


UPPER HUTT CITY COUNCIL
PROCUREMENT STRATEGY

Approved on behalf of the Upper Hutt City Council:

Signed:  Date: 31/08/23
P.Kelly
CHIEF EXECUTIVE

REVISION HISTORY

ISSUE	DATE	AMENDMENTS
1.0	JULY 2023	Draft for Discussion
1.0A	AUGUST 2023	First Issue

Note: This Procurement Strategy replaces the previous UHCC/HCC combined procurement Strategy

1 EXECUTIVE SUMMARY

This procurement strategy describes the approach of Upper Hutt City Council (UHCC) to delivering their Waka Kotahi New Zealand Transport Agency (Waka Kotahi) subsidised transport programmes for the period 2023-2027.

1.1 Key Outcomes and Opportunities to Obtain Value for Money

The key outcomes for this procurement strategy are:

- the procurement procedures used meet the requirements of the Land Transport Management Act (2003) to ensure continued NLTP subsidy of the Upper Hutt City roading programme;
- roading physical works and professional services purchased using the procurement processes provide best value to funding stakeholders; including Waka Kotahi and ratepayers;
- staff are provided with direction to make good procurement decisions;
- the procurement processes will provide suppliers with a fair and consistent process for having their tenders assessed; and
- the procurement process supports and maintains a competitive local supply environment.

1.2 Recommendation

THAT: Waka Kotahi endorses this Hutt Valley Procurement Strategy for use by Upper Hutt City Council.

1.3 Evidence of Corporate Ownership

The procurement strategy has been approved by the Chief Executive of Upper Hutt City Council.

2 OBJECTIVES AND DESIRED OUTCOMES FOR THIS PROCUREMENT STRATEGY

2.1 Outcome No.1

The procurement procedures used meet the requirements of the Land Transport Management Act (2003) to ensure continued NLTP subsidy of the Upper Hutt City roading programme

Measure(s) of Success

- The Procurement Strategy is endorsed by Waka Kotahi

2.2 Outcome No.2

Roading physical works and professional services purchased using the procurement processes provide both *best value* and *value for money* to funding partners; (Waka Kotahi and Upper Hutt ratepayers)

Measure(s) of Success

- Tender prices are consistent with pre-tender estimates
- Attributes other than price contribute to identifying the preferred supplier

2.3 Outcome No.3

Staff are provided with direction to make good purchasing decisions.

Measure(s) of Success

- Tender evaluations are completed in accordance with best practice procurement procedures and comply with legislation and UHCC and Waka Kotahi procurement rules

2.4 Outcome No.4

The procurement processes will provide suppliers with a fair and consistent process for having their tenders assessed.

Measure(s) of Success

- Tender evaluations are completed in accordance with best practice procurement procedures and comply with legislation and UHCC and Waka Kotahi procurement rules
- Tender Evaluation Teams scoring fairly reflects the attributes of each tender submitted

2.5 Outcome No.5

The procurement process supports and maintains a competitive local supply environment.

- a) A reasonable proportion of the work programme is sized to enable a range of contractors to successfully compete
- b) A reasonable proportion of the work programme is sized to avoid 'barriers to entry' for new or external contractors

Measure(s) of Success

- Tenderers responding to RFPs include local, regional, and national contractors.
- Tenderers responding to RFPs include first-time tenderers on a regular basis.

3 POLICY CONTEXT

3.1 Land Transport Management Act (2003)

Section 25 of the *Land Transport Management Act (2003)* sets out the conditions that Upper Hutt City Council as an Approved Organisation (AO) must comply with when procuring the delivery of its subsidised roading programme

The *Waka Kotahi Procurement Manual* considers that best value is achieved by adopting a strategic approach to procurement and that all AOs need to have a Waka Kotahi endorsed Procurement Strategy to achieve this.

3.1.1 Land Government Act (2002)

Upper Hutt City Council are required to operate in accordance with the *Local Government Act (2002)*.

This Act requires that Local Authorities:

- consult with the Community through the Long Term Plan (LTP) process to determine the desired community outcomes;
- prepare and consult on a forward programme of works on a ten year cycle; and
- fund the replacement cost of existing assets on a life cycle basis (Asset Management Plans).

Each of these requirements is audited annually by Audit New Zealand.

Section 17A of the *Local Government Act (2002)* requires local authorities to review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.

3.2 LGA (2002) S17A review

As a result of the most recent s17A review Upper Hutt City Council has determine the following approach.

3.2.1 Physical Works In order to be eligible for external NLTF funding the Council's preferred option for delivery of all physical works activities is by external contractors through contracts. These contracts set out:

- a) the required service levels; and
- b) the performance measures and targets to be used to assess compliance with the required service levels; and
- c) how performance is to be assessed and reported; and
- d) how the costs of delivery are to be met; and
- e) how any risks are to be managed; and
- f) what penalties for non-performance may be applied; and
- g) how accountability is to be enforced.

NOTE: Council does not currently have any inhouse capacity to carry out physical works, and neither plans nor funding are expected to be included in the Long Term Plan (LTP) currently being prepared to develop the capability to do this type of work.

3.2.2 Professional and Technical Services

The preferred Upper Hutt City Council approach for the delivery of professional and technical services is a mixed model, using different options for the delivery of different services as follows.

3.2.2.1 In-House

- ❖ The following services are provided in-house by the Roothing Business Unit and by other roading staff:
 - Network management and inspections
 - Forward works programmes and budgets
 - Procurement
 - Supervision of network maintenance contracts
 - Supervision of annual renewals programmes
 - Design and supervision of roading improvements
 - Corridor access requests and permitting
 - Road safety promotion
- ❖ The following roading services are provided in-house by other divisions of the Asset Management and Operations (AMO) department:
 - Asset management
 - Project management
 - Strategic planning
- ❖ The following roading services are provided in-house by other council departments:
 - Financial services
 - Legal services
 - Information technology and information services
 - GIS services
 - Parking enforcement
 - Marketing and promotion

3.2.2.2

Specialist skills that are contracted out are include:

- Geotechnical engineering
- Structural engineering
 - Retaining wall design
 - Bridge inspections and design
- Roughness and Condition Rating Surveys
- Land surveying
- Traffic counting

3.3 Waka Kotahi's Procurement Requirements

Waka Kotahi requires that procurement meets the requirements of S25 of the *Land Transport Management Act* (2003) and that in particular they:

- obtain the best value for money spent by the Agency and approved organisations;
- enable persons to compete fairly for the right to supply outputs required for approved activities, if two or more persons are willing and able to provide those outputs;

- encourage competitive and efficient markets for the supply of outputs required for approved activities; and
- ensure outputs are procured from a provider other than the purchaser or its employees; and
- that AOs identify ways to contribute to the Government's broader outcomes.

