

**Minutes of an extraordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 25 February 2021 commencing at 9.00am**

**Present:**

Mayor Boulton; Councillors Clark, Copland, Gladding, Lewers, MacLeod, Miller, Shaw and Smith

**In attendance:**

Mr Mike Theelen (Chief Executive Officer), Mr Peter Hansby (General Manager, Property and Infrastructure), Mr Stewart Burns (General Manager, Finance, Legal and Regulatory), Mr Geoff Mayman (Commercial and Procurement Manager), Ms Jane Robertson (Senior Governance Advisor); two members of the media and one member of the public

**Apologies/Leave of Absence Applications**

Apologies were received from Councillor Ferguson and Councillor MacDonald.

**On the motion of the Mayor and Councillor Copland the Queenstown Lakes District Council resolved that the apologies be accepted.**

**Declarations of Conflicts of Interest**

No declarations were made.

**Public Forum**

*The Mayor sought the indulgence of the Council to allow Mr Blackford to speak in the public forum although he had not followed the procedure required under Standing Orders to pre-register. The Council agreed that it was acceptable to allow Mr Blackford to speak.*

**1. Mr Chris Blackford**

- Mr Blackford praised the recent actions of Council staff to assist him in removing some broken yellow lines which had been erroneously painted on his street.
- He was aware of many elderly people complaining about parking infringements, often for petty matters and involving considerable cost. He believed that this enforcement practice was turning people away from the Queenstown CBD.
- QLDC needed to be more accommodating for those travelling in motor homes.
- It was important to keep rates increases to a minimum but he considered that QLDC rates were reasonable in comparison with other areas of New Zealand.

**Confirmation of Agenda**

**On the motion of the Mayor and Councillor Lewers the Queenstown Lakes District Council resolved that the agenda be confirmed without addition or alteration.**

**1. Interim changes to Procurement Guidelines**

A report from Geoff Mayman (Commercial and Procurement Manager) detailed a number of issues with the present procurement guidelines and proposed an interim approach before a full review of the Council’s Procurement Policy and Guidelines could be undertaken. The report recommended updating the financial thresholds, with the two key changes being:

- a. Adding direct appointment/Sole source negotiation to the procurement methods; and
- b. Creating a new spend threshold and adjusting the following threshold.

The report noted (and recommended) that a reviewed Threshold Table (with changes highlighted) would appear thus:

Estimated Total Contract Value		Up to \$10,000	\$10,001 to \$50,000	\$50,001 to \$100,000	Greater than \$100,001
Procurement methods	Direct Appointment / Sole Source Negotiation	✓	X	X	X
	Preferred Supplier or 3 Quotes	✓	✓	X	X
	Restricted Tender	✓	✓	✓	X
	Open Tender	✓	✓	✓	✓
	Procurement Departure Request (Approved Procurement Plan)	✓	✓	✓	✓

Mr Mayman, Mr Hansby and Mr Burns presented the report. A number of questions were raised and responded to.

There was discussion about the historic situation that had brought the report about, noting also that it was responding to a whole of governance growing awareness for procurement to be well-structured, competitive and transparent. In addition, it was agreed that price should not be the only driver and that climate change would now be a lens cast over all procurement.

Mr Burns advised that the proposed way forward depended upon the correct application of delegated authority and all staff would be made aware of the guidelines and would be expected to follow them.

Councillor Shaw asked for an explanation why an independent external review was not deemed ‘useful or necessary’. The Mayor noted that the question had been referred to the Audit, Finance & Risk Committee which would determine if independent advice was warranted.

Councillor Shaw also expressed concern that staff had ignored an existing policy, adding that in her view this lack of adherence to parts of the policy had not been addressed effectively in the report or the proposed way forward. The Mayor did not support taking action to address past actions, but supported the measures proposed in the report.

In response to an earlier query from Councillor Gladding, the Chief Executive noted that the Council could not rescind the decision of the Audit, Finance and Risk Committee to transfer the control of the Procurement Guidelines from governance to management. However, as the paramount decision-making body, Council could today agree on the interim changes proposed to the Procurement Guidelines.

**It was moved (Councillor Lewers/The Mayor):**

**That Council:**

- 1. Note the contents of this report and the issues faced with the existing Procurement Guidelines;**
- 2. Note that the proposed changes are interim only and not intended to replace the full review of the Policy or Guidelines;**
- 3. Confirm that the operation and use of a number of activities, existing procurement methods and contract types are compliant with the Guidelines;**
- 4. Approve the addition of Direct Appointment/Sole Source Negotiation as accepted procurement method;**
- 5. Approve amendments to the Guidelines:**
  - a. Financial Threshold table to explicitly provide for Direct Appointment/Sole Source Negotiation up to \$10,000; and**
  - b. Include an addendum of classes of activities, existing procurement methods and contract types that are compliant with the Guidelines.**

**It was moved as an amendment (Councillor Gladding/Councillor Shaw):**

**That part (2) of the motion be amended to read:**

**That Council note that the proposed changes are interim only and not intended to replace the full review of the Policy of Guidelines, with a report to come to Council by 2 September 2021.**

The amendment was put and carried and became the substantive motion.

**It was moved as an amendment (Councillor Gladding/Councillor Shaw):**

**That part (5a) of the motion be amended to read:**

**That Council approve amendments to the Guidelines:**

- a. **Financial threshold table to explicitly provide for Direct Appointment/Sole Source Negotiation up to \$10,000 and direct appointments will be required to have sign-off by two persons.**

The amendment was put and lost.

In response to a request from Councillor Shaw, the Mayor agreed to take each part of the motion separately.

**On the motion of Councillor Lewers and the Mayor it was resolved that the Queenstown Lakes District Council:**

- 1. Note the contents of this report and the issues faced with the existing Procurement Guidelines;**

*Councillor Gladding recorded her vote against the motion.*

**On the motion of Councillor Lewers and the Mayor it was resolved that the Queenstown Lakes District Council:**

- 2. Note that the proposed changes are interim only and not intended to replace the full review of the Policy of Guidelines, with a report to come to Council by 2 September 2021;**

*Councillor Gladding recorded her vote against the motion.*

**On the motion of Councillor Lewers and the Mayor it was resolved that the Queenstown Lakes District Council:**

- 3. Confirm that the operation and use of a number of activities, existing procurement methods and contract types are compliant with the Guidelines;**

*Councillor Gladding and Councillor Shaw recorded their votes against the motion.*

**On the motion of Councillor Lewers and the Mayor it was resolved that the Queenstown Lakes District Council:**

- 4. Approve the addition of Direct Appointment/Sole Source Negotiation as accepted procurement methods;**

*Councillor Gladding and Councillor Shaw recorded their votes against the motion.*

**On the motion of Councillor Lewers and the Mayor it was resolved that the Queenstown Lakes District Council:**

- 5. Approve amendments to the Guidelines:**
  - a. Financial Threshold table to explicitly provide for Direct Appointment/Sole Source Negotiation up to \$10,000; and**
  - b. Include an addendum of classes of activities, existing procurement methods and contract types that are compliant with the Guidelines.**

*Councillor Gladding and Councillor Shaw recorded their votes against the motion.*

*The meeting concluded at 9.50am.*

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**MAYOR**

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**DATE**