

Lite Contract

Summary Report for Recommended Updates to Emissions Factor Regulations

Buyer's Contract number: [to be inserted by Procurement when the contract has been processed]

The Parties

The Buyer The Ministry for the Environment

8 Willis Street, Wellington Central, Wellington 6011

and

The Supplier Kevin Brown

s 9(2)(a)

Agreement

The Supplier will provide the following goods and/or services (as applicable) to the Buyer by the date and for the price recorded in the table below (excluding GST). The price includes all expenses.

Background

The geothermal Emissions Trading Scheme regulations have not been updated in over a decade. Methodologies and emissions abatement techniques in the geothermal sector have improved over time and the regulations need to be adjusted to account for this. Focus will need to be given to the Default Emission Factors (DEF) and Unique Emissions Factors (UEF) calculations to ensure that they are reflective of current industry operating standards. Consultation with geothermal plant operators will be required for clarification on current methodologies for sampling as well as emission reduction techniques e.g. non condensable gas re-injection.

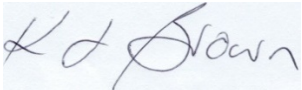
Description	Delivery date	Specific Standards (if any)	Price (exc GST)
The Supplier will provide a report detailing current methodologies used in geothermal activities and recommended updates to current regulations. These recommendations should consider changes to current default emissions factor tables as well as improvements to underlying	30/10/2022	See standards below	\$10,000

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Description	Delivery date	Specific Standards (if any)	Price (exc GST)
methodologies for determining UEFs and calculating emissions.			

Price	The total price payable under this Contract is up to NZ\$10,000 excluding GST. This price is calculated as follows: § 9(c) hours of consultation services at an hourly rate of § 9(2)(b)(ii)
Invoice and payment	The Supplier will invoice the Buyer for the goods and/or services when all goods and/or services have been provided. If delivery of the goods and/or services has been satisfactory, and the Buyer receives a valid tax invoice: <ul style="list-style-type: none"> on or before the 5th business day of the month, the Buyer must pay that tax invoice by the 20th calendar day of that month; and after the 5th business day of the month, the Buyer must pay that tax invoice by the 20th calendar day of the following month.
Start date	This Contract will start on 3/10/2022.
End date	This Contract will end on 30/10/2022.
Term	This Contract starts on the Start Date. Goods and/or services must not be delivered before the Start Date. This Contract ends on the End Date.
Standards	<u>FOR SERVICES:</u> (as applicable) The Supplier will provide the services with due care, skill and diligence and to the Specific Standards specified above (if any). <u>FOR GOODS:</u> (as applicable) All conditions and warranties under the Contract and Commercial Law Act 2017, Part 3, Subparts 1 - 6 apply to the supply of goods under this Contract. The Supplier must comply with the <i>Supplier Code of Conduct</i> issued by the Procurement Functional Leader (see procurement.govt.nz).
On-Site Requirements	If the Supplier (including the Supplier's personnel and subcontractors) is at the Ministry's premises, the Supplier must observe the Ministry's policies and procedures, including those relating to security requirements and health and safety.
Intellectual Property	Pre-existing intellectual property rights remain the property of their current owner. New intellectual property rights in any tangible output of the services (deliverables) become the property of the Buyer when they are created. The Supplier grants to the Ministry a perpetual, non-exclusive, worldwide and royalty-free licence to use, for any purpose, all intellectual property rights incorporated in the deliverables by the Supplier that are not owned by the Buyer. The Supplier will not infringe any third party intellectual property rights in developing any deliverables under this Contract.
Confidentiality	Each Party confirms that it has adequate security measures to safeguard the other Party's confidential information from unauthorised access or use by third

