

Transport Procurement Strategy

2023-2026



**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

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Wellington City Council**

Me Heke Ki Pōneke

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3	Jun 2023	B Singh	S Procter

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Context

The Transport Procurement Strategy (Procurement Strategy) describes our approach to efficiently deliver our transport programme for the period 2023-2026. The National Land Transport Programme (NLTP) investment in the Pōneke city transport system totals around 103 million each year and aims to deliver as much value as it can to Pōneke ratepayers whilst supporting our work towards our long-term strategic vision for the city, as defined by *Wellington Towards 2040: Smart Capital*.

Our strategy has been developed in line with guidance from the Me Heke Ki Pōneke Wellington City Council (WCC) Procurement Policy and Procedures and the Waka Kotahi New Zealand Transport Agency (Waka Kotahi) Procurement Manual. In compiling this strategy, we have considered the market capability to supply services, strategic commitments delivered using the transport infrastructure lever and Broader Outcomes.

Alignment

The structure of our Procurement Strategy aligns with the previous version that recognised the changes in legislation, procurement practice and our WCC operations.

This Procurement Strategy strongly reflects [Wellington Towards 2040: Smart Capital](#) as infrastructure investment and delivery was a key focus area. This focus is comprised of both long-term and short-term objectives including:

- The city's core transport infrastructure is a safe, resilient, reliable network – that supports active and public transport choices, and an efficient, productive and an environmentally sustainable economy.
- An accelerating zero-carbon and waste-free transition – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.
- Strong partnerships with mana whenua – upholding Te Tiriti o Waitangi, weaving Te Reo and Te Ao Māori into the social, environmental and economic development of our city and, restore the city's connection with Papatūānuku.

Where relevant, the Procurement Strategy emphasises strategic commitments WCC Executive Leadership team and Councillors endorsed to be delivered within the period of this Procurement Strategy. These include:

- Broader Outcomes Strategy;
- [Te Atakura – First to Zero](#)
- [Tūpiki Ora Māori Wellbeing Strategy](#);
- [Economic Wellbeing Strategy](#);
- [Pāneke Pōneke Bike Network Plan](#) and,
- Te Upoko o Te Ika a Māui Commitment.

These, alongside this Procurement Strategy supporting the commitments made by Waka Kotahi under:

- The [Construction Sector Accord Transformation Plan](#);
- [Waka Kotahi Broader Outcomes Strategy](#);
- Waka Kotahi [Te Ara Kotahi Strategy](#); and,

And, aligned to the wider legislative, policy and frameworks that are relevant to this Procurement Strategy:

- [Government Policy Statement on Land Transport 2021](#)
- [Local Government Act 2002](#)
- [Land Transport Management Act 2003](#)
- [Procurement Manual](#)

Ownership and Responsibility

The owner of this Strategy is the Manager Transport & Infrastructure. Responsibility for implementation and future reviews of this Strategy lies with the Transport Contracts Delivery Manager, with support from the WCC Commercial Partnerships team.

Wellington City Council Adoption

Recommendations

The Executive Leadership adopts the WCC Transport Procurement Strategy dated June 2023.

Waka Kotahi Endorsement

Recommendations

Waka Kotahi endorses WCC Transport Procurement Strategy dated June 2023 in respect to the subsidised Transport Activity 2023-26.

Waka Kotahi approves the continued use of in-house professional services in accordance with Land Transport Management Act 2003 s26, with much of the scale and scope of services provided remaining similar to that presently provided.

Waka Kotahi approves the continued use of a variation to Procurement manual, section 10.5 Procurement procedure advanced components allowing Wellington City Council to establish a physical works supplier panel entitled the transitional cycleways and minor works supplier panel.

1. Strategic objectives and outcomes

1.1 Introduction

WCC is responsible for the delivery of a range of transport services within our CBD, across industrial and residential areas and to the rural areas in the west. Our suppliers need to be both competent and adaptable to ensure the city's needs are met.



Figure 0-1 Overview of Wellington City Council Service Area

Our city has a vibrant community where day to day activities are supported by robust transport systems. These transport systems are provided by a combination of organisations.

