

Item 1: Roding Contract Procurement

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

The purpose of this workshop is to present the contract renewal framework, outline the areas for consideration, and seek the Committee’s feedback which can be accounted for within the procurement plan and subsequent documentation.

DATE/TIME:

Thursday 1 May 2025 at 9.30am

TIME BREAKDOWN:

Presentation: 30 minutes
Questions/Discussion: 15 minutes

Prepared by:	Reviewed and Authorised by:
Name: Ben Greenwood Title: Roding Operations and Contracts Manager 25 March 2025	Name: Tony Avery Title: General Manager – Property & Infrastructure 1 April 2025

ATTACHMENTS:

A	Presentation slides
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QLDC's next Road Maintenance Contract

The steps for procurement and development of the tender
documentation for the next contract

Purpose

- > To inform, and seek comment from the Infrastructure Committee, so feedback can be accounted for prior to taking the Procurement Plan to Full Council



Current Contract

- > Contract (CT16-007). Term 4.5 + 3 + 3.
- > Supplier Downer NZ.
- > Commenced in September 2016.
- > Expires 30 March 2027.
- > Both extensions contemplated under the contract have already been awarded, necessitating a new contract to be let.
- > 480km sealed roads, 350km unsealed roads, 97 bridges.
- > Includes maintenance of most council above-ground assets within the road reserve, inspections, programming, some data management, emergency response, winter maintenance, minor renewals.
- > Excludes reseals, rehabilitations, lighting.
- > Spend approx. \$5m target cost, \$3m provisional sums, \$3m renewals

Current Contract Model

- > Current contract is NZS 3917:2013
- > Contract model is a hybrid between traditional scheduled unit rate work and performance/outcome based Lump Sums
- > Target cost creates a budget ceiling requiring works to be delivered according to relative priority
- > Model has proven successful, delivering robust contractor inspection and programming (with QLDC review) of work, but also encouraging some innovation through the 'Performance' based aspects and providing the contractor to inform work selection.
- > Approx \$3m in renewals is included as provisional scope, encouraging good performance

Strategic Alignment

- > Supports a core function of Council of maintaining levels of service
- > Community outcomes and wellbeing outcomes in strategic framework
- > QLDC's Land Transport Asset Management Plan
- > QLDC's NZTA approved procurement strategy
- > Sustainability and emissions reduction – opportunity
- > From the QLDC AMP:

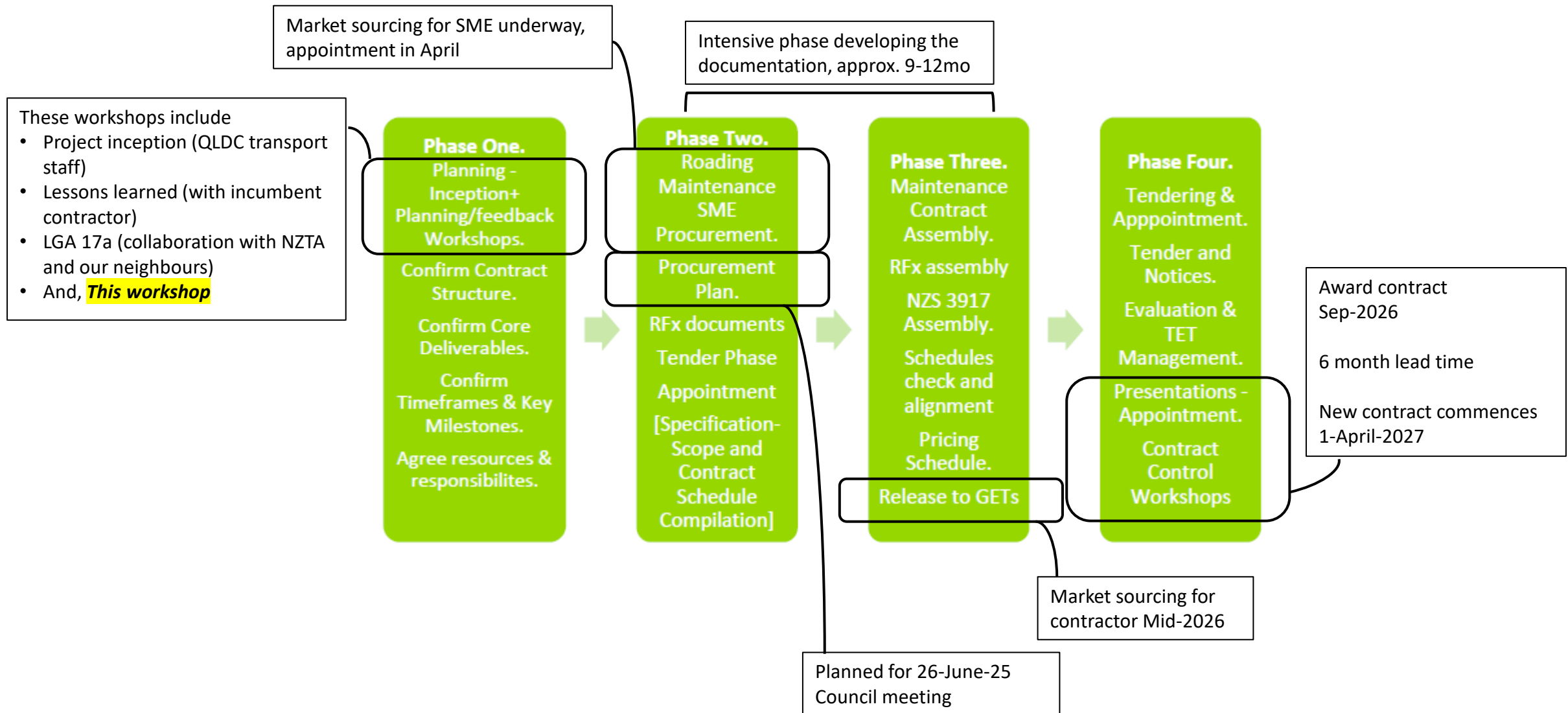
2.3. IMPROVEMENT ACTIONS – EFFICIENTLY AND EFFECTIVELY PROCURE AND MANAGE



Improvement Actions – Efficiently and Effectively Procure and Manage

- Continue to embed QLDC Procurement strategy and policy into BAU and upskill P&I staff.
- Prepare for next Road Maintenance contract.
- Update NZTA Waka Kotahi procurement strategy and undertake Section 17a Review prior to next maintenance contract renewal.
- Work with NZTA Waka Kotahi Aspiring Highways to get a joint contractual solution to manage the district's traffic signals.

Scope of work and timeline



Delivery models

> NZTA charts on delivery models, and where we currently sit

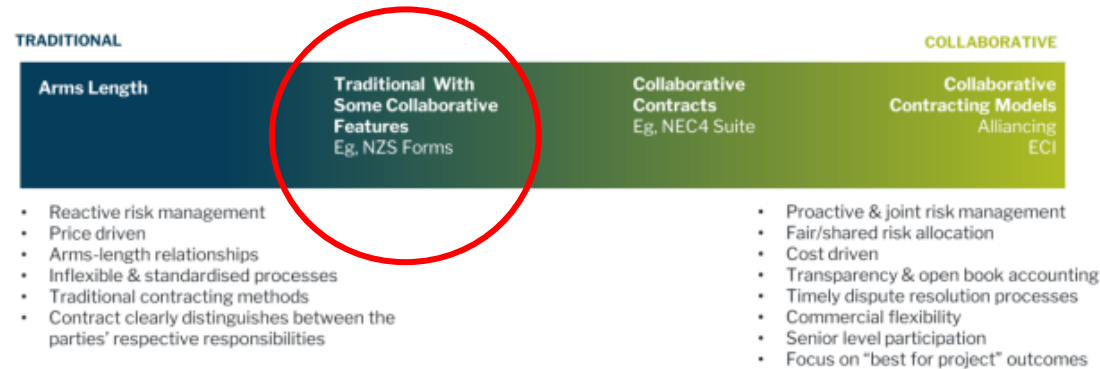
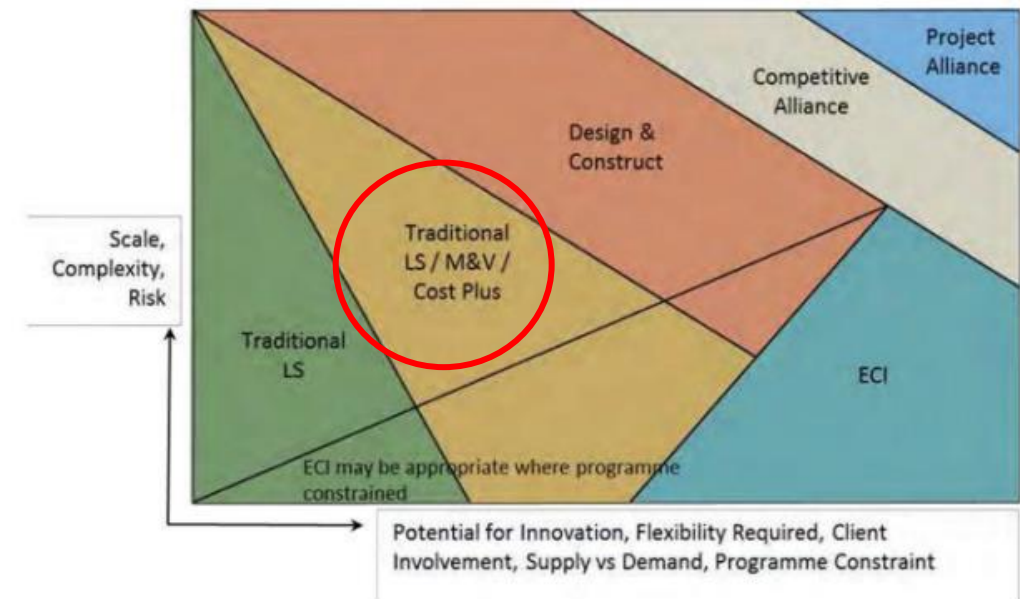


