



Hastings District Council

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OPEN AGENDA

CIVIC AND ADMINISTRATION SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 12 March 2020**

Time: **2.00pm**

Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Committee Members	Councillor Dixon (Chair); Councillors Harvey, Lawson, Nixon (Deputy Chair), O'Keefe, Schollum, Travers and Watkins Vacancy - Heretaunga Takoto Noa Māori Standing Committee member Transportation Manager, Mr J Pannu AND Environmental Consents Manager, Mr M Arnold – for Item 4 Chief Executive AND Group Manager Asset Management: Mr C Thew – for Item 5 Mayor Hazlehurst (ex-officio) <i>Quorum=3</i>
Officer Responsible	General Counsel – Mr S Smith
Democracy & Governance Advisor	Mrs C Hilton (Extn 5633)

Civic and Administration Subcommittee – Terms of Reference

A Subcommittee of the Operations and Monitoring Committee.

Fields of Activity

The Civic and Administration Subcommittee is responsible for making delegated decisions and advising the Operations and Monitoring Committee by;

- Assisting Council in the allocation of Community Grants by;
 - Reviewing applications for Community Grants.
 - Setting appropriate performance measures to assist in the measurement of delivery of activities funded from Grants.
 - Allocation of grant funding within the budget allocation.
- Assisting Council in its general overview of procurement and tender activity by accepting tenders which exceed the Chief Executive's delegated authority to approve, for projects previously approved by Council or a Standing Committee within the delegated authority.
- Assisting Council by reviewing and considering submissions and deciding applications for temporary closure of roads.
- Recommending to Council the appointment of trustees to Te Mata Park Trust Board.
- Recommending to Council the appointment of directors to Hastings District Holdings Limited.
- Recommending to Council the appointment of List Members to the District Licencing Committee.
- Assisting Council by reviewing, considering nominations and recommending recipients of Civic Awards.

Membership

- 8 Councillors.
- 1 Heretaunga Takoto Noa: Māori Standing Committee Member appointed by Council.
- Group Manager Planning and Regulatory Services to be a member only when the Subcommittee is recommending the appointment of List Members to The Hastings District Licencing Committee.
- The Chief Executive to be a member only when the Committee is making a decision on tendering and procurement matters.
- The Group Manager: Asset Management to be a member only when the Subcommittee is making a decision on tendering and procurement matters.
- The Transportation Manager to be a member only when the Committee is making a decision on applications for temporary closure of roads.
- The Environmental Consents Manager to be a member only when the Committee is making a decision on applications for temporary closure of roads.
- The Chair of the Te Mata Park Trust Board to be a member only when the Committee is making a decision on appointments to the Te Mata Park Trust Board.
- The Chief Financial Officer to be a member only when the Committee is making a decision on appointments to the boards of any Council Controlled Organisations.
- Chair appointed by Council.

- Deputy Chair appointed by Council.

Quorum – a minimum of 3 members

Delegated Powers

- 1) Authority to exercise all Council's powers, functions and authorities (except where prohibited by law or otherwise delegated) in relation to the allocation of grant funding within the budget allocation.
- 2) Authority to accept tenders for individual projects previously approved by the Council or a Standing Committee of the Council up to a value of \$10,000,000.
- 3) Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project.
- 4) All the Council's powers and functions in respect to temporary prohibition of traffic under Section 342(1)(b) and clause 11(e) of Schedule 10 of the Local Government Act 1974.
- 5) Recommend to Council the appointment of Trustees to Te Mata Park Trust Board in accordance with the policy on Appointment of Trustees for Te Mata Park Trust Board, and the provisions of section 57 of the Local Government Act 2002.
- 6) Recommend to Council the appointment of director positions for Hastings District Holdings Limited in accordance with the Council's Policy on Appointment and Remuneration of Directors for Council Organisations.
- 7) Recommend to Council the recipients of Civic Awards.
- 8) Recommend to Council the appointment of List Members to the Hastings District Licensing Committee in accordance with the policy on the appointment of members for the District Licensing Committee, and the provisions of Sections 192 – 194 of the Sale and Supply of Alcohol Act 2012.

HASTINGS DISTRICT COUNCIL
CIVIC AND ADMINISTRATION SUBCOMMITTEE MEETING
THURSDAY, 12 MARCH 2020

VENUE: Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 2.00pm

A G E N D A

1. Apologies

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

At the close of the agenda no requests for leave of absence had been received.

2. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Democratic Support Manager (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3. Confirmation of Minutes

Minutes of the Civic and Administration Subcommittee Meeting held Thursday 13 February 2020.
(Previously circulated)

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REPORT TO: CIVIC AND ADMINISTRATION SUBCOMMITTEE

MEETING DATE: THURSDAY 12 MARCH 2020

FROM: TRANSPORTATION OFFICER
LYNN BURDEN

SUBJECT: TEMPORARY ROAD CLOSURES - HASTINGS STREET SOUTH - 26 AND 27 MARCH - ANZAC DAY (HASTINGS AND HAVELOCK NORTH SERVICES) - 25 APRIL 2020

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

1.1 The purpose of this report is to obtain a decision from the Civic and Administration Subcommittee in regard to the following temporary road closures as requested below. These requests arise from the need to inform and gain Hastings District Council (“the Council”) approval in order to comply with the legal process to temporarily close the roads listed below:

- Eastern Institute of Technology (EIT)
Hastings Street South between Eastbourne Street East and Heretaunga Street East – **4:30pm – 5:00pm**, Thursday, 26 March 2020
Hastings Street South between Eastbourne Street East and Heretaunga Street East – **12:30pm – 1:00pm**, Friday, 27 March 2020

The purpose of these road closures is to hold EIT graduation parades.

- Clubs Hastings
HASTINGS
Eastbourne Street East from Karamu Road to Russell Street
Russell Street from Queen Street East to Lyndon Road East
These road closures will be from 5:00am until 6:30am

HAVELOCK NORTH

Middle Road from the bank corner to the central roundabout
Te Aute Road from Porter Drive to the central roundabout
Havelock Road from the motel entrance to the central roundabout
Napier Road from Columba Way to the central roundabout
Te Mata Road from Columba Way to the central roundabout
Joll Road from the movie theatre entrance to the central roundabout
The central roundabout
These road closures will be from 8:30am until 10:30am

The purpose of the above temporary road closures is to hold the ANZAC Day services.

1.2 This report contributes to the purpose of local government by primarily promoting the cultural and social wellbeing and specifically to the Council’s

strategic objectives by promoting the appealing visitor destination and wellbeing of communities in the present and for the future.

- 1.3 Given that there are no submissions in opposition to the closures and that subject to the recommended conditions the activity can proceed and be undertaken in a safe and controlled environment, the risks associated with these closures can then be minimised and safely managed to Council's satisfaction.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

A) That the Council/Committee receives the report titled Temporary Road Closures - Hastings Street South - 26 and 27 March - ANZAC Day (Hastings and Havelock North Services) - 25 April 2020

B) Eastern Institute of Technology (EIT)

Hastings Street South between Eastbourne Street East and Heretaunga Street East – 4:30pm – 5:00pm, Thursday, 26 March 2020

Hastings Street South between Eastbourne Street East and Heretaunga Street East – 12:30pm – 1:00pm, Friday, 27 March 2020

C) Clubs Hastings

HASTINGS

Eastbourne Street East from Karamu Road to Russell Street
Russell Street from Queen Street East to Lyndon Road East
These road closures will be from 5:00am until 6:30am

HAVELOCK NORTH

Middle Road from the bank corner to the central roundabout
Te Aute Road from Porter Drive to the central roundabout
Havelock Road from the motel entrance to the central roundabout
Napier Road from Columba Way to the central roundabout
Te Mata Road from Columba Way to the central roundabout
Joll Road from the movie theatre entrance to the central roundabout
The central roundabout

These road closures will be from 8:30am until 10:30am

D) The Committee approve the above temporary road closures subject to the following conditions to be complied with to the satisfaction of the Group Manager: Asset Management:

- i. These events are conducted in accordance with the New Zealand Transport Agency Code of Practice Temporary Traffic Management (CoPTTM).
- ii. The Traffic Management Plans including provision for appropriate signage are approved by the Traffic Management Coordinator acting under delegated authority.
- iii. The Traffic Management Plans must be complied with including any specific conditions.

- iv. Copies of the relevant liability insurance policies are received.**
- v. That the cost of all advertising is met by the event organisers.**
- vi. Emergency Services are contacted regarding the holding of these events with details of the dates, locations and time frames.**
- vii. As per the Traffic Management Plan provisions - all emergency services will be accommodated and access provided through the sites as required.**
- viii. The applicant is responsible under the Health and Safety at Work Act 2015 for all health and safety risks associated with this activity and must take reasonably practicable steps to ensure the safety of all persons during these temporary road closures.**
- ix. The applicant has in place at all times, appropriate Health and Safety measures (to prevent harm to any persons), including (but not limited to) any measures provided for in the submitted Health and Safety Plans including any conditions attached.**

3.0 BACKGROUND – TE HOROPAKI

- 3.1 This report covers the applications by EIT and Clubs Hastings to temporarily close roads so that two cultural events can be held. The preferred option is to allow the closure of the above roads so that the listed events can be undertaken.
- 3.2 The temporary road closures will be managed in accordance with the New Zealand Transport Agency Code of Practice Temporary Traffic Management (CoPTTM).
- 3.3 Detailed Traffic Management Plans are to be submitted to the Hastings District Council and the plans will be approved for implementation, subject to the temporary road closure applications being approved.
- 3.4 The temporary road closure checklist (**Attachment 1**) details the necessary items that the organisers need to submit as part of their application for the above proposed road closures.
- 3.5 GIS maps showing the area of the temporary road closures are also attached as part of **Attachment 1**: (EIT) Hastings Street South; (Clubs Hastings) **Hastings**: Eastbourne Street East and Russell Street; **Havelock North**: Middle Road, Te Aute Road, Havelock Road, Napier Road, Te Mata Road, Joll Road and the central roundabout.
- 3.6 At the time of writing this report there were no planned road works that will affect or impact the above temporary road closures.

4.0 DISCUSSION - TE MATAPAKITANGA

- 4.1 The above events are being undertaken by the following organisations:

EIT – **Hastings Street South**. This will be the second and third temporary road closure of this section of Hastings Street South this calendar year. The average daily traffic count for Hastings Street South is: 6375 vehicles per day.

Clubs Hastings – **Hastings and Havelock North**. This will be the first temporary road closure of the following sections of road this calendar year.

Hastings:
Eastbourne Street East - Karamu Road to Russell Street South – 5669 vehicles per day
Russell Street South – Queen Street West to Lyndon Road East – 2046 vehicles per day
Havelock North:
Te Mata Road – Columba Way to the central roundabout – 4600 vehicles per day
Joll Road – from the service lane (remains open) to the central roundabout – 3429 vehicles per day
Middle Road – from the bank corner to the central roundabout – 5000 vehicles per day

Te Aute Road – Porter Drive to the central roundabout – 688 vehicles per day
Havelock Road – from the motel entrance (remains open) to the central roundabout – 5000 per day
Napier Road – Columba Way to the central roundabout – 6474 vehicles per day
The central roundabout – not recorded.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Option One - Recommended Option - *Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga* • **Option A** is the preferred option. It recommends the Committee approve the temporary road closures detailed above, subject to conditions that will ensure public safety is maintained.

5.1 Temporary road closure options listed below:

- **Option A: Approve** the temporary road closures detailed above.

Advantages: All events can proceed and contribute to the safe use of roads within the district for these proposed events.

Disadvantages: Traffic will be impeded for a short period of time.

- **Option B: Do not approve** the temporary road closures detailed above.

Advantages: Traffic will not be impeded.

Disadvantages: All proposed events will need to be cancelled.

- **Option C: Approve only** one, two, three, four, five, six, seven, eight, nine, ten or eleven of the temporary road closures detailed above.

Advantages: Only traffic on specific roads will be impeded.

Disadvantages: Depending on which roads are temporarily closed this may result in the cancellation of some or all of the proposed events.

6.0 NEXT STEPS - TE ANGA WHAKAMUA

6.1 See above for options related to these proposed temporary road closures.

Attachments:

- 1↓ [Temporary Road Closures - Checklists and Maps - CG-16-14-00019](#)
12 March 2020

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

The above temporary road closures will be undertaken in accordance with The Local Government Act 1974 Schedule 10, section 11 and section 11(e) which states:

“11. The council may, subject to such conditions as it thinks fit (including the imposition of a reasonable bond), and after consultation with the Police and the Ministry of Transport, close any road or part of a road to all traffic or any specified type of traffic (including pedestrian traffic).”

“(e) For a period or periods not exceeding in the aggregate 31 days in any year for any exhibition, fair, show, market, concert, film-making, race or other sporting event, or public function:

Provided that no road may be closed for any purpose specified in paragraph (e) of this clause if that closure would, in the opinion of the council, be likely to impede traffic unreasonably.”

This report contributes to the purpose of local government by primarily promoting the cultural and social wellbeing of the community.

Link to the Council’s Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

This proposal promotes the appealing visitor destination wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There are no known impacts for Tangtata Whenua.

Sustainability - *Te Toitūtanga*

There are no known implications for sustainability.

Financial considerations - Ngā Whaiwhakaaro Ahumoni

The advertising cost for these events are being met by the event organisers: being EIT and Clubs Hastings.

Significance and Engagement - Te Hiranga me te Tūhonotanga

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto, ā-waho

The organisers of the above events have been in contact with affected parties/residents. They advise that no issues have been raised regarding the above proposed temporary road closures.

The two temporary road closures of **Hastings Street South** have been posted on the Council website and formal public notification was published in the Hawke's Bay Today newspaper on: Saturday, 25 January 2020.

The closing date for submissions was 4:00pm, Monday, 10 February 2020. No submissions were received.

If the road closures are approved, final formal public notification will be published in the Hawke's Bay Today newspaper on: Wednesday, 25 March 2020.

The temporary road closures of **streets related to the ANZAC Day Services in Hastings and Havelock North** has been posted on the Council website and formal public notification was published in the Hawke's Bay Today newspaper on: Saturday, 25 January 2020.

The closing date for submissions 4:00pm, Monday, 10 February 2020. No submissions were received.

If the road closures are approved, final formal public notification will be published in the Hawke's Bay Today newspaper on: Wednesday, 22 April 2020.

Risks: Legal/ Health and Safety - Ngā Tūraru: Ngā Ture / Hauora me te Haumarū

As per the requirements of the Health and Safety at Work Act 2015, the applicant is required to include a Health and Safety Plan with their temporary road closure application. Additionally, conditions drawing the applicants' attention to their respective obligations have been provided in the recommendations.

