



2023 Gore District Council Transportation Procurement Strategy



Quality Record Sheet

2023 Gore District Council Transportation Procurement Strategy

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1.0 NOTES FOR READERS

This 2023 Gore District Council Transportation Procurement Strategy has been prepared to outline the Gore District Council's approach to the procurement of goods and services for its delivery of its Transportation functions. The Strategy has been prepared in line with the Gore District Council Procurement Policy, effective from 15 July 2020, reviewed and updated in October 2022, and in response to the requirements of Waka Kotahi New Zealand Transport Agency (Waka Kotahi). It is intended to provide guidance for Council staff and information to suppliers about Council's preferred approach.

Given the level of change currently being experienced in Local Government across New Zealand this Strategy focusses on the Critical Services Group (formerly the Infrastructure and Planning Group), and in particular Transportation. In compliance with the Waka Kotahi New Zealand Transport Agency (Waka Kotahi) Procurement Manual, an endorsed Procurement Strategy is required to be in place for all subsidised (co-funded) activities as part of each National Land Transport Plan (NLTP) process, where both Waka Kotahi and Council funding is invested in infrastructure procurement and service delivery. The 2016 Gore District Council Procurement Strategy was fully-endorsed, with the 2019 Gore District Council Procurement Strategy reviewed and approved in draft. Waka Kotahi has advised Council that the 2023 Gore District Council Transportation Procurement Strategy would need to be in-place for procurement of co-funded activities, from 2023 onwards.

Since the last iteration of the Procurement Strategy, Gore District Council has procured Physical Works for a wide range of transportation functions through both a comprehensive Routine Road Maintenance Contract, and a series of "un-bundled" contracts for mechanical cleaning, road marking, vegetation control, concrete works, footpath works and pavement repairs.. These contracts span the effective period of this version of the Procurement Strategy.

The Strategy is directly applicable for staff in the Transportation team, and provides guidance for other delivery Groups within Council.

Since the 2016 Gore District Council Procurement Strategy was endorsed, the scale and complexity of activity within the Gore district has increased. As well as ensuring processes are robust and fair, Council is mindful it needs to remain flexible and agile in its procurement approach. In seeking the best value for money outcomes for the community, processes need to be efficient, effective, and beyond reproach.

A précis of the approach is provided in the Executive Summary while the main document details how procurement occurs in the context of Council and Waka Kotahi requirements.

GORE DISTRICT COUNCIL APPROVALS

Recommendations:

1. **Council adopts the Gore District Council's Transportation Procurement Strategy dated April 2023**

WAKA KOTAHI ENDORSEMENT

Recommendations:

1. **Waka Kotahi endorses the 2023 Gore District Council Transportation Procurement Strategy (April 2023) in respect to the co-funded Transport Activity 2021-24 and 2024-27.**
 2. **Waka Kotahi approves the continued use of in-house professional services in accordance with Land Transport Management Act 2003 s26, with much of the scale and scope of services provided remaining similar to that presently provided.**
-

2.0 EXECUTIVE SUMMARY

Gore District Council has developed a fit for purpose approach to asset management planning and service delivery. This framework reflects community desires and national drivers and includes Council's:

- Vision
- Mission
- Community Outcomes
- Activity Goals

Procurement plays a vital role in the delivery of the Council's business outcomes, with a variety of goods, services and works being purchased from different suppliers. Council seeks to procure goods and services in a responsive, cost-effective and fit-for-purpose way, keeping these guiding principles in mind. Implementing a transparent and efficient process which delivers value for money, with consideration of the whole of life cost, are central to smart procurement. This is a challenge across a growing district, and in a time of global economic uncertainty.

Council acknowledges it had limited staff and it is vital processes are effective and robust yet simple to follow and implement.

This 2023 Gore District Council Transportation Procurement Strategy reflects the [Gore District Council Procurement Policy](#), effective from 15 July 2020, reviewed and updated in October 2022, and aligns with the [2021-31 Ten-Year Plan](#) (LTP) suite of documents. An indication of future works and expenditure are included in the [Gore District Council 30 Year Infrastructure Strategy](#) (IS).

The Objectives of this Strategy are summarised from the Procurement Policy:

- *to ensure purchasing is transparent, fair, consistent and lawful*
- *to achieve value for money in procurement activities*
- *to underpin the performance and delivery of the Council's strategic and business objectives*
- *to facilitate an efficient and effective approach to procurement*
- *to minimise financial, and reputational risk.*

In order to deliver value for money, Council has identified the need to plan effectively and ensure quality outcomes through delivery of its services in a sustainable manner. As highlighted in the Government Procurement Rules¹, lowest cost options are not necessarily the best. A robust framework is adopted across the Council for procurement from strategy and planning, up to the delivery of goods and services contracts.

Suppliers are expected to understand the drivers of Council's planned approach and the commitment made to deliver the agreed Levels of Service, whilst minimising risks. Staff understand their roles and responsibilities with regards to procurement, and are appropriately upskilled and trained to do so.

In general, Council will utilise the direction provided by the Waka Kotahi New Zealand Transport Agency (Waka Kotahi) Procurement Manual. Appendix D of the Manual includes delivery Procurement Procedure 1 – Infrastructure for Physical Works, and Procurement Procedure 2 Planning and Advice for Professional Services for Transportation activities. Other activities will follow the policy, with the Waka Kotahi Procurement Manual providing guidance as required.

Within this approach Council will consider the most appropriate bundling of work for maintenance and capital works (renewal and improvement) in terms of Council's objectives and the market's capability and capacity. Supplier selection options are limited for financially assisted works to the Waka Kotahi Procurement Manual procedures.

¹ Government Procurement Rules; Ministry of Business, Innovation & Employment (MBIE) (June 2019, [fourth edition])

Council has continued to respond to the strengths in the local and regional market in determining and delivering planned procurement. While retaining scope for small local suppliers - and recognising the benefits their contribution to the local economy - Council also has a responsibility to recognise the efficiencies and benefits which can be derived from larger and longer term maintenance and construction contracts. Competitive tendering where capability (eliminators), quality (differentiators), and price are evaluated will be used to select suppliers. In some cases, direct appointment may be the most effective approach, and this will be considered in terms of specialisation, market competitiveness, and the overall cost and efficiency to Council.

The appropriateness of the approaches used and documented in both the Procurement Policy and this Strategy will be assessed regularly and will be reviewed every three years as LTP's are developed. This aligns with the requirements of Waka Kotahi for transportation, and development of the NLTP.



3.0 PROCUREMENT IN THE GORE DISTRICT COUNCIL CONTEXT

3.1 Introduction

The Gore District Council is a territorial local authority with obligations to its ratepayers and the public, with its principles defined under the Local Government Act 2002 that it should:

*"(i) conduct its business in an open, transparent, and democratically accountable manner; and
(ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner".*

The Gore District is home to an attractive, vibrant community offering a wide variety of activities and services typically found in a larger district. Combine these with our vital agricultural sector and abundance of outdoor leisure activities and you have Rural City Living.

The past three years have seen a revival in our District's fortunes, with the population initially stabilising and steadily growing. Rural production continues to thrive, with primary processing and agricultural industries supplying both the domestic and international market.

Our core services are dominated by the provision of 3 Waters, roading, waste management and regulatory activities. However, we remain true to our rural city living character by investing in parks, open spaces, and arts and heritage. These all contribute to a strong sense of community wellbeing.

While our residents continue to be mainly in the 50 years plus age bracket, one of the most significant growth areas was those aged 25 to 29 years. As we look to the future, we have the opportunity to maintain growth at sustainable levels and bring in new residents to enjoy all that Rural City Living has to offer. Over the next 10 years we aim to:

- Maintain steady growth of our District's population*
- Sustain the wide range of economic, recreational and social opportunities that contribute to Rural City Living*
- Ensure rates affordability and user-pays Council services*
- Build stronger relationships with Iwi*

(Ten Year Plan 2021-2031 Consultation Document)

The Gore District covers a large rural area and a range of communities. Council provides goods and services to sustain the community and meet the changes in demand. Expenditure includes a combination of:

- operations and maintenance of assets
- renewal of assets
- construction of new infrastructure to improve the level of service
- construction of new infrastructure to meet changing demands and a growing population
- professional and general services to support Council functions.

In preparing the Strategy, Gore District Council has considered its planning framework, principles and attitude to procurement. The approach chosen for this Strategy is focussed on the Roothing and Footpaths (Transportation) Council's Activity sectors.

This activity is part of the Critical Services Group; Council may extend the application of the strategy to other activities progressively

Given that a driver for the development of the Strategy is compliance with the Waka Kotahi Procurement Manual, Council acknowledges the Transportation activity is the priority for this Strategy, as well as the relevancy to other asset delivery activities and the desire for consistency across activities.

3.2 Purpose of this Strategy

There is a limited range of contractors, professional services consultants and suppliers within the Gore District; however, this is complemented by organisations based elsewhere in Otago or Southland to an adequate level.

Generally, there is a sufficient level of interest in tenders and competition between suppliers. This is typically supported by seeking to procure goods and services in appropriate packages of work to suit the market. Opportunities for suppliers exist through both smaller, more specialised service contracts, and larger works and services packages in “bundled” contracts. Bundling can affect the level of competitiveness and the market response is an important consideration when determining the best solutions for the Gore District Council, and its residents.

Gore District procures services through a range of approaches. There is a high degree of flexibility and Group Managers encourage staff to seek innovative and effective ways of procuring goods and services. Decision making by staff must be commensurate with delegations, and decisions escalated through the organisation’s hierarchy where required.

It is important that Council reinforces the purpose of local government as the guiding principle for Council’s actions in procuring goods and services. The purpose of local government, defined under the Local Government Act 2002, is to:

*“(i) enable democratic local decision-making and actions by, and on behalf of, the Gore District, and
(ii) promote the social, economic, environmental, and cultural well-being of the Gore District, in the present and for the future”²*

In both the purchasing and delivery of goods, services and works – sourced in-line with Gore District Council, Waka Kotahi, and “All of Government” requirements – Council is also ensuring that the principles of both Procurement and Value for Money are embedded within this Strategy:

“All the business processes associated with purchasing, spanning the whole cycle from the identification of needs to the end of a service contract or the end of the useful life and subsequent disposal of an asset.”³

“Using resources effectively, economically and without waste to achieve the best possible outcome for whole-of-life cost (or the total cost of ownership).

