

# Transportation Procurement Strategy

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## Revision Information

### Transportation Procurement Strategy 2024

Prepared by

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### Revision History

Version	Plan Author	Version Date	Details
1.0	Sherryn Paterson	July 2024	First Draft
2.0		August 2024	Procurement Advisor feedback
3.0		August 2024	Manager Transportation Review

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Endorsed by NZ Transport Agency	8 December 2024

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## 1 EXECUTIVE SUMMARY

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This Strategy is Waipā District Council's (Council) Procurement Strategy for roading works as required by the New Zealand Transport Agency (NZTA's) Procurement Manual (latest amendment April 2022). The purpose of the Strategy is to demonstrate how Council will procure its approved roading programme in accordance with Council's organisational Procurement Strategy whilst continuing to meet the requirements of the Land Transport Management Act 2003 (LTMA).

This document contains the Council's strategy to deliver the transport investment as committed in the 2024/25 Enhanced Annual Plan and years 1 and 2 of the draft 2025-34 Long Term Plan programme.

Council proposes to use the following advanced procedures for procurement:

- For professional services, the Waikato Local Authority Shared Services (WLISS) Professional Services Panel (PSP) will be used unless otherwise stated.
- For work on the electricity network Waipa Networks will be engaged due to their ownership of the assets and any future assets – a procurement exemption is in place for Waipa Networks.

Except for the above there are no customised procedures, exemption requests or variations to exemptions to any procurement rule.

### Requirements

The LTMA requires recipients of National Land Transport Programme funding (NLTF) to use procurement procedures designed to obtain best value for money, enable fair competition, and encourage competitive and efficient markets.

All Approved Organisations must have an NZTA endorsed Procurement Strategy.

The Strategy will be reviewed and updated regularly and formally reviewed and updated at least once every three years, in conjunction with the Council's LTP cycle.

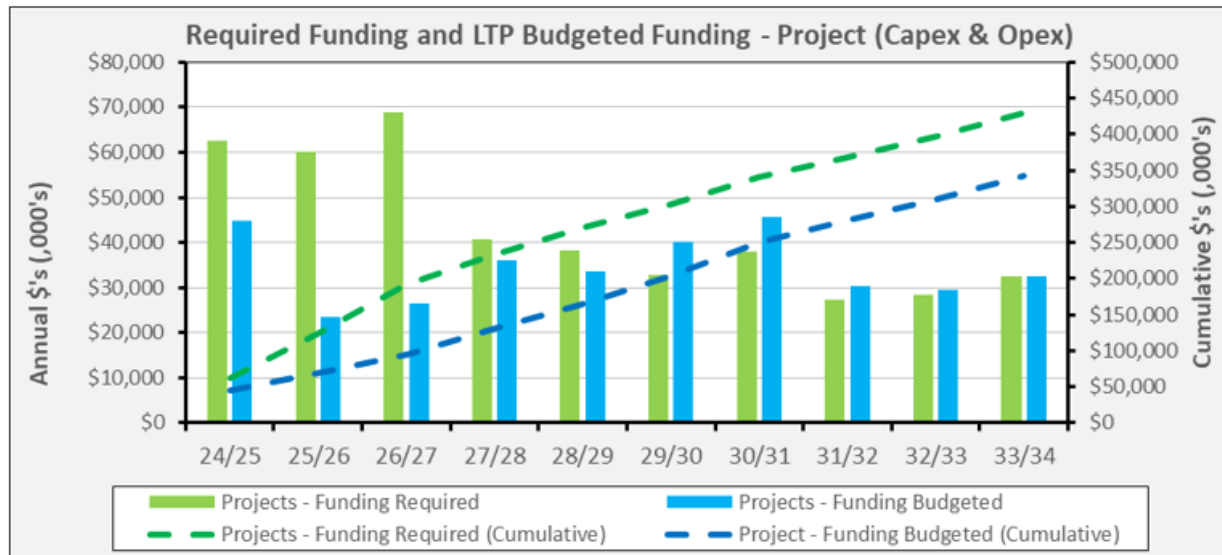
### Scope of Roading Business

The Roading network consists of 1,123kms of road, (1,084km sealed and 39.1km unsealed) or (884km rural, 239km urban), 313kms of footpath, 5,488 streetlights, 253 bridges (including underpasses), 38,918.9m of culverts and over 1,000 intersections.

Vehicles travelled 393,851,882 kilometres last year on our network.

The forecast 10-year spend as proposed in the 2024-34 Transportation Activity Management Plan is as follows:

**Required Funding and LTP Budgeted Funding – Projects (operating and capital)**



Overall, funding is \$86.8m less over 10 years than requested, with the biggest shortfalls in years 1 to 3. Reductions relate to proposed work addressing issues associated with LOS, Demand, and Renewals. The significant reduction in funding in the first three years (to manage affordability) will mean delays to new capital and operating projects which will be pushed into later years. The overall impacts to this are:

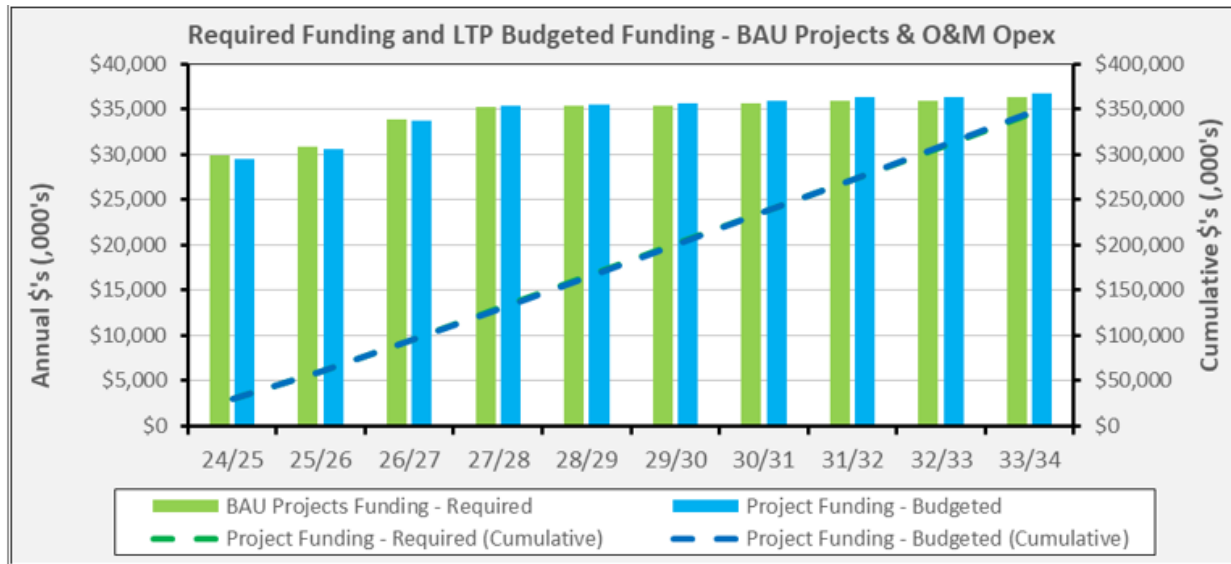
The delaying of demand projects has localised effects and dependent land development may not be able to proceed until road and intersection upgrades are completed.

LOS projects such as road safety improvements are reduced by 50% in years 1-3 and will limit Council’s ability to respond to arising issues other than via temporary maintenance interventions.

The 25% reduction in renewals in years 1-3 will see:

- increase in the backlog of renewal works
- a deterioration in road surface condition
- increased maintenance costs for holding repairs
- some increased risk to road user safety
- renewals targeted to higher traffic volume, more critical road links with renewals deferred on low volume residential streets and rural roads over the next three years.

**Required Funding and LTP Budgeted Funding – BAU Projects and O&M**



**Changes Since Last Strategy**

The last Strategy included several smart goals – the table below lists the goals that have been implemented.

Principle	Statement	Goal
1	Make the best use of every \$	Establish forward pipeline of work across the organisation, publish it and update it
		Amend procurement plan & project plan templates to include whole-of-life considerations
2	Consider local contribution	10-day payment for 90% of POs for non-3910 invoices.
		Compliance with the Construction Contract Act requirements.
		Amend procurement plan & project plan templates to include assessment of Local Contribution opportunities
		Set minimum local content for selected projects
		Where appropriate Include opportunities for local suppliers in all significant procurement. Any construction procurement >\$9M to include weighted evaluation for skills development and training.
		100% of Always Local category is supplied by local suppliers
		90% of Potential to be Local category uses local manufacturers, suppliers and contractors
3	Be sustainable	Contract review includes measurement of Local Contribution component
		100% of WDC suppliers signed Code of Conduct

Principle	Statement	Goal
		Procurement plan includes assessment of sustainability opportunities
		Weightings for non-price criteria include Sustainability and Local Contribution with minimum weighting of 5%

Imminent changes to the Water Services Activity, as a result of the possible creation of a CCO under Local Water Done Well, may impact the wider engineering expertise within Council, for example, is there still a need for resourcing for special projects?

