



Infrastructure Committee Meeting

on

Tuesday 4 September 2018

**Council Chambers
District Council Building
2 King George Place
Timaru**

Timaru District Council

Notice is hereby given that a meeting of the Infrastructure Committee will be held in the Council Chamber, Timaru District Council Building, 2 King George Place, Timaru on Tuesday 4 September 2018, at the conclusion of the Environmental Services Committee meeting.

Committee Members

Clrs David Jack (Chairperson), Paddy O'Reilly (Deputy Chairperson), Nigel Bowen, Peter Burt, Andrea Leslie, Richard Lyon, Sally Parker, Kerry Stevens, Steve Wills and the Mayor.

Local Authorities (Members' Interests) Act 1968

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

Bede Carran
Chief Executive

Infrastructure Committee

4 September 2018

Agenda

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Timaru District Council
for the meeting of 4 September 2018

Report for Agenda Item No 6

Prepared by Ashley Harper
Group Manager Infrastructure

Confirmation of Minutes

Minutes of the 24 July Infrastructure Committee meeting.

Recommendation

That the minutes of the Infrastructure Committee meeting, excluding the public excluded items, held on 24 July 2018 be confirmed as a true and correct record.

Timaru District Council

Minutes of a Meeting of the Infrastructure Committee held in the Council Chamber, District Council Building, King George Place, Timaru on 24 July 2018 at 9:48 am

Present Clrs David Jack (Chairperson), Peter Burt, Nigel Bowen, Andrea Leslie, Richard Lyon, Paddy O'Reilly, Sally Parker, Kerry Stevens, Steve Wills and the Mayor

Apology Proposed Clr Stevens
Seconded Clr O'Reilly

"That the apology from Karalyn Reid of the Pleasant Point Community Board be accepted."

Motion carried

In Attendance Charles Scarsbrook– Temuka Community Board
Wayne O'Donnell – Geraldine Community Board
David Scarlett – New Zealand Transport Agency
John Keenan – New Zealand Transport Agency
Chief Executive (Bede Carran), Group Manager Infrastructure (Ashley Harper), Land Transport Manager (Andrew Dixon) and Executive Assistant Infrastructure (Kate Walkinshaw)

1. **Urgent Business – Proposed Road Closure for '150 Years – Our History Illuminated' Event**

Proposed Clr Jack
Seconded Clr Wills

"That the Proposed Road Closure for '150 years – Our History Illuminated' event be considered as urgent business at this meeting as the event is due to take place before the next committee meeting."

Motion carried

2. **Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

3. **Chairperson's Report**

The Chairperson reported on meetings he had attended and duties he had carried out on behalf of the Committee since the last meeting including Industrial Relations Subcommittee meeting, Citizenship ceremony, Council meeting, Fulton Hogan Innovations presentation, meeting with a property lessee with Clr Lyon and Group Manager Infrastructure, Trust Power Awards Panel meeting and BA5 event at the Timaru Airport. It was noted that praise for the quality of the

Timaru Airport renovations should be conveyed to the Group Manager Infrastructure and his team.

4. **Confirmation of Minutes**

Proposed Clr Leslie
Seconded Clr Burt

“That the minutes of the Infrastructure Committee meeting of 12 June 2018 be confirmed as a true and correct record.”

Motion carried

5. **State Highway 1 Pareora**

The Committee considered a report by the Land Transport Manager to consider the New Zealand Transport Agency (NZTA) response to the road safety issues raised by the Pareora community in the petition presented to Council on 26 February 2018.

The Committee welcomed David Scarlett and John Keenan from NZTA. The report from NZTA was discussed, specifically the proposed relocation of the passing lanes, the decision not to reduce speed and measures to be taken to reduce loss of life and how these will be monitored. It is a complex situation due to the various factors. The works outlined in the report are to commence within the calendar year.

Proposed Clr Burt
Seconded Clr Parker

“That the proposed implementation programme be monitored for effectiveness.”

Motion carried

6. **Government Policy Statement on Transport and Enhanced Funding Assistance Rates for Local Government**

The Committee considered a report by the Land Transport Manager to brief the Committee on the final Government Policy Statement on Land Transport 2018/19 – 2027/28 (GPS 2018) and the funding implications for the Timaru District Council.

