



Roading Procurement Strategy

8 September 2010



1. Introduction

- 1.1 This document is the Council's procurement strategy for roading works as required by the New Zealand Transport Agency's procurement manual. The purpose of this strategy is to show how the Council will continue to meet the requirements of the Land Transport Management Act 2003 (of obtaining best value for money, enabling fair competition and encouraging competitive and efficient markets), through its procurement of roading works and services. All Approved Organisations must have a NZTA endorsed Procurement Strategy by 1 October 2010 in order to apply for NZTA funding.
- 1.2 This document contains the Council's strategy which is to be adopted on the 8 September 2010. The strategy will be reviewed and updated regularly and formally reviewed and updated at least once every three years, in parallel with the Council's LTCCP cycle.

2. Council's understanding of NZTA's goals

2.1 Value for Money

- a. The Council believes value for money is achieved by using resources effectively, economically and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes the Council is seeking to achieve.
- b. The Council promotes this goal through its procurement by:
- selecting the most appropriate procurement method for the risk and value of the procurement; and
 - using direct appointments where appropriate.

2.2 Fair Competition

- a. The Council believes fair competition is achieved by providing clear, consistent and recognisable tender documentation that will be recognised and understood by all tenderers, and which enable them to provide a robust bid.
- b. The Council promotes this goal through its procurement by using the NZS3910 form of contract for all works contracts.

2.3 Competitive and Efficient Markets

- a. The Council believes competitive and efficient markets are achieved by ensuring that a sustainable number of suppliers are available and willing to accept Council instructions.
- b. The Council promotes this goal through its procurement by:
- packaging its contracts in such a way that different disciplines are contracted separately;



- ensuring that remediation works are let in multiple contracts, rather than packaged into a single contract;
- ensuring that the Council has sufficient internal resources to have a viable choice to the large national consultants, where appropriate; and
- maintaining local expertise by providing instructions to local consultants where appropriate.

2.4 Sustainability

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.

3. **The Council's own goals**

3.1 Transportation Infrastructure Goals

The Council's transportation objectives as set out in the LTCCP are set out in Appendix A. In order to achieve these goals the Council procures new transport infrastructure and the maintenance and upgrade of existing transport infrastructure. It also procures specialist professional advice where necessary.

3.2 Procurement Goals

The Council's procurement goals and objectives are to:

- a. meet the NZTA's objectives of ensuring best value for money, competitive and efficient markets and fair competition;
- b. enable it to consider its longer term goals in a structured and justifiable way;
- c. improve the understanding of its decision makers of the Council's longer term goals and to consider them when making procurement decisions;
- d. encourage innovation and improvement in the performance of people, practices, products and services;
- e. avoid, manage and mitigate risks;
- f. provide a predictable and certain workflow to the market;
- g. provide public transparency and accountability;
- h. enable effective budget management;



- i. encourage safe working practices;
- j. encourage sustainability by encouraging building efficiency, minimising waste, maximising resources and using renewable resources;
- k. encourage collaborative working practices.

3.3 Measuring Performance against Goals

The Council measures its performance against these goals through the following mechanisms:

- a. Collection of mandatory KPI data and its audit by the NZTA;
- b. routine inspections of the network;
- c. an annual survey of the network to ensure that all work is completed within budget and to the agreed timeframe;
- d. feedback from network users;
- e. required reporting through the Annual Plan to ensure that the LTCCP performance measures set by Council are met. This includes Level of Service, Financial performance, quality, health and safety and customer satisfaction.

Council will continue to rely on NZTA audits to assure it is meeting the performance criteria set out. The Council will consider these goals as having been met if none of these mechanisms indicate that there has been deterioration in performance.

3.4 Specific Issues

The Council has also identified the following specific issues which as part of its strategy it will seek to remedy or mitigate:

- a. The Council has found that a number of new suppliers have entered the market for its work. To date it has found that such suppliers provide low cost, low quality solutions. Therefore it is a Council objective to ensure that the right balance between price and quality is struck;
- b. The Council has not always enter into formal arrangements with its suppliers. This makes the Council's financial position uncertain. Therefore it is the Council objective to use formal contractual arrangements for all NZTA subsidised work;
- c. Some contractors which have been selected by the Council have reneged on their contractual obligations, increasing tender costs and delaying projects. Therefore it is the Council's objective to ensure that the procurement processes used always deliver a robust and capable supplier.



