

Item 2: Procurement Plan for Waterways Regulatory Services Contract - Update

SESSION TYPE: Briefing

PURPOSE/DESIRED OUTCOME:

To inform elected members on the upcoming procurement of the Waterways Regulatory Services Contract via a pre-circulated briefing paper and invite informal feedback for consideration at the Council Workshop.

DATE/START TIME:

Tuesday, 17 June 2025 at 10.30am.

TIME BREAKDOWN:

Presentation: 5 minutes
Discussion: 25 minutes

Prepared by:



Name: Isabelle Logez
Title: Monitoring, Enforcement & Environmental Manager
29 May 2025

Reviewed and Authorised by:



Name: Katherine Harbrow
Title: Assurance, Finance and Risk General Manager
29 May 2025

ATTACHMENTS:

A	Briefing Paper: Procurement Plan for Waterways Regulatory Services Contract – Update
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Full Council Workshop

17 June 2025

Department: Assurance, Finance & Risk

Title | Taitara: Procurement Plan - Waterways Regulatory Services Contract - Update

Purpose of the Briefing:

To inform elected members on the upcoming procurement of the Waterways Regulatory Services Contract.

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Manager
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Background

Context

1. The current Waterways Regulatory Services contract that the Queenstown Lakes District Council (QLDC) holds with Cougar Group Limited is due to expire on 30 June 2026. Cougar Group Limited have held this contract since 1 July 2021, following a review of performance at the 3-year period of the contract, a two-year renewal of the contract took place (under Clause 7.2 of the contract) with the final expiry date of 30 June 2026.
2. Given the total anticipated contract value falls below the specified thresholds, procurement approval will be sought through the Mayor and Chief Executive, in alignment with the OPEX financial delegation.
3. Officers have identified the interest and value of this service within the community, as many residents and visitors engage and interact with the district's waterways. It has been deemed appropriate to inform elected members of upcoming procurement of this service in consideration of the community interest.

Otago Regional Council Delegation

4. In 1994, Otago Regional Council (ORC) transferred to the QLDC all its functions, duties and powers under the Harbour Act 1950 in relation to navigable rivers and lakes within the district of QLDC. This unique arrangement grants QLDC the authority to administer and enforce navigation safety on its waterways, including the power to establish related bylaws such as the Navigation Safety Bylaw 2025 and the Shotover River Bylaw 2021.
5. ORC have provided endorsement to undertake this procurement to secure a new contract for Waterways Regulatory Services.

Roles and Responsibilities

6. There are a number of agencies that share responsibilities for waterways safety. These include Maritime New Zealand, Police, Coastguard, and QLDC's Harbourmasters and Officers. Their roles and responsibilities are key to understanding the scope of this contract;

A) Maritime NZ (MNZ)

The national safety regulator for recreational and commercial water activities. MNZ investigates major incidents, supports and co-ordinates search and rescue (in collaboration other agencies such as Police and Coastguard), manages skipper and vessel licensing, and promotes boating safety education.

B) Police

Police coordinate emergency responses and may deploy Coastguard, LandSAR, swift water rescue, or rescue helicopters depending on the situation. In any emergency situation, Police should be contacted in the first instance.

C) Coastguard

*Coastguard are deployed via the Police in emergencies. For non-emergencies such as a broken-down vessel, Coastguard can be contacted on *500. Membership is available, similar to AA.*

D) QLDC and the Waterways Regulatory Services contract

The main role of the Waterways Regulatory Services contract is to undertake education and enforcement of relevant water safety rules and bylaws such as the mandatory wearing of lifejackets on all vessels under six metres and speed limits in different waterways. The QLDC in-house team includes Harbourmasters and Officers within the Enforcement Team. QLDC contract out specific functions such as patrol, education, community engagement and enforcement to the Waterways Regulatory Services contractor.

