **Reserve Management Plan 2013**

“Additional routes will be formed on Pohe Island that will connect important internal destinations” **20/20 Momentum**

“Many walkway users said they would like to see more trees and planting to liven up the ‘barren’ area on Pohe Island” **Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





PROMENADE

*“Proposed boardwalk/Promenade”. Reserve Management Plan 2013*

*“Clear visual and physical linkages to the harbor and the town basin will be established”. Reserve Management Plan 2013*

*“Pedestrian access around Pohe Island will be enhanced, including maximising harbor viewing opportunities and utilising the space opposite Hihiaua Reserve”. Reserve Management Plan 2013*

*“High importance is placed on the publics access around the rivers margins”. Reserve Management Plan 2013*

*“Greater development overall in terms of facilities and activities along the Pohe Island Walkway to bring more families and gatherings to this side of the Loop” Jewel of the City*



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





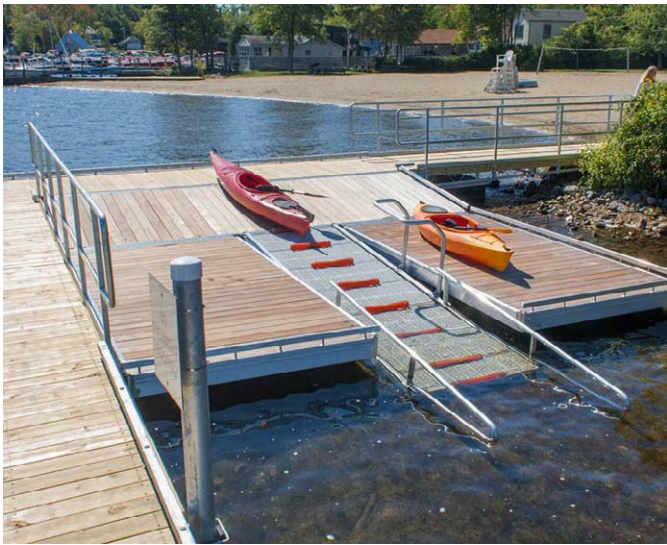
WATER CONNECTION/INTERACTION

“Establish a marine leisure area on the western perimeter of Pohe Island to cater for passive water-based recreation”.  
**Reserve Management Plan 2013**

“Public launching facilities are envisaged within this area. Public facilities including a floating pontoon for the launching of small craft (e.g. kayaks, canoes) are anticipated in this area. Ideally, all-tide access and use is preferable”. **Reserve Management Plan 2013**

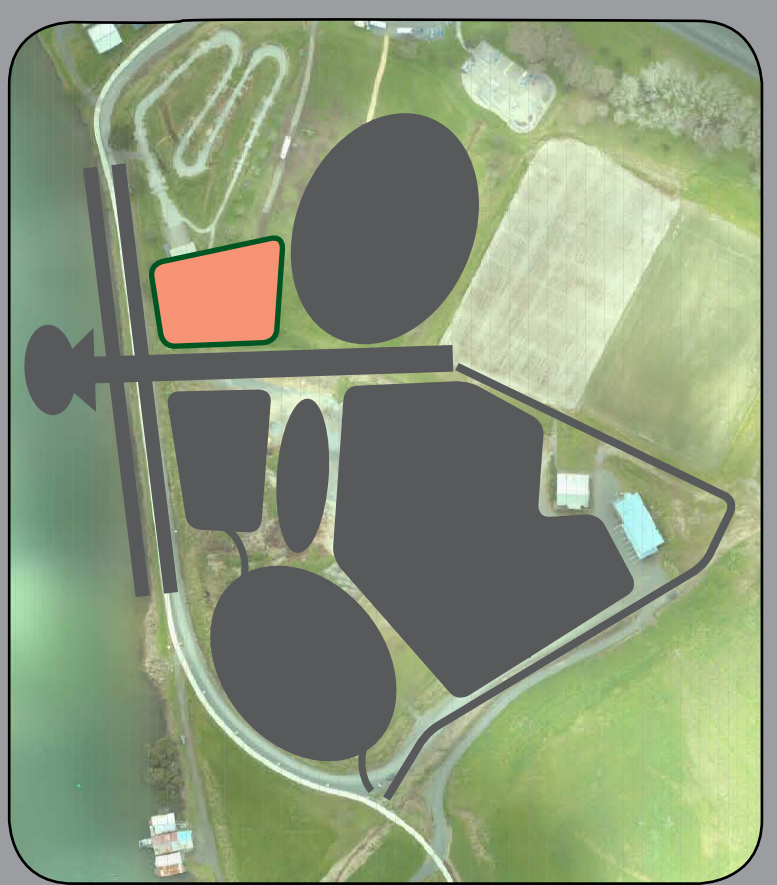
“Proposed amenities include a new jetty/Kayak access”  
**20/20 Momentum**

“Suggestions, more water based activities” **Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





**YOUTH ZONE**

*“Future youth activity area / Parkour Zone, linked to river”.*  
**Reserve Management Plan 2013**

*“Proposed amenities include a parkour/free running activity zone”* **20/20 Momentum**

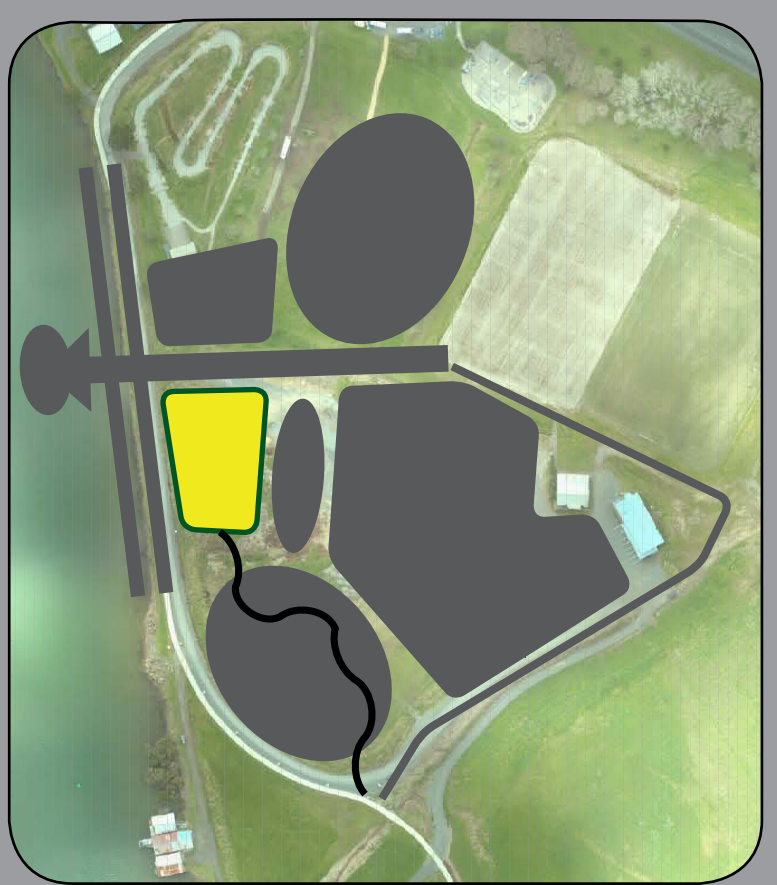
*“Skate Park future expansion to accommodate the growth in the sport of skating”* **Jewel of the City**

*“Feedback on the exercise equipment was very positive with many people with children suggesting further additions, with greater variety to include children and adults alike”* **Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





PLAY ZONE

“Active recreation facilities (i.e. children’s playground)”.  
Reserve Management Plan 2013

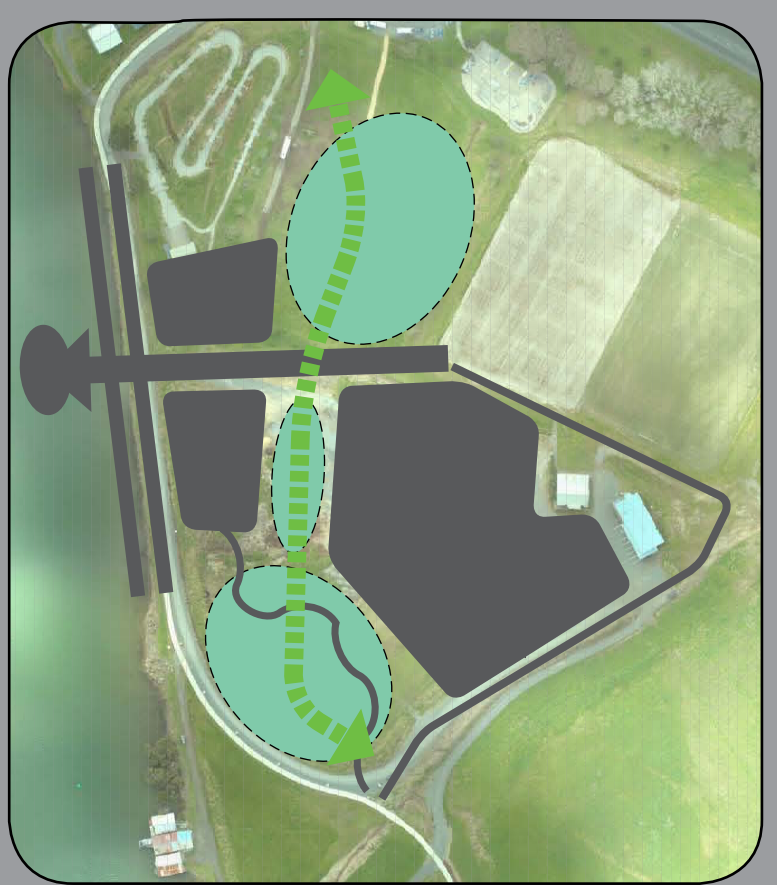
“A greater development overall in terms of facilities and ac-  
tivities along the Pohe Island Walkway to bring more families  
and gatherings to this side of the Loop”. **Jewel of the City**

“Pohe Island walkway Suggestions, another playground”  
**Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





OPEN SPACE

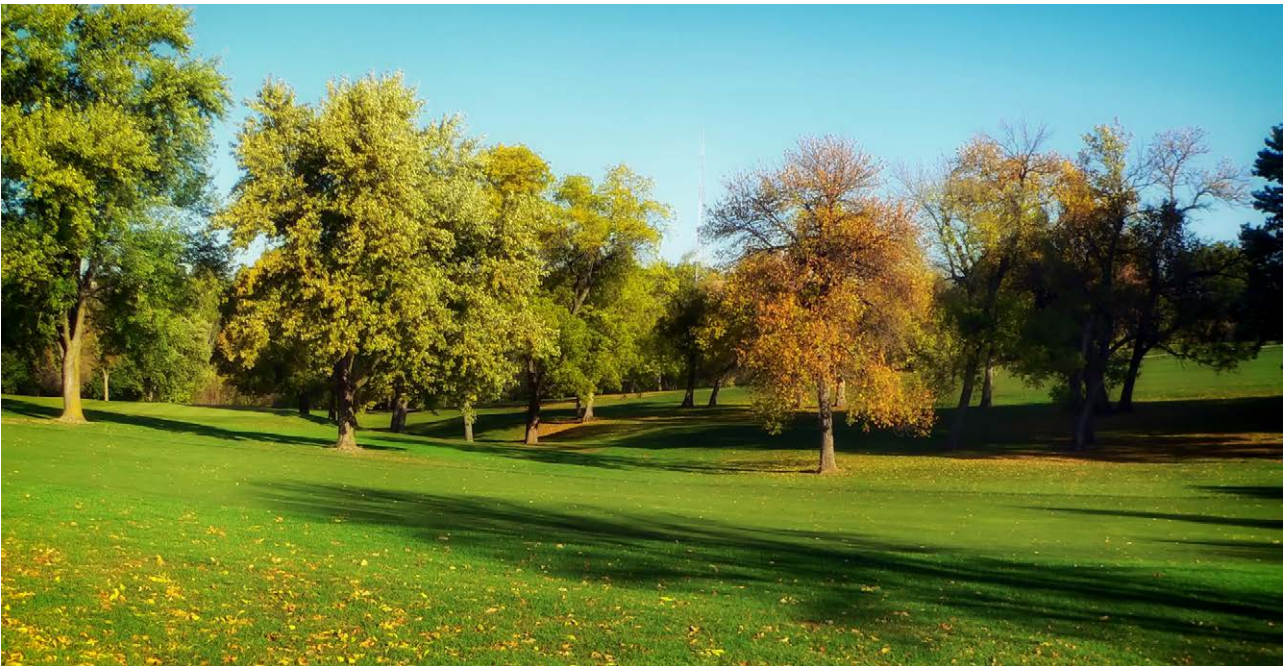
“Reserve could be utilised for outdoor concerts and cultural activities”. **Reserve Management Plan 2013**

“Areas of the reserve will be set aside as open space for passive recreation uses and activities”. **Reserve Management Plan 2013**

“A variety of coastal habitats will be developed to enhance native biodiversity, potentially as part of a network of interconnected native habitats within the greater Whangarei area”. **Reserve Management Plan 2013**

“Passive recreation. It acts as a place for contemplation in the sea of activity that surrounds it. It is anticipated that man made structures would be limited in this space or have a very small footprint” **20/20 Momentum**

“Many walkway users said they would like to see more trees and planting to liven up the ‘barren’ area on Pohe Island” **Jewel of the City**



REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





**LEGEND****CAR PARKS**

New Large Car park - 300-400 Car Parks

**PATHS**

New Pavement - 3.0 Meters wide



New Public Promenade



Central Plaza Corridor



Children's Fun Walk



Rally Track Maintained

**ACTIVATION ZONES**

Youth Zone



Play Zone



Water Connection, Interaction



Possible Skate Park Extension



New Toilets

**SOFT LANDSCAPE**

Active Open Space - Maintained large open space of Turf/Tree areas



Open Space - Green Corridor Connection

**PRIORITY STAKEHOLDER GROUPS**

- COUNCIL
- HAPU
- RALLY NZ
- SPORT NORTHLAND
- MAD HATTERS
- ROCK AND ROLL CLUB
- ROWING
- SKATEBOARD

REV	COMMENT	DRWN	CHKD	DATE
00	POHE ISLAND - NOT FOR PUBLICATION	JW	-	26/06/17





## Car Park to Park – Working Party

**Meeting:** Infrastructure Committee  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Simon Weston (General Manager Infrastructure)

### 1 Purpose

To form a Car Park to Park Working Party to assist with the direction and drive of the project.

### 2 Recommendations

That the committee

- a) approves the formation of a Working Party of Councillors, WDC staff and key stakeholders to drive the Car Park to Park Project; and
- b) selects the Councillor(s) that will be part of the Working Party.
  - Cr G Martin – Chairman
  - Cr. C Christie
  - Cr. S Deeming
  - Cr. G Innes

### 3 Background

The Car Park to Park project envisages the transformation of the informal carpark area between the Victoria Canopy Bridge and Dent Street into a regionally significant park that will be a destination and provide a vital connection between the CBD and the Town Basin.

#### 3.1 Public engagement and design development

In 2011, three concept designs were presented to the public in a Public Engagement Programme spanning December 2012 and January 2013.

The feedback from public engagement was presented to the May 2013 meeting of the 20/20 Inner City Development Subcommittee which made a resolution that Council's Urban Designer and Landscape Architects develop a revised concept scheme embodying the elements requested by the public.

#### 3.2 Design Development

The revised concept design, based on the above, was presented in the December 2013 meeting of the 20/20 Inner City Development Subcommittee.

The funding for the project started in the 2016/2017 financial year of the Long Term Plan (LTP) and a project team was formed to complete the design work and construct the park.

A concept design incorporating the results of the project teams research and investigation, and all the elements approved in the May 2013 committee meeting was developed, but it was determined that the construction costs would be more than the project budget.

The team developed a second design that was estimated to be within budget, but left room for the excluded elements to be added to the park in the future. Both these designs were presented in the Infrastructure Update Meeting in April 2017 along with options for funding and staging of the works.

### **3.3 Continuation of Design**

To keep the project moving forward so funding in the LTP can be utilised, the team will continue to develop the design based on the funding available, while making allowances in the design for the future construction of the elements that will initially be excluded. This option was presented at the Infrastructure Update meeting on the 11<sup>th</sup> July 2017.

## **4 Discussion**

### **4.1 Objective**

Projects in the past have found success through the utilisation of a 'Working Group' (Party) consisting of Councillors, WDC staff members and other key stakeholders. It is proposed that a similar 'Working Party' is created to drive this project and ensure a successful outcome.

### **4.2 Proposed Working Group Members**

#### **WDC Staff Members**

The WDC staff members included in the Working Party will include the Car Park to Park project team and Councils Economic Development facilitator;

- Infrastructure Project Engineer: Rachael Mannion
- Landscape Architect: Jed Whitaker
- Economic Development Facilitator: Peter Gleeson
- Project Sponsor: Simon Weston

Additional WDC staff members will attend when their expertise is required.

#### **Key Stakeholders**

Key stakeholders will form part of the Working Party, as and when required. These stakeholders will be invited to attend the Working Party meetings when appropriate and only if agreed by the Working Party.

These key stakeholders include;

- The Hundertwasser team; the two projects need to have designs that complement each other and the construction works need to be managed so as not to interfere with each other.
- Artisan Markets; the markets are held on the Canopy Bridge during the summer months, therefore the construction and final design will impact on the markets ongoing success.
- Northland Inc representative due to the impact of the project on the Hundertwasser project and its tourism linkage.
- Te Parawhau; This hapu group have an interest in this project as it is within their rohe.

### **4.3 Terms of Reference**

The following are draft Terms of Reference for the Working Party. These will be developed further and agreed during the first meeting of the Working Party.

**Meetings**

Meetings will be held monthly.

**Purpose**

To oversee the implementation of the Car Park to Park project through to a successful completion.

**Key Responsibilities**

- To provide assistance, advice and feedback on the project
- To report back to the Infrastructure Update meetings (all minutes from the Working Group meeting will be made available to the Infrastructure Committee)
- Monitor and manage programme and budgets
- Establish working relationships with adjacent projects to maximise overall benefits
- Manage risks to ensure positive outcomes
- Implement a positive communications strategy to ensure community and stakeholder buy-in
- Act and communicate in an open and honest way
- Ensure the project progresses through to a successful outcome

**Delegations**

The Working Party will have no delegated authority.

**5 Significance and engagement**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via report publication on the website.





## Infrastructure Operations Report Update – August 2017

**Meeting:** Infrastructure Committee  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Simon Weston (General Manager Infrastructure)

### 1 Purpose

To provide a brief overview of work occurring in the current financial year across services that the Infrastructure Committee is responsible for.

### 2 Recommendations

That the Committee note the Infrastructure Operations Report Update.

### 3 Background

In December 2016 Council adopted committee terms of reference for the 2016-2019 triennium, with the purpose of the Infrastructure Committee being to 'oversee the management of Council's infrastructural assets, utility services and public facilities'.

This report provides the Committee with a brief summary of the operational highlights from the Infrastructure Monthly Report, June 2017.

### 4 Significance and engagement

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via report publication.

### 5 Attachments

Infrastructure Operations Report – August 2017

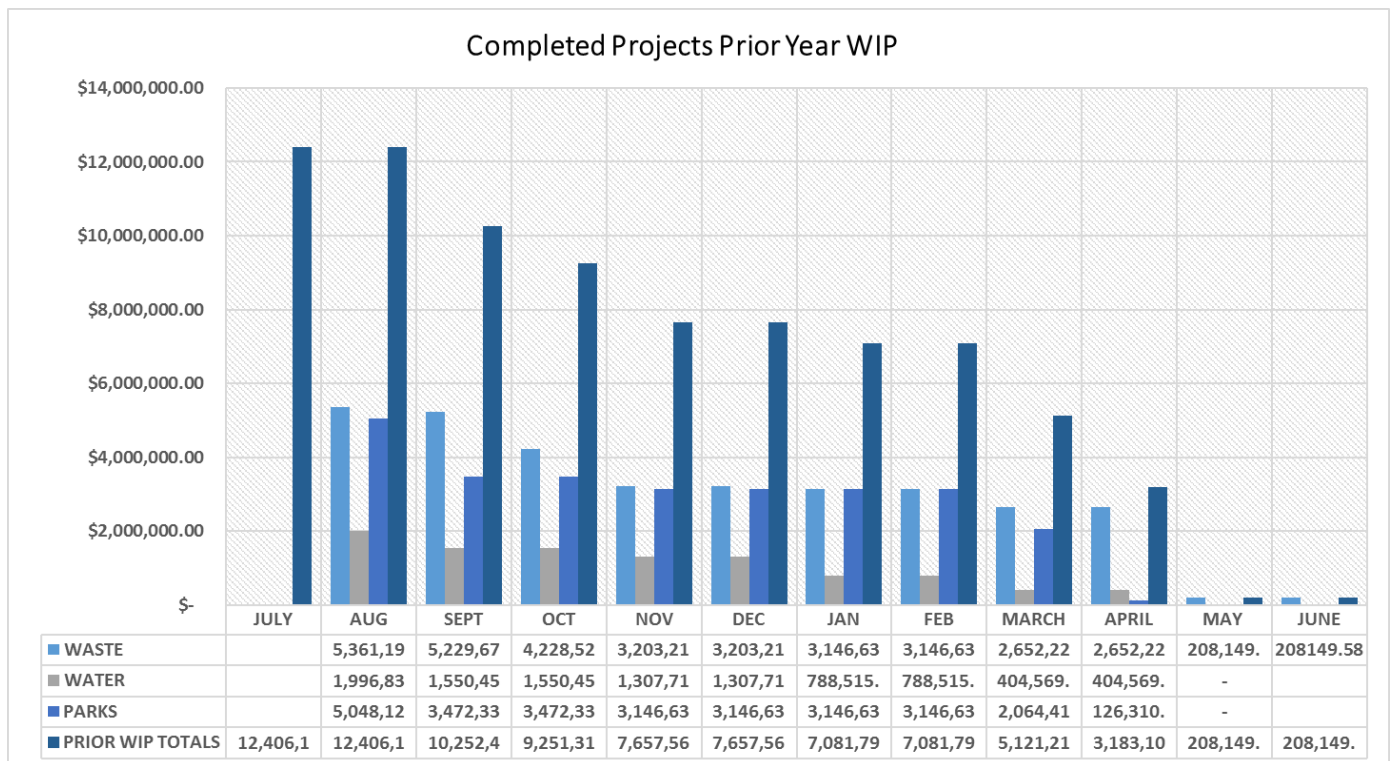


## Infrastructure Operations Report – August 2017

### Development Engineering

#### Capitalisation

The capitalisation of completed prior period Parks, Water and Wastes and Drainage projects in Work in Progress (WIP) has been an ongoing focus, with robust processes being implemented and regular review sessions held. As depicted below this has resulted in the total reducing from \$12.4 million to \$208,149 over the course of the year:



#### Revaluation

The other key work-stream of the team has been the three-yearly revaluation of Parks, Waste and Drainage and Water assets. Over the course of June staff received values and unit rates from the valuers in order to run a revaluation in our system. At the time of writing the revised dataset, which provides for the review and valuation of over 165,000 asset lines so that they can be attributed a new value as at 30 June 2017, had been sent back to the valuers for final review and sign off. Once sign off has been received the revaluation will be run in the live system. Both this, and the final valuation report, are scheduled to be completed prior to commencement of the Annual Report process.

