



Kāpiti Coast District Council

Access and Transport –

Putanga me te waka

PROCUREMENT STRATEGY

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PROCUREMENT STRATEGY

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EXECUTIVE SUMMARY

“Procurement includes all aspects of acquiring products, services and works.

Procurement starts with identifying and specifying something we need.

It includes engaging with suppliers, entering into contracts, and managing supply arrangements.

It finishes when the service ends or when a product or asset is no longer useful.”

(Kāpiti Coast District Council’s Policy and Manual)

This is the third version of Kāpiti Coast District Council’s Access and Transport Procurement Strategy. The strategy is aligned with Council’s organisation-wide Procurement Policy (2021), and is informed by the Government Procurement Rules (2019) along with the Waka Kotahi NZ Transport Agency’s (Waka Kotahi) Procurement Manual (2022).

This strategy supports the outcomes Council seeks for the Access and Transport (Roads and Footpaths) Activity. (*Sustainable Transport Strategy 2020*)

- *Improved Access, Connectivity and Integration*
- *Safe and Resilient Communities*
- *Supporting a Vibrant and Thriving District*
- *Climate Change*
- *Environment Enhancement*
- *Amenity; and*
- *Affordability.*

These align with Government and Waka Kotahi objectives, with a greater focus on broader outcomes that can be achieved as a secondary benefit from the procurement process.

In this version of the Procurement Strategy, Council has not sought any changes to the service delivery or supplier selection method detailed as approved in version two, but any changes are reflected and in-line with Council Procurement Policy and Manual.





1. POLICY CONTEXT

1.1 Strategic Objectives

The primary Access and Transport aim and goal for the Kāpiti Coast District, as set out in [Sustainable Transport Strategy 2020](#), is

“to deliver a transport network that provides equitable access for all, whilst ensuring that environmental and economic outcomes are reflected in decision making.”

“The goal is to enhance community connectedness through the creation of a well-planned physical transport system that allows for the reliable, efficient and safe movement of people and goods.

The Sustainable Transport Strategy 2020 received a high level of community interest and provides a long-term view beyond the planning and work programmes associated with Council’s Long Term Plan (LTP) and the National Land Transport Programme (NLTP).

In delivering Access and Transport services to all road users, Council seeks to achieve the following outcomes (*Sustainable Transport Strategy 2020*):

- *Improved Access, Connectivity and Integration*
- *Safe and Resilient Communities*
- *Supporting a Vibrant and Thriving District*
- *Climate Change*
- *Environment Enhancement*
- *Amenity; and*
- *Affordability.*

In order to achieve the vision and outcomes identified for Council’s Access and Transport Activity, supported by robust systems and processes, Council has identified the following (*Sustainable Transport Strategy 2020*):

- Focus Area 1: The Transport Network
 - Improved Connections and Mode Choice
- Focus Area 2: Integrating Land Use and Development
- Focus Area 3: Safety
- Focus Area 4: Resilience
- Focus Area 5: Climate Change
- Focus Area 6 The Environment
- Focus Area 7: Amenity
- Focus Area 8: Affordability



Kāpiti Coast District Council refers the Road and Footpaths Activity Group as the Access and Transport Activity, and has a multi-modal approach.

While affordability may be the initial focus for procurement, Value for Money is key to integrating affordability with all Council's Access and Transport objectives in mind. Value for Money is achieved over the long term and not through the cheapest job in the shortest time.

<i>Value for Money</i>	<i>The best available outcome for the money spent. It means using resources effectively, economically and without waste, considering the total costs and benefits of a purchase and the outcome achieved. The best possible value for money isn't necessarily the lowest price.</i>
<i>Whole of life costs (otherwise known as total cost of ownership)</i>	<i>An estimate of the total cost of a product, service or works over the whole of its life, often used to compare options or to analyse an investment decision. The whole of life cost typically includes the cost of the initial purchase, as well as the implementation/change costs, support and maintenance costs, and operational costs. From time to time other costs and benefits might also be relevant, such as the cost of depreciation, interest, impacts on overheads, and the cost or residual value of asset disposal.</i>

(Kāpiti Coast District Council Procurement Policy and Manual)

Historically, there have been competitive markets in the Kāpiti Coast District Council area. COVID-19 and the dominance of large entities associated with the Wellington Northern Corridor (TG/M2PP/PP20) have had an impact on the capability of local supply. This has affected Council's ability to achieve its procurement goals. By identifying the challenges for the District to the supplier market, it is anticipated that a competitive and efficient market will be maintained in the long term.

Discussion on the supplier market is included in Section 3.

1.2 Kāpiti Coast District Council Long Term Plan 2021-41 Outcomes

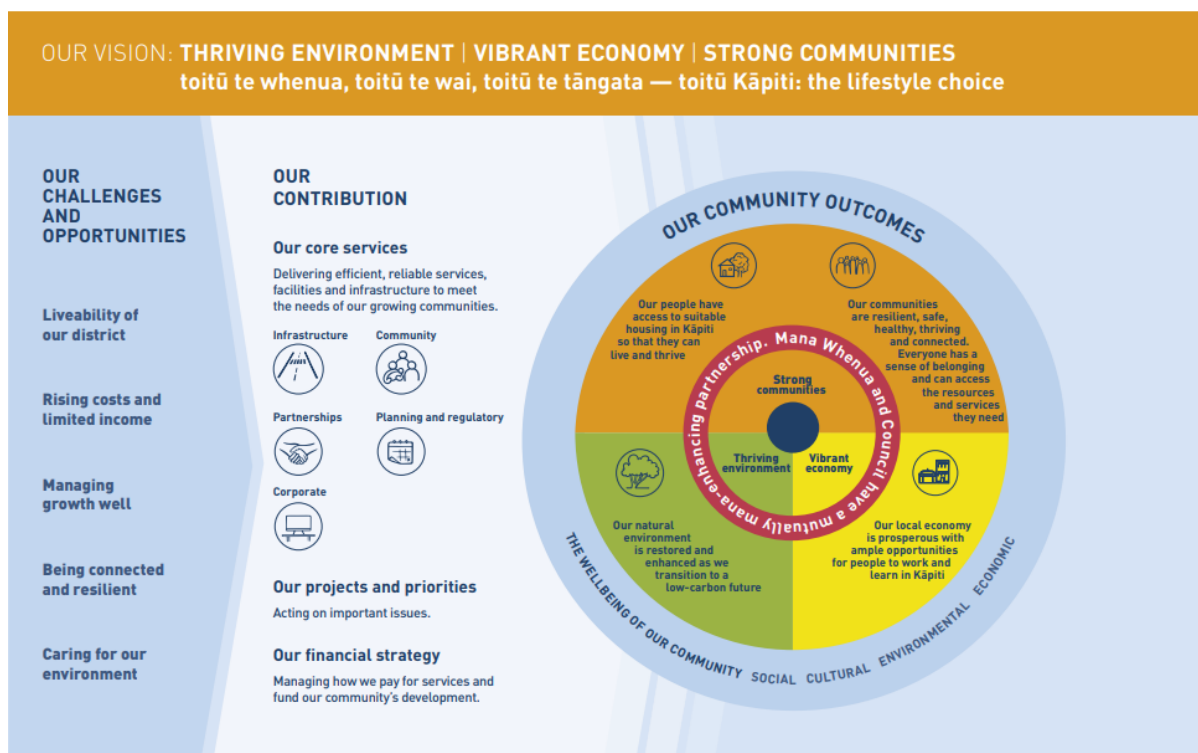
The Long Term Plan (LTP) and Infrastructure Strategy (IS) set out how Kāpiti Coast District Council (Council) plans to invest in projects and programmes for the next 10 and 30 years respectively. The Local Government Act (2002) requires Councils to produce a LTP every three years and consult the community on its content.

The LTP (2021-41) describes the role of Access and Transport as follows:

"The transport network is essential for our district, contributing to the delivery of core services. It also contributes to Council's aim to provide for a thriving economy and a resilient community by:

- providing access to work, schools and essential services*
- reducing the negative impact of travel on quality of life by providing safe connections between local centres and workplaces, schools and residences*
- increasing access opportunities for all modes of transport."*

Sustained population and commercial activity continues in Kāpiti. Managing change and the rate of change is a challenge for Council, which is considered in its strategic approach to procuring goods and services.



1.3 Council's Procurement Policy (2021) and Manual, and the Procurement Framework

This procurement strategy is not an organisation-wide Procurement Policy, but reflects the principles of Council's organisation-wide Procurement Policy that is closely aligned with the Government Procurement Rules. This strategy focuses on the Access and Transport infrastructure and services only, including but not limited to those activities partly funded by the Waka Kotahi.

1.3.1 Procurement Framework

Council's overall Procurement Framework that informs and implements this strategy includes:

- Procurement Policy – the principles and high-level rules that govern all Council's procurement activity
- Procurement Manual – the processes that Council need to do in a specific way
- Standard Procurement Templates – documents Council use for Council's procurement work
- Procurement Guidelines – extra guidance to supplement the Procurement Manual.

1.3.2 Procurement Policy

Council has an organisation-wide Procurement Policy and Procurement Manual to provide clear direction to management and staff for all procurement. In combination, these establish a decision-making framework that ensures robust, fair, transparent, and reliable procurement that contributes to the successful achievement of Council's business strategies, goals, and objectives and ensures Council's procurement activities are in accordance with its legal responsibilities.

Council's Procurement Policy outlines the fundamental high level rules that apply to the procurement activity and describes best practice in Council's procurement principles and rules.

