



Community Infrastructure: Procurement Strategy for Waka Kotahi NZ Transport Agency

Tasman District Council

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Tasman District Council

Community Infrastructure Procurement Strategy for Waka Kotahi NZ Transport Agency

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1. Executive Summary

This strategy has been prepared for Community Infrastructure and documents Tasman District Council's approach to procurement of activities funded through the National Land Transport Fund, as well as Council-funded infrastructure works. It describes the procurement environment that exists within the Tasman District Council.

These objectives are fully described in the Council's Long-Term Plan.

This procurement strategy principally focuses on Community Infrastructure activities but is framed in the Waka Kotahi NZ Transport Agency (Waka Kotahi) procurement plan format, which is consistent with whole-of-government procurement initiatives.

The Tasman District has been growing fast, and our supplier market is busy. We will invest approximately \$954 million on infrastructure services over the 10 years 2021-31. The Council seeks to act as a preferred client and smart buyer in order to meet our procurement objectives, which are:

1. Plan and manage for great results;
2. Be fair to all suppliers;
3. Get the right supplier;
4. Get the best deal for everyone;
5. Play by the rules.

We will continue to collaborate closely with other agencies to seek opportunities to gain value through joined-up procurement processes.

Our procurement framework includes aspects intended to provide efficiency to both Council and suppliers when undertaking procurement processes. These aspects include:

- A pre-qualification framework for suppliers for works up to \$500,000
- A professional services pre-qualified panel
- Bespoke project-specific procurement plans for term maintenance and major capital projects.

Key procurement processes during the 2022-25 period of this strategy include our term road maintenance contracts. Detailed procurement plans will be prepared for these.

Performance measurement and monitoring of our procurement framework will continue to measure:

- Value for money (time, cost, quality)
- Supplier markets (competitiveness, innovation)
- Procurement process (fairness and documentation)

1.1. Recommendations

It is recommended that Waka Kotahi NZ Transport Agency

- Endorses the Community Infrastructure procurement strategy.
- Approves the continued use of in-house professional services.
- Approves the use of Pre-qualified Supplier Panels for consultancy and a Prequalified Framework for physical works services.

1.2. Internal Approval

Refer Section 8.5

2 Long Term Plan Vision, purpose, and priorities

Te Manawaroatanga o Te Tai o Aorere kia tupu, kia rea

Tasman District Council's vision is to create thriving and resilient Tasman communities. We work together for a Tasman District that has a healthy environment, strong economy, and a vibrant community.

To achieve our vision Council has set the following strategic priorities in the Long-Term Plan 2021 -2031

- A healthy and sustainable natural environment
- Strong, resilient and inclusive communities
- Enabling positive and sustainable development
- Contributing to a diverse society and celebrating our culture and heritage
- A high standard of service

Infrastructure Strategy

Tasman district Council's Infrastructure Strategy identifies key issues relevant to the provision of infrastructure, the key options for addressing those issues, and the subsequent financial implications for the next 30 years. This Strategy acknowledges the tension between prudent provision of infrastructure and the need to stay within the financial limits set out in our Financial Strategy. By doing this, we have set out a long-term Strategy that is realistic, prudent, and achievable, and outlines the infrastructure services that will be provided over the next 30 years.

The key issues identified in our Infrastructure Strategy are:

- Population growth creating demand for new infrastructure
- Natural hazards and climate change
- Public and Environmental health risks
- Ageing infrastructure

Where we are at now?

Tasman is experiencing significant population growth and demand for housing. In recent years, actual population growth surpassed what we had estimated would occur. This resulted in more homes being built, taking up infrastructure capacity far sooner than we had anticipated. Our future population projections suggest this period of growth will continue for many years yet. This growth is occurring in all of our key settlements meaning that a number of our networks are under strain and require capacity upgrades. We have planned infrastructure upgrades in Motueka, Richmond, Māpua, Brightwater and Wakefield to provide capacity for future homes that will need to connect to our networks. We have seen a noticeable increase in traffic congestion on State Highway 6 through Richmond. This is of concern to us as it highlights the unfavourable impact increased traffic numbers will have on this section of highway without further interventions. We have also seen the significant impact of crashes or road closure has on the network. The network does not have the resilience to cope with the consequential changes in traffic flows after crashes; often bringing parts of the network to near gridlock.

Where are we going?

We have identified four key priorities that will guide our efforts and investment in planning, developing and maintaining our infrastructure in the short, medium and long term.

1. Providing safe and secure infrastructure services
2. Providing infrastructure that meet the needs of our changing population
3. Planning, developing and maintaining resilient communities
4. Prudent management of our existing assets and environment

Figure 1 shows that our infrastructure priorities are well aligned with the District's long term strategic priorities.



Figure 1 Alignment of infrastructure priorities with Council strategic priorities

How are we going to get there?

We plan to spend \$954 million on infrastructure services over the next 10 years, and a total of around \$3.4 billion over the next 30 years. Figure 1 shows how much we plan to invest in each of the infrastructure activities. The percentage of planned expenditure by each activity is similar for the 10-year and 30-year timeframes. We intend to invest most in transportation, where a large core programme of routine maintenance and renewal work is required to maintain the network in good condition.

