



ROADING PROCUREMENT STRATEGY

Feb 2022- Feb 2025

Document Management

Document Information	
Endorsed by	Masterton District Council
Date Created	November 2016
Date Reviewed	December 2021
Reviewed by	Kaine Jaquery
Date Endorsed by the NZ Transport Agency	9 May 2022
Date Strategy Comes into Effect	1 May 2022 to 30 April 2025

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Overview

This is the third review of the strategy following Masterton District Councils (MDC) 17A Service Delivery Review of Land Transportation Activities and Healthy Market Analysis of the Greater Wellington Region. Reviews are undertaken at three-year cycles and take councils Long Term Plan into consideration.

This strategy was originally prepared as a collaboration between the three Wairarapa Councils. It is MDC's intention to continue to look for collaborative working arrangements with its stakeholders and neighbouring Councils where efficiencies and value for money can be obtained for our communities. This will be attained by sharing resources where possible and gaining regional consistency through robust procurement strategies.

This strategy covers the period from 2022 until 2025. Any major changes which substantially affect procurement during its term will lead to another review.

1 Executive Summary

1.1 Summary statement

This strategy has been prepared by Masterton District Council (MDC). This document serves as a Procurement Strategy developed to maximise value for money opportunities. It has been developed in full compliance with the requirements of the NZTA.

A local government Section 17a service delivery review was completed in August 2018 for the delivery of Masterton's Land Transportation Activities, in parallel with the previous strategy review a market analysis was carried out of the supply market within the Wellington region. The recommendations in these reviews have, in part, been accepted by MDC and have helped to guide the strategy direction.

The MDC rooding team is characterised by its strong relationship approach to the administration of its general maintenance contract and has successfully developed an informal collaborative culture within the current contract. The team now shares working office space with our contractor and staff have been collaboratively integrating asset management with contractor resource allocation. several initial workshops have also been held on how we could transition to a full alliance model during the term of the contract.

On 19 December 2018 MDC resolved to keep the status quo for the procurement of the maintenance contract and decided against the option of establishing a shared governance structure and formal combined professional business unit with its neighbouring councils. The service delivery review suggested that there may be some efficiencies gained by progressively moving to this option over the term of the next maintenance contract. Council members discussed this option and concern was expressed at the lack of competition that would result from a single contract for the entire Wairarapa. It was decided by MDC that such a decision should not yet be taken and needed more time to be thoroughly developed and established before approaching the market.

In May 2019, South Wairarapa and Carterton District Council combined rooding maintenance contracts and awarded delivery of the contract to Fulton Hogan after a review showed a combined approach would deliver a more efficient and cost-effective service. Teams are co-located at a depot in Carterton and are branded Ruamāhanga Roads. The current situation in Wairarapa allows two major contractors to offer broader maintenance resource to Councils in the Wairarapa region, leading to a more sustainable local industry, supporting the region's economic development strategy.

A healthy market analysis of the Wellington Region was undertaken in November 2018.

The response from four large firms holding maintenance contracts throughout NZ indicated a preference for contract values ranging from \$3.5 million to over \$ 10 million annually, an initial tenure of five years with possible further extensions and a collaborative style with reward mechanisms where decisions and programmes were owned by council. MDC proposed scale and tenure of the maintenance contract aligns with the outcomes of the regional analysis.

MDC will continue to investigate and develop opportunities for greater efficiency through a more collaborative and shared approach with neighbouring councils, and other stakeholders (such as Waka Kotahi and our partnered contractors).

MDC has an internal procurement policy, which guides the approach to procurement across Council activities. The key objectives of this procurement policy are:

- Value for money – provide the best value for money, taking into account whole of life costs and benefits, and sustainable outcomes
- Transparency – follow procurement guidelines and have open, easily accessible, and transparent procurement processes
- Accountability – Council takes an active role in monitoring and managing supplier performance
- Council's strategic vision – ensure procurement principles and process are aligned to the Council's vision and strategic priorities and promote efficient and effective delivery of the Long-Term Plan and Annual Plan work programmes and levels of service
- Social responsibility - the Council is committed to, where possible, explore opportunities to engage social enterprises to provide works, goods, and services.
- Environmental sustainability - the Council procurement activity will recognise proactive strategies that deliver better outcomes for the environment.

In conjunction with the above objectives MDC adheres to the five principles of Government Procurement which are:

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

MDC will consider public value when comparing deals, seeking the best available result for Masterton for the money spent. This includes using resources effectively, economically, and responsibly, taking into account:

- the procurement's contribution to the results MDC is seeking to achieving, including and broader outcomes; and
- the total costs and benefits of a procurement.

As part of this approach MDC will be seeking the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works), not necessarily selecting the lowest price.

1.2 Recommendations

MDC request that the Waka Kotahi:

- Endorses this procurement strategy and;
- As per our previous endorsement, note that Masterton District Council has awarded a term service contract with Higgins for a duration of 5 years with a maximum term of 8 years depending on performance. Subsequently a variation to the rule outlined in the procurement manual section 10.21 was approved during the 2019-22 procurement strategy.
- Approves the use of the MDC's established in-house business unit, to provide in-house professional services to Council's contracts. Note this may be supplemented with procured services in accordance with this strategy.

1.3 Corporate ownership/endorsement

This Transportation Procurement Strategy covering the Masterton local transportation network (2022 to 2025) has been approved by MDC. Evidence of endorsement of this strategy is appended in Appendix 1.

This strategy meets Waka Kotahi's requirements for the procurement of works and services they fund, is in line with other council procurement documents and policies and takes precedence for transportation works where there is conflicting information.

2 Policy Context of the Approved Organisation

2.1 Strategic objectives and outcomes

On the 1 July 2021, the Government Policy Statement on Land Transport 2021/22 – 2030/31 (GPS) came into effect.

The GPS 2021 builds on the direction set in GPS 2018 and continues the prioritisation of safety within the transport system. The GPS 2021 also prioritises better travel options in towns and cities and improving freight connectivity through both rail and coastal shipping. The Government is focussed on sustainable transport, with Climate Change included in the GPS as a strategic priority.

Further details about the GPS 2021 can be viewed using the following link:

<https://www.transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2021/>

The Land Transport Management Act 2003 (LTMA) clause 25, outlines the requirements for the Transport Agency to consider when approving Procurement Procedures for use by Approved Organisations; in this strategy being MDC.

Key aspects of procurement procedures include:

- Must be designed to obtain best value for money spent.
- Enabling persons to compete fairly for the right to supply outputs.
- Encouraging competitive and efficient markets for the supply of outputs.

The Waka Kotahi approved procurement procedures are detailed within its Procurement Manual. MDC will utilise and comply with the procurement procedures within this Procurement Manual for purchasing all works and services that are funded in partnership with MDC and Waka Kotahi.

Waka Kotahi Procurement Manual requires each Approved Organisation to have a Procurement Strategy endorsed by the Agency.

Waka Kotahi Procurement Manual can be accessed in full using the following link:

<https://www.nzta.govt.nz/resources/procurement-manual>

The MDC wants transport links to be efficient, reliable, convenient, and safe. Masterton's vision, stated within the Long-Term Plan 2021/231 is to provide the best of rural provincial living.

Masterton Community outcomes to achieve this goal are:

- an engaged and empowered community;
- pride in our identity and heritage;

- a sustainable and healthy environment;
- a thriving and resilient economy; and
- efficient, safe, and effective infrastructure.

Transportation is an enabler in achieving our goal of providing the best of rural provincial living. While transportation contributes to all the outcomes it specifically aligns with an engaged and empowered community, a thriving and resilient economy and efficient, safe, and effective infrastructure that is of high quality and cost-effective and meets the current and future needs of our community.

MDC is committed to demonstrate to its ratepayers that it is delivering the lowest long-term cost and best value service possible.

2.2 Procurement strategy objectives and outcomes

MDC has current procurement procedures and policies that are required to be followed in the procurement of goods and services, appendix 2 and 3. Its goals align with, and are those generally set out in, the Local Government Act 2002 and are detailed above, section 2.1.

MDC seeks to maximise the overall benefits that can be delivered through its procurement activity, to deliver value for money as well as advancing the social, environmental, and economic wellbeing of the Masterton district and its community.

The MDC Procurement Policy sets out overall objectives for Council's procurement activity to promote achievement of:

- Value for money
- Transparency
- Accountability
- Council's strategic vision
- Social responsibility
- Environmental sustainability

In addition, MDC is committed to providing an open and competitive marketplace across the Wairarapa. This is essential to allow MDC to demonstrate to their ratepayers that they are delivering the public value whilst providing opportunities for potential suppliers.

MDC also recognises that successful contracts are relationship based and can have two, three or even more parties contracted to deliver a single outcome. This relationship involves a sharing of skills and risk along with jointly promoting innovation to improve value of the service delivery. These professional relationships are relevant from the smallest of contracts through to large performance based, long term contracts. Solid contractual relationships:

- promote stability in the marketplace;
- provide confidence to MDC and the contracting industry; and
- encourages investment in systems, training, and equipment.

There are no other relevant contextual factors, such as other Council policies, wider Council procurement plans, or any other regulatory requirements that supersede this procurement strategy for the purchase of services for managing the roading asset.

2.3 Waka Kotahi procurement requirements

Waka Kotahi is committed to the concepts of public value, maintaining competitive and efficient markets, and fair competition among suppliers. The Waka Kotahi Procurement Manual contains procurement procedures approved by Waka Kotahi under Section 25(1) of the Land Transport Management Act 2003 (LTMA).

Transport users want a system that is accessible for all modes of transport and is safe and reliable. Waka Kotahi and MDC's investment in transport services and infrastructure with an Investment Assessment Framework help achieve public value through:

- planning to implement activities and programmes in the right way (through business cases);
- selecting the right things to do (through results alignment); and
- implementing them at the right time and for the right price (through cost benefit appraisal and smart procurement).

The procurement procedures contained in the manual are approved for use to purchase the goods and services required to deliver the activities that have been funded under Section 20 of the LTMA.

The Procurement Manual requires that Approved Organisations adopt a strategic approach in procuring their subsidised transport programme.

2.4 Organisational policies

MDC and its suppliers, who are contracted to procure services on its behalf, have policies on handling conflicts of interest in procuring services. Issues that arise are dealt with on an individual basis in line with those policies. MDC has current procurement procedures and policies that are required to be followed in the procurement of goods and services, appendix 2 and 3.

3 Procurement Programme

3.1 Procurement programme

The procurement programme sets out the annual profile of spend on physical assets for access and transport. The programme includes physical works for all Access and Transport Activities (subsidised and un-subsidised). It excludes overheads which are part of the Long-Term Plan 2021-2031 budget.

3.1.1 Maintenance, operation and renewals of local roads including resurfacing and pavement marking (incumbent Higgins)

Approximate annual spend:	\$7.3 million
Proposed delivery model:	Staged/Shared risk
Proposed supplier selection method:	Price/quality

The maintenance and operation of local roads is undertaken as one contract.

