



Facilities : Car Park
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Journalist
Radio NZ

E-mail:

Dear

Official Information Act (1982) Request

I write in response to your Official Information Act request, dated 29 November 2018. You initially requested the following information:

- **Any correspondence in whatever form between the DHB or its agent, and James Speedy or Jeanette Speedy or Middlemore Carparking Limited (between the dates Jan 2000 and Dec 2002) or Middlemore Hospital Car Park Management Limited (between the dates 2013 and 2016)**

We contacted you on 7 December 2018, to explain our administrative challenges with providing the potential extent of information sought, which would have included retrieval challenges, and a large amount of material, related to a range of historical operational matters (such as staff and patient complaints, arrangements for designated car parks and payments, compassionate parking requests, previous OIA requests related to parking revenue, planning and design documents, and parking at all the DHB sites). Following that, you revised your request to the following information.

- **Any reports, memos or advisories or letters (but not emails) related to negotiation of contracts / deeds and the assignment of these, re: car parking between Ron Pearson or Geraint Martin and Middlemore Hospital Car Park Management Limited or Middlemore Car parking Limited or James Speedy or Jeanne Elizabeth Speedy, for the period since start of 2008 till now.**

Both the named individuals are no longer employed at Counties Manukau DHB. As previously advised, in 2013, the CMDHB Board approved the assignment by Middlemore Car Parking of Car Park Concession Contract to ACC, so we no longer have a relationship with Middlemore Car Parking.

We have searched the available document repositories, both from the available local drives remaining accessible, and via the Electronic Document Repository and not found any documents that exactly match your scope, that begin documents between the named parties on the car park contract negotiations and assignment in the last ten years.

We have found, and are providing to you some related material on these matters, but that is not directly between the named parties, or in the scope that you specified. This material was retained by services/ current employees who filed the documents at the time they were created.

Date	Topic	Author
Nov 2002	Car Parking on Middlemore Site – Policy with new arrangements	unknown
Nov 2002	Remedy Notice – MMH Carpark	Ron Pearson General Manager - Finance And Commercial
Nov 2003	Update to CMDHB Staff on Car parking	Ron Pearson
May 2005	MMH Car Park Project Presentation	Ron Pearson and Facilities Manager
April 2013	Briefing to ARF Committee on Car Park Arrangements	Ron Pearson Director of Finance & Deputy CEO Greg Simpson- General Manager Facilities.
April 2013	Board Paper – Assignment Of Carpark Concession Deed *note we have previously released the final Deed documents	Ron Pearson Chief Financial Officer & Deputy CEO

I trust this information satisfactorily answers your query. If you are not satisfied with this response you are entitled to seek a review of the response by the Ombudsman under section 28(3) of the Official Information Act.

Please note that this response or an edited version of this may be published on the Counties Manukau DHB website.

Yours sincerely,



Fepulea'i Margie Apa
Chief Executive

COUNTIES MANUKAU DHB ASSIGNMENT OF CARPARK CONCESSION DEED

Recommendation

It is recommended that the Board:

1. Approve the execution of the assignment of the current concession deed from Middlemore Carparking Limited to ACC.
 2. Approve the Finance Director/Deputy CEO negotiating acceptable terms in relation to the proposed variation with ACC that would be entered into at the same time as any assignment took place.
 3. Delegate to the Board Chair the ability to approve such terms referred to in 2 above.
 4. Subject to the above matters being satisfied, approve the Board Chair signing any documentation necessary to give effect to the arrangements as negotiated.
 5. Note that this paper was approved by ELT at their meeting on 19 March 2013.
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Author:

Name	Ron Pearson	Janet Anderson-Bidois
Title	Deputy CEO	Senior Legal Advisor
Date	28 March 2013	

Middlemore Carparking Limited wishes to assign the current carpark concession deed in respect of the Middlemore Carpark to ACC. There would seem to be significant benefits to CMDHB in having ACC as long term partner in relation to this arrangement. Because ACC is a Government entity, there are restrictions on some of its activities which mean it is unable to accept a straight assignment of the current Concession Deed. ACC has proposed a variation to be entered into between ACC and CMDHB at the time of any assignment that takes place and negotiations are currently underway in respect of these matters.

The wording in relation to the existing indemnities in the concession deed has been altered to refer to liability for certain matters on the part of ACC rather than providing a specific indemnity (ACC like DHBs is prohibited from granting indemnities except in certain limited situation). Likewise, there are some related issues in terms of the provisions that are required to ensure such terms are reinserted if circumstances change in the future.