Value for money is not necessarily selecting the lowest price and involves selecting the most appropriate procurement method for the risk and value of the procurement.”

“Value for money is not always the cheapest price.

Value for money means using resources effectively, economically, and without waste, and taking into account: the total costs and benefits of a procurement (total cost of ownership), and its contribution to the results you are trying to achieve.”

Procurement undertaken by the Transportation activity is more rigid, in line with Waka Kotahi expectations.

² LGA (2002) Section 10: 1 (a)

³ Office of The Auditor General, June 2008, Procurement Guidance for Public Entities - Good Practice Guide

3.3 Organisation's Strategic Goals and Objectives

Gore District Council has developed a comprehensive regime for asset management planning and service delivery. This framework reflects community desires and national drivers and includes:

- Our Vision
- Our Statement
- Community Outcomes
- Activity Goals

3.3.1 Gore District Council - Vision

"To provide an environment that allows people to enjoy the lifestyle and culture of their choice."
(Gore District Council Ten Year Plan 2021-2031)

3.3.2 Gore District Council - Mission Statement

"To achieve our vision by:

- *Ensuring a sustainable environment for future generations*
- *Encouraging participation by the people*
- *Providing efficient quality services and facilities that meet the affordable needs and aspirations of the people."*

(Gore District Council Ten Year Plan 2021-2031)

3.3.3 Gore District Council - Community Outcomes

The Gore District Council Ten Year Plan 2021-2031 (LTP) defines the Council Community Outcomes, with linkages to the community well-beings.

Figure 3.1: Community Well-beings



Council acknowledges the significant role of Transportation infrastructure in the achievement of community outcomes, particularly Roding and Footpaths.

3.3.4 Gore District Council – Activity Goals

Roading and Footpaths

The Council's goals for the roads and footpaths activity are:

- To effectively, efficiently and sustainably provide an environmentally friendly land transport network (including roads, bridges, footpaths, cycleways and carparking facilities) to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.
- A road safety record that is continually improving in order to create a safe environment for all road users and where safety is embedded in the thinking and actions of all road users.

3.3.5 Community Views

The manner in which Council procures goods and services can be a popular issue for community members and the media. It is important that Council has defined processes and is able to demonstrate transparency, fairness and legality in all procurement actions.

Procuring services, either in-house or through external suppliers is often the delivery point of the community's desires. Both the goods and services procured, and the manner of procurement should reflect the community's priorities.

3.4 Procurement Policy Strategic Goals and Objectives

This Strategy aligns with Council's Procurement Policy, which was last reviewed in September 2021, and adopted by Council in October 2022.

The principles, scope, and purpose documented in the Procurement Policy provide linkages for this Strategy to Council's overall objectives and outcomes targeted.

The following principles have informed the development of this Strategy, and will continue to guide its users.

- value for money: underpin the performance and delivery of the Council's strategic and business objectives, by ensuring that the purchased goods, services or works are fit-for-purpose, deliver quality outcomes, and represent best value;
- transparency: ensure the procurement policy and process aligns with processes used by Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and the Ministry of Business Innovation and Employment (MBIE);
- accountability: the Council recognises its primary responsibility to ensure probity and the prudent expenditure of ratepayer funds;
- fairness: ensure a unique and standard process is applied for procurement in the organisation.

These objectives align closely with Council's co-funding partner for Transportation activities - Waka Kotahi's - objectives:

- Value for money
- Competitive and efficient markets
- Fair competition among suppliers.

Furthermore, the principles align closely with the principles of Government procurement (Government Procurement Rules and Waka Kotahi Procurement Manual):

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*

In summary, Gore District Council will ensure the following Procurement Policy Objectives are delivered through this Strategy:

- to ensure purchasing is transparent, fair, consistent and lawful
- to achieve value for money in procurement activities
- to underpin the performance and delivery of the Council's strategic and business objectives
- to facilitate an efficient and effective approach to procurement
- to minimise financial, and reputational risk.

The preferred options are reflected in the discussion on delivering the work programme (section 6.0 of this strategy). Through adopting a Procurement Policy and this Strategy, Council is showing a consistent approach across the organisation and leadership in the sector.

3.5 Stakeholders

Successful procurement involves recognising the perspective of the stakeholders involved. Through this strategy, Council gives as clear indication to suppliers of the extent of outsourcing and purchasing intended, as well as the procurement methods proposed. It is hoped that this will provide certainty for suppliers, so that they can develop their own resources and personnel accordingly; and provide clarity for Council staff.

Council acknowledges the broader outcomes that can be achieved through smart procurement processes. As well as assisting Council achieve its overall objectives, community wellbeing can benefit stakeholders from the procurement processes implemented.

Engagement with stakeholders should always be considered early in the procurement process, with particular consideration of Broader Outcomes (see section 3.11)

3.5.1 Mana whenua

We recognise Hokonui Rūnanga as mana whenua with ancestral and cultural relationships within the Gore District. We also recognise Te Rūnanga o Ngāi Tahu as the iwi authority whose rohe (boundary) covers the Gore District.

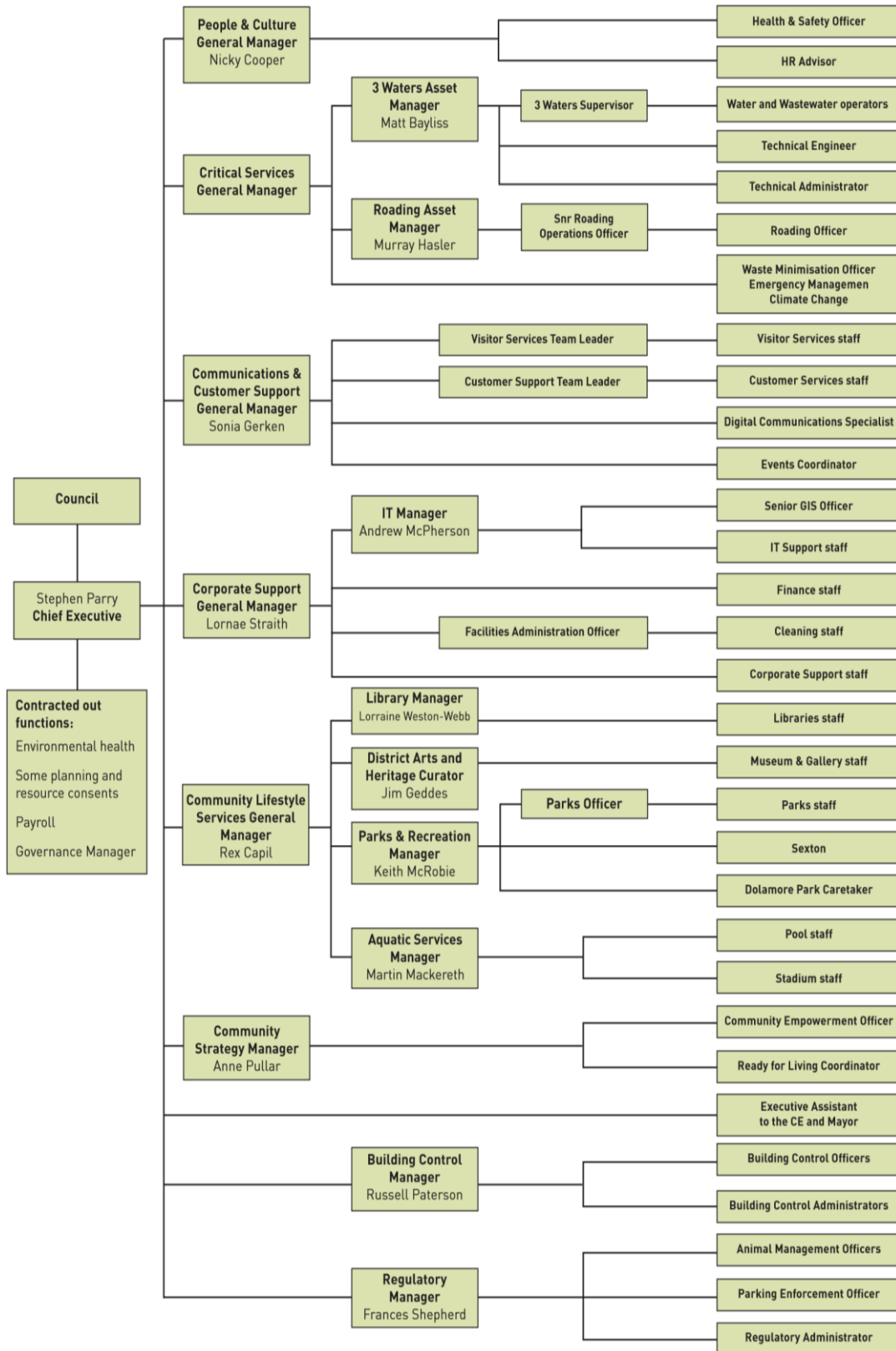
3.5.2 Other stakeholders

Other stakeholders identified are:

- The Gore District community - its ratepayers and the public;
- Gore District Council – the elected representatives, management team, and staff;
- Waka Kotahi – Transportation's funding and planning partner, and associated State Highway network provider;
- Other partner agencies – including neighbouring Territorial Local Authorities, the Otago and Southland regional Councils, and partners such as those involved in the Regional Transport Committee; and
- Suppliers of products and services.

