

### Full Council

29 May 2025

### Report for Agenda Item | Rīpoata moto e Rāraki take [7]

**Department:** Assurance, Finance & Risk

**Title | Taitara:** Procurement Plan for Regulatory Services Contract

#### Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to obtain Council approval to undertake procurement in accordance with the Procurement Plan appended as Attachment A.

#### Executive Summary | Whakarāpopototaka Matua

Due to the cost of this contract over a proposed seven-year term it is necessary to go through a full procurement process. This report seeks a delegation from Council to the Chief Executive to finalise the Procurement Plan and to enter into the necessary agreements to enact the intention of the Procurement Plan utilising the budgets summarised in this report

#### Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Delegate** authority to the Chief Executive to make any final changes and execute the Procurement Plan; and
3. **Delegate** authority to the Chief Executive to enter into the necessary agreements to enact the intention of the Procurement Plan utilising the budgets summarised in this report.

**Prepared by:**



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30 April 2025

**Reviewed and Authorised by:**



**Name:** Katherine Harbrow  
**Title:** Assurance, Finance and Risk General  
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6 May 2025

### Context | Horopaki

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1. Regulatory afterhours services have been historically contracted out prior to and since the amalgamation of Lakes Environmental and Queenstown Lakes District Council (QLDC) in 2013. Cougar Security have held the Regulatory Services Contract since 2013. A two-year extension to the contract was undertaken in 2018.
2. Procurement for the current Regulatory Services contract took place in 2020 with Cougar Security New Zealand Group Limited awarded the contract in 2021 and this contract is due to expire on 30 June 2026. The most recent formal review in 2024 met expectations.
3. Below is the historical spend of the current contract:

Total from 1 July 2021 to 1 April 2025 is \$3,388,775.41.

2021/22	\$716,958.21
2022/23	\$826,878.88
2023/24	\$923,701.50
2024 – 1 April 2025	\$921,236.82 (4 months of receipting to go)

4. The key areas of service are:
  - Afterhours Animal Services
  - Afterhours Noise Control
  - Afterhours Parking Services
  - Daytime Parking Control
  - CCTV ticketing
  - Freedom Camping Patrol
  - Afterhours Resource Management Act 1991 enforcement
  - Urgent ACO cover (daytime)
  - Releasing vehicles from the pound for cars
  - Ad hoc signage installation
5. Due to the cost of this contract over a proposed seven-year term it is necessary to go through a full procurement process. This report seeks a delegation from Council to the Chief Executive to finalise the Procurement Plan and to enter into the necessary agreements to enact the intention of the Procurement Plan utilising the budgets summarised in this report.
6. At this time, it is anticipated that the proposed seven-year contract (three-year initial term plus a two x two year right of renewal at Council's discretion) will cost approximately \$7,100,000 plus GST. Costs are outlined further in this report.

### Analysis and Advice | Tatāritaka me kā Tohutohu

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7. The Regulatory Services contract is set up in a manner in which the Council pays for what it gets and is scaled upon demand. This means that there is flexibility to adjust levels of service according to demand. In relation to "Request For Service" (RFS), payment is made on a call out basis which means that this service is naturally scaled dependent on demand.

8. Demand on services is increasing due to growth, both of the local community and tourism and of particular interest is the pressure on parking resources in the district and freedom camping.

#### Contract review

9. The current manner in which the regulatory services subject to this contract are being provided is working well and provides good service to the community. Using a contractor for the provision of these services under the guidance and direction of internal QLDC regulatory staff enables consistency and timely service. The scope of services provided in the contract are all interrelated.
10. Analysis has taken place to see if there is opportunity to separate the provision of these services and while there could be some ability to separate these services, this is not the recommended way forward, with disadvantages being:
- These services are provided by cross warranted staff that undertake all functions at times at the direction of the contractor facilitator.
  - Splitting the contract would require additional internal resource to work with and provide direction to the potential multiple contractors as well as undertake auditing and general contract management
  - It is likely that the cost of these services would be greater if split into multiple contracts.
  - Retention of staff is increased with multiple varying functions (we found that in the past that parking focussed roles have a high turnover)
  - Multiple contractors reduce consistency of the application of the enforcement strategy across varying functions which all need the same level of discretion applied.

#### Estimated Costs

11. At this time, it is anticipated that the proposed seven-year contract (three-year initial term plus a two x two year right of renewal at Council's discretion) will cost approximately \$7,100,000 plus GST. This is our best estimate at this time, although the actual cost could be more or less due to inflation and increase in requests for service.