The surface renewals (incl. footpaths) and pavement marking works have been incorporated into the road maintenance contract. This helps to align the scale of the

contract with the expectations of the healthy market analysis and provides a potential opportunity for more competition between contractors. The combined scope of these works will allow the contractor to optimise the workstream when preparing surfaces for renewals.

The contractor will involve small and medium sized contractors through sub-contracting agreements. Sustainability of small to medium enterprises (SME) will be achieved by requiring initiatives from tenderers on what they perceive will help to develop SME contractors. This may be through providing support, upskilling and increased learning opportunities for employees. Tenderers will be required to provide an agreed amount of work to SMEs and commit to this amount through their tendered methodology.

Details of the proposed procurement for network maintenance are supplied in section 0.

3.1.2 Rehabilitation and other renewal works

Approximate annual spend:	\$1.4 million
Proposed delivery model:	staged
Proposed supplier selection method:	Lowest price conforming Price/quality

Rehabilitation, and other renewal projects being site specific, will be sourced as separate contracts to allow MDC to assess the individual sites and therefore eliminating as much risk as possible before tendering the works.

The drainage (incl. kerb and channel) renewal programme has been successfully delivered in the past through separate contracts or by combining with other LCLR safety and improvement works or where competitive through the maintenance contract

3.1.3 Low-Cost Low Risk (LCLR) improvement works (walking and cycling, Road to zero, Local improvements)

Approximate annual spend:	\$1.3 million
Proposed delivery model:	staged
Proposed supplier selection method:	Lowest price conforming Price/quality

Separate contracts will be let for any LCLR work. For components of larger projects MDC may let the delivery of specific areas of specialisation separately, such as design. This approach supports the small to medium sized suppliers. Contract length may vary from a project specific timeframe to an annual or longer period contract.

LCLR work may require specific expertise or specialised contractors. These projects may be associated with other works and when this occurs, they will be included within other contracts to obtain the best value for money. There may be opportunities to include this work with the maintenance contract where appropriate. This also allows small to medium sized contractors to participate in bidding for these works.

3.1.4 Capital Works

Approximate annual spend:	\$2.2 million
Proposed delivery model:	Staged or design and construct
Proposed supplier selection method:	Lowest price conforming Price/quality

The replacement and strengthening of bridges will be tendered as a separate contract as the work is specialised and specific. Other capital works that have been identified in the long-term plan are the urbanisation of residential areas which are now being privately developed, such as Millard Ave, Kitchener Street and Chamberlain Road funded by development contributions.

3.1.5 Professional Services

Approximate annual spend:	\$0.3 million
Proposed delivery model:	Staged
Proposed supplier selection method:	Nominated price Lowest price Price/quality Direct appointment purchaser

The provision of professional services is provided both in-house and externally. External professional services are used for specific expertise to assist MDC projects, for example:

- The traffic counting estimation and models
- RAMM data support
- Annual road deterioration and roughness surveys
- Safety assessments
- Studies to inform programme development
- Business case development
- Geotechnical investigations
- Structural calculations or assessments

3.1.6 Street Light maintenance

Approximate annual spend:	\$0.08 million
Proposed delivery model:	Staged
Proposed supplier selection method:	Lowest price conforming

This work, although in low value, requires a specialist contractor with necessary approvals to work on power company networks. It is considered that the management of this work will be best carried out directly between the council and a contractor.

3.2 Proposed Roading Contracts

The following tables outlines MDC's proposed roading corridor contracts.

Table 3-1 Proposed Procurement Programme

Contract	comments	Award Date	Duration	Annual Value [\$M]	Procurement Method ¹	Assessed Risks
Network Maintenance, operations, and renewals	Renewals: includes resurfacing, footpaths and pavement marking	2019	5 years with a maximum term of 8 years, subject to performance management as set out in the maintenance specifications	7.3	Price Quality	L-M
Rehabilitation		Bi-annual	2 years however timing and duration is site specific	1.3	Price Quality or Lowest Price Conforming Method	L-M
Renewals	Bridge construction & maintenance	By project	As required		By project, design build or Price Quality	M
	Kerb and channel and associated works	Annual	12mths	0.3	Lowest Price Conforming Method	L
Streetlight maintenance	Includes local roads exclude SH2	2019	Term 3+2	0.08	Lowest Price Conforming Method	L
Street lighting energy		2019	3 years	0.16	Lowest Price Conforming Method	L

¹ The procurement method is selected on the level of risk, based on the cost, complexity, consequences, health and safety and environmental factors

Professional Services		By project	As required		By project	L-M
Low-Cost Low Risk (Local improvements and road to zero programme)		By project	As required	1.3	By project	L-M
Emergency works		By project	As required	0.32	By project	M

3.3 2019 Service Delivery Review

The largest single contract for MDC is the Network Maintenance Contract, awarded to Higgins in 2019. The Waka Kotahi Cost Adjustment Factor is applied annually to the period Network Maintenance Contracts.

A Service Delivery Review for transportation section 17A was carried out by Opus in September 2018. The report was triggered because the current maintenance contract was due to expire and there was a need to re-evaluate the cost effectiveness and capability of current arrangements following the unsuccessful bid to amalgamate the three Wairarapa Councils.

The report considered the following options for transport services:

- Option 1: Governance and Funding by MDC and Delivery by MDC CCO
- Option 2: Governance and Funding by MDC and Delivery by Outsourced Contractor (status Quo)
- Option 3: Governance and Funding by Shared Governance Arrangement and Delivery by Separate Outsourced Contracts
- Option 4: Governance and Funding by Shared Governance Arrangement, the formal Establishment of a Combined Professional Services Business Unit and Delivery through Multiple Outsourced Contracts
- Option 4(a): Governance and Funding by Shared Governance Arrangement Including Waka Kotahi and Delivery by a Single Outsourced Contract Including the State Highways
- Option 4(b): Governance and Funding by Shared Governance Arrangement Including Waka Kotahi and Delivery by a Single Outsourced Contract Including the State Highways and an Integrated Professional Services Consultant

Options 2, 3 and 4 were the only options considered viable and most likely to offer value. The report recommended to pursue Option 2, which represents the status quo.

The report expected that there may be efficiencies gained from moving from the status quo to Option 4 progressively over the term of the next maintenance contract, however, this would require all three councils to work together to establish a working shared governance structure

with funding and combined professional business unit. The report anticipates this would take two years and that the structure would need to be fully established for at least one year before retendering, hence the Option 2 recommendation.

On the 19 December 2018 MDC resolved to keep the status quo, Option 2. Part of the council's resolution was to include resurfacing works to improve coordination of the pre-seal maintenance works with the summer reseal works programme.

When opportunities arise, MDC will coordinate and investigate joint services and joint procurement to drive greater efficiencies and effectiveness within the Region. A recent example of this is the procurement and installation of the LED conversion of all streetlights, with CDC and SWDC.

In relation to shared services for network maintenance, additional commentary is provided in section 4.2.

A subsequent review would be triggered as and when MDC considers this desirable, but not later than 6 years following the last review in late 2018.

3.4 Need for specialised skills

The proposed and known works that are programmed for the period of this strategy are generally traditional in nature and the local suppliers have the resources capable of completing these works. The replacement of a bridge on Colombo Road will require specialised skills procured through a design build contract. A plan to rejuvenate the CBD area which will also require specialised skills to carefully stage the construction to meet community and local business expectations.

On occasion there may be a need to procure specialist skills i.e., professional services or specialist contractors. If a situation arises requiring some specific specialist skills, we will initially ask our contracted suppliers to source these from either their own organisations or from relationships they have through the wider national market, or as a design build style contract. We believe this approach will be successful for any perceived occurrence and do not consider this a major risk.

3.5 High risk or unusual procurement activities

At this time MDC has not identified any particularly high-risk activities nor the need for unusual procurement activities that are not covered adequately by the Waka Kotahi NZTA Procurement Manual.

Procurement of energy for street lighting was undertaken by a consortium of the three Wairarapa Local Authorities for the purpose of obtaining lower rates. Each Authority has entered into individual contracts. Supply of energy for NZTA urban street lighting is via these contracts through each Authority.

4 Procurement Environment

4.1 Analysis of supplier market

The local roading construction and maintenance marketplace is dominated by two national tier one contracting firms, Fulton Hogan and Higgins. There are local contracting firms with

the capability to undertake physical works, but they lack the developed management systems and available resources to undertake the full-service contracts currently being tendered in accordance with expected roading industry standards. These local firms can subcontract to the tier one contractors. Recently Downer Ltd have shown more interest in the local market. Recent contracts have been awarded both in Masterton and Carterton to Downer which is a promising sign. Nonetheless there is adequate competition at present, and it is encouraging to see Downer in the local market, however resourcing the regions demand for construction appears to be the major challenge for all involved.

A healthy market analysis of the Wellington Region was undertaken in November 2018. The intent was to provide an evidence basis of supplier preferences and understanding of what factors might increase market interest in road maintenance and low-cost low risk work.

The response from four large firms holding maintenance contracts throughout NZ indicated a preference for contract values ranging from \$3.5 million to over \$10 million annually, an initial tenure of five years with possible further extensions and a collaborative style with reward mechanisms where decisions and programmes were owned by council. MDC's proposed scale and tenure of the maintenance contract aligns with the outcomes of the regional analysis.

The Greater Wellington Region, like much of New Zealand, is experiencing capacity issues within the road maintenance and capital construction market. Though a recent registration of Interest (ROI) process MDC has confirmed the interest from one other large national contractor (Downer) to tender for the maintenance contract.

During the last ROI for the maintenance contract a contractor commented that the three councils should consider very carefully before committing to combining the maintenance contract needs into a single contract. Such a decision has the potential to restrict the number of suppliers that have the capability to tender for a combined package. If the contracts are tendered in multiple packages, more companies would have the capability to service one of the networks, leading to a more competitive tendering process. Further, if the contracts were awarded to different suppliers there would be a broader maintenance resource in the region, leading to a more sustainable local industry, which would support the region's economic development strategy.

The larger civil contracting marketplace in Wairarapa has been static for a number of years. Within this marketplace the council roading sector competes for contractors that are engaged in subdivision, private development work and other non-subsidised council projects.

The Wairarapa Councils have, over a period of years, experimented with various models for delivering the relevant services related to the roading asset. This has transitioned from 'own-forces' delivery in the 1980's, through a multitude of individual contracts for various services in the 1990's, to comprehensive roading maintenance contracts.

Typically, the following types of contracts are procured outside the roading maintenance contracts:

- kerb and channel renewal;
- pavement rehabilitation;
- various individual bridge maintenance and retaining structures; replacement/upgrading contracts;
- streetlight network maintenance contracts;

- low cost low risk works (LCLR), miscellaneous seal widening, seal extension;
- resurfacing sealed roads (combined into the maintenance contract in 2019); and
- pavement marking (combined into the maintenance contract in 2019).