3.6 Council Structure

Figure 3.2: Organisation Chart



(Gore District Council Annual Plan 2022-2023)

3.7 Review of Service Delivery Options

The Local Government Amendment Act 2014 inserted the requirement for a local authority to: *“review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.”*⁴

Section 17A (s17A) has a number of triggers that apply to the requirements and timing of the review. These are

- Significant change in service levels
- Within two years of the completion of a relevant contract (before renewal of contract)
- At Councils’ discretion, with a maximum time between reviews of six years

Exceptions for review are:

- Circumstances where the services cannot be reasonably altered within the two years
- The local authority is satisfied that the potential benefits of undertaking the review do not justify the costs of undertaking the review

The delivery of services review has a number of specified requirements summarised below.

- (i) the required service levels; and
- (ii) the performance measures and targets to be used to assess compliance with the required service levels; and
- (iii) how performance is to be assessed and reported; and
- (iv) how the costs of delivery are to be met; and
- (v) how any risks are to be managed; and
- (vi) what penalties for non-performance may be applied; and
- (vii) how accountability is to be enforced

If the services are delivered by a different entity to the local authority further requirements include options for Governance, Funding, and Delivery.

Building on several years of successful initiatives across a wide spectrum of services and core business activities, the region’s Councils look to continue the collaborative efforts achieved to-date. Commonly referred to as “shared services”, the local authorities have co-ordinated their efforts into common aspects of service delivery for their respective communities, with the overall aim of delivering best value (see Section 3.10 and Section 5.2).

The economies of scale and the cost-effectiveness of working jointly or collaboratively - and avoiding duplication - provide the rationale for the sharing of ideas and effort. A 2014 review of the shared service model confirmed the value of the activity to Gore District Council and the wider community.

The region’s Councils continuously look at opportunities for effectiveness and efficiency gains throughout the range of activities and outcomes that they are expected to deliver to their communities and businesses. This Strategy supports Gore District Council’s commitment to continuing its involvement in investigating and joining collaborative processes and shared projects with its neighbouring Councils.

The current organisational s17A that applied to Transportation activities was undertaken by Gore District Council in 2016. A recent s17A Review covering “GDC’s Transportation Activities including, roading design, construction, maintenance, operations and renewals.” was completed in April 2023 with assistance from Chris Olsen Consulting Limited. This review has considered the current service delivery models in-place for the Gore District through its in-house capability and capacity, current contracts, and multi-agency arrangements within the context of the Local Government Act 2002 and the Land Transport Management Act 2003.

⁴ LGA 2002; Section 17A

3.8 Health and Safety

Council is committed to leadership in the health and safety of its employees and suppliers. There is an expectation that suppliers will also strive towards greater health and safety outcomes. Council is a SiteWise member, and its suppliers are required to meet SiteWise or similar qualifications.

Council is reviewing its Health and Safety systems and accreditation processes to ensure they are fit for purpose. This review will include options for accreditation that is scalable in line with the scope and scale of works so that safety outcome are desirable and achievable.

All Transportation contracts include details of Council's Health and Safety requirements (which include having SiteWise certification or demonstrated evidence of working towards this). Tenders must fulfil the Health and Safety requirements stated to be considered as a conforming submission.

Transportation contracts include processes for assessing Health and Safety attributes as part of tendering and contract award, as well as agreed monitoring throughout delivery. The inclusion of safety in design is a key feature for capital projects.

3.9 Affordability and Sustainability

Council is mindful of the competing tensions in the approach to procurement and seeks to achieve a sustainable balance between economic, environment and social (including cultural) drivers.

Council will consider environmental sustainability when procuring goods and services, in-line with the principles stated in the Procurement Policy

"The Council's procurement practices shall ensure that the Council plans for, enters into and manages its procurement activities in a manner that maximises value for money and quality service delivery, as well as realises business, strategic and community expectations."

5.2.5 The GDC shall take into consideration the whole of life costs and/ or benefits associated with procurement – spanning design, manufacture, delivery, operation and disposal.

5.2.6 Consideration will be given to sustainable procurement principles whenever possible, ie assessing the whole of life social, economic and environmental impact of the procurement..

(Gore District Council Procurement Policy; "Principles")

There is also a commitment to ensure that effective means to measure, monitor, and manage contract delivery is reflected through procurement, which is discussed further under Section 3.11 and Section 3.12.

The Council's approach to all challenges and emerging trends focus on affordability and sustainability, in view of:

- the intense infrastructure challenges the Council is facing
- the community's ability to fund adaptations, through a modest ratepayer base.

Council also recognised Waka Kotahi's Resource Efficiency Policy (2022) and the benefits associated with the draft guideline. These will be considered in the development of business Cases and implementation planning in future.

3.10 Climate Change Response

Climate change is an important consideration in the Council's decision-making. Guidance from the New Zealand Government, based on the best available climate science, is used to support Council's strategic and service delivery planning. This includes acknowledging the Climate Change Response (Zero-Carbon) Amendment Act 2019 in Council's LTP.

The Zero Carbon Act will drive climate change action in New Zealand. The Act will commit New Zealand to zero carbon by 2050 or sooner, set a legally binding pathway to this target, and require the “All of Government” to take action.

The impacts of climate change are real and present. Long-term infrastructure planning must promote resilience to the effects of climate change to ensure the Council meets the communities future needs, through:

- Participating in the development of a regional climate model so as to base future decisions on a model commonly used across the province.
- Requiring engineers to be aware of changing weather patterns and to make every effort to acquire the latest available rainfall data when calculating hydraulic capacities for relevant infrastructure design
- Working with other local authorities and Environment Southland to ensure a coordinated response
- Working with Environment Southland on flood mitigation measures and emergency response.

Adapting procurement strategies in view of climate change is also relevant under Waka Kotahi’s ‘Framework for delivering Broader Outcomes’ (2020).

It is anticipated further actions to reduce emissions will be part of Council’s corporate planning framework, at which point funding of carbon assessments and carbon reduction initiatives will occur. In the meantime there is a desire for Council to be agile enough to respond to opportunities to progress low emission initiatives as opportunities arise.

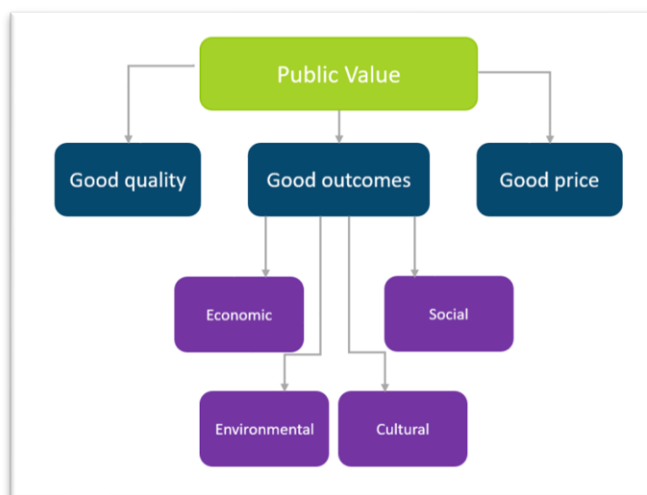
3.11 Community Outcomes and Broader Outcomes

Figure 3.3: Good Procurement – Public Value

The Government Procurement Rules acknowledge the wider benefits associated with procurement. These are described as ‘secondary benefits’ to the key outcomes of the procurement process which are more transactional.

Waka Kotahi’s Broader Outcomes framework provides guidance on broader outcomes and options for implementation. this will be considered by Council through it’s overall approach to procurement.

In order to bring community outcomes and broader outcomes together in the procurement process, there are a number of considerations for council.



Some of these broader outcomes have been articulated in the principles stated in Gore District Council’s current Procurement Policy (see Section 3.9). Gore District Council have also made commitments to Hokonui Rūnanga - in the Charter of Understanding - to ‘support upskilling and development of Hokonui whanau members’.



Council has also identified the benefits which it seeks, grouped under Community Outcomes, and their contribution to the four well-beings. These have been collated for the Transportation activity as shown below.



These are illustrated in Section 3.12 “How Objectives Will be Sought”, below.

Further consideration of the response to climate change and the integration of broader outcomes into Council’s business will be developed through the Activity Management Plans (AMPs). These AMPs are linked across Council’s activities through the Long Term Plan and 30-Year Infrastructure Strategy, allow an opportunity for consultation and engagement with the community.

3.12 How Objectives will be sought

The combination of outcome sought by Council and Waka Kotahi are achieved through implementation processes and actions, as indicated below.

Table 3.1: Broader Outcomes Procurement Policy Linkages – Measurement, Monitoring and Management Actions

Waka Kotahi Outcome	Gore District Council Procurement Principles	Government Procurement Principles	Actions to Promote Broader Outcomes Through Procurement
VALUE FOR MONEY	<p>Value for money: selecting the best possible outcome for the total cost of ownership</p> <p>Accountability: ability to provide complete and accurate records of the use of public funds</p>	<p>Plan and manage for great results</p> <p>Get the right supplier</p> <p>Get the best deal for everyone</p>	<p>Implement sound contract management processes</p> <p>Establishment of monitoring and management processes at a programme and project level to ensure reporting requirements are being met</p> <p>Capturing key information and lessons learnt through contract delivery and performance monitoring processes.</p> <p>Use procurement procedures designed to fulfil the purpose of the LTMA, and achieve best value for money spent</p>