### Forecasting 3+2+2 cost of contract

Actual cost of contract		CPI2.2%					
2022/23	2023/24						
\$826,878.77	\$923,701.50						
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/2031	
Y1	Y2	Y3	Y4	Y5	Y6	Y7	Total contract :
\$944,022.93	\$964,791.44	\$986,016.85	\$1,007,709.22	\$1,029,878.82	\$1,052,536.16	\$1,075,691.95	\$7,060,647.37

\*\*Not inclusive of growth

### *Ten year plan considerations*

Sum of Amount	Column Labels	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
71 - Regulatory & Enforcement		985,861	1,033,088	1,076,861	1,138,145	1,184,302	1,229,295	1,272,905	1,317,375	1,362,509	1,406,398
2531 - Dog ctrl		43,945	46,011	47,945	50,654	52,688	54,669	56,593	58,553	60,553	62,486
2576 - Noise ctr		89,153	94,235	98,547	104,545	109,195	113,760	118,125	122,584	126,926	131,359
2602 - Campervan pat		190,000	198,930	207,292	219,006	227,801	236,367	244,682	253,160	261,803	270,163
2753 - Park ctl		662,762	693,912	723,079	763,941	794,619	824,499	853,505	883,078	913,227	942,389
<b>Grand Total</b>		<b>985,861</b>	<b>1,033,088</b>	<b>1,076,861</b>	<b>1,138,145</b>	<b>1,184,302</b>	<b>1,229,295</b>	<b>1,272,905</b>	<b>1,317,375</b>	<b>1,362,509</b>	<b>1,406,398</b>

### Key Statistics

12. Afterhours RFS statistics for the last two financial years are set out below:

Service	2022/23	2023/24
Animal Control	625	446
Freedom Camping	110	127
Noise control	1237	942
Parking	492	582

### Procurement

13. The QLDC Procurement Manager has been engaged to consider various procurement models. A single stage, open Request for Proposals has been determined as being the most appropriate.

14. The Procurement Plan sets the rationale for the procurement process, the “go to market” strategy, the key timeframes and the secondary benefits sought.

### Scope of Services

15. The scope of services remain consistent to the current contract, however, there has been some minor additions to encompass small services required under this contract including

- Signage installation
- Animal control and parking urgent daytime cover

16. Other additions to the contract are expectations set for auditing of warranted officers, training of warranted officers, providing those records to council, and an opportunity for a yearly fee increased linked to CPI.

### Options

17. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

18. Option 1 Approve Procurement Plan and delegation of authority to the Chief Executive for any final changes and execution of the Procurement Plan

### *Advantages:*

- Option 1 is consistent with the QLDC Procurement Policy and QLDC Enforcement Strategy and Prosecution Policy.
- The procurement process will likely be completed by the expiration of the existing regulatory services contract.

### *Disadvantages*

- The Council will be acting contrary to its internal policies by not acting in accordance with the Procurement Policy.

19. Option 2 Do not approve the Procurement Plan and delegation of authority to the Chief Executive for any final changes and execution of the Procurement Plan.

### *Advantages:*

- More time will be available for market engagement.

### *Disadvantages:*

- Any change to these plans will increase the time required for the procurement process and may result in needing to extend the current contract to allow for changes to timings.
- Having no Regulatory Afterhours Services would require additional resources to cover the role in house to meet demand.
- Interested parties to this procurement may find alternative options if there is a delay to this process.

20. Option 3 Approve the Procurement Plan but not the delegation of authority to the Chief Executive for any final changes and execution of the Procurement Plan.

### *Advantages:*

- Council will have operational oversight of the process

### *Disadvantages:*

- Any change to these plans will increase the time required for the procurement process and may result in needing to extend the current contract to allow for changes to timings.
- Interested parties to this procurement may find alternative options if there is a delay to this process.

21. This report recommends **Option 1** for addressing the matter because it is consistent with the QLDC Procurement Policy and QLDC Enforcement Strategy and Prosecution Policy. The procurement process will likely be completed by the expiration of the existing regulatory services contract, ensuring we meet service levels expected by the community.

### Consultation Process | Hātepe Matapaki

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#### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

22. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because the community has an interest in the level of service and performance provided to them in regard to regulatory functions.
23. The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes district community and suppliers of related services.

#### Māori Consultation | Iwi Rūnaka

24. Consultation with iwi has been considered to be not required with respect to the subject matter of this report.

### Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

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25. This matter relates to the Financial risk category. It is associated with RISK10022 Ineffective operations and maintenance of community services or facilities within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
26. The approval of the recommended option will allow Council to avoid the risk. This will be achieved by having a competent contractor in place prior to the end of the current contract, which will allow for a good handover and induction if required.

### Financial Implications | Kā Riteka ā-Pūtea

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27. The estimated costs have been discussed earlier in the report and have been considered as part of the Annual/Long Term Plans.
28. Financial delegation for a contract of this size sits with Council and this report seeks delegation from Council to the Chief Executive.

### Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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29. The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050: Our Vision and Mission
  - QLDC Enforcement Strategy & Prosecution Policy
  - Procurement Policy
  - Procurement Guidelines



30. The recommended option is consistent with the principles set out in the named policies.

31. This matter is included in the Long Term Plan/Annual Plan

#### **Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture**

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32. The QLDC Legal Team will provide support to draft the respective contract.

#### **Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka**

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33. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The recommended option will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing a structured process for selecting a preferred contractor. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

34. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

#### **Attachments | Kā Tāpirihaka**

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A	Procurement Plan for Regulatory Services Contract
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