#### Environmental Engineering Standards

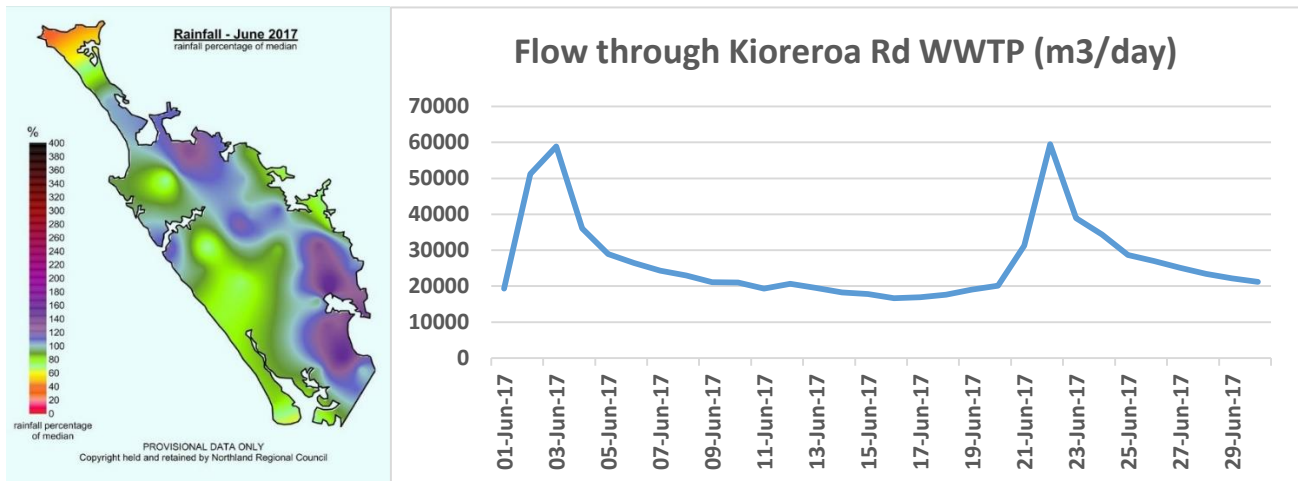
Work on the review of the Environmental Engineering Standards is ongoing with a second draft being produced off the back of workshops held in May. This draft will include staff feedback received. Once completed it will be reviewed for consistency, and to ensure that it is user friendly and legally robust.

Following that review the standards will be workshopped with, and reviewed by, local practitioners who are often involved in sub-division work (and therefore use the standards on a regular basis) to ensure they are sound and workable. Where appropriate their feedback will then be incorporated into a final draft of the standards.

## Waste and Drainage

### Kioreroa Road WWTP

June rainfall was above average with two major events triggering alarms from the sewer pump stations. There were 13 sewer pump station call outs on 12 June and 15 on 22 June. There was one extreme flow event at the main WWTP on 22 June totalling 11,195m<sup>3</sup>. At the main WWTP there have been elevated microthrix concentrations (gram positive filamentous bacteria) which has affected settling in secondary clarifiers. Aluminium sulphate has been dosed as a control measure.



NRC image depicting the percentage of normal rainfall and graph illustrating the flow in m<sup>3</sup>/d through Kioreroa Rd WWTP

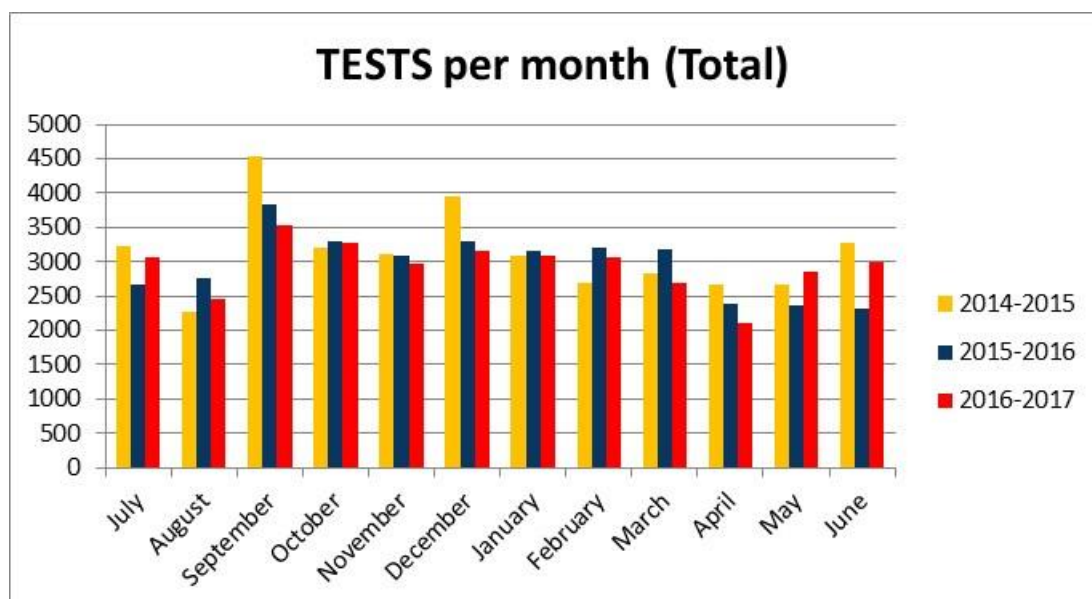
### Stormwater

Morningside stormwater CCTV and survey has been completed. We will now start to look at issues found and ways to improve the flow of stormwater through this area.

### Laboratory Report

The Laboratory received 846 samples requiring 2863 tests during May and 882 samples requiring 2986 during June. 18% of these tests were subcontracted. This is comparable to past years.

A summary of the laboratory production for the past 3 years:



Apart from a slight reduction in numbers for April and August, the lab is receiving consistent sample numbers throughout the year. Trial work on the new Whau Valley water treatment plant design and monitoring of cyanobacteria/algae levels for our water supply dams is ensuring the team is kept busy.

## Parks and Recreation

### Projects

#### Sense of Place Projects

- Carpark to Park: Initial scoping works on the Carpark to Park project are completed, including concept design and budget estimates. The team are now progressing into the more detailed design stage. Discussions are being held with the Hundertwasser team to ensure that timing of the works doesn't impact them but the park will be completed by the time Hundertwasser opens.
- The Pocket Park: Recreational Services undertook the landscaping works and the park was opened on 31<sup>st</sup> July.
- Blue Green Network: A Preliminary Design Report for the path between the Hatea Loop and Okara Drive was completed by Hawthorn Geddes. The project team are now looking further upstream to ensure that the full length of the footpath is achievable and to determine the options and potential costs for the full construction.
- Hatea Loop Lighting: Construction is ready to begin once Resource Consents have been issued. There are current funding constraints which will only allow 1 of the 3 Separable Portions to be constructed at this stage. Lighting standard will be similar or better than the most recent lighting installed at Pohe Island Hatea Loop. Funding will be carried forward to the new financial year.
- Amenity Dredging: The works for the 2016/17 financial year have been completed. Once the Annual Plan and future expenditure has been finalised the team will begin looking at which areas to focus on in 2017/2018.
- Whangarei Entrance Ways Signage: In June, Council approved the installation of gateway signage at Mander Park. Quotes for physical works will be sought in June – July with a view to start construction in September.
- Bank Street Revitalisation: Project is now completed. Furniture installation occurred in May and June.
- Camera Obscura: The external project team have advised detailed design will be completed in August 2017. They have requested Council funding to pay for the landscaping as contribution to the project.

#### Parks & Recreation Projects

- Matapouri Beach Restoration: Design of the beach replenishment scheme is underway following the award of professional services to Richardson Stevens. Community consultation and consenting will be undertaken during the winter months. If all goes well, we anticipate that replenishment works will be undertaken late 2017
- Ngunguru Foreshore and Seawall Renewal: Replacement and upgrade of the existing seawall along the Ngunguru estuary foreshore in three different locations are planned over the next two years. The professional services for this project have been awarded to OPUS. Design for stage 1 and Resource Consent for stage 1 has been complete. Construction of stage 1 is expected to commence in September 2017. Stages 2 and 3 are currently going through final design stages before going to the public for consultation. There is currently no available funding to construct stage 2 and stage 3 in 2017 / 18
- One Tree Point Cliff Erosion Management: Professional services for the preparation of a proposed resource consent for One Tree Point erosion protection are ongoing. Community consultation commenced in May 2017.
- Sandy Bay Beach Restoration: Procurement of the dunes restoration and fencing packages is underway with a view to being constructed in August/ September. The final package will be car park and drainage works which are planned for tendering in August and constructed October/ November.
- Waipu Pontoon: The contract for the repair of the Waipu pontoon was awarded to Steve Bowling Construction. The works commenced in May and after initial investigations into the condition of the

pontoon after it was removed and sand blasted a New Replacement Pontoon was priced and assessed as a cheaper option to move forward. These works are currently being programmed.

- Pataua North Boat Ramp: Construction of the rock revetment wall and boat ramp base is completed. Remaining work includes concrete on the ramp and footway, shaping and metalling of the turning area and completion of the retaining wall. Completion is anticipated in early August.
- Hora Hora Sports Fields Renewals: The first field is open for use and the second field is progressing well for opening next summer.
- Otaika Sports Park Field Construction: The tender of two new sports fields at Otaika, including lighting, irrigation and drainage, closed in April and tender negotiations are currently being held. The consent for the lighting was granted in May 2017. Installation of the new watermain commenced in April, completion is scheduled for the end of July 2017.
- Hikurangi Multiuse Hardcourt: Tender negotiations for the installation of artificial turf, including lighting, were not successful and the works will be tendered again in Aug/Sep. Residents approval is required before the resource consent for the lighting can be lodged.
- William Fraser Memorial Park Development Pohe Island: The detailed design of options and costings for the Pohe Island Bike Facilities and Carpark was completed in March. The project is currently on hold until the scope of the bike facilities has been approved. A master development plan has been submitted to council.
- Parihaka Mountain Bike Tracks: Contract has been awarded to Southstar Trails a specialist mountain bike track design/ build contractor. Start of works is to be agreed but anticipated as September 2017 during drier weather. The key stakeholder, Whangarei Mountain Bike Club, will be involved in approval of the track design and quality monitoring the build to ensure a good result.
- Laurie Hall Park: The Laurie Hall Park landscape concept design is completed. The project is currently on hold until a master plan for lighting has been developed by Roding Department. Procurement of physical works is planned for September, and construction of the new pathways and lighting is planned to be completed by Christmas 2017.
- Parihaka Track Renewals: Design work has been completed by Frame Group consultants and the project is currently with Geometria archaeology consultants. They have carried out field investigation and will be submitting a draft report this month. Manu Whenua consultation will then commence in parallel with the resource consent application (if needed) and Heritage New Zealand application for authority to carry out the work. Construction is anticipated to commence early 2018.
- Ngunguru Cycleway Track: This is a cross team project in conjunction with the roading team and funded by a grant to the Tutukaka Coast Residents and Ratepayers association (TCR&R). A Memorandum of Understanding has been drafted and agreed with TCR&R which sets out the principles for procurement of the work. Essentially the project consists of cycleway signage on existing gravel and paved roads, with some upgrade work needed to two "paper road sections". One of these sections, a part of Te Toiroa Road, is currently being used by a variety of users with some degree of conflict so a consultation process will be undertaken during August/ September to inform stakeholders and gain feedback on the proposed work. Restriction of vehicles on the paper road may be considered depending the outcome of that consultation. Construction work is anticipated January/ February 2018
- Maunu Cemetery Family Internment Area: The project is now completed. Works included earthworks, construction of paved paths, planting, seating and rock walls.
- Stand Together: Projects team are working on incorporating the sculpture at Riverside Park which is at a different location to the originally planned location.



## Cemetery

June	2016	2017
Burials	7	8
Ash Scatterings	2	1
Ash Interments	10	7

A quiet month for maintenance this month with the grass barely growing. It gave the team a chance to catch up on tidying up the Kamo and Onerahi cemeteries. With branch trimming and garden maintenance they are looking good. Over the last couple of years, an effort has been made to make the cemetery office more welcoming for members of the public. Previously the office was small and did not have a lot of room for visitors. After removing a wall, a new paint job and moving the desks around, it can now accommodate more guests comfortably, photo below.



*An example of the size rocks we encounter when digging burial plots.*



*Cemetery Office*

## Botanica

Visitor Numbers: 2395

Comments for Visitors Book:

Brisbane, - "I love the greenery."

Maunu - "Kid friendly, lots of fun"

Swazi Land (bought by friend) - "Peaceful, Relaxing, Calming"

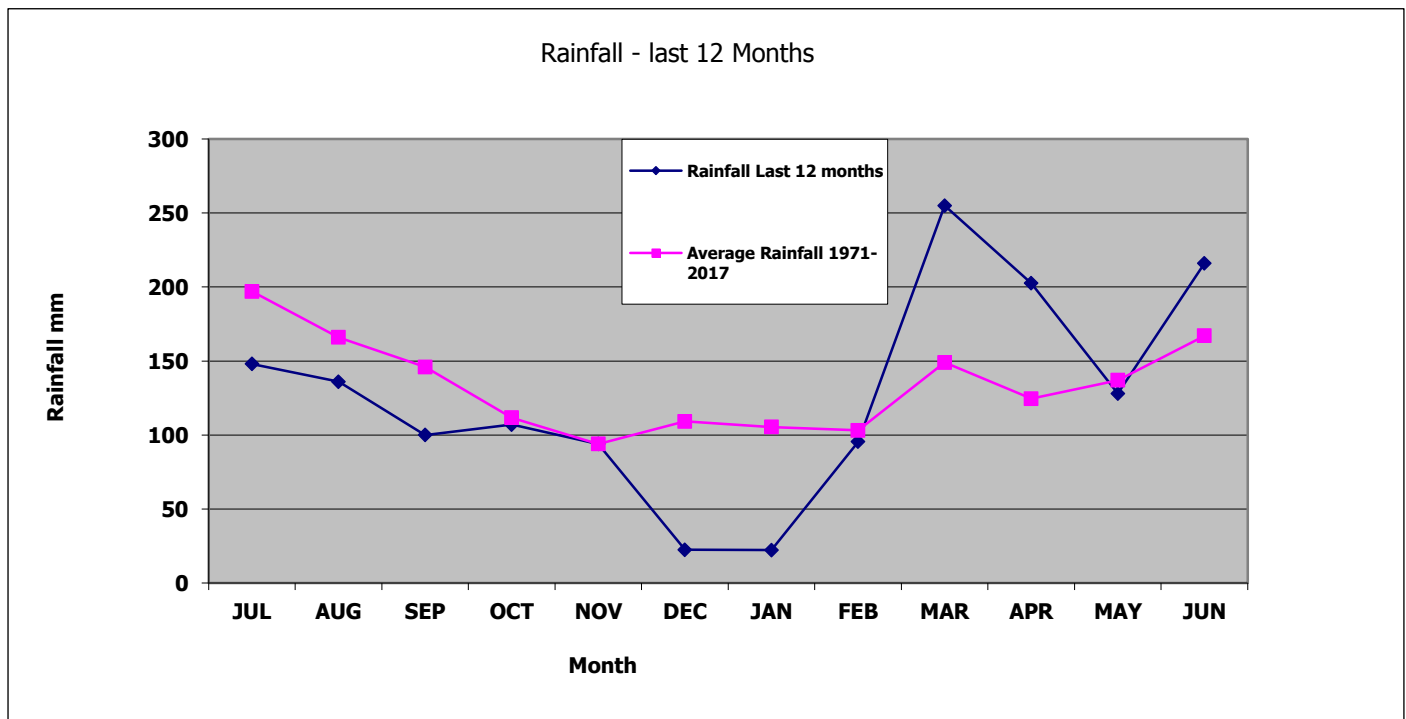
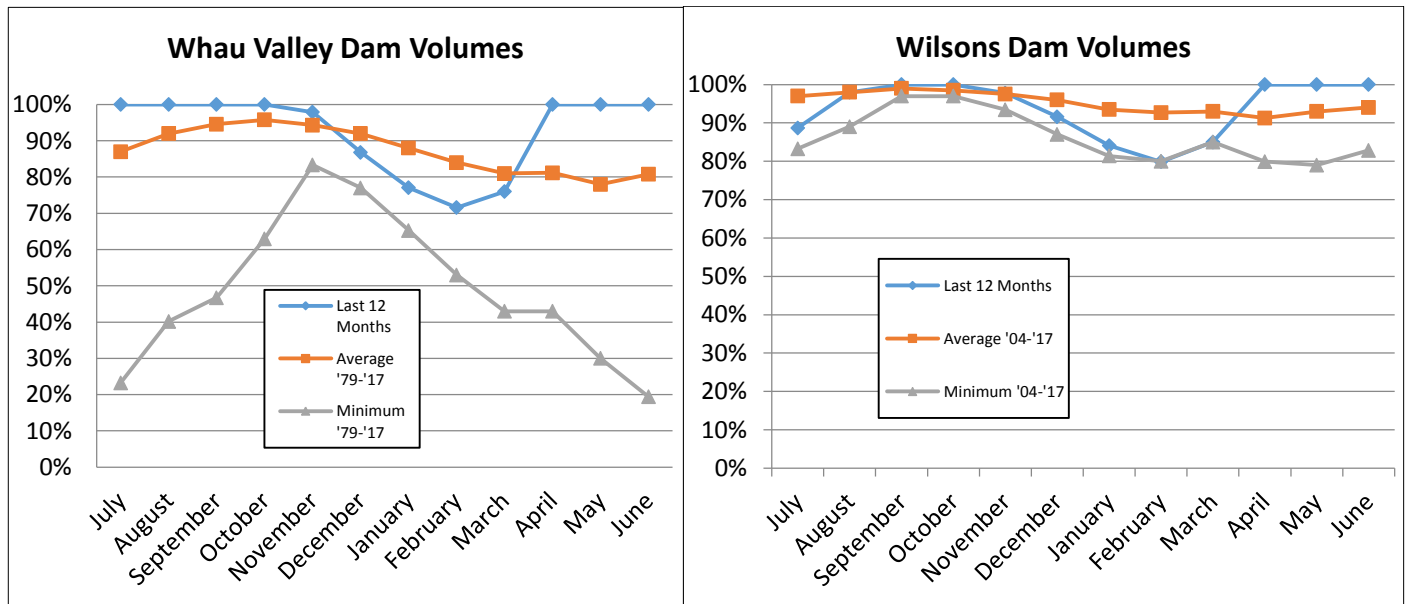
A busy Month for the team at Botanica with the tree giveaway keeping them busy. They do enjoy this time, with plenty of interaction with members of the public. Also an excellent time to introduce people to what we have to offer. A team visit to Russell Fransham gardens at Matapouri proved very fruitful with a number of new plants identified as being useful for display at Botanica. Once established these new plants will provide some excellent colour and variety. A couple of examples below.



## Water Services

### Rainfall and Water Sources

A slightly wetter month than normal for June with 216mm of rain falling at Whau Valley compared to the average of 167mm. A wet autumn and early winter means dams levels remain at 100% full and all other sources all normal for the time of year.



The algal bloom continues in the Wilsons Dam in June. However, the algal counts were getting lower and it is expected that the colder weather will begin to kill off the algae. Numerous test have shown that no toxins are present and the water supply remains compliant.

### Capital Works

The contract for the replacement of the old AC water main in Argyle Street was tendered in May. The main has broken several times over the last few years. A new footpath has been laid and to avoid damaging this service connections were installed prior. The contractor has laid a new PE water main on the outside of the



footpath and connect to the new service connections. Work was completed in July. The meter replacement contract for the year is out for tender.

## Roading

### Flood Damage

During the previous month, good progress was made with the continuing clean up from the storms in March and April. Programmed maintenance works have been delayed due to these recent storm events and the focus has been on opening roads, clearing slips and cleaning out blocked culverts across the network.

### Pavement Rehabilitation

All pavement rehabilitation projects have been successfully completed for the year and all reseals have been completed on the District's road network. Tenders for next year's programme of work have already started to be let and the first package of work close next week.

