



Queenstown Lakes District Council

Procurement Plan

3 Waters District-wide Operations & Maintenance Contract 2027 C-25-169

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Prepared by:	Paul Rogers– Andrew Hart
Position / title:	Procurement Advisor (external) + 3 Waters Operations and Contracts Manager
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Acronyms

The following acronyms are used in this document.

Acronym	Term
LTP	Long Term Plan
QLDC	Queenstown Lakes District Council
RFT	Request For Tender
TET	Tender Evaluation Team

Approvals

Reviewed

Name:	Simon Mason	
Position/title:	Infrastructure Operations Manager	
Signature:		Date: -2025

Endorsed

Name:	Alison Tomlinson	
Position/title:	Strategic Asset Manager	
Signature:		Date: -2025

Name:	Pamela Parker	
Position/title:	Procurement Manager	
Signature:		Date: -2025

Name:	Tony Avery	
Position/title:	Property and Infrastructure General Manager	
Signature:		Date: -2025

Name:		
Position/title:	CEO	
Signature:		Date: -2025

1. Background

1.1 WHAT WE ARE BUYING AND WHY

Queenstown Lakes District Council (QLDC) owns and maintains a three Waters Infrastructure network which supplies water, wastewater and stormwater services to connected properties within the district.

The Drinking Water network consists of twelve water supply schemes supplying around 80% of the dwellings in the district (Arrowtown, Arthurs Point, Cardrona, Glenorchy, Lake Hawea, Lake Hayes, Luggate, Queenstown, Shotover Country, Corbridge, Wanaka and Wanaka Airport). These schemes comprise of a total of approx. 710 km of reticulation pipework, 15 treatment plants and 41 pumping stations.

Currently QLDC provides wastewater reticulation to around 86% of the dwellings in the district, discharging to four treatment plants in Queenstown, Wānaka, Lake Hāwea and Cardrona. The serviced areas include: Arrowtown, Arthurs Point, Cardrona, Glenorchy, Lake Hāwea, Lake Hayes, Luggate, Queenstown, Shotover Country, Wanaka and Wanaka-Project Pure. The wastewater conveyance network includes approx. 560 km of pipework and 74 pump stations.

QLDC maintain public reticulated stormwater systems throughout the district, the serviced areas include: Albert Town, Arrowtown, Arthurs Point, Cardrona, Glenorchy, Lake Hawea, Lake Hayes, Luggate, Queenstown, Shotover Country and Wanaka. The stormwater network is made up of 541 km of pipes and open channels. The collected stormwater travels through the stormwater system eventually discharging (currently untreated) into the receiving environment (i.e. water or land).

Maintenance of the three Waters Infrastructure network is one of QLDC's largest annual operational expenditures. It is therefore critical that the district obtains value for money in the procurement of these maintenance services.

The Contractor will be an integral part of Council's Operations and Maintenance team driven by a common culture that seeks to optimise the performance of the networks whilst delivering exceptional customer service. The Contractor will have general management, maintenance and operational responsibilities for the treatment plants and network and a defined level of "ownership" of the performance of the system holistically.

Accordingly Council wishes to enter into a long term, collaborative arrangement with a contractor(s) to ensure the continued delivery of reliable water services to the district. Through this Contract QLDC is looking to sustain and ideally enhance current levels of service, improve our asset data quality, maintain (or improve where necessary) asset condition, while ensuring value for money for the services provided. These objectives will be provided for through the operations and maintenance contract described in this RFT.

The intended contract is a 5+3+3 year contract commencing 1 July 2027. The first five-year period ends on 30 June 2032.

It is the Council's intent to procure the services of a maintenance contractor who can deliver against the objectives and principles described below:

1. Quick response – Respond within the stated timeframes - the sooner the better.
2. Maintain standards – Compliance of Contractor's staff with the Council's Customer Service Standards and related documents.
3. Programme maintenance repairs in a way that reflects available budget and desirable level of service.
4. No surprises – keeping customers, including Council's Contact Centre informed.
5. Do it in one visit – One visit is preferable to two i.e. if it can be fixed at the time the fault is discovered then fix it, rather than write a report recommending and seeking approval for fixing.
6. Avoid repeat visits – Caused by matters not attended to properly on the first visit e.g. repeat wastewater blockages or overflows.
7. Value for Money – Manage costs and activities to deliver value for money
8. Promote the Council's statutory objectives including Local Water Done Well reform, Te Mana o te Wai hierarchy, and the Water Services Act 2021
9. Promote its goals of providing a safe, efficient, compliant and sustainable network, minimising costs and maintaining user satisfaction with the network.
10. Carry out all work to the specifications contained within the Contract.
11. Promote a proactive and cooperative work environment between the Council and Contractor's staff – foster and enable the 'One Team' culture.
12. Be the public face of the Council in dealing with the ratepayers and general public.
13. Provide effective input to ensure the Forward Works Programme and Maintenance Intervention Strategies on-going development so the work completed under the Contract addresses the network's needs in a way that achieves public safety, and value for money.
14. Implement strategies pro-actively to enable the effective management of risks and the timely completion of the Contract Works.
15. Demonstrate an innovative culture which results in enhanced performance and achieves cost savings across the life of the contract whilst appropriately managing risk.

Recently, as part of the current government's 'Local Water Done Well' programme, QLDC has made the decision to establish a Water Services Council Controlled Organisation (WSCCO), to which QLDC will transfer its obligations around the provision of water services (including the ownership of the associated assets). At this stage the new WSCCO is intended to be stood up within the next 24 months, accordingly the procurement of this key contract will run in parallel. As a consequence, suitable clauses around novation of the proposed contract will be a key consideration in the drafting of the contract.

As a guide, 3 Waters maintenance budgets available for the activities contemplated by the procurement plan for the current financial year (FY25/26) are \$12.02M (opex) and \$7.24M (capex renewals). QLDC does not currently see itself delivering 100% of the available renewals budget through the contract but intends to explore options through this procurement exercise.

Our procurement workflow overview comprises:



2. Requirements and costs

2.1 OUR REQUIREMENTS

Contract objectives

The objectives of this Contract are to ensure that:

- The Councils drinking water, stormwater and wastewater systems comprising the Assets are managed and operated in compliance with the requirements of Resource Consents, the New Zealand Drinking Water Quality Assurance Rules, QLDC Water Safety Plans, and the QLDC's Operation and Maintenance (O&M) manuals.
- The levels of service and key performance indicator target levels as specified in the Contract Documents are achieved
- The condition of the Councils drinking water, stormwater and wastewater assets are maintained as specified in the contract throughout the contract term
- The operation and maintenance of the Councils drinking water, stormwater and wastewater services are delivered safely and in a cost effective manner
- Drinking water, stormwater and wastewater services are provided reliably in the District
- Requests for Service, as defined in these Specifications and incidents are responded to and resolved promptly.
- A high standard of customer care is provided

This Contract is for the management, operation and maintenance of the District's water, wastewater and stormwater utilities services and includes the following key requirements:

- Achieve Resource Consent requirements
- Ensure compliance with the Drinking Water Quality Assurance Rules
- Protect the health and safety of the community
- Protect the environment
- Provide services to the community and communicate on its delivery within the Request for Service (RFS) system
- Gather, store and report on condition of services to improve the Principal's knowledge of the Assets
- Ensure the Assets are protected and appropriately maintained
- Provide early warnings of potential unbudgeted expenditure
- Effectively identify and manage risks associated with the Assets
- Ensure the reliability of the utility services is maintained and enhanced
- Ensure the management, operation and maintenance of the utility services is in accordance with all Statutes, Acts, Regulations, Bylaws, Standards and Codes.
- Support the Principal's reporting and compliance obligations (incl. Department of Internal Affairs, Taumata Arowai, Commerce Commission, Council).

This planned approach requires the Contractor to:

- Implement an Asset inspection schedule to assess condition and detect the first signs of distress before this initial distress becomes significant or before the distress results in failure, introducing risks to people or the environment, jeopardising compliance, or causing inconvenience to users and complaints
- Undertake a robust programme of preventative maintenance measures to maintain the Assets in sound working order in accordance with O&M manuals and industry best practice
- Effectively plan and programme corrective maintenance activities based on data collected through asset inspections
- Record, report and integrate all information associated with Asset interactions with the Principal's AMS and financial system.

The Contractor shall dedicate the necessary Plant, Labour and Materials to enable the timely and efficient performance of the Contract Works so that:

- It meets or exceeds the Principal's target levels of service
- The high performance of the Contractor's operations and the standards of work are such that praise is regularly received by the Principal from customers and the high standard of service is shown to be making continuing improvement.