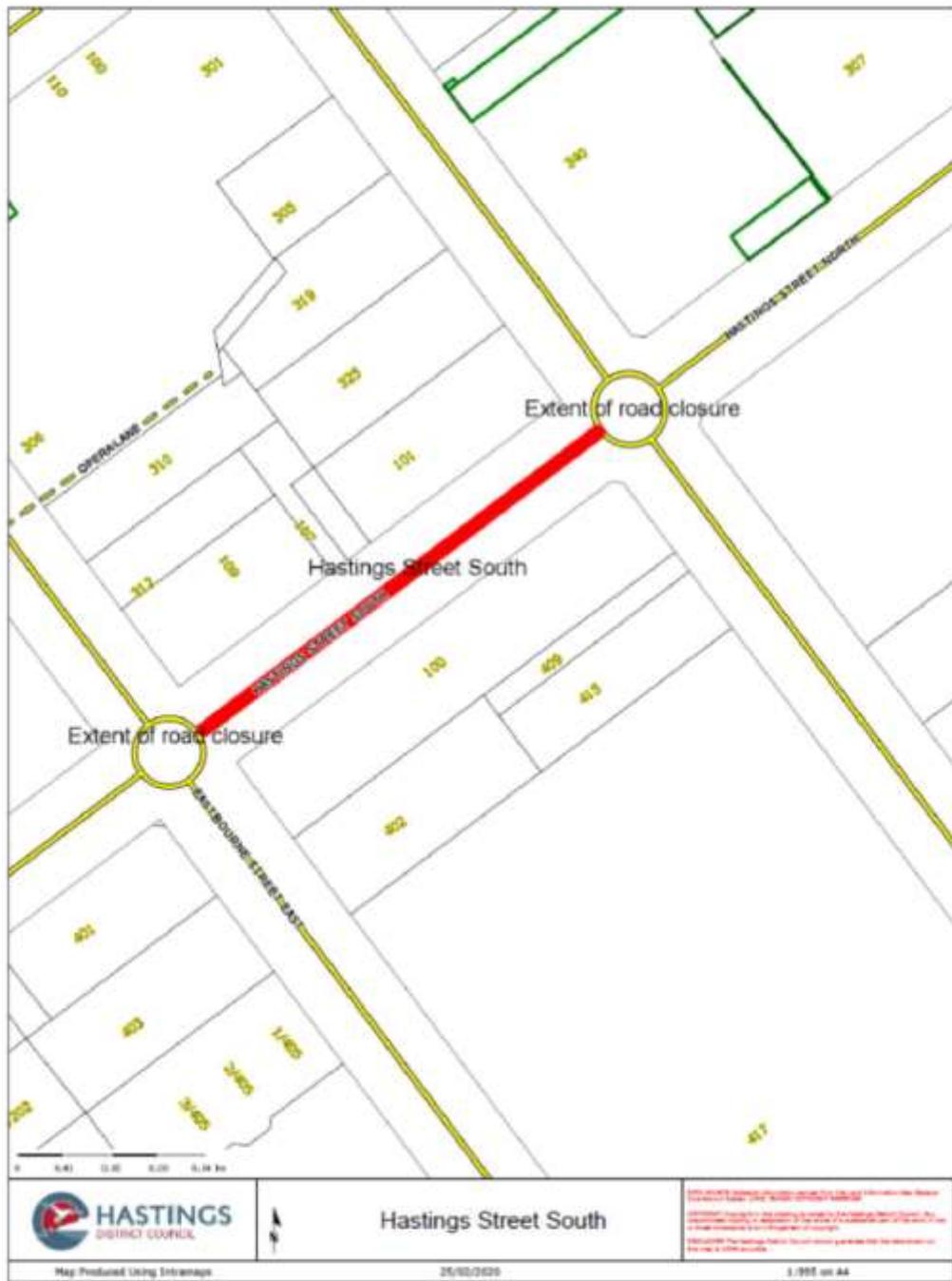
Rural Community Board - Ngā Poari-ā-hapori

There are no implications for the Rural Community Board. They have been advised of the proposed temporary road closures via an email containing the Notice for Submissions information.

Checklists and Maps - Temporary Road Closures:

1. **EIT - Hastings Street South between Eastbourne Street East and Heretaunga Street East – 4:30pm – 5:00pm, Thursday, 26 March 2020**
Hastings Street South between Eastbourne Street East and Heretaunga Street East – 12:30pm – 1:00pm, Friday, 27 March 2020

Items Received:	
Temporary Road Closure Application form	✓
Traffic Management Plan	✓
Road Bond	N/A
Event Safety Plan	✓
Resident Visiting Form / Letter	✓



2. Clubs Hastings

HASTINGS

Eastbourne Street East from Karamu Road to Russell Street

Russell Street from Queen Street East to Lyndon Road East

These road closures will be from 5:00am until 6:30am

HAVELOCK NORTH

Middle Road from the bank corner to the central roundabout

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Te Mata Road from Columba Way to the central roundabout

Joll Road from the movie theatre entrance to the central roundabout

The central roundabout

These road closures will be from 8:30am until 10:30am

Items Received:	
Temporary Road Closure Application form	✓
Traffic Management Plan	✓
Road Bond	N/A
Event Safety Plan	✓
Resident Visiting Form / Letter	✓



REPORT TO: CIVIC AND ADMINISTRATION SUBCOMMITTEE

MEETING DATE: THURSDAY 12 MARCH 2020

FROM: 3 WATERS MANAGER
BRETT CHAPMAN

SUBJECT: 3 WATERS MAINTENANCE CONTRACT

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to advise the Committee on the proposed scope for the 3 Waters Maintenance contract, have the Committee confirm the procurement process and approve a short term extension to the existing Contract.
- 1.2 The outcome of the tender process will be brought back to the Committee for final approval once the tender and negotiation phases have concluded.
- 1.3 This decision contributes to the purpose of local government by primarily promoting public health and safety through local infrastructure that is well managed and maintained and more specifically through the Council's strategic objective of providing healthy drinking water and sanitary services.
- 1.4 HDC provides drinking water, wastewater and stormwater services to the urban communities within the Hastings District. The maintenance of and repair of our pipes, pump stations and associated infrastructure has been extensively managed through a maintenance contract over the last 25 years.
- 1.5 The current contract is due to expire on 30 June 2020 and is currently held by Citycare Ltd. This contract has been in place since 2011.
- 1.6 Officers are seeking endorsement for the proposed procurement process and approval for a short term extension to the existing Contract to 30 September 2020.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Committee receives the report titled 3 Waters Maintenance Contract
- B) That the Committee endorse the 3 Waters Maintenance Contract Procurement Plan and the recommendation to proceed to open tender
- C) That the Committee approve an extension to the existing Maintenance Contract CON2011001 up to 30 September 2020

3.0 BACKGROUND – TE HOROPAKI

- 3.1 HDC provides drinking water, wastewater and stormwater services to the urban communities within the Hastings District. The management and maintenance of the networks that provide these services is through a combination of in-house and outsourced resources.
- 3.2 HDC staff undertake all water and wastewater treatment operations and asset management functions in-house. The majority of all capital renewals and new works are planned, managed and delivered via separate construction contracts and overseen by our professional services consultant, Stantec.
- 3.3 The maintenance of and repair of our pipes, pump stations and associated infrastructure has been extensively managed through a maintenance contract over the last 25 years.
- 3.4 The current contract is due to expire on 30 June 2020 and is currently held by Citycare Ltd. This contract has been in place since 2011.
- 3.5 The key central government initiatives (a new independent regulator and the potential for structural reform) will result in changes to the way that 3 Waters services are managed and delivered however we understand that these changes will materialise over the next 3 to 5 years.
- 3.6 Whilst this may eventually have an impact on the proposed contract, it is not considered appropriate to wait for those changes to be introduced. HDC wants to put in place improvements to its delivery of the 3-waters activity now. We are proposing to go to the market to seek a supplier who will work with us in improving our service in time to meet these pending changes.

4.0 DISCUSSION - TE MATAPAKITANGA

- 4.1 With the pending expiry of the current maintenance contract, officers have been working through a range of options to assess what we believe is required to ensure the ongoing delivery of 3 waters services but with a stronger emphasis on the quality and delivery of the services provided.
- 4.2 In particular, Council has a stated position on the safety of drinking water as a priority and that wastewater and stormwater can potentially impact on public health, and adversely impact on the environment.
- 4.3 The maintenance of our 3 waters infrastructure (the treatment plants, pipes and pump stations) is vital to ensuring that our assets continue to provide essential services to our communities and we need to be responsive to faults and failures in our systems.
- 4.4 We also place a great deal of importance on the people that provide the manpower required to deliver safe drinking water and collect and dispose of our wastewater and stormwater discharges day in day out.
- 4.5 We have a team of trained and skilled personnel across treatment, operations, asset management and quality assurance, and we are developing robust operational procedures that inform every aspect of service delivery.

- 4.6 To complement our in-house capability, we are seeking to procure a maintenance contractor that has a similar focus on safety, quality and professionalism that will meet the high standards that we demand.
- 4.7 In addition to the core network maintenance functions that this new contract stipulates, we believe there is sufficient rationale to introduce several additional elements to enhance the delivery of our infrastructure services. This includes:
- Access to capital works for the renewal of existing assets
 - Undertaking specific investigations into the condition and performance of our network infrastructure
 - Providing qualified treatment personnel to support our operations team
 - Advancing our data management and customer service systems to enhance our knowledge, improve our connectivity with the community and support our quality assurance programmes
- 4.8 Since the Havelock North contamination event, HDC has been building new capability and capacity aligned to the key recommendations from the Board of Inquiry.
- 4.9 The changes we are implementing puts HDC in a strong position to meet the new regulations and industry reforms that are being rolled out by central government and will start to take effect from next year.
- 4.10 A key objective is to have a maintenance contractor that is aligned to our strategic objectives and is adaptive to our changing environment whilst operating in a shared partnership arrangement.
- 4.11 Another outcome is to access our local service providers and suppliers through the main contractual partner. This would standardise the consistency and quality of service and reduce the amount of time and effort required in managing contractors and suppliers individually.
- 4.12 To understand the capability of contractors who are currently engaged in delivering network maintenance, we undertook site visits and met with contractors and their local body clients to observe how they operate and to discuss our challenges.
- 4.13 This market research has enabled us to tailor our contract in a way that:
- improves the quality and responsiveness of our network maintenance services
 - enables the routine investigations on network condition and performance to be undertaken more effectively
 - provides opportunities to deliver straight forward renewals more efficiently and cost effectively
 - brings most of our suppliers and service support under a single contractual umbrella
- 4.14 The engagement process has confirmed that there is interest in the upcoming HDC contract and significant interest was also shown in the potential inclusion of renewals as part of the base contract.

- 4.15 It is proposed that the new contract have a 5-year initial term with provision for extensions to a maximum of 10 years.

5.0 OPTIONS - NGĀ KŌWHIRINGA

- 5.1 This contract is considered a Levels of Service and Outcomes driven programme as much as a budget driven programme. The new contract is proposed to have an expanded scope including:

- Network operations and maintenance (O&M) as per the current contract
- Water and wastewater treatment operations support (two trained operators)
- Asset Management and O&M Planning
- Renewals
- Research and Development (R&D) as a provisional item – scope to be confirmed

- 5.2 The 3-waters O&M activity is provided for in the Long Term Plan 2018/28 as is the provision for treatment operations (currently in-house) and renewals. Research and development is also provided for, to a degree, through capital works.

- 5.3 The current maintenance contract has a value in the order of \$5 Million per annum.

- 5.4 Whilst it is expected that there will be an increase in overall cost, some of the anticipated increases in this contract will be offset in other budget areas. In terms of overall delivery, HDC will still be providing for O&M, renewals, asset management and R&D, it will just be managed and implemented in a more collaborative and efficient way.

- 5.5 Considerable effort has gone into reviewing the current delivery model and developing a new schedule of works with greater scale and scope to attract a wider range of contractors. This type of the contract results in a single large supplier, but the important thing is that there is a competitive market to select that supplier from.

- 5.6 We anticipate that local small to medium-sized suppliers will operate as sub-contractors. As well as building the capability of local resources, this will better enable the mobilisation of additional resources during, for example, emergency works events where additional resources are required.

- 5.7 There are 2 procurement options for consideration:

- Option 1: Open Tender
- Option 2: Direct Negotiation with the existing Maintenance Contractor

Option One – Open Tender - *Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga*

- 5.8 Officers are recommending that Council progress via an Open Tender procurement process. Our market engagement exercise has identified a

- number of very capable contractors who have all expressed their interest in this contract.
- 5.9 An open tender process will be of significant interest to all of the large national contractors such that we could expect all of them to submit a proposal. This tender will also be of interest to international companies, many of which already operate within New Zealand.
- 5.10 Council expects to see value for money. The scale and scope of the contract provides significant opportunities to improve the delivery of services with quality being a primary consideration however the cost of delivering the desired services is also important.
- 5.11 An open competitive process will ensure that we are attract a number of high quality contractors to the table and enables Council to evaluate the balance between quality and price.
- 5.12 Whether the incumbent is successful or a new contractor is selected, we do not foresee any issues with transitioning to the new contract; we are confident that there are a number of capable and interested contractors.
- 5.13 The only perceived issue of an open tender process is the submission of proposals by companies that do not have the capability and / or capacity to meet the contract requirements.
- 5.14 This risk can be reduced by using an 'eliminator', typically through minimum relevant experience requirements. This would reduce the time and cost involved in evaluations as well as sending a clear signal to potential suppliers on the requirements to meet those minimum requirements.
- Option Two – Direct Negotiation with the Existing Contractor - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī**
- 5.15 This option seeks to renegotiate the new contract with the existing maintenance contractor, Citycare.
- 5.16 Citycare has been the incumbent contractor for the last 10 years. The role and functions of this contract (written in 2011) are out of date and no longer meet Councils requirements or fit with the future 3 waters environment.
- 5.17 This does not infer that the contractor has not performed their functions adequately, however the scope and context for the new contract contrasts with a specification that is no longer fit for purpose.
- 5.18 Citycare as a company, is equally capable as the other maintenance contractors that we believe will bid for this contract and they continue to provide good services and quality in maintaining our networks and pump stations.
- 5.19 The challenge for any contractor (existing or new) will be how they can adapt to a new and innovative specification which is substantially different to the current arrangement.
- 5.20 HDC's primary focus on safety, quality and service response needs to be constantly monitored and reported and the shared responsibility for this will be

reinforced in a collaborative 'whole of team' approach with the new maintenance contractor.

- 5.21 While we might achieve this through direct negotiation with the incumbent, it is difficult to justify negotiating a new contract of up to 10 years without going to a competitive tender and exploring market opportunities and costs that might be presented through an open process.
- 5.22 It is also unrealistic to commit significant public funds (in excess of \$5 million per annum) without an open and transparent process to support this level of expenditure.
- 5.23 As discussed above, we do not think that the pending changes that will become evident in the next 3 to 5 years through regulation and structural reform would be sufficient to warrant extending the existing contract beyond its current tenure.
- 5.24 An invited tender process was briefly considered; this would restrict the tender to companies that Council determined were capable of delivering the scope and could reduce the number of submitters and streamline the tender assessment timeframes.
- 5.25 Other than this there would be no additional advantages of inviting a select few companies to tender and could restrict other bona-fide companies from tendering if they were not known to Council e.g. an international company or consolidated group.

6.0 NEXT STEPS - TE ANGA WHAKAMUA

- 6.1 Through the market engagement exercise, we have identified a number of very capable and interested contractors, including the incumbent contractor Citycare. For the reasons outlined above, direct appointment with the incumbent contractor is not considered an appropriate way forward and the recommended open tender process will test the market for both quality, service delivery and cost in a new partnering arrangement.
- 6.2 With the pending national and regional water initiatives taking shape, the option of extending the current contract for a period of 3 to 5 years was considered, however the future requirement for change is uncertain and HDC is already implementing many of the future changes and improvements now.
- 6.3 A procurement plan has been prepared (**Attachment A**) that sets out in detail Council's approach to going to market and the assessment to be used to select a preferred tenderer.
- 6.4 Once a preferred tenderer has been determined, officers will negotiate on elements of scope, quality and price to reach agreement and a recommendation to award.
- 6.5 As the project is both financially significant and a change from current practice, it will potentially come with a high level of public and political scrutiny. Complete documentation of the process and outcomes is therefore critical.
- 6.6 An independent probity auditor is recommended to provide additional assurance to Council of the integrity of the overall process. This will include

having the probity auditor involved at all procurement stages, including sign-off on the proposed evaluation criteria and selection processes.