These contracts attract some interest from smaller contractors both within and outside the region, but with the demise of two smaller local firms and an increase in more lucrative private works, recent tenders have not attracted as much interest.

The key procurement risk facing Council currently is the lack of contractor competition. At the review in 2018 an average 2.66 tenders were being received for each contract let. That figure has dropped to approximately 1.5 tenders per contract. Council is keenly aware of this and is concerned they could receive no tenders for less 'attractive' work.

There is a continuing programme of rehabilitation projects, seal widening, LCLR projects and bridge renewals/upgrades planned in the Asset Management Plan (AMPs) to maintain the interest of the local contracting industry and hence encourage competition.

The projected total expenditure on the roading asset has increased from historic levels of expenditure. This steady increase in demand for services will continue to provide opportunities to a range of suppliers in the market.

To achieve the best value in the long-term MDC's procurement needs to be flexible, collaborative and encourage development of the local contracting market. This will benefit local businesses and the local economy.

4.2 Analysis of the Impact of the Procurement Programmes of Other Approved Organisations and Other Entities

Other approved organisations that have a direct impact on the supplier market include Carterton and South Wairarapa District Council and Waka Kotahi. All approved organisations in our region coordinate procurement where possible and where there is direct collaboration on a particular project or contract. Generally, each organisation has its own requirements for the timing of project delivery, and it is not always practical to provide a coordinated pipeline of tenders to the market.

Late last year Waka Kotahi ratified a decision that the next contract model for the Wellington highway management and maintenance activities was to be an Alliance. While the full scope is yet to be confirmed, this new model will be Waka Kotahi led and have a strong emphasis on both maintenance and operational activities of the highway transport system. This joint Waka Kotahi/primary supplier model may provide a roadmap for other contracts to follow and establish similar alliance contracts.

The new contract will be operational from 1 July 2022, then use six months of 2022 to build a joint alliance team with the successful contractor. Waka Kotahi have indicated a willingness to engage with Council partners on any aspect of this new Maintenance & Operational Alliance model as it evolves.

Private developments also impact on the availability of suppliers, and this has had a significant impact over the last two to three years in Wairarapa as growth in the region has accelerated.

All three Wairarapa Councils (MDC, CDC and SWDC) existing network maintenance contracts last concluded in 2019 and were awarded in 2019. Moving forward, the three councils agreed a proposed term of 5 years with a maximum term of 8 years for Masterton

and 10 for SWDC and CDC, subject to a contractual performance management framework. CDC and SWDC agreed to combine their Network Maintenance Contract to become a single contract. The combined CDC and SWDC rooding maintenance contract was finalised and awarded to Fulton Hogan in May 2019 after a review showed a collaborative approach would deliver a more efficient and cost-effective service. Teams are co-located at a depot in Carterton.

Future network maintenance contract procurement for MDC, CDC and SWDC will need further development and procurement planning at the time of the next review of this strategy. Open communication between councils, Waka Kotahi and the market should be carried out in the interim to understand what model might offer efficiencies and ultimately value for money.

5 Approach to Delivering Work Programme

5.1 Specific objectives

Delivering the transportation procurement programme outlined in Section 4 is intended to achieve council's vision and strategic objectives outlined in Section 2, in particular the following:

- Must be designed to obtain best value for money spent.
- Enabling persons to compete fairly for the right to supply outputs.
- Encouraging competitive and efficient markets for the supply of outputs.
- Promote stability in the marketplace,
- Provide confidence to the Council and the contracting industry,
- Encourages investment in systems, training and equipment.

Along with Waka Kotahi six strategic objectives:

- Enable efficient delivery of the NLTP
- Obtaining best value for money spent.
- Actively manage risk, to safety, reputation, and performance
- Pursue broader outcomes in support of our position statements and commitments
- Develop efficient, competitive, and sustainable markets which value the Transport Agency as a client
- Build and maintain high levels of procurement capability within the land transport sector

5.2 The procurement approach

MDC has a Rooding Activity Management Plan with a detailed three-year programme for this National Land Transport Programme (NLTP) period, July 2021 to June 2024.

The three year and 10 year forward works programme, developed for the Long-Term Plan from the AMP, are given in Appendix 4. The NLTP 2021-2024 for the Wellington Region documents the level of funding approved over the first three years.

The maintenance contract, which now includes surfacing and footpath work, is in its second year and has a minimum duration of three years and maximum of eight years. Current performance has been acceptable, as scored under the PACE system and there is no reason to believe that the contract will not go full term.

When the maintenance contract comes up for review the next strategy will assess all other delivery models available to MDC, including traditional models, network outcome contracts (NOC) and alliance style models.

Pure performance-based contracts can place limits on MDC's ability to influence the contracts during the contract term. Considering all of the issues, and in the interest of maintaining a competitive industry, where possible the traditional model is used. Where appropriate, letting contracts for multiple years has been offered. The medium term of the contracts, and the ability to maintain input into the management of the network at officer level (thus managing the political environment of a local government body), gives MDC the best outcome.

Other specialist services undertaken under separate contracts include professional services, specific bridge maintenance and inspections, renewals, and upgrades, which only have a moderate contracting base with average competition.

Emergency works do occur from year to year, generally because of heavy rain and localised flooding. Historically, the annual expenditure averages \$320k, with individual projects ranging from \$200k up to over \$1 million. MDC puts aside an amount into reserves to cover their share of the cost of these abnormal events. To ensure that MDC meets the subsidy requirements it must ensure that public value is being achieved when using a direct appointment, or closed contest for minor flood damage works. Larger and more significant works are tendered out to the open market once the site is made safe and open to traffic. Where immediate action needs to be taken a design build approach with direct appointment may be used. Public value and an assessment against recent schedule rates will be considered before appointing a contractor, but public safety will take precedence in any emergency event.

MDC recognise the intrinsic value received from some of its existing suppliers with their intimate local knowledge and excellent service delivery. This is particularly relevant to cyclical contracts where the incumbent contractor's value needs to be correctly recognised. This is valued at tender time with quality-price considered, not only lowest price.

Contracts are delivered utilising the following accepted standard conditions of contract:

- NZS 3910:2013 Conditions of Contract for Building and Civil Engineering Construction
- NZS3917:2013 Conditions of Contract for Building and Civil Engineering Construction – Fixed Term
- Conditions of Contract for Consultancy Services (2017) (CCCS)

The procurement of works will comply with the Waka Kotahi procurement manual. Unless there is a valid exemption, we will use an open tender process for all works greater than \$200k in value. For lesser amounts, we will seek proposals generally from one to three suppliers under the closed contest approach. For amounts below \$100k in value we may use direct appointment, for example where there is a need for a specialist or the value of bidding for a number of suppliers is not an effective outcome for low value work.

Risk based estimating is utilised, giving value through identifying where further investigatory work might drive improved cost certainty.

Risk processes used are covered in the Roding Asset Management Plan.

For all open tenders, planning modelled on government best practice is carried out. Procurement decisions and risks are assessed against project priorities and drivers to achieve public value for money. This information is then used to develop the request for proposal (RFP) and contract documentation.

5.3 Analysis of whether advanced components, customised procurement procedures or variations to procurement rules are required

No need has been identified for advanced or customised procurement procedures that are allowed within the Transport Agency's procurement manual. Should this situation change during the term of this strategy we will work with the Transport Agency on the specific requirements and seek approval if an advanced or customised procurement approach is considered necessary.

5.4 Health and Safety

This Procurement Strategy recognises the need to give effect to our responsibilities within the Health and Safety at Work Act 2015 and as such requires all of its suppliers to take practical steps to ensure safe work practices are employed. In particular:

- Clarifying our duties as a Person Conducting a Business or Undertaking (PCBU) and understanding the relationship with other PCBU's
- Formalising our approach to pre-qualification and performance management
- Clarifying our safety expectations with our suppliers and where necessary evaluating and scoring tenderers health and safety responses before awarding contracts.
- Risk management. MDC has a Health and Safety Policy and requires all contractors/suppliers working for the Council to be Health & Safety Approved by Council before any works can commence. This is a mandatory pass/fail requirement of the Tender evaluation process.
- All contract documentation must include a Health and Safety section. As a minimum suppliers must provide a Health and Safety Management Plan (HSMP) and a project site safety plan.
- In partnership with suppliers look to actively explore ways to promote best practice health and safety throughout the procurement lifecycle, ensuring the key principle of 'health and safety by design' is considered and met.

These aspects must be incorporated within our procurement approach and the detail will be set out in our procurement and project plans. Council's Health and Safety advisor can provide advice on procurement including the procurement planning stage, tender document preparation, contractor health and safety plan reviews, and reporting/audits during the contract.

Below is two useful reference documents that specifically relate to health and safety in procurement:

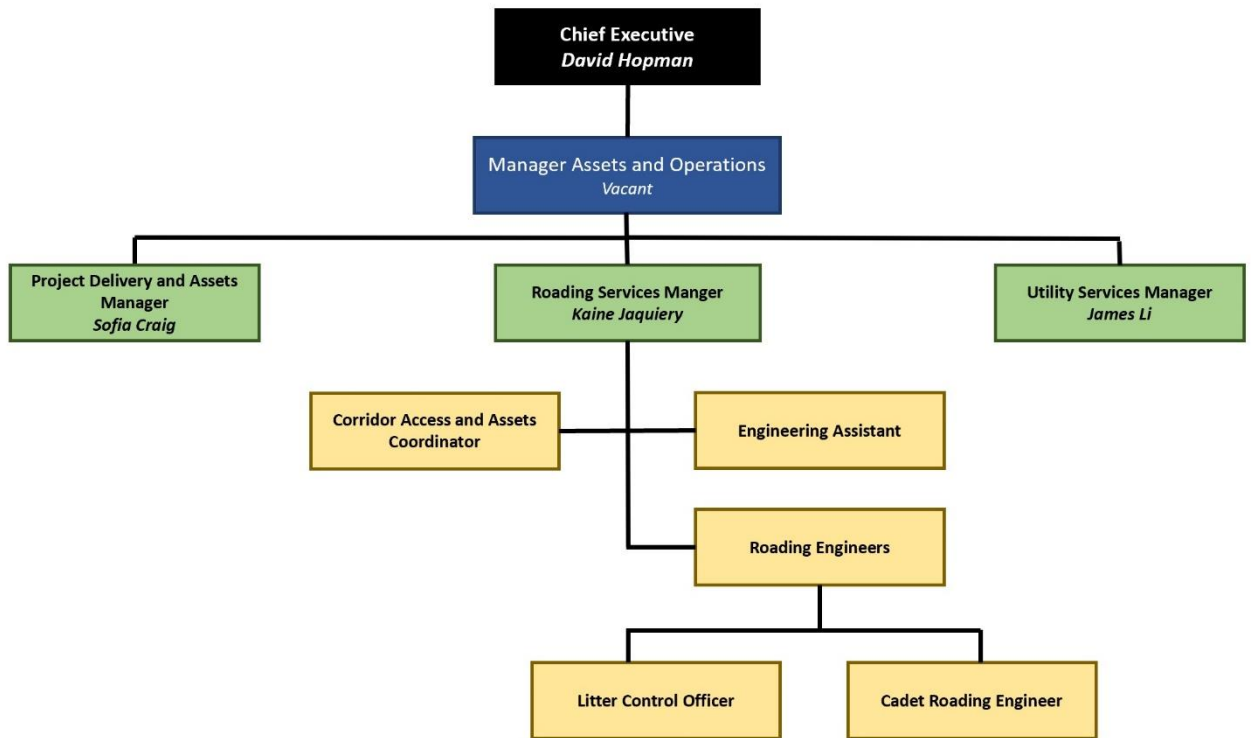
New Zealand Government Procurement (2005) Health and Safety, Construction Procurement Guidelines V2.0. MBIE. <https://www.procurement.govt.nz/assets/procurement-property/documents/health-and-safety-and-employment-standards-at-work-construction-procurement.pdf>

Government Health and Safety Lead. (2019) A Good Practice Procurement Guide for Improving Health and Safety. New Zealand Government.

