

13 October 2021

[REDACTED]

fyi-request-16667-d32e5252@requests.fyi.org.nz

Tēnā koe [REDACTED]

Request for Information – Local Government Official Information and Meetings Act 1987

We refer to your official information request dated 8 September 2021 for information regarding the procurement process for rubbish and recycling.

We have published a document to our website as we received a similar request, and we have a policy to proactively release LGOIMA responses. This answers the questions in your request other than those noted below.

[http://portal.huttcity.govt.nz/Record/ReadOnly?Query=containerex:juri:5414860\]&Tab=31&Uri=6023662&Page=0](http://portal.huttcity.govt.nz/Record/ReadOnly?Query=containerex:juri:5414860]&Tab=31&Uri=6023662&Page=0)

Please see our response to these questions below:

6. Please supply all Council emails or other communications between 1 July 2019 and 31 December 2019 relating to the awarding of waste & recycling consultancy tender to Morrison Low.

Response: Please find attached emails in scope of this request. Please note some information has been withheld under section 7(2)(f)(i) of the LGOIMA to maintain the effective conduct of public affairs through the free and frank expression of opinions.

7. Please advise how much has been spent in relation to waste and recycling on the items below between 1 July 2019 and 7 September 2021. Please break the costs out by category as follows:
 - advertising consultancy and communications design & implementation
 - print advertising and promotion in newspapers for both consultation and implementation/roll out
 - advertising and promotion online for both consultation and implementation/roll out
 - billboard rentals (e.g., the one on state highway 2, just north of the Petone esplanade overbridge)
 - the cost of hard copy inserts in rates demands
 - production and distribution of letterbox drop pamphlets and flyers
 - production and distribution of newspaper inserts, pamphlets and flyers
 - subcontracting call centre work to agencies outside Hutt City Council

Response: Updates to Council on rubbish and recycling can be found on our website [here](#). Forecast costs to implement the new rubbish and recycling service were also noted on page 209 (Appendix 4) of a paper to the Policy, Finance and Strategy Committee meeting of 23 February 2021. This can be viewed [here](#).

In addition to the costs noted in the document on the following link <http://iportal.huttcity.govt.nz/Record/ReadOnly?Query=containerex:%5buri:5414860%5d&Tab=31&Uri=6023662&Page=0>

HCC incurred \$1,015,974 to date in relation to the implementation of the new service, across both 2020/21 and 2021/22 (up to 7 September 2021). This relates to costs such as external advice regarding the development of new business processes and systems, advertising consultancy (eg too good to waste), communications, print advertising, letter box drops, and contractor costs such as temporary staff in the contact centre and solid waste team.

We do not hold a detailed breakdown against the categories you have requested, and this is not possible to collate without taking significant time. Hence, your request to provide this information against the categories you have listed is declined, under sections 17(g) and 17(f) of the LGOIMA.

8. Please advise how much has council spent since 1 April 2019 on purchasing new waste and recycling bins and how many bins of each bin size have been purchased.

Response: The total amount expended on bins was \$5.144m (ex GST).

The following bin sizes were purchased, across all three waste stream services:

80 l	5,900
120 l	39,500
240 l	44,650
Crates	43,000

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that this letter (with your personal details removed) may be published on the Council's website.

Nāku noa, nā
Information Services

From: Alice Grace <a.grace@morrisonlow.com>
Sent: Tuesday, 29 October 2019 3:02 PM
To: Jörn Scherzer <Joern.Scherzer@huttcity.govt.nz>
Cc: Dan Bonifant <d.bonifant@morrisonlow.com>
Subject: Indicative proposal for waste services procurement

Hi Jörn

Thank you for taking the time to meet with Daniel and I last week. Based upon our discussions, we have provided details of a possible procurement process as well as indicative costs and programme for a consultant to support your team in procuring the Hutt City Council (HCC) kerbside collection services. As an option this could also include the landfill management contract. This is not a full proposal for procurement support, rather an indication of the process, programme and costs to help HCC with planning for their upcoming procurement processes. We are more than happy to provide a more detailed proposal on request.

Our experience

Morrison Low are New Zealand's leading council waste procurement specialists, supporting approximately 80% of councils with their procurement processes. We are currently working with Tauranga City Council and Western Bay of Plenty District Council, Auckland Council, Napier City Council and Hastings District Council, and Timaru District Council, Waimate District Council and Mackenzie District Council.