Waka Kotahi Outcome	Gore District Council Procurement Principles	Government Procurement Principles	Actions to Promote Broader Outcomes Through Procurement
			Evaluate tenders focussing on best value, not just the lowest price Seek innovative solutions
ECONOMIC & EMPLOYMENT	<p>Transparency: being open in the administration of funds</p> <p>Fairness: acting reasonably and impartially to all parties involved in the procurement process.</p>	<p>Be fair to all suppliers</p> <p>Get the right supplier</p> <p>Get the best deal for everyone</p> <p>Play by the rules</p>	<p>Scope and specify works clearly</p> <p>Seek broader outcomes through procurement, including how these will be measured, monitored, and managed.</p> <p>Enable early contractor involvement</p> <p>Consider impacts of bundling, stagger tender timeframes with other entities</p> <p>Scope and specify works clearly</p> <p>Use sound processes and include independent advice</p> <p>Underpin the performance and delivery of the Council's strategic and business objectives</p>
ENVIRONMENT & SUSTAINABILITY	<p>Driving positive sustainable outcomes across activities, projects and programmes</p> <p>Consideration the whole of life costs and/ or benefits associated with procurement – spanning design, manufacture, delivery, operation and disposal.</p>	<p>Plan and manage for great results</p> <p>Get the right supplier</p> <p>Get the best deal for everyone</p>	<p>Provide opportunities for suppliers to demonstrate best practice through sustainable contract delivery and management of whole-of-life costs</p> <p>Enable social, cultural, and environmental benefits of supplier bids to be considered through responses to opportunities.</p>
MĀORI BUSINESS & TANGATA WHENUA	<p>Partnering with Mana whenua and Tangata whenua</p> <p>Supporting Hokonui whanau to upskill and develop for the benefit of businesses and communities</p>	<p>Get the right supplier</p>	<p>Develop the Council's understanding and relationships with Hokonui Rūnanga and Te Rūnanga o Ngāi Tahu as part of how the organisation delivers services.</p>
COMMUNITY & CULTURE	<p>Consideration of sustainable procurement principles whenever possible, ie assessing the whole of life social, economic and environmental impact</p>	<p>Get the best deal for everyone</p>	<p>Enable social, cultural, and environmental benefits of supplier bids to be considered through responses to opportunities.</p> <p>Identify and define benefits sought by the Council through procurement activities, e.g. valuing suppliers' local physical presence through facilities established in the Gore District.</p>

In terms of implementing a framework to monitor the success of the Broader Outcomes of Procurement, opportunities will be explored in the 2024-34 Long Term Plan. As the Framework will need to be consistent with Council's Procurement Policy, existing monitoring that can initially be included in this Procurement Strategy from current sources are;

- Reporting to Council under existing Performance Monitoring Framework requirements
- Annual statistics submitted to Waka Kotahi on number of tenderers per project
- Health and Safety performance

Figure 3.4: Broader Outcomes Ecosystem



(Source: Waka Kotahi Broader Outcomes Framework – First Edition September 2020, page 7)

The Key Performance Indicators (KPIs) shown in the table below align to the priority outcomes set out in the Government Procurement Rules. Council will continue to develop the Performance Monitoring Frameworks, established collaboratively with suppliers as part of Gore District Council Roading contracts, to support giving effect to the Waka Kotahi Procurement Outcomes, and Gore District Council’s Procurement Principles. Suppliers are asked to consider these attributes when agreeing to measures included under the Performance Monitoring Framework of contracts, and seek to confirm applicable thresholds or benchmarks, Waka Kotahi specific targets, and improvements associated with each KPI adopted.

Table 3.2: Broader Outcomes Indicative Key Performance Indicators

Priority Outcome	Key Performance Indicator
1. Increase New Zealand business access to government procurement	1.1. Increase in the number of contracts being awarded to New Zealand businesses
	1.2. Increase in the value of contracts being awarded to New Zealand businesses
	1.3. Increase in the number of New Zealand businesses being awarded contracts, at an increasing value
2. Increased size and skill of construction sector workforce	2.1. Increase in number of workers in construction
	2.2. Increase in number of construction workers receiving formal and informal training
	2.3. Increase in employment opportunities for targeted worker groups
3. Improve conditions for workers and future proof ability of New Zealand business to trade	3.1. Reduction in notifiable events in government contracts (compared to national average) (in regards to health & safety)
	3.2. Increase in contractual mechanisms regarding employment standards
	3.3. Increase in monitoring activities being undertaken
	3.4. Reduction in number of government suppliers appearing on government stand down list

Priority Outcome	Key Performance Indicator
4. Support transition to zero emissions economy and assist the Government to significantly reduce waste	4.1. Reduction in average vehicle emissions from the government fleet
	4.2. Reduction in emissions created by government owned buildings
	4.3. Reduction in consumption of 'single-use' items (i.e. plastic pens, paper etc.)



4.0 PROCUREMENT PROGRAMME

4.1 Programme Overview

Gore District Council has embraced a strategy driven approach, so the projects underway, and those proposed, have been developed through community consultation and integrated planning.

Creation of new infrastructure, along with maintenance, operation and renewal of existing infrastructure is discussed in Council’s LTP and 30-Year Infrastructure Strategy (IS).

This is a challenge for Council, and **value for money** is sought in all procurement. The IS highlights that the task of building, operating and maintaining these infrastructure assets in an affordable manner is becoming increasingly difficult in view of:

- Affordability and Sustainability
- Continually changing legislative environment (central and regional Government)
- Demographic changes
- Climate change
- Ageing infrastructure
- Infrastructure resilience
- Customer aspirations (including new technologies).

Council expenditure is dominated by the main infrastructural activities which account for over three-quarters of expenditure. The graphic (below) from the 2021-31 Long-Term Plan provides an overview of Council’s expenditure distribution.

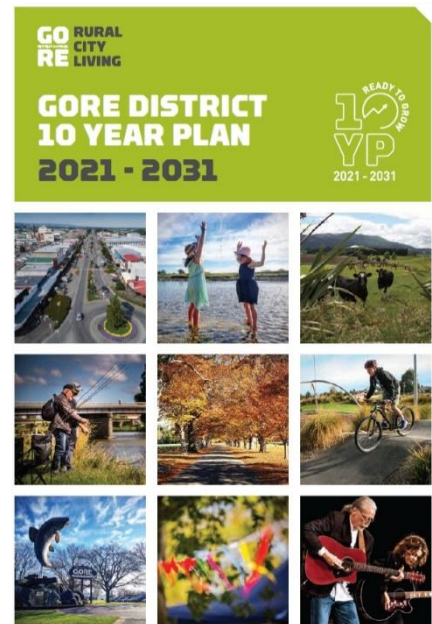
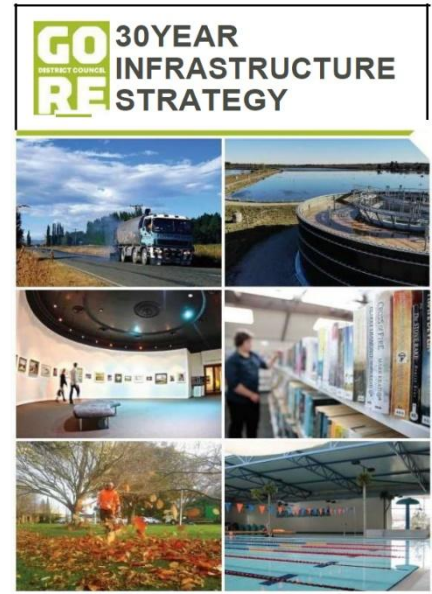
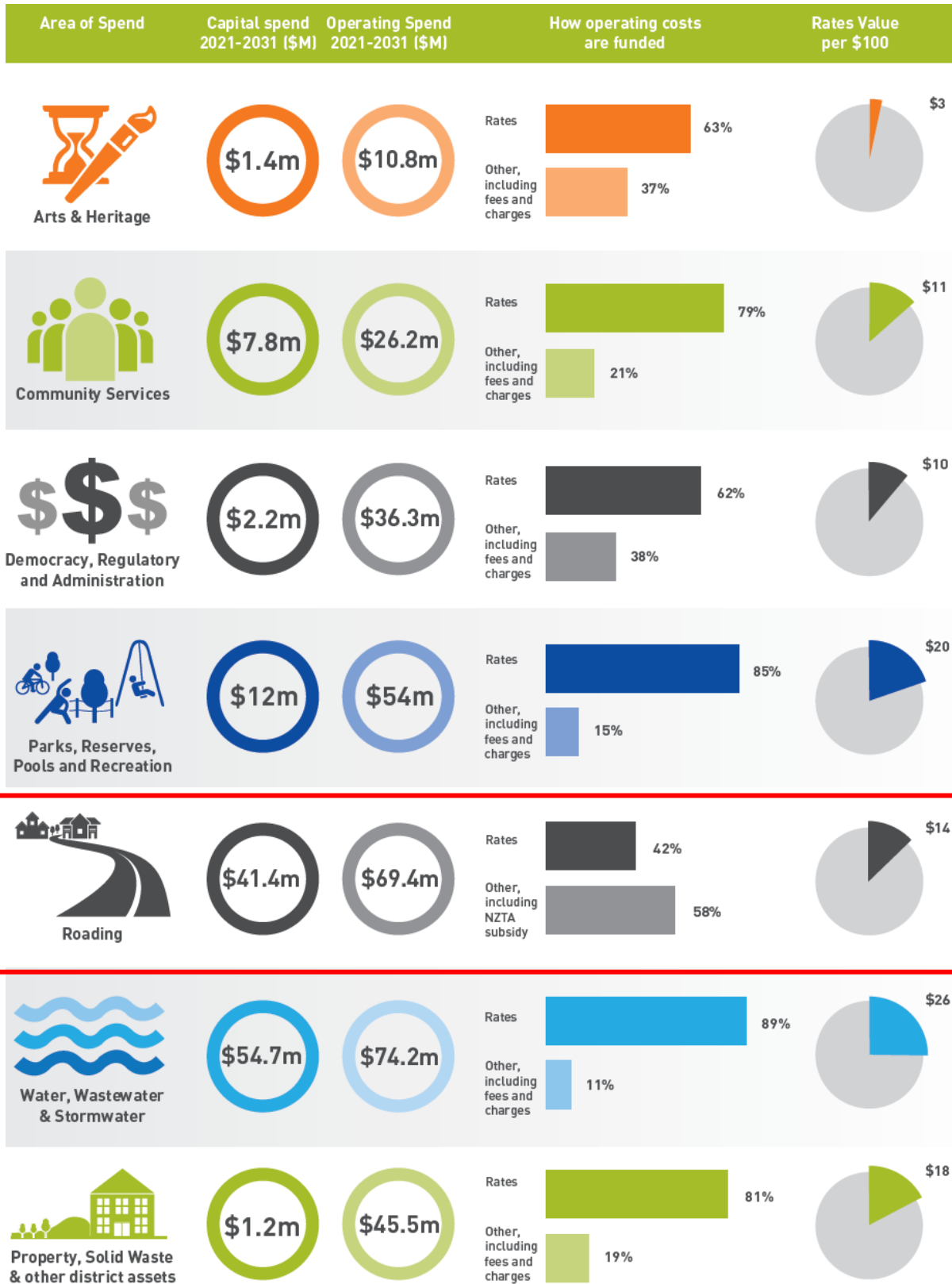


Figure 4.1: Gore District Council 10-Year Plan Spending



4.2 Procurement Programme by Activity

4.2.1 Roothing and Footpaths (Transportation)

Gore District Council's goal for the transportation activity is:

- To effectively, efficiently and sustainably provide an environmentally friendly land transport network (including roads, bridges, footpaths, cycleways and carparking facilities) to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations.