Waka Kotahi

- State Highway Network (including motorways)
- National Land Transport Coordination

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Greater Wellington Regional Council (GWRC)	<ul style="list-style-type: none"> • Co-funding of activities (roading, cycleways, urban design) • Public Transport – passenger rail, ferries and busses • Regional Land Transport Coordination
WCC	<ul style="list-style-type: none"> • Provision of local networks – road, footpaths, cycleways and associated services • Local coordination and regulation

Our transport related activities include the development of strategies and plans to support the safe, cost effective and efficient delivery, operation and maintenance of Wellington’s multi modal transport network. From an asset management perspective, we are responsible for the design, delivery, maintenance and renewals of:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Sealed roads • Footpaths and accessways • Cycleways • Bridges and culverts • Seawalls • Retaining walls • Road markings • Road signage | <ul style="list-style-type: none"> • Traffic signals • Street furniture • Barriers • Kerb & channel • Stormwater drainage • Bus shelters • Street lighting |
|---|---|

While operational items include:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Street Cleaning • Litter Collection • CBD Kerbside litter collection and recycling. • Roadside vegetation management • Graffiti Removal | <ul style="list-style-type: none"> • Roads Safety programmes • Coordinating other activities within the road corridor • Traffic signal operations • Street light operations |
|---|---|

1.2 Strategic Objectives

From the WCC Transport Vision, “Connecting People and Places” (27 June 2018), was developed to reflect the purpose of the Land Transport Management Act 2003:

“...to contribute to the aim of achieving an affordable, integrated, safe, responsive and sustainable land transport system...”

It achieves this by committing to five strategic objectives.

1. Maintain, develop and improve infrastructure to support different forms of transport;
2. Encourage more sustainable and cost-effective transport options, such as walking, cycling and public transport;
3. Make ongoing improvements to the safety of our transport network;
4. Plan our transport network to work as efficiently as possible whilst linking to urban development; and
5. Manage traffic flows through traffic light controls to minimise congestion at busy periods.

1.3 Procurement Strategy Objectives

The key outcomes for our Procurement Strategy have been developed to ensure best value for money, these are:

- To ensure procurement processes foster and maintain a sustainable, diverse and competitive local supply environment;
- To serve Pōneke by providing a well maintained and efficient transport network that is value for money over the whole of life cost;
- To demonstrate that our procurement approach meets the requirements of the Land Transport Management Act 2003;
- To cover the range of physical works and professional services that we will use to provide best value for money to stakeholders including Waka Kotahi and ratepayers;
- To enable our in-house professional services to deliver our programme through effective asset management, project management, contract management and financial management;
- To support effective and efficient procedures for the procurement and management of professional services and physical works delivery;
- To provide our kaimahi with direction to make good procurement decisions;
- To inform the supply market of our forward pipeline of commercial activities so they have increased visibility on when and how we intend to deliver the programme of works.
- To assure suppliers and the market WCC conducts a fair and consistent process for sourcing and consideration of submissions (including tenders); and
- To ensure that our procurement processes are aligned to our requirements as a Person Conducting a Business or Undertaking (PCBU) under the Health and Safety at Work Act (2015).

These pull together both WCC and our co-funders Waka Kotahi objectives pertaining to the procuring, investing and maintaining of the network to ensure the following can be achieved:

Liveable city:	Help create safe, healthy and liveable communities by investing in transport network improvements which contribute to our vision for the city and the wellbeing of our residents.
Carbon reduction:	Support initiatives to reach net zero emissions by 2050.
Economic vitality:	Enable the safe and efficient movement of people and goods.
Land use and transport integration:	Encourage developments that will see more people living and working near main public transport routes and centres.
Sustainability:	We are committed to a better environment and sustainability outcomes.
Safety for all:	Design our transport network to minimise risks especially for vulnerable road users. Work collaboratively with our service providers to ensure that our field workers are kept safe.
Public health:	Develop the transport system so more people choose to walk, ride bikes and use public transport, and to reduce exposure to harmful emissions.
Universal access:	Provide accessible transport and public spaces.
Resilience:	Continually improve network resilience and be adaptable to disruptions and future uncertainty.
Broader Outcomes:	Collaborate with industry on youth development and employment, as well as employment of Māori and Pasifika groups and investment in supplier diversity.