Some of our recent, waste procurement projects (include those for our current clients) include:

- Tauranga City Council and Western Bay of Plenty District Council: collections and facilities
- Timaru District Council, Waimate District Council and Mackenzie District Council: collections and facilities, including landfill management
- Waimakariri District Council: collections and facilities
- Queenstown Lakes District Council: collections and facilities
- Napier City Council and Hastings District Council: collections
- Tasman District Council and Nelson City Council: joint landfill management
- Wairoa District Council: collections and facilities, including landfill management
- Waipa District Council: recycling collections
- Tasman District Council: collections and facilities
- Auckland Council: collections and facilities
- Whakatane District Council, Rotorua Lakes Council and Kawerau District Council: collections and facilities, including landfill management
- New Plymouth, South Taranaki and Stratford District Councils: collections and facilities, including landfill development
- Central Otago District Council: collections and facilities
- Dunedin City Council: landfill management

We are also very familiar with HCC's waste services, having recently completed a project with

you for three business cases covering your kerbside collections, resource recovery centres and hazardous waste management.

Waste services included in the procurement

HCC's current waste services include:

- Kerbside collection services:
kerbside sorted recycling crates, council user-pays bag service. HCC is engaging with its community on proposed changes to these kerbside collection services that would be rolled out through its next waste services contract. The kerbside collection contract is with Waste Management and expires in October 2020.
- Landfill management services:
Silverstream landfill operation and management. The landfill management contract is also with Waste Management and also expires in 2020.
- Other services:
recycling drop-off site management, resource recovery centre provision, and hazardous waste services (shared with UHCC). The delivery of these services is impacted by how the kerbside collection and landfill management services are delivered.

HCC could undertake procurement for kerbside collections and landfill management together or as two separate procurement exercises, with the other services considered as part of either procurement process. From our experience, most councils combine procurement for their waste services into one procurement process, because it allows them to consider cost-efficiencies from taking a larger package of work to market in one process.

The kerbside collection contracts alone are expected to cost in excess of \$50 million over the contract term. Given the contract value, the impact waste services have on every ratepayer and the complexity associated with modern collection contracts, there is a need for well-informed decision making in relation to Council's procurement approach. Ensuring the market is well engaged in the process will ensure Council obtains best value for money for its ratepayers.

Our approach

Our proposed approach to your procurement would be based on the process we are successfully utilising with our current waste procurement clients and involves the following stages:

1. Stage 1: Procurement Strategy
2. Stage 2: Registration of Interest (ROI) process
3. Stage 3: Request for Proposals (RFP) documentation
4. Stage 3: RFP support
5. Stage 4: Proposal evaluation, negotiation and award
6. Stage 5: Contract finalisation and advice during mobilisation

Stage 1: Procurement Strategy

This stage involves the preparation of a detailed Procurement Strategy for the waste services. A procurement strategy typically includes:

- Procurement Objectives
- Scope of Procurement
- Supplier Market Assessment
- Procurement Stages
- Proposal Evaluation Process

- Contract Approach: form of contract and contract term
- Financials: operating and capital costs, funding
- Project Management

Typically we undertake a workshop with key council staff to discuss and refine the procurement requirements. Based on the workshop outcome and our knowledge of procurement processes and the market, we draft the Procurement Strategy. This is circulated to the council for feedback and is finalised following receipt of feedback.

At this stage we can refine the kerbside services proposed through the business cases, reviewing options to optimise services such as servicing rural areas, specifying technology to support collection service monitoring, recycling revenue sharing arrangements or the approach to performance measurement. This will be based upon your needs and what is undertaken elsewhere in New Zealand. We have up to date and extensive information based upon our work in other procurement projects.

Stage 2: Registration of Interest (ROI) process

This stage involves preparing a brief ROI that requires suppliers to register an interest in participating in the procurement process and attend supplier briefing sessions with Council. Suppliers are not required to submit detailed information as part of the ROI and there is no shortlisting of suppliers. Supplier briefings are facilitated as part of this stage. Feedback from the suppliers is used to finalise the RFP documentation. Suppliers also gain an insight into council's key requirements, helping them tailor their response once the RFP is released to the market.

Stage 3: Request for Proposals (RFP) documentation

In this stage the documentation required for the RFP is prepared. This typically includes:

- Request for Proposal and response schedules
- Draft conditions of contract
- General and service-specific specifications
- Schedule of Prices

This step involves drafting and revision of documentation, including liaison with council staff as well as legal, risk and assurance, probity and technical advisors, where required. For example, if HCC were to include landfill management in the procurement process, it may be that council elects to have the service-specific specification developed by their technical or engineering advisors.

Stage 4: RFP support

Typically our council clients lead the RFP advertisement and uploading process. Typically we provide support with responses to questions from suppliers during this stage but we can tailor the approach to suit your needs.