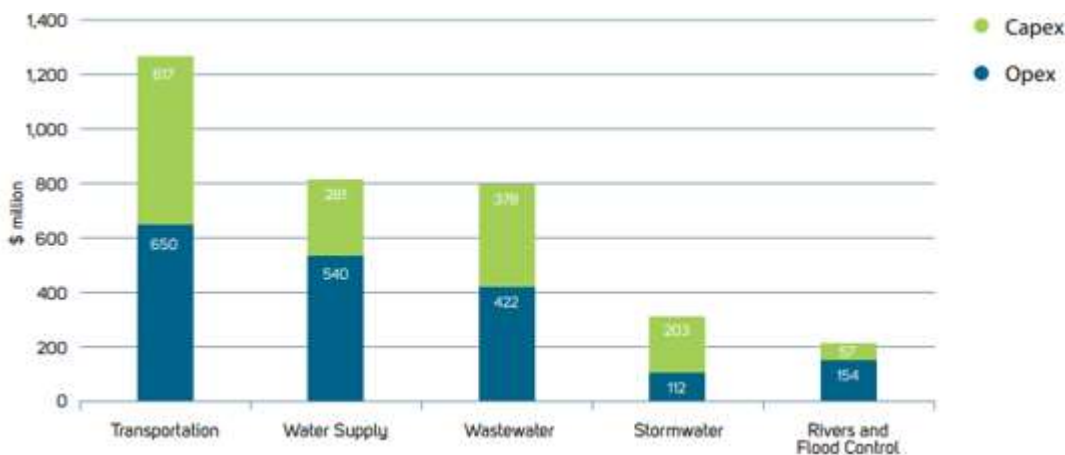


Figure 2 Planned expenditure

3. Policy Context

3.1. Council Objectives, Priorities and Key Issues for Delivery of Infrastructure

The Council's procurement objectives are to:

- Apply the five principles of Government procurement:
 1. Plan and manage for great results;
 2. Be fair to all suppliers;
 3. Get the right supplier;
 4. Get the best deal for everyone;
 5. Play by the rules.
- Implement policies and financial management strategies that ensure sustainable management of natural and physical resources, and security of environmental standards.
- Sustainably manage infrastructure assets relating to Tasman District Council.
- Enhance community development and the social, natural, cultural and recreational assets relating to Tasman District.
- Promote sustainable economic development in the Tasman District.

The Council's objectives for delivery of infrastructure are described in the Infrastructure Strategy, Activity Management Plans and the long-term plan. The relevant community outcomes, from consultation, are:

- our unique natural environment is healthy and protected.
- our urban and rural environments are pleasant, safe and sustainably managed; and
- our infrastructure is safe, efficient, and sustainably managed.

The Council sees sustainable economic growth as desirable. To achieve this, several key priorities have been identified over the next 10 to 20 years. Those relevant to this procurement strategy include:

- making sure development is sustainable.
- maintaining a high-quality natural environment.
- providing a good transportation network of roads, cycleways and walkways.
- providing quality public transport services.
- providing infrastructure to meet residential, industrial and business growth.
- maintaining the vitality of small communities; and
- working collaboratively on a range of issues and sharing services with our neighboring council
- Relevant key issues associated with the Council priorities are:
 - level of rates increases and current economic climate; and
 - sustainable development and environmental management

The Council proposes to maintain the current levels of work under each activity, including (but not limited to) the following specific items:

Transportation:

- Efficiently deliver maintenance and renewals work in the face of escalating costs and impacts of extreme weather events
- ongoing safety improvements to the road network
- expenditure on cycleways and walkways is to increase subject to available subsidy
- working with Nelson City Council on joint passenger transport planning, between Nelson and Richmond
- Continue to work with Waka Kotahi regarding shared purchasing opportunities for delivery of road maintenance.

Coastal Structures:

- the demand of urban development and public access to and along the coast
- increase of coastal erosion and the predicted effects of climate change
- control and management of boat moorings and navigation aids
- continued management of wharves and ports at a cost affordable to the community
- meeting the needs of recreational and commercial users

3 Waters – Water:

- meeting national drinking water standards
- ensuring a reliable and sustainable water supply
- meeting the demand for new infrastructure and upgrades
- looking at the need for water supplies in some areas

3 Waters – Wastewater:

- ensuring the performance of the wastewater treatment plants
- considering issues relating to system overflows

3 Waters – Stormwater:

- maintaining natural drainage systems
- providing adequately sized stormwater systems to cope with existing and future demand
- implementing more sustainable design practices
- improving the quality of stormwater discharge

Solid Waste:

- meet waste minimisation legislative requirements
- maintain positive interaction with Nelson City Council in delivery of joint waste management and minimisation services
- re-evaluate waste targets in relation to obligations for Tasman District Council

Rivers:

- responding where there is support from the community to upgrade levels of flood protection in a sustainable manner

Reserves and Facilities

- Maintains and develops parks & reserves, cemeteries, council owned housing for older adults, sports fields & associated facilities, playgrounds, toilets, and public halls

Property Services:

- Managing Facilities, building and property maintenance. The assets we maintain include the Richmond Aquatic Centre, Recreation Centres, Museums, Libraries and Council's offices.
- Public Works Act and Reserves Act processes and negotiation of easements, leases and licences. Major projects include land negotiations for Tasman's Great Taste Trail cycle route.
- Purchase and disposal of property and advice to asset managers on property related issues such as land access.
- Management of Tasman District Councils vehicle fleet.

