

# **Ashburton District Council**

## **AGENDA**

---

### **Notice of Meeting:**

A meeting of the Ashburton District Council will be held on:

**Date:** Wednesday 7 May 2025

**Time:** 1pm

**Venue:** Hine Paaka Council Chamber  
Te Whare Whakatere, 2 Baring Square East, Ashburton

### **Membership**

Mayor	Neil Brown
Deputy Mayor	Liz McMillan
Members	Leen Braam
	Carolyn Cameron
	Russell Ellis
	Phill Hooper
	Lynette Lovett
	Rob Mackle
	Tony Todd
	Richard Wilson

## Meeting Timetable

Time	Item
<b>1.00pm</b>	Council meeting commences
1.05pm	Public Forum – Digital Waitaha (Neysa Koizumi)
2.30pm	NZTA (2 <sup>nd</sup> Bridge Team) introductions
3.30pm	ACL quarterly report (public excluded)

### **1 Apologies**

### **2 Extraordinary Business**

### **3 Declarations of Interest**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

### **Minutes**

<b>4</b>	Council – 16/04/25	<b>3</b>
<b>5</b>	Methven Community Board – 14/04/25	<b>9</b>

### **Reports**

<b>6</b>	Library Collection Policy Review	<b>11</b>
<b>7</b>	Procurement Policy	<b>19</b>
<b>8</b>	Public Transport Trial	<b>75</b>
<b>9</b>	Ashburton Community Water Trust reporting exemption	<b>86</b>
<b>10</b>	Financial Variance report – March 2025	<b>90</b>
<b>11</b>	Councillors' reports	<b>127</b>

### **Business Transacted with the Public Excluded**

<b>12</b>	Council – 16/04/25		<b>PE 1</b>
	<ul style="list-style-type: none"> <li>Methven Birdsong Initiative Trust</li> </ul>	Section 7(2)(h) Commercial activities	
	[Now in open meeting]		
	<ul style="list-style-type: none"> <li>Purchase of land from Lake Hood Extension Trust</li> </ul>		
<b>13</b>	Forestry land	Section 7(2)(h) Commercial activities	<b>PE 3</b>
<b>14</b>	Land Purchase	Section 7(2)(h) Commercial activities	<b>PE 15</b>
<b>15</b>	Glasgow Lease	Section 7(2)(h) Commercial activities	<b>PE 51</b>
<b>16</b>	People & Capability Report	Section 7(2)(h) Protection of privacy of persons	<b>PE 71</b>
<b>17</b>	Ashburton Contracting Ltd	Section 7(2)(h) Commercial activities	<b>Verbal</b>

## 4. Council Minutes – 16 April 2025

Minutes of the Council meeting held on Wednesday 16 April 2025, commencing at 1.00pm in the Hine Paaka Council Chamber, Te Whare Whakatere, 2 Baring Square East, Ashburton.

### Present

His Worship the Mayor, Neil Brown; Deputy Mayor Liz McMillan and Councillors Leen Braam, Carolyn Cameron, Russell Ellis, Phill Hooper, Lynette Lovett, Rob Mackle, Tony Todd and Richard Wilson.

### In attendance

Hamish Riach (Chief Executive), Helen Barnes (GM Business Support), Toni Durham (GM Democracy & Engagement), Ian Hyde (GM Compliance & Development), Neil McCann (GM Infrastructure & Open Spaces), and Phillippa Clark (Governance Team Leader).

Staff present for the duration of their reports: Ian Soper (Open Spaces Manager), Mark Low (Strategy & Policy Manager), Femke van der Valk (Policy Advisor), Mark Chamberlain (Roading Manager), Ravi Travedi (Asset Engineer), Jim Henderson (Emergency Management Officer), Renee Julius (Property Manager), Tania Paddock (Legal Counsel) and Jacqui Watson (Property Legal Counsel).

Deputation: Bill Thomas and Angela Cushnie (1.24pm-1.34pm)

Deputation: Methven Community Board members (3.30pm-3.54pm)

### 1 Apologies

Cr Mackle (lateness)

Sustained

### 2 Extraordinary Business

**That** pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following item be introduced as extraordinary business, to be taken with item 11:

- Lauriston School roading modification funding proposal

Braam/Cameron

Carried

### 3 Declarations of Interest

*Item 15* – the Mayor declared an interest and gave notice he will leave the meeting for the duration of this item. The Deputy Mayor will take the Chair.

### 4 Confirmation of Minutes – 2/03/25

#### - Ashburton Cemetery – new public toilets

**That** the matter left on the table at the 2 April 2025 Council meeting be uplifted for the Mayor's vote.

McMillan/Cameron

Carried

After considering additional information, confirming that the cost of building new toilets would be predominantly loan funded, the Mayor remained opposed to the project and used his casting vote against the motion.

**That** Council constructs one new toilet facility in the Ashburton Cemetery between the Seafield Lawn and the Bremner Lawn and that the existing toilet block be demolished.

Lovett/Braam

Lost

A show of hands gave 5 for and 5 against the motion.

The motion was lost on the Mayor's casting vote

1. **That** no further progress is made on the toilet project in the Ashburton Cemetery in the medium term.
2. **That** some maintenance be undertaken on the existing toilet block from within existing budgets to keep it functional.

Mayor/Lovett

Carried

**That** the minutes of the Council meeting held on 2 April 2025, be taken as read and confirmed.

McMillan/Todd

Carried

## 5 Audit & Risk Committee – 26/03/25

**That** Council receives the minutes of the Audit & Risk Committee meeting held on 26 March 2025.

Ellis/Cameron

Carried

### • Ashburton Contracting Ltd – Draft Statement of Intent 2025

**That** Council develops a Statement of Expectation with Ashburton Contracting Ltd, to be signed off in conjunction with the Statement of Intent for the 1 July 2026 to 30 June 2027 financial year.

Cameron/Wilson

Carried

1. **That** Council receives the Ashburton Contracting Limited 2025/26 Draft Statement of Intent, confirming the request to amend clauses 6 and 13.
2. **That** the ACL Board be formally advised of Council's comments on the 2025/26 Draft Statement of Intent, prior to the company's meeting on 29 April 2025.

Lovett/McMillan

Carried

### • New Zealand Mutual Liability Riskpool Receipt of Call Letter

**That** Council receives the report and notes the requirement to make payment of \$17,404 plus GST to New Zealand Mutual Liability Riskpool.

Cameron/McMillan

Carried

### • EA Networks Centre income and expenditure report

The recommendation to remove the report from the Audit & Risk Committee was not fully supported. It was suggested that increased scrutiny should be applied due to the support provided to maintain as EA Networks Centre receives a lot of support to maintain its operations.

**That** Council notes that the Audit & Risk Committee will no longer separately review the EA Networks Centre financial reports, as activity level data is included with Council's monthly financial variance report.

Ellis/Todd

Carried

Cr Cameron recorded her vote against the motion.

**6 Three Waters Committee – 26 March 2025**

**That** Council receives the minutes of the Three Waters Committee meeting held on 26 March 2025, be taken as read and confirmed.

Ellis/Todd

Carried

**7 Submission on Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill**

**That** Council approves the submission to the Justice Committee on the Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill, as attached in Appendix 1.

Braam/Cameron

Carried

**8 LocoDelegations Review 2025**

**That** Council uplifts the Review of Council Delegations report from 5 February 2025.

Cameron/Todd

Carried

**That** Council adopts the 2025 delegations register (LocoDelegations).

Ellis/McMillan

Carried

**9 Zone Committee Review Feedback**

*Deputation: Bill Thomas and Angela Cushnie*

The presenters spoke about their preference for the core leadership group model to include representation from a local advisory group who would work alongside the other three stakeholders. They commented that feedback from the wider sector indicates support for a local advisory group to be formed (a group of 12-14 people representing different interests and concerns) with the Chair of this group to be the appointee on the core leadership group. It is envisaged that advisory group membership would be voluntary, with some remuneration for the advisory group Chair.

The presenters consider that their proposal aligns with Council's view that community representation and interest could be included if the option to replace the Zone Committee with a local leadership group is taken. They asked that their proposal be shared with the Canterbury Mayoral Forum and submitted to Environment Canterbury.

The presenters were thanked and the deputation concluded at 1.34pm.

Officers advised that Council is being asked to consider a bespoke Mid Canterbury option. It is suggested that a trial be undertaken over an 18 month period that will focus on freshwater management at a local level. The core group, once established, would determine the projects and work programme.

There is some uncertainty on whether regional biodiversity funding will remain. Officers will raise this with ECan in the submission.

1. **That** Council approves the feedback memo to the Canterbury Mayoral Forum on the Zone Committee Review, as attached in Appendix 1.
2. **That** Council supports proposed Option 2; having the Local Leadership Group replace the Ashburton Water Zone Committee, with representation from this 'advisory group' included as one of the four key stakeholders.

Cameron/McMillan

Carried

## 10 ROAD0400 Road Maintenance and Operations Contract Procurement Model

**That** Council approves a Multiple Contracts procurement model for the ROAD0400 Road Network Maintenance and Operations Contract.

Cameron/Hooper

Carried

## 11 2025/26 Unsubsidised Roothing Projects

### • Extraordinary business – Lauriston School

It was reported that Lauriston School Board of Trustees have asked Council to consider allocating funds to construct a turning bay and address flooding and accessibility issues at the school. The request was received on Monday and could be included with the unsubsidised roading projects under consideration today for the 2025-26 year.

Council heard that this work had been budgeted in the 2024-27 Roothing Programme (Low Cost Low Risk) funding request which was subsequently declined by NZTA. If Council wishes to allocate funds for the Lauriston School project, work will have to be funded from the unsubsidised roading budget. The estimated cost of all the requested work is \$200k, but a staged approach could be considered.

Officers reported that NZTA have advised of targeted funding for local (resilience-based) projects and Council's funding share will need to be met from the unsubsidised roading budget. It was further reported that the Springburn Bushside Road project has been removed from the list of recommended projects. As a result of these changes, the available budget has reduced from \$2.5m to \$2.2m.

Should Council wish to include the Lauriston School (unsubsidised) project, other work would need to be reduced or removed.

Council discussed the merits of each of the proposed unsubsidised projects and agreed (by majority):

- *Lauriston School project*  
Not supported in the 2025/26 year.
- *Replace concrete streetlight poles, new streetlights, signage improvements, footpath maintenance, and road safety promotion*  
Budgeted amounts supported.
- *Drainage improvements*  
Support reduced budget of \$100k
- *Road marking*  
Support reduced budget of \$150k
- *Wills Street rail bridge*  
Budgeted amount supported with this project to be renamed as 'additional structural refurbishment fund'. Council has asked for further information on the rail bridge project.

**That** Council spends the proposed Council unsubsidised budget for 2025/26 of \$2,200,000 on the following works:

- a) Replace concrete street light poles (42 poles) \$220,000
- b) New streetlights in conjunction with power undergrounding \$225,000
- c) Reseals \$1,000,000
- d) Drainage improvements \$100,000
- e) Signage improvements at curves and intersections \$50,000
- f) Road marking \$150,000

- g) Footpath maintenance \$50,000
- h) Road safety promotions \$20,000
- i) Additional structural refurbishment fund - \$365,000

McMillan/Cameron

Carried

## 12 Road Closure – Ashburton Car Club Standing Quarter Mile Sprint Meeting

**That** Council permits the temporary road closure of Blands Road from Dip Road to Methven Highway from 9.00 am to 4.30pm on Saturday, 17 May 2025 to allow the Standing Quarter Mile Sprint Meeting to be held.

Braam/Lovett

Carried

## Civil Defence presentation

The Mayor welcomed Mr David Watson who has been recognised for his contribution as a volunteer radio operator with the local emergency management team over the past 10 years. On behalf of Council and the community, the Mayor thanked David and presented him with a certificate from the Minister of Emergency Management and the National Emergency Management Agency.

Council adjourned for afternoon tea from 2.58pm until 3.15pm.

## 13 Deputy Mayor's report

**That** Council receives the Deputy Mayor's report.

Cameron/Todd

Carried

## 14 Mayor's report

### • Lake Hood algae

The Mayor referred to the recent closure of Lake Hood due to health concerns associated with cyanobacteria. He commented that while work is being done to improve water flow and reduce weeds in the Lake, further options need to be explored to resolve the algae issue.

**That** Council requests the Chief Executive to provide an issues and options report on Lake Hood to restore water quality.

Mayor/Cameron

Carried

**That** Council receives the Mayor's report.

Mayor/McMillan

Carried

## Business transacted with the public excluded 3.29pm.

**That** the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
15	Council 2/04/25 <ul style="list-style-type: none"> <li>Birdsong Initiative Trust</li> <li>Land purchase</li> </ul>	Section 7(2)(h) Section 7(2)(h)	Commercial activities Commercial activities
16	Audit & Risk Committee 26/03/25 <ul style="list-style-type: none"> <li>Health &amp; Safety report</li> </ul>	Section 7(2)(a)	Protection of privacy of natural persons

<b>17</b>	Methven & Foothills Birdsong Initiative Trust lease	Section 7(2)(h)	Commercial activities
<b>18</b>	Land purchase	Section 7(2)(h)	Commercial activities

**That** the Methven Community Board deputation attend the meeting to speak to item 17, prior to Council receiving and debating this report.

Lovett/McMillan

Carried

### **Business transacted with the public excluded now in open meeting**

- **Purchase of land from Lake Extension Trust Ltd**

**That** Council enter into an Agreement for Sale and Purchase with the Lake Extension Trust Limited to purchase 2.89 hectares of land as contained in Lots 2 and 3 Deposited Plan 605866 (Record of Title 1209111) for the purchase price of \$1 plus GST (if any) on the terms contained in Appendix 1.

Lovett/Cameron

Carried

Council concluded at 4.51pm.

Confirmed 7 May 2025

---

MAYOR



## 5. *Methven Community Board – 14 April 2025*

Minutes of the Methven Community Board meeting held on Monday 14 April 2025, commencing at 9.00 am, in the Mt Hutt Memorial Hall Board Room, 160 Main Street, Methven.

### **Present**

Kelvin Holmes (Chair), Megan Fitzgerald, Allan Lock, Richie Owen, Robin Jenkinson and Liz McMillan.

### **In attendance**

Ian Hyde (GM Compliance & Development) and Carol McAtamney (Governance Support).

#### **1 Apologies**

Mayor Neil Brown and Councillor Rob Mackle Sustained

#### **2 Extraordinary Business**

Nil.

#### **3 Declarations of Interest**

Nil.

#### **4 Confirmation of Minutes**

**That** the minutes of the Methven Community Board meeting held on 10 March 2025, be taken as read and confirmed.

Fitzgerald/McMillan Carried

### ***Matters arising***

Nil.

#### **5 Discretionary Grant Request – Mt Hutt College**

**That** the Methven Community Board allocates \$3,820 from its discretionary grant to the Mt Hutt College for its education tourism campaign to attract international students.

Jenkinson/Fitzgerald Carried

#### **6 Discretionary Grant Request – Methven Primary School**

**That** the Methven Community Board allocates \$1,800 from its discretionary grant to the Methven Primary School to purchase Wonder Dash Bots

McMillan/Holmes Carried

#### **7 Activity Reports**

**That** the reports be received.

Fitzgerald/Lock Carried

## 7.2 Democracy & Engagement

- **Local Water Done Well**

The Chair is to prepare a submission, on behalf of the Methven Community Board, on the Council's consultation to support the proposed option 1 (stand-alone business unit).

- **MCB Grants & Funding**

A request was made for the accountability reports from recipients of funds from the Discretionary fund to be provided to the MCB members.

### 2022/23 Recipients

Methven Lions Club received for Skills Park Maintenance (not upgrade as reported).

### 2024/25 Recipients

Mt Hutt Bike Park received funding of \$3,000 to engage a professional photographer and videographer for the SI Secondary Schools Mountain biking champs 2025 and to undertake promotion photos of Methven (not included in grants summary list).

## Business transacted with the public excluded – 9.57am

**That** the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
7	MCB Minutes 10/03/25 - Methven & Foothills Birdsong Initiative	Section 7(2)(h)	Commercial activities

Lock/Owen

Carried

There being no resolutions passed the Board resumed in open meeting and concluded at 10.04am.

Confirmed 26 May 2025

---

Chairman

## 6. *Library Collection Policy review*

Author	<i>Femke van der Valk; Policy Advisor</i>
Activity Manager	<i>Jill Watson; Library Manager</i> <i>Mark Low; Strategy &amp; Policy Manager</i>
Executive Team Member	<i>Sarah Mosley; Group Manager People &amp; Facilities</i>

### Summary

- The purpose of this report is for Council to consider the Library Collection Policy review.
- Our Library Collection Policy was last reviewed in 2020 and is due for review.
- The review of the policy reflects minor changes, for the purpose of accuracy and currency, and do not change the basic principles of the policy.
- Council has options to:
  - Roll over the current policy (status quo); or
  - Amend the policy (recommended option);

#### Recommendation

1. **That** Council adopts the Library Collection Policy 2025 as attached in Appendix 1.

### Attachment

#### Appendix 1     Draft Library Collection Policy 2025

## Background

### The current situation

1. The purpose of the Library Collection Policy is ‘to maintain a relevant and high-quality library collection that meets the needs of Ashburton District residents.
2. The policy was last reviewed and adopted with minor changes in 2020. The recommendation is a three-yearly review. With the move to the new library building, Te Kete Tuhinga, scheduled for 2023, the review was held off until after the move.
3. The 2023/24 Annual report states that 54% of the Ashburton District residents visited the library and 227,020 items were issued to borrowers during that year (that included the time the library was closed for the move). This is an increase of 12.7 % in the number of issues compared with 2022/23.
4. Council currently has one other collection policy, the Civic Art Collection policy.

### Suggested changes to the policy and other considerations

5. During the policy review, some minor changes and updates were identified, as stated in Appendix 1 – Draft Library Collection Policy 2025. These changes include (but are not limited to);
  - Definitions: the update of the new name of the Library, Te Kete Tuhinga.
  - Paragraph 3: adding reference to the legal framework of the Copyright Act 1994 and the Films, Videos, and Publications Classification Act 1993 which are referred to in the policy ‘related documents’ section.
  - Paragraph 4: adding the reference to our Te Reo and Māori culture collection
  - Paragraph 8: the reference to the ownership of the collection. This section is added to align with Council’s other collection policy, the Civic Art Collection Policy.
6. The review process also considered if the Library Collection Policy would potentially be more suitable as a guideline rather than a policy. Research shows councils throughout New Zealand have both library collection policies and library collection guidelines.
7. A guideline is to be considered a more practical document, referring to operational matters, and does not require Council to formally review the policy, making it a more flexible document.
8. A policy is a formal, high-level statement that outlines Council’s principles, rules, and intentions, providing a framework for decision-making and actions. It is designed to ensure consistency, compliance with laws and regulations, and alignment with the Council’s goals and values.

9. Officers concluded a policy should be retained, because;
  - the policy currently enshrines the value of Intellectual Freedom (see 2.0), and
  - when challenged, references Council’s endorsement, and not that of Council staff, and
  - shows consistency in Council’s approach as the other Council owned collection, the Civic Art collection, is also managed by a policy.
10. Officers propose to set the review cycle for this policy at five years instead of the standard three-year period. It is not legally required to review every three years and considering the current review was delayed to five years and didn’t cause any issues, this seems appropriate. If an earlier review is considered necessary, this can always be completed.

## Options analysis

### Option one – Roll over the current policy (status quo)

11. Council could decide to roll over the policy as it currently stands. This option is not recommended, as officers have identified opportunities for improvements to the policy.

<p><b>Advantages:</b></p> <p>There are no advantages at this stage considering officers already have gone through the review process.</p>	<p><b>Disadvantages:</b></p> <p>Identified improvements will not be included in the policy.</p>
<p><b>Risks:</b></p> <p>Reputational risk for Council of coming across as inconsistent when Council does not refer to the new name of the library in its own Library Collection Policy.</p>	

### Option two – Adopt the draft Library Collection Policy 2025 as proposed (recommended option)

12. Council could adopt the new draft policy as attached in Appendix 1. This is the recommended option. The minor changes are for the purpose of accuracy, currency and accessibility, and do not change the basic principles of the policy.
13. Council may also wish to make further changes to the policy (or less than those proposed).

<b>Advantages:</b> Identified improvements will be included in the policy.	<b>Disadvantages:</b> Despite it being minor changes community members might disagree and not be able to express this as there will be no community engagement.
<b>Risks:</b> If the changes are not well-received by the public or stakeholders, it could negatively impact the Council's reputation.	

## Legal/policy implications

14. The policy notes the requirements for Council to observe the [Copyright Act 1994](#), which relates mostly to the copying of material held in library collections (see ss.50-57 of the Act).
15. The [Bill of Rights Act 1990](#) is also relevant, as it relates to freedom of expression and freedom of thought, conscience and religion. A balanced library collection will reflect a diversity of thinking and belief systems.

## Climate change

16. There is no direct link between climate change and the review of the Library Collection policy.

Review of legal / policy implications	
Reviewed by In-house Counsel	<i>Tania Paddock; Legal Counsel</i>

## Strategic alignment

17. The recommendation relates to Council's community of 'Residents are well-represented, included and have a voice' and 'A district of great spaces and places'.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	X	
Environmental	X	
Cultural	✓	Wellbeing refers to 'the shared beliefs, values, customs, behaviours and identities reflected through language and stories (..) that make up our communities'. The policy promotes this wellbeing.
Social	✓	Wellbeing refers to the involvement of individuals, their families, whanau, hapu, iwi and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks... and rights and freedoms. A balanced library collection contributes to this wellbeing.

## Financial implications

Requirement	Explanation
What is the cost?	None identified
Is there budget available in LTP / AP?	Not required
Where is the funding coming from?	N/A
Are there any future budget implications?	None identified
Reviewed by Finance	Erin Register; Finance Manager.

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	Although the library collection services a large part of the community the review of the policy reflects minor changes that will not have an impact on this level of service.
Level of engagement selected	1. Inform – one way communication
Rationale for selecting level of engagement	Wider community engagement is not required, given the level of significance
Reviewed by Strategy & Policy	<i>Mark Low; Strategy and Policy Manager</i>

# Policy

## LIBRARY COLLECTION POLICY

<b>TEAM:</b>	Library
<b>RESPONSIBILITY:</b>	Library Manager
<b>ADOPTED:</b>	<del>25 June 2020</del> 16 April 2025
<b>REVIEW:</b>	Every <del>three</del> five years, or as required
<b>CONSULTATION:</b>	None required
<b>RELATED DOCUMENTS:</b>	Asset Disposal Policy 2020 Procurement Policy 2020 <del>5</del> Films, Videos and Publications Classification Act 1993 Copyright Act 1994 LIANZA Statement on Intellectual Freedom <del>;</del>

### Policy Objective

To maintain a relevant and high quality ~~public~~ library collection that meets the needs of Ashburton District residents.

### Definitions

**Council** means Ashburton District Council.

**Digital resources** means books, serials, databases and other information published in digital form.  
~~Some of these resources may have no printed equivalent.~~

**Library collection** means the print, digital, and other resources of Te Kete Tuhiinga, the Ashburton ~~Public~~ Library (the Library).

**Stack** means the section of the library collection which houses resources which are not used often but still relevant. This can include extra copies of popular items and items of limited availability.

### Library Collection Principles

#### Community needs

- The Library collection supports the learning and recreational needs of the Ashburton District community.
- The Library collection will reflect the local culture, history and creative output of the district and region.

#### Access

- The Library collection will provide resources in a variety of formats, representing a range of views and explore new collections and formats where feasible.



## Best Value

- The Library ensures ~~the best value for Ashburton ratepayers of its service~~ by exercising fiscal responsibility in collection development and observing Council's procurement policy.
- ~~The Library commits to making cost effective collection management decisions, balancing renewal of the collection with the retention of the key items for the future.~~

## Policy Statement

### 1. Selection Criteria

1.1 The selection of print and digital resources for the Library collection will follow the [collection](#) principles and incorporate the following criteria:

- Customer and community demand and interest
- Suitability for the intended audience
- Scope or depth of coverage
- Balance and diversity of views
- Relevance to the Ashburton community
- Existing similar library stock
- Author reputation and popularity
- Part of a [popular](#) series currently held in the collection
- Literary standard

The Library will not normally acquire the following for its collection:

- Text books
- Specialist works
- Rare books and collectors editions ~~with no local association~~
- Musical scores and recordings

### 2. Intellectual Freedom

2.1 The Library supports the LIANZA Statement on Intellectual Freedom which states:

*"No information resources should be excluded from libraries because of the opinions they express; nor because of who the author is; nor on the grounds of the political, social, moral or other views of the author"*

2.2 The Library collection will include items from a wide spectrum of opinion and present a variety of styles and viewpoints.

### 3. Copyright

~~3.1 The Library supports the freedom to read and access information within the legal framework set by the Copyright Act 1994 and the Films, Videos, and Publications Classification Act 1993.~~

### 3.4. The Library Collection

3.1 The Library collection will include a range of print, digital and other resources for the community, including specific material for children and young adults.

3.2 The Library collection will also include resources of the following types:

- Te Reo and Māori culture
- Local history
- Selected local and regional newspapers
- Materials for the ~~print-disabled~~ vision-impaired

#### **4.5. Stack**

4.1 The Library will maintain resources in the stack collection. This collection will include, but is not limited to:

- extra copies of very popular items
- “Classics” which the public would expect to have available, but for which there is normally low demand, and
- items of limited availability, particularly New Zealand material.

#### **5.6. Donations**

5.1 Offers of donation of materials need to meet the collection criteria.

5.2 Once added to the collection, donations will be managed like all other resources and subject to the same conditions of loan, use and retention.

#### **6.7. Collection Review**

6.1 The library collection is subject to ongoing review by library staff. Criteria used to determine whether an item should remain in the collection include:

- demand and usage
- physical condition
- continued relevance
- number of copies held
- availability of a newer edition
- available space, and
- cost of repair.

#### **7.8. Deselection**

7.1. Items that no longer meet the collection criteria and/or are no longer required may be:

- sold
- donated to district community libraries and district charities, or
- recycled or otherwise disposed of.