3.5 Other Relevant Policies

- a. This strategy is to be consistent with Council wide procurement procedures, which has been based on the office of the Auditor General publication “Procurement: a Statement of Good Practice – for the public entity”.
- b. Council has a “Contract Procedures Manual” for staff to use in conjunction with this Strategy and Council has delegated authority limits for various designated staff. “Procurement” on the intranet page gives appropriate flow charts to use based on the value and risk of the goods and services to be procured.

4. **Planned Programme**

4.1 Overview

- a. Council is responsible for:
 - 935km of sealed roads;
 - 58km of unsealed roads; and
 - 367 bridges (including underpasses)
- b. 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 if required;
 - A small programme of capital works in collaboration with private sector developers;
 - Professional investigations funded by the NZTA.
- c. The Council does not run any public transportation services and does not intend to implement any subsidised fare schemes. The Council’s involvement in public transport is limited to the payment of a contributory sum to Environment Waikato for the cost of the local bus service. This is not subsidised by NZTA.
- d. A summary of the Council’s budgeted plan for the next three years is set out below:

Programme	Annual expenditure (\$M)
Maintenance and operation	\$5.9
Renewals	\$5.5
Emergency works and preventative maintenance	> \$.2
Minor improvements	\$0.9



Professional services	\$0.8
Capital work – Development Contributions	\$0.25

4.2 Maintenance and operation

The Council has currently let the following maintenance and operation contracts:

Tasks/Contracts	Annual expenditure	Expiry Date
General Maintenance	\$3,500,000	July 2012
Signage maintenance	\$ 60,000	July 2011
Markings maintenance	\$ 220,000	July 2012
Bridge Maintenance	\$ 120,000	Annually
Street lighting maintenance	\$ 260,000	July 2012
Footpath maintenance	\$ 134,000	Annually
Street cleaning	\$ 215,000	N/A
Pest control	\$ 52,000	N/A
Urban Drainage works	\$ 110,000	Annually
Energy supply	\$ 170,000	July 2012
Specialised footpath cleaning	\$ 75,000	Annually
Community Programmes	\$ 19,000	N/A

4.3 Renewals

The Council has currently let the following renewals contracts

Tasks/Contracts	Annual expenditure	Expiry Date
Sealed Pavement Rehabilitation *	\$ 2,300,000	per package
Unsealed Road Metalling(General Maintenance contractor)	\$ 120,000	per package
Minor AWPT – (General Maintenance contractor)	Up to \$100,000 each	per job
Resurfacing (new contract out for tender shortly)	\$ 2,400,000	2012
Signage renewal	\$ 120,000	July 2011
Markings renewal	\$ 200,000	July 2012
Structural bridge renewal	\$ 145,000	Annually
Street lighting renewal	\$ 220,000	July 2012
Footpath renewal work	\$ 189,000	Annually

* Sealed Pavement Rehabilitation works may also include works covered in the following categories:

- Associated Improvements;
- Drainage Renewals.

4.4 Emergency Works

- a. The Council's budget makes provision for the carrying out of emergency works, being works which are necessary in the urgent interests of public safety or which are necessary for the immediate or temporary repair of damage caused by a sudden and unexpected event.
- b. Emergency works in rural areas are carried out by the Council's general roading maintenance contractor (currently Fulton Hogan) as variations to their maintenance contract.
- b. Emergency works in urban areas are carried out by the Council's internal resources, which because of their integration with the rest of the Council are able to respond most quickly to an urban emergency situation. The Council regards speed and quality of response in an emergency as the most important factors in choosing a provider.



4.5 Minor Improvements

The Council has currently let the following Minor Improvement contract

Tasks/Contracts	Annual expenditure	Expiry Date
Minor Safety Improvements	\$ 900,000	per package/per job

- a. In the first instance Council looks to include individual Minor Improvement jobs as part of the renewal works packages.

4.6 Professional Services

- a. The Council obtains the majority of its basic consultancy and design services from its internal works unit (Kaimai Consultants or KC) under an ongoing Service Level Agreement approved by the NZTA. The Council seeks private sector expertise in areas of specialist skill such as geo-technical, structural assessments, safety audits and tender evaluation.
- b. In the first instance the Council will seek to procure support from local service providers based within the Council's region. However, for particularly specialist advice the Council has uses national consultants.
- c. The Council current has the following arrangements for professional services.

Tasks/Contracts	Annual expenditure	Consultant
Service Level Agreement for general Network maintenance	\$ 380,000	Kaimai Consultants
Service Level Agreement for renewal works	\$ 330,000	Kaimai Consultants
Direct Appointment for RAMM, expiring July 2012	\$ 120,000	Opus
Direct appointment for Asset Management services	\$ 30,000	GHD
Direct appointment for street lighting consultancy services, expiring July 2012	\$ 20,000	Power Solutions
Minor instructions to various local consultants	\$ 50,000	Provided on a per project basis

4.7 Capital Works

- a. The Council's budget makes provision for the carrying out of capital work as part of the development contributions collected.
- b. In the first instance the Council will seek to procure better value through existing contracts already awarded. However in certain circumstances it is incorporated with external developers' contracts and developers' agreements are set up.
- c. Contracts over \$200,000 will be awarded following an open tender competition

5. **Current Expertise**

5.1 Internal Resources



- a. The Council's professional consultant Unit, Kaimai Consultants, has a team of 7 staff in-house who manage the transportation network. The current structure of the internal consultancy unit is as following:

Role	Number
Kaimai Consultant Manager*	1
Roading Team Leader	1
Designers	2 total, 1 of which is vacant
Contract Supervisors	2
Project Engineer	1

* The role of Kaimai Consultants Manager includes leading a team that provides services in the fields of, Roothing, Utilities and Community Facilities.

- b. KC and consultancy services. In addition the Council has an in-house works unit called Kaimai Valley Services (KVS) which carries out minor and ancillary works and maintenance. Currently KVS provides:
- Footpath maintenance;
 - Footpath renewal;
 - Street cleaning;
 - Urban drainage; and
 - Emergency responses.
- c. The Council intends to continue to use KVS for some minor and ancillary works and will seek NZTA's approval on the terms currently being prepared which will govern such works. It is not intended to use KVS to provide large scale works and maintenance contracts.
- d. The Council's policy is to ensure that KVS and KC remain viable alternative suppliers of minor works and consultancy services, to ensure a reasonable level of competition within the local market. The Council periodically market tests their services by publicly tendering their work.
- e. The Council does not believe that placing KVS or KC in a monopoly position will contribute to its goal of ensuring a competitive local market, as it will stymie the development of private sector providers. Therefore it is not intended to develop KVS or KC beyond their current level of expertise and capacity. e.g. KVS will not be permitted to submit a tender for the network maintenance contract.
- f. The Council's use of KVS and KC is kept under constant review. The Council has recently requested KC to commence billing certain projects at a percentage of their total value, rather than on an 'at cost' basis. If this approach shows a demonstrable decrease in fees the Council will use it on other KC projects.
- g. As the Council's preferred contract form is NZS3910, it also need to provide or resource an Engineer to the Contract. This Engineer will be a nominated staff from outside of Kaimai Consultants.



5.2 External Contractors

- a. The Council is located centrally in the Waikato Region, attracting contractors from throughout the region, particularly from Hamilton, and also from the Bay of Plenty on occasions. Accordingly, the Council benefits from a large and diverse local supplier market.
- b. The Council tenders the majority of contracts by e-tendering through Tenderlink. Generally there is a good response from contractors within the area with 5 or more bids submitted for the Council's largest contracts.
- c. The following contractors are active in the local area. They represent a mix of large national, regional and locally based contractors:

Contractor	Services provided	Project Type
Fulton Hogan	Renewal and Maintenance	Large/Medium/Small
Downer EDI Works	Renewal and Maintenance	Large/Medium/Small
Higgins Contractors	Renewal and Maintenance	Large/Medium/Small
HEB Contractors	Renewal and Maintenance	Large/Medium/Small
Transfield Services	Renewal and Maintenance	Large/Medium/Small
Blacktop Contractors	Renewal and Maintenance	Large/Medium/Small
J Swap Contractors	Renewal and Maintenance	Large/Medium/Small
Conspec Construction	Renewal and Maintenance	Large/Medium/Small
Strata	Renewal and Maintenance	Large/Medium/Small
Directional Signage Limited	Signage	Small
Alf Downs & Sons Limited	Street Lighting	Large/Medium/Small

- d. The Council has witnessed an increase in the number of contractors in the local market, as private sector development has decreased. Over the next three years the council anticipates that some of these contractors will leave the market. However, it expects that the core contractors as listed above will remain.

5.3 External Consultants

- a. There are no large consultancy firms based within the Council's boundaries. The nearest major consultancy is Opus, based in Paeroa. Other large consultancies such as Beca, MWH and Aurecon service the area from Hamilton.
- b. There are a number of small local firms based within the Council's boundaries which are able to provide basic services.
- c. The Council has recently used GHD and Opus for specialist advice and a number of local consultants for discrete tasks.
- d. Because of the low number of locally based consultants, the Council is conscious that competition could be limited. Hence it is the Council's policy to ensure that KC is maintained as a credible choice for the provision of consultancy services.



6. Market Pressures

- 6.1 The Council is aware that the following major projects are being procured by entities or in locations that may restrict the number of suppliers willing to tender for the Council's transportation projects:

<u>Entity</u>	<u>Project</u>
NZTA – Waikato	Auckland/Waikato Expressway
NZTA - Waikato	Kopu Bridge
Matamata-Piako District Council	Subdivisions in Matamata
NZTA – Bay of Plenty	Eastern Arterial link route
Hamilton City Council	Hamilton Ring Road

- 6.2 At present there is unlikely to be any substantial private sector development but the Council will review this further when the economic situation improves.
- 6.3 The Council is not currently aware of any substantial procurement planned by its neighbouring councils (Hauraki, Waikato, Waipa, South Waikato, Western Bay of Plenty) or Environment Waikato which are likely to adversely affect the interest of the market in the Council's projects.

7. Project Strategies

7.1 Consolidation of Projects

- a. The Council currently consolidates renewal and minor improvement projects into contracts with a value of \$500k - \$800k each (usually about 3-4 projects per contract). This enables the Council to benefit from some economies whilst ensuring that there are multiple opportunities for contractors to tender for work. At this stage the Council does not intend to alter this approach.
- b. The Council procures different disciplines (such as lighting, signage, marking and pavements) under separate contracts. The Council's current view is that it obtains better value by procuring specialist services directly as it avoids having to pay the contractor's margin that would be charged if these works were subcontracted. Further, the Council believes that there will be greater long term advantages by ensuring that there is a competitive local market for each of these areas. Accordingly at this stage the Council does not intend to alter this approach.
- e. The Council will keep this situation under review.

7.2 Collaboration with other procuring entities

The Council has previously investigated the possibility of collaborating with Thames-Coromandel and Hauraki District Councils on its roading procurement. The Council's current view is that such collaboration would require the Council to compromise its procurement goals and therefore at this stage it does not intend to investigate this approach further. However, the



Council will continue to explore the possibility of collaboration in the future if it is satisfied that it would advance its procurement goals.

7.3 Health and Safety

Council will continue to maintain an approved contractor list for all contractors which have assessed and approved Health and Safety standards. All contractors employed by the Council will be required to be on the approved contractor list, which will be updated constantly.

7.4 Panel Arrangements

At present the Council does not operate panel arrangements. The situation may be reviewed in the future if the Council believes that better quality outcomes may be achieved through this approach. Council may also look at using a pre-qualified register.

7.5 Local Preference

The Council will continue to use local suppliers for the provision of minor works and services where such work does not require specialist skills and can be procured through direct appointment.

7.6 Quality and Continuity

Where the Council has chosen to competitively tender a contract using the Price/Quality method of evaluation, the 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. The Council will use this approach to promote high quality submissions, where doing so will not adversely affect the competition for the contract.

In order to promote long term collaboration between the Council and suppliers the Council is reviewing whether longer term arrangements than those currently allowed by the NZTA (3yrs+1yr+1yr) would be suitable. In order to facilitate the Council in pursuing this approach if chosen, the Council will seek the NZTA's approval to derogate from this part of their procurement manual.

7.7 Specific Project Strategies

- a. The Council has reviewed its construction projects, considering the services, value, risk and complexity of each project and how it will achieve its goals. A strategy for each project is set out in Appendix B.
- b. The Council's risk assessment is based on its corporate risk register, which identifies and manages risk according to consequence and likelihood. A risk register is also identified in the Roading Asset Management Plan.
- b. At this stage the Council has not identified any potential changes to its internal resources that are necessary as a consequence of its strategy. However, this situation will continue to be monitored.



8. CONSULTATION

8.1 External

Council has consulted with the following local stakeholders:

- a. Local Contractors identified above;
- b. Local Consultants identified above;
- c. Neighbouring Councils (specifically Hauraki, Thames-Coromandel, Waikato, Hamilton City, Waipa, South Waikato, Western Bay of Plenty and Tauranga City);
- d. The local branch of the New Zealand Contractor's Federation (based in Hamilton);
- e. Te Manawhenua Forum.

Feedback is attached at Appendix C.

8.2 Internal

This strategy has been compiled with inputs and feedback for Kaimai Consultants and the Executive Team. Consultation with Council as a result of a Council report on 8 September has also been undertaken.

8.3 NZTA

This Procurement Strategy was presented to NZTA with the recommendation that NZTA:

- a. Endorse the Procurement Strategy

;

;



Appendix A

Councils Transportation Objectives as set out in its LTCCP

3.8.2 Transportation

Outcome Sought (Objectives)	Solutions (Policies)	Explanations and Reasons for Objectives and Policies
To protect and improve the safety and efficiency of the State Highways and District road network.	To ensure that access points and intersections have optimum visibility along the State Highway and are formed to appropriate design standards.	
To protect residential amenity from the effects of excessive traffic generation and on-street parking on residential streets.	To maintain road safety and efficiency by requiring activities to provide adequate off street parking and loading facilities for foreseeable future needs.	<i>Roads are a key means of mobility for people and goods. Roads, particularly State Highways, are a key factor in the maintenance and growth of the economy.</i>
	To ensure that traffic safety is maintained by carefully managing the location and design of any signs visible from State Highway and District roads.	<i>State Highways facilitate the shipment of goods and therefore they are of national significance in facilitating the growth of the economy.</i>
To maximise safety and convenience for pedestrians and vehicular traffic on all sites.	To manage unrelated through traffic on local roads to maintain and enhance the amenity values of the locality.	<i>On-street congestion from parking and loading will be avoided, remedied or mitigated where appropriate in favour of safe and effective roadways.</i>
The avoidance, remediation or mitigation of the adverse effects of transportation.	To require landscaping within the transportation facilities or corridors where appropriate.	<i>Poor access/visibility will be avoided and this may also reduce vehicle accidents.</i>
To encourage the provision of alternative transportation networks where it is clearly demonstrated that the provision of such networks will positively benefit and enhance the environment and community which they serve.	To implement noise abatement measures along State Highways, District arterials and airports.	<i>The policy will assist in enhancing the main streets as shopper and recreation environments. See also Business Strategy.</i>
To ensure that those activities that place demands on the roading network contribute fairly to any works considered necessary to meet those demands.	To avoid dust and noise nuisance by requiring formation, sealing and screening of parking and loading areas and access ways in residential, business and industrial zones and Kaitiaki (conservation) zones that adjoin an urban area.	<i>Local streets will not be impaired by the adverse effects of additional unrelated traffic.</i>
	To enhance the amenity value of the central business area of Te Aroha, Matamata, and Morrinsville by ensuring that such	<i>The removal of State Highway traffic from Matamata and Morrinsville is in the process of consideration.</i>
		<i>Sensitive areas such as significant ecological and historical sites must be protected from the adverse effects of transportation.</i>
		<i>Landscape measures will be a principle mitigation measure.</i>
		<i>Inadequate provision for car parking, loading and vehicle access can significantly impact upon levels of amenity, particularly in urban areas</i>
		<i>The objectives and policies seek to ensure that adequate on-site parking and roading facilities are provided to avoid conflicts with on street traffic movements and to maintain the safety and general amenity of street environments.</i>