The current delivery of three waters O&M services is via a single comprehensive contract (with the exception of the Cardrona water and wastewater facilities which are operated discretely on the back of Design, Build and Operate contracts). Across the country different approaches are taken for service delivery, with some Councils electing to deliver some or all services 'in-house', others delivering treatment services only through in house teams, and some contracting all services through one or multiple contracts.

With an increase in both the complexity of treatment technologies and compliance obligations increasing, attracting and retaining skilled, experienced operators has become a key industry challenge. The skillset required for treatment operators is quite different to that required for reactive maintenance on the reticulation network, and as a result there are now contractors (such as Trility) who are focused on treatment plant operations.

Central Otago District Council is an example of where this delineation through two separate suppliers has recently occurred. The CODC rationale for the separation of assets classes was:

- Increase accessibility for second tier contractors to bid, given the contracts were of lower value and for a narrower scope. i.e. the reticulation contract wouldn't require specialised knowledge and expertise of complex treatment practices.
- Increase likelihood of high quality outcomes and improved level of service through the specific focus of each contract and the ability for contractors that specialise in either field to bid.

In response to the CODC tender, two contracts have been awarded to separate contractors. Fulton Hogan (the previous incumbent) was successful with the reticulation component, and Trility (an Australian contracting company specializing in treatment) winning the treatment contract.

Any staffing challenges experienced for the facilities/ treatment contract have been mostly due to the incumbent operators being redistributed within their existing business and not joining up with the new contractor, however they have still managed to attract the required staff levels and skill/ qualifications required.

2.2 KEY DATES

The existing contract expires 30 June 2027, as such we require the contract to commence by 1 July 2027.

It is estimated that the sourcing of the supplier and contract negotiations will take six months and require a minimum lead time of nine months prior to commencement.

This means that the RFT must be initiated by March 2026.

That requires that all tender documentation is ready by February 2026.

In parallel, QLDC will be establishing the new WSCCO, which is anticipated to be operational 1 July 2027.

2.3 ESTIMATED COSTS

The table below provides the estimated budget to deliver the 3 Waters O&M Maintenance Services. As the contract spans LTP periods with plans not yet adopted, it is anticipated that the value will be amended over time to account for cost fluctuations and district growth.

Both of these aspects will be managed under established mechanisms aligned to industry within the existing contract and will feature in the proposed contract, with refinements made where identified. For example, cost fluctuations are managed in accordance with the NZS 3917 Form of Agreement, and network growth is accounted for through annual updates to the schedule of quantities accounting for adjustments to preventative maintenance activities associated with new assets.

The total estimated budget for the full potential 11 years (5 + 3 + 3) term is reflected in the table below. The Capex estimate is based on assumption that non more than \$5M will be spent through the future contract per annum. These figures are unadjusted for inflation or growth, and as a result future budget costs the anticipated whole of life cost of the contract will be higher than shown:

Opex	\$134,200,000
Capex	\$55,000,000
Total	\$184,200,000

3. Market analysis

The national supply market for 3 Waters O&M Maintenance Services is strong. Within the Central Otago region, there are five established Tier One Suppliers:

1. Veolia Water (Incumbent Supplier)
2. Fulton Hogan
3. Downer (roading contracts only locally)
4. City Care (via APEX)
5. Triligy (specialist water and waste treatment)

The market can be described as:

- A market with high entry costs for new suppliers
- A market with some tier 1 and several tier 2 suppliers competing for infrastructure projects and maintenance works for a variety of Principals including Central Otago District Council, Southland District Council, Utility firms and Private developers
- There are external factors for tendering including a flat economy nationally but moderately strong locally.
- There are several tier 1 and 2 suppliers in the South Island market who may consider this opportunity either as a main contractor or in partnership with others. The table below provides an overview of potential suppliers:

Known suppliers	Capability and Track Record. Contracts held -
Veolia Limited	<ul style="list-style-type: none"> • Current QLDC 3 W O&M maintenance contractor. • Papakura 3 W O&M Water Service Contract (Auckland region) • Wanganui District Water Network Maintenance • Wellington Region Wastewater Treatment Maintenance
Fulton Hogan Limited	<ul style="list-style-type: none"> • CODC 3 Waters Network Maintenance Contract . • Wellington Water – Network Maintenance Alliance • Wairoa District Council 3 W O&M • Hastings District Council 3 W O&M
Triligy	<ul style="list-style-type: none"> • CODC 2 Waters Treatment Maintenance Contract • 2 Waters O&M maintenance for Rotorua DC, Hawkes Bay DHB, and Mangawhai Community Wastewater Scheme.
City Care Water Limited	<ul style="list-style-type: none"> • Christchurch City Council 3 Waters Network Maintenance Contract, • New Plymouth District Council 3 Waters Network Maintenance Contract, • Stratford District Council 3 Waters Network Maintenance Contract, • Timaru District Council 3 Waters Network Maintenance Contract,
HEB Construction Limited	<ul style="list-style-type: none"> • Hamilton – 3 Waters Maintenance Renewal • Selwyn – 3 Waters Maintenance Renewal
CORDE Limited	<ul style="list-style-type: none"> • Selwyn District Council Water Services Maintenance Contract • Waimakariri District Council 3 Waters Network Maintenance Contract, • Christchurch City Council – Three Waters Physical Works Panel

Downer	<ul style="list-style-type: none"> • Christchurch City Council – Three Waters Physical Works Panel • Tauranga City Council & Western Bay of Plenty DC 3 Waters Network Maintenance Contract, • Southland DC 3 Waters Network Maintenance Contract • Tasman District Council 3 Waters Network Maintenance Contract, • Auckland Council (Watercare) – North/West Auckland 3 Waters Network Maintenance Contract
Other known suppliers in the South Island, capable of delivering these services in part of full	<ul style="list-style-type: none"> • McConnell Dowell • SJ Allen

4. Key stakeholders

The key internal and external stakeholders are set out below.

Role	Role Description	Name and Position
Responsible	The person or people responsible for undertaking the procurement.	Andrew Hart
Accountable	The person or people who have authority to make decisions and are accountable for the outcomes.	Simon Mason Tony Avery
Supportive	The person or people who do the real work.	Paul Rogers Sonia Day Jason Thorburn Sam Saju Sa
Consulted	The person or people who need to be consulted to review documentation, provide feedback, add value or get “buy-in”	Future WSCCO Establishment team Strategic Asset management (SAM) Team Three Water Operations & Compliance Teams Ben Greenwood (QLDC Rooding)
Informed	The person, people or group, groups that need to be kept informed of key actions and results but are not involved in decision-making or delivery.	Councilors

4.1 COMMUNICATIONS

The QLDC will communicate with internal stakeholders through team briefings on procurement progress, final outcomes and project support needs.

5. Tendering process

5.1 TYPE OF TENDER

The recommended approach to the market is a one-step 'Request for Tender process to open market. An advance notice would also be issued on GETS to build supplier interest and encourage readiness to bid.

This approach to market fits with the Councils procurement policies, the Government Procurement Rules, and the New Zealand Government's procurement principles.

5.2 EVALUATION TEAM

A cross-functional team will be involved in the evaluation of proposals and recommending the preferred supplier.

TET members

Role	Name	Organisation
Chair / Facilitator of the Evaluation Panel	Paul Rogers	Spire Consulting
Probity Advisor	External Probity Advisor	TBC
Voting Member	Andrew Hart	QLDC
Voting Member	Simon Mason	QLDC
Voting Member	Alison Tomlinson	QLDC
Voting Member	SME	(External advisor)

5.3 PROPOSED TIMELINE

The proposed timeline for the procurement is as follows. Please note that this example is based on a one-step open tender.

Action	Indicative date
Pre-procurement	
Procurement plan approval Council Workshop – 19 August 2025 (papers due 8/08) Council Meeting – 4 September 2025 (papers due 31/07)	4 September 2025 Full Council Meeting
Advance notice published on GETS (NOI)	January 2026
RFT documents approved	February 2026
Action	Indicative date
RFT	
Panel confidentiality & conflict of interest declarations signed	April 2026
RFT advertised on GETS	By end March 2026
Q&A individual interactive sessions	May 2026
Last date for respondent questions	June 2026
RFT closing date	June 2026
RFT Administrative Compliance review	June 2026
Evaluation Panel Briefing	July 2026
Evaluation	
Evaluation panel – individual evaluations	July 2026
Evaluation panel meets	July 2026
Supplier presentations	July 2026
Post evaluation clarifications and negotiations	July 2026
Final panel meeting	August 2026
Procurement recommendation to CEO	August 2026
Contract award	September 2026
Post-Evaluation	
Contract signing	By 31 October 2026
Contract start date	1 July 2027
Unsuccessful Respondents notified	Post contract execution
Respondent debriefs	Within 60 days of contract execution

6. Evaluation methodology

6.1 EVALUATION METHOD

- The evaluation model to be used is the standard weighted attribute model.
- Price will be a weighted criterion.
- A two-envelope process will be used, and respondents pricing will only be opened once the non-price criterion scoring is completed.
- TET members will be provided with an opportunity to adjust their non-price scores once the interactives have been completed.