1.4 Health, Safety and Wellbeing

Underpinning this strategy in all of its objectives, outcomes and intentions is that the health, safety and wellbeing of our Council kaimahi, suppliers and wider supply chains and the community is protected and prioritised in the delivery of infrastructure for the city.

Council conducts activities in adherence with our Health, Safety & Wellbeing Policy that defines the obligations Council has to uphold and protect the health, safety and wellbeing of people under the Health and Safety at Work Act 2015. This sees Council take regular action such as:

- At a management level, regular sessions with Council management and contractor management who go to site together to engage with field staff and to understand what constraints and difficulties they are facing when undertaking work.
 - We will strive to understand the constraints under which they operate and encourage them to do the same with us and their subcontractors. We will work to respect these constraints and work together to achieve what's best for our stakeholders.
- Commercial Partnerships team regularly engaging with resources and programmes relevant to Health, Safety and Wellbeing to enable better focus on this area when advising on commercial initiatives from this lens.
- Consistent and proactive work with the Health, Safety and Security team at Council who regularly provide advice, guidance and support on the topic to Council kaimahi, and to project/delivery/procurement teams for specific and tailor advice.
- Holding and attending Health, Safety and Wellbeing learning sessions, regular attendance at contractor toolbox talks and site visits by kaimahi,

- Council ELT and Councillors being present, visible and proactive in how we manage our critical risks and promote positive health, safety and wellbeing as a local government authority.
- Annual Health and Safety breakfasts held with all our suppliers to encourage good H&S practices and to celebrate positive successes.

Further action Council intends to develop is a greater focus on mental health on our sites, in particular among our contracts and subcontractors. The constraints and challenges in the market flow into the daily lives of our suppliers and their people and we intend to contribute to solutions and support required to ensure their health, safety and wellbeing is upheld.

The Policy, Act, wider health, safety and wellbeing initiatives pursued under Broader Outcomes, alongside operational Health and Safety plans designed and developed to be project/programme specific is how Council ensures health and safety is considered in every procurement decision, and then operationalised during delivery.

2. Procurement Operating Model

2.1 Focus on Outcomes

Our Transport procurement will support our business goals in the delivery of efficient output focused solutions underpinned by best practice procurement principles. We will seek to leverage the procurement opportunities to obtain economies of scale through the use and development of innovative and robust procurement solutions. Such principles will however be balanced with the requirement to maintain a sustainable, fair and competitive supplier market that continues to encourage and support safe behaviours and practices.

2.2 The Waka Kotahi Procurement Manual Guidance

This Procurement Strategy aligns to the Procurement Manual and associated guidance.

2.3 WCC Operating Policies and Framework

WCC has a number of Strategies and Policies that direct how our personnel will deliver transport services under this strategy, as part of the enterprise approach to commercial activities.

Procurement Policy

The operational Procurement Policy outlines how procurement activities are undertaken at WCC, aligned to the Councillor endorsed Procurement Strategy. The scope of the Procurement Policy includes all procurement activities that are undertaken at Council. This Policy is owned by WCC's Chief Executive and Chief Financial Officer. Responsibility for implementation lies with the Manager, Commercial Partnerships. The Policy is mandatory for all Council procurement and where appropriate may apply to Council Controlled Organisations (CCOs).

Procurement Procedures

The Procurement Procedures details how commercial and procurement activities must be conducted at Council in accordance with the Council Procurement Policy. The Procedures are owned by Wellington City Council Chief Executive and Chief Financial Officer, and delegated to the Manager, Commercial Partnerships. The Procedures are mandatory for all Council procurement and may be applied to Council CCOs where they deem appropriate. The principal legislative guidance for procurement is based on Section 10 of the Local Government Act 2002, recently amended in the Local Government (Community Well-being) Amendment Act 2019.

Contract Management Policy

The Contract Management Policy establishes a governance structure alongside operational methodologies for managing contracts at Council. The scope of the Contract Management Policy includes all contracts that are entered into at Council, and where appropriate may apply to Council Controlled Organisations (CCOs).

Delegations Policy

The Delegations Policy defines the framework under which WCC officers must operate to ensure that appropriate approvals are obtained before proceeding with any contract.