A road safety record that is continually improving in order to create a safe environment for all road users and where safety is embedded in the thinking and actions of all road users

The Land Transport Management Act 2003 states that in preparing the National Land Transport Programme, Waka Kotahi must take into account any relevant strategies along with the contribution made to the purposes of the land transport system -

- Achieving an affordable, integrated, safe, responsive, and sustainable land transport system
- The objectives of:
 - economic development
 - safety and personal security
 - access and mobility
 - public health
 - environmental sustainability.



Transportation procurement includes the following key components:

- (i) roading physical works maintenance activities covering the transportation network
- (ii) specialist environmental maintenance activities, such as street sweeping, sump cleaning, and vegetation control by chemical spraying
- (iii) renewal of footpath, and kerb and channel assets
- (iv) structural pavement repairs
- (v) resurfacing
- (vi) engineering services, design, and construction of pavement renewals, bridge renewals, and new assets
- (vii) professional services for network management assistance and advice, data collection, and analysis

Service Delivery Models

Gore District Council aim to meet the community's expectations in a cost-efficient manner and within legislative requirements. In 2017, the Council took a strategic decision to discontinue the "bundled" Roothing Physical Works term-maintenance contract, which favoured the larger national contractors. The Council developed a model that provided opportunities to a more locally-based delivery team. The partnering style of the contracts let under this model promotes the constructive relationship between the Council and the contractor teams to ensure long-term sustainable delivery of the Council's road maintenance objectives and requirements.

In 2017, and in 2022, the Council procured a range of core road maintenance and renewal services from various suppliers in the local and regional market through a suite of physical works contracts that were better suited to the Gore District roading network, financial constraints, and the limited network management expertise.

The cost-efficient service delivery and the Council's ability to be a smart buyer, is reliant on an efficient marketplace of good quality suppliers. The critical success factor for Council's and Waka Kotahi's co-funded investment in the network is highly reliant on fair understanding of the supplier market's capacity and capability to provide level of service by delivering the planned programme.

The Council endorsed this procurement planning methodology as follows:

- For Physical Works:
 - Low-risk work activities will be supplied, in accordance with section 10.9 of the Procurement Manual and the Council's procurement policy, by local contractors where capacity and capability exists,
 - High-risk activities will be tendered as and when needed, as per the Council's procurement policy.
- For Network Management and Engineering:
 - Build more 'in-house' knowledge, have more direct control over road maintenance decisions. This will require a focus on enhancing business processes and practices.
 - External expertise and consulting services will be procured to assist in specialist services required for high risk / high-value construction projects and to assist the internal team with network management.

The Council presently has K2 Kontracting leading the Roding Physical Works maintenance contract, supported by Fulton Hogan, and strong local sub-contractors, and specialist services contractor teams. The cost reimbursement style of the contract, combined with a strong working relationship between the Transportation team and the contractors ensures both quality and an element of control in delivering value for money for our community.

Collaboration with other Councils

Council is working collaboratively with the neighbouring authorities, in particular Southland District and Clutha District where there are extensive shared boundaries (see Section 5.3).

4.3 Purchase of General Goods

Council purchases a range of general goods through various methods, including:

- Joint purchasing with other organisations (Joint Procurement Group)
- Purchasing via brokers (GSB Supplycorp)
- Competitive Tender
- Preferred Supplier – Ongoing (e.g. Electrician for repair work)
- One-off/ Ad-hoc arrangements

Some procurement occurs across the whole of the organisation (e.g. electricity supply) or specifically to departments within Council.

Council's Policy on Tenders and Contract Administration was adopted by the Council in 2003. Purchasing by staff is commensurate with delegations, and decisions are escalated through the organisation's hierarchy.

Procurement typically involves specialist professional services including:

- (i) Auditing and quality management systems
- (ii) IT services including hardware and software
- (iii) Financial, Legal, insurance and commercial services
- (iv) Energy supply
- (v) Recruitment and the development of people related services
- (vi) Training and development
- (vii) Communication and Marketing services

5.0 PROCUREMENT ENVIRONMENT

5.1 Analysis of Supplier Market

5.1.1 Overview

Analysis of the supplier market is a core Waka Kotahi requirement for an endorsed Procurement Strategy.

Council is well placed to comment on Transportation services suppliers based on its procurement experience during 2022. Historically there have been challenges attracting a range of tenderers for open competitions. A number of tier one and two suppliers have been engaged over the previous 10 years, with few seeing out full contract terms of exercising rights of renewal.

There are no major suppliers of physical works or professional services based in Gore District. Capable medium- and small-scale suppliers, working as both lead contractor and under sub-contractor arrangements are well-established in Gore and Maitua, sometimes working alongside tier one suppliers.

There are a range of suppliers for both civil construction physical works and professional services in Invercargill city, and others can be sourced from Balclutha, Queenstown or Dunedin.

The suite of physical works contracts tendered in 2017-18, and then retendered in 2022, have sought to maximise opportunities for both the local and regional market, recognising the capability and capacity of the different organisations to deliver the contracts at best value.

Council does not operate a preferred supplier list. Rather it prefers to be agile and provide a range of opportunities for suppliers.

As discussed in the Procurement Policy, where possible Council engages local suppliers, with a local company being defined as “A company which has a physical presence in the form of a shop, branch, depot or building located in the Gore District”. It is noted that ‘local’ needs to be scalable in line with the scope, scale and risks each engagement presents.

In the post-covid period the limitations of suppliers and resources has become evident. This has meant there has been less interest in tendered work as suppliers are fully committed elsewhere or unable to spend the time preparing tender submissions. This raises a general issue of ‘right sizing’ contracts, and the submission requirements.

Some suppliers provide a range of services across the responsibilities of Council while others are more limited. Council acknowledges there is role for a range of suppliers, and that their capabilities vary.

5.1.2 Physical Works Undertaken Directly by Council

Whilst the Transportation activity has sought to procure physical works services from the wider supplier market, Council has continued to undertake a range of Physical Works using in-house resources.

These works include the operations and maintenance of:

- Water services
- Wastewater and stormwater networks
- Parks and reserves
- Community and civic buildings

Council has delivered these services in this way since the 1990’s, and it is anticipated this will remain the favoured approach for these activities in the future. Council’s solid waste transfer station operation and rubbish collection are now outsourced via a regional collaboration contract.

5.1.3 Physical Works Suppliers

Physical works suppliers enable the establishment of new assets, as well as programming and completing maintenance and renewals to provide the required level of service. Works are undertaken under the direction of Council staff, or a consultant engineer/project manager.

Following-on from the engagement and procurement processes in 2022, Council has a greater knowledge of contractor interest and 'fit for market' Bundling is therefore key to attracting sufficient interest.

5.1.4 Professional Services Suppliers

Council's in-house Transportation team is complemented by a range of professional services providers, providing either capability or additional capacity when required. The role of specialist professional service providers is essential given the limited in house resources, especially for engineering issues of greater complexity, and the skillsets required to support decision-making through data and evidence-based work programmes (also discussed under 'Specialisation', below).

Council no longer has a collaborative Professional Services contract with Southland District Council. The Transportation activity currently procures Professional Services on an as-required basis, with the most appropriately skilled and/or available provider. These services are generally procured through Short Form Agreements.

Council continues to look for opportunities to collaborate with neighbouring TLA's for procurement of Professional Services.

5.1.5 Council Controlled Organisations

Council does not have any interest in a Council-Controlled Organisation in delivering Transportation services.

While Council operated a CCO for the delivery of water and civic works (parks and reserves, community facilities, etc.), a preference for in-house teams became clear. This approach has been in place for some time and no change is expected to this approach. This also leads to a close working relationship between transportation and other services within Council.

5.1.6 Specialisation

Council has identified that specialised skills and resources are necessary to support Council functions. In some cases specialisation relates to supplier organisations with specific skills and knowledge and/or supplier organisations with key staff. It acknowledged that there are real costs in changing providers, including the loss of institutional knowledge and business continuity; and this should be reflected in Council's procurement processes. These are also acknowledged in identified areas of the State Highway contracts, where delivery of some specialist work has been delegated to the Gore District Council Transportation team.

Council has identified that there are special situations where there is only one supplier who is able to supply a 'value for money' result. In general, these situations can be addressed as direct appointments (NZTA Procurement Manual rules 10.9 and 10.11).

The only sole supplier (NZTA Procurement Manual rule 10.10) that has been identified relates to the supply of electricity within the former Gore borough area. This legacy agreement provides superior value for money which other suppliers could not match.

The Local Government Joint Procurement Group is sometimes utilised to seek services collaboratively.

Specialist supplier organisations with skills and knowledge identified currently include **PowerNet**, although Council does not currently have a formal streetlight maintenance contract service agreement only an informal arrangement with PowerNet.

Council is also reliant on a number of other information technology providers and transportation Professional Services suppliers, e.g. ThinkProject (RAMM & Submitica) and IDS (dTIMS). These specialist service providers are likely to be engaged until alternative providers can provide a demonstrably better service.

5.1.7 Electricity Supply

Electricity supply is a complex consumable for Council, with a range of sites and demand patterns. Council has a Memorandum of Understanding with Powernet, which covers arrangements for other work that may be required for streetlighting assets in the Gore District, including State Highways streetlighting assets management, which has been delegated to the Gore District Council Transportation team.

