



## Transport Procurement Strategy



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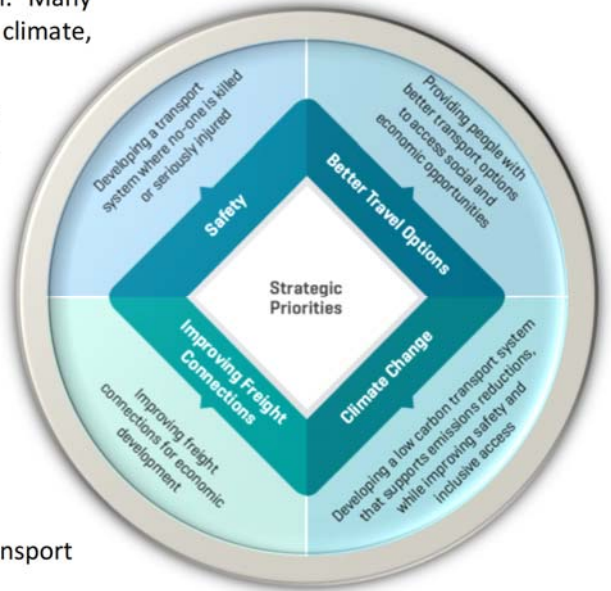
# 1. Executive Summary

Hurunui is a vast district, being the 7<sup>th</sup> largest in NZ. Amberley is approximately an hour north of Christchurch with access to a reasonable sized pool of suppliers for goods and services, including a range of small to medium companies based in the Hurunui. Many parts of the network are remote and vary dramatically in climate, geography and traffic demand.

Hurunui services a substantial percentage of NZ's export receipts, as well as regional and local supply demand, tourist traffic and State Highway detours.

Our road infrastructure needs to be aligned with the Strategic Priorities of the Government Policy Statement (GPS) 2021, pictured right.

This 2022 version of Hurunui District Councils (HDC) transport procurement strategy supersedes the previous Waka Kotahi endorsed December 2019 version.



## 1.1 Introduction

This document sets out HDC's strategic approach to transport related procurement of works and services in the district.

Best value and efficiency goals require a positive approach to fair competition, taking advantage of opportunities for innovation and partnerships with the public, contractors, other Councils and other organisations. The strategy seeks a balance between two priorities:

- 1) Delivering quality and efficiency (safe, on-time and best value for money)
- 2) Engaging with local and regional suppliers to promote the local economy which provides long-term competition and resilience (resource capability and willingness) to respond to increased demand in times of need.

The procurement strategy takes a balanced approach to risk management and right-sizing the maintenance or renewal plans. As the purchasing organisation, the Council must establish the level of risk it is prepared to shoulder in relation to its dealings with suppliers. Understanding risk and appropriate apportionment, between supplier and Council, is a key consideration when it comes to delivering value for money. Equally, it is important that the product is affordable and meets the desired performance levels.

Social Procurement (or Broader Outcomes) will be better understood and start to be embedded into contracts. Reporting and monitoring of progress will be developed during this strategy.

## 1.2 Recommendations

- a) That Waka Kotahi endorse the Strategy.
- b) That Waka Kotahi approve the continued use of in-house Professional Services.
- c) That Waka Kotahi approve the continued use of an extended term (5 + 2 + 2) Road maintenance contract.
- d) That Waka Kotahi acknowledges the Council Approach to Broader Outcomes.

## 1.3 Endorsements

Waka Kotahi endorsed this strategy on: 22 December 2022

Council endorsed this strategy on: [REDACTED]

## 2 Policy Context

This document is the Transport Procurement Strategy (the “**Strategy**”) for the Hurunui District Council (the “**Council**”). Its development is required under Rule 10.4 of the Waka Kotahi Procurement Manual (the “**Manual**”) and Section 25 of the Land Transport Management Act (LTMA) 2003 (amended 2008) for transport activates funded through the NLTP published by Waka Kotahi .

This strategy is set in the context of the Council’s overall procurement policy that details what is required by the organisation when procuring products and services. In instances where this strategy specifies an approach that differs to the general approaches set out in the Councils’ overall procurement policy, a specific procurement plan will be developed.

### 2.1 Government Procurement Rules

New Zealand government procurement is shaped by the Government Procurement Charter, which sets out Government's expectations of how agencies should conduct their procurement activity to achieve public value, and these five principles;

- Plan and manage for great results.
- Be fair to all suppliers.
- Get the right supplier.
- Get the best deal for everyone.
- Play by the rules.