3.2. Broader Outcomes

Our priorities and processes consider the Government's priority outcomes areas, which are:

- Increasing access for New Zealand businesses - identify opportunities for New Zealand suppliers, including Māori, Pasifika, ICT and regional suppliers, to be involved.
- Increasing the size and skills of the construction sector – when we are involved in significant construction works, think about how we can partner with suppliers and others to improve construction sector skills and training over the long term.
- Lifting health and safety and employment standards - identify contracts where vulnerable New Zealand workers may be involved in the supply chain and develop a strategy to make sure that primary suppliers meet their health and safety obligations and comply with employment standards. Agencies must do this for designated contracts, which for health and safety are forestry and construction, and for employment standards are cleaning, security, and forestry, however should also consider other areas where low-paid and vulnerable workers may be involved in our supply chain.
- Transitioning to a net zero emissions economy – consider the following elements:
 - Environmental impact – select those products and services that have a high impact on the environment over their life cycle and address these first, for example fleet vehicles.
 - Check the market for environmentally-friendly alternatives – analyse the market to determine whether alternative options are available that produce lower emissions or less waste. Check for relevant environmental labels and certifications.
 - Whole-of-life cost – sustainable procurement can offer significant cost savings, for example through lower energy bills, and reduced spending on unnecessary goods and services. Where there are opportunities to make savings on strategic investments by using sustainable procurement practices, we should prioritise these.
- Tasman District Council has a priority focus for broader outcomes being climate change emissions reduction and sustainability. As an organisation we have developed the Tasman Climate Action Plan (TCAP) which includes measuring and reporting our carbon emissions annually.
- Our Tender documents will include a section on climate change emissions reductions and a commitment to sustainability, which will form part of the evaluation criteria.
- We will work with construction companies to report outcomes at the completion of the contracts. As part of our project review process, we will record the outcomes and share learnings within our team.

3.3. Strategy References

This strategy was prepared with reference to the:

- Waka Kotahi Procurement Manual and Guidelines
- Government Procurement Rules 4th Edition 2019
- Local Government Act 2002
- Tasman District Council policies

The Council conducted service delivery reviews under section 17A of the Local Government Act during 2019 (three waters) and 2017 (transportation and solid waste). A review of transportation and solid waste service delivery will be completed in 2022.

3.4. Waka Kotahi Procurement Requirements

This procurement strategy aligns with the requirements of Waka Kotahi as outlined in their Procurement Manual, Amendment 6. In particular, having a strategic approach to procurement, achieving value for money, ensuring competitive and efficient markets, and ensuring fair competition among suppliers.

3.5. Regional Interests and Shared Services with Neighbouring Authorities

Tasman District Council and Nelson City Council already collaborate closely on a wide range of projects, programmes, and shared services.

While the specific needs of Tasman's 17 settlements are best met locally, both Councils recognise that the interests of the region as a whole are often best served through a collaborative approach. There are a range of advantages from working together, including economies of scale through combining services to reduce overall costs for ratepayers or users of a service, or delivering a better service or facility to ratepayers.

Tasman District Council works collaboratively with Waka Kotahi. This involves a close liaison through the Regional Transport Committee, local technical liaison committees, specific project teams, and collaboration on procurement and service delivery arrangements.

Tasman District Council and Waka Kotahi have a joint principal's network maintenance contract for State Highways in the Nelson/Tasman region, and the Golden Bay and Murchison local roads. There may be opportunities to expand this collaboration to get even better value for money.

The specific procurement strategy for these joint contracts between the Tasman District Council and Waka Kotahi will be decided as appropriate for each specific project and will include:

- joint principal and open or closed tender basis
- one or either as lead principal with joint funding arrangements and use of their own procurement strategy and processes.

4. Health and Safety

4.1. Objectives of Council

When delivering capital works and maintenance projects, Council's objectives include:

- To manage and discharge its health and safety duties as a PCBU through the strategic procurement of appropriately qualified Consultants and Contractors
- To consider and mitigate health and safety risks at every stage of the project – from project definition, through design, procurement, delivery, and closeout
- To provide an adequate system and process to implement and manage the project health and safety risk to ensure ownership and accountability by all parties throughout the project lifecycle
- To support continuous improvement in health and safety excellence by the Capital Works Project Team on capital projects

To be eligible to tender for Council works, suppliers must either be pre-qualified within our Health and Safety management system, or pledge to become prequalified.

Health and safety performance of our suppliers is routinely monitored as a KPI in existing maintenance and capital contracts.

4.2. Health and safety responsibilities on whole of project lifecycle

The Council has an obligation to have a management plan for health and safety that is applicable to the whole of project lifecycle. The flow diagram below shows the six stages of this lifecycle and the objectives of each stage.

