

# Construction Clients' Group

Ian Wheeler

Property Department Manager

23 February 2011

# Introduction

- How property is organised across the new council
- Auckland Council Property Ltd (CCO) and Auckland Council Property Department
- Purpose, scale and activities of Property Department
- Challenges, opportunities and priorities for the department
- Approach to projects and procurement.

## **Governing Body**

e.g. asset management planning:  
region-wide baseline service levels/  
capital works planning, regional  
capital works projects

## **Local Boards**

e.g. input into asset management  
plans/prioritising local capital works/  
approving design specifications for  
local capital works

## **Council Departments:**

Core / service property

## **CCOs:**

Specific areas

# Major Role Players in Property / Infrastructure Council

- Property Department
- Parks, Sports and Recreation
- Infrastructure and Environmental Services
- Community Development, Arts & Culture
- Libraries.

# CCOs

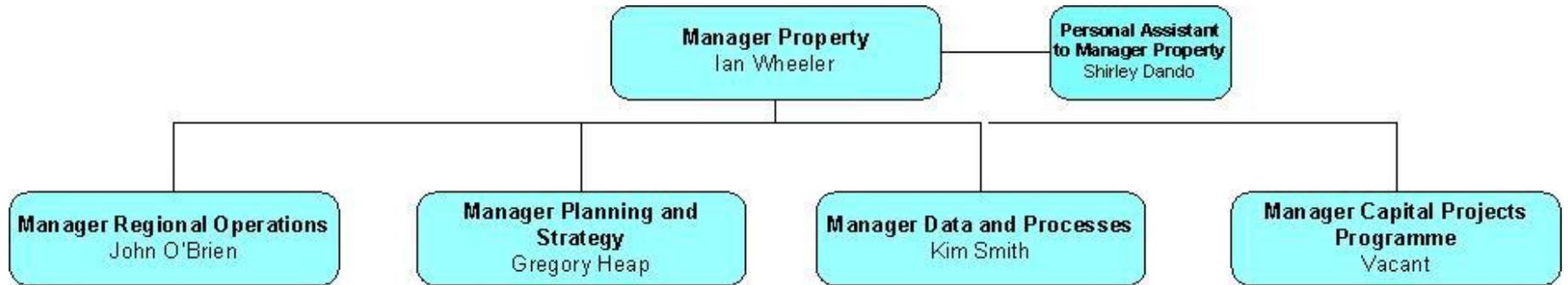
- Auckland Council Property Limited
- Auckland Transport
- Waterfront Development Agency
- Regional Facilities
- Water Care.

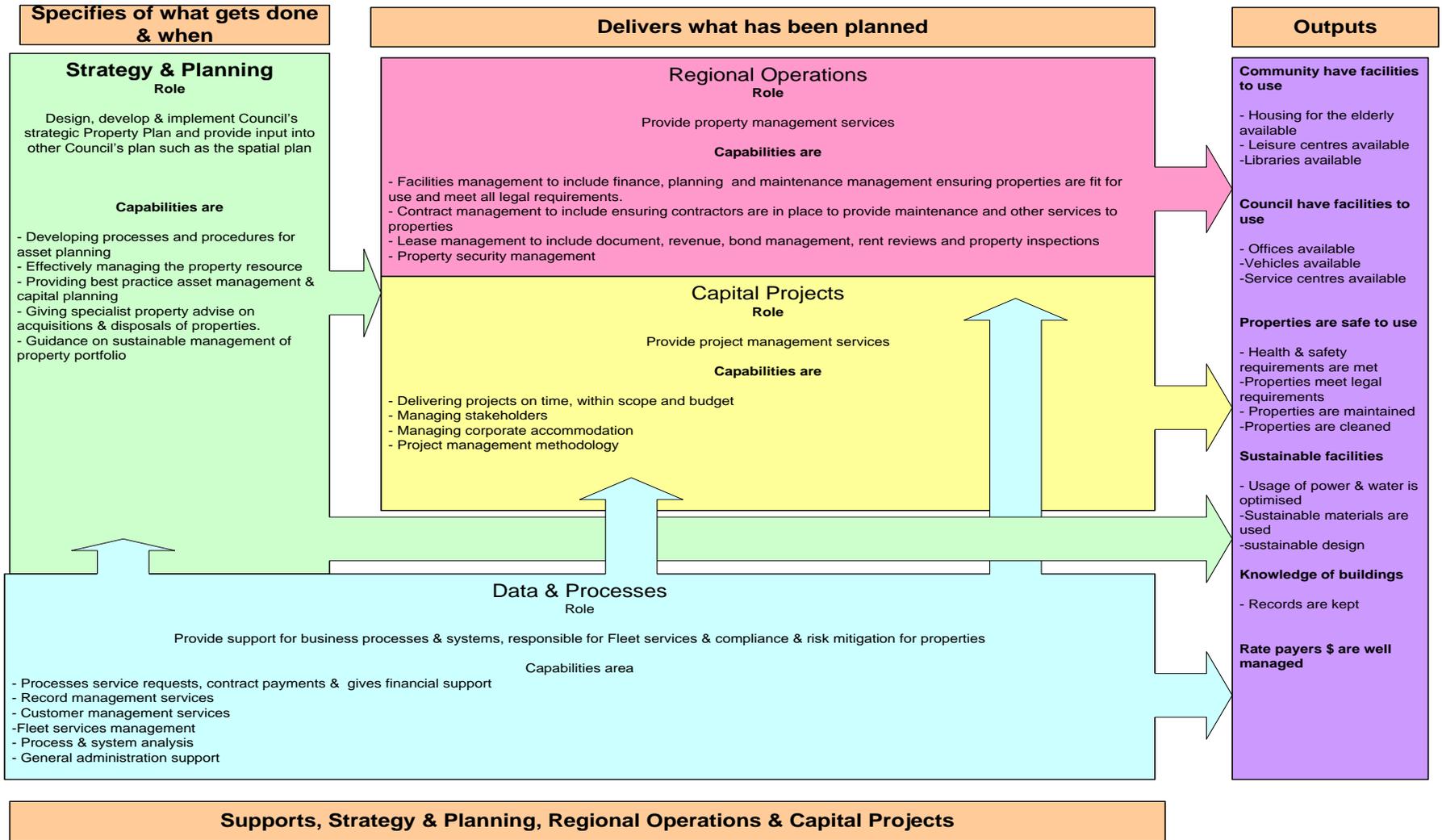
# Auckland Council Property Ltd (ACPL)