ACC has also requested that any potential liability be restricted to the current value of MCL's assets, rather than the entirety of ACC's funds. Their argument is that in effect the total current recourse of CMDHB is limited to that amount so in specifically limiting their potential liability in this manner CMDHB would be in the same position that it was previously. Although CMDHB would prefer not to specifically restrict liability in any way, ultimately there may be little practical effect in agreeing to this and the other benefits of the assignment to ACC may mean this request is acceptable overall to CMDHB.

ACC has requested additional changes such as waiver of the operator and maintenance bond currently held by CMDHB and permission to self insure plant and equipment rather than being required to obtain third party insurance.

ACC is also seeking some amendments in relation to the wording around the agreement term. The current arrangement provides for MCL to operate the carpark until the remainder of the original concession period, being 2026. CMDHB will seek Ministerial approval to extend the period for a further 10 years at the end of that time frame. If such approval is not given then there are several options available to CMDHB such as granting smaller extensions that may cumulatively amount to a further 10 year period or ending the arrangement earlier upon payment to compensate MCL for any loss of expected profits for any remainder of the term. CMDHB's view is that these issues are already covered in the existing deed but further discussions will take place around any need to make such amendments.

ACC would also like to work towards consolidation of existing documentation and subsequent variations and this would seem desirable.

The current proposed Deed of Assignment, as at the date of preparation of this Board paper, is attached, as is the current draft Variation, which is still being negotiated.

Dear Colleagues,

After extensive negotiation over the past 10 months, we have reached an agreement with Middlemore Parking Ltd (MCL) which will solve our parking problems. The main reason for re-negotiating the current car parking agreement was the disproportionate number of visitor car parks and the lack of dedicated staff bays. The new car parking agreement fixes this problem by giving staff first right of access to about 1,800 car parks.

We would like to acknowledge the contributions and suggestions made by staff, Union Representatives, and representatives of various Clinical Services. These have greatly contributed to the following outcome agreed with MCL Parking.

Floating car parks at low rates

The floating staff parks (non-reserved staff bays) will be charged at comparatively low rates, which will be guaranteed at \$5.00 per seven day access pass (24 hours per day with multiple entry rights) for 5 years from implementation.

Option of reserved car parks

For those staff members who choose to use them, a limited number of reserved car parks will be available at \$20.00/week and will be charged at a fraction of the cost that other DHBs charge. These bays will be a very affordable option for those with multi-site jobs.

First Right of Access parking for staff within the total limit of bays

MCL have agreed to give staff "First Right of Access" to the vast majority of car parking bays. A smaller number of dedicated visitor bays must be kept in front of the Adult Medical Centre and Kidz First areas.

Construction of extra staff bays by demolishing wards 4 and 9

Middlemore Carparking Limited (MCL) has agreed to demolish, at their cost, the existing wards 4 and 9 and reinstate with new car parks. All of these parking bays will be able to be used by staff.

Construction of more than 400 new car parking bays (over 300 of those in staff areas)

A significant achievement of the car park agreement is the construction of more than 400 bays around the Middlemore site. Over 300 of these bays will be located in staff areas

Part-time parking rates

While we were very successful with almost every change negotiated with MCL, we have not been able to modify the part-time parking regime. However, we are convinced that it is still a very competitive rate at either \$2.00 per day or \$5.00 per seven-day pass.

New “smart” system will ensure that staff do not waste time looking for a car park if the site is busy

Two sets of variable message boards will inform users when the main car parks are full. This way, staff and visitors will know whether to look for a park at the Western campus or at the Main site.

Management of Access to the after-hours car park

The new “Operations Plan” will give greater importance to the management of all parking areas and especially to the after hours car park to ensure that only staff with a right to use this area can gain access.

Flexible payment options for staff

In order to make car park payments more convenient and user friendly to staff, MCL will introduce a range of payment options ranging from yearly payments for long term reserve car parks to daily payment for casual users.

Review of Security systems with the aim of improving current conditions

As a result of the Union consultation rounds, the car park security systems and procedures at Middlemore Hospital will be reviewed with the aim of providing better security for staff and their vehicles. This is a management issue not a responsibility of the car parking operator.

Less system abuse

The car park system will recognise individual users by way of a “smart” card. It will be programmed to prevent system abuse and ensure only authorised users access the different parking areas.