### Bridge Repair

All major bridge projects have been completed for the year, however some minor repairs work including replacing piles on the Whananakai walking bridge are still underway. A major upgrade of the first of the bridges on Doctors Hill Road will continue over the winter months. Upgrade of the second bridge on Doctors Hill Road will be completed next financial year.

### Kamo Cycleway

Construction of stage one of the Kamo Cycleway project by Broadspectrum Ltd is underway. This is one of four proposed contracts for the Kamo route, and a tender for stage two will be released later in July 2017.

### Slow Street Programme

All slow street projects have been successfully completed for the year.

### Footpaths

Construction of the approved new footpath programme is now 95% complete. Four of the six approved projects have been completed and the remaining two, Russell Rd and Kiteone Rd are expected to be fully complete over the next couple of weeks.

### Road Safety Promotion

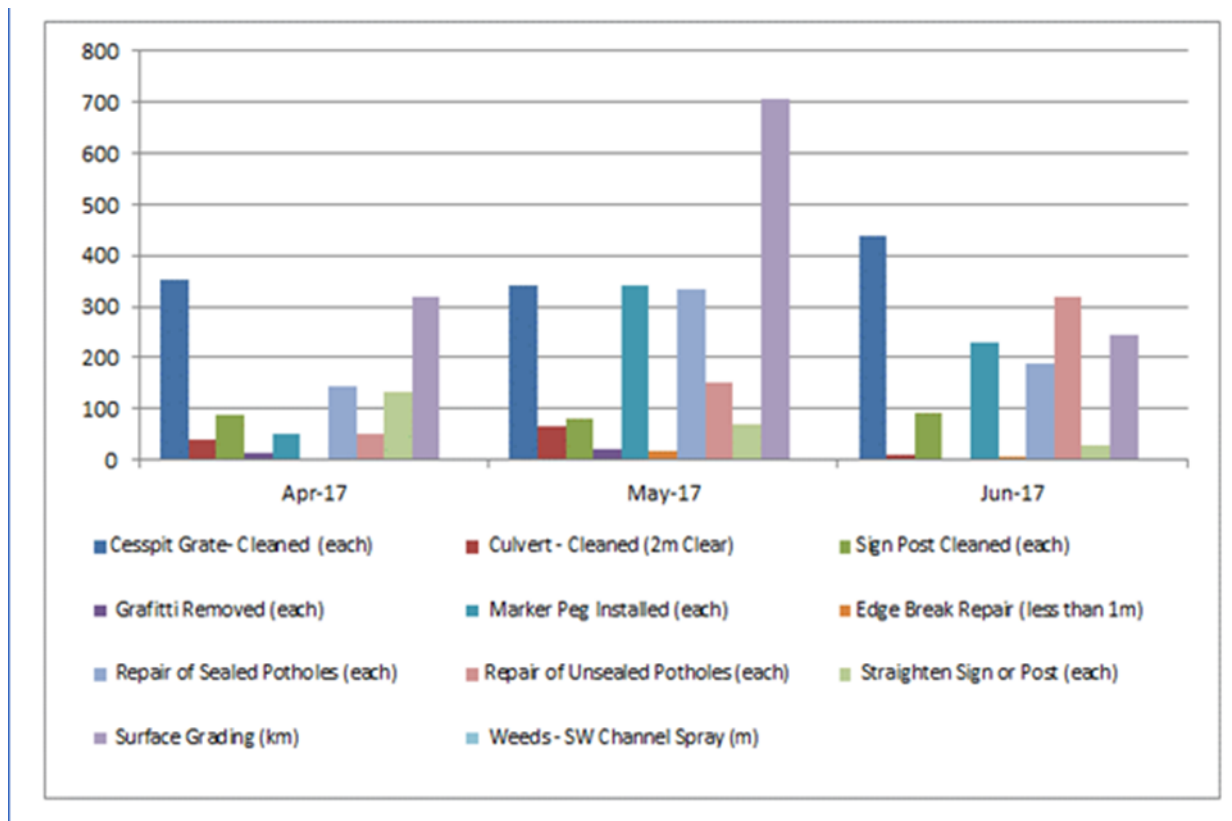
Council's Road Safety Promotion programme were completed for the year to the end of June and activities undertaken included:

- **SAiD (Stop Impaired Driving):** 83 of 88 participants completed one of 11 courses during the year with a non-reoffending rate of 91% from the latest police review of participants.
- **Drive Soba:** 68 of 93 offenders attended one of 8 programmes during the year. Reoffending rate for participants is currently 13%, for Whangarei and 14% for Northland.
- **Young Drivers:** 255 students attended 14 programmes during the year, with 192 sitting licences and 189 passing their learner licences.
- **Community Mentor Driver Programme:** 12 mentors provided a total of 749 mentoring hours during the year with 75 students sitting their restricted licence and 58 have passed within the year.
- **Restraints:** A programme of 3 workshops, 1 community and 2 for Police staff were held during the year.
- **Fatigue Stops:** 4 fatigue stops were held during the year and a further 2 were cancelled due to bad weather.

The Road Toll for Northland for the six months to the end of June 2017 is 17, and includes 10 deaths in the FNDC, 3 in KDC and 4 in WDC. The total fatalities for all of last year, 2016 was 27, 9 in the FNDC, 9 in KDC and 9 in WDC.

## Roading Operational Outputs

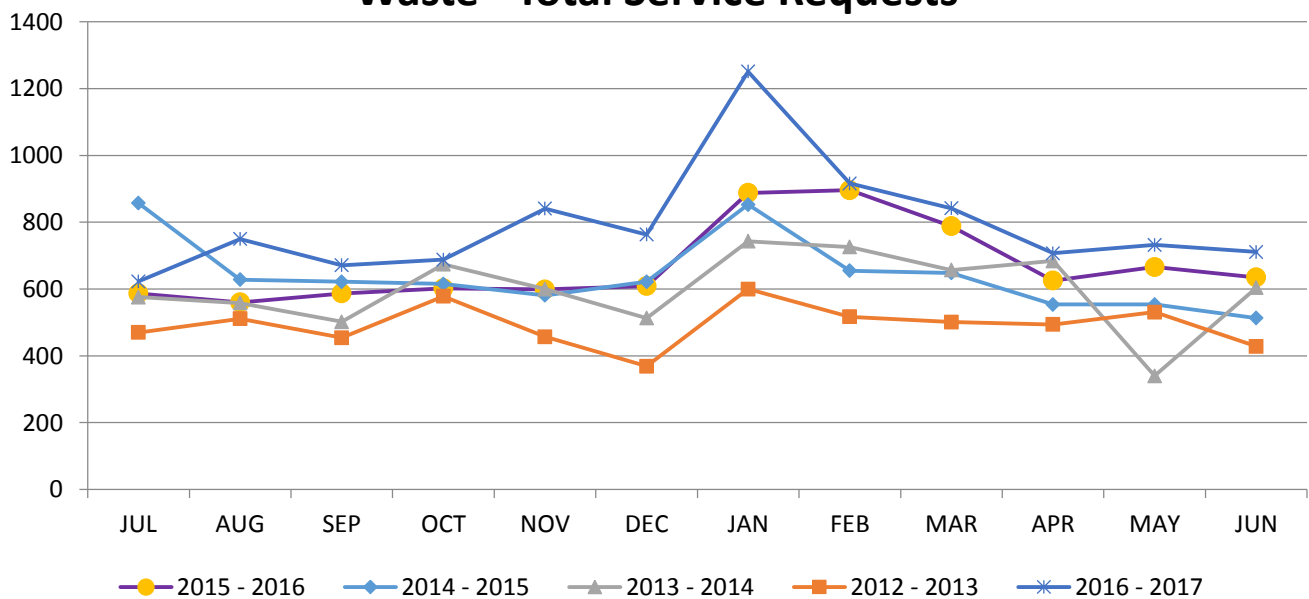
### Monthly Achievement – Routine Works



## Customer Relationship Management Services

Infrastructure Group received a total of 1636 CRMs in the month of June (not including queries/requests via councillors, the Chief Executive or the Mayor's office).

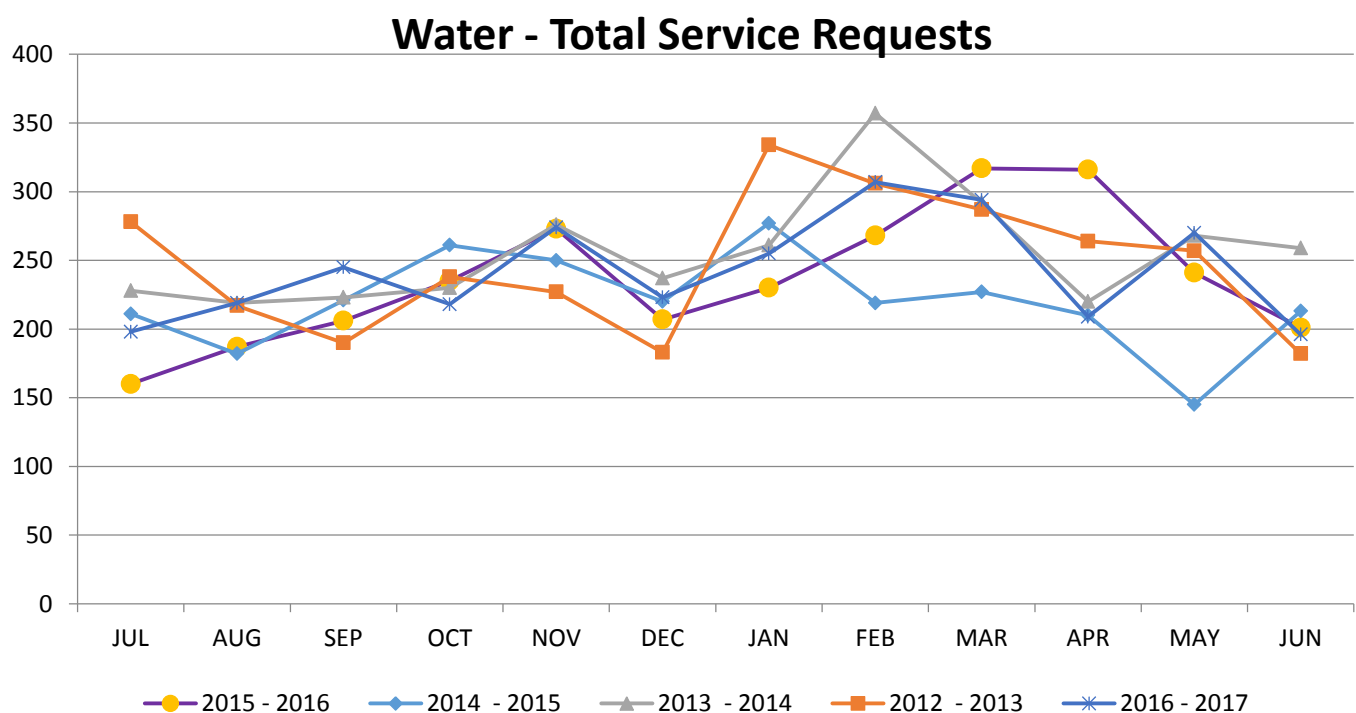
### Waste - Total Service Requests



The Waste and Drainage Team received 711 CRMs in June 2017. 17 follow up calls were made, of these 11 callers were Impressed, 6 customers found our service acceptable and no dissatisfied feedback was reported. A couple of examples were:

The top five CRM issues for our Waste and Drainage Department for the month of June were:

- 116 reports of Fly Dumping/Tipping.
- 53 reports of Public Toilet issues. E.g. vandalise or requiring maintenance/cleaning.
- 25 reports of Recycling issues. E.g. missed collections.
- 40 reports of Sewerage issues. E.g. Blocked sewer lines, smell of sewerage or sewer leakage.
- 31 reports of Stormwater issues. E.g. Blocked stormwater, vegetation needing clearing or missing grates.

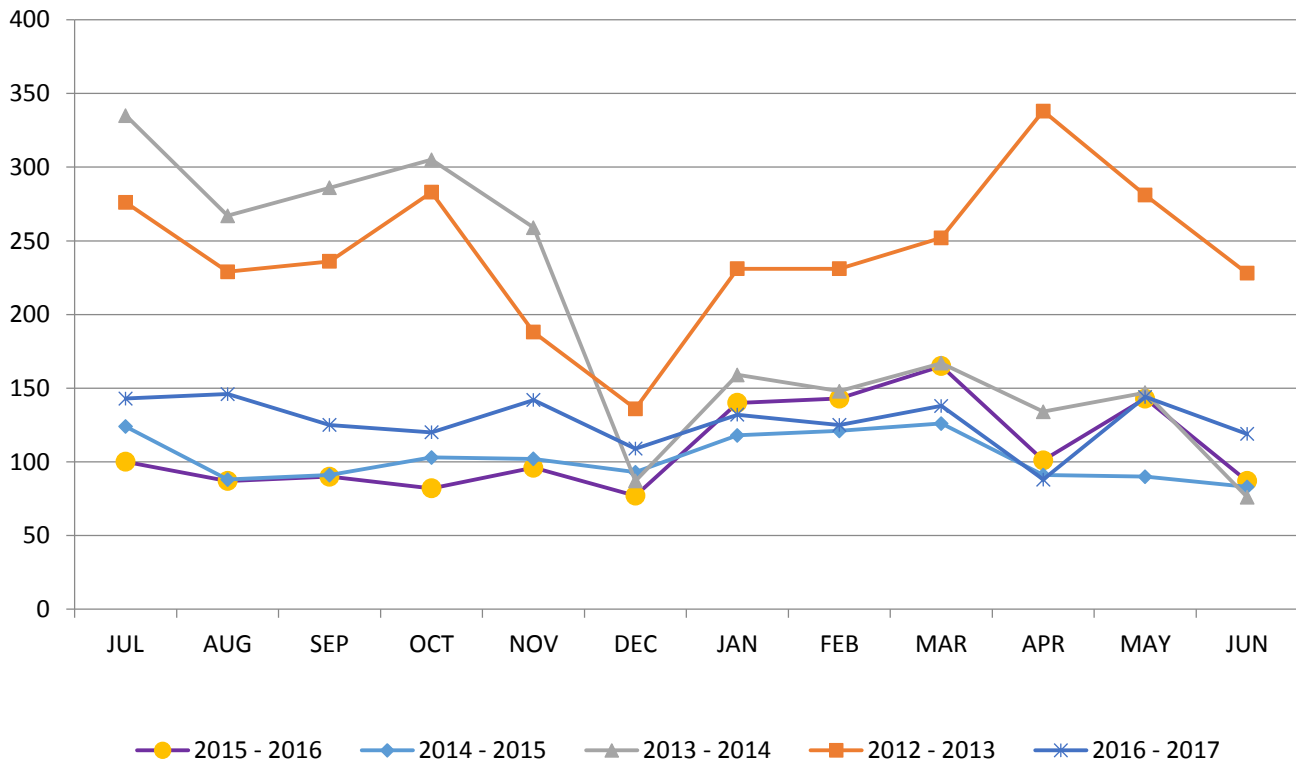


The Water team received 196 CRMs in June 2017. 15 follow up calls were made, of these 11 were impressed and 4 found our service acceptable. Again, no dissatisfied feedback was reported for the Water Team.

The top five CRM issues for our Water Department for the month of May were:

- 87 reports of Water Leaks.
- 34 reports of Meter Repairs. E.g. broken meter boxes, missing lids or box replacements.
- 20 reports of Water Investigation. E.g. Water line replacements, line removals or relocation.
- 8 reports of Water Meter Valve issues. E.g. missing tap/valve, rusted tap or difficulty in turning on/off.
- 3 reports of Water Pressure issues.

## Parks - Total Service Requests

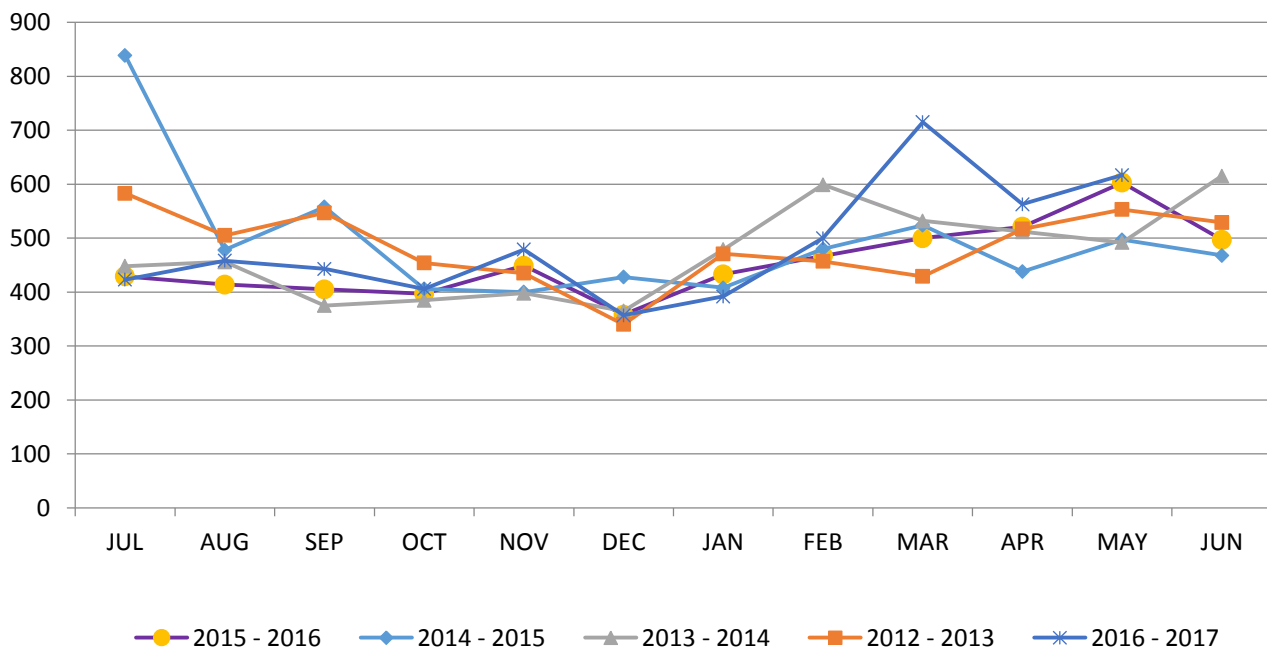


The Parks team received 119 CRMs in June 2017. The Parks team had 1 follow-up call which was acceptable for the month of June, however there was no dissatisfied information received from them either.

The top five CRM issues for our Parks and Recreation Department for the month of June were:

- 33 reports of Tree issues. E.g. overgrown trees, fallen limbs or trimming required.
- 40 reports of General issues. E.g. Issues around the loop walkway.
- 7 reports of Maintenance issues. E.g. all parks maintenance issues.
- 11 reports of Cemetery issues. E.g. request for cemetery information.
- 9 reports of Walkway issues. E.g. trees fallen in walkways or repairs required.

## Roading - Total Service Requests



The Roding Team received 610 Customer Service Requests in June 2017. There were 21 follow up calls made in the month of June – 7 customers found our service acceptable, 1 was unsatisfied and 13 were impressed with the Roding team.

The top five CRM issues for our Roding Department for the month of June were:

- 112 reports of Stormwater issues. E.g. blocked stormwater drains.
- 74 reports of General Roding issues. E.g. Traffic safety and general requests.
- 49 reports of Unsealed roads issues. E.g. road requires metal or grading
- 47 reports of Sealed road issues. E.g. potholes and sweeping
- 37 reports of Trees and Vegetation issues E.g. overhanging branches



## Contracts Approved Under Delegated Authority

**Meeting:** Infrastructure Committee  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Simon Weston (General Manager Infrastructure)

### 1 Purpose

For the Infrastructure Committee to note Infrastructure contracts awarded under Chief Executive and General Manager delegated authority

### 2 Recommendation

That the Infrastructure Committee note the Infrastructure contracts awarded under Chief Executive and General Manager delegated authority.

### 3 Background

Table 1 (below) records Infrastructure contracts awarded under Chief Executive and General Manager delegated authority. Attachment 1 provides a summary of the award process for each contract and a brief description of the works being undertaken

**Table 1: Infrastructure Contracts Awarded Under Delegated Authority**

1.0 Parks & Recreation	CON16073	Waipu Pontoon Upgrade
1.0 Parks & Recreation	CON17017	Parihaka Mountain Bike Track
1.0 Parks & Recreation	CON12026	Graffiti Removal Services
1.0 Parks & Recreation	CON12018	Playgrounds and Skate Park Maintenance
2.0 Roding	CON14041	Bridge Asset Management 2017/18
3.0 Roding	CON16029	General Bridge Maintenance Works
3.0 Water Services	CON16012	Whangarei Water Supply Networks Hydraulic Modelling - Recalibration
3.0 Water Services	CON17003	Whau Valley Footpath and Footbridge
3.0 Water Services	CON17019	Argyle Street Watermain Replacement

## **4 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **5 Attachments**

1. Summary of Contracts Approved Under Delegated Authority June 2017



## Summary of Contracts Approved Under Delegated Authority

This attachment provides a summary of the award process and works being undertaken for Infrastructure contracts awarded under Chief Executive and General Manager delegated authority.

### 1. Parks & Recreation

CON16073
Waipu Pontoon Upgrade

#### Background

CON16073 was originally for the for the refurbishment of an existing pontoon.

The original contract was awarded to Steve Bowling Contracting following a competitive tender process for the sum of \$75,267.

Following removal and sandblasting of the Pontoon detailed investigations revealed damage was more extensive than originally anticipated, and a variation of \$6,453.12 was sought by the contractor. Due to the condition of the pontoon the cost of installing a new pontoon was investigated.

#### Financial

The two cost options below summarise the costings to install a new replacement pontoon or refurbish the current pontoon. These exclude common items which would still be required to complete the project and make up the remaining aggregate of the contract price.