The Land Transport Manager provided further insight into the GPS, noting there is a new focus with significant funding for public transport and to focus on roading improvements. Walking is now considered transport and this results in probable additional financial assistance for footpath programmes, however the allocation and exact numbers will not be known until August 2018.

Proposed Clr Stevens
Seconded Clr Burt

“That the report be received and the funding implications noted.”

Motion carried

7. **Urgent Business – Proposed Road Closure for ‘150 Years – Our History Illuminated’ Event**

The Committee considered a report from the Land Transport Manager seeking approval for temporary road closures on Friday 3 August and Saturday 4 August 2018 for Timaru District’s ‘150 years – Our History Illuminated’ event.

Proposed Clr Wills
Seconded Clr Burt

“That the Infrastructure Committee approves, under delegated authority from Council, the temporary closure of King George Place (from Barnard Street to Perth Street) to ordinary vehicular traffic on Friday 3 August 2018 from 6.30pm to 12.00am and King George Place (from Barnard Street to Perth Street) and Sophia Street (from King George Place to Perth Street) on Saturday 4 August 2018 from 2.00pm to 11.00pm. This is pursuant to Sections 319 and 342 of the Local Government Act 1974 and the 10th Schedule, for the purpose of allowing the Timaru District Council ‘Our History Illuminated’ community event.”

Motion carried

8. **Exclusion of the Public**

Proposed Clr Stevens
Seconded Clr Jack

“That the Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:

**Confirmation of
Minutes - Property
Purchase**

Section 7(2)(b)(ii)

The withholding of information is necessary to protect the information that would be likely unreasonably to prejudice the commercial position of the person who supplied the information.

Section 7(2)(i)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).”

Motion carried

9. **Readmittance of the Public**

Proposed Clr Jack
Seconded the Mayor

“That the public be readmitted to the meeting.”

Motion carried

The meeting concluded at 11.17 am.

Chairperson

Infrastructure Committee
for the Meeting of 4 September 2018

Report for Agenda Item No 7

Prepared by Frazer Munro
Development Manager

North Street Overbridge – Extension of Designation Period

Purpose of Report

1. To propose a Council resolution to extend the lapse date for the North Street Overbridge Designation (No.6225).

Background

2. In 2008, Council obtained a designation for the works and land subject to the North Street Overbridge. This includes a railway overbridge from the end of North Street over the Main Trunk Railway Line to intersect with Fraser Street and a roundabout link into the port area. These works are necessary to ensure continuing safety and efficient access to the southern part of the Port of Timaru industrial area.
3. Section 184A(2) of the Resource Management Act 1991 (RMA) stipulates that a designation lapses on the expiry of 5 years after the date on which it is included in the district plan, unless as is the case with this designation, a different period is specified when incorporated into the plan. This designation specified a 10 year expiry period.
4. The North Street Overbridge Designation (No. 6225) was incorporated into the district plan on 10 October 2008, therefore it expires on 10 October 2018.
5. The period of a designation may be extended by section 184A(2)(b) of the RMA states:
(b) within 3 months before the expiry of that period, the territorial authority resolves that it has made, and is continuing to make, substantial progress or effort towards giving effect to the designation and fixes a longer period for the purposes of this subsection;
6. The test for substantial progress or effort requires that there be real or ongoing progress or effort. Legal advice obtained on this matter confirms that the inclusion of the project in the Long Term Plan, the Canterbury Regional Land Transport Plan, having conceptual design completed and the formulation and progression of a work programme constitutes substantial progress and effort.

Options

7. Do nothing. The current designation will lapse and the rights to undertake the work and use the land for a future overbridge will be lost. This results in the risk of the southern port access being compromised if the existing level crossing is closed or restricted.
8. Resolve to extend the designation by 10 years. This will enable the option of an overbridge to be exercised under the current Long Term Plan and will protect access options to the southern port area.