Attachments:

- 1 [↓](#) 3 Waters Maintenance contract- Procurement Plan CG-16-14-00026
Attachment in Agenda

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

HDC provides drinking water, wastewater and stormwater services to the urban communities within the Hastings District. The maintenance of and repair of our pipes, pump stations and associated infrastructure has been extensively managed through a maintenance contract over the last 25 years.

The current contract is due to expire on 30 June 2020 and is currently held by Citycare Ltd. This contract has been in place since 2011.

Officers are requesting the Committee to ratify the proposed procurement process and to approve a short term extension to the existing Contract **CON2011001** to 30 September 2020.

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

This report contributes to the purpose of local government by primarily promoting the health and well-being of our communities and more specifically through the Council's strategic objective of providing healthy drinking water and sanitary services.

Link to the Council's Community Outcomes - E noho hāngai pū ai ki te rautaki matua

This proposal contributes to the well-being of communities in the present and for the future. Local infrastructure that is well managed and maintained underpins the health and safety of our communities, supports economic development and minimises our impacts on the environment

Māori Impact Statement - Te Tauākī Kaupapa Māori

There are no known impacts for Tangata Whenua.

Sustainability - *Te Toitūtanga*

The increased scope of works includes renewals, treatment support, investigations and asset management functions. This enables both HDC and the contractor to collectively develop more efficient and sustainable practices, drive efficiency and improve the quality and consistency of the services that are delivered.

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

The term of the Contract has not been finalised however it will be in the range of 7 to 10 years in duration. The procurement process includes a negotiation phase to agree the final scope and price which will then determine the total financial consideration.

The current contract is in the order of \$5M per annum. Budgets have been submitted into the Annual Plan to cover the anticipated increased costs from the increases in scope with some of these costs offset from existing budgets for renewals and investigations.

This proposal does not seek any financial commitment at this stage; the final outcome and outturn costs will be brought back to the Committee (or Council) for final approval once the process has concluded.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision has been assessed under the Council's Significance and Engagement Policy as being of low significance.

The ongoing maintenance of our 3 waters networks is a core function and are considered strategic assets of Council. This proposal only seeks to ratify the procurement process and support the recommendation to proceed to open tender.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

There has been no external engagement or consultation on this proposal. An internal project team has been in place to undertake market research, develop the scope of works and prepare a business case and procurement plan.

Risks: Legal/ Health and Safety - *Ngā Tūraru: Ngā Ture / Hauora me te Haumarū*

Health and safety risks are identified in the contract and the roles and responsibilities of the parties are clearly defined.

Council's objectives for safe water are also included as a primary risk factor requiring adherence to safe practices while undertaking works on Council's 3 waters networks.

Rural Community Board - *Ngā Poari-ā-hapori*

The contract works encompass all rural communities that enjoy Council services.

PROCUREMENT PLAN

3-Waters Maintenance Contract



PROCUREMENT PLAN

Project Name
3-Waters Maintenance Contract 2020

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VERSION CONTROL

Version	Date	Description	Name	Role	Signature
1		Drafted by	Linda Cook, Rationale	Consultant	
		Reviewed by	Brett Chapman	Water Services Manager	
		Approved by	Craig Thew	GM Asset Management	

PROCUREMENT PLAN

3-Waters Maintenance Contract



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A WHAT WE ARE BUYING AND WHY?

Information	Detail
Background:	<p>The current 3-waters Operations and Maintenance Contract is held by CityCare Ltd and has been in place since 2011 with an approximate annual value in the order of \$5 million. The scope of works provides for the routine maintenance of the 3-waters reticulation networks across the district. The water and wastewater treatment plants do not form part of the contract.</p> <p>The nature of this work is ongoing and is critical to maintaining essential services to our communities. In order to maintain our drinking water, wastewater and stormwater networks, the new contract includes core maintenance functions across our piped networks and associated assets. In addition to this the proposed contract has been expanded to include straight forward renewals (pipes, manholes, etc) which have previously been separately procured, investigation projects (cctv, condition assessments) and support for our water and wastewater treatment operations.</p> <p>This expanded contract will generate a lot of interest from the contracting fraternity and it is proposed to seek submissions from the market through an open tender.</p> <p>The current contract expires on 30 June 2020.</p>
Short description of goods/services:	<ul style="list-style-type: none"> • Preventative/ routine and reactive maintenance of the drinking water, wastewater and stormwater networks • Operations personnel to assist in the maintenance of the water and wastewater treatment activities, including source (water supply), treatment plants, storage (water supply) and discharge (wastewater) • Inclusion of a fixed amount (likely by value) of renewals per annum as of right with additional renewals based on performance on the base contract • A more collaborative approach to O&M planning and asset management
Expected benefits:	<ul style="list-style-type: none"> • Safe Water • Environmental Compliance • Resilient network • Greater utilization of resources
New or Replacement:	Replacement
Contract Start Date:	1 October 2020 (existing contract to be extended to 30 September 2020)
Contract type:	Operations and Maintenance Term Contract
Terms and Conditions of Contract:	NZS3917: Conditions of contract for building and civil engineering. – Fixed term
Contract Term:	5 years base contract with provision for extensions to a maximum of 10 years
Budget Information:	Estimated annual cost - \$8 million - \$10 million (tbc)

PROCUREMENT PLAN

3-Waters Maintenance Contract



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B TYPE OF PROJECT/PURCHASE

Supply of Goods	<input type="checkbox"/>
Asset purchase	<input type="checkbox"/>
Professional Advice/Consultants	<input type="checkbox"/>
Contractor Service	<input checked="" type="checkbox"/>
IT (If it is an IT Procurement you must consult with the IT Governance)	<input type="checkbox"/>
Other (provide details)	<input type="checkbox"/>

Place a cross on the option you want to select by clicking on the box. Click again to deselect.

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3-Waters Maintenance Contract



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C DESCRIPTION OF WORKS

C.1 NETWORK OVERVIEW

Hastings District Council (HDC) operates and maintains public water supply, waste water and storm water reticulation networks throughout the Hastings District.

HDC owns and operates / maintains:

- 10 public water schemes throughout the district with a total length of reticulation of 482 Kms and 22516 connections,
- a sewerage network that serves all of Hastings City, Havelock North and Flaxmere together with the townships of Clive and Whakatu, with a total reticulation of 390 Kms, 22,165 service connections and 41 pump stations and;
- a stormwater network of 313kms servicing the above townships together with Haumoana and Te Awanga.

C.2 SERVICES OVERVIEW

The current contract is held by CityCare and has an annual value in the order of \$5 million. The services under the existing contract include the routine maintenance of all the sewerage, stormwater and water reticulation systems within the Hastings District that are administered and maintained by Hastings District Council.

Operations of the water and wastewater treatment plants (including intakes and storage reservoirs) are currently undertaken in-house.

The current contract does not provide for renewals or for Research and Development (R&D) investigations which are being considered as part of the scope for the 2020 contract. Renewal and investigation works are currently procured separately.

The 3 waters industry is set to undergo significant change in the near future with the advent of a new regulator and regulations. In addition, there is a study underway looking at a combined regional 3 waters approach. We believe that any substantive changes from these national and regional initiatives are likely to evolve in the next 3 to 5 years and HDC is already well positioned to meet these challenges. Having a new contract in place which is aligned to the new regulatory environment minimises any impact and still allows the contract to adapt to any structural reforms that might eventuate.

A recently completed Single Stage Business Case has looked at a number of options for delivery of the 3-waters activity. The Business Case identified the issues and challenges being faced and the benefits being sought in addressing those problems. From this, we have identified the following investment objectives:

1. Communities can depend on 'Safe and Healthy Water'.
2. The 3-waters network is resilient
3. The environment is protected

Through the business case, a number of options were considered against risks and how each option would meet the 'business needs' under each of the following categories:

Category	Preferred Option
Scope – Operations & Maintenance Delivery	<p>Operations and maintenance contract to include 3-waters reticulation (status quo), incorporation of current ancillary contracts (as appropriate) and resources to assist HDC to deliver its water and wastewater treatment operations and maintenance.</p> <p>The HDC operators have in-depth knowledge and experience of the networks and assets but it is recognised that additional resources from an appropriately qualified contractor will provide both technical knowledge and innovative ideas as well as increased capacity. With the current infrastructure investment, including upgrading of plants and new systems, the operations team will be under-resourced in this area.</p>
Provision for Renewals	<p>The contract will include some renewals as of right including the replacement of water and wastewater laterals, backflow protection systems, water and wastewater mains and manholes. Additional renewals (non-complex) may be assigned on a project by project basis but subject to performance criteria and resource capability</p>

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Category	Preferred Option
	<p>The value of this work represents in the order of 15% of the annual renewals programme and 5% of the total capital works programme (based on 2019/20 Annual Plan figures)</p> <p>Simple / non-complex works (specific design not required) undertaken by the contractor will potentially reduce overall costs of delivering the individual packages of work without the need of a professional services provider.</p>
Asset Management	<p>We expect a more collaborative approach where the Operations & Maintenance contractor would be involved in analysis of data and development of the Forward Works Programme.</p> <p>This will enable the sharing of ideas, skills and knowledge to identify the best value for money approaches to asset management.</p>
O&M Planning	<p>Preventative / routine maintenance tasks programmed collaboratively, enabling the sharing of ideas, skills and knowledge to identify the best value for money approaches to planning of routine works.</p>
Research & Development (R&D)	<p>It is proposed to assign a proportion of our investigations on asset condition and performance within the contract scope. These works can at times be more efficiently carried out during maintenance activities.</p>

Overall, the preferred way forward is to adopt a more collaborative and partnering approach with the maintenance contractor, working as 'One Team' to maintain a high quality service that will meet the investment objectives.

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D FINANCIAL CONSIDERATIONS

The current contract has a value in the order of \$5 Million per annum.

It is proposed that the new contract have a 5-year initial term with provision for extensions to a maximum of 10 years.

This is considered a Levels of Service and Outcomes driven programme as much as a budget driven programme. The new contract has an expanded scope including:

- Network O&M (as per current contract)
- Water and wastewater Treatment support (drinking water and wastewater)
- Asset management and O&M Planning
- Renewals
- Research and Development (as a provisional item – scope to be confirmed)

As such, the estimate for the base contract is expected to increase.

The 3-waters O&M activity is provided for in the Long Term Plan 2018/28 as is the provision for treatment operations (currently in-house) and renewals. R&D is also provided for, to a degree, through capital works. Whilst there will be an increase in overall cost, some of the increase in this contract will be offset in other areas (renewals and investigations) where budget already exists. In terms of overall delivery, HDC will still be providing for O&M, renewals, asset management and R&D, it will just be managed and implemented in a more collaborative and efficient way.

The current estimate (based on the current LTP):

Activity	Estimated cost	Financial Implications
Network O&M, including planning	Up to \$8 million per annum (tbc)	Likely general increase over current costs will reflect market price. Additional planning input from the contractor would primarily be through the Contractor's Representative (who will be required to be 100% committed to the contract). Additional asset management and planning input is anticipated to be less than \$100,000 per annum (less than 1 FTE over a current staff of 30FTEs)
Treatment O&M (2 personnel and vehicles)		Cost to employ 2 x skilled treatment plant operators / specialists vs Cost to engage 2 x specialists through the O&M contract = minimal overall impact
Renewals (as of right)	\$1 million per annum	It is anticipated that the overall impact with regard to renewals will be a cost saving.
Renewals (performance-based / provisional item)	\$0.5 million per annum	The work would need to be undertaken in any case. The option of using the O&M contractor will reduce the cost of procurement (for each individual contract) and the cost of professional services for non-complex works (typically 10% of the cost for design, documentation and contract management). Providing for up to \$1.5 million per annum of renewals under the contract could potentially save in the order of \$100,000 to \$200,000 per annum (professional services fees etc.).
Research and Development (R&D) - provisional item	\$1 million per annum	It is proposed to allocate a sum in the order of \$1 million per annum to research and development. This cost will be offset from similar work already undertaken through the professional services contract or other agreements.
TOTAL (per annum)	\$10.5 million	
5-Year Base Contract Total	\$52,500,000	

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E PROCUREMENT TEAM

Project Team Member (non-evaluating)	Role	Conflict of Interest Form
Linda Cook	Contact during tender phase, response to queries and requests for further info	YES / NO
Kris Andrew	Tender process administration	YES / NO
Tender Evaluation Team Member	Role	Conflict of Interest Form
Neil Cook	Chair, Evaluation Team member	YES / NO
Craig Thew	Evaluation Team member	YES / NO
Brett Chapman	Evaluation Team member	YES / NO
Les Collins	Evaluation Team member	YES / NO
Tony Dench	Evaluation Team member	YES / NO

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F MARKET ANALYSIS

F.1 POTENTIAL SUPPLIERS

F.1.1 WHO ARE THE POTENTIAL SUPPLIERS?

The Hastings District has a sizeable market of contractors, many of whom are national companies providing services to many regions throughout New Zealand.

As part of the overall procurement process, we have undertaken an extensive market engagement exercise, visiting a number of service providers, and their clients. This has served the following purposes:

1. What are other councils doing?
2. What is the capability and interest of potential suppliers?
3. Can we do things better in the Hastings district?

Through this exercise, the following contractors have all been identified as potential suppliers, listed in alphabetical order:

- Broadspectrum
- Citycare (the incumbent)
- Downer
- Fulton Hogan
- Veolia

These 'potentials' all took part in the market engagement and provided their thoughts on contract form, scale, scope etc. They are aware the work will be coming out for tender and all have expressed interest in participating. Furthermore, all have expressed support for a collaborative working environment and all have water and wastewater treatment capability.

The main potential suppliers are large national contractors. This contract needs a large main contractor; but could possibly be delivered through a range of smaller local sub-contractors and suppliers however this imposes additional management demands for HDC. Contractors with experience in managing and maintaining large piped networks are desirable. Additional attributes such as collaboration and a strong H&S track record are also key requisites that we are seeking to procure. Local knowledge and the ability to work in both urban and remote rural areas would also be considered favourable.

Whether the incumbent is successful or whether a new contractor is selected, we do not foresee any issues with transitioning to the new contract, we are confident that there are a number of capable and interested contractors. Transition arrangements will be part of the negotiation phase with the preferred tenderer.

F.1.2 RESOURCES

The suppliers noted above all have the ability to service the contract and the size to gear up with additional resources.

Given the scope of activities required under the contract the potential suppliers will need to demonstrate their capabilities within each of these areas and identify where they will need to acquire additional resource.

Considering financial viability/strength will be part of evaluation criteria and is expected to be assessed as a component of the relevant experience and track record capabilities.

F.1.3 EXISTING RELATIONSHIPS & TRACK RECORD

Track record and good references from existing and past clients will be a key evaluation criterion. A set of targeted questions will be formulated for all reference checks to ensure consistency and in order to gain a clear understanding of strengths and weaknesses.