Option 1 – Replacement	Amount
Estimate	\$ 47,200.00
Option 1 – Refurbishment (Current Contract Works)	Amount
Estimate	\$ 49,046.40

Breakdown of cost for the whole contract is provided in the following table:

Description	Amount
Original contract value (excl. contingency)	\$ 75,267.00
Total amount for Replacement	\$ 83,873.72
Total amount for Refurbishment	\$ 85,720.12

As a result of analysis replacement of the pontoon was recommended.

#### General Manager Approval

CON15036 was increased by \$8,606.72 to \$83,873.72 (Eighty Three Thousand, Eight Hundred and Seventy Three Dollars and Seventy Two Cents) exclusive of GST to replace the current Pontoon for a New Pontoon.

CON17017
Parihaka Mountain Bike Track

#### Background

CON17017 is for the proposed new trail that will provide a high-quality mountain bike track for use at Parihaka, extending the existing track network at this site.

A closed tender approach was used selecting specialist contractors known to have experience and an established record for a design and build contract. This was to ensure the work was fit for this specialised purpose, and to reduce the risk of an unsatisfactory user experience.

Works are planned to be undertaken between September and November 2017.

### Tender

The tender was posted on tenderlink to three contractors. Tenders closed on Friday 16 June 2017. Two tenders were received. All tenders received were conforming. The tender evaluation method was weighted attribute. Tender prices and evaluation scores are summarised in the table below.

Description	Amount
Andrew Younger Contracting	\$ 104,500
Southstar Trails	\$ 76,667
<b>Engineer's Estimate</b>	<b>\$ 97,500</b>

As this is a design and build contract the estimate and pricing schedule is based on broad assumptions including conservative estimates for drainage culverts and a provisional item for surfacing metal. It is likely that good track design will reduce or eliminate these items, bringing the contract sum below \$70,000.

### Financial

The project will be funded from 00080 Walkways and Track Renewals, which has a budget of \$426,777 in the Annual Plan. The remaining budget is intended for Parihaka Track Renewals which will be staged.

### General Manager Approval

CON17017 was awarded to Southstar Trails for the tendered sum of \$76,667 (Seventy-Six Thousand, Six Hundred and Sixty-Seven Dollars) excluding GST.

CON12026
Graffiti Removal Services

### Background

CON12026, a one plus three plus one contract for Graffiti Removal Services, expires on 30 June 2017. The total contract value is \$718,912.57 and there is \$165,811 budgeted in the 2018 Annual Plan.

### Discussion

In June 2016, approval was given to exercise the final 12 months of the contract. During the last year consideration was given as to whether the work carried out by this contract could be included in the Parks and Gardens Maintenance Contract, which was to be retendered.

While staff considered that efficiencies may potentially be realised by including this work within the larger scope of that contract, once negotiations began it became clear that this was not the case. The Parks and Gardens Maintenance Contract has also taken longer to finalise than was originally expected.

Te Ora Hou has provided this service since 2005, removing graffiti mainly within the city limits. Of late, as tagging in the city has reduced (largely due to the actions of D'Tag), the operators have been able to travel further afield out to some of the other residential hubs in the District.

Te Ora Hou is a community based, not for profit organisation providing a range of community services. Their status means that they can provide this service to Council at a reduced rate, removing graffiti for approximately one third of the cost charged by commercial operators.

As a result of this a variation is sought to roll this contract over for a further period of 5 years, at the same contract value as the original contract (\$718,912.57).

### General Manager Approval

CON12026, for Graffiti Removal Services, was extended from 1 July 2017 to 30 June 2022 with the contract amount increased by \$718,912.57 (Seven Hundred and Eighteen Thousand Nine Hundred and Twelve Dollars) excluding GST.

#### CON12018

#### Playgrounds and Skate Park Maintenance

### Background

CON12018, Playgrounds and Skate Park Maintenance, is a five year contract expiring on 30 June 2017. The contract is for the regular maintenance of playgrounds and skate parks, ensuring they are kept in a clean and safe state.

The original contract value was \$385,600 and monthly payments are approximately \$7,700. There is \$15,000 remaining on the existing contract. An extension in contract time and value is sought to go to market.

### Discussion

During the last year consideration was given to whether the work carried out by this contract could be included in the Parks and Gardens Maintenance contract, which was to be retendered.

While staff considered that efficiencies may potentially be realised by including this work within the larger scope of that contract, once negotiations began it became clear that this was not the case. The Parks and Gardens Maintenance contract has also taken longer to finalise than was originally expected.

As a result, a nine month extension was sought on this contract, at a total value of \$ 54,300, to allow sufficient time to go to market. There is \$159,434 budgeted for Playgrounds and Skate Park Maintenance in the 2018 financial year.

### General Manager Approval

CON12018, Playgrounds and Skate Park Maintenance, was extended from 1 July 2017 to 31 March 2018, with the contract amount was increased by \$ 54,300 (Fifty-Four Thousand, Three Hundred Dollars) excluding GST.

## 2. Roothing

#### CON14041

#### Bridge Asset Management 2017/18

### Procurement Method

A price was received from Opus International Consultants Ltd (Opus) on 15 June 2017 to undertake the bridge asset management for the 2017/18 finance year. The professional services are for the development and management of maintenance programs and associated contracts for the 2017/18 season. This price will cover all the general asset management services needed to manage Council's bridge assets effectively (including special/details inspections and preparation of forward works programs).

It was proposed that these works are engaged directly with Opus as they have managed Council's bridge asset management for the past 15 years and provide Council with the necessary specialised local skills required. This is in accordance with the NZTA Roothing Procurement Strategy.

### Tender

The tender price received on 15 June 2017 and was as follows:

Description	Amount
Opus International Consultants Ltd	\$ 99,200

### Financial

The price submitted by Opus is in keeping with previously tendered rates for bridge management works.

The budget for the bridge asset management works for 2017/18 is \$100,000.

### General Manager Approval

That CON14041 for Bridge Asset Management was awarded to Opus International Consultants Ltd for the tendered sum of \$ 99,200 (Ninety-Nine Thousand and Two Hundred Dollars) excluding GST.

CON16029
General Bridge Maintenance Works

### Introduction

CON16029 was for the completion of the general bridge maintenance of over 90 structures in the Whangarei District. As well as the general bridge maintenance, some major upgrade works have been allowed for within this contract, including the upgrades of the wingwalls at Hayward Rd Bridge and the replacement of timber piles at Whananaki Footbridge.

CON16029 was awarded on 31 January 2017 to Steve Bowling Contracting Ltd, for the Tender Sum of \$419,078.

While completing the contract works, additional works were identified approved by the Engineer at Hayward Rd bridge, Railway Station Rd Bridge and Reyburn Street Bridge for the sum of \$19,970.

These additional quantities have been measured and approved by the Engineer and are in keeping with tendered rates.

These additional works can be funded from the 2016/17 minor improvements budget.

### General Manager Approval

CON16029, for General Bridge Maintenance Works, was increased by \$19,970 (Nineteen Thousand, Nine Hundred and Seventy Dollars) excluding of GST

## 3. Water Services

CON16012
Whangarei Water Supply Networks Hydraulic Modelling - Recalibration

### Background

The scope items below was confirmed at the initiation of CON16012 (Mott MacDonald), Whangarei Water Supply Networks Hydraulic Modelling.

Scope Items
Rebuild Water models using the latest WDC GIS to keep them aligned into the future. The current models are missing pipes due to a restricted number of nodes in previous versions of the model software.
Log several key customers and to carryout hydrant flow test during the field test period in areas with known issues, CBD & Kensington to assist calibration.

Condense the monitoring programme from 2 summers to 1, by recalibrating the Whangarei and Bream Bay hydraulic models simultaneously.

However, building the models with our GIS data required additional time due to GIS connectivity issues. Extracting usable data from our Data Historian/SCADA software, for the water zone balances and controls, also proved to be more difficult than expected. Also, key points such as PRV pressures and Reservoir outflows are not monitored, the level is. Reservoir levels, the time steps and thresholds for sending SCADA data are set up for operational, not modelling, use. This additional time was \$5,000.

To get a complete data set during the field testing period additional pressure and flow logging and hydrant flow testing was undertaken. The field test extension variation was \$9,100.

An additional contract contingency of \$5,000 is being requested for post hand-over modelling of complex growth scenarios, not able to be undertaken in-house, to meet LTP/30y planning deadlines.

With the variation, the total contract value will increase from \$80,127 to \$99,227. Tender evaluations for this project ranged from \$77 to \$113K. The project is expected to be completed by the end of August 2017.

### **General Manager Approval**

CON16012, Whangarei Water Supply Networks Hydraulic Modelling – Recalibration, was increased by \$19,100 to \$99,227 (Ninety Nine Thousand, Two Hundred and Twenty Seven Dollars) exclusive of GST

### **CON17003**

#### **Whau Valley Footpath and Footbridge**

### **Background**

CON17003 is for the construction of a new water treatment plant (WTP) to replace the existing water plant at Fairway Drive.

Works include all above and below ground structures associated with the WTP, a stormwater / water pumps retention pond, a site access road, on-site carparking, a security fence, the relocation of a drainage trench, earthbundings, landscaping and all ancillary works.

The proposed site is located approximately 110m past a one lane traffic bridge over the Waiarohia Stream. Whau Valley Road is quiet cul de sac, situated in a rural-residential environment on the periphery of urban Whangarei. It is regularly frequented by pedestrians.

Concerns were raised by residents about the safety of pedestrians using the bridge in conjunction with heavy vehicles associated with the construction and operational phases of the project. The extension of the existing footpath on Whau Valley Road along with the construction of a new pedestrian bridge has been identified to avoid this adverse effect. The proposed single span bridge will be entirely located within the road reserve (opposite 254 Whau Valley Road). It will provide an independent crossing for pedestrians and cyclists away from vehicles.

### **Tender**

The open tender process was conducted through TenderLink, closing on 7<sup>th</sup> April 2017. The evaluation method was lowest price conforming and the following tenders were received:

<b>Description</b>	<b>Amount</b>
GHK Piling	\$ 210,803.00
United Civil Construction Ltd	\$ 279,976.00
<b>Engineer's Estimate</b>	<b>\$ 155,790.00</b>

An arithmetic check was carried out on the lowest proposed price. No errors were found in the Tenderers' Schedule of Prices or Form of Tenders.

### Financial

The Engineer's Estimate prepared by Opus International Consultants was based on previous tenders received for similar work. It was considered that both bids reflected the current market.

The overall budget for the Whau Valley Water Treatment Plant project is \$ 18,748,000.

### General Manager Approval

CON17003 was awarded to GHK Piling (a division of Bowling Group) for the tendered sum of \$210,803 (Two Hundred and Ten Thousand, Eight Hundred and Three Dollars) excluding GST.

CON17019
Argyle Street Watermain Replacement

### Background

CON17019 is for the replacement of the existing 150mm diameter (ID) asbestos cement (AC) watermain on Argyle Street. Since November 2011 there have been nine recorded mains break repairs along the entire 295 metre length of watermain. The intention is to replace the main and associated service connections with newer construction materials.

### Tender

The contract was publicly advertised and closed on 2 June 2017. One tender was received as follows:

Description	Amount
Broadspectrum New Zealand Limited	\$ 179,985.15
<b>Engineer's Estimate</b>	<b>\$ 189,183.00</b>

The tender evaluation method was lowest price conforming. The Broadspectrum New Zealand tender was found to be conforming. Broadspectrum have not recently completed any watermain replacements for Council but have installed numerous water reticulation networks as part of large sub-division projects (e.g. Totara Parklands) which have subsequently been vested in Council.

### Financial

The lowest tender is 5% lower than the Engineers Estimate.

Within this year's budget there is \$64,000 left in PJ 00052 CX Reticulation Renewals, plus \$134,538 left in PJ 00053 CX Minor Projects Emergency Works, which will cover the cost of this work.

### General Manager Approval

CON17019 was awarded to Broadspectrum New Zealand Limited for the tendered sum of \$179,985.12 (One Hundred and Seventy-Nine Thousand, Nine Hundred and Eighty-Five Dollars) excluding GST.

## Service Delivery Review – Public Toilets and Cemeteries

**Meeting:** Infrastructure

**Date of meeting:** 10 August 2017

**Reporting officer:** Andrew Carvell (Waste and Drainage Manager)  
Aubrey Gifford (Acting Parks and Recreation Manager)  
Dominic Kula (Development Engineering Manager)

### 1 Purpose

To provide an overview of the completed service delivery reviews for the Public Toilets and Cemeteries activities.

### 2 Recommendation

That the committee note the completed Service Delivery Reviews for Public Toilets and Cemeteries activities.

### 3 Background

Section 17A of the Local Government Act 2002 requires local authorities to periodically review the way they govern, fund and deliver their services. This means considering alternative ways of providing the service, analysing any of those options that could prove beneficial and providing a recommendation as an outcome of the review.

The first round of these reviews are required to be completed by August 2017.

To meet this requirement Whangarei District Council is using the following process.

1. A staff steering group was created to provide structure around the review programme including designing and approving templates to complete the reviews.
2. Reporting of the overall programme is made to the Audit and Risk Committee, who provide governance oversight.
3. Each service was reviewed by relevant staff against a list of selection criteria in a review workshop. The workshop was facilitated by an independent consultant and an external engineering specialist was in attendance to give a wider industry perspective.
4. Once completed, the reviews were checked and approved by the General Manager Infrastructure, with oversight by the Staff Steering Group. If required either or both of the below actions are taken:



- a. If a change to the service delivery model is recommended, the approach will be presented to the appropriate committee for a decision.
- b. If the change requires delegated financial authority, then it will also need to go through a full council meeting as per the current procurement policy.

## 4 Overview of Reviews

This section provides a brief description of each service reviewed to date that is relevant to the oversight of this committee, and the resulting decision. The complete review documents are attached to this report.

### Infrastructure – Public Toilets

#### Scope

The services in scope are cleaning services and reactive services for public toilets, including:

- Building.
- Plumbing.
- Electrical.
- Graffiti removal.
- Security.

The scope covers 64 toilets.

#### Decision

That the provision of public toilet services remain contracted out (status quo).

The reasons for this are:

- Provision of the service through contracting out is more flexible and responsive.
- The contracting model provides a more reliable service.
- The contracting model is likely better value for money.

Key barriers to alternate delivery models, include:

- The need to have a reliable service that persists for the long term.

### Infrastructure – Cemeteries

#### Scope

Provision of cemetery services within the Whangarei District including:

- The sale of plots.
- Site development.
- Internment booking.
- Internment physical works.
- Customer services.

#### Decision

In-house, contracting out and CCO models were examined. Community Trust was also considered but discounted as they are usually formed upon the gifting of land, which is not the case with the council's 3 open cemeteries.

The conclusion is that the in-house model should be retained. There is not a large overall cost to Council for supplying this service, but it is essential that the quality and reliability is right. Any failure in service in this area has a lasting effect and getting the service wrong is likely to impact on families that are already going through a difficult time.

## **5 Significance and engagement**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments**

1. Infrastructure – Public Toilets Section 17A review
2. Infrastructure – Cemeteries Section 17A review



## LGA Section 17A review

Group:	Infrastructure
Department:	Waste and Drainage
Activity:	Public Toilets

Activity Scope	<p>Servicing of public toilets</p> <p>The two services in scope are:</p> <ul style="list-style-type: none"> <li>▪ cleaning services for public services</li> <li>▪ reactive services for public toilets: <ul style="list-style-type: none"> <li>▪ building</li> <li>▪ plumbing</li> <li>▪ electrical</li> <li>▪ graffiti removal</li> <li>▪ security</li> </ul> </li> </ul> <p>64 locations - split by frequency of service – 4 categories</p>
----------------	--

Current Supplier/s	<p>Currently all services outsourced.</p> <p><u>Cleaning</u></p> <p>Professional Property &amp; Cleaning Services Ltd</p> <p><u>Reactive</u></p> <p>Judkins Plumbing</p> <p>Mike Saunders Builders</p> <p>Electrical Services Northland (ESN)</p> <p>Northland District Security</p> <p>Integrated security</p>
--------------------	---

## Business model

When considering the current business model, the following options were identified for comparison:

- In-house
  - WDC doing all the services in-house
  - Neighbouring councils doing in-house together or one council providing the services to the others
- Contracting the services out to a third party – various contract models could apply:
  - standard service contract – like current
  - one contract for the neighbouring councils
- Council controlled organisation

### Needs and wants

For the purposes of considering these differing business models a number of needs and wants were identified and agreed upon with the group. A complete list of the attributes assigned to these needs and wants is provided in Appendix 1

Then to enable comparison of the business models these needs and wants were ranked and allocated a score, this determined a weighted total. This weighted total then identifies the preferred business model and meets the requirements of a section 17A review.

When considering business models, 'needs' were considered first with a pass/fail test. If a need was considered to pass, further consideration of 'wants' occurred. Conversely if a need failed then its consideration was not required nor progressed.

### Findings: Needs

The comparison of needs was carried out across the relevant business models and the following results compiled.

<b>Needs</b>	<b><u>In-House</u></b> Meets Needs (Y/N)	<b><u>CCO</u></b> Meets Needs (Y/N)	<b><u>Contractor</u></b> Meets Needs (Y/N)
Sustainable and Viable	Y	N	Y

The CCO option was considered non-viable because it would not be practicable to partition of the service only as a CCO due to its small value.

### Findings: Wants

A ranking order was then given to the agreed wants. For Waste and Drainage Treatment Services this was as follows:

<b>Wants by importance</b>	<b>Cleaning</b>	<b>Reactive</b>
Skills	9	8
Reliable Delivery	10	9
Aligned	5	4
Agility & Flexibility Best value for investment	8	7
Agility & Flexibility	7	10
Governance, Management and Administration	3	3

### Scoring – Cleaning Services

When considering public toilet Services, the following 3 areas were deemed to be the most important and were assigned the highest ranking:

	<b>Want</b>	<b>Reason</b>
1.	Reliable Delivery	It is important that the services are provided reliably and to a good standard. Complaints from the public are mostly where the service levels aren't met.
2.	Skills	Skills and experience are a key factor to deliver reliable service. The ability to attract, train and operate these skills is a key factor.
3.	Best value for money	This work has a potentially large scope and the ability to resource it effectively and provide best value for money

	services is important.
--	------------------------

### Weighted scoring

When comparing the wants of the activity scope, a level of compliance was determined and a score out of 10 was allocated – 0 (poor) to 10 (excellent). For an explanation of compliance levels see Appendix 2

By ranking the wants, as most and least important to the scope of the activity, and adding a compliance level a weighted score was calculated. The totalling of weighted scores has enabled the equal comparison of differing business models.

When considering and scoring the various business models the results were as follows:

Wants	Ranking	In-House		Contract Out	
		Scores	Weighted	Scores	Weighted
Skills	9	6	54	8	72
Reliable Delivery	10	7	70	7	70
Aligned	5	8	40	7	35
Best value for investment	8	4	32	9	72
Agility & Flexibility	7	5	35	7	49
Governance, Management and Administration	3	5	15	8	24
<b>WEIGHTED SCORE</b>			<b>246</b>		<b>322</b>

Comments in regard to the comparative scores are:

Wants	Rationale for Scores
Reliable	Both the outsourced model and in-house model would be similar in regards to delivering a reliable service.
Skills	The outsourced model has specialist models, training and systems to deliver the services. This would be easier for specialist outsourced suppliers than for in-house.
Agility and Flexibility	The contractor is more likely to be flexible than the in-house model.
Aligned	In-house is totally aligned.  External could be but would have to be brought up to speed.
Best value for investment	The outsourced model was significantly better value than the engineers estimate when last tendered in 2015.
Governance, Management and Administration	The governance of the outsourced model would be simple and managed through a single internal contract manager. An outsourced model would require extra management.

### Scoring – Reactive Services

When considering public toilet Services, the following 3 areas were deemed to be the most important and were assigned the highest ranking:

	Want	Reason
1.	Agility and flexibility	Reactive services need agility and flexibility to react to requirements. It is important to repair the facilities quickly and on call to return to operation.
2.	Reliable	It is important that the services are provided reliably and to a good standard. Complaints from the public are mostly where the service levels aren't met.
3.	Skills	Skills and experience are a key factor to deliver reliable service. The ability to attract, train and operate these skills is a key factor.

### Weighted scoring

When comparing the wants of the activity scope, a level of compliance was determined and a score out of 10 was allocated – 0 (poor) to 10 (excellent). For an explanation of compliance levels see Appendix 2

By ranking the wants, as most and least important to the scope of the activity, and adding a compliance level a weighted score was calculated. The totalling of weighted scores has enabled the equal comparison of differing business models.

When considering and scoring the various business models the results were as follows:

Wants	Ranking	In-House		Contract Out	
		Scores	Weighted	Scores	Weighted
Skills	8	5	40	8	64
Reliable Delivery	9	5	45	9	81
Aligned	4	7	28	5	20
Best value for investment	7	5	35	7	49
Agility & Flexibility	10	5	50	9	90
Governance, Management and Administration	3	5	15	6	18
<b>WEIGHTED SCORE</b>			<b>213</b>		<b>322</b>

Comments in regard to the comparative scores are:

Wants	Rationale for Scores
Reliable	Both the outsourced model and in-house model would be similar in regards to delivering a reliable service.
Skills	The outsourced model has specialist models, training and systems to deliver the services. This would be easier for specialist outsourced suppliers than for in-house.
Agility and Flexibility	The contractor is more likely to be flexible than the in-house model.



Aligned	In-house is totally aligned.  External could be but would have to be brought up to speed.
Best value for investment	The outsourced model would be better value than the internal model when the costs of resourcing, equipping with tools and vehicles are factored in. Also utilisation of these resources would be more cost effective for the outsourced model as they can spread their investment across other clients as well.
Governance, Management and Administration	The governance of the outsourced model would be simple and managed through a single internal contract manager. An outsourced model would require extra management.