This includes:

1. Choosing the best type of supply arrangement for the procurement category
2. Encourage healthy competition
3. Managing value, risk and complexity of the procurement
4. Managing health and safety
5. Improve social, cultural, economic and environmental wellbeing (includes broader outcomes)
6. Seeking value for money and whole of life costs
7. Being a good and fair customer
8. Managing procurement risk

1.3.3 Procurement Manual

The Procurement Manual describes the Procurement lifecycle and encourages consideration of procurement throughout the asset lifecycle term.

- plan the procurement activity
- approach the market
- select the products and/or suppliers
- award the contract; and
- manage the supplier.



The Procurement Manual also highlights alignment with Waka Kotahi guidance and rules:

“Some of our procurement is funded through the National Land Transport Programme and is subject to the Waka Kotahi NZ Transport Agency Procurement Manual (the NZTA manual). If there’s any conflict between this Policy and the NZTA manual for work funded through the National Land Transport Programme, then the NZTA manual takes precedence.”

In the Policy, Council makes commitments around transparency, integrity, and commercial sensitivity. Council recognises the broader outcomes associated with procurement, which are discussed in Section 1.9.

1.3.4 Value for Money and Whole of Life Costs

The Policy includes a definition of value for money, which is directly applicable to this strategy:

“When we compare deals, we’ll consider whole of life costs rather than just the initial up-front cost;

We’ll seek the best value for money, which isn’t necessarily the lowest price.”

*Value for money means using resources effectively, economically, and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes the entity is trying to achieve.
(Office of The Auditor General)*

See Section 1.1 for more information.

1.3.5 Encourage Healthy Competition

The Policy also seeks to encourage competition and tailor its procurement approach accordingly.

“We’ll encourage competition for our business;

We won’t specify requirements in a way that unnecessarily excludes potential solutions or suppliers. We want to keep our options open;

We’ll seek to understand the market and our effect on it. While it’s inevitable that there will be winners and losers, we’ll avoid procurement outcomes that might damage healthy competitive markets.”

1.3.6 Being a Good and Fair Customer

Council is aware of the value that effective and efficient procurement has to stakeholders. There are also broader outcomes, in terms of capacity building and sustainable business outcomes that Council considers to be important to both Council and the wider community.

“We will be clear about what we need, and we will communicate well throughout our procurement processes to keep suppliers well informed and to maintain the integrity of the procurement process. We will listen to what our suppliers have to say.

Our processes will be efficient and well implemented. We understand that it is expensive and time-consuming for suppliers to prepare responses, so we will make it as easy as possible for suppliers to deal with us.

We will maintain a ‘level playing field’ for our suppliers so they can compete fairly for our business. We’ll identify and manage any conflicts of interest so that we remain impartial.

We will make it clear how we assess suppliers’ responses. We’ll offer unsuccessful suppliers a debrief so they know how to improve their responses next time.”

1.3.7 Health and Safety

Like sustainability, health and safety is not an optional extra. Council requires a high standard of health and safety commitment and compliance from its suppliers.

“We are committed to protecting the health and safety of:

- *workers that work for, or are engaged by Council;*
- *workers whose activities are influenced or directed by the Council; and*
- *other people that might be put at risk because of our activities.*

We need to consider health and safety early, and throughout the procurement process. In so far as is reasonably practicable, we need to minimise or eliminate health and safety risks. We need to assess the likelihood of the risk occurring, the degree of harm that might occur, the availability and suitability of ways to eliminate or minimise the risk or hazard, and only after considering

these things, whether the cost of dealing with the risk or hazard is grossly disproportionate to the risk.

Our people need to be familiar with the duties that are required of them which are set out in the Health and Safety at Work Act 2015. Among other things, these duties require us to consult with others over health and safety matters.

There are procedures detailed throughout the Procurement Manual to monitor health and safety, reflecting the end-to-end approach taken by Council.

1.4 Government Procurement Rules and Waka Kotahi Procurement Manual

While this strategy is prepared as guided by the current [Waka Kotahi Procurement Manual \(Amendment 6 - 2022\)](#), key principles are derived from the [Government Procurement Rules \(2019\)](#).

Council is aware of the broader outcomes that can be achieved through taking a strategic view of procurement. These outcomes are consistent with the outcomes Council seeks through its [Long Term Plan](#) and [Local Community Outcomes Reports](#).

1.5 Other Strategic Documents

Key planning documents that informed the development of the 2021-41 LTP, the development of the Access and Transport Activity Management Plan and the subsequent development of this Procurement Strategy have included:

Waka Kotahi/New Zealand Transport Agency Documents:

- The Government Policy Statement for Land Transport 2021
- Waka Kotahi Arataki (Long Term View) 2020
- Wellington Regional Growth Framework (2020)
- Wellington Regional Land Transport Plan 2021
- Waka Kotahi Procurement Manual, Amendment 6 2022
- Waka Kotahi Broader Outcomes Guide 2020

Council (Local) Documents:

- Kāpiti Coast District Council: Access and Transport Activity Management Plan 2021
- Kāpiti Coast District Council: Sustainable Transport Strategy 2020
- Kāpiti Coast District Council: The Streetscape Strategy and Guidelines 2008
- Kāpiti Coast District Council: Cycleways, Walkways, Bridleways Strategy 2009
- Kāpiti Coast District Council: Economic Development Strategy and Implementation Plan 2020–23
- Kāpiti Coast District Council: Infrastructure Strategy 2021

These documents are available on request from the relevant authority.

1.6 Regional Procurement

In the past, Kāpiti Coast District Council has procured goods and services jointly with neighbouring authorities within the Greater Wellington Region. The Traffic Signal Maintenance Contract (2019/20) was procured through Waka Kotahi and with other District Councils in the region.

The Access and Transport Asset team are aware of the procurement strategies, contracts, and contractors working on land transport assets in adjacent authority areas. The Council may investigate the potential of or consider joint procurement of some land transport asset services in the future, if it is deemed to deliver value for money for Kāpiti Coast District Council and is not inconsistent with the Procurement Strategy or procedures in operation at that time.

1.7 Waka Kotahi Procurement Requirements

The Access and Transport financial forecasts indicate to the community that between \$7-10 million will be spent per annum over the next 20 years on capital works, and a further \$20 million per annum on operational expenditure from 2021/22 to 2041/42.

Council acknowledges that its procurement decisions carry environmental, social, and (local) economic implications and recognises its responsibility to procure goods and services in a sustainable and fair manner, and obtain value for money. This ongoing acknowledgement is now considered as broader outcomes. (See Section 1.9 for more details.)

Ensuring a framework for success is vital for the procurement activity to benefit Council, its suppliers, and the community. Part of this framework is monitoring and auditing. Kāpiti Coast District Council has an excellent record on procedural audits. There were no items identified for action in the 2020 audit.

1.8 Tāngata Whenua

Kāpiti has one of the longest lasting partnerships between tāngata whenua and Local Government in New Zealand (Te Whakaminenga o Kāpiti). The partners are the Kāpiti Coast District Council and the mana whenua (people with 'authority over the land') on the Kāpiti Coast.

"Te Whakaminenga o Kāpiti and Whakahoatanga Manatu

Council recognises the status of the Mana Whenua under Te Tiriti o Waitangi (Treaty of Waitangi), and works closely with Ngāti Toa Rangatira, Ngā Hapū o Ōtaki and Ātiawa ki Whakarongotai iwi, who hold Mana Whenua (authority over land or territory) within the District

The Mana Whenua have established four principles on which the vision is based:

- *Manaakitanga – which is concerned with the wellbeing of families and communities;*

- *Te Reo – it is fundamental that the language is treasured;*
- *Kotahitanga – working in partnership to build strength; and*
- *Tino Rangatiratanga – self-determination, control and decision-making, including a strong role for kaitiakitanga.”*



(Source: Sustainable Transport Strategy)

1.9 Broader Outcomes

In March 2021 Waka Kotahi released its [Broader Outcomes Procurement Strategy](#) (2021). It is defined as

“The pursuit of secondary benefits including social, cultural, environmental and economic outcomes that are generated by the way a good, service or works is produced or delivered.”

This reflects the direction Kāpiti Coast District Council has taken for some time. Council has a strong relationship with iwi and rūnanga, and is a leader in emissions reductions and sustainability. There is currently no specific strategy around engagement with the Pacifica community.

Broader outcomes are founded in the community outcomes, which Council has established with the community, and together have agreed these are worth striving for. These are illustrated in Figure 1.

The achievement of Council’s community outcomes is progressed through a range of initiatives, described in plans and strategies.

Figure 1: Community Outcomes.

Our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti

Pūkengatanga/Whanaungatanga Vibrant economy

The Council contributes by:

- seeking government investment/development of regional hubs
- improving our transport connections such as rail and air
- partnering with iwi, local organisations and others to actively promote existing local business and facilitate and encourage new businesses to establish
- funding local events, and promoting the district as a destination
- ensuring the local economy benefits our communities' wellbeing
- growing skills and capability, and potential for jobs, especially for young people
- supporting the growth and promotion of sectors that provide the most potential for economic wellbeing.



Our natural environment is restored and enhanced as we transition to a low-carbon future

Kaitiakitanga/Pūkengatanga Thriving environment

The Council contributes by:

- leading by example through reducing Council's carbon emissions to be carbon neutral by 2025
- embedding sustainable practices within Council service delivery
- facilitating and empowering community projects and initiatives
- educating and promoting sustainable practices in the community to see a reduction in carbon and waste
- restoring our environment through dune restoration and native planting
- ensuring our freshwater quality and protection through our stormwater network.



