

The Chairman and Councillors

Finance and Corporate Committee

NOTICE IS GIVEN that the next meeting of the Finance and Corporate Committee will be held in **Council Meeting Room One, Bay of Plenty Regional Council, 5 Quay Street, Whakatane** on:

EMBARGOED

Until 2 working days before meeting on:

Tuesday, 25 October 2011

commencing at 9.30 a.m.

Mary-Anne Macleod
Chief Executive

17 October 2011



Finance and Corporate Committee – Terms of Reference

The Finance and Corporate Committee has a core function for formulating finance policy and monitoring financial and corporate performance.

Delegated Function

To develop and monitor Council's financial policy and corporate performance.

Membership

Eleven Councillors including the Chairman as Ex-Officio.

Term of the Committee

For the period of the 2010/2013 Triennium unless discharged earlier by the Regional Council.

Specific Responsibilities and Delegated Authority

The Finance and Corporate Committee is delegated the power of authority to:

- 1 Receive the Council's quarterly overall financial reports and to review the appropriateness of reports received and if necessary make recommendations to council on financial matters arising from council's financial reports.
- 2 Receive quarterly reports on corporate performance, if required.
- 3 Receive and consider month-end financial reports between quarters, if required.
- 4 Preview and approve the form and content of the annual financial statements.
- 5 Monitor Council's overall service and financial performance against the Ten Year Plan and Annual Plan, including overseeing the production of the Annual Report.
- 6 Develop, approve and review council's funding and financial policies.
- 7 Review internal financial systems.
- 8 Audit financial decisions, if required.
- 9 Consider significant corporate matters that require governance input.
- 10 Consider applications for the remittance of user fees, charges and rates that can not be dealt with under the delegation of another committee.
- 11 Establish subcommittees and delegate to them any authorities that have been delegated by council to the Finance and Corporate Committee and to appoint members (not limited to members of the Finance and Corporate Committee).
- 12 Approve its Subcommittee's recommendations for matters outside the Subcommittee delegated authority.
- 13 Approve, within its terms of reference, the transfer of budget levels between activities or to exceed the budget level for an activity with no commensurate savings elsewhere, up to \$100,000 and to recommend to Council amounts exceeding \$100,000.

Note:

The Finance and Corporate Committee reports directly to the Regional Council.

The Finance and Corporate Committee is not delegated the power of authority to:

- *Develop, approve or review strategic policy and strategy.*
- *Develop, approve or review non financial operational policies and plans.*
- *Allocate funding through the Environmental Enhancement Fund.*

Public Forum

1. A period of up to 15 minutes shall be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
 - name of participant;
 - organisation represented (if any);
 - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.

Committee Membership

Chairman:	P Thompson
Deputy Chairman:	P Sherry
Councillors:	R Bennett, T Eru, J Mansell, J Nees, I Noble, D Owens, L Thurston, M Whitaker
Ex Officio:	Chairman J Cronin
Secretary:	S Cubbon

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

- 1 **Apologies**
- 2 **General Business and Tabled Items**

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be delayed until a subsequent meeting.
- 3 **Reports**
 - 3.1 **Chairman's Report** 11
 - 3.2 **Group Managers' Report** 17
 - 3.3 **Contracting Quarterly Report - 1 July 2011 to 30 September 2011** 19

APPENDIX - Quarterly Contracting Report 1 July 2011 to 30 September 2011
Appendix I and II
 - 3.4 **Project Management Initiative** 25
- 4 **Presentation**

Geospatial Landscape
- 5 **Public Excluded Section**

Resolution to exclude the public

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

5.1 **Investment Performance Report for the month ending 30 September 2011**

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Reason

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.

Grounds

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

APPENDIX - 3 September Report BOPRC

6 **Consideration of General Business**

Reports

File Reference: 1.00424
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 25 October 2011
Report From: Paula Thompson, Committee Chairman

Chairman's Report

Executive Summary

This report provides the Committee with an update on information on Corporate Services activities that are being undertaken, what has been done to date, and what is planned for the future. This follows on from September's report. Committee's feedback on the format and content of this report is, as always, welcomed.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

1 Receives the report, Chairperson's Report.

2 Update

The table on the next page provides an update of Corporate Services activities.