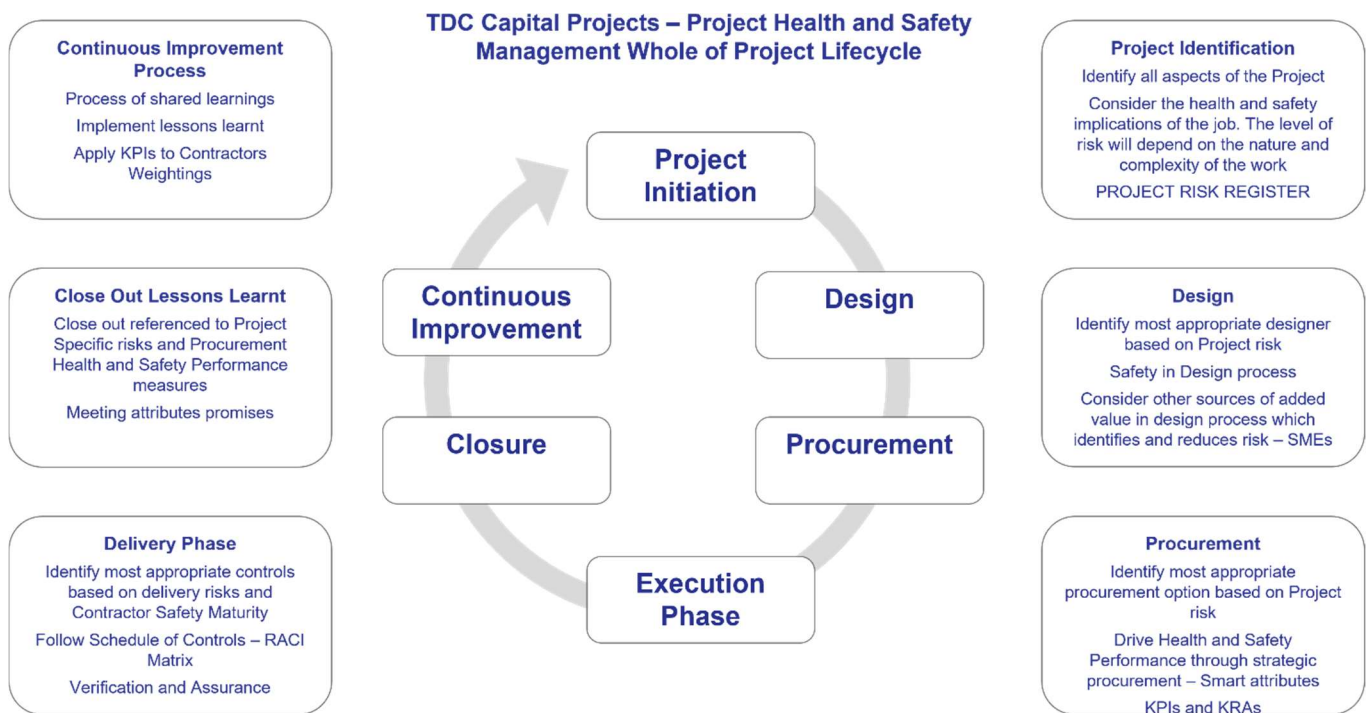


Figure 3 Project lifecycle

4.3. Our duty to consult, co-operate and coordinate with Client, Consultant and Contractors

Council must demonstrate it has met due diligence obligations under the HSWA. With project management, this means making sure Consultants and Contractors understand both Council expectations and their own obligations.

The Council and its Consultants and Contractors have overlapping duties and must, so far as is reasonably practicable, consult, cooperate and coordinate activities to meet all our joint responsibilities.

For example, the Council contracts a company to deliver a capital works project, e.g., water mains upgrade, and identifies a consultant to design the works/scheme and potential Contractors to carry out the physical works. All parties will therefore have overlapping health and safety duties and will need to cooperate and coordinate their activities. In this example, the Consultant will be responsible for ensuring Safety in Design (both during construction and for the life of the asset). The Lead Contractor will be responsible for managing the health and safety on site, while the Council will be responsible for ensuring that both Consultant and Contractor have appropriate health and systems to deliver their PCBU responsibilities, and that they are following them. This will be a system for verification and assurance.

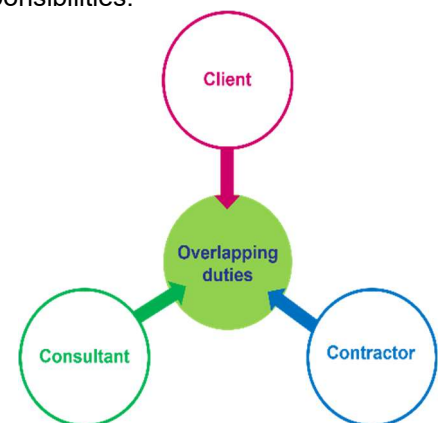


Figure 4: Overlapping duties on a Capital Works Project

5. Procurement Programmes

5.1. Council's Procurement Programme

This procurement strategy covers the following areas of Council investment in assets and services:

- Transportation
- 3 waters
- Coastal structures (including wharves, but excluding Port Taranaki)
- Rivers
- Solid waste
- Reserves and Facilities
- Property Services

The type of work covered by the strategy includes:

- infrastructure including physical works and associated professional services:
- new capital
- renewals
- maintenance
- miscellaneous services
- other professional services:
- planning and advice

5.2. Procurement Cycle

Capital and renewal programmes of works are procured via a staged approach to investigation, design, procurement and construction. Therefore, there is an annual programme of works generally in accordance with the long term plan.

Waka Kotahi-subsidised maintenance and renewals work is summarised in the table below.

Contract	Commencement Date	Status	Work Included
C1096 Tasman Road Maintenance (Alliance) Scale: Moderate-Large \$9 million/year Complexity: Moderate	1 July 2017	Initial term expired 30 June 2020 2 year extension to 30 June 2022. Secondary extension to 30 June 2024. A procurement plan for replacement of this contract will be prepared in 2023.	Network and Asset Management <input type="checkbox"/> Forward works programming <input type="checkbox"/> Bridge inspections <input type="checkbox"/> Asset condition monitoring and data collection Maintenance and Operations of Roads: <input type="checkbox"/> Sealed pavement maintenance <input type="checkbox"/> Unsealed pavement maintenance <input type="checkbox"/> Routine drainage maintenance <input type="checkbox"/> Structures maintenance <input type="checkbox"/> Environmental road maintenance <input type="checkbox"/> Traffic services maintenance <input type="checkbox"/> Footpath Maintenance Renewal of Roads: <input type="checkbox"/> Unsealed road metaling