## Conclusion

The final results of this exercise were:

Recommendation is that the provision of public toilet services to remain contracted out (status quo).

The reasons for this are:

- Provision of the service through contracting out is more flexible and responsive
- The contracting model provides a more reliable service
- The contracting model is likely better value for money

Key barriers to alternate delivery models, include:

- The need to have a reliable service that persists for the long term.

## Appendix 1

For the purposes of this review a need and a want were identified as follows:

A need is a requirement that an option must meet. If it doesn't then that option is discarded.
A want is a "nice to have". Some wants are still significant and as such will have a higher weighting. The wants are ranked to allocate weightings for the evaluation.

The agreed needs and wants were defined as:

### Need

Sustainable and Viable	<ul style="list-style-type: none"> <li>▪ Stable</li> <li>▪ Profitable</li> <li>▪ Enduring</li> </ul>
------------------------	--

### Want

Skills	<ul style="list-style-type: none"> <li>▪ Best people</li> <li>▪ Experience</li> <li>▪ Access to Best Practice</li> <li>▪ Availability</li> </ul>
Reliable	<ul style="list-style-type: none"> <li>▪ Reliable</li> <li>▪ Consistent</li> <li>▪ Risk management</li> </ul>
Aligned	<ul style="list-style-type: none"> <li>▪ Control the alignment with council vision</li> <li>▪ Collaborative</li> </ul>
Best Value for Investment	<ul style="list-style-type: none"> <li>▪ Costs</li> <li>▪ Innovation</li> <li>▪ Value add</li> </ul>
Agility and Flexibility	<ul style="list-style-type: none"> <li>▪ Change</li> <li>▪ Legislative and Political</li> <li>▪ Weather</li> <li>▪ Innovation</li> </ul>
Governance, Management and Administration	<ul style="list-style-type: none"> <li>▪ Clarity</li> <li>▪ Reporting</li> <li>▪ Efficient</li> </ul>

## Appendix 2

Levels of compliance when scoring a delivery option against a defined want were as follows:

Compliance	Definition	Score
Significantly exceeds	Significantly exceeds the requirement in a way that provides significant 'added value'	9 to 10
Exceeds	Exceeds the requirements in some aspects and offers some added value	7 to 8
Compliant	Has shown an understanding of the requirement to a minimum level Can provide the requirement to the minimum level	5 to 6
Non-compliant	Does not meet requirement – <b>Minor</b> Marginally deficient  Minimal cost or impact to address  Minor negotiation required to achieve requirement	3 to 4
Non-compliant	Does not meet requirement – <b>Significant</b>  Requirement only partially met  Achievement of the requirement will impact on cost or schedule  Significant negotiation required	1 to 2
Non-compliant	Does not meet requirement – <b>Critical</b>  Requirement not met to any degree by the solution offered	0

## Sign Off Page

I agree to the recommendations.

---

**Department Manager**  
(print name)

---

**Department Manager**  
(signature)

---

**Date**

---

**General Manager**  
(print name)

---

**General Manager**  
(signature)

---

**Date**

---

**Chief Executive**  
(print name)

---

**Chief Executive**  
(signature)

---

**Date**

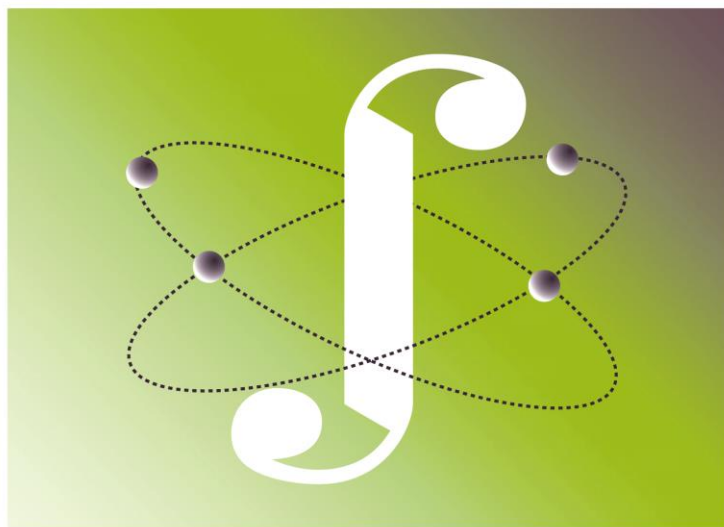
## LGA Section 17A review

Group:	Infrastructure and Services
Department:	Parks and Recreation
Activity:	Cemeteries

Activity Scope	<p>Council has three open and four closed cemeteries. Services provided by WDC include:</p> <ul style="list-style-type: none"> <li>▪ sale of plots</li> <li>▪ site development</li> <li>▪ internment booking</li> <li>▪ internment physical works</li> <li>▪ customer services</li> </ul>
----------------	---

The following review was prepared by The Integral Group Limited in conjunction with WDC staff

# The *Integral* Group Ltd



**Whangarei District Council**

**LGA Section 17A Review**

**Cemeteries**

**Workshop Report**

Prepared by:  
Frank Aldridge - Director

**14 February 2017**

Commercial in Confidence



## Table of Contents

---

1. Introduction .....	5
2. LGA Section 17A Review .....	6
Appendix 1 .....	11
Appendix 2 .....	12

---

## 1. Introduction

---

**Introduction** Whangarei District Council (WDC) are reviewing the provision of their cemetery services as per Section 17(A) of the Local Government Act. They have engaged The *Integral* Group Limited (TIGL) to assist with this process.

This report captures the key findings from the workshops.

We recommend that this report is read in conjunction with the Business Model Briefing Note attached, and with the file name as shown below:

***WDC - Section 17 (A) - Business Model Briefing Note – 20 Feb 17***

---

**Audience** The audience for this note is:

- workshop attendees
- 

**Background Information**

- WDC have 3 open cemeteries and 4 closed ones
  - Services provided by WDC includes:
    - sale of plots
    - site development
    - internment booking
    - internment physical works
    - customer services
    - maintenance
  - WDC have 4 full time staff and 2 cadets
  - WDC leases their digger
  - WDC have:
    - 3 mowers
    - burial equipment
  - costs are \$300k per annum
  - income is \$220k per annum
-

## 2. LGA Section 17A Review

---

Group:	Infrastructure
Department:	Parks and Recreation
Activity:	Cemeteries

---

Activity Scope	<ul style="list-style-type: none"> <li>▪ WDC have 3 open cemeteries and 4 closed ones</li> <li>▪ Services provided by WDC includes: <ul style="list-style-type: none"> <li>▪ sale of plots</li> <li>▪ site development</li> <li>▪ internment booking</li> <li>▪ internment physical works</li> <li>▪ customer services</li> <li>▪ maintenance</li> </ul> </li> </ul>
----------------	--

Current Supplier/s	<p>This work is 100% in-house</p> <p>Costs \$300k per year</p> <p>Recoveries \$220k</p>
--------------------	---

---

Business Model	<p>When considering the current business model, the following options were identified for comparison:</p> <ul style="list-style-type: none"> <li>▪ in-house <ul style="list-style-type: none"> <li>▪ WDC doing all the services in-house</li> <li>▪ Neighbouring councils doing in-house together or one council providing the services to the others</li> </ul> </li> <li>▪ contracting the services out to a third party – various contract models could apply: <ul style="list-style-type: none"> <li>▪ standard service contract</li> <li>▪ one contract for the neighbouring councils</li> </ul> </li> <li>▪ Council controlled organisation</li> </ul>
----------------	--

---

*Continued on next page*

Error! Use the Home tab to apply Map Title to the text that you want to appear here., Continued

#### Needs and Wants

For the purposes of considering these differing business models a number of needs and wants were identified and agreed upon with the group. A complete list of the attributes assigned to these needs and wants is provided in Appendix 1

Then to enable comparison of the business models these needs and wants were ranked and allocated a score, this determined a weighted total. This weighted total then identifies the preferred business model and meets the requirements of a Section 17A review.

When considering business models, 'needs' were considered first with a pass/fail test. If a need was considered to pass, further consideration of 'wants' occurred. Conversely if a need failed then its consideration was not required nor progressed.

Findings: Needs The comparison of needs was carried out across the relevant business models and the following results compiled.

Needs		In-house	CCO	Contractor	Community Trust
	<b>Sustainable and Viable</b>	Y	N	Y	N
Comments	<p>The costs in this area are relatively small and do not warrant setting up a CCO. It would not be viable or sustainable.</p> <p>Cemeteries that are community trust controlled are usually due to the land being gifted into a trust in the first place. This is not relevant to WDC and there would also be set up and administration costs.</p>				

Findings: Wants	A ranking order was then given to the agreed wants. This was as follows:	
	Wants	Ranking
	<b>Reliable</b>	10
	<b>Skills</b>	9
	<b>Value for money</b>	8
	<b>Aligned</b>	7
	<b>Agility</b>	6
	<b>Governance</b>	5

*Continued on next page*

Error! Use the Home tab to apply Map Title to the text that you want to appear here., Continued

Findings:  
Wants,  
continued

When considering the cemeteries activity area, the following 3 areas were deemed to be the most important and were assigned the highest ranking:

#	Want	Reason
1.	<b>Reliable</b>	<p>Getting this service right is critical for WDC's reputation. This service is delivered at a tough time for families and they are emotional and sensitive.</p> <p>As such families' needs and requirements have to be taken into account and the services need to be delivered properly.</p> <p>Failure to do this has serious reputational risks to WDC</p>
2.	<b>Skills</b>	<p>There is a need to have the skills on hand as required to provide the services.</p> <p>Having the ability and flexibility to use staff for maintenance and other tasks such as internment physical works is important. If a funeral is booked there is no flexibility in regards to practical elements like having the grave ready.</p> <p>There are also sensitivities in regards to funerals and cemetery services so it is critical that we have the people with the right skills to do the work.</p> <p>Getting these things wrong has a huge impact on reputation for WDC.</p>
3.	<b>Value for money</b>	<p>The ability to recover costs has been constrained by years of undercharging. This is gradually being addressed. As such costs are important, but the quality has to be key factor.</p>

*Continued on next page*

Error! Use the Home tab to apply Map Title to the text that you want to appear here., Continued

#### Weighted Scoring

When comparing the wants of the activity scope, a level of compliance was determined and a score out of 10 was allocated – 0 (poor) to 10 (excellent). For an explanation of compliance levels see Appendix 2

By ranking the wants, as most and least important to the scope of the activity, and adding a compliance level a weighted score was calculated. The totalling of weighted scores has enabled the equal comparison of differing business models.

When considering and scoring the various business models the results were as follows:

WANTS	Ranking	In house		Contract Out	
		Score	Weighted Score	Score	Weighted Score
<b>Reliable</b>	10	10	100	9	90
<b>Skills</b>	9	9	81	6	54
<b>Value for money</b>	8	8	64	7	56
<b>Aligned</b>	7	10	70	9	63
<b>Agility</b>	6	9	54	8	48
<b>Governance</b>	5	8	40	8	40
<b>Total</b>			<b>409</b>		<b>351</b>

#### Comments

Comments in regards to the comparative scores are:

Wants	Rationale for Scores
<b>Reliable</b>	<p>The internal staff have built up knowledge and understanding. This is the focus of their roles, not an adjunct to it.</p> <p>Having the equipment on hand and knowledgeable use of it is essential</p> <p>Knowledge of sensitivities is essential.</p>
<b>Skills</b>	<p>Getting and keeping the skilled staff who have a knowledge of the facilities is important. In-house has good staff retention in this area with long term knowledge.</p> <p>Also having empathy and understanding is critical to provide an essential service to families at a tough time.</p>

*Continued on next page*

Error! Use the Home tab to apply Map Title to the text that you want to appear here., Continued

Wants	Rationale for Scores
<b>Value for money</b>	The costs have been tested and bench marked and are slightly favourable compared with contracting out models.
<b>Aligned</b>	The internal model is directly aligned to council objectives. The contractor model is one step removed through a contract.
<b>Agility</b>	Contractor could probably bring staff and equipment onto the work on as required basis.  But this is countered above in that it might mean the service deteriorates. There is also a risk that key equipment is not available when required, which would cause issues.  Having equipment on hand and staff multitasking means that priorities can be shifted to where the greatest need is.
<b>Governance</b>	Both models would be reasonably simple from a governance point of view for this service.

#### Conclusion

The final results of this exercise were:

The in-house model should be retained. There is not a large overall cost to WDC for supplying this service, but it is essential that the quality and reliability is right. Getting these services wrong has a bad effect on families that are already going through a tough time.

Any failure in service in this area has a lasting effect on people and is very damaging to WDC's reputation.

## Appendix 1

### Introduction

For the purposes of this review a need and a want were identified as follows:

Definition	
<b>Need</b>	A need is a requirement that an option must meet. If it doesn't then that option is discarded.
<b>Want</b>	A want is a "nice to have". Some wants are still significant and as such will have a higher weighting. The wants are ranked to allocate weightings for the evaluation.

### Definition of Agreed Needs and Wants

The agreed needs and wants were defined as:

Needs	Definition
Sustainable and Viable	<ul style="list-style-type: none"> <li>▪ Stable</li> <li>▪ Profitable</li> <li>▪ Enduring</li> </ul>

Wants	Definition
Reliable	<ul style="list-style-type: none"> <li>▪ Reliable</li> <li>▪ Consistent</li> <li>▪ Risk management</li> </ul>
Skills	<ul style="list-style-type: none"> <li>▪ Best people</li> <li>▪ Experience</li> <li>▪ Access to Best Practice</li> <li>▪ Availability</li> </ul>
Value for Money	<ul style="list-style-type: none"> <li>▪ Costs</li> <li>▪ Innovation</li> <li>▪ Value add</li> </ul>
Aligned	<ul style="list-style-type: none"> <li>▪ Control the alignment with council vision</li> <li>▪ Collaborative</li> </ul>
Agility	<ul style="list-style-type: none"> <li>▪ Change</li> <li>▪ Legislative and Political</li> <li>▪ Weather</li> <li>▪ Innovation</li> </ul>
Governance, Management and Administration	<ul style="list-style-type: none"> <li>▪ Clarity</li> <li>▪ Reporting</li> <li>▪ Efficient</li> </ul>



## Appendix 2

---

Levels of compliance when scoring a delivery option against a defined want were as follows:

Compliance	Definition	Score
<b>Significantly exceeds</b>	Significantly exceeds the requirement in a way that provides significant 'added value'	9 to 10
<b>Exceeds</b>	Exceeds the requirements in some aspects and offers some added value	7 to 8
<b>Compliant</b>	Has shown an understanding of the requirement to a minimum level  Can provide the requirement to the minimum level	5 to 6
<b>Non-compliant</b>	Does not meet requirement – <b>Minor</b>  Marginally deficient  Minimal cost or impact to address  Minor negotiation required to achieve requirement	3 to 4
<b>Non-compliant</b>	Does not meet requirement – <b>Significant</b>  Requirement only partially met  Achievement of the requirement will impact on cost or schedule  Significant negotiation required	1 to 2
<b>Non-compliant</b>	Does not meet requirement – <b>Critical</b>  Requirement not met to any degree by the solution offered	0

---

## Service Delivery Review – Solid Waste Collection

**Meeting:** Infrastructure  
**Date of meeting:** 10 August 2017  
**Reporting officer:** Andrew Carvell (Waste and Drainage Manager)

### 1 Purpose

To provide an overview of the completed service delivery reviews for the Solid Waste Collection

### 2 Recommendation

That the committee note the completed Service Delivery Review.

### 3 Background

Section 17A of the Local Government Act 2002 requires local authorities to periodically review the way they govern, fund and deliver their services. This means considering alternative ways of providing the service, analysing any of those options that could prove beneficial and providing a recommendation as an outcome of the review.

The first round of these reviews are required to be completed by August 2017.

To meet this requirement Whangarei District Council is using the following process.

1. A staff steering group was created to provide structure around the review programme including designing and approving templates to complete the reviews.
2. Reporting of the overall programme is made to the Audit and Risk Committee, who provide governance oversight.
3. This service review was prepared by a consultant with relevant experience in solid waste operation. Council has also been through a series of workshops that included presentation and discussion on a draft s17a review.
4. Once completed, the reviews were checked and approved by the General Manager Infrastructure, with oversight by the Staff Steering Group. If required either or both of the below actions are taken:
  - a. If a change to the service delivery model is recommended, the approach will be presented to the appropriate committee for a decision.

- b. If the change requires delegated financial authority, then it will also need to go through a full council meeting as per the current procurement policy.

The Council is currently reviewing its Waste Minimisation Plan and this process includes special consultative provisions of the Local Government Act. Council will be hearing submissions on the Waste Minimisation Plan on 24 August 2017. Should aspects of service delivery be affected by the outcomes of the consultation these will be addressed through recommendations to Council when it considers adoption of the Waste Minimisation Plan, currently scheduled for the full Council meeting on 28 September 2017.

## 4 Discussion

This section provides a brief description of the service that is relevant to the oversight of this committee, and the resulting decision. The complete review document is attached to this report

### 4.1 Scope of review

This review covers the collection of rubbish and recycling and the operation of Councils rural transfer stations. A breakdown on the value of these contracts is provided below. The contracts are external to Council and currently held by Northland Waste Limited (NWL).

Recycling (NWL – CON03040)	\$	2,100,000
Transfer Stations (NWL – CON03041)	\$	1,400,000
Refuse Collection and Disposal (NWL – CON03040)	\$	2,300,000
<b>Total</b>	<b>\$</b>	<b>5,800,000</b>

### 4.2 Decision

Based on the analysis, maintaining the Status Quo is recommended. There are risks associated with a change in market share that can be managed effectively through the procurement and contract management process. These risks include percentage of households using the Council system, geographical distribution of Council system users, impact of progressing shared services across Northland.

While shared services has not been identified as a preferred option, further discussion with Councils across the Northland Region may change this at some stage in future. A new contract reflecting the status quo should recognise the potential for changes in this regard.

## 5 Significance and engagement

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments**

1. Infrastructure – Solid Waste Collection - 17A review



## LGA Section 17A review

Group:	Infrastructure
Department:	Waste and Drainage
Activity:	Solid Waste Services

Activity Scope	<p>This review covers:</p> <ul style="list-style-type: none"> <li>• Recycling Collection</li> <li>• Kerbside Rubbish Collection</li> <li>• Transfer Station Operations</li> </ul>
----------------	---

Current Supplier/s	<u>Contractors for: Waste and Drainage – Solid Waste Services</u>	
	Recycling (NWL – CON03040)	\$ 2,100,000
	Transfer Stations (NWL – CON03041)	\$ 1,400,000
	Refuse Collection and Disposal (NWL – CON03040)	\$ 2,300,000
	<b>Total</b>	<b>\$ 5,800,000</b>
NWL = Northland Waste Limited		
This review was prepared in conjunction with WDC staff by Tonkin + Taylor		



## Refuse and Recycling Services - Section 17A Review

**Prepared for**  
Whangarei District Council

**Prepared by**  
Tonkin & Taylor Ltd

**Date**  
April 2016

**Job Number**  
86151.v1.0



*Exceptional thinking together*

[www.tonkintaylor.co.nz](http://www.tonkintaylor.co.nz)

**Distribution:**

Whangarei District Council

1 electronic copy

Tonkin &amp; Taylor Ltd (FILE)

1 copy



## Table of contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Background</b>	<b>1</b>
2.1	Current Services	1
2.2	Kerbside Services Options - Draft Waste Assessment	5
<b>3</b>	<b>Decision to review</b>	<b>6</b>
<b>4</b>	<b>Options for Service Delivery</b>	<b>6</b>
<b>5</b>	<b>Applicability</b>	<b>10</b>

## Appendix A : Detailed Options Analysis

## Introduction

Whangarei District Council have commissioned Tonkin and Taylor Limited (T+T) to complete a review of the efficiency and effectiveness of refuse and recycling services in Whangarei. The review is intended to meet the requirements of Section 17A of the Local Government Act 2002.

Section 17A requires councils to<sup>1</sup>:

- review the cost effectiveness of current arrangements for providing local infrastructure, services and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than 6 years after the last review; and
- ensure that there is a binding contract or agreement where delivery of infrastructure, services or regulatory functions is to be undertaken by a different entity than the entity responsible for the governance of those things. The contract/agreement must cover key matters such as service levels, performance assessment and reporting, risk management and accountability.

The scope of work for the review included:

- 1 Setting out the options for service delivery
  - a Council - in house or contractors
  - b Shared services
  - c CCO/CCTO
  - d Another party
- 2 Evaluating options
- 3 Draft this Section 17A Summary report

The remainder of this report summarises analysis completed to date on options for kerbside collection of refuse and recycling, considers options for service delivery and sets out recommendations for efficient and effective delivery of services. The approach to analysis and format draws on guidance on the Section 17A reviews developed by the Society of Local Government Managers (SoLGM)<sup>2</sup>.

## Background

### Current Services

<b>Name of service:</b>	Refuse and Recycling Services (Collection and Rural Transfer Stations)
<b>Primary management team:</b>	Solid Waste Management (Jo Floyd)
<b>Date:</b>	November 2016
<b>1. Service description</b> This service involves the collection of refuse and recycling from households across the Whangarei District under contract to the Whangarei District Council. The service also involves operation of rural Refuse Transfer Stations, including handling recyclables materials and transport of refuse for disposal at the Puwera Landfill, under contract to Whangarei District Council.	