What has been done	What was this	Outcomes	Status	Budget
IM Services Review	Reviewed the information management and IT services offered and benchmarked these against other similar councils.	Endorsement of most service levels being offered. Develop a programme for a move to a thin client desktop.	Completed. Action points underway. Key point of improvement is the development of a thin client strategy planned for 3rd and 4th quarter of this calendar year.	The review was \$30,240 excluding expenses/ Actual was \$30,585 including expenses. The actions have no specific budget as they will be accommodated within current operating budgets.
Data Monitoring Review	Review of how we capture, store and utilize data used in delivering our external functions.	A 5 year development pathway has been established focused on improvements across the board. See paper in today's agenda.	Completed. Action points underway and will help develop next Ten Year Plan.	\$10,000 consultancy plus staff time charges to operational expenses.
Laboratory review	Reviewed the need for and operation of an internal laboratory service. Services were benchmarked against other possible options and the market conditions were analysed to identify risks of seeking alternate delivery mechanisms.	Internal service delivery was identified as the best option. Operational improvements were identified. Improved lab performance achieved both financially and in quality assurance.	Completed.	\$15,000 approximately including staff time.
Participation in BoPLASS Ltd	This is a long term strategy aimed at obtaining benefits through the aggregation of procurement and service delivery in the back office. There are 9 participating councils.	Improved procurement – insurance, geospatial data, office and stationery equipment, telecommunication services etc. Developing an operating platform for inter council IT services to operate on so that IT dependent shared	As part of Councils internal connectivity programme resources are being shared with BoPLASS Council to put in place the connected platform for shared services reliant on IT to begin.	\$115,000 in procurement savings for council was reported for the 2009/10 year. This level of savings is predicted to continue through the current year. Intangible returns such as the benefits of joint procurement of

What has been done	What was this	Outcomes	Status	Budget
		services can commence.		aerial photography.
Corporate Services Strategy	An overall strategy looking at all corporate services, identifying their inter relationships and opportunities for improvements and what will be needed to be done to remove barriers to maximizing these opportunities.	An integrated, planned approach to corporate service offerings. Improved service levels, improved productivity and where achievable additional cost reductions.	To be implemented from the second quarter of the 2011/2012 financial year.	Within allocated resources.
Internal Communications	This plan provides an overview of our current environment, and outlines our goals and objectives, what we will deliver and how we will measure success. It sets out the roles and responsibilities of managers and staff for different teams and levels and discusses key initiatives and projects to manage and develop our internal communications programme.	<p>The goals we want to achieve through our internal communications plan are:</p> <ul style="list-style-type: none"> • improved knowledge and information flows through effective and efficient use of internal communication tools; • innovative and flexible in our approach to internal communications; • increased support for our internal communications approach and initiatives by all staff; and • know we're succeeding on internal communications. 	Several key actions in the plan are being implemented.	Within allocated resources.
Community Relations Strategy	This strategy is being reviewed and updated to provide guidance on the approach that the organisation will take to Community Relations.	A five-year strategic direction for Community Relations and how the organisation approaches this work and why.	Signed off by ELT.	Within allocated resources.

What has been done	What was this	Outcomes	Status	Budget
Enterprise Architecture Project	This project will identify the current state and desired future state of the Information Management environment. This will include the desktop, network, application and data infrastructure areas. The councils IT environment has grown organically over the years. A more sophisticated, interconnected environment requires a detailed architectural plan.	A detailed architectural plan showing the interdependencies of our physical equipment and the information it carries allowing for more efficient and informed adds, moves and deletions.	<p>Presentation completed at earlier Finance and Corporate Committee meeting.</p> <p>A further presentation will occur when completed at this stage early in the New Year.</p>	\$147,000. Includes, staff time, consultancy and software.
Information Strategy Review	This project will review the current Information Management Strategy. This strategy is the key guiding strategy for the Information Management sections of the Technology Group.	A revised 3 year strategy showing current state and desired future state. The implementations of the findings of this strategy are subject to funding resources if required.	<p>Project commences 1 July 2011 and is aligned with the Ten Year Plan process.</p> <p>A presentation is planned later this year.</p>	\$53,000 plus staff time (charged to staff capital).
Property review	A review of all properties owned by Council to identify whether they are being used appropriately.	If any parcels of land are identified as being surplus to requirements, opportunities for divestment will be explored.	The property review is 90% complete, with identification of only a few parcels of land remaining. These have been difficult to identify as the land ownership information is proving difficult to ascertain. As advised in the Group Managers' Report a report will be coming to the Finance and Corporate Committee meeting	Catered for in the overall property management budget.