Our people have access to suitable housing in Kāpiti so that they can live and thrive

Ūkaipōtānga Strong communities – Housing

The Council contributes by:

- partnering with iwi, local organisations, central government and others to deliver housing solutions
- using the regulatory powers available to it to facilitate increased supply
- providing social housing for older persons.



Mana Whenua and Council have a mutually mana-enhancing partnership

*Pūkengatanga/Whanaungatanga Strong communities – Thriving environment
– Vibrant economy*

The Council contributes by:

- supporting knowledge-sharing between Te Ao Māori and Te Ao Pākehā
- partnering with local iwi to identify and achieve Mana Whenua community wellbeing goals
- strengthening capacity of Māori to work within government frameworks
- adequately resourcing Mana Whenua to engage with Council as partners.



Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources and services they need






Manaakitanga/Whanaungatanga Strong communities

The Council contributes by:

- partnering with iwi, local organisations, and central government to coordinate and facilitate equitable distribution of resources
- advocating for better facilities and services on behalf of our communities
- using and improving our local knowledge of our communities to identify their needs
- facilitating connectivity across the community (groups and individuals) and between communities
- funding locally-led initiatives.

1.9.1 Economic Development Strategy and Implementation Plan

The implementation of the [Kāpiti District Economic Development Strategy and Implementation Plan 2020-23](#) will bring into focus the potential and opportunities within the District. The strategic pillars identified in the document will be considered in the development of future procurement plans and contract documents.

Ngā pou – Pillar		Pānga – Impacts
	Kotahitanga Strengthening partnerships and leadership	Employment Growth – increase in local employment options and pathways
	Manaakitanga Supporting key sectors	Mean Income Growth – increase in higher paying local employment and income generating opportunities
	Whānau Growing skills and capability	Business Unit Growth – increase in businesses establishing, expanding and moving to the district
	Kaitiakitanga Open for opportunity	
	Whakapapa Positioning the Kāpiti Coast	GDP Growth – increased growth of the local economy and key sectors

2. PROCUREMENT PROGRAMME AND DELIVERY

2.1 Section 17A Local Government Act – Services Delivery Review

The Kāpiti Coast District Council Access and Transport Activity includes all services related to the management and use of roads, footpaths, shared paths, and on-road cycle lanes. It undertakes the following works:

- operation and management of the transport network, which includes the following assets: roads, bridges, footpaths, street lighting, road signs, street furniture, cycle lanes and shared paths in the road corridor
- improvement of existing assets to maintain serviceability, replacement of assets to ensure long-term sustainability, and creation of new assets to cater for demand and growth
- delivery of road safety improvement projects, in conjunction with New Zealand Police, Waka Kotahi, and other road safety partners
- promotion of active travel modes and public transport
- planning and design of road corridors to accommodate a range of transport options
- planning and design, linked to wider district development projects
- monitoring of traffic and transport regulations, standards, and bylaws (i.e. Traffic Management Plans, overweight permits, unsafe parking and others).

This review is current underway (2022/23 year) and is being developed in combination with this strategy review. The following extract is from the latest draft.

The Access and Transport activity sits within the Infrastructure Services Group.

The activity consists of three primary teams:

- *Roading Asset Management,*
- *Roading Network Delivery,*
- *and Transport Planning and Safety.*

Roading Asset Management includes a Team Leader, a Walking and Cycling Lead, a Road Safety Educator and Vehicle Crossing Inspector, and a Traffic Engineer (4.0 FTE). Roothing Network Delivery includes a Team Leader, a Roothing Asset Engineer, a Roothing Engineer, and a Clerk of Works (4.0 FTE). Transport Planning and Safety includes a Team Leader and a Transport Safety Lead (2.0 FTE).

The activity is managed by the Access & Transport Manager (1.0 FTE), who is supported by a dedicated Administration Officer for the overall team (0.5 FTE). Currently, the Access & Transport team consists of 11.5 FTE.

The wider activity also includes a full-time Project Manager who works on the current expressway projects. This is in addition to the 11.5 FTE. The Project Management Office also provides support by delivering large, discrete projects.

2.2 Delivery Models

2.2.1 Kāpiti Coast District Council Models

A variety of delivery models have been identified as being suitable for the range of Access and Transport (A&T) services and infrastructure works that are undertaken in the Kāpiti Coast District Council area.

Along with the team responsible for operations, there is an Infrastructure Projects Delivery team who focus on larger projects.

Council uses a combination of service delivery methods, comprising in-house and outsourced resources. Council chooses to outsource functions for the following reasons:

- The quantity of work is larger than Council has capacity for
- The type of work is beyond Council's Capability
- There are specialist skills involved which Council does not have
- There are value for money benefits
- There are opportunities to foster innovative solutions.

The models for different types of works are summarised below.

Maintenance and Renewals Programme

Council currently has a preference for one contract for roads and footpaths maintenance alongside one for resurfacing. This is also supplemented with other contracts for new capital works. There is a degree of flexibility with these contracts that assists Council to achieve its objectives. Tendering is spread out over time to enable a range of opportunities for Contractor to submit.

This programme has been delivered through four contracts from 2019/20 onwards:

1. **Operations**, maintenance and Asphaltic concrete renewals of **all local road infrastructure** (excludes reseals)
2. Resealing – Chipseal, and micro surfacing
3. Streetlights maintenance and renewals
4. In house operational services agreement (non-financially assisted budgets).

This division of works will ensure competition in the market including the opportunity for local suppliers to tender for works. It is proposed to continually review the number and form of contracted services to ensure competition is retained in the marketplace and that contract renewals or engagement provide a regular flow of work to the supplier market. Works are also split to ensure the packages are aligned with the supplier market (e.g., streetlights maintenance).

Non financially assisted maintenance work is delivered in-house by Council's Operations Team. This includes parks and reserves maintenance, urban berm maintenance, litter removal and response to illegal dumping.

Maintenance and Operation of Local Roads (Including Renewals)

The maintenance and operation of local roads (including bridges) are undertaken as one contract. This is a comprehensive contract and a priority for staff. The quality element is managed through a performance framework.

Bridge replacements/renewals will increase this expenditure in the years identified in the 30 years renewal programme for bridges. The replacement bridges will be tendered as a separate contract.

Surfacing Renewals (Chip Sealing Only)

The surfacing renewals contract was incorporated into the road maintenance contract in 2015, but it then decided to return these works to a separate contract from the 2018/19 year. This provides a better opportunity for comparison of the quality of delivery between contractors. The period of contract for resurfacing will be amended to align with the road maintenance contract. The quality element will reflect the policies and procedures outlined in the Contract document and Contract Quality Plan.

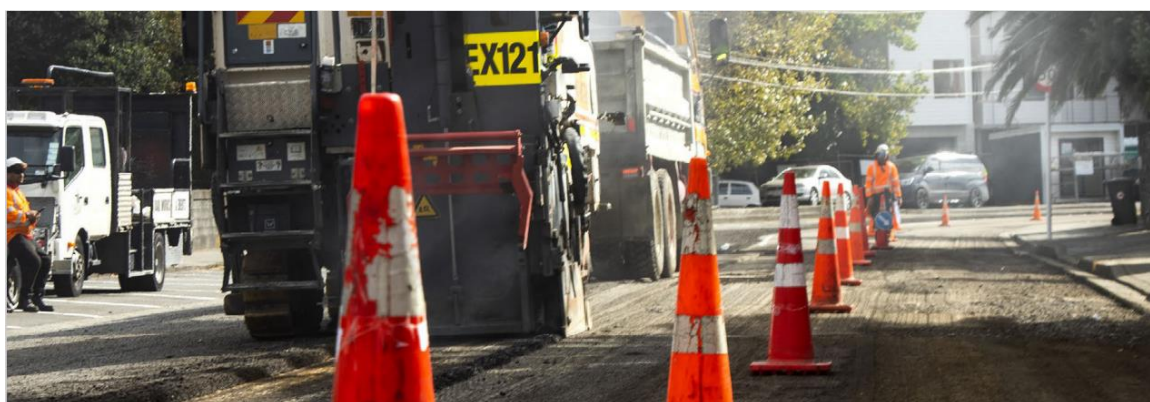
New Capital Works – Road Improvements

Capital works comprise major projects or ‘Low Cost Low Risk’ projects.

The annual Low Cost Low Risk works programme is generally delivered through a combination of engagements with suppliers and the maintenance contractor. This provides an opportunity to involve suppliers in small projects that suit their capabilities and capacity, or bundle with other works

Larger capital projects are managed in-house and delivered by external contractors. These physical works will often be staged, with separate external consultants providing designs, and physical works procured through open tenders or invited tenders depending on the estimated value in accordance with the Waka Kotahi Procurement Manual and KCDC Procurement Manual.

Annual new capital projects are detailed in the Long Term Plan and Access and Transport Activity Management Plan.



Community Programmes

This A&T Activity group covers road safety and school travel plan programmes as defined by Waka Kotahi's policies. The procurement of services is undertaken by in-house staff to deliver against the Waka Kotahi agreed programme of works.

Internal Council procurement procedures are used in-line with Council's Procurement Policy as the value of the majority of contracts are for less than \$5,000. The number of contracts varies due to the number of projects undertaken.

Professional Services

Professional services are delivered both in-house and through external consultants.

The in-house professional services agreement process has been approved and audited by the Waka Kotahi, and a procedural audit has confirmed the process operates effectively.

The team is described in more detail below under Section 2.3, Council Workforce.