Council has a unique historical electricity supply arrangement which provides all municipal electricity within the boundaries of the old Gore Borough Council at a cost of “a penny per unit” in perpetuity. This supply is via The Power Company. Electricity for transportation and other Council activities used outside this area, including Mataura and the rural areas, is procured by competitive tender.

5.1.8 Relationship with Suppliers

Gore District Council staff are a small team who work closely with suppliers. Daily phone conversations are typical and there is a high level of trust in place.

Council encourages mutual cooperation and problem solving to achieve the best results and achieve value for money for all parties involved. This also avoids situations that may be detrimental to the work necessary to be undertaken, to professional relationships, and helps prevent litigious situations from occurring unnecessarily. Suppliers range from local organisations, with a focus representative of the district’s rural roots and values, through to multi-disciplinary, multi-national companies with the benefit of substantial resources that can be made available to Council. The knowledge established with suppliers over time is valuable to Council. Council relies on this and good information from suppliers to assist in its decision-making processes.

Council will continue to carefully consider packaging and bundling of works to ensure there is sufficient interest from suppliers to drive value for money outcomes.

5.1.9 Bundling and Division of Works

Goods and services purchased by the Transportation activity relate to both Physical Works and Professional Services. Physical works may be capital works (mostly project based, but with some opportunity to include some renewals within term agreements) or operations and maintenance (typically term contracts). The division of maintenance works has been bundled into a number of contracts, for specific activities covering the entire district favoured. Opportunities for splitting contracts and bundling activities in different ways have been considered for Transportation, . This has resulted in at least one tender for all packages, and up to three tenderers submitting for several of the larger contract packages.

The composition of current and proposed (where known) Transportation term contracts is included in Section 6.2, and under the Appendix (Section 8.0) to this document.

5.2 Analysis of the Impact of the Procurement Programmes on Other Approved Organisations and Other Entities

Gore District Council is actively involved with neighbouring authorities and other agencies such as, Waka Kotahi and Environment Southland, particularly through the Southland Regional Land Transport Programme and other collaborative initiatives.

The linkages identified with other organisations include:

- Waka Kotahi – integrated state highway network across and beyond the District

- State Highways ‘Network Outcomes Contract’ delivery teams covering the Southland, Coastal Otago, and Central Otago contract areas
- Environment Southland – regional transport planning and provision of public transport services
- KiwiRail – as the rail operator in the District
- Neighbouring Councils, including:
 - Invercargill City Council
 - Southland District Council
 - Clutha District Council

Multi-agency relationships exist within the regulatory, roading and solid waste activities:

- Some regulatory services are procured from Southland District Council
- Road Safety Southland delivered collaboratively between Gore District Council, Southland District Council, and Invercargill City Council
- Gore is part of the WasteNet initiative

Currently there are few existing procurement relationships between Council and other organisations. Road Safety Southland is an existing example where the Road Safety Coordinator is co-funded by neighbouring TLA’s.

While Gore District Council is a significant buyer of goods and services within Gore District, the proportion is insufficient to affect the composition of suppliers when compared to other entities. For this reason Council is mindful of the bundling of works and the role of in-house teams to ensure there is adequate capacity and competition within the sector.

Council does not see its procurement approach having a significant impact on other authorities.

The collaboration within the Regional Transport Committee provides an opportunity for integrated programming across agencies.

In the broad supplier market, the procurement decisions made by Council are not regarded as significant on the sector, and will have minimal impact on the competency and competitiveness of suppliers. It is acknowledged that the impact on local suppliers can be more pronounced. This includes consultants, contractors, and sub-contractors.

5.3 Collaboration and Shared Services

As identified above, Gore District Council’s Transportation activity is involved in a number of multi-agency relationships, and explores the opportunities for a range of fit-for-purpose arrangements in working together constructively and collaboratively. These will be tested from time to time to ensure they are delivering a value for money result.

Further opportunities for working with others will be explored as a priority, and Council will consider both short and long terms benefits in such assessments



6.0 DELIVERING THE WORK PROGRAMME

6.1 Service Delivery Strategy

The Gore District Council 30 Year Infrastructure Strategy (IS) informs this procurement strategy on the approach Council will take in delivering its Roads and Footpaths (Transportation) activity:

Our goal is to shape our District to provide the 'Best Quality of Life in NZ'. We wish to continue to encourage the trend of being a family-friendly district. We are a place that people want to 'come home to' and start their families. We also wish to explore and develop tourism opportunities and enhance the existing tourism economy, bringing visitors to our District. To do this, we need to provide the infrastructure that is affordable yet also performs appropriately. We want to continue to ensure our District is 'A Great Place to Live' by enhancing the liveability of our urban areas.

At a high level, the Council's priorities are:

- At a minimum, maintaining existing levels of service*
- Compliance with legislative requirements*
- Replacing ageing infrastructure in a timely manner*
- Plan for and being able to respond to natural events and climate change*
- Providing long term affordable services.*

"The purpose of Asset and Activity Management (AM) is to provide a desired level of service (as defined by the community of Gore District) through the management of assets in the most cost-effective and sustainable manner for present and future customers. AM planning provides direction for future management of assets and activities and a robust basis for long term financial forecasts".

(Gore District Council 30 Year Infrastructure Strategy)

This highlights the need to focus on maintaining networks well and seeking whole of life solutions. Maintenance and operations allocation is based on maintaining current service levels, and this means a holistic view of asset creation should be taken to ensure a sustainable and value for money approach is taken.

6.2 Transportation Activity Service Delivery

Council has an in-house team for delivery of transportation activities.

This includes Council's subsidised Land Transport Programme delivered in accordance with the Waka Kotahi Investment Decision-Making Framework, and the Investment Prioritisation Method.

Strategic and asset management functions are provided by the Roding Asset Manager with support from specialist advisors. This is conducted primarily through the formulation of the Transportation Activity Management Plan, which inform the Long-Term Plan and infrastructure strategies.

The Roding Asset Manager also has responsibility for day-to-day service delivery, supported by the Senior Roding Operations Officer and Roding Officer. This leads to a direct line of sight from planning to implementation.

Both the Roding Asset Manager and Senior Roding Operations Officer and Roding Officer work closely with contract representatives from both Physical Works and Professional Services contractors in the delivery of maintenance, operations, and renewals programmes – and in responding to emergency situations.

6.3 Procurement Policy - Contract Requirements

“The Council’s procurement practices shall ensure that the Council plans for, enters into and manages its procurement activities in a manner that maximises value for money and quality service delivery, as well as realises business, strategic and community expectations.”

5.2.7 All contracts shall clearly identify the functional, performance and/or technical deliverables and key performance indicators that reflect the Council's expectations and quality standards, and establish effective means to measure, monitor and manage their delivery.

5.2.8 All contracts will be actively managed in a manner that fosters collaboration with suppliers and contractors, maximises value for money as well as supports continuous innovation and improvement.

5.2.9 Procurement processes will comply with all applicable statutory obligations, recognise the Council's business, strategic and community expectations, and reflect relevant sector, central and local government good practice standards and guidelines.

(Gore District Council Procurement Policy; “Principles”)

The thresholds for procurement procedures under the Gore District Council Procurement Policy are illustrated in Table 6.1, below. It is important to note that all procurement activities undertaken under this 2023 Transportation Procurement Strategy must conform to Waka Kotahi procurement procedures and thresholds, described in Section 6.5.

Table 6.1: Procurement Policy Procedures

Level	Expenditure Level	Suggested Procurement Method – Transportation	Suggested Procurement Method – Other activities	Alternative Method
Significant	Cumulative value of more than \$150,000	Public Tender	Public Tender	<p>Direct Appointment or Closed Contest if two members of senior leadership team (SLT) authorise the deviation prior to operation, and retrospectively ratified by Council (NOT applicable to co-funded transportation procurements).</p> <p>Closed contest can be considered for contracts of less than \$200,000 (See Section 6.5) (Waka Kotahi Procurement Procedures)</p>
Moderate	Cumulative value of more than \$25,000 and less than \$150,000	Closed Contest Direct Appointment Sole Supplier	Closed Contest	<p>Closed Contest if the cost of seeking at least three quotations or tenders would be practical, or proportionate to the benefits obtained.</p> <p>Direct Appointment if two members of senior leadership team (SLT) authorise the deviation prior to operation, and retrospectively ratified by Council (NOT applicable to co-funded transportation procurements).</p> <p>Direct appointment can be considered for contracts of less than \$100,000 (See Section 6.5) (Waka Kotahi Procurement Procedures)</p>

Level	Expenditure Level	Suggested Procurement Method – Transportation	Suggested Procurement Method – Other activities	Alternative Method
Minor	Cumulative value of more than \$10,000 and less than \$25,000	Direct Appointment / Sole Supplier	Closed Contest	Closed Contest if the cost of seeking at least two quotations or tenders would be practical, or proportionate to the benefits obtained

In Civil Defence Emergencies (declared or significant), the standard procurement procedures may be suspended.

6.4 Key Attributes and Value for Money Strategy

Gore District Council has identified the need to plan effectively and deliver quality in a sustainable manner. Whilst lowest cost options are not necessarily the best, there is a high level of understanding of the works being delivered across the network – including where work can be delivered in collaboration with neighbouring Road Controlling Authorities (including State Highways).

The Council experienced performance issues in delivery of the comprehensive routine road maintenance leading into 2017. Customers were requesting an improved quality of delivery from their investment in the roading activity. It was decided by the Council that a better approach to the delivery of its roading physical works activities would be to “unbundle” some of these activities and tender them in discrete packages. This enabled a wider range of potential tenderers to tender for appropriately scaled work contracts they had the capability and capacity to undertake. An additional benefit of this was the increased ability for local contractors to tender for “unbundled” contracts.