Ahu Ake – Waipā Community Spatial Plan (Ahu Ake) is the blueprint for what we want our district to look like in 30+ years’ time and a roadmap for how we get there. It has been designed by the people of Waipā, for the people of Waipā. Acting as a top-tier ‘umbrella’ strategy it will influence Council and partner activities across the district. To do this it defines what is important about each place in the district and sets out a decade-by-decade implementation plan. Ahu Ake explains how to build toward the Vision and Community Outcomes and Mana Whenua and Iwi Aspirations. Priorities from Ahu Ake will guide investments into the right initiatives. Waipā District Council will monitor outcomes from related actions and update Ahu Ake to maintain its relevance. In 2024 the draft plan was updated to reflect engagement feedback and a final draft was prepared for the approval process.

In April 2024, Council approved an Anchor Institution Framework for Waipā, followed by a draft work programme approved in June 2024. The Future for Local Government Review, in its draft and final reports, recognised the unique positions of councils as anchor institutions. Councils have a range of roles within the community to provide for social, cultural, economic and environmental wellbeing. Councils can take lead roles working with other anchor institutions for collective impact, and they can leverage local strengths to address local challenges and opportunities to enhance community wellbeing. The development of an Anchor Institution Framework and draft work programme builds on the work undertaken through the development of Ahu Ake, Waipā Community Spatial Plan.

Currently, Waipā District Council rates for public transport services. Waikato Regional Council then invoices each council for the funds needed to plan and operate the region’s public transport network. From 1 July 2025 Waikato Regional Council (WRC) is proposing to rate for existing public transport services in Waipā. Council would no longer need to collect rates to fund public transport – so overall, this change should be cost-neutral for Waipā ratepayers.

A new WLASS Professional Services Panel will be in place from 2 December 2024 which includes limited panel numbers, fixed range of role rates and introduces a tiered rebate structure where consultants pay a rebate to Co-Lab annually then funds are returned to individual councils as a spend pro-rata. Where panel members are not used, council’s procurement policy will be followed. This approach supports the objective of achieving best value for money.

The New Zealand Guide to Temporary Traffic Management (NZGTTM) was published in April 2023 and outlines how to use a risk-based approach to plan and mitigate the risks to road workers and



road users to keep them safe. The NZGTTM is designed to aid all organisations involved in temporary traffic management (TTM) to meet their legislative obligations. Applying the risk-based approach will help deliver more efficient and effective TTM while keeping roadworkers and road users safe, improving value for money and minimising disruption to people’s journeys.

Section 17A reviews have been completed on both street light maintenance and renewal and urban and CBD Street Cleaning Services – these reviews showed that it is more cost effective, and appropriate for Waipā DC, to continue to receive these services via a contract rather than bringing the services in-house.

Waipā Integrated Transport Strategy review was completed in 2022– this will guide the need for future planning and investment.

### **Key issues and opportunities to obtain best value for money**

The current key issues are:

- We expect high demand on rehabilitation and resealing contractors over the next three years due to a big programme of NZTA highway works, which will impact on market pricing and contractor resources and thus ability for council to deliver its necessary renewals.
- Inadequate investment in infrastructure, resulting in lower levels of service or safety issues arising on the network. Increased construction costs and reduced council and NZTA funding are contributors.
- Growth has slowed but there is still plenty of planning work and construction happening across the district.
- Growth in urban and commercial/industrial areas is driving a greater need for improvements to existing infrastructure.
- Increase in heavy vehicles negatively affecting road condition, particularly a risk at new industrial/commercial sites and quarries.
- Impact of the Local Waters Done Well legislation on Local Government delivery of its remaining services, if delivery of Waters moves to a CCO.
- A 50% reduction in funding from NZTA for community road safety education, footpath and cycle path maintenance and renewal at a time when demand for these activities is growing rapidly within our district.

The current opportunities are:

- Strategic Partnerships to achieve community outcomes these include:
  - NZTA:
    - Walking and Cycling support team for Climate Emergency Response Fund (CERF) funded major project delivery.

- o NZTA project delivery team for State Highway 1 rapid delivery of safety improvements Wire Rope Barrier, turnaround bays.
- o Planning for SH1 Cambridge to Piarere expressway extension and revocation of a major length of SH1 to become a local road as a result.
- Iwi:
  - o Footbridge decorative panel artwork and for Te Ara Rimu Kihikihi pathways naming and support.
  - o Input to Cambridge Connections Business Case to plan for growth in Cambridge.
- Developers for delivery of Collector Roads and walking and cycling infrastructure in Cambridge West growth cells.
- NZ Police and CommSafe for CCTV monitoring and advice and Automatic Number Plate Recognition installation support.
- Waikato Councils and NZTA for transport planning for growth, particularly public transport.
- Waikato University and Pollin8 for Internet of Things technology trials,
- NZTA Highways team for delivery of SH3 Ohaupo pedestrian and public transport infrastructure upgrade.
- Expanding broader outcomes to achieve strategic goals of ours and our partners, for example, training, encouraging more local employment and increasing certainty and resilience in local employment.

### **Recommendation:**

- That NZ Transport Agency approves under s.25 of the LTMA a variation to Procurement manual, section 10.21 *Maximum term of a term services contract for infrastructure or planning and advice* allowing Waipā District Council to use a maximum term of six years for the rural spaces contract;
- That New Zealand Transport Agency endorses Waipā District Council's Transport Procurement Strategy, and
- That Waipā District Council Executive adopts this Strategy for all roading related procurement.

## 2 POLICY CONTEXT

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### Defining procurement

Procurement means the acquisition of all goods, works and services provided by or for the council. Procurement covers every aspect of the procurement cycle from determining and specifying the needs of the service through the Long Term Plan and/or Annual Plan, through to the acquisition and delivery of goods and services as well as the relationship management of the supplier(s) involved. The procurement process finishes at the disposal of those goods or works or when the service contracts or agreements come to an end. This is called the procurement lifecycle.

Procurement can range from a simple and low risk purchase through to some very complex and high-risk activities.

### Alignment to legislative and strategic context

As a public body council has responsibilities to consider, not just the financial implications for council of its procurement decisions, but also the short and long term outcomes for the community. The main legislative driver being the Local Government (Community Well-being) Amendment Act 2019, which provides for local authorities to play a broad role in promoting the social, economic, environmental and cultural well-being of their communities, taking a sustainable development approach.

This Strategy considers the internal and external environments, the scale and the nature of competition for council's transport procurement. This approach will ensure we are achieving best value for money for council.

Council has stated its Vision in the 2021-31 Long Term Plan, and we also have our Community Outcomes – what we want for our district. These underpin all strategies, plans and policies developed by council.

#### ***Socially Resilient:***

He aha te mea nui o te a? Maku e ki atu he tangata, he tangata, he tangata! – its all about the people.

- Waipā is a great place to live, work, play and invest;
- We invest in hauora and support the great work community groups do;
- Waipā provides a high quality of life for current and future generations.

**Cultural Champions:**

Promoting our culture and heritage

- We champion the unique history of Waipā
- We have a high level of cultural awareness
- We partner with tangata whenua
- We respect the cultural diversity in our district

**Environmental Champions:**

Protecting and sustaining our environment

- Environmental awareness and responsibility are promoted within the community
- We support programmes that promote environmental sustainability
- We are responsive to climate change

**Economically Progressive:**

Supporting a thriving, sustainable economy

- We have financially sustainable decision making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business

Sitting underneath these are our **external strategic priorities**; these will be reviewed and updated as part of our 2025-34 Long Term Plan.

- **Creating vibrant communities** – we celebrate all the things residents love about Waipā and foster connections with people and places
- **Nurturing and respecting our unique culture and heritage** – In partnership with tangata whenua, we increase our communities’ awareness, understanding and appreciation of the district’s history and significant sites.
- **Effectively planning and providing for growing communities** – Our population is increasing because Waipā is a highly desirable place to live, work, play and invest. Growth is forecasted to continue and we need robust planning and infrastructure to create liveable communities.
- **Preparing for climate change** – We are experiencing the impacts of climate change in Waipā and must actively respond to ensure we have resilient communities.
- **Leading the recovery of Waipā** – In partnership with iwi, we lead the community in the economic and social recovery of the district in response to the global COVID-19 pandemic. We enhance our communities’ resilience for the future.