Health, Safety & Wellbeing Policy

The Health, Safety & Wellbeing Policy defines the obligations Council has to uphold and protect the health, safety and wellbeing of staff as an employee under the Health and Safety at Work Act 2015. The operationalising of the policy is through the Health, Safety & Security team who work across Council to ensure appropriate and relevant health, safety and wellbeing requirements are embedded in Council contracts.

Risk and Assurance Framework

The Assurance Framework provides a model for understanding the various assurance activities that are carried out throughout the Council. It defines the responsibilities for assurance across the Council. The Council's Assurance Framework is based on the 'lines of assurance' working together to provide confidence to stakeholders that the Council is well positioned to deliver its business objectives and outcomes.

Broader Outcomes Strategy

This Broader Outcomes strategy guides and is supported by the Wellington City Council Me Heke Ki Pōneke (Council) Policies and Procedures that are applied across all Council procurement and commercial activities. Broader Outcomes as a defined term refers to positive social, cultural, economic, and environmental outcomes for Pōneke being embedded in Council commercial decision making. *Alternative terms the market may be familiar with include: social procurement, sustainable procurement, social wellbeing, or social impact. All are referring to the same purpose of Broader Outcomes.*

Tūpiki Ora Māori Wellbeing Strategy

Wellington City Council (the Council) and Mana Whenua now cast our eyes to the stars in 2022, and in alliance we prepare ourselves and our waka hourua to co-navigate the next journey through the Tūpiki Ora Māori Strategy (Tūpiki Ora). Tūpiki Ora was co-developed through a series of wānanga with Mana Whenua and Māori to articulate our joint goals, vision and most importantly, actions.

Te Atakura Strategy

Te Atakura – First to Zero is a blueprint to make Wellington City a zero-carbon capital (net zero emissions) by 2050. This blueprint outlines key activities that can help reduce our emissions in four target areas: Transport, Building Energy and Urban Form, Advocacy, and the Council.

Economic Wellbeing Strategy

The Strategy provides direction for our Council activities and for the businesses and communities of Wellington City. This is about what the Council, and our Council Controlled Organisations can do, partnering with mana whenua and Māori, while also inspiring and empowering businesses for the future, and supporting businesses and organisations to partner with us to deliver economic wellbeing outcomes

Te Upoko o Te Ika a Māui Commitment

A joint commitment between councils in the Wellington region to take a shared approach to supplier diversity through targets related to increasing spend with Māori and Pasifika businesses.

3. Our Key Focus Areas

Our three key focus areas have been developed by looking at our strategic objectives alongside the Waka Kotahi transport objectives and developing the things that over the duration of this strategy we want to improve on.



Value for Money



Broader Outcomes



Contract Management

3.1 Value for Money

The principle of Value for Money is about getting the best possible commercial outcome over the whole of life of the asset, services or works, that includes appropriate risk allocation and the achievement of Broader Outcomes. Selecting the most appropriate commercial methodology that is proportionate to the value, risk and complexity of the contract will help achieve value for money. Good procurement is about being risk aware, not necessarily risk averse, which is a step-change for public sector procurement practice.

Council defines best value for money in alignment with the Procurement Manual, as a dynamic link between the following:



Value means we endeavour to take a whole of life or Total Cost of Ownership (TCO) approach to commercial outcomes. In order to develop strong commercially-driven business partnerships, our

focus is on developing and applying business acumen and commercial awareness to everything we do. By focusing on value, as a component of value for money, the following will be achieved:

- Target levels of service throughout the city being delivered at lowest whole of life cost as a direct result of our activities.
- Our assets' economic life are optimised and lifecycle costs are minimised.
- We have diverse and therefore sufficient contractor resource that is operating sustainably within Wellington for effective delivery and emergency response.
- A healthy level of competition is maintained within the contracting market, and smaller contractors are empowered to scale.
- Council are consistently seeking ways to better partner with our service providers to seek cost efficiencies which can be passed through to our customers.