7.2. Items will be disposed of in a manner that observes Council’s Assets Disposal Policy.

### **9. Collection ownership**

8.1 Ashburton District Council will retain ownership of all items in the library collection.

## 7. *Procurement Policy 2025*

Author	<i>Lou Dunstan, Policy Advisor</i>
Activity Manager	<i>Erin Register, Finance Manager</i> <i>Mark Low, Strategy and Policy Manager</i>
Executive Team Member	<i>Helen Barnes, GM – Business Support</i> <i>Toni Durham, GM – Democracy and Engagement</i>

### Summary

- The purpose of this report is to seek Council approval of the 2025 Procurement Policy as attached in appendix 3.
- The review schedule for this policy is every three years. As the last review was completed in 2020, it is now overdue.
- The current review has been ongoing since June 2024. During this time, officers have consulted with external procurement specialists, carried out staff surveys, and worked with key procurement officers to inform the 2025 procurement policy and guidelines.
- The review focussed on eight key areas, some of which have been introduced as part of the proposed policy.
  - Local value
  - Expenditure limits
  - Emergency procurement
  - Exceptions
  - Lotting
  - Probity
  - Use of E-Tendering sites
  - Performance and review

### Recommendation

1. **That** Council adopts a buy local premium applied for all evaluation models for minor and moderate expenditure.
2. **That** Council adopts the 2025 Procurement Policy as attached in appendix 3.
3. **That** Council authorise the Mayor and Chief Executive to approve the final wording of any amendments to the Procurement Policy made at the Council meeting, if necessary.

### Attachments

<b>Appendix 1</b>	Summary of changes
<b>Appendix 2</b>	Buying local analysis
<b>Appendix 3</b>	Procurement Policy 2025
<b>Appendix 4</b>	Procurement Guidelines 2025

## Background

1. Ashburton District Council (Council) will spend \$1.1B running the district over the life of the current Long-Term Plan. Having a procurement policy allows Council to implement a procurement framework focussed on achieving public value by maximising the economic, social and environmental outcomes achieved through procurement.
2. The objective of the policy is to provide a framework for applying consistent procurement practice across all Council activities, in alignment with Council's vision, strategic priorities and community outcomes.
3. The policy ensures that purchasing decisions are consistent, transparent, fair and lawful and aligned with relevant legislation and procurement practices as defined by central government.
4. Council's procurement policy is designed to be read in conjunction with the internal procurement guidelines.

### The current situation

5. The review schedule for this policy is every three years. As the last review was completed in 2020, it is now overdue.
6. The current review has been ongoing since June 2024. During this time, officers have consulted with external procurement specialists, carried out staff surveys, and worked with key procurement officers to inform the 2025 procurement policy and guidelines.

## Key focus of the review / proposed changes

7. Officers have completed a full review of the procurement policy and guidelines. The review focussed on eight key areas, some of which have been introduced as part of the review.
  - Local value
  - Expenditure limits
  - Emergency procurement
  - Exceptions
  - Lotting & splitting
  - Probity
  - Use of E-Tendering sites
  - Performance and review

### Updated Sections

#### Local value

8. Local value in procurement refers to the value and benefits to the local economy that are achieved through Council procurement. Council can create opportunities for local businesses to participate by considering the commercial and practical advantages or purchasing local products and services.

9. Council's procurement policy has historically considered local value by requiring officers to obtain at least one quote from a local supplier who offers the goods or services required.

#### **Covid 19 – Local procurement decisions**

10. In 2020, as a response to the economic impacts of Covid-19 and associated lockdowns, Council passed a resolution to introduce a temporary buy local provision as part of the procurement guidelines. The provisions directed officers to procure locally where possible for a period of 12 months.
11. Under the temporary provision, officers were directed to procure locally for any purchases to the value of \$10,000 (minor expenditure). At this level of procurement, local suppliers were preferred where their estimate was within 5% of the most competitive estimate.
12. Above this value, local value was considered but achieving the best overall deal remained the priority for higher value expenditure.
13. These temporary provisions were reviewed in June 2021 and have been rolled over until now.

#### **Options for implementing local value**

14. Currently, the provisions introduced in 2020 remain in the procurement guidelines and continue to be implemented by officers.
15. Council has an opportunity to either retain, remove, or update the current buy local provisions. Officers are recommending that the buy local provisions are updated, and a buy local premium be introduced to the policy to replace the temporary buy local provisions currently located in the guidelines.
16. The buy local premium will be applied in a similar way as the temporary provisions but will be extended up to moderate expenditure.
17. This means that for very minor expenditure (under \$2,000) officers will be required to purchase directly from a local supplier where one is known to offer the required goods, services, or works at a reasonable price.
18. For minor and moderate expenditure (\$2,001 - \$99,999) officers will be required to obtain at least one quote from a local supplier when there is at least one known local supplier who offers the goods, services, or works required.
19. If there is a local supplier and a quote has been obtained, officers must apply a buy local premium to the quoted price from the local supplier in which they will be allowed a reduction of 5% in price (exclusive of GST) for evaluation purposes only.

20. As there are a number of complexities associated with the introduction of a buy local premium, more detailed option analysis of this portion of the policy has been included in appendix 2 of this report.

### Expenditure Limits

21. The current policy includes the following expenditure types, these are defined by monetary limits.

Expenditure Type	Purchase amount
Minor	Less than \$10,000
Moderate	\$10,000 - \$74,999
High	\$75,000 +

22. The value of each expenditure type has remained the same since 2019. Given that these have not been updated to reflect inflation, officers are recommending increasing these limits to better reflect today's economic environment.
23. Officers are also recommending the introduction of the very minor expenditure type to align the procurement policy with the value at which expenditure is capitalised.
24. Officers are recommending the following expenditure types and limits be applied to the procurement policy going forward:

Expenditure type	Purchase amount
Very Minor	\$2,000
Minor	\$2,001 - \$14,999
Moderate	\$15,000 - \$99,999
High	\$100,000 + OR deemed significant or high risk as per ADC's corporate risk policy

### Emergency Procurement

25. The current policy includes some guidance for emergency procurement. Feedback received via a staff survey identified that based on the current policy, some officers do not feel confident undertaking procurement during emergencies.
26. As a result of this feedback, officers are recommending that the policy be updated to better define the types of emergency situations that can occur and define what procurement types can be utilised during these events.

### Exceptions

27. The current policy defines circumstances in which conditions of the policy are unable to be met. Feedback received from the staff survey indicated that the current exceptions policy was being applied with various levels of understanding, suggesting that the current wording could be improved to provide greater clarity.

28. Following more in-depth feedback received by key procurement staff, officers are recommending the exceptions policy be updated to better reflect the circumstances in which an alternative procurement method can be used.
29. The current policy does not provide guidance in relation to approval mechanisms for exceptions, except for high expenditure which requires approval from the Chief Executive.
30. Based on this, officers also recommend updating the policy to include approval requirements where an exception is being sought to use an alternative procurement method for minor and moderate expenditure.
31. Any exceptions granted for expenditure \$100,000 and over will be reported to Council on a 6-monthly basis.

## **Introduced Sections**

### **Lotting**

32. It is common for Council to have large procurement projects that require multiple suppliers.
33. Under rule 9 of the Government Procurement Rules, Council can utilise a procurement process called lotting in which a large procurement project can be divided into smaller “lots” that represent separate contracts open for competition. This approach is designed to enhance competition and achieve better value for money.
34. The rule clearly defines the reasons for lotting. It also explains that procurement projects must not be split with the intent avoiding proper procurement procedures.
35. Officers are recommending a new section of the policy be introduced to define the use of lotting and provide guidance in relation to proper use for larger procurement projects.

### **E-Tendering**

36. Council primarily uses e-tendering sites such as GETS and Tenderlink to list procurement opportunities and manage tenders, quotes, and expressions of interest.
37. Officers are recommending the policy be updated to reflect this practice.

### **Probity**

38. Probity in procurement means making sure all suppliers have a fair opportunity, and that the process is transparent, accountable, impartial and equitable.
39. It is common for higher value procurement projects to attract greater levels of interest from the public and unsuccessful suppliers; therefore it is important that Council’s procurement processes and procedures are able to withstand public scrutiny.

40. For high value projects (valued over \$5 million) or projects deemed highly significant as per the community engagement policy, officers are proposing updating the policy to recommend use of an external probity auditor.

### Performance and review

41. A post implementation review is a helpful tool to assess the quality of the goods and services against the expectations defined at the beginning of a project. This can include a review of the delivery timeframe, terms of the contract including any specific outcomes (e.g. local employment), analysis of final costs, and the effectiveness of the relationship between Council and supplier.
42. Officers are recommending that a post implementation review be carried out for any project that meets the following criteria:
- a) Valued over \$5m (whole of life cost), and
  - b) Has been deemed significant as per the community engagement policy, and
  - c) Where there is high corporate risk.

### Other Changes

43. Other minor changes made to the policy are detailed in appendix 1 attached.

## Options analysis

### Option one – Roll over the current policy (Status Quo)

44. Under this option, the policy and guidelines would be rolled over as they currently are without any amendments being made, this option is not recommended.

<b>Advantages:</b>  Officers are familiar with the current policy and guidelines; these will continue to be implemented with minimal need for additional training.	<b>Disadvantages:</b> Council would miss the opportunity to align the procurement policy with relevant legislation and central government guidance.  Council would miss the opportunity to include feedback received via the staff survey and key procurement officers.
<b>Risks:</b> The community and potential suppliers may question the validity of Councils procurement process if they are not being regularly updated to align with best practice guidance from central government and relevant legislation.  Parts of the policy may continue to be applied inconsistently creating procurement outcomes that could be challenged.	



## Option two – Adopt the policy

45. Under this option, Council would adopt the policy to take effect as of June 2025. Amendments made in the policy would better align the policy with associated central government guidance and relevant legislation. This option is recommended.

<b>Advantages:</b> Policy would be fully updated to include feedback received from officer surveys, updates to central government guidance, and advice sought from procurement specialists.	<b>Disadvantages:</b> There may be a period of learning where the new policy is implemented with varying levels of understanding. Officer training will be carried out to minimise this.
<b>Risks:</b> Some updates to the policy may draw negative attention from the public or potential suppliers.	

## Option three – Adopt an amended version of the policy

46. It is acknowledged that Council may feel further changes are necessary. Therefore, Council could decide to adopt an amended version of the policy.
47. Alternative options for implementing local value have been provided in appendix 2, Council may wish to include an alternative version in which case officers will need to update the policy to reflect the preferred option.
48. This option is not recommended.

<b>Advantages:</b> Improvements may be picked up that have been missed by officers or included that better reflect Council's views.	<b>Disadvantages:</b> <ul style="list-style-type: none"><li>• Amendments made may not fully align with central government guidance or address the feedback received from officer surveys.</li><li>• Additional time would be required to complete officer training to ensure the updated policy is implemented as intended.</li></ul>
<b>Risks:</b> Council may make amendments that do not align with central government guidance or best practice. This could lead to Councils procurement practices being scrutinised or challenged.	

## Legal/policy implications

### Legislation

#### Local Government Act 2002

49. Council is required to act within the provisions of the Local Government Act when procuring services. Section 101 of the Local Government Act 2002 (Financial Management) requires a local authority to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. A robust procurement policy is essential in being able to demonstrate that expenditure is made prudently, and that the expenditure meets the needs of the current and future interests of the community.

#### **Civil Defence Emergency Management Act 2002**

50. Council's procurement policy must align with the provisions of the Civil Defence Emergency Act 2002 which defines the process for procurement during declared civil defence emergencies.

#### **Government Procurement Rules, 4<sup>th</sup> edition, 2019**

51. While there is no legal obligation for Council to include the Government Procurement Rules in the procurement policy, it is a widely used resource for local government to use as a framework for best practice procurement processes.
52. Officers note that the Government Rules 5<sup>th</sup> edition, 2025 is currently being consulted on. Officers have reviewed the proposed changes and where needed, aligned the procurement policy.

#### **Sensitive Expenditure Policy 2024**

53. Council's procurement policy must align with the 2024 sensitive expenditure policy and internal purchase card policy.

#### **Climate change**

54. Sustainable procurement is considered in the policy. Council has an opportunity to minimise climate change effects by considering sustainable resource use and opting for environmentally friendly solutions.

#### **Review of legal / policy implications**

Reviewed by In-house Counsel

*Tania Paddock; Legal Counsel*

## Strategic alignment

55. The policy has a positive effect for economic, environmental and social wellbeing.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	Council's procurement policy ensures that public value is achieved through procurement decisions. The policy takes into account whole of life costs, financial prudence, and maximising value for money.
Environmental	✓	Council's procurement policy ensures that the environmental impacts of procurement are taken into account. Where possible, Council will opt for solutions that reduce pollution, use of single use material, and energy consumption.
Cultural		
Social	✓	Council's procurement process includes provisions such as supporting local suppliers to enhance social sustainability through procurement.

## Financial implications

Requirement	Explanation
What is the cost?	There may be additional expenditure if the buy local premium is being applied. However, this will be met from existing budgets.
Is there budget available in LTP / AP?	Yes, policy will be implemented within existing budgets.
Where is the funding coming from?	N/A
Are there any future budget implications?	Buying power may be reduced as a result of Council paying more to award local suppliers contracts. The impact of this is not fully known.
Reviewed by Finance	Helen Barnes: GM Business Support

## Significance and engagement assessment

56. The recommended option has been assessed against Council's Community engagement Policy and does not trigger high significance.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low

Rationale for selecting level of significance	Changes to the policy are unlikely to attract wider community or media interest. Current and potential suppliers may have an interest in the changes made as part of this policy review.
Level of engagement selected	1. <b>Inform - One way communication.</b>
Rationale for selecting level of engagement	The community will be informed via the normal channels. Wider community engagement is not required.
Reviewed by Strategy & Policy	Mark Low; Strategy and Policy Manager

## Appendix One – Summary of Changes

*General Note: The structure of the policy and guidelines has been updated for ease of use, there have been some sections introduced or moved which has altered the section numbers. Where sections have been amended or added, details of those changes are recorded below.*

Amended Sections	
Policy Section	Amendment made
Adopted Date	Changed to reflect newly adopted date
Consultation	Changed to reflect consultation approach for the most recent review
Related documents	<p><b>Removed as not relevant to policy</b></p> <ul style="list-style-type: none"> <li>Economic Development Strategy and Action plan</li> </ul> <p><b>Added or updated to reflect most recent documents</b></p> <ul style="list-style-type: none"> <li>Loco delegations' system – council delegations</li> <li>Long-Term Plan 2024-34</li> <li>Partnerships with the Private Sector Policy</li> <li>Community Engagement Policy</li> </ul>
Relevant legislation	<p><b>Removed as not relevant to policy</b></p> <ul style="list-style-type: none"> <li>Official Information Act 1982</li> </ul> <p><b>Added or updated to reflect most recent documents</b></p> <ul style="list-style-type: none"> <li>Civil Defence Emergency Management Act 2002</li> <li>Construction Contracts Act 2002</li> </ul>
Central Government guidelines	<p><b>Added or updated to reflect most recent documents</b></p> <ul style="list-style-type: none"> <li>Office of the Auditor General, June 2020, Managing Conflicts of Interest: A guide for the public sector</li> <li>Office of the Auditor General, October 2020, Guidance for members of local authorities about the local authorities (Members' Interests) Act 1968</li> </ul>
Definitions	<p><b>Removed definitions</b></p> <p><b>Removed:</b> Business case <b>Reason:</b> Moved to guidelines</p> <p><b>Removed:</b> Sustainable procurement <b>Reason:</b> Covered under sustainability definition</p> <p><b>Added definitions to support policy</b></p> <ul style="list-style-type: none"> <li>E-Tendering sites</li> <li>Local Supplier</li> <li>Probity</li> <li>Procure to pay system</li> <li>Sustainability</li> <li>Whole of life costs</li> <li>Reasonable cost</li> </ul>
Scope	Removed ministerial appointments as it doesn't apply to Council.
1. Principles Framework	Removed wording for clarity
1.1 Principles and Outcomes	<p><b>Amendments</b></p> <ul style="list-style-type: none"> <li>Removed wording under "be sustainable" principle to better reflect requirements of suppliers</li> <li>Added further explanation under sustainability to define environmental, financial and social sustainability</li> </ul>
2. Local Value	Added sentence to clarify the weighting given to local value criterion

2.1 Procurement Types	<p>Added that values are GST exclusive for clarity and accurate application.</p> <p><b>Very minor expenditure type</b> Added to clarify amount and procurement and procurement method</p> <p><b>Minor expenditure</b></p> <ul style="list-style-type: none"> <li>• Updated purchase amount</li> <li>• Added standard and exception purchase methods to clarify process</li> <li>• Removed wording that is duplicate information</li> <li>• Added in buy local requirements</li> </ul> <p><b>Moderate expenditure</b></p> <ul style="list-style-type: none"> <li>• Updated purchase amount</li> <li>• Added standard and exception purchase methods to clarify process</li> <li>• Removed wording that is duplicate information.</li> <li>• Added in buy local requirements</li> </ul> <p><b>High expenditure</b></p> <ul style="list-style-type: none"> <li>• Updated purchase amount</li> <li>• Added standard and exception purchase methods to clarify process</li> <li>• Removed wording that is duplicate information.</li> <li>• Added in buy local requirements</li> </ul> <p>Removed exceptions from table as it is addressed in non-standard procurement section.</p>
4.2 Contract extensions, variation and renewals	Added wording to clarify when CE approval is required for a contract extension, variation or renewal
8. Procurement Methods	<p>Now 2.2 Alternative Procurement Methods</p> <p>Removed Multistage procurement – this has been moved to the guidelines</p> <p>Added in Public Private Partnerships as this is a viable alternative procurement method.</p> <p><b>Collective arrangements</b></p> <ul style="list-style-type: none"> <li>• Changed to collaborative procurement arrangements to better reflect arrangement types.</li> <li>• Added in examples of supply agreements for clarity.</li> </ul> <p><b>Standing Arrangements</b></p> <ul style="list-style-type: none"> <li>• Removed wording for clarity</li> </ul> <p><b>Prequalified suppliers</b></p> <ul style="list-style-type: none"> <li>• Amended wording for clarity</li> </ul>
d) Exceptions	<p>Changed to 5.1 Exceptions</p> <p>Full update of exceptions to provide greater clarity of when an exception should be considered and thresholds that must be met in order for an exception to be granted.</p>
f) Emergency Procurement	Changed to 5.2 Emergency procurement

	Full update of emergency procurement section to reflect the different situations that may occur – either declared emergency or business continuity disruption.
--	--

New Sections	
Policy Section	Reason for section
2.1 Buy Local Requirement	Added to reflect new policy requirements to consider local suppliers up to moderate expenditure. This section reflects the amendments made to the temporary buy local provisions previously under the guidelines
2.3 Probity	Added to reflect new policy requirement to consider the use of a probity auditor for certain procurement.
3. Procurement – Sourcing Phase	Section added to capture all policy related to sourcing suppliers during procurement.
3.1 Lotting and contract splitting	Added to reflect new policy requirements to define the parameters in which lotting is allowed.
3.2 Use of E-Tendering Sites	Added to reflect the use of e-tendering sites as a preferred method of procurement sourcing
3.4 Variances between estimated price and quoted prices	Added to reflect process when this type of situation arises.
4.3 Performance and Review	Added to reflect new policy requirement for completing a PIR for high value, significant projects.
5. Non-standard Procurement	Added to capture any situations where a non-standard / alternative procurement method might be required.
6. Employee Responsibilities	Section moved from guidelines to policy to better reflect the importance of employee responsibilities and record management

### Procurement Guidelines – Changes summary

Amended Sections	
Guideline Section	Amendment made
Introduction	<ul style="list-style-type: none"> <li>Removed some wording for clarity</li> <li>Added in wording and diagram to provide clarity on how considerations should be included in decision making.</li> </ul>
3. Business cases	Now 1.1 – structure updated
1.2 Selecting a procurement method	Updated wording to reflect correct name for community engagement policy
1.2.1 Verbal quotes or estimates – Minor Expenditure	Removed sentence referring requirement to get minimum of 3 quotes as it is not a requirement for this level of expenditure
1.2.3 Tendering – High Expenditure	Wording updated to add more clarity to process.
1.2.4 Collaborative Procurement Arrangements	<p><b>Public Private Partnerships</b></p> <ul style="list-style-type: none"> <li>Removed any wording copied from PPP policy to avoid confusion if PPP policy is amended.</li> </ul> <p><b>All of Government</b></p> <ul style="list-style-type: none"> <li>Added to procurement type section to provide guidance on when this type of procurement can be utilized.</li> </ul>
1.3 Procurement Types	Updated to align with updates made in the procurement policy
1.4 Exceptions	<p>Updated to align with updates made in the procurement policy</p> <p>Approval diagram added for further clarity on process</p>
1.5 Selecting a payment method	<ul style="list-style-type: none"> <li>Wording removed as no longer relevant</li> <li>Petty cash removed as no longer a payment method available to officers</li> <li>Updated purchase cards to reflect limit assigned to cards</li> </ul>

1.6 Evaluation Methods	Wording updated to provide better clarity and define the intent of the procurement process
1.7 Evaluation Criteria	Wording updated for clarity
2.2 Receiving Tenders	Added in electronic procedure to better reflect day-to-day procurement practice
2.3 Opening Tenders	Added in electronic procedure to better reflect day-to-day procurement practice
3.1 Managing contracts	Added in guidance around obtaining terms of service for all purchased above minor limits.
4.1 Public Value	Updated wording and diagram added for clarity
4.2 Local Procurement	Wording added to align guidelines with policy Removed table with temporary procurement provisions as it has been replaced with permanent inclusion in the policy and guidelines

New Sections	
Guideline Section	Reason for section
Table of Contents	Added for ease of use
Procurement Glossary	Added to provide definitions for key terms used in both the policy and guidelines.
1. Procurement Planning	Added to make structure more user friendly
Multi-stage	Added from policy with additional content added for guidance
1.7.1 Assigning weightings to criterion	Section added to provide guidance on weighting selection and the importance of considering weightings in relation to the outcome of the evaluation.
2.1 Online Tendering	Added to provide guidance on how e-tendering sites should be used.
3.2 Post Evaluation	Added in to align with new section in procurement policy
4. Principles and Outcomes	Added to provide further guidance on application of principles and considerations throughout the procurement process
4.2.1 Application of buy local premium	Added to align guidelines with new section in procurement policy
4.3 Sustainability	Added to provide guidance on the application of sustainability within the procurement process

Removed Sections	
Guideline Section	Reason for removal
Employee responsibilities	Moved to policy
Record Keeping	Moved to policy



## Appendix Two –Buying Local Analysis

### Concept one - Status quo - retain buy local requirements up to minor expenditure

This would see the policy remain as it is with the temporary buy local directives from the guidelines added into the policy as a permanent inclusion. Officers would be required to source at least one local supplier quote and apply the buy local requirements up to a minor level expenditure. Local value will be considered for moderate and high expenditure, but the application of this principle is discretionary based on the nature of individual projects.

#### Buy local Requirement

*Council staff are required to obtain at least one quote from a local supplier for all verbal and written quotes, and closed tenders. This applies when there is at least one known local supplier who offers the good or service required.*

<b>Expenditure Type</b>	<b>Buy Local Requirement</b>
<b>Very Minor</b>	<i>Local suppliers must be preferred in all instances, exception being expenditure for work related travel costs such as parking or food purchases.</i>
<b>Minor</b>	<i>Local suppliers should be preferred where the estimate obtained is within 5% of the most competitive estimate (and can be met from within budgets).</i>
<b>Moderate</b>	<i>The local value principle should be prioritised, however the best overall deal for the ratepayer should be the priority (met from within budgets).</i>
<b>High</b>	<i>No additional requirement to prefer local suppliers (however, local value is one principle under consideration).</i>

#### Exceptions from the buy local requirements under option one

- All of Government / council wide contracts
- NZTA funded procurement
- Emergency procurement
- Approved exemptions (as per this policy)
- Moderate and high expenditure

<b>Advantages</b> <ul style="list-style-type: none"> <li>• Policy supports local suppliers for lower value procurement.</li> <li>• Officers understand the process and therefore will not require any additional training to implement this section of the policy.</li> <li>• Reduced risk of being perceived as anti-competitive as the buy local requirement is only applicable to direct sourcing / closed quoting process.</li> <li>• Allows officers flexibility to get the best value for money while also supporting local suppliers</li> </ul>	<b>Disadvantages</b> <p>Local suppliers won't have any advantage for moderate and high expenditure.</p>
<b>Risks</b> <p>Council may pay more where a higher value local supplier quote is preferred.</p>	

## Concept two - Retain the current policy inclusion for obtaining one local quote but permanently remove buy local directives from guidelines

This would see the policy remain as it currently is but the temporary buy local directives within the guidelines would be permanently removed. This means that officers would still be required to obtain at least one local supplier quote but would no longer be required to apply a 5% discount for local quotes at a minor expenditure level. Local value will remain as a principle to be considered, with the application of the local value principle being discretionary based on the nature of individual projects.

### Buy Local Requirement

*Council staff are required to obtain at least one quote from a local supplier for all written quotes, and closed tenders. This applies when there is at least one known local supplier who offers the good or service required.*

### Exceptions from the buy local requirements under option two

- AoG / council wide contracts
- NZTA funded procurement
- Emergency procurement
- Approved exemptions (as per this policy)

#### Advantages

- Council will still be supporting local suppliers by ensuring they are included in the process
- Council wouldn't be spending more money in order to support local suppliers
- Policy is simple and easy to administer for officers

#### Disadvantages

- Could be perceived as not doing enough to support local suppliers through procurement

#### Risks

Nil identified

## Concept Three - Buy local premium applied for all evaluation models up to moderate expenditure (recommended)

This would see the Council introduce a buy local premium which would be applied to all evaluation models up to moderate expenditure. This option would allow Council to maximize its support for local suppliers while making the policy straightforward to administer for officers.

### Buy Local Requirement

*Ashburton District Council recognises that there is a benefit to the community by purchasing from local suppliers and will endeavour to create opportunities for local suppliers to participate.*

**For expenditure under \$2,000 (very minor expenditure),** officers must purchase from a local supplier where one is known to offer the required goods, works, or service at a reasonable price.

**For purchases between \$2,001 and \$99,999 (minor and moderate expenditure)** officers are required to obtain at least one quote from a local supplier when there is at least one known local supplier who offers the goods or works or services. When a local quote is obtained the buy local premium must be applied.

**Buy Local Premium:** the quoted price from a local supplier will be allowed a reduction of 5% in price (exclusive of GST) for evaluation purposes only.