Identification of Relevant Legislation, Council Policy and Plans

Resource Management Act 1991

Long Term Plan

District Plan

Timaru Transportation Strategy

Canterbury Regional Land Transport Plan

Assessment of Significance

9. This matter is not deemed significant under the Council's Significance and Engagement Policy.

Consultation

10. No consultation has been undertaken as part of this report. Extensive public consultation was undertaken as part of the original designation process.

Other Considerations

11. There are no other considerations relevant to this matter.

Funding Implications

12. Funding is anticipated in the Long Term Plan.

Conclusion

13. To protect the access options to the southern port area and enable the project in the Long Term Plan, the designation should be extended an additional 10 years.

Recommendation

That the North Street Overbridge Designation (No.6225) be extended for 10 years.

Infrastructure Committee
for the Meeting of 4 September 2018

Report for Agenda Item No 8

Prepared by Andrew Dixon
Land Transport Manager

Canterbury Regional Public Transport Plan

Purpose of Report

14. A draft Regional Public Transport Plan 2018-28 (draft RPTP) has been prepared for public consultation and Environment Canterbury Officers wish to present the key points of this Plan to the Infrastructure Committee members.

Background

15. The Canterbury Region is required to have a Regional Public Transport Plan (RPTP) for the next three years. The draft RPTP covers services in the greater Christchurch area and wider Canterbury region including Timaru.
16. The Plan has been prepared by the Greater Christchurch Public Transport Joint Committee and Environment Canterbury. The public transport services in Timaru are not within the remit of this Joint Committee. These remain the responsibility of Environment Canterbury which is a legislative requirement.
17. The draft RPTP has been prepared with an aim of encouraging the public to engage more actively with public transport. Sharing and asking for feedback on the plan and the long-term vision is the first stage of this journey.
18. The draft RPTP has been approved by Environment Canterbury and is available on its website. (A copy of the Plan will be separately circulated)

Options

19. Environment Canterbury Officers will be delivering a presentation to the Infrastructure Committee members outlining the draft RPTP and the options. Environment Canterbury will be seeing feedback on the RPTP.

Identification of Relevant Legislation, Council Policy and Plans

Land Transport Management Act 2003

Assessment of Significance

20. This matter is not deemed significant under the Council's Significance and Engagement Policy.

Consultation

21. The RPTP will be released by ECan from 17 September 2018 for formal public consultation. Submissions will be considered and heard by a panel consisting of representatives of the Greater Christchurch Public Transport Joint Committee and Environment Canterbury.

Other Considerations

22. Environment Canterbury is exploring changes to the way the Timaru public transport system is delivered. Proposals have been called for and these are being considered. The scope of potential changes was presented to Council members in a workshop held on 14 August 2018. Due to the commercial sensitivity of the proposals, this workshop was in committee.

Funding Implications

23. There are no funding implications related to this matter.

Conclusion

24. A draft Canterbury Regional Public Transport Plan for the next three years has been prepared and will be released for public consultation. Environment Canterbury Officers will be in attendance at the Infrastructure Committee meeting to present the RPTP and seek Council feedback.

Recommendation

That the report be received.

Infrastructure Committee
for the Meeting of 4 September 2018

Report for Agenda Item No 9

Prepared by Ashley Harper
Group Manager Infrastructure

Peter Hall
Project Manager WSP-Opus

Aoraki Roding Collaboration – Memorandum of Understanding Renewal

Purpose of Report

25. To recommend to the Infrastructure Committee the renewal, with amendments, of the Aoraki Roding Collaboration (ARC) Memorandum of Understanding (MoU) for a three year term from 1 October 2018.

Background

26. The MoU is “to actively seek to collaborate and co-operate with each other to improve the effectiveness and efficiency with which they achieve the identified objectives and desired outcomes for specific aspects of roading asset management and network operations”.
27. The original MoU was in response to recommendations (2012) of the Government’s Road Maintenance Task Force to identify opportunities to increase the effectiveness of road maintenance. A subsequent cross-sector initiative involving representatives from local government, LGNZ and NZTA resulted in the formation (2012) of the Roding Efficiency Group (REG). The basic philosophy is to raise the bar to improve value-for-money and develop best practice systems that are customer focused – all done in a consistent and collaborative manner.
28. The current MoU took effect on 1 October 2016 with a term of 2 years and with any extension being via further agreement. It incorporates the Supplementary Agreement the Councils entered into on 9 October 2015 to facilitate the procurement of new contracts for roading maintenance services from 1 December 2015.
29. The current MoU was an extension of that of October 2014 between the Ashburton, Mackenzie, Timaru and Waimate District Councils. Prior to that, in June 2014, a MoU was in place between Mackenzie, Timaru and Waimate Districts.