The Council, reflecting the attitude of the local community, required a significant improvement in the quality of the service delivery outcomes for the routine road maintenance activities - including rural unsealed road maintenance. It was therefore decided that the contract, which was to contain these works, the Routine Road Maintenance Contract, should be tendered and evaluated on the basis of quality alone. This approach was continued when this contract was re-tendered in 2022.

The Council has sought to align the works packages in each of its Transportation contracts with the complexity and risks in the activities fully considered (see Section 4.2). Contracts include sufficient information to establish the levels of service being sought, through conforming tender submissions.

Work programmes are prepared and procured that meet the requirements of Council to maintain and/or provide its agreed levels of service in collaboration with Waka Kotahi, where it has a role as a funding partner. Regional alignment and prioritisation of subsidised transport activities is undertaken through the Regional Land Transport Programme which is then submitted for funding to the National Land Transport Programme managed by Waka Kotahi. Activities that are approved for funding are then implemented by Council utilising the appropriate delivery model and supplier selection method to suit the task. Council is also involved in multi-party funding agreements in order to achieve outcomes that reach beyond Council’s usual practice.

Within the Transportation activity, Council is mindful of the Land Transport Management Act 2003 requirements, particularly consistency with sections 20 and 25.

Suppliers are expected to understand the drivers of Council’s planned approach and the commitment made to deliver the agreed Levels of Service.

The key components of value for money are regarded as:

- robust planning to identify an effective work plan

- appropriate and efficient supplier selection procedures
- successful delivery of works and services (the right outcome on time and within budget).

6.5 Proposed Delivery Models and Supplier Selection Methods

For Transportation activities, Gore District Council intends to follow the Waka Kotahi Procurement Manual Procurement Procedure 1 - Infrastructure for Physical Works and Procurement Procedure 2 Planning and Advice for Professional Services. Under Waka Kotahi Procurement Manual Rule 10.9, the limit for direct appointment is \$100,000, and closed contests (selected tender) is \$200,000.

Thresholds provide maximum limits for different procurement methods; when procuring goods and services staff should consider what method should be used to achieve the best result, rather than just what method can be used.

The appropriateness of the different approaches is discussed below, and summarised in

Table 6.2.. Table 6.3 details the approach proposed with reference to both the Waka Kotahi Procurement Manual requirements, which apply to all co-funded transportation activities, and Council's Procurement Policy.

Determine Supplier Selection Process and Select Supplier

1. Consider the complexity of the goods or services involved to determine the extent of documentation required.
2. Is assistance required to prepare the documentation?
If so, this is another procurement process which is required.
3. How will "value for money" be obtained?
The key criteria are fitness for purpose, timeliness and cost.
4. How competitive is the market?
If there are a number of suppliers, then an open or closed contest. If this is not known, then a two stage process involving a Registration Of Interest (ROI) could be used.
5. As a guide, the following table indicates the most appropriate approach for different contract values. It should be noted that this is general guide and special circumstances may affect the appropriateness of any approach. The thresholds stated are those required under Waka Kotahi procurement procedures, and may differ from Gore District Council's Procurement Policy and Procurement Strategy, which are not applicable to Transportation procurement.

Table 6.2: Proposed Delivery Models and Supplier Selection Methodology for Land Transport Activities - Waka Kotahi Procurement Manual 2022.

Waka Kotahi Procurement Strategy		Gore District Council Procurement Policy (without exemption)*	Waka Kotahi endorsed Procurement Strategy (with exemption)	
			Normal Thresholds	Higher Thresholds (conditional use only)**
Delivery Models	<ul style="list-style-type: none"> • Traditional or Staged • Design and Build • Shared Risk (Simple Partnership) • Supplier Panel 			
Supplier Selection Methods:	Direct Appointment	Cumulative value of more than \$10,000 and less than \$25,000	up to \$100,000	up to \$200,000
	Closed Contest / Selected Tender	Cumulative value of more than \$25,000 and less than \$150,000	up to \$200,000	up to \$400,000
	Open Contest / Public Tender	Cumulative value of more than \$150,000	over \$200,000	over \$400,000
Procurement Plan	A completed Procurement Plan outlining the Delivery Model, Supplier Selection Method and Risk Framework is a requirement for projects going to open contest or public tender			
Evaluation Techniques	Lowest Price Conforming Purchaser Nominated Price Price Quality Quality Based (used for Routine Road Maintenance Contract in 2017 and 2022)			
Contract Award	Contracts are awarded through decision of the Gore District Council			
Maximum Contract Term	Five years. Current contracts have been tendered as 2 (+2) terms.			

* Direct appointment between \$100,000 and \$200,000 shall only be where there is a demonstrated case that Procurement manual, Sections: *10.9 Direct appointment and closed contest of low dollar value contracts, or, 10.10 Direct appointment of a monopoly supplier, or, 10.11 Direct appointment where competition will not help obtain best value for money are fulfilled.*

Gore District Council Procurement Policy permits the establishment of an approved panel of suppliers or contractors, which is not applied to Transportation procurement, but could be considered for Professional Services procurement in the future.

Council constantly monitors opportunities to collaborate with neighbouring TLA's in their procurement for both Professional Services and Physical Works. This includes participation in their competitively procured contracts post-tender, where this will be mutually beneficial. This has been successful for the delivery of road resurfacing physical works in the past, and should be explored for the upcoming resurfacing procurement.

As identified in Sections 5.1.6 and 5.1.7, sole supplier arrangements currently apply for Electricity Supply contract arrangements for Gore District Council.

Table 6.3: Procurement Methods for Transportation

ACTIVITY: ROADING	Delivery Model (ref. Waka Kotahi (NZTA) Procurement Manual section 6.4 - 01/04/2022)	Bundling	Supplier Selection	Form of Contract
Maintenance – Roothing Physical Works (PW) (2022/RO/03)	Design and build	Roothing Physical Works Term Maintenance Contract	Public Tender (RFP) after 4 (2+2) years or longer term if approved Quality-based Method	Formal Contract NZS3917:2015 Term Maintenance
Maintenance - Bridges, Structures and Signage	Design and build	Included with Roothing Physical Works Term Maintenance Contract Individual Contracts	Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013
Maintenance – Mechanical Cleaning (Street sweeping, sump clearance) (2022/RO/06)	Staged	Separated from Roothing Physical Works Contract to suit market conditions	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conforming Method	Formal Contract NZS3910:2013
Maintenance – Vegetation Control (Chemical spraying) (2022/RO/07)	Staged	Separated from Roothing Physical Works Contract to suit market conditions	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conforming Method	Formal Contract NZS3910:2013
Maintenance – Pavement Marking (2022/RO/08)	Staged or design and build	Separated from Roothing Physical Works Contract to suit market conditions	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conforming Method	Formal Contract NZS3910:2013
Maintenance - Streetlights	Design and build	Term Maintenance Contract	Direct Appointment	Formal Contract NZS3917:2013 Term Maintenance

ACTIVITY: ROADING	Delivery Model (ref. Waka Kotahi (NZTA) Procurement Manual section 6.4 - 01/04/2022)	Bundling	Supplier Selection	Form of Contract
Maintenance and Renewals – Concrete and (Asphalt) Footpaths Works, and Trench Reinstatements (2022/RO/09)	Staged or design and build	Separated from Roothing Physical Works Contract to suit market conditions	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conforming Method	Formal Contract NZS3910:2013
Maintenance and Renewals – Structural Pavement Repairs (2022/RO/10)	Staged or design and build	Separated from Roothing Physical Works Contract to suit market conditions	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conforming Method	Formal Contract NZS3910:2013
Renewals – Reseals	Staged or design and build	One single or multiple year Contract Consider bundling in combination with neighbouring authorities if this demonstrates superior value for money	Public Tender (RFP) Price Quality Method	Formal Contract NZS3910:2013 based
Renewals - Bridges, Structures, Signage	Staged or design and build	Included with Roothing Physical Works Term Maintenance Contract Individual Contracts	Public Tender (RFP) Price Quality Method Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013 based
Renewals - Streetlights	Design and build	Include with Streetlights Term Maintenance Contract	Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013 based
Renewals and Improvements – Roads, Pavements	Design and build	Individual Contracts	Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013 based
Improvements - Roads, Bridges, Structures, Signage	Staged or design and build	Included with Roothing Term Maintenance Contract Individual Contracts	Public Tender (RFP) Price Quality Method Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013 based Alliancing

ACTIVITY: ROADING	Delivery Model (ref. Waka Kotahi (NZTA) Procurement Manual section 6.4 - 01/04/2022)	Bundling	Supplier Selection	Form of Contract
Improvements - Streetlights	Staged or design and build	Include with Streetlight Term Maintenance Contract Design and build for large projects	Lowest price conforming Method Or Direct Appointment	Formal Contract NZS3910:2013/ NZS3915:2015 based
Professional Services (PS) (not exclusive arrangement)	Staged	One Term Contract May be joint with Southland District Council or other agencies in future	Public Tender (RFP) every five years or longer term if approved Price Quality Method	Formal Contract CCCS (2005) based
Professional Services (PS) (Outside of Joint Professional Services Contract)	Staged	Individual assignments or complementary projects	Direct Appointment	IPENZ Short Form Agreement for Consultant Engagement CCCS (2005) based
Information Technology	Design and build	Individual assignments	Direct Appointment if approval obtained	Formal Contracts
Electricity supply	Design and build	Tendered or negotiated with other Council services such as bulk supply	Direct Appointment, joint negotiation or Public or Selected Tender (RFP) Price Quality Method	Formal Contracts (maybe supplier format)
Road Safety and Community Programmes Network and Asset Management	In-house and in collaboration with other organisations			

6.6 Risk Identification and Management

The keys risks associated with the transportation procurement programme relate to funding, in particular the access to subsidised transport funding through the NLTP. This requires commitment to the agreed work plan; failure to deliver affects multiple parts of the activity as well as other organisations. Council has taken a collaborative approach with neighbours in planning to meeting the changing demands of the area and implementing appropriate programme are dependent on securing funding. This reinforces the importance of effective asset management and planning.

More specific risks relating to the activity can be found in the Activity Management Plan for this activity.