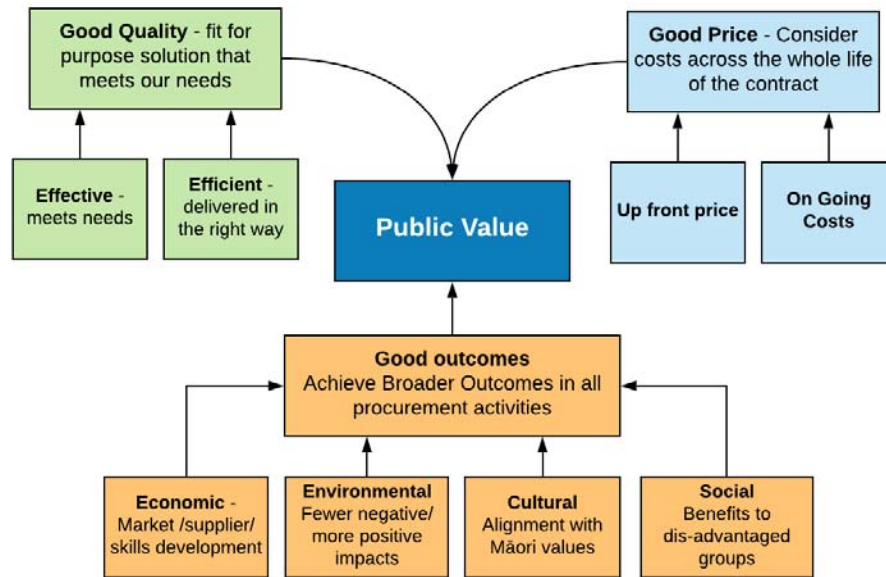
To facilitate these expectations and principles Government Procurement Rules have been created to support good market engagement, improve cost efficiencies and help drive better outcomes for agencies, businesses and New Zealand.

All councils are to use the Rules to help drive good procurement practice.

Public value includes considerations that are not solely focused on price, for instance what benefit the procurement could bring to the local community or environment.

Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value. Good procurement is about being risk aware, not risk averse.

Waka Kotahi also has a procurement manual, with Amendment 6 being effective from 1 April 2022. Section 10.6A “Supplier selection process requirements” details rules that RCA’s must follow



## 2.2 Strategic Objectives and Outcomes

The Council’s Long-Term Plan contains the following ‘aim’ in relation to the provision of transport infrastructure services:

*“To provide a transport network that is safe, affordable and accessible for all people throughout the district”.*

Transport Infrastructure activities primarily contribute to two of our community outcomes, namely:

- A desirable and safe place to live:
  - We have attractive well-designed townships; and
  - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies.
  - Risks to public health are identified and appropriately managed.
- A place with essential infrastructure:
  - We have a strong emphasis on service delivery across all infrastructure including roads, footpaths, water (for drinking and development), wastewater, stormwater and solid waste)

Principles of HDC Procurement Policy:

- Value for money: selecting the best possible outcome for the total cost of ownership
- Transparency: being open in the administration of funds
- Accountability: ability to provide complete and accurate records of the use of public funds
- Fairness: acting reasonably and impartially to all parties involved in the procurement process

Objectives:

- To ensure purchasing is transparent, fair, consistent and lawful
- To achieve value for money in procurement activities
- To facilitate an efficient and effective approach to procurement

In order to provide this outcome, the Council procures:

- Professional services for studies, assessments and designs.
- Contractor services for maintenance and upgrades to its other existing infrastructure.
- Contractor services for construction of other new infrastructure.

## 2.3 Objectives And Outcomes for This Procurement Strategy

The Council's foremost primary infrastructure procurement objective is to:

*"Deliver Council's Infrastructure programmes on time and at best value for money".*

In addition, the Council requires transport procurement to achieve or contribute to the following outcomes:

- Council's transport infrastructure programmes and projects are aligned to the current LTP.
- Council processes that are timely, effective and deliver at an affordable cost of ownership.
- The procurement strategy supports and maintains safe Health & Safety practices at all times.
- Best value suppliers are participating in fair contestable processes to deliver Council projects and programmes.
- Council understands its supply market.
- Council supports the continuation and growth of local Small Medium Enterprises (SMEs) within the district through local sub-contractor engagement within the main contract. This includes education, training and mentorship from the main contractor for sub-contractor up-skilling.