	<p>parties, and that it will not use or disclose the other Party's confidential information to any person or organisation other than:</p> <ol style="list-style-type: none"> 1. to the extent that use or disclosure is necessary for the purposes of providing the goods or services or in the case of the Buyer, using the goods or services, 2. if the other Party gives prior written approval to the use or disclosure, 3. if the use or disclosure is required by law (including under the Official Information Act 1982), government Ministers or parliamentary convention, or 4. in relation to disclosure, if the information has already become public, other than through a breach of the obligation of confidentiality by one of the Parties. <p>On termination or expiry of this Contract, the Supplier must, if requested by the Buyer, immediately return or securely destroy all confidential information and other material or property belonging to the Buyer.</p>
Resolving disputes	<p>The Parties will use their best endeavours to resolve any dispute or difference that may arise under this contract through direct negotiation. If the Parties cannot resolve a dispute by negotiation, either Party may refer the matter to mediation. The Party requesting mediation must notify the other Party in writing. Each Party will meet their own costs of resolving the dispute.</p>
Contractual Relationship	<p>Nothing in this Contract constitutes a legal relationship between the Parties of partnership, joint venture, agency, or employment. Neither Party has authority to bind or represent the other party in any way or for any purpose.</p>
Conflicts of Interest	<p>The Supplier warrants that as at the Start Date, it has no conflict of interest in providing the goods and/or services or entering into this Contract. The Supplier must do its best to avoid situations that may lead to a conflict of interest arising. The Supplier must tell the Buyer immediately, and in writing, if any conflict of interest arises in relation to the goods and/or services or this Contract.</p>
Publicity	<p>The Supplier may disclose the existence of this Contract but must obtain the Buyer's prior written approval before making reference to the Buyer or this Contract in its publications, public statements, promotional material or promotional activities about this Contract.</p>
Records	<p>The Supplier must keep and maintain records relating to this Contract in accordance with prudent business practice and all applicable laws.</p>
Law	<p>This Contract will be governed and interpreted in accordance with New Zealand law.</p>

Signed for and on behalf of the Buyer:	Signed for and on behalf of the Supplier:
<p>_____</p> <p>(signature)</p>	 <p>_____</p> <p>(signature)</p>

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Name:	James Coombes	Name:	Kevin Brown
Position:	Manager	Position:	Partner
Date:	30/09/2022	Date	28/09/2022



Name of Procurement:	Geothermal Emissions Factor Regulations Update
Prepared by:	Elliot Dunn
Date:	20/09/22
Budget for this work (NZ\$ excl. GST):	\$10,000

APPROVED BY	
Financial Delegation Holder: James Coombes	Signature:
Date: Click or tap to enter a date.	
By signing this plan, the Financial Delegation Holder confirms they have reviewed the Supplier Conflict of Interest form and agrees to any conflict of interest management plan detailed (if conflicts are declared).	
<i>If any conflict relates to the Financial Delegation Holder directly, the procurement plan must be elevated to the one-up delegation to approve and sign.</i>	

The parties signing this section approve the procurement approach detailed below.

Total Procurement Value	Position holding Financial Delegation
Up to and including \$10,000	Manager

CONTRACT TERM (estimated term of contract)			
Start Date	03/10/22	End Date	30/10/22
CONTRACT BUDGET			
Programme Code	Project Code	Account Code	Expenditure type
410	55201	4110	Departmental

COST BREAKDOWN	VALUE
Fees Charge out rate: NZ\$200 + GST per hour	Total fees NZ\$10,000
Expenses N/A	Total expenses NZ\$0
Total Contract Budget	NZ\$10,000

CHECKLIST	
Is there an IT requirement to this project?	No
	N/A
Is there a Health & Safety risk associated with this project?	No
Will the procurement result in a publication or require design work?	No
	N/A

Are there privacy considerations within this procurement?	No
Will the supplier require or have access to SENSITIVE, RESTRICTED or SECRET or TOP SECRET official information?	No

CONFLICTS OF INTEREST	
Do the people completing this procurement (including evaluators) have any actual, potential or perceived conflicts of interest?	No
If you have answered 'Yes' or 'Potentially' above, please contact your <u>Procurement Business Partner</u> before this Plan is signed, and provide details here (otherwise state N/A): N/A	
Have you sent a Conflict-of-Interest form for the Supplier's nominated personnel to complete? External Conflict of Interest form & Management Plan.docx	Yes
If the Supplier has declared a conflict, the conflict of interest management plan must be completed and passed to the financial delegation holder for consideration and approval, alongside the procurement plan being signed. <ul style="list-style-type: none"> Has this task been completed? 	[Select one]

CONTRACT TYPE	MfE Lite Contract	If you have selected other, please detail here: N/A
Have Legal reviewed the contract?	No	