3.4 Government Procurement Rules

The Government Procurement Rules help to support good market engagement, which leads to better outcomes for agencies, suppliers and New Zealand taxpayers.

A key focus of the Rules is the importance of open competition – giving all businesses the chance to participate, and giving them enough time to respond to opportunities properly. They also help to:

- align New Zealand procurement practice with international best practice
- encourage more strategic procurement approaches
- foster competition and innovation, resulting in better solutions
- promote broader environmental, social, cultural and economic outcomes.

Upper Hutt City Council is identified as an agency encouraged to apply the Government Procurement Rules. As such use of the rules is not directly mandated.

However, it is mandatory for Waka Kotahi to comply with those rules. As a result in many cases Waka Kotahi's *Procurement manual* mandates government procurement rules be followed. In particular, many of the rules form the basis of *section 10.6A Supplier selection process requirements* in that manual, and therefore:

- to meet the requirements to be eligible for Waka Kotahi co-funding all the rules mandated in the *Procurement manual* must be applied by Upper Hutt City Council.
- in general, as the rules represent best practice for procurement Upper Hutt City Council will comply with many of the other rules without specific reference to them.

It should also be noted that a review currently being undertaken by within Council to consider replacing internal procedures with the *Government Procurement Rules*, and notwithstanding that in the future Government may mandate that all local authorities are Agencies required to apply the Government Procurement Rules

3.5 Broader Outcomes

Broader outcomes is a government wide initiative that seeks to achieve increased public value including wider social, economic, cultural and environmental outcomes through the acquisition of goods, services and works. The requirement to meet the Government's broader outcomes is set out in Rule 16 of the *Government Procurement Rules 4th Edition 2019*. As part of rolling out their broader outcomes programme Waka Kotahi has an expectation that co-funded activities will comply with the Rule 16 requirement to "*consider, and incorporate where appropriate, broader outcomes when purchasing goods, services or works*".

Upper Hutt City Council's current approach to the broader out is set out in 6.3.5 Meeting Broader Outcomes.

3.6 Other Requirements





The following documents set out additional purchasing requirements to be met.

- Upper Hutt City Council Manual of Policies;
- Upper Hutt City Council Contracts Manual.

4 PROCUREMENT PROGRAMME

4.1 Upper Hutt City Council Roading Network

Upper Hutt City Council's roading network comprises the following¹:

 <p>249km roads 168km / 81km urban / rural 56 bridges</p>	 <p>159M VKT annual journeys travelled 124M urban 35M rural</p>	 <p>\$497M optimised asset replacement value \$5,376k annual depreciation</p>	 <p>\$43.7M 3-year budget \$152.6M 10-year budget \$389.8M 30-year budget</p>
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4.2 Programming

Upper Hutt City Council's proposed procurement programme in their Long Term Plan (LTP). This sets out the proposed expenditure on maintenance, renewals and capital improvements for a ten year period. The LTP is reviewed every three years.

Significant contracts for operational and capital works are detailed in Appendix A.

Expenditure for each year is confirmed through the Annual Plan process and published each year in April-May for the coming financial year.

A programme by work category is shown in Appendix A.

Additional capital projects for 2024-2027 and beyond are currently being considered as part of the development of 2024-2034 *Long Term Plan*.

¹ From UHCC 2021-2031 Long Term Plan

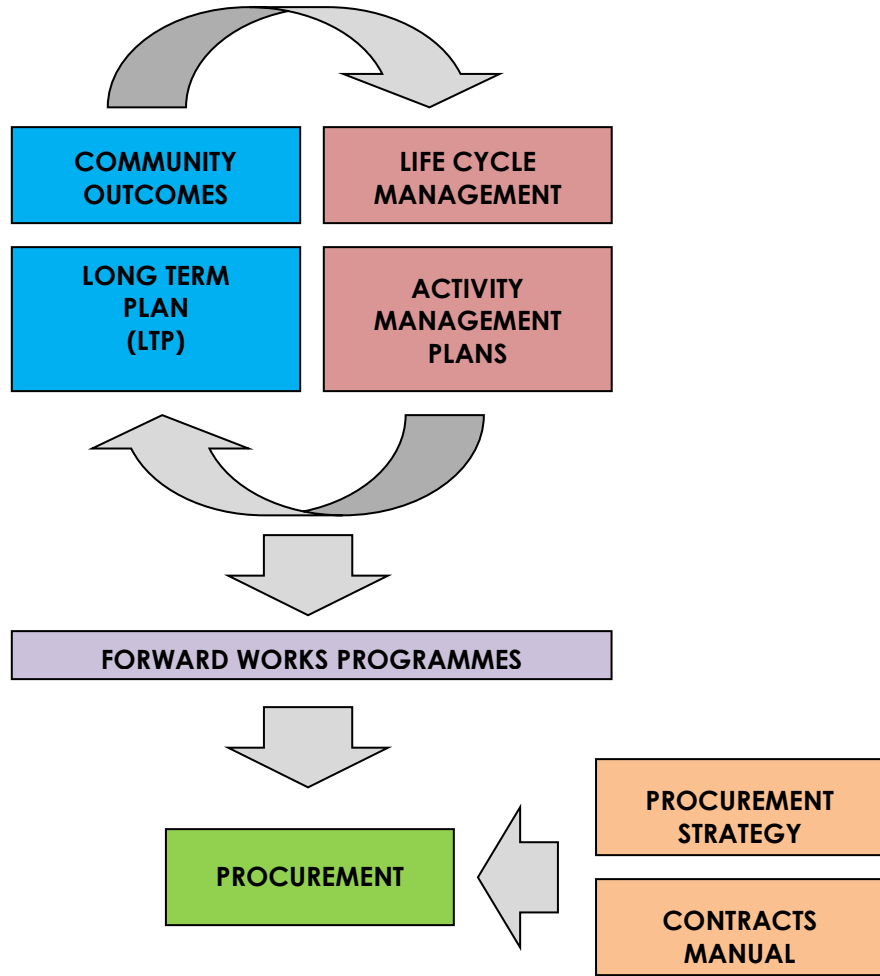


FIGURE 1: UHCC PROCESS FOR PLANNING, PROGRAMMING AND IMPLEMENTING ROADING PROJECTS

4.3 Expenditure

The annual expenditure on Land Transport for Upper Hutt City Council is approximately \$11.5 million p.a.

4.4 Programme Location

Details of the LTP and Annual Plan are available on the Council website at the following address:

<http://www.upperhuttcity.com/>

5 PROCUREMENT PROGRAMME

UNDERSTANDING OF THE PROCUREMENT ENVIRONMENT

5.1 Physical Environment

Upper Hutt City exists as one purchaser within the Wellington Regional Market.

Communication between the local areas is principally by the state highway network, although Eastern Hutt Road does provide an additional major link between Upper Hutt and Lower Hutt.

This is both a benefit and a problem, as the close proximity to other cities in the region increases the pool of available suppliers and the range of specialist services provided, but at the same time it increases the number of purchasers competing for those services.

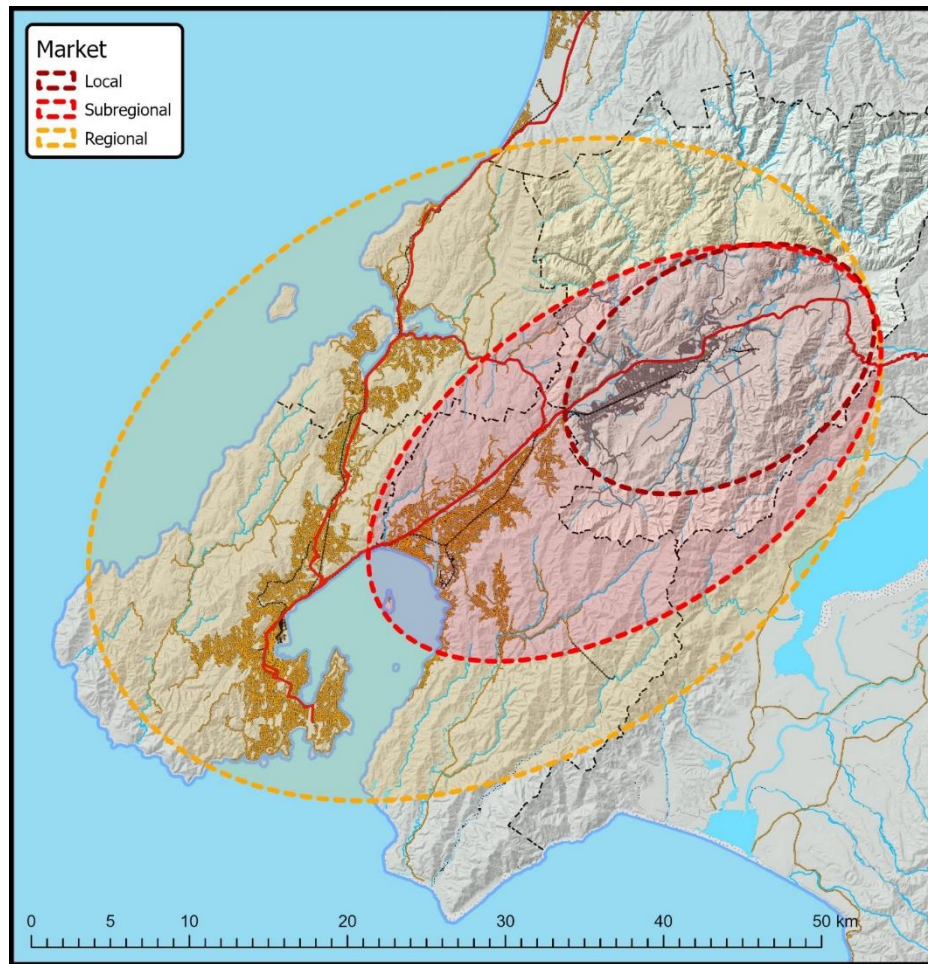


FIGURE 2: EXTENT OF LOCAL AND REGIONAL MARKETS

Upper Hutt 10km diameter
Hutt Valley 25km
Wellington Region 50km diameter

5.2 Analysis of the Market

The Hutt Valley and Wellington regions are well served by local and national suppliers both for civil contractors and professional services consultants.

For physical works contracts there is a good number of contractors both locally and regionally to serve the market. Virtually all the contractors within the region are well established and with known track records and competencies.

The larger professional services consultancies all have offices in nearby Wellington and have served the Hutt Valley for many years.

Contractors and consultants are available in a range of sizes to suit the magnitude of work on offer.

- Sub regional – Upper Hutt only
- Regional – Hutt Valley or Wellington Region
- National/Multi-National

The supplier market is open to all providers and regionally there are sufficient providers to meet the demands. It is a healthy competitive market. The programme by work category in Appendix A includes details of the number of tenderers for each type of work and shows that competition still exists in all the work categories.

There is an ongoing trend both locally and nationally for smaller suppliers being bought out and merged with larger suppliers. Currently this is not adversely affecting the choice in the supplier market locally to any large degree. However, should this trend continue, it will inevitably reduce supplier numbers and could lead to increased pricing.

In 2016 it was noted that

“the current approaches used for procurement within the sub-region and region have maintained competitive markets for some time now and it is difficult to envisage that changing unless there is some form of upheaval in the future that will disturb the balance between client and supplier as it currently exists.”

Since 2016 an emerging trend in the region has been the increase in the demand for resources (materials, staff and equipment, and professional services) required for the construction of the roads of national significance, with work on the Kapiti Expressway, Transmission Gully, and Peka Peka to Otaki all being constructed during that period. This has resulted in a number of smaller contractors entering into subcontract agreements with the principal contractors for these projects. As a result these smaller contractors have had insufficient resources to compete for local authority work. This has been offset to some extent by new contractors entering the market, and by other contractors increasing their capacity.

However, these projects are either completed or nearing completion. Without any new major projects ready to start in the Wellington Region, it is likely that in approximately 2-3 years (2023-2024 financial year) contracting resources will become surplus to requirements and will either become available on the local market or will relocate away from the Wellington Region. This is likely to lead to increased competition for work, and potentially a corresponding decrease in quality of work and the long term health of the market.

Should further changes in market conditions from those outlined above be identified, the changing trends will be noted and strategies realigned following the proposed ongoing three yearly reviews of this document.

5.3 Procurement Spend and Profile

Upper Hutt City Council's roading programme is set out in the Council's Long Term Plan and Annual Plan (see section 3.3 above). The procurement programme planned to support that programme is summarised in Appendix A.

6 APPROACH TO DELIVERING THE WORK PROGRAMME

6.1 Delivery Models

Refer Waka Kotahi **Procurement Manual** Section 6.4

The staged delivery model is the preferred delivery model for contract works undertaken by the Councils for the following reasons:

- The scope of work is well defined.
- The level of complexity and uncertainty is low.
- The opportunities for innovation are limited (tenderers still have the opportunity to offer opportunities innovation).
- The process is a 'best fit' with the funding process of the Councils and Waka Kotahi as at the end of the design phase it provides an opportunity revise the estimate and to confirm that the work can be carried out within the approved budget.

The Design-Build Model is suited to medium large capital works projects. It has been used on-occasion in the past for capital works. Its use will be considered for specific projects on a case by case basis. In particular its use will be considered under the following circumstances.

- Where more than one method of carrying out the work is possible, and preselecting a methodology would limit the number of tenderers for the work.
- Where a range of equally valid and equally acceptable design solutions are available and preselecting the solution would exclude some tenderers.
- Where the solution is based upon proprietary equipment and the final design is dependent on the make or model of equipment chosen.
- Where the outcomes are known but standard solutions will not achieve the desired result, and an innovative approach is required as part of the design-build process.

The Design and Build Model – PSMC is not considered suitable at this time, and would restrict the number of suppliers able to tender for the work.

6.2 Supplier Selection Methods

Refer Waka Kotahi **Procurement Manual** Section 6.5 and Appendix C

The approach to market chosen for each procurement activity is a balance between a number of different factors. Council's objectives are to:

- To avoid excessive costs of tendering for suppliers when the value of the work is low.
- To as much as possible minimise the costs to Council to procure and award contracts for work, while ensuring that approved procurement processes are followed and that the risks associated with the procurement are fully understood and appropriately addressed.
- To provide opportunities for new suppliers to win work with Upper Hutt City Council.
- To build and maintain relationships with existing suppliers.
- To ensure that the public value obtained from procurement activities is maximised.

6.2.1 Physical Works and Professional Services

For works associated with roading activities the following financial limits will be applied.

Approach to Market	Allowed Range	Usual Range	Reasons for Variations
Direct Appointment	\$0 - \$100,000	\$0 - \$100,000	Closed contest will be used for works where the estimate is less than \$100,000 but the assessed risk; or price uncertainty; or scope uncertainty is such that there is a likelihood that the final value of the works will be more than \$100,000
Closed Contest	\$50,000 - \$200,000	\$100,000 - \$200,000	
Open/Public Tender	\$100,000 - No upper limit	\$200,000 - No upper limit	<p>For works estimated to be under \$200,000 Open/Public Tender will be used</p> <ul style="list-style-type: none"> • when there is significant uncertainty about the final price (as above) or • where the work involves specialist skills or techniques that would not be available if closed contest was used or • when contractor availability means closed contest is not practical

6.2.2 Footpaths and Kerb and Channel

For footpath and kerb and channel works (including kerb works carried out as part of minor improvements or small safety improvement projects) the following revised financial limits are proposed.

Approach to Market	Allowed Range	Usual Range	Reasons for Variations
Direct Appointment	\$0 - \$250,000	\$0 - \$100,000	Contracts to a value of more than \$100,000 when suppliers have demonstrated an ability to deliver work that meets time and quality standard and it is believed that closed contest will not deliver additional value.
Closed Contest	\$0 - \$250,000	\$100,000 - \$250,000	<p>Closed contest will also be used for contracts with a value of less than \$100,000 where the work is not typical of the usual footpath and kerb and channel activities.</p> <p>Examples of this could include sites that also require stairs or retaining walls or vehicle safety barriers.</p>

Further information about the preferred supplier selection method for each planned procurement activity is shown in Appendix A.

6.2.3 Technology Solutions

Upper Hutt City Council has a track record of embracing new technologies and systems and welcomes approaches from suppliers offering new and improved methods for delivering roading operations. Current systems include

- traffic signals,
- streetlight Central Management System (CMS)
- Variable message signs (e.g. remote activated and monitored children warning signs and variable speed limit signs)

When adopting new technology solutions Council will look to the market to identify a preferred solution. The approach to market will follow the rules set out in 6.2.1 Physical Works and Professional Services 6.2.1 above.

When considering the procurement of additional or replacement units for an existing system Council will review the suitability of the existing technology and will either:

Approach to Market	Allowed Range	Usual Range	Criteria
Direct Appointment Closed Contest Open/Public Tender	As for 6.2.1 above	As for 6.2.1 above	Replace / upgrade the entire existing system where obsolescence, age, on-going maintenance costs, or changes in technology mean better value can be obtained with a new technology solution
Direct Appointment Closed Contest Open/Public Tender	As for 6.2.1 above	As for 6.2.1 above	Where there is more than one supplier option available that is compatible with the existing system.
Direct Appointment	\$0 - \$250,000	\$0 - \$250,000	Use the existing supplier or equipment brand where this is necessary to ensure compatibility and inter-operability with the existing system.

6.3 Form Of Contract

The standard conditions of contract currently in use are:

6.3.1 Physical Works Contracts

For small works with a low risk of failure a request for quotation and letter of agreement

For larger Contracts and/or those with a higher degree of risk NZS 3910:2013 or NZS3917:2013

6.3.2 Professional Services Contracts

For small works with a low risk of failure	ACENZ Short Form Agreement
For larger Contracts and/or those with a higher degree of risk	Conditions of Contract for Consultancy Services (2017)

6.3.3 Alternative Conditions of Contract

Other conditions of contract may be considered on a case-by-case basis when either:

- the nature of the work means the standard conditions are not appropriate; or
- a particular market sector for specialist services has adopted their own industry standard set of conditions; or
- industry trends indicate that an alternative now represents industry best practice; or
- new options become available or and are identified as offering a better means of delivery in a particular case.

Alternative conditions of contract will be considered as part of the procurement plan for each individual procurement and the preferred options will be reviewed as part of each review of the procurement strategy.

6.3.4 Handling of Cost Fluctuations

The variation in a contractor's operating costs over the period of the contract is a risk. When there is no provision for cost escalations in the contract the contractor is required to estimate this risk and price the costs into his tender. As a result the purchaser also accepts a risk that the cost is over estimated and that they will end up paying the supplier more than would otherwise be the case.

By using cost fluctuations purchasers remove the risk to the contractor and therefore obtain the best possible price at the time of tender. The contract period can be increased with a corresponding increase in the volume of work: without an increased risk to suppliers discouraging tenders.

Cost fluctuations are applied on the following basis:

- Cost fluctuations apply to all contracts with a contract period of more than 12 months.
- Cost fluctuations are applied and paid from the start of the contract period.
- Cost fluctuations are calculated using the appropriate Waka Kotahi Cost Fluctuation Table (Maintenance, Structures, Professional Services, Bitumen).
- Cost fluctuations are paid three monthly once they have been published by Waka Kotahi.

6.3.5 Meeting Broader Outcomes

In 2020 the *Framework for Delivering Broader Outcomes (Ka ora ai te iwi - Greater public value through procurement)* was developed with a government interagency Broader Outcomes Framework Working Group, led by the Waka Kotahi NZ Transport Agency (Waka Kotahi).

The framework set out and defined the following objectives.

Objective	Includes	Current UHCC Approach
<p>Access for New Zealand businesses</p> <p>Opportunities for Maori enterprises</p>	<p>Purchasing from Maori enterprises</p>	<p>No current policy</p>
<p>Access for New Zealand businesses</p> <p>Opportunities for Pasifika enterprises</p>	<p>Purchasing from Pasifika enterprises</p>	<p>No current policy</p>
<p>Employment standards and health and safety</p> <p>Sustainable, fair and equitable employment environments</p>	<p>Purchasing from suppliers that comply with applicable laws and standards for:</p> <ul style="list-style-type: none"> • Employment • Health and safety • Disability • Domestic violence leave <p>Purchasing from suppliers that adopt fair employment conditions for employees, such as through adoption of:</p> <ul style="list-style-type: none"> • Equal opportunity policies • Modern slavery policies • Living Wage or fair pay rates 	<p>Health and safety is a mandatory non-price attribute in all UHCC Rooding RFPs. Tenderers must demonstrate that they have the appropriate health and safety personnel, systems, processes, and training in place prior to the awarding of any contract.</p> <p>Council considered the living wage as part of the 2021-2031 Long Term Plan and decided not to adopt any requirements related to it.</p>
<p>Construction sector skills and training</p> <p>Skills and workforce development</p>	<p>Purchasing from suppliers that deliver skills and workforce development outcomes. For example (but not limited to):</p> <ul style="list-style-type: none"> • Employment and/or skills training for women in construction • Apprenticeships or pathways to senior positions and workforce development 	<p>No current policy</p>
<p>Access for New Zealand businesses</p> <p>Prosperous and sustainable New Zealand regions</p>	<p>Purchasing from regional suppliers or suppliers that generate local impact</p> <p>Purchasing materials, resources and services from local suppliers</p> <p>Achieving outcomes in 'surge regions'</p>	<p>UHCC has a policy that <u>all other things being equal</u>, preference will be given to local suppliers.</p>

Objective	Includes	Current UHCC Approach
<p>Reducing emissions and waste</p> <p>Environmentally sustainable practices and output</p>	<p>Purchasing from suppliers that deliver project-specific outputs to:</p> <ul style="list-style-type: none"> • Reduce emissions and waste to landfill • Increase use of recycled content • Have a positive impact on climate change 	<p>UHCC is a member of the <i>Wellington Region Waste Management and Minimisation Plan 2017–2023</i>.</p> <p>Council has developed a <i>Sustainability Plan</i> (available on the UHCC website). This plan will continue to be reviewed and developed over time. As more specific requirements are developed in those plans contractors will need to be able to demonstrate how they are assisting in reaching the objectives set.</p>
<p>Construction sector skills and training</p> <p>Targeted opportunities for employment</p>	<p>Purchasing from social enterprises and community enterprises who can provide employment or employment pathways</p> <p>Purchasing from suppliers who can provide employment and employment pathways to people in receipt of some form of government financial assistance or with limited access to the labour market. Examples include (but are not limited to):</p> <ul style="list-style-type: none"> • Youth not in education, employment or training (NEET) • Refugees • Maori • Pasifika peoples • People with a disability • People re-entering the workforce from childcare commitments, ill-health, injury or a correctional sentence • Older workers transitioning from other sectors in the workforce <p>People who are under-employed/under-trained in their current roles</p>	<p>No current policy</p>

These broader outcomes will be considered (or reconsidered) as part of the development of UHCC's 2024-2034 Long Term Plan.

Until Council forms a policy on each of these matters successful tenderers may be required to respond to a survey to provide details of any policies they currently have in place to meet these outcomes.

6.4 Other Options to Obtain Best Value

6.4.1 Combined purchasing / collaboration

Options for joint purchasing where this represents best value are being considered on an on-going basis across the Wellington Region's road controlling authorities.

For other (non-roading) council services where savings were identified this has already been done in the past, although a number of these arrangements have subsequently ended and there are few current arrangements in place.

For roading contracts the following opportunities have been identified and are either already in place or will be further explored:

Traffic Signals Maintenance	Traffic Signal Maintenance has now been combined on a Regional basis with Waka Kotahi, Hutt City Council, Upper Hutt City Council, Porirua City Council and Kapiti Coast District Council: <ul style="list-style-type: none"> • The total volume of work is sufficient to make the tender economic • Fault reporting systems and responses can be streamlined
Bridge Inspections	Waka Kotahi have identified an opportunity for a regional bridge inspections contract. The principal benefits would be economies of scale and reduced travel per inspection. While this has not been progressed at this time any proposal put forward will be considered on its merits.

No other cost savings have been identified to date.

6.5 Advanced Procurement Methods

At this time it is intended that approval it is intended that approval for the use of advanced methods will be sought on a case by case basis if and when opportunities are identified.

6.5.1 Early Engagement Model

Upper Hutt City has already used this model successfully for non-subsidised work and has shown a number of benefits. It provides the opportunity to work collaboratively with contractors to address potential issues and risks before work begins. It can be considered in cases where in considering value for money the benefits of managing risk and providing delivery certainty need to be prioritised over obtaining the best up-front cost.

6.5.2 Contractor Panels

There are a number of local and national examples of contractor panels. Upper Hutt City Council will consider panels where they identify doing so will increase the best value proposition.

Potentially, contractor panels could provide an opportunity for collaboration between UHCC and HCC or the wider Wellington Region with combined panels for activities.

6.5.3 Additional Advanced Methods

There are a number of local and national examples of contractor panels. Upper Hutt City Council will consider panels where they identify doing so. Potentially, contractor panels could provide an opportunity for collaboration between UHCC and HCC or the wider Wellington Region with combined panels for activities.

6.6 Other Methods of Managing Risk

For contracts with a higher than normal degree of risk, setting the minimum qualifications for tenderers technical skills or relevant experience attributes and excluding tenderers who do not meet those requirements can be as effective as using a more complex selection method, and at the same time it reduces the cost to tenderers of preparing a tender.

An example of this is the requirement for tenderers carrying out vegetation control to have a minimum level of formal weed spraying qualifications.

7 STRATEGY IMPLEMENTATION

7.1 Capability and Capacity

Upper Hutt City Council currently maintains small in-house professional business unit responsible for the day to day running of their roading network and overseeing the implementation of the asset management plans. The use of the in-house business unit has been approved by Waka Kotahi.

A recent review increased the number of staff and modified the Roading Division structure to better deliver the expected future needs.

When necessary the in-house staff are supplemented by external consultants who provide additional resources and expertise as required.

7.2 Publication of Tender Information

7.2.1 Information Supplied to Tenderers

Council advise all tenderers of:

- The name of the successful tenderer
- The price of the successful tender
- The number of tenders received
- The names of all tenderers
- The prices received
- The range of scores for non-price attributes
- The reason if any the lowest price was not accepted

While names of tenderers and prices received are not linked when a small number of tenders is received it may be possible for the prices of unsuccessful tenderers to be inferred.

7.2.2 Information Made Publicly Available

Council will publicly publish the following information. This will be done through the Upper Hutt City Council website.

- The name of the successful tenderer
- The price of the successful tender
- The number of tenders received

7.3 Performance Measurement and Monitoring

7.3.1 Audit New Zealand

Audit New Zealand audits Upper Hutt City Council annual to assess:

- financial performance;
- their performance in terms of the asset management plans; and
- the compliance with the Long term Council Community Plan.

7.3.2 Waka Kotahi

Waka Kotahi carries out a procedural and financial audit of all work jointly funded by local and central government at regular intervals.

Waka Kotahi carries out technical audits at random intervals to assess technical quality of the roading work carried out.

7.4 Communication Plan

7.4.1 Internal Stakeholders

The Roothing Department within each Council will identify the appropriate internal stakeholders for their organisation. All stakeholders will have access to this strategy.

7.4.2 Wider Community

A copy of this *Procurement Policy* will be made available to the public and interested parties through each Council's website.

7.4.3 Suppliers

7.4.3.1 General

Upper Hutt City Council's Roothing Division are interested in meeting with any tenderer considering carrying out work for the Council in future. Information provided at such a meeting will be treated as commercially sensitive, except as required under the Local Government Official Information and Meetings Act (1987).

The latest contact details for the Council can be found on the Council website.

Group forums with the supplier market are not considered an effective or efficient way to maintain contact with suppliers as commercial confidentiality can inhibit open discussion, and when there is a large group often a significant proportion of the discussion will not be relevant to many of the attendees. For this reason there are no plans for any forum at this time.

7.4.3.2 Existing Suppliers

Contract Managers will continue to work with existing suppliers, providing feedback on their progress and communicating relevant information about extending or re-tendering their work in a timely manner.

7.4.3.3 Potential Suppliers

The Upper Hutt City Council will work with any potential supplier who approaches them and will endeavour to assist them in any way that:

- does not breach commercial confidentiality with any existing supplier or tenderer
- does not breach any legal or accepted requirements for procurement

7.4.4 Specific Procurement

7.4.4.1 Procurement Plan

For each procurement a procurement plan will be prepared. The procurement plan will cover the approach to market, and the will include:

- how the request for procurement will be publicised;
- where the documents will be available;
- how potential tenderers will be engaged with during the tender period; and
- how and when tenderers will be advised of the result.

7.4.4.2 Pre-Tender Consultation

For each procurement Council will assess whether there is any benefit to carrying out additional engagement with the market prior to going to tender. The main reasons this is likely to occur are if:

- There were a small number of tenderers for the previous RFP meaning that there are concerns about the attractiveness of the contract
- Council are considering a change to the scope of work (including either aggregating or disaggregating activities), the specification, or tender evaluation method
- New or innovative technologies or methodologies are being considered

Any consultation carried out before the request for proposal (RFP) is put out will be done on a no prejudice basis. In particular:

- contractors or consultants will only be engaged with if they are willing to participate and if they choose not to participate it will not adversely affect their participation on any subsequent RFP
- any feedback provided by a contractor or consultant who participates will not adversely affect their participation on any subsequent RFP
- when a contractor or consultant identifies information as confidential, commercially sensitive, or proprietary; it will not be directly incorporated into an RFP

7.5 Implementation Plan

7.5.1 Review of existing documentation and manuals

ONGOING

Upper Hutt City Council will continue to review their internal documentation and manuals to ensure that they are consistent with the procurement strategy.

7.5.2 Review of strategy

7.5.2.1 Procedure

The strategy will be jointly reviewed by the Rooding Managers of the two road controlling authorities to determine its effectiveness and the need for any changes.

7.5.2.2 Current Review

COMPLETED

The most recent review (Issue 1.0) of the policy was completed and endorsed by the two Local Authorities in July 2023. During the review, minor editing and correction of typographical errors was carried out, and the schedules of contracts and the implementation programme were updated. Changes requested by Waka Kotahi were incorporated.

AUG 2023

7.5.2.3 Next Review

NEXT REVIEW

On-going reviews of the policy will be carried out at three yearly intervals.

AUG 2026

Significant issues that could affect the timing of the next review are:

- A significant change in the Government Policy Statement (GPS) for roading
- A significant change in Government rules related to procurement and procurement objectives
- A major early change in the local contracting and procurement environment as the major roading projects currently under way in the region conclude.
- Major changes in policy direction within Upper Hutt City Council as a result of the Long Term Plan process.

7.6 Corporate Ownership

The owner of this strategy is:




Roading Manager
Upper Hutt City Council
Private Bag 907
UPPER HUTT

This completed strategy is endorsed and approved by the Chief Executive Upper Hutt City Council.

APPENDIX A : UPPER HUTT CITY COUNCIL CONTACTS

CONTRACTS FOR SIGNIFICANT OPERATIONAL AND CAPITAL WORKS

KEY

-  Contract year in the initial term.
-  Extension year subject to negotiation.
-  Year of a possible new contract (if extension year not agreed)

CARRIAGEWAY AND PAVEMENTS MAINTENANCE AND RENEWALS											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	2024-2027 LTP		
		RENEWAL DATE OPTIONS							2024-2025	2025-2026	2026-2027
General maintenance	Pothole and digout repairs	Oct 22	111	1	\$5,21M	3+1+1	Lowest Price or Price Quality	2	3	4	5
	Rural Cleaning		112								
	Rural drainage and shoulder maintenance		113								
	High mowing		121								
	Slip clearing	Oct 25 (Oct 26) (Oct 27)	141								
	Urgent and emergency responses		142							1	2
	Disaster recovery		211								
			213								1
Reseals	Pre-reseal repairs	Jul 23	111	2	\$4,03M	3+1+1	Lowest Price or Price Quality	1	2	3	4
	Chipsealing		212								
	Thin surface AC overlays		214								
	Deep lift pavement reconstruction	Jul 26 (Jul 27) (Jul 28)									1

CARRIAGEWAY AND PAVEMENTS MAINTENANCE AND RENEWALS											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	2024-2027 LTP		
		RENEWAL DATE OPTIONS							2024-2025	2025-2026	2026-2027
Footpath and kerb and channel renewals	Asphalt footpath renewals	Jul 23	124	N/A	N/A	3 Years (duration to be reviewed at the end of the term of the first panel)	Contractors panel (Price Quality selection)	1	2	3	1
	Concrete footpath renewals		125								
	Concrete kerbs and channels renewals		213								
	Concrete kerbs and channels renewals		224								
	Sump and sump lead renewals	Jul 26	225								

TRAFFIC SERVICES											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2024-2027 LTP			
		RENEWAL DATE OPTIONS						2023-2024	2024-2025	2025-2026	2026-2027
Signs maintenance	Signs maintenance and renewals (including signposts) Sight rail maintenance and renewals Edge marker post maintenance and renewals	May 2024	122 222	1	\$644,000	3+1+1	Lowest Price or Price Quality	1	2	3	4
		May 27 (May 28) May 29									1
Roadmarking maintenance	Maintenance and renewal of roadmarkings	Jun 23	122 222	1	\$617,000	3+1+1	Lowest Price or Price Quality	1	2	3	4
		Jun 26 (Jun 27) Jun 28									1
Retaining Walls	Maintenance and renewal of existing retaining walls Emergency works to restore access or prevent loss of access	Feb 22	114 214 141 142	1	\$1.62M	3+1+1	Lowest Price or Price Quality	2	3	4	5
		Feb 25 (Feb 27)								1	2
										1	

TRAFFIC SERVICES											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	2024-2027 LTP		
		RENEWAL DATE OPTIONS							2024-2025	2025-2026	2026-2027
Streetlight maintenance	Maintenance and renewal of streetlights Emergency response to address crash damage	Apr 22	122 222	1	\$955,000	3+1+1	Lowest Price or Price Quality	2	3	4	5
		Apr 25 (Apr 26) (Apr 27)							1	2	1
Traffic signal maintenance	Routine inspections Maintenance and repair of faults Technical design and programming	Jun 23	123 223	2	N/A	UHCC delegation to <i>Regional Signals Maintenance Contract</i> through Wellington Transport Operations Centre (WTOC - Waka Kotahi) or Wellington Transport Alliance (WTA)	2+1+1+1	1	2	3	4
		Jun 26 (Jun 27) (Jun 28)							1	2	1

TRAFFIC SERVICES											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	2024-2027 LTP		
		RENEWAL DATE OPTIONS							2024-2025	2025-2026	2026-2027
Other works Selected model determined by scope, complexity and market at the time of procurement	Minor improvements Safety improvement programmes Capital works construction contracts	As required		N/A	N/A	Variable	Variations to existing contracts/ Direct appointment/ Lowest Price/ Price Quality	As required			

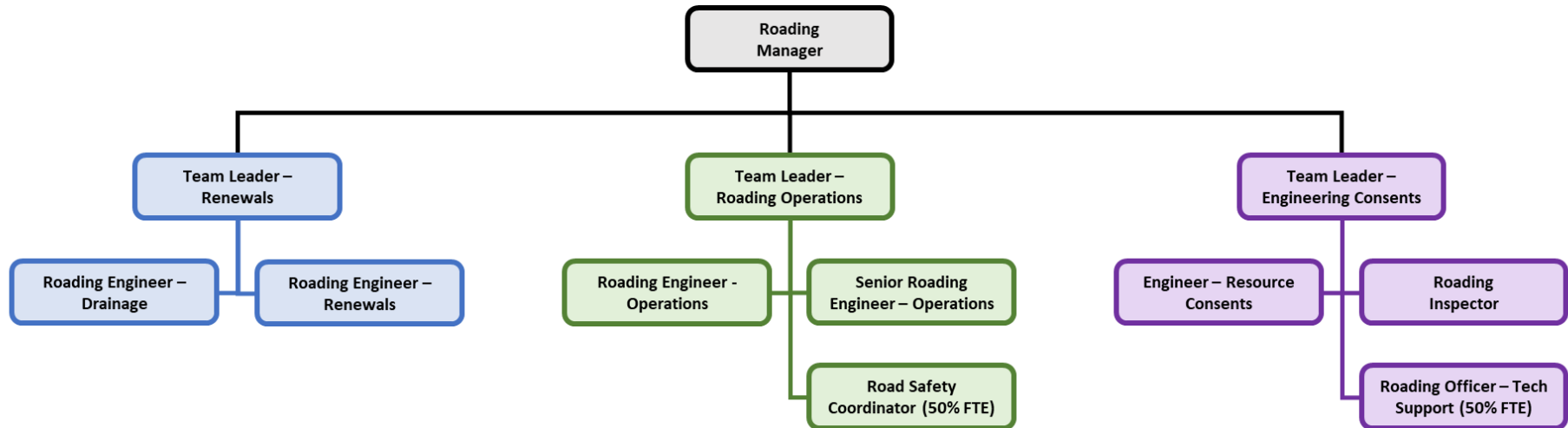
AMENITY MAINTENANCE											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS FOR EXISTING CONTRACT	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	2024-2027 LTP		
		RENEWAL DATE OPTIONS							2024-2025	2025-2026	2026-2027
Street cleaning	Street cleaning Litter bin emptying Sump and sump leads cleaning Removal of illegal dumping Removal of graffiti	Sep 23	121	1	\$1,47M	3+1+1	Lowest Price or Price Quality	1	2	3	4
		Sep 26 (Sep 27) Sep 28									1
CBD Cleaning	Footpath sweeping and scrubbing Cleaning and washing street furniture Carpark cleaning Kerb and channel sweeping	Sep 2023	121	1	\$879,000	3+1+1	Lowest Price or Price Quality	1	2	3	4
		Sep 26 (Sep 27) Sep 28									1
Vegetation control	Weed and vegetation control on roads, footpaths, and accessways,	Feb 2024	121	2	\$201,000	3+1+1	Lowest Price or Price Quality	1	2	3	4
		Feb 27 (Feb 28) Feb 29									1