In addition to council’s own Vision, there are requirements from Government on council around standards of good practice and ensuring delivery of *public value*.

*Public value* means achieving the best possible value from a procurement. For example, procurement offers the opportunity to support New Zealand businesses and can also contribute positively towards achieving environmental outcomes by supporting New Zealand’s transition to a low emissions economy or reducing waste.

### Alignment to procurement rules

The [NZ Government Procurement Rules](#) are the Government’s standards of good practice for government procurement. The Rules focus mainly on the process of sourcing and are a flexible framework designed to help agencies make balanced procurement decisions. As a public sector agency, local councils are encouraged to follow the Rules to achieve Public Value.

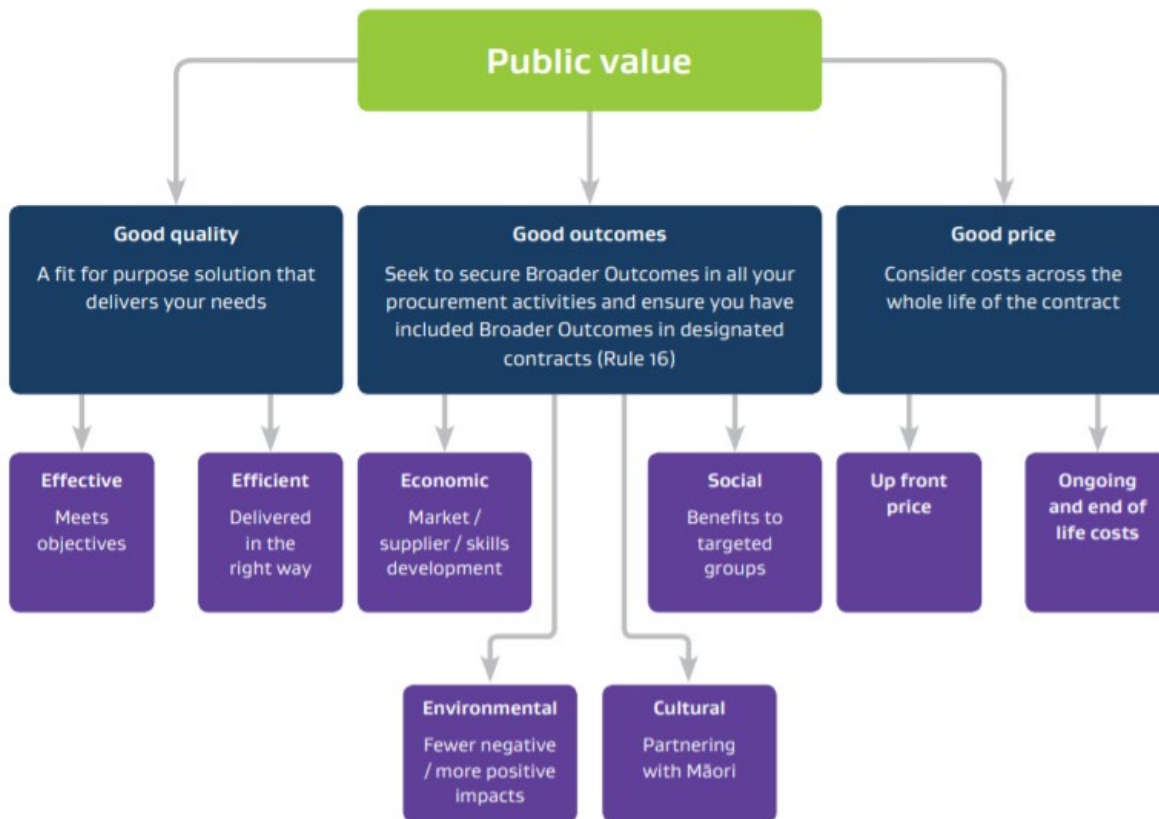


Figure 1: Public Value Guide, extracted from MBIEs Government Procurement Rules, 4<sup>th</sup> Edition 2019. NOTE: For Good Price, Waipā considers costs across the whole life of the asset rather than just the contract.

Waipā District Council is also a participating Council in the Waikato Regional Procurement Principles, Policy and Framework, developed by the Waikato LASS, which contains principles to ensure we uphold the integrity of our procurement and provide clear guidance on how procurement is undertaken. The procurement principles and policy within this document align with the Government Procurement Rules and emphasises the public value aspect that needs to be considered for all procurement.

The regulatory environment outlined above places requirements on us as a council and impacts how we run our organisation. It allows us to identify if we are merely complying, or if we are exceeding these requirements – a hallmark of a leading organisation. We want to use our procurement approach to exceed these requirements and help us to really deliver on our community outcomes.

The Professional Services Panel is consistent with the NZ Government Procurement Rules.

### **Alignment with New Zealand Transport Agency - Procurement Manual**

As an approved organisation, NZTA pays funds from the National Land Transport Fund (NLTF) to council for activities approved for funding in the National Land Transport Programme (NLTP). To maintain its status as an approved organisation, council must meet requirements under s20 of the [Land Transport Management Act 2003](#).

Council's responsibilities in relation to land transport include local roads, footpaths and street lighting as well as local planning, road safety works and parking services. Council also actively participates in land transport planning and the National Land Transport Programme funding process.

In addition to Council's objectives, this Procurement Strategy is required to achieve the procurement outcomes required by NZTA, as documented in the [NZTA Procurement Manual Amendment 6](#) (2022). By meeting the requirements of NZTA Procurement Manual, council will also meet the applicable requirements of the Government Procurement Rules (4<sup>th</sup> Edition).

Overall procurement process – from activity selection to output delivery

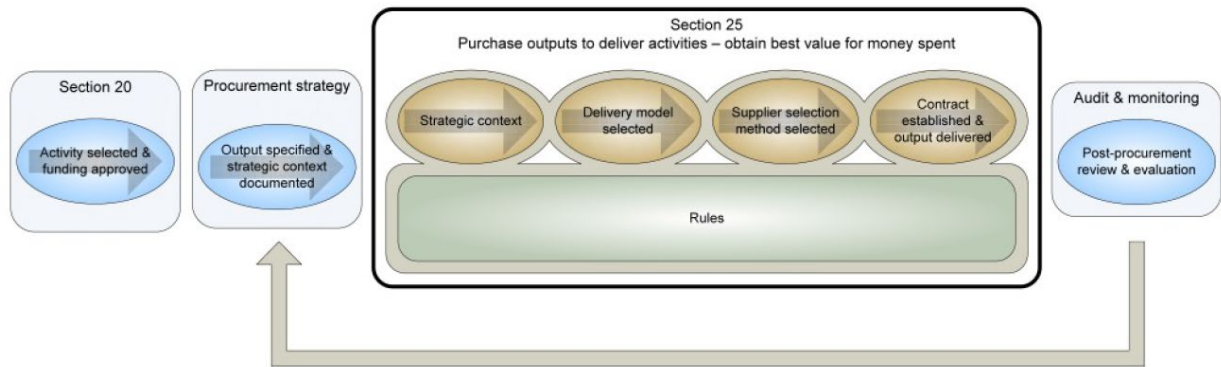


Figure 3: Overall procurement process – from activity selection to output delivery, from NZTA - Procurement Manual

## Broader outcomes

The Government Procurement Rules requires each agency to consider and incorporate, where appropriate, *Broader Outcomes* when purchasing goods, services or works. *Broader Outcomes* are the secondary benefits that are generated from the procurement activity. They are designed to provide Public Value from government procurement. They can realise environmental, social, economic or cultural benefits. *Broader Outcomes* require you to consider not only the whole-of-life cost of the procurement, but also the costs and benefits to society, the environment, and the New Zealand economy.

These *Broader Outcomes* align well with council’s Community Outcomes. They encourage increasing access for New Zealand businesses, workforce skills and development training, supporting the procurement of low-waste and low-emissions goods and services and ensuring compliance with employment standards and health and safety requirements.

Using the *Broader Outcomes* and lining these up with our Community Outcomes means that as a council we will ensure that our procurement is helping to stimulate the Waipā economy, supporting local employment and ensuring that local benefit is achieved from how we deliver our services. It also supports us in making Waipā a better place to live, work and play.

Council’s Procurement Strategy includes a Local Contribution consideration for procurement, which aligns with the Broader Outcomes in the Government Procurement Rule (16).

## Health and Safety

Health and Safety Management (HSM) provides for goal setting, planning, and measuring performance, and is woven into the fabric of council. Council’s HSM is based around the following framework:

- Plan: establish the activities, outcomes and processes necessary to deliver results in accordance with council's Health and Safety policy/charter and the organisational strategic imperatives
- Do: implement the processes and deliver the outcomes
- Check: monitor and measure processes against the health and safety policy, outcomes, legal and other requirements, and report the results
- Act: take actions to continually improve health and safety performance.

Council has developed and maintains a standard for on-going hazard identification, risk assessment and determination of necessary controls. The Current Best Practice (CBP) - Hazard and Risk Management sets out the requirements of this standard for hazard identification and risk assessment which will take into account:

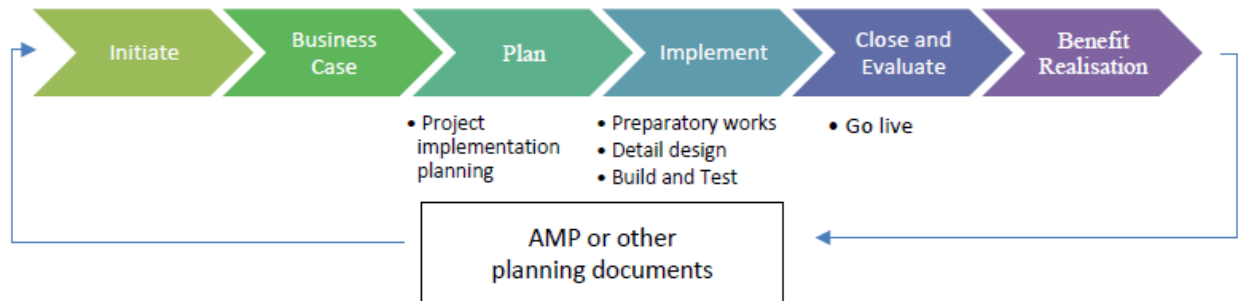
- a) routine and non-routine activities
- b) activities of all persons having access to the workplace (including contractors and visitors)
- c) human behaviour, capabilities and other human factors
- d) identified hazards/risks originating outside the workplace capable of adversely affecting the health and safety of persons under the control of the organisation within the workplace, for example, driving on the road
- e) hazards/risks created in the vicinity of the workplace by work-related activities under the control of the organisation
- f) infrastructure, equipment and materials at the workplace, whether provided by council or others
- g) changes or proposed changes in council, its activities, or materials
- h) modifications to the HSM, including temporary changes and their impacts on operations, processes, and activities
- i) any applicable legal obligations relating to risk assessment and implementation of necessary controls
- j) the design of work areas, processes, installations, machinery/equipment, operating procedures and work organisation, including their adaptation to human capabilities.

Council requires all contractors undertaking physical works under a council Contract to be registered with SHE. This requires a pre-qualification which verifies that contractors have effective health and safety management systems and are holding current and relevant insurances.



## Project and Risk Management

The Project Management Lifecycle in council requires projects to be managed through the following stages:



**Stage 1: Initiate** – consists of a Project Proposal which represents an approval gateway. The proposal is used to table the project and provide justification to the Project Sponsor that a project is required to solve a particular business problem or realise an opportunity.

The Project Proposal provides the strategic alignment of the project and provides the information required for a decision as to whether the proposed project will proceed further or not.

**Stage 2: Business Case** – consists of an analysis demonstrating that the project is feasible and further defining the costs, risks and resources required to deliver the project. The Business Case tells the story of the project and informs the decision as to whether the project is approved or not, it also gives a simple assessment to identify if there will be an effect on carbon emissions that will require further analysis during the planning phase.

Waipā has a template for a simple business case which is generally completed after the Project Proposal has been completed. There are some scenarios where a Business Case is not needed. These are:

- If a project is operating and is required due to legislative and compliance requirements.
- 100% Renewal Project, as long as there is a clear link back to the Asset Management Plan (AMP).

Where a Business Case is not required then a Financial Case needs to be completed – this document confirms alignment with the AMP, outlines emissions/carbon considerations, includes a significance and engagement assessment and plans the necessary funding and management arrangements for the successful delivery of the project.

For complex projects there may be a requirement to then go on to a complex Business Case through the Better Business Case process.

**Stage 3: Plan** – consists of the detailed project planning prior to implementation. A Project Manager is assigned to the project. The Project Sponsor will identify an appropriate project governance structure to be used for the project. This stage requires development of the Project Implementation Plan (PIP). The PIP includes:

- Refines the project’s objectives gathered at the Business Case stage.
- Outlines the steps necessary to meet those objectives by further identifying the specific activities and resources required to complete the project.
- Determines parameters for managing and monitoring: scope, quality, time, budget, risk and benefits.
- Provides a work breakdown structure.
- Develops the project schedule – listing entire schedule of activities and detailing their sequence of implementation and dependencies.
- Resource planning – indicates who will do what work, at which time, and if any special skills are needed to accomplish the project tasks.
- Specifies the budgeted cost to be incurred at the completion of the project.
- Carbon options and assessment.

Other key documents completed at this stage are, Risk Register, Communication and stakeholder management planning, Business change management, Procurement Plan, Infrastructure Projects – Project Prompt List.

**Stage 4: Implementation** - During the implementation stage, the Project Manager will focus on:

- Delivering the project as set out in the Implementation Plan.
- Ensuring that the defined project goals and benefits will be met at project completion.
- Managing risks and issues, including appropriate escalation.
- Project change control if required.
- Communicating and reporting regularly with the Project Sponsor, Business Owner, team members and key stakeholders (through a standard template).
- Following Waipā processes, for example, procurement and records management.

**Stage 5: Close and Evaluate** - Once the project has been completed it needs to be closed and evaluated to ensure it meets the original project goals / benefits, and to ensure outstanding risks and / or benefit realisation items are passed over from the project team to the Business Owner for BAU management.

**Stage 6: Benefit Realisation** - This stage is about monitoring the realisation of the benefits as originally indicated in the business case. Review of benefits to ensure that those identified at the start of the project have been realised, and that any additional benefits

that resulted have been acknowledged and maximised (any further work required to ensure that benefits are realised should be identified and a plan of action put in place).

### 3 ORGANISATIONAL PROCUREMENT STRATEGY PRINCIPLES

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#### Strategy principles in the current environment

In the current environment where our district is responding to, and recovering from, a significant and unprecedented global pandemic with a forecasted economic recession expected to last up to three years, this Procurement Strategy will focus on key areas to assist in resetting and rebuilding our Waipā economy – we want to support the development of a sustainable and thriving economy, and to be socially responsible using our knowledge and resources within Waipā for the benefit of the whole community. So, in this first generation of the (organisational) Procurement Strategy we are going to focus on the following principles. As noted previously, as our environment and economy changes, these principles will be updated to address issues as they are identified.

#### Principle 1: Make the best use of every dollar

- Use efficient, effective and appropriate procurement processes to deliver quality goods, works or services. This does not necessitate the selection of lowest price.
- Consider the total costs and benefits of a procurement (total cost of ownership), public value.

#### Principle 2: Consider local contribution

- Look for where opportunities exist for local suppliers to contribute in procurement through a local contribution test.
- Consider where procurement can be used to stimulate employment and training within Waipā.
- Note: this is not necessarily a 'Buy Local' strategy, but a desire to increase access to our business for local and smaller suppliers through our procurement processes, for example, inclusion of local employment and training as part of tender evaluations.

#### Principle 3: Be sustainable

- The procurement system will ensure that opportunities for social, economic, environmental and cultural interests and outcomes will be actively considered.

#### Commentary

The procurement processes used by council need to be fair and transparent, but also need to be agile to meet a fast-changing environment and supplier and supply chain market.

Having good, collaborative relationships with our suppliers is critical to ensuring that we are achieving the best possible outcome from our procurement.

A range of procurement processes need to be available for staff to use based on value, risk and complexity. We need the flexibility to use a variety of tools, from simple contracting to competitive and collaborative relationships to select the most appropriate process for the procurement.

The total cost of ownership considerations means that in some instances, the lowest price tendered may not be the best overall price over the life of the asset. A more expensive up-front cost may provide savings across the life of the asset in the areas of maintenance and operation, and offer opportunities to reduce waste of resource (both materials and labour). Best value may not be limited to financial factors.

Looking to make the best use of every dollar also helps drive innovation to look for the most effective and efficient way to deliver a result. By looking at delivering public value it enables us to achieve as much as possible for our community.

Where effective local procurement spending occurs, it can impact on the economy directly and indirectly.

Our definition of a local supplier is: ***'a supplier of goods or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within the Waipā district boundary'***. This is key because this is where we will see the benefits within our district – employment, involvement in our community and spend within our community.

Using a sustainable approach also requires looking at long term costs and benefits. Short term fixes can impose long term costs on ratepayers. Assessing the impacts of procurement on current and future generations is an essential component in achieving sustainability.

