

**From:** Grace Ockwell  
**To:** [Aaron Hawkins](#); [Andrew Noone](#); [Andrew Whiley](#); [Chris Staynes](#); [Chris Staynes](#); [David Benson-Pope](#); [Doug Hall](#); [Hilary Calvert](#); [Jinty MacTavish](#); [John Bezett](#); [Kate Wilson](#); [Mayor 2013-2016](#); [Mike Lord](#); [Neville Peat](#); [Richard Thomson](#)  
**Cc:** [Lee Vandervis](#)  
**Subject:** FW: Information Request Regarding Community Housing Maintenance Contract  
**Date:** Friday, 11 December 2015 09:07:11 a.m.  
**Attachments:** [image001.png](#)  
[image002.jpg](#)  
[image003.jpg](#)  
[image004.jpg](#)

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Good morning,

Please find below a LGOIMA response to Councillor Vandervis.

Kind regards,

Grace Ockwell  
**Governance Support Officer**  
Civic and Legal

Dunedin City Council  
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**From:** Kristy Rusher  
**Sent:** Friday, 11 December 2015 8:42 a.m.  
**To:** Grace Ockwell  
**Subject:** FW: Information Request Regarding Community Housing Maintenance Contract

**From:** Kristy Rusher  
**Sent:** Thursday, 10 December 2015 5:18 p.m.  
**To:** Lee Vandervis  
**Cc:** Sue Bidrose; Sandy Graham  
**Subject:** Information Request Regarding Community Housing Maintenance Contract

Dear Cr Vandervis,

In response to your request for information about the DCC maintenance contract, we advise that in 2011 the Council issued a "Registration of Interest" via Tenderlink for general maintenance of Council's community housing portfolio.

When the Registration of Interest closed three companies had responded and these three were invited to tender as at 24 March 2011. The Tender closed 27 April 2011. The same three companies responded. The successful tenderer was Dunedin Housing Maintenance Company (DHMC).

The Tender Report was submitted to the ELT/DCC Tenders Board on 16 May 2011 and approved at that meeting. The successful contractor was notified 18 May 2011. The scope of the contract is to do all required maintenance works for Council's community housing, including painting.

The contract term was from 1 July 2011 to 30 June 2014, and provided for a two year renewal period. The renewal has been exercised.

The services to be supplied are property maintenance which includes painting the interior and exterior of buildings and interior fittings/fixtures. The contract has a clause which means that some works may be separated from this contract and tendered. In January 2012 DHMC advised that they wished to add Kelly Painting & Decorating to the list of sub-contractors approved for use on the main contract. After Kelly Painting and Decorating completed a sub-contract on the Will St flats the company principal Mr Kelly approached DCC property maintenance officers to seek inclusion in the list of contractors who are invited to tender for DCC painting contracts. After meeting qualification criteria at that time Kelly Painting and Decorating were added to the list of approved contractors.

The Council has previously separated out the painting component for some of its maintenance works under this clause in the contract. Mr Kelly has been the successful tenderer on some occasions. The Council has in effect been operating parallel contracts for painting services.

In 2014/15 the Council reviewed the mode of service delivery for maintenance of these properties. As a result of that review the Council has identified that it is more effective to have painting carried out at the same time as repairs are made, and that it is more cost effective to "paint on identified need" rather than on an initial 10 year (later amended to an eight year) rolling schedule as was occurring. This change in how and when maintenance is carried out means that it has not been necessary to separate out a series of painting work packages from the main contract and no tender has been issued for that service this year.

Before the expiry of the contract for maintenance (June 2016), a procurement plan and method will be determined for the maintenance services for the Dunedin City Council Housing Portfolio.

In reply to your particular queries concerning Mr Kelly:

**1 – Why has Mr Kelly's business not been given the opportunity to quote for any Community Housing painting contracts this year when he has done so successfully in the past?** For clarity Mr Kelly has not been able to quote in the past but has tendered for separate painting contracts. We understand Mr Kelly's perception that he did not have a chance to tender for work, or that he has somehow missed out on a tender process. For the reasons outlined above this is not the case. Council makes decisions to tender works on an as needed basis and tendering for painting services has not been necessary this calendar year.

**2 – What is the difference between 'an approved DCC contractor' and the singular "preferred supplier for painting services" you identify in your ODT response? Please define both.** An approved contractor has been assessed as meeting our health and safety standards for carrying out work on our behalf. A preferred supplier is a contractor that has been engaged under a contract for services.

**3 – Does the DCC have approximately 900 Community Houses? 954 flats and other miscellaneous residential buildings are owned by the Dunedin City Council.**

How many are the subject of the current disputed tender process? The contract for maintenance services applies to the whole of DCC's community housing and their associated buildings.

**4 - Has the contract for the internal painting and decorating been given to the same 'preferred supplier' as in 2?** The existing contract has always included internal painting and decorating, and the work has been performed by the company awarded that contract.

**5 – Is this ‘preferred supplier’ business largely owned by a Mr Tony Bass?** The company currently holding the DCC Housing Maintenance Contract is majority owned by Mr Tony Bass.

This information is available on the Companies Office website: [www.business.govt.nz](http://www.business.govt.nz)

**6 – What other financial contracts/dealings does Mr Tony Bass or his companies have with the DCC?** None.

**7 – How many businesses were able to tender for the “competitive tender process” you refer to in your ODT response?** The competitive tender for the DCC Housing Maintenance Contract undertaken in 2011 was open to the maintenance market as a publicly advertised tender.

**8 – Who were the businesses who did quote in the “competitive tender process” you refer to in your ODT response, what were their tender amounts, and has this information been posted on the DCC website?** City Care, DHMC, Cook Brothers were the tenderers. The Council did not have in place its current practice of disclosing all tendered prices at the time these tenders were awarded. Therefore the tender amounts for unsuccessful candidates is information supplied under an obligation of confidence and its disclosure is likely to unreasonably prejudice the commercial position of the companies that are the subject of the information. Therefore this part of your request is declined under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987.

The contract for Housing Maintenance is not available on the Council website. It was not at the time that the contract was awarded in 2011 the practice to put the information on the website. However, we are making arrangements to do so given the public interest in this matter.

In regard to the documents that you have requested in respect of this matter they are currently being collated, and we expect that they will be made available to you next week.

Mr Taylor is available to discuss any follow up questions you have. His direct dial number is: 474 3730.

Thank you for your patience in receiving a response.

Kristy Rusher  
Manager Civic and Legal, Civic  
Dunedin City Council

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