30. The current MoU expires on 30 September 2018. Prior to its expiry it is appropriate to review the scope, the benefits achieved and the effectiveness of the MoU to determine what is appropriate going forward from 1 October 2018.
31. The collaboration has involved leadership and guidance from Chief Executives and Engineering Managers of each Council while regular activity within ARC has been largely through the Technical (Tech) Team. This team comprises representatives of each Council, typically comprising the Roothing/Land Transport Managers and other senior roading staff. The Tech team meets every 4 – 6 weeks and have maintained a consistency high, almost 100% attendance rate which demonstrates interest and a desire to be part of the Collaboration.
32. The Collaboration utilises an independent project manager, external from Councils. There has been benefit in having a person with a singular focus to drive and facilitate the implementation of the specific tasks required of the Collaboration and the Technical Team in particular. Latterly this service has extended to assist in expediting some outstanding specific shared tasks across the four districts. The cost of the project manager is shared on a population basis.

Progress and achievements with implementation of the MoU

33. To date some of the collaborative activity has been in the strategic sense but most is better described as operational. Priority has been given to the high demands of the annual and tri-ennial cycles of the roading system and there has been worthwhile and beneficial collaborative thinking applied to these activities.
34. Working in this way has also highlighted just where the strengths and weaknesses of the individual councils are. It has helped in the distillation of the 'go to' individuals for specific activities. The interaction across the staff of the four districts continues to grow. The challenge now is to extend and embed this interactive approach to all levels in the roading teams, and into the future.
35. Specific achievements to date
 - a. A good relationship and working environment has been developed enabling an interactive and collaborative approach across districts in the roading arena.
 - b. The proven ability to work collaboratively is itself an achievement. Many clusters of other Territorial Local Authorities have not been able to do this.
 - c. Regular Tech Team gatherings are providing a welcomed opportunity for interaction, informal discussions, benchmarking and prompts for actions.
 - d. Peer support and a technical review across the districts at roading officer level is developing. There is real potential for a higher yield in this regard.

- e. Knowledge gain and efficiencies in operation of the RAMM system and progress with data quality and the implementation of the One Network Road Clarification System.
 - f. Shared knowledge and resource with LED street-lighting upgrades.
 - g. A shared single 2 year resurfacing contract (Mackenzie, Timaru, Waimate).
 - h. Road maintenance contract prepared collaboratively as a common contract document including specifications, tendered collaboratively with the option of contractors bidding for combined contracts and offer potential savings. Although Timaru and Ashburton were awarded as separate contracts, Waimate and Mackenzie was a combined tender. These contracts were keenly contested by the market.
36. It is difficult to assess and quantify direct financial benefits for most of the achievements as they often have broad rather than specific benefits. However, there is no doubt that the budget spend is more effective.

Future Opportunities

37. Given the pioneering nature of the collaboration it has been beneficial for all participants to be involved in evolving opportunities. As the ARC and MoU matures the following items present opportunities for future gains:-
- a. Preparation of Activity Management Plans with a higher level of Aoraki perspective.
 - b. Business case preparation for the 2021 - 2024 National Land Transport Programme bid processes due to commence in 2020.
 - c. Recruitment of specialised staff who could work across the assets and activities of all four participating Councils.
 - d. Increasing interaction between all roading technical staff of all four Councils by extending the participation in the Tech Team.
 - e. The inclusion of Road Safety co-ordination in the MoU. Currently the Mackenzie, Waimate and Timaru Districts collaboration on Road Safety via a multi-party funding agreement whereby Timaru District Council employs the Road Safety Co-ordinator on behalf of all three councils. By including Road Safety in the MoU, there is an increased opportunity to include Ashburton District Council in the delivery of this activity.
38. Future issues and drivers
- a. Government Policy Statement (GPS). The Strategic Priorities include a 'Value for Money' focus. Key parts of this include 'better informed investment decision-making' via 'robust business cases that are supported by data based evidence and good data gathering systems', the flow-on from the ONRC, and improved returns from maintenance.