What has been done	What was this	Outcomes	Status	Budget
			<p>on 29 November. It has been delayed due to staff resources tied up in the 'Rena' response.</p> <p>All staff have now been moved out of the Ground Floor of the West Wing in the Whakatane office.</p> <p>We have shown a couple of prospective long term tenants through the space; however we have yet to secure a lease.</p> <p>Once a tenant is found, there will be some work required around security in particular, to make the West Wing suitable for occupation.</p>	
Project Management	This will be explained at the meeting and regularly reported on in future.			

Paula Thompson
Committee Chairman

17 October 2011

File Reference: 1.00424
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 25 October 2011
Report From: Brian Trott, Group Manager Corporate Services

Group Managers' Report

Executive Summary

This report provided Committee members with an update on operational matters of interest not covered elsewhere on the agenda.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

1 Receives the report, Group Managers' Report.

2 Support for BoPLASS Information Strategy Services Plan (ISSP)

The Regional Council's information technology systems, data and applications are dispersed across the region in our five offices and two depots. Council has a programme to deliver connected services to these offices and depots which it does utilising the inter-council fibre service that BoPLASS coordinates connecting seven of nine council participants of BoPLASS.

In delivering council's needs we are in an opportunistic position where we can leverage our input to benefit the wider use and connectivity that the inter-council fibre service offers. In this regards Grant Probert, Council's IT Manager, has been seconded to BoPLASS for four months to commence the delivery of projects identified in the ISSP. The ISSP is a document that sets out the path and associated projects that would need to be followed and completed to get a level of connectivity between councils that would enable business related shared services to operate. Hosting of equipment and services, access and security protocols, a service to response to problems and fixes, are some of the projects Grant is initiating and working on.

Grant will give a short presentation to the Committee to highlight what he is working on. This will give Council a better understanding of what is needed to leverage further the regions collaborative local government business vehicle, BoPLASS Limited.

3 Update on Property Review Report

We suggested at the last Finance and Corporate Committee meeting held on the 13 September that we would be bring a Property Review Report to this meeting.

However, given the 'Rena' response of which the Property and Procurement team resources have been heavily involved in, there will now be a delay in completing the report until these resources are available. We hope to bring this report to you at the next Finance and Corporate Committee meeting to be held on the 29 November.

Brian Trott
Group Manager Corporate Services

14 October 2011

File Reference: 1.00030
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 25 October 2011
Report From: Ken Tarboton, Group Manager Environmental Hazards

Contracting Quarterly Report - 1 July 2011 to 30 September 2011

Executive Summary

This report provides summary information on the Bay of Plenty Regional Council's contracts awarded during the period 1 July 2011 to 30 September 2011. All contractual agreements are Council should be undertaken in accordance with the Contracts Manual which provides transparency to the contracting process and encourages good contract management.

Contracts to a total of \$787,970 were entered into during the period 1 July 2011 to 30 September 2011. During this period 27 contracts were executed: 25 were short form agreements (value of \$621,024) and two were full contracts (value of \$166,946).

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Contracting Quarterly Report - 1 July 2011 to 30 September 2011.**

2 Background

Environment Bay of Plenty's Contracts Manual has been operative since November 2006, and is based on Rotorua District Council's Contracts Manual. The manual was developed to provide good practice guidelines for council staff in the use of contracts and to encourage transparency to the contracting process.

3 Tendering requirements

The Contracts Manual lays out clear dollar value limits that designate whether a purchase order, short form agreement or full sealed contract is required. The following table lists the thresholds and tendering requirements as per the Contracts Manual:

Contract Type	Value Limits	Tendering Requirement
Purchase Order	Up to \$20,000	<\$10,000 single quote. \$10,000 - \$20,000 three written quotes. Close in Tender Box.
Minor Contract (short form)	Up to \$50,000	Three tenders generally sought. Close in Tender Box. Reduced assessment

		process.
Sealed Contract	\$50,000 and above	Public tender. Close in Tender Box.