7.0 PROCUREMENT STRATEGY IMPLEMENTATION

7.1 Council’s Organisational Skills and Resources

Gore District Council is a relatively small Council with no ‘metropolitan’ centre.

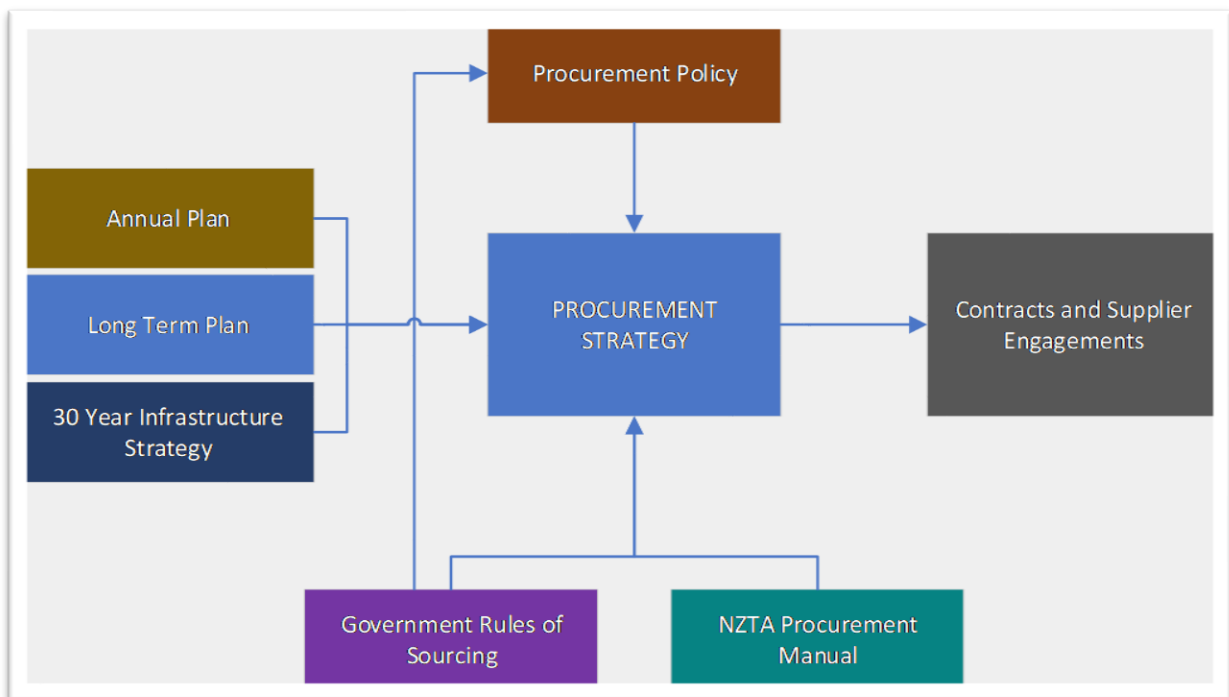
Council uses a mix of its own staff and external resources (where appropriate) to deliver levels of service and achieve associated planning and programmes. This approach aligns with the ‘core’ level of asset management practice that is regarded as appropriate for most of Council’s infrastructure based activities. Waka Kotahi requirements will drive more sophisticated processes in line with NLTP and Te Ringa Maimoa guidance.

Council engages the assistance of specialist professional services supplier to support and complement the in-house engineering and asset management resources where required.

7.2 Interaction with Other Documentation

This Procurement Strategy is linked to Council and the Waka Kotahi’s wider planning frameworks as well as implementation rules and guides. These are illustrated in Figure 7.1 below:

Figure 7.1: Document linkages



7.3 Advertising and Engaging with the Market

Council recognises that effective outcomes rely on sound relationships.

Council seeks to maintain and manage the relationships with local and regional suppliers in a fair and open manner, to provide opportunities best-suited to the market. A procurement plan shall determine the tender and procurement process and stages, supplier market analysis, risks, supplier selection and delivery method as well as the estimated and/or the LTP budget and the contract duration.

Opportunities are advertised via the Government Electronic Tendering Service (GETS).

7.4 Probity and Specialist Advisors

Qualified tender evaluators are required for all contracts with an estimated value over \$200,000 where the works will receive financial assistance from Waka Kotahi. Project managers will determine if a qualified tender evaluator is required for other evaluations.

For significant contracts, particularly multi-year contracts, Council will consider the involvement of a probity auditor.

7.5 Contract Management

The outcomes sought are achieved through sound contract management principles and actions. Council has robust contract management processes supported by the contract management manual and experienced staff. Relationships with contractors with reliable communications are a priority.

7.6 Monitoring and Auditing

The appropriateness and effectiveness of this strategy will be evaluated as services are engaged and will be reviewed every three years as part of the development of the Gore district's Long-Term Plan and the National Land Transport Programme.

Transparency and accountability checks occur through Council's normal business practices including audits by Audit New Zealand and procedural and technical audits by Waka Kotahi on subsidised transport activities.

7.7 Communication and Endorsement

The Procurement Strategy was first published in 2010. This followed a broad review of processes, workshops with staff and training about the new procurement environment.

In 2020, Council adopted a Procurement Policy for the organisation. This strategy reflects the 2022 amendments to the policy and changes to the Waka Kotahi Procurement Manual.

Responsibility for the Strategy and its currency lies with the Roding Asset Manager.

Endorsements and Approval are included in Section 1.

A current version of this procurement strategy shall be available on Council's website along with any departures from the processes published.

7.8 Improvement Plan

Council acknowledges there are opportunities to improve this strategy and Council's procurement processes.

Once the new suite of contracts are 'bedded-in' a review of the success will be undertaken this the learnings used to inform the next revision of the strategy.

7.9 Future Endorsement and Revision

In terms of Waka Kotahi Procurement Manual Rule 10.4, endorsement of the Procurement Strategy is required at least every three years. A review shall be undertaken prior to seeking such endorsement.

8.0 APPENDIX: EXISTING SUPPLIER ARRANGEMENTS

The following chart (Figure 8.1) provides an indication of the engagements in place – and planned procurement - for works over \$25,000.

Figure 8.1: Supplier Arrangements

Contract Name	Contract No.	Current Provider	Current Term	Expiry	Likely Procurement Approach on Expiry	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
INFRASTRUCTURE															
Transportation / Roading															
Maintenance – Roading Physical Works (PW)	(2022/RO/03)	K2 Contracting	2 years + 2 (2+2)	30/09/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Quality-based Method						2	+2			
Maintenance - Bridges, Structures and Signage			Included with Roading Physical Works Term Maintenance Contract Individual Contracts		Lowest price conforming Method or Direct Appointment										
Maintenance – Mechanical Cleaning (Street sweeping, sump clearance)	(2022/RO/06)	Downer New Zealand Limited	2 years + 2 (2+2)	30/09/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conformig Method						2	+2			
Maintenance – Vegetation Control (Chemical spraying)	(2022/RO/07)	Southern Vegetation Control Limited	2 years + 2 (2+2)	31/07/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conformig Method						2	+2			
Maintenance – Pavement Marking	(2022/RO/08)	Downer New Zealand Limited	2 years + 2 (2+2)	30/09/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conformig Method						2	+2			
Maintenance - Streetlights	(2023/RO/02)	TBC	Term Maintenance Contract		Lowest price conforming Method or Direct Appointment							2	+1 (TBC)		
Maintenance and Renewals – Concrete and (Asphalt) Footpaths Works, and Trench Reinstatements	(2022/RO/09)	McDonough Contracting Ltd	2 years + 2 (2+2)	30/09/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conformig Method						2	+2			
Maintenance and Renewals – Structural Pavement Repairs	2018/12* (2022/RO/10)	Fulton Hogan*	3 years +1 +1 (3+1+1)* 2 years + 2 (2+2) 3 years +1 +1 (3+1+1)*	1/11/2023* 1/11/2026	Public Tender (RFP) after 4 (2+2) years or longer term if approved Lowest Price Conformig Method						2	+2			
Renewals – Reseals	2018/07 (2023/RO/01)	Fulton Hogan TBC	One single or multiple year Contract Consider bundling in combination with neighbouring authorities if this demonstrates superior value for money	1/11/2023	Public Tender (RFP) Price Quality Method			3	1	1	1	+1 (TBC)	+1 (TBC)		
Renewals - Bridges, Structures, Signage			Included with Roading Physical Works Term Maintenance Contract Individual Contracts		Public Tender (RFP) Price Quality Method Lowest price conforming Method or Direct Appointment										
Renewals - Streetlights	(2023/RO/02)	TBC	Include with Streetlights Term Maintenance Contract		Lowest price conforming Method or Direct Appointment							2	+1 (TBC)		
Renewals and Improvements – Roads, Pavements			Individual Contracts		Lowest price conforming Method or Direct Appointment										
Improvements - Roads, Bridges, Structures, Signage			Included with Roading Term Maintenance Contract Individual Contracts		Public Tender (RFP) Price Quality Method Lowest price conforming Method or Direct Appointment										
Improvements - Streetlights	(2023/RO/02)	TBC	Include with Streetlight Term Maintenance Contract Design and build for large projects		Lowest price conforming Method or Direct Appointment							2	+1 (TBC)		
Professional Services (PS) (not exclusive arrangement)			One Term Contract Joint with Southland District Council (2017-22) or other agencies in future		Public Tender (RFP) every five years or longer term if approved Price Quality Method										
Professional Services (PS) (Outside of Joint Professional Services Contract)			Individual assignments or complementary projects		Direct Appointment Panel establishment could be considered?										
Information Technology			Individual assignments		Direct Appointment if approval obtained										
Electricity supply			Tendered or negotiated with other Council services such as bulk supply		Direct Appointment, joint negotiation or Public or Selected Tender (RFP) Price Quality Method										
Road Safety and Community Programmes Network and Asset Management					Road Safety Southland delivered collaboratively with Southland DC and Invercargill CC										
* Pre-reseal repairs for 2022/23 sealing programme completed under Contract 2018/12															