## 2.4 Waka Kotahi Procurement Requirements and What They Mean For HDC

The procurement requirements are: Value for money, Competitive and efficient markets and Fair competition among suppliers.

The measures that the Council is taking to achieve these requirements are as outlined below:

### Value for money

- A robust asset management planning regime to identify an effective work plan and provide a whole-of-life approach to asset management.
- Use the most appropriate selection and engagement processes that suit the desired procurement and its level of risk.
- Successful delivery of works and services. The right outcome at the right time in the right place at the right price (within budget).
- Optimising asset life while meeting appropriate service levels.

Open and effective competition is the principal mechanism for achieving value for money. As the model demonstrates, effective competition is stimulated by the quality of specification, the transparency of the process and the quality of engagement with the supply markets



### Competitive and efficient markets

- Tender periods will be appropriate to ensure complete and comprehensive tenders are submitted.
- Clear specifications will be developed and engagement with the supply markets will be professional and transparent.
- The time between awarding of tenders and commencement is appropriate to enable suppliers to resource and programme with confidence.
- Contractors are aware of upcoming tenders and possible design options

### Fair competition among suppliers

- The Council will ensure that its forward works procurement programme is communicated to the market as soon as possible after it is finalised by the Council, allowing for early contractor/supplier engagement.
- The process for assessing and awarding contracts will be open, transparent, clear, logical and defensible.

## 2.5 Broader Outcomes

In October 2018, the Government recognised that it can better use its buying power to deliver improved social, economic, environmental and cultural outcomes (broader outcomes) for the benefit of all Aotearoa New Zealand. This meant leveraging a public sector agency's procurement function to incorporate broader outcomes to deliver long-term public value. This requirement has been captured in the Ministry of Business, Innovation and Employment (MBIE) Government procurement rules.

Waka Kotahi through this government policy looks to encourage broader outcomes through procurement.

It involves four target outcome areas that drive our strategic actions and establishes clear expectations for Waka Kotahi commercial activities, being:

- Environment & sustainability
- Māori business & tangata whenua
- Economic & employment
- Community & culture

As the broader outcomes programmes evolves, a more mature costing model to help support effective funding decision will be developed. Key to understanding this will be effective implementation, monitoring and reporting.

This strategy is the interface between the government policy and Council. It is not that the Broader Outcome approach is a requirement for Waka Kotahi but a recommendation for all AOs.

Well managed procurement of transport related works and services will contribute to Council's community outcomes and key transport objectives.

Council's Rooding Procurement Strategy (for Waka Kotahi subsidised work) will assist in achieving best value for money procurement. Quality procurement will assist with a healthy environment through ensuring sustainability is considered along with high standards of environmental protection when undertaking physical works.

An example already in place is the HDC commitment to the Government funded Mayors Taskforce for jobs and it works with local contractors and businesses to match youth with opportunities that can be created. Contractors also work with the Hurunui College gateway / work placements where

Year 12 and 13 students are offered the opportunity to try out potential careers and build relationships with employers.

The 21.03 Road Maintenance contract has specific KRA's around sustainability, including emission reduction, recycling initiatives,

A snip of the relevant Tender Evaluation Model Criteria follows:

<b>3. Sustainability and Broader Outcomes</b>	<b>5%</b>
<p><b>Minimum Standard:</b> To be considered further, Respondents shall show:</p> <ul style="list-style-type: none"> <li>• Evidence of waste minimisation processes and a commitment to reducing residual waste to landfill.</li> <li>• Evidence and commitment to recycling materials.</li> <li>• How they will report on energy use, material use, carbon footprint, water consumption and waste</li> <li>• Evidence that their organisation will have a positive economic footprint on the region. This includes contributing to the vibrancy and sustainability of the local economy, supporting job or market growth, as well as fostering opportunities for small and medium sized enterprises (SME's) including using local suppliers as sub-contractors.</li> </ul> <p><b>Added Value:</b> To achieve high evaluation scores, Respondents shall provide the following:</p> <ul style="list-style-type: none"> <li>• Describe how you will identify and implement opportunities to reduce energy and greenhouse gas emissions, increase uptake of recycled and alternative materials, reduce use of virgin and high carbon intensity materials, reduce water consumption and reduce waste.</li> <li>• Describe any relevant initiatives that will be applied to the Contract and detail how these initiatives will be monitored, measured and the outcomes reported.</li> <li>• Engagement of community groups to complete aspects of the Contract.</li> <li>• Promoting diversity, acceptance, inclusiveness and access for people of all abilities</li> <li>• Involvement / upskilling of unskilled labour, trades, graduates and / or apprentices throughout the Contract.</li> <li>• Involvement / upskilling of local community groups through the project.</li> <li>• Annual sponsorship of community projects.</li> <li>• Use of local products, resources, plant, people and materials.</li> </ul>	
<i>Sustainability and Broader Outcomes Summary</i>	
<b>Non – Price Attribute Summary</b>	<b>40%</b>