Council supplements its in-house team with specialist advisors and has sourced resource through times of high workload or staff vacancy. This is typically in the form of smaller low-value contracts let on a staged basis, in-line with Council's Procurement Policy. This also provides an opportunity to engage a range of suppliers and assess their relative merits.

External professional services are used for specific expertise in addition and support of internal professional service, for example for the review of the Kāpiti traffic model, Juno Review, RAMM data support and annual surveys, safety assessment and studies to inform programme development and business case development.

The contracts relate to both Waka Kotahi subsidised as well as non-subsidised works.

Larger professional services contracts are let for major capital works projects, the business case process, for the geotechnical expertise in developing design for large physical works, and comparable projects. Open and selected tender processes are used in-line with the value of the works.

This method supports a competitive market and is expected to continue. It is anticipated that this will support the overall improvements Council seeks and enhance the quality of goods and services procured.

Engaging the Supplier Market

The A&T Activity group publishes current contracts, recently awarded contracts (works starting or underway) and upcoming tender opportunities for medium-large projects/works on the Council's [Access and Transport](#) pages. A Council wide procurement page on the website is currently under consideration.

Tenders are published on [Government Electronic Tender Service \(GETS\)](#) and often suppliers that have expressed an interest will be notified by email to ensure maximum engagement.

In addition, Council favours early engagement with suppliers to seek fit-for-purpose solution and provide further opportunities for innovation. Council has frequent liaison with potential suppliers to discuss upcoming projects and works.

For professional and physical services, the Waka Kotahi Procurement Manual thresholds apply. By exception direct appointments are made for higher value very specialist work, both physical works and professional services. For professional services, this only relates to review of the Kāpiti Traffic Model.

This Procurement Strategy will be published on the Council's website, once endorsed by Waka Kotahi and adopted by Council.

2.3 Council Workforce

2.3.1 In-house Professional Services Business Unit

Council continually seeks to improve the service it provides to the community, and to do so in a way that utilises its limited resources as effectively as possible. Council's Access and Transport Activity restructured (2022)

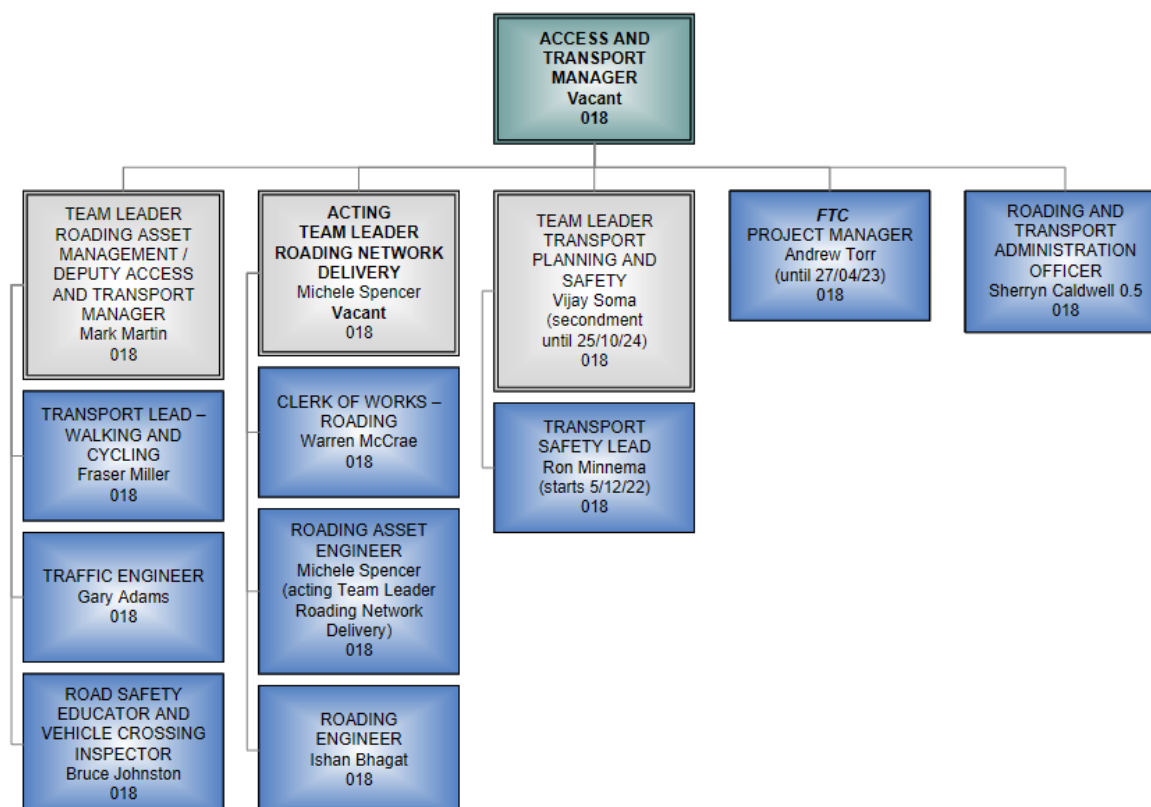
The Access and Transport activity sits within the Infrastructure Services Group. The activity consists of three primary teams:

- Roding Asset Management
- Roding Network Delivery
- and Transport Planning and Safety.

Roding Asset Management includes a Team Leader, a Walking and Cycling Lead, a Road Safety Educator and Vehicle Crossing Inspector, and a Traffic Engineer (4.0 FTE). Roding Network Delivery includes a Team Leader, a Roding Asset Engineer, a Roding Engineer, and a Clerk of Works (4.0 FTE). Transport Planning and Safety includes a Team Leader and a Transport Safety Lead (2.0 FTE).

The activity is managed by the Access & Transport Manager (1.0 FTE), who is supported by a dedicated Administration Officer for the overall team (0.5 FTE). Currently, the Access & Transport team consists of 11.5 FTE.

The wider activity also includes a full-time Project Manager who works on the current expressway projects. This is in addition to the 11.5 FTE. The Project Management Office also provides support by delivering large, discrete projects.

Figure 2: Access and Transport Activity Group.

The in-house delivery has increased the effectiveness of strategic alignment and delivery. The level of in-house services delivery is expected to stay at the similar level, however an increased capacity for the additional length of network from the Old SH1 revoked route will be required.

The non-financially assisted physical works is delivered by the Council's Operations team.

The In-house Professional Services Agreement is valid until 30 June 2024 and will be reviewed during 2023/24 in advance of a new three-year agreement.

2.3.2 Infrastructure Projects Delivery Team

Alongside the Access and Transport Activity team, the Infrastructure Projects Delivery Team is responsible for larger projects across a range of infrastructure service. This specialised team ranges from four to eight staff depending on the workload.

2.3.3 Council's Operations Team

Council's operations team undertake work for a variety of business units. Alongside water services operations and maintenance, the largest components are mowing and other vegetation control. The Access and Transport portion of this work has strong synergies with the Parks and Reserves portion particularly around walking and cycling assets.

2.3.4 Combining with State Highways

The Council currently undertakes some operational and maintenance activities on the State Highway (SH) through the urban areas in-line with current national practice. All areas outside the 70kph zone on state highways are managed by the Waka Kotahi Region 9 network operator. At the current time, there are no plans to combine contracts and this will no longer be considered once the current SH designation has been revoked.

Once portions of the SH1 designation has been revoked, the 'old SH1' will become a local arterial road, maintained by Council. Former SH1 south of Transmission Gully has been renamed SH59 and remains under Waka Kotahi management.

There are currently no delegations from Highway Operations for State Highway works.

2.4 Procurement Programme

2.4.1 Funding and Expenditure

The procurement programme sets out the annual and three year profile of spend on physical assets for Access and Transport Activity. The programme includes physical works for all Access and Transport Activities (subsidised and unsubsidised). It excludes overheads, which are part of the Long Term Plan 2021-41 budget.

Details of the value and division of the programme are available in the Long Term Plan 2021-41, while individual contracts recent and current let are listed in Appendix B as well as on the Council website.



Figure 3: Infrastructure Cluster Capital Expenditure and Operational Expenditure 2021-41. (LTP 2021-31)