	areas are not congested by service delivery activities and a lack of adequate parking	<p><i>Policy SP2 and Objective O6 seek to address this amenity issue positively by seeking to encourage alternative transport modes.</i></p> <p><i>Discouraging inefficient and unsustainable roading developments.</i></p> <p><i>In the future Council wishes to ensure the efficient and strategic movement of traffic through the introduction of structure plans</i></p>
To create 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 used.	To promote appropriate roading connections within and between land being subdivided to ensure our towns are well connected.	
	To establish and maintain service lanes and public car parks which assist in reducing traffic congestion on surrounding streets.	
	To encourage alternative transport modes by making provision for cycle ways and walkways.	
	To require the retention of all roads, including paper roads, where alternative public access to the district's rivers is not available.	

ANTICIPATED ENVIRONMENTAL RESULTS

1. *Safer and more efficient roading network.*
2. *Mitigation and avoidance of the adverse effects of transportation.*
3. *Protection and enhancement of the amenity of the areas within which transportation networks operate.*
4. *More equitable funding of upgrading transportation links needed as a result of development.*
5. *Reduction of public funding of infrastructure servicing private development.*
6. *Increased utilisation of alternative transport modes, particularly cycling and walking in residential areas.*
7. *Increase in the number of activities which are self sufficient in terms of parking and loading space provision.*
8. *Minimal adverse traffic safety effects from signs and advertising.*



Appendix B

Contract Strategies

Maintenance

The Council's strategy for maintenance contracts will be:

1. To separate different disciplines into different contracts;
2. Procure by direct appointment if possible;
3. Tender on a price/quality basis where suitable;
4. Consider using internal resources where appropriate;
5. Consider shared risk options for its largest contracts.

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.

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

General Maintenance	
Date for Renewal	July 2011 – with + 1 follow on
Services Required	Maintenance
Value	\$3,500,000
Risk/Complexity/Scope for Innovation	Low/Medium/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Price-Quality
Estimate of Interest	All major contractors likely to tender. Previously the Council has seen 5-7 tenderers for this contract
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too large for consideration

Signage Maintenance	
Date for Renewal	July 2011 – with + 1 follow on
Services Required	Maintenance
Value	\$ 50,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and small value
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Markings Maintenance	
Date for Renewal	July 2011 – with + 1 + 1 follow on
Services Required	Maintenance
Value	\$ 200,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Bridge Maintenance	
Date for Renewal	Annual
Services Required	Maintenance
Value	\$ 120,000



Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Street Lighting Maintenance	
Date for Renewal	July 2012 – with + 1+ 1 follow on
Services Required	Maintenance
Value	\$ 300,000
Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Footpath Maintenance	
Date for Renewal	Currently under KVS's ongoing Service Level Agreement
Services Required	Maintenance
Value	\$ 134,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Direct Appointment/Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Internal supply to be considered alongside supplier market

Street Cleaning	
Date for Renewal	Currently under KVS's ongoing Service Level Agreement
Services Required	Maintenance
Value	\$ 215,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Internal supply to be considered alongside supplier market

Pest Control	
Date for Renewal	Annual
Services Required	Maintenance
Value	\$ 52,000
Risk/Complexity/Scope for Innovation	Low/Low/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and low value
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialist for internal supply

Urban Drainage Works	
Date for Renewal	Currently under KVS's ongoing Service Level Agreement
Services Required	Maintenance
Value	\$ 110,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Direct Appointment/Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Internal supply to be considered alongside supplier market

Footpath Cleaning	
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Date for Renewal	Annual
Services Required	Maintenance
Value	\$ 75,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and low value
Potential In-House – design and supervision	Assets department to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Community Programmes	
Date for Renewal	Annual
Services Required	Maintenance
Value	\$ 19,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and low value
Potential In-House – design and supervision	Road Safety Coordinator to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Renewals

The Council's strategy for renewal contracts will be:

1. To separate different disciplines into different contracts;
2. Tender on a Lowest Price/Price Quality basis where suitable;
3. Procure by direct appointment for low value work where possible;
4. Consider using internal resources where appropriate;
5. Consider shared risk options for its largest contracts.