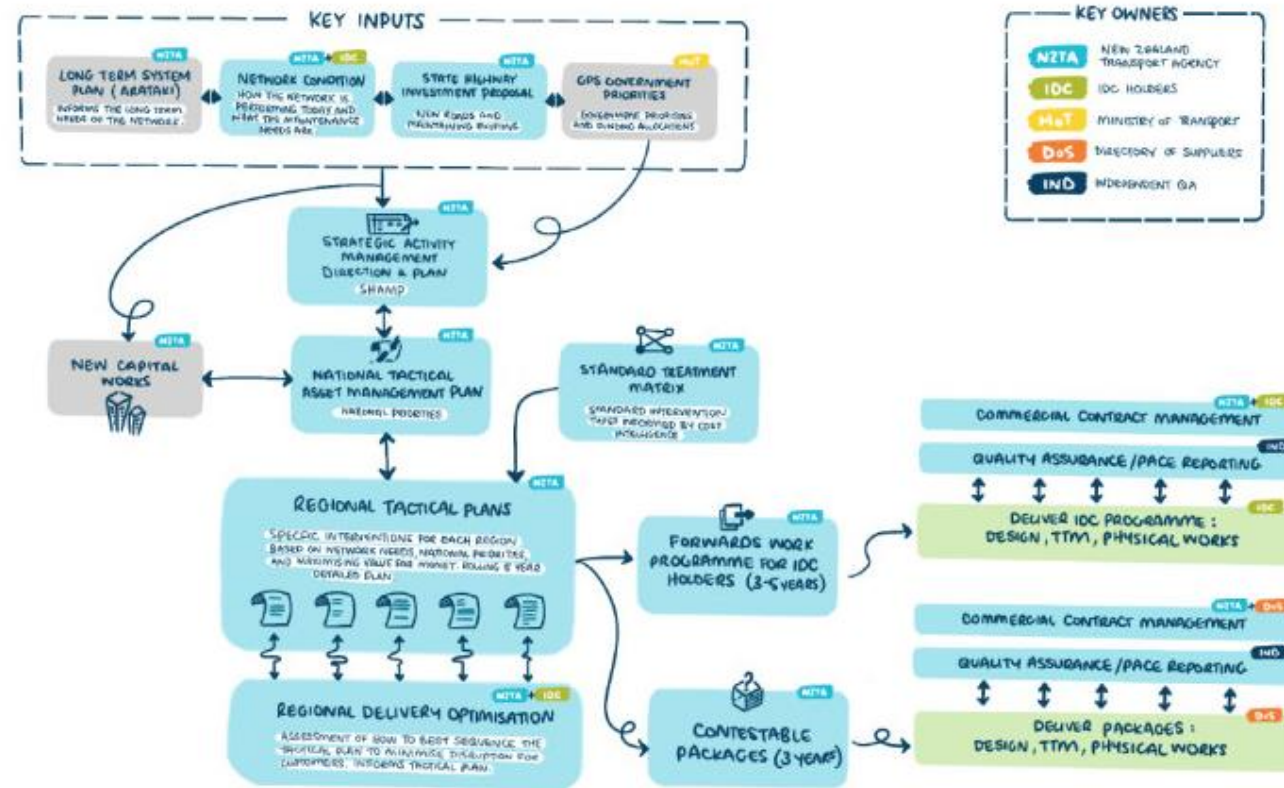
Figure 13 Traditional to collaborative delivery model continuum



NZTA's IDM

- > Initial information is NZTA are replacing NOC contracts with a more traditional contract model and more internal asset management.

HOW THE SYSTEM WORKS UNDER IDM:



Opportunities identified so far

- > Modernise the performance framework. Consider options for more collaborative aspects in the contract model or KPI's
- > Smarter asset management tools that have become available since the previous contract, and clarity on scope of contractor vs P&I new SAM team
- > SME engagement for current state assessment and analysis of opportunity
- > Reseals, minor rehabs, lighting
- > Sustainability and emissions reduction
- > Traffic signals – currently MOU with NZTA
- > New TTM approach
- > DOC remote roads

Key risks

- > New Temporary Traffic Management (TTM) approach
- > Changes to the contract model – take a risk on the unknown, or keep it the same
- > Market competition
- > Price volatility
- > Network growth
- > Significant institutional knowledge with incumbent supplier
- > Scope creep
- > Document quality production

Proposed procurement strategy

- > NZS 3917 – Target Cost with Lump Sum, M&V and day works elements
- > Term - 5 + 3 + 3 years.
- > Traditional model, gives QLDC more price certainty around rates, but may attract a risk premium, as opposed to a cost plus model that would see more risk sit with QLDC
- > Procurement plan coming to full council in June.

Discussion

- > What does the committee see as the key areas for staff to focus on as the procurement plan and new contract are developed
- > Evaluation criteria – how important is price?
- > Level of service - Are there any areas we do “too well” or “not well enough”
- > High risk areas? Remote roads?
- > How about customer service?
- > Contract models? Extent of collaboration etc
- > Preference for in-house versus outsource? E.g. asset management
- > Scope? More / less
- > Other / questions