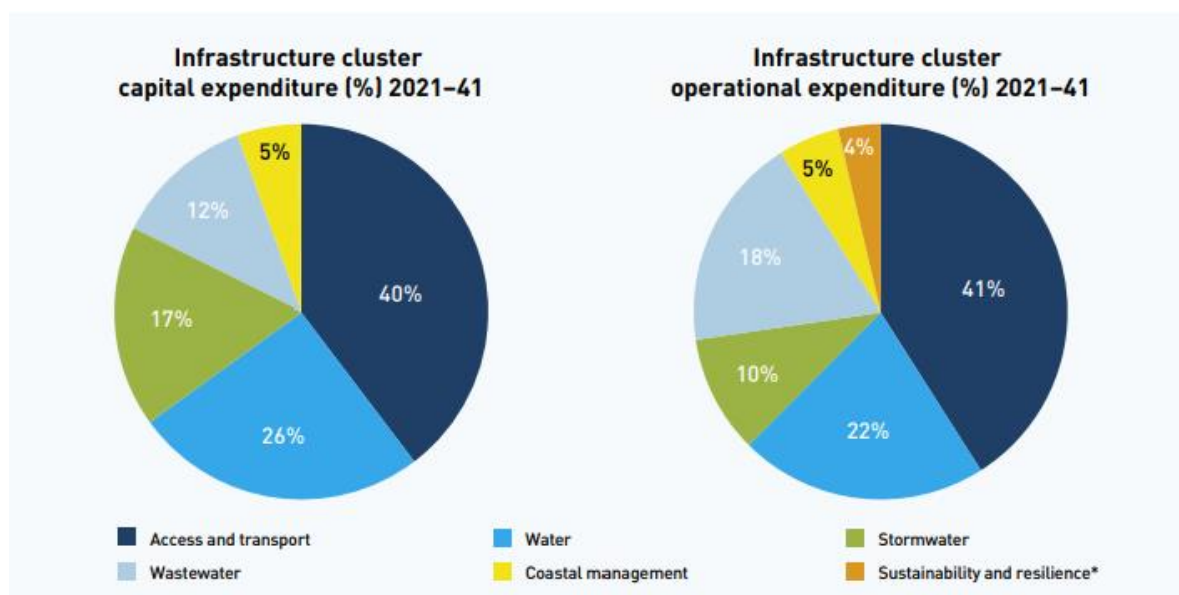
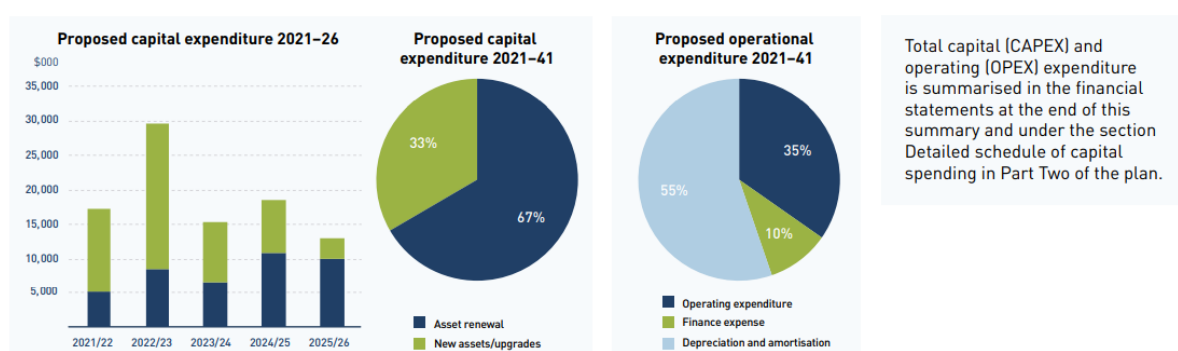


Figure 4: Proposed Capital Expenditure and Operational Expenditure 2021-41. (LTP 2021-31)



Proposed capital expenditure 2021-26

	21/22	22/23	23/24	24/25	25/26	Total 5 years	Total 20 years
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Asset renewal	5,113	8,499	6,548	10,898	9,994	41,052	272,179
New assets/upgrades	12,087	21,062	8,892	7,686	2,899	52,626	136,507
TOTAL CAPITAL EXPENDITURE	17,200	29,561	15,440	18,584	12,893	93,678	408,686

Proposed operational expenditure 2021-26

	21/22	22/23	23/24	24/25	25/26	Total 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Operating expenditure	6,212	6,845	7,051	8,202	8,463	36,773
Finance expense	2,233	2,311	2,417	2,615	2,764	12,340
Depreciation and amortisation	7,965	7,584	8,675	9,996	11,217	45,437
TOTAL OPERATIONAL EXPENDITURE	16,410	16,740	18,143	20,813	22,444	94,550

2.4.2 Summary of Programme

The summary of works currently undertaken and an assessment of their characteristics follows.

Table 1: Summary of Contract Work Programme

Activity	Programme Type	Risk Profile	Suppliers/ Specialisation	Innovation Potential	Approx Budget (\$M pa)	Number of Contracts	Contract Period (year)	Delivery Model	Supplier Selection Method
Road Maintenance contract includes asphalt and renewals	Continuous Complex Combination of items	High – allocation within contract	Good range, some specialised items, limited capacity in sector	High – encourage through partnering	\$7.5	1	3 + 2 + 2 Start year 2018/19	Staged	Price/quality
Chip sealing contract	Continuous Discrete works	Moderate	Sufficient range Specialised, but limited capacity in sector	Moderate through design build	\$0.9	1	3 + 1 + 1 2018/19	Staged	Price/quality
Streetlight maintenance and upgrade	Continuous Discrete works	Low	Sufficient range Specialised across region, no local specialists	Low – LED programme complete	\$0.35	1	3 + 1 + 1 2019/20	Staged	Price/quality
Traffic Counting	Continuous Discrete works	Low	Sufficient range Specialised	Moderate - through programming, technology and multimodal users	\$0.04	1	3 + 1 + 1 2019/20	Staged	Price/quality
Bridge Inspection Contract	Capital Discrete works	Moderate	Sufficient range Specialised	Moderate through design build	0.05	1	2+3 2018/19	Staged	Price/quality

Activity	Programme Type	Risk Profile	Suppliers/ Specialisation	Innovation Potential	Approx Budget (\$M pa)	Number of Contracts	Contract Period (year)	Delivery Model	Supplier Selection Method
Minor safety works contract (low cost low risk)	Capital Discrete works	Moderate	Wide range	Moderate – through contractor involvement	\$0.30 - \$1	1	Appointed through Road Maintenance Contract	Staged	Price/quality Lowest price Direct appointment
Cycleway and Walkway Maintenance and Renewal	Capital Discrete works	Low	Wide range with local suppliers available	Low – simple tasks	\$0.5	4-6	Short term agreements	Staged	Conforming direct appointments
Professional Services	Continuous and Capital Typically discrete	Low-Moderate	varies	varies	\$0.47	5-15	Annually reviewed–varying terms	Staged	Price/quality Direct appointment Purchaser nominated price
Demand Management (KMT model)	Continuous Programme	Low	Few Specialised	Moderate - through technology, programme and analysis	\$0.09	1	Project specific 2020/21	Staged	Price/quality Direct appointment
Community programmes	Continuous Programme	Low	Few Specialised	High	\$0.07	varies	annually	Staged	Direct appointment Lowest price Price/quality

3. PROCUREMENT ENVIRONMENT – ANALYSIS OF SUPPLIER MARKET

3.1 Physical Works Contractors

Historically general operations, maintenance, and renewals were carried out under several smaller contracts, but this was changed in 2015, when one road maintenance contract incorporated these various contracts. This contract was let for a 3 +1 +1 years-term. More specialised areas of work, for example, traffic counting and streetlights are captured in separate contracts.

In 2018/19 Council separated and retendered the road maintenance contract and reseals/renewals in separate contracts.

There was some expectation there would be an increase in the availability of physical works entities once the Transmission Gully works were complete. However expressway projects have continued with further stages to the north, and there is a high demand for suppliers across the greater Wellington area. The issue of supply is being considered by Waka Kotahi and others in the region.

Local contractors continue to be busy with development work, and are able to support the local community through employment and on-the-ground response.

There was minimal interest in Council's last round of maintenance contractors, and alongside the regional supply issues. Council is taking a comprehensive view to the future. It is likely that there will need to be a high level of engagement with large suppliers, as well as the opportunity for smaller local suppliers to be able to prove their capabilities and mature. Both are seen as vital to a sustainable market supporting the district. Council has engaged specialist procurement advisors to work through these issues over the next twelve to eighteen months.

3.2 Professional Services Providers

The Kāpiti Coast District Council has historically used professional service providers to provide a significant proportion of its road programme to enable delivery by a small team. Professional services have included contract management, information management, network management, physical works programme, investigation, design, supervision, and advice.

Council has reviewed its historical way of working and has made organisational changes to grow the capability and capacity of the team to undertake the majority of the day-to-day work in-house. Processes to support these changes have been developed to ensure alignment with Waka Kotahi requirements.

Specialised professional services will continue to be sourced from external providers where no internal expertise exists or as workloads dictate. There is a growing number of consultancies in New Zealand who are specialising in emerging areas of interest, for example, Business Case development, Demand Management, and Climate Change. In seeking value from its consultants, the Council will be

utilising the knowledge and skills of those most suitably qualified when considering the tender notification process.

Council is well served for professional services providers. As well as those located locally there is a large pool available in Wellington. Some specialist services are sought from outside the region, where particular skills or capability is required.

3.3 Impact of the Waka Kotahi Capital Programme

The Kāpiti Coast District, over the last ten years has seen the construction of several sections of State Highway 1 in the form of expressway.

The Mackays to Peka Peka section, and the Peka Peka to Ōtaki, section as well as a small section of the Transmission Gully project lie within the District. The first section was opened in February 2017 between MacKays crossing and Peka Peka, while Te Ara Nui o Te Rangihaeata/Transmission Gully was opened in March 2022, with some outstanding work remaining for completion.

Te Ara Nui o Te Rangihaeata/Transmission Gully has been procured via a Public Private Partnerships (PPP) process with a maintenance contract in place for some 25 years. The Peka Peka to Otaki expressway was opened in December 2022, with completion of local routes expected over the 2022/23 summer.

Planning is underway for the Otaki to North Levin section, but at this stage the timing for construction is unclear.

These works involved and utilise a significant resource pool, affecting the supplier market within Kapiti and beyond. This has caused Council to review its approach to procurement, to ensure there is not-a dominance of tier-one contractors or lack of opportunity for smaller operators.

3.4 Procurement and Other Entities

Along with the state highway bisecting the District, Kāpiti Coast District has physical connections to Porirua City and Horowhenua District.

Historically, there is a strong connection to Horowhenua, as the District was established in 1989 comprising Kapiti Borough and part of Horowhenua County. The Wellington conurbation is more physically separated and connections are limited to the Akatarawa Road (Upper Hutt) and Paekakariki Hill Road (Porirua).

