



## Extraordinary Meeting of the Hawke's Bay Regional Council

**Date:** Wednesday 20 May 2020

**Time:** 9.00am

**Venue:** Online by Zoom Invitation

### Agenda

ITEM	SUBJECT	PAGE
1.	Karakia /Welcome /Apologies /Notices	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Regional Council Meeting held on 29 April 2020 and the Extraordinary Regional Council Meeting held on 13 May 2020	
4.	20 May 2020 Update on Significant Organisational Activities	3
5.	CE's Verbal Update on the HBRC Operational Response to COVID-19	
6.	Call for Minor Items Not on the Agenda	27
<b>Decision Items</b>		
7.	Procurement Policy Amendments to Support the HB Economic Recovery	29
10	Drought Relief Fund (late item to come)	
<b>Information or Performance Monitoring</b>		
8.	Summary Report from the Clifton to Tangoio Coastal Hazards Strategy Joint Committee	47
9.	Discussion of Minor Matters Not on the Agenda	51



# HAWKE'S BAY REGIONAL COUNCIL

Wednesday 20 May 2020

**SUBJECT: 20 MAY 2020 UPDATE ON SIGNIFICANT ORGANISATIONAL ACTIVITIES**

Item 4

## Reason for Report

1. The commentary attached provides updates from across the Council, on the status of initiatives and work programmes.

## Decision Making Process

2. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

## Recommendation

That the Hawke's Bay Regional Council receives and notes the ***20 May 2020 Update on Significant Organisational Activities***.

## Authored by:

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**COMMUNICATIONS MANAGER**

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**Tom Skerman  
GROUP MANAGER STRATEGIC  
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**Attachment/s**

- [↓1](#) 20 May Asset Management Group Significant Activities Update
- [↓2](#) 20 May Corporate Services Group Significant Activities Update
- [↓3](#) 20 May Integrated Catchment Management Group Significant Activities Update
- [↓4](#) 20 May Maori Partnerships Significant Activities Update
- [↓5](#) 20 May Office of the CE & Chair Significant Activities Update
- [↓6](#) 20 May Regulation Group Significant Activities Update
- [↓7](#) 20 May Strategic Planning Group Significant Activities Update

## Organisational Activities – Asset Management

Updates are in red text

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Asset Management Engineering		<ol style="list-style-type: none"> <li>Hydrodynamic modelling for Tutaekuri, Ngaruroro and Lower Tukituki rivers as part of Level of Service Reviews. Results will provide levels for 100yr, 200yr and 500yr flood scenarios, incorporating climate change.</li> <li>Condition assessment of flood control assets ~40% of Heretaunga Plains Flood Control Scheme done. Field work restarted after level 3 covid implemented.</li> <li>Joint Coastal Strategy – Peer review of design report for Haumoana/Te Awanga coastal protection solution completed and comments being addressed.</li> <li>LTP, Asset Management plan, Infrastructure strategy updates and preparation and several complicated resource consents.</li> <li>Asset re-valuation started – 3 yearly project. Engaged valuers from AON</li> </ol>	
Asset Management Schemes	6. Contract Management.	<ol style="list-style-type: none"> <li>Review of public access and security in progress.</li> <li>Public access to rivers reopened for AL2. Duck shooting season starts Sat 23 May.</li> <li>2020-21 maintenance contract being drafted.</li> <li>Pump stations SCADA review in progress.</li> <li>New Aspex Securelink (SCADA) license and hardware to be installed.</li> <li>Gravel – 2020-21 Declarations/Allocations being processed and CNG monitoring on Tukituki.</li> <li>Poukawa Scheme meeting held 12 May and outlet excavation in progress.</li> <li>Esk River Scheme meeting scheduled for 20 May.</li> </ol>	15. Monitoring Wairoa and Nuhaka River mouths for opening.

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Open Spaces	<p><b>COVID 19</b></p> <p>16. All closed sections of Hawke's Bay Trails opening in L2, Thursday 14 May, updated signage and social media/website messaging</p> <p>17. HB Marathon aiming for 19 Sept on trails.</p> <p>18. Project work underway with work resumed under Alert Level 2.</p> <p><b>Hawke's Bay Trails</b></p> <p><b>NZCT Priority Project Waimarama Road</b></p> <p>19. HDC confirmed Archaeological Assessment approved, project can advance. Building window for trails is spring. Expect completion of off-road cycle trail parallel to Waimarama Road by end of 2020.</p> <p><b>Bayview/Whirinaki cycle trail</b></p> <p>20. Working with NCC on first stage, land owners second stage, third stage with NZTA to confirm bridge crossing for cyclists and potential use of SH corridor to North Shore Rd, final stage with HDC. Some land issues, held up with COVID19.</p> <p><b>NZCT Priority Project Ahuriri Underpass Flooding Safety Issues</b></p> <p>21. Seawall plan is being finalised for Southern End. Funding deficit, requesting balance from NZTA. Was to be completed by August 2020, delayed due to COVID19. Detour for Northern End using Watchman Rd, signage installed.</p> <p>22. Managing Great Rides (MGR) application approved by MBIE – 50% funding towards Signage upgrades</p> <p>23. Maintenance work being carried out on Water Ride, including resurfacing.</p>		

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Asset Management Regional Projects		<p><b>Heretaunga Plains Scheme review</b></p> <p>24. Communication plan for discussion with Exc. team</p> <p>25. Land investigation and mapping work ongoing</p> <p>26. Modelling still as per original plan but the asset condition assessment delayed due to AL4.</p> <p><b>Clive River Dredging</b></p> <p>27. Lease agreement awaiting review for internal approval and negotiation with Hohepa.</p> <p>28. Valuation estimate for the lease option received, to discuss further with Group Manager</p> <p>29. Contractor involvement and methodology investigation is underway, as is development of the resource consent application.</p> <p><b>Hawea Park</b></p> <p>30. Construction of a new car park underway after lock down lifted and is progressing well</p> <p><b>Marakakaho access road</b></p> <p>31. Tender drafted ready to be sent out when PM returns from paternity leave.</p> <p>32. The culvert work is progressing as planned.</p>	
Works Group	<p>33. All Works Group staff returning to Guppy Office under Covid Alert level 2. Catchment staff continue under similar protocol to AL3</p> <p>34. HBRC Asset Maintenance Contract one month behind due to Covid. Plan to complete programme by year end with increased resources and hours.</p> <p>35. Significant Projects:</p> <ul style="list-style-type: none"> <li>• Hardinge Rd Erosion Control – NCC</li> <li>• Maraekakaho Culvert Construction – HBRC</li> <li>• Small Community Water Treatment Plants - HDC</li> </ul>		

**Asset Management Group Manager's Update**

- 36. Asset Management Group has prepared for and is transitioning well into AL2
- 37. Engineering is continuing as business as usual with some staff working from home and some from Dalton St Office
- 38. Open Spaces. All Open Spaces and cycle ways are open under AL2
- 39. Schemes continues to deliver essential service of Flood Control and Drainage with all field activities underway
- 40. Works Group- Under AL2 all maintenance and contracting is being undertaken with additional safeguards as described in the Works Group Health and Safety Plan. There has been no impact on contracting to 3<sup>rd</sup> parties
- 41. Regional Projects has recommenced all contracting work under AL2 on provision of site specific Health and Safety Plans from each contractor
- 42. The CIMS (Coordinated Incident Management Structure) with three operational meetings per week chaired by the GM is being discontinued under AL2
- 43. Current position is that planned maintenance for FY19/20 can still be completed despite the impact of Covid-19