BUSINESS NEEDS	
KEY OBJECTIVE	To provide professional advice to MfE on recommended updates to the Emissions Trading Scheme regulations relating to geothermal activities for default and unique emissions factors and prescribed methodologies and procedures.
KEY RISKS	N/A
DESCRIPTION OF SERVICES	<p>The Buyer requires the Services for the purpose of informing decisions related to the Emissions Trading Scheme annual regulations update for 2023.</p> <p>The Supplier will provide a report detailing current methodologies used in geothermal activities and recommended updates to current regulations. These recommendations should consider changes to current default emissions factor tables as well as improvements to underlying methodologies for determining UEFs and calculating emissions.</p> <p>The supplier work will involve communicating with operators in the geothermal sector to gather information and provide a summary report for the scope of the work described above. The report will also include recommendations for updates to the default and unique emissions factor regulations to account for changes to geothermal plant operating methods.</p>

DELIVERABLES	Description of Service/Deliverables	Specific Standards (if any)	Required Delivery Date
	Summary report on current geothermal methodologies and recommended regulations updates.	Involving geothermal plant operators. Delivered in Word or PDF format.	30/10/22

Procurement Approach:	Direct Source (non-panel)
Suppliers approached:	1. Geokem
Written Quotes:	Yes
Direct source	Supplier recommendation received from the New Zealand Geothermal Association following a survey of geothermal plant operators.

SUPPLIER AND EVALUATION	
Preferred Supplier	Name: Geokem (Dr Kevin Brown) Address: P.O. Box 30-125, Barrington, Christchurch 8244
Confirm that you have considered, and the supplier has demonstrated the following:	Completed
1. The proposed solution is fit for purpose	Yes
2. The preferred supplier has the skills and expertise to carry out the work	Yes
3. The preferred supplier can carry out the work in the timeframe required by the Ministry	Yes
4. The preferred supplier's price is public value <i>Public Value means the best available results for New Zealand for the money spent. It includes using resources effectively, economically and responsibly.</i>	Yes
SUPPLIER NOTIFICATION	
Have any non-selected suppliers been notified and, if requested, feedback has been provided?	Not Applicable



This Declaration must be completed by an authorised signatory of the supplier in order to contract with the Ministry for the Environment (MfE).

This Declaration must be completed for each contract, prior to execution of the contract, even if the Ministry has previously engaged the supplier.

The purpose of this Declaration is to identify conflicts of interest (potential, perceived or actual) that may exist between the supplier, the supplier's representatives, employees and any subcontractors (if applicable) and MfE at the time of the appointment and thereby protect the supplier and the Ministry from allegations of bias or preferential treatment and to assist the Ministry to operate in a transparent manner.

This Declaration requires that the supplier identifies organisational level interests and, where relevant, the interests of key staff including: company owner/s, director/s and staff who are directly involved in the contract negotiation, management and delivery of the contract requirements.

If you are a sole trader, individual contractor or a member of an advisory board, you do not need to complete Page Two.

Suppliers: When determining if a conflict of interest exists consider if your organisation and key staff:

- Has or could be perceived to have any political, legal, financial or personal interest in the contract with MfE that may affect the Ministry's reputation or the way it is perceived
- Could give the appearance that you might be conflicted with the contract or engagement with the Ministry
- Has any obligations, loyalties or bias that could influence or affect the way you deliver the requirements of your contract/engagement with the Ministry
- Knows any Ministry employee involved in this contract that has an ownership or financial interest in the Supplier you represent. Or that the Ministry employee would have a personal financial gain or other benefit from this contract or engagement
- Has engaged a previous employee of the Ministry (less than 2 years) to be involved in the delivery of this contract.

For further guidance, please refer to the Office of the Auditor-General's good practice guide on [Managing conflicts of interest: Guidance for Public](#)

For each conflict declared you will need to complete a proposed plan to remove, manage or mitigate the conflict. This plan will need to be agreed with MfE prior to execution of contract and commencement of work.

Organisational Declaration

If this form is being completed as an individual/sole trader, this page can be left blank.