### Exceptions

- High value expenditure
- Purchase card and very minor expenditure (local suppliers are always preferred where the cost is under \$1,000)
- NZTA procurement
- All of government (AoG) contracts / council wide contracts
- Emergency procurement (declared or other)
- Approved exemptions

<b>Advantages</b> <ul style="list-style-type: none"><li>• Council would be maximizing the support given to local suppliers at this level of expenditure</li><li>• Local suppliers would have every opportunity to participate and be advantaged where no exception applies</li><li>• Simplified version of the buy local requirements.</li></ul>	<b>Disadvantages</b> <ul style="list-style-type: none"><li>• Adding a price advantage to a weighted attribute evaluation may undermine the non-price attributes</li><li>• Council may pay more for a local supplier without obtaining any additional value for money - e.g. better quality</li><li>• Would require additional training for officers to administer</li></ul>
<b>Risks</b> <ul style="list-style-type: none"><li>• Reputational - Council may be seen to be implementing anti-competitive policy</li><li>• Reputational - Ratepayers may question Councils ability to get the best value for money</li><li>• Financial - Council may reduce buying power by spending more per project in order to support local suppliers</li></ul>	

# Policy

## PROCUREMENT POLICY

<b>TEAM:</b>	Finance
<b>RESPONSIBILITY:</b>	Group Manager Business Support
<b>ADOPTED:</b>	7 May 2025
<b>REVIEW:</b>	Every three years, or as required
<b>CONSULTATION:</b>	Specialist advice sought and Internal consultation undertaken
<b>RELATED DOCUMENTS:</b>	<p><b>Council documents:</b></p> <p>Ashburton District Civil Defence Plan, Climate Change Policy, Conflicts of Interest Policy, Loco Delegations system – Council Delegations, Economic Development Strategy and Action Plan, Fraud and Corruption Policy, Health &amp; Safety Approved Contractor Booklet, Long-Term Plan 2024-34, Partnerships with the Private Sector Policy, Sensitive Expenditure Policy, Community Engagement Policy, Transportation Procurement Strategy.</p> <p><b>Relevant legislation includes but is not limited to:</b></p> <p>Building Act 2004, Civil Defence Emergency Management Act 2002, Construction Contracts Act 2002, Construction Contracts Amendment Act 2015, Consumer Guarantees Act 1993, Commerce Act 1986, Fair Trading Act 1986, Contract and Commercial Law Act 2017, Health and Safety at Work Act 2015, Human Rights Act 1993, Public Finance Act 1989, Financial Reporting Act 2013, Privacy Act 2020, Official Information Act 1982, Land Transport Amendment Act 2005, Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Resource Management Act 1991, Public Audit Act 2001, Public Records Act 2005.</p> <p><b>Central Government guidelines, include but are not limited to:</b></p> <p>Ministry of Business, Innovation and Employment, <a href="#">Government Procurement Rules</a>, 4<sup>th</sup> edition, June 2019</p> <p>Ministry of Economic Development, <a href="#">Guide 4 to Sustainable Procurement</a>, July 2010</p> <p>Ministry of Economic Development, <a href="#">Mastering Procurement</a>, March 2011</p> <p>Office of the Auditor General, June 2020, <a href="#">Managing Conflicts of Interest: A guide for the public sector</a></p> <p>Office of the Auditor General, June 2008, <a href="#">Procurement guidance for public entities</a></p> <p>Office of the Auditor General, October 2020, <a href="#">Guidance for members of local authorities about the local authorities (Members' Interests) Act 1968</a></p>

## Policy Objectives

This policy provides a framework to apply a consistent procurement practice across all Council activities, in alignment with the Council's vision, strategic priorities and community outcomes. The objectives of this policy are to:

1. Ensure purchasing decisions are consistent, transparent, fair and lawful
2. Deliver procurement outcomes that promote the social, economic, environmental, and cultural well-being of the Ashburton District community in the present and for the future
3. Ensure products, services and works are fit for purpose and are procured using commercially astute and appropriate processes

Specifically, this policy aims to:

- Promote transparency in how the Council manages procurement
- Ensure procurement practices are consistent with legislation and the approach of central government
- Provide a framework for common understanding of Council procurement practices for potential suppliers

Council staff should read this policy in conjunction with the internal Procurement Guidelines.

## Definitions

~~**Business case** is a management tool that supports decision-making when undertaking a new project, or procuring a product or service. A business case will include background information, the expected benefits of the project, options considered, expected costs, resources required and an analysis of potential risks. The requirement for submitting a business case is usually met by Long Term Plan or Annual Plan budget processes, or Council or committee reporting.~~

**Council** means Ashburton District Council.,~~or a duly authorised Council officer.~~

**Emergency procurement** means procurement required as part of the response to a sudden unforeseen event, where life, health, property or equipment is at immediate risk, or in order to maintain Council's service delivery to the community.

**E-Tendering sites** means any electronic tendering service used for publishing and managing tenders, quotes and expression of interests. Council primarily uses Tenderlink and GETS.

**Local Value** means positively contributing to the local economy and wellbeing of the Ashburton community through procurement decisions. Typical examples of local value benefits are local employment, the utilisation of local resources or local economic development.

**Local Supplier** means a supplier that is:

- a) owned or operated within the Ashburton District, and/or
- b) has an existing business premises within the Ashburton District

**Probity** is the evidence of ethical behaviour. Probity in procurement means making sure all suppliers have a fair opportunity, and that the process is transparent, accountable, impartial and equitable.

**Procurement** is all of the business processes associated with purchasing, from the identification of needs to the end of a contract or the end of the useful life and subsequent disposal of an asset.<sup>1</sup> Procurement starts

---

<sup>1</sup> Based on the definition provided by the Office of the Auditor General; Procurement Guidance for Public Entities - Good Practice Guide, published June 2008.

with identifying a need and planning how to proceed. It includes the specification and sourcing of products or services, negotiation and contracting, the management of supply arrangements, and it finishes with the disposal of products or when the service contracts or agreements come to an end.

**Procure to pay system** also known as CiAnywhere is Council's primary system for managing purchase orders.

**Public value** means the best available result for Ashburton District for the money spent. It includes using resources effectively, economically and responsibly, and taking into account the procurement's contribution to the desired result for current and future generations, including:

- Council's strategic priorities and community outcomes
- The four well-beings - social, economic, environmental and cultural
- The total costs and benefits of a procurement (i.e. total cost of ownership)

~~**Sustainable procurement** is procurement that meets Council's organisational objectives while having a positive impact on public value, i.e. improving social, economic, environmental, and cultural well-being.~~

**Reasonable price** means the price of the goods, services, or works is cost effective and comparable with prices listed for the same or similar product by other suppliers.

**Sustainability** in relation to procurement means considering the social, economic, and cultural well-being of the community, and the need to maintain and enhance the quality of the environment.

**Whole of life costs** means the costs and/or benefits over the lifetime of the goods or services. Including but not limited to:

- Initial / set up costs such as the purchase or contract cost
- Operating costs such as maintenance and administration costs
- End of life /disposal costs
- Non-financial costs such as environmental or social costs

## Policy Statement

### Scope

This policy applies to all supply arrangements of any value for products, services or works, procured by or on behalf of Council.

This policy does not apply to the following activities:

- The employment of staff (excluding the engagement of contractors and consultants to supply services);
- The acquisition or lease of land or buildings (excluding the design, construction or refurbishment of buildings);
- Disposals and sales of Council assets;
- Investments, loans, guarantees, or other financial instruments;
- Gifts, donations and grants;
- Licences and agreements regarding commercial operations carried out by third parties (traders) on Council property;
- Non-contractual agreements between public sector agencies, such as memorandums of understanding; and,
- Statutory or ministerial appointments

## Background

The provision of products, services and works by Council suppliers is essential for the delivery of infrastructure and services to the community. An effective procurement function can make a significant contribution to the following Council community outcomes:

- A balanced and sustainable environment
- A prosperous economy based on innovation, opportunity and high-quality infrastructure
- A district of great places and spaces

Council will ensure that where possible, procurement processes consider the social, economic, environmental, and cultural well-being of current and future communities. Considering these well-being's in procurement contributes to the achievement of Council's community outcomes and strategic priorities.

Council acknowledges procurement processes should adapt to the changing needs of the Ashburton District, and of society as a whole. This policy provides flexibility to adjust procurement processes to changing needs.

## 1. Principles Framework

Council follows the 'Five Principles of Government Procurement' which are included in the Government Procurement Rules, 4<sup>th</sup> edition. ~~These are detailed as the following principles 1-5.~~ Council has added a sixth principle related to sustainability. This principle establishes Council's commitment to ensuring social, economic, environmental and cultural interests and outcomes are considered.

In making decisions on procurement, Council will consider these principles, alongside other decision-making considerations.

### 1.1 Principles and Outcomes

#### Principles

#### 1. Plan and manage for great results

- Manage resources in an effective and efficient manner
- Promote efficient purchasing practices and minimise procurement costs
- Appropriately manage risks associated with procurement processes

#### 2. Be fair to all suppliers

- Ensure procurement processes are free from bias and real and/or perceived conflicts of interest
- Promote fair and transparent competition between capable suppliers

#### 3. Get the right supplier

- Provide accurate and relevant information to potential suppliers
- Build demanding but fair and productive relationships with suppliers

#### 4. Get the best deal for everyone

- Deliver best public value over the whole life of the goods, service or asset
- Ensure decisions are balanced and consider the social, economic, environmental, and cultural outcomes for the community

#### 5. Play by the rules

- Establish clear processes for identifying methods of evaluation and ensure these are followed
- Ensure purchases are made in an open, fair, transparent and accountable manner
- Identify and manage conflicts of interest

## 6. Be sustainable

- Promote Council's commitment to achieving public value
- Consider minimising environmental impacts over the whole life of the goods/services/works
- Require suppliers to adhere to social responsibility practices ,including legislative obligations to their employees

~~Council is committed to sustainability, striving to ensure procurement processes achieve the best public value. Embedding sustainability principles into Council's procurement framework will assist Council to procure goods, services and works that provide social, economic, and cultural benefits, and minimise damage to the environment.~~

Sustainability will be considered at every stage in the procurement lifecycle, starting with planning and specifying requirements, then in market engagement, selection of products and/or suppliers, and contracting with suppliers. The weight given to the sustainability criterion will be assessed on the needs of the individual project.

Sustainability objectives for procurement may include:

### Environmental sustainability

- Sustainable resource use – reducing water and energy consumption
- Reducing soil, water and air pollution
- Minimising single use packaging and material waste
- Protecting biodiversity and natural habitats

### Financial sustainability

- Achieving public value
- Promoting innovation
- Financial prudence

### Social sustainability

- Protecting human health
- Promoting fair working conditions
- Supporting local suppliers

## Outcomes

### 1. Public Value

Council will seek to achieve public value benefits across procurement processes. Resources will be used effectively, economically and responsibly. Procurement assessments will not default to the cheapest solution at the cost of promoting social, economic, environmental, and cultural outcomes.

Public value may be achieved by:

- Considering the contribution the goods, services or works make to achieving Council's community outcomes, and strategic priorities
- Considering all costs and benefits over the lifetime of the goods or service
- Looking for new and innovative solutions
- Seeking opportunities to promote local value
- Engaging with businesses with good employment practices
- Assessing warranties and ongoing maintenance requirements



## 1.1 Whole of life costs

Where practicable, Council shall take into account the whole of life costs rather than just the initial “up-front” cost. Typically, this involves consideration of the cost of the initial purchase, plus implementation/transition, support and maintenance, operations, and end-of-life/disposal. From time to time, other costs and benefits may also be relevant in the selection decision.

## 2. Local Value

Council will seek to achieve local value benefits through its procurement activity. Local value benefits in procurement processes are where there is a value to the community well-being of Ashburton District. Typical examples of local value benefits are local employment, the utilisation of local resources, or local economic development.

Local outcomes may be achieved through:

- Creating opportunities for local businesses to participate. However, these opportunities will not preclude other suppliers
- Considering potential commercial and practical advantages in purchasing locally produced products and services
- Considering local outcomes when planning major procurement activities, packaging work for contracts, developing specifications and defining selection criteria.

The weight given to the local value criterion will be assessed on the needs of the individual project.

## 2.1 Buy Local Requirement

Ashburton District Council recognises that there is a benefit to the community by purchasing from local suppliers and will endeavour to create opportunities for local suppliers to participate.

**For expenditure under \$2,000 (very minor expenditure)**, officers must purchase from a local supplier where one is known to offer the required goods, works, or service at a reasonable price.

**For purchases between \$2,001 and \$99,999 (minor and moderate expenditure)** officers are required to obtain at least one quote from a local supplier when there is at least one known local supplier who offers the goods or works or services. When a local quote is obtained the buy local premium must be applied.

***Buy Local Premium:*** the quoted price from a local supplier will be allowed a reduction of 5% in price (exclusive of GST) for evaluation purposes only.

## 2. Procurement - Planning Phase

Council will ensure that procurement processes are well conceived and implemented, the right people are involved at the right time, and risks are identified and managed.

Council recognises that poor procurement planning can compromise the efficiency and effectiveness of its procurement process, and this typically impacts both Council and suppliers.

Council will ensure that adequate preparation is made prior to market engagement to ensure that its requirements and procurement processes are clear, and that expenditure is budgeted in the applicable Annual Plan or Long-Term Plans. The extent and nature of procurement planning will be proportionate to the total value, complexity and risks associated with the procurement.

Purchases should only be made when there is an approved budget, and if the purchase is within delegated financial authority. Any major alterations to the purpose of a budget must be considered by Council.

## 2.1 Procurement Types

A summary of the types of procurement is provided below, all values are GST exclusive:

Expenditure type	Purchase amount	Suggested Procurement method
Very Minor	Up to \$2,000	<p><b>Standard Method:</b> Direct purchase from a local supplier where one is known to offer the required goods, works or services at a reasonable price.</p> <p><b>Exception Method:</b> Direct purchase from a non-local supplier.</p>
Minor	\$2,001 - \$14,999	<p><b>Standard Method:</b> A minimum of two written quotes/ estimates must be obtained, including one from a local supplier where one is known to offer the required goods, works or services. Where a local quote is obtained, the buy local premium must be applied.</p> <p><b>Exception Method:</b> Direct purchase (subject to one up approval)</p> <p>in certain circumstances Verbal quotes or estimates may <del>are to be</del> used when the transaction value is less than \$14,999. Council may purchase directly from a supplier for minor expenditure when the cost of seeking quotes or tenders would be impractical, or disproportionate to the benefits obtained</p> <p>Petty cash can be used for incidental purchases</p>
Moderate	\$15,000 - \$99,999	<p><b>Standard Method:</b> A minimum of 3 quotes must be obtained, including at least one quote from a local supplier where one is known to offer the required goods, works or services. Where a local quote is obtained, the buy local premium must be applied.</p> <p>All quotes must be sought with identical specifications and work scope, have a set closing date and time.</p> <p><b>Exception Method:</b> Direct purchase (subject to Group Manager's approval)</p>
High	\$100,000 + OR deemed significant or high risk as per ADC's corporate risk policy	<p><b>Primary Method:</b> Open tender. An open request for tenders will be issued <del>(unless the exceptions set out in this policy apply), which contains</del> containing all of the information that suppliers need to prepare and submit a tender. A detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process will be available. If evaluation criteria are being used, an indication of the relative importance of each criterion will also be provided.</p> <p><b>Exception Method:</b> Closed competitive process or direct purchase where an exception has been approved by the Chief Executive.</p> <p>Buy Local requirement does not apply. However, a local value weighting should be considered where appropriate.</p>

### a) ~~High expenditure – \$75,000 or above or deemed ‘significant’ (Significance & Engagement Policy) or ‘high risk’~~

High expenditure is high value expenditure, or where the procurement of a goods, service or works is deemed ‘significant’ under Council’s Significance and Engagement Policy or ‘high risk’ (refer to Council’s Corporate Risk Policy).

Generally, high expenditure is where the value of goods or works proposed to be purchased exceeds \$75,000. An open request for tenders will be issued (unless the exceptions set out in this policy apply), which contains all of the information that suppliers need to prepare and submit a tender.

A detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process will be available. If evaluation criteria are being used, an indication of the relative importance of each criterion will also be provided.

## 2.2 Alternative Procurement methods

Alternative procurement methods may be used in place of standard procurement methods where the conditions of each method have been met. These methods will only apply to certain forms of procurement, the relevant policies and conditions must be satisfied in order to use an alternative procurement method.

### b) Multi-stage procurement

Council may use an Expression of Interest (EOI) to shortlist potential suppliers before seeking detailed bids from the shortlisted tenderers. An EOI is generally used when the information required from tenderers is specific but Council is unsure of the capability of suppliers to provide the required goods and services.

A Request for Proposal may be used for a single or a multi-staged process and is used when the project or requirement has been defined, but where an innovative or flexible solution is sought.

### Collective arrangements—Collaborative Procurement Arrangements

Council may participate in collective buying schemes that offer public value, such as all of Government (AoG) supply contracts, or joint supply agreements with other territorial authorities. In these circumstances, competitive procurement is undertaken by the group as a collective.

### Standing Arrangements

Standing arrangements are procurement agreements where Council purchases goods or services directly from a provider for a fixed period of time. These can be either direct or established through open tendering. Council may set up standing arrangements after a competitive or negotiated process in which goods or services can be purchased directly from a provider for a fixed period of time.

### Public Private Partnerships (PPP)

A PPP may only be entered into following a resolution of the Council or under a delegation from the Council to the Chief Executive. Where the issue is deemed to be significant in terms of the Council's Community Engagement Policy the decision shall not be delegated by the Council.

Any consideration of a public private partnership must satisfy the criteria set out in Council's Partnerships with the Private Sector Policy.

### Prequalified suppliers

Council may assess suppliers of particular goods and/or services against predetermined criteria with no specific contract in mind. An example of this is Council's 'Approved Contractors' process which set health and safety minimum standards for contractors who wish to provide services to Council.

Pre-qualification does not form a contractual or legal relationship between Council and any supplier, but pre-qualified suppliers can be invited to bid in a closed tender competitive situation. Suppliers will still be required to meet other evaluation and performance criteria as part of any specific procurement process. While preliminary standard criteria may have been met, suppliers may still be required to meet other evaluation and performance criteria as part of any specific procurement processes. To ensure Council's

process remains competitive and public value is being achieved, Council should test prequalified suppliers against the open market every 12 months by running an open competitive process.

## **2.3 Probity**

Council is responsible for ensuring that systems, policies and procedures are in place to preserve the integrity of the procurement decision-making process. These must be able to withstand public scrutiny and preserve private and public-sector confidence in the procurement process.

For projects valued over \$5m (whole of life cost), deemed significant as per the Community Engagement Policy, or where there is high corporate risk, the use of a probity auditor is recommended.

The engagement of a probity auditor does not transfer the requirement for ensuring probity away from the Council, the engagement of a probity auditor is seen as complementing existing probity processes.

## **3. Procurement - Sourcing Phase**

Council will ensure that the sourcing and selection of a supplier will be undertaken in a fair, open and transparent manner. Council recognises the importance of ensuring that potential suppliers have the same opportunities and access to information.

Council will create and maintain appropriate records of all supplier correspondence, decisions and supporting documentation related to procurement.

### **3.1 Lotting and contract splitting**

Lotting is dividing a large procurement requirement into smaller, distinct portions or "lots." Each lot represents a separate contract open for competition. This approach is designed to enhance competition and achieve better value for money.

Restructuring large contracts into smaller lots can be helpful for small local businesses that may not be able to compete for one large contract. For instance, instead of choosing one supplier who is able to deliver the entire project, Council should consider if dividing the project into smaller projects would be beneficial for the overall cost and quality of the project and help achieve strategic outcomes.

Council must not split a procurement with the intent of circumventing procurement rules, such as financial thresholds that require open competitive bidding. The practice of contract splitting undermines the principles of this policy.

### **3.2 Use of E-Tendering Sites**

Council primarily uses GETS and Tenderlink for publishing and managing tenders, quotes and expression of interests online. The use of any online tendering site must be carried out in accordance with the site provider's terms and conditions and this policy.

### **3.3 Late responses**

Late tenders or quotations will not be accepted, unless there are exceptional circumstances that have been provided for in the original request for quote, tender or proposal. Late responses must not be accepted if the supplier may have knowledge of the content of any other response or if it would be unfair to any other supplier to accept the late response.

### 3.4 Variances between estimated price and quoted prices

Council acknowledges that there may be instances where quotes or bids received exceed the initial estimated price of the project. Where the quoted price exceeds the estimated price, officers must obtain Group Manager approval before accepting the quote/bid. Where budget is available and the prices provided are supported by consistent calculations (e.g. length of time required for completion, market rates for labour or materials), procurement can continue where approval has been granted.

### 3.5 Contract requirements

Any contractual relationship undertaken by Council must meet industry standards, guidelines and best practice, as well as any applicable third-party requirements. In the interests of achieving public value, Council expects suppliers to:

- Respect ethical standards in the context of their own working environment
- Respect fundamental human rights
- Treat employees fairly
- Act with integrity and transparency
- Maintain a safe working environment at all times
- Respect the intellectual property rights of others
- Consider the wider implications of their actions in terms of the four well-being's detailed in the Local Government Act 2002 (s.10)

## 4. Procurement – Managing Phase

### 4.1 Notifying unsuccessful suppliers

Unsuccessful tenderers for all moderate or high procurement types will be notified as soon as practicable once a supplier has been selected. Further information about the successful bid will be provided upon request, subject to the Council's Local Government Official Information and Meetings Act 1987 Requests Policy.

### 4.2 Contract extensions, variations and renewals

When the additional costs of a service or project are small in comparison to the costs of undertaking a discrete tender process, a contract extension or variation may be used.

When extension and variations are not specifically provided for within an existing contract, the extension or re-definition of a contract that increases the originally approved contract value must be approved by the Chief Executive where the value of the increase is over \$100,000 (high expenditure). When the additional sum is beyond the delegated authority of the Chief Executive, the contract must be presented to Council for approval.

The refining of service delivery contracts to more closely reflect the amount of work required to maintain services does not need to be openly tendered, but can be managed directly by the appropriate Council officer.

### 4.3 Performance and Review

A post implementation review (PIR) should be carried out within 12 months of the contract being completed for projects valued over \$5m (whole of life cost), deemed significant as per the Community Engagement Policy, and where there is high corporate risk. The findings of these reviews will be reported back to Council. The review should include;

- An assessment of the quality of the goods and services against the required quality
- A review of the process and delivery of project against the intended timeline
- Reporting against the terms of the contract including any specific outcomes e.g. local employment
- Analysis of the final costs
- Lessons learned including any recommendations for process improvement
- The effectiveness and quality of the relationship between the supplier and Council

## 5 Non-Standard Procurement

Council acknowledges there may be exceptional circumstances where some of the conditions in this policy cannot be met. It may be necessary to bypass some aspects of the normal procurement process. However, this is only permitted in the following circumstances contained in section 5 of this policy.

### 5.1 Exceptions

Exceptions must only be granted in the circumstances outlined in the table below. Approval must be granted before an alternative / non-standard procurement process can be undertaken.

Council must approve procurement exceptions valued above the Chief Executive's delegated authority as detailed in the Delegations system.

At least one circumstance from the table below must be demonstrated for an exception to be considered and approved			
	Exception threshold for minor expenditure only	Exception threshold for moderate expenditure only	Exception threshold for high expenditure only
	Approval: one-up through the procure to pay system	Approval: from the relevant Group Manager	Approval: from the Chief Executive
1. The required goods, works, or services are technical or specialist in nature and supply is restricted because:	There are limited suitable suppliers who are known to supply the required goods, services, or works.		There were limited suitable suppliers identified through open competition in the last 12 months.
2. The goods, works or services can be sourced without the need for open competition because:	Written quotes for the required goods, works, or services can be sought from pre-qualified / approved suppliers.		A closed competition can be run with a number of approved contractors / prequalified suppliers who are known to supply the required goods, works or services.
3. An open competitive process would not be practical or beneficial because:	Pricing and specifications of the required goods, works or services are already publicly available through known supplier websites or have been previously obtained.	Three written quotes for the same core requirements have already been obtained in the last 12 months.	Open competition for the same core requirements has already been carried out in the last 12 months
4. Standardisation or compatibility with existing equipment or services is necessary or desirable because:	A change in supplier could create additional costs, negatively impact levels of service or cause significant disruption to business activity.		A change in supplier could significantly impact levels of service and /or disrupt business activity, outweighing any long-term benefits that might be achieved through open competition.
5. The goods, service or works are necessary for complete delivery, and a change of supplier cannot be made for economic or technical reasons because:	The existing goods, service or works cannot easily be completed by a new supplier without having to alter or replace the work already completed.		Changing a supplier at this stage of the project would cause significant inconvenience or substantial duplication of costs.
6. It is not practical or cost-effective to use the primary procurement method because:	There are exceptionally advantageous conditions for purchasing the goods that could not be matched by obtaining supplier quotes e.g. a one-off public auction or sale.		There are exceptionally advantageous conditions for purchasing the goods that cannot be achieved through open tender e.g. a one-off public auction or sale. <b>OR</b> the overall rates offered through non-standard procurement are the same or lower than that received through open competition for the same core requirements carried out within the last 12 months.
7. There is limited time to carry out the primary procurement process because:	The goods, services, or works are required immediately in order to carry out core business or meet a project deadline.		Undertaking an open tender would impact on Council's ability to deliver the project cost effectively and on time.
	<u>must be able to demonstrate that time pressure has not been caused due to improper planning or poor project management.</u>		

**Circumstances for all types of expenditure where alternative procurement methods may be used:**

1. The services required are specialist technical or professional services;
2. Council is part of a joint procurement process;
3. No acceptable responses were received through open competition for the same core requirements, carried out within the last 12 months;
4. The products, services or works are an addition to, and necessary for the complete delivery of an existing supply arrangement, provided that the original supply arrangement was openly advertised and a change of supplier cannot be made for economic, technical or practical reasons
5. The overall rates offered are the same or lower than that received through open competition for the same core requirements, carried out within the last 12 months.

**Additional circumstances for moderate expenditure:**

6. The required goods or services are available from only one supplier or provider;
7. Standardisation or compatibility with existing equipment or services is necessary or desirable.

**Additional circumstances for high expenditure:**

8. The goods or service are only available from a few suppliers;
9. It is not practical or cost-effective to conduct an open tender or proposal;
10. There is limited time for the procurement process

The Chief Executive must approve any procurement exceptions where the value of the procurement is \$75,000 or above (high expenditure). Council must approve procurement exceptions valued above the Chief Executive's delegated authority as detailed in the Delegations Manual.