Stage 5: Proposal evaluation, negotiation and award

Once the RFP responses are received, we would lead the proposal evaluation and negotiation process, fulfilling several roles including acting as the independent facilitator and as an evaluation team member. As part of this step we would:

- Prepare a tender evaluation plan
- Evaluate and score RFP submissions as an evaluation team member
- Collate evaluation team scores and prepare an evaluation of price submissions ahead of the evaluation team meeting

- Facilitate the evaluation team meeting, where the evaluation team discuss and agree final evaluation scores and shortlist preferred supplier(s)
- Prepare post-tender clarification questions for shortlisted suppliers
- Facilitate post-tender presentations and meetings with shortlisted suppliers, prepare meeting minutes and any follow up clarifications
- Prepare a supplier recommendation report

Stage 6: Contract finalisation and advice during mobilisation

Following selection of a supplier, we would prepare the final contract(s) based on the procurement outcome.

During the lead-up to the commencement of the new contract(s) and the roll out of the new services to the community, Council will be working closely with their selected contractor to ensure a smooth transition. There will be several plans and procedures that need to be prepared by the contractor and specific mobilisation requirements. Council may require ad-hoc advice from Morrison Low during this process.

Project team

Morrison Low has a team of very experienced specialists at a range of levels that can support HCC with your procurement process, and we are able to ramp up our resourcing when required. Our proposed team would consist of the following resources:

- Project Director: Dan Bonifant, Director
(based in Wellington, familiar with HCC's waste services)
- Project Manager: Alice Grace, Senior Consultant
(waste and procurement expertise and familiar with HCC's waste services)
- Team Members:
 - Helen Ramsey, Senior Consultant (waste and procurement expertise)
 - Daniel Yallop, Consultant (waste expertise)
 - Joan Davidson, Consultant (procurement expertise)

Indicative procurement programme

The table below details the high-level programme for the waste services procurement. It is based on the timeframes we know from experience that an effective process takes and assumes confirmation of engagement of a consultant to support your procurement by 6 November 2019.

Activity	Date
Project kick off via teleconference	6 November 2019
Procurement Strategy workshop	13 November 2019
Draft Procurement Strategy	29 November 2019
Draft Registration of Interest (ROI) documentation	6 December 2019
Final Procurement Strategy	13 December 2019
Release Registration of Interest (ROI)	16 December 2019
ROI period closes (2 weeks, one either side of Christmas holiday period)	10 January 2020
Supplier briefing sessions	17 January 2020
Draft Request for Proposals (RFP) documentation	December to January 2020
RFP period (8 weeks, running concurrently with annual plan consultation)	February to March 2020

Proposal evaluation, negotiation and award	April to May 2020
Mobilisation period (six months)	May to October 2020
Contract commencement	November 2020

Indicative pricing

Based on the procurement process above, we have provided an indication of the fee for each stage.

Procurement Stage		Estimated fee (excluding GST and disbursements)
1	Procurement Strategy	\$15,000-\$25,000
2	ROI process	\$5,000-\$10,000
3	RFP documentation	\$25,000-\$40,000
4	RFP support	\$5,000-\$10,000
5	Proposal evaluation, negotiation and award	\$30,000-\$40,000
6	Contract Finalisation and advice during mobilisation	\$5,000-\$10,000

Pricing notes:

- These costs are indicative only, based on our experience with other procurement processes and our knowledge of your waste services. If we were to proceed with this procurement support project, we would provide a more detailed proposal and fee estimate for each stage.
- Our fee estimates are exclusive of GST and disbursements. Disbursements would consist of travel-related expenses (flights, taxis and mileage) for travel between Auckland and your offices in Lower Hutt.

We trust this helps provide an understanding the scope, programme and indicative pricing for your upcoming procurement. We are more than happy to discuss and amend as needed, including providing a more detailed proposal. See you on Friday afternoon.

Thanks

Alice



Alice Grace
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From: [John Middleton](#)
To: [Jörn Scherzer](#)
Subject: Procurement Process
Date: Tuesday, 29 October 2019 8:52:13 AM

Hi Jorn

Matt is keen to get the EOI underway asap, can you please reorganise Morrison Low for Friday afternoon and invite Matt and Dave, Dave will try and be there.

We are organising Tonkin Taylor and GHD for separate spots Thursday.

Cheers

John

From: [Dave Dews](#)
To: [Jörn Scherzer](#)
Cc: [John Middleton](#)
Subject: Re: Combined scores Evaluating Kerbside Procurement
Date: Tuesday, 5 November 2019 3:02:25 PM

Hi Jorn

I meant in contract implementation, not on work for HCC.

I am easy either way also.

Just following the process

Cheers
Dave

On 5/11/2019, at 14:49, Jörn Scherzer <Joern.Scherzer@huttcity.govt.nz> wrote:

Hi guys

Dave, I am bit surprised about the discrepancy in marks in terms of capability, as you have said that they have no track record with us. I think they do as have been working with them on the business cases since late last year.

But having said that, I can work with either party, I marked them very similar on the first two, with value for money being the difference.