Timeline

7. The forecasted timeline for procurement of this contract is contained below;

Milestone	Date
Sign offs by Mayor and CE	July 2025
RFP uploaded to GETs	1 August 2025 – 29 August 2025
Evaluate proposals	1 September 2025 – 30 September 2025
Contract awarding and signing	1 October 2025 – 15 March 2025
Commencement of contract	1 July 2026

Key elements of contract

8. The Waterways Regulatory Services contract is set up in a manner in which the Council pays for an expected level of service and response. This means that there is consistency in response level and expectations are clear. There is a matrix in the current contract which scales the need for patrols based upon seasonality.
9. The following criteria are core components of this service;

- Patrolling
- Enforcement and Regulatory Functions including Request For Service (RFS)
- Education and Communication
- Reporting (RFS, Patrol, Hours)
- Waterways Assets Programme – Hazard Identification, Asset Maintenance identification
- Qualifications and experience of staff – Warranted Staff, Staff using any vehicles, vessels (Boats and Jet skis) or equipment shall hold appropriate and required certifications / licences.
- Unplanned Services – Work with agencies as necessary.
- Other – Provision of appropriate resources (Vehicles, Jet Skis, equipment)
- Licensing of special events or other water activities (Reserved areas and Speed Up-lifting

10. During the tenure of the Waterways Regulatory Service contract, additional services intrinsically linked with this service have been identified. Further detail on these additional services have been included under 'Amendments to the Waterways Regulatory Services Contract'.

Assessment & Observations

11. The current contract has been assessed through a number of mechanisms. This includes first-hand observations on the water during peak periods and throughout the year. As part of the Navigation Safety Bylaw 2025 development and interactions through the service, Officers undertook active engagement with community members, stakeholders, and commercial operators to gain a well-rounded understanding of current needs and challenges of the service.

12. Key observations are listed below;

- Over the length of the current contract there has been a noticeable increase in volume and type of use on the district's waterways.
- It was noted that while fit for purpose when implemented, there is limited flexibility in adapting the current contract to meet fluctuating demands.
- There is an expectation from the community that an increased level of engagement is desired to educate waterways users and monitor compliance with the Navigation Safety Bylaw.

13. In consideration of the above assessment and observations, Officers are presenting a procurement plan that captures key amendments to the contract with the intention of the continuation of meeting the needs of the community and delivering a high level of service.

14. The amendments to the current contract presented below establish a reasonable and practicable increase in level of service. Officers understand that the level of this particular service in the district is considered significant in comparison to other Councils in New Zealand, because of our unique environment and tourism related peak season effects. Officers consider that the proposed amendments to this service set out below find a balance between managing high expectations

from the community, seasonal demands, and ensuring the approach is reasonable, practicable, and appropriately funded.

Amendments to the Waterways Regulatory Services Contract

15. A number of amendments to the Waterways Regulatory Services contract will be implemented as part of this procurement process in response to the assessment and key observations undertaken. These are listed below;

Increase patrol hours by 20%

16. The current contract allocates 2,000 hours per year to each of the three core areas: on water patrols, on shore patrols, and office administration. In response to key observations from staff, Officers have incorporated a targeted 20% increase in the hours dedicated to on water and on shore patrols. This would mean moving from 2,000 hours annually in each area to 2,400 hours. Office administration hours would remain unchanged at 2,000 hours per year.
17. Increasing patrol hours by 20% will enable the service to expand its patrol presence and enhance Council's ability to proactively engage with the community to educate and enforce compliance with relevant navigation safety legislation.

Amend approach to frequency of patrol and patrol hours

18. The current contract outlines a detailed schedule, specifying the number and type of patrol visits at each location every month throughout the year. Whilst this provides structure, it offers limited flexibility to respond to changing demands in patrol locations or frequency.
19. To ensure the contract remains fit for purpose throughout its tenure, the contract will be amended to introduce a more adaptive approach. Patrol requirements during non-peak months will be clearly specified, while the contractor will be required to develop and submit a Summer Plan for the peak summer period, subject to approval by QLDC.
20. The Summer Plan will detail patrol frequency and resourcing across the district during the busiest months on the water from November through to March. This collaborative process allows Council to work closely with the contractor to ensure the plan addresses changing demands effectively.
21. Notably, two-thirds of patrol hours will be focused on this peak period, and with the proposed 20% increase in total patrol hours, an additional 800 hours will be dedicated specifically to summer patrols.
22. The plan will also include patrol coverage of the upper Clutha River, a service that was previously supported by Maritime NZ funding. Incorporating this into the contract ensures continuity of

patrols on the river, safeguarding the service in the event that MNZ may not grant this funding in the future.