Free parking for Kidz First Caregivers

We have been successful in negotiating a “Free Parking” agreement for Kidz First patient caregivers. The system will be managed by ward staff to ensure that no abuse takes place.

Free parking for Dialysis Patients

Patients attending the Haemodialysis Unit will be able to park for free for the duration of their treatment.

“Pay for used time” changes from “Pay and Display” in Emergency Care/Kidz First

A fairer way to charge users for car parking time is to receive payment at the end of the period rather than force a pre-payment. MCL recognise this as especially true in the Emergency Care department and Kidz First, therefore the current “Pay and Display” area will be converted to “Pay for used time”.

Public access to Wards 22, 23 and 24 area

The public will now be able to drive up to the wards 22, 23 and ward 24 ambulance drop-off bay, making drop-offs easier on older or disabled patients and visitors.

Public access to Tiaho Mai drop off-area

The final car parking agreement now has provisions for visitors and whanau access to not only the drop-off zone but also the car parks around the unit 24 hours a day, 7 days a week.

General

It is intended that the new system will be implemented from late March 2004 and up until that date, with the agreement from MCL, staff will be able to park free of charge in the floating bays.

We will use the period up to March 2004 to address and resolve any of the smaller operational issues that undoubtedly will arise.

Once again, thank you for your input, co-operation and patience over the past year.



Ron Pearson

GENERAL MANAGER FINANCE AND COMMERCIAL

18th November 2003 RP/ja

27 November 2002

Middlemore Carparking Limited
c/o Covington Group
PO Box 105 422
AUCKLAND CENTRAL

By Fax: 307 3176

Remedy Notice under the Concession Deed Between South Auckland Health and Middlemore Carparking Limited

Middlemore Carparking Limited is in breach of a number of its material obligations under the Concession Deed with South Auckland Health dated 2 August 2002. These breaches are as follows:

1. All of Middlemore Carparking Limited's pay and display machines are charging visitors and patients for their first hour of parking during visiting hours. This is contrary to Appendix 1 of the Concession Deed which states that during visiting hours there shall be no fee for the first hour of parking. Middlemore Carparking is only entitled to levy fees at the levels set out in Appendix 1 as stated in clauses 16.1 and 16.2 of the Concession Deed.
2. All of Middlemore Carparking Limited's pay and display machines are charging visitors and patients more than \$10 for a full day of parking. This is contrary to Appendix 1 of the Concession Deed which states that visitors and patients shall only be charged \$10 if they park for more than four hours in the carpark. As stated in clause 16.2 of the Concession Deed, the maximum level of fees shall be determined by reference to the fee calculation schedule at Appendix 1.
3. All of Middlemore Carparking Limited's auto-pay stations are charging visitors and patients for their first hour of parking during visiting hours once they have parked for over 60 minutes. Again, this is contrary to Appendix 1 of the Concession Deed which states that during visiting hours there shall be no fee for the first hour of parking. Middlemore Carparking is only entitled to levy fees at the levels set out in Appendix 1 as stated in clauses 16.1 and 16.2 of the Concession Deed.
4. Middlemore Carparking Limited is enforcing its parking policies only by towing away vehicles. This is contrary to the Operations Plan which Middlemore Carparking Limited is required to comply with under clause 6 of the Hospital's Requirements. Clause 5 of the Operations Plan provides that vehicles are to be towed away only if they are causing an obstruction to traffic or constitute a threat to the security of the operation of the Hospital. Otherwise illegally parked cars are to be wheel clamped rather than towed.
5. Middlemore Carparking Limited is not repairing damaged equipment. For instance the access barrier to the After-Hours Car Park was hit by a car around

October 2002. As a result of this accident, the barrier arm, motor and base were damaged. Temporary repairs have been made to allow the system to keep working but permanent repairs have not been made. This is contrary to Middlemore Carparking Limited's maintenance obligations in clause 8 of the Hospital's Requirements, including the obligation to ensure that repairs are carried out in accordance with best industry standards and practices so that equipment is in good operable condition.

These breaches by Middlemore Carparking Limited of its material obligations under the Concession Deed amount to Events of Default for the purposes of clause 22.1(c) of the Concession Deed. As a result, by this letter the Hospital exercises its right under clause 22.2(a) of the Concession Deed to issue a Remedy Notice.

Under this Remedy Notice the Hospital requires Middlemore Carparking Limited to rectify the above Events of Default within 7 days of receipt of this facsimile. The Hospital considers that this is a reasonable time period in the circumstances where it has been informed that members of the public have complained to the Commerce Commission about the first and third of the Events of Default identified above.