<https://www.healthandsafety.govt.nz/a-z-topics/resources/good-practice-procurement-guide/>

5.5 Capability and capacity

The organisation structure is given below.



At present, procurement and the management of the procurement process is carried out in-house through our roding business unit.

MDC has procurement staff who are trained, experienced and capable of managing the procurement requirements. In MDC there are staff who are, or are training to be, qualified evaluators for assessing proposals more than \$200k. If additional resources are required MDC will obtain the necessary skilled and experienced people from the supplier market.

Approval of contracts is given to various council officers as per the Chief Executive and Staff Delegation Manual.

Contract payments are authorised by the appropriate Engineer to Contract and vouchers are then prepared for payment and debited to the appropriate council budget ledger item.

MDC complies with Waka Kotahi procurement policies and current purchasing requirements. Project approvals, contract documentation, and tender management are carried out by internal staff or appropriately qualified contracted professional service providers. All tenders are managed in-house by the engineer responsible for the work and held in a secure location.

Policies are routinely reviewed and subsequently discussed with Waka Kotahi officers and consultants. This assists in consistency throughout the greater region and nationally. Council officers and consultant's staff communicate with other roding authorities and suppliers through a range of forums such as the RCA forum, REG group, IPWEA, Engineering New Zealand, and courses, presentations, etc through the year.

One of the outcomes of the service delivery review was to improve the overall capability of the industry, both within MDC and in our supply partners. Initiatives will be put in place to identify areas and gaps where upskilling is required and then to work collectively to address these aspects. We will look for ways to enable the industry to attract people to engineering through initiatives such as cadetships and apprenticeships.

Identified capability gaps include specialised geotechnical, structural, and specialised RAMM data management and the replacement of senior engineers with considerable experience. We intend to address the above gaps by continuation of our staff mentoring programme and training programmes, retaining existing staff and by organic growth. Specialist knowledge will continue to be brought in.

The industry provides a wide range of opportunities for career growth both within the workforce and in contract management. In selecting companies to work with, we will provide in the non-price attributes and evaluate the responses for the companies to explain their plans and intentions for ongoing training and upskilling of their people and support of their supply partners.

5.6 Internal procurement processes

The MDC internal procurement policy and processes are attached as Appendix 2 and 3 and requirements that are allowed within the Waka Kotahi procurement manual shall be given precedence. Endorsement of this approach has been included through the approval of this strategy.

The MDC Procurement Policy provides a framework to ensure that a consistent procurement practice is applied across all Council procurement activities, in alignment with the Council's vision, strategic priorities, and community outcomes. The Policy articulates how MDC seeks to maximise the overall benefits that can be delivered through its procurement activity, enabling the Council to deliver value for money as well as advancing the social, environmental, and economic wellbeing of the Masterton district and its community.

The MDC Procurement Procedure provides a clear process for all employees undertaking procurement on behalf of MDC, including giving effect to the principles of procurement and the objectives of the Procurement Policy.

5.7 Performance measurement and monitoring

In line with the requirements of the Waka Kotahi NZTA Procurement Manual, MDC intends to align its performance measures and monitor the following indicators to determine the success of this strategy;

Table 5-1 Performance Measurement

Key Results Area	Performance Indicator	Measure
Best value for Money	<ol style="list-style-type: none"> 1. Time 2. Cost 3. Quality 	<ol style="list-style-type: none"> 1. Estimated duration of contract and actual duration of contract. 2. Estimated cost of contract and actual cost of contract (excluding inflation & additional works) 3. Approved organisation's satisfaction with the goods or services purchased. For contracts over \$1m, MDC will utilise the NZTA PACE system.
Regard to markets	<ol style="list-style-type: none"> 1. Fairness 2. Competitiveness 3. Innovation 	<ol style="list-style-type: none"> 1. Whether or not the supplier selection process was an open or a closed contest, and the reasons for these decisions. 2. Number of bids received and whether alternative bids were permitted or received. 3. Whether alternative bids that add best value for money were permitted; whether alternative bids were received and accepted or rejected; what added value alternative bids brought and their associated cost.
Compliance with procedures	Measure how well the Council is complying with this strategy	Number of complaints received on purchasing process

Due to the length of time that it takes to develop a sufficient sample size for these types of performance measures, it is intended that this analysis will be undertaken mid-way through the 3-year strategy cycle, at the end of the life of this strategy, and as part of the development/review of the next strategy to measure the success or otherwise of this procurement strategy. A 17A service delivery review will be required before the end of the term of the maintenance contract and this review will consider the cost effectiveness of current arrangements for providing local roading infrastructure services.

MDC will continue to rely on Waka Kotahi audits to ensure compliance with procedural and technical requirements and performance with other RCAs.

Overall success is measured by achievement of the approved programme in the NLTP. MDC monitors a range of criteria through its Long-Term Plan processes. These include performance measures in pavement and surface condition, health & safety, financial performance, technical measures, and customer satisfaction.

Additional to measuring performance against the Rooding Procurement Strategy, performance will monitored and evaluated against the Council's overall Procurement Policy, with a focus on the following:

- Consistent and transparent procurement practice across the organisation;
- How a Wairarapa Māori lens is applied in procurement planning;
- Increasing our procurement with Māori-owned businesses, Pasifika-owned businesses and social enterprises
- Reduced environmental impacts over the whole of life of the goods/services/works including GHG emissions impact.

More detailed measures are being developed as part of the rollout of the Procurement Policy, and they will be incorporated into this evaluation and monitoring process.

Data collection

Data will be collected in accordance with the Waka Kotahi Procurement Manual, Appendix E.

5.8 Communication plan

The procurement strategy will be communicated through the following media:

- to Waka Kotahi for their approval;
- on the intranet for internal stake holders;
- on the council website for external stakeholders; and
- to Council as part of the Activity Management Plan.

Each tenderer is advised of the outcome of each tender in accordance with Waka Kotahi requirements.

5.9 Implementation plan

The Waka Kotahi NZTA Procurement Manual has considerable detail on the process for correctly determining which procurement model should be utilised in each situation, i.e., staged, design & build, shared risk, and supplier panels.

The Procurement Manual also has considerable detail on the process for correctly determining the supplier selection method.

- Direct appointment
- Closed contest
- Lowest price conforming
- Price quality
- Purchaser nominated (target) price
- Quality based

The following table summarises the approach to be used for supplier selection – in accordance with the Waka Kotahi Procurement Manual, Appendices A,B & C:

Table 5-2 Supplier selection method by programme

Programme	Annual Expenditure [\$M] (18/19)	Direct Appointment	Closed Contest	Lowest Price	Price Quality Physical works	Price Quality Professional services	Quality based
General maintenance contract + other maintenance items)	7.3	Y	Y	Y	Y		
Renewals <i>(incl. rehabs and kerb/channel)</i>	2.8	Y	Y	Y	Y		
Capital improvements <i>(incl. LCLR)</i>	2.2	Y	Y	Y	Y		
Street Lighting Maintenance and energy	0.24	Y	Y	Y			
Emergency Works	0.32	Y	Y	Y	Y		
Professional Services (external)	0.3	Y	Y	Y		Y	Y

Table 5-3 Supplier selection method usage

Supplier Selection Method	Expected Usage	Typical Value	Price weight [%]	Assessed Risk
Direct Appointment (to incl. physical works, professional services)	Generally	Up to \$100k*	NA	L
Closed Contest (LPC & PQ)	Generally	Up to \$200k*	See below	L-M
Lowest Price Conforming	Generally	all	100	L-M
Price quality (physical works)	Occasionally	>\$200k	50-70	M
Price quality (professional services)	Rarely	>\$100k	30-50	M-H
Purchaser Nominated Price	Rarely	NA	0	M-H
Quality Based	Rarely	>\$1M	0	M-H
Prequalification	To be reviewed	all	NA	all

- * Waka Kotahi upper limit

The method of supplier selection will be based on the assessment of risk and in accordance with the Waka Kotahi Procurement Manual Appendix C.

MDC have not typically used prequalification systems for procurement, however Waka Kotahi prequalification list has been used in the registration of interest for the upcoming tender for the maintenance contract. Prequalification will be further explored by MDC if benefits can be seen for both the council and its contractors.

5.10 Corporate ownership and endorsement

This strategy has been approved by MDC (Approved Organisations) as noted on page 2.

Refer to Appendix 1 for Council endorsement of this Strategy.

Procurement Strategy Owner	Manager Assets and Operations	
This version is prepared by	K Jaquery	December 2021
This version has been endorsed by	Chief Executive, David Hopman	On: February 2022
This version has been approved by Waka Kotahi	By:	On:

6 References

- Masterton District Council. (2016). *Chief Executive and staff Delegations Manual* .
- NZ Transport Agency. (Amendment 4, October 2017). *Procurement manual for activities funded through the National Land Transport Programme*. Wellington: NZ Transport Agency.
- Opus. (2018). *Masterton District Council Service Delivery Review of Land Transportation Activities*. Wellington.
- Rationale Ltd. (2018). *Greater Wellington Region Healthy Market Analysis*. Wellington.

7 APPENDIX 1: COUNCIL ENDORSEMENT



**EXTRACT FROM MINUTES OF THE MASTERTON DISTRICT COUNCIL MEETING HELD 23
FEBRUARY 2022:**

ROADING PROCUREMENT STRATEGY 2022-2025 (019/22)

Moved by Mayor L Patterson

That Council approves the revised Roading Procurement Strategy (February 2022 – February 2025) provided as Attachment 1 to Report 019/22.

Seconded by Councillor G McClymont and CARRIED

8 APPENDIX 2: INTERNAL PROCUREMENT PROCEDURE

This is currently being reviewed and updated. Our latest version is included.

