

Project Definition - Scope

Key Project Information

Project Name	Thames AA Driver and Vehicle Licensing Agency Project		
Project Description	This Project Definition outlines a project and rationale to operate the Automobile Association Agency (AA) from the Customer Services Team in Thames, as part of the Council's services to the community.		
Project Code	TCDC	Project Sponsor	Ben Day
CAPEX Budget	NIL	OPEX Budget	Unbudgeted
TOTAL - Long Term Plan (10 year) Budget	NA	Asset ID (if applicable)	NA
AC/ILOS split (where applicable)	NA	Funding Source (if known)	Revenue from sales of services from AA Agency

Background

Council, by resolution in 2013 and 2014, has requested that Destination Coromandel (DC), our Regional Tourism Organisation (RTO) take over the contract and operations of the Thames I-SITE.

The current I-SITE operators also run an agency of the Automobile Association (AA), offering AA Retail Services and Driver and Vehicle Licensing Services.

DC has made a decision not to run AA from the I-SITE from 1 July 2015 when it takes over the visitor information centre function. The AA services now need a new operator to ensure business continuity in Thames (many services that the AA offer are not available anywhere on the Coromandel and in the wider Hauraki-Coromandel sub-region. The nearest full service AA Centre is in Hamilton or Tauranga).

The Incorporated Society running the AA services from the I-SITE have formally given notice to AA to terminate their contract on 30 June 2015.

The Government Agency (NZTA) that contracts AA to operate various driver and vehicle license services is tendering these services to the open market in 12-18 months-time. Given this factor, AA is having trouble finding a partner to operate the AA. The Thames Community Board have asked the Thames Area Office staff to investigate putting the AA into the Library, to ensure Thames does not lose these very important 'government' public services. These Area Office investigations have come to find no suitable location, including at the Thames Library.

As a result, the Deputy Chief Executive has offered the use of the Thames-based Customer Services function as the potential new operators of the AA services.

A separate project is being formed to investigate cost-effective renovations of the Thames Customer Services Area, which is not currently linked to this project, but will be required to include the AA services in any redesign of the area. The timing of the projects unfortunately do not easily "line-up" given the AA needs to be operational from the Council building from 1 July 2015, and the renovation proposal is not due to come to Council until much later in 2015.

Alignment to Council Mission/Vision

- We will earn respect, both as a good community citizen and through our support of community organisations, economic development and the protection of the environment.
- Outcome 6: We will develop strong partnerships and strategic alliances to ensure a thriving economy
- LGA 2002: Purpose of Local Government: "to meet the current and future needs of communities for good-quality local infrastructure, **local public services**, and performance of regulatory functions in a way that is most cost-effective for households and businesses. (Bold and underline emphasis added).

Project Objectives

The objectives of the project are to:

- Establish an AA Agency operating from the Thames TCDC Offices from 1 July 2015 which offers the same levels of service currently being offered by the current operators (see www.aa.co.nz)
 - Driver Licensing Services (Practical and Theory)
 - Vehicle Licensing Services
 - AA Membership Services

Project Stakeholders

The key stakeholders for the project are:-

- Existing AA customers
- AA Head Office
- Customer Service Team
- Coromandel/Hauraki customers/residents
- Information Services
- Thames Community Board & Area Office
- Council
- Legal Team
- Facilities Management
- Media
- Communications Team
- TCDC staff
- AA Staff
- Current AA provider
- Contract Testing Officers
- Finance Team

Project Deliverables

The project will deliver the following:-

- Operational AA Agency from 1 July 2015
- Operational (physical and digital) separation of TCDC and AA services
- New signage (internal and external)
- Internal fit out/AA desk(s) and customer areas
- Staff training programme (NZQA standard)
- IT integration, hardware and software
- New Information Management systems
- A marketing campaign and communications strategy
- New Security protocols, including handling of numbered forms and license plates
- New finance systems and banking processes
- More customer parking

The project sponsor will be required to sign off the following:-

- Project Plan
- Budgets
- Council Reports
- AA Contract

Project Resources

The project requires the following resources and technical skills to achieve the project deliverables and outcomes:-

- Project Team will be structured as follows:-
 - Project Sponsor: Deputy CE
 - Project Manager: Customer Services Team Leader
 - Senior Supplier: AA
 - Senior User: Customer Services Team Leader
 - Project Team Members: Representatives from Finance, IT, Communications, Customer Services, Thames Area Office

Scope

The scope of the project includes:-

- The following activities will be undertaken:-
 - Contract management
 - Council approvals/reports
 - Temporary Office fit out
 - IT configuration
 - Signage and marketing
 - Finance configuration
 - HR/recruitment
 - Training and training/user documentation
 - Security protocols
 - Customer parking

The scope of the project does not include:-

- The following activities will not be undertaken:-
 - CS renovation project is separate

Project Outputs

- Extra customer car parks created (maybe more 15-30 minute car parks)
- IT integration/configuration of AA systems and hardware
- Customer service area configuration
- Signage (internal and external)
- Brochure and forms racks
- Training accreditation (NZ standard for all appropriate staff)
- Security protocols established
- Approvals from CE and Council
- New cash receipting and financial process integration
- Contract signed and approved
- Extra staff recruited
- Marketing programme deployed/website updated

Assumptions

- Council approval
- Space is available at CS Thames
- Extra car parks can be created
- AA Contract is agreeable
- Training is available
- AA staff member is agreeable to work for TCDC

Constraints

- No extra budget, although AA pay for the fit out and delivery of hardware (we can also get some plant and equipment from the current operator).
- Timeframes are tight for a 1 July launch

Risk Assessment

The key risks to this project are:-

- Tight timeframes
- Training staff and successfully acquiring FTE from current operator
- Governance decision making
- Needing to train and keep at least 3-4 staff trained
- An agreeable contract between TCDC and AA
- Managing extra workload and increased patronage without effecting current levels of service
- IT integration
- Negotiating with staff third party access for background check information
- Lack of parking for customers
- AA not retaining Government Contract in 12-18 months' time

Project Benefits

- Delivery of AA Services in Thames continuing despite the 'friendly takeover' of the ISITE by Destination Coromandel (business continuity of this vital service for the Coromandel is retained)
- Simplifies and secures the ISITE transition to Destination Coromandel
- Revenue opportunity to create moderate profit from this service to reduce CS costs in general
- Improved customer service for customers by having a centrally located AA agency

Project Funding/Budget & Operating Expenditure

Revenue Analysis

Average Commission Per Annum	% of transactions	revenue by transactions	Av. Total Transactions (2014)
Driver licensing transactions	68%	\$ 47,106.09	10827
Motor vehicle licensing	27%	\$ 18,925.97	4350
Other transactions (AA memberships etc)	5%	\$ 3,223.94	741
Totals	100%	\$ 69,256.00	15918

FTE Calculator

Transaction Type	Transaction Details	Hours P.A.
Driver licensing transactions	10827 transactions (10mins each)	1805
Motor Vehicle licensing	4350 transactions (10mins each)	363
Other transactions (AA memberships etc)	741 transactions (10mins each)	62
Admin	Computer set up/balancing (45mins per day)	188
	General enquiries (45 mins per day)	188
Total Hours P.A.	(Approx 1.4 FTE)	2606

Year One Budget	\$	Notes
Annual Revenue	\$ 72,718.00	5% increase forecast
1 Extra FTE (on-going OPEX)	\$ 60,000.00	1 x new FTE in CS Thames
Training	No cost	Initial training at the cost of AA
Fit out	\$2,500	CS Budget AA supplying majority of fit out equipment
IT costs	\$ -	Staff time only - to work with AA
Signage	\$500	Majority paid for by AA
TCDC Overheads	\$15,000	0.4 FTE absorbed, staff time etc
Year One Loss/Profit	\$ -5,282.00	
Year Two Loss/Profit	\$ 1,353.00	No sunk costs and based on a 5% increase in revenue

While the FTE calculator from AA suggests we need 1.4 FTE, we propose an additional 1 FTE. This new role will rotate through all CS functions and the extra 0.4 absorbed by the current CS Team.

The majority of CS Staff will rotate through the AA "desk" and will need to be trained. The new FTE will also be trained in all other TCDC CS competencies.

The new FTE will be offered an 18 month contract to reduce the exposure and cost to Council if AA are not successful in their re-tender process.

Communications

A Communications plan to market the change and market the new services available at TCDC Thames will be required.

Strategic and regular communication with internal and external stakeholders is also vital to ensure the successful transition.

Procurement Plan

- IT will manage procurement from AA of hardware and software
- CS Thames will manage fit out procurement from AA (including signage)
- CS Thames will manage HR, training and recruitment of AA staff member
- Legal Team will advise on contract and council decision making requirements from AA and Council
- Thames Area Office will manage car parking issues and increasing capacity

Project Authorisation/Sign Off

- PD Peer Reviewed by Peer Review Team and then approved by DCE and CE
- Project Plan approved by DCE
- EDC and Council Report for contract approvals in (April/May)