Council is seeking a collaborative partner and one with good track record operating in a highly visible service that effectively has them representing Council. To this end consideration will be made of the following when assessing past performance:

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- Ability to work collaboratively with the client (council) and stakeholders.
- The importance of quality and being able to demonstrate this (auditing and reporting)
- How innovative ideas have delivered improvements for the respective clients.
- Strong customer focus.
- Ability to complete work to budget and to meet programmed timeframes.
- Technical ability, resource capacity and capability.
- Evidence of procedures and methodologies applied to respond to emergency situations.
- Compliance with environmental and related regulations.
- Evidence that response times and KPI's have been met (for example response to a request for service for vegetation control and/or rectifying issues with streetlights).

F.1.4 CHARACTERISTICS OF SUITABLE SUPPLIERS

Relevant experience, technical skills and methodology would be key non-price attributes (relevant experience to be an eliminator) followed by consideration of track record and resources. Whilst the specification will be largely prescriptive specifications, there will be room in the methodology for suppliers to demonstrate where they might innovate for efficiency.

Relevant experience in both the type of work and the size of contract is the key attribute that must be demonstrated and if it cannot be demonstrated a supplier would not be considered further.

Financial strength to service the contract is also important. It is never possible to 100% guarantee ongoing sustainability but identifying that a supplier has access to sufficient working capital (in the order of \$5 million) to a) gear up, and b) service the contract on an ongoing basis will be important.

Beyond this, if a supplier can demonstrate they are capable of delivering the work then they will be considered on the merits of the remainder of their proposal.

Track record in delivering the type of services will be very important but is unlikely to be a pass/fail attribute. Aligned to this is a strong health and safety record – both for staff and public safety.

F.2 APPETITE FOR NEW SUPPLIER

Considerable effort has gone into reviewing the current delivery model and devising a new regime of greater scale and scope to attract a wide range of contractors. The nature of the contract is that we expect a single large supplier will be successful, but the important thing is that there is a competitive market to select that supplier.

The development of local small to medium-sized suppliers as sub-contractors is being encouraged. As well as building the capability of local resources, this will better enable the mobilisation of additional resources during, for example, emergency works events where additional resources are required and will ensure that as much as possible our critical service providers operate as one team.

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G PROCUREMENT PROCESS

G.1 PRICE CONSIDERATION

HDC is seeking **quality and value for money**

The cost of delivering the desired services is important and Council expects to see value for money in the delivery of the contract. However, the desire to deliver high quality services is the key driver for this contract.

With an expanded change in scope, primarily through the incorporation of water and wastewater treatment support, renewals and also making a provision for research and development, there needs to be a balance between 'what the contractor has to offer' and the price. This will be important in being able to identify value for money, where the efficiencies will be made and supplier innovation towards delivering a more effective and reliable service.

Refer to G.4 for more discussion on the proposed supplier selection method in this regard.

G.2 WHAT DELIVERY MODEL SHOULD BE USED?

A traditional contract with a combination of lump sum (LS) and Measure and Value items is preferred, delivered under a more collaborative model, allowing a sharing of skills and knowledge to deliver a more effective 3-waters activity.

There are aspects of the works that can easily be detailed as outcome based allowing transfer of risk to the Contractor through a LS item (such as the routine monthly preventative maintenance tasks), provided sufficient information and data is provided to enable sustainable pricing.

The advantages of using lump sum items include:

- Price certainty
- Service provider has an incentive to control costs
- Less administrative work for HDC (claims)

Other areas where Council is best placed to take more of the risk will be measure and value (e.g. reactive works).

A traditional contract is preferred over a performance contract or an alliance/collaborative contract. With regional and national regulatory reviews currently underway and HDC's current investment on infrastructure upgrades and the establishment of a Service Assurance team, we believe a traditional contractual arrangement best suits our current and future needs.

G.3 OPEN OR CLOSED TENDER?

Proposals should be sought by way of an open tender process.

Through the market engagement exercise, we have identified a number of capable and interested contractors. For that reason, direct appointment with the incumbent was not considered an appropriate way forward. Also, an open contest, rather than invited, will test the market further, for example overseas.

The risk of an open tender process is the submission of proposals by organisations that do not have the capability and / or capacity to meet the requirements. This risk can be reduced by using an 'eliminator', typically through minimum relevant experience requirements. This will reduce the time and cost of evaluations as well as sending a clear signal to potential suppliers on those minimum requirements.

G.4 SUPPLIER SELECTION METHOD

As noted previously, Council is heavily focussed on the quality of the supplier.

This new contract has an expanded and more collaborative scope and, as such, the RFP will be seeking a partner able to demonstrate that they can work with HDC to deliver the benefits sought.

With the intention to develop the routine works (primarily overheads and preventative maintenance) on a lump sum basis (price certainty), a quality only process will enable the evaluation team to assess the proposals in line with the price – how does the proposed methodology align to the price (what are we actually getting?), where do the risks lie etc. This open book approach will reduce the risk of uncertainty around what has been incorporated into the contractor's price, enable both parties to clearly define what it is that is being delivered (and at what cost) and so reduce the likelihood of claims for variations.

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It will also allow the TET to evaluate the potential value for money at an early stage.

Therefore, it has been concluded that the selection of a preferred supplier would be more appropriately assessed on a quality basis where price is not assessed – i.e. their demonstrated ability to be the best partner to help grow capability and capacity in both teams and deliver a more collaborative model.

The proposed selection method is a Quality Based method (recent similar experience with HDC for the Parks and Reserves contract has demonstrated the advantages of this method where collaboration is key to success).

Price / scope and risk-allocation will be negotiated with the preferred supplier after assessment of non-price attributes.

An outline of the proposed quality based process is given below:

The evaluation of RFT's will review each submitter's proposal for demonstration of competence and understanding of the services, their establishment capability, their commitment to working in a collaborative partnership, to supply the resources to undertake the works, and evaluation of best value for Hasting District Council.

Tenderers shall submit both non-price and pricing information as a single-envelope submission; Pricing information is to be supplied with the non-price attributes to allow a full understanding of the scope of service being offered.

Step 1	<p>Checks for conformance and initial scoring</p> <p>Each Tender Evaluation Team (TET) member will review the submissions and undertake an initial scoring of the submissions with a consensus score determined.</p> <p>Whilst the contract price is not scored, it may be used in the evaluation to gain confidence and understanding of tender submissions.</p>
Step 2	<p>Tenderer presentations</p> <p>To assist the TET in their marking and to seek clarifications on the submissions, including the pricing / scoping structure, tenderers will be required to give a presentation of their submission.</p>
Step 3	<p>Finalise Scoring of Tenders & Identify the Preferred Supplier</p> <p>After the presentation / interviews, there will be a further TET discussion of the findings and a revised consensus score calculated for each attribute.</p> <p>The preferred supplier is the supplier that has the highest weighted sum of the attribute scores</p>
Step 4	<p>Negotiations with the Preferred Supplier will be entered into with the intention of being able to reach agreement on the proposed price / scope and risk allocation.</p> <p>The price must then be confirmed as the 'tender price' by the tenderer along with agreement to any changes in the draft contract document.</p> <p>If the Principal and the preferred submitter are unable to reach an agreement, then the Principal will be free to negotiate with the next preferred tenderer</p>

G.5 PROBITY

As the project is both financially significant and a change from current practice, it will potentially come with a high level of public and political scrutiny. Complete documentation of the process and outcomes is critical. An independent probity auditor is recommended to provide additional assurance to Council of the integrity of the overall process. This should include having the probity auditor involved at all procurement stages, including sign-off on the proposed evaluation criteria and selection processes.

G.6 SUMMARY

Market Approach	Cross selection	Proposal Format	Cross selection
Multi-stage Tender	<input type="checkbox"/>	One envelope	<input checked="" type="checkbox"/>
Single-stage Tender	<input checked="" type="checkbox"/>	Two envelope	<input type="checkbox"/>

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Market Approach	Cross selection
Open Tender	<input checked="" type="checkbox"/>
Invited/Closed Tender	<input type="checkbox"/>
Direct Engagement/Sole source	<input type="checkbox"/>

Tender Advertising	Cross selection
GETS	<input checked="" type="checkbox"/>
Other (add details)	<input type="checkbox"/>

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H RFP DEVELOPMENT

H.1 IDENTIFY THE ELIMINATORS

There are a number of key criteria that will identify those able to do the specified works and also to differentiate in the value being offered.

The table below identifies the Pass/ Fail Eliminators (Mandatory Criteria).

They outline the 'must-have' essential characteristics.

Non-conformance must be easily defined by a **fact-based** definition

Some eliminators may also be included in the scored criteria (i.e. additional quality is of value)

Core Capability
<p><i>Experience with the scale and scope of works – this will include term maintenance contracts experience with 3-waters Operations & Maintenance Contracts, rural and urban networks and also geographic spread (resourcing)</i></p> <p><i>If a supplier cannot demonstrate this to the benchmark level (e.g. \$4 million + per annum on 3-waters term maintenance contract) they will be excluded</i></p> <p><i>(Current annual works value is in the order of \$5 million per annum)</i></p>
<p><i>Financial viability/strength – Suppliers are to provide sufficient details of their ability to access the financial resources required to deliver the outputs / adequate working capital (not less than \$4m) to service the contract requirements</i></p>
<p><i>Safety - will be a consideration but may not necessarily exclude a submitter e.g. Any H&S convictions in the last 2 years related to death or serious injury (requires full disclosure) may result in consequent exclusion</i></p>
<p><i>QA – Unlikely to be an eliminator but will be a consideration e.g. not currently certified in appropriate QA system - ISO 9001 or equivalent</i></p>

H.2 WHAT ARE THE DIFFERENTIATORS?

H.2.1 ANALYSE THE DIFFERENTIATORS

Differentiators will be developed in consideration of risks and opportunities as shown in the table below.

Risk or Opportunity	Differentiator	Attribute
<p><u>Risk</u> Collaborative relationship does not work / is not sustainable</p>	<p>History of collaborative working with clients producing positive results</p> <p>How collaborative behaviours and methodologies will be employed to build a one-team approach and assist with building capability in the client organisation</p>	<ul style="list-style-type: none"> Track Record Technical skills Methodology (referee checks)
<p><u>Risk</u> Capability of project team</p>	<p>Experience, skills and qualifications of key personnel</p> <p>Level of commitment to this project</p> <p>Demonstrated capability in all aspects of O&M, capital works, investigations and asset management</p>	<ul style="list-style-type: none"> Technical Skills (referee checks)
<p><u>Risk</u> Capability of nominated management personnel</p>	<p>Demonstrated capability in contract management for a 3-waters contract of this scale and scope, specifically skills of key management personnel</p>	<ul style="list-style-type: none"> Track Record Technical skills (referee check)

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Risk or Opportunity	Differentiator	Attribute
<p><u>Risk</u> Under-Pricing</p>	<p>Past history demonstrates sustainable pricing that doesn't result in perverse behaviours such as 'dodging' LS work or excessively hunting dayworks</p>	<ul style="list-style-type: none"> Track Record Methodology (in line with pricing) (referee check)
<p><u>Opportunity</u> Contractor experience from elsewhere enables efficiencies in delivery and will increase customer satisfaction</p>	<p>Contractor can provide examples of innovation leading to more efficient / cost-effective operations. Ability of contractor's systems to integrate with Council's systems will support processes and customer service functions Proposed methodology demonstrates understanding of what is required and where opportunities for improvement exist in Planning, Asset Management and Delivery Contractor can demonstrate where collaborative working with client has enhanced/supported client initiatives to increase internal capacity, quality and performance Methodology shows a strong customer focus</p>	<ul style="list-style-type: none"> Track record Methodology (in line with pricing)

H.3 EVALUATION - ANCHORED SCALES

H.3.1 ATTRIBUTE: RELEVANT EXPERIENCE

	Relevant Experience – Pass/Fail
<p>Minimum Requirements to Pass</p>	<ul style="list-style-type: none"> At least 2 of the projects nominated are term 3-waters contracts with annual value exceeding \$4,000,000 (ex GST) At least one of the nominated projects includes water and wastewater treatment operations and maintenance

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H.3.2 ATTRIBUTE: TRACK RECORD

Differentiators:

- (i) Collaboration
- (ii) Performance in similar projects – programme, budget, Spec, statutory compliance (H&S, QA, Environmental, DWS)
- (iii) Initiatives / innovation used to deliver more cost-effective / efficient operations

Score	Objective Definition or Example
90 – 100 Exceeds the requirement	<p>EXCEPTIONAL COMPLIANCE. Satisfies the requirements AND</p> <ul style="list-style-type: none"> • Innovative working has led to significant cost-effectiveness / efficiency improvements - results demonstrated through minimum 2% cost-savings of annual value • Improved customer satisfaction results demonstrated – to be attributable to contractor’s performance • Collaborative working resulting in increased internal capability is demonstrated • Contractor has contributed (time, resources and funds) in improving or exceeding the service delivery, quality and performance of the contract.
60 – 75 Satisfies the requirement	<p>SATISFIES THE REQUIREMENT</p> <ul style="list-style-type: none"> • Innovative working has led to some demonstrated cost-effectiveness / efficiency results - e.g. cost-savings / improved customer satisfaction results. • Evidence submitted to demonstrate good performance in 3-waters maintenance contracts – works completed to programme, budget and specification, • Evidence submitted to demonstrate good performance in 3-waters renewals contracts – works completed to programme, budget and specification, • Evidence submitted to show ability to achieve regulatory compliance • Demonstrated statutory compliance, no H&S investigations in the last 2 years • Evidence to demonstrate response times are being consistently met (supported by referee check) • KPIs for all projects show successful record of achievement. • Evidence to demonstrate effective QA, risk management and financial management • Referee check – would be willing to engage organisation for similar works - supports evidence submitted to demonstrate performance - programme, budget, Spec, statutory compliance (H&S, QA, Environmental)
30 – 45 Major reservations	<p>MAJOR RESERVATION Satisfies the requirements below, BUT....</p> <ul style="list-style-type: none"> • Referee checks do not support submitted track record / referee would not be willing to engage organisation on a similar project • Track record does not demonstrate works completed to programme, budget and specification • KPIs are not met at least 75% of the time • Organisation has received abatement notice/s for environmental non-compliance in the last 2 years • QA, risk management and financial management systems not demonstrated to be effective • Organisation has been the subject of a H&S investigation in the last 2 years
0 - 30 Does not meet the requirement	<p>FAIL/ DOES NOT MEET THE REQUIREMENT</p> <ul style="list-style-type: none"> • Track record does not demonstrate works completed to programme, budget and specification in any of the nominated projects • No track record submitted in relation to QA, risk management and financial management. • Poor performance in terms of quality of work – significant re-work resulting in the Principal engaging others to undertake the works more than twice in the last 2 years on any project / financial loss to client <p><i>Note: any H&S convictions in the last 2 years related to death or serious injury (requires full disclosure) may result in consequent exclusion</i></p>

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H.3.3 ATTRIBUTE: RELEVANT SKILLS

Differentiators:

- (i) Contractor's management personnel - collaboration
- (ii) Contractor's management personnel – contract management of 3-waters maintenance contract
- (iii) Health and Safety Representative
- (iv) Water and wastewater treatment specialists
- (v) Quality Manager
- (vi) Wider support (innovation / continuous improvement)