## Organisational Activities – Corporate Services

Updates are in red text

Group /Team	
Corporate Services <b>Client Services</b>	<ol style="list-style-type: none"> <li>1. All team members equipped to work from home responding to emails and voicemail enquiries. Downtime due to reduced demand is being used for data management 'housekeeping'</li> <li>2. BAU for sustainable homes programme, processing applications, responding to supplier queries, processing invoices and providing loan settlement information to ratepayers.</li> <li>3. Procurement BAU, providing support for current RFPs, reviewing, and updating policy and manual, planning and contract templates, managing the riparian planting supply chain.</li> </ol>
Corporate Services <b>Corporate Support</b>	<ol style="list-style-type: none"> <li>4. Staff are working with field and H&amp;S staff to ensure appropriate stocks of PPE are delivered and maintained for those working on the front line. Orders have been increased to maintain a rolling stock of sanitiser (hand and surface), face masks and gloves from local suppliers.</li> <li>5. BAU for customer service staff responding to internal customer requests for support and maintaining vehicle compliance.</li> <li>6. Four Corporate Operations staff have been based at Dalton Street site. This is to ensure provide contact centre services to the public, and that staff are informed of correct hygiene and contact tracing protocol on sites. PPE packs are also being made up for collection by field staff for to enable vehicle sanitisation protocol.</li> <li>7. Team is working alongside the L2 transition group to prepare our facilities for safe occupation and bring nominated staff back on site starting the week of 18 May.</li> <li>8. The Customer Service counters will be open from 10am – 2pm starting 18 May, with open hours revisited on a fortnightly basis.</li> </ol>
Corporate Services <b>Finance</b>	<ol style="list-style-type: none"> <li>9. One staff member is currently supporting CDEM at the GECC</li> <li>10. Remaining staff working on BAU with some efficiency loss due to slower connection speeds than would be achieved in the HBRC premises</li> <li>11. Reforecast budgets reported to 13 May Council meeting with 31 March financial reporting. Work has commenced on draft carry forward information that will be supplied to Council in June.</li> <li>12. The Annual Plan financials developed following guidance from Council. Work continues on the development of the Annual Plan with the changing information and has been presented to Council in a number of workshops.</li> <li>13. Work is continuing on the Annual Plan Consultation information based on the information supplied to Council and what the outcome of the changes are based on changing information.</li> </ol>

Group /Team	
Corporate Services Information & Communications Technology	<p><b>Covid response</b></p> <p>13 Contact tracing and building access solutions have been developed and deployed. We're currently testing/validating our reporting abilities from these systems.</p> <p>14 Exploring solutions to meet the new requirements for level 2 operations (eg public access to the building)</p> <p>15 Developing processes to check staff and IT assets back into the building</p> <p><b>IT Risk Management continues to be a key focus</b></p> <p>14 Cybersecurity risks are still very high - they are being actively monitored.</p> <p>15 IT Disaster Recovery - system dependencies are being reviewed, and weak spots identified for further action.</p> <p>16 Information Governance - we're applying our records management classifications to the new document libraries in Microsoft Teams.</p> <p>17 We're continually scanning the environment for new risks, assessing their likelihood and impact, and developing mitigations where appropriate.</p> <p><b>IT projects</b></p> <p>15 Telephone system replacement – the new system is implemented and is being tested by the IT team this week.</p> <p>16 Finance System Replacement - evaluation of solutions is underway.</p>
Corporate Services Marketing & Comms	<p>17. MarComms team continues to work from home, subject to reopening of Station Street office</p> <p>18. Regional issue of Our Place is in the papers: CHB, Napier-Hastings and Wairoa versions</p> <p>19. TANK Plan consultation communication plan is live – until 3 July</p> <p>20. Annual Plan consultation planning</p> <p>21. Leading ongoing Drought communications, closely linked to Tukituki Plan programme – coordinating with CHBDC and HDC comms</p> <p>22. Current projects include Pest Hub development, Annual Plan and rates communication planning, TANK Plan, Tukituki Plan implementation support, winter comms planning – including Plant to Protect and Sustainable Homes.</p>

**Corporate Services Group Manager's Update**

23. Significant focus on the current financial status, financial scenario modelling impact on current and 2020-21 years. Preparation of revised 20-21 financials and related content for Adoption of 2020-21 Annual Plan Consultation Document and Supporting Information on 27 May, with submissions period 1-21 June.
24. Financials to 31 March and full 2019-20 financial year reforecast reported to 13 May Council meeting.
25. GM is liaising with NCC and HDC regarding Annual Plan consultations and working collaboratively on rates postponement / remissions policies.
26. Oversight of current risk assessment taking place with specific attention to IT cyber-security risk and mitigations, and preparation of Cyber Security internal audit follow-up report to 10 June C&S meeting.
27. Continue work on implementing Corporate policy and operating expectations @ Level 2 with staff returning to work in Dalton Street and Guppy Road offices.
28. The group continues to support the Group CDEM response particularly in Logistics, GM continues to fill the role of Logistics Manager co-ordinating rostering for the GECC.
29. The procurement process for the Finance System upgrade continues, with a supplier recommendation to be made to the Tenders Committee on 27 May.



## Organisational Activities – Integrated Catchment Management Group

Updates are in red text

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Integrated Catchment Management Catchment Management	<ol style="list-style-type: none"> <li>Staff are continuing to support the CDEM response related to the Rural Drought situation in particular. A staff member is on each of the issue focused satellite teams. Staff are also supporting the Rural Advisory Group meetings and assisting with reporting through to CDEM.</li> <li>Workstreams continuing are policy implementation planning for next financial year which includes Tukituki.</li> <li>There is also involvement in work at a national level with other industry bodies on campaigns for best management of winter grazing. Progress on this has been reduced due to the necessary focus on the multi-regional drought situation.</li> <li>Relevant staff in Catchment Management and Client Services have undertaken a stocktake of how well the contracted nurseries are positioned to meet their contract requirements.</li> </ol>	<ol style="list-style-type: none"> <li>Staff are continuing to support the CDEM response related to the Rural Drought situation in particular. A staff member is on each of the issue focused satellite teams. Staff are also supporting the Rural Advisory Group meetings and assisting with reporting through to CDEM.</li> <li>Workstreams continuing are policy implementation planning for next financial year which includes TANK.</li> <li>There is also involvement in work at a national level with other industry bodies on campaigns for best management of winter grazing. Progress on this has been reduced due to the necessary focus on the multi-regional drought situation.</li> <li>The Council's poplar and willow nursery is continuing with maintenance to ensure stock is available for the coming planting season. A Health and Safety process for mitigating risk to covid-19 while at the nursery is nearing completion.</li> </ol>	<ol style="list-style-type: none"> <li>2 staff continue to be involved in the Wairoa Emergency Operation Centre providing logistical support.</li> <li>The rest of the Catchment Management team are currently carrying out their Covid-19 limited functions and tasks.</li> <li>An issue around the unauthorised opening of the Hine Rauiri Stream outlet at Māhanga was brought to our attention. Other issues have arisen at Māhanga over the last week that have all been followed up on by relevant staff. A Compliance team member will be visiting the site this week. Meetings are being coordinated at Māhanga with concerned residents for this week and with the key agencies in the weeks following.</li> <li>Concerns have been raised again about the state of the Wairoa River mouth and its potential closure. Site visits have occurred and conversations between key staff had. We will be checking on this on a regular basis for the next few weeks.</li> <li>We have received a number of enquiries from the Wairoa sta recently over a variety of issues. They are particularly interested in what is happening with regards to the Regional Park Proposal.</li> <li>We will be working with the Whakaki Lake Trust this week to coordinate a contract with the local Whakaki Nursery to supply plants for the Freshwater Improvement Fund Project and support the ongoing employment of members of the Whakaki community in that Nursery.</li> <li>We are planning on having a staff presence in the Wairoa office from this week on a limited basis.</li> </ol>