- Non-core properties
- Development facilitation
- Acquisitions and disposals
- Commercial property advice.

# Auckland Council Property Department: Purpose

- Contribute to Auckland Council's strategic purpose
- Deliver comprehensive property services that meet business needs and customer expectations
- Work with stakeholders to optimise Property's potential to catalyse positive change.





# Size / Staffing etc

- Billion-dollar portfolio
- Capex: value > \$300m — number ± 500 projects
- Opex: \$85m
- Staff: 172.

# What Properties Do We Manage?



**1574** Housing for the elderly



**41** Council office accommodation, Corporate buildings & service centres

**23** Swimming pools  
**29** Leisure centres and recreation



**51** Libraries  
**123** Community halls  
**49** Community centres



**691** Sporting Facilities  
**514** *Passive recreation assets*



**5** Early Child care centres

**460** Public toilets



**4800** Areas of  
**Rocklands of**  
**Council**  
Te Kaunihera o Tāmaki Makaurau



# Project Te Whare



**Demolish the old fire-damaged building (formerly the *Whare o Torere*) in the Emilia Maud Nixon Garden of Memories, Howick, and replace with a new *Whare* with improved facilities and fire protection.**

**Background: a highly political / emotive project that has been six years in the making after the initial arson attack in October 2004.**

# Baverstock Cottage Project



✓ Historic building

## Mt Roskill Library and Fickling Centre Redevelopment Project



**Renewal and reconfigure both library and Fickling Centre to meet the needs of the community.**

**The projects was aligned in FY10/11 to produce project efficiencies relating to project management, community consultation, architectural engagement and construction so that council can achieve common benefits and cost savings.**

## HFTE Refurbishment Project South Auckland



- ✓ 10/11 HFTE refurbishment programme includes 80 units
- ✓ Location: Court Town 12 units
- ✓ Bridge Court 68 units

# Henderson Accommodation Project



Newly refurbished open plan office space Civic Building Level 1  
Henderson for Executive and HR Teams.

# Aotea Square Redevelopment Project



**Major capital investment in Auckland City, comprising of the Civic car park roof replacement, car park upgrade, Aotea Square upgrade and Aotea Centre façade upgrade.**

**Aotea Square is the city's premier civic open space and finest venue for public activity, performing arts and creative industries.**

**The project included savings of over \$40m due to changes in methodology, innovations and programming.**

**Major innovations included seismic strengthening, use of carbon fibre, electronic mapping (for leak detection - first time used in NZ), waterproofing membrane, specially designed concrete mix for low shrinkage and crack resistance.**

# Auckland Art Gallery



**Situated on the edge of Albert Park within Auckland's CBD**

**This heritage seismic strengthening and restoration project includes an extensive addition to the historical building, to bring the gallery up to modern world standards.**

**The project team has provided a structure that is complex, whilst maintaining high-quality standards.**

# Auckland Zoo (Te Wao Nui)



**Te Wao Nui is for all New Zealanders to experience but will also be an exciting and important destination for our international visitors. Te Wao Nui will be ready in time for the Rugby World Cup in 2011.**

# Challenges

- Engagement in new purpose and vision
- New way of working / culture
- Systems
- Staff stability and fatigue
- New council and local boards
- CCOs
- Overlap and inter-dependencies
- New relationships, networks, stakeholders and customers
- Risk management
- Retain operational and asset knowledge
- Management information.