23. These amendments provide clearer guidance to the contractor, enabling patrol efforts that are more responsive, targeted, and aligned with community priorities.

Amend patrol locations

24. There are a number of patrol locations included within the current contract – these are listed below;

- Shotover River (Upper and lower)
- Lake Whakatipu
- Kawarau River
- Clutha River
- Lake Hawea
- Lake Wanaka
- Other wider areas e.g. Glenorchy (including Dart and Rees), Kingston, Matukituki, Makarora.

25. The patrol locations will be amended to expand on the larger encompassing patrol areas. This is specific to Lake Whakatipu and Lake Wanaka;

- Lake Whakatipu
 - Frankton Arm
 - Queenstown Bay
 - Western beaches (Sunshine bay/Wilsons Bay/Bobs Cove)
- Lake Wanaka
 - Roys Bay
 - Glendhu Bay/West Wanaka
 - Outlet/Stevensons Arm

26. This expanded coverage of these patrol locations ensures an increased presence across critical hotspots with the aim of improving safety and engagement with users in both established and emerging recreational areas.

Inclusion of additional services

27. As identified in this report under 'Key elements of contract', during the tenure of the Waterways Regulatory Service contract, additional services intrinsically linked with this service have been identified.

28. These additional services are listed below, with a brief description of their relationship with the contract;

A) Providing navigation safety comment on water-based resource consents

The harbourmaster is engaged by QLDC's Planning Department as a subject matter expert to provide navigation safety comment on water-based resource consents. The cost of this engagement is on-charged to the applicant. Officers will be requesting applicants for this contract to provide their hourly charge rate for consideration.

B) Surface inspection of moorings

The harbourmaster is engaged by QLDC's Property & Infrastructure Department to undertake surface inspections of moorings in the district. The cost of this engagement is factored into the mooring fees paid by mooring owners. Officers will be requesting applicants for this contract to provide set fees associated with this work for consideration.

C) Boat Ramp Ambassadors

Historically, QLDC's Regulatory Team and Property Team annually engages the Waterways Regulatory Services contractor to provide boat ramp ambassadors over the peak summer period. The purpose of this service is for the contractor to provide staff that will be stationed at assigned boat ramps to jointly provide education to waterways users of the relevant navigational safety legislation and collect boat ramp fees. Officers will be requesting applicants for this contract to demonstrate their ability to provide this service and their hourly charge rate for consideration.

29. These additional services represent ongoing, regular expenditures and operational efforts undertaken by the contractor. It is considered best practice to ensure the procurement of this upcoming contract captures these additional services to formalise existing engagement that is considered imperative to the role and this service. Furthermore, incorporating these additional services into the contract procurement process guarantees that all applicants are both committed and adequately equipped to deliver the comprehensive range of services required.

Increased contract duration

30. The duration of contract will be extended from five to seven years by adding an additional two-year renewal option to the existing three-year term plus a two-year renewal period.
31. Increasing the duration of contract provides assurance of a long-term service provider and ensures that the applicant can adequately prepare for larger up-front investments—such as vessels, safety equipment, and support infrastructure.

32. The inclusion of right of renewal clauses (which exist with the current contract) provides Council with the ability to assess the performance of the contractor throughout the contract.

Financial Implications

33. Waterways Regulatory Services and associated contract is financed through Shotover River concession fees. Based on projected budgets, the proposed amendments to the contract, including increased patrol hours and contractual demands, are expected to be adequately funded.