<sup>1</sup> From the Department of Internal Affairs Better Government Fact Sheet - Review of Service Delivery (Section 17A), accessed at [https://www.dia.govt.nz/vwluResources/BLG-17a/\\$file/BLG\\_Fact-Sheet\\_July-2014\\_Review-of-Service-Delivery.doc](https://www.dia.govt.nz/vwluResources/BLG-17a/$file/BLG_Fact-Sheet_July-2014_Review-of-Service-Delivery.doc)

<sup>2</sup> Service Delivery Reviews, SOLGM, September 2015 (<https://www.solgm.org.nz/Resources/ServiceDelivery>)

<b>Name of service:</b>	Refuse and Recycling Services (Collection and Rural Transfer Stations)
<b>Primary management team:</b>	Solid Waste Management (Jo Floyd)
<b>Date:</b>	November 2016
<p>2. Rationale for service provision</p> <p>Under the Local Government and Waste Minimisation Acts Council must be confident that waste collection is efficient and effective, protects public health and supports waste minimisation. While this does not require that Council provide a service many councils choose to do so to meet their obligations.</p> <p>The Council's current waste minimisation objectives<sup>3</sup> are to:</p> <ol style="list-style-type: none"> <li>1 <i>Minimise waste in the order of priority set out in the waste hierarchy through reduction, reuse, recycling and recovery where it is effective and efficient to do so.</i></li> <li>2 <i>Ensure the disposal of residual waste is achieved using current best practices for the protection of public health and the environment, and is consistent with the four Well-Beings – cultural, economic, social and environmental.</i></li> <li>3 <i>Ensure the collection of recyclables facilitates their diversion from the waste stream.</i></li> <li>4 <i>Ensure the collection of residual waste is achieved using current best practices for the protection of public health and the environment, and is consistent with the four Well-Beings – cultural, economic, social and environmental.</i></li> <li>5 <i>To minimise the effects of hazardous wastes on human health and the environment.</i></li> <li>6 <i>To determine the full cost of providing and operating the waste management services and to establish a cost recovery structure which reflects the true costs of these services and which incentivises reduction, reuse, recycling and recovery.</i></li> <li>7 <i>To have a robust monitoring and data collection system which monitors:</i> <ul style="list-style-type: none"> <li>• <i>waste quantity and composition</i></li> <li>• <i>the effectiveness of waste minimisation programmes</i></li> <li>• <i>the costs associated with waste management and minimisation</i></li> <li>• <i>the effectiveness of any charging structure to recover the costs of activities</i></li> <li>• <i>the overall environmental effects of waste services.</i></li> </ul> </li> </ol> <p>Draft waste minimisation objectives (from the 2017 Draft Waste Assessment/Waste Minimisation and Management Plan)</p> <ol style="list-style-type: none"> <li>1 <i>To avoid creating waste</i></li> <li>2 <i>To make it easy to recycle</i></li> <li>3 <i>To ensure households and businesses have access to safe disposal of residual waste</i></li> <li>4 <i>To create opportunities for Whangarei District - jobs, new products, more efficient businesses</i></li> <li>5 <i>To reduce illegal dumping</i></li> <li>6 <i>To improve community understanding of issues and opportunities for waste management in the Whangarei District.</i></li> </ol>	

<sup>3</sup> from the 2011 Waste Minimisation and Management Plan (WMMP).

<b>Name of service:</b>	Refuse and Recycling Services (Collection and Rural Transfer Stations)
<b>Primary management team:</b>	Solid Waste Management (Jo Floyd)
<b>Date:</b>	November 2016
<p>3. Present arrangements</p> <p>Whangarei District Council provides residents with a kerbside refuse bag collection and disposal service that is funded on a user pays basis through purchase of official Council refuse bags or stickers. The Council also provides its residents with kerbside collection of recyclables and operates a rural transfer station network. The collection of recyclables is funded from rates and waste levy funds, rural transfer stations are funded by a mix of user charges and targeted rates.</p> <p>The majority of residents in urban and rural areas of the District are provided with a refuse and recyclables collection service and are charged accordingly in their annual rates bill. Residents living in premises on which commercial rates are paid are not eligible for a collection service. Approximately 95% of residential properties are currently provided with a collection service.</p> <p>For the collection of recyclable materials the total cost is influenced by the value and ownership of recyclable materials collected at the kerbside. For the current contract collected materials are owned by the contractor. This means anticipated revenue from sale of that material has been factored into the contract cost for collection.</p>	
<p>4. Last review</p> <p>This service has not been reviewed under Section 17A. Broader options for Shared Services have been considered in a Review considering joint transport services with Far North District Council, Kaipara District Council, Northland Regional Council and the New Zealand Transport Agency.</p>	
<p>5. Performance</p> <p>Cost and customer satisfaction can be measured and benchmarked with other councils while other components require a qualitative assessment. Comparisons with other councils are complicated with differing levels of service including different approaches to pricing and collection methodology.</p> <p>Waste minimisation can be measured looking at diversion rate (the proportion of material collected that is diverted from landfill).</p>	
<p>6. Cost</p> <p>The current cost of the service is in the order of:</p> <ul style="list-style-type: none"> <li>• \$2.3M per year for kerbside refuse collection including refuse disposal</li> <li>• \$1.1M per year for kerbside recycling collection</li> <li>• \$1.4M for rural transfer stations including refuse disposal</li> </ul> <p>These costs are offset by revenue from bag sales, gate charges at transfer stations, waste levy funding and a targeted rate for waste.</p> <p>The anticipated cost of the services will vary depending on the approach adopted.</p>	
<p>7. Funding</p> <p>The refuse collection service is funded by user charges (bag sales).</p> <p>Kerbside recycling collection is funded through a targeted rate on serviced properties and waste levy funding.</p> <p>Rural transfer stations are funded through a combination of user charges and from the targeted rate on all properties in Whangarei District.</p>	

<b>Name of service:</b>	Refuse and Recycling Services (Collection and Rural Transfer Stations)
<b>Primary management team:</b>	Solid Waste Management (Jo Floyd)
<b>Date:</b>	November 2016
<b>8. Risks and risk management</b>	
<b>Financial</b>	
<ul style="list-style-type: none"> <li>The current service contract allocates ownership of recyclable materials to the collection contractor. This means any risks associated with the value of materials is carried by the contractor.</li> <li>An escalation clause requires council to cover increases in costs over the life of the contract. Changes are linked to cost indices published by Statistics NZ.</li> <li>The kerbside refuse collection service is funded by revenue from rubbish bag sales. Current sales cover contracted collection costs with a modest return to council covering some overheads. Council market share is estimated at 70% of households based on bag sales. There is a risk that households move to alternative collection services (wheelie bins or alternative bag suppliers) with an attendant drop in market share and revenue. The current contract links payment to the number of bags sold but per bag collection costs will rise if bags sales dropped significantly or bag collections are concentrated in areas that are more costly to service.</li> <li>The contractor is allowed by the contract to collect private wheelie bins on the same run as Council refuse bags. There is a risk that private wheelie bins secure significant additional market share resulting Council collection costs increasing.</li> </ul>	
The procurement planning has identified several options for structuring a new contract to incentivise the contractor to address this issue.	
<b>Political</b> - no political risks have been identified.	
<b>Hazards</b>	
Kerbside waste and recycling collection and transfer station operation carry some health and safety hazards associated with:	
<ul style="list-style-type: none"> <li>Handling of refuse and recycling (putrescible material, sharps, broken glass)</li> <li>Working in a live traffic environment</li> <li>Mechanical plant (refuse compactor, transfer station mobile plant, compactor, private vehicles)</li> <li>Manual handling (lifting of bags and crates, sorting of recycling)</li> <li>Working at height (transfer station disposal pit)</li> </ul>	
Health and safety risks are managed through application of the Council health and safety management system including contractual obligations to proactively manage health and safety. In some cases safer options (equipment and/or method of collection) are more expensive.	
<b>Legal</b> - no legal risks have been identified.	
<b>9. Customer, Iwi Partners or other stakeholder information</b>	
Information collected as part of Whangarei District Council's regular resident satisfaction survey indicates over 87% satisfaction with performance of the kerbside collection services. This is difficult to compare with other councils due to different survey methodologies and approaches to measuring satisfaction.	
<b>10. Benchmarks</b>	
Quality - As noted above residents' satisfaction surveys indicate a high level of satisfaction with the current kerbside collection services. The proportion of material diverted through the collection system is comparable to similar systems but lower than that achieved for more complex (and costly) systems in place elsewhere in the region or nationally.	
Costs - comparable services (Hutt City, Horowhenua, Hastings, Kaipara).	
Whangarei	\$2.80/bag, \$166 targeted rate (recycle, litter, illegal dumping)
Far North	\$3.00/bag, commercial recycle (crate, \$55 per year)
Kaipara	\$3.00/bag, \$1.50 for 30 L recycling bag
Hastings	\$2.60/bag, \$34 targeted rate (recycle)
Horowhenua	\$4.00/bag, \$32 target rate (solid waste)

## Kerbside Services Options - Draft Waste Assessment

Councils in the Northland and Auckland Regions either provide a collection service for rubbish and recyclables (Whangarei and Auckland Council), or ensure one is provided (Far North District and Kaipara District). The services are a mixture of kerbside collections, transfer stations and bulk recycling stations.

Market share for Whangarei District Council bags (based on bag sales) is high compared to similar services in other parts of New Zealand. Commercial services are typically marketed on the basis of price and service level. In other areas commercial wheelie bin and/or bag based services have secured a significant portion of the market. There is a risk that a similar change in market share could occur in Whangarei.

The current service is offered across rural and urban parts of the district, commercial providers may choose to offer services in urban (easier to service) areas only. This means in addition to the generic risk to market share there is a risk that Council will be left servicing the less commercially attractive parts of the District. This may result in higher per bag collection costs to account for lower average 'density' of bags being collected. There may come a point where the Council collection is no longer financially viable.

Procurement and service planning will consider in detail how to address these risks through with a range of 'tools' available to council including pricing, service configuration and regulation on service quality and coverage.

Leading into the completion of the current collection contract and in preparing a draft Waste Assessment<sup>4</sup> Whangarei District Council reviewed the current service, considering a range of collection approaches and funding options. This review considered:

- Service configuration - how to collect waste and recycling; and
- Funding - user charges vs targeted rate.

The draft Waste Assessment recommended the following actions for roadside refuse and recycling services:

- Consulting with the community regarding funding options for refuse collection including user pays (bags sales), targeted rate or other alternatives.
- Progress procurement for a new refuse collection contract with consideration of a continuation of the existing service (user pay refuse bags, preferred) and an 80L wheelie bin based service (with the ability to opt out or pay extra for a larger bin ).
- Progress procurement for a new recycling collection contract targeting a 240 L wheelie bin for all recyclable materials.

The options for kerbside services considered in the Waste Assessment focus on methodology and cost recovery. This is distinct from the assessment required by Section 17A of the Local Government Act - focussed on the selecting the optimal organisation to deliver the services and funding arrangements (joint vs individual councils).

For the purposes of the Section 17A assessment summarised in this document the status quo has been assumed to involve:

- Kerbside refuse collection in Council bags funded by revenue from bag sales.
- Kerbside recycling collection in Council crates funded by targeted rate revenue.

<sup>4</sup> Part of the process of updating the Whangarei District Waste Minimisation and Management Plan (2011), due to be reviewed in 2017.

## Decision to review

Decision to review	
Why is the review required? (S17A(2))	A review is being completed because the current contracts for delivery for services is coming to an end (Section 17A(2)(b)). Council has considered the configuration of the service and it is appropriate to also consider Service Delivery options.
Does the cost of undertaking a review outweigh the benefits?	<p>There are several reasons why a Section 17A review of the refuse and recycling services is considered appropriate at this time. These are:</p> <ul style="list-style-type: none"> <li>• The operational costs of delivering refuse and recycling services is considerable.</li> <li>• There has been no review of refuse and recycling collection services in Whangarei under Section 17A.</li> <li>• The current contract is coming to an end.</li> <li>• Various service delivery options have been considered (at a high level) through the review of the Whangarei Waste Minimisation and Management Plan.</li> </ul> <p>The review makes use of analysis of refuse and recycling services in the Waste Minimisation and Management Plan review. This means an assessment of service delivery options can be completed relatively quickly and efficiently.</p>
Recommendation whether or not to review	A review is recommended
Place in review programme	A Section 17A Review needs to be completed to inform any procurement activity for a new contract for refuse and recycling services in Whangarei. The current procurement plan for this service assumes issue a Request for Tenders in early 2017 leading to a new contract commencement date of November 2017.

## Options for Service Delivery

Section 17A requires consideration of the following options:

- a funding, governance and delivery by your local authority
- b responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by another local authority
- c responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, wholly owned by your local authority
- d responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, where your local authority is a part owner (the other owner or owners might be a local authority or other organisation)
- e responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by some other person or agency (such as a private or community sector agency)
- f responsibility for funding and governance is delegated to a joint committee or other shared governance arrangement, and delivery is undertaken by some other person or agency

As noted in Section 0 Council has been considering options for kerbside services in the context of a pending contract renewal and preparation of a Waste Assessment. The analysis has focussed on collection methodology (bags vs. bins vs. crates) and considered Council vs. household funding issues. This assessment assumes the current approach (user pays bags with a Council crate).

Much of the value in working with other Councils would be in achieving economies of scale by replicating the same service across multiple Council areas potentially improving utilisation of equipment. The generic service delivery options identified in the SoLGM guidance for Service Delivery reviews are noted below with comment on their applicability for this review.

- 1 Funding and delivery of collection services by Whangarei District Council (in house delivery) - Section 17A(4)(a)
- 2 Funding by Whangarei District Council, delivery of services by a CCO wholly owned by Whangarei District Council - Section 17A(4)(b)(i)
- 3 Funding by Whangarei District Council, delivery of services by a CCO part owned by Whangarei District Council - Section 17A(4)(b)(ii)
- 4 Funding by Whangarei District Council, Delivery of services by another council (in house delivery) - Section 17A(4)(b)(iii)
  - No local authorities in the Northland or Auckland Regions deliver their own collection services. This means this option is not available to Whangarei District Council.
- 5 Funding by Whangarei District Council, delivery of services by a contractor (Status Quo) - Section 17A(4)(b)(iv)
- 6-10 Delegated funding via a shared governance arrangement, delivery of services by a another agency (similar to Northland Regional Transportation Alliance) - Section 17A(4)(c)
- 11 Council exit service provision with regulatory overview. This is not explicitly mentioned in Section 17A but has some relationship to Section 17A(4)(c) (shared governance). For waste collection this is a clear option and will be considered in the Section 17A Review for Whangarei.
- 12 Council service provision via Northland Regional Landfill Limited Partnership. This is not explicitly mentioned in Section 17A but has some relationship to Section 17A(4)(c) (shared governance) and Section 17A(4)(b)(iv). For waste services this is an option and will be considered in the Section 17A Review for Whangarei.



The options analysis detailed in Appendix A is summarised in Table 1 below:

*Table 1 Summary of Options Analysis*

<b>Name of service:</b>	Whangarei District Council refuse and recycling services
<b>Date:</b>	November 2016
<b>1. Governance, funding and delivery by Whangarei District Council</b>	
<b>Cost</b> - No less than the Status Quo.	
Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo.	
<b>Effectiveness</b> - Moderate risk to effectiveness	
There are risks related to Council taking an operational role outside of recent experience. Council has established contact centre operation and staff management and training arrangements. Council does not have established systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials.	
<b>Conclusion</b> - do not pursue	
<b>2. Governance and funding by Whangarei District Council, with delivery by a CCO wholly owned by Whangarei District Council</b>	
<b>Cost</b> - No less than the Status Quo.	
Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo.	
<b>Effectiveness</b> - higher risk to effectiveness	
There are risks related to a new CCO taking on a new activity with no organisational experience. Council has establish contact centre operation and staff management and training arrangements that could be quickly adapted to a new CCO. New systems will be required for contact centre, staff management and training as well as systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials.	
<b>Conclusion</b> - do not pursue.	
<b>3. Governance and funding by Whangarei District Council, with delivery by a CCO partly owned by Whangarei District Council and partly owned by other local authorities</b>	
<b>Cost</b> - No less than the Status Quo.	
Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo.	
<b>Effectiveness</b> - higher risk to effectiveness	
There are risks related to a new CCO taking on a new activity with no organisational experience. New systems will be required for contact centre, staff management and training as well as systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials.	
There are no 'obvious' partners for a jointly owned CCO. Far North District and Kaipara have full user pays for refuse and recycling collection. Auckland Council are moving to a full rates funded system using wheelie bins for refuse and recycling.	
<b>Conclusion</b> - do not pursue.	
<b>4. Governance and funding by Whangarei District Council, with delivery by another local authority</b>	
There are no local authorities in the Northland or adjacent regions currently providing refuse or recycling collection services using Council staff. This means this options is not feasible for Whangarei.	
<b>Conclusion</b> - do not pursue.	

<b>Name of service:</b>	Whangarei District Council refuse and recycling services
<b>Date:</b>	November 2016
<b>5. Governance and funding by Whangarei District Council, with delivery by a person or agency not listed above (status quo, contractor delivery)</b>	
<p><b>Cost</b> - Anticipating a small to moderate increase from the current costs.</p> <p>Based on the available information it is likely that this option will be available at a small to moderate increase from the current costs. Refuse collection and rural transfer station operations are likely to be similar cost (for the same service) while collection of recyclables is likely to increase with prices for recyclable material lower than when the contracts were last tendered.</p> <p><b>Effectiveness</b> - This can be an effective option through a robust procurement process and proactive contract management. Careful design of the contract specification and key performance indicators is required.</p> <p><b>Conclusion</b> - preferred option.</p>	
<b>6. Governance and funding by joint committee or other shared governance, with delivery by Whangarei District Council</b>	
<p>As noted for Option 1 the analysis has not identified any material cost savings but noted higher risk for delivery by Whangarei District Council when compared with alternatives. On this basis options involving Council delivery are not considered further.</p> <p><b>Conclusion</b> - do not pursue.</p>	
<b>7. Governance and funding by joint committee or other shared governance, with delivery by a CCO wholly owned by Whangarei District Council</b>	
<p>As noted for Option 2 the analysis has not identified any material cost savings but noted higher risk for delivery by a Whangarei District Council owned CCO when compared with alternatives. On this basis options involving Council owned CCO delivery are not considered further.</p> <p><b>Conclusion</b> - do not pursue.</p>	
<b>8. Governance and funding by joint committee or other shared governance, with delivery by a CCO partly owned by Whangarei District Council and partly owned by other parties</b>	
<p>As noted for Option 3 the analysis has not identified any material cost savings but noted higher risk for delivery by a CCO part owned by Whangarei District Council when compared with alternatives. On this basis options involving delivery by a CCO part owned by Council are not considered further.</p> <p><b>Conclusion</b> - do not pursue.</p>	
<b>9. Governance and funding by joint committee or other shared governance, with delivery by another local authority</b>	
<p>As noted for Option 4 there are no local authorities delivering their own refuse or recycling collection services in Northland or surrounding regions.</p> <p><b>Conclusion</b> - do not pursue.</p>	
<b>10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above</b>	
<b>Overall assessment of cost-effectiveness</b>	
<p><b>Cost</b> - There is potential for small to moderate cost savings (economies of scale).</p> <p>Based on the available information it is possible that this option will achieve a small decrease in costs when compared with the status quo if a joint governance arrangement is pursued with Far North District and/or Kaipara District for a similar service configuration. There is potential for additional overhead costs and reduction in effective control should another council take contract management responsibility.</p> <p><b>Effectiveness</b> - This can be a highly effective option using an experienced contractor delivery utilising a robust procurement process and proactive contract management. However there are no 'obvious' partners for a jointly owned CCO. Far North District and Kaipara currently have full user pays for refuse and recycling collection. Any joint arrangement would require alignment of the service configuration and funding model across the partner councils. Discussion on alignment of services would take some time including aligning Council views and involving the respective communities.</p> <p><b>Conclusion:</b> Explore potential for joint governance, funding and management of contractor delivery with surrounding councils.</p>	

<b>Name of service:</b>	Whangarei District Council refuse and recycling services
<b>Date:</b>	November 2016
<b>11. Other reasonably practicable options (Council exit service provision, implement waste by-law)</b> <b>Cost</b> - No less than the Status Quo, risk of cost increases for households. Based on the available information it is unlikely that this option provides an opportunity to materially reduce (net) costs to Council when compared with the status quo. Typical costs for commercial household collections in Whangarei and across New Zealand suggest there could be an increase in costs to households. <b>Effectiveness - higher risk to effectiveness</b> Delivery of waste and recycling collections by the private sector with charging directly households can be as effective as Council delivery or funding. A key risk is the cost of services becoming a barrier for lower income households in the community. In the Whangarei District there is also a risk that the private sector will avoid providing services in more remote parts of the District. Current prices in Whangarei send mixed messages with Northland Waste bins cheaper than the current service (for similar capacity, likely to be assisted by co-collection with Council bags) but Waste Management bins more expensive than the current Council service. <b>Conclusion</b> - do not pursue	
<b>12. Other reasonably practicable options (Council service provision via Northland Regional Landfill Limited Partnership)</b> <b>Cost</b> - No less than the Status Quo, risk of cost increases for households. Based on the available information it is unlikely that this option provides an opportunity to materially reduce (net) costs to Council when compared with the status quo. <b>Effectiveness - higher risk to effectiveness</b> Contractor delivery can be an effective option through a robust governance process and proactive contract management. There is a risk that the lack of competitive pressure reduces service quality but this can be mitigated through clear key performance indicators, robust governance arrangements (already in place for the Partnership) and periodic review of service delivery. There is also a risk to the effectiveness of this option with the Partnership focussed on providing a return and Council having less control of partnership decisions with only 50% ownership. This factor means there is no apparent advantage in procuring contractor delivery via the Northland Regional Landfill Limited Partnership. <b>Conclusion</b> - do not pursue	
<b>Recommendations from the service delivery review:</b> Based on the analysis summarised above, maintaining the Status Quo is recommended. There are risks - change market share (% of households using the Council system, geographical distribution of Council system users, impact of progressing shared services across Northland) that can be managed effectively through the procurement and contract management process. While shared services has not been identified as a preferred option, further discussion with Councils across the Northland Region may change this. A new contract reflecting the status quo should recognise the potential for changes in this regard.	