## 5.2 Emergency procurement

In an emergency situation, it may be necessary to bypass some aspects of the normal procurement process. Circumstances that mandate emergency procurement will normally only be when:

- Life, property or equipment is immediately at risk; or,
- Standards of public health, welfare or safety need to be re-established without delay (such as disaster recovery).

Emergency procurement provisions will only be used in genuinely unforeseen circumstances. The Chief Executive will determine circumstances where emergency procurement is required.

A departure from standard procurement process is acceptable under emergency situations where Council is required to make time-sensitive decisions to ensure an acceptable level of service is restored as quickly as possible. Departure from standard process is applicable to either;

**A declared civil defence emergency** where Council (as declared by the Mayor) activates an Emergency Operations Centre (EOC) in response to a major event. Procurement will be carried out in accordance with the Civil Defence Emergency Management Act 2002.

**Business continuity disruption** where the Chief Executive (or delegate of the Chief Executive) activates emergency procurement in response to situations where Council services and infrastructure have been affected by a non-civil defence emergency or event. In these circumstances, procurement can be undertaken via direct purchase or by seeking verbal quotes. Situations could include but are not limited to:



- a cyber-attack on Council systems
- critical failures of Council infrastructure
- damage or failure caused by a sudden, unforeseen event.

When procuring goods or services in emergency situations, appropriate record keeping is still required and should be carried out as soon as practicable.

## 6 Employee Responsibilities

### Delegations

All procurement activity must be carried out in accordance with the annual budget or specifically approved budgets, and within delegated authority.

Council contractors cannot make purchases or commit to spend on Council's behalf without prior authorisation.

### Staff purchasing

The use of Council funds for the purchase of items for personal use is prohibited unless authorised by the Chief Executive and reimbursed.

If staff purchase personal goods and services using discounts obtained through Council buying privileges schemes, the transaction must be paid for by the staff member personally.

### Endorsement

Generally, employees must not endorse any products or services. If an employee receives a request to endorse any product or service, they must refer the request to the appropriate Group Manager.

Staff may, with the approval of their manager, act as referees for contractors or consultants who are bidding for external contracts.

### Conflicts of interest

Conflicts of interest may arise at any time during the procurement process. All employees must act in accordance with the Conflicts of Interest Policy and declare any real or potential conflicts of interest in writing to their manager.

### Gifts and hospitality

Any offers of gifts or hospitality from suppliers must be managed in accordance with the Corporate Gifts Policy.

### Confidentiality

All staff must maintain the confidentiality of a procurement process at all times.

## 6.1 Records Management

Appropriate records of dealings with all suppliers should be kept. This should include details of:

- tender or other comparison processes and selection procedures, including procurement plans and the application of the buy local requirements
- copies of all agreements entered into, including purchase orders (this should be in electronic form);
- performance records, including any items under dispute; and,
- correspondence – including, but not limited to, notices, contract variations, contract extensions, and price change documentation

# *Procurement Guidelines*

**2025**



# Table of Contents

<b>Table of Contents</b>	<b>1</b>
<b>Introduction</b>	<b>3</b>
<b>1. Procurement Planning</b>	<b>3</b>
<b>Principles and Outcomes</b>	<b>3</b>
<b>1.1. Public Value</b>	<b>3</b>
<b>1.2 Local Procurement</b>	<b>4</b>
1.2.1 Application of the Buy Local Premium	5
<b>1.3 Sustainability</b>	<b>5</b>
<b>1.4 Business cases</b>	<b>6</b>
<b>1.5 Selecting a procurement method</b>	<b>7</b>
1.5.1 Direct purchase – Very Minor Expenditure (up to \$2,000)	7
1.5.2 Written quotes or estimates – Minor and Moderate Expenditure-(\$1,001 - \$99,999)	7
1.5.3 Open and closed Tendering – High Expenditure (\$100,000)	7
1.5.4 Collaborative Procurement Arrangements	9
<b>1.6 Procurement Types</b>	<b>10</b>
<b>1.7 Exceptions</b>	<b>11</b>
<b>1.8 Selecting a payment method</b>	<b>1</b>
1.8.1 Petty cash	2
1.8.1 Purchase or debit cards	2
1.8.2 Claims receipt	2
1.8.3 Purchase orders	2
<b>1.9 Evaluation Methods</b>	<b>2</b>
1.9.1 Lowest price conforming model	3
1.9.2 Weighted attribute model	3
1.9.3 Target price model	3
1.9.4 Brooks' Law model	3
<b>1.10 Evaluation criteria</b>	<b>4</b>
1.10.1 Assigning weightings to criterion	4
<b>2. Procurement Sourcing</b>	<b>4</b>
<b>2.1 Online Tendering</b>	<b>4</b>
2.2 Receiving tenders	4
2.3 Opening tenders	4
2.4 Shortlisting	5
2.5 Post-evaluation negotiation	5
2.6 Contract types	6
<b>2.7 Awarding contracts</b>	<b>8</b>
<b>3. Managing Phase</b>	<b>8</b>

3.1 Managing contracts.....	8
3.2 Post Evaluation.....	8
1. Records management.....	9
Appendix One.....	10
Procurement Glossary.....	10

## Introduction

Council's approach to procurement emphasises achieving the best 'public value' ~~which~~ by considering the four wellbeing's of economic, cultural, social and environmental significance. All procurement decisions made by Council should aim to achieve public value ~~through procurement~~.

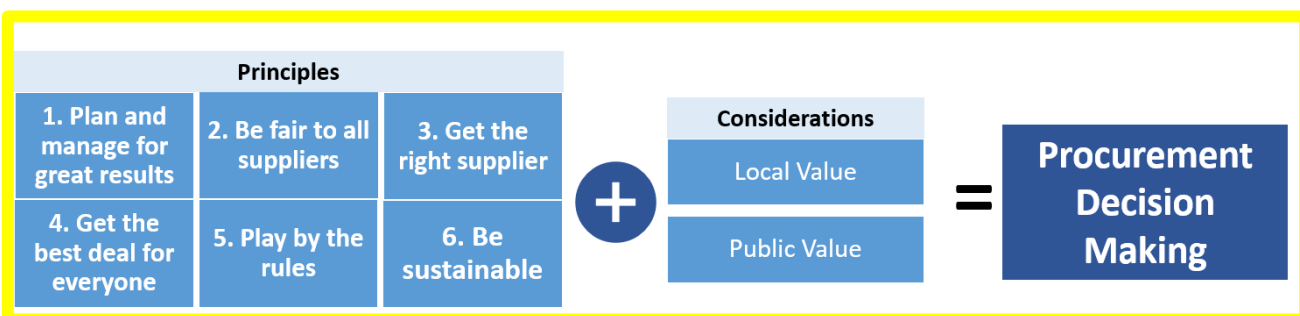
Council follows the 'Five Principles of Government Procurement' ~~which are~~ included in the [Government Procurement Rules, 4<sup>th</sup> edition](#) ('the Rules'). These are detailed as principles 1-5. Council has chosen to add a sixth principle related to sustainability. This principle establishes Council's commitment to sustainable procurement outcomes for the community. Council's Procurement Policy details how these principles can be exemplified in practice.

All procurement activity undertaken by Council must be in accordance with the Procurement Policy. The principles of this policy are to:

1. Plan and manage for great results
2. Be fair to all suppliers
3. Get the right supplier
4. Get the best deal for everyone
5. Play by the rules
6. Be sustainable

In making decisions on procurement, Council will consider these principles, alongside other decision-making considerations:

1. Public Value
2. Local Value



These guidelines ~~are a~~ supplement to Council's Procurement Policy, providing more explanation and detail to guide procurement decisions consistent with Council policy. Staff with doubts or questions should refer to their manager for further guidance.

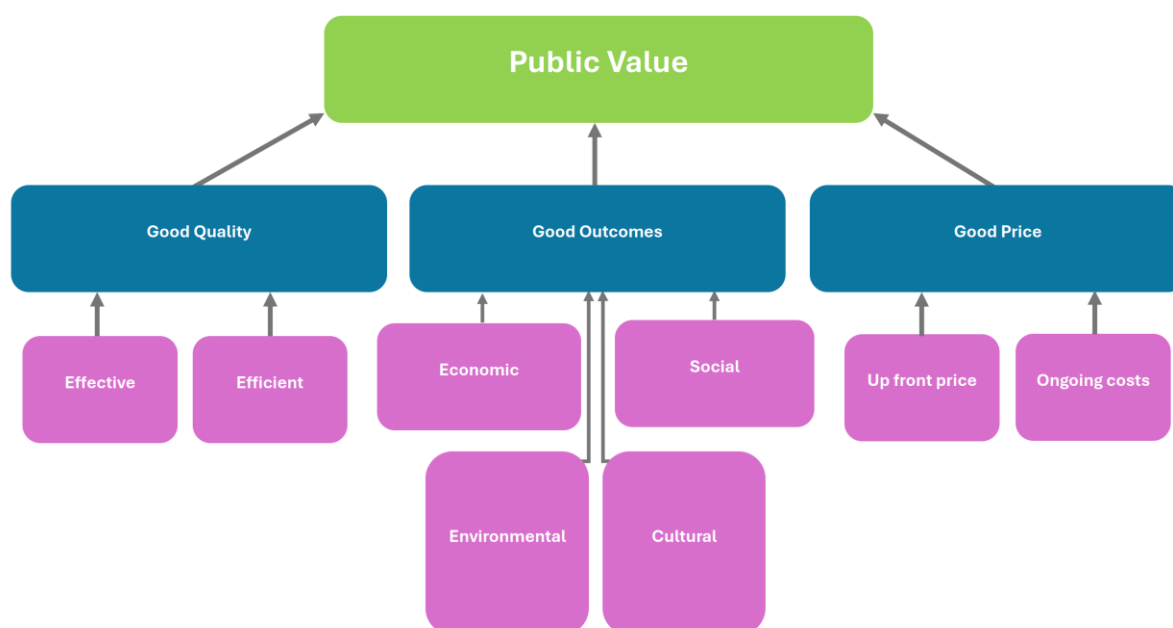
## 1. Procurement Planning

### Principles and Outcomes

#### 1.1. Public Value

Achieving public value across procurement processes is the primary goal established by the rules. The overall focus is one of benefitting New Zealand communities – not defaulting to the cheapest solution at the cost of

social, environmental, economic or cultural outcomes. Council defines public value as:



~~...the best available result for Ashburton District for the money spent. It includes using resources effectively, economically and responsibly, and taking into account the procurement's contribution to the desired result, including:~~

- ~~• Council's strategic priorities and community outcomes~~
- ~~• Broader outcomes for the district~~
- ~~• The total costs and benefits of a procurement (i.e. total cost of ownership).~~

~~Promoting public value does not mean selecting the lowest price but rather the best possible outcome for the whole of life of the goods, services or works~~

~~(ADC Procurement Policy, 2019).~~

Public value is a fluid concept and should be considered at all stages of the procurement process. In particular, officers should consider outcomes related to sustainability and local economic development when procuring goods.

## 1.2 Local Procurement

Local suppliers should be given full and fair opportunity to supply or tender goods, services or works. In general, it will often make good business sense, in terms of value for money and a reliable supply base, that goods, works, and services should be sourced from local suppliers where the necessary standards of competitiveness, quality and availability are met. However, it is also necessary to ensure that due consideration has been given to all of these Guidelines and the Procurement Policy and appropriate action taken, as necessary.

The Procurement Policy defines two mechanisms in which local value can be achieved – either via the use of the buy local premium for minor and moderate expenditure, or through the use of local value as a weighted attribute for high value procurement.

The benefits of using local suppliers could including any of the following:

- Better price and total or whole-of-life ownership cost;
- Better through-life support (e.g. better availability of spare parts and after-sales service);
- Shorter supply lines and/or delivery lead times;
- Reduced inventory costs;

- Reduction or elimination of exchange rate risks;
- Easier and cheaper communications/transport;
- Simpler and cheaper contract administration and dispute resolution;
- Greater scope for cooperative and innovative product development and influence over the supply base;
- A collaborative approach being considered when a community group has the resources to undertake the work which may result in other intangible benefits such as providing training or work experience;
- Continuity of supply and more direct control over orders;
- Goods/ works/ services better adapted to local conditions; and
- Better knowledge of the producer's reputation and reliability

All quotes and closed tenders must include at least one local supplier, when there is a known supplier that supplies the goods or services required. Staff should attempt to attract an increasingly diverse and localised supplier mix to tendering processes. This means that if a business creates social, economic, environmental or cultural benefits for the district, staff should consider those benefits within the sourcing process.

### 1.2.1 Application of the Buy Local Premium

The buy local premium applies to minor and moderate expenditure. Officers are required to obtain at least one quote from a local supplier for where verbal and written quotes are being used. This applies when there is at least one known local supplier who offers the good or service required.

**Buy Local Premium:** the quoted price from a local supplier will be allowed a reduction of 5% in price (exclusive of GST) for evaluation purposes only.

#### How to apply when using the lowest price conforming model:

The buy local premium should only be applied during the last part of the evaluation once the conforming quotes have been established. Where any local supplier quotes are of conforming standard, the buy local premium shall be applied to those local suppliers' quoted price, if this results in any local supplier's quote being the lowest priced quote, that supplier shall be preferred.

**Example:** In this example ADC will pay a premium of \$600 to award the contract/ project to the Ashburton supplier.

	Met conforming standard?	Considered local as per the policy?	Quoted amount	Amount with by local premium applied
Chch supplier quote	✓	✗	\$21,700	\$21,700
Ashburton supplier quote	✓	✓	\$27,500	\$26,125
Timaru supplier quote	✓	✗	\$26,200	\$26,200
Ashburton supplier quote	✓	✓	\$22,300	\$21,185

#### How to apply when using a weighted attribute model:

The buy local premium should be applied to the quoted / bid price from a local supplier prior to scoring and weighting of the price attribute being carried out, effectively giving any local suppliers a scoring advantage on the price attribute section of the evaluation.

### 1.3 Sustainability

Sustainability in procurement can be considered and applied in various ways dependant on the nature of the procurement / project. Officers should consider if any of the following could apply when considering outcomes related to procurement.



	Considerations	How it could be applied at ADC
<b>Environmental Sustainability</b>	Sustainable resource use	<ul style="list-style-type: none"> <li>➤ Low/zero emission vehicles</li> <li>➤ Energy efficient products and services</li> <li>➤ Lowering whole-of-life consumption</li> </ul>
	Reducing pollution	<ul style="list-style-type: none"> <li>➤ Favouring biodegradable solutions</li> <li>➤ Favouring products that use environmentally friendly packaging</li> <li>➤ Favouring suppliers who consider waste minimisation</li> <li>➤ Solutions that utilise recycled material</li> <li>➤ Opting for low emission solutions</li> </ul>
	Minimising single use material	<ul style="list-style-type: none"> <li>➤ Using reusable products</li> <li>➤ Opting for higher quality – longer lasting products</li> <li>➤ Buying in bulk where possible to reduce single use packaging</li> </ul>
	Protecting biodiversity and natural habitats	<ul style="list-style-type: none"> <li>➤ Favouring ethically and sustainably sourced products</li> </ul>
<b>Financial Sustainability</b>	Achieving public value	<ul style="list-style-type: none"> <li>➤ Considering whole of life costs – balancing cost and quality to maximise expenditure</li> <li>➤ Consider reducing costs through lotting and bulk purchasing</li> </ul>
	Promoting innovation	<ul style="list-style-type: none"> <li>➤ Seek suppliers who create cost effective and efficient solutions</li> </ul>
	Financial prudence	<ul style="list-style-type: none"> <li>➤ Conducting due diligence to ensure the best deal is being obtained</li> <li>➤ Encourage competition to maximise value for money and procurement outcomes</li> <li>➤ Appropriate procurement planning</li> </ul>
<b>Social Sustainability</b>	Protecting human health	<ul style="list-style-type: none"> <li>➤ Favouring suppliers who adhere to H&amp;S standards</li> </ul>
	Promoting fair working conditions	<ul style="list-style-type: none"> <li>➤ Only using suppliers who are reputable and have a proven record of fair and equitable employment practices</li> <li>➤ Considering supplier H&amp;S compliance as part of the evaluation process</li> </ul>
	Supporting local suppliers	<ul style="list-style-type: none"> <li>➤ Considering local value as part of weighted attributes – e.g. opportunities for local employment, apprenticeship or training schemes.</li> <li>➤ Applying the buy local premium where applicable</li> </ul>

## 1.4 Business cases

A business case should be prepared for all significant capital or non-recurring expenditure. This will usually be prepared and presented to Council as part of the Long-Term Plan or Annual Plan budget process, through Activity Management Plans.

The level of detail provided in a business case should be in proportion to the value of the procurement and the assessed level of risk and significance assessment with the procurement. Content might include:

- Budget, including the budget for conducting the procurement.
- The type of contract and contractual conditions
- Resources needed
- Risks
- Project scope
- Financial and non-financial costs and benefits
- Responsibilities of Council's staff and any other stakeholders
- Significance, with regard to Council's policy
- Evaluation model, criteria and process
- Timelines and key milestones
- Options

## 1.5 Selecting a procurement method

Selection of a procurement method should be in accordance with Council's Procurement Policy and these guidelines. Generally, the procurement method will be determined by the purchase amount. However, staff should also consider the level of significance and level of risk regarding the procurement. This can be determined by using the significance tool in Council's Significance and Community Engagement Policy, by completing a risk assessment (see the Corporate Risk Policy), or by contacting the Strategy and Policy team.

### 1.5.1 Direct purchase – Very Minor Expenditure (up to \$2,000)

Verbal quotes or estimates are a quick and convenient method to use for low value/low risk purchases. Good procurement practice is still important, with achieving public value as the main objective. Officers should compare prices via website/ catalogue search or verbal estimates where it is practical to do so. At least three quotes should be sought, where practicable. This must include at least one local supplier, if there is a known supplier of the good or service. Records of the evaluation and decision should be kept for accountability.

### 1.5.2 Written quotes or estimates – Minor and Moderate Expenditure (\$1,001 - \$99,999)

Written quotes or estimates require a more comprehensive process and documentation than verbal quotes or estimates. A minimum of two written quotes / estimates should be obtained for minor expenditure and three written quotes should be sought for moderate expenditure. This must include at least one local supplier, if there is a known supplier of the goods or service.

Before requesting quotes, there should be a clear understanding of the nature of goods and/or services required, including accurate desired specifications. Suppliers should all receive identical specifications/work requirements, with a closing date and time to submit their quotes.

Each quote or estimate received should be evaluated using the same method. The successful supplier should provide the contribution to public value when assessed against the evaluation criteria. Records of the evaluation and decision must be kept, with more detailed notes for higher value procurements or when the supplier with the lowest price was not accepted.

As a matter of professional courtesy and to promote competition, all suppliers should be advised of the outcome of the decision if possible.

### 1.5.3 ~~Open and closed~~ Tendering – High Expenditure (\$100,000)

The method of inviting tenders or proposals may be "open" (all possible suppliers are invited to tender) or "closed" (only selected suppliers are invited to tender).

When engaging in tenders, Council must ensure prospective suppliers have equal access to all all of the information that suppliers needed to prepare and submit a tender.

This includes a detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process. If a weighted attribute evaluation criteria is being used, an indication of the relative importance of each criterion should also be provided.

#### Open tenders / open advertising

Ashburton District Council is committed to promoting open effective competition in the market and all legitimate suppliers should be given a fair and reasonable opportunity to bid for Council business, in most cases this requires open advertisement. All tenders for procurement over \$75,000 \$100,000 or above must be open, unless an exemption has been approved by the Chief Executive.

#### Closed tenders/ closed competitive process

A closed tender or proposal involves inviting selected suppliers to respond. Closed tenders, where the value is over \$75,000 \$100,000 or above, requires approval from the Chief Executive. Proposed closed tender

processes where the estimated value of the goods and services to be purchased is above the Chief Executive's delegated authority as per the Delegations Manual must be approved by Council.

- the goods or service(s) are only available from a few suppliers
- the services required are specialist technical or professional services
- it is not practical or cost-effective to conduct an open tender or proposal
- there is limited time to undertake the tender process.

### Multi-stage

A multi-stage process is where two (or more) steps are used during a tender process. The first step is to gather preliminary information to shortlist potential respondents, and then gather more detailed information from shortlisted respondents before making the selection decision.

Council may use an Expression of Interest (EOI) to shortlist potential suppliers before seeking detailed bids from the shortlisted tenderers. An EOI is generally used when the information required from tenderers is specific, but Council is unsure of the capability of suppliers to provide the required goods and services.

A Request for Proposal may be used for a single or a multi-staged process and is used when the project or requirement has been defined, but where an innovative or flexible solution is sought.

- **Stage 1:** Issue an EOI to find out more about the goods or services, the market, and the capability of suppliers to satisfy the procurement need.
- **Stage 2:** After reviewing the EOI, create a shortlist of suppliers that have the best capability and capacity to fulfil the potential contract. **A contract cannot be awarded at this stage. All short-listed suppliers must be invited to participate in a formal tender for the contract.**
- **Stage 3:** Issue an RFP or RFT requesting suppliers to submit an offer for goods or services or to propose a solution.
- **Stage 4:** The responses received from the RFP or RFT are then evaluated. Negotiations are undertaken and a contract is awarded to the successful supplier.

### Inviting Tenders

**Expression of Interest (EOI)** - A formal request to potential suppliers to register their interest to supply goods or services and/or to provide information that supports their capability and capacity to deliver the goods or services. This is usually the first formal stage of a multi-stage tender process.

**Request for Proposal (RFP)** - A formal means of seeking proposals for goods or services, where Council is open to options and/or innovation on the part of a supplier. That is, where the outputs and outcomes are important, not necessarily the process the supplier follows to deliver them. The RFP should normally invite suppliers to make a proposal based on specifications, with scope for variety and innovation. This method is usually used to seek a solution to a problem or process, or where there is a range of options.

**Request for Tender (RFT)** - A formal means of seeking tenders to provide goods or services. It is used when Council's specifications or requirements are clearly defined and there is usually little room for flexibility or innovation. An RFT is often based on technical, highly prescribed specifications, this method is often used in the construction industry.

In conducting a tender or request for proposal process Council should seek appropriate information during the first stage, for example:

- the potential supplier's contact details
- the potential supplier's qualifications and experience
- in the case of services, the potential supplier's capacity to meet specified requirements; and
- in the case of goods, what the potential supplier is able to provide.

Some of this information may be available in Council's supplier database.

Tender documents should give detailed and comprehensive specifications about the project, and specify a closing date and time. They should also make clear how the evaluation panel (or tender evaluation team) will be appointed and set out the process that will be used to evaluate the tenders or proposals.

#### 1.5.4 Collaborative Procurement Arrangements

##### Public Private Partnerships (PPP)

PPPs are a procurement model where a private sector partner takes on responsibility for roles such as finance, operation and maintenance, in addition to construction. The contract is for service typically over a period of 20-30 years. At the end of the contract term ownership of the assets reverts to the public sector entity. There are no recent examples where Council has entered into a PPP.

Council's **Partnerships with the Private Sector** Policy sets out criteria which must be considered when considering if a PPP is the most appropriate model. These are:

1. Provides a prudent use of resources ~~—where Council determines an efficient and effective use of resources, and the partnership provides a higher quality and more cost-effective solution than alternative procurement~~
2. Produces a community benefit ~~- where Council believe a particular project would produce a significant community benefit (i.e. the benefits to the community are greater than the cost to the public)~~
3. Contributes to achieving public value ~~—where Council determines a PPP arrangement would benefit the overall wellbeing of Ashburton District residents, and contribute to the achievement of Council's community outcomes and strategic priorities~~
4. Enables opportunity ~~—where neither Council nor a private provider would otherwise provide the service or activity without the partnership~~
5. Enables risk-sharing ~~—where Council may be unwilling or unable to bear all of the risk (usually, though not always defined in terms of financial risks) of a particular project itself.~~
6. Promotes economic development ~~—where Council determines a partnership would contribute to meeting any of the 'seven pillars' identified by the Council's Economic Development Strategy. These are (1) signaling Council is open for business, (2) 'placemaking' and branding', (3) unlocking latent potential, (4) agriculture and technology, (5) natural resource management, (6) start-ups, small and medium sized enterprises, and business support, and (7) connecting and supporting infrastructure.~~

A PPP may only be entered into following a resolution of the Council or under a delegation from the Council to the Chief Executive. Where the issue is deemed to be significant in terms of the Council's Community Engagement Policy, the decision shall not be delegated by the Council. Before making a decision to enter into a PPP consideration must be given to a report that addresses the following issues:

- ~~(a) The specific strategic priorities and community outcomes to which the proposed partnership will contribute;~~
- ~~(b) An analysis of why the PPP structure is preferable to other procurement options;~~
- ~~(c) An explanation of the nature of the transactions to be entered into and key performance measures;~~
- ~~(d) A full description of the Council's resources (physical and financial) which will be contributed to this partnership;~~
- ~~(e) Details of how the PPP is to be administered and accounted for and the estimated resource requirements and cost to the Council (if any) for administration and accounting;~~
- ~~(f) An analysis of potential partners, and the reason for selecting the proposed partners;~~
- ~~(g) The form of agreement to be entered into which reflects the intentions and obligations of all parties;~~
- ~~(h) Details of the conditions and milestones that must be met before the Council commits funding or other resources to the PPP;~~
- ~~(i) The degree of delegated authority to be given to the partnership arrangement to act on~~

behalf of the Council;

- (j) Details of the financial projections of the PPP for a minimum of 5 years;
- (k) An analysis of the financial implications for the Council (both capital and revenue) over the life of the PPP, including an independent assessment from the Finance Manager, delegated staff, or independent expert/consultant approved by the Council;
- (l) An assessment of the risks and the Council's potential liabilities, and proposed procedures for mitigating these;
- (m) Details of the proposed monitoring regime of the PPP. A PPP will be expected to use generally accepted accounting principles (GAAP) appropriate to their type of financial entity. Provision should be made to allow auditing of financial and non-financial records as and when reasonably requested by the Council or representative appointed by the Council;
- (n) An exit strategy and how and when this could be commenced;
- (o) A summary of professional or other advice taken.

#### All of Government (AoG)

ADC participates in various AoG contracts in order to save money by leveraging the collective purchasing power of government. Council does not need to go through a full procurement process for goods/ services associated to a specific AoG contract.

Once ADC has signed up to an All-of-Government contract, Council is required to purchase related goods and services scoped within that contract during the term of the contract.