Kāpiti Coast District, Horowhenua District, and Porirua City Councils have similar sized programmes, and KCDC does not see any evidence of the procurement activities of one entity affecting the other.

Table 2: Local Road Maintenance Approved and Potential National Land Transport Fund (NLTF) investment in programmes and Projects 2021-24.

Council	Local Road Maintenance (2021-24) \$
Kāpiti Coast District Council	29.6M
Horowhenua District Council	20.7M
Porirua City Council	24.7M

Extracted from [Waka Kotahi Regional and Activity Tables Published NLTP September 2021-24](#)

There are advantages in staggering the timing of the terms of maintenance contracts to sustain the supplier market. Kāpiti Coast will investigate this prior to the next round of contracts.

Waka Kotahi is also a significant entity in terms of purchasing works, services and resources in the greater wellington area. While the expressway construction is the greatest area of expenditure maintenance, operations are renewal programmes are also considerable.

Council is very aware of the impact that very large projects have on the market and the potential for one or more supplier to dominate. This is being observed with the Wellington Northern Corridor roll-out. Once these projects are well advanced, Council will review the capability and capacity in the supplier sector and revisits its procurement approach to ensure there is adequate competition.

Kāpiti Coast District Council is a participant in [Let's Get Wellington Moving](#) – a multi modal transport initiative for the Greater Wellington Region. This will involve specialist suppliers and works across the region, and will consume some supplier resource.

A multi-party approach is also being taken in relation to safety improvements on jointed network comprising Kāpiti Coast District Council, Porirua City Council, and Waka Kotahi. This is aimed at achieving an integrated result and achieving value-for-money for all parties. Examples are Paekakariki Hill Road, expressway connections, and the State Highway revocation project.



4. IMPLEMENTATION

4.1 Organisation

The Kāpiti Coast District Council Access and Transport Activity team provides services, oversees maintenance of physical assets, and plans the delivery of and integrated transport network in the District. This is further supported by other staff within the professional services business unit as set out in the Professional Services Agreement.

The Access and Transport Activity team has 11.5 full time equivalents to service an annual budget of approximately \$7-10million (2021). Please refer to Section 2.3 Council Workforce for staff structure.

Access and Transportation Activity team engages external Qualified Tender Evaluators in accordance with Waka Kotahi Procurement Manual. This allows for a independent person to be on the team.

Most of A&T team members have good understanding of procurement procedures and tender experience both in New Zealand and overseas covering projects of varying sizes.

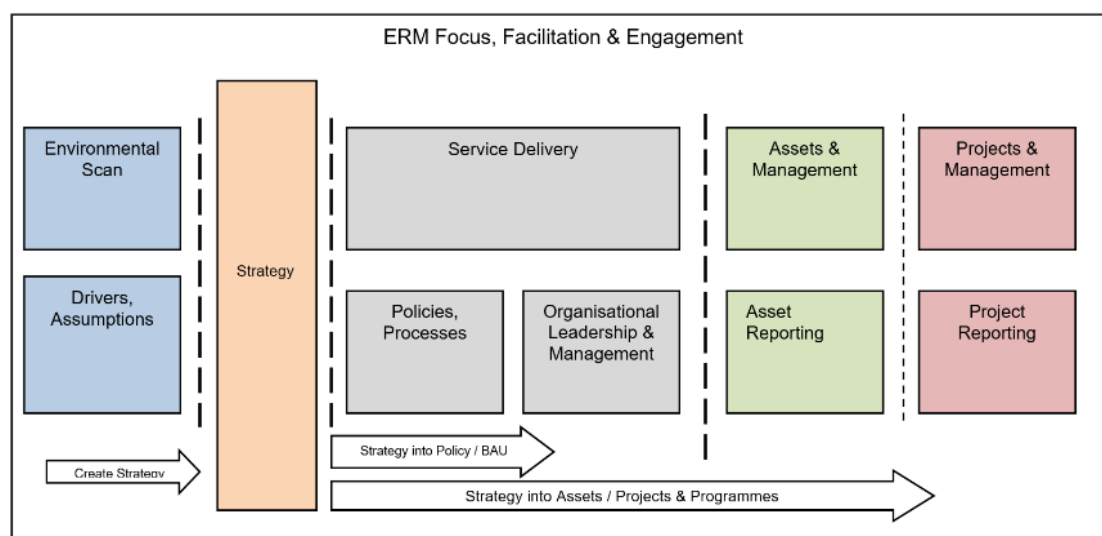
The A&T team work across Council with the Building Control team, Resource Consent team, Project Delivery team, Development Control team, Open Spaces team, and Operations team to deliver an integrated solution in-line with Council objectives. Further details of the team are contained in the Professional Services Agreement.

4.2 Risk Management

Council has a Risk Management Framework that informs the consideration of risk across all of its operations. Its application has been included in the Access and Transport Activity Management Plan 2021-31, and the Council's Procurement Manual.

The application of the Risk Management Framework is illustrated in Figure 5.

Figure 5: Risk Management Framework. (Audit and Risk Subcommittee Report – February 2015)



Council has well established processes for risk management including procedural charts and guides. Health and safety management is a key issue. Knowledgeable staff are active in integrating this within risk management.

The historical organisational risk of loss of knowledge from having outsourced many of the road asset functions has been significantly reduced as a result of increased delivery in-house. The risk of loss of knowledge due to staff leaving is managed through better knowledge sharing between Council teams and building an Access and Transport Activity team that is more resilient to change. This, together with appointment of strategists in the team, has supported the delivery of a full transport programme including the Long Term Plan, Sustainable Transport Strategy, and the Access and Transport Activity Management Plan.

To ensure that knowledge is up-to-date to support full delivery, skill gaps are identified and training is being delivered. This training includes but is not limited to Road Assessment and Maintenance Management (RAMM), Transport Investment Online (TIO), Asset Management Planning, Certified Protection Professional/Procurement, Traffic Engineering Practices and Health and Safety.

Staff members also attend national conferences to develop networks with other engineers and specialists in their fields. These typically include the Walking/Cycling conference, New Zealand Institute of Highway Technology (NZIHT), New Zealand Local Authority Traffic Institute (Trafinz) and RIMS conference.

Staff also actively participate in the Te Ringa Maimoa (REG) workshop programme, attend Regional meetings and the quarterly Road Controlling Authority (RCA) forums.

2021/22

Kapiti Coast District Council
Asset Management Data Quality Report

Te Ringa Maimoa
 Transport Excellence Partnership

The data quality of each RCA is assessed annually against a suite of data quality metrics. Each RCA metric result is compared against an expected standard and the distribution of all RCAs. The intent is for this report to identify potential issues with how the RCA's data is being collected, managed, and maintained. Further analysis will be required to determine if additional action is needed.

This report assesses the Road Asset Maintenance and Management (RAMM) data supporting asset management and associated decision support systems. For three metrics, renewal as-built data in RAMM is compared with the achieved renewal activity reported in the Waka Kotahi Transport Investment Online (TIO) system.

Refer to the following overviews for further information:

- [Data quality framework](#); The intent and purpose of the data quality framework.
- [Data quality dimensions](#); Why the three quality dimensions; accuracy, completeness and timeliness are important.
- [Understanding the data quality results](#); How to read and understand the annual data quality reports.
- [Frequently Asked Questions \(FAQs\)](#) and detailed metric descriptions in Transport Insights.



4.3 Flexibility and Optioneering

In developing its Activity Management Plan and Business Cases in 2020, Council identified the need to identify options and progress these through to delivering the best value result. Several Council's from Greater Wellington Region considered a framework for optioneering, with the following approach developed. The approach considered the Strategic Responses that could be applied to Key Issues/Problem Statements, refer to Table 3.

Table 3: Optioneering Framework.

Strategic Response Option Groups					
Key Issues/ Problem Statements	Programme Adjustment (remove projects)	Policy (Increase/decrease LoS)	Demand Management (Restrict Use)	Funding (Increase/decrease Investment)	Risk Based Assessment
Monetary	-	Applicable	-	Applicable	Applicable
Change in demand <ul style="list-style-type: none"> • number • loading • growth • size 	-	Applicable	Consider	Applicable	Consider
Environmental/ Geographic	-	Consider	-	Consider	Consider
Safety	-	Applicable	Consider	Applicable	Applicable
Accessibility and Resilience	-	Applicable	-	Applicable	-

These options need to be relevant and appropriate to the design and delivery of services. Suppliers will be encouraged to consider these options through early engagement and requests for proposals.

4.4 Partnering and Knowledge Sharing

4.4.1 Other Councils

Council staff have been actively participating in the Te Ringa Maimoa (REG) regional workshops and has actively pursue building good working relationship and establishing knowledge shared between Councils in the Greater Wellington group, as well as outside of the region. Relationships are further established during national conferences and Road Controlling Authority (RCA) forums, which has proven to be a valuable tool for keeping up-to-date with the latest development as well as personal relationship building to further improve knowledge sharing.

There are joint efforts in the development of Asset Management Maturity and best practices with the Greater Wellington Region cluster of Councils.

4.4.2 Waka Kotahi (NZ Transport Agency) / Wellington Transport Alliance (WTA)

The Wellington Transport Alliance (Waka Kotahi, WSP and Fulton Hogan) manage and maintain the state highway network in the Wellington Region. This includes the sections of State Highway 1 (SH1) and State Highway 59 (SH59) within Kapiti Coast District.

Council maintains the urban verges of state highway in the District on-behalf of the Wellington Transport Alliance, and quarterly maintenance meetings are held with WTA to discuss and resolve any questions and issues identified.