## Applicability

This report has been prepared for the exclusive use of our client Whangarei District Council, with respect to the particular brief given to us and it may not be relied upon in other contexts or for any other purpose, or by any person other than our client, without our prior written agreement.

Tonkin & Taylor Ltd

Report prepared by:

Authorised for Tonkin & Taylor Ltd by:

.....

.....

Chris Purchas  
Senior Consultant

Hugh Cherrill  
Project Director

CHP p:\86151\workingmaterial\service delivery review\86151 wdc kerbside section 17a report v0.4.docx

## Appendix A: Detailed Options Analysis

<b>Name of option:</b>	1. Governance, funding and delivery of services by Whangarei District Council
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<b>What is this option?</b> This option involves the Council delivery of refuse and recycling services, funded by a mix of user pays (bag sales, disposal charges) and targeted rate.	
<b>Feasibility</b> With the expiry of the current contract, it could be feasible to bring delivery of refuse and recycling services, including operations of the rural transfer station network, in-house. As for any new service provider, Council would need sufficient time to mobilise including purchasing or leasing new equipment, employing drivers and collection runners (depending on collection methodology), establishing cash handling systems for the transfer station network and identifying outlets for recyclable materials collected at kerbside or transfer station. Key considerations in mobilising to deliver refuse and recycling services that are new issues for Whangarei District Council operations include <ul style="list-style-type: none"> <li>• Collection vehicles - selection, maintenance</li> <li>• Transfer station equipment - on site plant, transfer vehicles</li> <li>• Staff - drivers, runners</li> <li>• Waste disposal - for Whangarei waste will be disposed of at Puwera Landfill</li> <li>• Recyclable material - processing and sale of materials</li> <li>• Cash handling at each refuse transfer station</li> </ul>	
<b>Community views and preferences</b> Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b> Council has not sought iwi views on refuse and recycling services.	
<b>Elected member or other stakeholder views and preferences</b> Council delivery of waste services has not been raised as an option by Council or other stakeholders.	
<b>Assessment of the effectiveness of this option</b> <b>Effectiveness (Council objectives)</b> The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i> . Council delivery of waste and recycling collection services ensures those delivering the service have a strong link to Council's community outcomes and objectives. This strong link should support a focus on providing a high quality service. Council taking responsibility for delivery of a waste and recycling collection service is equivalent to engaging a contractor with minimal experience delivering a similar service. Potential service providers are typically considered with reference to their track record in delivering similar services, systems in place to support high quality delivery, health and safety management and cost. Whangarei District Council has no recent track record of delivery of similar collection services. This also applies to related activities such as maintaining a heavy vehicle fleet and trading of recycling commodities (plastics, paper, cardboard, metals, glass). This does not mean that Council is not capable of delivering services effectively but does imply that there is a risk that there will be a period of developing systems and internal capability before Council can perform at a similar level to an organisation experienced in delivering similar services. Council is unlikely to be as effective as an experienced contractor in the trading of recyclable commodities.	

<b>Name of option:</b>	1. Governance, funding and delivery of services by Whangarei District Council
<b>Date:</b>	February 2017
<b>Effectiveness (User experience)</b> User experience for refuse and recycling services is related to timely collection, management of windblown materials from collection containers and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. The support systems cover a range of aspects of service deliver including equipment maintenance, managing collection rounds, recording complaints and responses and recruitment/training of staff.	
<b>Cost of the options</b> There has been no recent assessment of the cost of Council delivery of refuse and recycling collection services in Whangarei. The cost of delivering a collection service typically incorporates amortised capital costs (vehicles, bins/crates) and operational costs to derive an annual cost of service. Council has no particular advantage in purchasing capital items or delivery of services. Specifically Council is not a large purchaser of the items required or of a scale that would command an unusual discount for bulk purchasing. Operational costs need to cover direct expenses (salary/wages, fuel, capital), direct and organisational overheads. Direct operational costs and overheads will be similar to an external provider. Organisational overheads are likely to be similar or higher. Based on the assessment of likely capital and operational costs for Council delivery of services cost is anticipated to be similar or higher than that for CCO or contractor delivery. The lack of competitive tension (through a tender process) suggests the cost may be higher but this is offset by Council not requiring a profit from delivery of the waste collection services.	
<b>Sustainability</b> Delivery of kerbside collection and refuse and recycling contributes to sustainability through: <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> Delivery of the service by Council will mean additional employment opportunities within Council - for drivers and runners (social and economic). These roles exist now with the contractor employing similar staff to deliver contracts Whangarei i.e. total employment will be similar.	
<b>Alignment with Council's strategic objectives</b> Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP). CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution) VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution) WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)	

<b>Name of option:</b>	1. Governance, funding and delivery of services by Whangarei District Council
<b>Date:</b>	February 2017
<b>Overall assessment of cost-effectiveness</b> <b>Cost</b> - No less than the Status Quo. Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo. <b>Effectiveness</b> - Moderate risk to effectiveness There are risks related to Council taking an operational role outside of recent experience. Council has established contact centre operation and staff management and training arrangements. Council does not have established systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials. <b>Conclusion</b> - do not pursue	

<b>Name of option:</b>	2. Governance and funding by Whangarei District Council, delivery by a CCO wholly owned by Whangarei District Council
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<b>What is this option?</b> This option involves the delivery of kerbside refuse and recycling services by a Whangarei District Council owned CCO, funded by a mix of user pays (bag sales) and targeted rate.	
<b>Feasibility</b> With the expiry of the current contract, it could be feasible to transfer delivery of collection services and rural transfer stations to a Whangarei District Council owned CCO. As for any new service provider, the CCO would need sufficient time to establish and then mobilise including purchasing or leasing new vehicles, employing drivers and collection runners (depending on collection methodology). Key considerations in mobilising to deliver a waste and recycling collection service that would be new issues for a Whangarei District Council owned CCO include: <ul style="list-style-type: none"> <li>• Collection vehicles - selection, maintenance.</li> <li>• Operational staff - drivers, runners.</li> <li>• Waste disposal - for Whangarei waste will be disposed of at Puwera Landfill.</li> <li>• Recyclable material - processing and sale of materials, most likely through one of the existing processing sites currently operated by collection contractors.</li> </ul>	
<b>Community views and preferences</b> Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b> Council has not sought iwi views on refuse and recycling services..	
<b>Elected member or other stakeholder views and preferences</b> CCO delivery of waste services has not been raised as a potential option by Council members or other stakeholders.	
<b>Assessment of the effectiveness of this option</b> <b>Council objectives:</b> The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i> . Commissioning a CCO to deliver waste and recycling collection services has elements of Council delivery (link to Council's community outcomes and objectives) and contractor delivery (commercial focus). The strong link to Council should support a focus on providing a high quality service. The quasi commercial status of a CCO should bring a commercial focus to service delivery - managing cost and quality. Whangarei does not have a CCO with the capability to deliver a refuse and recycling collection service. This means a new CCO would need to be established - equivalent to engaging a contractor with minimal experience delivering a similar service. Potential service providers are typically considered with a preference for suppliers with track record in delivering similar services and proven systems in place to support high quality delivery, health and safety management and cost. A new CCO will have no track record of delivery of similar collection services. This also applies to related activities such as maintaining a heavy vehicle fleet and trading of recycling commodities (plastics, paper, cardboard, metals, glass). This does not mean that the CCO would not be capable of delivering services effectively but does imply that there is a risk that there will be a period of developing systems and internal capability before the CCO could perform at a similar level to an organisation experienced in delivering similar services. A Council CCO is unlikely to be as effective as an experienced contractor in the trading of recyclable commodities.	
<b>Effectiveness (User experience)</b> User experience for refuse and recycling services is related to timely collection, management of windblown	

<b>Name of option:</b>	2. Governance and funding by Whangarei District Council, delivery by a CCO wholly owned by Whangarei District Council
<b>Date:</b>	February 2017
<p>materials from collection containers and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. The support systems cover a range of aspects of service deliver including equipment maintenance, managing collection rounds, recording complaints and responses and recruitment/training of staff. As noted above there is a risk that there will be a period of developing capability to deliver a high quality user experience.</p>	
<p><b>Cost of the options</b></p> <p>There has been no detailed assessment of the cost of a Whangarei District Council owned CCO delivering refuse and recycling collection services in Whangarei. It is reasonable to assume that a CCO could offer services at a similar cost to privately held commercial organisations. This reflects a competitive market for rubbish and recycling collections locally and nationally with margins generally relatively small for council collection contracts.</p> <p>Operational costs need to cover direct expenses (salary/wages, fuel, capital), direct, organisational overheads and any margin to be returned to Council.</p> <p>The cost of delivering a collection service typically incorporates amortised capital costs (vehicles, bins/crates) and operational costs to derive an annual cost of service. A newly established CCO will have no particular advantage in purchasing capital items or delivery of services. Specifically a Whangarei District Council CCO is not a large purchaser of the items required or of a scale that would command an unusual discount for bulk purchasing.</p> <p>Based on the assessment of likely capital and operational costs for Council delivery of services cost is anticipated to be similar to that for Council or contractor delivery. Additional cost (CCO overheads, tax payable on surplus) is off-set by lower profit expectations and commercial rigour.</p>	
<p><b>Sustainability</b></p> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of the service by a CCO will mean additional employment opportunities within the public sector in Whangarei - for drivers and runners (social and economic). These roles exist now with the contractor employing similar staff to deliver contracts Whangarei i.e. total employment will be similar.</p>	
<p><b>Alignment with Council's strategic objectives</b></p> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p>CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution)</p> <p>VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p>WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	



<b>Name of option:</b>	2. Governance and funding by Whangarei District Council, delivery by a CCO wholly owned by Whangarei District Council
<b>Date:</b>	February 2017
<b>Overall assessment of cost-effectiveness</b> <b>Cost</b> - No less than the Status Quo. Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo. <b>Effectiveness</b> - higher risk to effectiveness There are risks related to a new CCO taking on a new activity with no organisational experience. Council has establish contact centre operation and staff management and training arrangements that could be quickly adapted to a new CCO. New systems will be required for contact centre, staff management and training as well as systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials. <b>Conclusion</b> - do not pursue.	

<b>Name of option:</b>	3. Governance and funding by Whangarei District Council, delivery by a CCO part owned by Whangarei District Council	
<b>Date:</b>	February 2017	
<b>Is this the 'status quo' option?</b>	yes/no	
<b>What is this option?</b>	This option involves the delivery of kerbside refuse and recycling services by a CCO part owned by Whangarei District Council, funded by a mix of user pays (bag sales) and targeted rate.	
<b>Feasibility</b>	<p>With the expiry of the current contract, it could be feasible to transfer delivery of collection service and rural transfer station network to a CCO part owned by Whangarei District Council. As for any new service provider, the CCO would need sufficient time to mobilise including purchasing or leasing new vehicles, employing drivers and collection runners (depending on collection methodology). Key considerations in mobilising to deliver a waste and recycling collection service that are new issues for a CCO part owned by Whangarei District Council include:</p> <ul style="list-style-type: none"> <li>• Collection vehicles - selection, maintenance.</li> <li>• Operational staff - drivers, runners.</li> <li>• Waste disposal - for Whangarei waste will be disposed of at Puwera Landfill.</li> <li>• Recyclable material - processing and sale of materials, most likely through one of the existing processing sites currently operated by collection contractors.</li> </ul> <p>Importantly for Whangarei there is no 'obvious' partner local government for a joint owned CCO. Far North District has a fully user pays arrangement with contractors (Northland Waste and Waste Management) selling refuse bags and charging households directly for crate based recycling collection. Kaipara District has a fully user pays service with contractors selling bags to fund collection services (Kaipara Refuse for refuse and recycling, Northland Waste for refuse).</p>	
<b>Community views and preferences</b>	Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b>	Council has not sought iwi views on refuse and recycling services..	
<b>Elected member or other stakeholder views and preferences</b>	Shared services or CCO delivery of waste services have not been raised as potential options by Council members or other stakeholders.	
<b>Assessment of the effectiveness of this option</b>	<p><b>Council objectives:</b></p> <p>The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i>.</p> <p>Commissioning a CCO to deliver waste and recycling collection services has elements of Council delivery (link to Council's community outcomes and objectives) and contractor delivery (commercial focus). The strong link to Council should support a focus on providing a high quality service. The quasi commercial status of a CCO should bring a commercial focus to service delivery - managing cost and quality.</p> <p>Whangarei does not have joint ownership of a CCO with the capability to deliver a refuse and recycling collection service. This means a new CCO would need to be established - equivalent to engaging a contractor with minimal experience delivering a similar service. Potential service providers are typically considered with a preference for suppliers with track record in delivering similar services and proven systems in place to support high quality delivery, health and safety management and cost.</p> <p>A new CCO will have no track record of delivery of similar collection services. This also applies to related activities such as maintaining a heavy vehicle fleet and trading of recycling commodities (plastics, paper, cardboard, metals, glass). This does not mean that the CCO would not be capable of delivering services effectively but does imply that there is a risk that there will be a period of developing systems and internal capability before the CCO could perform at a similar level to an organisation experienced in delivering similar</p>	

<b>Name of option:</b>	3. Governance and funding by Whangarei District Council, delivery by a CCO part owned by Whangarei District Council
<b>Date:</b>	February 2017
<p>services. A Council CCO is unlikely to be as effective as an experienced contractor in the trading of recyclable commodities.</p> <p><b>Effectiveness (User experience)</b></p> <p>User experience for refuse and recycling services is related to timely collection, management of windblown materials from collection containers and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. The support systems cover a range of aspects of service deliver including equipment maintenance, managing collection rounds, recording complaints and responses and recruitment/training of staff. As noted above there is a risk that there will be a period of developing capability to deliver a high quality user experience. Another factor for this option is the likely delay until a joint arrangement can be pursued in light of expiry dates for Kaipara and Far North District arrangements. For Whangarei to pursue this option a short term arrangement may need to be put in place. Typical collection arrangements are 5 or more years allowing for amortisation of equipment costs of a reasonable timeframe. A shorter term arrangement would need to cover these costs over a shorter timeframe or make arrangements of transfer of equipment into a new undefined arrangement in 2019.</p>	
<p><b>Cost of the options</b></p> <p>There has been no assessment of the cost of a CCO delivering refuse and recycling collection services in Whangarei. It is reasonable to assume that a CCO could offer services at a similar cost to privately held commercial organisations. This reflects a competitive market for rubbish and recycling collections locally and nationally with margins generally relatively small for council collection contracts. There may be benefit in additional scale if the CCO provides the same service in multiple local authority areas. Whangarei alone is of sufficient scale to attract competitive tenders - there were several tenders received last time the contracts were tendered.</p> <p>The cost of delivering a collection service typically incorporates amortised capital costs (vehicles, bins/crates) and operational costs to derive an annual cost of service. A newly established CCO will have no particular advantage in purchasing capital items or delivery of services. A jointly owned CCO could be large purchaser of the items required if they are providing similar services across several council areas.</p> <p>Operational costs need to cover direct expenses (salary/wages, fuel, capital), direct, organisational overheads and any margin to be returned to Council owners. Areas where CCO delivery might involve additional or higher cost compared to contractor delivery include:</p> <ul style="list-style-type: none"> <li>• Organisational overheads,</li> <li>• tax payable on CCO surplus</li> </ul> <p>These additional costs may be is off-set by lower profit expectations for a CCO (when compared to a privately held commercial organisation) and a focus on efficient operations.</p>	
<p><b>Sustainability</b></p> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of the service by a CCO will mean additional employment opportunities within the public sector, potentially in Whangarei - for drivers and runners (social and economic). These roles exist now with the contractor employing similar staff to deliver contracts Whangarei i.e. total employment will be similar.</p>	
<p><b>Alignment with Council's strategic objectives</b></p> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p>CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is</p>	

<b>Name of option:</b>	3. Governance and funding by Whangarei District Council, delivery by a CCO part owned by Whangarei District Council
<b>Date:</b>	February 2017
<p>limited. (High contribution)</p> <p>VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p>WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	
<p><b>Overall assessment of cost-effectiveness</b></p> <p><b>Cost</b> - No less than the Status Quo.</p> <p>Based on the available information it is unlikely that this option provides an opportunity to materially reduce costs when compared with the status quo.</p> <p><b>Effectiveness</b> - higher risk to effectiveness</p> <p>There are risks related to a new CCO taking on a new activity with no organisational experience. New systems will be required for contact centre, staff management and training as well as systems for maintaining a heavy vehicle fleet, delivery of physical services to households on a weekly basis or managing and trading materials.</p> <p><b>Conclusion</b> - do not pursue.</p>	

**Option 4 (Delivery by another Council)** is not a viable option for Whangarei because there are no nearby Councils delivering waste collection services that could provide services in Whangarei.

<b>Name of option:</b>	5. Governance and funding by Whangarei District Council, with delivery by a person or agency not listed above (Contractor delivery, Status Quo)
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<p><b>What is this option?</b></p> <p>This option involves the delivery of kerbside refuse and recycling services by a contractor, funded by a mix of user pays (bag sales) and targeted rate.</p>	
<p><b>Feasibility</b></p> <p>With the expiry of the current contract, it is feasible to negotiate with one or more suppliers or issue a tender for collection service and rural transfer station operation. The existing service provider may secure the contract for services. Alternatively a new service provider may secure the contract. In both cases the contractor will need sufficient time to mobilise including purchasing or leasing new vehicles, employing drivers and collection runners (depending on collection methodology).</p> <p>Contractors deliver most refuse and recycling services provided by Councils in New Zealand. There are several companies offering services across New Zealand and companies with localised service offerings. In Northland companies currently offering services for Councils or commercially include Northland Waste, Waste Management and Kaipara Refuse. Other companies working in multiple locations in New Zealand include Smart Environmental and EnviroWaste.</p> <p>In Whangarei Northland Waste provide almost all household services via Council or contracted directly by households. They have worked closely with Council to provide services across the District with households selecting bags or private bins according to their requirements.</p> <p>With an appropriate procurement process and contract management this approach to delivering refuse and recycling services is feasible. There are some risks that need to be considered in the procurement process and service implementation. These are:</p> <ul style="list-style-type: none"> <li>• A significant overall shift of households to commercial providers (buying bins instead of Council bags). At the moment Council has the majority of the market with the relatively fixed costs (vehicles) costs shared across most households through bag sales. A drop in market share would mean the fixed costs would need to be shared amongst a smaller number of bag purchasers.</li> <li>• A shift in urban areas to commercial providers leaving rural or other more expensive areas to service for</li> </ul>	

<b>Name of option:</b>	5. Governance and funding by Whangarei District Council, with delivery by a person or agency not listed above (Contractor delivery, Status Quo)
<b>Date:</b>	February 2017
<p>Council to cover. At the moment the cost of rural collection is balanced by (lower) costs of collection in urban areas. A shift in the balance between the two could increase the unit cost of collection putting pressure on contract rates and bag prices.</p> <p>The current contractor is in a position to increase the market share of their wheelie bin service if they choose to do so. The integration of their private collections with the Council collection contract and disposal (Puwera Landfill) services helps the contractor to offer cost effective wheelie bin services. If the Council contract was to go to another provider there is a risk that the current contractor will attempt to increase the market share of their (competing) wheelie bin service to maintain revenue. This risk could be mitigated through:</p> <ul style="list-style-type: none"> <li>• Structuring the contract to avoid cost escalation should market share change. This may be difficult if there is a geographic shift i.e. it is more expensive to collect from rural areas than urban areas due to housing density.</li> <li>• Entering into direct negotiations with the current contractor with a focus on service quality and ensuring that cost of service is reasonable in the current (Northland and New Zealand) market.</li> </ul> <p>Direct negotiation has the advantage of making it easier to provide flexibility for potential future changes. Examples include changes in refuse collection methodology (bins vs bags), rural transfer station network and/or recycling options. While it is possible to allow for flexibility in a formal tender process uncertainty often results in a higher price and requires a more complex specification and tender evaluation process.</p>	
<b>Community views and preferences</b> Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b> Council has not sought iwi views on refuse and recycling services.	
<b>Elected member or other stakeholder views and preferences</b> Discussions with elected members and other stakeholders on waste services options have not indicated any issues with the current (contractor delivery) model.	
<b>Assessment of the effectiveness of this option</b> <b>Council objectives:</b> The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i> . Commissioning a contractor to deliver waste and recycling collection services ensures there is a strong commercial focus in delivery of the services. The structure of the contract is important with payment based on the contractors success in achieving councils objectives with respect to: <ul style="list-style-type: none"> <li>• Cost</li> <li>• Level of service</li> <li>• Waste minimisation</li> <li>• Environmental protection</li> </ul> Procurement typically takes account of track record of tendering parties covering key council objectives. Council procurement policy dictates a robust tender evaluation process with appropriate weighting of service delivery, cost and waste minimisation evaluation criteria. Contract management taking account of appropriately set Key Performance Indicators provides a mechanism to ensure Council objectives are met.	
<b>Effectiveness (User experience)</b> User experience for refuse and recycling services is related to timely collection, management of windblown materials from collection containers and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. The support systems cover a range of aspects of service deliver including equipment maintenance, managing collection rounds, recording complaints and responses and recruitment/training of staff.	
<b>Cost of the options</b>	

<b>Name of option:</b>	5. Governance and funding by Whangarei District Council, with delivery by a person or agency not listed above (Contractor delivery, Status Quo)
<b>Date:</b>	February 2017
<p>There has been an informal assessment of the cost of contractor delivery of refuse and recycling collection services in Whangarei. This suggests that there will be an increase in cost due to:</p> <ul style="list-style-type: none"> <li>• A decrease in the value of recyclable materials collected.</li> <li>• Increasing operational costs - fuel, wages, vehicles and waste disposal</li> </ul> <p>This anticipated increase is balanced by competitive pressures in the marketplace. These factors combined means a tendered or negotiated contract for services is likely be similar or higher annual cost than the current contract.</p>	
<p><b>Sustainability</b></p> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of the service by a contractor will mean ongoing employment opportunities, most likely within Whangarei - for drivers and runners (social and economic). These roles exist now with the contractor employing staff to deliver current contracts Whangarei i.e. total employment will be similar.</p>	
<p><b>Alignment with Council's strategic objectives</b></p> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p>CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution)</p> <p>VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p>WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	
<p><b>Overall assessment of cost-effectiveness</b></p> <p>Cost - Anticipating a small to moderate increase from the current costs.</p> <p>Based on the available information it is likely that this option will be available at a small to moderate increase from the current costs. Refuse collection and rural transfer station operations are likely to be similar cost (for the same service) while collection of recyclables is likely to increase with prices for recyclable material lower than when the contracts were last tendered.</p> <p>Effectiveness - This can be an effective option through a robust procurement process and proactive contract management. Careful design of the contract specification and key performance indicators is required.</p> <p>Conclusion - preferred option.</p>	

**Option 6 (Joint service delivered by Whangarei District Council)** is not a viable option for the same reasons as the outlined for Option 1.