## 4 PROCUREMENT PROGRAMME

### Procurement Programme

#### Overview of Routine Maintenance Contract Arrangements

The current contract delivery and procurement arrangements for road maintenance are as follows:

Contract Description	Supplier	Contract Number	Total Contracted Value (\$)	Start Date	End Date	Revised End Date	Duration (Years)	Procurement Method (2024-27)	Opportunities for Innovation and Broader Outcomes
<b>Roading Maintenance</b>									
Roading General Maintenance	Downer New Zealand Ltd	290681	\$30,435,409	Sept 2023	Aug 2026		3+1+1	PQM	New contract included Local Contribution in Weighted Attributes score.
Urban & CBD Street Maintenance	Eco Maintenance Ltd	290128	\$2,767,407	July 2021	June 2024	June 2025	3+1+1	PQM	New contract included Local Contribution in Weighted Attributes score.
Streetlight Maintenance	McKay Ltd	290010	\$1,248,700	July 2021	June 2024	June 2025	3+1+1	PQM	New contract included Local Contribution in Weighted Attributes score.
Electricity Supply Contract	Genesis Energy and Meridian	290709 290710 290685		July 2022	June 2025		3	Corporate Waipa DC contract	Part of All of Government Agreement
Traffic Services	Directionz	290705	\$3,206,407.04	July 2023	June 2026		3+1+1	PQM Retain existing contract with minor improvements	New contract included Local Contribution in Weighted Attributes score.
CCTV – Video System	Datacom Systems Ltd	290082 (27-18-24)	\$1,163,123.73	Oct 2018	Oct 2019	31 May 2026	6		
Data Collection	Shared arrangements through RATA	WLASS202 3-346a; WLASS202 3-346b	Approx \$70-95k.year	July 2024	30 June 2027		3	(PQM) Will continue through shared arrangement with RATA	Continue to take advantage of joint procurement for Data Collection Contracts through RATA

Contract Description	Supplier	Contract Number	Total Contracted Value (\$)	Start Date	End Date	Revised End Date	Duration (Years)	Procurement Method (2024-27)	Opportunities for Innovation and Broader Outcomes
Rural Open Space Maintenance Contract	McCanns		Approx \$55,000 - \$65,000 per month (price fluctuates depending on spraying etc).					Purchase Order	Shared contract with Open Spaces team – for vegetation control on cycleways, berms etc. NZTA subsidised mowing accounts for minor portion, Transportation value approx. \$36K per annum.
Traffic Signals Management	Hamilton City Council		Approx \$25k - \$30k per year					Purchase Order	Combined contract with Waikato DC, HCC and NZTA.
<b>Waste Management Operations</b>									
Kerbside Recycling	Metallic Sweeping (1998) Ltd	290090 (27-18-56)	\$17,333,930	March 2018	June 2026		7	PQM	
<b>Recent large Contracts</b>									
Cambridge Pathway Duke Street Boardwalk	Keir Landscaping Ltd	290958	\$900,000	Nov 2023	July 2024			Invited Tender	Invited tender based on known relevant experience & requirement for use of local supply chain
Cambridge Pathway Civil Package Two	Cambridge Excavators Ltd	290957	\$3,374,116.21	Aug 2023	Sep 2024			LPC	Invited tender based on known relevant experience & requirement for use of local supply chain
Cambridge Pathway Civil Package One	Cambridge Excavators Ltd	290956	\$4,076,209.99	Aug 2023	Sep 2024			LPC	Invited tender based on known relevant experience & requirement for use of local supply chain
C2/C3 Cambridge Road Intersection and Corridor Upgrade	Cambridge Excavators Ltd	290091	\$10,646,891.00	Apr 2023	June 2025			LPC	Two stage process. ROI included broader outcomes weighting.
27-20-03 Shanel Place & Mangapiko Stream Cycleway Bridges	Bridge It NZ Ltd	290039	\$1,361,432.06	Dec 2021	30 Apr 2025			PQM	One new footbridge on SH3 and three footbridge renewals including two for parks and reserves dept.
Victoria Bridge Repaint and	Intergroup Ltd	290587	\$3,610,656.26	Sep 2022	Jul 2025			LPC	

Contract Description	Supplier	Contract Number	Total Contracted Value (\$)	Start Date	End Date	Revised End Date	Duration (Years)	Procurement Method (2024-27)	Opportunities for Innovation and Broader Outcomes
Structural Maintenance									
Cambridge Road Urbanisation	Civil Construction Services Ltd	290564	\$4,245,535.53	Jan 2023	Feb 2025			LPC	
Ohaupo Village/Walton Street/Shakespeare Safety Improvements	Base Civil Ltd	290563	\$3,037,330.14	Oct 2023	Dec 2024			LPC	LPC tender requiring conformance with using local suppliers for nominated materials
Te Ara Rimu - Kihikihi Pathway	Cambridge Construction Company Ltd	290945	\$6,488,368.23	Sep 2023	Mar 2025			LPC	Invited tender based on known relevant experience & requirement for use of local supply chain
<b>Professional Services</b>									
Structures Asset Management Services	BECA	WLASS2022-276	Approx \$400 - 500k/Year (varies depending on Waipa commitment)	October 2022	June 2025	TBC	3+3	Additional +3 Year Contract Extension subject to Client discretion (noting current Performance Evaluation is "Exceeding Expectations".	Includes use of EV's for inspections, and offer to train graduate and Engineering Cadets as part of Annual Structural Inspection Programmes
Regional Asset management Services	RATA	Multi-party Funding agreement	Approx \$200k/year	July 2024	June 2027		3+3+3	New MPFA signed in July 2024 for continuation of RATA Services.	Improvement and consistency of asset management, up skilling of staff involved.
Waikato Regional Traffic Model	Co-Lab	Shared service contract	Approx \$55k for this financial year	July 2024	June 2025	TBC		Various as part of whole WRTM Programme	The combined approach makes strategic traffic modelling available for all councils in the region.
Road Safety Coordination	Megan Jolly	Services Contract	\$353,335.00	July 2021	June 2024	June 2027	3+3		Total value is for the 6-year contract period and will be revised downward to reflect reduction in NZTA funding from 51% to 32%



## New Contracts for Procurement from 2024-27

Contract Description	Phase	Project Number	Total Estimated Value (\$)	Tender Date	Term	Delivery Team	Procurement Method (2021-24)	Opportunities for Innovation and Broader Outcomes
Pavement Rehab	Construct	PR4033	\$7.3m	2024 2025 2026	Annual	Transportation	Mix of individual contracts – LPC or PQM depending on complexity and delivery by the General Maintenance Contractor.	Current contracts scoped to keep market healthy. Will attempt to keep contracts below \$1m to encourage local/small suppliers.
Culverts, Headwalls & Catchpits	Construct	PR4031 PR4032 PR4308	\$735k	2024 2025 2026	Annual	Transportation	Largely included in General Maintenance Contract. Specialised activities may be tendered on LPC or PQM	Similar activities may be grouped for delivery under single or multi-year contracts where appropriate
Structural Bridge Works	Construct	PR4040	\$798k	2024 2025 2026	Annual	Transportation	Largely included in General Maintenance Contract. Specialised activities may be tendered on LPC or PQM	Potential combined shared services contract under development through RATA for smaller works.
Road to Zero Projects – LCCR	Construct	P4410	\$1.9m	2024 2025 2026	Annual	Transportation	Mix of individual contracts – LPC or PQM depending on complexity and delivery by the General Maintenance Contractor.	
Picquet Hill Roundabout	Design	PR3041	\$2.8m	24/25	1yr	Project Delivery	LPC	
C8 C9 C10 Hautapu Road – 1 <sup>st</sup> section of Collector Rd	Design	PR3193	\$2.2m	24/25	1yr	Project Delivery	PQM	
Cambridge Growth Cells C8 C9 C10 Hautapu Road – first roundabout at Victoria Rd	Design	PR3192	\$5.7m	2024 2025 2026	3yr	Project Delivery	PQM	
C8 C9 C10 Hautapu & Hannon Rd Urbanisation	Design	PR3194	\$3.7m	2024 2025	2yr	Project Delivery	PQM	
<b>TOTAL</b>			<b>\$25.1m</b>					

Note: Developer led projects not included

## 5 PROCUREMENT ENVIRONMENT

### Road Maintenance

The market available to Waipā is influenced by the activity in surrounding Waikato districts. The contracts, incumbent contractor and expected term for Waikato council road maintenance contracts includes:

Road network	Form of Contract	Current Contractor	Term of Contract (years)	End Date	Network Length 2024 (Km)	VKT 2024 (000s)
NZTA State Highways	NOC - West Waikato	Fulton Hogan	7+2	2028 (+2)	1600 (approx.)	
Waikato District	Alliance- Expected to change to two NZS3917 contracts in 2025.	Downer	5+5	2025	2442.2	533,470
Hamilton City	Collaborative Agreement	Downer	5+3+2	2028	683.6	846,282
Waipā District	NZS3917	Downer	3+1+1	2026 (+1+1)	1123	393,851
Hauraki District	NZS3917	Ventia	5+2	2027 (+2)	632	96,312
Matamata Piako District	NZS3917	Fulton Hogan (Resurfacing & Maintenance contract combined in 2023)	3+2+2	2024(+2)	1023.1	262,155
Thames Coromandel District	NZS3917	Ventia	4+2+2	2027	701.3	89,932
Otorohanga District	NZS3910	Inframax	3+3+3	2024 (+3)	805	55,233
Waitomo District	NZS3917	Inframax	5+2	2029 (+2)	1008	53,746
South Waikato District	NZS3910	Higgins	3+1+1	2027	531.2	83,664
Taupo District	NZS3910	HEB Construction	5+3	2029 (+3)	816.3	296,059

The Waipā contracting approach, with separate contracts for Road Maintenance, Streetlights, Urban Street cleaning, renewals and signage is small scale and managed across a compact, easily accessible, and well serviced road network, and can therefore attract a wider range of suppliers that are interested in tendering. This also provides a market opportunity for the contractors that cannot service the larger Alliance contracts in surrounding towns.

The wide mix of road maintenance providers currently managing road networks in the Waikato indicates that there is opportunity to attract a high number of bids for the tendering of the general road maintenance contracts.

### **Capital Works Providers**

The physical works supplier market in the Waikato is mature, offers diversity and competition across small, medium, and large national suppliers. Waipā's central location provides access to the full range of New Zealand construction suppliers.

Waipā packages the works with the target bidders in mind to ensure there will be interest in the works, for instance for footpath construction it is preferable to bundle into small packages to keep the contracts manageable for smaller locally sourced contractors. Waipā also ensures good clear documentation with robust plans on measure and value contracts to ensure risks are allocated appropriately. Engagement with prospective bidders starts early to ensure they are ready for the tender period. We have identified an opportunity to explore upfront risk sharing discussions with contractors and examples of this include identifying locations where significant night work is required to reduce traffic congestion and business disruption, breaking works into stages and requiring contractors to complete and reinstate in one area before beginning in another, innovative traffic management including road closures to all but residents to reduce traffic management cost and speed construction for overall less disruption.

More of our urban contracts are multi-disciplinary, for example, joint/water/stormwater/Roading, and this is particularly the case for growth infrastructure delivery.

Waipā requires WLASS SHE pre-qualification for all physical works contractors or equivalent.

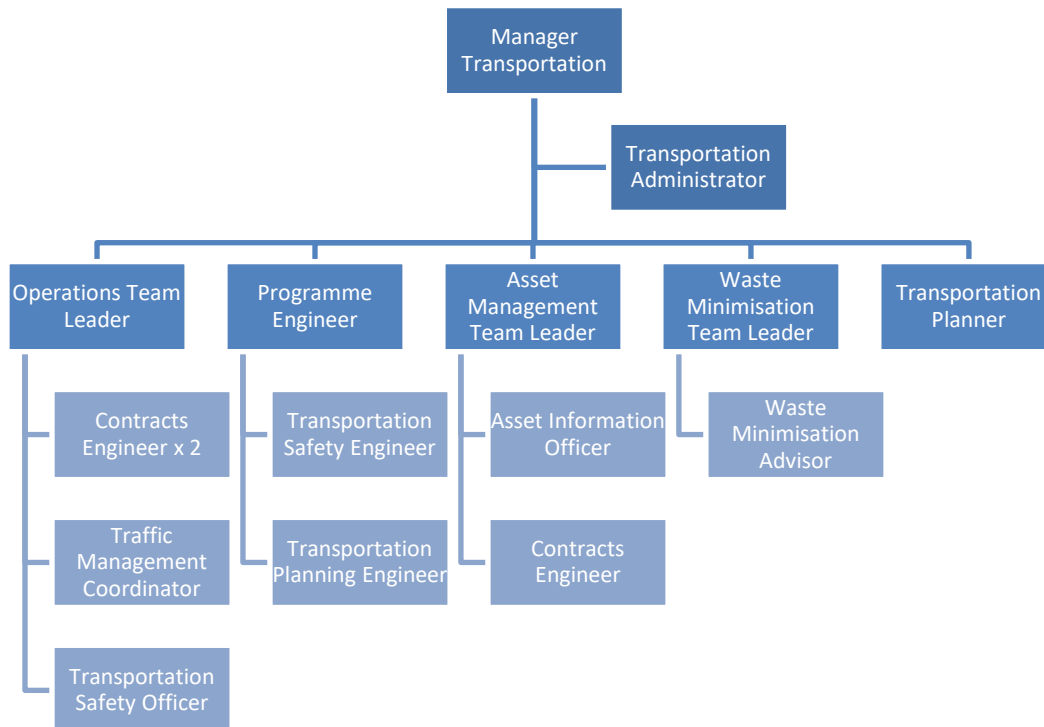
### **In-house Professional Services**

Waipā outsources its pavement rehabilitation and urban upgrade designs through the WLASS Professional Services Panel (PSP). Some minor pavement design may be conducted inhouse where appropriate. Seal type is specified by Waipā's transport team, for design by the maintenance contractor.

Waipā has asset management and project management services within the Transportation team. Waipā also has a Project Delivery team that supports the delivery of the roading programme for larger projects on an as required basis.

Waipā has developed an inhouse resource for road safety management. We conduct safety inspections and develop safety interventions and minor improvement designs for small scale improvements, including for barrier designs. External design is sought for more complex and detailed designs through the Professional Services Panel.

Further to this Waipā’s Transport team comprises:



### Professional Services Providers

The central location of Waipā provides a sizeable market of consultant organisations, many of whom are national companies providing services to many regions throughout New Zealand. Similarly, smaller consultancies are also able to provide specialist services.

Waipā District Council utilises the PSP for small engagements for professional services, and looks to spread work packages across the panel, choosing consultants for their strengths.

Current engagements include:

<b>Professional Service Engagement</b>	<b>Provider</b>	<b>Form of engagement</b>
Transportation/road safety design, traffic engineering, construction monitoring, transport planning	Bloxam Burnett & Olliver Ltd, Pinnacles Civil Hamilton Limited, Titus Civil Consulting Engineers, Gray Matter Ltd, WSP	WLASS PSP
Streetlight auditor	Power Solutions Ltd	WLASS PSP
Road asset management-including asset valuations	Beca Projects NZ Ltd	WLASS PSP
Property services	The Property Group Limited	WLASS PSP
Urban design or specialist services	Gray Matter Ltd	WLASS PSP
Bridge and Structures Management	Beca	Joint contract through RATA
Data management	RATA	MPFA agreement for services
Specialist SME advice	Independent and small consultants as required	WLASS PSP or Direct Appoint
Iwi Advisors	Independent and small consultants as required	Direct Appoint based on existing relationships with Iwi groups.

The current PSP ends on 1 December 2024 and a new panel arrangement will commence on 2 December. This will provide council with a sound supply arrangement which will ensure we have access to the right professional services, at the right time and at the best value for money spent. The new panel opportunity was provided through a public tender process with clearly defined non-price attribute requirements and conformance with a roles rates schedule.

Key objectives of the PSP approach are:

- Enhanced relationship and performance management (robust performance, contract management and reporting)
- Cost saving and value maximisation (deliver cost savings and maximise the value from engagements)
- Optimisation of consultant engagement (right consultant, right time, right price)

The PSP arrangement includes a standardised Instruction for Service contract to ensure a consistent form of engagement based on the CCCS with special conditions.

### **Future Procurement**

Council receives high numbers of bids on its requirements and therefore it is believed that best value is being achieved using the staged (traditional) delivery model with PQM and LPC being the main supplier selection methods utilised. Due to the ongoing value being demonstrated by this approach, no changes to the current procurement methodology are planned. However, on occasion similar works may be undertaken as an addition/variation to an existing contract where this is considered the most prudent and appropriate procurement. The value of the additional work will generally be less than \$100,000.

As most of our Pavement Rehabilitation projects are of a relatively small value (i.e. around \$500,000), the Lowest Price Conforming supplier selection method is generally utilised where the work is of low risk and well scoped. For higher risk projects, PQM is preferable. Some pavement rehabilitation work is also carried out under the General Maintenance Contract. Consideration is given to combining some of these projects into a slightly more bundled package to gain increased economy of scale. This has proven cost effective and achieved good results. This has encouraged smaller local and specialist contractors to provide competition in the industry which is a further benefit to the community.