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
<b>Catchment Management</b>	16. Field visits will occur where landowners are open to the visit and once additional Health and Safety processes for mitigating risk to Covid-19 have been finalised and approved. 17. ECS processing and confirming ECP projects continues, especially where they relate to winter planting projects. 18. Some catchment staff have been working with the regulatory team to follow up with rural landowners over potential water take issues. 19. <b>A new Health and Safety policy has been developed to help minimise risks to field staff when travelling in rural environments off road.</b>		
Integrated Catchment Management <b>Catchment Services (Biosecurity &amp; Biodiversity)</b>	20. <b>TB update – Infected herds have increased to 13 with another 13 herds under investigation.</b> 21. <b>Fonterra have partnered with HBRC (Ecosystem Prioritisation programme) &amp; QEII to protect a nationally significant wetland (Pigsty) along the upper reaches of the Ngaruroro River. Fonterra are contributing \$40K for the first year, with possible further funding in the future.</b> 22. Pest Plant staff have responded to several breaches of the Regional Pest Management Plan where gravel was moved from known Chilean needle grass infected areas. Staff are in the process of issuing Notice of Directions (under the Biosecurity Act) to all contractors who have extracted, or will be extracting, gravel from the Tukituki River margins (below the Waipawa River confluence), and the Waipawa River margins (below Stockade Road) to prevent the movement of Chilean needle grass. Biosecurity staff are working with Asset Management staff to remedy this issue. 23. Biosecurity staff and contractors have resumed pest control work, focusing on rural areas, including phragmites, climbing spindleberry, Chilean needle grass, old man's beard, woolly nightshade, rabbits, possums and assessing incoming vessels as to their marine biosecurity status. <u>Predator free</u> 24. This month will be spent getting the Mahia project underway again and monitoring the impact of the COVID19 closure of 5 weeks. It is not expected that we will have lost too much ground during this time as baitstations will have continued doing some work whilst staff were under lockdown however time will tell. 25. Staff are operating independently to comply with current Level 3 COVID requirements, and are also servicing traps in Cape to City and Poutiri Ao ō Tāne projects. This work will carry them right through the month of May and June		
Integrated Catchment Management <b>Environmental Information</b>	26. Hydrology working as normal – gauging rivers for low flows and rating curves and keeping sites operational for flood warning ( <b>1 repaired</b> ) 27. Groundwater measuring monthly water levels at sites as normal for drought monitoring. 28. WQ & E team collecting samples. 29. Data meetings continued with ICT as required. 30. Flood warning team still operating on 7 day shift assessing sites. 31. Virtual weekly drought meetings with Compliance are continuing and sites measured as required. <b>15 flow gaugings</b> undertaken to confirm ratings and bans for Compliance. 32. Isco sediment sampling installations continue with <b>Papariki, Maraetotara and Mangaone completed or underway.</b> 33. Proposed groundwater sites being installed, <b>Equestrian Park and Moteo Telemetry sites finished.</b> 34. <b>Near shore WQ samples collected</b> 35. Water Information Services team verifying water meters.		
Integrated Catchment Management <b>Environmental Science</b>	36. <b>As per last week, with exception below</b> 37. <b>8 May departure (resignation) of the Team Leader - Hydrology and Hydrogeology has left a big hole in the Science Section as that team has a significant workload. Recruitment prior to lockdown identified one suitable candidate in Australia. Unfortunately, this week the application was withdrawn due to changed world situation and we'll be re-advertising.</b>		



**Integrated Catchment Management Group Manager's Update**

- 38. Ongoing support for the RAG and organisational leadership for the regional drought response including preparation of item for 20 May Council for Council to establish Drought Relief Fund
- 39. Working with managers to prepare for a gradual return to the office at AL2 and beyond, starting 18 May
- 40. Engagement with MfE supporting Essential Freshwater and post COVID recovery
- 41. Significant time supporting the Tukituki Leaders Forum work. Additional part time project management resource engaged to support the group,
- 42. Working with management team to prepare for 20-21 Annual Plan and 21-24 LTP and review projected end of year project positions for the 19-20 year
- 43. Discussions with HBRC and NCC staff/councillors about Ahuriri regional park proposal.





**Organisational Activities – Māori Partnerships****Updates are in red text**

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Māori Committee	1. HBRC Annual Plan & Covid Recovery Strategy workshop with tangata whenua <b>facilitated 14 May 2020</b> 2. The move of members onto digital devices and virtual capability <b>is nearly complete (refer to OCEC Governance update)</b>		
Regional Planning Committee	1. HBRC Annual Plan & Covid Recovery Strategy workshop with tangata whenua <b>facilitated 14 May 2020</b> 2. Preparation for next RPC 3 June 2020 – which will be the first meeting conducted virtually with this group. 3. The move of members onto digital devices and virtual capability <b>is nearly complete (refer to OCEC Governance update)</b>		

**Māori Partnerships - Te Pou Whakarae Update**

4. Te Pou Whakarae has been seconded (virtually) to Māori/Pasifika Adviser role within HB CDEM. Alongside that is reviewing role within current and future civil defence structures.
5. Working with staff and tangata whenua on resolution of remuneration for Māori Committee members



## Organisational Activities – Office of the Chief Executive and Chair

## Updates in red text

Group /Team	
OCEC Communications	<p><b>Internal Comms</b></p> <ol style="list-style-type: none"> <li>1. We have dropped our internal staff newsletters back from three times a week to once a week in Alert Level 2 (starting Mon 11 May 2020). Work is underway with the People and Capability team to set up an informal online Parents' group for HBRC staff; the first session has occurred already. A series of wellbeing videos for staff have been uploaded to the intranet and advertised in the staff e-newsletter. A news section has been setup on the staff intranet to allow staff to see premium content stories related to HBRC.</li> </ol> <p><b>Media</b></p> <ol style="list-style-type: none"> <li>2. Media continue to keep the team busy – the CHB Nitrate issues attracted calls from RNZ, DomPost and HB Today. The drought continues to create regular media calls, as does questions about when HB Trails will be open. Wairoa Star are interested in whether Govt funding will come thru for a Wairoa Regional Park.</li> </ol> <p><b>Regulation</b></p> <ol style="list-style-type: none"> <li>3. The Feedlot info sheet has been updated and uploaded to the website. Work continues to review bore security communications and to decide what can be done at this stage.</li> </ol>
OCEC Economic Development	<ol style="list-style-type: none"> <li>4. The Regional Business Partner (RBP) team continues to see strong demand from the business community. The free virtual workshops have seen great uptake with over 937 participants to date with the topic of greatest interest being the Marketing &amp; E-commerce as businesses explore digital enablement. Workshops shall likely continue until the end of May due to most the lowering of Levels and availability of participants to attend. We shall replace these with another offering yet to be confirmed.</li> <li>5. Regarding 1:1 business support to link with expertise, RBP are engaging with 438 Hawke's Bay businesses currently through this COVID-19 response mechanism. RBPs have issued 298 Capability Vouchers worth \$619,991.50 to date, with the average voucher value \$2,080. The Hawke's Bay regional voucher funding pool has been spent and topped up from the original \$493k. High demand is a trend nationally and a paper has been sent to Cabinet seeking additional funding for the RBP programme; whether the mechanism remains at 100% subsidy or a high co-funding level (e.g. 80%) remains to be seen.</li> </ol>

Group /Team	
OCEC Governance	<p>6. All Council meetings, including workshops and Public Excluded sessions are being held virtually using Zoom up to and including the 3 June RPC meeting. Advice sought from Central Government in relation to maximum of 10 people allowable at gatherings while operating in the meantime, under provisions provided by the COVID-19 Response (Urgent Management Measures) Legislation Bill for meetings and the Pandemic Notice which expires 25 June.</p> <p>7. Staff are liaising with tangata whenua representatives, ICT and Te Pou Whakarae to provide devices to RPC and Māori Committee members without, and Stellar Library to those who already have devices to facilitate the move to the provision of meeting documentation online. Governance Administration Assistant has conducted '1 on 1' Zoom/telephone sessions with each to go through set-up ahead of the 14 May tangata whenua workshop, and iPads have been ordered to loan to those who do not have devices.</p> <p>8. In addition to coordinating weekly meeting processes through May, the Governance team is focussing on administrative tasks, e.g. forward planning changes to the 2020 Meetings Schedule to facilitate Annual and Long Term Plan workshops and consultation.</p>
OCEC People & Capability	<p>9. The P&amp;C team continues to support our HBRC team with BAU and well-being and health &amp; safety advice. Flexible Working options briefing paper tabled with Exec for further discussion and potential trial as HBRC transition down the alert levels. The Leaders' Forum presentations were received well with two more sessions planned over the next six weeks focussing on the Year End Financials and our internal Climate.Smart.Recovery. Action Plan.</p> <p>10. The planning team has finalised HBRC Level 2 workplace transition plan to best support and keep staff safe as we get selected staff back into Dalton St, Guppy Rd, Wairoa and Waipawa offices. Work 'bubbles' have been designed to limit staff crossover and contact with common touchpoints. Dalton St office will be open daily to the public from 10am – 2pm, with all interactions with the public conducted on the Ground floor. The transition plan will be reviewed fortnightly by the Executive team.</p> <p>11. As we transition into Alert Level 2 staff psychological wellbeing is front of mind with work continuing in conjunction with Wands Psychology.</p>
OCEC Risk & Assurance	<p>12. Risk and Assurance Lead starts work at HBRC on 18 May (Helen Marsden). She will work alongside the interim risk consultant to ensure a smooth transition of the risk and audit work programme ahead of a joint presentation to the Corporate and Strategic Committee on 10 June.</p> <p>13. Business Analyst Quality is working with IT to assist with Promapp training module, which will ensure staff are reviewing correct Council staff policy's and code of conduct.</p>

**Office of the CE & Chair Group Manager's Update**

14. Wairoa Horticulture project PGF application submitted to Wellington on Monday 11 May.
15. Working through some details on RPC appointment to Council and Committees and Māori Committee Co-Chairs remuneration prior to resubmitting these papers to Council for final decision-making. A paper is also underway to clarify Council workshop arrangements. Planning is also underway to provide RPC tangata whenua hui with administration support and resourcing for independent advice.
16. Any further action on the HBRC community welfare fund remains on hold for the time being whilst the impact of Covid19 becomes clearer and whilst central government funding remains available. May be reworked into a proposal for a regional drought relief package.

Item 4

Attachment 5



## Organisational Activities – Regulation

Group /Team	Southern Catchments	Central Catchment	Northern Catchments
Regulation Consents	1. Tukituki production landuse consent applications and registration forms are still being received. 14 applications and 11 pre-applications have been received to date out of approximately 330.	2. Analysing the TANK plan change and impacts for consenting. 3. Discussion this week on shovel ready options.	
	4. Eleven consent applications were received last week.		
Regulation Compliance & Enforcement	5. Staff will be restarting compliance visits under Level 2. 6. Five exemptions granted to date to the outdoor burning season restrictions, which began on 1 May 2020. The focus is on minimising environmental and health effects not solely fire risk. 7. Infringement notice and abatement notice issued to Hasting District Council relating to repeated overflows of raw sewage from a pipe line in Havelock North. 8. Infringement notice and abatement notice issued to Wairoa District Council relating to a discharge of treated sewage outside of the consented timeframes and tide flows. 9. Napier City Council has reported an additional leak from the main outfall pipe, in addition to two previously identified leaks.		
Regulation Harbourmaster	10. Government Level 3 regulation restricts boating activity to commercial craft. Motorised and recreational sailing craft will be allowed under Level 2.		
Regulation Policy Implementation	11. Tukituki Plan Change – Preliminary consultation being prepared re: Overseer. Paper will be taken to RPC meeting 3 June. 12. Update on Tukituki Regulatory Implementation prepared for RPC meeting 3 June. 13. Work has begun on the process for the Tukituki Catchment Plan effectiveness report.	14. Analysis of the TANK plan change and impacts for the Regulation team. Further consideration on whether submissions are required.	

**Regulation Group Manager's Update**

15. Both pollution hotline calls and consent applications are increasing – possibly a sign that economic activity is increasing as restrictions on movement are reduced.
16. Pressure on the farming sector remains significant and staff across the group are involved in ongoing drought related discussions and looking for solutions. Staff have taken calls from some very distressed farmers. Appropriate advice and support is being given.
17. Several wastewater infrastructure issues have resulted in leaks or overflows of sewage. Enforcement action has been taken in the more serious cases and discussions are ongoing with the relevant territorial authorities.



## Organisational Activities – Strategic Planning

Updates are in red text

Group /Team	Southern Catchments	Central Catchments	Northern Catchments
Strategic Planning Policy & Planning	1. <b>Tukituki Plan Change</b> – Preliminary consultation being prepared re: Overseer. Paper will be taken to RPC meeting 3 June.	2. <b>TANK Plan Change</b> – The TANK plan was notified on 2 May, the submission period runs until 3 July 2020 3. <b>Ngaruroro River &amp; Clive River Water Conservation Order (WCO) application</b> – Proceedings to recommence with submitters evidence due 2 June 2020.	4. <b>Mohaka Plan Change</b> – Progress to be reported to RPC meeting 3 June.
Strategic Planning Policy & Planning Region-wide	5. <b>Outstanding Waterbodies</b> – update being prepared for RPC meeting on 3 June.		
Strategic Planning Statutory Advocacy	6. The 24 April 2020 deadline for submissions on proposed amendments to the <b>Air Quality NES</b> has been extended to 31 July 2020. <b>An information item will be provided to RPC meeting 3 June.</b>		
Strategic Planning Strategy & Projects	7. Annual Plan – council to adopt for consultation on <b>27 May 2020</b> . Submission period <b>8-28 June</b> . <b>Hearings in July, date TBC.</b> 8. Long Term Plan – revising timeframes and approach to align with Climate. Smart. Recovery framework and developing multi-criteria decision-making methodology <b>to be workshopped with Council on 20 May.</b>		
Strategic Planning Transport	9. <b>Level 2 requirements for public transport have been put in place from 14 May. Reduced physical distancing requirements, fare collection not yet reinstated.</b> 10. <b>Fare collection plan to be submitted to NZTA this week detailing how and when we propose returning to safe fare collection, including possible expedited ticketing system introduction.</b> 11. <b>NZTA has confirmed continuation of increased Total Mobility subsidy, therefore costs are significantly reduced for users until 30 June</b> 12. <b>Raffles Street office has not reopened, so staff continue to work from home.</b>		

**Strategic Planning Group Manager's Update**

13. Staff resuming work on current projects/workstreams. Group Manager remains deployed into Economic recovery initiatives, with primary focus on HBRC recovery framework and secondary focus on participation in the development of a regional recovery strategy that creates some cohesion across CDEM recovery obligations (legislative) LTP and AP initiatives and Matariki governance and operations. Water Security Programme workstreams ramping up across Heretaunga and CHB projects.



# HAWKE'S BAY REGIONAL COUNCIL

Wednesday 20 May 2020

**Subject: CALL FOR MINOR ITEMS NOT ON THE AGENDA**

**Item 6**

## Reason for Report

1. This item provides the means for councillors to raise minor matters they wish to bring to the attention of the meeting.
2. Hawke's Bay Regional Council standing order 9.13 states:
  - 2.1. "A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion."

## Recommendations

3. That Council accepts the following "Minor Items Not on the Agenda" for discussion as Item 9

Topic	Raised by

**Leeanne Hooper**  
**GOVERNANCE LEAD**

**James Palmer**  
**CHIEF EXECUTIVE**



# HAWKE'S BAY REGIONAL COUNCIL

Wednesday 20 May 2020

## Subject: PROCUREMENT POLICY AMENDMENTS TO SUPPORT THE HB ECONOMIC RECOVERY

Item 7

### Reason for Report

1. This item makes recommendations for Council to consider, to strengthen its Procurement Policy to better support Hawke's Bay's economic recovery, and seeks feedback on information that could be usefully incorporated for future Procurement update reports to the Finance, Audit and Risk Sub-committee.

### Officers' Recommendation(s)

2. Officers recommend councillors review the current Procurement Policy and provide feedback on the proposed amendments that would strengthen the ability to support the region's economic recovery.
3. A Procurement Policy review is scheduled to be completed in June 2020, however, officers suggest the following pro-local actions should be made operational now:
  - 3.1. Significantly increase the evaluation weighting applied to the Local Economic Impact
  - 3.2. Proactively encourage local contractors to bid for projects
  - 3.3. Using direct tender processes limited to local contractors (where reasonable).

### Background / Discussion

4. A report on progress made in developing a centralised procurement function for HBRC will be made to the next Finance Audit and Risk Sub-Committee.
5. That report will provide information on contracts issued since July 2019. It will include the value and risks associated with contracts valued at \$50k and over, or that have been assessed as carrying significant risk. The report will also identify all current contracts due to expire within the next three months. These metrics were requested by the former Finance, Audit and Risk sub-committee.
6. From a business perspective, the obvious benefits of an effective procurement process are financial upfront cost savings by procuring goods and services at the best price available.
7. Effective procurement also ensures that projects are delivered to time and budget, with reduced exposure to commercial risk by way of a consistent and appropriate process, which aligns with HBRC procurement principals.
8. However, other considerations beyond price and risk, influence purchasing decisions and these are reflected in HBRC's current procurement principles and considerations.