6.2 EVALUATION CRITERIA AND WEIGHTINGS

This plan outlines procurement risks that can be generally mitigated by incorporating a set of fact-based eliminator or pre-condition questions, alongside scored non-priced attributes. Key requirements relating to insurance, safety, quality, and environmental performance are outlined below, and will be supplemented by any contract-specific pre-conditions identified during the development of the Tender Documentation.

Preconditions

1.	Must hold public liability insurance of at least \$10,000,000. Must hold professional indemnity insurance of at least \$2,000,000.	All
2.	Must accept all Council's RFT and Agreement Terms and Conditions.	All
3.	The respondent has SiteWise Green accreditation or a health and safety pre-qualification of equal or higher standard, approved by QLDC.	All
4.	ISO 14001 environmental management system and / or Toitu accreditation	All
5.	ISO 9001 quality management system	All

Having met all the preconditions qualifying bids will be evaluated on their merits using the following evaluation criteria and weightings.

A summary of the draft criterion weightings is provided below. The detailed evaluation criteria will be finalised during the development of the Tender Documentation.

Evaluation criteria	Weighting	Rationale
Relevant Experience and Track Record	20%	This attribute requires the Respondents to comprehensively demonstrate their relevant experience and track record in order to reduce the risk of inexperienced contractors being appointed to the contract without unduly precluding new players.
Relevant Skills and resources	20%	This attribute requires the Respondents to comprehensively demonstrate the key personnel the Respondent proposes to use to

Evaluation criteria	Weighting	Rationale
		deliver the Contract in terms of each individual's technical skills, management skills, experience and track record, and the company's available construction plant and equipment, relevant to the Contract Works, in order to reduce the risk of inexperienced contractors being appointed to the contract without unduly precluding new players.
Methodology	20%	In order to help ensure successful delivery of the Contract Works, this attribute allows evaluation of the Respondents' proposals for how they will ensure the objectives of the Contract are achieved and where the contractor is able to add value to the Council's operations.
Broader outcomes	10%	Assesses suppliers' practices around factors such as employment and training opportunities for all New Zealanders, payment of living wage, reducing emissions and waste.
Price	30%	In order to encourage sustainable tendered Contract Prices whilst still encouraging value-for-money via competitive tension, the weighting takes a 30% of the total weighting.

The evaluation panel will apply the following rating scale to assess suppliers' bids against the criteria. An anchored scale will also be developed to further define the specific characteristics of Non-price attribute responses that correspond to each scoring range.

Scoring in increments of 5 applies.

- A score of less than 40 for one attribute may exclude the respondent (at the discretion of the TET) from appointment.

90, 95 or 100	Demonstrates exceptional compliance or ability to convey exceptional provision of the requirement
75, 80 or 85	Requirements are fully covered in all material aspects
60, 65 or 70	Requirements are adequately covered
50 or 55	Adequate, with some deficiencies that are not likely to have any adverse effect
40 or 45	Barely adequate and would need considerable improvement in this attribute, if selected
35 or less	Total non-compliance or inability to convey provision of the requirement

Tender evaluation

- The first evaluation team meeting will be scheduled for two weeks following the RFT close date.
- The TET chair or their nominee, along with a subject matter expert, will contact and undertake checks with the relevant referees.
- All reference checks shall be recorded in writing, and information provided to the TET. If, despite negative information the decision is to proceed with the Respondent then the negative information will be noted, and discussion included in the proposal recommendation report to the Council for award of contract.
- All TET members will attend the meeting. Notes from discussions will be taken by the Administrator for feedback following the proposal process.
- The meeting will be held in person, if possible, but maybe via videoconference.
- At the Evaluation Team Meeting any tags and assumptions will be reviewed by the TET. The team will also discuss if they have any queries regarding the content of proposals submitted. The Proposal Administrator shall, if requested by the TET, then seek clarification or removal of any tags and assumptions and confirmation of this in writing from the respective respondent.
- The evaluation shall consist of scoring each of the non-price attributes against criteria outlined in in the Evaluation Table. Each attribute shall be scored on a scale of 0 to 100.
- A summary of the TET's collective views on the key reasons for the Respondents' score for each of the attributes will be recorded.
- The mark for the evaluation of each proposal attribute will be reached by an agreed average or moderation of individual scores.