J

From: John Middleton
Sent: Tuesday, 5 November 2019 12:59 PM
To: Matt Reid
Cc: Jörn Scherzer; Dave Dews
Subject: Combined scores Evaluating Kerbside Procurement

Hi Matt

GHD have respectfully declined to provide a proposal for the procurement process for Kerbside collection of Recycle and Refuse.

You would have seen the individual assessments carried out by Jorn, Dave and myself.

Combined scores are Morrison Low 24.3 and Tonkin Taylor 28.4.

Pretty close ... open to discuss should you feel the need.

Cheers

J.M

From: [Jörn Scherzer](#)
To: [Dave Dews](#); [John Middleton](#)
Cc: [Matt Reid](#)
Subject: scoring the procurement suppliers
Date: Monday, 4 November 2019 1:26:19 PM
Attachments: [assessment template - kerbside procurement.XLSX](#)

Hi guys

In order to help make a decision on our preferred supplier, I think it would help to score them to derive a decision. Hence, I have pulled together a short assessment template to provide scores against – I propose – three criteria. See attached.

If each of us can do theirs, then I can pull the scores together and create a summary score based on our three assessments, and we can arrange a quick meeting to finalise decisions on our preferred supplier, possibly as early as tomorrow. If GHD ends up not submitting a proposal, then it would just be between TT and ML.

Kind regards
Joern

From: Dave Dews
Sent: Monday, 4 November 2019 12:54 PM
To: Jörn Scherzer
Subject: Fwd: HCC Kerb Collection Contract

Hi Jörn

Not sure if you were copied in on this?
Cheers
Dave

Begin forwarded message:

From: Erin Cooksley <ECooksley@tonkintaylor.co.nz>
Date: 1 November 2019 at 15:22:54 NZDT
To: Dave Dews <Dave.Dews@huttcity.govt.nz>, John Middleton <John.Middleton@huttcity.govt.nz>
Subject: HCC Kerb Collection Contract

Good afternoon,

As discussed, attached is the letter of engagement for the works of kerbside collection.

Thanks,

Ngā Mihi | Kind regards,

Erin Cooksley | Project Support Coordinator / Office Administrator

BA

Tonkin + Taylor - *Exceptional thinking together*

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Tonkin and Taylor

Cost					
Description of criteria	Guidance notes	Justification for score Comments	Points	Weighting	Total
			(non-weighted)	(if weighted)	Points
Methodology and approach, understanding of our requirements	The degree to which the methodology and approach is likely to result in a robust business case(s).			30%	0
Capacity and capability of the supplier to deliver	The degree to which the supplier has the capacity and capability to deliver on the requirements.			40%	0
Value for money	The relative cost of the proposal, in consideration of the work to be delivered.			30%	0
TOTAL					0

Morrison Low

Cost					
Description of criteria	Guidance notes	Justification for score Comments	Points	Weighting	Total
			(non-weighted)	(if weighted)	Points
Methodology and approach, understanding of our requirements	The degree to which the methodology and approach is likely to result in a robust business case(s).			30%	0
Capacity and capability of the supplier to deliver	The degree to which the supplier has the capacity and capability to deliver on the requirements.			40%	0
Value for money	The relative cost of the proposal, in consideration of the work to be delivered.			30%	0
TOTAL					0

GHD

Cost	1000				
Description of criteria	Guidance notes	Justification for score Comments	Points	Weighting	Total
			(non-weighted)	(if weighted)	Points
Methodology and approach, understanding of our requirements	The degree to which the methodology and approach is likely to result in a robust business case(s).			30%	0
Capacity and capability of the supplier to deliver	The degree to which the supplier has the capacity and capability to deliver on the requirements.			40%	0
Value for money	The relative cost of the proposal, in consideration of the work to be delivered.			30%	0
TOTAL					0

Hutt City Council
Private Bag 31-912
Lower Hutt
5040

Attention: Jorn Scherzer

Dear Jorn

Collections contract procurement

Following our recent meeting of 31 October 2019, and as you requested on this date, we are pleased to confirm the basis on which we will support the procurement process for refuse and recycling collection services in Hutt City for you as our client.

We have included the presentation material provided to you on 31 October with this letter. This outlines our capability, a selection of clients we have completed similar work for and an outline of our proposed approach.

Scope of work

At the commencement of all projects we hold a formal kick-off meeting, given the time urgency of this job this will be within a few days of formal contract award. For this project we propose meeting in person, due to our close proximity. This meeting provides an opportunity to:

- Confirm the project scope and project management arrangements including reporting requirements, meetings, workshops and risk management.
- Ensure all key information for the project is provided.
- Confirm the project timeline including key reporting deadlines with Council. We will confirm the proposed schedule to which we will work with yourselves for this project.

Our approach is outlined in tasks 1 - 7 below.