Score	Objective Definition or Example
90 – 100 Exceeds the requirement	<p>EXCEPTIONAL COMPLIANCE Satisfies the requirements AND</p> <ul style="list-style-type: none"> • Both Contract Manager and Contractor's Rep are at a senior level with more than 10 years' experience each in 3-waters with successful experience in two or more term Maintenance contracts with value exceeding \$4 million / annum • Contract Manager and / or Contractor's Representative have personally been involved in a project/s where collaboration with the Client has resulted in demonstrated efficiencies such as cost-savings (minimum 2% of annual value) / evidence of added value supported by referee checks / evidence of increase in customer satisfaction • Water and / or wastewater treatment specialists have personally been involved in a project/s where collaboration and / or innovation has resulted in demonstrated efficiencies and performance, supported by referee checks / evidence of increase in customer satisfaction • Additional in-house skills that will better facilitate transition to the more collaborative model – examples may be in-house design skills / research and development / asset management analysis and advice
60 – 75 Satisfies the requirement	<p>SATISFIES THE REQUIREMENT</p> <ul style="list-style-type: none"> • Contract Manager must have successful experience in managing \$4 million + per annum 3-waters term maintenance contracts – supported by Ref check. • Contractor's representative must have successful experience in at least 2 3-waters term maintenance contracts of similar scale (minimum \$4 million / annum) with at least one in a senior position and at least one including water and wastewater treatment – supported by ref check • Contractor's representative must have successful experience in 3-waters renewals / capital works. • Contractor's Representative to be 100% committed to the project • Nominated H&S Supervisor to have minimum 5 years' experience in H&S supervision in a 3-waters type environment and to have experience in the preparation and implementation of H&S Plans • Nominated QA Manager to have minimum 5 years' experience in QA in 3-waters and to have experience in the preparation and implementation of QA Plans • Asset Manager to have minimum 5 years' experience in similar works • Traffic Management Engineer to be COPTTM qualified (STMS Level 2)
30 – 45 Major reservations	<p>MAJOR RESERVATION Satisfies the requirements below, BUT....</p> <ul style="list-style-type: none"> • Contract Manager has less than 5 years' experience in 3-waters term maintenance contracts of a similar scale • Contractor's Rep has only been involved in one 3-waters maintenance contract and / or has less than 5 years' experience on similar scale contracts in a similar role • Contractor's Rep has not had involvement in water and wastewater treatment • Contractor's Rep has no renewals / capital works experience • H & S supervisor has less than 5 years' relevant experience • QA Manager less than 5 years' relevant experience • Asset Manager has less than 5 years' experience in similar works • Traffic Management Engineer less than 5 years' relevant experience

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Score	Objective Definition or Example
0 - 30 Does not meet the requirement	FAIL/ DOES NOT MEET THE REQUIREMENT <ul style="list-style-type: none">Both Contract Mgr & Contractor's Rep have no experience on 3-waters maintenance contractsH & S supervisor not nominatedQA Manager not nominatedTraffic Management Engineer not nominated / not COPTTM qualified

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H.3.4 ATTRIBUTE: RESOURCES

Differentiators:

- (i) Suitable Company Systems in place to manage a term maintenance contract of similar scale and scope
- (ii) Location / set up
- (iii) Plant, Equipment and Labour– availability / accessibility and suitability

Score	Objective Definition or Example
90 – 100 Exceeds the requirement	<p>EXCEPTIONAL COMPLIANCE. Satisfies the requirements AND</p> <ul style="list-style-type: none"> • Advanced asset management systems that can drive efficiency (examples to be provided) and could be applied to the HDC contract • Systems to enable real-time dashboard reporting across all tasks (including those sub-contracted) • Other advanced systems that can drive efficiency (examples to be provided), eg customer complaint reporting systems • Demonstrated integration with client systems and/or the development of complimentary systems (customer service, quality assurance, asset management, project management, reporting)
60 – 75 Satisfies the requirement	<p>SATISFIES THE REQUIREMENT</p> <ul style="list-style-type: none"> • Company systems in place to facilitate accurate planning, programming, resourcing, financial and progress reporting for similar scale project • Company systems support the customer services activity within HDC • QA systems are transferable to the HDC system and can be aligned with the HDC Service Assurance team • Management structure demonstrates understanding of roles and relationship with the Client • Plant and Equipment nominated is comprehensive and appropriate to the contract. Backup plant nominated to cope with extra demand or to cover for breakdowns. • Ability to source materials demonstrated • Local presence – main depot / office to be within HDC/Napier CC boundary, scores ranging in terms of distance from Council offices (within 10km, within 20km, 20km+) • Facilities / depots for management and plant operation is appropriate • Access to additional resources to cope with emergencies / ability to respond to emergency events • Provisions in place for nominated representative to be contactable 24 hrs per day
30 – 45 Major reservations	<p>MAJOR RESERVATION Satisfies the requirements below, BUT....</p> <ul style="list-style-type: none"> • Insufficient evidence given to demonstrate understanding of the type of plant required • Contractor's Rep based outside HDC / Napier CC boundary • Systems for recording, reporting and, financial performance and contract performance are provided but systems for determining forward works programmes are missing. • Main depot > 30km from HDC main office
0 - 30 Does not meet the requirement	<p>FAIL/ DOES NOT MEET THE REQUIREMENT</p> <ul style="list-style-type: none"> • Systems for recording, reporting and, financial performance and contract performance are either missing or are not adequate for this contract. • Systems for determining appropriate interventions and providing input into forward works programmes are missing. • No info provided on proposed plant • Unable to access required materials

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H.3.5 ATTRIBUTE: METHODOLOGY

Differentiators:

- (i) Collaborative Working
- (ii) Network and treatment O&M delivery
- (iii) Planning & programming / asset mgt

Score	Objective Definition or Example
90 – 100 Exceeds the requirement	<p>EXCEPTIONAL COMPLIANCE. Satisfies the requirements AND</p> <ul style="list-style-type: none"> • Examples of a collaborative methodology by the organisation that have resulted in demonstrated cost-saving and efficiencies on previous similar projects that would be transferable to this contract • Examples of innovation by the organisation that have resulted in demonstrated cost-saving and efficiencies on previous similar projects that would be transferable to this contract • Proven methodology that will support continuous improvement in the 3-waters activity • Demonstrated examples of a collaborative methodology to build knowledge (HDC and the contractor) that would be transferable to this contract • Examples where the contractor has employed new technologies or processes to improve knowledge of asset condition and performance e.g. performance monitoring, failure assessment and prediction. • There are demonstrated processes in place to inform key decisions on reactive vs preventative maintenance e.g. decisions on renewals vs repair.
60 – 75 Satisfies the requirement	<p>SATISFIES THE REQUIREMENT</p> <ul style="list-style-type: none"> • Methodology demonstrates a full understanding of what is required and identifies potential opportunities for improvement in planning, asset management and delivery • Collaboration – proposals for initiatives to support more efficient and cost-effective operations • Proposal for working 'with' the HDC treatment plant operators to deliver a more effective service and build the capability and capacity of the treatment teams • Establishment planning 'from Day 1' gives confidence in business as usual for local communities and ratepayers (the Customer) • Work Procedures identified cover full scope. • Systems are in place to manage and track tasks from start to finish. • Risk Management - procedures to identify and manage risks is flexible, and is considered to cover all current risks • Proposed processes will ensure appropriate planning and programming of works to ensure specified standards are maintained or improved • Methods to identify, prioritise and programme work provide a fully transparent programme with all faults able to be monitored and identified - Methods to identify, prioritise and programme work are predominantly proactive • Methodology demonstrates ability to respond to emergency / urgent events at short notice
30 – 45 Major reservations	<p>MAJOR RESERVATION Satisfies the requirements below, BUT....</p> <ul style="list-style-type: none"> • Methodology demonstrates a general understanding but provides little more than a 'cut and paste' exercise from the RFT • Methods to identify, prioritise and programme work are predominantly reactive. • Work Procedures identified cover less than 50% of the contract scope. • No proposals for collaborative working to deliver efficiencies and cost-savings.
0 - 30 Does not meet the requirement	<p>FAIL/ DOES NOT MEET THE REQUIREMENT</p> <ul style="list-style-type: none"> • Methodology shows no specifics for the works involved – 3-waters operations and maintenance

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H.4 TARGETED QUESTIONS – RFP

Questions have been developed to give the information you will be looking for when you score the project. These are based on the anchored scales (effectively the differentiators for each attribute).

H.4.1 RELEVANT EXPERIENCE

Relevant experience	Pass / Fail
<p>The minimum conformance standard is: Experience must include 3-waters operations and maintenance to a minimum value of \$4,000,000 per annum undertaken not more than five years ago</p>	
<p>Project Data: Provide the following details</p> <ul style="list-style-type: none"> • Project Name, location, Contract value, date of completion. • The Client's name, company and contact telephone number(s) • The Engineer's name, company and contact telephone number(s). 	
<p>Relevance: Provide the following details</p> <p>Provide details of your relevant experience for the following factors on your nominated projects. Provide a description of the work carried out and its relevance to this tender:</p> <ul style="list-style-type: none"> • 3-waters Operations and Maintenance Contracts of similar scale and complexity • Water and wastewater treatment • 3-waters renewals • Health and Safety Management • Environmental Management • Quality Assurance and Compliance 	
<p>Currency: Provide the following details</p> <p>Provide details of when the work described above was carried out, or the % complete if it is still current.</p>	
<p>Scale: Provide the following details</p> <p>Provide detail of the value and scale of the work described above that was carried out, or the value of the work completed so far if it still current.</p>	

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H.4.2 TRACK RECORD

Track Record	Weighting 15%
<p><i>In scoring this attribute, the evaluators will place high value on:</i></p> <ul style="list-style-type: none"> • <i>Implementing collaborative models of service delivery to deliver more efficient and cost-effective operations and to increase the Client's internal capability</i> • <i>Performance in similar 3-waters term maintenance contracts – ability to programme and complete works effectively, to manage budgets</i> • <i>Successful examples of customer focus initiatives and strategies, shown through improved customer satisfaction</i> • <i>H&S is of high importance and suppliers are expected to have exemplary H&S standards.</i> 	
<p>Project Data: Provide the following details</p> <ul style="list-style-type: none"> • Project Name, location, Contract value, date of completion • The Client's name, company and contact telephone number(s) • The Engineer's name, company and contact telephone number(s) 	
<p>Collaboration: Provide the following details</p> <p>Describe your experience with collaborative service delivery with examples of helping a client organisation to grow capability, working with a 'one team' approach and delivering improvement by way of value for money and improved customer service.</p>	
<p>Innovation: Provide the following details</p> <p>Describe examples where innovative initiatives and strategies have led to efficiencies and cost-effective solutions</p>	
<p>Performance: Provide the following details</p> <p>Information on 3 projects within the last 5 years is to be included. For each of your selected projects, provide evidence of:</p> <ul style="list-style-type: none"> • delivery to programme, budget and to the required standards – should include full scope. • Information on statutory compliance (Health and Safety / Environmental / DWS) for each project is to be provided. • Performance against response time • Performance against KPIs <p>Provide contact details of 2 referees for contracts undertaken in the past 3 years to support the track record details supplied</p>	
<p>Health and Safety Management: Provide the following details</p> <p>For each of your selected projects discuss how your company dealt with the following:</p> <ul style="list-style-type: none"> • Health and Safety Risk Management • Safe work practices • Traffic management control • Provide details of any significant incidents that occurred on your selected projects • Provide the information required on the Schedule of Occupational Health and Safety Management Information. 	
<p>Management: Provide the following details</p> <p>For each of your selected projects discuss how your company dealt with the following including how effectively they were managed:</p> <ul style="list-style-type: none"> • Risk Management: describe how risks were identified and managed. • Financial Management: provide detail of effort and proactive management of the project budget, cashflow and its accuracy. Discuss your approach to variations. • Quality Assurance: detail the level of proactive effort applied to the quality system. • Documentation, reporting and asset data / as-builts: describe how information was collected and what level of detail was provided to the Engineer and Principal via regular reports. • Public Relations: detail the level of proactive effort applied when dealing with the public 	

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H.4.3 RELEVANT SKILLS

Relevant Skills	Weighting 35%
<p><i>In scoring this attribute, the evaluators will place high value on:</i></p> <ul style="list-style-type: none"> • Skills, qualifications and experience of key contract personnel including Contract Manager, Contractor's Rep, QA Manager and H&S Manager • Commitment of Contractors Rep in particular but also other key personnel <p><i>The minimum conformance standard is:</i></p> <ul style="list-style-type: none"> • Contract manager and Contractor's Rep must have experience on 3-waters operations and maintenance contracts • QA and H&S Manager/s must be a nominated person committed to the contract from the commencement date 	
<p>Provide details of qualifications and experience of the following key contract personnel:</p> <ul style="list-style-type: none"> • Contract Manager (senior company officer who will be 'point of escalation') • Contractor's Representative (accountable for day to day management of contract) • Water and wastewater treatment specialists • Asset Management • QA Manager • Traffic Management Engineer • H&S Supervisor • Any key sub-contractors <p>Include details of where the personnel will be based, the level of commitment to this contract in the short (6-month), medium (1-2 year) and long term, and any other commitments outside of those proposed in this contract</p> <p>Experience in 3-waters maintenance contracts, collaborative service delivery with reference to specific projects should be supplied. Project/contract experience should demonstrate capability of similar scale and scope to the services required by this contract.</p> <p>Describe experience of named individuals in the set-up of new teams for contracts of this nature and in the management of sub-contractors.</p> <p>Include CV's of proposed key personnel</p> <p>Provide at least 1 referee for EACH INDIVIDUAL named. Where possible these referees should be from projects of a similar nature in scope</p>	

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H.4.4 RESOURCES

Resources	Weighting 15%
<p><i>In scoring this attribute, the evaluators will place high value on:</i></p> <ul style="list-style-type: none"> • Company systems, processes and tools that drive more efficient and effective service delivery • Level of resourcing of plant, equipment and labour having regard to the scope of the contract and the geographic spread of the district <p><i>The minimum conformance standard is:</i></p> <ul style="list-style-type: none"> • It is expected the Contractor's representative will be based in Hastings for the duration of the Contract and the main depot will be within a reasonable distance from the Council offices (<20km) • Demonstrated understanding of required plant and equipment and evidence it will be available • Company systems for programming, budgeting, and reporting of work complete • An appropriate QA system – ISO 9001 or equivalent is expected 	
<p>Systems: Provide the following details</p> <p>Describe the company systems that will be implemented to facilitate accurate planning, programming, resourcing, financial and progress reporting. This should include any advanced asset management and reporting.</p> <p>Provide evidence of successful implementation of company systems, with particular reference to integration with Client systems. Describe how these systems/tools have brought efficiency gains.</p> <p>Describe asset management systems proposed that can drive efficiency in planning and programming of works</p>	
<p>Management: Provide the following details</p> <p>HDC needs to be satisfied that the Contractor will have the management structure and systems in place to ensure that at all times only fully skilled and trained staff are used on these works.</p> <p>Provide an organisational chart for the company with a detailed structure diagram for the contract team to manage this contract (including any nominated sub-contractors), showing relationship links with the HDC team.</p> <ul style="list-style-type: none"> • During the establishment phase (the first 3 months of the contract) • For the contract period 	
<p>Resources: Provide the following:</p> <ul style="list-style-type: none"> • location of depots • a schedule of plant and equipment to be used on the contract along with productivity assumptions used to determine the extent of equipment required to deliver the works • indication of the labour to be used: <ul style="list-style-type: none"> ○ Manning levels / How many personnel to be 100% committed to this contract? ○ Skills experience and qualifications of plant operators and labourers ○ Proposed subcontractors and suppliers. ○ Recruitment and training • Access to materials 	
<p>Communications: Provide the following:</p> <ul style="list-style-type: none"> • Proposed IT systems both at start-up phase and for the long term. • Proposed communication systems to undertake the works and how this might interface with the Council's systems, in particular the customer services team – tracking the job from start to finish • Reporting systems, demonstrating the organisational ability to present timely and accurate claims, reports and programmes. <p>It is emphasised that HDC wish to be associated with proven systems. Assurances will be required that all communications and reporting resources and processes used by the organisation are currently in use and can be shown to be fit-for-purpose for a contract of this scope and scale</p>	
<p>Additional Support: Provide the following:</p> <p>Details on ability to mobilise additional resources in response to seasonal changes and major events or programme slippage</p>	
<p>24/365 operations: Provide the following:</p> <p>Details on ability to operate a 24/365 operation for this contract</p>	