Quality means we prioritise seeking solutions from the market that are fit for purpose, that deliver our needs in an effective and efficient manner. This also includes seeking feedback from suppliers on the quality of our processes to understand areas to improve. By focusing on quality, as a component of value for money, the following will be achieved:

- Our assets' are fit-for-purpose, maintained well, and meet the right standards.
- We contract suppliers who pride themselves on delivering solutions that are quality and committed to improvements where they provide a better solution.
- Our contracts are developed and managed in a manner that upholds and enables quality delivery, and avoids short-cuts or inefficiencies that put our assets and those using them at risk.
- We are keeping up to date with commercial developments within the industry that may enhance what quality looks like for Council and the sector

Risk means ensuring risk is appropriately managed and all procurement remains legal, ethical and transparent, and embodies the our vision and priorities. By focusing on risk, as a component of value for money, the following will be achieved:

- Risk identification, assessment and management is a core component of commercial and delivery activities that is proactively conducted and regularly reviewed.
- Appropriate levels of risk are effectively assigned to the party best suited to manage them, and suppliers are not forced to hold risk unnecessarily.
- Cross-functional experts (i.e. Legal Services, Risk and Assurance) can be included at the appropriate time to advise enterprise level risks and guide on proactive management.

Outcomes means we focus on how our commercial methodologies will impact social, cultural, economic and environmental outcomes that can be a catalyst for positive impact within the Wellington region. In the achievement of outcomes it is important to look beyond lowest-cost conforming commercial models, to ensure the market is not restricted in a "race-to-the-bottom" ecosystem of tendering, as has been the case historically across the whole infrastructure sector. Furthermore, it is critical the local economy is able to participate meaningfully in commercial processes, as stated in our obligations under the Local Government Act.

3.2 Broader Outcomes

As detailed in the August 2022 Council Broader Outcomes Strategy, as a defined term refers to the positive social, cultural, economic, and environmental outcomes for Pōneke that are embedded in Council commercial decision making. Alternative terms the market may be familiar with include: social procurement, sustainable procurement, social wellbeing, or social impact. All are referring to the same purpose of Broader Outcomes. Council has four target outcomes it pursues under the umbrella term of Broader Outcomes, which are:



Māori

We are committed to developing trusted relationships and partnerships that are mutually beneficial, collaborative that ensures the rights and aspirations of mana whenua are upheld and protected. We pro-actively support partnership with Māori and iwi-owned businesses throughout our supply chains to grow Māori economic development.



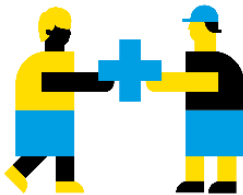
Taiao (environment)

We recognise and protect te taiao by prioritising commercial solutions that enable us to make sustainable investments and partnering with our wider supply chains who share our sustainability goals and invest in climate-positive outcomes.



Pāpori (social/community)

We champion a diverse, safe, inclusive, and accessible workforce, to ensure positive pāpori (social/community) outcomes throughout our supply chains and investment partners.



Ōhanga (economy)

We pro-actively support a sustainable and diverse local ōhanga (economy) through partnering and collaborating with local Wellington business to ensure a thriving Capital city.

The Transport group and Commercial Partnerships work together to enable Council to partner with organisations to deliver on commercial outcomes that align with our organisation’s values, are guided by our Council vision:

*Kia mahi ngātahi mō Pōneke mō tōna āpōpō.
Working together for Wellington's future.*

Waka Kotahi as a central Government agency must also consider how procurement activities can, where appropriate, contribute to the Government’s Broader Outcomes directive as stated in the Government Procurement Rules 16 through 20. We have mapped how these Rules are directly aligned with the Council Broader Outcomes focus areas, and the corresponding action Council intends to take on our transport investments to achieve them.

Government Procurement Rules	Council Broader Outcomes Alignment	Action Council will take
Rule 17 Increase access for New Zealand businesses	Ōhanga (economy) We pro-actively support a sustainable and diverse local ōhanga (economy) through partnering and collaborating with local Wellington business to ensure a thriving Capital city.	Our projects can be delivered using many different commercial methodologies when a longer-term view of the pipeline of projects is taken. By using commercial tactics such as unbundling, panel