### **Smart Buying Approach**

Waipā aims to develop greater awareness of market constraints, such as for materials and resources, to deliver on contract objectives. Market engagement is one tool that will be conducted to identify likely issues and opportunities to delivery and better understanding of risk sharing between the parties.

Shared services through RATA have provided much value to Waipā to date. We will continue to seek further opportunities to broaden this arrangement through new shared service contracts with neighbouring road controlling authorities or other service teams. Opportunities currently under consideration include:

- Te Awa Cycleway – opportunity to engage maintenance for the full length through a shared arrangement between Principals.
- Parks – continued extension of shared services for vegetation etc.
- Traffic Signals, ITS, CCTV – extension of the current arrangement with HCC and formalisation through the MoU agreement.
- Passenger Transport services.

The Smart Buyer and Delivery Model tool developed by REG will be used to help inform decisions around procurement approach.

Council has engaged with the contractor and consultant market to provide updates on areas of focus for council and to provide a project pipeline for visibility of the work programme and timing – this is available on Council’s website. Council also contributes to the Infrastructure Commission Projects Pipeline.

## 6 APPROACH TO DELIVERING THE WORK PROGRAMME

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### Maintenance & Operation of local Roads

The Transport Activity Management Plan 2024-34 sets out how the roading network will be operated and maintained on a day-to-day basis.

Maintenance activities cover:

- programmed maintenance where a base level of maintenance is carried out to a predetermined level of service,
- condition maintenance, where maintenance is carried out as a result of condition or performance evaluation, and
- reactive response where maintenance is carried out in response to reported problems or system defects.

Maintenance covers the routine work undertaken on assets to ensure they continue to deliver their intended performance and reduce their rate of deterioration. This includes both planned and reactive work as well as asset repairs. It excludes rehabilitations and renewals although some of this work type is completed by maintenance contractors.

Currently our maintenance and operational contracts are managed through one contract, the Roothing General Maintenance Contract. This contract enables a contractor to manage and programme all works. It also enables efficiencies in administration costs and economies of scale. This allows staff to move to a more oversight function than that of project management.

The General Maintenance contract covers a range of maintenance and renewal activities of Waipā's transportation network including:

- Pavement repairs (including within public carparks, some reserves and council property accessways)
- Drainage maintenance
- Minor bridge or structure maintenance
- Vegetation control
- Chip seal and asphalt resurfacing
- Footpath and kerb and channel maintenance and renewals
- New footpath construction
- Unsealed road maintenance
- Pavement maintenance overlays
- Support to three waters teams for urgent responses (e.g. pavement reinstatement, water leaks, traffic management)

This contract commenced on 1 September 2023 with completion of the first three-year period on 31 August 2026, with the option of two extensions of 12 months each. Two conforming tenders were received and evaluated by price quality 60:40 method.



All reseals and surfacing repairs are included within this Roding General Maintenance Contract. However, pavement rehabilitations and larger area wide treatments are tendered separately as below. Some area wide treatments are delivered by the Maintenance Contract.

In 2023 the maintenance contract was retendered on a similar basis, but with greater contractor/ staff embedment to ensure the contract programming and direction is more aligned to the council's long term goals for the network. Waipā notes that most neighbouring councils continue with traditional measure and value contract models, and we believe that the more traditional arrangement with Asset Management in-house remains appropriate to meet the needs of the Waipā community, and for cost efficiency and effectiveness.

It also continues to be preferable within the existing contract term to continue to keep some road maintenance elements separate from the General Maintenance Contract to ensure better value and flexibility in the way we manage our road improvements. This also maintains some small packages of work to ensure local/small contractors can compete. Additionally, where packages of work tie in with works from other departments, separate contracts enable combining works together.

The General Road Maintenance contract term currently ends on 30 June 2026, with two one-year extensions permitted under the contract.

### **Other Maintenance contracts**

Waipā District Council has separate Urban and CBD Street Cleaning, Traffic Services and Street Light Maintenance contracts.

The decision was made to keep these activities separate from the bundled parcels detailed above as:

- The Urban and CBD Street Cleaning Services (290128) contract includes the cleaning of town centre footpaths and streets, cleaning of catch pits, general sweeping of kerbs in urban areas, the emptying and maintenance of litter bins and the removal of leaves for heavily treed streets in autumn. Performance is measured by field audits of works and network condition. This contract was for an initial contract period of three years from 1 July 2021 to 30 June 2024, with the option of two possible extensions of 12 months each and is currently in the first 12-month extension.
- The Traffic Services (290705) contract includes street sign maintenance and renewal, pavement marking, guard rail renewal and improvements. Performance is measured by operating and key performance measures which are measured through field and desk top audit of a sample of works and the condition of the network. The contractor makes routine inspections at time intervals based on the One Network Framework to ensure important roads receive priority. This contract is for a three year period from 1 July 2023 to 30 June 2026, with the option of two possible extensions of 12 months each and is

currently in its second year. Three conforming tenders were received and evaluated by price quality 60:40 method.

- The Streetlight Maintenance (290010) contract includes the maintenance of streetlights and amenity lights in car parks. In recent years the contract has included changing lights to LED fittings and installing new lights for improved safety. Performance is measured through desktop key performance measures. The contractor does inspections to identify faulty lights. This contract was for an initial contract period of three years from 1 July 2021 to 30 June 2024, with the option of two extensions of 12 months each and is currently in the first the 12 month extension.

For each of these contracts, including the General Maintenance contract, the contractor is required to maintain a costed programme of work in RAMM contractor. Council staff review and approve the contractor's programme in RAMM, ensuring that the contract budget is adhered to and that the contract works are being delivered according to the programme. Contractor completed programmes and monthly reports are stored in RAMM contractor.

Electricity supply contract – Waipā DC is signed up to the All of Government electricity contract starting 1 July 2022 with Genesis Energy (Time of Use and streetlights), and a contract with Meridian Energy (Non-Half Hour). Both contracts expire on 30 June 2025. All of Government contracts are typically designed to save participating agencies money by leveraging the collective purchasing power of government, improve engagement with suppliers, standardise procurement engagements across government, and improve overall service quality for both government and suppliers. Council has recently signed new agreements with Genesis for the supply of TOU and streetlights from 1 July 2025 for a 33 month term.

Mowing and Garden Maintenance Contract - The Community Services activity has a contract with McCanns Mowing Limited; this contract includes works undertaken on behalf of the Transportation team which includes limited vegetation mowing, cycleway, and berm maintenance.

### **Low Cost Low Risk Projects**

Current Procurement

Project/Location Specific Contracts – average value budgeted over the next three years is \$834k.

Contracts for low cost low risk projects are done through an open tender using the LPC evaluation method – or direct appointment where this is considered appropriate. Council's policy states that procurement between \$50k and 250k and considered low or medium risk requires:

- Three quotes; or
- A public or invited RFX process to be used as signed off in the procurement plan.

Direct appointment may be considered for minor works less than \$50,000 to existing contractors. For works between \$50,000 and \$100,000, direct appointment may be considered if a procurement exemption is approved by the Group Manager.

#### Future Procurement

No changes to the procurement methodology are planned.

Minor improvements are generally completed with pavement rehabilitation projects to achieve safety or other improvements with economies of scale within the project. Other improvements generally include the installation of signage or markings and as such are completed as part of the relevant maintenance contracts. Minor structures work, including guard rail improvements and installations will often also be completed under maintenance contracts where relevant rates and resources have been provided in tendering for those contracts.

If there is a significant parcel of similar improvements work developed in any year (e.g. pedestrian improvements) this work would be tendered using the lowest price conforming evaluation methodology. In this situation there may be scope for extending the quantity of works under the tendered rates.

#### Professional Services

Waipā District Council has retained an in-house business unit to provide network management services to the council. There is a contract in place for the business unit in line with the NLTP funding. The use of the in-house professional services unit has been previously approved by NZTA.

The business unit uses outside consultants for various professional services from time to time, which includes design, project management, geotechnical work, RAMM, FWD testing, traffic counts, bridge inspection and other work. All network management functions are provided by business unit staff. Where specialist professional services are required, Waipā utilises the Waikato LASS Professional Services Panel.

Waipā District Council is part of RATA (Road Asset Technical Accord) with other Waikato councils. RATA provides specialist technical advice and analysis, and also manages joint contracts for multi council contracts. These include the Bridge Management Contract, and Data Collection Contracts. RATA also provides benchmarking and best practice advice to Council.