Tenderers were also required to provide a list of contract pledges, which included environmental and community benefits.

**PLEDGE REGISTER**

Tenderers shall provide a list of contract pledges as part of their submission, including indicative timeframes for execution (not included in page count). The TET will add any other perceived pledges or promises made in submissions to the Pledge Register. The successful tenderer will be held to account on the delivery of these pledges, as detailed in the Performance Management section of the Specification.



For other procurement for smaller jobs such as footpath repair and renewal, Broader Outcomes are considered, such as: quality of work completed, disruption to communities, communication with residents and businesses, standard of temporary traffic management, innovation / suggested alternative designs to fit the context of the site, flexibility and response times, use of local materials, recycling initiatives etc.

## 2.6 Health and Safety

HDC have a particular focus on Health & Safety and take our obligations as a PCBU under the Health & safety at Work Act very seriously. We will focus on this critical area of delivery, ensuring that Health & Safety requirements and targets are robustly addressed through our procurement process. Safety will be addressed as a priority throughout our Policies, Standards, Procedures and Guidelines, in order to target safe outcomes for our customers, communities, employees, partners and suppliers.

Ways we can achieve that includes:

- Pre-qualification using Waka Kotahi State Highway contract processes or our own
- Mandatory Pass / Fail for Health & Safety in each RFP
- Considering safety pre-design audits
- Managing safety through contract KPI's and audits

HDC procurement's approach to H&S is developed in alignment with the HDC H&S policies.

This enables HDC to prioritise good health and safety practices as a strategic objective in all of its procurements. Expected benefits will be:

- Enhanced organisational performance around the way we think about safety at all stages of the Procurement Lifecycle
- Collaboration and shared Safety goals between HDC and suppliers, along with clear roles and responsibilities
- Risk based early engagement with suppliers in the planning phase of procurement
- Clear understanding of where each of our processes interface across HDC teams and planned future work
- Harm reduction on HDC work sites and in our operations and wider community

Prioritising good health and safety practices as a strategic objective in procurement also makes good business sense. It delivers cost savings, enhanced organisational performance and long-term financial gain. Safety will be addressed as a strategic priority throughout Procurement's policies, standards, procedures and guidelines, to ensure safe outcomes for our customers, communities, employees, partners and suppliers.

### Safety in Design

Before initiating changes to our transport network, we consider what is the safe and appropriate methodology for completing the work, who the change could impact, how they may be affected. We consider not only the initial installation, but also the impact of the future maintenance needs, accessibility, what can be done mechanically to reduce human exposure. We modify designs to be fit for purpose, affordable (short and long term) and to utilise local resources where possible.

The key aim is to Safely perform activities, putting safety at the forefront, rather than performing things safely, where safety is the afterthought.

## 2.7 Other Relevant Factors

This document applies to the strategic approach the Council will take towards procurement of transport infrastructure services. It must however be read in conjunction with Council's Procurement Policy.

Where this strategy specifies an approach that is different to the approach set out in the Council's procurement policy, a specific procurement plan will be developed.

## 2.8 Other Influencing Documents:

Other documents that also influence this Strategy include:

- Council's Delegations Register
- Council's Long-Term Plan (LTP)
- Council's Annual Plan (AP)
- Council's Roading Asset Management Plan (AMP)
- Council's Infrastructure Strategy
- Council's Financial Strategy
- Council's District Plan
- Hurunui Road Safety Action Plan
- Regional Land Transport Strategy
- Government Policy Statement
- Local Government Act 2002
- Land Transport Management Act 2003
- Waka Kotahi's Procurement Manual
- NZ Government procurement rules

## 3 Procurement Programme

### 3.1 Procurement Programme

The Council delivers the majority of transport services through term service contracts for professional services, maintenance and operation works, renewal works and capital works. In addition to these contracts, the Council procures individual contracts for other capital works as and when required (e.g. low cost low risk LCLR works or emergency works).