- b. Government financial assistance is a fixed 'bucket' and is contestably allocated. Success is dependent on superior knowledge, excellent data, skilled presentation of these and proven service delivery.
- c. REG Focus 2021 New Programme Strategy (July 2018). The stated purpose of the REG's new programme is to enable a step change in transport sector leadership and capability through the sector supporting the sector for the community. This is partly in response to the GPS and is an imperative.
- d. LGA Section 17A:2(b) reviews. These are required 'within two years before the expiry of any contract or other binding agreement to deliver a service'. The outcomes may have relevance to the scope of the MoU.
- e. The need for a strong, consistent and unified voice to represent the four Districts to NZTA with a 'One Network' perspective.
- f. How best to address Council needs for resourcing, technical skill levels, and staff succession in the context of resource shortages, the loss of experience due to impending retirements and staff attrition relating to the seeking of career progression elsewhere.
- g. Taking all the above factors and issues into account it is the Chief Executives, Engineering Managers, Tech Team members and the Project Managers view that the collaboration has merit and should continue past 30 September 2018.

Options

- 39. The options for the ARC initiative are:
 - a. To not renew the MoU and for the Timaru District Council to cease involvement.
 - b. To renew the MoU with updated terms and inclusions as suggested.
 - c. To renew the MoU with changes over and above those being suggested. This could include an aggregated service delivery model that would effectively combine the technical resources into a single operational office.

Identification of Relevant Legislation, Council Policy and Plans

- 40. Land Transport Management Act 2003
- 41. Government Policy Statement on Land Transport 2018/19 – 2027/28
- 42. Local Government Act 2002

Assessment of Significance

This matter is not deemed significant under the Council's Significance and Engagement Policy.

Consultation

43. The Chief Executives, Engineering Managers and Technical Team members of each of the Councils have considered and discussed the proposal to renew the MoU. The independent Project Manager has provided advice on this issue.

Other Considerations

44. Supplementary Agreement - Appendix 2 to the MoU is a Supplementary Agreement. The purpose of which is to record the process for identification and capture of savings within the 5 year road maintenance contracts that commenced on 1 December 2015. The two key objectives relate to the procurement associated with the 2015 contracts and the transfer payment methodology that enabled scale benefits to be captured on an equitable basis.
45. The only issue that needs to carry through to the new MoU is the transfer payment methodology as detailed in paragraph 5.
46. The procurement methodology should not be carried through so that full flexibility is available when the road maintenance activity is to be procured. Agreement on the 2020 procurement process can be negotiated and documented as the situation evolves. Amendments to Appendix 2 Supplementary Agreement will require legal drafting once a position on the above proposal is determined.

Funding Implications

47. There are no funding implications with entering into a new MoU for roading collaboration.

Conclusion

48. The step changes required in the sector are real and the implementation of the REG Focus 2021 is non-negotiable. There is benefits to the four District Councils to take a collaborative approach to share and implement the changes that are required in thinking, skill levels, systems, and resources with respect to roading matters. The strength of four districts together will be greater than the sum of the four individual strengths in isolation.

Recommendations

- a) **That the Aoraki Roding Collaboration Memorandum of Understanding including the 9 October 2015 Supplementary Agreement be renewed with the following changes from the current Memorandum of Understanding.**
 - i. **The term be three years from 1 October 2018.**

- ii. **The Road Safety Coordination function be included in the scope.**
 - iii. **That the Supplementary Agreement be redrafted to reflect the changes suggested in paragraphs 20 - 22**
- b) That the Chief Executive be authorised to sign the new Memorandum of Understanding on behalf of Council.**

Appended

Memorandum of Understanding; Collaboration on Reading Matters between Ashburton District Council, Mackenzie District Council, Timaru District Council, Waimate District Council. (September 2016) with proposed highlighted parts.

Memorandum of Understanding Appendix – Supplementary Agreement the Councils entered into on 9 October 2015 to facilitate the procurement of new contracts for roading maintenance services beyond 2015 and set out the Transfer Payments arrangements (Mackenzie-Waimate)

Memorandum of Understanding

Collaboration on Rooding Matters

between

Ashburton District Council

Mackenzie District Council

Timaru District Council

Waimate District Council

"Working together to share opportunities and solve issues"



1 Introduction and Participation

This Memorandum of Understanding (MoU) is an extension of the MoU of 28 October 2014 between the Ashburton, Mackenzie, Timaru and Waimate District Councils (referred to as the Councils or the Parties) to actively seek to collaborate and co-operate with each other to improve the effectiveness and efficiency with which they achieve the identified objectives and desired outcomes for specific aspects of roading asset management and network operations. This MoU is to be read in conjunction with the Supplementary Agreement the Councils entered into on 9 October 2015 (attached as Appendix 2).

The roading networks are the local roads within the Ashburton, Mackenzie, Timaru and Waimate Districts.

Due to the differing natures of the parties and their respective networks, the level of participation by each party will vary across the numerous asset management and network operations aspects covered by this agreement.

2 Objectives

The parties will improve management and operation of their road networks by working together. In doing this they want to:

- a) Continually improve the performance of their asset management processes, the outcomes and consistency of service delivery in respect of their respective road networks.
- b) Improve investment decision-making, while recognising and accepting appropriate risk.
- c) Attract, develop, and retain good internal human resources and capability.
- d) Enhance governance through shared policy and strategy.
- e) Provide a sustainable market for affordable specialist resources.
- f) Become "smarter buyers" and recognised as leaders with best practice in asset management and road network operations.
- g) Enhance customer satisfaction.
- h) Formulate Programmes of work that will enhance the delivery of local services
- i) Further embed safety in the cultures of the respective organisations.

3 Agreement

The parties agree to collaborate on the following elements:

Develop shared delivery of aspects of asset management and network operations as listed below and further detailed in Clause 8:

- a) RAMM Data Management.
- b) Professional Services.

- c) Corridor Management.
- d) Development of 30 year infrastructure strategies and asset management plans.
- e) Technical Reviews.
- f) Sharing Resources and Skills
- g) Joint Procurement of Works
- h) Collaborative's Organisational Structure
- i) Maintenance Contract Consistency Coordination
- j) Design and Construction Consistency

4 The way forward

The parties will;

1. Appoint a project team and project manager to develop the collaboration, including identifying roles, responsibilities and reporting mechanisms.
2. Identify the personnel and other resourcing requirements.

5 Agreements

The parties agree to:

1. Operate in a good faith environment for the purpose of achieving the objectives and outcomes listed above.
2. Communicate with each other in an open and transparent manner.
3. Ensure that personnel and resources are made available for the project(s) as agreed.
4. Meet the agreed costs where they fall.
5. Jointly discuss and agree all fee quotes and estimates for any shared services.

6 Term

1 October 2018

three

This agreement takes effect on 1 October 2016 and shall continue for two years with any extension being via further agreement.



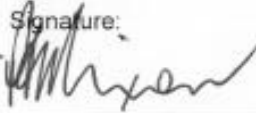
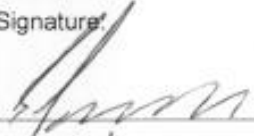
This agreement may be terminated by any or all parties by giving a minimum of one month's notice in writing to the other parties.



7 Acceptance

This agreement is entered in to on the expectation that the parties will work collaboratively together to achieve the agreed vision and objectives.

The undersigned accept this agreement on behalf of their respective party.