Applicable to:	All employees	Policy Number:	MDC011A
Issued by:	Chief Executive	Date of Approval:	XX XX XX
Contact person:	Manager Finance	Review Date:	XX XX XX

PURPOSE

The purpose of the Procurement Procedure is to provide a clear process for all employees undertaking procurement on behalf of Masterton District Council (MDC).

SCOPE

This procedure applies to all goods and services purchased on behalf of MDC, including the engagement of independent contractors.

This procedure should be read in conjunction with the Procurement Policy.

PROCUREMENT CYCLE

This procedure provides an overview of the three stages of procurement illustrated below:



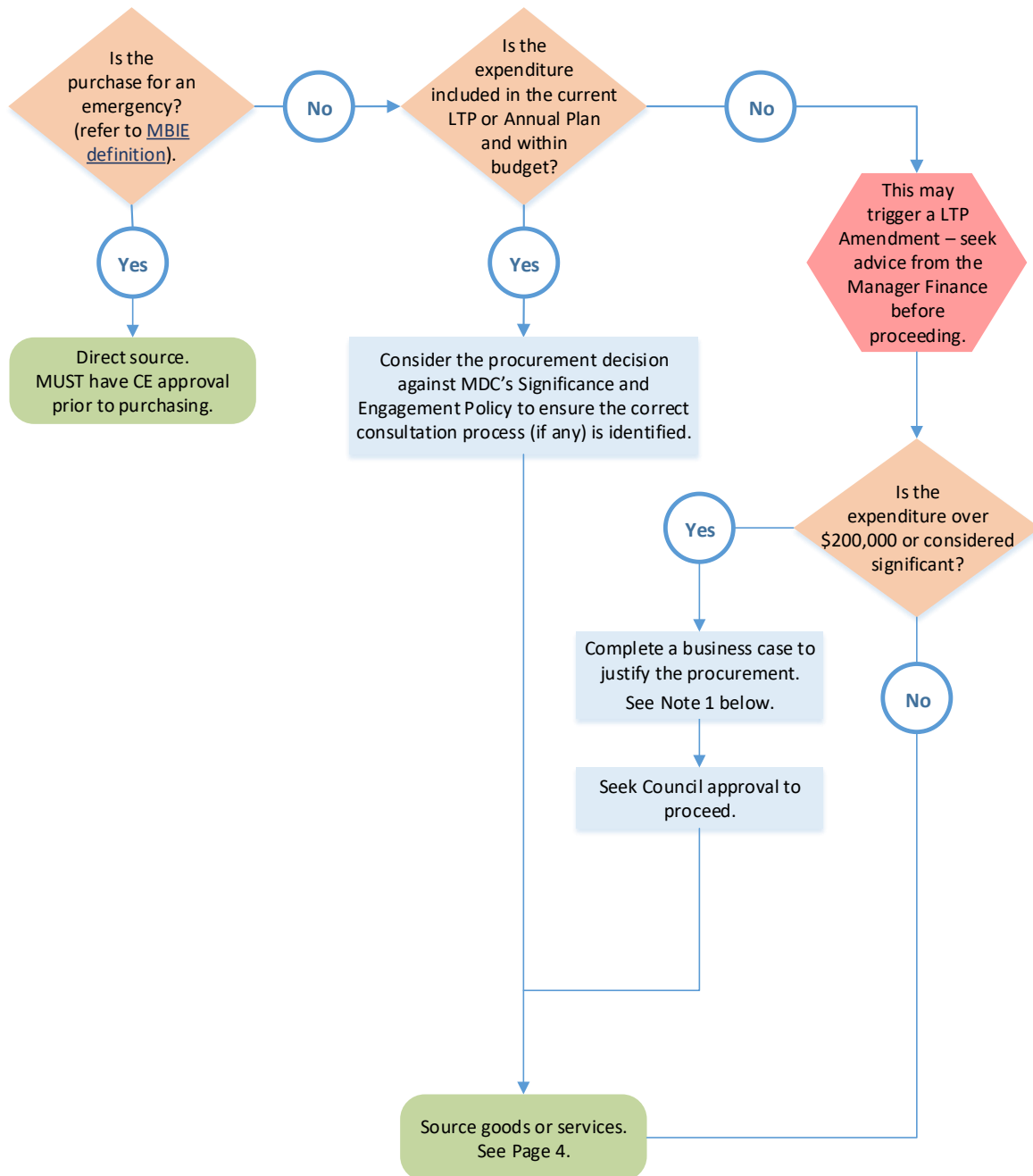
The amount of detail to take into account is at the discretion of the Procurement Lead and will be proportionate to the size, complexity and risk associated with the procurement.

SIGNIFICANCE AND ENGAGEMENT

Prior to making any purchasing decision, consideration must be given to the requirements stated in the Local Government Act 2002 Part 6 Subpart 1.

FINANCIAL DELEGATIONS

All purchasing decisions must be made in accordance with the Chief Executive and Staff Delegations Manual.



Note 1: Business Case

A business case provides justification for the procurement. In most circumstances, the business case is completed as part of the Long-Term Plan (LTP) or Annual Plan process. A business case must be completed and approved by Council before proceeding for any procurement that is:

- likely to total over \$200,000 and is in the current LTP or Annual Plan, but has not had a business case developed; or
- is not included the LTP or Annual Plan and is valued over \$100,000: and/or
- considered significant under MDC's Significance and Engagement Policy.

The business case must:

- include procurement objectives;
- state the level of significance and appropriate community engagement process (if any);
- include a cost and benefit analysis (financial and non-financial).

Note 2: Contract Type

When determining the type of contract consider:

- the nature of the goods or services;
- the type and complexity of the procurement;
- the likely administrative costs for both parties;
- any likely difficulty in clearly defining the contract requirements;
- how much technical or operational coordination MDC will need to provide;
- the intended duration of the contract;
- the likely volatility of cost inputs;
- the extent of risk that either party will have to assume; and
- intellectual property.

Note 3: Social Responsibility and Environmental Sustainability

Procurement Leads are required to give due consideration to opportunities for positive social and environmental outcomes for the Masterton district at the planning stage and, where practicable, include these outcomes as part of the evaluation criteria.

Examples of social outcomes are:

- improved local employment opportunities;
- increased local spend;
- enhanced community capability to do things for themselves and engage in decision-making;
- opportunities to practice and protect Māori culture;
- opportunities to engage social enterprises; or
- opportunities to support cultural diversity.

Examples of environmental outcomes are:

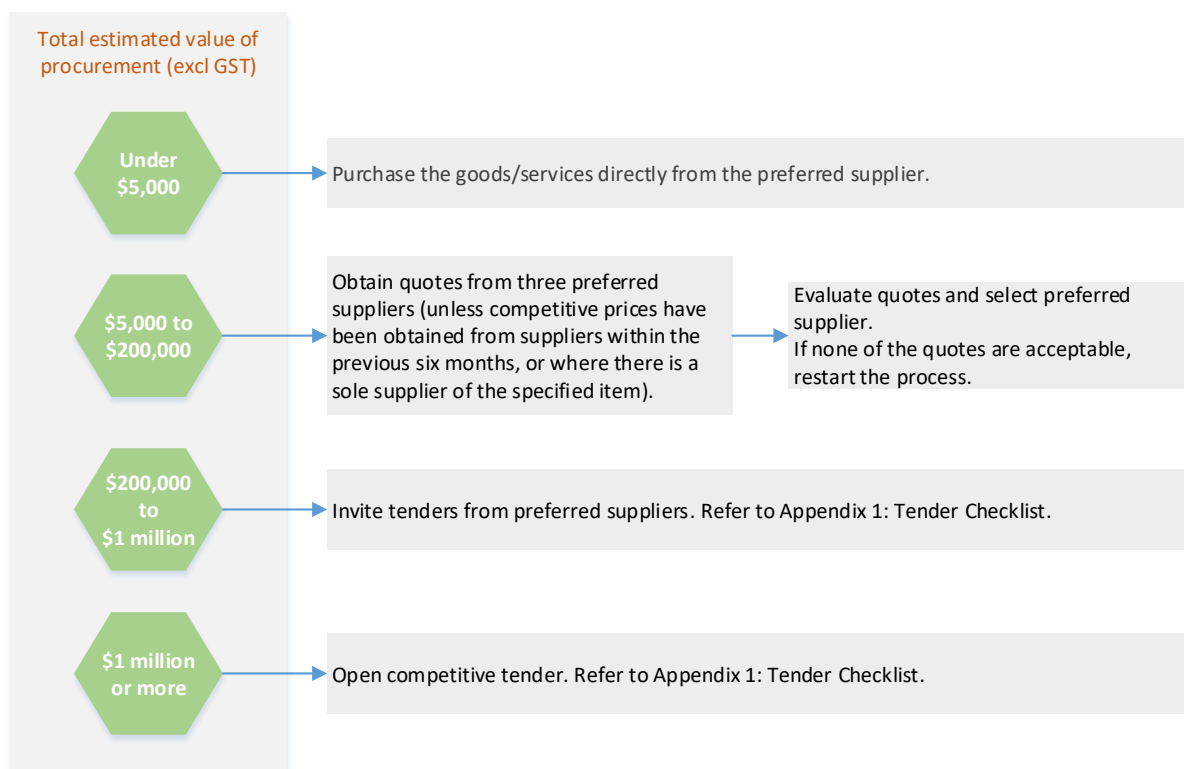
- conservation of resources and waste minimisation;
- improved energy and water efficiency;
- reduced greenhouse gas emissions;
- sustainable production; or
- protecting human health and enhancing environmental safety

Evaluating suppliers against social and environmental outcomes may involve:

- including targets within the contract specification to achieve specific outcomes;
- asking suppliers to state what social outcomes or environmental benefits they will provide over and above the requirements of the contract;
- requiring suppliers to demonstrate social responsibility in terms of their commitment to meeting obligations to employees, ethical practices and environmental practices.

The form of evaluation and the associated weighting is dependent on the type of contract and will be determined on a case by case basis.

SOURCE



Note 1: Preferred Suppliers

A preferred supplier is a supplier who is known to be able to deliver the required product or service:

- in a timely manner;
- to the quality required; and
- at the best value for money.

All budget holders will maintain a current list of preferred suppliers for their area/s of responsibility, in accordance with the Procurement Policy.

Prior to engaging a preferred supplier, the Procurement Lead will seek confirmation that the supplier has been tested against the market within the last two years. If not, the review must take place at the time of purchase by the Procurement Lead.

Note 2: All of Government Contracts

Where the Council has subscribed to an All of Government (AOG) contract – the suppliers listed under their contracts become the preferred suppliers.

Note 3: NZ Transport Agency Subsidies

For contracts where the cost will be part-funded by a NZ Transport Agency (NZTA) subsidy, the procurement decision must follow NZTA guidelines.

MANAGE CONTRACT

All procurement contracts must be managed to ensure the terms of the contract, including mutually agreed levels of service) are being met.