Procurement Strategy

1 Procurement Strategy development

Based on discussions to date we anticipate the strategy will set out a process intended to appoint a preferred supplier based on quality and pricing of a preliminary scope of works covering refuse and recycling collection. The pricing will be used to inform consultation on a proposed service change as part of the 2020 Annual Plan process. Once the Annual Plan process is completed, if required Council will negotiate any changes in scope or price with the preferred supplier.

We note that Upper Hutt City Council (UHCC) have expressed interest in being involved in the procurement process. UHCC could participate in the Procurement Strategy development

process to inform their decision on whether to join the process. There is potential for the contract specification to include a separate portion for services in Upper Hutt City.

We will produce a procurement strategy which covers:

- Council objectives.
- Commentary on:
 - Contractors in or entering the Wellington market.
 - Recycling commodity markets.
 - The national picture: including policy, other tender processes, equipment manufacture lead times etc.
- Confirms key aspects of the procurement process including:
 - Contract form (including legal advisors).
 - Non-price criteria and weighting.
 - Bundled vs. unbundled services.
 - Risk e.g. markets for recyclables.
 - Evaluation approach including considering disparate options and innovations.
- Proposed roll out recognising likely tight timeframes for equipment procurement – allowing for progressive transition to new services.

A programme for the procurement process will be produced as part of the strategy. This will define key tasks, milestones and timescales until contract starts. There will be uncertainty for some components of the programme, these will be highlighted and tracked as the procurement process proceeds. We also note the potential for a stage roll out to hit the 2020/21 Christmas period, this will be reflected in the programme, including avoidance of some activities from late December to mid-late January.

As part of the development of the Procurement Strategy, we will complete a service delivery review as per the requirements of Section 17A of the Local Government Act 2002.

Key activities for this task include:

- Developing a preliminary draft Procurement Strategy focussed on setting out context and options for consideration. This preliminary draft will be used as briefing material for a Procurement Strategy Workshop.
- Run a procurement strategy workshop to discuss and debate options for key aspects of the procurement process. We anticipate key staff from Council, Council's legal advisors and T+T participating in this workshop. This workshop will confirm service objectives and key aspects of the procurement process.
- Following the workshop we will complete a final draft Procurement Strategy for your review and comment.
- We will use the service objectives developed in the workshop to assess the 'effectiveness' of options for a Section 17A review. We anticipate creating a simple summary of the Section 17A review that can stand alone and be included as an attachment to the Procurement Strategy.

We will deliver the draft Procurement Strategy and output of the Section 17A review, within 4 weeks of contract award.

For some similar projects we have delivered Council workshops at this stage. This being to inform Councillors about the proposed process and prepare them for later, more detailed discussions on contract scope and price (in the context of the Annual Plan process). The recent

paper to Council outlining collection options and likely pricing has addressed this well. We have included an optional item to participate in a workshop at this stage if required.

Procurement Process (indicative scope, to be agreed following completion of Task 1)

2 Draft contract documents

We will work with you and your legal advisors, to produce the required tender documents. The details of the contract form, tender process, contract specification and related matters will be confirmed through the Procurement Strategy Development.

Based on discussions to date we anticipate the tender documents will:

- Provide for refuse collection and recycling collection with provision for other services and innovations.
- Request the required information on track record, relevant experience, key resources (people and plant), methodology, health and safety and management systems.
- Seeking pricing of specified services and alternative proposals.
- Explain the proposed approach – appoint a preferred supplier based on quality and pricing of the proposed approach (and/or alternatives), test the service level change/price via the 2020 Annual Plan process, confirm/negotiate on scope and price.

3 Tender process

Once Tender documents are completed and approved by Council we will run the procurement process with you. We are open to our role from leading the process to providing technical support to a Council lead. For similar processes we have also proactively contacted suppliers active in the relevant market prior to document release to ensure that they are aware the tender process is coming and maximise participation. We anticipate that the process will include:

- Publishing tender documents on TenderLink and/or GETS.
- A briefing for contractors once Tender documents are released.
- Responding to questions and clarifications during the tender process.

4 Tender Evaluation

Once tenders are submitted, we will support the evaluation process. As for the tender process, we are open to our role, on previous projects this has ranged from leading the Tender Evaluation Team, to providing technical support to the Council evaluation team.

The evaluation process is likely to involve:

- Evaluation of tenders against compulsory criteria.
- Detailed evaluation of compliant tenders.
- A formal Tender Evaluation Team meeting to moderate individual team marking.
- Seeking clarifications from compliant tenderers.
- Interviews of shortlisted tenderers.
- Drafted a Tender Evaluation Report.

5 Supporting Council making an informed decision

Once a preferred Tenderer has been selected we will support the Council team in confirming the selection through Council. As noted above, the current expectation is that the pricing provided by the Preferred Tender will be used to inform consultation with the community on the proposed service change and costs in the 2020 Annual Plan process. This means the Tender Evaluation outcomes and proposed service will need to be set out in papers to Council

and the draft Annual Plan. We also see potential for a Council workshop on the proposed service.