### Procurement in Response to Current Events

9. In response the current economic downturn as a result of the COVID-19 pandemic and the Drought, Councils recovery strategy aims to support local businesses to reset and rebuild our economy to support long-term recovery.
10. Council is committed to buying local services and products wherever possible through its procurement policy, by giving weighting to local providers of trades and services. It is proposed to add this statement to the current policy document
11. The current Procurement Policy (appended) is guided first by principles (Section 3), principle 3 states:

- 11.1. *“Unfair advantages, including those arising from incumbent arrangements, should be identified and addressed. HBRC and its employees will act fairly and reasonably and will be visibly impartial in their decision-making.”*
12. Principle 3 is supported by item 6 under Practical Considerations:
  - 12.1. *“HBRC’s wider commitments and obligations must be considered, including purchasing locally, whole of life costs, environmental sustainability, health and safety and compliance with other HBRC agreements. Where practical and relevant, supplier agreements must align with and reflect HBRC’s wider commitments and obligations.”*
13. These wider obligations include ‘Climate.Smart.Recovery.’, to support the local economy, future economic development, and climate change mitigations.
14. Under current circumstances of an economic downturn, and with the goal of better supporting local business, officers recommend consideration should now be given to applying a higher weighted evaluation score for local suppliers. Currently the weighting is 5%. Would an increase to 15% be acceptable? Increasing the ‘local’ weighting percentage reduces the weighting for other criteria such as quality, previous experience, and price.
15. There may also be justification for direct purchasing rather than a competitive process for selecting suppliers.
16. Under Purchasing Ethics, Section 5.7 Buying local states:
  - 16.1. *“HBRC supports purchasing from local suppliers based on the benefits this provides the local community and economy and HBRC employees will consider the availability and capability of suppliers in the local market. However, HBRC should always balance the benefits of buying locally with ensuring that HBRC and its ratepayers and the community will receive optimal value. A decision to purchase goods, works or services from a supplier where the locality of the supplier is the determining factor (rather than price and/or quality factors) should consider one or more of the following.*
    - 16.2. *The importance of the goods or service being available locally (due to factors such as time constraints or availability of key personnel to respond to requests for service from HBRC).*
    - 16.3. *The importance of local knowledge of the Hawke’s Bay regional environment.*
    - 16.4. *The importance of supplier knowledge and understanding of HBRC’s operational practices, processes and systems.*
    - 16.5. *Where the locality of the supplier is the determining factor in a purchase, HBRC will document this and include the justification for approving the purchase on this basis.*
    - 16.6. *In a Major Procurement that may include several interested suppliers (local and non-local) via a competitive process, the importance of local presence and/or knowledge should be clearly highlighted in HBRC’s procurement documentation and submissions should be evaluated accordingly.”*
17. A current example of proposed direct local purchasing is a contract to drill bores to gather additional data to support the Skytem project for ground water modelling. HBRC is in negotiation with two local suppliers to award individual bore contracts based on an agreed pricing schedule. This will ensure both have a sustainable business model rather than awarding all the drilling contracts on the basis of lowest price conforming tender. It is important that HBRC supports businesses and procurement is based on a sound and historically proven professional relationship.
18. Council has recognized the cash flow pressures being experienced by local and national service providers and where policy indicates payment on the 20<sup>th</sup> of the month following invoice, we are now offering a 5 day turn around for invoice payment to help all of our suppliers.

19. Where possible contracts with local suppliers that have performed well are now being considered for term extension as a variation when appropriate.
20. A partnership ethos has been promoted, with local suppliers being contacted to ask how HBRC can help, and what could we do to support them towards a sustainable business model.
21. A cross council initiative led by the regional procurement director is collating planned infrastructure projects to optimize collaborative purchasing, with sustainable outcome contracting as a key driver.

### **Options Assessment**

22. The Procurement Manager would like to consider options to amend and improve the current policy, and receive feedback from Councillors on any additional reporting metrics that would be useful for the Finance Audit and Risk Sub-Committee

### **Strategic Fit**

23. The development of a centralised procurement and contract management function has assisted HBRC to adopt best procurement practice, to support HBRC strategic goals associated with Climate.Smart.Recovery.

### **Consultation**

24. Consultation is not required to canvas the view of Councillors on policy development

### **Decision Making Process**

25. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
  - 25.1. The decision does not significantly alter the service provision or affect a strategic asset.
  - 25.2. The use of the special consultative procedure is not prescribed by legislation.
  - 25.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 25.4. The persons affected by this decision are HBRC staff
  - 25.5. The decision is not inconsistent with an existing policy or plan.
  - 25.6. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

### **Recommendations**

That Hawke's Bay Regional Council:

1. Receives and considers the "Procurement Policy Amendments to Support the HB Economic Recovery" staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Provides agreed amendments to support the region's economic recovery to staff for inclusion in the HBRC Procurement Policy.

**Authored by:**

**Mark Heaney  
MANAGER CLIENT SERVICES**

**Approved by:**

**Jessica Ellerm  
GROUP MANAGER CORPORATE  
SERVICES**

**Attachment/s**

[↓](#)1 HBRC Procurement Policy





# Hawke's Bay Regional Council

## Procurement Policy

Updated May 2019

### Document Control

#### Purpose of this document

The Procurement Policy is a formal statement of principles that outline how the Hawke's Bay Regional Council (HBRC) will manage the procurement life cycle.

The Procurement Policy is supported by the Procurement Manual which details how to apply the policy principles. The revised procurement policy and procurement manual are consistent with national procurement principles and guidelines and are compliant with relevant legislation. The Policy details what

Item 7

Attachment 1



HBRC is required to do to meet national guidelines and the Manual details of how to apply the policy principles to deliver benefits of best practice procurement.

#### Intended Audience

This document is intended for internal HBRC staff who administer and manage procurement. Communications information will be developed and made publicly available for external audiences, anticipating a launch following policy approval, in July 2019. Following the relaunch, this policy may be refined in the light of experience over time with any changes to be approved by Council before implementation. The next scheduled review is 2022.

#### Document Information

Name	Position
Document Owner	Jessica Ellerm – Group Manager
Issue Date	14.5.19
File Name	Procurement Policy – Revised May 2019

#### Document History

Version	Issue Date	Changes
VO1	13.5.19	Add environmental principle

#### Document Review

Name	Role	Review Status
Mark Heaney	Manager, Client Services	Draft Complete

#### Document Sign-off

Name	Role	Sign-off date
Jessica Ellerm	Group Manager – Corporate Services	15.5.19

## 1. Introduction

The HBRC procurement policy was last reviewed in 2015 with the intent to review within three years. In September 2018 OAG and MBIE made new recommendations for best practice in procurement. HBRC commissioned a review in 2018 by Crowe Horwath to evaluate our existing policy and make recommendations to align with current best practice guidelines. This policy and the accompanying procurement manual reflect HBRC progress to adopt those and other recommendations to achieve best practice.

### 1.1 Context and alignment

Procurement covers all the business processes associated with buying the goods, services and works we use to run our business, and deliver our organisational objectives. It starts with identifying our needs, then planning the best way to meet them, continues through sourcing the goods, services and works, then managing the contract, and ends with expiry and evaluation of the contract or the end of the assets life.

The purpose of this policy is to establish and document the principles and practices that should guide and inform Hawke's Bay Regional Council (HBRC) and its employees when making procurement decisions and undertaking processes for the purchasing of assets, goods, works and services.

This procurement policy gives a high level view of the rules and guidelines governing HBRC procurement. It is meant to be read in conjunction with HBRC's procurement manual and the approved list of financial delegations. Together, these documents will assist HBRC and its employees undertaking procurement activities in the following ways:

- **Procurement Policy** – provides the grounds and principles for making procurement decisions.
- **Procurement Manual** – provides direction on the processes to follow and tools to use when undertaking a procurement or purchase.
- **Financial Delegations** – list of those in the organisation with authority to make procurement decisions or approve expenditure and to what level. Please refer to:  
<https://herbi.hbrc.govt.nz/site/corpmgt/Lists/FinancialDelegations/AllItems.aspx>

## 2. Procurement governance, capability and oversight

Governance of the HBRC procurement policy is provided by the Corporate Services Group Manager, responsible for the oversight and high-level management. They will provide the strategic direction, resources and the decision making necessary to support and deliver the policy.

Monitoring will be reported through the Finance Audit and Risk Committee.

HBRC will assign appropriately experienced employees to manage its procurement activities. HBRC will provide training and supervision to employees to support good practice in procurement and purchasing activities. Where required for specific procurement activities, additional specialist expertise may also be employed by HBRC. Any specialist experts employed must also comply with the HBRC's procurement policy.

## 3. Policy Principles

The Office of the Auditor General (OAG) established a set of principles in September 2018 that provide guidance for the conduct of local government organisations and its employees while exercising procurement activities. HBRC recognises that these principles underpin best practice procurement. HBRC has adopted the principles as part of its procurement policy.