## 1.6 Procurement Types

A summary of the types of procurement is provided below, all values are GST exclusive:

Expenditure type	Purchase amount	Suggested Procurement method
Very Minor	Up to \$2,000	<p><b>Standard Method:</b> Direct purchase from a local supplier where one is known to offer the required goods, works or services at a reasonable price.</p> <p><b>Exception Method:</b> Direct purchase from a non-local supplier.</p>
Minor	\$2,001 - \$14,999	<p><b>Standard Method:</b> A minimum of two written quotes/ estimates must be obtained, including one from a local supplier where one is known to offer the required goods, works or services. Where a local quote is obtained, the buy local premium must be applied.</p> <p><b>Exception Method:</b> Direct purchase (subject to one up approval) in certain circumstances Verbal quotes or estimates may be used when the transaction value is less than \$14,999. Council may purchase directly from a supplier for minor expenditure when the cost of seeking quotes or tenders would be impractical, or disproportionate to the benefits obtained</p> <p>Petty cash can be used for incidental purchases</p>
Moderate	\$15,000 - \$99,999	<p><b>Standard Method:</b> A minimum of 3 quotes must be obtained, including at least one quote from a local supplier where one is known to offer the required goods, works or services. Where a local quote is obtained, the buy local premium must be applied.</p> <p>All quotes must be sought with identical specifications and work scope, have a set closing date and time.</p> <p><b>Exception Method:</b> Direct purchase (subject to Group Manager's approval)</p>

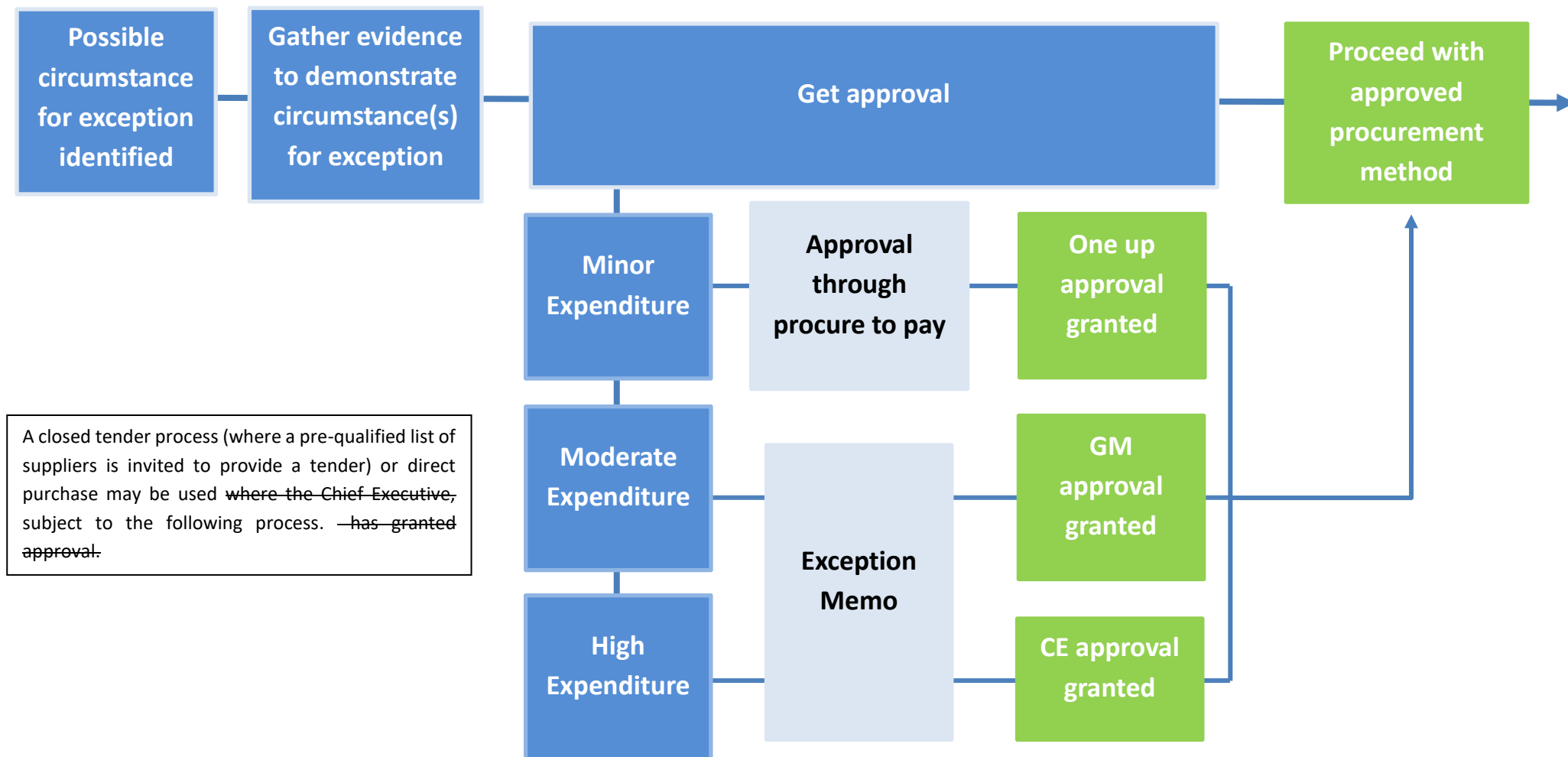
High	<p><b>\$100,000 + OR deemed significant or high risk as per ADC's corporate risk policy</b></p>	<p><b>Primary Method: Open tender.</b> An open request for tenders will be issued <del>(unless the exceptions set out in this policy apply)</del>, which contains—containing all of the information that suppliers need to prepare and submit a tender. A detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process will be available. If evaluation criteria are being used, an indication of the relative importance of each criterion will also be provided.</p> <p>Buy Local requirement does not apply. However, a local value weighting should be considered where appropriate.</p> <p><b>Exception Method:</b> Closed competitive process or direct purchase where an exception has been approved by the Chief Executive.</p>
------	---	---

## 1.7 Exceptions

The following approval must be granted before a non-standard procurement process can be undertaken.

Council must approve procurement exceptions valued above the Chief Executive's delegated authority as detailed in the Delegations system

At least one circumstance from the table below must be demonstrated for an exception to be considered and approved	Exception threshold for minor expenditure only		Exception threshold for moderate expenditure only	Exception threshold for high expenditure only
	Approval: one-up through the procure to pay system		Approval: from the relevant Group Manager	Approval: from the Chief Executive
1. The required goods, works, or services are technical or specialist in nature and supply is restricted because:	There are only a few suitable suppliers who are known to supply the required goods, services, or works.			There were limited suitable suppliers identified through open competition in the last 12 months.
2. The goods, works or services can be sourced without the need for open competition because:	Written quotes for the required goods, works, or services can be sought from pre-qualified / approved suppliers.			A closed tender can be run with a number of approved contractors / prequalified suppliers who are known to supply the required goods, works or services.
3. An open competitive process would not be practical or beneficial because:	Pricing and specifications of the required goods, works or services are already publicly available through known supplier websites or have been previously obtained.		Three written quotes the same core requirements have already been obtained in the last 12 months.	Open competition for the same core requirements has already been carried out in the last 12 months
4. Standardisation or compatibility with existing equipment or services is necessary or desirable because:	A change in supplier could create additional costs, negatively impact levels of service or cause significant disruption to business activity.			A change in supplier could significantly impact levels of service and /or disrupt business activity, outweighing any long-term benefits that might be achieved through open competition.
5. The goods, service or works are necessary for complete delivery, and a change of supplier cannot be made for economic or technical reasons because:	The existing goods, service or works cannot easily be completed by a new supplier without having to alter or replace the work already completed.			Changing a supplier at this stage of the project would cause significant inconvenience or substantial duplication of costs.
6. It is not practical or cost-effective to use the primary procurement method because:	There are exceptionally advantageous conditions for purchasing the goods that could not be matched by obtaining supplier quotes e.g. a one-off public auction or sale.			There are exceptionally advantageous conditions for purchasing the goods that cannot be achieved through open tender e.g. a one-off public auction or sale. <b>OR</b> the overall rates offered through non-standard procurement are the same or lower than that received through open competition for the same core requirements carried out within the last 12 months.
7. There is limited time to carry out the primary procurement process because:	The goods, services, or works are required immediately in order to carry out core business or meet a project deadline.			Undertaking an open tender would impact on Council's ability to deliver the project cost effectively and on time.
	<u>must be able to demonstrate that time pressure has not been caused due to improper planning or poor project management.</u>			





### **Circumstances for all types of expenditure where an exception may be granted:**

- 91—The services required are specialist, technical or professional services;
- 92—Council is part of a joint procurement process;
- 93—No acceptable responses were received through open competition for the same core requirements, carried out within the last 12 months;
- 94—The products, services or works are an addition to, and necessary for the complete delivery of an existing supply arrangement, provided that the original supply arrangement was openly advertised and a change of supplier cannot be made for economic, technical or practical reasons.

### **Additional circumstances for moderate expenditure:**

- 95—The required goods or services are available from only one supplier or provider;
- 96—Standardisation or compatibility with existing equipment or services is necessary or desirable.

### **Additional circumstances for high expenditure:**

- 97—The goods or service are only available from a few suppliers;
- 98—It is not practical or cost effective to conduct an open tender or proposal;
- 99—There is limited time for the procurement process.

The Chief Executive must approve procurement exceptions. Council must approve procurement exceptions valued above the Chief Executive's delegated authority.

#### **a) Minor expenditure—Less than \$10,000**

Verbal or written quotes or estimates must be obtained for purchasing goods and services when the transaction value is less than \$10,000. This is an efficient way to explore the market and determine availability and price. Records must be kept of evaluation and decision, proportionate to the value and risk of the individual procurement.

Council may purchase directly from a supplier for purchases less than \$10,000 when the cost of seeking quotes or tenders would be impractical, or disproportionate to the benefits obtained.

#### **b) Moderate expenditure—\$10,000—\$74,999**

Written quotes or estimates must be used for expenditure above \$10,000 but below \$75,000. Three quotes should be sourced. All quotes must be sought with identical specifications and work scope and have a set closing date and time.

Approval to procure without three written quotes must be in line with the procurement exceptions set out in these Guidelines and the Procurement Policy

#### **a) High expenditure—\$75,000 or above or deemed 'significant' (Significance & Engagement Policy) or 'high risk'**

High expenditure is high value expenditure, or where the procurement of a goods, service or works is deemed 'significant' under Council's Significance and Engagement Policy or 'high risk' (refer to Council's Corporate Risk Policy).

Generally, high expenditure is where the value of goods or works proposed to be purchased exceeds \$75,000. An open request for tenders must be issued (unless the exceptions set out in these Guidelines and the Procurement Policy apply),

## **1.8 Selecting a payment method**

All purchases require a purchase order to be raised, unless a manager has granted approval, or a purchase or credit or debit card has been used (i.e. the Air NZ card is used for booking flights).

Payment method	Amount	Approval required	Purchase order required?	Quote
Petty cash	Less than \$80.00 if requested, or less than \$50.00 if own money	Two staff members	No	No
Purchase or debit cards	Any amount but should normally not be for high value Up to \$200	Purchase or debit card holder	No	Verbal quote or website comparison if deemed necessary
Claims receipt	Any amount but should not be for high value Very minor or minor expenditure	Manager or Group Manager One-up approval	No	No
Invoice	Any amount within delegated limit	Manager or Group Manager	Yes	Yes <del>Under \$10k – written or verbal</del> <del>Over \$10k – written</del>
Standing contract	Any amount	Manager or Group Manager	No	Yes – when contract established

### 1.5.1 Petty cash

Petty cash can be obtained through two methods:

1. ~~Requesting the cash in advance from Customer Services – to the value of \$80.00.~~
2. ~~Staff using their own money initially and requesting petty cash as reimbursement from Customer Services – to the value of \$50.00.~~

Staff must provide Customer Services with a receipt including a General Ledger (GL) code and two signatures.

### 1.8.1 Purchase or debit cards

Purchase or debit cards are provided to certain staff members. These individuals are responsible for all purchases on their card and for obtaining receipts to support purchases. ~~They may choose to provide their card to other staff members, however this should not occur as a means to side step the purchase order process and should not be used for ongoing or high value purchases.~~

### 1.8.2 Claims receipt

There may be instances where staff use their own money for minor or one-off purchases. Staff will be reimbursed, provided the claim is adequately approved and the appropriate claim form is used. This process should not be normal practice and should only be used for low-value infrequent purchases.

### 1.8.3 Purchase orders

Purchase orders should be raised for the majority of purchases, and always for moderate or high expenditure. The process for raising a purchase order is detailed in the Procure to Pay Guidelines.

## 1.9 Evaluation Methods

~~The main objective of the procurement process is to enable Council to procure goods or services that achieve public value. Tender or proposal evaluation models help in deciding which supplier this is.~~

The main objective of the procurement process is to achieve 'best value for money' for Council by selecting a supplier with the capability to deliver the required goods, services, or works without incurring excessive costs. Selecting the most appropriate evaluation model will help achieve this objective.

Evaluation models ~~are a tool not science but are tools~~ are a tool to support the evaluators in making good decisions. Ultimately, the person/team evaluating a tender is responsible for deciding which option provides the best value for money. However, the chosen tender or proposal evaluation model should provide a rationale to support the decision. An evaluation model should be selected and documented at the procurement planning stage, along with the reason for selecting that particular model.

The evaluation model should be detailed in the tender or request documents so that suppliers know how the tender or proposal will be evaluated. The evaluation criteria must be detailed enough to enable assessment of the relative strengths and weaknesses of each respondent.

There are a number of tender evaluation models available that may be used for different circumstances. The three most commonly used models are;

1. lowest-price conforming model
2. weighted-attribute model
3. target-price model

The Brooks' Law model can also be used in evaluating proposals for professional services for building and roading contracts.

### **1.9.1 Lowest price conforming model**

The lowest price conforming model is the most basic evaluation model, and places the strongest emphasis on price. Tenderers are required to submit two separate documents; one that contains details of their ability to undertake the work to a conforming standard and one with the price for the work to be undertaken. Only price envelopes from conforming tenders are opened and considered, with the lowest price tender awarded the work. This model is appropriate where the requirements can be accurately detailed.

### **1.9.2 Weighted attribute model**

The most common model used in public sector procurement. This model seeks to balance a trade-off between price and quality, and it can be used for goods or services. Under this model, criteria are weighted to reflect their relative importance. Each criterion in the tender or proposal is scored and multiplied by the relevant weighting to give a weighted score. The weighted scores for each tender or proposal are added up to find the highest scoring tender or proposal. Some weighted-attribute models weight all the evaluation criteria, including price, while others only weight the non-price criteria. If weighting price, it is important to carry out some level of sensitivity analysis as part of the weighting process to ensure that the price weighting is appropriate. If the price weighting is too high, the evaluation effectively becomes a lowest-price conforming model and undermines the concept of public value.

### **1.9.3 Target price model**

The target-price model is useful when it is difficult to define the scope of the work in the tender documentation or in situations where budget is the main constraint. This approach makes potential suppliers aware of the available budget (the "target price") as a guide for defining the scope of the services, and invites them to specify what they can provide for that price. The focus of the evaluation is then on the quality and quantity of the services to be provided.

### **1.9.4 Brooks' Law model**

The Brooks' Law model assesses proposals on the basis of technical merit. The highest ranked supplier is invited to discuss the proposal, contract, terms and fees. The terms of reference and the contractual and legal requirements are reviewed to ensure mutual understanding. When agreement on fees is reached, the supplier is appointed. If no agreement on fees is reached, the second ranked potential supplier is invited to negotiate.

The process continues until a satisfactory agreement is negotiated. A supplier, once rejected, should not be recalled for further negotiations.

## 1.10 Evaluation criteria

Evaluation criteria must be ~~confirmed~~ **established** before potential suppliers are invited to participate. Achieving public value must always be a criterion, which requires consideration of the overall benefit to the wellbeing of Ashburton District residents. Depending on the goods/service/works required, different aspects of public value may be included over others. It may only be appropriate to only consider certain aspects of public value given the nature and scope of the project.

The evaluation criteria will normally consist of:

- mandatory criteria (scored as a pass/fail or yes/no); and
- non-mandatory criteria (usually weighted) that compliant tenders or proposals are fully evaluated against.

Mandatory criteria should be highlighted as part of the first stage specification to ensure that potential suppliers who are not able to meet these requirements do not submit a response.

### 1.10.1 Assigning weightings to criterion

As the complexity of the procurement activity increases, the weighting on quality over price will become more pronounced. Therefore, appropriate attention must be given to setting the weights for the non-price attributes.

The setting of attribute weights will impact the outcome of the proposal evaluation, the weightings chosen for non-price attributes must reflect their relative importance.

A helpful tool to help prioritize, set and quantify the impact of attribute weightings is a pairwise analysis.

## 2. Procurement Sourcing

### 2.1 Online Tendering

When going to market, wherever possible, opportunities should be listed using an e-tendering system, either Tenderlink, GETS, or both.

Where possible, any relevant tender documents should be uploaded in conjunction with the Notice of Procurement or explanation of how these can be obtained should be provided.

### 2.2 Receiving tenders

**Electronic:** Any procurement opportunities listed using an e-tendering site will likely be subject to an electronic tender process. Tenders will be received through an electronic tender box which will automatically close at the time and date selected, the system will then send an email to the nominated users to access the electronic keys for the tender box.

**Hardcopy:** All tenders received are placed in a locked tender box, unopened. Opening tenders can only be carried out by two authorised Council officers (see Delegations Manual).

### 2.3 Opening tenders

#### 'Single Envelope' Tenders

**Electronic:** The opening process will be managed via the e-tendering site, only nominated users should have access to the electronic keys.

**Hardcopy:** For single envelope tenders, the envelopes are opened, date stamped, and assigned a number according to the order they are opened in. The relevant details are recorded on the tender sheet along with details of any non-complying or 'tagged' tenders (tenders subject to conditions).

The tender form is initialled, signed and dated by the officers opening the tenders. The original tender form and tenders are then forwarded to the relevant council officers for processing, and a copy of the tender form is retained on file.

#### **'Double Envelope' Tenders**

**Electronic:** The opening process will be managed via the e-tendering site, only nominated users should have access to the electronic keys. The price envelope, containing the financial information, is stored securely via email and remains unopened until the attributes evaluation process has been completed.

**Hardcopy:** These tenders separate the technical and financial aspects of a proposal. In this case, the 'quality attributes' envelope which contains the technical information is subject to the normal opening process. The price envelope, containing the financial information, is stored securely and remains unopened until the attributes evaluation process has been completed. The price envelope is then opened and processed by authorised officers.

## **2.4 Shortlisting**

A shortlist can be created by scoring each response against the criteria. A full record should be kept of this process, to demonstrate that each response received due consideration.

Unsuccessful suppliers should be notified that they have not been shortlisted and if requested should be debriefed on the reasons why.

## **2.5 Post-evaluation negotiation**

Post-evaluation negotiation is an effective risk management tool. The objective of the negotiations is to:

- test the understandings and underlying assumptions that have influenced a participant in preparing the costs; and
- achieve a reduction in costs, where possible.

Council may need to seek guarantees if the participant has limited assets or cash flows, particularly where a participant submits a comparatively low price.

Tender or proposal documents should advise participants of the possibility of post-evaluation negotiations and may identify the parts of the tender or proposal that could be negotiated.

As a general rule, negotiations should occur first with the highest ranked participant. If the outcome is unsatisfactory, then negotiate with the next highest ranked participant, and so on down the list until a satisfactory outcome is achieved.

Concurrent negotiations may be used in some circumstances. Concurrent negotiations must be approached with care to ensure that they remain fair. Playing one participant off against another (a "dutch auction") should be avoided.

By the end of negotiations, each party should have the same expectations about its obligations and how the contract will operate. The parties should agree on all substantive issues that might have an effect on price and monitoring of the successful participant's performance, before the contract is signed.

## 2.6 Contract types

### 2.6.1 Cost plus contract

These contract types are where the purchaser agrees to pay the cost of all labor and materials plus an amount for contractor overhead and profit (usually as a percentage of the labor and material cost). The contracts may be specified as:

- Cost + Fixed Percentage Contract
- Cost + Fixed Fee Contract
- Cost + Fixed Fee with Guaranteed Maximum Price Contract
- Cost + Fixed Fee with Bonus Contract
- Cost + Fixed Fee with Guaranteed Maximum Price and Bonus Contract
- Cost + Fixed Fee with Agreement for Sharing Any Cost Savings Contract

These types of contracts are favored where the scope of the work is indeterminate or highly uncertain and the kinds of labor, material and equipment needed are also uncertain. Under this arrangement complete records of all time and materials spent by the contractor on the work must be maintained.

<b>Cost + fixed percentage contract</b>	Compensation is based on a percentage of the cost.
<b>Cost + fixed fee contract</b>	Compensation is based on a fixed sum independent the final project cost. The customer agrees to reimburse the contractor's actual costs, regardless of amount, and in addition pay a negotiated fee independent of the amount of the actual costs.
<b>Cost + fixed fee with guaranteed maximum price contract</b>	Compensation is based on a fixed sum of money. The total project cost will not exceed an agreed upper limit.
<b>Cost + fixed fee with bonus contract</b>	Compensation is based on a fixed sum of money. A bonus is given if the project finishes below budget, ahead of schedule etc.
<b>Cost + fixed fee with guaranteed maximum price and bonus contract</b>	Compensation is based on a fixed sum of money. The total project cost will not exceed an agreed upper limit and a bonus is given if the project is finished below budget, ahead of schedule etc.
<b>Cost + fixed fee with agreement for sharing any cost savings contract</b>	Compensation is based on a fixed sum of money. Any cost savings are shared with the buyer and the contractor.

### 2.6.2 Design and build contracts

“Design and build” is a project delivery system where the design and construction services are contracted by a single entity. The traditional approach for construction projects consists of the appointment of a designer on one side, and the appointment of a construction contractor on the other. Design and build procurement provides for a single point of responsibility to seek to reduce risk and overall cost. This system has the clearest contractual remedies for clients as the contractor is responsible for all of the work on the project, regardless of the nature of the fault.

Advantages	Disadvantages
Can save time and money	Criteria to select contractor is subjective and difficult to evaluate
Construction team is motivated to work with the design team to develop a design with constructability in mind	Complex proposals are difficult to evaluate
Provides the opportunity for innovation	Limits client involvement in the design
Potential for creative cost reduction	Contractors can make design decisions outside of their area of expertise

Early mobilization and construction activities are able to proceed concurrently with the design	There is an inherent conflict of interest
Places the responsibility for design errors and omissions on the design–builder	Design flaws may go unnoticed or unmentioned
Cost burden and risk are transferred to the design–build team	Buildings may be over-designed or built with lower quality products to maximize contractor profit
Decreased risk of litigation	Criteria to select contractor is subjective and difficult to evaluate

### 2.6.3 Incentive contracts

Compensation is based on the engineering and/or contracting performance according to an agreed target - budget, schedule and/or quality.

The two basic categories of incentive contracts are;

- **Fixed Price Incentive Contracts:** These contracts are preferred when costs and performance requirements are reasonably certain.
- **Cost reimbursement contracts:** provide an initially negotiated fee, to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. This type of contract specifies a target cost, a target fee, minimum and maximum fees, and a fee adjustment formula. After project performance, the fee payable to the contractor is determined in accordance with the formula.

### 2.6.4 Lump sum contract

With this kind of contract, often used in engineering, the engineer and/or contractor agrees to do a described and specified project for a fixed price. This is also referred to as a "fixed fee contract".

A fixed fee or lump sum contract is suitable if the scope and schedule of the project are sufficiently defined to allow the consulting engineer to estimate project costs.

### 2.6.5 Percentage of construction fee contracts

This is a common structure for engineering contracts. Compensation is based on a percentage of the construction costs.

### 2.6.6 Performance based contract

In a performance-based contract, the fee paid to the contractor depends (at least partly) on the business results achieved within the contracted work. This means that apart from the quality and speed of the work itself, the results of work achievements are shared. For example, in the case of maintenance contracts, the mutual goal may be reduced mechanical equipment downtime (increased uptime). The benefits are long-term relationship and confidence building, reduced amount of contractors, mutual goals, and sharing the risks of unknown events.

### 2.6.7 Unit price contract

This kind of contract is based on estimated quantities of items included in the project and their unit prices. The final price of the project is dependent on the quantities needed to carry out the work. In general, this contract is only suitable for construction and supplier projects where the different types of items, but not their numbers, can be accurately identified in the contract documents. It is not unusual to combine a unit price contract for parts of the project with a lump sum contract or other types of contracts.

## 2.7 Awarding contracts

A clear recommendation on who the preferred supplier is must be provided to the authority (delegated staff or Council) approving the awarding of the contract. It should provide enough information to allow the approving authority to understand the evaluation process and the rationale for the recommendation. The amount of detail provided to the approving authority should be proportionate to the value and risk associated with the procurement. The approving authority should be able to make an informed judgement on the adequacy of the tender or proposal process and the validity of the tender or proposal selection from the information provided.

If the approving authority rejects the recommendation, it should:

- clearly document the reason(s) for not accepting the recommendation; and
- ensure that the reason is legitimate (this would usually be the result of an unforeseen event that was not identifiable earlier in the process).

The awarding of the contract may be carried out by those with delegated authority (including committees of Council) or by Council resolution. The successful supplier will be formally notified, and the contract signed.

## 3. Managing Phase

### 3.1 Managing contracts

All moderate and high expenditure purchases should be formalised with terms of service or terms of engagement, purchases over \$50,000 should be formalised in a written contract. Legal advice may need to be sought for high-value or high-risk contracts, before the final contract is signed, where the value of the contract or the risk associated make this an additional step in the process.

Regardless of how the contract or agreement is arranged, Council or its delegated representative is responsible for the ongoing management of both the contract and the relationship with the supplier of the goods or services.

Ongoing monitoring and management of a supplier's performance is important, to assess whether Council is receiving value for money. The extent of managing and monitoring should be based on risk management and cost/benefit assessments.

Monitoring and managing supplier performance should be a priority when the value and/or risks associated with the procurement warrant this.

#### Contract Variations

It is important that the delivery of contracted goods and services stays within the scope of the original contract. Any variations to an existing contract must be approved by a delegated authority, or be subject to a separate procurement process, in accordance with Council's Procurement Policy. Staff with questions or concerns about variations to an existing contract should consult their Group Manager for advice.