The Council contracts external resources to undertake tasks and various activities that cannot efficiently or effectively be addressed by internal staff due to limitations around time, commitments or expertise. This may include providing specific analysis and advice such as modelling, surveying, structural assessments and valuations. Contracts are also established with education specialists from time to time to help spread messages publicly and encourage behaviour changes. This includes topical areas such as road safety.

The Council does not provide any ferry or bus services, or any form of public transport.

The following table provides the Council's Procurement programme from 2021 to 2024. All figures are presented in 2021 dollars, as set out in the approved and endorsed in the HDC Long Term Plan 2021.

The value of projects to be procured varies from year to year, dependent upon the term service duration and the Council endorsed and approved budget amounts (designed bill of quantities/schedule of prices).

Table 1. HDC Approved Works Programme 2021 – 2024

<b>Maintenance, Operations and Renewals: Standard Roads:</b>				
<b>WC</b>	<b>Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
111	Sealed pavement maintenance	992,687	991,997	992,000
112	Unsealed pavement maintenance	385,087	421,000	421,000
113	Routine drainage maintenance	312,832	265,000	265,000
114	Structures maintenance	1,016	65,000	65,000
124	Cycle path maintenance	0	5,000	4,000
125	Footpath maintenance	6,471	85,000	90,000
140	Minor events	137,373	100,000	100,000
	<b>Sub-total Maintain</b>	<b>1,835,466</b>	<b>1,932,997</b>	<b>1,937,000</b>
121	Environmental maintenance	595,487	575,000	575,000
122	Network service maintenance	210,554	268,000	262,000
131	Rail level crossing warning devices	8,867	7,000	7,000
151	Network and asset management	1,148,255	795,000	795,000
	<b>Sub-total Operate</b>	<b>1,963,163</b>	<b>1,645,000</b>	<b>1,639,000</b>
211	Unsealed road metalling	648,560	640,000	640,000
212	Sealed road resurfacing	1,008,623	1,300,000	1,300,000
213	Drainage renewals	285,329	160,000	160,000
214	Sealed road pavement rehabilitation	470,472	745,000	745,000
215	Structures component replacements	417,999	404,000	354,000
216	Bridge and structures renewals	0	230,000	0
222	Traffic services renewals	388,391	240,000	240,000
225	Footpath renewal	0	150,000	150,000
	<b>Sub-total Renew</b>	<b>3,219,374</b>	<b>3,869,000</b>	<b>3,589,000</b>
	<b>Total Local Road maintenance</b>	<b>7,018,003</b>	<b>7,446,997</b>	<b>7,165,000</b>
432	Safety promotion, education, advertising	69,750	88,250	79,000
	<b>Total Road to Zero</b>	<b>69,750</b>	<b>88,250</b>	<b>79,000</b>
<b>Maintenance, Operations and Renewals: SPR</b>				
<b>WC</b>	<b>Description</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
111	Sealed pavement maintenance	5,506	173,895	7,000
113	Routine drainage maintenance	12	21,000	21,000
114	Structures maintenance	16,816	18,700	18,700
	<b>Sub-total Maintain</b>	<b>22,334</b>	<b>213,595</b>	<b>46,700</b>
121	Environmental maintenance	18,421	82,500	82,500
151	Network and asset management	0	7,500	7,500
	<b>Sub-total Operate</b>	<b>18,421</b>	<b>90,000</b>	<b>90,000</b>
212	Sealed road resurfacing	0	64,000	19,000
213	Drainage renewals	0	4,000	4,000
215	Structures component replacements	0	8,000	16,000
222	Traffic services renewals	0	3,000	8,000
	<b>Sub-total Renew</b>	<b>0</b>	<b>79,000</b>	<b>47,000</b>
	<b>Total SPR road maintenance</b>	<b>40,755</b>	<b>382,595</b>	<b>183,700</b>
<b>Low Cost Low Risk: Activity Class</b>				
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	
	Local road improvements (SPR)	0	50,000	25,000
	Road to Zero	271,687	33,213	0
	Local road improvements	214,653	980,347	855,000
	<b>Total LCLR</b>	<b>486,340</b>	<b>1,063,560</b>	<b>880,000</b>
<b>Summary of Totals</b>				
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	
	<b>Total Local Road maintenance</b>	<b>7,018,003</b>	<b>7,446,997</b>	<b>7,165,000</b>
	<b>Total Road to Zero</b>	<b>69,750</b>	<b>88,250</b>	<b>79,000</b>
	<b>Total SPR road maintenance</b>	<b>40,755</b>	<b>382,595</b>	<b>183,700</b>
	<b>Total LCLR</b>	<b>486,340</b>	<b>1,063,560</b>	<b>880,000</b>
	<b>Grand Total</b>	<b>\$7,614,848</b>	<b>\$8,981,402</b>	<b>\$8,307,700</b>

Table 2. Transport Infrastructure Procurement Programme 2022-2026

This table shows existing contract durations and expected timing for new contracts.

Simplified Program	2022		2023				2024				2025			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Road Maintenance (5+2+2)	Year 1				Year 2				Year 3				Year 4	
Bridge repairs & renewals	Construction		Price		Construction		Design		Price		Construction			
Street Lighting - (3+1+1) Shared with WDC & WK	Year 3		Potential Rollover 1				Potential Rollover 2							
Street Lighting - new									Tender & Award		Year 1			
Bridge Professional services	Existing contract													
Bridge Professional services							Negotiate		New contract (3 years)					
Valuation Professional Services							New contract, every 3 years							
RAMM, Roughness, dTIMs, traffic counts etc.							New contracts, every 3 years (some monopoly providers)							

Table 3. Summarised procurement selection and tender methodology

Work type	Proposed RFT release date	Approx. Annual budget	Proposed delivery model	Proposed selection method	Price : Non-Price attributes	Duration (years)
Road Maintenance	November 2021	\$6,250,000	Staged	PQM	60:40	5+2+2
Lighting Maintenance	September 2024	\$550,000	Staged	PQM	70:30	3+1+1

Deviation from the Manual’s maximum term service contract (5 years engagement) is proposed due to the existing success with the current maintenance contract.

### 3.2 Identification Of Any Pending High-Risk or Unusual Procurement Activities

There are no identified pending high-risk or unusual procurement activities currently taking place or planned to take place in relation to HDC’s procurement strategy for transport infrastructure services prior to the review of this strategy in 3 years’ time.

## 4 Procurement Environment

### 4.1 Analysis Of Current Supplier Market

Table 4. Likely suppliers for Transport Activities

Activity	Potential Suppliers
Professional Services	WSP Opus, BECA, AECOM, Stantec
Physical works (Tiers are based on capability to deliver large scale projects)	Tier 1: Downer, Fulton Hogan, Higgins, HEB
	Tier 2: Corde, Isaac , NorWest Contracting, Civil and Land,
	Tier 3: Topp Contractors, Vaughan Campbell, Mt Lyford Contracting, Coughlan Contracting, North Canterbury Rutbusters, John Sheppard
Specialist works	MainPower, Hunter Civil, Reefton Crane, KiwiRail

Despite being a low value and spread-out network, we have good access to large and small contractors, servicing other networks and private customers nearby. There is good breadth of experience and usually sufficient capacity to meet our needs. The wide range of Tier 3 contractors are ideally located around the district to provide good Emergency Response across a widespread network.

### 4.2 Analysis Of The Impact Of The Procurement Programmes Of Other Approved Organisations And Other Entities

The following other organisations are procuring or may procure significant projects that may attract local suppliers interested in the Council's future transport infrastructure maintenance projects:

- Waka Kotahi New Zealand Transport Agency (Waka Kotahi)
- Kaikoura District Council (KDC)
- Waimakariri District Council (WDC)
- Christchurch City Council (CCC)
- Selwyn District Council (SDC)

The Council is mindful that the normal activities of Waka Kotahi, KDC, WDC, CCC and SDC, if all procured at the same time as this Council, could place undue pressure on the industry by creating work 'spikes' and thus reducing competition or tender box interest for individual contracts.

## 5 Approach To Delivering The Work Programme

### 5.1 Specific Strategic Objectives

The Council's primary transport infrastructure objective is to:

*"Deliver Council's Infrastructure programmes on time and at best value for money".*

This strategy has considered how to achieve best value for money through the procurement process. Through the consultation process, initiatives to ensure the on-time delivery of the programme have also been identified.

## 5.2 Procurement Approach

OBJECTIVE	ADDRESSED BY....
Council programmes and projects are aligned to the current three (3) year LTP	<ul style="list-style-type: none"> <li>programming updates of this strategy to take into account programme changes in the Long Term Plan and any other policy changes.</li> </ul>
Council processes are timely, effective and deliver at lowest cost of ownership	<ul style="list-style-type: none"> <li>helping remove questions about the way projects will be procured in the future and reduce the need to produce individual procurement strategies for projects that do not meet the Council's procurement policy.</li> <li>investigating and applying within each asset management plan and during project planning a whole-of-life analysis process.</li> </ul>
Best value suppliers are participating in contestable processes to deliver Council projects and programmes	<ul style="list-style-type: none"> <li>determining the value suppliers will bring to a project through attribute testing during the tendering process.</li> <li>using local professional consultants who have historically provided Council with valued advice and innovative considerations to achieve improved outcomes at the same or lower cost.</li> </ul>
Council understands the supply market	<ul style="list-style-type: none"> <li>conducting workshops with consultants and contractors, requesting and receiving feedback, and reviewing recently awarded contracts.</li> </ul>

## 5.3 Collaboration With Others

This strategy does not preclude the Council from entering into joint or shared procurement of services with relevant partners to enable shared services and deliver better value to the community. The Council already collaborates with other agencies/road controlling authorities for shared service agreements (e.g. current Lighting Contract shared with WDC) and continues to seek other opportunities for more efficiencies and cost-effectiveness in delivering our road maintenance and renewal services to the district.

Council works with other agencies such as Department of Conservation and Environment Canterbury on a wide range of activities, to improve efficiency and customer outcome.

## 5.4 Direct Appointments And Pre-Qualification Arrangements

The Council presently issues for tenders or negotiates with historic professional service providers under \$50,000 per annum. We do not have any pre-qualification systems in place at this time.

# 6 Implementation

## 6.1 Internal Capability And Capacity

The following people / positions are involved in Transport related activities.

- Roading Manager
- Roading Engineer
- Roading Technician
- Road Asset Management & Planning
- Roading Administration Officer (& TMC)
- Programme Management Manager (capital and renewals focus)

The May 2022 DRAFT Technical Audit highlighted the need to increase resourcing, especially in the areas of traffic management, auditing and data for contract management.



Following this, the role of the Roading Administration Officer became far more focused on TTM and they were officially noted as TMC. The new Road Maintenance Contract that commenced in July 2022 also has a much higher level of audit requirement, evidence (photos etc) for dispatches in claims and far more rigor for data management. HDC have also started using data improvement tools such as MAX Quality, to track errors and improvements in RAMM.

## 6.2 Internal Procurement Processes

The Council's procurement policy sets out how goods and services should be purchased by the Council. This policy has been developed with reference to the Auditor General's Procurement guidance for public entities (Controller and Auditor General, 2008).

## 6.3 Performance Measurement And Monitoring

The Council collects information on its procurement activities through the following methods:

- Contract reviews
- Maintenance of project files with all key information
- Discussions with suppliers
- Liaison with affected third parties
- Internal discussions between technical staff
- Customer and neighbour feedback during and after contract implementation

The present system obtains the information required by Waka Kotahi under Section 11 of the Procurement Manual and sufficient information to enable Council to monitor progress against its own procurement goals.

The Council will undertake regular reviews of the quality and quantity of information obtained, and the results of any audits, in order to ensure the Council is working towards meeting its goals and objectives.

## 6.4 Review Plan

### 6.4.1 Section 17A Review

Section 17A was inserted in the Local Government Act 2002 by an amendment in 2014. It requires every local authority to review all their services under the following conditions:

- When considering any significant change to service levels.
- Within 2 years of the expiry of a contract to deliver any service.
- At least every 6 years.

The most recent review was completed in October 2021. The next review will be due late 2027 (within 6 years) or earlier if HDC consider changing levels of service significantly

Strategy Reviews or updates will be made when there is any significant change to the strategic direction the Council wishes to take toward the procurement of services, or every three years, whichever comes first.

Generally, this strategy should be updated at least every three years to ensure that the procurement processes are consistent with the objectives of the Council LTP.

## 6.5 Communication Plan

The updated Strategy will be uploaded onto our website, to make it publicly accessible.