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.

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

Sealed Pavement Rehabilitation, including Drainage and Associated Improvement Renewal categories	
Date for Renewal	Procured on a 'per package' basis
Services Required	Design and Construction
Value	\$1,900,000
Risk/Complexity/Scope for Innovation	Low/Low/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	All major contractors likely to tender
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Unsealed Road Metalling	
Date for Renewal	Included in General Maintenance contract
Services Required	Design and Construction
Value	\$ 120,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration



Minor Safety Improvements	
Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis
Services Required	Design and Construction
Value	\$ 900,000
Risk/Complexity/Scope for Innovation	Low/Medium/Medium
Possible Delivery Models	Direct Appointment/Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Minor AWPT	
Date for Renewal	Procured on a 'per job' basis -- included in General Maintenance contract
Services Required	Design and Construction
Value	\$ 100,000 per job
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Resurfacing	
Date for Renewal	July 2010
Services Required	Design and Construction
Value	\$2,000,000
Risk/Complexity/Scope for Innovation	Low/Low/Medium
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	All major contractors likely to tender
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Signage Renewal	
Date for Renewal	July 2011 – with + 1 follow on
Services Required	Programme and Construction
Value	\$ 120,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and small value
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Structural Bridge Renewal	
Date for Renewal	July 2010
Services Required	Design and Construction
Value	\$ 140,000
Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature and small value
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Street Lighting Renewal	
Date for Renewal	July 2012 – with + 1+ 1 follow on
Services Required	Design and Construction
Value	\$ 220,000
Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged



Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Too specialised for consideration
Potential In-House - physical works	Too specialised for consideration

Footpath Renewal	
Date for Renewal	½ Currently under KVS's ongoing Service Level Agreement
Services Required	Design and Construction
Value	\$ 189,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Direct Appointment/Staged – half of work awarded to KVS through service level agreement, other half to be tendered
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and audit
Potential In-House - physical works	Internal supply to be considered alongside supplier market

Markings Renewal	
Date for Renewal	July 2011 – with + 1 + 1 follow on
Services Required	Design and Construction
Value	\$ 8,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and supervise
Potential In-House - physical works	Too specialised for consideration

Capital

The Council's strategy for unsubsidised capital works will be:

1. To separate different disciplines into different contracts;
2. Procure by direct appointment for low value work where possible.
3. Tender on a Lowest Price/Quality basis where suitable or include works as variation to existing Council contracts or include in external Development contracts.
4. Consider using internal resources where appropriate.

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.

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

Seal Widening	
Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis
Services Required	Design and Construction
Value	\$ 150,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Kerb and Channel	
Date for Renewal	Procured on a 'per package' basis or smaller 'per job' basis



Services Required	Design and Construction
Value	\$ 45,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to design and supervise
Potential In-House - physical works	Too specialised for consideration

Footpath	
Date for Renewal	Annually
Services Required	Design and Construction
Value	\$ 40,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price
Estimate of Interest	Sufficient interest for a competitive process expected
Potential In-House – design and supervision	Kaimai Consultants to programme and audit
Potential In-House - physical works	Internal supply to be considered alongside supplier market

Street lighting	
Date for Renewal	Annually
Services Required	Design and Construction
Value	\$ 149,000
Risk/Complexity/Scope for Innovation	Medium/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Too specialised for consideration
Potential In-House - physical works	Too specialised for consideration

Others	
Date for Renewal	Annually
Services Required	Design and Construction
Value	\$ 50,000
Risk/Complexity/Scope for Innovation	Low/Low/Low
Possible Delivery Models	Staged
Possible Supplier Selection Methods	Direct Appointment/Lowest Price/Price-Quality
Estimate of Interest	Limited interest likely given specialist nature
Potential In-House – design and supervision	Too specialised for consideration
Potential In-House - physical works	Too specialised for consideration

Professional Services

The Council will continue to procure professional services from KC through its existing Service Level Agreement. Tendering may be used to market test KC's costs to ensure that they remain best value for money.

External consultants will be procured through the direct appointment or staged models, and selected either using lowest price or price/quality. The Council does not envisage that any change is likely to the number of consultants available for such work.



Appendix C
Feedback