Our districts traffic signals is included in Waka Kotahi's regional traffic signals maintenance contract with Downer ITS. The daily administration of the traffic signals is undertaken by Wellington Traffic Operations Centre (WTOC). Council staff are in regular contact to discuss improvement and manage faults when they arise.

4.4.3 KiwiRail

Council staff have regular meetings with KiwiRail to discuss the maintenance and issues/risks in relation to level crossings. KiwiRail has sought active input with regards to high risk level crossing in the District. Recently, Council initiated discussions with KiwiRail and Waka Kotahi to establish an emergency access across the rail at Waikanae. These works are now completed.

4.4.4 Greater Wellington Regional Council

Greater Wellington Regional Council (GWRC) and Kāpiti Coast District Council (KCDC) work together on a number of items, including Public Transport provision in the District, with Council in a lobbying role for improving public transport and working with GWRC to achieve the best local outcomes. Regular meetings are held between staff and a collaborative approach is taken to minor improvement works that affect bus routes. GWRC and Waka Kotahi staff have been involved in the development of the [Network Operating Framework](#) tool for Kāpiti Coast.

4.5 Broader Outcomes

As introduced in Section 1.9, Council has established and have agreed with the community that together, the broader outcomes are worth striving for. This contributes back towards the wellbeing of Council's community; Social, Cultural, Environmental, and Economic Wellbeings.

In addition to meeting Council's direct needs, Council will look for ways to use Council's procurement activity to improve Social, Cultural, Economic, and Environmental wellbeing. Broader outcomes for each wellbeing will be considered when Council develop procurement category strategies and plan Council procurement work. These broader outcomes will be taken into account throughout Council's procurement processes.

The broader outcomes Council wishes to achieve will be defined on a case-by-case basis considering the nature of the supply arrangement. The definition of broader outcomes will be specific and measurable.

When competitive tenders/proposals/quotes/submissions are being sought, the requirements relating to broader outcomes will be reflected in the supplier evaluation criteria. All competing

suppliers will have an equal opportunity to respond, and their responses will be evaluated fairly and without discrimination.

Council seek opportunities to engage with local and regional businesses, small-medium enterprises, social enterprises, and Māori and Pasifika businesses to better understand their capabilities and to remove any barriers to their participation in Council's procurement processes. Council also will seek opportunities to award some contract opportunities directly to local and regional businesses, small-medium enterprises, social enterprises, Māori and Pasifika businesses or any supplier that is well positioned to improve social, cultural, economic, or environmental wellbeing, provided that they offer fit-for-purpose solutions and good value-for-money, except where open competition is a requirement under clause 5.2 of this Procurement Policy.



The Kāpiti Coast District Council has approved financial delegations. This information is available on request from the Council. All contracts under \$2million are delegated to the Chief Executive or other relevant staff members.

4.6 Internal Procurement Processes

4.6.1 Classifying the Procurement

Council uses a classifying process to determine the procurement type; Type A, Type B, or Type C, where the risk and complexity, and the contract's total value is taken into consideration. The Health and Safety Risk Assessment may influence the procurement classification.

Figure 6: Classifying the Procurement.

high	B	B	C
Med	A	B	B
Low	A	A	B
	Under 20K	20K - 100K	Over 100K

4.6.2 Employee vs Contractor Test

As part of Council's internal Procurement Process, Council applies the employee versus (vs) contractor test. This employee vs contractor test is to identify the rights and responsibilities of an employee vs the rights and responsibilities of a contractor, as these are different and Council requires to distinguish one type from the other. The Employee vs Contractor test consists of four tests that assist Council to confirm that the supply arrangement is a contract for services rather than an employment agreement. These four tests are:

- The intention test
- The control vs independence test
- The integration test
- The fundamental/economic reality test.

Once completed and a set form is completed, results are validated with the Human Resources Team and the test information is collated and sorted within the Human Resources database.

4.6.3 Extent of Competition

Council requires to decide the extent of supplier market competition required. This results in whether the work requires to be:

- Open competition
- Close competition, or
- Direct sourcing.

A procurement decision tree (Figure 7) is used to assist Council staff to making the decision.

4.6.4 Prequalification

Council has a system that is used to assess and pre-approve suppliers/contractors' capabilities. For example, the Health and Safety Approved Contract process provides Council with a list of prequalified suppliers/contractors.

Council can award prequalified status for a defined period to suppliers/contractors that has demonstrated that they have met Council's standards for the capabilities identified. This does not remove the requirement that the supplier/contractor will be assessed against other evaluation criteria required during a procurement process.

4.6.5 Advertising Within GETS (Government Electronic Tender Service)

Council uses the [Government Electronic Tendering Service \(GETS\)](#) to advertise contract opportunities and manage related communications in a transparent and secure manner for contracts. The common types of invitations (notice of procurement / RFx) that Council uses are:

- ROI (Registration of Interest)
- RFT (Request for Tender)
- RFQ (Request for Quotation)
- RFP (Request for Proposal).

In an open competition procurement, Council invites all potential suppliers to respond. An open advertisement is posted on GETS.

4.6.6 LGTenders

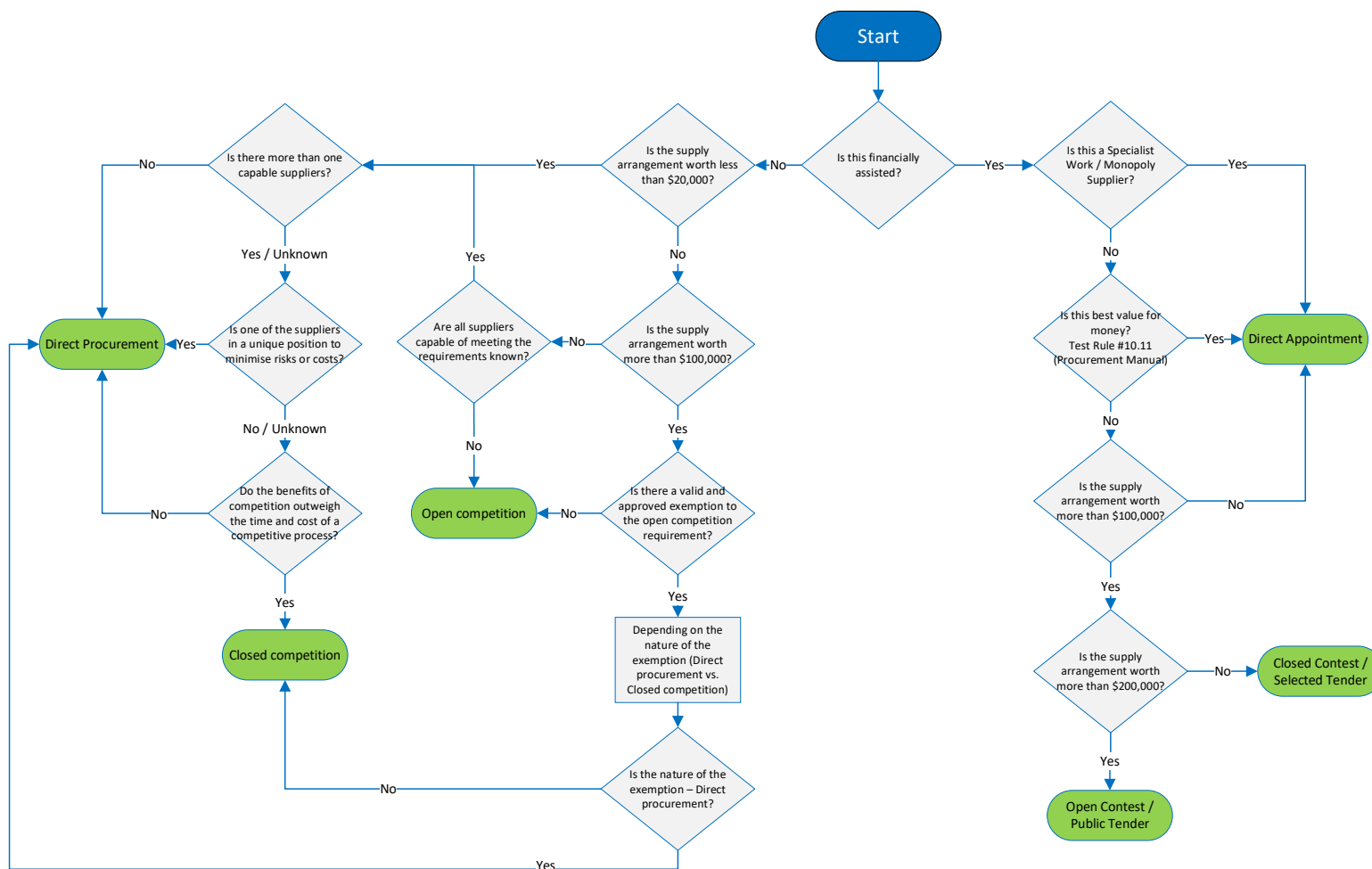
[LGTenders](#) is a web-based e-tendering portal for Local Government tenders published in New Zealand. This website was developed by Tenderlink in association with Local Government Online Ltd and is used to advertise contract opportunities and manage related communications in a transparent and secure manner.

In an open competition procurement, Council invites all potential suppliers to respond. An open advertisement is posted on LGTenders.

Figure 7: Procurement Decision Tree.



Kāpiti Coast District Council – Procurement Approach



4.6.7 Waka Kotahi NZTA Audit

Waka Kotahi has legal obligations to audit organisations that are funded through the National Land Transport Programme (NLTP). Waka Kotahi audits typically takes place on a cycle of two to four years. There are two types of investment audits that occurs.