Following adoption of the Annual Plan, the scope of the new service will be confirmed and any resulting changes in the tender price negotiated with the preferred supplier. As for the preceding tasks we will support Council and can take a role leading or supporting this task as required.

6 Pre-mobilisation

Once the contract scope and price have been confirmed we can support Council on finalising the contract. This will be important to progress quickly to enable the preferred contractor to order key plant and equipment (vehicles and containers). The lead time for some of these items can be substantial (6-12 months).

For similar projects we have chaired and/or attended regular progress meetings during this stage. This provides tracking of key critical path activities including:

- Equipment order, manufacturing, delivery and commissioning.
- Property database preparation and quality assurance.
- Detailed roll out planning including staging.
- Communications.

7 Contract Start

We would expect progress meetings to continue during roll out and for a period of time once the new services are full implemented. In effect the progress meetings become standard contract meetings as the focus moves from planning to roll out and day to day operations.

Programme

We have outlined our timing for Task 1 as part of defining the scope above. An indicative timeframe for tasks 2 – 7 is outlined below. The timing to deliver Tasks 2-7 will be updated following production of the procurement strategy and provided to Council.

We can start work as early as Monday 4th November, on receiving your instruction to proceed.

- Task 1 - Completed by the end of November 2019.
- Task 2 - Completed in early December 2019.
- Task 3 - December 2019 to early February 2020.
- Task 4 - Completed mid February 2020.
- Task 5 - February to March 2020, Annual Plan process March – June 2020.
- Task 6 - Allow at least 6 months to for equipment procurement.
- Task 7 - Currently anticipated to be November 2020, anticipated staged roll out of new service with approach to be confirmed through Procurement Strategy development.

Fees

As discussed with you, we will complete Task 1 (Procurement Strategy and S17A Review) for a lump sum fee of \$15,000 (excluding GST). We have provided an estimate of costs for Tasks 2 - 7 based on our current understanding of scope. These estimates will be reviewed and confirmed once the Procurement Strategy has been confirmed. We are happy to progress these tasks on an agreed lump sum basis or time and expense with an agreed budget. Any work outside of the scope of work

agreed with you above will be carried out on a time and expenses basis or for an additional agreed lump sum. We will agree that fee with you before doing the additional work.

Description	Lump sum Fees (excluding GST)	Estimate (excluding GST)
1 Procurement Strategy and Section 17A Review	\$15,000	
2 Contract documents ¹		\$15,000 - \$25,000
3 Procurement process ¹		\$2,500 - \$5,000
4 Evaluation of submitted tenders ¹		\$15,000 - \$25,000
5 Council decision support ¹		\$2,500 - \$5,000
6 Pre-mobilisation ¹		\$0 - \$5,000
7 Contract start ¹		\$0 - \$5,000
Total Indicative Budget Estimate (including Task 1)		\$50,000 - \$85,000

We will invoice monthly, on or after the first working day of the month, on a percentage complete basis. If payment becomes overdue and we are unable to agree alternative payment terms with you, we reserve the right to suspend work and to withhold deliverables. This will not apply in the case where you have advised us that you have a genuine dispute with our invoice (or part of our invoice) and you have paid any undisputed amounts.

Health & Safety

T+T is committed to providing and maintaining a safe and healthy working environment at all of our places of work. In line with this commitment, and as required by health and safety legislation, we will consult, cooperate and co-ordinate our activities with you and others who will be working on the project. To assist us in this, please let us know if you have any specific health and safety planning and implementation requirements which are relevant to our services (including known risks) so that we can review these with you.

Terms and Conditions

We will carry out the work in accordance with our attached Conditions of Engagement. These terms place certain limitations on our liability and, unless agreed otherwise, they will apply instead of any terms and conditions in any purchase order or other confirming document that you may issue to us.

We provide our reports and other deliverables for your benefit only and they cannot be relied upon by any third parties. However, if you want us to, we may allow a third party to rely on them after signing an appropriate reliance statement with us (so that they acknowledge and accept the limitations of our work and the terms and conditions of our engagement with you).

This offer is valid for 3 months from the date of this letter.

Closing remarks

We trust that this satisfactorily meets your needs. We look forward to receiving your instruction to proceed and to working with you on this project. You can confirm your acceptance by returning the attached signatory form. Alternatively, we will take your instruction to proceed as confirmation that you accept this proposal.

Please contact Chris Purchas at cpurchas@tonkintaylor.co.nz or 027 536 0951 if you would like to discuss anything about this project.