Performance Management

Managers must monitor the performance of all suppliers in order to achieve continual improvement. This includes:

- receiving and reviewing supplier reports;
- regularly reviewing the supplier's performance and delivery against contract;
- monitoring delivery to ensure requirements are met to the required standard; and
- proactively managing under-performance.

Financial Management

Managers must monitor the financial performance of all current contracts, including:

- checking invoices and authorising payments; and
- tracking and monitoring actual costs against budget.

Review

All contracts should be reviewed to identify lessons learned and support continual improvement. The review may be:

- of the procurement process and completed on award of the contract;
- for long term contracts, may be completed at regular intervals to assess and improve the contract performance; or
- completed at the end of a contract delivery.

All recommendations that result from the review, must be assigned to a person responsible to action that recommendation with a specified deadline. Recommendations must be monitored to ensure completion.

EXCEPTIONS

Any exception to following this procedure must be approved by the Manager Finance or Chief Executive with confirmation that the exception:

- is warranted for reasons of efficiency, strategic benefit or urgency or due to a genuine restriction in the number of suitable suppliers; and
- will not disadvantage the Council or ratepayers.

REVIEW OF PROCEDURE

This procedure will be reviewed every three years.

DEFINITIONS

All-of Government (AoG) Contract: A collaborative contract that has been approved by the Procurement Functional Leader (Chief Executive of the Ministry of Business, Innovation and Employment (MBIE)).

AoG contracts are usually panel contracts established by MBIE or other approved centres of expertise for common goods or services (eg. vehicles, computers, printers etc).

Independent Contractor: A person or organisation engaged by MDC to perform services under a Contract for Services or Agency Agreement. Independent contractors include consultants, temporary staff and tradespeople.

Procurement: All aspects of the acquisition and delivery of goods or services, spanning the whole of contract lifecycle from the identification of needs to the end of a service contracts, or the end of the useful life and subsequent disposal of an asset.

Procurement Lead: The employee leading the procurement process.

Value: The whole-of-life cost of the procurement, including the purchase price and all other expenses and benefits that MDC will incur (eg. installation, training, maintenance, decommissioning costs).

RELATED DOCUMENTS

- Procurement Policy
- Chief Executive and Staff Delegations Manual

REFERENCES

- Local Government Act 2002

VERSION CONTROL

Date	Summary of Amendments	Approved By
23/8/2018	New procedure.	Senior Management Team

APPENDIX 1: TENDER CHECKLIST

Step	Tick
Prepare Tender Documents	
1	Appoint tender evaluation team. This will include the Procurement Lead and at least one other employee.
2	Determine the contract type (e.g. fixed price, measure and value, unit price, hourly rate, performance/output based). See Contract Type above.
3	<p>Determine whether to advertise as a Request for Proposal (RFP) or Request for Tender (RFT). For complex tenders, consider advertising initially as a Registration of Interest (ROI).</p> <p><i>A RFP may be used when MDC is able to define the outcomes required, but not necessarily how the outcomes will be delivered. RFPs are used when performance is the driver and can be clearly articulated. Under an RFP, suppliers may offer innovative, alternative solutions.</i></p> <p><i>A RFT may be used when it is important for MDC state how the contract needs to be delivered. In this circumstance the supplier must offer a solution that exactly matches MDC's specification.</i></p>
4	<p>Draft tender documentation, that states:</p> <ul style="list-style-type: none"> • contract deliverables; • conditions of contract; • specifications; • evaluation criteria; • whether alternatives to the specified requirements will be considered; and • health and safety obligations. <p>In addition, the tender documentation should include information on:</p> <ul style="list-style-type: none"> • the format/s in which the tender can be submitted; • the tender closing date and time; • where to deliver tenders and how to label the tender envelope; • if tenderer presentations will be required; • if tenderers are invited to the tender opening; • if deposits for tender documentation are payable; and • the close off date for requests for information. <p><i>If advertising initially as an ROI, the documentation provided should be an abbreviated version of the intended tender documentation.</i></p> <p><i>Tenders for procurement of goods or services with high risk or complexity should use a two envelope evaluation procedure to ensure a robust process is used for quality risk verse price trade-off.</i></p>
5	If the contract is high value and/or complex, consider seeking legal advice before proceeding.
6	Consider external independent peer review.
7	Approval of tender documentation.

Step	Tick	
Advertise and Receive Tenders		
1	<p>Advertise the tender in one or more newspapers and the GETS Website. The advertisement must:</p> <ul style="list-style-type: none"> • describe the goods/services required; • clearly state MDC's name and include contact details; • include details of pre-tender meeting (if any); • state how tenders are to be received; and • state the closing date and time for tenders. <p>A minimum of 10 working days must be allowed between the first publication of the advertisement and the closing date for tenders.</p>	
2	Issue tender documents. Maintain a Tender Register that includes contact details of all parties who are issued the documents.	
3	<p>Respond to requests for information. Log all responses on the Tender Register.</p> <p><i>All supplier requests for information must be in writing. MDC's response must also be in writing and be issued to all parties who collected the documentation as a Notice to Tenderers.</i></p>	
4	<p>Receive tenders.</p> <p><i>Tenders may be received electronically or in hardcopy.</i></p> <p><i>Electronic tenders must be submitted via a secure channel such as Tenderlink. Tenders submitted by email are not accepted.</i></p> <p><i>Hardcopy tenders must be placed into a clearly marked and secure Tenders Box. The key to the box must be held by an employee not associated with the contract.</i></p>	
5	<p>Open the tenders as soon as practicable after the tender closes.</p> <p>At least two employees must be present when the tenders are opened. No members of the tender evaluation team should be involved in the receipt and opening of tenders.</p> <p>One employee will announce the name and amount of each tender, while the other records the information. Both employees must initial the list of tenders.</p> <p>Record the date and time of opening the tenders on the Tender Register.</p>	
6	Provide the tenders to the tender evaluation team.	

Receipt of Late Tenders

Late tender submissions will not be considered and will be returned unopened unless it can be shown to the Council's satisfaction that:

- all reasonable steps were taken to ensure the tender was submitted on time; and
- at the tender closing time, the submission was no longer within the tenderer's control.

Acceptance of late tenders must be approved by the Chief Executive.

Step	Tick
Evaluate and Award Tender	
1	Evaluate the tenders against the evaluation criteria within 10 working days after the tender closing date (where possible).
2	Conduct reference checks.
3	Identify the preferred supplier.
4	Complete any negotiations with the preferred supplier (if allowed and necessary).
5	Submit a recommendation to award the tender to the preferred supplier.
6	Once approved, advise the successful tender.
7	Advise the unsuccessful tenderers in writing, including the successful tenderer and price and the range of prices received.
8	Arrange for refund of deposits (if applicable).

9 APPENDIX 3: INTERNAL PROCUREMENT POLICY

PROCUREMENT POLICY

Applicable to:	All employees
Issued by:	Strategic Leadership Team
Policy Number:	MDC011
Review Date:	February 2025
Contact Person:	Manager Finance

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PURPOSE

The purpose of this Policy is to provide a framework to ensure that a consistent procurement practice is applied across all Council procurement activities in alignment with the Council's vision, strategic priorities, and community outcomes. This Policy does not supersede the New Zealand Government procurement policies and guidelines.

The Procurement Policy articulates how Masterton District Council (Council) seeks to maximise the overall benefits that can be delivered through its procurement activity, enabling the Council to deliver value for money as well as advancing the social, environmental, and economic wellbeing of the Masterton district and its community.

ABOUT THIS POLICY

Procurement covers all aspects of purchasing and delivering goods, services and works. It starts with identifying the needs, then planning the best way to meet them; continues through sourcing the goods/services/works then managing the contract; and ends with expiry of either the contract or the asset's useful life.

Activities funded through the National Land Transport Programme will follow the Waka Kotahi New Zealand Transport Agency procurement procedures.

This document should be read in conjunction with Council's Procurement Procedure (MDC011A).

SCOPE

This policy applies to all contracting and procurement activities at Council and is binding upon councillors, council staff and suppliers engaged by Council. This policy applies to the procurement of:

- Goods and services of any kind (e.g., refurbishment, new construction works);
- Goods or services supplied by non-commercial entities such as iwi, volunteer and other community organisations.

This policy does not apply to:

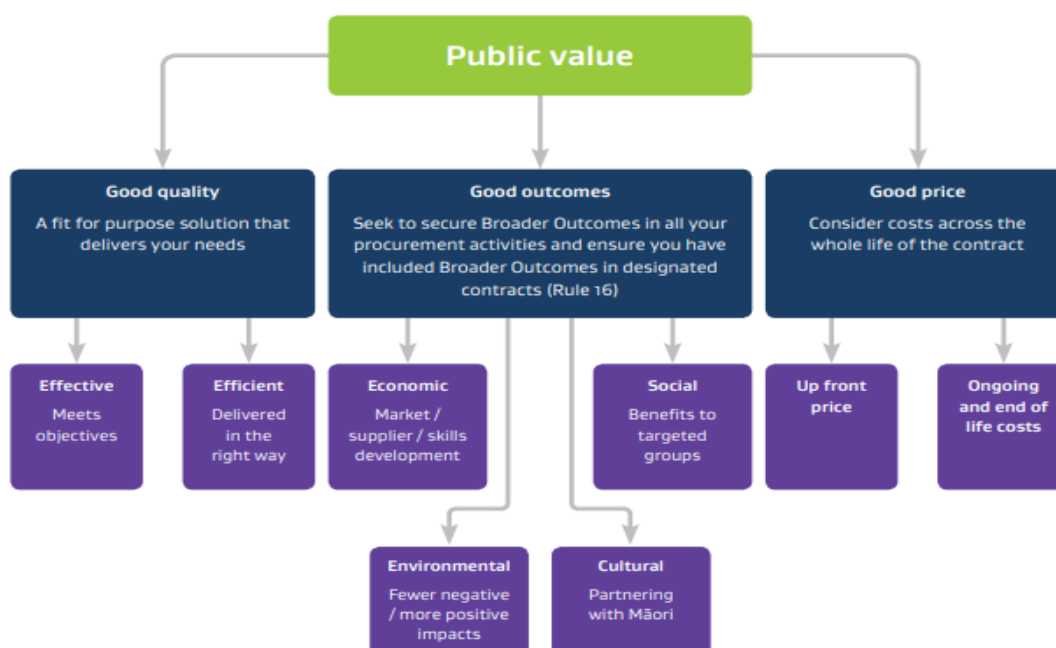
- The employment of staff (staff are not defined as contractors and consultants to supply services)
- The acquisition or lease of land or buildings (excluding the design, construction, or refurbishment of Council-owned buildings)
- Disposals and sales of Council assets
- Investments, loans, guarantees, or other financial instruments
- Koha, gifts, donations, and grants including time/labour or services in kind
- Non-contractual agreements between public sector agencies, such as memorandums of understanding and shared services agreements
- Statutory, governance or ministerial appointments.