Respondent Presentations

- The TET is permitted to seek clarifications from participants as part of the evaluation process, if necessary, to obtain clarification of the proposal and confirm attribute scores.
- One set of clarification questions, covering all services to which their proposal relates, will be sent per participant.
- To assist the TET in their marking and to seek clarifications on the proposals, Respondents will be required to give a presentation of their submission. The Respondent shall also introduce key contract personnel. One presentation will be made per Respondent covering all relevant services.
- The maximum presentation time is 1.5 hours per Respondent including questions asked by the TET.
- It is proposed that presentations will take place in person where possible but may be held via video conference.
- Respondents will be given 5 days' notice of their allocated time.

- The non-price scores are to be finalised by the TET following the presentations, a review of the clarification responses, and any due diligence undertaken on suppliers; including additional checks for financial stability or health and safety management.

6.3 CONFLICTS OF INTEREST

Respondents will be required to declare any actual or perceived conflicts of interest and their proposed management of the conflict. The probity officer for the procurement (to be advised in the RFT) will be responsible for reviewing the conflicts in the first instance. If a conflict is deemed to be unacceptable this will constitute a 'fail', however the ability to discuss the conflict with the respondent will be retained.

6.4 DUE DILIGENCE

The following verification matrix will be used as part of the evaluation and due diligence process. The table shows how elements of the criteria will be verified by the panel.

Verification table

Evaluation and due diligence options	Criteria		
	Fit for purpose	Ability to deliver	Value for money
Written offer/Proposal documents	✓	✓	✓
Buyer clarifications of offer	✓	✓	✓
Reference checks	✓	✓	✓
Financial checks		✓	
Presentations	✓	✓	✓
Accepts proposed contract conditions	✓		

7. Contract type

QLDC is actively reviewing lessons learned and future opportunities arising from the current parks and roading maintenance contracts as well as the features of the current 3 Waters contract, including engagement with the incumbent contractor and other stakeholders.

As part of this process, a Section 17A review under the Local Government Act has been undertaken, specifically in reference to Section 17A(2)(c) for a review of the cost-effectiveness of current arrangements for delivering local infrastructure, public services, and regulatory functions. Specifically, it outlines that a local authority is not required to undertake a review in relation to governance, funding, and delivery if responsibility is delegated to a joint committee or other shared arrangement (where this work is undertaken as part of the Local Water done well review), and delivery is exercised by an entity or person listed in section 17A(2)(b)(i) to (iv).

This review confirms that QLDC will require its own dedicated 3 Waters O&M maintenance contract. Central Otago District Council (CODC) has recently renewed its Three Waters O&M maintenance contract (2024), and the Southland District Council (SDC) contract was awarded in 2023.

QLDC's intention is to develop a contract consisting of two separable portions - one focused on Treatment/Facilities and specialist activities, and the other focused on the reticulated network. The benefits of this approach are described below:

- Enable accessibility for broader range of contractors, helping to encourage competition and innovation
- Promotes a focus on high caliber treatment skills
- Does not preclude a holistic response from a single contractor and the economies of scale enabled through this approach

The delineation of scope between the separable portions will be finalised in conjunction with the newly appointed SME prior to approaching the market in March 2026.

The preferred form is a Traditional contract, based on NZS3917:2013, which allocates risk and responsibilities and has price certainty for the Council via a schedule of prices. The overall operational expenditure is managed and capped via a Target Cost, while the Capex is provisional and will be awarded based on tender submissions, performance and Council budgets set through the LTP.

The recommended contract term is five years, with two potential three year extensions. An initial term of five years allows for certainty of a return on investment required for the contract establishment reducing risk for responders and helping to attract greater market interest and competitive pricing, while the 3-year potential extensions provide efficiencies from long term relationships and network knowledge.