# Opportunities to Improve

- Procurement opportunities: bundling and rationalisation
- Performance management – service delivery and measurement
- Underutilised assets
- Sharing best practices, knowledge and skills
- Simplify processes
- Can do culture.

# Organisation-wide Priorities

- Operational stability
- Democracy
- Auckland Plan
- Strong and dynamic culture.

# Departmental Focus Areas

## Operational stability:

- Role responsibility refinement and working relationships
- Procurement
- Efficiencies / Savings
- Processes / Systems / Reporting
- Performance measures / Benchmarking
- Customer service.

# Departmental Focus Areas

## The Auckland Plan

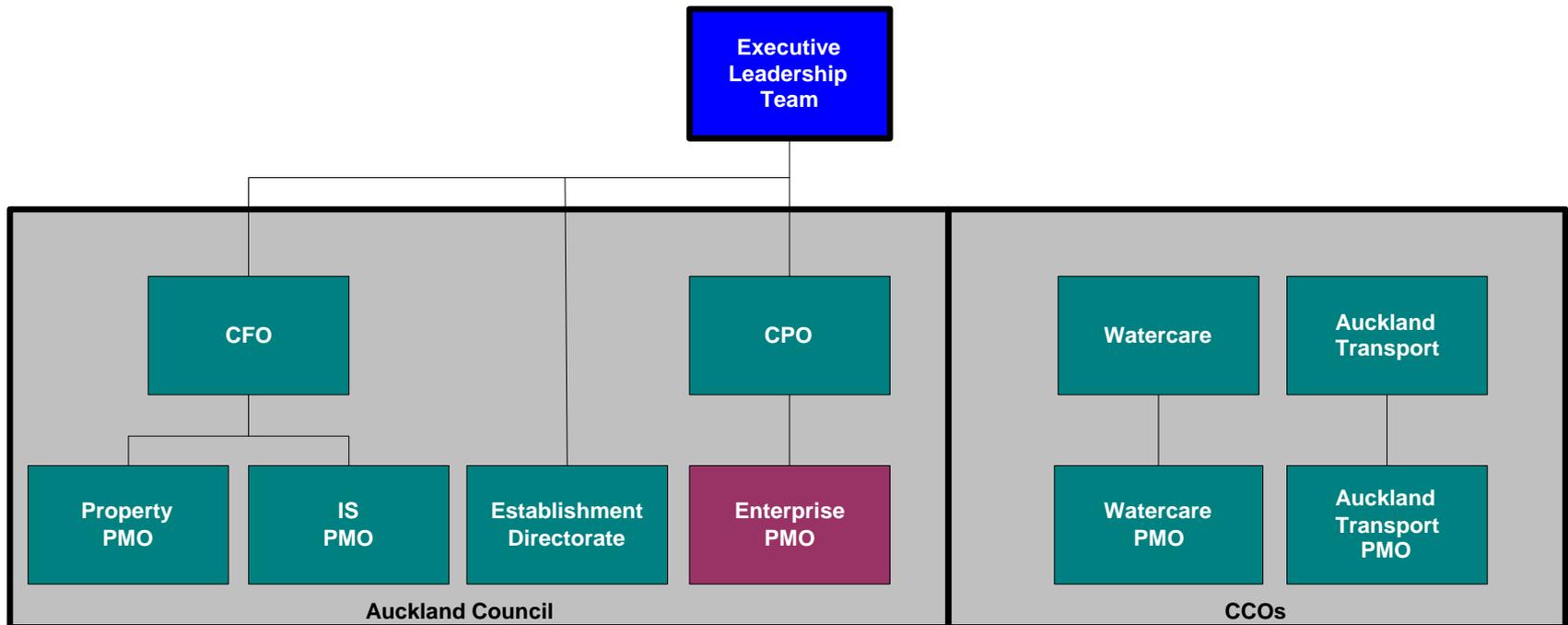
- Property Department's strategy

## Strong and dynamic culture

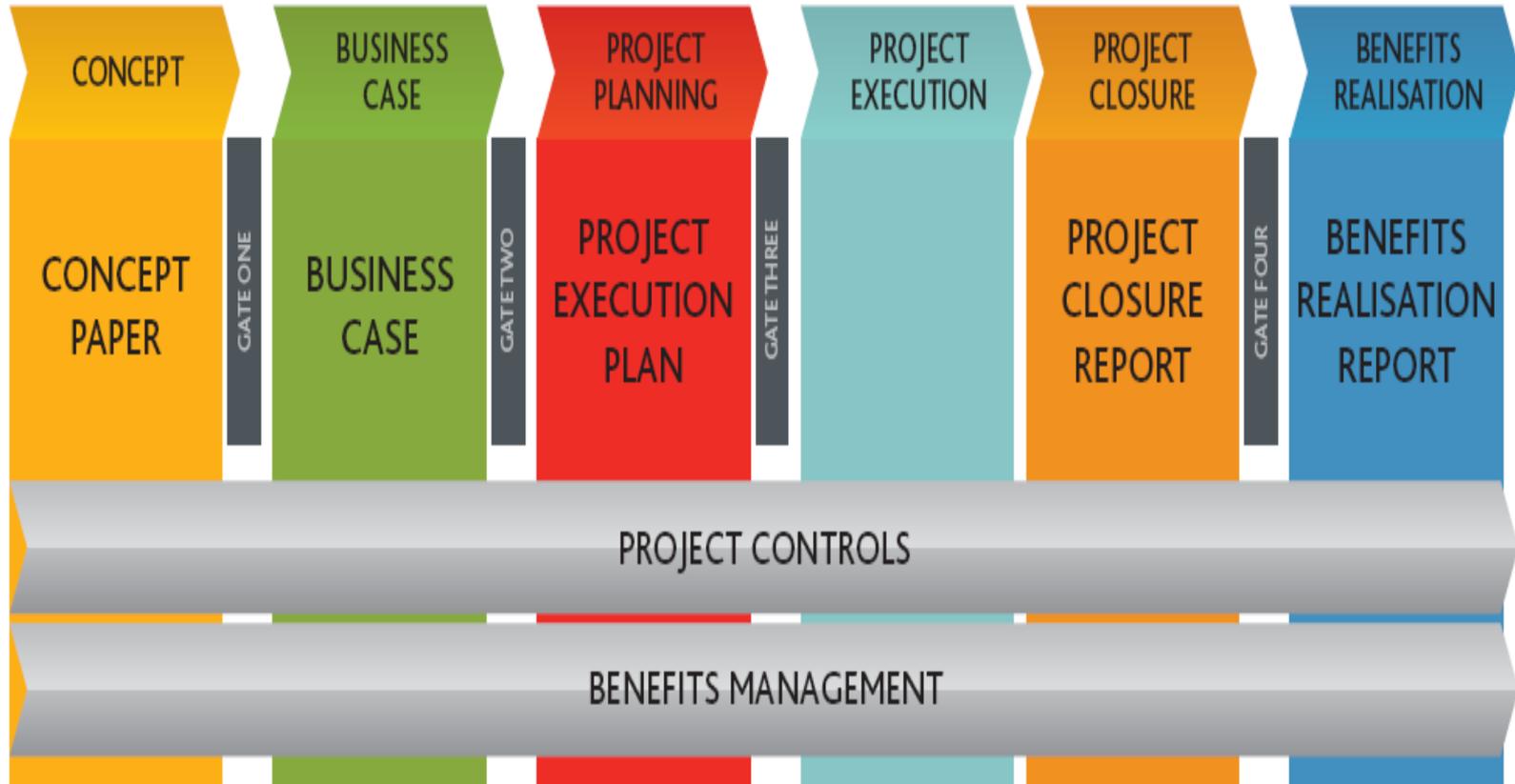
- Learning and development framework
- Building our culture and value system.

# Approach to Projects and Procurement

## Project delivery: Structure



# Project Management Framework (PMF)



# Procurement Principles

- **Accountability** – Full and accurate records with respect to spending ratepayer funds
- **Openness** – Transparency in its administration of funds
- **Value of Money** – using resources effectively, economically and without waste. Not necessarily the cheapest price but rather best value considering total cost of ownership (TCO)
- **Lawfulness** – Local government must meet its legal requirements (20+ acts must be complied with)
- **Fairness** – Local authorities must act fair and reasonably in its approach to spending ratepayers money
- **Integrity** – Crucial when managing public funds.

# Procurement Principles

- **Sustainability** – Public services must consider the sustainability aspect when purchasing goods and services.
- **Buy Local** – Where non-price and price attributes are equal, preference will be given to vendors in New Zealand, Australia and Singapore. This supports pre-existing agreements of New Zealand.

# Procurement: Considerations

- Geographic area / urban / rural
- Width of asset classes / types
- Local economies
- Horses for courses
- Best value
- Efficient and effective decision-making
- Stakeholder input.