The Hospital draws to the attention of Middlemore Carparking Limited the requirement at clause 22.2(c) of the Concession Deed for it now to comply with this notice and provide the Hospital with a proposed programme to remedy the above Events of Default as soon as possible.

Yours faithfully
Counties Manukau District Health Board

Ron Pearson

Car parking on the Middlemore site

Operations Policy

This policy and regulations governing car parking at the Middlemore site have been devised to enable:

- Fair and equitable distribution of car parking resources among staff, patients and other members of the public,
- Efficient management of car parking resources at the site.

All parking on the Middlemore site is at the vehicle owner's risk

1 Staff Parking

All staff will be permitted to park in designated areas on the site. All staff vehicles must display a valid Parking Sticker.

1.1 *Parking Stickers*

Parking Stickers can be obtained from the Security Office at room 424, level 4 of the Staff Support Building (extension 9156). To receive a Parking Sticker, staff must produce their staff identity card and provide the make and registration number of their vehicle as well as a contact phone number.

Parking Stickers should be affixed in a prominent position, preferably on the inside of the rear window on the right hand (driver's) side.

Any vehicles parked on designated *staff-only* areas and not displaying a valid Parking Sticker will be towed away at owner's expense and risk.

1.2 *Senior Medical Officers*

Senior Medical Officers have been granted access into the visitors' car park area west of the Staff Support Building. Access to this area is by proximity card only.

All Senior Medical Officers shall park in this area unless when responding to an emergency.

An area at the northern end of the Galbraith Building has been allocated for Emergency and after-hours on-call parking.

1.3 Afternoon and night shift staff parking

The afternoon staff car park is specifically intended for staff arriving or leaving work during the night. A restricted number of staff are authorised to use the car park in the morning and must vacate the area by 1300hrs

Access to the afternoon car park is by proximity card and, as is a requirement in any other *staff-only* area, a Parking Sticker is required.

2 Patient and public parking

Visitor car parks are clearly marked and sign-posted around the Middlemore site. Visitors' or patients' vehicles found in a *staff-only* area will be immediately towed away by a registered towing company at owner's risk and expense.

Any staff, other than Senior Medical Officers, parking in a *visitor* area will be expected to pay the posted rate.

3 Security and monitoring

All car parks at the Middlemore site will be regularly patrolled to ensure authorised use of both visitor and staff car parks.

4 Towing

4.1 Immediate towing

Vehicle towing is seen as a last resort and will only be used when strictly necessary.

Immediate towing will be used at a number of sites, however, because of the disruption and inconvenience of unauthorised parking at those sites. These sites are:

- Priority access points, i.e. ambulance bays and other emergency entrances
- The oxygen tanker bay
- Areas marked "Keep Clear"
- Any point where traffic flow could be obstructed
- *Staff-only* areas, for vehicles not displaying a Parking Sticker.

4.2 Warnings

When a vehicle is displaying a Parking Sticker, in all cases, other than those explained in 4.1 above, the Security Office will attempt to contact the owner/driver of the vehicle prior to it being towed away.

4.3 *Liability and cost*

Towing on the Middlemore site is at the owner's risk and expense.

4.4 *Enquiries*

Enquiries concerning the whereabouts of towed vehicles should be made to Tournament Parking Ltd's Middlemore office.

5 Further information

For further information regarding car parking policy enforcement, contact:

Tournament Parking Ltd

Internal extension 2592

Cellular phone 021 899 355

For information regarding general car parking policy, contact:

Nicolas Giraldo

Internal extension 2088

e-mail NZG@middlemore.co.nz

November 2002

(This Policy document must be reviewed periodically but no later than October 2004)



Middlemore Hospital Parking Project Principles

Fundamental Project Principles

- Duration of agreement – 23 years (2004 – 2026)
- Tariffs have been negotiated for the duration of the agreement
- Profit-sharing provisions (in case of enhanced revenue)
- Certainty without sacrificing flexibility
- Unimpeded access to all of the MMH site for patients, visitors and staff

Parking Concessions

- 15 minutes drop-off period
- 1st hour free parking during visiting hours (2 pm to 8 pm)
- Free, designated parking for renal haemodialysis patients
- Free, designated parking for Kidz First patients' care givers
- Free, designated parking for SMOs
- Free access to selected trade vehicles
- Free use of Pay&Display car parks (100 bays) during construction of the multi-storey building
- Will have designated disability car parks
- Cost only charges - No CMDHB margin