**Option 7 (Joint service delivered by a CCO wholly owned by Whangarei District Council)** is not a viable option for the same reasons as outlined for Option 2.

**Option 8 (Joint service delivered by a CCO partly owned by Whangarei District Council)** is not a viable option for the same reasons as outlined for Option 3.

**Option 9 (Joint service with delivery by another local authority)** is not a viable option for the same reasons as outlined for Option 4.

<b>Name of option:</b>	10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<b>What is this option?</b> <p>This option involves the delivery of kerbside refuse and recycling services by a contractor, managed by some form of joint arrangement and funded by a mix of user pays (bag sales), levy funding and targeted rate. This could be a Joint Committee arrangement with contract management undertaken by one of the councils or a dedicated joint solid waste unit.</p>	
<b>Feasibility</b> <p>With the expiry of the current contract, it would be feasible to manage the delivery of collection service and rural transfer station operation through a joint governance arrangement. Services could be delivered by an external contractor (similar to option 5. but with other Councils) or a CCO (similar to options 2 and 3 but with an additional shared governance aspect).</p> <p>There are several contractors capable of providing services to multiple councils. As noted in the discussion on option 3, a CCO would need sufficient time to mobilise including purchasing or leasing new vehicles, employing drivers and collection runners (depending on collection methodology). With no CCO currently delivering waste collection services in the Region a new CCO would need to establish or an existing CCO would need to develop new capability.</p> <p>Building on the analysis for Option 3 and Option 5 delivery by a contractor is the preferred approach for this option. A key consideration would be aligning service configuration, funding and contract end/start dates with neighbouring councils. This means any joint arrangement is unlikely to be pursued without significant engagement and change of services to achieve this alignment.</p>	
<b>Community views and preferences</b> <p>Council has not sought community views on Council vs contractor delivery of refuse and recycling services.</p>	
<b>Iwi views and preferences</b> <p>Council has not sought iwi views on refuse and recycling services..</p>	
<b>Elected member or other stakeholder views and preferences</b> <p>Discussions with elected members and other stakeholders on waste services options have not indicated any issues with the current (contractor delivery) model.</p>	
<b>Assessment of the effectiveness of this option</b> <b>Council objectives:</b> <p>The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i>.</p> <p>Whangarei District Council objectives will need to be balanced with the objectives of the other Councils involved in the joint governance. For delivery of waste services aligning the individual Council Waste Minimisation and Management Plans would provide a strong common policy platform for delivery of waste services. Joint governance for collection would likely be weighted by population and/or quantity of material collected i.e. Whangarei District Council influence on the outcomes would be significant compared to Far North and Kaipara District.</p> <p>Jointly commissioning a contractor to deliver waste and recycling collection services ensures there is a strong commercial focus in delivery of the services. The structure of the contract is important with payment based on the contractors success in achieving the joint Councils objectives with respect to:</p> <ul style="list-style-type: none"> <li>• Cost</li> <li>• Level of service</li> <li>• Waste minimisation</li> <li>• Environmental protection</li> </ul> <p>Procurement typically takes account of track record of tendering parties covering key council objectives. Council procurement policy dictates a robust tender evaluation process with appropriate weighting of service</p>	



<b>Name of option:</b>	10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above
<b>Date:</b>	February 2017
<p>delivery, cost and waste minimisation evaluation criteria. Contract management taking account of appropriately set Key Performance Indicators provide a mechanism to ensure Council objectives are met.</p> <p><b>Effectiveness (User experience)</b></p> <p>User experience for refuse and recycling services is related to timely collection, management of windblown materials from collection containers and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. The support systems cover a range of aspects of service deliver including equipment maintenance, managing collection rounds, recording complaints and responses and recruitment/training of staff.</p>	
<p><b>Cost of the option</b></p> <p>There has been an informal assessment of the cost of contractor delivery of refuse and recycling collection services in Whangarei alone. This suggests that there will an increase in cost from the current contract as a result of:</p> <ul style="list-style-type: none"> <li>• A decrease in the value of recyclable materials collected.</li> <li>• Increasing operational costs - fuel, wages, vehicles and waste disposal</li> </ul> <p>This anticipated increase is balanced by competitive pressures in the marketplace. These factors combined means a tendered or negotiated contract for services is likely be similar or higher annual cost than the current contract. Two of the contractors currently operating in Northland are active in multiple Districts (Northland Waste and Waste Management).</p> <p>Charges in the Far North District Council area (\$3.00 per rubbish bag) and Kaipara District (\$3.00 per rubbish bag) are higher than those for the Whangarei District Council (\$2.80 per rubbish bag). The recycling costs are harder to compare with Far North recycling provided on an (unpublished) commercial basis, Kaipara recycling provided in small bags sold at \$1.50 per bag and Whangarei' s recycling funded through part of the targeted rate for refuse and recycling.</p> <p>There may be benefit in additional scale resulting from providing the same service in multiple local authority areas. However, Whangarei alone is of sufficient scale to secure a competitive service.</p>	
<p><b>Sustainability</b></p> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of the service by a contractor will mean ongoing employment opportunities, most likely within Whangarei - for drivers and runners (social and economic). These roles exist now with the contractor employing staff to deliver current contracts Whangarei i.e. total employment will be similar.</p>	
<p><b>Alignment with Council's strategic objectives</b></p> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p><b>CLEAN, HEALTHY AND VALUED ENVIRONMENT</b> - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution)</p> <p><b>VIBRANT AND HEALTHY COMMUNITIES</b> - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p><b>WELL MANAGED GROWTH</b> - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	



<b>Name of option:</b>	10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above
<b>Date:</b>	February 2017
<b>Overall assessment of cost-effectiveness</b>	
<b>Cost</b> - There is potential for small to moderate cost savings (economies of scale). Based on the available information it is possible that this option will achieve a small decrease in costs when compared with the status quo if a joint governance arrangement is pursued with Far North District and/or Kaipara District for a similar service configuration. There is potential for additional overhead costs and reduction in effective control should another council take contract management responsibility.	
<b>Effectiveness</b> - This can be a highly effective option using an experienced contractor delivery utilising a robust procurement process and proactive contract management. However there are no 'obvious' partners for a jointly owned CCO. Far North District and Kaipara currently have full user pays for refuse and recycling collection. Any joint arrangement would require alignment of the service configuration and funding model across the partner councils. Discussion on alignment of services would take some time including aligning Council views and involving the respective communities.	
<b>Conclusion:</b> Explore potential for joint governance, funding and management of contractor delivery with surrounding councils.	

<b>Name of option:</b>	11. Other reasonably practicable options (Council exit service provision with regulatory overview)
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<b>What is this option?</b> This option involves the delivery of kerbside refuse and recycling services by the private sector with no involvement by Council. Council role is restricted to regulation of service quality including requiring provision of recycling services and approving collection containers (bags, bins and/or crates).	
<b>Feasibility</b> With the expiry of the current contract, it could be feasible for council to exit delivery of collection service entirely, replicating the approach adopted in some other parts of New Zealand, for example Western Bay of Plenty and Kapiti Coast. In Whangarei the private sector currently provides wheeled bin based waste collection services but no recycling collection. In Western Bay of Plenty and Upper Hutt the private sector offer recycling services to households on a commercial basis. In Kapiti a council by-law requires refuse collection providers to also offer a recycling collection service. While the model is operating in Western Bay of Plenty and Kapiti there is a significant lead-in time for implementing this approach including: <ul style="list-style-type: none"> <li>• Drafting and consultation on a new/revised bylaw</li> <li>• Formal adoption of the by-law following community consultation</li> <li>• Allowing a reasonable lead-in time for collection service providers to put in place arrangements for providing recycling services.</li> </ul> A reasonable lead-in time would be 2-3 years i.e. implementation in 2019 or 2020.	
<b>Community views and preferences</b> Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b> Council has not sought iwi views on refuse and recycling services..	
<b>Elected member or other stakeholder views and preferences</b> Discussions with elected members and other stakeholders on waste services options have not indicated any issues with the current (contractor delivery) model.	
<b>Assessment of the effectiveness of this option</b>	

<b>Name of option:</b>	11. Other reasonably practicable options (Council exit service provision with regulatory overview)
<b>Date:</b>	February 2017
<p><b>Council objectives:</b></p> <p>The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i>.</p> <p>Putting in place a bylaw requiring commercial collectors of refuse to also provide recycling collection services provides a mechanism to manage quality of service, ensure recycling is collected and addresses potential for issues such as windblown litter.</p> <p>Commercial waste collection services in New Zealand are well established and provide a good level of service. There is no evidence to suggest that commercial waste collection will have a detrimental impact on Council objectives relating to effective waste collection.</p> <p>The available information suggests that there is a difference in the capture of recyclable material between approaches that require recycling collection vs a purely commercial recycling service for households. For example in the Wellington Region around 20% of household waste is recycled (on average). In Kapiti around 24% is recycled (recycling provided to all households) while in Upper Hutt (householders have to purchase a recycling service, similar to Western Bay of Plenty) data suggests the recycling rate is below 10%. In other words the Kapiti recycling rate is similar to other parts of the region (with rates funded recycling) while Upper Hutt's recycling rate is significantly lower.</p> <p>One difference lies in action required to secure a recycling service. In Kapiti a service is provided by default, similar from a householder's perspective to a Council provided service. In Upper Hutt householders need to request and pay for a service.</p> <p>In considering whether to review current service provision in Kapiti, the Kapiti Coast District Council noted:</p> <ul style="list-style-type: none"> <li>• Their exit from service provision limits their ability to influence waste management and minimisation behaviour.</li> <li>• Re-entry to the market would be an expensive and risky service</li> <li>• The current low cost of service is not necessarily a long term position. Operators are trying to reduce or eliminate rubbish bag services and move towards wheeled bin based recycling services and using pricing as one way to encourage households to change services.</li> <li>• The portion of households who prefer rubbish bags (cost, low generation of waste) will be disadvantaged if bags are no longer provided.</li> </ul> <p><b>Effectiveness (User experience)</b></p> <p>User experience for refuse and recycling services is related to timely collection, management of windblown materials and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. With system users directly engaging the provider of their service there is a strong driver to maintain a high level of service. Where service is not of an acceptable standard householders can change to a service provider with a high level of service.</p> <p>In Kapiti residents surveys indicate that residents had a high level of satisfaction (92%). This may reflect the range of services currently on offer (bags and wheeled bins) and a competitive market yielded low prices for most options.</p>	
<p><b>Cost of the option</b></p> <p>Previous work completed looking at service configuration considered this scenario. Existing private collection services in Whangarei include:</p> <ul style="list-style-type: none"> <li>• Waste Management NZ Ltd</li> <li>• Northland Waste</li> </ul> <p>Wheeler bin costs vary (on a cost per capacity basis) with Northland Waste regularly offering an 80L wheeler bin for \$125 i.e. cheaper than the Whangarei District Council bags for similar capacity.</p> <p>Importantly from a Section 17A perspective the cost to council and effectiveness are the key considerations. Council currently recovers the cost of refuse collection and associated overheads through bag sales. The cost of delivering a recycling collection service and associated overheads is recovered through a targeted rate.</p> <p>From a council perspective the reduction in cost for refuse and recycling collection will be reflected in a loss</p>	

<b>Name of option:</b>	11. Other reasonably practicable options (Council exit service provision with regulatory overview)
<b>Date:</b>	February 2017
<p>of revenue (bag sales and targeted rate) including that currently allocated to off set general overheads. While the position will not be clear without the detailed analysis the net position is likely to be similar with the potential for some of the overhead remaining i.e. becoming 'stranded'.</p> <p>The cost to households is also important to consider. As noted above in Kapiti where this model has been adopted current total costs to households (direct charges) are similar to those in Whangarei (direct charges and target rate). Based on more typical direct charges for waste services around New Zealand there is a risk that costs will increase.</p> <p>There will be additional resourcing required to manage the implementation of the by-law.</p> <p>As noted in the discussion on feasibility, there is a lead in time to putting in place this type of arrangement with 2020 being a reasonable assumption. For Whangarei to pursue this option a short term contract for services (2018 - 2020) would need to be put in place. Typical collection arrangements are 5 or more years allowing for amortisation of equipment costs of a reasonable timeframe. A shorter term arrangement would need to cover these costs over a shorter timeframe.</p>	
<p><b>Sustainability</b></p> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of services by one or more contractor will mean ongoing employment opportunities, most likely within Whangarei - for drivers and runners (social and economic). Roles exist now with the contractor employing staff to deliver current contracts Whangarei i.e. total employment will be similar.</p>	
<p><b>Alignment with Council's strategic objectives</b></p> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p>CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution)</p> <p>VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p>WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	
<p><b>Overall assessment of cost-effectiveness</b></p> <p><b>Cost</b> - No less than the Status Quo, risk of cost increases for households.</p> <p>Based on the available information it is unlikely that this option provides an opportunity to materially reduce (net) costs to Council when compared with the status quo. Typical costs for commercial household collections in Whangarei and across New Zealand suggest there could be an increase in costs to households.</p> <p><b>Effectiveness - higher risk to effectiveness</b></p> <p>Delivery of waste and recycling collections by the private sector with charging directly households can be as effective as Council delivery or funding. A key risk is the cost of services becoming a barrier for lower income households in the community. In the Whangarei District there is also a risk that the private sector will avoid providing services in more remote parts of the District. Current prices in Whangarei send mixed messages with Northland Waste bins cheaper than the current service (for similar capacity, likely to be assisted by co-collection with Council bags) but Waste Management bins more expensive than the current Council service.</p> <p><b>Conclusion</b> - do not pursue</p>	

<b>Name of option:</b>	12. Other reasonably practicable options (Service provision via Northland Regional Landfill Limited Partnership)
<b>Date:</b>	February 2017
<b>Is this the 'status quo' option?</b>	yes/no
<b>What is this option?</b> This option involves the delivery of kerbside refuse and recycling services by the Northland Regional Landfill Limited Partnership on behalf of Council. Council's role is restricted to joint governance of the partnership including oversight of service quality and commercial performance of the partnership.	
<b>Feasibility</b> With the expiry of the current contract, it could be feasible for council to transfer delivery of collection service and rural transfer stations to the Northland Regional Landfill Limited Partnership. The Partnership agreement does not preclude offering collection and/or rural transfer station operations within the scope of operations. In reality the partnership contracts the current operations to third party (associated with the private sector partner). This would be similar for collections or rural transfer station operations. This is similar to Option 5 with Council having a commercial stake in the management of the delivery (the Partnership) but services still delivered by a third party. This scenario has elements of the other options considered in this assessment. The Partnership operates on a for-profit basis with Council sharing returns from the commercial activities undertaken by the partnership. In an ideal scenario this scenario would result in commercially focussed delivery (including a high level of customer service) with financial returns shared by Council and the private sector partner.	
<b>Community views and preferences</b> Council has not sought community views on Council vs contractor delivery of refuse and recycling services.	
<b>Iwi views and preferences</b> Council has not sought iwi views on refuse and recycling services.	
<b>Elected member or other stakeholder views and preferences</b> Discussions with elected members and other stakeholders on waste services options have not indicated any issues with the current (contractor delivery) model. When the current contract was procured this option was considered but ultimately not pursued.	
<b>Assessment of the effectiveness of this option</b> <b>Council objectives:</b> The Council's draft vision for waste minimisation and management is <i>"To deliver community benefits and reduce waste Whangarei businesses and households will be provided with efficient and effective waste minimisation and management services"</i> . The detailed nature of any agreement between Council and the private sector partner to formally include waste collection and rural transfer stations in the scope of the Partnership's activities would require careful design. Specifically the agreement should ensure that the Partnership is incentivised to deliver on council objectives for waste minimisation and management. A mechanism would also need to be agreed to ensure that the Partnership provides the best value for money solution for collection and transfer station services in the context of a competitive market for these services across New Zealand.	
<b>Effectiveness (User experience)</b> User experience for refuse and recycling services is related to timely collection, management of windblown materials and response to complaints. Delivering a good user experience relies on reliable equipment, staff committed to delivering a good experience and robust support systems. There is a risk that with a lack of competitive pressure (potential to lose the contract) service quality suffers. This could be mitigated through: <ul style="list-style-type: none"> <li>• Robust governance, ensuring that Council's requirements for service quality remain a focus for the Partnership and the delivery partner.</li> <li>• Periodic service quality review - completing periodic independent review of the quality of service delivery including benchmarking with similar services in New Zealand to ensure that Council continues to receive high quality service. This is a feature of the current shareholders agreement for the landfill partnership/</li> </ul>	

<b>Name of option:</b>	12. Other reasonably practicable options (Service provision via Northland Regional Landfill Limited Partnership)
<b>Date:</b>	February 2017
<b>Cost of the option</b> <p>There has been an informal assessment of the cost of contractor delivery of refuse and recycling collection services in Whangarei. This suggests that there will be an increase in cost from the current contract as a result of:</p> <ul style="list-style-type: none"> <li>• A decrease in the value of recyclable materials collected.</li> <li>• Increasing operational costs - fuel, wages, vehicles and waste disposal</li> </ul> <p>In an open tender process this anticipated increase is balanced by competitive pressures in the marketplace. Any agreement with the Partnership would need to include mechanisms to ensure similar pricing and service level tension remains.</p>	
<b>Sustainability</b> <p>Delivery of kerbside collection and refuse and recycling contributes to sustainability through:</p> <ul style="list-style-type: none"> <li>• Protecting public health through the timely removal of putrescible material from households across Whangarei (environmental and social).</li> <li>• Providing a convenient option for households to divert recyclable materials from landfill disposal (environmental and economic).</li> <li>• Providing employment - drivers, runners, recyclable materials processing (social, economic)</li> </ul> <p>Delivery of the service by a contractor will mean ongoing employment opportunities, most likely within Whangarei - for drivers and runners (social and economic). These roles exist now with the contractor employing staff to deliver current contracts Whangarei i.e. total employment will be similar.</p>	
<b>Alignment with Council's strategic objectives</b> <p>Delivery of kerbside refuse and recycling collection by Whangarei District Council aligns with the following Council's Community Outcomes (2015-2025 LTP).</p> <p>CLEAN, HEALTHY AND VALUED ENVIRONMENT - Reliable collection and cleaning minimises effects on the physical environment from pollution, and with recycling services, excess waste to landfill is limited. (High contribution)</p> <p>VIBRANT AND HEALTHY COMMUNITIES - A clean environment contributes to District pride and the wellbeing of its residents and visitors. (Medium Contribution)</p> <p>WELL MANAGED GROWTH - Growth is supported through appropriate planning mechanisms to ensure the provision of sufficient and appropriate solid waste collection and disposal and recycling systems for the existing and growth communities. (Medium Contribution)</p>	
<b>Overall assessment of cost-effectiveness</b> <p><b>Cost</b> - No less than the Status Quo, risk of cost increases for households.</p> <p>Based on the available information it is unlikely that this option provides an opportunity to materially reduce (net) costs to Council when compared with the status quo.</p> <p><b>Effectiveness - higher risk to effectiveness</b></p> <p>Contractor delivery can be an effective option through a robust governance process and proactive contract management. There is a risk that the lack of competitive pressure reduces service quality but this can be mitigated through clear key performance indicators, robust governance arrangements (already in place for the Partnership) and periodic review of service delivery. There is also a risk to the effectiveness of this option with the Partnership focussed on providing a return and Council having less control of partnership decisions with only 50% ownership. This factor means there is no apparent advantage in procuring contractor delivery via the Northland Regional Landfill Limited Partnership.</p> <p><b>Conclusion</b> -Do not pursue.</p>	

[www.tonkintaylor.co.nz](http://www.tonkintaylor.co.nz)



Sign Off Page

I agree to the recommendations.

<hr/> <b>Department Manager</b> <i>(print name)</i>	<hr/> <b>Department Manager</b> <i>(signature)</i>	<hr/> <b>Date</b>
<hr/> <b>General Manager</b> <i>(print name)</i>	<hr/> <b>General Manager</b> <i>(signature)</i>	<hr/> <b>Date</b>
<hr/> <b>Chief Executive</b> <i>(print name)</i>	<hr/> <b>Chief Executive</b> <i>(signature)</i>	<hr/> <b>Date</b>

**RESOLUTION TO EXCLUDE THE PUBLIC****Move/Second**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>		<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for passing this resolution</b>
1.1	Procurement Review	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

<b>Item</b>	<b>Grounds</b>	<b>Section</b>
1.1	Maintain legal professional privilege.	Section 7(2)(g)
	To enable Council to carry on without prejudice or disadvantage commercial activities.	Section 7(2)(h)
	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

**Resolution to allow members of the public to remain**

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

**Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*