THE NEW ZEALAND GOVERNMENT PROCUREMENT FRAMEWORK

The New Zealand Government Procurement Framework has been used to guide this policy as it provides a new paradigm for sustainable and inclusive procurement¹. This framework is designed to be used for a range of procurement activity from simple and low risk to complex and high risk. It aims to drive consistent and balanced procurement decisions that create public value (Figure 1).

¹ <https://www.procurement.govt.nz/procurement/principles-charter-and-rules/>

Figure 1: Adopted from the Government Procurement Rules



PRINCIPLES OF PROCUREMENT

This policy adopts the five principles of Government Procurement with the addition of a Wairarapatanga principle. These principles provide the foundations of good procurement practice. The six principles are:

1. Plan and manage for great results.
2. Be fair to all suppliers.
3. Value Wairarapatanga.
4. Get the right supplier.
5. Get the best deal for everyone.
6. Play by the rules.

1. Plan and manage for great results

The Council will plan and manage procurement effectively by identifying the need, including what broader outcomes should be achieved. It should be clear what is being procured and why, before approaching the market.

The Council will include suppliers early and in a timely manner, and work with them to get the best possible outcomes.

The Council will choose the right approach to procurement that will depend on the value, complexity and any risks involved.

The Council will focus on minimising any environmental impacts by encouraging and promoting e-procurement (for example, tenders sent by email).

2. Be fair to all suppliers

The Council will create transparent and effective competition and encourage capable suppliers to respond to achieve the most effective procurement outcome.

The Council will seek opportunities to involve Wairarapa businesses, with a particular focus on Māori², Pasifika, and social enterprises.

² Māori businesses are defined by Te Puni Kōkiri as a Māori authority (as classified by the Inland Revenue Department) or a minimum 50% Māori ownership.

Clear criteria will be set ahead of commencing procurement. The criteria will be used to evaluate proposals and determine which proposal satisfies the specific procurement requirements and provides value for money over the procurement life cycle.

The Council will provide a clear explanation on how proposals will be assessed so that the suppliers know what to focus on.

The Council will provide feedback to the successful and unsuccessful suppliers on their proposals.

3. Value Wairarapatanga

There are two key aspects of this principle:

a) Including a Wairarapa Māori lens in procurement planning

Procurement planning requires advice and input with a Wairarapa Māori lens that first and foremost utilises our internal expertise, and when appropriate, external expertise. A Wairarapa Māori lens will consider things such as Māori cultural knowledge, te reo Māori (Māori language), mātauranga Māori (Māori understanding, knowledge and skill), tikanga Māori (procedures, customs, and practices) and kawa (protocols).

b) Supplier diversity

- Ensuring local Māori businesses have opportunities to tender for works and services, in line with the Government's work to increase the diversity of suppliers and improve Māori participation in the economy³;
- Support business and employment prosperity of local Māori businesses; and
- Enable and support all of our suppliers to be more informed of appropriate Māori cultural practices as part of their work/services (e.g. if works/services involves disruption of land and accidental discovery of taonga Māori – that appropriate people are contacted to conduct the necessary tikanga and kawa).

4. Get the right supplier

Our procurement process will apply sound ethical considerations to provide an equitable and fair opportunity for procurement.

The Council will seek innovative and sustainable approaches from the market as part of our procurement processes.

The Council will identify relevant risks and manage them effectively.

5. Get the best deal for everyone

Our procurement process will actively promote best public value. This means getting the best possible result from procurement, 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 being sought.

The Council will make balanced decisions considering broader outcomes: social, environmental, economic effects and cultural outcomes and how those could be achieved throughout our procurement process.

This means we will focus on:

- value over the whole of life, rather than just the initial cost
- avoiding unnecessary consumption, manage demand and minimise waste
- minimising environmental impacts over the whole of life of the goods/services/works
- increase opportunities to support transition to low carbon economy
- using procurement to encourage and support continuous improvement, skills development, adherence to health and safety rules by our suppliers, and support job creation in the Masterton District.

The Council will have clear performance measures to monitor and manage supplier performance.

³ <https://www.tpk.govt.nz/en/a-matou-kaupapa/maori-economic-resilience/progressive-procurement>

6. Play by the rules

The Local Government Act 2002, Section 14⁴ details the principles relating to local authorities. These principles apply to all work within local government including this policy.

All individuals and groups that the policy applies to are expected to conduct themselves to the highest standards of fairness, honesty, and with integrity throughout the procurement process. Employees and suppliers will adhere to these standards, all applicable laws, and avoid all perceptions of conflict of interest and impropriety.

The Council will ensure procurement processes are transparent and reasonable through procurement procedures and plans, ensuring accountability for any decisions that are made.

Commercially sensitive information, intellectual property, and conflict of interest will be identified and managed. Any breaches will be reported immediately to the responsible Strategic Leadership Team member or Project Sponsor, with the appropriate management steps put in place.

Ensuring probity of action is everyone's responsibility when conducting procurement activities. This means:

- undertaking due process
- obtaining appropriate approvals
- documenting decisions, and reasons for decisions as appropriate.

The Council will openly advertise on the Government Electronic Tenders Service (GETS):

- if the maximum total estimated value of the procurement meets or exceeds the relevant value threshold
- when there is no exemption from open advertising.

If the procurement is exempt from open advertising, the Council will use either a closed competitive process (with a limited number of known suppliers) or a direct source process (with a known supplier).

OBJECTIVES OF THIS POLICY

The objectives of this Policy are for Council's procurement activity to promote achievement of:

1. *Value for money* – provide the best value for money, considering whole of life costs and benefits, and sustainable outcomes.
2. *Transparency* – follow procurement procedures and guidelines and have open, easily accessible, and transparent procurement processes.
3. *Accountability* – Council takes an active role in monitoring and managing supplier performance.
4. *Council's strategic vision* – ensure procurement principles and process are aligned to the Council's vision and strategic priorities and promote efficient and effective delivery of Long-Term Plan and Annual Plan work programmes and levels of service.
5. *Social responsibility* – Council is committed to promoting improved outcomes across the community. A focus is placed on those who are underrepresented and people with less opportunity, to help build more resilient communities. Where possible, Council will explore opportunities to engage social enterprises to provide works, goods, and services, while ensuring that the principles of this policy are met.
6. *Environmental sustainability* – Council's procurement activity will recognise proactive strategies that deliver better outcomes for the environment. The Council is committed to exploring opportunities through procurement that conserve resources, save energy, minimise waste, protect human health and enhance environmental safety, while ensuring the principles of this policy are met. Focus will be given to improving energy and water efficiency, reducing and recycling, and minimising greenhouse gas emissions.

⁴ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171810.html>

FINANCIAL THRESHOLDS

Procurement Value (excluding GST)	Procurement Method	Conditions and exemptions
Up to \$20,000	Direct Procurement	Purchase directly from preferred suppliers.
\$20,000 to \$250,000	Staff may use Closed Competition or Open Competition.	For the avoidance of doubt Open Competition is still possible at these amounts, and the higher the value, the more consideration should be given to Open Competition (in accordance with the principles of this Policy). Staff should also consider workload and impact on the supplier market when considering use of Open Competitive processes for lower value procurements.
\$250,000 to \$1,000,000	Open Competition is required unless approved by the Chief Executive.	The use of Direct or Closed procurement must meet one or more of the valid exceptions to open competition listed in this policy.
Total value greater than \$1,000,000	Open Competition is required unless approved by Council.	Council (or a subordinate Council decision-making body delegated authority for approving financial expenditure) may determine the use of Direct Procurement or Closed Competition. The use of Direct or Closed procurement must meet one or more of the valid exceptions to open competition listed in this policy.
N/A	Waka Kotahi NZ Transport Agency Subsidies	For contracts where the cost will be part-funded by a Waka Kotahi NZ Transport Agency subsidy, the procurement decision must follow NZTA guidelines.

EXEMPTIONS FROM OPEN COMPETITION

1. Emergency procurement

The Council will from time to time need to react efficiently and effectively to genuinely unforeseen urgent circumstances which may result in injury, loss of life or critical damage to property or infrastructure.

These situations may require the need for rapid procurement and may mean it is not possible or prudent to satisfy all requirements of this Policy.

The Council will take all practical efforts to document and account for all emergency procurement activity and to uphold transparency. These will be recorded in an emergency procurement register.

Appropriate authorisation should be gained from the relevant delegated authority before any emergency procurement is made.

2. Other exemptions

A closed competitive process or direct source process to procure goods, services and works may be used if:

- a) Following an open competitive process:
 - the contract opportunity was openly advertised in the last 12 months
 - the core procurement requirements have not substantially changed
 - the first time the opportunity was advertised it did not receive any responses.
- b) Secondary procurement:
 - When using a pre-approved panel of suppliers or purchasing under an All-of-Government contract.
- c) Only one supplier:
 - If the goods, services, or works can be supplied by only one supplier and for technical reasons there is no reasonable alternative or substitute.

HOW COUNCIL WILL OPERATE A PANEL OF SUPPLIERS

For regular purchases of specific type of good, service or works, the Council will set up a panel of suppliers. The panel of suppliers will be reviewed two-yearly.

A panel of suppliers is a list of suppliers who have been pre-approved by Council and who have agreed to the terms and conditions for supply. Before engaging a preferred supplier, it must be confirmed that the supplier has been tested against the market within the last two years.

Establishing a panel of suppliers will follow the procedures set out in the Council procurement panel.

POLICY OWNER

The Strategic Leadership Team is the policy owner and is responsible for developing and implementing this policy and ensuring minimum standards are met in managing procurement activities.

COMPLIANCE

All teams from across the Council will comply with this policy, other guidance, and procedures documentation.

REVIEW OF POLICY

This policy will be reviewed every three (3) years, or as required. The policy review shall also consider timing and outcomes of any Section 17A reviews.

Section 17A requirements

Service delivery reviews are a legislative requirement under Section 17A5 of the Local Government Act (2002). Section 17A of the Local Government Act requires Council to regularly review the cost effectiveness of current arrangements for providing local infrastructure, services and regulatory functions at regular intervals, which informs decisions to insource or outsource services or deliver as a shared service.

Any contracts for services will be reviewed in accordance with section 17A of the Local Government Act 2002 (amended on 8 August 2014). The triggers for these reviews are:

- when considering significant changes to service levels
- within two years of expiration of a contract or other binding agreement to deliver a service
- the passing of six years since the last review under section 17A.

⁵ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM6236168.html>

There are two statutory circumstances where a review is not necessary (even when triggers have been activated):

- There is a contract or other agreement in place that cannot reasonably be changed within two years.
- It can be justified that the costs of doing the review outweigh the benefits.

The Strategic Leadership Team will approve when service delivery reviews are required.

MONITORING AND EVALUATION

The Council will measure success of this policy by evaluating the following:

- Consistent and transparent procurement practice across the organisation;
- How a Wairarapa Māori lens is applied in procurement planning;
- Increasing our procurement with Māori-owned businesses, Pasifika-owned businesses and social enterprises
- Reduced environmental impacts over the whole of life of the goods/services/works including GHG emissions impact.

DEFINITIONS

Term	Meaning
Broader Outcomes	The secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social, and cultural outcomes.
Competition	Rivalry between suppliers for sales, profits and market share. Competitive tension in the market and can produce innovation, better-quality goods or services, better value and better pricing.
Commercially sensitive information	Information that, if disclosed, could prejudice a supplier's commercial interests (e.g. trade secret, profit margin or new ideas).
Conflict of interest	A conflict of interest is where someone's personal interests or obligations conflict, or have the potential to conflict, with the responsibilities of their job or position or with their commercial interests. It means that their independence, objectivity, or impartiality can be called into question. For more information see www.procurement.govt.nz
Evaluation criteria	The criteria that are used to evaluate responses. These include measures to assess the extent to which competing responses meet requirements and expectations (e.g. criteria to shortlist suppliers following a Registration of Interest or criteria to rank responses in awarding the contract).
New Zealand Government Procurement Framework	Government framework to drive a consistent and flexible procurement process. It consists of Procurement Principles, Government Rules of Sourcing (the Rules) and Guidance.
Goods	Items which are capable of being owned. This includes physical goods and personal property as well as intangible property such as Intellectual Property (e.g., a software product).
Panel of Suppliers	A list of suppliers Council has pre-approved to supply goods or services and who have agreed to Council's terms and conditions for supply.

Probity	Means that the procurement will be carried out in a transparent, accountable, impartial, and equitable way. Its principles are fundamental to how the public sector is expected to carry out procurement. Officers need to be able to demonstrate the integrity of the process in the event of challenge. These principles include accountability, openness, value for money, lawfulness, fairness, and integrity.
Procurement	Procurement covers all aspects of purchasing and delivering goods, services and works (including refurbishment and new construction). It starts with identifying the needs, then planning the best way to meet them; continues through sourcing the goods/services/works then managing the contract; and ends with expiry of either the contract or the asset's useful life. This is called the procurement lifecycle.
Procurement plan	A plan to analyse the need for specific goods, services or works and the outcome the agency wants to achieve. It identifies an appropriate strategy to approach the market, based on market research and analysis, and summaries the proposed procurement process. It usually includes the indicative costs (budget), specification of requirements, indicative timeline, evaluation criteria and weightings and an explanation of the broader outcomes an agency will seek to achieve through the procurement.
Public Value	Public value means getting the best possible result from your procurement, using resources effectively, economically and without waste, and considering: the total costs and benefits of a procurement (total cost of ownership), and its contribution to the results you are trying to achieve.
Purchasing	Transactional processes concerned with acquiring goods and services, including payment of invoices. It is a narrower term than procurement, describing reactive, tactical processes. Typically purchasing processes are triggered by the development of a request to purchase by a user.
Services	Acts or work performed for another party, e.g., accounting, legal services, cleaning, consultancy, training, medical treatment, or transportation.
Supplier	A person, business, company, or organisation that supplies or can supply goods or services or works to an agency.
Te Ao Māori lens	The Māori world view (te ao Māori) acknowledges the interconnectedness and interrelationship of all living and non-living things.
Wairarapatanga	A Wairarapa Māori lens. Wairarapatanga is about the whenua, te reo Māori, tikanga, kawa, wai, natural resources, sites of significance, mana whenua (Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa), marae, and hapū.

RELATED DOCUMENTS

Legislation and central government guidance

- Office of the Auditor-General, June 2008, Procurement guidance for public entities
- Construction Contracts Act 2002
- Contract and Commercial Law Act 2017
- Commerce Act 1986
- Health and Safety at Work Act 2015
- Any such other government policies on procurement which are applicable to local government bodies
- Applicable legislation, including the Local Government Act 2002, the Fair Trading Act 1986, the Official Information Act 1982, Local Government Official Information and Meetings Act 1987
- Privacy Act 2020

Council Policies

- Conflict of Interest Policy
- Fraud, Dishonesty and Corruption Control Policy
- Health, Safety and Wellbeing Policy
- Acceptable Use and Information Security Standard
- Risk Management Policy
- Sensitive Expenditure Policy Manual
- Staff Conduct Policy

Council Strategies

- Roading Procurement Strategy
- Wellbeing Strategy
- Financial Strategy
- Infrastructure Strategy
- Town Centre Strategy

REFERENCES

Government Procurement Rules: Rules for sustainable and inclusive procurement

<https://www.procurement.govt.nz/assets/procurement-property/documents/government-procurement-rules.pdf>

Mastering procurement: A structured approach to strategic procurement

<https://www.procurement.govt.nz/assets/procurement-property/documents/guide-mastering-procurement.pdf>

Guide 1 to Sustainable Procurement

<https://www.procurement.govt.nz/assets/procurement-property/documents/1-guide-identifying-sustainable-procurement-priorities-sustainable-procurement.pdf>

10 APPENDIX 4: COST OF SERVICES STATEMENT SUMMARY

FUNDING IMPACT STATEMENT											
As required by the Local Government (Financial Reporting) Regulations 2014											
	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ROADING	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding											
General rates, uniform charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	6,483	7,335	7,683	8,342	8,524	9,194	9,999	11,179	12,254	14,044	16,166
Subsidies and grants (for operating)	4,127	2,885	2,921	3,030	3,117	3,202	3,298	3,400	3,497	3,597	3,698
Fees & charges	69	73	75	77	79	82	84	86	89	91	94
Internal charges & overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Interest & dividends	-	-	-	-	-	-	-	-	-	-	-
Other receipts (incl petrol tax & fines)	180	190	194	200	206	212	218	224	231	238	244
Total operating funding (A)	10,860	10,483	10,872	11,649	11,927	12,689	13,599	14,890	16,071	17,969	20,202
Applications of Operating Funding											
Payments to staff and suppliers	7,323	5,673	5,848	6,156	6,344	6,526	6,715	6,910	7,111	7,318	7,531
Finance costs	17	11	49	75	113	219	387	517	562	633	745
Internal charges and overheads applied	1,282	1,459	1,418	1,535	1,577	1,603	1,808	2,065	2,149	2,205	2,232
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,622	7,143	7,315	7,766	8,034	8,348	8,910	9,491	9,822	10,156	10,508
Surplus/(Deficit) of operating funding (A-B)	2,238	3,340	3,557	3,884	3,893	4,341	4,690	5,399	6,249	7,813	9,694
Sources of Capital Funding											
Subsidies & grants for capital expenditure	3,838	2,933	4,939	2,772	7,534	8,526	4,526	5,993	4,923	4,954	6,493
Development & financial contributions	250	375	378	381	389	392	395	403	406	409	413
Increase/(decrease) in debt	1,409	1,323	1,068	1,257	3,747	6,025	4,611	1,655	2,531	3,999	1,284
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,497	4,631	6,385	4,410	11,670	14,944	9,532	8,051	7,860	9,362	8,189
Application of Capital Funding											
Capital expenditure:											
- to meet additional demand	450	840	1,276	1,197	783	-	-	-	-	-	-
- to improve level of service	3,389	2,113	1,988	1,230	7,379	12,081	6,872	4,156	5,109	6,774	4,078
- to replace existing assets	5,521	5,928	9,114	5,907	8,074	6,345	6,408	8,980	7,106	7,111	10,047
Increase/(decrease) in reserves	(1,626)	(909)	(2,436)	(40)	(673)	859	941	314	1,895	3,289	3,758
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding (D)	7,735	7,972	9,942	8,294	15,563	19,285	14,222	13,450	14,110	17,174	17,883
Surplus / (deficit) of capital funding (C-D)	(2,238)	(3,340)	(3,557)	(3,884)	(3,893)	(4,341)	(4,690)	(5,399)	(6,249)	(7,813)	(9,694)
Funding balance (A-B)-(C-D)	0	0	0	0	0	0	0	0	0	0	0

SUMMARY OF FORECAST 2021-2031

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	030/31
Co MAINTENANCE & de OPERATIONS										
111 Sealed Pavement Maintenance	989970	1010760	1042438	1074117	1104807	1136485	1169155	1202814	1237463	1273102
112 Unsealed Pavement Maintenance	610930	623760	643309	662859	681798	701348	721508	742280	763663	785656
113 Routine Drainage Maintenance	519430	530338	546959	563582	579684	596305	613446	631107	649288	667987
114 Structures Maintenance	168000	171528	176904	182280	187488	192864	198408	204120	210000	216048
121 Environmental Maintenance	133910	136722	141007	145292	149444	153729	158148	162701	167388	172208
122 Network Services Maintenance	658820	672655	693737	714820	735243	756325	778066	800466	823525	847243
123 Op Traffic Management	163960	198268	268157	276307	284201	292350	300753	309412	318325	327493
124 Cycle Path Maintenance	10000	10210	10530	10850	11160	11480	11810	12150	12500	12860
125 Footpath Maintenance	65520	66896	68993	71089	73120	75217	77379	79607	81900	84259
131 Level Crossing Maintenance	21900	22360	23061	23762	24440	25141	25864	26609	27375	28163
140 Minor Events	191550	195573	201702	207832	213769	219899	226221	232734	239438	246333
141 Emergency Works	*	*	*	*	*	*	*	*	*	*
151 Network & Asset Management	1333792	1351209	1427761	1463590	1496651	1547888	1605484	1649682	1695487	1740348
RENEWALS										
211 Unsealed Road Metalling	1035050	1057086	1093508	1132929	1169966	1208587	1247694	1289486	1333413	1378374
212 Sealed Road Surfacing	1316530	1344279	1386412	1428544	1469359	1511491	1554941	1599706	1645788	1693186
213 Drainage Renewals	512260	523017	539411	1120014	571682	588074	1219099	622397	640325	1324914
214 Pavement Rehabilitation	1166580	1323808	1356874	1403751	1187178	1221219	1527954	1292493	1329725	1652227
215 Structures Component Replacement	143600	146541	151106	155626	160033	164598	169277	174129	179125	184295
216 Bridge structure Renewals	493000	3384615	24323	0	239940	65734	0	261225	0	73338
222 Traffic Services Renewals	626820	683885	747860	1072759	902529	985808	1344826	1164842	1260898	1654719

Masterton District Council Roading Procurement Strategy

	225 Footpath Renewals urban	533000	548583	565777	1716796	599627	616820	1868696	652820	671625	2034838
	<u>ROAD IMPROVEMENTS</u>										
341	Minor Improvements	1563500	1630844	1124920	5422614	8925544	1719475	1768902	1734778	1784750	1598240
	TOTAL	\$12,258 ,122	\$15,632 ,937	\$12,234 ,749	\$18,849 ,413	\$20,767 ,663	\$13,790 ,837	\$16,587 ,631	\$14,845 ,558	\$15,072 ,001	\$17,995 ,831