Contract	Commencement Date	Status	Work Included
			<ul style="list-style-type: none"> Sealed road resurfacing Drainage renewals Sealed road pavement rehabilitation
<p>C1042 Golden Bay and Murchison Road Maintenance (joint principals contract with Waka Kotahi)</p> <p>Scale: Small (\$2 million/year Golden Bay; \$1 million/year Murchison)</p> <p>Complexity: Low</p>	1 April 2016	<p>Expires 1 April 2023.</p> <p>Waka Kotahi are working through contract term extension possibilities.</p>	<p>Maintenance and Operations of Roads:</p> <ul style="list-style-type: none"> Sealed pavement maintenance Unsealed pavement maintenance Routine drainage maintenance Structures maintenance Environmental road maintenance Traffic services maintenance Footpath maintenance <p>Renewal of Roads:</p> <ul style="list-style-type: none"> Unsealed road metaling Drainage renewals
<p>C1084 Streetlight Maintenance</p> <p>Scale: Small \$300,000/year</p> <p>Complexity: Low</p>	1 June 2017	<p>Expires 30 June 2022.</p> <p>Short term extension to 1 October 2022. New contract presently being tendered (June 2022)</p>	<p>Operational traffic management</p> <p>Traffic services maintenance</p> <p>Traffic Service Renewals</p>
<p>C1159 Traffic Counting</p> <p>Scale: Small \$90,000/year</p> <p>Complexity: Low</p>	1 December 2018	<p>Initial term expired 30 November 2021.</p> <p>1 year extension to 30 November 2022.</p> <p>Potential secondary extension to 30 November 2023.</p>	<p>Network and Asset Management</p>

Table 5-1: Subsidised maintenance and renewals

5.3. Market Capability Overview

The delivery of services in the Nelson-Tasman region has become more competitive in recent years. There has been an increase in the number of contractors in the market across transportation and three waters services. There is a wide range of capabilities within the potential suppliers however we consider that current capabilities are sufficient to deliver the relative complexity of the Council's programme. The most significant issue that most

suppliers are facing presently is shortages of skilled workers within the Nelson-Tasman region, which is putting upward pressure on costs while also causing some timing/delivery issues. The buoyant national infrastructure market, with high levels of public and private investment, are adding to resource and cost pressures. COVID supply-chain effects are also affecting delivery timeframes and costs.

The Council wishes to facilitate an efficient and consistent quality of delivery from its suppliers while enabling and encouraging a healthy and sustainable competitive marketplace. In the last three years, one 'Tier 1' contractor has exited the local market. However, we are seeing other contractors entering or attempting to enter the local market.

The Tasman Regional Land Transport Plan, the Activity Management Plans, Cycling Strategy and Safety Management Systems are documented and support the Councils' programme of works.

The Council believes it currently obtains its services at a fair market price however it believes its processes can be improved to achieve greater efficiency, reduce overall market costs and improve value for money to its ratepayers. In addition, it believes some alternative procurement methods can be trialled to establish even greater value for its customers and develop competition and market capability to deliver these services. Procurement methods considered are detailed in Section 7.2.

5.4. Risk Management and Profile

The Council is aware of the risks in providing the infrastructure and services.

Risk management plans are developed as part of design activities and are reviewed before calling for tenders.

Key risks that the Council wants to manage by adopting the procurement strategy are:

- the ability to sustain a competitive local contractor market avoiding 'capture' by a smaller group of suppliers resulting in potential cost escalation
- balancing a diverse local contractor market with management of associated safety, quality and financial risks (larger national or international companies have more robust safety, quality and financial management systems minimising this risk to Council, however Council pays more for the services as a result of these management systems with an associated reduction in risk to the service provision)
- maintenance of a cost-effective procurement process while complying with external funder requirements (this strategy being a key mitigation measure to this risk)

6. Procurement Environment

6.1. Supplier Market

The capability of the local supplier market is described in Section 5.3. The availability of work other than that offered by Tasman District Council has contributed to a relatively stable pool of contractors and consultants in the region.

Last financial year 2020-21, the Projects team procured a total of twenty-six contracts, across fourteen different contractors. Seven of those contractors were awarded more than one contract within the year, demonstrating good contractor interest and ability to undertake council work. The current market in 2022 has changed with increased private subdivision activity taking some capacity out of for council work.

Supply chain challenges and price increases are also having an effect.

6.2. Procurement Spend and Profile

This procurement strategy covers the full range of activities managed by the Community Infrastructure Group within the Tasman District Council. The strategy has been developed to comply with the good practices promoted in the Waka Kotahi Procurement Manual, it however, has not been limited to just transportation projects.

The following graph (Figure 5) illustrates the expenditure profile for Community Infrastructure activities in the coming years. This shows that while maintenance and renewal expenditure is largely stable, capital activity will continue to be higher than historic levels. For a detailed breakdown of the projects and works that make up these budgets please refer to the [Infrastructure Strategy](#) (Page 125) in the Long Term Plan.