Government Procurement Rules	Council Broader Outcomes Alignment	Action Council will take
		<p>or preferred supplier lists, or competitive dialogue, Council is able to conduct a sound commercial process while also opening up opportunities for more diverse (Māori, Pasifika, local to Wellington and Aotearoa, social enterprises etc.) businesses to participate meaningfully in Council procurement processes.</p>
<p>Rule 18 Construction skills and training</p> <p>Rule 18A Quality employment outcomes</p> <p>Rule 19 Improving conditions for New Zealand workers</p>	<p>Pāpori (social/community) We champion a diverse, safe, inclusive, and accessible workforce, to ensure positive pāpori (social/community) outcomes throughout our supply chains and investment partners.</p>	<p>Our projects should provide opportunities to increase jobs (long-term), provide construction skills and wider training and development opportunities, that then benefit the sector by increasing both the size and the capability of the construction workforce - with emphasis on development of local, Māori and Pasifika individuals.</p> <p>Council also is a certified Living Wage employer and expects all onsite who are able to be paid at Living Wage are.</p>
<p>Rule 20 Transitioning to a net zero emissions economy and designing waste out of the system</p>	<p>Taiao (environment) We recognise and protect te taiao by prioritising commercial solutions that enable us to make sustainable investments and partnering with our wider supply chains who share our sustainability goals and invest in climate-positive outcomes.</p>	<p>Our projects have the ability to support/contribute to/pursue targets detail under the Te Atakura – First to Zero Policy. This will mean opportunities to embed strategies to avoid unnecessary consumption, minimises waste, capture and report on carbon emission reduction initiatives that are delivered on during projects.</p> <p>Due to the variation in the size and scope of projects delivered under this strategy period, each Taiao outcome will need to be</p>

Government Procurement Rules	Council Broader Outcomes Alignment	Action Council will take
		<p>developed specifically for each project.</p> <p>Council will also look to work closer with suppliers on their environmentally responsible practices where innovations in the market develop.</p>

Recent and ongoing reform to relevant legislation for Council including the Local Government Act 2002 and the Resource Management Act/reform programme have highlighted the increased focus Council (as a local authority) should have on ensuring it pursues and invests projects and initiatives that make a significant contribution to social, economic, environmental and cultural well-being. Council continues to innovate on how this can be achieved, while ensuring the requirements in the Procurement Manual are adhered to.

Where appropriate, quantitative targets will be used to ensure the achievement of Broader Outcomes as part of the delivery of infrastructure projects can be tracked, monitored, success celebrated, and lessons learned.

4. Procurement Programme

4.1 Overview

We have set out our proposed procurement programme in our Long Term Plan 2021-31 (LTP).

This sets out our proposed expenditure on maintenance, renewals and capital improvements for a ten year period. The [Infrastructure Strategy](#) within the LTP provides a broader view out to thirty years.

Our LTP is reviewed every three years with extensive public consultation. Expenditure for each year is confirmed through our Annual Plan process and published each year in April-May for the coming financial year. Details of our LTP and our Annual Plan are available [here](#).

Significant contracts for both operational and capital works are detailed in Appendix C and a programme by work category is shown in Appendix D.

4.2 Expenditure

The annual expenditure on Financially Assisted Transport for our activities are approximately \$103 million each year, with peaks above this when there are large projects scheduled. This expenditure will encompass deploying external consultants, Council personnel and contractors to deliver the programme of works. The scope and distribution of the Financially Assisted Transport activities is illustrated below.

2021/22 to 2030/31 Programme (\$ 000's)