- Procedural Audit
- Investment Performance (Technical) Audit.

The latest audits undertaken at Kāpiti Coast District Council were:

- Procedural in September 2022
- Investment Performance (Technical) in April 2019.

In this Strategy, the Procedural Audit is described.

Procedural Audit

Kāpiti Coast District Council has effective financial controls and management procedures in place to ensure the Waka Kotahi's investment in its Access and Transport Activity programme is successfully delivered.

Procurement procedures meet Transport Agency requirements and contract management activities are appropriately documented. Administration and recordkeeping systems are effective in supporting the delivery of planned activities on the network.

In response from the audit rating assessment, no further actions were required. Refer to Table 4 for the overall assessment.

Table 4: Waka Kotahi Procedural Audit Assessment.

	Audit Rating Assessment Subject Areas	Rating Assessment
1	Previous Audit Issues	N/A
2	Financial Processes	Effective
3	Procurement Procedures	Effective
4	Contract Management	Effective
5	Professional Services	Effective
Overall Rating		Effective

4.7 Contract Form

The majority of Council physical works contracts are based on NZS 3910:2013 for capital works and NZS 3917:2013 for term maintenance. This provides certainty to the market both locally and nationally.

For Council professional service engagements, the ACENZ - Conditions of Contract for Consultancy Services (CCCS) and Short Form Agreements are used.

4.8 Managing Health and Safety

Council should always consider Health and Safety early in the procurement process at every stage of the procurement process. The extent that Council will address to eliminate or minimise health and safety risk will vary, depending on the practicality of the situation. The following are considered:

- the likelihood of the risk occurring and the degree of harm that might occur
- the availability and suitability of ways to eliminate or minimise the risk or hazard
- only after considering the above, whether the cost of dealing with the risk or hazard is grossly disproportionate to the risk.

Health and safety risks should be identified and considered as early as possible, as this allows for the reduction or potentially elimination of risks in the planning stage, in so far as is reasonably practicable.

Everyone who are involved with the contract requires to work together to manage (eliminate or minimise) health and safety risks. This means consulting, co-operating, co-ordinating with other parties that also have a duty to protect the health and safety of workers and others.

Health and Safety processes are well embedded in council activities whether undertaken in-house or externally. There is an on-going review of a few suitability of accreditation schemes as well as a hands on approach with site staff.

4.9 Performance Measurement and Monitoring

The Kāpiti Coast District Council has a range of performance indicators that are included in the Access and Transport Activity Management Plan and the Council's Long Term Plan. These key performance indicators are reviewed every three years and exist in Council's local measures, the mandatory performance measures from Central Government, and overlap with the One Network Rooding Classification (ONRC) Customer levels of Service.

The Access and Transport Manager is responsible for reporting on the Access and Transport performance indicators as part of quarterly reporting on the Long Term Plan that covers all activities on the land transport network. Alignment of the indicators in the Council's Long Term Plan and Activity Management Plan in relation to contracts is continually reviewed.

Contracts themselves contain performance criteria. Key performance indicators reflect core deliverables as well as health and safety, and financial objectives. Council has a solid record of completing projects, and this is a real focus in terms of Long Term Plan and Councillors – seeing proposals acted on. Council has quarterly activity reporting and Leadership Team financial reports that track the progress and completion of all of Councils projects.

Waka Kotahi has undertaken Investment Performance and Procedural Audits in 2019 and 2022, respectively. Council has received positive responses through these audits and is supportive of the ongoing improvement opportunities these audits create. One recommendation that Council has resolved is the publication of tenders-lets, thus increasing transparency.

The Council has a number of external stakeholder groups that also support the monitoring functions through providing qualitative feedback on transport network activities. These provide additional information that is valued by Council staff.

The Long Term Plan (including the Activity Management Plan and Financial Forecasts) are audited annually by Ernst and Young.

4.10 Smart Buyer Assessment from Te Ringa Maimoa (REG)

Council undertook the REG smart Buyer assessment in 2019.

The score of 54 was on the upper limit of *“our organisation gets by but has opportunities for improvement.”*

The items identified in the assessment as requiring improvement were:

- Actively pursues value for money and does not always award contract to the lowest price
- Regularly seeks and received candid feedback from suppliers on its own performance as a client and consistently looks to improve its performance
- Actively shares and gains knowledge within the sector
- Explores opportunities for collaboration.

The assessment will be revisited as part of the foundational work proceeding the rewrite of the maintenance contract. This will provide an opportunity for learning and knowledge transfer.

4.11 Communication and Endorsement

The Procurement Strategy will be communicated through the following parties and channels:

- Internal and external stakeholders – through websites, (formal and informal) meetings/workshops, Council internal share folders, and consultation
- The Council's Long Term Plan, Access and Transport Activity Management Plan 2021-24, and through the Access and Transport Improvement Plan and reviews
- Waka Kotahi NZ Transport Agency for their approval and endorsement.

Endorsement of the Procurement Strategy is required to be obtained from Waka Kotahi. This provides Waka Kotahi with the knowledge that Council is taking a longer-term view of their procurement activities and are considering the whole-of-life costs of an activity or event in relation to Council's entire procurement programme, especially when National Land Transport Plan expenditure is invested.

The second main iteration of this Strategy will be an update of the first with the endorsement from Waka Kotahi and the outline changes that Council requires to make.

Quality Process and Responsibility

Description	Title	Name	Date
Procurement Strategy Owned By	Access and Transport Manager	Glen O'Connor	7/02/2023
This Version was Prepared By	Consultant – Waugh Infrastructure Management Ltd	Grant Holland	7/02/2023
This Version was Reviewed By	Team Leader Roding Asset Management	Mark Martin	7/02/2023
Responsibility for Procurement Strategy	Group Manager Infrastructure Services	Sean Mallon	
This Version Was Endorsed By	Group Manager Infrastructure Services	Sean Mallon	
This Version Has Been Approved by (Waka Kotahi Authorised Personnel)			

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APPENDIX A: CONTRACTS LET AND CURRENT TENDERS (AS PUBLISHED ON [KCDC WEBSITE](https://www.kapiticoast.govt.nz/services/a-z-council-services-and-facilities/roads/procurement2/))

<https://www.kapiticoast.govt.nz/services/a-z-council-services-and-facilities/roads/procurement2/>

ED# 3777542

Kāpiti Coast District Council Access and Transport Contracts Let

Contract No.	Contract	Date Contract Let	Tenders Received	Awarded to	Tender Value (ex GST)	Procurement Method	Engineer's Estimate	Start Date	Date of Completion
2019/C240	Streetlight Maintenance and Renewal 2019 -2022	May 2019	4	Fulton Hogan Ltd	\$984,693.44	Open Tender	\$1,038,450.00	July 2019	30/06/2022
2018/198	Chipseal Contract 2018-2021	March 2019	1	Higgins Contractors Ltd	\$3,537,000	Open Tender	\$2,538,140.00	November 2018	30/06/2021
2018/C230	Bridge Inspections	December 2018	3	WSP Opus	\$45,425.75	Invited Tender	\$55,000.00	March 2018	30/06/2020
2018/C231	Culvert Upgrades	December 2018	3	Gillespie Consultants Ltd	\$80,080.00	Invited Tender	\$90,000.00	January 2019	30/06/2021
2018/178	Road Maintenance 2018-2021	April 2018	1	Higgins Contractors Ltd	\$13,344,727.13	Open Tender	\$13,288,119.00	July 2018	30/06/2021
2017/149	Minor Improvements 2017/2018	February 2018	2	Higgins Contractors Ltd	\$371,975.34	Open Tender	\$256,330.62	March 2018	30/06/2018
2017/136	LED Streetlight Upgrade 2017/18	September 2017	3	Fulton Hogan Ltd	\$1,012,804.32	Invited Tender	\$888,369.83	October 2017	30/06/2018
2015/026	Road Maintenance 2015-2018	April 2015	4	Downer NZ Ltd	\$8,824,047.00	Open Tender	\$11,548,990.00	1 July 2015	30/06/2019
2014/026	Traffic Counts 2014-2018	December 2014	2	AES	\$143,471.00	Open Tender	\$181,500.00	January 2015	30/06/2019
2014/015	Streetlight Maintenance and Renewal (2014-2018)	October 2014	3	Electra Ltd	\$867,019.95	Open Tender	\$757,480.00	1 January 2015	30/06/2019
2018/182	Waikanae Rail Emergency Vehicle Access	5 March 2019	3	Udy Contracting Ltd-	\$350,000.00	Invited Tender	\$359,000.00	01 April 2019	30 June 2019

Contract No.	Contract	Date Contract Let	Tenders Received	Awarded to	Tender Value (ex GST)	Procurement Method	Engineer's Estimate	Start Date	Date of Completion
2018/183	Waterfall Road Slip Remediation	March 2018	-	Goodman's Contractors Ltd	\$401,844.87	Direct Appointment	-	March 2018	May 2018
Current Tenders									
2019/C218	Mazengarb/Ratanui Roundabout					Open Tender	\$628,221.00	June 2019	August 2019
2018/C200	Ngaio Road Shared path	December 2018	4	Downer NZ Ltd	\$353,996.56	Open Tender	\$454,674.05	December 2018	May 2019
2019/C232	Mazengarb Road Shared Path	April 2019	2	Downer NZ Ltd	\$182,471.29	Open Tender	\$171,860.00	March 2019	June 2019
2019/C229	Tasman Road Shared Path	May 2019	1	Downer NZ Ltd	\$251,973.88	Open Tender	\$334,323.00	May 2019	June 2019