Ashburton District Council	Mackenzie District Council	Timaru District Council	Waimate District Council
Andrew Dalziel Chief Executive	Wayne Barnett Chief Executive	Peter Nixon Chief Executive	Bede Carran Chief Executive
Signature: 	Signature: 	Signature: 	Signature: 
Date: 13/9/16	Date: 22/9/16	Date: 19/9/16	Date: 29/9/16

8 Appendix - Specific Collaboration Aspects

Specific Collaboration Aspect/Workstream	MoU Objective
8.1 RAMM Data Management	Improve cost effectiveness and quality of data collection. Build consistency. Minimise data collection costs. Enable benchmarking. Enhance decision-making. Share ideas and innovations. Utilise tools to move towards data driven decisions.
8.2 Professional Services (External)	Joint procurement to save on costs and reduce duplication. Collective influence to improve standards of specialist services. Investigate options for collaborative outsourcing.
8.3 Corridor Management	Streamline processing workload. Build consistency. Provide 'One Network' experience for road corridor users.
8.4 Development of 30 Year Infrastructure Strategies (IS), Asset Management Plans, Business Cases for NLTP	Build regional consistency. Share ideas and innovations. Build awareness of each other's cultures and operating models for planning purposes - IS, AMPs etc.
8.5 Technical Reviews	Enhance decision-making – 'right treatment, time, place and risk'. Share ideas and innovations. Build regional consistency and understanding of each other's issues, objectives, cultures, strengths and weaknesses.
8.6 Sharing Resources and Skills	Take advantage of each other's strengths, skills and/or resources. Overcome skill and resource deficits. Build regional consistency. Build understanding of each other's issues, objectives, cultures, strengths and weaknesses. Share ideas and innovations. Potential future shared specialist staff.
8.7 Joint Procurement of Works	Investigate opportunities for joint procurement of works contracts, e.g. sharing procurement of Forward Works Programme. Create greater economies of scale. Minimise procurement costs.
8.8 Collaborative's Organisational Structure	Build on the proposed MOU Work Streams to take advantage of the potential scale and skills of working together.
8.9 Maintenance Contract Consistency Coordination	To achieve consistency of interpretation and implementation of maintenance contract work standards and level of service.
8.10 Design and Construction Consistency	To develop and maintain consistency with design and construction codes across the 4 Councils to promote a standardised approach, eliminating local variances and create efficiencies.

8.11

To provide an opportunity to facilitate Road Safety Co-ordination across all four Districts.

SUPPLEMENTARY AGREEMENT

Date: 9 October 2015

PARTIES

Ashburton District Council

Timaru District Council

Waimate District Council

Mackenzie District Council

Background

This document is a supplementary agreement to the existing memorandum of understanding between Ashburton District Council (ADC), Timaru District Council (TDC), Waimate District Council (WDC) and Mackenzie District Council (MDC) entered into in October 2014 relating to collaboration on roading matters.

The purpose of this agreement is to record the member Councils agreement to the process for identification and capture of scale related savings within their roading maintenance contracts.

THE PARTIES AGREE AS FOLLOWS:

1 Objectives

- 1.1 The parties acknowledge that one of the actions in the base memorandum of understanding was to adopt a joint strategy for the procurement of roading maintenance services beyond mid 2015.
- 1.2 The parties agree that the two key objectives of the joint strategy that has been developed are:
 - (a) optimisation and standardisation of specifications and processes used to procure road maintenance services; and
 - (b) identification and capture of scale benefits through the contract tender process.

2 Progress to Date

The parties record that technical staff from each party, with assistance from an external consultant, have formulated a set of standard contract procurement documentation that is to be used by each organisation for the road operation and maintenance contracts in each Council's districts. The formulation process has involved all parties testing the detail of each others specifications and agreeing on the most suitable option to be adopted as the group standard. This has produced a robust high quality set of contract procurement documents which will be used in a re-tendering process for each Council's Road operation and maintenance contract.

3 Capture of Scale Related Savings

- 3.1 In order to identify and capture scale related savings, the parties have agreed to conduct a coordinated tender process for the four road operation and maintenance contracts.

WB AD
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- 3.2 Each party will separately tender the road operation and maintenance contract for its district using the agreed contract procurement documents. The tender process will call for individual prices for each contract but will also allow tenderers to submit alternative bids for two or more combinations of contracts from the parties (*group tenders*), in order to allow contractors to factor scale related savings into their tender price and thus for the parties to capture these savings.