4 **Delegated authority**

Tenders can be accepted or a contract signed on behalf of Council up to the following limits (GST exclusive):

Managers	Within financial delegation to \$50,000
Group Manager	Up to \$100,000
Chief Executive	\$100,000 to \$400,000
Chief Executive and Chairperson	\$400,000 to \$1,000,000
Council or Emergency Committee	Over \$1,000,000

5 **Waiver of the contract procedures**

In accordance with the Contracts Manual, any deviation from the standard contract procedure (that is, not fully tendering, seeking proposals or seeking quotes) must be supported by a written rationale and this must be authorised by the officer with delegated authority to approve the contract. Recommendation not to publicly advertise contracts over \$50,000 must be approved by the Chief Executive. Possible reasons for not publicly tendering include urgency, limited private sector capability, existing contracts extended and works needing a high level of control.

6 **Summary of contracts 1 July 2011 to 30 September 2011**

The contracts issued in the quarterly period (over \$20,000) are listed as 11 short form agreements in Appendix I and two sealed contracts in Appendix II. A summary of all the contracts issued and their total value (including those under \$20,000) is given in Table 1 below.

Table 1 Summary of 1 July 2011 to 30 September 2011 Contracts

	Number	Value
Short form Agreements		
Short form agreements with values less than \$50,000	24	\$531,024.00
Short form agreements with values greater than \$50,000 (executive waiver obtained)	1	\$90,000.00
Total	25	\$621,024.00
Sealed Contracts		
Selected tenderers	1	\$147,720.00
Publicly advertised	1	\$19,226.00
Total	2	\$166,946.00

Of the 2 full contracts, 1 was approved by the Chief Executive and 1 was approved by the Pollution Prevention Manager. Of the full contracts 50% were publicly tendered and 50% were selected tenderers.

A total of 26 different contractors were used. Table 2 shows contractors that won more than one contract.

Table 2 Contractors, Consultants or Companies awarded more than one contract in the period 1 July 2011 to 30 September 2011.

Contractor, Consultant or Company	Number	Total Value
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N Taylor	2	\$15,000
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7 **Financial Implications**

Current Budget

Contract administration is budgeted for under Corporate Support. The budget covers updates to the Contracts Manual and funds the production of this report.

Future Implications

None

Ten Year / Annual Plan Implications

Kirsty Brown
Asset Management Officer

for Group Manager Environmental Hazards

17 October 2011

APPENDIX

Quarterly Contracting Report 1 July 2011 to 30 September 2011 Appendix I and II

Appendix I – Short Form Agreements – 1 July 2011 to 30 September 2011 (over \$20,000)

	Contract No.	Title	Contractor/Consultant	Cost (excl GST)	Contract Amount or Maximum
1	2011 0231	Carry out economic impact assessment	NZ Institute of Economic Research	\$25,000	\$25,000
2	2011 0238	Hughes stream works	Site Works Services Ltd	\$27,906	\$27,906
3	2011 0251	Act as a commissioner for BOPRC resource consent hearings as agreed	Hill Young Cooper Ltd	\$200 per hour	\$40,000
4	2011 0207	Technical reviews of resource consent applications	Waterline Engineering Consultants Ltd	\$140 per hour	\$40,000
5	2011 0208	Processing resource consent applications and providing technical advice	Waiora Soil Conservation	\$90 per hour	\$40,000
6	2011 0209	Technical reviews of resource consent applications (geothermal)	M Grant (Magak)	\$40,000	\$40,000
7	2011 0212	Technical reviews of resource consent applications (air)	Graham Environmental Consulting Ltd	\$40,000	\$40,000
8	2011 0239	Pollution prevention contractor	D Culliford	\$48,000	\$48,000
9	2011 0243	Pollution prevention contractor	C Neilson (CD Consultants)	\$48,000	\$48,000
10	2011 0260	Rotorua Lakes Land Use change and management	Headway Ltd	\$50,000	\$50,000
11	2011 0211	Contract resource consent processing	Ryder Consulting Ltd	\$90,000	\$90,000