1. **Environmental considerations** – HBRC will as part of its product procurement and supplier selection consider minimising the impact on the environment, reflecting the organisation's role and responsibilities to the community it serves.
2. **Transparency** – *Procurement processes, from developing a procurement strategy to signing a contract, should be well defined and documented.* Without compromising commercial confidentiality, HBRC will be transparent in its administration of its external expenditure and supplier agreements. This supports HBRC's accountability to its ratepayers and community and ensures that the roles and obligations in agreements between HBRC and its suppliers are clear and well understood by all parties.
3. **Fairness and impartiality** – *All interested suppliers should be encouraged to participate in a tender, without advantage or disadvantage. Processes should be applied lawfully and consistently, without fear or favour. Unfair advantages, including those arising from incumbent arrangements, should be identified and addressed.* HBRC and its employees will act fairly and reasonably and will be visibly impartial in their decision-making.
4. **Honesty and integrity** – *Individuals and organisations should act appropriately and professionally. Public sector standards of conduct must be met.* HBRC will support, always encourage and expect its employees to conduct themselves with the utmost integrity. HBRC will act within the law, to meet its legal obligations when procuring assets, goods, works and services. When HBRC enters into any agreement with a supplier, it will communicate clearly the appropriate standard of integrity that is expected from the supplier. This standard will apply to both the supplier's transactions with HBRC and as a representative of HBRC in the public domain.
5. **Managing conflicts of interest** – *Expectations about conflicts of interest and how they are managed should be clearly understood by all parties. Conflicting interests and roles, and the associated perceptions, should be identified, declared, and managed effectively.* Suppliers affiliated in any way to elected members or employees of HBRC can still be considered for funding. Impacted elected members or HBRC employees are required to note any possible conflict of interest (or perception of a conflict of interest) and will not be involved in any assessment or decision making related to either funding or supplier selection where a conflict may exist.
6. **Confidentiality and security** – *Confidences should be respected and information should be held securely and safeguarded from wrongful or inadvertent disclosure.* HBRC will endeavour to keep commercially sensitive information confidential while undergoing procurement activities. (See 5.4 for more detail)
7. **Accountability** – *There should be strong, but proportionate, project governance and reporting system in place.* HBRC is accountable for its performance and will keep complete and accurate accounts of its external expenditure, including the reasons and justification for committing to the expenditure. Suitable governance and management arrangements will be in place to oversee procurement decisions, processes and the performance of any subsequent supplier agreements.
8. **Value for money** – HBRC will use its resources effectively, economically and without waste. HBRC will be focussed on the outcomes it is trying to achieve and will apply its resources in such a way to best achieve those outcomes, having due regard for the 'whole of life' costs of the purchase.

#### 4. Practical Considerations

HBRC and its employees will refer to the following practical considerations when undertaking procurement activities:

1. Procurement decisions should reflect the HBRC's policies and objectives for the provision of services to its ratepayers and community.
2. Assets, goods, works and services to be purchased should be fit for purpose and meet HBRC's requirements.



3. HBRC should be flexible in its use of procurement processes and supplier agreements and those used should be appropriate to the type and scale of the procurement and specific requirements of HBRC.
4. Procurement strategies, planning and processes should aim to keep the process costs of procurement as low as possible for HBRC and its suppliers, without compromising the legality and thoroughness of the procurement.
5. As part of procurement planning, risks involved with the activities should be identified and measures put in place to manage the risks effectively.
6. HBRC's wider commitments and obligations must be considered, including purchasing locally, whole of life costs, environmental sustainability, health and safety and compliance with other HBRC agreements. Where practical and relevant, supplier agreements must align with and reflect HBRC's wider commitments and obligations.
7. Good practice should be followed, and HBRC employees should be aware of, and comply with current government and industry guidelines for purchasing (OAG, Ministry of Business, Innovation and Employment, NZ Construction Industry Council etc).
8. Procurement decisions should take into account section 17A of the Local Government Act 2002 which states that a local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions. A review of these arrangements must be undertaken when there are any significant changes to relevant services levels, within two years of the expiry of any contract or binding agreement relating to infrastructure, service or regulatory functions or at any other time the local authority considers desirable, but not later than 6 years from the last review. For more information refer directly to the Local Government Act 2002

## 5. Purchasing Ethics

### 5.1 Communications

HBRC will communicate information openly and fairly to all participants in HBRC procurement processes. An appropriate representative of HBRC will be appointed to be responsible for managing communications for each contract. All participants in any procurement that are unsuccessful in becoming a supplier will be given the opportunity to be briefed on the reasons why they were not successful.

### 5.2 Conflicts of interest

HBRC have procedures for managing conflicts of interests. HBRC will ensure its employees, suppliers and potential suppliers declare any conflict of interest and that appropriate action is taken when a conflict is identified.

*Please refer to Staff Policy 28 – amended 2018*

<https://herbi.hbrc.govt.nz/site/hr/pol/SP028%20Conflict%20of%20Interest.doc#search=conflict%20of%20interest%20policy>

### 5.3 Conflicted suppliers

In some cases, it may be practical or beneficial if both HBRC and an applicant, submitter or adversary can purchase a specialty service or product from a single supplier. HBRC may in these circumstances agree to both parties using the services or product, notwithstanding the existence of any real or perceived conflict of interest of the supplier - e.g. *An engineering consultant has undertaken a significant study with respect to an issue. Both HBRC and an applicant wish to make use of the study for the purposes of a consent hearing and engage the consultant for that purpose.*

### 5.4 Confidentiality

Please note that all information collected and held by HBRC is public information under section 2 of the Local Government Official Information and Meetings Act 1987 (LGOIMA), as such any and all information may be

requested by a third party. Access to information held by Council is administered in accordance with LOGIMA and the Privacy Act 1993. These Acts means that Council is not able to give suppliers comprehensive assurances about the protection of sensitive information.

All employees and consultants that may have access to confidential information will be required by HBRC to sign and abide by a confidentiality undertaking. Any breaches of confidentiality HBRC becomes aware should be dealt with immediately and appropriately.

#### 5.5 Gifts or Inducements

HBRC employees must not accept gifts or inducements from suppliers or potential suppliers that might be perceived as influencing any purchase decision made by the employee in favour of the supplier or potential supplier. HBRC employees must advise their Group Manager of any gift received from an external organisation as to the appropriate course of action to take. Gifts or inducements include entertainment, travel, tickets to events and the like.

*Please refer to Staff Policy 18 –Offer of Gifts or Winning Prizes*

<https://herbi.hbrc.govt.nz/site/hr/layouts/15/WopiFrame.aspx?sourcedoc=%2Fsite%2Fhr%2Fpol%2FSP018%20Offer%20of%20Gifts%20or%20Winning%20Prizes%2Edoc&action=view>

#### 5.6 Expert Advice

HBRC employees should ensure that professional advice from individuals or firms is procured on the basis of the expert nature of the advice. Individuals or firms should not be selected based on their willingness to advocate for HBRC's position on the matter in concern. This should include legal advice, where non-standard clauses could be introduced to contract terms and conditions.

#### 5.7 Buying Local

HBRC supports purchasing from local suppliers based on the benefits this provides the local community and economy and HBRC employees will consider the availability and capability of suppliers in the local market. However, HBRC should always balance the benefits of buying locally with ensuring that HBRC and its ratepayers and the community will receive optimal value.

A decision to purchase goods, works or services from a supplier where the locality of the supplier is the determining factor (rather than price and/or quality factors) should consider one or more of the following.

- The importance of the goods or service being available locally (due to factors such as time constraints or availability of key personnel to respond to requests for service from HBRC).
- The importance of local knowledge of the Hawke's Bay regional environment.
- The importance of supplier knowledge and understanding of HBRC's operational practices, processes and systems.

Where the locality of the supplier is the determining factor in a purchase, HBRC will document this and include the justification for approving the purchase on this basis.

In a Major Procurement that may include several interested suppliers (local and non-local) via a competitive process, the importance of local presence and/or knowledge should be clearly highlighted in HBRC's procurement documentation and submissions should be evaluated accordingly.

#### 5.8 'Whole of Life' Costs

When planning for and undertaking a procurement activity, HBRC employees should consider the potential whole of life cost of the purchase, otherwise known as the total cost of ownership.

The whole of life cost includes costs that are not the direct acquisition costs of assets, goods, works or services. The whole of life cost might include maintenance costs, management costs and disposal costs. NZTA states additional costs for consideration as quality, design integrity, innovation, health and safety practices

and capital invested as well as training and development opportunities. There might be other costs to consider in the whole of life cost, such as environmental, economic and social impacts.

HBRC will make procurement decisions based on the assessment of whole of life costs involved in a purchase. Appropriate analysis, planning and evaluation prior to and during procurement is necessary for HBRC to make the best procurement decisions based on the whole of life costs. Whole of life costs assessments should be in proportion to the potential size, value and duration of the investment by HBRC.

#### 5.9 Sustainability and the living wage

Sustainability is about meeting the needs of today, without compromising the ability of future generations to meet their needs. HBRC gives preference to suppliers adopting the living wage as an alternate to minimum wage, and HBRC will use the living wage in the supplier selection process.

HBRC is committed to purchasing goods, works and services that are environmentally sustainable. HBRC will endeavour to select suppliers that will promote sustainability and will commit to HBRC's sustainability principles. Where it is appropriate to do so, HBRC will ensure that its procurement and purchases serve to minimise the consumption of resources and energy, reduce waste and prevent pollution.