Structure of the Agreement

- Covington/MCL operate all car parks at MMH
- Covington/MCL build a 3-storey car park able to be extended by a further two levels



- CMDHB retain ownership of the development and control over the land (no lease)
- CMDHB grants Covington MCL a *Right To Levy Fees* from the car park operation for the duration of the agreement

Parking Tariffs

Visitors and Patients Current Charges

0 – 15 min	Free
15 min – 1 hr	\$2.20
1 hr – 2 hr	\$4.40
2 hr – 3 hr	\$6.60
3 hr – 4 hr	\$8.80
Over 4 hr	\$11.00

Increases in patients and visitors tariffs have been capped at \$0.20 per hour every two years.

Staff Charges per week

2004 – 2008	\$5.00
2009 – 2013	\$7.50
2014 – 2018	\$10.00
2019 – 2023	\$12.50
2024 – 2026	\$15.00

Staff charges have been negotiated for the duration of the contract and cannot increase without CMDHB approval.

Charge per week includes 7-day 24-hour access

CEO and CFO's car parks



COUNTIES MANUKAU DHB Car Park Operations

Recommendation

It is recommended that the Facilities Management and Planning Committee notes the following summary requested in the minutes of the FM&P meeting in December 2012.

Author

Name Ron Pearson

Title Director of Finance and Deputy CEO

Date 13th April 2013

Greg Simpson

General Manager Facilities

Background

The term of previous deed commenced on 2 August 2002. Subsequent variations to that deed were invoked in November 2003, November 2004 and April 2006. The variation in 2004 was to strengthen the car park to be able to take two additional floors in the future. Other variations concerned compensation to MCL for car parks sacrificed due to the construction program. The concession period to MCL extended to 23 years from the 16th December 2004. The remainder of the current term is 15 years and 6 months as at the 16 June 2012.

This parking building was erected at no capital cost to the DHB and the concession deed allowed for all revenue from car parking to be collected by Middlemore Car Parking Limited for the duration of the deed. No costs for operating the car park have been incurred by CMDHB. Car parking rates and increases over term of agreement were put in place in the original deed, based on two separate formulae, one for staff and one for visitors.

At the time there was no capital provision for establishing much needed car parking capacity as all capital was invested into the very aged infrastructure and buildings in order that Middlemore Hospital met its clinical demands.

The visitor and staff charges were embedded into the Concession deed and MCL were and remain the sole collector of revenue and maintain the sole responsibility of car parking across the Middlemore site. The concession deed did not and does not extend to include the Manukau Health Park.

Within the variations to the deed was a penalty clause that compensated MCL for any measurable loss of visitor car parking due to construction activity. The effect of this clause was the accumulation of back charges of \$250,000 as a result of the progressive loss of visitor car parks over the ensuing 6-8 years construction activity.

In 2008, the level of capital expansion combined with the ever increasing patient and visitor numbers, demand for parking exceeded the capacity and an increase in capacity was required. The decision to build Ko Awatea on the hospital campus resulted in the loss of considerable visitor car parks. The following actions were implemented to alleviate this situation:

- The western campus buildings were largely demolished and an on-grade staff car park developed.
- The car park building was extended two floors by MCL (200 spaces) at no capital cost to the DHB
- An undertaking was made to extend the concession period to compensate for the capital cost of the building expansion
- An undertaking was made to extend visitor parking capacity over time as the capital program progressed.
- Proaction taken to encourage staff to utilise more public transport and adopt ride share to mitigate demand on car parking spaces.

With respect to the expansion of the car parking building by 200 spaces, an indicative spreadsheet showing the provisional capital cost (\$M3.0), funding cost, operational expenses and margin is available.

This shows the funding costs, operational costs, capital costs and gross margin.

No revenue or profit from this income stream is received by CMDHB.

No knowledge of the net profit of MCL or indeed Covington is known by CMDHB and no requests for that information have been made.

Rates for visitors and staff and frequency of increases are set out in the original deed and continued in the replacement deed (which incorporated or not the numerous variations over the ensuing period). The exception is the increase in GST from 12.5% to 15% which MCL were entitled to recover and those increased commenced early in 2012.

Note that at the time of preparing this paper, it was likely, but not yet certain, that the Car Parking Deed, would be assigned to another third party who had government affiliations. This was supported in the belief that the proposed new owner may be more flexible to renegotiations around certain aspects of the arrangements.