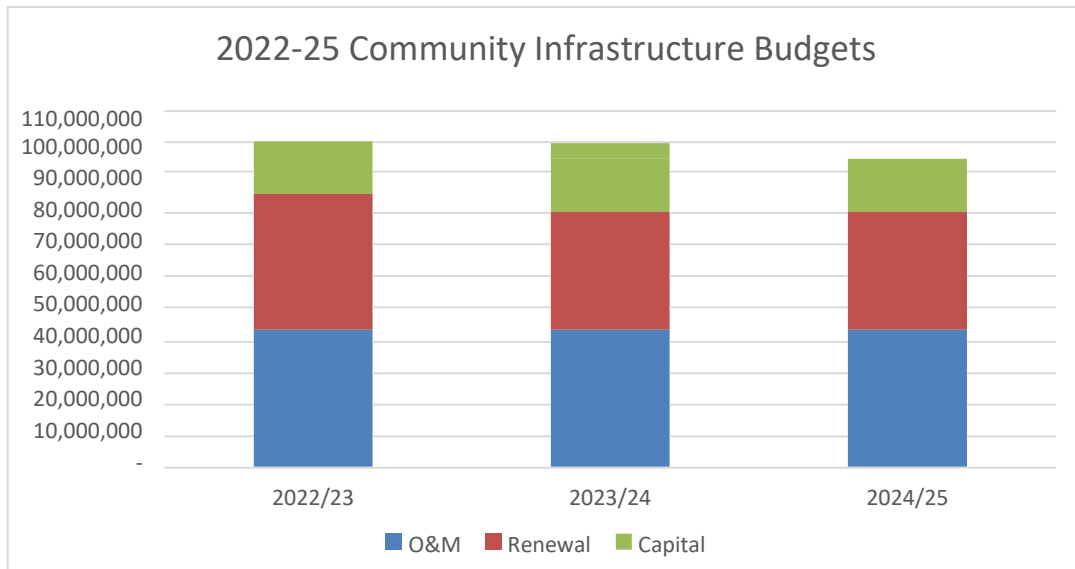


Figure 5 Planned expenditure

We work closely with our supplier market, including consultants and contractors, in forward planning the delivery of works and providing early signals of upcoming projects. It is critical that our suppliers have visibility of what projects and tenders are on the horizon to ensure they are in the best position to invest in people and plant to deliver our works. None of the works that will be co-funded by Waka Kotahi are considered to be high risk or unusual procurement activities.

6.3. Impact of Our Procurement Activities on Other Approved Organisations and Other Entities

Other approved organisations that have a direct impact on the supplier market include Nelson City Council and Waka Kotahi. There is some limited coordination of procurement with these organisations, generally when there is a direct collaboration on a particular project or contract. Each organisation has its own requirements for the timing of project delivery, and it is not always practical to provide a coordinated pipeline of tenders to the market. Tasman District Council have increasingly been responding to resource challenges and competition between agencies by building flexibility into the actual construction period where possible, for example giving the supplier market the ability to set the start date for construction to better fit their work programmes.

Private developments also impact on the availability of suppliers, and this has had greater impact over the last 2-3 years in Nelson-Tasman as growth in the region has accelerated. Whether this will continue is uncertain and affected by wider economic conditions.

7. Approach to Delivering the Work Programme

7.1. Specific Objectives

The Council's objectives for procurement of contracting and consulting services are to:

- obtain contracting and consulting services at value for money
- improve local contractor capabilities in the areas of managing safety quality and financial risks
- sustain a competitive and healthy local contractor market for minor works
- improve efficiencies in resource allocation and cost across the market

Specific strategies that the Council is using to achieve these objectives include:

- Using pre-qualification of suppliers to join a panel
- Providing greater flexibility in construction periods in tender documents
- Encouraging alternative tenders
- Engaging earlier with suppliers on high risk or high complexity projects
- Improving the quality of our request for tender documentation to make it easier for tenderers to understand what is expected of them and on what basis the tenders will be evaluated
- Bundling together similar types of work into packages rather than tendering separately
- Packaging up work such as renewals, that was traditionally tendered annually, into multiple-year contracts where possible

7.2. Procurement Methods Considered

The various types of delivery models considered for the procurement of services by Council are outlined below.

Physical works delivery models considered:

- staged – traditional contracting models (preferred)
- design and build – altered delivery risk profile (more trials to be established)
- shared risk (advanced) – alliance / relationship style (considered for major projects only)
- prequalified panel (advanced) – commodity / repetitive style of projects (considered for small to medium projects only)

7.3. Procurement of Professional Services and Physical Works

An overview of the strategy for the procurement of Professional Services is:

Activity type	Summary of proposed procurement delivery	Commencement Date	Status
General Consultancy Services	Direct to market to establish a term contract for a preferred supplier to undertake 50% of a programme for capital and specialist projects. Awarded to Stantec	Contract 1002 July 2014 to 30 June 2023	Extended to 21 November 2023
	Consultancy supplier panel Awarded to Beca, Tonkin & Taylor and WSP Council may use smaller local consultants for some projects	Contract 1116 November 2017 to November 2020	Extended to 21 November 2023

Community Infrastructure Procurement Strategy

Specialised Consultancy Services	Where a service is considered to be outside of the areas of prequalified specialist expertise, the Council may choose to invite tenders where it considers there will only be one or a small number of consultants who are able to be competitive in delivering the services. Select a consultant from a minimum of <u>one</u> selected tenderer based on one or more of: previous performance; price; quality. Performance measures as appropriate.		As required
	Direct to Market Tender		As required

Table 7-1: Overview of the strategy for the procurement of Professional Services

An overview of the strategy for the procurement of Physical Works services is:

Activity type	Summary of proposed procurement delivery	Status
Term Network Maintenance Contracts	Term network maintenance projects will be assessed on their own merit to determine the appropriate procurement strategy for that project. The Council will develop a specific strategy depending on the criteria, drivers and procedures of the Council and Waka Kotahi to meet their objectives. Typically, there are fewer contractors operating within the district who are capable of delivering these contracts. The current level of bundling and scope of contracts is considered to deliver on the Council's procurement objectives and align with the REG delivery model guidelines. However, when these are retendered, it will be necessary to reconsider and develop a specific procurement plan, particularly taking into account the work of REG and Waka Kotahi to ensure best practice is being implemented.	Expiration of contracts vary. See Table 5-1 for details
Major Capital Projects:	Where a project is considered significant, it becomes a major project. The Council will determine the extent to which a project is considered significant using the thresholds, criteria and procedures as detailed in The Council's LTP. Major projects will be assessed on their own	As required

Activity type	Summary of proposed procurement delivery	Status
	merits to determine the appropriate procurement strategy for that project.	
Projects >\$500,000 >\$200,000 (if co-funded by Waka Kotahi)	Direct to market and open to all contractors through GETS:	As required
Renewals, miscellaneous maintenance and Capital projects >\$100,000 and <\$500,000	Prequalified Framework; or	The opportunity for registration and selection to the Prequalified Framework will be provided annually prior to 1 July
	Direct to market and open to all contractors through GETS; or	As required
	Variation to an existing contract; or	As required
	Invited Tender.	As required
Renewals, miscellaneous maintenance and capital transport projects, co-funded by Waka Kotahi >\$100,000 and <\$200,000	Prequalified Framework; or	The opportunity for registration and selection to the Prequalified Framework will be provided annually prior to 1 July
	Direct to market and open to all contractors through GETS; or	As required
	Variation to an existing contract; or	As required
	Invited Tender.	As required
Renewals, Miscellaneous Maintenance and Capital Projects <\$100,000	Prequalified Framework; or	The opportunity for registration and selection to the Prequalified Framework will be provided annually prior to 1 July
	Variation to an existing contract; or	As required
	Invited Tender.	As required
	Direct to market.	As required

Table 7-2: Overview of the strategy for the procurement of Physical Works

An overview of the strategy for the procurement of operational services is:

Activity type	Summary of proposed procurement delivery	Status
Operational Contracts >\$100,000 pa	Partner with neighbouring Councils to undertake a Direct to Market Tender	As required
	Direct to Market Tender	As required

Community Infrastructure Procurement Strategy

Operational Contracts <\$100,000 pa	Invited Tender	As required
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Table 7-3: Overview of the strategy for the procurement of operational services

The Group Manager - Community Infrastructure may approve project-specific procurement plans where these are for significant projects and/or where the proposed procurement process varies from the guidelines in this section.

7.4. Procurement Selection Methods

Term Contracts

Term network contracts for all infrastructural assets will require specific separate procurement plans and delivery models to be developed for each contract. Waka Kotahi approvals will be sought as and when required in accordance with Procurement Manual Rules.

Criteria for consideration in the development of such models will include:

- whole-of-life benefits and costs
- efficiencies in bundling of work categories
- market capabilities
- Council capabilities and capacity
- impacts on local economy
- value for money
- likely long-term quality of service
- Ability and requirement for the model to respond to uncertainty and changing needs

Variation to Existing Contract

Where the Council has an existing contract in place and the value, proximity or nature of the physical work is commensurate with the existing contract works, then the Council may invite that contractor to complete that work as a variation to the existing contract. Physical works procured in this manner will need the prior approval of the respective asset manager.

Direct to Market Tender

This will generally be used where the Council is unsure of the Potential contractors to do the works. Direct to market is open to all contractors through Government Electronic Tenders Service (GETS). The process to select a contractor based on previous performance, price, quality, and capacity to undertake the work. Performance measures as appropriate. Mixed delivery model as appropriate e.g., payment linked to performance.

Invited Tender

This will generally be where the consultancy or physical works which does not fall within the description of the Prequalified Panels. Subject to the prior approval of the Community Infrastructure Group Manager, the Council may choose to invite tenders where it considers that there will only be one or a small number of contractors who are able to be competitive in delivering the physical works.

When a direct procurement process is proposed a due diligence framework is followed which includes:

- identify our preferred contractor based on past performance scores, relevant skills, and location of project.
- prepare a procurement plan establishing the reasons for a direct contract which is reviewed and approved by the Group Manager Community Infrastructure.
- contractor works with our consultants to complete design and prices the contract.
- independent due diligence on price.
- contracts over \$500,000 must go to the Council Procurement Panel to award contract.

Consultancy Supplier Panel

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Professional services organisations will be invited to register their interest and complete capability and information schedules for the attributes specified in the ROI document. The ROI will be for the delivery of professional services in relation to capital projects to be implemented by the Community Infrastructure Department, and which lie outside the scope of the existing professional services term contract.

Ranking criteria will include:

- Relevant experience
- Track record
- Resources
- Management and technical skills
- Quality systems
- Health and safety compliance

Consultants will be assessed for specialist technical capability and registered in accordance with the ROI. The prequalified register will be updated every three years through a separate ROI process. This timeframe may be reviewed as part of the Procurement Strategy review.

Prequalified consultants will be requested to submit proposals for projects via project specific Requests for Proposals to be assessed on a competitive and quality basis.

Provision will be made for Community Infrastructure to procure the professional services for specific projects by separate tender if required.

As this is an advanced procurement method, specific approval will be sought from Waka Kotahi when this panel selection process is undertaken in 2023.

Physical Works Prequalification framework

Contractors will be invited to register their interest and complete the capability and information schedules for the specific attributes in the respective Registration of Interest (ROI) documents. The physical works ROI's will be for the delivery of projects estimated to have a contract value of less than \$500,000.