#### 5.10 Health and Safety

Health and safety are an important considerations for HBRC and its suppliers must meet health and safety requirements as a part of any procurement. HBRC's health and safety expectations should be clearly communicated to suppliers and be appropriate for the type of goods, works or services being purchased and comply with the Health and Safety Reform Bill 2015. Suppliers of services are required to be SiteWise registered (or equivalent industry standard) and performing (as assessed by external audit) to appropriate Health and Safety standards and practice suited to the work environment.

HBRC will address health and safety through procurement by:

- Approving and inducting suppliers into HBRC's health and safety regime prior to engagements.
- Requiring suppliers to provide health and safety plans, where appropriate.
- Including the monitoring and auditing of health and safety practices as conditions of contracts and agreements.

#### 5.11 Intellectual Property

HBRC will consider its position on intellectual property that might be provided or created out of any supplier agreement. Once it has considered its position, HBRC will agree with the supplier and document how intellectual property will be treated. HBRC will:

- Make every effort to ensure it values and protects its own intellectual property.
- Seek appropriate licences to use supplier intellectual property.
- Respect the intellectual property of its suppliers.
- Treat suppliers fairly with the use and protection of supplier provided intellectual property.

Where procurement involves the purchase of intellectual property rights, such as computer software development, staff need to determine whether the intellectual property rights should belong to Council or to the supplier. Relevant factors may include the effect on the price of the contract and the ongoing ability of the parties to develop innovations. Staff must:

- Identify all intellectual property likely to be developed or created in a project
- Determine who should own any intellectual property.

The State Services Commission has developed guidelines around the approach to take with intellectual property in ICT contracts. Although intended for Central Government contracts staff should consult the



following document when addressing Intellectual Property issues: Guidelines for Treatment of Intellectual Property Rights in ICT Contracts, State Services Commission, 2008.

#### 5.12 Sensitive Expenditure

Sensitive expenditure is expenditure that might appear to convey a private benefit to an individual employee or elected representative over and above the benefit to HBRC. Expenditure on travel, accommodation, hospitality and vehicles are examples of sensitive expenditure.

HBRC must maintain a list of reasonable costs for the reimbursement of individual employees and elected representatives covering categories of sensitive expenditure and reimburse expenditure with reference to that list.

When making purchases that could be deemed as sensitive expenditure, employees should consider whether the expenditure:

- Has a justifiable business purpose.
- Is moderate in terms of level of expenditure.
- Is accompanied by sufficient proof of purchase.
- Is appropriate in all other ways.

*Please refer to Staff Policy 024 Controlling Sensitive Expenditure amended February 2019:*

<https://hbrc.sharepoint.com/search/Pages/docresults.aspx?k=conflict%20of%20interest#k=sensitive%20expenditure#l=1033>

#### 5.13 All of Government (AoG) supply contracts

The Ministry of Business, Innovation and Employment is responsible for a programme of procurement of single supply agreements between the Crown and approved suppliers for the supply of selected common goods and services called All of Government (AoG) supply contracts. Local Government organisations are eligible to purchase goods or services under these AoG supply contracts.

HBRC has already committed to AoG supply contracts for some categories of expenditure and recognises the benefits that can be realised under AoG supply contracts. HBRC is committed to saving on transaction costs and will continue to review its requirements against the availability of goods or services under AoG contracts or similar bulk purchasing schemes.

HBRC employees must comply with the AoG supply requirements when purchasing goods or services in the categories where HBRC has committed to an AoG supply contract.

#### 5.14 Reimbursements

HBRC may sometimes be required to cover costs of works or services that are procured by another party. In these circumstances, HBRC must approve and agree with the other party the scope of the works or services and the maximum cost HBRC will be incurring prior to any works or services commencing. The costs should be fair and reasonable giving regard to the nature and extent of work undertaken and the applicable market rates.

#### 5.15 Loan/Subsidy Schemes

HBRC may take part in schemes where HBRC provides loans or subsidies to qualifying parties for purchasing goods or services. Where HBRC selects and provides a list of approved suppliers under those schemes, those suppliers will be included on the list based on pre-condition qualification criteria set by HBRC. The approved suppliers will be subject to audit to ensure that the standard of goods supplied, or work being undertaken consistently meets those criteria.

### 6. Procurement Processes

#### 6.1 Competitive Procurement Processes



A significant portion of HBRC's external expenditure will be with suppliers who have been selected via a competitive process. A competitive process will be the default for selecting a supplier, unless there is good justification for deviating from a competitive process for a particular purchase. HBRC will maintain a framework of competitive procurement processes through its procurement manual. This framework will provide guidance to employees on:

- The appropriate methods to employ when undertaking a competitive procurement process;
- The criteria for deciding which method to use given the specific purchase requirements.

### 6.2 Deviations from Competitive Processes

HBRC recognises that some of its requirements will be best met through a direct approach to existing suppliers or Niche Suppliers (a supplier of goods, works or services not readily available from a number of competitive suppliers in the market). Sometimes there will be a clear benefit to HBRC from procuring assets, goods, works or services in this way.

Where justification for a deviation from a competitive procurement process is documented and approved at the appropriate level within HBRC, it will be open for HBRC to directly negotiate with a supplier and not be bound by its competitive procurement processes and corresponding financial thresholds.

The procurement manual will provide guidance to HBRC employees on the appropriate considerations and methods to use when deviating from competitive processes.

### 6.3 Panels or List of Preferred Suppliers

For some types of purchases, HBRC will engage suppliers on a panel, or maintain a list of approved suppliers. HBRC favours this approach to help reduce the cost of procurement, particularly where:

- Suppliers provide goods or services of relatively small value on an 'as required' basis.
- Suppliers are Niche Suppliers and HBRC is not easily able to procure the specific goods or services elsewhere.

HBRC will regularly review its lists of approved suppliers (at least every three years), and in particular the prices and quality of the suppliers on the list. One of the primary objectives of these reviews will be for HBRC to consider the need for a fresh procurement process, or price negotiation with suppliers. Supplier agreements with suppliers should contain terms and conditions that permit regular reviews.

<https://herbi.hbrc.govt.nz/site/ContCent/Lists/Contractors/AllItems.aspx>

## 7. Procurement Manual

### 7.1 Purpose of Procurement Manual

HBRC will maintain a procurement manual to document HBRC's procurement processes and support employees responsible for managing procurement activities. The procurement manual will provide employees with guidance on:

- Procurement strategy and planning
- Procurement processes
- Supplier evaluation and selection
- Procurement documentation and forms of contract
- Negotiation.

The procurement manual will be consistent with HBRC's procurement policy and list of financial delegations.

### 7.2 Contents of Procurement Manual

The procurement manual will contain information to enable documentation, processes and methods to be selected that are in proportion to the value and risk involved with a particular purchase. Where there are a variety of options available, the procurement manual should provide detailed selection criteria that allow the employee to select the most appropriate option for the particular type of procurement.

The procurement manual will cover:

- Purpose of the Manual
- Procurement life cycle
- Procurement Strategy
- Procurement Planning
- Tender Administration and Probity including
  - Selection process
  - Supplier Evaluation and Selection
- Contract Forms and Types
- Managing contracts including ◦ Mobilisation ◦ Evaluation.

## 8. Financial Delegations

HBRC will maintain a list of financial delegations that clearly identifies:

- HBRC individual officers delegated with financial authorisation to commit HBRC to external expenditure
- The level of expenditure authorisation delegated to those officers
- Any definitions of expenditure required for council officers to understand their financial delegation (for example: how expenditure for services provided on an as required basis under an ongoing service agreement with a supplier should be treated)

The list of financial delegations should not limit or impede an HBRC employee from undertaking their role and responsibilities, particularly with respect to authorising payments under a supplier agreement or managing an emergency.

Note that delegations are GST exclusive.

Financial Delegations – where provision is made in the LTP / Annual Plan (Operating & Capital)	
CE	Authority to implement the LTP / Annual Plan as approved by Council
Group Manager – Office of the Chair and Chief Executive	Up to \$200,000 for any one commitment
All Other Group Managers	Up to \$150,000 for any one commitment
Emergency Management – Group and Local Controllers	Up to \$100,000 for any one commitment
All Other Staff	Delegations provided by their Group Manager up to a level of \$100,000 for any one commitment

### Operating Expenditure – where no provision is made in the LTP / Annual Plan

Any material operating expenditure that is outside the provisions of the LTP / Annual Plan should be raised with Council as soon as practical to obtain their agreement to proceed with the expenditure and to confirm how this will be funded. If it is agreed to fund through reductions in other budgets this will be reported on to Council through the quarterly operations report. Other options may include loan borrowing or letting the cost hit the bottom line.