### 3.2 Post Evaluation

A post implementation review (PIR) is a formal review of a procurement. It is used to answer the question: 'did we achieve what we set out to do, and if not, what should be done?'

For projects valued over \$5m (whole of life cost), deemed significant as per the Community Engagement Policy, and where there is high corporate risk, a post implementation review (PIR) should be carried out.



The timing of the first PIR will depend on when you expect to see benefits from the initiative - the initial PIR would usually be carried out 6-18 months after the contract ends. You need to leave enough time for benefits to occur, but complete it early enough to identify any problems and take action if those benefits aren't happening.

Consider:

- the achievement (to date) of business case objectives
- costs and benefits to date against forecast, and other benefits realised and expected
- ways of maximising benefits and minimising cost and risk
- end user satisfaction
- identify lessons learned

Findings of a PIR should be reported back to Council upon completion.

#### **a) Delegations**

~~All procurement activity must be carried out in accordance with the annual budget or specifically approved budgets, and within delegated authority.~~

~~Council contractors cannot make purchases or commit to spend on Council's behalf without prior authorisation.~~

#### **b) Staff purchasing**

~~The use of Council funds for the purchase of items for personal use is prohibited unless authorised by the Chief Executive and reimbursed.~~

~~If staff purchase personal goods and services using discounts obtained through Council buying privileges schemes, the transaction must be paid for by the staff member personally.~~

#### **c) Endorsement**

~~Generally employees must not endorse any products or services. If an employee receives a request to endorse any product or service they must refer the request to the appropriate Group Manager.~~

~~Staff may, with the approval of their manager, act as referees for contractors or consultants who are bidding for external contracts.~~

#### **d) Conflicts of interest**

~~Conflicts of interest may arise at any time during the procurement process. All employees must act in accordance with the Conflicts of Interest Policy and declare any real or potential conflicts of interest in writing to their manager.~~

#### **e) Gifts and hospitality**

~~Any offers of gifts or hospitality from suppliers must be managed in accordance with the Corporate Gifts Policy.~~

#### **f) Confidentiality**

~~All staff must maintain the confidentiality of a procurement process at all times.~~

## **1. Records management**

~~Appropriate records of dealings with all suppliers should be kept. This should include details of:~~

- tender or other comparison processes and selection procedures, including procurement plans;
- copies of all agreements entered into, including purchase orders (this should be in electronic form);
- performance records, including any items under dispute; and,
- correspondence — including, but not limited to, notices, contract variations, contract extensions, and price change documentation.

## Appendix One

### Procurement Glossary

<b>All -of-government (AoG)</b>	AoGs establish supply agreements with approved suppliers for selected common goods or services purchases by government (e.g. vehicles, laptops, recruitment services).
<b>Business case</b>	A management tool that supports decision-making when undertaking a new project, or procuring a product or service. A business case will include background information, the expected benefits of the project, options considered, expected costs, resources required and an analysis of potential risks.
<b>Closed tender / closed competitive process</b>	A tender process whereby an Council asks a limited number of known suppliers to tender for a contract opportunity, usually through the use of an RFP. The opportunity is not openly advertised.
<b>Collaborative Procurement</b>	Procurement that is carried out jointly with other agencies or territorial authorities. In these circumstances, competitive procurement is undertaken by the group as a collective.
<b>Conflict of Interest</b>	A conflict of interest is where someone's personal interests or obligations conflict, or have the potential to conflict, with the responsibility of their position or commercial interests. It means their independence, objectivity or impartiality can be called into question.
<b>Direct Purchase</b>	A procurement process where the Council asks a single supplier to quote for a supply opportunity, and the opportunity is not openly advertised.
<b>Expression of Interest (EOI)</b>	A formal request to potential suppliers to register their interest to supply goods or services and/or to provide information that supports their capability and capacity to deliver the goods or services
<b>GETS</b>	The New Zealand Government Electronic Tenders Service, an online service designed to promote open, fair competition for New Zealand Government contract opportunities.
<b>Multi-stage procurement</b>	A procurement process with more than one step - e.g. an expression of interest followed by a request for proposal. This is usually used when the information required for tenderers is specific, but Council is unsure of the capability of suppliers to provide the required goods or services.
<b>Open tender / open advertising</b>	A tender process in which the invitation to tender is publicly advertised so that all interested suppliers may respond.
<b>Professional/ Specialist/ Technical Services</b>	Are services provided by a person (or persons) skilled in the particular field for which they are engaged.
<b>Public-private partnership (PPP)</b>	Is a service contract between the public and private sector where the private sector is paid to deliver an infrastructure asset or facility and provide services associated with the asset in the long term
<b>Purchase Card</b>	Purchase cards are council issue cards used for purchases of incidental items with a maximum purchase amount of \$200 inclusive GST.
<b>Reasonable price</b>	Means the price of the goods, services, or works is cost effective and comparable with prices listed for the same or similar product by other suppliers
<b>Request for Proposal (RFP)</b>	A formal request from an agency asking suppliers to propose how their goods, services or works can achieve a specific outcome, and their prices.
<b>Request for Quote (RFQ)</b>	A formal request from an agency asking potential suppliers to quote prices for 'stock standard' or 'off-the-shelf' goods, services or works, where price is the most important factor.
<b>Request for Tender (RFT)</b>	A formal request from an agency asking for offers from potential suppliers to supply clearly defined goods or services or works.

## 8. *Public Transport Trial*

Author *Mark Chamberlain; Roding Manager*

Executive Team Member *Neil McCann; Group Manager Infrastructure and Open Spaces*

### Summary

- The purpose of this report is to present public transport trial options for Ashburton.
- The options have been developed following and utilising information in the research report “*The viability of and demand for a public transport pilot for the township of Ashburton, 2024*” prepared by Sarah Wylie and Sharon Gardner of Social Research and Evaluation and from advice from Environment Canterbury staff.

### Recommendation

1. **That** based on the “*The viability of and demand for a public transport pilot for the township of Ashburton, 2024*” report findings, Council does not contribute funding for a public transport trial in Ashburton at this time.

### Attachment

**Appendix 1** Survey findings – Demand for different transport options – Appendix A of the Research report.

## Background

### The background

1. Ashburton District Council, working in collaboration with Safer Mid Canterbury, sought to commission community research with the public and local community groups concerning a possible public transport service for Ashburton Township.
2. This research was undertaken in early 2024, led by Sarah Wylie and with assistance from Sharon Gardner. Sarah has conducted several social and community research projects in the Ashburton District over the years.
3. The research utilised a mixed methods approach including literature scan, phone interviews, a workshop, and public survey through both digital and hard copy (450 responses were received and analysed).
4. The research report was presented to Council in June 2024.

### Findings – Current transport provision

5. Ashburton is served by the following transport options additional to personal means (self-drive or driven in car by family/friends/colleagues etc, bike, walk, scooter, wheelchair, mobility scooter etc.):
  - The Mid Canterbury School Transport Service coordinates daily school bus operations for enrolled students from 16 schools in Mid Canterbury, undertaking 28 school runs (along with local charters/trips within school hours).
  - Mid Canterbury Connector: Currently there is one volunteer-driven, on-demand vehicle in Ashburton that runs booked return trips from Mt Somers, Methven, Rakaia, Wakanui, Chertsey, Fairton and Hinds to delegated drop off points in the Ashburton township, Monday to Friday from 9 am to 4:30 pm. Cost is set between \$5-20 depending on the distance travelled. The service cannot service transport needs for people living within Ashburton.
  - Health Shuttle: A shuttle service is available in Ashburton to provide transport to health-related appointments in Christchurch.
  - Beckley's Coachlines provides a charter-based service.
  - Courtesy Cars are provided by some of the not-for-profits and licensed premises locally.

### Findings - Likely level of demand for public transport offerings

6. There was strong community engagement around the subject of public transport options for Ashburton, though not all of it positive.

It is clear from the present research that there are strong feelings opposing more than minimal ratepayer contribution to any public transport solutions. The willingness to engage in the research from a wide range of community stakeholders was unsurprising given that transport barriers have been highlighted in various social and community research in Ashburton over many years.

7. Presented with a range of different bus/van public transport solutions, the survey utilised in the present research identified a moderate level of demand for public transport within the town, with slight preference for a regular timetabled bus/van service using designated bus stops.
8. Just under a third of the survey respondents thought they would use a scheduled (timetabled with fixed pick-up/drop-off points) weekday bus service at least weekly, while two-fifths expected to never use such a service. Demand was lower for a service on Saturdays. There did seem to be relatively strong demand for bus services connecting people with special events in the town while a reasonable proportion of respondents thought they would use a dining/entertainment bus at night, but this would be likely to amount to only infrequent use.
9. Alongside scheduled bus/van services, there does appear to be some appetite for public e-scooters. Findings of the present research suggest that a commercial pay-to-ride e-scooter service (e.g. Lime) within Ashburton town boundaries would be relatively well-used and address some of the existing transport needs, and especially for young people, people who work in Ashburton, and for people with disabilities (especially around mental health or with psychological or learning impairments) who do not drive but do not qualify for Total Mobility. A trial of such an operation could also be put in place without cost to Council.
10. When the survey in the present research asked respondents what difference public transport would make to the quality of their lives if available, reported mean differences were largest for people with psychiatric, psychological or learning disabilities (less likely than people with other disabilities to have a Total Mobility card) and recent refugees, followed by recent migrants (especially Asian and Middle Eastern, Latin American or African migrants) and young people.

### **Findings - Needs and desires of the community and transport options best-suited to address these**

11. Most commonly, people appear to want to use public transport to do their shopping, followed by socialising/meeting friends, attend health appointments, and fourth-most commonly, be able to enjoy alcohol without driving. Overall, mornings appear slightly favoured over afternoons and weekdays over weekends, but this is likely to vary between different age groups and trip purposes.

12. Because the survey respondent group was not representative of the whole population of Ashburton in every respect, it is not appropriate to extrapolate from survey findings regarding level of use to anticipated numbers of users: applying the survey-suggested usage levels to population figures is highly likely to overstate use.
13. The research findings do suggest that there is some level of demand for public transport within Ashburton to get people to and from work or school/after school activities: restricting a service just to mid-morning – mid-afternoon would dramatically reduce the potential user group for the service.
14. Key destinations include all supermarkets, the town centre (key retail, banking, government agency and Council service locations, hospitality), suburban shopping centres and medical centres (Tinwald, Allenton and Netherby), the hospital, EA Network sports complex and the College.
15. A bus or van on a scheduled route with fixed stop times and pick-up/drop-off points and especially during weekdays, from around 8am to 5:30pm (to ensure usefulness for getting to and from school and work) may be worth trialling. A bus route would need to connect these as well as extending outwards from the furthest-spread points to ensure that nobody was more than a few blocks from a bus stop. To maximise its chances of successful uptake, this would need to be well-promoted, catered well to disabilities, connected to the key destinations identified, and be trialled over a long enough time period to enable behavioural change around transport to occur: for people to find the chance to try the service, find that it worked for them, and start considering the bus as a viable alternative means of making certain types of trips.
16. Most users of public transport options are likely to be erring on the side of less frequent use, so there is a much stronger case for a bus/van service using one or two vehicles continually travelling on a circuit than multiple bus routes services by several vehicles. With preference for buses/vans that collect users from designated stops rather than for users to have to pre-book their ride, findings point more strongly to a contracted service than a Community Vehicle Trust – type service, reliant on volunteer drivers: feedback regarding volunteering capacity in Ashburton is highly relevant. For a bus service to work, it needs to be reliable. Another option could be a Community Vehicle Trust model utilising paid drivers.
17. User-pays e-scooters or bikes are likely to meet other needs at no cost to Council.
18. The present research identified a willingness to pay more for public transport options than is charged for the buses in either Greater Christchurch or Timaru.
  - Mean expected cost per trip for community-e-scooters or bikes was around \$4.60-4.80, with some respondents expecting this to be free, but a large number suggesting this should be user-pays, in line with costs of Lime scooter or bike hire elsewhere.

- Mean expected costs for a bus to/from special events in Ashburton was just under \$5, for a bus on a designated route on weekdays \$4.60 and around \$4.80 for a booking-based, door to door service.
  - Expected bus rates were similar for weekends, while for an evening bus service to access dining and entertainment was expected to cost around \$6.25 on average.
19. Potential users seem prepared to pay a larger proportion of the real costs of public transport in Ashburton, with Council therefore needing to pay less (if public transport is put in place) than is the case in other nearby centres.

### **Findings - Potential impacts on existing service providers (local taxi service) and mitigation**

20. Ashburton Taxis hold the only Total Mobility contract in the district, and feedback regarding how this is working was largely positive. In 2023, the 641 Total Mobility users in Ashburton District took over 13,000 trips on the scheme, with 9.5% of the trips made by wheelchair users. It seems though that in peak times, late at night and in wet weather, taxi demand exceeds supply.
21. Based on the findings of the present research, introduction of a bus service to Ashburton is unlikely to negatively impact on the taxi service.
- Older adults who can no longer drive and have a Total Mobility card appear to enjoy the service the taxi drivers afford them, not only getting them to where they want to go in a door-to-door fashion but also helping load and unload their shopping, helping them access buildings and the like, and generally providing a relatively holistic service.
  - Travel within Ashburton would fall within the parameters of the full 75% subsidy rate.
  - For people with disabilities who do not qualify for Total Mobility, many are on low incomes, and are unlikely to be able to afford to use taxis except on rare occasions.
  - The same is true for young people, and for at least some migrants who do not drive.
  - Given that the taxi service appears over-subscribed a lot of the time, redirecting some passengers to public transport is likely to free up their capacity to meet the needs of Total Mobility users, to pick up people choosing to avoid drinking and driving and people who use/prefer to use taxis for other reasons, including those who really value and need the personalised service that taxi drivers are able to provide.

## **Findings - Things to consider alongside public transport**

22. Cycling - For around 14% of the survey respondents, cycling was one of the main ways they got around the town currently, a similar proportion as those cycling to school or work in the Council's Walking and Cycling Strategy survey in 2020. Approaches to encourage more people to cycle and to remove/address barriers around cycling should be considered alongside public transport options.
23. Traffic volumes and congestion - A key reason why many older adults in Ashburton do not/prefer not to drive into the town centre is that the main roads carry high traffic volumes, and some intersections are perceived as complex to navigate. Frustration with levels of congestion on SH1 through town is clearly high, and many people want to see a second bridge and/or a bypass through the town: some of the survey respondents were keen for this to be Ashburton District Council's priority ahead of public transport.
24. Addressing traffic volumes and congestion through the town was seen to indirectly address transport need for some sectors of the population. Reduced traffic volumes would make the town more appealing/safer for cyclists and would be easier for older drivers who are nervous, have lost confidence at the wheel or are suffering reduced mobility.
25. Others want to see rates spent on improving the condition of roads and footpaths. Again, such improvements are likely to make the town more walkable and bikeable, addressing transport barriers for some, though road works in themselves also seem to be a source of considerable frustration for some members of the community.

## **Future public transport**

26. From the findings the possible options include:
  - Status quo with personal transport, Mid Canterbury School Transport Service, Mid Canterbury Connector, Health Shuttle, Beckley's Coachlines, Courtesy Cars, and Ashburton Taxis (Total Mobility) providing the level of transport options for most of the Ashburton community.
  - A bus or van on a scheduled route with fixed stop times and pick-up/drop-off points during weekdays, from around 8am to 5:30pm (to ensure usefulness for getting to and from school and work). This would cater for the regular users such as school students.
  - Buses or vans that users pre-book their ride. This would cater for those travel at irregular times and to a variety of destinations.
  - User-pays e-scooters or bikes. This would cater to the younger and more active users that seek an alternative to private vehicle use of for those that do not qualify for other services such as Total Mobility.



## Options analysis

### Option one – Do not fund a public transport trial

27. From the survey findings shown in Appendix A of the research report the most common response for each of the options was never. While it is from those surveyed and is not from the whole community, it does suggest that while some of the community desires public transport, the majority do not have a need for it.
28. There will still need to be the availability of existing transport options so working with the relevant providers or organisers is considered a better use of Council resources.
29. There is currently no public transport funding included for Ashburton in the 2024-27 National or Regional Land Transport Programme.

<b>Advantages:</b> No new funding is required.	<b>Disadvantages:</b> No additional public transport options for Ashburton.
<b>Risks:</b> A risk to the status quo is there will not be additional mobility/transport options for those in the community that feel the need for them.	

### Option two – Status quo with Council subsidy

30. Continue with the status quo but provide a fund for those providers to apply for financial assistance.

<b>Advantages:</b> The existing services remain viable financially.	<b>Disadvantages:</b> Additional funding required.
<b>Risks:</b> A risk to the status quo is there will not be additional mobility/transport options for those in the community that feel the need for them.	

### Option three – Trial a public transport on demand service in 2026/27

31. An on demand service be established to run for a twelve month period to determine the demand and viability.
32. There is no current funding for public transport so there will need to be additional funding to set up and operate the trial. The scope of the trial and costs will need to be determined if this is to proceed. As a reference the Timaru trial went for 26 months and cost approximately \$300,000.

<b>Advantages:</b> An additional public transport option is available.	<b>Disadvantages:</b> Additional funding is required. The cost of the trial will not be recoverable.
<b>Risks:</b> The trial may prove that the option is not viable without significant financial input from Council.	

## Option four – Trial a public transport scheduled route service

33. A scheduled route service be established to run for a twelve month period to determine the demand and viability.
34. There is no current funding for public transport so there will need to be additional funding to set up and operate the trial. The scope of the trial and costs will need to be determined if this is to proceed.

<b>Advantages:</b> An additional public transport option is available.	<b>Disadvantages:</b> Additional funding required. The cost of the trial will not be recoverable.
<b>Risks:</b> The trial may prove that the option is not viable without significant financial input from Council.	

## Legal/policy implications

### Climate change

35. If there is an increase in public transport and a corresponding reduction in private vehicle use, there may be a positive impact on vehicle emission reduction albeit very minor.

Review of legal / policy implications	
Reviewed by In-house Counsel	Tania Paddock; Legal Counsel

## Strategic alignment

36. The recommendation relates to Council's community outcome of *Residents are included and have a voice* because of the researchers made contact with a variety of residents and community groups.

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic		
Environmental	✓	Public transport may have a positive impact on vehicle emission reduction.
Cultural		
Social	✓	Public transport may provide improved or more community connections.

## Financial implications

Requirement	Explanation
What is the cost?	No cost for the status quo.
Is there budget available in LTP / AP?	No approved funding.
Where is the funding coming from?	N/A
Are there any future budget implications?	If the decision is to subsidise existing or fund a trial, these would need to be considered as part of an Annual Plan or LTP process or alternatively, budget reprioritised from another project or service.
Reviewed by Finance	Helen Barnes; GM Business Support

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Medium
Rationale for selecting level of significance	The decision on whether to fund public transport or not will have a medium impact on the community, there will be community interest and will affect Council's level of service in the future.
Level of engagement selected	Inform- one way communication
Rationale for selecting level of engagement	If Council agrees with the recommendation, no further engagement is necessary. Should Council confirm it will either provide funding support or seek the introduction of a new public service, community engagement would be required, particularly where the service was to be funded via a new or existing Environment Canterbury rate, or were

	Council to directly provide the service, it triggers obligations under the Local Government Act.
Reviewed by Strategy & Policy	<i>Mark Low; Strategy and Policy Manager</i>

## Next steps

37. If the decision is to fund public transport there will need to be consideration as part of the next Annual Plan or Long Term Plan process.

# Appendix 1

## Appendix A

### Demand for different transport options – Survey findings

	NEVER	3 TIMES+ PER WEEK	1-2 TIMES PER WEEK	ONCE EVERY 2- 4 WEEKS	LESS THAN ONCE A MONTH	TOTAL
Community e-bike (low / no cost)	65.00% 260	9.50% 38	8.00% 32	8.25% 33	9.25% 37	400
Community e-scooter (low / no cost)	60.86% 241	12.37% 49	10.10% 40	7.58% 30	9.09% 36	396
Van or bus with designated pick-up / drop-off points to get to specific large community events (eg. A & P Show, Market day, Waitangi Celebrations)	37.98% 158	9.86% 41	13.22% 55	12.02% 50	26.92% 112	416
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – weekday mornings – regular pick-up / drop-off points through township	40.48% 168	13.25% 55	18.80% 78	11.81% 49	15.66% 65	415
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – weekday afternoons – regular pick-up / drop-off points through township	41.41% 164	11.87% 47	20.45% 81	13.38% 53	12.88% 51	396
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – weekday mornings – pre-book door-to-door within township	50.78% 195	10.16% 39	15.10% 58	8.07% 31	15.89% 61	384
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – weekday afternoons – regular pick-up / drop-off points through township	44.90% 176	11.48% 45	18.37% 72	11.22% 44	14.03% 55	392
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – Saturdays – regular pick-up / drop-off points through township	49.74% 190	7.07% 27	15.71% 60	12.30% 47	15.18% 58	382
Shopper's bus / van to/from main shopping areas in town centre and suburban areas of Ashburton – Saturdays – pre-book door-to-door within township	56.23% 212	6.10% 23	10.61% 40	13.00% 49	14.06% 53	377
Dining and entertainment bus / van from various pick-up/drop-off points through town, running to centre of Ashburton town in evenings – Friday-Saturday	40.31% 156	5.68% 22	11.37% 44	18.86% 73	23.77% 92	387
Increase number of existing Taxi / taxi vans- Total Mobility	57.22% 214	5.61% 21	8.02% 30	10.96% 41	18.18% 68	374
More wheelchair taxi vans – Total Mobility	81.52% 300	3.26% 12	2.72% 10	3.80% 14	8.70% 32	368
Existing Taxi / taxi van- Ministry of Education	79.61% 289	5.51% 20	2.75% 10	3.58% 13	8.54% 31	363
Existing Taxi – full fare	61.48% 225	3.83% 14	2.73% 10	6.28% 23	25.68% 94	366
Existing courtesy vans	56.55% 203	5.85% 21	3.62% 13	8.08% 29	25.91% 93	359
Van / bus to and from schools in Ashburton	75.50% 294	11.00% 42	3.00% 11	2.20% 8	5.40% 20	395

## 9. *Ashburton Community Water Trust – exemption of CCO requirements*

Author	<i>Alifia Baramatiwala; Financial Accountant</i>
Activity Manager	<i>Erin Register; Finance Manager</i>
Executive Team Member	<i>Helen Barnes; Group Manager Business Support</i>

### Summary

- The purpose of this report is to review the CCO exemption for Ashburton Community Water Trust.
- In 2012, Council exempted the Ashburton Community Water Trust from the legislative reporting requirements of a Council controlled organisation.
- The Council is required to reconfirm this exemption within three years after it is granted, and thereafter, at intervals of not less than three years.
- The exemption was earlier reviewed, and the Trust exempted again in 2015, 2018 and 2022.
- Officers recommend that Council exempt the Ashburton Community Water Trust from being classified as a Council Controlled Organisation.

### Recommendation to Council

1. **That** Council exempts the Ashburton Community Water Trust from being classified as a Council Controlled Organisation for the period ending to 30 June 2027.

## Background

1. The Local Government Act 2002 defines Council Controlled Organisations (CCOs) and Council Organisations (COs). Section 6 of the Act provides the meaning for the classifications.
2. The Ashburton Community Water Trust is regarded as a Council Controlled Organisation because Council is able to appoint, directly or indirectly, 50% or more of the trustees. The Act requires a CCO to comply with certain planning, reporting and disclosure obligations, specifically:
  - Prepare a statement of intent
  - Prepare a half yearly report and an annual report
  - Comply with Parts I and IV of LGOIMA
3. The trust owns water consents to take water from the Rakaia river. The primary objective of the Trust is in coordinating a community approach to water resources, and encouraging and supporting further development of the district's water resources for the benefit of the Ashburton District.
4. The Act also places requirements on local authorities with respect to CCOs, specifically:
  - Consult on establishment
  - Have a policy on appointment and remuneration of directors
  - Monitor performance
5. Under the Local Government Act 2002 Council has the ability, under section 7 to exempt an organisation from being classified as a CCO, and therefore from being subject to the provisions of the Act which apply to CCOs. This exemption is subject to guidelines contained in section 7 and must be adopted by resolution of Council.
6. An exempted organisation becomes classified as a council organisation (CO) and must comply with all the requirements of the Act that apply to a CO. This reduces the compliance requirements on the organisation.
7. In considering whether to exempt a CCO, Council is required to take account of the following matters in section 7(5) of the Act:
  - The nature and scope of the activities provided by the organisation; and
  - The costs and benefits, if an exemption is granted, to the local authority, the Council controlled organisation, and the community.

Exemption would reduce the operational expenditure of the Trust, and in turn reduce the cost to council with a council grant funding the Trusts expenditure. Compliance costs associated with being treated as a CCO would be high as a proportion of total operating costs. If not exempt higher costs would be incurred for example, by the requirement of the trust to be audited.

8. An exemption must be reviewed within three years of granting the exemption, and then at intervals of not less than three years. The current three-year period expired in June 2024.

9. While the Trust will be expected to contribute to achieving and promoting several community outcomes it is unlikely to be the sole or dominant contributor.
10. Ashburton Community Water Trust does not operate to make a profit.
11. The Trust has operated effectively in the past without the control mechanisms that are required of a CCO.
12. Council can revoke the exemption at any time.