#### RATA

The Waikato Road Asset Technical Accord (RATA) has a goal of 'Achieving best practice road asset management within the Waikato by improving capability, capacity and outcomes through effective collaboration'.

Waipā has some data collection services through RATA including:

- Road condition modelling (dTIMS);
- Road Pavement Strength Testing (FWD) (to be procured in Q1 FY2024/25);

- Footpath condition assessments;
- Traffic counting.

In addition to the above data collection, Waipā has a term contract for bridge inspections via RATA.

The RATA contracts are providing opportunities for procurement savings and the sharing of innovation and expertise as well as cost savings, and other asset management benefits and improved 'one-network' transport outcomes.

### **Road Safety Education**

Road safety education programmes are prepared and delivered by a contractor to council. The contract was for an initial contract period of three years, from July 2021 to June 2024, with the option of a further three year extension and is currently in the first year of the extension. The current provider has been doing work for council for many years and delivers high quality programmes. The current provider also delivers services to Waikato District Council, and it is considered that this shared relationship provides significant benefits to both parties.

NZTA funding has been reduced from 2024/25 and as such this programme of work will need to be revised.

### **Condition Data Collection (automated high speed data collection)**

REG (Te Ringa Maimoa) has undertaken a Condition Data Collection (CCDC) project, which includes developing national data standards, specifications and methodologies to ensure consistent condition data collection, accuracy, processing and management; and procuring these services on behalf of all councils. The CCDC project requires local authority RCAs to adopt automated condition inspections of their sealed road networks (crack detection, roughness, rutting, texture and geometry). Previously each council procured these services either individually or through local collaborative contracts (for Waipā District Council this was done through RATA).

REG/Te Ringa Maimoa went to market in November 2023 to procure suppliers to provide the annual automated condition data collection surveys starting in late 2024. These are six year contracts covering data collection on the entire sealed local road network, with RCAs grouped into four geographic areas. Waipā is part of the "central north" contract area (including the remainder of Waikato, Bay of Plenty, and Taranaki). As at July 2024, this contract is not yet formally awarded, but survey work is still expected to commence in late 2024/early 2025.

## Waikato Local Authority Shared Services (WLASS)

WLASS was established in 2005 to promote shared services between local authorities across the Waikato region. By working together, WLASS can reduce costs, achieve effectiveness and efficiency gains, reduce duplication of effort and eliminate waste through repetition, promote and contribute to the development of best practice, and improve customers' experiences.

It allows the Participating Councils to select from a pre-approved panel of those professional service providers it wishes to use for any particular engagement on terms and conditions already agreed, without having to enter into a new contract with the professional service providers each time this occurs. This avoids both the cost and delay (for both councils and professional service providers) of conducting a fresh procurement for each piece of work. Furthermore, it intends to provide a measure of work certainty to the professional service providers, encouraging investment and expansion in the Waikato region and provides an opportunity to develop close collaborative relationships between the parties.

In March 2024 WLASS (trading as Co-Lab) issued a Request for Proposal seeking to go out to market for the next term of a Professional Services Panel for member councils. A new tiered structure has been created starting on 2 December 2024 which will:

- Address the need to recognise those consultancies we do a lot of business with.
- Delineate those that are our key relationships to actively manage over the course of the contract (Tier 1).
- Provide transparency of performance delivery by consultants and has a way of addressing these.
- Ensure we create opportunity for the small-medium consultancies and a specific opportunity for Māori businesses.
- Ensure we recognise those consultancies providing key specialist skills.

The Panel agreements will have an initial term of three years with an option to extend two years based on performance. The new PSP has introduced rebates based on spend at preset rates for the term of the contract. This allows participating councils to gain value from the combined procurement value from the panel.

Tier One panel consultants will have the following rebate structure applied:

- A flat rate of \$10k for the first \$1M
- 3% on any spend over \$1M

Tier Two panel consultants will have the following rebate structure applied:

- 2% on spend between \$500k and \$1M
- 4% on any spend over \$1M

Historical spend data analysis suggests that approximately 23 suppliers across both Tiers would present the opportunity for receiving approximately \$700Kpa in rebates back to participating

councils. Rebates will be paid annually by consultants to Co-Lab and will be passed back to the Participating Councils, based on their spend.

Currently Waipā requires the use of the PSP for all professional services contracts in accordance with the Professional Services Panel Guidance for Council Staff. Where a particular consultant is required to provide a service that is available through the PSP, an exemption request is required to be approved by the Group Manager Service Delivery and the Group Manager Business Support.

The new panel will require staff to use the panel in the first instance, but will allow staff to go outside of the panel provided they follow council's procurement process for the spend value.

### **Project Management**

Management of capital projects is undertaken in-house where possible. The Transportation team manages many of its smaller or less complex projects within the team. Waipā also has a Project Delivery team that provides specialist project management services to wider council to deliver the major and complex capital projects programme.

## 7 IMPLEMENTATION

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### Capability and Capacity

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

Procurement is devolved across council, however there is a Procurement Advisor who has responsibility for the development and implementation of the organisation's procurement policies and strategies, approval of procurement plans and exemptions, and in the provision of advice and recommendations on procurement matters. Within council there is also support available from some specialists in the implementation of procurement processes to ensure compliance with policies and processes.

Within the Transportation, Community Services and Project Delivery teams, Waipā utilises in-house expertise to manage tenders where possible.

Number of qualified tender evaluators:

- Transportation – 1 staff
- Community Services - 1 staff
- Procurement Advisor

There is also one staff member who is nearly finished the qualification.

The teams are continuing to encourage training of staff to further develop skills within the team in relation to procurement expertise.

Probity auditors are managed internally at Waipā through the use of qualified tender evaluators and the Procurement Advisor. Probity auditors will be selected for their independence from the team managing the procurement.

The Engineer to Contract role is resourced largely in-house by council's 'Principal Engineer'. If the Principal Engineer is at capacity, then an appropriate external resource will be procured.

Safety auditor capacity is resourced through the Professional Services Panel by regionally based consultants.

A capacity plan and a programme delivery plan has been developed; through this plan a Waste Minimisation Intern has been appointed. Due to reduced budgets and a significant decrease in capital expenditure the plan has not yet been fully progressed. This plan will be updated for the 2025-34 LTP. A resourcing risk is an ageing workforce with a number of the Transportation staff nearing retirement.

## **Performance Measurement and Monitoring**

Every contract tender includes a requirement of the contractor to attend a contract closure meeting. All contracts are required to be approved in our contracts' module, and standard review requirements are required to be completed in our contracts review module. This includes requirements to review aspects such as health and safety, contractor performance, delivery on agreed local contribution outcomes.

We also have annual reviews of KPIs to provide additional feedback to contractors throughout the contract. This is particularly valuable to our longer term maintenance contracts where continuous improvement is encouraged.

## **Communications Plan**

Council works closely with local suppliers and holds a yearly briefing session for both contractors and consultants. At these sessions Waipā provides its work programme pipeline, this is also published on Waipā's website. Waipā has a general desire to work alongside the industry to help develop our supplier base. Waipā utilises GETS to advertise notices of upcoming tender opportunities.

Waipā will publish this Strategy on its website to allow transparency.

## **Implementation Plan**

The Transportation Activity Management Plan provides details of the investment programme and intentions of council to invest in the procurement programme. Projects within the TAMP have been allocated to project managers and will be developed in accordance with the Project Management Lifecycle as detailed in section 2.7 above.

## **Corporate Ownership and Internal Endorsement**

This Procurement Strategy is owned by the Manager Transportation. Implementation of the procurement programme will be undertaken by the Transportation Team with support from the Procurement Advisor and Project Delivery team.

Internal endorsement of this procurement strategy is required from the Manager Transportation and Procurement Advisor.



## 8 CONCLUSION

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### Conclusion

Waipā's Strategy Principles outlined in section 3 have a clear line of sight to council's vision and Community Outcomes. They provide a high-level approach which focuses on key areas. These Principles may be added or changed as our economy or environment changes because we want to make our Strategy appropriate and agile to cope with the now and to help us think about the future. The principles will translate further into real processes and actions that will help staff to meet the Principles and through that, ensure that we are achieving the vision of Waipā Home of Champions – Building the Future Together.

### Procurement SMART goals

As per section 1.3 Procurement SMART goals have been achieved in the last three years – the SMART goal not yet completed under Principle 3 – 'Be Sustainable' is the establishment of a register of Māori businesses. This is in progress with council now registered with Amotai and working with Waikato Tainui on their Puna Pakihi. The goal of payment of 90% of non-3910 invoices within 10 days is not yet achieved but the percentage of these is increasing with council's implementation of e-invoicing and invoice scanning. To date in 2024 we are tracking at 86% against the goal.