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H.4.5 METHODOLOGY

Methodology	Weighting 35%
<p>In scoring this attribute, the evaluators will place high value on:</p> <ul style="list-style-type: none"> • How collaborative behaviours and methodologies will be employed to build a one-team approach and assist with building capability in the client organisation • Clearly thought out establishment planning to provide seamless service deliver • Planning, programming, asset management • Strong customer focus <p>The minimum conformance standard is:</p> <ul style="list-style-type: none"> • Establishment plan is provided demonstrating how the change in contractor (if applicable) will ensure a business as usual service from Day 1 • Procedures for planning, programming and implementation of works are documented 	
<p>Procedures: Provide evidence that the following procedures are in place:</p> <ul style="list-style-type: none"> • Procedures for planning, programming and implementation of work, asset management and service delivery. Include: <ul style="list-style-type: none"> ○ how whole of site ownership and public/customer service ethos will be developed and maintained ○ Management of works across the District, having a wide geographic area ○ Identification and prioritisation of works ○ Risk management ○ Quality assurance ○ Management of sub-contracted work. ○ Response to emergency events • Procedures for completion of specified works including tracking the job from start (notification of required work) to finish (reinstatement of service and surface) • Procedures for health and safety and environmental compliance and monitoring • Procedures for and rectification of non-complying work 	
<p>Task delivery, from beginning to end: Provide the following details</p> <ul style="list-style-type: none"> • How tasks are initiated from receipt of request / complaint • Describe how progress against programme will be monitored to ensure programme slippage is identified early, and how it might be mitigated. • How will customer services will be informed on progress from start to finish, including reinstatement? • Closing the loop – procedure for closing off tasks 	
<p>Collaborative Approach: Provide the following details</p> <p>Outline the collaborative initiatives you will undertake to build increased capability and a one-team approach, supporting continuous improvement, between the contractor client. This could include, for example:</p> <ul style="list-style-type: none"> • Risk sharing initiatives. • Partnering initiatives. • Information / data sharing. 	
<p>Innovation: Provide the following.</p> <p>Describe any proposed initiatives and / or innovative strategies that will support more efficient and cost-effective operations and how these might be developed, analysed and assessed for performance</p>	
<p>Establishment Planning: Provide the following:</p> <p>Provide an outline establishment plan that clearly demonstrates the key steps from award of contract to 'fully functional'. This should include:</p> <ul style="list-style-type: none"> • Establishment management structure, roles and personnel • Key activities including establishment of depot/s, implementation of systems and processes, reporting and programme development • All key risks and how they will be mitigated. It is expected that 'lessons learned' from other contracts will be used to support the proposals 	

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Methodology	Weighting 35%
<ul style="list-style-type: none">• Communications The outline Establishment Plan should include a timeline from award of contract through commencement and set-up and at least the first 3 months of the contract	
<p>Quality Assurance: Provide the following</p> Evidence that detailed quality plans are in place and that effective self-auditing of work undertaken will be carried out	

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TIMELINE

The current contract is due to expire 30th June 2020.

However, as a result of the market engagement and a subsequent reconsideration of scope for the O&M contract, we have completed a Business Case to assess the benefits of this expanded scope and proposed collaborative approach.

To ensure the appropriate approvals are in place and our 'case for change' is robust, we are seeking a 3-month extension to the contract, with a start date for the new contract being 1st October 2020. This is reflected in the table below.

Action	Date
Business Case Approval:	Thursday, 19 March 2020
Procurement Plan Approval:	Thursday, 12 March 2020
RFP Approved:	Thursday, 26 March 2020
RFP Issued:	Friday, 27 March 2020
Deadline for submission of Proposals (Closing Date):	Wednesday, 6 May 2020
<i>Govt Rules of Sourcing:</i>	
<i>Minimum Time period for 1-stage RFP (Rule 34)</i>	25
<i>Allowable Deductions</i>	
<i>Tender documents available on GETS</i>	-4
<i>Proposals accepted electronically</i>	-3
<i>New minimum time with allowable deduction</i>	18 working days
Evaluation completion / preferred supplier identified	Friday, 26 June 2020
Preferred Supplier Recommendation sign off	Wednesday, 8 July 2020
Supplier selected & unsuccessful Suppliers notified:	Friday, 10 July 2020
Negotiation:	Wednesday, 22 July 2020
Council sign off <i>Required for works exceeding \$8 million (HDC Procurement Plan)</i>	Friday, 24 July 2020
Contract Award:	Monday, 27 July 2020
Unsuccessful suppliers formally notified	Monday, 27 July 2020
Supplier debriefs:	Friday, 14 August 2020
Anticipated Contract start date:	Thursday, 1 October 2020
Anticipated Contract end date:	Monday, 30 June 2025

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J RISKS & OPPORTUNITIES

J.1.1 RISKS

There are a number of risks that will need to be considered in the procurement of these services.

Key risks identified at this stage include:

Risk	Risk rating	Discussion
Lack of proposals	L	No submissions or only 1 or 2 submissions means a less competitive environment in which to evaluate proposals and will not provide the desired comparisons. Based on the market engagement exercise undertaken, the risk of this is low.
Buy in from elected members	L/M	A change in contract scope may lead to some uncertainties. Ongoing communication with Council will reduce this risk.
Capacity and capability	M	Recognised as a sector problem, the ability to engage the right contractor will have a real impact in the ability to deliver an effective service. A change in scope, with the inclusion of treatment in the out-sourced services, is anticipated to build up capacity and capability across the activity.
Funding	L/M	Funding is secured on an annual basis through the Annual Plan. Ongoing communication with Council will aid in securing funding. Whilst it is recognised that the cost will increase due to changes in scope (treatment operations / planning input / renewals), the value in doing this needs to be demonstrated.
Collaborative relationship does not work / is not sustainable	L	Collaboration is critical to the success of this new and expanded O&M contract. Relationship management will be key to this.

J.1.2 OPPORTUNITIES

Opportunities under this contract include:

- Improvements
- More efficient service delivery through collaborative planning
- Potential for major innovations

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K SUSTAINABILITY

In accordance with the HDC Procurement Plan, sustainability is of strategic and statutory importance to Council. The LGA 2002 requires Council to take a sustainable approach by taking into account the social, economic, environmental, and cultural wellbeing of people and communities, the need to maintain and enhance the quality of the environment, and the needs of future generations. Sustainability must therefore be considered throughout the entire procurement process.

Innovation will be sought through the contract and this can include sustainability options.

The contractor will be required to comply with all resource consents and to put into place procedures to minimise any environmental impacts through their Environmental Management Plan.

Also to be taken into account is the proposed collaborative approach which will support a sustainable service, in particular within the HDC team, through increasing capability and capacity.

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L APPROVALS

Required Sign Offs	Council*	Tender Committee	Infrastructure Manager (CT)	3-Waters Manager (BC)	Delegated Financial Authority Holder
Check Budget Available				✓	✓
Procurement Plan Approved by	✓		✓	✓	
Tender documents approved for release			✓	✓	
Tender Evaluation Recommendation	✓		✓	✓	✓
Execution of contracts / variations				✓	✓

* Project in excess of \$8 million

The reference table above is a guide to significant milestones in the procurement process and the recommended level of business approval required. If there is no IT component, this column can be ignored.

The Procurement Plan should be **prepared** by the project manager **endorsed** by the budget holder and **approved** by the appropriate Group Manager (or delegate).
 The budget manager and Group manager (or delegate) may be the same person. At least two separate signatories are required. When authorising the procurement plan the one up rule applies i.e. the document should be referred up to the relevant budget/line manager.

Attachment 1

Version	Date	Description	Name	Role	Signature
		Drafted by	<u>Linda Cook</u>	<u>Consultant</u>	
		Reviewed by	<u>Brett Chapman</u>	<u>3Waters Manager</u>	
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REPORT TO: CIVIC AND ADMINISTRATION SUBCOMMITTEE

MEETING DATE: THURSDAY 12 MARCH 2020

FROM: COMMUNITY GRANTS ADVISOR
KEVIN CARTER

SUBJECT: CONTESTABLE GRANTS AND FUNDING FRAMEWORK
2020-2023

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to get final sign off of the document titled 'Contestable Grants and Funding Framework 2020-2023'
- 1.2 This report contributes to the purpose of local government by primarily promoting social wellbeing and more specifically through the Council's strategic objective of assisting people in need.
- 1.3 This framework includes updated funding priorities for the Community Grants Scheme and the introduction of a cap of \$20,000 per grant. To be eligible for funding groups need to show how their project fits with one or more of the priorities below.
- Uplifting our communities' wellbeing by providing access to help and advice.
 - Fostering a sense of pride within our district and across our diverse communities
 - Promoting happy, healthy and active communities.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Committee receives the report titled Contestable Grants and Funding Framework 2020-2023.**
- B) That the Committee adopt the document titled 'Contestable Grants and Funding Framework 2020-2023'.**

3.0 BACKGROUND – TE HOROPAKI

- 3.1 In 2018 recommendations were made for changes to the 2019 funding round, it was decided that a larger review of the community grants and funding was needed.
- 3.2 In 2018 and 2019 three workshops were held to get feedback on a number of draft frameworks, this included:
- Benchmarking against other councils
 - Best practice from Philanthropy New Zealand
 - New contestable grant opportunities
 - Community feedback
- 3.3 In June 2019 a draft 'Contestable Grants and Funding Framework' document was presented to the Community Grants Subcommittee who provided feedback on the framework. The draft document and feedback provided at the June meeting was also discussed with a small number of key community groups to get their feedback on the proposed changes.
- 3.4 The attached document (**Attachment 1**) was presented and discussed at the last Civic and Administrations Subcommittee workshop on the 13/02/20
- 3.5 The attached document titled 'Contestable Grants and Funding Framework 2020-2023' includes the feedback and recommendations from the last workshops.

4.0 DISCUSSION - TE MATAPAKITANGA

- 4.1 A key piece of feedback that came out of the committee workshops in 2019 was the need to improve on our accountability of grants. A greater focus is required to ensure that groups that are provided with funding are using the funds in the most appropriate ways and in line with the outcomes that they have identified in their application.
- 4.2 To improve accountability process a new fully online grants management system called Smarty Grants has been introduced to ensure all grants are accounted for correctly, this system is widely used across local and central government across both New Zealand and Australia.
- 4.3 The new Smarty Grants System ensures grants are tracked from advertising and application to accountability and review. This system helps staff review each project's accountability and help measure the success of each project.
- 4.4 Embedded in the Smarty Grants system is CLASSIE (Classification of Social Sector Initiatives and Entities). CLASSIE questions have been added to the Application, Accountability and Evaluation forms to assist in capturing the outcomes and groups that were the actual beneficiaries of the project. This information can be used to provide a picture of what was planned versus what actually took place as well as assisting us to measure how we are improving the wellbeing of our communities

- 4.5 The review also exposed some weakness in previous contracts. New MBIE approved contracts are now being used for all grants (funding agreements) and social service contracts (Contracts for Service)
- 4.6 Through discussions with other council departments that provide grants there was a desire to ensure we provide the same level of service and requirements on groups. All groups that apply for contestable grants and funding across the organisation now go through the online grants management tool ensuring all groups are treated equally. The new 'Contestable Grants and Funding Framework' will continue to ensure the same level of service is provided across Council.
- 4.7 Having the new online grants management tool has enabled more council departments to move their grants to a more contestable framework. This now makes these grants more accessible to the wider community, ensuring fairness and equity across these grants schemes.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 5.1 To adopt the framework and priorities for 2020-2023

Advantages

- Clear direction for community grants moving forward
- The 20k cap on community grants gives the organisations a clear indication of the maximum value of the grant available

Disadvantages

- Groups that have previously been awarded more than \$20,000 will need to find alternative funding opportunities

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianeī

- 5.2 Status Quo, no funding framework,

- Currently there is no guidance for contestable community grants
- Council provides many grant avenues that don't connect or share common themes, groups receive different levels of service depending on which grant they apply for

6.0 NEXT STEPS - TE ANGA WHAKAMUA

- 6.1 The adopted framework will be made available to the wider community and sent to those groups that have received funding in the past. (Attachment 2 shows an example of the communication groups will receive)
- 6.2 Groups that have previously been awarded more than \$20,000 from the Community Grants Scheme will be contacted individually to explain the new process and the new cap of \$20,000 per application.

- 6.3 The 2020 Community Grants round is due to open on the 6th April using this new framework and priorities.

Attachments:

- 1↓ HDC Contestable Grants & Funding Framework 2020-2023 CG-16-14-00023
2↓ Community Grants Example Communication CG-16-14-00024

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Link to the Council's Community Outcomes - E noho hāngai pū ai ki te rautaki matua

This proposal promotes the social well-being of communities in the present and for the future.

Māori Impact Statement - Te Tauākī Kaupapa Māori

This funding framework will be used to administer the Marae Development Fund

Sustainability - Te Toitūtanga

There are not implementations for sustainability :

Financial considerations - Ngā Whaiwhakaaro Ahumoni

<Enter text> :

Significance and Engagement - Te Hiranga me te Tūhonotanga

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance.
Those community groups that may be affected have been contacted directly.

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto, ā-waho

Consultation and engagement with council committees, council staff and community groups

Risks: Legal/ Health and Safety - Ngā Tūraru: Ngā Ture / Hauora me te Haumaru

New MBIE contracts have been approved and rolled out across community grants

Rural Community Board - Ngā Poari-ā-hapori

This funding framework will be used to administer the Rural Halls Fund



CONTESTABLE GRANTS AND FUNDING FRAMEWORK 2020 - 2023

February 2020



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Attachment 1

CONTESTABLE GRANTS AND FUNDING

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CONTESTABLE GRANTS AND FUNDING

INTRODUCTION

Hastings District depends on having a strong community and voluntary sector to support vulnerable communities and activate the district. The Hastings District Council (Council) has supported organisations in many ways in the past. There is a constant desire to make sure the Council is contributing appropriately to the sector, that the funding helps achieve positive outcomes and the systems in place are relevant and easy-to-use.

This Contestable Grants and Funding Framework aims to provide a clear framework for how the Council will fund community and voluntary organisations to contribute to the vision of the District as outlined in the Long Term Plan. The word 'community' is used here in its broadest sense: it signals that our community funding

Framework will support the broader outcomes such as the social, cultural, economic and environmental wellbeing of all our people and places.

Hastings District Council has many different sources of funding to empower organisations to meet their shared goals including, but not limited to:

- Community Grants
- Creative Communities funding
- Waste minimisation fund
- Youth Fund
- Mayor Fund
- Operational contracts for service
- Events Funding

FUNDING CURRENTLY COVERED BY THIS FRAMEWORK

Acknowledging that there are many different avenues for groups to gain council support including funding, this framework is currently only covering the following, but can be used as a framework for new grants in the future.

COMMUNITY

- Single-Year Community Grant (*formally Seed Funding / Community Grants*)
- Multi-year Strategic Community Partnership Fund (*formally Discretionary & Establishment Fund*)

EVENTS AND ACTIVATIONS

- Single-Year Community Event Fund (*newly contestable*)
- City Vibrancy Fund (*new /date tbc*)
- Council Facility Fee Assistance (*formally Service Wavier*)

ARTS

- Creative Communities

ENVIRONMENTAL

- Waste Minimisation Contestable Fund (*newly contestable*)

FACILITY DEVELOPMENT

- Marae Development Fund
- Rural Halls Maintenance Fund

STRATEGIC CONTEXT

The following Hastings District Council Strategies, plans and policies are critical to this Contestable Grants and Funding Framework

- Long Term Plan 2018-2028
- HDC Event Strategy
- Toi-Tu- Regional Arts and Culture Strategy
- Local Community Plans
- Social Wellbeing Framework
- Joint Waste Management and Minimisation Plan

Council's vision of Great Living, Today and Tomorrow will be fulfilled through the following 6 Broad Areas of focus:

- **Our Environment**
- **Moving Around**
- **Our Economy**
- **Where We Live**
- **Things To Do**
- **Our People**

This Contestable Grants and Funding Framework was developed to contribute to achieving focus areas 5 and 6

- **Focus area 1** – our Environment
 - Environmental Enhancement
- **Focus area 5** – Things To Do
 - Relaxing into our reserves
 - City Centre Cultural Precinct
- **Focus area 6** – Our People
 - Uplifting Communities
 - Youth Development

This Contestable Grants and Funding Framework also contributes to Council's community outcomes and specific Council objectives as set out in the Long Term Plan 2018-2028 by:

Local Infrastructure:

- Places and Spaces for Recreation
- Appealing Visitor Destination
- Places and spaces for arts, culture, learning
- A community that wastes less
- Sustainable use of land and water resources

CONTESTABLE GRANTS AND FUNDING

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Local Public Services:

- People safe from crime
- Fostering recreational participation
- Assisting youth in education, skill development and jobs
- Building a resilient and job rich local economy
- Appealing visitor destination
- Assistance for people in need
- Fostering the arts and cultural experience
- District heritage is conserved for future generations
- A community which wastes less
- Putting people at the centre of planning and service

FRAMEWORK OBJECTIVES AND GOALS

The objective of the Contestable Grants and Funding Framework is to provide a clear direction for financial support for the development of the areas voluntary and community sector, while also ensuring that the Council's resources are targeted at meeting its strategic outcomes.

This Framework describes the grant types that are created by Council to support the voluntary and community sector. This will make it easier for Council staff to be equitable and transparent in their treatment of organisations, and for organisations to understand how Council provides support to the sector.

GRANTS BUDGET

The funding available for each of the grants programmes is generally determined through the Long Term Plan process and adjusted for inflation annually through the budget process.

Council can elect to earmark amounts to grant for particular purposes during the annual budget process. The overall amount available per grants programme, and any amounts earmarked for particular purposes, will be published in advance of funding rounds opening for each new financial year.

The budget for the Creative Communities Grants comes directly from Creative New Zealand

The budget for the Waste Minimisation Fund comes from Council's Waste Disposal Levy Funds

Attachment 1



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COMMUNITY GRANTS PRINCIPALS

To ensure equity across the different types of funding support covered by this framework a number of principles will be applied.

TRANSPARENCY

Grants programmes will operate transparently in all respects and all stages of the process, while protecting confidentiality.

Clear information about the opportunities to apply for funding, and Council's expectations of applicants and recipients, will be provided in a timely manner. Information about all the grants Council provides, who has received them and for what purpose, will be published annually. Council will also provide feedback to unsuccessful grant applicants about why they have been declined, so they will know what they can do to increase their chances of success next time.

EQUITY

All communities will have an equal opportunity to be considered for grants, and Council will ensure applicants are treated fairly, regardless of their size, location (within the Hastings District Council boundary) or circumstances, and provide any support they may reasonably require in applying for grants. The organisational status of an agency (registered charity, unincorporated society, social enterprise and so on) will not be a barrier to funding, so long as the organisation can demonstrate that it is established and operating as a not-for-profit agency.

ACCOUNTABILITY

Staff and decision-makers will work together to deliver good value for residents, by supporting initiatives that are cost effective and which can produce clear benefits for our communities. Assessment will be based on individual proposals, their merits and how well they align with Council's funding priorities.

Council may take into account an applicant's previous track record, their current capability and their future potential when awarding grants.

Council expects all grant applicants to give advance thought to how they will know their project, activity or service has been a success. For larger grants and partnerships, applicants will be asked to propose appropriate outcome measures, and a plan for how these will be monitored and reported back.

All grant recipients will be required to account for how they have spent funds and share what they have achieved and learnt.

RESPECT

Council shares many interests, values and goals with the not-for-profit sector, but also recognises that the sector is made up of self-determining and independent organisations.

Like the Council, each has its own mission, and is accountable to its own community.

Council's relationships with these organisations will be characterised by mutual respect and an acknowledgement that delivering positive outcomes is a shared responsibility.

CONTESTABLE GRANTS AND FUNDING

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COMMUNITY LEAD

Grants are a means of financially supporting community-led initiatives, and in this respect they are fundamentally different from other procurement arrangements. When Council procures from a third party, it is purchasing a service to meet a specific need or requirement, and that service is delivered to Council's specifications.

In contrast, the initiatives Council supports through grants are conceived and delivered by the community, for the community. This distinction will be reflected in the grants programme, in the language that is used, the process that is designed and the relationships that Council enters into with grant recipients.

PROPORTIONALITY

Council will strive to balance its statutory responsibility to ensure the lawful and prudent expenditure of public funds, with a commitment to work in a way that acknowledges integrity of community organisations, and recognises the impact of its requirements on their limited time and resources. The information Council collects, and its expectations of grant applicants/recipients, should always be proportionate to the scale of what is being proposed or funded. The processes and documentation that organisations are asked to complete should be appropriate to the size of the grant, the situation of the applicant and the level of risk presented to the council.

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CONTESTABLE GRANTS AND FUNDING

RULES FOR CONTESTABLE GRANTS

FUNDING AGREEMENT & CONTRACTS FOR SERVICE

Any form of funding will be described in a Funding Agreement or a Contract for Service and may include key performance indicators and agreed upon deliverables.

The agreement will contain the responsibilities that both the Council and the organisation receiving support agree upon, and the project, activity or service that the organisation will provide to the community. The contract will vary depending on the amount of support provided and the type of support.

ELIGIBLE APPLICANTS

The primary beneficiaries of community grants will be not-for-profit, charitable and voluntary organisations operating in the Hastings District for Hastings District residents. These groups are often referred to collectively as 'community organisations' because they are established with the primary purpose of providing a benefit to the wider community. There are three main groups that can apply for Community Grants:

- Community organisations; Most community organisations have a formal legal structure and founding documents (e.g. a constitution) which set out governance and management arrangements consistent with their charitable mission. Having a recognised structure enables Council to enter into a formal legal agreement with the organisation, and ensures appropriate accountability for how grant funds will be managed.
- Groups with no formal legal structure; Groups with no formal legal structure may apply for funding, provided they are able to nominate an 'umbrella' organisation which has agreed to receive and administer the grant on their behalf – the umbrella organisation will be legally accountable to Council for the expenditure of the funding.
- Social innovation and social enterprise; Council welcomes funding applications from social enterprises delivering outcomes for our communities. Social enterprises exist in a hybrid space, where social, environmental or cultural goals and commercial objectives come together. To be classed as a social enterprise for the purposes of grant applications an organisation needs to demonstrate the majority of its profits/surplus is reinvested in the fulfilment of its mission.

INELIGIBLE APPLICANTS

Community grants as covered by this framework are not available to:

- Political parties
- Schools*
- Commercial entities**
- Internal applicants (for example to fund projects, programmes or facilities run by Council or its employees)
- Hastings District Council CCOs (Council Controlled Organisations)
- Other local authorities, government agencies or public sector entities

* Schools may apply to for a grant for non-curriculum projects

**Commercial Entities may apply for a waste minimisation fund

ELIGIBLE EXPENSES FOR GRANT FUNDING

Applicants will be asked to provide an overall budget for the project, activity or service that will deliver those outcomes. In most cases Council will be one of several sources of funding for the project, activity or service rather than the sole funder, and this should be reflected in the budget.

The budget for the project, activity or service is likely to include a range of costs. Examples include:

- Project wages*, professional fees (e.g. artists' fees) and volunteer expenses
- Administration and office expenses
- Accommodation expenses including rent, leases, maintenance, insurances and utilities
- Costs integral to service delivery (e.g. vehicle expenses for a mobile social service)
- Marketing, advertising, website and printing costs
- Programme expenses such as materials, equipment hire, venue hire and tutor's fees.

Applicants will need to indicate how they plan to spend their council grant including details of the project, activity or services and how it will be used to fund specific components of the budget, or to help offset the overall cost. Appropriate outcomes for the level of funding Council provides will be negotiated with recipients, and any special conditions for how the grant can be spent will be reflected in the funding agreement.

**Wages need to be connected to an outcome and be project based.*

INELIGIBLE EXPENSES FOR GRANT FUNDING

The Contestable Grants and Funding Framework provides decision-makers with considerable flexibility to determine how best to support their communities to deliver positive outcomes, as outlined above. However, there are some purposes that will not be funded.

The following activities will not be funded:

- Debt servicing or repayment
- Legal expenses
- Activities that promote religious ministry or political purposes and causes
- Medical expenses
- Public services that are the responsibility of central government (e.g. core education, primary health care)
- Large physical works – e.g. improvement to community buildings – that require consents or permits, prior to the necessary consents or permits being obtained (grants may be awarded in principle but funds will not be released until all conditions are satisfied)
- Purchase of alcohol
- Retrospective costs (where the activity has already taken place), unless this is necessary as a condition of the grant or Council is satisfied there are other mitigating circumstances
- Groups who's services are delivered outside the district

CONTESTABLE GRANTS AND FUNDING

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LOWER PRIORITIES

In a competitive funding environment, the following may be a lower priority for funding:

- Ongoing Salaries and administration costs
- Travel and accommodation outside the area, unless Council is convinced there will be a tangible benefit for local communities
- Fundraising events or activities, especially where the beneficiary is a third party (e.g. charity events, sponsored walks), unless we determine the event has a wider community benefit beyond its primary purpose as a fundraiser
- National organisations
- Health based organisations that could be funded by the DHB
- Education based organisations that could be funded by the MOE
- Groups whose services are not located in the district
- Council may specify additional exclusions for funding to those set out above. Refer to the relevant grants programme for more information about specific exclusions

CONFLICTS OF INTEREST

Organisations affiliated in some way to elected members or employees of Council can still be considered for grant funding. However, organisations in this category should note any possible conflict of interest (or perception of a conflict of interest) in their application to ensure any necessary steps can be taken to mitigate this.

Elected members or council employees involved in funding decisions are also required to note any possible conflict of interest (or perception of a conflict of interest), and will not be involved in any assessment or decision-making related to these applications.

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CONTESTABLE GRANTS AND FUNDING

ASSESSMENT AND PRIORITISATION

This section explains the factors Council will consider when assessing proposals, to determine their relative merit, and assist decision-makers to prioritise between proposals of similar merit.

PROPOSAL ASSESSMENT

Each funding proposal should be assessed by at least three different people, discussed and then allocated according to the groups' recommendation. When assessing the strength of an individual proposal, and which proposals should be considered a priority for funding, decision makers will consider whether the applicant has:

- Made a compelling case for how their proposal aligns to the funding priorities established
 - Clearly defined the purpose and expected community outcomes of their project, activity, or service, for example the need they are meeting and why this is important
 - Clearly described their project, activity or service, what will be delivered and have satisfied Council that it is viable
 - The capability, capacity and experience to deliver their project, activity or service to an appropriate standard, evidenced by a relevant track record of successful delivery
 - Presented a realistic, evidenced-based budget for their project, activity or service, and identified exactly how the grant would be spent
 - Given thought to how they will show the grant has positively impacted the community (or for larger grants and partnerships, identifying how they will evaluate the success of their project, activity or service)
 - Understands who their project, activity or service will benefit and where in the Hastings District Council area these people are likely to come from
 - The necessary experience, networks or profile to give them credible access to the people who will benefit
 - Provided evidence of community support for, and/or involvement in the project, activity or service and/or evidence of support from their recognised regional or national body (where relevant)
 - Shown that their project, activity or service will support multiple funding priorities (this is not required, but may lend additional weight to the application)
 - Outlined all Council funding (financial or otherwise) it has currently received at the time of applying
- Council will apply the 'proportionality principle' in evaluating the applications. Applicants seeking larger grants will be expected to answer in more detail and provide additional evidence compared with applicants seeking smaller grants.

FINANCIAL CONSIDERATIONS

Council grant programmes are consistently oversubscribed, and it is not possible for Council to meet all requests for funding. In making decisions Council will take applicants' overall financial situation into consideration.

Council will ask all grant applicants what they (or others) will contribute to the cost of their proposed project, activity, or service. An applicant's own contribution may include volunteer labour, donated materials, donated professional services and/or their own cash reserves.

When assessing and prioritising applications, Council may take into account any or all of the following:

- The applicant's overall financial position, including their ability to support the project, activity or service from their own resources and/or to access grants from other sources.
- Whether the applicant has accessed, or made reasonable attempts to access, other sources of financial support for their project, activity or service, including grants from other funders, or fundraising within their community.
- Whether the applicant has received, or is receiving, any other grants, contracts, subsidised accommodation or other financial assistance from Council.

FUNDING PRIORITIES

The aim of funding priorities is to provide a clear guidance to potential applicants on what the Council would particularly like to fund to achieve community outcomes that contribute to its strategic direction. As part of setting the funding priorities, Council may specify additional exclusions for funding to those set out in this Framework – such as setting a minimum or maximum grant size, or excluding certain types of expenditure (for example international travel). It may also highlight factors they consider would significantly impact on their decision making. These additional exclusions will be communicated to applicants prior to applying.

FUNDING ALLOCATION PANELS

Funding allocation panels will be appointed for various funding programmes to ensure the right mix of relevant expertise and knowledge are involved in assessing grant applications. Allocation panels will be appointed before the commencement of each funding round for a duration of three years to align with councillor appointments. This is to ensure that there is a broad mix of expertise on the panels on an on-going basis and to ensure other people have the opportunity to experience being a panel member.

Some smaller funds will be assessed by council staff, for these funds an internal funding assessment group will be established based on the skill set needed. Funding Assessment groups should be made up of at least three people to ensure fairness and transparency across all applications and funding rounds



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Attachment 1

CONTESTABLE GRANTS AND FUNDING

TYPES OF COMMUNITY GRANT PROGRAMMES AND PRIORITIES

SINGLE YEAR COMMUNITY GRANT

This fund provides funding up to 20k for new ideas that meet a key priority area

Priority areas for the Single Year Community Grant are:

1. Uplifting our communities' wellbeing by providing access to help and advice.
2. Fostering a sense of pride within our district and across our diverse communities
3. Promoting happy, healthy and active communities.

