

Full Council

12 December 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [7]

Department: Community Services

Title | Taitara: Procurement Plan for Parks Maintenance Contracts

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is for Council to consider approving of the proposed procurement plan for new Parks maintenance contracts.

Executive Summary | Whakarāpopototaka Matua

Existing maintenance contracts for Parks have been in place since 2017/18 and are due to expire in June 2025. It is necessary for Queenstown Lakes District Council (QLDC) to undertake procurement for new contract(s) for 1 July 2025 onwards.

The overarching business objective is to secure a competent and resilient supply chain able to deliver all of QLDC's business requirements (Parks) in full, on time, to specification and demonstrate good value for money.

Approval of this procurement plan will allow Council officers to proceed to tender.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report; and
2. **Approve** the Procurement Plan for Parks Maintenance Contracts.

Prepared by:



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20 November 2024

Reviewed by:



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25 November 2024

Authorised by:



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20 November 2024

Context | Horopaki

1. QLDC is required to procure new Parks maintenance services following the June 2025 expiry of the existing three maintenance contracts that have been in place since 2017/18.
2. In accordance with QLDC's Procurement Policy, procurement must consider the cost over the full term (whole of life). It is assumed for procurement purposes to be the maximum term of eight years. The estimated whole-of-life contract value therefore requires officers to seek Council approval.
3. It is proposed that QLDC will seek a maximum of three Contractors to meet its needs. We are open to a landscape of between two to three distinct contracts. It is unlikely a single supplier will be able to provide the requirements to all three contracts due to the span of expertise required to deliver all of our requirements. A single contractor undertaking all works increases a risk to QLDC when we are reliant on one supplier. Officers have prepared a single procurement plan which represents three associated Request for Proposal (RFP) documents. These will be released to the open market in January 2025 for a contestable sourcing process via the Government Electronic Tender Service (GETs) to close in March 2025 for evaluation. Evaluation includes both price and non-price attributes (outlined in the procurement plan) and will facilitate value for money.
4. Council officers undertook an in-depth review and scoping exercise to identify the proposed contract landscape outlined.
5. This procurement plan allows for the direct appointment of future capital work approved as part of 2024-34 Long Term Plan (LTP) to the successful tenderer/s by means of a competitive process at time of tender to the values outlined in the signed contractual agreement.
6. Further detail can be found in the Procurement Plan and Project Overview contained within Attachments A and B.
7. Council officers will return to Council in April 2025 for approval to award to preferred suppliers. This will include options based on a balance between a continuation of our existing high business requirements and affordability.

Analysis and Advice | Tatāritaka me kā Tohutohu

8. There is no realistic option to reject the procurement plan, so this report does not evaluate alternative options.
9. The Parks maintenance contract model outlined below was developed by capturing the past contract term as gained by Parks Officers and other stakeholders.
 - Key drivers were identified and included:
 - A need to meet our bio-diversity and climate commitments and to ensure QLDC has the specific contract expertise to meet community expectations and standards
 - Affordability and delivering value for money

- A fair and reasonable approach to the delivery of our existing high business requirements to all three wards
- Rationalize roles and responsibilities to ensure the right people are doing the right job
- Greater emphasis on incorporating asset management best practice to manage assets to the lowest lifecycle costs and deliver value with evidence-based decision making which guides future investment
- Greater capacity and capability to deliver capital/renewal programs

10. Based on the past eight years of contract service delivery and the user demands upon QLDC’s Parks assets, officers are proposing a new contract model structure merging the most relevant asset and service requirements into dedicated standalone contract formats. This is set out below;

New Contracts model landscape
<p>‘Open Spaces’</p> <ul style="list-style-type: none"> • Horticulture, • Safety and Hygiene • Mowing • Cemeteries and Internments • Playgrounds • Sports field management • Event delivery (international & domestic) • Delivery of renewals programs
<p>‘Arboriculture and Vegetation’</p> <ul style="list-style-type: none"> • Tree management services (street, reserve, trails, rural) • Tree planting • Pest plant programs
<p>‘Tracks & Trails’</p> <ul style="list-style-type: none"> • Tracks and Trails maintenance • Delivery of minor civil works and related renewals programs

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

11. This matter is of medium significance, as determined by reference to the Council’s Significance and Engagement Policy 2024 because of the importance placed on open spaces, the green assets and social infrastructure across the district by the community and mana whenua, the community level of interest in the maintenance or these spaces and assets, and the direct impact on quality of Life. The decision to procure also relates to Council’s capability and capacity to maintain its levels of service and is of a high monetary value (acknowledging this procurement value is within existing approved budgets and in alignment with relevant policy). This recommended level of significance is in alignment with the criteria described in the Significance and Engagement Policy 2024.
12. The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community and/or visitors and/or Council contractors.

13. The Council will inform the market via a Notice of Intent (NOI) with a Request for Proposal available on GETS in January 2025

Māori Consultation | Iwi Rūnaka

14. The Council has not consulted with Māori on this topic as the matter is administrative in nature.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

15. This matter relates to the Financial risk category. It is associated with RISK10013 Unexpected change in cost or funding within the QLDC Risk Register. This risk has been assessed as having a very high residual risk rating.
16. The approval of the recommended option will allow Council to implement additional controls for this risk. This will be achieved by engaging appropriate contractors while taking into consideration QLDC business requirements in relation to the delivery of Parks assets and service delivery requirements. Undertaking this process enables you to avoid or minimising that risk by having the appropriate skills and resources in place.

Financial Implications | Kā Riteka ā-Pūtea

17. The table below provides details for the available budget to deliver the Parks Maintenance Services as captured within the adopted LTP 2024-2034.
18. The contracts will be subject to two more LTPs over the next eight years and will be amended through that time as the district grows and that this funding profile anticipates that but is subject to change in future years

Financial year	Amount	Funding type
2025/26	\$ 3,000,000 \$10,000,000	Capex Opex
2026/27	\$ 3,000,000 \$10,400,000	Capex Opex
2027/28	\$ 3,000,000 \$11,000,000	Capex Opex
2028/29	\$ 3,000,000 \$11,400,000	Capex Opex
2029/30	\$ 3,000,000 \$11,800,000	Capex Opex
2030/31	\$ 3,000,000 \$12,300,000	Capex Opex
2031/32	\$ 3,000,000 \$12,700,000	Capex Opex
2032/33	\$ 3,000,000 \$13,100,000	Capex Opex

The total budget for the full 8 years is:

OPEX	\$93,000,000
CAPEX	\$24,000,000

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

19. The following Council policies, strategies and bylaws were considered:

- Procurement Policy

20. The recommended option is consistent with the principles set out in the named policies.

21. This matter is included in the Long Term Plan/Annual Plan.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

22. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Well maintained and accessible open spaces are essential to community wellbeing. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

23. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Procurement Plan, Parks Maintenance Contracts 2025
B	Project Overview