Organisation/Body/Group:	GEOKEM
Date completed:	29/9/22
Contract or engagement this declaration relates to:	

Details of Organisational conflict of interest

Actual conflict of interest is where you already have a conflict	If you think there may be a conflict of interest, please provide details here or write 'not applicable'.
Potential conflict of interest is where the conflict is about to happen or could happen	
Perceived conflict of interest is where other people might reasonably think you have a conflict of interest	
	Possibly a perceived conflict of interest. I have consulted to all of the geothermal companies in NZ and some particularly on ETS matters.

Conflict of Interest Management Plan

How the conflict of interest will be managed	
There are four options for managing or resolving your conflict of interest:	If you have declared a conflict above, detail how you propose to manage it. <i>The final decision on management of any conflict declared on this form, will be the Ministry's and all decisions will be subject to the MfE process for the management of conflicts of interest.</i> The final legislation will be overseen by MfE and possibly an external arbitrator not involved with the geothermal industry.
Restrict your involvement in the process	
Recruit an independent third party to oversee part or all of the process	
Remove yourself from the process	
Relinquish your private interest that causes the conflict	


Declaration

I/we declare that in submitting this Declaration:

- the information provided is true, accurate and complete and not misleading in any material respect
- I/we am/are not aware of any impediments to enter into a contract to deliver the requirements outlined in the contract
- I/we have no known or foreseen, actual, potential or perceived conflict of interest, other than as outlined in the box above, in entering into a contract to deliver the requirements outlined in the contract
- I/we understand and agree to report it immediately to the Ministry contact identified above if an interest arises during the term of the contract

By signing this Declaration the signatory below represents and agrees that he/she has been authorised by the supplier to make this declaration on its/their behalf.

Signature:	
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Full name:	Kevin Laurie Brown
Title/position:	Partner

Nominated Personnel/Employee, Contractors, Individuals, or Subcontractor declaration
(Duplicate this page as required- every Nominated Personnel working on the contract must complete and sign this section)

Name:	
Date completed:	
Contractor/Individual/Subcontractor/Employee	
Contract or engagement this declaration relates to:	

Details of Conflict of Interest

<p>Actual conflict of interest is where you already have a conflict</p> <p>Potential conflict of interest is where the conflict is about to happen or could happen</p> <p>Perceived conflict of interest is where other people might reasonably think you are not being objective</p>	<p>If you think there may be a conflict of interest, please provide details here or write 'not applicable'.</p>
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Nominated Personnel/Employee, Contractors, Individuals, or Subcontractor Conflict of Interest Management Plan

How the conflict of interest will be managed	
<p>There are four options for managing or resolving your conflict of interest:</p> <p>Restrict your involvement in the process</p> <p>Recruit an independent third party to oversee part or all of the process</p> <p>Remove yourself from the process</p> <p>Relinquish your private interest that causes the conflict</p>	<p>If you have declared a conflict above, detail how you propose to manage it.</p> <p><i>The final decision on management of any conflict declared on this form, will be the Ministry's and all decisions will be subject to the MfE process for the management of conflicts of interest.</i></p>

Individual Declaration

Signature:	
Full name:	
Title/position:	

Ministry for the Environment Assessment of Management Plan (required if COI declared)

Impact assessment and conditions of proposed management plan

The following is the Ministry's assessment of the Conflict of Interest, along with any additional conditions that must be followed:

Things to note are the possible impacts of the COI (on MfE, a Minister, or the Government), and how this will be mitigated by the proposed management plan. You must detail whether you agree with the management option (restrict, recruit, remove or relinquish), and propose additional conditions if required. This may include further controls to ensure the conflict is being effectively managed. This section must be completed prior to sign-off and be written in conjunction with procurement.

Ministry for the Environment Approval (required if COI declared)

Review by Financial Delegation Holder - I confirm that I have received this declaration and noted the contents. I approve the above Conflict of Interest Management Plan

If the conflict relates to the Financial Delegation Holder directly, this must be signed by a one-up delegation

Signature:

Full name:

Title/position:

Review by Senior Leadership – if the Manager, Procurement considers that the conflict of interest raises a high level of risk for the Ministry, this form must be reviewed and approved by the relevant Deputy Secretary or Chief Executive.

Required? Yes/No (to be completed by Procurement)

I confirm that I have received this declaration and noted the contents. I approve the above Conflict of Interest Management Plan

Signature:

Full name:

Title/position:

