



te kaunihera ā-rohe o
matamata-piako
district council



Matamata- Piako District Council Transportation Procurement Strategy

Version 1

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Issued under the authority of:

**MPDC Assets Strategy & Policy Manager
(Susanne Kampshof)**

Endorsement by Executive team – 12.9.2022

Subject to review (three-yearly or less, as applicable)

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1 Executive Summary

This is the Transportation Procurement Strategy (TPS) for Matamata Piako District Council (Council). It is reviewed and updated three-yearly or less, at the request of Waka Kotahi NZ Transport Agency (WK/NZTA) and to coincide with Council's Long Term Plans.

The TPS demonstrates Council's procurement of its transportation programme whilst continuing to meet the requirements of the Land Transport Management Act 2003 (LTMA).

The LTMA requires approved organisations (AOs) as recipients of WK/NZTA funding to use procurement procedures designed to obtain best value for money; enable fair competition and encourage competitive and efficient markets.

All AOs must have a WK/NZTA endorsed procurement strategy in order to seek funding.

This document is the third review of what was earlier a Rooding Procurement Strategy – first adopted by Council and endorsed by the NZ Transport Agency back in 2011. Council's earlier procurement strategies focussed on risk minimisation whereas this strategy continues to be more aligned to meeting the market – recognising a more balanced risk profile.

In sharing risk Council enables fairer rates, greater support for innovation and ongoing positive relations between principal and contractor. This also encourages competitive contractor pricing.

Council also maintains a sustainability ethos, preferring where practical to recycle or encourage longer-life products with an improved whole of life value i.e. minimal residual waste.

In addition to the above, Council places great importance on the following procurement issues:

- *An on-going national and regional skills shortage:* Likely to impact both Council and contractors. The contracting industry is encouraging youth and Council is encouraging contractors to suitably train new employees and expose them through rotations (time spent with Council and Contracting) to diversify their experience.
- *Ensuring Value for Money:* WK/NZTA and local government require more evidence-based analysis to support funding requests. Council is improving its data capture, storage and sourcing by utilising improved technology. And with regular audits, Council processes are becoming more refined.
- *Competitive and Efficient Markets:* Where possible creating and maintaining market efficiencies through contracting. This means encouraging new entrants and scaling contracts, so as to allow greater competitive opportunities for small to medium size firms.
- *A well-informed supplier market:* In which suppliers have sufficient time and understanding of the offer to be able to bid for work.
- Achievement of corporate ownership.

All of the above were considered when the last Network Maintenance and Resurfacing Combine Contract commenced in 2019, for a period of $3 + 2 + 2 = 7$ years. This contract term provides an optimum period for the contractor to take ownership in the contract, invest and fulfil the above outcomes.

It is therefore recommended that:

- Council adopt the TPS for all transportation-related procurement.
- WK/NZTA endorses this TPS.
- WK/NZTA continues to approve the variation for a single contract combining the functions of general *road maintenance and Resurfacing*. This contract has a contract term of 7 years (3+2+2), having started July 2019.

Once endorsed by WK/NZTA, this document is made available to staff via the intranet and to the public on MPDC's website.

REG | THE ROAD EFFICIENCY GROUP

Smart Buyer Self Assessment

This assessment is based on the Smart Buyer Principles identified in the Road Maintenance Task Force Report. Score the following by ticking the appropriate box - (1) Disagree to (5) Strongly Agree.

Whenever you score yourself "4 or 5" think of an example you can use to justify your score to an independent auditor or the other attendees at this workshop.

Assessment statement Our Organisation	Score				
	1	2	3	4	5
1. Fully understands the different contracting models available.		✓			
2. Holds meetings that update the contracting industry on the forward works programme and any changes in approach, and proactively engages with the contracting industry to ensure it gains optimal value from any changes being implemented.	✓				
3. Has sufficient robust data (or is in the process of gathering robust data) on our networks to enable optimal integrated decision-making.				✓	
4. Has access to expertise that fully enables best use of the data available.				✓	
5. Is open to alternative solutions to those proposed in the contract documents.			✓		
6. Understands risk and how to allocate and manage it.			✓		
7. Has a Council that is prepared to pay more now to achieve a lower whole of life cost.			✓		
8. Actively pursues value for money & does not always award contracts to the lowest price.				✓	
9. Is able to manage supplier relationships/contracts to ensure optimal expenditure, which sustains infrastructural assets at appropriate levels of service.				✓	
10. Supports ongoing skill and competency training and development for staff.			✓		
11. Actively shares and gains knowledge within the sector.				✓	
12. Is effective in keeping up with best practice in procurement, including best practice RFP/contract documentation.			✓		
13. Regularly seeks and receives candid feedback from suppliers on its own performance as a client and consistently looks to improve its performance.				✓	
14. Explores opportunities for collaboration by either sharing in-house resources with neighbours, or by procuring together or tendering together. That exploration could be through an LGA s17A evaluation of transport function delivery options.			✓		
Number of ticks in each column	1	1	6	6	
Multiplying factor	x1	x2	x3	x4	x5
Total Score in Column	1	2	18	24	
Total Score				45	

Through Council applying the Road Efficiency Group's (REG) *Smart Buyer Self-Assessment*, it is best able to determine any procurement shortfalls – allowing improvement to existing procurement practices.

There is also recognition of the need to improve contractual understanding and communications throughout the contracting industry, rather than only communicating with the incumbent contractor. Also, the *Smart Buyer Self-Assessment* supports the industry by assessing whether Council is indeed giving back to the industry: for example, by training staff in Civil Works and Local Government roading skills. This assessment helped Council to recognise a lack of support, and resultantly, Council is endeavouring to open opportunities for some cadetship.

2 Councils Strategic Objectives and Outcomes

2.1 Relevant Legislation and Policy

National Level

Local Government Act 2002 (LGA)	<p>The purchase of goods or services must be consistent with the principles of the LGA. Under s14 and ss77-81 of the LGA, local authorities are required to:</p> <ul style="list-style-type: none"> • Conduct business in an open, transparent and democratically accountable manner; • undertake commercial transactions in accordance with sound business practice; and • in the course of decision-making: <ul style="list-style-type: none"> ○ seek to identify all reasonable practical options for the achievement of meeting objectives for a decision ○ assess the options in terms of their advantages and disadvantages
Land Transport Management Act 2003 (LTMA)	<p>The Land Transport Management Act 2003 (LTMA) clause 25, outlines the requirements for Waka Kotahi to consider when approving Procurement Procedures for use by Approved Organisations; in the context of this strategy being MPDC.</p> <p>Key aspects of procurement procedures include:</p> <ul style="list-style-type: none"> • Must be designed to obtain best value for money spent. • Enabling persons to compete fairly for the right to supply outputs. • Encouraging competitive and efficient markets for the supply of outputs.
Waka Kotahi Procurement Manual	<p>Waka Kotahi is committed to the concepts of value for money, maintaining competitive and efficient markets, and fair competition among suppliers. Waka Kotahi's Procurement Manual contains procurement procedures approved under Section 25(1) of the LTMA.</p> <p>Waka Kotahi and MPDC's investment in transport services and infrastructure within an Investment Assessment Framework help achieve value for money through:</p> <ul style="list-style-type: none"> • Planning to implement activities and programmes in the right way (through business cases). • Selecting the right things to do (through results alignment). • Implementing them at the right time and for the right price (through cost benefit appraisal and smart procurement). <p>The procurement procedures contained in Waka Kotahi's Procurement Manual are approved for use to purchase the goods and services required to deliver the activities that have been funded under Section 20 of the LTMA.</p> <p>The Procurement Manual requires that Approved Organisations (AOs) adopt a strategic approach in procuring their Waka Kotahi subsidised transport programme.</p>

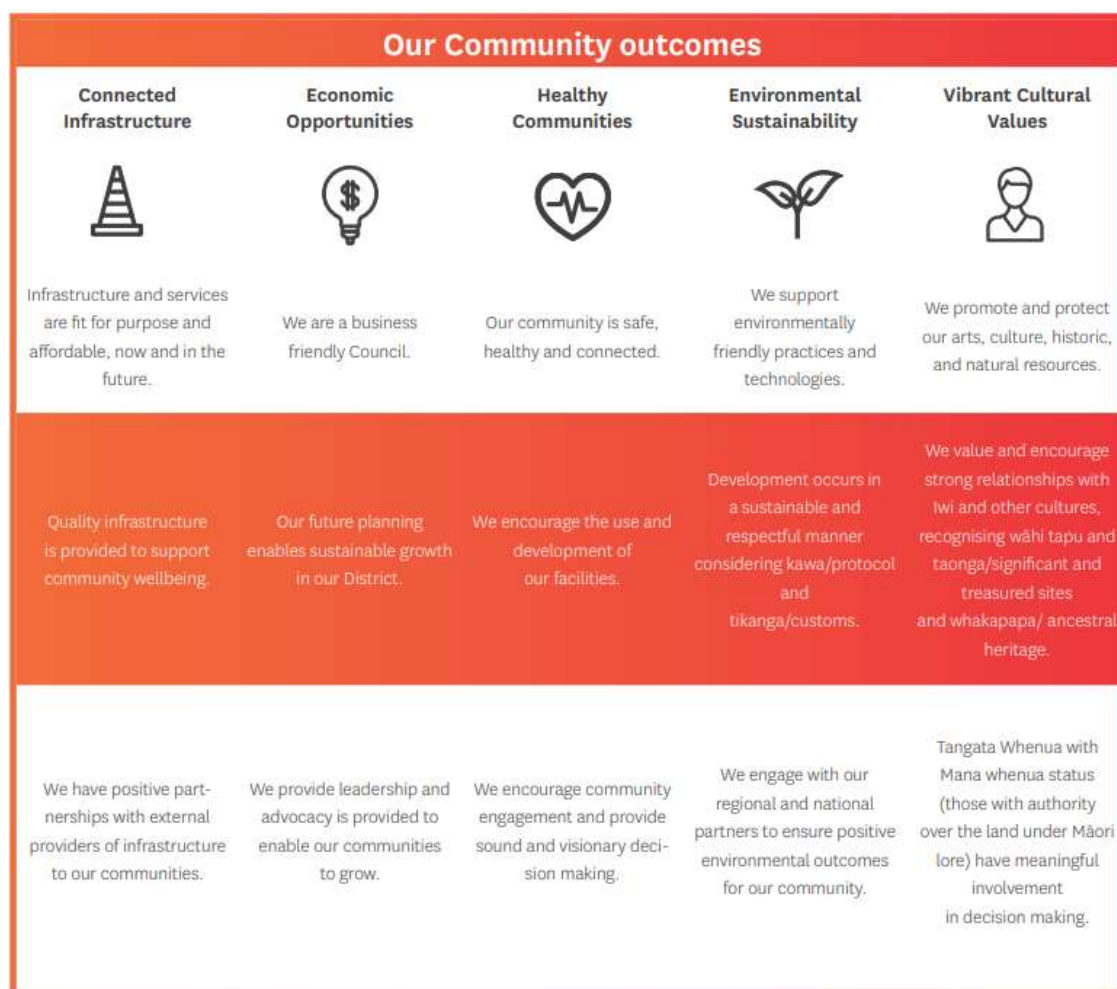
<p>Government Procurement Rules, Rules for sustainable and inclusive procurement (4th Edition) 2019</p>	<p>Rules for Planning your Procurement, Approaching the Market and Contracting.</p> <p>This document requires each agency (which includes local government organisations) to have policies in place that incorporate the five Principles of Government Procurement which are:</p> <ol style="list-style-type: none"> 1. Plan and Manage for Great Results 2. Be fair to all suppliers 3. Get the Right Supplier 4. Get the Best Deal for Everyone 5. Play by the Rules <p>The new government procurement charter directs agencies and encourages public entities to:</p> <ul style="list-style-type: none"> • Seek opportunities to include NZ Businesses; • Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility • Look for new and innovative solutions • Engage with businesses with good employment practices • Promote inclusive economic development within NZ • Manage risk appropriately • Encourage collaboration for collective impact.
<p>OAG Procurement Guidelines for Public Entities (2008)</p>	<p>The OAG guidelines outline <i>‘good practice that public entities should use to procure goods or services’</i>.</p> <p>The guidelines use the basic principles of accountability, openness, value for money, lawfulness, fairness and integrity</p>
<p>REG Guidelines</p>	<p>The Road Efficiency Group (REG), developed by NZTA, have produced a report ‘Road Maintenance Procurement: Delivery Model Guidelines’ to assist in making and improving road maintenance delivery model decisions which should be considered as part of the process.</p> <p>The guidelines present a selection matrix of key client drivers to help determine and plan for a preferred road maintenance delivery model.</p>

Local Level

Long Term Plan (2021-31) – Matamata- Piako the Place of Choice

Over the past three years we have made progress towards making Matamata-Piako the place of choice and we want to continue to build on this to provide **lifestyle, opportunities and home**.

To make the vision a reality we see ourselves enabling the community in five key areas, with fifteen specific community outcomes we want to achieve outlined below:



The Asset/Activity Management Plan (AMP)

The purpose of the asset or activity (terms used interchangeably) management plan, is to set out how the Council's transportation activity is managed. The AMP takes a comprehensive and long term approach to the management of those assets and services delivered.

The AMP demonstrates responsible management through identifying in detail the following asset information and processes:

- Asset Knowledge
- Levels of Service
- Operations & Maintenance
- Asset Renewal
- Asset Development

3 Objectives and Outcomes: Transportation Procurement Strategy

The TPS can assist to achieve Council's vision and community outcomes, as Council procures new and maintains and upgrades existing transportation infrastructure.

The TPS is a specific document, although it still has to adhere to Council's organisational-wide Procurement Manual.

The TPS also procures specialist professional services (advice), where necessary.

Council's transportation objectives in procurement are:

- Delivers best value for money over the whole life of the goods, services or asset;
- Sharing risk and encouraging innovation;
- Assessing using the evidence-based business case approach;
- Creating a road system that provides for the safe, efficient and strategic movement of traffic (vehicular and pedestrian) in a manner that promotes the sustainable management of resources;
- Engaging with New Zealand businesses in a productive way and helping those businesses to become more competitive internationally; and
- Building the public's trust that expenditure is well planned and well executed;

3.1 Broader Outcomes

Broader Outcomes (Government Procurement Rule 16) are the secondary benefits that are generated from the procurement activity. These outcomes can be social, environmental, cultural, or economic benefits, and will deliver long-term public value. Broader outcomes require consideration not only of the whole-of-life cost of the procurement, but also the costs and benefits to society, the environment, and the economy.

Broader outcomes align with MPDC's strategic direction, and aspirational priorities, which are:



The alignment is in terms of how Council works in collaboration with community, stakeholders and partners to get much better outcomes, acknowledging that Council is obligated to achieve the economic, environmental, cultural and social aspirations of Iwi within our district. Council acknowledges the special place of Maori in Matamata-Piako's

history and the important role Maori will play in building our district's future. These mana-enhancing relationships with Maori offer all of us opportunities.



- ✓ Everything we do is aimed at Improving the wellbeing of our Community
- ✓ We strive to a Council that puts out “The Welcome Mat” for Business- ensuring a helpful and seamless approach to enable business to establish here.
- ✓ We’ll promote becoming a sustainable community by challenging the way we develop and how we live within our district
- ✓ We want to strike a balance between a district small enough to enjoy a strong sense of community yet big enough to be vibrant, interesting and abundant in opportunity.

Cabinet is placing greater requirements on agencies to leverage a priority set of broader outcomes. These areas are:

1. **Access to government procurement:** increasing the number of New Zealand businesses contracting directly to government, and within the supply chain. This includes Māori businesses and Pasifika businesses.
2. **Construction sector workforce (skills and training):** through the domestic construction sector, government is encouraging businesses to increase the size and skills of their workforces.
3. **Employment standards and health and safety requirements:** Ensure suppliers and subcontractors comply with fair employment standards and meet New Zealand labour practices and health and safety requirements in order to maintain and improve workforce conditions. Enable businesses to engage in fair competition and where appropriate trade.
4. **Reducing emissions and waste:** support for the transition to a net zero emissions economy and assist the government to meet its goal of significant waste reduction. Ultimately to achieve positive environmental outcomes through sustainable procurement by reducing emissions and procuring low waste goods, services and works.

4 Transport Agencies Procurement Requirements

WK/NZTA has specific requirements to be met through this TPS. Therefore, transportation-related contracts will explicitly be procured on the basis of the following.

4.1 Value for Money

The Land Transport Management Act s25 requires that procurement procedures used by approved organisations be designed to obtain best value-for-money spent.

In the context of land transport procurement in New Zealand, obtaining best value-for-money spent means purchasing a good or service that delivers the output approved for funding under s20, in the most efficient and economic manner.

The principle of best value-for-money when procuring goods or services does not necessarily mean selecting the lowest price. Value-for-money means using resources effectively, economically, and without waste, also taking into account the total costs and benefits of procurement, and its contribution to the results you are trying to achieve. Ultimately, value-for-money is about getting the best possible outcome over the whole-of-life of the goods, services or works.

Value-for-money means using resources effectively and efficiently; with due regard for the total costs and benefits of an arrangement; and with due regard to the contribution made to the community outcomes and wellbeing.

Some of Councils current key issues are:

- Changing Procurement environment with the introduction of MBIE's Broader Outcomes and greater consideration of risk allocation through procurement.
- Global disruption or delays in the supply chains for some materials.
- Residential construction boom and the growth in the district is putting a strain on staff and contractor resources and is also putting a greater need for improvements to existing infrastructure.
- Upskilling of new staff has been identified as something that needs to be a focus internally as we have had some key staff leave in the Roding team.

The opportunities identified are as following:

- Expanding Broader outcomes to achieve strategic goals of ours and our partners. E.g. training, encouraging more local employment and increasing certainty and resilience in local employment and achieving some positive environmental outcomes through sustainable procurement.
- Establish some upfront risk sharing discussions with contractors.
- As some of the more specialised maintenance contracts are up for renewal continue to review the set up of these to determine they are still the most appropriate.

4.2 Competitive and Efficient Markets

Council encourages the development and ongoing sustainability of competitive and efficient markets. This is achieved through the transportation financials in the LTP which provide a

statement to the community of what will be done, how much will be spent and when Council intends to purchase this infrastructure and services.

Such statements are intended to provide market certainty, that where possible, expenditure as set out in the LTP will be spent over the next 10 years.

4.3 Fair Competition among Suppliers

Council encourages fair competition among suppliers by packaging and bundling work to make them more attractive and to provide all potential bidders with a fair chance of winning contracts.

For Term Contracts, Council is extending the number of years to provide more suitable return periods for equipment purchase etc. WK/NZTA guidelines, in the form of procedures and evaluation methods, are strictly followed for these processes.

Overall, the TPS ensures that community outcomes are met and fulfilled through fair and competitive processes.

5 Other Relevant Factors

5.1 Relevant Policies

To be used in conjunction with the TPS is the Contract Procedures Manual, Delegations Policy and the Delegations Register. These documents provide guidance on how to manage contracts and outline the financial delegations of staff.

The Sustainability Policy also needs to be taken into consideration. Sustainability is about meeting the needs of today without adversely affecting the needs of tomorrow. In a business sense, the key messages of sustainability tie-in with what are considered sound business practices; such as building efficiency, minimising waste, maximising resources and using renewable resources.

5.2 Local Government Contractor Health & Safety Pre-Qualification Scheme

MPDC is committed to working with its contractors to keep everyone safe and healthy. We do this by maintaining positive partnerships through consultation, cooperation and coordination. The organisation follows the WorkSafe NZ guidance on how PCBUs should work together, which includes the following requirements

- Scoping of the required works: MPDC will work with contractors to understand what work needs to be done and where, and to share information about what hazards and risks will be involved.
- Pre-qualification of contractors: MPDC requires all contractors undertaking physical works to be registered with SHE (see information below).
- Monitoring: Subject to the risk and length of the work, council contract managers will undertake monitoring during the duration of the contract. This could include site visits and inspections, pre-start meetings and site handover, inductions, and project updates.
- Post-contract review: MPDC Council will do a post-contract review how the contract went including an assessment of health and safety.



Several Waikato and Bay of Plenty Councils have teamed up with SHE Software NZ Ltd to develop a new streamlined pre-qualification process. All contractors and sub-contractors working for MPDC must have current prequalification through this system. This will ensure Councils are using contractors who operate with effective health and safety management systems and are holding current and relevant insurances.

This process requires contractors and sub-contractors who carry out services for MPDC, to apply to become pre-qualified every two years, with insurance renewals conducted annually. Should these expire in the system, MPDC will not allow you to carry out work for them until the insurance renewals are received.

To commence an application visit payments.sheassure.net/ and to view the list of contractors that have been prequalified visit sheassure.net/las/Portal/approvedcontractorlist/Index.

Further information on the prequalification scheme can be found on the MPDC website: www.mpdcc.govt.nz/apply-for-it/contractor-pre-qualification

5.3 Supporting Local Businesses

Council recognises that there is a benefit to the community from purchasing locally. Local suppliers are given every opportunity to bid for Council tenders. 'Local' can mean within the district boundaries and/or the Waikato Region.

All things being equal, the price submitted needs to be competitive with the market. And any decisions made are likely to be based on the "whole-of-life" value, rather than the purchase price, while staying within procurement guidelines.

5.4 Risk

There are numerous procurement risks:

- The risk of not testing boundaries and therefore challenging the status quo means we keep doing what we have always done.
- The risk of testing boundaries means sometimes we over step and there is a cost incurred.
- There is risk in collaboration with others that we reduce the number of contractors.
- There is risk in not collaborating with others that our efficiencies are not optimum.
- There is risk in short term contracts that the contract has limited capacity to commit to appropriate resources.
- Similarly, there is risk in long term contracts that the market changes are not the same, escalation costs can then impact on contractual relations.

When a contractor bears a greater risk, appropriate compensation should be the result. Alternatively, if the contractor avoids risk, theoretically they should be able to charge lower rates, but they could also be risk adverse and therefore less likely to be innovative; providing limited if any opportunity for ongoing improvement.

Therefore, Council's overall strategy is an approach that balances risk enabling fair rates with the opportunity for innovation and positive relations between principal and contractor.

6 Procurement Programme

ASSETS COVERED BY THIS STRATEGY	DESCRIPTION	DEPRECIATED REPLACEMENT VALUE	% OF TOTAL
Roads and footpaths	1,006km of which 57.5km is unsealed	\$ 225,692,052	55%
	197km footpaths	\$ 7,662,875	
	350 bridges and underpasses	\$ 21,322,839	
	500m cycleway		
	3,100 street lights	\$ 3,714,322	
	Road signage and markings, drainage assets, railings and structures, berms and vegetation	\$ 26,313,826	
	TOTAL	\$284,705,914	

Currently Council carries out:

- Planned and preventative maintenance of the existing road network
- A planned programme of major and minor renewals and upgrades
- Emergency repairs (as/when required)
- A small programme of capital works
- Professional investigations funded by WK/NZTA

The following is a segmented breakdown of the procurement programme.

6.1 Maintenance and Renewals

Council's procurement for principal maintenance contracts which also includes the Resurfacing work:

- Considers partnering delivery models for contracts
- Advertises/ promotes for *Registrations of Interest* for a 3+2+2 year-contract.
- Uses Request for Tenders (RFT) with a 60/40 price/attribute respectively.
- Assesses regularly using Performance Assessment by Coordinated Evaluation (PACE) scores, to ensure client/customer relations are positive and expectations are well communicated.

Council's procurement for other maintenance contracts e.g. road signage, road lighting and road marking:

- Considers staged options for contracts.
- Separates disciplines into separate contracts.
- Tenders generally on lowest price with some of the more specialised works as Price Quality.
- Uses the Roding team for supervision and programming of works and/or Road Asset Technical Accord (RATA) where appropriate

Use of the above processes should ensure a more competitive market by spreading work out amongst external contractors; providing opportunity for local suppliers to tender and appropriate encouragement for high-quality suppliers. Council believes small bundles of work can generate greater efficiencies and opportunities for a team-based relationship between all parties for some of the more specialised works.

Values indicated in tables below represent the *total value* of works to be carried out. For the relevant works, Council may consider entering into more than one contract.

Council's approach for the procurement of renewal contracts will be to:

- Separate disciplines into different contracts but have them large enough to make them attractive to the contractors.
- Tenders are generally on the Lowest Price as there are enough interests from the contractors.
- Uses the Roding team for design, tendering and supervision of works.

This approach should ensure a competitive market by spreading work amongst multiple suppliers, giving all local providers an adequate opportunity to tender for works.

General Maintenance and Sealed Road resurfacing	
Contract Start	1 July 2019
Contractor	Fulton Hogan
Date for Renewal	July 2022 + 2 + 2
Services Required	Maintenance and Resurfacing
NZTA work categories included in contract	111- Sealed pavement maintenance 112 – Unsealed pavement maintenance 113 – Routine drainage maintenance 114 - Structures maintenance 121 – Environmental Road maintenance 122 - Traffic services maintenance Renewal of road: 211 – Unsealed road metalling 212 – Sealed road resurfacing Including some minor area wide pavement treatment as well. 214 - Sealed Road pavement rehabilitation
Value	\$3,850,000 per annum. Maintenance \$2,400,000 per annum. Sealed Road Resurfacing

Risk/Complexity/Scope for Innovation	Low – Medium - Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Price-Quality
Estimate of Interest	Council received 2 tenders for this contract although 8 organisations submitted their interest.
Contract Management	Roading Team to programme and supervise the works

Markings Maintenance and renewals	
Contract Start	11 October 2021
Contractor	Road Markers NZ
Date for Renewal	July 2024 + 1 + 1
Services Required	Maintenance
NZTA work categories included in contract	122 - Traffic services maintenance 222 - Traffic services maintenance
Value	\$349,000 per annum
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods (Current Selection Method)	Lowest Price/ Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received.
Contract Management	Roading Team to programme and supervise

Bridge Inspection – via RATA CoLab	
Contract Start	1 July 2022
Contractor	Graymatter
Date for Renewal	August 2025 + 3
Services Required	Professional Services
NZTA work categories included in contract	151 – Network and Asset Management
Value	\$96,000 (approx.) per annum
Risk/Complexity/Scope for Innovation	Medium/Medium/Medium

Possible Delivery Models	Joint procurement with other Waikato Councils
Possible Supplier Selection Methods	Price Quality (MBIE Weighted Attributes)
Estimate of Interest	High interest from all stakeholders
Contract Management	Road Asset Engineer to programme and supervise

Bridge Maintenance and Renewal

Contract Start	1 July 2022
Contractor	Still to be tendered for 2022 2021/22 Contractor – Top Cru
Date for Renewal	Annual
Services Required	Maintenance
NZTA work categories included in contract	113 – Routine drainage maintenance 114 - Structures maintenance 215 - Structures component replacements
Value	\$210,000 per annum
Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price
Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received.
Contract Management	Road Asset Team to programme and supervise

Street Lighting Maintenance and Renewals

Contract Start	1 July 2021
Contractor	Mc Kay Contractors
Date for Renewal	July 2024 + 1 + 1
Services Required	Maintenance
NZTA work categories included in contract	122 - Traffic services maintenance 222 - Traffic services maintenance
Value	\$265,000 per annum
Risk/Complexity/Scope for Innovation	Medium/Low/Low

Possible Delivery Models	Staged
Possible Supplier Selection Methods	Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received.
Contract Management	Roading Team to programme and supervise

Minor and Ancillary works	
Contract Start	Not applicable
Contractor	Kaimai Valley Services
Date for Renewal	To be reviewed annually
Services Required	Maintenance
NZTA work categories included in contract	113 – Routine Drainage maintenance 125 - Footpath Maintenance
Value	\$100,000 or less in routine drainage maintenance \$100,000 or less in footpath maintenance
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Direct Appointment
Estimate of Interest	Limited interest likely given specialist nature
Contract Management	Roading to programme and supervise

Road Safety Community Programmes	
Contract Start	1 July 2022
Contractor	Various different services
Date for Renewal	Annual
Services Required	Maintenance
Value	\$30,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment

Estimate of Interest	Sufficient interest for a competitive process expected
Contract Management	Road Safety Coordinator to programme and supervise

Signage (Maintenance & Renewals)

Contract Start	1 July 2021
Date for Renewal	July 2024 +1 + 1
Services Required	Programme and Construction
NZTA work categories included in contract	122 - Traffic services maintenance 222 - Traffic services maintenance
Value	\$242,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received.
Potential In-House – design and supervision	Roading Team to programme and supervise

Sealed Pavement Rehabilitation, including Drainage renewals and Associated Improvement categories

Contract Start	Annual packages of work
Contractor	Various different contractors
Date for Renewal	Procured on a 'per package' basis,
Current contract period	Current contract period
Services Required	Construction
NZTA work categories included in contract	214 – Sealed Road pavement rehabilitation 213 - Drainage Renewals
Value	\$3,000,000 per annum
Risk/Complexity/Scope for Innovation	Low/Low/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price

Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received. Generally 4 or more tenders for each package are received.
Contract Management	Roading Team to design and supervise

Low Cost Low Risk Improvements (Road to Zero)

Contract Start	Annual packages of work
Contractor	Various different contractors
Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis if specialised
Services Required	Construction
NZTA work categories included in contract	341 – Low cost, low risk roading improvements
Value	\$800,000 per annum
Risk/Complexity/Scope for Innovation	Low/Medium/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price
Estimate of Interest	Sufficient interest for a competitive process expected based on historical tenders received. Generally 4 or more tenders for each package are received.
Contract Management	Roading Team to design and supervise

Footpath Renewal

Contract Start	1 September 2022
Contractor	Still to be tendered for 2022 2021/22 Contractor – ECB Group
Date for Renewal	Annual
Services Required	Design and Construction
NZTA work categories included in contract	125 - Footpath Maintenance and Renewal
Value	\$200,000
Risk/Complexity/Scope for Innovation	Low/Low/Low

Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price
Estimate of Interest	Sufficient interest for a competitive process expected
Contract Management	Roading Team to programme and supervise

6.2 Unsubsidised Capital

Council's strategy for unsubsidised capital works will be, where possible, to:

- Separate different disciplines into different contracts
- Procure via quotations for work under \$100k
- Tender on a Lowest Price/Price Quality basis where suitable

This should ensure a competitive market by spreading work amongst multiple suppliers and in-house services, giving all local providers an adequate opportunity to tender for works and provide appropriate encouragement for high quality suppliers.

Values indicated below represent the *total value* of the works to be carried out and Council may consider entering into more than one contract for the relevant works.

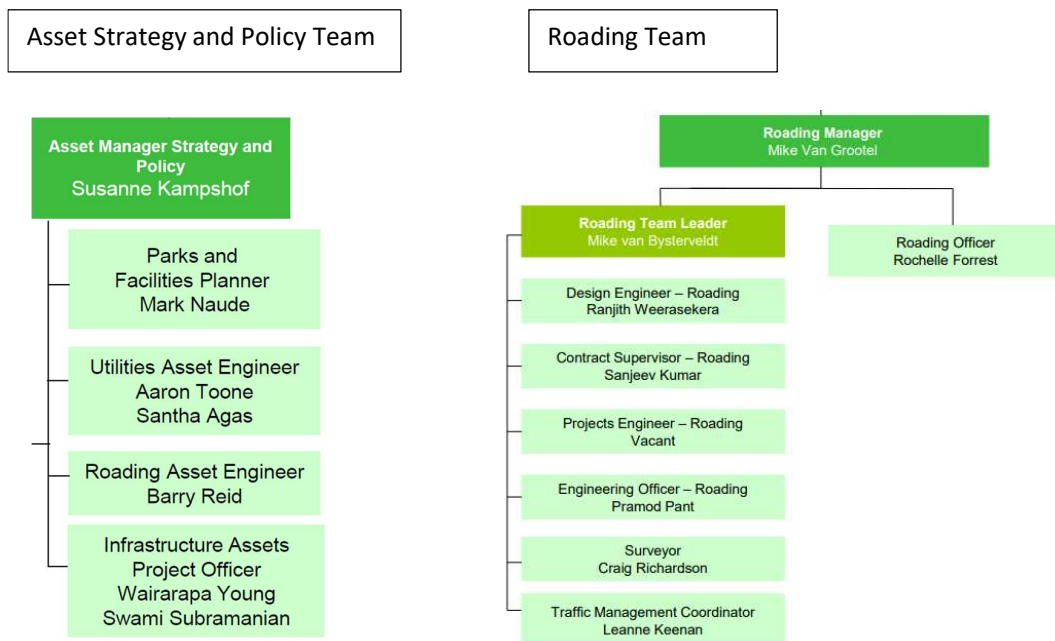
Seal Widening – also included in Sealed Pavement contract	
Contract Start	Annual packages of work
Contractor	Various different contractors
Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis. Usually included in the pavement rehabilitation contract
Services Required	Design and Construction
Value	\$160,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price
Estimate of Interest	Sufficient interest for a competitive process expected
Contract Management	Roading Team to design and supervise

Kerb and Channel, Footpath and Street lighting	
Contract Start	Various packages throughout the year

Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis
Services Required	Design and Construction
Value	\$55,000 per annum for Kerb and Channel \$55,000 per annum for Footpath \$110,000 per annum for new Streetlighting
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price
Estimate of Interest	At times can struggle with interest for these works as they are smaller in size. Where they are directly linked to new subdivisions work we investigate having them delivered by the contractor that is on site.
Contract management	Roading Team to design and supervise or to be delivered through developer agreements and private developers

6.3 Professional Services

A service level Agreement is in place between the Asset Strategy team and the internal Roading team, an in-house consultancy unit.



External consultants are procured through the Professional Services Panel (when suitable) or via quotes/tenders from the open market using *price quality*. Council does not envisage change are likely to the number of consultants available for such work.

6.4 Pending High-Risk or Unusual Procurement Activities

In 2014, the Waikato Mayoral Forum and Waikato Local Area Shared Services (Waikato LASS) Board established a Waikato Centre of Excellence (known as the Road Asset Technical Accord – RATA) for road asset management.

Since then, RATA has continued to expand its service offering to partner Councils' across the Waikato region. From September 2019, the WLASS Board approved an evolution of RATA to become the Regional Asset Technical Accord with an expansion to include supporting the waters collaboration.

Entity/Company	Description of Services
Co-LAB/RATA (shared services)	Professional services to develop and manage the following works. Visual condition Ratings Roughness/high speed (data) Traffic Counting Bridge inspections
Waugh Infrastructure Management Ltd	Asset/Activity Management Planning (Advice & Assistance)
Pinnacles Civil	Traffic Engineering, Safety, Tender review
LMC Consultants	Traffic Safety work, Speed Management
Gray Matter, CKL and various other consultants.	Traffic Engineering, Parking and subdivision (advice)
Beca	Bridge Design/Analysis/Traffic Counts (new and existing through Co-LAB/RATA)

7 Procurement Environment

7.1 Analysis of the Roothing Contractor Supplier Market

Physical Works Contracts

Council's focus in terms of roading physical works is to provide the best services it can for road users and ratepayers within the district, demonstrated in the community outcomes and supporting levels of service.

To achieve this, requires fostering existing relationships with current suppliers and where possible the development of new relationships.

Council also aims to reduce costs; recognising that local contractors can have reduced set up costs, provide a local workforce with local knowledge.

In the Matamata-Piako district, two large national road contractors are represented, as are a number of medium-sized regional contractors based in Hamilton, Tauranga and Auckland. All of these companies have the resources or specialist sub-contractors available to physically undertake Council work.

Council won't accept the risk of entering a contract with suppliers that fails to demonstrate suitable commitments and expertise to deliver works to the required standard.

There are many specialist contractors who provide essential services for Council's road network e.g. for road marking or street lighting, and some work across numerous districts in order to achieve critical mass to maintain employment.

Within the roading industry, there is concern that the trend towards longer term relationship roading contracts may impact on competition and ultimately the skillsets of existing suppliers and those new entrants – affecting their ability to penetrate the market. Given the number of network maintenance contracts in New Zealand, it is unlikely that this Council will significantly impact or influence this issue. Also, it is becoming more difficult to find contractors due to a shortage of contracting staff.

Council's interest is in whole of life costs and long term relationships, therefore it appreciates the need for flexibility to work with contractors for the longer term benefit of the network.

Professional Service Contracts

Council recognises that a critical factor in achieving best public value is having the capability and capacity to successfully deliver the procurement programme.

Roothing professional services are generally carried out by the Council Roothing Team. The team manages most of the maintenance, renewal and capital works.

Within Council there is also support available from some specialists in the implementation of procurement processes to ensure compliance with policies and processes is achieved.

More specialised consultancy work is consulted out. With national or regional consultancies, providing specialist services are represented in the closest major cities e.g. Auckland, Hamilton and Tauranga.

Council's procurement of specialist work is essentially to obtain the requisite skills to complete the work within an agreed time frame.

Professional services purchased externally include amongst other things:

- Soil samples and investigations
- Geotechnical investigations and land drainage issues
- Bridge inspection and design
- Testing, quality assurance and attribute assessment processes
- Specialised services like street lighting design or strategy assistance

Co-LAB/RATA provides some professional services directly, or alternatively indirectly contracts to external providers. Co-LAB/RATA facilitates the sharing of specialist skills between councils, enabling economies of scale purchasing for value for money – often by bundling together work packages e.g. the SAMS procurement under a single procurement process.

8 Approach to Delivering the Work Programme

8.1 Confirmation of Specific Strategic Objectives

The TPS enables procurement of works and services for transportation in support of Long Term Plan goals discussed in Section 1 & 2.

Value for money and sustainable competition are also addressed as part of Council's principles and policies.

Strategically, Council intends to pursue the following:

- Expanding Broader outcomes to achieve strategic goals of ours and our partners. E.g. training, encouraging more local employment and increasing certainty and resilience in local employment.
- Establish some upfront risk sharing discussions with contractors.
- As some of the more specialised maintenance contracts are up for renewal continue to review the set up of these to determine they are still the most appropriate.

8.2 The Procurement Approach

Council has a medium-sized rural district and commands a moderate transportation budget.

To attract contractors looking for larger scale works Council combines the work programme into packages; each package representing numerous works at various locations grouped by geographical area and included into a single tender.

Packages often include a mix of subsidised and unsubsidised work within the one contract. For this reason, Council staff must be organised to prepare and release tender documents in such a way as to maximise the number of tenders received.

Allowing for some exceptions, much of the roading programme is predictable, as it relates to expected wear and tear on the road surface. Council operates a 10-year renewal cycle for road surfacing over the whole network. Some roads or surfaces will fail before that time whilst others will last well beyond the target date.

On occasions, Council may also inherit roads from private organisations, adjoining Road Controlling Authorities (RCAs) or from developers. Provision is made in this strategy for these exceptions.

Our LTP includes a table of roading risks and the operational methods to address them. Council has also carried out a detailed risk assessment of its roading activities as part of the roading Asset or Activity Management Plan (AMP); mostly operational and delivery aspects of roading.

Council procures its contracts using the traditional model accepting a higher level of risk in return for achieving lower priced contract bids. This allows the contractor to minimise their risk whilst at the same time leaving sufficient accountability and ownership for the performance of the contract. This may change in the future as transportation priorities change.

Where Council has chosen to competitively tender a contract using the Price Quality evaluation method, Council will consider adjusting the evaluation process, so that any supplier who scores less than 55% for any non-priced attribute is considered a 'fail' and is

disqualified from further participation. Council will use the approach to promote high quality tenders, where doing so will not adversely affect the competition for the contract.

Council supports the potential to co-ordinate tenders with neighbouring Councils, and to amalgamate various contracts where similar processes exist in adjoining authorities. Bundling projects makes them larger and therefore more attractive to contractors and more likely to improve value-for-money to Council.

WK/NZTA highway managers have regular liaison meetings with local authorities. These meetings are vital, not only for information sharing but for discussing upcoming maintenance and construction contracts. For example, early liaison ensures that tenders do not enter the market simultaneously.

There is a structural risk for Council in terms of the loss of senior roading engineers. Wherever possible, this risk is being addressed by:

- Ensuring an open environment where ideas are shared
- Ensuring professional training is available to all members to develop skillsets
- 'Growing our own' engineers from cadet level up, and
- Ensuring that succession planning occurs

A Corporate risk to Council exists in terms of changes in philosophy, both at the national and local levels (meaning Government or Council may change focus on how transport contracts are let, or how funding is allocated). Such risks are unpredictable and can only be addressed as they arise.

All of Council's roading contracts are currently based on either NZS:3910 or NZS3917. Council's intentions are to encourage a collaborative approach with more Council/contractor interaction using collaborative principles.

8.3 Advanced Components, Customised Procurement Procedures

Advanced components provide greater flexibility to Council when procuring. Customised procurement procedures are also required where a procurement activity cannot be accommodated by the existing procurement procedures.

An approved organisation requires WK/NZTA's written approval under s25 of the LTMA before using a customised procurement procedure.

Council has used longer term contracts to promote longer term collaboration between Council and suppliers, WK/NZTA currently allowing contracts of (3yrs +1 +1).

Council's General Maintenance and Resurfacing contract is a 7 year (3+2+2) contract and it is proposed to use the same term arrangement for future such contracts. Council staff are confident this longer term contract provides for better whole-of-life outcomes.

8.4 Future procurement

Council's focus in terms of roading physical works will be to continue to strive to provide the best services it can for road users and ratepayers within the district, demonstrating the community outcomes and supporting levels of service.

This includes fostering existing relationships with current suppliers and where possible the development of new relationships. Whilst providing a competitive environment for

contractors by bundling the renewal/capital work together to make the work attractive for the contractors.

It proposed to continue monitoring the number of tenders received and contractor feedback with this approach to ensure if any issues are highlighted or arise, the approach can be reviewed.

Over the next 12 months, MPDC is committed to reviewing its 2016 Corporate Procurement Policy (which was re-endorsed by Council in November 2021 without any changes being made). This will include discussing the Broader Outcomes approach again with our Council and Te Manawhenua Forum and establishing some more tangible goals and outcomes to achieve our strategic objectives and those of our partners.

This will then flow on into the Roding Procurement Strategy and updating this as well.

Particularly related to the Roding activity the discussions with our council will be around training, encouraging more local employment and increasing certainty and resilience in local employment and achieving some positive environmental outcomes through sustainable procurement.

Sustainable procurement means that when buying goods or services, Council will consider:

- promoting supplier diversity with Māori and Pasifika owned businesses and social enterprises
- working with local suppliers to deliver contracts within their local board areas
- providing quality employment opportunities for target communities
- reducing carbon emissions.

Note: MPDC is still keen to discuss the 'buying local' strategy or attribute with Waka Kotahi as in some non subsidised work a local economic impact and broader outcomes component has been applied and included in the weighted part of tenders.

MPDC are looking to provide further positive environmental outcomes by continuing to encourage innovation and actively searching for the best use of our physical resources when completing the design work and encouraging and supporting our contractors to do the same.

The discussion with Council will focus on how we can best allow staff and contractors to consider wider impacts such as environmental sustainability and economic sustainability and look to transpose that into our procurement framework. We would look to support a sustainable approach that looks at long terms costs and its benefits, not just focusing on short term costs and its delivery.

9 Implementation

9.1 Capability and Capacity

Internal Resources

Council's roading team consists of 9 staff who manage the district's road network. In addition, Council has an in-house works unit Kaimai Valley Services (KVS), who carry out minor and ancillary works.

Council intends to continue to use KVS for some minor and ancillary works. Council's policy is to ensure that KVS remains a viable alternative supplier of minor works, to ensure a reasonable level of competition within the local market.

Council periodically test the market for KVS's services through public tenders or comparisons of unit rates of their work.

As the Council's preferred contract form is NZS3910 and NZS3917 it also needs to provide or resource an Engineer to the Contract.

External Contractors

Council's unique location enables it to attract contractors from throughout the Waikato region. Particularly from Hamilton and also on occasions from the Bay of Plenty. Therefore, Council benefits from a large and diverse supplier market.

Council uses e-tendering for the majority of its contracts. This is conducted through TenderLink and GETS. Generally, there is a good response from contractors within the area with five (5) or more bids submitted for the Council's larger contracts.

The table below records contractors that are currently active in the local area, representing a mix of national, regional and locally based contractors.

<u>Contractor</u>	<u>Services provided</u>	<u>Project Type</u>
Fulton Hogan	Civil Construction	Large/Medium/Small
Downer EDI Works	Civil Construction	Large/Medium/Small
Higgins Contractors	Civil Construction	Large/Medium/Small
HEB Contractors	Civil Construction	Large/Medium/Small
Schick Civil Construction	Civil Construction	Large/Medium/Small
J Swap Contractors	Civil Construction	Large/Medium/Small
MS Civil Construction	Civil Construction (& footpaths)	Medium/Small
ECB Group	Civil Construction (& footpaths)	Medium/Small
Conspec Construction	Concrete & Structural specialists	Medium/Small
Top Cru	Concrete & Structural specialists	Medium/Small
Directionz Limited	Signage	Medium/Small
McKay	Street Lighting	Large/Medium/Small
Arborcare	Arborist	Medium/Small

External Consultants

There are no large consultancy firms based within Council's district. The nearest consultancies are WSP based in Paeroa and Pinnacles based in Waihi.

Other large consultancies such as Beca, GHD, MWH and Aurecon service the area from Hamilton and Tauranga.

There are a number of small local firms based within the Council's district able to provide basic services.

Council has recently used Waugh Infrastructure Management (Timaru) and WSP for specialist advice and a number of local consultants for discrete tasks.

Due to the low number of locally based consultants, Council recognises that competition could be limited.

9.2 Internal Procurement Processes

This TPS should be read in conjunction with Council's Procurement Policy and Procurement Manual, to ensure compliance requirements are met.

However, the WK/NZTA Procurement Manual provides overarching guidance and regulations for roading procurements, taking precedence over Council's documents.

Where there are contradictions between the WK/NZTA Procurement Manual the Councils Procurement Manual, the WK/NZTA Procurement Manual shall be followed.

9.3 Performance Measurement and Monitoring

Council's performance is measured through the following mechanisms:

- Reporting through the Annual Plan to ensure that the LTP performance measures set by Council are met. This includes Level of Service, Financial performance, Quality, Health & Safety and Customer Satisfaction.
- Monitoring the performance of road transport activities using the Road Efficiency Group (REG) performance measuring tools. This assists Council staff internally as well as Co-LAB/RATA and WK/NZTA, externally. WK/NZTA also monitor through TIO and Annual Achievement Reports and periodic safety, technical and procedural audits.
- Collecting mandatory KPI data and auditing by WK/NZTA
- Routine inspections of the network
- Surveying annually the network to ensure all work is completed within budget and to agreed timeframes
- Feedback from users

9.4 Communication Plan

The TPS is to be communicated to stakeholders via:

- The intranet and Promapp (internal stakeholders)
- Presentations and training to staff involved with land transport
- Shared document filing records (access to templates)
- The internet (public)

Council intends to work more closely with local suppliers and will look to allow more regular market briefing sessions for public tenders, particularly when one of the more significant term contracts are towards the end of the term.

10 Implementation Plan

The TPS has been compiled with inputs and feedback from Rounding and Assets, Strategy and Policy. Executive Team feedback has also been provided.

It is proposed to implement the Strategy following WK/NZTA endorsement.

11 Corporate Ownership and Internal Endorsement

This TPS is for all land transport purchasing within the Matamata Piako District and its use shall be overseen by the Asset Manager Strategy and Policy.

The responsibility for ensuring compliance with the Strategy shall be managed internally by the Procurement and Contract System Lead.

Internal endorsement of this procurement strategy is required from the executive team.

Appendix One: Table 1. Existing Term Services Contracts

Contract	Start Date	Renewal Date	Contractor	Service Required	Annual Value	Risk/Complexity/ Scope For Innovation	Delivery Model	Supplier Selection	In-House Design & Supervision	In-House Physical Works
General Maintenance and Resurfacing	01-Jul-19	2022 +2 +2	Fulton Hogan	Maintenance	\$3.85m	L,M,M	Staged/	PQ	Roading Team	None
Signs and Maintenance	01-Jul-21	2024 + 1 + 1	Directions LTD	Maintenance & Renewals	\$242K	L,L,L	Staged	PQ	Roading Team	Specialist
Pavement Markings	11-Oct-21	2024 + 1 + 1	Road Markers NZ Ltd	Maintenance & Renewals	\$349K	L,L,L	Staged	LP/PQ	Roading Team	Specialist
Street Lighting Maintenance	01-Jul-21	2024 + 1 + 1	McKay Ltd	Maintenance, Renewals & Capital	\$265K	M,L,L	Staged	LP/PQ	Roading Team/ Ext. Power Solutions Ltd	Specialist
Street Cleaning	03-Jun-19	2022+1+1	Civic Ltd	Maintenance	\$105K	L,L,L	Staged	LP/PQ	KVS	All

Contract	Start Date	Renewal Date	Contractor	Service Required	Annual Value	Risk/Complexity/ Scope For Innovation	Delivery Model	Supplier Selection	In-House Design & Supervision	In-House Physical Works
Footpath Cleaning - unsub	01-Nov-19	2022+1+1	KVS	Maintenance	\$129K	L,L,L	Staged	LP/PQ	KVS	All

Contract - Prof Services	Start Date	Renewal Date	Contractor	Service Required	Annual Value	Risk/Complexity/ Scope For Innovation	Delivery Model	Supplier Selection	In-House Design & Supervision	In-House Physical Works
Streetlighting Consultancy Services	01-Jul-22	Jun-24	Power Solutions LTD	Professional Services	\$63K (Variable)	L,M,M	Staged	LP	Roading Team	Specialist

Appendix Two: Waikato RCA's Significant Procurements

Below are up-to-date details relating to the wider Waikato region's Roading Procurement, which includes state highways and councils (both as Road Controlling Authorities).

Waka Kotahi NZ Transport Agency - Network Outcomes Contracts (NOC)

Waka Kotahi NZ Transport Agency has moved away from the previous approach of utilising a range of different contract models in the maintenance business. Having reviewed its asset management practices and procurement procedures for state highway maintenance and operations expenditure, Waka Kotahi introduced a number of changes to its existing procedures to obtain greater value-for-money and improved customer satisfaction.

The key changes introduced by Waka Kotahi include:

- Network outcomes contracts, which see Waka Kotahi take a more hands on approach with respect to strategic asset management and contract management
- Increased contract tenure subject to supplier performance
- Increased bundling of contract scope by type of activities and geographic area
- Network outcomes contracts which are performance based using key performance indicators to ensure desired outcomes are achieved
- Requirement for a minimum proportion of works undertaken by Subcontractors, average annual turnover
- The establishment of a Network Outcomes team in the National Office to deliver better strategic asset management and nationally optimise investment across all state highway activities.

The Network Outcomes Contract (NOC) delivery is now almost exclusively used throughout the state highway network.

The core maintenance activities covered by the NOC include:

- Network Management – asset management, journey management and safety management
- Physical works – maintenance and renewals of sealed pavement, drainage and structures, environmental maintenance, traffic services and operational traffic services
- Other network specific maintenance activities (eg tunnels) and local roads can be included as required.

The NOC provides for collaboration between Waka Kotahi and suppliers to achieve positive network outcomes. The performance framework, contract risk profile and management plans have been designed to bring the contractors practices and decision making processes into line with Waka Kotahi goals and objectives for state highways.

A key driver of the NOC is continuous improvement. To ensure transparency, learnings and clarifications are captured this NOC discipline has been developed as a single source of relevant information.

For further information contact SDDNetworkOutcomesContractCGG@nzta.govt.nz

Hamilton City Council (HCC)

From 1 October 2013, HCC's transport network maintenance and renewal activities were bundled into a single alliance-type contract, with Downer NZ as head contractor.

The initial period was 3.75 years with a total spend back then capped at \$67 million. HCC retains the flexibility to review the expenditure on an annual basis to suit circumstances.

This alliance-type contract is seen as and referred to as a Collaborative Working Agreement (CWA). A CWA is a contractual arrangement which sees two parties enter a long-term business arrangement designed to deliver goals on integrated planning, customer service and delivery, efficiencies and value for money.

For HCC, the scope of work includes all activities within the road corridor from property boundary to property boundary. The agreement represents a ten-year contract and involves staff from the City Transportation Unit working closely with, and from the same office as, the contractor.

The CWA includes the opportunity for smaller contractors to be involved in the works. They supply their work on the same basis as the CWA main partners and work collaboratively as a single team providing improved agility and flexibility to respond to urgent matters as they arise.

HCC state the reason for this new way of working is to provide a more efficient and effective service to customers. Downer NZ, were awarded the project in October 2013 after a competitive tender process.

Roading Programme is worth approximately \$67M

Contract renewal due date 2023

Waikato District Council (WDC)

In February 2015, WDC adopted a collaborative contracting model which brought together Council staff and the main contractor Downer NZ, into one team or 'alliance' group.

The Alliance came about soon after a section of the former State Highway was transferred to Council management following the opening of the Waikato Expressway. There was also a need to complete work on Waikato's roads more efficiently and effectively.

In addition to dealing with major projects and works required in the district, the model allowed WDC to engage smaller contractors as required to complete sections of work within larger projects or to carry out smaller projects as repair work as needed. Benefits from the alliance included:

- Providing a more efficient and effective service - more work for the same budget
- Focusing on the need rather than size of job - small repairs and large projects are all considered when prioritising our work
- Responding more flexibly and quickly when urgent repairs are needed.

Senior executives from both Council and Downer provide governance and strategy through a board of six. The Alliance is made up of technical and field staff from both Council and Downer.

Roading Programme is worth approximately \$30m /year

Contract renewal due date 2025

South Waikato District Council (SWDC)

During February 2022, SWDC invited suitably qualified Contractors or consortia with the capability and the resources to deliver the maintenance of the local sealed road network, consisting of approximately 495.7 km of sealed roads, off-road cycle ways and carparks within the South Waikato District boundary. SWDC was committed to developing a collaborative partnership with contractors that is mutually beneficial and delivers SWDC's objectives. The term of the contract was 2022 to 2025 i.e. 3 years.

The following contracts are now in place for the 3-year term, each started 1 July 2022:

- *Higgins Contractors Limited* (Sealed Pavement Maintenance and Resurfacing) – being the largest of five contracts worth \$11.8m.
- *Downer NZ Ltd* (Footpath and Kerb and Channel Maintenance and Renewal) – worth \$2.049m.
- *Downer NZ Ltd* (Unsealed road and drainage maintenance and renewal) – worth \$2.425m.

Pavement Maintenance and Resurfacing Contract is worth approximately \$11.8M/3years

Contract renewal due date 2025

Taupo District Council

Inframax was awarded the TDC road maintenance contract. The contract also includes the resealing of approximately 23 kilometres of sealed pavement annually.

Inframax Construction Ltd (a 100% New Zealand owned civil construction company based in Te Kuiti) is the roading contractor for Otorohanga District Council.

The contract is for five years and nine months commencing October 2018.

Roading (Maintenance) Programme is worth approximately \$5M/year

Contract renewal due date 1 July 2024

Thames Coromandel District Council (TCDC)

TCDC awarded a road maintenance, operations and resurfacing (MOR) contract to Ventia NZ Ltd for a 4.5-year term commencing March 2019. The total cost of the contract is \$40M /4.5 years. In addition to MOR the contract includes streetlights, vegetation, emergency works and some capital works.

Other larger programmes of works include Low-Cost/Low-Risk (\$3.5M annually) and Pavement Rehabilitation (\$2.75M annually).

Roading Programme is worth approximately \$40M/4.5years

Contract renewal due date 2023

Waitomo District Council (WDC)

Inframax Construction Limited was initially formed in the early 1990's by converting an in-house delivery department into the company Waitomo Civil Construction.

A merger with Northgate Construction in 1999 formed Inframax Construction Limited, which is 100% owned by the Waitomo District Council. The core activities of Inframax Construction Limited are road maintenance and construction, quarrying and the maintenance and construction of utilities and infrastructure assets.

WDC considers that it is important to maintain community control of a large employer within the district for the financial return and the social and economic benefits.

Roading Programme (Capital & Operational) is worth approximately \$14.5m/year (2022/23)

Contract renewal due date March 2024

Hauraki District Council

HDC has Downers in place to complete their General Maintenance contract HDC 438. HDC has other lesser value contracts such as for streetlight maintenance and bridge structures which are the responsibility of McKay Electrical and WSP respectively. HDC's reseal contract still has another year to run i.e. up until 30 June 2023 with a likely retender contract term of 2 years.

The contract with Downer started 1 July 2016 and is due to end 30 June 2023. The contract term is based on a 3+2+2.

General Maintenance Contract is worth \$3.16m/year

Contract renewal due date 2023

Waipa District Council

Higgins Contractors were successful with a general maintenance contract (including some reseals and rehabilitation works). The contract was for five years (3+1+1) commencing 1 July 2017.

Roading programme is approximately \$8m/year.

Contract renewal due date 1 July 2023

Otorohanga District Council

ODC has in place a District Roads Maintenance Contract for the period 2018-2021. This was awarded to Inframax Construction Limited. Inframax Construction Ltd (a 100% New Zealand owned civil construction company based in Te Kuiti) is the roading contractor for Otorohanga District Council.

ODC has other lesser value contracts in place for footpath construction and maintenance, Stormwater, road sealing and pathways some of which are also performed by Inframax.

Roading Programme is worth approximately \$6.8M/33months

Contract renewal due date is 2021