¹ Indicative pricing – to be agreed following completion of the procurement strategy

Yours sincerely



Ed Breese
Project Director

Attached:

- 1 Signatory page
- 2 ACENZ Short Form Agreement Feb 2019

1-Nov-19

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Signatory form

T+T Ref: 1012703.0000
Date: 1 November 2019
Contract: Collections contract procurement

Confirmation by Client: I/we acknowledge that I/we have read the proposal for the above contract and the attached Conditions of Engagement, (including the Limitations of Liability), and I/we accept those terms and authorise the above.

Client name: Hutt City Council
Client Address: Private Bag 31-912
Lower Hutt
5040
Attention: Jorn Scherzer

Signature: _____

Name: _____

Date: _____

Please provide the following information if different:

Client Name and Address	Invoicing Entity Name* and Address (if different to Client)
_____	_____
_____	_____
_____	_____
_____	_____

* Invoicing entity to also give the "Confirmation by Client" above by signing below

Signature: _____

Name: _____

Date: _____

Please return one signed copy to Chris Purchas of Tonkin + Taylor at email cpurchas@tonkintaylor.co.nz or to the address on the letterhead.

SHORT FORM MODEL CONDITIONS OF ENGAGEMENT

1. The Consultant shall perform the Services as described in the attached documents.
2. The Client and the Consultant agree that where all or any of, the Services are acquired for the purposes of a business the provisions of the Consumer Guarantees Act 1993 are excluded in relation to those Services. However, nothing in this Agreement shall restrict, negate, modify or limit any of the Client's rights under the Consumer Guarantees Act 1993 where the Services acquired are of a kind ordinarily acquired for personal, domestic or household use or consumption and the Client is not acquiring the Services for the purpose of a business.
3. In providing the Services, the Consultant must use the degree of skill, care and diligence reasonably expected of a professional consultant providing services similar to the Services.
4. The Client shall provide to the Consultant, free of cost, as soon as practicable following any request for information, all information in the Client's power to obtain which may relate to the Services. The Consultant shall not, without the Client's prior consent, use information provided by the Client for purposes unrelated to the Services. In providing the information to the Consultant, the Client shall ensure compliance with the Copyright Act 1994 and shall identify any proprietary rights that any other person may have in any information provided.
5. As soon as either Party becomes aware of anything that will materially affect the scope or timing of the Services, the Party must notify the other Party in writing and where the Consultant considers a direction from the Client or any other circumstance is a variation the Consultant shall notify the Client accordingly.
6. The Client may order variations to the Services in writing or may request the Consultant to submit proposals for variations to the Services.
7. The Client shall pay the Consultant for the Services the fees and expenses at the times and in the manner set out in the attached documents. Where this Agreement has been entered by an agent (or a person purporting to act as agent) on behalf of the Client, the agent and Client shall be jointly and severally liable for payment of all fees and expenses due to the Consultant under this Agreement.
8. All amounts payable by the Client shall be due on the 20th of the month following the month of issue of each GST Invoice or at such other timing as stated elsewhere in this Agreement. If the Client fails to make the payment that is due and payable and that default continues for 14 days, the Consultant may provide written notice to the Client specifying the default and requiring payment within 7 days from the date of the notice. Unless payment has been made by the Client in full, the Consultant may suspend performance of the Services any time after expiration of the notice period. The Consultant must promptly lift the suspension after the Client has made the payment. Regardless of whether or not the Consultant suspends the performance of the Services in accordance with this clause, the Consultant may charge interest on overdue amounts from the date payment falls due to the date of payment at the rate of the Consultant's overdraft rate plus 2% and in addition the costs of any actions taken by the Consultant to recover the debt.
9. Where the nature of the Services is such that it is covered by the Construction Contracts Act 2002 (CCA) and the Consultant has issued a payment claim in accordance with the CCA, the provisions of the CCA shall apply. In all other cases, if the Client, acting reasonably, disputes an invoice, or part of an invoice, the Client must promptly give the reasons for withholding the disputed amount and pay any undisputed amount in accordance with clause 8.
10. Where Services are carried out on a time charge basis, the Consultant may purchase such incidental goods and/or Services as are reasonably required for the Consultant to perform the Services. The cost of obtaining such incidental goods and/or Services shall be payable by the Client. The Consultant shall maintain records which clearly identify time and expenses incurred.
11. Where the Consultant breaches this Agreement, the Consultant is liable to the Client for reasonably foreseeable claims, damages, liabilities, losses or expenses caused directly by the breach. The Consultant shall not be liable to the Client under this Agreement for the Client's indirect, consequential or special loss, or loss of profit, however arising, whether under contract, in tort or otherwise.
12. The maximum aggregate amount payable, whether in contract, tort or otherwise, in relation to claims, damages, liabilities, losses or expenses, shall be five times the fee (exclusive of GST and disbursements) with a minimum of \$100,000 and a maximum limit of \$NZ500,000.
13. Without limiting any defences a Party may have under the Limitation Act 2010, neither Party shall be considered liable for any loss or damage resulting from any occurrence unless a claim is formally made on a Party within 6 years from completion of the Services.
14. The Consultant shall take out and maintain for the duration of the Services a policy of Professional Indemnity insurance for the amount of liability under clause 12. The Consultant undertakes to use all reasonable endeavours to maintain a similar policy of insurance for six years after the completion of the Services.
15. If either Party is found liable to the other (whether in contract, tort or otherwise), and the claiming Party and/or a Third Party has contributed to the loss or damage, the liable Party shall only be liable to the proportional extent of its own contribution.
16. Intellectual property prepared or created by the Consultant in carrying out the Services, and provided to the Client as a deliverable, ("New Intellectual Property") shall be jointly owned by the Client and the Consultant. The Client and Consultant hereby grant to the other an unrestricted royalty-free license in perpetuity to copy or use New Intellectual Property. The Clients' rights in relation to this New Intellectual Property are conditional upon the Client having paid all amounts due and owing to the Consultant in accordance with clauses 7 and 8. Intellectual property owned by a Party prior to the commencement of this Agreement (Pre-existing Intellectual Property) and intellectual property created by a Party independently of this Agreement remains the property of that Party. The Consultant accepts no liability for the use of New Intellectual Property or Pre-existing Intellectual Property other than to the extent reasonably required for the intended purposes.
17. The Consultant has not and will not assume any duty imposed on the Client pursuant to the Health and Safety at Work Act 2015 ("the Act") in connection with the Agreement.
18. The Client may suspend all or part of the Services by notice to the Consultant who shall immediately make arrangements to stop the Services and minimise further expenditure. The Client and the Consultant may (in the event the other Party is in material default that has not been remedied within 14 days of receiving the other Party's notice of breach) either suspend or terminate the Agreement by notice to the other Party. If the suspension has not been lifted after 2 months the Consultant has the right to terminate the Agreement and claim reasonable costs as a result of the suspension. Suspension or termination shall not prejudice or affect the accrued rights or claims and liabilities of the Parties.
19. The Parties shall attempt in good faith to settle any dispute by mediation.
20. This Agreement is governed by the New Zealand law, the New Zealand courts have jurisdiction in respect of this Agreement, and all amounts are payable in New Zealand dollars.

February 2019



Collections contract – procurement



Why T+T

- Knowledge + expertise
 - Multiple contracts, long term relationships
 - Benchmarking
 - Service Delivery (S17A) Review
 - Wellington regional waste market
 - National waste markets and context
- Tailored to Council requirements
- Managing risk



What do we offer

Detailed waste sector knowledge (Wellington, NZ and international)

+

Recycling and refuse collections procurement track record

+

Knowledge of your council processes

Our approach

1. Develop a Procurement Strategy
2. Draft Contract Documents (in collaboration with your legal team)
3. Run or support the procurement process
 - Briefings
 - Clarification
 - Evaluation process
4. Support the Council decision making process

We will ...

Take a moment to plan – Procurement Strategy

Context

- Council objectives
- Contractors in or entering the Wellington market – who is likely to bid
- Markets for recycling commodities
- National picture – policy, other tender processes, equipment manufacture lead time

Decisions on approach

- **Contract form** (incl legal advisors)
- **Non-price criteria** and weighting
- **Bundled vs. unbundled** services
- **Risk** e.g. markets for recyclables
- **Evaluation approach** including considering disparate options and innovations

Then we will ...

Work with you to deliver a robust, defensible tender process

- Contract form (incl early engagement with legal advisors)
- Clear Scope of work that anticipates uncertainty
- Driving *quality*
- Enabling *innovation*
- Focussed on securing a *long term relationship*

Collaborate with you throughout the process

- Local waste contract specialist (briefings, clarifications, TET)
- Ensure you are informed about what is happening elsewhere (NZ, off shore)
- Identify and propose approaches to manage contract risk

This will deliver ...

Clear information for Council decision makers

A scope and contract that is fair for Council and the selected contractor(s)

Contractors that are committed to

- **High quality** service delivery
- Bring **innovation** to the table – through the tender process and through the life of the contract
- **Proactively managing risk** with Council
- A **long term partnership** to deliver a great service to the community

Indicative costs

	Indicative cost
Procurement strategy	\$5,000 - \$10,000
Contract documents	\$15,000 - \$25,000
Tender Period	\$2,500 - \$5,000
Evaluation	\$15,000 - \$25,000
Council decision	\$2,500 - \$5,000
Pre-mobilisation	\$0 - \$5,000
Contract Start	\$0 - \$5,000
TOTAL	\$40,000 - \$80,000

Key points

Involve legal advisors early

Good 'design*' up front delivers a better process and outcomes

Evaluation criteria need careful designed to avoid price being the only deciding factor

A good relationship is worth the investment

Risk is difficult to transfer

* Procurement Strategy