From some early market sounding it is understood that longer contract terms will lead to greater market interest with stronger competitive pricing. A longer term provides greater surety to contractors in regard to making commitments (such as hiring permanent staff, investing in depots, investing in medium to large scale plant and equipment and solid commitment to sub-contractors, and a longer term over which to depreciate required plant and equipment). Adaptive mechanisms within the contract will be developed to deal with innovation, evolving technology/practices, updated regulations/legislation and cost escalations over the contract term.

The final three year extension ensures sufficient time for Council to update and refresh their procurement approach for the next contract. It also supports the incumbent to remain fully engaged with purpose and impact for a strong final period.

8. Risk management

Key procurement risks and their mitigation actions are noted in the following table. Overall, this procurement is of high value with medium risk. Key risks have been assessed against the risk

framework detailed at *Appendix 2*. They have been assessed on the basis of likelihood (L) and consequence (C).

Risk to procurement process	Likelihood	Impact	Rating
Understatement / Overstatement of need	Possible	Moderate	High
Misinterpretation of need	Possible	Moderate	High
Accuracy of Spend Data	Likely	Moderate	High
Accuracy of Asset Data	Likely	Moderate	High
Timeframe is not sufficient	Likely	Major	Very High
Likelihood of Probity Issues	Very Unlikely	Moderate	Medium
Specification Undefined	Possible	Major	High
Specification Bias	Very Unlikely	Minor	Low
Limited Capable Suppliers in Market	Very Unlikely	Minor	Low
Potential for Challenge	Unlikely	Moderate	Medium

How will the Procurement Process Risk be mitigated?

Risk to procurement process	Mitigation	Residual rating
Understatement / Overstatement of need	Review Specifications to ensure that they are conducive to achieving the LTP requirements	Medium
Misinterpretation of need	Review Specifications to ensure that they accurately represent the LTP requirements	Medium
Accuracy of Spend Data	Use multiple sources of information and cross references.	Medium
Accuracy of Asset Data	Recommend to the BU that they ensure business processes are in place to optimise asset data to facilitate the maintenance.	Medium
Timeframe is not sufficient	The critical path of the sourcing timeline is the sign off of the Procurement Plan, to allow for sufficient time to develop the tender documentation, and to allow sufficient time to source a supplier and for them to mobilise and integrate. Officers will need to prepare the Procurement Plan and signal its inclusion on the corporate map so that it may be presented to a Full Council meeting within the required timelines.	Medium
Likelihood of Probity Issues	Use an independent external Probity Auditor.	Low
Specification Undefined	Review Specifications to ensure that they are conducive to achieving the requirements	Medium
Specification Bias	Review Specifications to ensure that they don't unduly preclude capable contractors.	Low

Limited Capable Suppliers in Market	Market analysis indicates a healthy supplier market. Engage with suppliers through the process to maximise market interest.	Low
Potential for Challenge	Follow QLDC Procurement Policy	Low

9. Probity management

It is essential that the agency demonstrates ethics and integrity in its procurements. This means:

- Acting fairly, impartially, and with integrity
- Being accountable and transparent
- Being trustworthy and acting lawfully
- Managing conflicts of interest
- Protecting the supplier's commercially sensitive and confidential information.

Probity in this procurement will be managed by:

- Ensuring compliance with the Councils code of conduct
- Ensuring that financial authority for the procurement is approved before proceeding to tender
- Engaging an external probity auditor to oversee the procurement
- Ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest
- Identifying and effectively managing all conflicts of interest
- Ensuring that all bids are opened at the same time and witnessed
- Treating all suppliers equally and fairly
- Providing each supplier with a comprehensive debrief at the end of the tender process

10. Contract delivery

The responsibility for managing delivery under the contract and supplier relationship management will pass to the 3 Waters Operations and Contracts Manager on the signing of the contract(s). This person will develop a contract and relationship management plan in consultation with the successful supplier.

It is anticipated that the contracting relationship will be made directly with the WSCCO. However, should this not be possible the contract will novate as promptly as possible in accordance with the Transfer Agreement and Conditions of Contract (both of which are yet to be prepared).

Appendix 1: Proposed contract terms and conditions

The proposed form of Contract is Council's NZS 3917 Term Services Maintenance Contract (to be drafted)

Appendix 2: Risk register

Diagram: Risk analysis framework

	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Very High	Very High
Likely	Medium	Medium	High	Very High	Very High
Possible	Low	Medium	High	High	Very High
Unlikely	Low	Low	Medium	High	High
Very Unlikely	Low	Low	Medium	Medium	High