MULTI-YEAR STRATEGIC COMMUNITY PARTNERSHIP FUND

These funds are for community initiatives that are already up and running, meet our vision and are clearly making a big difference in our communities, these are three year partnership agreements

Priority areas for the Strategic Community Partnership Fund are:

1. Assisting youth in education, skill development and jobs
2. Assistance for people in need
3. Fostering the arts and cultural experience
4. People are safe from crime
5. A community which wastes less
6. District heritage is conserved for future generations

COUNCIL FACILITY FEE ASSISTANCE

This fund helps charitable or not-for-profit organisation in Hastings with the cost of Council Parks, Reserves and Venues for Community Events

Priority areas for the Council Facility Fee Assistance Fund are:

1. Diversity, The event for which the grant is sought must benefit significant numbers of Hastings residents
2. Accessibility, The event must be accessible to the wider community

SINGLE-YEAR COMMUNITY EVENT GRANT

Hastings District Council Single-year Event Grant supports not-for-profit community organisations that support small community led events that are aligned with Council plans and strategies and contribute to the social or economic wellbeing of the district.

The Community Events Fund is available to not-for-profit community organisations planning community events in the Hastings District that are in line with Council's Event Strategy

CITY VIBRANCY FUND

Hastings District Council City Vibrancy Fund supports community organisations to run activations, events and projects that add to the vibrancy of the Hastings CBD. These small community led events that are aligned with Council plans and strategies and contribute to the City Vibrancy and Hastings Alive Plans.

CONTESTABLE GRANTS AND FUNDING

CREATIVE COMMUNITIES SCHEME

These grants are available for arts projects. The funds are supplied by Creative New Zealand, applicants to this fund must show how their project fits with criteria set by the Creative Communities Scheme and Hastings District Council.

Creative New Zealand has three funding criteria for this scheme. They are:

1. Broad community involvement, The project will create opportunities for local communities to engage with and participate in arts activities
2. Diversity, The project will support the diverse arts and cultural traditions of local communities, enriching and promoting their uniqueness and cultural diversity
3. Young people, The project will enable and encourage young people (under 18 years) to engage with and actively participate in the arts

WASTE MINIMISATION CONTESTABLE FUND

The Waste Minimisation Contestable Fund aims to support waste minimisation projects that result in a new waste minimisation activity, either by implementing new initiatives or expanding on existing activities. To contribute to building a community that values our resources, re-uses, re-purposes and recycles what it can.

Achieved through education, engagement and the development of new technology and ways of working.

Priority areas for the grant for Waste Minimisation Fund are

1. Minimisation / avoidance / reduction of waste creation
2. Reuse of waste materials
3. Recycling of waste materials
4. Recovery of waste resource (the selective extraction of disposed materials for a specific next use, such as recycling, composting or generating energy).

MARAE DEVELOPMENT FUND

The Marae Development Fund assists with marae preservation and development, with projects assessed against eligibility criteria set out in Hastings District Council's Marae Development Fund Policy.

RURAL HALLS MAINTENANCE FUND

Councils rural halls maintenance funding scheme is designed to assist with the building maintenance of halls in the rural and plains areas of Hastings. It does not cover ongoing operational costs or capital development.



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FURTHER INFORMATION

Further Information around Hastings District Council's grants schemes can be found at

www.hastingsdc.govt.nz/grants

Or by contacting

Community Grants Advisor

communitygrants@hdc.govt.nz





The way we give out community grants has changed...

There are some key changes that may affect your group and the funding you can access from Hastings District Council, key changes include:

- New online application process
- New names for community grants
- There are now more contestable grants scheme to apply for
- New priority areas for Council Community Funding

New online application process

All of our contestable grants are now available via a new fully online grants management system called **Smarty Grants** correctly, this system is widely used across local and central council departments across both New Zealand and Australia. This online system enables you to manage all your Hastings District Council grant applications and accountability reports in one place. Support and workshops will be available for new users of the system.

New names for community grants

To better differentiate funding available to our community organisations we have changed the name of our grants round, previously called 'Community Grants' we have changed the name to '**Single Year Community Grants**'. This name better explains the timeframes connected with this round. A cap of \$20,000 per application has also been applied to ensure we can support as many organisations and projects as possible each year.

For organisations wishing to apply for over \$20,000 they will need to approach council via the annual planning process, we can support your group to do this. Groups can apply via the annual planning process to be considered for Multi-year Strategic Community Partnership Funding.

There are now more contestable grants schemes to apply for

We now have more contestable grants schemes that your group might be eligible to apply for, and may better fit your project:

- Single-Year Community Grant
- Single-Year Community Event Fund

- Council Facility Fee Assistance
- Creative Communities
- Waste Minimisation Contestable Fund
- Marae Development Fund
- Rural Halls Maintenance Fund

More information around the different grants available can be found at <https://www.hastingsdc.govt.nz/grants/>

New priority areas for Single-Year Community Grant

Single Year Community Grants are for the development and delivery of community services or projects. Hastings District Council encourages local community groups and organisations to work with Council towards meeting the current and future needs of our community. If your organisation is delivering projects or services that fit with one or more the priorities set out below, we invite you to apply to our annual Single Year Community Grant.

Each year Council contributes funds to a diverse range of groups delivering community services or projects across the district. Organisations are able to apply for up to \$20,000 per year. For larger projects its unlikely Council will provide the total amount of funding required so groups will need to show how they can attract funding from other agencies and charities outside of Council or have the ability to put in significant amount of money into the project themselves. Council is looking for new and innovative ways to help support the current and future needs of our communities

To be eligible for funding, groups need to show how their project fits with one or more of the priorities below.

- Uplifting our communities' wellbeing by providing access to help and advice.
- Fostering a sense of pride within our district and across our diverse communities
- Promoting happy, healthy and active communities.

Applications for the Single-Year Community Grants open on the 6th April

HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Telephone 06 871 5000 | www.hastingsdc.govt.nz



REPORT TO: CIVIC AND ADMINISTRATION SUBCOMMITTEE

MEETING DATE: THURSDAY 12 MARCH 2020

FROM: **MANAGER: DEMOCRACY AND GOVERNANCE**
JACKIE EVANS

SUBJECT: **CIVIC HONOURS AWARDS 2020 - REVIEW OF CRITERIA**

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to review the criteria by which Civic Honours are awarded. In 2019, the previous Council asked officers to investigate ways to make the Award more inclusive and to attract applicants from a more diverse “pool” of voluntary agencies, whilst retaining the distinct honour of the award as the pinnacle of achievement for the District’s volunteers. Prior to the launch of this year’s Civic awards, it was considered an appropriate time to review the process by which applications are made and the selection process.
- 1.2 This report contributes to the purpose of local government by primarily promoting social and cultural well-being and more specifically through the Council’s strategic objective of uplifting our communities.
- 1.3 This report sets out a range of suggestions to open up nomination process with the aim of increasing the opportunities for community service volunteers to be nominated for a Civic Honours Award.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Council/Committee receives the report titled Civic Honours Awards 2020 - Review of Criteria.**
- B) That the Committee recommend to Council that the criteria for making nominations for Civic Honours Awards be amended to allow consideration of the following:-**
- The inclusion special categories for youth volunteers and new voluntary organisations;**
 - The impact of the voluntary work to be considered alongside length of service;**
 - The definition of voluntary to include service hours which are over above paid work and Honoria payments; and**
 - Accepting video blogs and presentations in addition to written forms as part of the application process.**

3.0 BACKGROUND – TE HOROPAKI

- 3.1 The Civic Honours Awards have been running for a number of years. Since 1988 records show that 299 individual volunteers and 14 groups have received awards at an annual ceremony hosted by the Mayor. There is no limit on the number of individual recipients awarded each year, but group awards are limited to two per year.
- 3.2 The criteria for recognising individual and group volunteers is set out below:-
1. *Any person who has carried out meritorious voluntary service in the Hastings District in **one (1)** of the following categories of Community Service:*
 - **Arts and Culture**
 - **Education and Youth**
 - **Health and Welfare**
 - **Recreation and Sport***is eligible for nomination by any two (2) citizens of the Hastings District. If only one nominator is stated, the nomination will not be accepted.*
 2. *Bona fide organisations, associations, societies or clubs may make nominations – any such group can nominate more than one person for consideration. Two (2) executive officers of the nominating organisation, association, etc are required to sign the nomination form and record the titles of their office alongside their signatures.*
 3. *Information given concerning nominees needs to include full details of the merits of nominees so that the Civic Honours Award Subcommittee appointed to decide the recipients of awards may exercise its function with full knowledge of the qualifications of the nominees. We emphasise that details sought are not merely those of offices held. Information needs to be supplied concerning actual voluntary work or activities carried out, together with length of service in each category.*
 4. *It will be necessary for the consent of the nominee to be obtained after selections are made and have been confirmed by Council.*
 5. *Nominations which are not successful in any one year may be re-submitted for consideration in subsequent years.*
 6. *Previous recipients of a Civic Honours Award are ineligible to receive a future award for the same type of voluntary service.*
 7. *As a general rule, nominees must be residents of the Hastings District. However in exceptional circumstances the Civic Honours Award Subcommittee may, by unanimous agreement, make an award to a non-resident of the Hastings District, if the voluntary community service has been carried out in the Hastings District.*

8. *The Award Scheme provides that, as a matter of policy, any nominee who has received Royal Honours shall only in exceptional circumstances be given an award for Voluntary Community Service.*
 9. *Past councillors are eligible for this award and will be given consideration based on their voluntary community service. Please note; sitting councillors are ineligible for nomination.*
 10. *If, after a person has been nominated, that person dies, the nomination in respect of the deceased shall be duly considered on its merits and, if successful, a Civic Award can be awarded posthumously.*
 11. *An individual may not be nominated by family members.*
 12. *Members of the public or councillors should only nominate, or write in support of one individual or group per year.*
 13. *The decision of the Civic Honours Award Subcommittee shall be final and binding.*
- 3.3 In the 2019-2022 triennium responsibility for selection has changed to this Subcommittee. The purpose of this report is to consider ways to make the Award more inclusive and to attract applicants from a more diverse “pool”, whilst at the same time retaining the distinct honour of the award as the pinnacle of achievement for the District’s volunteers. Prior to the launch of this year’s Civic Awards, it was considered an appropriate time to review the process by which applications are made and the selection process.
- 3.4 Applications have been received by way of a written application form which is attached (**Attachment 1**).
- 4.0 DISCUSSION - TE MATAPAKITANGA**
- 4.1 In previous years, the selection panel paid particular attention to the following criteria:
- Length of Service
 - The voluntary nature of the service (no financial remuneration)
 - From the written evidence provided in the application form the voluntary activities undertaken and the impact of the work for the community.
- 4.2 **Length of Service:** Whilst length of Service and number of hours devoted to community service, the criteria might also include the **impact** of the service. This could be assessed by evidence from beneficiaries (in writing, photographs, video logs or in person).
- 4.3 **Clearer guidance on the definition of voluntary** This has previously been defined as receiving no financial remuneration which has been a barrier in the following situations:
- People involved in education who are paid for an element of their work, but go above and beyond their salaried job to provide service to the

community (working with young people through youth theatre, youth orchestras, dance, sport etc).

- People working for community organisation who receive a small honorarium for their work which does not reflect the level of commitment or time devoted.
- 4.4 The selecting committee has previously made its selection upon the evidence provided in the attached written application form. Consideration could be given to alternative ways of receiving an applications. For example online video applications or presentations to the Committee.
- 4.5 The current traditional application process may act as barrier to younger people and organisations representing minority groups or deprived communities. It might be appropriate to introduce new categories. For example: Youth Volunteer or New Voluntary Organisation.
- 4.6 The challenge for the Subcommittee is to broaden the application process to appeal to a wider pool volunteers and organisations, whilst retaining the Civic Honours Awards as a special honour which celebrates an extraordinary level of commitment to voluntary community service.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

5.1 Amend the criteria to include:

- Evidence of the impact of the voluntary service – who benefits and how. This evidence could be in the form of personal accounts in writing, via video or personal presentations to the committee.
- Balance length of service with an assessment of impact.
- Take account of the community service undertaken over and above paid work for certain jobs (for example teachers and peripatetic music, sport dance and drama teachers).
- Accept applications in different formats: written application forms, video logs or presentations to the Committee.
- Include youth and new voluntary organisation award.

Advantages

- Encourage more applications from parts of the community and organisations who may have been deterred by the requirements of a formal written application.
- Civic Honours Awards recipients will be more diverse and represent voluntary service contribution which represents the whole community.

Disadvantages

- Making the application process more accessible could make the selection process more onerous.

- A greater number of recipients could make the celebration event too large and dilute the current special honour of the award.

Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianeī

5.2 Retain current criteria.

6.0 NEXT STEPS - TE ANGA WHAKAMUA

6.1 The timetable for the 2020 Civic Honours Award is as follows:-

6-April	Nominations Open
6-May	Nominations Close
19-May	Subcommittee meeting to decide on Award Recipients
4-June	Council Meeting
Thurs mid August	Civic Honours Awards

Attachments:

1 [↓](#) Civic Honours Award Nomination Form

CG-03-02-12-425

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

Fit with purpose of Local Government - E noho hāngai pū ai ki te Rangatōpū-ā-rohe

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Social and Cultural

Link to the Council's Community Outcomes - E noho hāngai pū ai ki te rautaki matua

This proposal promotes the uplifting of our communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

To encourage more applications from voluntary groups that represent the whole community including mana whenua.

Sustainability - *Te Toitūtanga*

N/A:

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

N/A:

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

N/A:

Risks: Legal/ Health and Safety - *Ngā Tūraru: Ngā Ture / Hauora me te Haumarū*

None:

Rural Community Board - *Ngā Poari-ā-hapori*

To encourage more applications from voluntary groups that represent the whole community including rural areas.

NOTE: Candidates are not eligible if they are receiving a salary for their voluntary service

1. Type of Nomination (check one):

An Individual (please proceed to 2. below)

A Group/Organisation (please proceed to 3. below)

2. Individual Nomination:

Full name of Nominee: (Mr / Mrs / Miss / Ms) _____

Postal Address: _____

Phone No: _____ (home) _____ (mobile)

Email: _____

Voluntary work that this person has contributed to the Community: _____

Amount of time dedicated to this work: _____

What have they done that was exemplary?: _____

List any Awards that they have received for this work: _____

Provide any other supporting information (*attach additional pages as required*): _____

Item 7

Attachment 1

3. Group/Organisation Nomination:

Full Name of Group/Organisation: _____

Purpose of Group/Organisation: _____

Postal Address: _____

Contact Person: _____

Phone No: _____ (work) _____ (mobile)

Email: _____

Number of members: _____

Length of time in operation: _____

List any Awards the Group/Organisation has received: _____

Second Nominator

Full Name (Mr / Mrs / Miss / Ms) _____

Organisation: (If appropriate) _____

Postal Address: _____

Phone No: _____ (home) _____ (mobile)

Email: _____

Signature: _____ Office Held: _____
(If appropriate)

*This form is available for online entry or to download at:
www.hastingsdc.govt.nz/civic-awards*

**PLEASE RETURN TO: Civic Honours Awards, Hastings District Council, Private Bag 9002,
Hastings 4156 or customerservice@hdc.govt.nz**