The Regional Council contingency budget will only be used once confirmed by the Council. This will usually occur in the 9-month reforecast exercise each year

Capital Expenditure	
CE	Up to \$50,000 for any one commitment if funded via the asset replacement reserve.
Group Managers	Up to \$20,000 for any one commitment if funded via the asset replacement reserve.
Council	Any capital expenditure outside of these delegations must go to Council for approval.

*The above delegations were adopted by Council resolution 27 March 2019 - Please refer to:*

<https://herbi.hbrc.govt.nz/site/corpmgt/Lists/FinancialDelegations/AllItems.aspx>

## 9. Emergency Procurement

An emergency is as defined under the Civil Defence Emergency Management Act 2002, as amended or superseded by other legislation. In an emergency, departures from normal procurement and payment process will be acceptable if it is necessary for HBRC and the Hawke's Bay CDEM Group to respond the emergency effectively.

In an emergency, the following financial delegations will apply:

All CDEM related expenditure during an emergency is incurred by the territorial authority in which the expenditure occurs. Certain expenditure can then be claimed from central government, such as welfare related expenditure. During an emergency, controllers who are council employees may use the delegations that they hold for their local authority. However, there may be occasions where controllers are not council employees or have been deployed from other local authorities. Financial delegations are therefore required

to cover this situation and provide for an effective response to an emergency. The following financial delegations shall apply for persons appointed to the position of group or local controller, where appropriate local authority delegations have not been approved previously for the area concerned.

**Local Controllers:** Empowered to enter commitments up to \$100,000 for any one commitment within the area they are local controller.

**Group Controllers:** Empowered to enter commitments up to \$100,000 for any one commitment.

The Group Controller has the authority to delegate this expenditure to any emergency response individual as is required to effectively respond to the emergency.

Where emergency expenditure is required above the emergency limit for single item or service, approval for emergency expenditure must be provided by either the Chair of the Joint Committee or the Chief Executive of the Hawke's Bay Regional Council or their respective Hawke's Bay CDEM Group delegates.

Where practicable to do so prior to expenditure being incurred, the Group Controller will seek assurance from the Ministry of Civil Defence and Emergency Management that expenditure by HBRC in an emergency will be eligible for reimbursement by Central Government.

For oil spill response the Maritime Transport Act 1994 should be followed, and the On-Scene commander will have the authority to have delegated authority up to the level stated in our oil spill procedures.

**Urgent Procurement** may include 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 relief.

## 10. Record Keeping

HBRC should be able to demonstrate that it has conducted procurement fairly and appropriately. It is essential that records are kept of procurement activities by HBRC describing the background and reasons for procurement decisions. Records should be maintained for each procurement that document:

- That HBRC's procurement processes have been followed.
- That enough budget has been allocated for the purchase.
- That approval has been given for the purchase from the relevant holder of delegated financial authority.
- Any conflicts of interest have been identified and managed.
- Any risks have been identified and managed.
- The supplier agreement(s) that have been entered.

HBRC will maintain adequate systems and processes for managing its procurement documentation and supplier agreements. All employees responsible for purchasing activities and contract management should be trained in the correct processes for managing documentation.

Every new contract should be recorded under the Procurement Hub in HerBi which will allocate a specific contract number and will enable the collation of all information under each contract.

Please refer to HerBi / <https://herbi.hbrc.govt.nz/site/ContCent/default.aspx> for archived contract information.

## 11. Application of Policy

### 11.1 General Application

This procurement policy applies to HBRC and all its employees, consultants and advisors undertaking procurement activities on behalf of HBRC.

### 11.2 Council Controlled Organisations

This procurement policy does not apply to any council-controlled organisations in which HBRC has any interest.

### 11.3 Council Business Units

This procurement policy applies to HBRC business units with respect to the business units procuring assets, goods, works and services from suppliers.

Where an HBRC business unit is a supplier or potential supplier to HBRC:

HBRC will not invite any HBRC business unit to tender or submit for any work in any competitive process where it will be in direct competition with the open market.

Where HBRC has work which is able to be undertaken by a business unit and the Council wants the business unit to potentially undertake the work, it may either:

- Approach the business unit directly and solely to price the work as an alternative to engaging the market in a competitive process; or
- Having already undertaken a competitive process with the market and not being satisfied with the value it will receive, request the business unit to price and undertake the work.

## 12. Review

This procurement policy and the procurement manual will be reviewed in 2022. Changes may be made to the procurement policy and/or the procurement manual in the interim if there are significant developments in procurement best practice.

Attachment 1

Item 7

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## HAWKE'S BAY REGIONAL COUNCIL

Wednesday 20 May 2020

### Subject: SUMMARY REPORT FROM THE CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY JOINT COMMITTEE

Item 8

#### Reason for Report

1. This item provides a summary of discussions that took place at the 1 May 2020 Clifton to Tangoio Coastal Hazards Strategy Joint Committee meeting and workshop for the Council's consideration alongside any additional commentary the Chair, Jerf van Beek, may wish to provide.

#### Meeting Summary

2. An update on progress of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee is attached.

#### Decision Making Process

3. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

#### Recommendations

That Hawke's Bay Regional Council receives and notes the "*Summary Report from the Clifton to Tangoio Coastal Hazards Strategy Joint Committee*".

#### Authored by:

**Simon Bendall**  
**PROJECT MANAGER**

#### Approved by:

**Chris Dolley**  
**GROUP MANAGER ASSET**  
**MANAGEMENT**

#### Attachment/s

[!\[\]\(56549452e01ca28bdf2500ced9653143\_img.jpg\) 1](#) Coastal Hazards Joint Committee Meeting Summary 1 May 2020







## Clifton to Tangoio Coastal Hazards Strategy Joint Committee Summary Notes of Meeting held 1 May 2020

### 1. Purpose

This briefing note has been prepared to communicate the activity of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee to the Partner Councils, as the Committee progresses with Stage 4 of the Strategy. More information on the Strategy can be found on the project website at [www.hbcoast.co.nz](http://www.hbcoast.co.nz).

### 2. Joint Committee Meeting Summary: 1 May 2020

Key points from the Joint Committee meeting held 1 May 2020 are highlighted below. The full minutes of the meeting will be provided to each Partner Council in due course.

#### Confirm Alternate Appointments

- 2.1 Confirmation that Cr Martin Williams (HBRC) and Cr Alwyn Corban (HDC) have been appointed as alternates to the Joint Committee. Cr Nigel Simpson has previously been confirmed as the alternate for NCC.

#### Strategy Engagement

- 2.2 Planned community engagement under the Strategy has been impacted by COVID-19 restrictions.
- 2.3 The Committee endorsed a proposal to implement a phased approach to engagement, starting with virtual, light community engagement and then moving to more targeted and comprehensive face to face engagement as alert levels allow.

#### Project Managers Update

- 2.4 COVID-19 has impacted the ability of the project team to advance some elements of the Strategy.
- 2.5 Various options were presented for advancing project work under COVID-19. The Committee directed staff to advance all workstreams as quickly as possible within the current restrictions and within budgetary constraints.
- 2.6 The importance of Councillor engagement was highlighted, noting that an all Councillor workshop in early March was deferred and needed to be reconvened.

#### Workshop

A workshop was held following the ordinary meeting. Two key topics were discussed:

- 2.7 Update from the Design Workstream showing preliminary concept designs and revised costings for the first step of each long-term adaptive pathway. The designs and costings are subject to change as a result of external peer review and need to be discussed with panel members as a next step.
- 2.8 A discussion on the Funding Workstream, and how to advance this work with Councillors given COVID restrictions and the outcome of workshops held with each Council in August 2019. Next steps are to reconvene the all-Councillor workshop that was to be held in March as COVID restrictions allow. Discussions with each Council ahead of that combined workshop are also planned.

#### Next Meeting

- 2.9 The next formal meeting of the Joint Committee will be held on 7 August 2020, however discussions and workshops with Councillors from all Partner Councils are being planned before then.



## HAWKE'S BAY REGIONAL COUNCIL

Wednesday 20 May 2020

**Subject: DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA**

**Item 9**

### Reason for Report

1. This document has been prepared to assist Councillors note the Minor Items Not on the Agenda to be discussed as determined earlier in Agenda Item 6.

Item	Topic	Raised by
1.		
2.		
3.		