NETWORK OPERATIONS											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	LTP ALIGNMENT		
		RENEWAL DATE (OPTIONS)							2024-2025	2025-2026	2026-2027
Bridge inspections	Complete annual inspections and identify defects requiring repair	Aug 23	151	5	\$89,000	3+1+1	Lowest Price or Price Quality	1	2	3	4
		Aug 26 (Aug 27) (Aug 28)									1
Traffic Counting	Annual traffic counting programme and special counts as required	Feb 24	151	2	\$92,800	3 + 1 + 1	Lowest Price or Price Quality	1	2	3	4
		Feb 27 (Feb 28) (Feb 29)									1
RAMM condition rating and roughness survey	Collection and QA of Annual RAMM condition data. Interim contract prior to	Jul 2023	151	N/A	N/A	1 year	Direct Appointment	1	N/A		

NETWORK OPERATIONS											
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS	INITIAL PRICE	CONTRACT TERM	SELECTION MODEL	2023-2024	LTP ALIGNMENT		
		RENEWAL DATE (OPTIONS)							2024-2025	2025-2026	2026-2027
NEW RAMM high speed consistent condition data (CCDC) collection	Collection and QA of Annual RAMM condition data	Jul 2024	151	N/A	N/A		UHCC delegation to <i>Regional Consistent Condition Data Collection (CCDC) Contract</i> through Waka Kotahi		1	2	3
NEW RAMM footpath and drainage - manual condition data collection	Collection and QA of Annual RAMM condition data (Need and scope to be determined once the CCDC Contract has been confirmed)	Jul 2024	151	N/A	N/A	1	Lowest Price or Price Quality		1	2	3

SOFTWARE										
CONTRACT	WORK COVERED	START DATE	WAKA KOTAHI W/Cs	NO. TENDERS	CONTRACT TERM	SELECTION MODEL	2023-2024	LTP ALIGNMENT		
		RENEWAL DATE (OPTIONS)						2024-2025	2025-2026	2026-2027
RAMM	Annual licence for the use of the RAMM Asset Management Database software and Submittica Corridor Access Request software	N/A	151	N/A	Annual Licence	Direct appointment	1	1	1	1
JunoViewer	Annual licence for the use of the JunoViewer forward work planning software	N/A	151	N/A	Annual Licence	Direct appointment	1	1	1	1

APPENDIX B : ROADING DIVISION – STRUCTURE AND RESPONSIBILITIES



- Maintenance and Renewals of:
 - Road surfaces
 - Pothole repairs
 - Resealing
 - Pavement
 - Digouts
 - Pavement rehabilitation
 - Kerb & channel and Sumps
 - Kerb and channel renewals
 - Sump renewals
 - Sump lead renewals
 - Footpaths and cycleways
 - Footpath maintenance and repairs
 - Footpath renewals
 - Cycleway maintenance and repairs
 - Cycleway renewals
 - New footpaths and cycleways
 - Rural channels and culverts
 - Rural cleaning
 - Rural channel maintenance
 - Culvert renewals
 - Headwall and inlet
- maintenance
 - Rural drainage upgrades
 - Rural vegetation cutting for sight-lines
 - Structures maintenance
 - Bridge maintenance
 - Bridge scour protection
 - Retaining walls maintenance
 - Retaining walls renewals
 - Emergency Works
 - Slip clearing
 - Flooding and blocked drainage
 - Debris clearance
 - Emergency road closures and detours
 - Fallen trees
 - Road improvements and upgrades

- Maintenance and renewals of traffic services:
 - Traffic Signs
 - Road markings
 - Streetlights
 - Traffic signals
 - Active traffic management signs
- Amenity maintenance:
 - Street cleaning
 - Vegetation control
 - Street furniture
 - Decorative signing and lighting systems
 - Litter bins
 - Active signing maintenance and operations
- Network monitoring and operations:
 - Traffic counting
 - Carpark surveys
 - Overhanging growth surveys
 - Approvals for changes to regulatory traffic restrictions
- Network Planning:
 - Road classification
 - Speed management
 - Crash monitoring and investigations
- Structures
 - Bridge inspections
- Minor safety improvements programme
- Road improvements and upgrades
- Provide technical advice to other parts of Council
- Delivery of road safety campaigns:
 - Liaison with police and other road safety providers to identify issues and to plan and co-ordinate delivery of programmes to address those issues
 - Liaison with schools and community groups to deliver local road safety programmes and to encourage road safety behaviour change

- Assessing the engineering matters related to resource consent applications:
 - Liaising with prospective applicants and providing advice prior to consent application
 - Setting conditions for the design and construction of infrastructure required as part of a consent
 - Monitoring the construction of infrastructure works (both private and those to be vested with Council) and
 - Certifying the finished works comply with the approved plans and the conditions set
- Oversee the Carriageway Access Request process to manage approval for network utility operators and other external parties to carry out work on Upper Hutt roads
 - Process and approve applications
 - Confirm that an appropriate temporary traffic management plan has been submitted
 - Monitor work in progress
 - Certify that work has been completed to the appropriate standard
- Carry out inspections at the end of the warranty period to confirm that no defects have occurred
- Facilitate utility operator liaison meetings
- Liaise with other Corridor Managers in the Wellington Region to identify issues of common interest
- Provision of technical administration support
- Processing, issuing and billing for :
 - Carriageway Access Requests
 - Overweight permits
 - Over-dimension permits
 - Encroachment licences
- Manage the approval and certification of Site Traffic Management Supervisor (STMS) delegations
- Oversee and co-ordinate monthly billing of activities carried out by the subsidised roading business unit
- Process and assist community groups with applications for road closures for events

APPENDIX C : ADDITIONAL READING

[Government Procurement Rules | New Zealand Government Procurement](https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/)

<https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/>

[Procurement manual | Waka Kotahi NZ Transport Agency \(nzta.govt.nz\)](https://www.nzta.govt.nz/resources/procurement-manual/)

<https://www.nzta.govt.nz/resources/procurement-manual/>

[Social Procurement: Tackling the practical realities \(kpmg.com\)](https://assets.kpmg.com/content/dam/kpmg/nz/pdf/2021/06/Social%20Procurement%20-%20Tackling%20the%20practical%20realities1.pdf)

<https://assets.kpmg.com/content/dam/kpmg/nz/pdf/2021/06/Social%20Procurement%20-%20Tackling%20the%20practical%20realities1.pdf>

[Framework for delivering Broader Outcomes \(nzta.govt.nz\)](https://www.nzta.govt.nz/assets/resources/framework-for-delivering-broader-outcomes/framework-for-delivering-broader-outcomes.pdf)

<https://www.nzta.govt.nz/assets/resources/framework-for-delivering-broader-outcomes/framework-for-delivering-broader-outcomes.pdf>