Appendix II – Full Contracts – 1 July 2011 to 30 September 2011

Contract Number	Title	Tenderers	Contract Manager	Contract Price excluding GST	Approved By	Estimate (excluding GST)	Publicly Tendered or Selected Tenderers	Comments
2011 0213	Air emission audit	Air Resource Management Ltd K2 Environmental Ltd Watercare Laboratory Services	Steve Pickles	\$19,226.40	Pollution Prevention Manager	\$50,000	Publicly tendered	
2011 0225	Feral Goat Control 2011	N Buchanan and Back Country Contracting Ltd Wild Animal Control (2007) Ltd	David Paine	\$147,720.00	Chief Executive	\$150,000	Selected tenderers	Awarded to both N Buchanan (\$69,120) and Back Country Contracting Ltd (78,600).

File Reference: 1.00326
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Corporate Committee
Meeting Date: 25 October 2011
Report From: Miles McConway, Group Manager Technology and Economic Development

Project Management Initiative

Executive Summary

An initiative is currently underway to define a fresh approach to project management at the Council. The goal is to enable project teams to be successful and make project management an integral part of business as usual. This is being done by managing project work in the business context, and by providing tools, templates and training to support good practice.

The initiative also establishes a Project Forum and Project Support office to provide assistance and ensure a sustainable long term future for project management moving forward.

1 Recommendations

That the Finance and Corporate Committee under its delegated authority:

- 1 Receives the report, Project Management Initiative.**

2 Background

This new approach to project management stems from widespread support for an initiative to strengthen both individual and corporate project management capability. Requested and endorsed by staff, managers and the Executive Leadership Team (ELT), the new approach has two strong business drivers:

- The next Ten Year Plan (TYP) brings a more systematic approach to business planning at the project level. It requires businesses to identify programme action projects in terms of output, goals, costs and resources. These will be reported in the business quarterly reports. Effective project management provides a framework to create and manage these projects successfully giving greater assurance to the accomplishment of the TYP.
- There is an increasing emphasis on programmes that draw together work from across the Council organisation to focus on specific community outcomes. These require greater transparency and integration of their component projects to enable visibility and control over the programme as a whole.

The effect of these two drivers is to give projects greater visibility. They emphasise the importance of project performance to achieving business success. These drivers lead

to the new approach to project management stepping up to the challenge, specifically to have effective solutions for:

- A project process that starts with defining the TYP projects
- A project management method that addresses project accomplishment through the year, enabling quarterly reports to reflect successful TYP project execution
- Reporting to business and programmes that enables portfolios of project work to be managed to create the required programme outcomes.
- Project documentation in the toolsets used to manage the TYP and Quarterly Reporting process (principally Technology One Works and Assets)
- Staff with the skills and knowledge to manage projects well
- Support from the business, particularly in directing projects to enable them to play their part in creating the desired community outcomes, but also in project resourcing and service provision.

3 **Objectives**

The objectives of project management at the Council are therefore as follows:

- The Council makes project management a distinct part of “business as usual” to manage effective accomplishment of the TYP and other programmes
- An appropriate method is applied effectively and tailored to deliver the right project outputs at the right time with the right costs through the business lifecycle
- Tool and template support is provided to enhance productivity, give adequate visibility to projects and satisfy business reporting needs
- Staff receive communication, training and direction that empowers them to be effective in the project context and improves recognition for their contribution to Council outcomes
- Appropriate resources are available and can be deployed effectively to meet Council commitments with agility
- The Council makes a quantifiable improvement in its project management maturity from awareness of process through a repeatable process to a defined process as measured by the PRINCE2 Maturity Model (P2MM).

4 **Scope**

The approach to project management at the Council is defined in terms of the following:

- A method to manage project work effectively at multiple levels (Basic, Standard & Major) based on tailoring the international standard PRINCE2
- Tools and templates that track project success factors and improve management efficiency
- Training that equips business leaders and project managers with the knowledge and skills required for success
- A business context that provides appropriate direction, resourcing and support to projects
- A communications plan to make project management part of the organisational culture at the Council

Mark Langridge
Manager Information Services

14 October 2011

Public Excluded Section