## Options analysis and Risk Assessment

### Option one – Exempt the Ashburton Community Water Trust from being a CCO (Recommended Option)

<p><b>Advantages:</b></p> <ul style="list-style-type: none"> <li>The Trust would not need to comply with the requirements of a CCO.</li> <li>Reduce the operational expenditure required for the Trust (which is provided by way of Council grant)</li> </ul>	<p><b>Disadvantages:</b></p> <p>No disadvantages identified.</p>
<p><b>Risks:</b></p> <p>This option is considered to have little risk associated with it and will reduce the operational expenditure required for the Trust (which is provided by way of Council grant).</p>	

### Option two – Revoke the exemption

<p><b>Advantages:</b></p> <p>No advantages identified</p>	<p><b>Disadvantages:</b></p> <ul style="list-style-type: none"> <li>The Trust would need to comply with the requirements of a CCO.</li> <li>Compliance would incur additional cost. It is difficult to accurately assess the costs.</li> <li>Compliance costs associated with being a CCO would be high as a proportion of total operating costs. The Trust would incur an annual audit and that would add additional compliance costs.</li> </ul>
<p><b>Risks:</b></p> <p>This option is considered to have little risk associated with it</p>	

## Legal/policy implications

13. There is no legal or policy implications

## Climate change

14. There are no obvious linkages between the content of the report and climate change mitigation or adaptation.



## Strategic alignment

Wellbeing		Reasons why the recommended outcome has an effect on this wellbeing
Economic	✓	The recommendation would reduce the compliance costs for the trust which Council has funded in the past via a grant.
Environmental	x	
Cultural	x	
Social	x	

## Financial implications

Requirement	Explanation
What is the cost?	There is no cost involved to carry out the recommended option
Is there budget available in LTP / AP?	Not required for the recommended option
Where is the funding coming from?	N/A
Are there any future budget implications?	No
Reviewed by Finance	Not required

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Rationale for selecting level of significance	The Trust has a small amount of revenue and expenditure within this budget and the CCO has been mandated through previous Long Term Plans.
Level of engagement selected	Inform -one way communication
Rationale for selecting level of engagement	No engagement is necessary with this level of change.
Reviewed by Strategy & Policy	Mark Low; Strategy & Policy Manager

## 10. *Financial Report*

Author *Erin Register, Finance Manager*  
GM responsible *Helen Barnes; GM Business Support*

### Attachments

Financial variance report – 31 March 2025

### Recommendation

**That** Council receives the March 2025 financial variance report.

***Ashburton District Council  
Financial Variance Report  
For the period ending  
31 March 2025***

Variances greater than \$100,000 are highlighted in **red bold**. If the variance is permanent an explanation is provided.

**F** (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.

**U** (unfavourable variance) is **when** actual revenue is less than budget or actual expenditure is greater than budget.

## Contents

Income and Expenditure – Overview.....	3
Income and Expenditure – Summary .....	4
Transportation – Income & Expenditure Report.....	5
Drinking Water – Income & Expenditure Report .....	7
Wastewater – Income & Expenditure Report .....	10
Stormwater – Income & Expenditure Report .....	13
Stockwater – Income & Expenditure Report.....	14
Waste Reduction & Recycling – Income & Expenditure Report .....	16
Recreation Facilities – Income & Expenditure Report .....	17
Recreation & Community Services – Income & Expenditure Report.....	19
Economic Development – Income & Expenditure Report .....	21
Parks & Open Spaces – Income & Expenditure Report .....	24
Community Governance & Decision Making – Income & Expenditure Report .....	25
Compliance and Development – Income & Expenditure Report.....	27
Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report .....	28
Statement of Financial Position .....	31
Net Debt and Borrowings.....	32
Council Investments .....	34
Receivables Summary (Including Prior Month Comparative) .....	35

## Income and Expenditure – Overview

For period ending 31 March 2025

<b>\$71.10 M</b> Actual YTD Operating Income	<b>\$97.17 M</b> Revised Budget Full Year Operating Income	<b>(\$26.07) M</b> Variance Operating Income	<b>73%</b> % of Revised Budget Operating Income
<b>\$64.86 M</b> Actual YTD Operating Expenditure	<b>\$89.43 M</b> Revised Budget Full Year Operating Expenditure	<b>(\$24.57) M</b> Variance Operating Expenditure	<b>73%</b> % of Revised Budget Operating Expenditure
<b>\$4.05 M</b> Actual YTD Capital Income	<b>\$37.04 M</b> Revised Budget Full Year Capital Income	<b>(\$32.99) M</b> Variance Capital Income	<b>11%</b> % of Revised Budget Capital Income
<b>\$30.18 M</b> Actual YTD Capital Expenditure	<b>\$59.76 M</b> Revised Budget Full Year Capital Expenditure	<b>(\$29.58) M</b> Variance Capital Expenditure	<b>51%</b> % of Revised Budget Capital Expenditure
<b>\$5.00 M</b> Actual YTD Loans Repaid	<b>\$10.42 M</b> Revised Budget Full Year Loans Repaid	<b>(\$5.42) M</b> Variance Loans Repaid	<b>48%</b> % of Revised Budget Loans Repaid

This report is for the first 9 months or 75% of the year.

*Loan Repayments are for the prior year due to timing of loans maturing at year end.*

*Budgeted Loan Repayments for the current year are actioned at year end.*

## Income and Expenditure – Summary

For period ending 31 March 2025

	Actual YTD	Full Year Revised Budget	Variance	Percentage of Revised Budget
<b>Revenue</b>				
Rates	40,092,564	52,448,857	(12,356,293)	76%
Fees and Charges	9,258,801	12,033,675	(2,774,874)	77%
Subsidies and Grants	8,818,225	12,841,317	(4,023,092)	69%
Finance Income	655,149	450,000	205,149	146%
Other Revenue	4,841,193	6,805,006	(1,963,814)	71%
Other Sales	680,234	1,502,276	(822,042)	45%
Development / Financial Contributions	1,621,685	900,000	721,685	180%
Gain on Sale of Assets	773,131	3,884,000	(3,110,869)	20%
Vested Assets	4,359,332	6,305,000	(1,945,668)	69%
<b>Total Revenue</b>	<b>71,100,313</b>	<b>97,170,131</b>	<b>(26,069,818)</b>	<b>73%</b>
<b>Operating Expenditure</b>				
Payments to Staff and Suppliers	44,922,056	63,389,747	(18,467,691)	71%
Finance Costs	4,610,971	6,610,187	(1,999,215)	70%
Other Expenses	579,088	145,700	433,388	397%
Depreciation	14,749,594	19,285,939	(4,536,345)	76%
<b>Total Expenditure</b>	<b>64,861,709</b>	<b>89,431,572</b>	<b>(24,569,864)</b>	<b>73%</b>
<b>Net operating surplus (deficit)</b>	<b>6,238,604</b>	<b>7,738,558</b>	<b>(1,499,954)</b>	<b>81%</b>
<b>Capital Income</b>				
Loans Raised	0	34,944,703	(34,944,703)	0%
Land Sales	1,435,070	0	1,435,070	0%
Other Asset Sales & Disposals	2,617,185	2,100,000	517,185	125%
<b>Total Capital Income</b>	<b>4,052,255</b>	<b>37,044,703</b>	<b>(32,992,448)</b>	<b>11%</b>
<b>Capital Expenditure</b>				
Infrastructural Assets	3,739,915	19,247,400	(15,507,485)	19%
Cyclic Renewals	14,398,190	20,844,825	(6,446,635)	69%
Plant	325,473	611,957	(286,484)	53%
Additions/Alterations	5,924,461	10,248,069	(4,323,608)	58%
Other Assets	5,749,627	8,805,335	(3,055,707)	65%
<b>Total capital expenditure</b>	<b>30,182,205</b>	<b>59,757,586</b>	<b>(29,575,381)</b>	<b>51%</b>
Loan Repayments	5,000,000	10,421,283	(5,421,283)	48%
<b>Total capital to be funded</b>	<b>31,129,950</b>	<b>33,134,166</b>	<b>(2,004,216)</b>	<b>94%</b>

*Loan Repayments are for the prior year due to timing of loans maturing at year end.*

*Budgeted Loan Repayments for the current year are actioned at year end.*

# Transportation – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Footpaths	872,872	1,570,605	(697,733)	56%	Yes
Roading	15,271,733	21,591,662	(6,319,929)	71%	No
	16,144,606	23,162,267	(7,017,662)	70%	
<b>Operating Expenditure</b>					
Footpaths	1,065,055	1,465,525	(400,470)	73%	No
Roading	12,511,881	18,971,267	(6,459,386)	66%	No
	13,576,936	20,436,792	(6,859,856)	66%	
<b>Capital Income</b>					
Roading	0	2,600,000	(2,600,000)	0%	No
	0	2,600,000	(2,600,000)	0%	
<b>Capital Expenditure</b>					
Footpaths	169,687	683,000	(513,314)	25%	Yes
Roading	9,808,141	11,955,739	(2,147,598)	82%	No
	9,977,827	12,638,739	(2,660,912)	79%	
<b>Loan Repayments</b>					
Footpaths	43,363	26,281	17,082	165%	No
Roading	181,498	544,971	(363,473)	33%	
	224,861	571,252	(346,391)	39%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	1,990,369	2,150,000	(159,631)	93%	

*The above financials do not include appropriations - to and from activities.  
Loan Repayments are for the prior year due to timing of loans maturing at year end.  
Budgeted Loan Repayments for the current year are actioned at year end.*

## Transportation – Operating Income

### Footpaths

**\$697,733U**

#### *Reason for variance*

34% of requested footpath budget was approved by NZTA so the lower expenditure will result in less subsidy for footpaths.

## Transportation – Capital Expenditure

### Footpaths

**\$513,314F**

#### *Reason for variance*

NZTA approved 34% of our requested budget for footpaths. The actual spend will match what has been approved by NZTA so there will be an underspend against the Council budget.



# Drinking Water – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Group Water Supplies	6,361,705	8,157,292	(1,795,587)	78%	Yes
Montalto Water Supply	301,641	399,800	(98,159)	75%	
Lyndhurst Water Supply	16,641	18,457	(1,816)	90%	
Barhill Water Supply	8,828	3,945	4,883	224%	
	6,688,815	8,579,494	(1,890,678)	78%	
<b>Operating Expenditure</b>					
Group Water Supplies	6,178,725	7,683,147	(1,504,422)	80%	Yes
Montalto Water Supply	277,946	403,728	(125,782)	69%	No
Lyndhurst Water Supply	4,100	5,409	(1,309)	76%	
Barhill Water Supply	1,203	1,566	(363)	77%	
	6,461,974	8,093,850	(1,631,876)	80%	
<b>Capital Income</b>					
Group Water Supplies	0	14,062,349	(14,062,349)	0%	Yes
	0	14,446,879	(14,446,879)	0%	
<b>Capital Expenditure</b>					
Group Water Supplies	3,848,702	15,409,174	(11,560,472)	25%	Yes
Montalto Water Supply	3,086	399,530	(396,445)	1%	Yes
	3,851,788	15,808,704	(11,956,916)	24%	
<b>Loan Repayments</b>					
Group Water Supplies	557,559	1,876,785	(1,319,226)	30%	No
Montalto Water Supply	0	18,192	(18,192)	0%	
Lyndhurst Water Supply	9,317	13,048	(3,731)	71%	
Barhill Water Supply	2,446	2,379	67	103%	
	569,322	1,910,404	(1,341,082)	30%	
<i>The above financials include the following:</i>					
Development Contributions	309,496	177,015	132,481	175%	
<i>The above financials do not include the following:</i>					
Vested Assets	235,202	660,000	(424,798)	36%	

*The above financials do not include appropriations - to and from activities.*

*Loan Repayments are for the prior year due to timing of loans maturing at year end.*

## Drinking Water – Operating Income

### Group Water Supplies

**\$1,795,587U**

#### *Reason for variance*

The Capital Services Contributions (AKA Development Contributions) are ~132k above the full year budget and will be a permanent favourable variance at 30 June. Forecasting a final favorable variance of ~\$190k. The budgets for these items did not reflect the increased development contribution fee structure finally adopted in the Long Term Plan. This has been addressed for the Y2 budgets.

## Drinking Water – Operating Expenditure

### Group Water Supplies

**\$1,504,422F**

#### *Reason for variance*

Expenditure on the Maintenance Contracts is (30% or \$425k) above YTD budget. This is driven partly the volume of reactive works being much higher than that anticipated at time of budget preparation and the cost (and subsequent maintenance impact) of undertaking the annual leak detection programme. This item is being closely monitored but at this stage there is a forecast unfavourable variance in Group Water operating expenditure overall of ~\$300k expected at 30 June.

## Drinking Water – Capital Income

### Group Water Supplies

**\$14,062,349U**

#### *Reason for variance*

Loan funding is allocated at the end of the financial year once all accounting is complete. Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure. As a result, loans required to be raised in this financial year will likely be lower than originally budgeted.

## Drinking Water – Capital Expenditure

### Group Water Supplies

**\$11,560,472F**

#### ***Reason for variance***

There will be a delay in the delivery of the UV Upgrade Programme relating to supply chain issues. It is understood to be a longer lead-in time for the UV equipment supply (larger units) than originally allowed for in ADC programmes. In an effort to limit the impact on the wider programme, the key UV equipment has been purchased by Council. It is envisaged the project will now be fully completed by December 2025.

At this point an estimated favourable variance of ~\$8.8M is anticipated at 30 June 25, of which up to ~\$5.3M may be subject to a carryover request to complete the UV projects along with other projects.

### Montalto Water Supply

**\$396,445F**

#### ***Reason for variance***

This budget is carry over funding to support ongoing investigations and ultimately design of an upgrade solution for the supply. Following discussions with Taumata Arowai we anticipate changes to the Drinking Water Acceptable Solution for Mixed Use Rural Water Supplies which may make point of entry treatment a viable solution. On this basis, we are progressing a pilot trial of units at three sites to evaluate the performance of point of entry treatment. We envisage that the limited expenditure associated with the pilot trial against this budget will result in a forecast favourable variance of ~\$300k at 30 June.

# Wastewater – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Wastewater	4,447,615	6,001,392	(1,553,776)	74%	No
Methven Wastewater	559,235	540,205	19,030	104%	Yes
Rakaia Wastewater	269,654	561,416	(291,761)	48%	No
	5,276,505	7,103,013	(1,826,508)	74%	
<b>Operating Expenditure</b>					
Ashburton Wastewater	4,490,074	5,502,186	(1,012,111)	82%	Yes
Methven Wastewater	350,160	538,517	(188,357)	65%	No
Rakaia Wastewater	316,267	564,074	(247,807)	56%	No
	5,156,501	6,604,776	(1,448,275)	78%	
<b>Capital Income</b>					
Ashburton Wastewater	0	5,618,171	(5,618,171)	0%	Yes
	0	5,618,171	(5,618,171)	0%	
<b>Capital Expenditure</b>					
Ashburton Wastewater	1,991,079	7,363,725	(5,372,647)	27%	Yes
Methven Wastewater	32,338	134,037	(101,699)	24%	No
Rakaia Wastewater	1,379,339	0	1,379,339	0%	Yes
	3,402,756	7,497,762	(4,095,006)	45%	
<b>Loan Repayments</b>					
Ashburton Wastewater	1,074,929	1,087,337	(12,409)	99%	
Methven Wastewater	11,623	16,277	(4,654)	71%	
Rakaia Wastewater	3,978	13,711	(9,733)	29%	
	1,090,529	1,117,325	(26,796)	98%	

The above financials include the following:

Capital Services Contribution	252,845	462,856	(210,011)	55%
-------------------------------	---------	---------	-----------	-----

The above financials do not include the following:

Vested Assets	1,172,259	2,630,000	(1,457,741)	45%
---------------	-----------	-----------	-------------	-----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

## Wastewater – Operating Income

### Methven Wastewater

**\$19,030F**

#### *Reason for variance*

The Methven Targeted Rates and Capital Services Contributions are above the year to date budget and will be a permanent favourable variance. This is due to a higher quantity of properties becoming rateable than when the budget was set. A favorable variance of ~\$140k is anticipated at 30 June.

## Wastewater – Operating Expenditure

### Ashburton Wastewater

**\$1,012,111F**

#### *Reason for variance*

Expenditure on the Maintenance Contracts is (35% or \$201k) above the YTD budget. This is driven partly the volume of reactive works being much higher than that anticipated at time of budget preparation and the cost (and associated maintenance impact) of undertaking the annual CCTV condition assessment with some of these costs still pending. This item is being closely monitored but at this stage there is a forecast unfavourable variance in operating expenditure overall of ~\$250k expected at 30 June.

## Wastewater – Capital Income

### Group Water Supplies

**\$5,618,171U**

#### *Reason for variance*

Loan funding is allocated at the end of the financial year once all accounting is complete. Expenditure on asset additions report below forecast. This due to the reasons outlined below under Capital Expenditure. As a result, loans required to be raised in this financial year will be lower than originally budgeted.

## Wastewater – Capital Expenditure

### Ashburton Wastewater

**\$5,372,647F**

#### ***Reason for variance***

The majority of the Ashburton capital budget comprises \$4.0M allocated for the Grit Chamber Pipeline Renewal and \$3.0M for the Rakaia Sludge Beds project. Both of these projects have been tendered and due to very favourable tender prices, the forecast total expenditure for both projects will fall in the range \$4.0-4.5M. This indicates a forecast favourable variance of \$2.5-3.0M at 30 June, and will therefore reduce the total borrowing required for these projects.

### Rakaia Wastewater

**\$1,379,339U**

#### ***Reason for variance***

The expenditure relates to the Rakaia Sludge Beds project. The budget for this project is sitting in the Ashburton wastewater capital area so any expenditure in the Rakaia cost centre will be fully offset by the available budget in the Ashburton cost centre.

Note:- There is an additional project involving the upgrade of the WWTP control system (estimated at \$260k) which is consequential to the sludge beds project. This work is being tendered at present and will be awarded by June. This will require a carryover to complete the project post 30 June 2025.

# Stormwater – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Stormwater	1,009,567	1,314,555	(304,989)	77%	No
Methven Stormwater	79,064	102,934	(23,870)	77%	
Rakaia Stormwater	20,317	26,451	(6,134)	77%	
Hinds Stormwater	5,591	6,926	(1,335)	81%	
Rural Stormwater	39,438	51,345	(11,907)	77%	
	1,153,976	1,502,211	(348,235)	77%	
<b>Operating Expenditure</b>					
Ashburton Stormwater	940,703	1,541,173	(600,470)	61%	No
Methven Stormwater	61,607	104,268	(42,661)	59%	
Rakaia Stormwater	17,579	40,219	(22,640)	44%	
Hinds Stormwater	5,194	6,929	(1,736)	75%	
Rural Stormwater	5,942	51,345	(45,403)	12%	
	1,031,025	1,743,934	(712,910)	59%	
<b>Capital Income</b>					
Ashburton Stormwater	0	135,698	(135,698)	0%	No
	0	135,698	(135,698)	0%	
<b>Capital Expenditure</b>					
Ashburton Stormwater	0	135,698	(135,698)	0%	No
Methven Stormwater			0	0%	
	0	135,698	(135,698)	0%	
<b>Loan Repayments</b>					
Ashburton Stormwater	195,609	173,989	21,620	112%	
Methven Stormwater	5,383	7,539	(2,156)	71%	
	200,992	181,528	19,464	111%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	376,048	865,000	(488,952)	43%
---------------	---------	---------	-----------	-----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

# Stockwater – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Stockwater	1,161,068	1,462,895	(301,827)	79%	No
	1,161,068	1,462,895	(301,827)	79%	
<b>Operating Expenditure</b>					
Stockwater	832,091	1,429,295	(597,204)	58%	Yes
	832,091	1,429,295	(597,204)	58%	
<b>Capital Income</b>					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
<b>Capital Expenditure</b>					
Stockwater	0	90,595	(90,595)	0%	
	0	90,595	(90,595)	0%	
<b>Loan Repayments</b>					
Stockwater	12,620	23,360	(10,740)	54%	
	12,620	23,360	(10,740)	54%	

The above financials include the following:

0	0	0	0%
---	---	---	----

The above financials do not include the following:

0	0	0	0%
---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.



## Stockwater – Operating Expenditure

### **Stockwater**

**\$597,204F**

#### ***Reason for variance***

Expenditure on the Maintenance Contracts is (30% or \$111k) below the YTD budget. This is driven primarily by the relatively stable period in our source rivers and limited interventions required to reinstate intakes. This item is being closely monitored but at this stage there is a forecast favourable variance in operating expenditure overall of ~\$150k expected at 30 June.

# Waste Reduction & Recycling – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Refuse Collection	2,232,422	2,778,247	(545,825)	80%	No
Refuse Management	3,987,403	5,466,138	(1,478,735)	73%	No
	6,219,825	8,244,385	(2,024,560)	75%	
<b>Operating Expenditure</b>					
Refuse Collection	2,255,720	2,773,785	(518,064)	81%	No
Refuse Management	4,404,671	5,442,803	(1,038,132)	81%	No
	6,660,391	8,216,587	(1,556,196)	81%	
<b>Capital Income</b>					
Refuse Management	0	366,183	(366,183)	0%	No
	0	366,183	(366,183)	0%	
<b>Capital Expenditure</b>					
Refuse Management	526,977	749,000	(222,023)	70%	No
	526,977	749,000	(222,023)	70%	
<b>Loan Repayments</b>					
Refuse Collection	3,186	4,462	(1,276)	71%	
Refuse Management	19,787	44,564	(24,777)	44%	
	22,973	49,026	(26,053)	47%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

# Recreation Facilities – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Ashburton Museum and Art Gallery	2,100,365	2,729,736	(629,371)	77%	No
Library	1,807,641	2,361,687	(554,047)	77%	No
Recreation Facilities and Services	4,764,827	6,536,913	(1,772,086)	73%	No
	8,672,833	11,628,337	(2,955,504)	75%	
<b>Operating Expenditure</b>					
Ashburton Museum and Art Gallery	1,979,172	2,770,309	(791,137)	71%	No
Library	2,038,913	2,292,693	(253,779)	89%	Yes
Recreation Facilities and Services	4,880,329	6,600,091	(1,719,762)	74%	No
	8,898,414	11,663,093	(2,764,679)	76%	
<b>Capital Income</b>					
Recreation Facilities and Services	0	457,020	(457,020)	0%	No
	0	457,020	(457,020)	0%	
<b>Capital Expenditure</b>					
Ashburton Museum and Art Gallery	574,073	672,000	(97,927)	85%	No
Library	122,821	171,300	(48,479)	72%	
Recreation Facilities and Services	602,883	1,035,500	(432,617)	58%	
	1,299,778	1,878,800	(579,022)	69%	
<b>Loan Repayments</b>					
Library	0	14,969	(14,969)	0%	
Recreation Facilities and Services	12,800	10,822	1,978	118%	
	12,800	25,791	(12,991)	50%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

## Recreation Facilities – Operating Expenditure

### Library

**\$253,779F**

#### ***Reason for variance***

There will be a permanent variance due to the depreciation and operational cost of Te Whare Whakaterere being higher than budgeted. The Library activity is allocated 43% of these overhead costs due to the footprint of the area.

# Recreation & Community Services – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Public Conveniences	571,495	736,597	(165,102)	78%	No
Elderly Persons Housing	2,169,383	2,394,410	(225,027)	91%	No
Memorial Halls	373,736	359,371	14,365	104%	
Reserves and Camping Grounds	881,522	1,027,321	(145,800)	86%	No
Reserve Boards	686,400	794,030	(107,630)	86%	No
Community Safety	58,371	76,599	(18,228)	76%	
	4,740,906	5,388,328	(647,421)	88%	
<b>Operating Expenditure</b>					
Public Conveniences	327,715	522,287	(194,572)	63%	No
Elderly Persons Housing	591,831	842,572	(250,741)	70%	No
Memorial Halls	564,492	666,058	(101,566)	85%	Yes
Reserves and Camping Grounds	749,434	1,026,121	(276,687)	73%	No
Reserve Boards	532,212	774,795	(242,583)	69%	No
Community Safety	72,544	76,599	(4,055)	95%	
	2,838,228	3,908,431	(1,070,203)	73%	
<b>Capital Income</b>					
Elderly Persons Housing	0	857,417	(857,417)	0%	No
Reserves and Camping Grounds	0	91,713	(91,713)	0%	
Reserve Boards	0	14,117	(14,117)	0%	
	0	963,247	(963,247)	0%	
<b>Capital Expenditure</b>					
Public Conveniences	316,177	470,000	(153,823)	67%	No
Elderly Persons Housing	2,818,933	2,821,959	(3,026)	100%	
Memorial Halls	6,295	0	6,295	0%	
Reserves and Camping Grounds	38,623	91,713	(53,090)	42%	
Reserve Boards	175,203	72,117	103,086	243%	
	3,355,230	3,455,789	(100,559)	97%	
<b>Loan Repayments</b>					
Public Conveniences	179,905	24,796	155,109	726%	No
Elderly Persons Housing	7,090	48,432	(41,342)	15%	
Reserves and Camping Grounds	1,608	1,200	408	134%	
Reserve Boards	10,416	37,211	(26,795)	28%	
	199,019	111,639	87,380	178%	
<i>The above financials include the following:</i>					
Development Contributions	300	0	300	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	585,454	0	585,454	0%	

*The above financials do not include appropriations - to and from activities.*

*Loan Repayments are for the prior year due to timing of loans maturing at year end.*

*Budgeted Loan Repayments for the current year are actioned at year end.*

## Recreation & Community Services – Operating Expenditure

### **Memorial Halls**

**\$101,566F**

#### ***Reason for variance***

There will be a permanent unfavourable variance due to increased insurance costs.

# Economic Development – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Commercial Property	3,830,658	7,656,558	(3,825,900)	50%	Yes
Business & Economic Development	796,849	1,020,304	(223,455)	78%	No
District Promotion	278,658	364,241	(85,583)	77%	
Forestry	0	454,220	(454,220)	0%	Yes
	4,906,166	9,495,323	(4,589,157)	52%	
<b>Operating Expenditure</b>					
Commercial Property	5,896,792	8,029,186	(2,132,394)	73%	Yes
Business & Economic Development	727,232	1,149,304	(422,072)	63%	No
District Promotion	196,760	280,183	(83,424)	70%	
Forestry	176,707	415,406	(238,699)	43%	Yes
	6,997,490	9,874,080	(2,876,589)	71%	
<b>Capital Income</b>					
Commercial Property	3,898,820	11,214,807	(7,315,987)	35%	Yes
	3,898,820	11,214,807	(7,315,987)	35%	
<b>Capital Expenditure</b>					
Commercial Property	2,430,627	9,299,807	(6,869,180)	26%	Yes
	2,430,627	9,299,807	(6,869,180)	26%	
<b>Loan Repayments</b>					
Commercial Property	2,323,684	5,967,749	(3,644,065)	39%	No
	2,323,684	5,967,749	(3,644,065)	39%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

## Economic Development – Operating Income

### Commercial Property

**\$3,825,900U**

#### *Reason for variance*

There will be a positive permanent difference due to capital gain on sale from Glasgow Lease properties.

### Forestry

**\$454,220U**

#### *Reason for variance*

Forestry harvest of one block is no longer anticipated to occur in the 2024/25 financial year. There will be a partial offset by way of reduced harvesting costs as a result. This will be a permanent variance.

## Economic Development – Operating Expenditure

### Commercial Property

**\$2,132,394F**

#### *Reason for variance*

There will be a permanent variance of \$290k due to increased insurance costs and \$350k loss on disposal of assets, this will be partly offset by a \$120k reduction in commissions for ABE.