Ranking criteria will include:

- Contractors will be assessed and ranked in accordance with the ROI
- in the ROI, contractors will be required to provide specific details against each of the work categories they apply for including:
 - relevant experience
 - track record
 - resources
 - management and technical skills
 - quality systems
 - health and safety compliance
- approved qualified contractors will be listed in prequalified framework for physical works
- the prequalified framework will be updated every three years through a separate ROI process
- the prequalified frameworks also be updated annually through a separate ROI process to allow for the entry of new contractors
- no additional contractors will be eligible for inclusion in the panel during the current 12-month period
- depending on the specific project requirements, tenderers on the relevant panel/s will be requested, in a project specific RFT, to submit a tender to be assessed on price or quality, or both.

Contractors currently included on the Physical Works prequalified framework can be viewed on the Councils website.

8. Implementation

8.1. Capability and Capacity

This procurement strategy relates to services procured from external professional services providers, external contractors and to services provided by in-house business units.

The Council's Community Infrastructure Group resources will provide the following:

- Strategic and policy development of all Council infrastructure assets and land development
- Programme management
- Asset planning and management
- Transportation network contract management
- Utilities systems and networks contract management
- Capital project management and monitoring
- Contracts financial management
- The principal's role for all maintenance, renewal and improvement projects
- Road safety policy and implementation
- Administration of customer service requests
- Planning and liaison with all stakeholders and other authorities

The Council will obtain specialist technical advice and support from its own staff resources as well as external professional service providers. Detailed investigations, design of capital projects, contract management and site supervision is normally provided through external professional service providers.

The capability and capacity of the Council were considered in Council's s17A reviews in 2016 and 2017. The Council has responded to increased capital programme delivery requirements by employing additional project managers and ensuring the professional services and contractor supplier panels are strong.

All physical works activities are provided through external contractors.

8.1.1. Smart Buyer Self-Assessment

As part of the 2021-51 Activity Management Plan for Transportation, the Council utilised the 'Smart Buyer Self-Assessment' developed by the Road Efficiency Group (REG). The self-assessment score was 62 out of 70 which showed a generally high alignment with smart buyer principles. Some opportunities for improvement were identified, including:

- Ensuring our engagement with the contracting industry is sufficiently proactive and effective to gain optimal value from any changes being implemented
- Developing better understanding and refinement of data to enable optimised, integrated decision-making, and ensuring our suppliers can more readily access and use our data
- Allocating and managing risk, particularly making this as explicit as possible within tender processes and documentation
- Supporting ongoing skill and competency training by adding structure to this process and more proactively identifying opportunities for staff
- Ensuring our governance is fully informed and able to make good decisions regarding quality and price trade-offs, for example paying more upfront to achieve lower whole-of-life costs

8.1. Internal Procurement Processes

The Community Infrastructure Services Group procurement team manages the tender process. We use a project management system and a 'gateway' system that ensures all projects including tender documents are

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managed effectively and to the right quality. Tenders are advertised and managed through GETS.

There are currently three Waka Kotahi-qualified tender evaluators in the department although several more staff are currently working towards the qualification and several others will be starting shortly. We have access to additional qualified evaluators through our professional service suppliers.

Supplier performance is measured and recorded in a consistent ongoing basis, and this information is used for future tender evaluations.

8.2. Performance Measurement and Monitoring

Measurement area	Measure name	Description of measure	Unit	Measure
Value for money	Time	Estimated duration of contract and actual duration of contract	days	Days of contract completion delay
	Cost	Tender price of contract and actual cost of contract	\$	Additional cost of contract above the tender price
	Quality	Tasman District Council's satisfaction with the goods or services purchased		Project review report covering consultant and contractor performance
Supplier markets	Competitiveness	Tenders received	No	Number of tenders received
	Innovation	Whether any alternative tenders were received	No	Number of alternative tenders received
Procurement process	Fairness and documentation	Feedback from contractors on procurement process	%	Feedback from contractors on procurement process

Table 8-1 : Performance Measures

We collect the data generally required in Appendix E of the Waka Kotahi Procurement Manual.

8.3. Communications

This Procurement Strategy is owned by the Tasman District Council and is a public document. It will be referred to in the Council's LTP and made available on the Council's website (www.tasman.govt.nz).

Stakeholders are:

- Tasman District Council
- Waka Kotahi
- Contractor(s)/Consultant(s)
- Neighbouring councils

Tasman District Council has consulted with stakeholders in the development of this Procurement Strategy.

Ongoing communication with stakeholders occurs periodically.

8.4. Implementation Plan

This strategy will be managed by the Project Delivery Manager.

The following table describes specific actions and responsibilities associated with implementing this procurement strategy:

Action	Date	Responsibility
Procurement methodologies to be in accordance with this strategy	Ongoing	Project Manager
Monitoring data to be recorded in accordance with Section 8.3	As part of project close-out	Project Manager
Monitoring data to be analysed	Annually	Project Delivery Manager
Monitoring data for subsidised projects to be compiled and submitted to Waka Kotahi	Annually (Annual Achievement Report)	Transportation Manager
Review of procurement strategy	3-yearly, or earlier if necessary	Project Delivery Manager

Table 8-2: Procurement Responsibilities

8.5. Corporate Ownership

This Procurement Strategy is approved by:



Richard Kirby
Group Manager, Community Infrastructure Tasman District Council

8 July 2022

The Council will review this document in June 2025 or earlier as required .