4 Evaluation of tenders

The parties agree that each individual tender and each group tender received by a party for the party's road operation and maintenance contract will be evaluated in accordance with the methodology set out in the conditions of tendering in the contract procurement documents.

5 Transfer Payments

- 5.1 The parties acknowledge that the proposed tender process could create a situation where a group tender produces the most favourable price for a combination of contracts (lowest overall price) but that an individual tender (or another group tender) is most favourable for an individual Council.
- 5.2 If this occurs, the parties that participate in the group tender agree to address this issue by the use of transfer payments from the Councils that are advantaged by the group tender to the other Council(s) that would be disadvantaged by the acceptance of the group tender. The following provisions will apply in relation to group tenders unless agreed otherwise in writing by the relevant Councils who wish to participate in the relevant group tender.
- (a) If a party wishes to participate in a group tender it must notify the other parties as soon as reasonably practicable after the tenders have been evaluated;
 - (b) If all parties to which a group tender relates have indicated an interest in participating in the group tender, those parties must in good faith and as soon as reasonably practicable, endeavour to agree the amount of the transfer payment that would be paid by each party advantaged by the group tender to each party that is disadvantaged by the group tender and the date on which such payments will be made, having regard to the following principles:
 - (i) the disadvantaged parties should be put in the position that they would have been in had it accepted the highest scoring individual tender;
 - (ii) the total of any transfer payments made would be apportioned among the advantaged Councils on a total tendered price basis; and
 - (iii) no advantaged party will be required to make a payment that would result in that party being worse off than they would have been in if they had selected the highest scoring individual tender;
 - (c) The parties agree that the transfer payments or (receipts) to be made (or received) by each participating party, will be agreed prior to any group tender being accepted (and no group tender may be accepted unless or until such payments have been agreed);
 - (d) A party may determine not to commit to a transfer payment and instead accept a different tender at any time prior to the transfer payments and the payment terms being agreed and the relevant group tender being accepted;

LB AD

Notwithstanding the above, no group tender may be accepted unless or until all necessary statutory and NZTA consents to the proposed procurement procedures in the contract procurement documents and to the proposed transfer payment arrangements have been obtained.

- 5.3 For the avoidance of doubt, once the transfer payment arrangements have been agreed and the relevant group tender accepted, the participating parties are bound by the transfer payment arrangements so agreed for the term of the relevant road operation and maintenance contract that is accepted.

6 Each party may act in its own interests

The parties acknowledge and agree that:

- (a) each Council may act entirely in its own interests and may in its sole discretion determine whether it wishes to accept an individual tender or participate in any group tender; and
- (b) it is possible that a group tender may identify scale related savings but that they may not be captured because one member Council may (in accordance with (a) above) accept an individual tender.
- (c) The parties do not intend that the memorandum of understanding or this supplementary agreement creates a joint venture or an unincorporated body of persons. It is intended that each party will contract separately with successful tenderers for the provision of services to that party.

7 Relationship of the parties

- 7.1 The parties will work collaboratively together to endeavour to achieve the agreed objectives in this agreement (subject to clause 6 above).
- 7.2 The provisions in this agreement are intended to create legally binding obligations between the parties for the full duration of the maintenance contracts.

EXECUTION

Ashburton District Council	Signed 	Date 2-10-2015
Timaru District Council	Signed 	Date 22-9-2015
Mackenzie District Council	Signed 	Date 7.10.2015
Waimate District Council	Signed 	Date 9/10/15

Infrastructure Committee
for the Meeting of 4 September 2018

Report for Agenda Item No 12

Prepared by Ashley Harper
Group Manager Infrastructure

Exclusion of the Public

Recommendation

That the Committee resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:

Confirmation of Minutes

• **Property Purchase**

Section 7(2)(b)(ii)

The withholding of information is necessary to protect the information that would be likely unreasonably to prejudice the commercial position of the person who supplied the information.

Section 7(2)(i)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Water Shares

Section 7(2)(i)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)