### Forestry

**\$238,699F**

#### *Reason for variance*

Forestry harvesting will be deferred to a future year as mentioned under operating income. This will be a permanent variance.

## Economic Development – Capital Income

### Commercial Property

**\$7,315,987U**

#### *Reason for variance*

\$1.349M permanent favourable variance due to unbudgeted freeholding of two Glasgow Leases.

There may be an additional permanent favourable capital income variance as there is a sales and purchase contract in place, however this is not yet unconditional.

Offsetting the above, there will be an unfavourable variance relating to lower than budgeted loan funding relating to capital projects either being put on hold or deferred as described under Capital Expenditure.



## Economic Development – Capital Expenditure

### **Commercial Property**

**\$6,869,180F**

#### ***Reason for variance***

\$5.5M permanent variance due to next stage of the subdivision on hold at ABE.

There will be a permanent variance for the Ashburton Art Gallery and Museum plant upgrade which is currently budgeted at \$1.9M. This will be subject to a carryover request.

At this stage it is likely the \$150k budgeted for Methven Medical Centre will not be spent by end of June. This will be subject to a carryover request.

# Parks & Open Spaces – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Cemeteries	519,651	789,611	(269,960)	66%	No
Parks and Recreation	6,344,675	6,985,429	(640,754)	91%	No
	6,864,326	7,775,041	(910,714)	88%	
<b>Operating Expenditure</b>					
Cemeteries	542,646	665,057	(122,412)	82%	No
Parks and Recreation	4,605,819	5,808,089	(1,202,270)	79%	No
	5,148,464	6,473,147	(1,324,682)	80%	
<b>Capital Income</b>					
Parks and Recreation	0	264,307	(264,307)	0%	No
	0	264,307	(264,307)	0%	
<b>Capital Expenditure</b>					
Cemeteries	7,982	117,500	(109,518)	7%	No
Parks and Recreation	386,424	788,200	(401,775)	49%	No
	394,407	905,700	(511,293)	44%	
<b>Loan Repayments</b>					
Cemeteries	10,416	72,400	(61,984)	14%	
Parks and Recreation	142,275	125,107	17,168	114%	
	152,691	197,507	(44,816)	77%	

The above financials include the following:

Development Contributions	300	0	300	0%
---------------------------	-----	---	-----	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

# Community Governance & Decision Making – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Council	2,996,251	3,912,116	(915,865)	77%	No
Methven Community Board	96,314	119,737	(23,423)	80%	
Community Grants Funding	1,798,397	2,033,799	(235,402)	88%	No
District Water Management	153,537	186,514	(32,977)	82%	
	5,044,500	6,252,166	(1,207,667)	81%	
<b>Operating Expenditure</b>					
Council	2,966,692	3,944,383	(977,690)	75%	No
Methven Community Board	107,333	128,052	(20,719)	84%	
Community Grants Funding	1,195,834	1,815,012	(619,178)	66%	No
District Water Management	123,998	429,160	(305,161)	29%	Yes
	4,393,858	6,316,607	(1,922,749)	70%	
<b>Capital Income</b>					
Community Grants Funding	0	500,000	(500,000)	0%	Yes
	0	500,000	(500,000)	0%	
<b>Loan Repayments</b>					
Community Grants Funding	70,692	99,000	(28,308)	71%	
District Water Management	12,853	18,000	(5,147)	71%	
	83,545	117,000	(33,455)	71%	
<i>The above financials include the following:</i>					
Development Contributions	819,429	754,984	64,445	109%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

*The above financials do not include appropriations - to and from activities.  
Loan Repayments are for the prior year due to timing of loans maturing at year end.  
Budgeted Loan Repayments for the current year are actioned at year end.*

## Community Governance & Decision Making – Operating Expenditure

### **District Water Management**

**\$305,161F**

#### ***Reason for variance***

The Investigations budget within this cost centre is being used to fund Council's exit from the stockwater activity. Based on the SETP programme, not all of the investigations budget will be utilised by 30 June 2025. A favourable variance of at least \$110,000 is anticipated and will be the subject of a request for carry over funding. The carryover was highlighted to Council when the budgets for the stockwater transition were considered.

## Community Governance & Decision Making – Capital Income

### **Community Grants Funding**

**\$500,000U**

#### ***Reason for variance***

The Ashburton A&P Society were offered a \$500,000 loan for their redevelopment through year 1 of the Long-Term Plan. This loan is not being uplifted.

# Compliance and Development – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Environmental Health	167,051	273,322	(106,271)	61%	No
Building Regulation	1,920,880	2,843,686	(922,806)	68%	No
Emergency Management	189,012	248,633	(59,621)	76%	
Liquor Licensing	164,093	221,308	(57,215)	74%	
Land Information Memorandum	225,039	217,752	7,287	103%	
Parking	336,959	320,384	16,575	105%	
Animal Control**	557,869	591,852	(33,983)	94%	
Resource Consents	589,857	727,117	(137,260)	81%	No
Monitoring and Enforcement	211,056	284,712	(73,657)	74%	
Planning	450,965	592,215	(141,250)	76%	No
	4,812,781	6,320,982	(1,508,201)	76%	
<b>Operating Expenditure</b>					
Environmental Health	214,371	273,322	(58,952)	78%	
Building Regulation	2,014,779	2,843,687	(828,907)	71%	No
Emergency Management	81,749	98,985	(17,236)	83%	
Liquor Licensing	195,799	221,308	(25,510)	88%	
Land Information Memorandum	81,561	105,716	(24,155)	77%	
Parking	182,890	236,596	(53,707)	77%	
Animal Control	420,450	591,852	(171,402)	71%	No
Resource Consents	715,474	727,118	(11,644)	98%	
Monitoring and Enforcement	307,625	401,473	(93,848)	77%	
Planning	297,122	497,913	(200,791)	60%	No
	4,511,819	5,997,969	(1,486,151)	75%	
<b>Capital Expenditure</b>					
Emergency Management	47,985	39,535	8,450	121%	
	47,985	39,535	8,450	121%	
<b>Loan Repayments</b>					
Animal Control	3,142	4,400	(1,258)	71%	
Planning	103,040	144,302	(41,262)	71%	
	106,182	148,702	(42,520)	71%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

Budgeted Loan Repayments for the current year are actioned at year end.

\*\*The majority of dog registration income is invoiced in July

## Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 31 March 2025

	Actual YTD	Revised Budget Full Year	Variance	Percentage of Revised Budget	Permanent Variance
<b>Operating Income</b>					
Dividends and Interest	1,094,649	2,250,000	(1,155,351)	49%	Yes
Te Whare Whakaterere	1,155,077	780,361	374,716	148%	Yes
Executive Team	1,574,245	1,924,459	(350,214)	82%	No
People & Capability	748,815	1,085,558	(336,743)	69%	No
Information Systems	3,038,090	4,271,422	(1,233,332)	71%	No
Customer Services	641,724	797,062	(155,338)	81%	No
Treasury	1,354,925	2,032,538	(677,613)	67%	No
Rates	686,224	851,788	(165,565)	81%	No
Community Relations	819,803	1,067,913	(248,110)	77%	No
Communications	772,260	1,081,044	(308,785)	71%	No
Property Administration	1,181,248	1,503,595	(322,347)	79%	No
Service Delivery	3,990,256	4,376,789	(386,534)	91%	No
Parks Administration	3,066,187	4,181,814	(1,115,628)	73%	No
Plant Operations	910,884	988,746	(77,862)	92%	No
	21,034,386	27,193,090	(6,158,704)	77%	
<b>Operating Expenditure</b>					
Dividends and Interest	646	51,988	(51,341)	1%	
Te Whare Whakaterere	1,155,077	769,109	385,968	150%	Yes
Executive Team	1,574,245	1,924,459	(350,214)	82%	No
People & Capability	748,815	1,116,059	(367,243)	67%	No
Information Systems	3,038,090	4,456,422	(1,418,332)	68%	Yes
Customer Services	641,724	797,061	(155,337)	81%	No
Treasury	1,354,926	2,210,587	(855,661)	61%	No
Rates	805,285	851,788	(46,503)	95%	
Community Relations	819,803	1,079,613	(259,810)	76%	No
Communications	772,260	1,081,044	(308,785)	71%	No
Property Administration	1,181,248	1,583,593	(402,345)	75%	No
Service Delivery	3,990,256	4,410,390	(420,133)	90%	No
Parks Administration	3,050,267	4,181,814	(1,131,547)	73%	No
Plant Operations	796,551	1,076,399	(279,848)	74%	No
	19,929,192	25,590,325	(5,661,133)	78%	
<b>Capital Income</b>					
Information Systems	0	97,000	(97,000)	0%	
Plant Operations	153,435	290,796	(137,361)	53%	No
	153,435	387,796	(234,361)	40%	
<b>Capital Expenditure</b>					
Information Systems	210,025	340,500	(130,475)	62%	Yes
Plant Operations	325,473	611,957	(286,484)	53%	No
	535,499	952,457	(416,958)	56%	
<b>Loan Repayments</b>					
Te Whare Whakaterere	782	0	(782)	0%	
	782	0	(782)	0%	

The above financials include the following:

Development Contributions	0	0	0	0%
---------------------------	---	---	---	----

The above financials do not include the following:

Vested Assets	0	0	0	0%
---------------	---	---	---	----

The above financials do not include appropriations - to and from activities.

Loan Repayments are for the prior year due to timing of loans maturing at year end.

## Miscellaneous, Dividends & Internal Overheads – Operating Income

### **Dividends and Interest**

**\$1,155,351U**

#### ***Reason for variance***

Dividends and Interest includes dividends received from Transwaste of \$439,500. There will be an unfavourable permanent difference for dividend income for the year. This will be partially offset by higher interest returns than budgeted.

## Miscellaneous, Dividends & Internal Overheads – Operating Income

### **Te Whare Whakaterere**

**\$374,716F**

#### ***Reason for variance***

The recovery for the year is higher than budget and will be permanent difference due to depreciation. In the LTP process, depreciation on Te Whare Whakaterere was budgeted gradually increasing each year.

In addition there will be a permanent unfavourable variance due to a vacant tenancy on Level 1.

## Miscellaneous, Dividends & Internal Overheads – Operating Expenditure

### **Te Whare Whakaterere**

**\$385,968U**

#### ***Reason for variance***

Depreciation is higher than budgeted. In the LTP process, depreciation on Te Whare Whakaterere was budgeted gradually increasing each year. There will be a permanent variance at year end.

### **Information Systems**

**\$1,418,332F**

#### ***Reason for variance***

There will be a permanent variance due to vacant positions in the team year to date.

## Miscellaneous, Dividends & Internal Overheads - Capital Expenditure

### Information Systems

**\$130,475F**

#### ***Reason for variance***

Works planned for the year for the renewal of backup server and associated storage; and mobile device fleet are yet to commence or full expenditure made.

Assessment of other forecast hardware replacements have altered requirements, resulting in forecast expenditure no longer required, and an anticipated end of year variance.



## Statement of Financial Position

As at 31 March 2025

	YTD Actual	30-Jun-24
<b>Public Equity</b>		
Ratepayers Equity	532,521,007	540,986,000
Revaluation Reserves	377,771,000	377,771,000
Funds and Reserves	66,886,543	59,688,000
	<b>977,178,550</b>	<b>978,445,000</b>
<b>Non-Current Liabilities</b>		
External Loans	135,600,000	130,600,000
Other Term Liabilities	324,344	650,000
	<b>135,924,344</b>	<b>131,250,000</b>
<b>Current Liabilities</b>		
Trade Creditors	2,123,865	3,886,385
Deposits & Bonds	1,538,978	1,835,395
Other Current Liabilities	362,111	210,321
Accrued Liabilities	3,945,528	8,935,898
	<b>7,970,482</b>	<b>14,868,000</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,121,073,376</b>	<b>1,124,563,000</b>
<b>Fixed Assets</b>	204,008,455	208,266,445
<b>Infrastructural Assets</b>	848,454,370	859,724,310
<b>Work in Progress</b>	32,602,094	12,502,519
<b>Advances</b>	379,118	395,158
<b>Shares</b>	10,675,549	10,425,549
<b>Current Assets</b>		
Cash & Bank	11,763,978	11,057,000
Cash Investments	4,000,000	4,000,000
GST	1,150,632	2,216,441
Receivables	2,281,848	4,906,616
Provision for Doubtful Debts	(64,688)	(64,688)
Stock	71,888	71,888
Accruals	5,154,214	6,529,416
Other Current Assets	595,919	4,532,346
	<b>24,953,791</b>	<b>33,249,019</b>
<b>Total Assets</b>	<b>1,121,073,376</b>	<b>1,124,563,000</b>

## Net Debt and Borrowings

As at 31 March 2025

### Net Debt

135.60 M	-	15.76 M	=	119.84 M
External Loans		Liquid Assets		Net Debt

### External Borrowing

Local Government Funding	Amount	Rate		Maturity
LGFA 2023	5,000,000	4.53%	Floating	15-Apr-25
LGFA 2022	5,000,000	4.47%	Floating	15-Apr-25
LGFA 2022	3,000,000	4.41%	Floating	15-Apr-25
LGFA 2021	7,000,000	4.48%	Floating	15-Apr-25
LGFA 2025	12,000,000	4.34%	Floating	22-May-25
LGFA 2024	5,000,000	4.57%	Floating	15-Apr-26
LGFA 2023	5,000,000	4.72%	Floating	15-Apr-26
LGFA 2023	5,000,000	4.50%	Floating	15-Apr-26
LGFA 2020	10,000,000	4.75%	Floating	15-Apr-26
LGFA 2024	5,000,000	4.55%	Floating	15-Apr-27
LGFA 2024	3,000,000	5.19%	Fixed	15-Apr-27
LGFA 2023	5,000,000	4.86%	Floating	15-Apr-27
LGFA 2023	5,000,000	4.67%	Floating	15-Apr-27
LGFA 2020	5,000,000	0.97%	Fixed	15-Apr-27
LGFA 2020	5,000,000	1.23%	Fixed	15-Apr-27
LGFA 2025	5,000,000	4.62%	Floating	15-May-28
LGFA 2024	7,000,000	4.57%	Floating	15-May-28
LGFA 2021	16,600,000	2.01%	Fixed	15-May-28
LGFA 2024	7,000,000	4.80%	Floating	20-Apr-29
LGFA 2023	5,000,000	5.08%	Fixed	20-Apr-29
LGFA 2022	10,000,000	4.66%	Floating	20-Apr-29
<b>Total External Funding</b>	<b>135,600,000</b>			

## Borrowing by Activity

As at 31 March 2025

	External Borrowing	Internal Borrowing
Roading	6,798,533	
Footpaths	620,585	
Drinking Water	26,879,689	886,402
Wastewater	23,962,340	49,914
Stormwater	2,434,327	
Stockwater	303,000	
Refuse and Recycling	729,633	36,573
Recreation Facilities	169,568	
Public Conveniences	89,951	
Elderly Person Housing	195,145	47,551
Camping	14,813	
Reserve Boards	691,655	9,798
Commercial Property	62,991,069	1,325,142
Cemeteries	1,791,786	
Parks	5,019,051	876,177
Arts & Culture	1,976,312	
Water Resources	312,507	
Compliance & Development	578,122	
Civic Building	41,917	
<b>Total</b>	<b>135,600,000</b>	<b>3,231,557</b>

## Council Investments

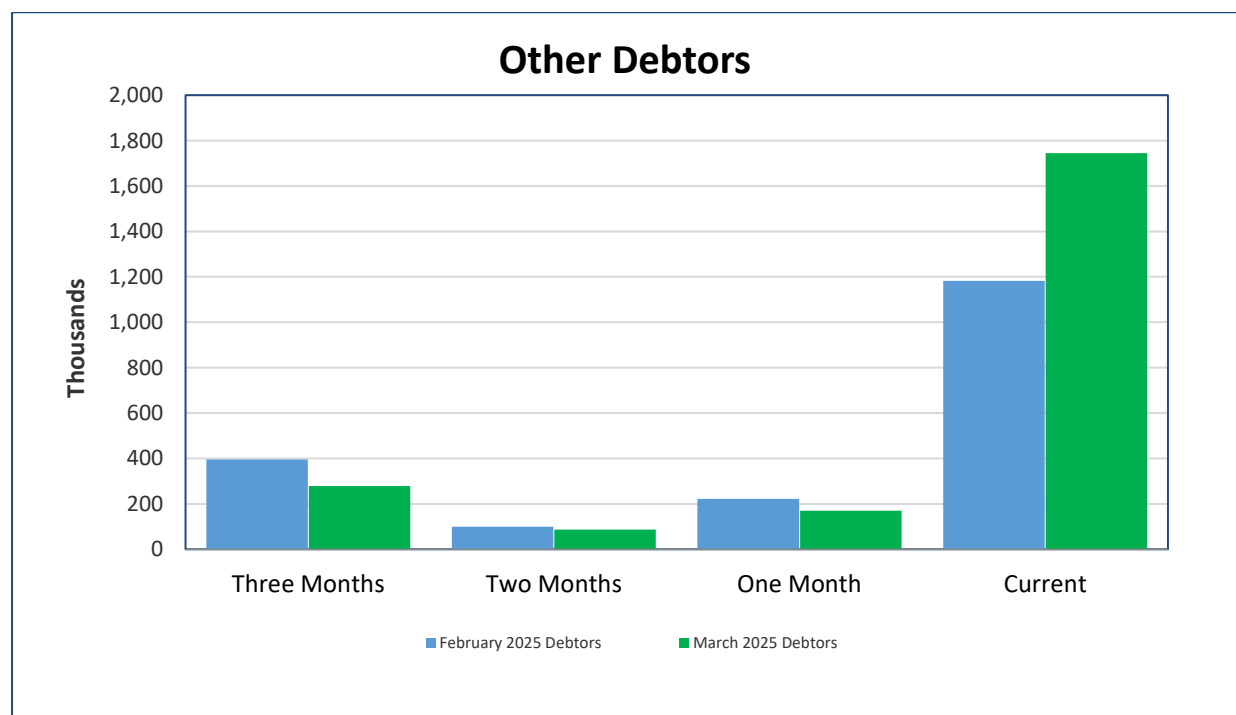
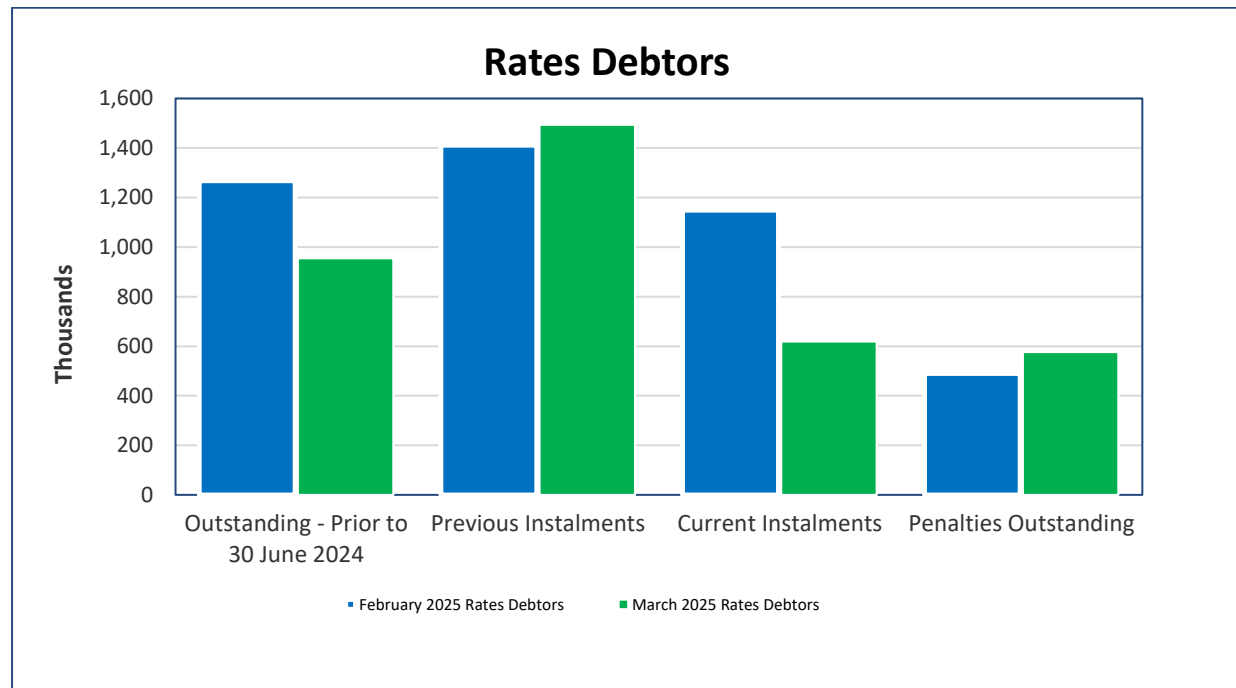
As at 31 March 2025

Listed below are the current significant investments held by Council.

	Principal	Interest	Yield	Maturity
<b>Bonds</b>				
ANZ	1,000,000	2.99%	5.31%	17-Sep-26
Westpac	1,100,000	6.19%	4.97%	16-Sep-27
Kiwibank	1,000,000	5.73%	4.01%	19-Oct-27
Westpac	900,000	6.73%	5.01%	14-Feb-28
	<b>4,000,000</b>			
<b>Advances</b>				
Eastfield Investments	379,118			
	<b>379,118</b>			
<b>Shares</b>				
Ashburton Contracting Ltd	4,500,000			
Civic Financial Services Ltd	52,159			
RDR Management	30,000			
Transwaste Canterbury Ltd	1,111,590			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	3,215,000			
Eastfield Investments	1,765,000			
	<b>10,675,549</b>			

## Receivables Summary (Including Prior Month Comparative)

As at 31 March 2025



## ***Receivables Summary continued***

Outstanding Debtors over 90 days	
>\$100,000	0
\$50,000 - \$100,000	1
\$30,000 - \$50,000	3
\$10,000 - \$30,000	15

The above debtors are being actively managed or under a resolution process.

## **11. Councillor Reports**

### **Cr Richard Wilson**

#### **11.1 Local Government NZ – Zones 5 & 6 Conference**

This conference was held in Christchurch on 10 and 11 April 2025. It was an opportunity for Mayors, Councillors and Chief Executives from across the South Island to discuss and understand issues faced by all councils.

There were a number of presentations during the conference. I have summarised some of those which I found to be more relevant and interesting.

##### **Justin Watson, CEO Christchurch International Airport**

Christchurch Airport is a multifaceted business which includes the passenger part, freight hub and business park. This is spread over 1400ha. The 1400ha was set aside for the airport, which shows how having a long-term view on infrastructure is very important. The balance between keeping people safe and having an enjoyable experience is a complex balancing act. When all domestic passengers are required to be screened this will require large changes to infrastructure and timing.

We are lucky to have a well-run, quality airport close to our district.

##### **Presentations from Government Ministers**

Prime Minister Christopher Luxon

James Meager, Minister for the South Island

Mark Mitchell, Minister for Emergency Management and Recovery, Minister for Ethnic Communities, Minister for Police and Minister for Sport and Recreation

Simon Watts, Minister for Local Government.

They all had the same theme – they are moving at a fast pace to enact their policies.

As always, how local government is funded was discussed. The Government is aware of the problem but just have to do something about it.

Electoral reform is always a hot topic. Nelson Mayor Nick Smith presented a LGNZ working paper. Four year terms are favoured for local government, but this must be enacted at the same time as our Parliament goes to four years. How we vote needs to change. The post is no longer fit for purpose. Online voting is not considered secure enough, therefore having local body elections undertaken in a similar way to the Parliamentary elections may be an option. Watch this space.

## **Local Water Done Well**

There are a range of proposals across the country. All however, have to be compliant services to the community. I look forward to reading the submissions ADC's proposed structure.

## ***Cr Carolyn Cameron***

### **11.2 Local Government NZ – Zones 5 & 6 Conference**

I found this to be an informative meeting, although unfortunately many Ministers were not able to attend in person due to conflicting priorities and instead were present via pre-recorded video or virtual chat. I will endeavour to summarise in a few lines –

#### **Session 1: Martin Keogh (Regional CE Health SI)**

Priorities are getting “value for money”. He advises that the greatest challenge is to “win the trust of the clinical people back”. Many Mayors identified access to health as a priority for their district (similar situations to Ashburton where it is hard to attract staff and equally as difficult to retain qualified staff).

#### **Session 2: James Meager**

Advised that the South Island is the fastest growing part of NZ. The Government's priorities are investing in infrastructure and high growth sectors including tourism, agriculture and manufacturing.

#### **Session 3: Nick Smith**

Nick Smith spoke about the local elections working group draft position paper which supports a four year term. He reiterated that poor participation in local government elections and legislation needs reform as clearly post not used often now and there has been a sharp decline in people using post. He commented on the increased cyber security risks of online voting and also spoke about the need to utilise modern technology – e.g. two minute videos for candidates.

Interestingly, \$4.50 per voter is spent on promoting the national election, compared to an average of about 0.4c at local government level.

Local elections should be partly funded by central government and the Electoral Commission should have a role in the administration and promotion of local government elections. There is a clear correlation between having more candidates and local participation. He commented on rate caps disadvantage for local councils and noted that 51% of total council spending is on transport and water alone.

There was good general discussion on the way in which LGNZ helps local government, and also comment from Jenna Silcock (Buddle Findlay) on reform and how to stay focused in this ever-changing environment. Challenges include ageing infrastructure and infrastructure deficits (consenting systems often seen as a barrier). There may be increased flexibility regarding targeted rates and a push for private capital investment.

While the RMA is being reformed work will have to continue, e.g. fast track applications etc is before legislation. We heard central government's mantra again of “do the basics brilliantly” – could respond, but this is a brief summary of what I heard.



We then heard from Otautahi Community House Trust CEO, Cate Kearney, who talked about 22,000 people in NZ needing a home.

#### **Session 4: Dr Simon Watts**

We had a wonderful session where the Mayors from Zone 5 and 6 presented to the room and discussed their concerns, challenges and successes. Very interesting and informative.

They mainly discussed how each council was going to address the legislation around Local Water Done Well. We also heard about how to manage rates, i.e. does growth pay for growth (currently it doesn't meet real cost), and there was discussion around changing speed signs (local voice).

The day closed with a very interesting talk from Hamish Hutton, CEO of Rivir – Developing an adaptive approach to an increasingly disruptive future “don't rest on laurels”. This presentation will be circulated when it becomes available.