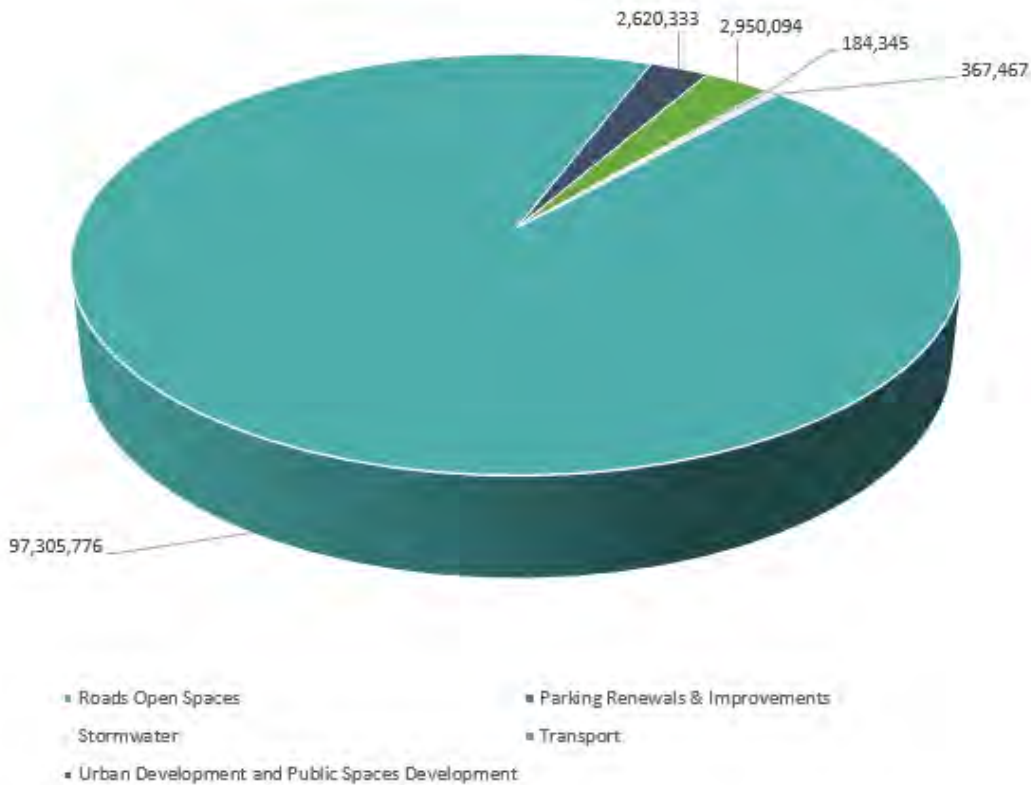


Figure 0-2 Breakdown of forecast cost expenditure

The majority of our programme relates to continuous infrastructure provision (maintenance and renewals), followed by local road improvements and improvements to walking and cycling infrastructure. The budget allocation reflects our commitment to maximising the benefit of the investment in infrastructure to date and a focus on safety improvements for all modes of transport.

Road safety improvements include rail crossings, seismic strengthening of tunnels, road resilience improvement and the streetlight LED/Central Management System programme. Cycle network improvements are spread across the city.

4.3 Let's Get Wellington Moving

The LGWM programme is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency. The programme's focus is the area from Ngauranga Gorge to Miramar including the Wellington Urban Motorway, access to the port, and connections to the central city, Wellington Hospital, and the airport. It includes all the ways we get to and around our city, and how the city develops alongside a low carbon transport system.

The LGWM Programme is divided into the following work packages:

- Early Delivery – Golden Mile, TQHR(AQ), City Streets - Targeted Improvements, Central City Walking Improvements (near completion), Cobham Drive Crossing and Safer Speeds (completed), Central City Safer Speeds (complete)
- People Friendly City Streets – Johnsonville to Nga Uranga, Featherston / SouthWest CBD, Miramar to CBD, Taranaki/Wallace/John
- Mass Rapid Transit and Public Transport
- Travel Demand Management
- State Highways

Our level of involvement and responsibility with the projects that make up the LGWM programme will vary depending on the core delivery responsibilities allocated between the LGWM partners.

The City Streets work streams focus on better walking, cycling and bus journeys between the central city to suburban centres. City Streets will prepare Wellington for future growth, make our city a better place to be, and provide options for people to get around with fewer private vehicles. It will also help us reduce carbon emissions as we work towards becoming a net-zero carbon capital by 2050. City Streets is well underway and individual projects will be developed with the community as they enter the design stage. This \$350 million package will be constructed in phases over the next 10 years, with some of the Targeted Improvements underway later in 2023.

Targeted Improvements are lower cost and easy-to-implement projects across Wellington, focusing on walking, cycling and public transport safety, to be completed in 2024. Which is currently planning to use opportunities of existing contracts, Road Maintenance Renewal (RMR), Waka Kotahi NOC Contract and Supplier Panel.

In addition, as the RCA for Wellington, WCC will act as Principal to any LGWM contract for work to be done within the city boundaries. These will be managed on an individual basis depending on the size, complexity and nature of the contract awarded.

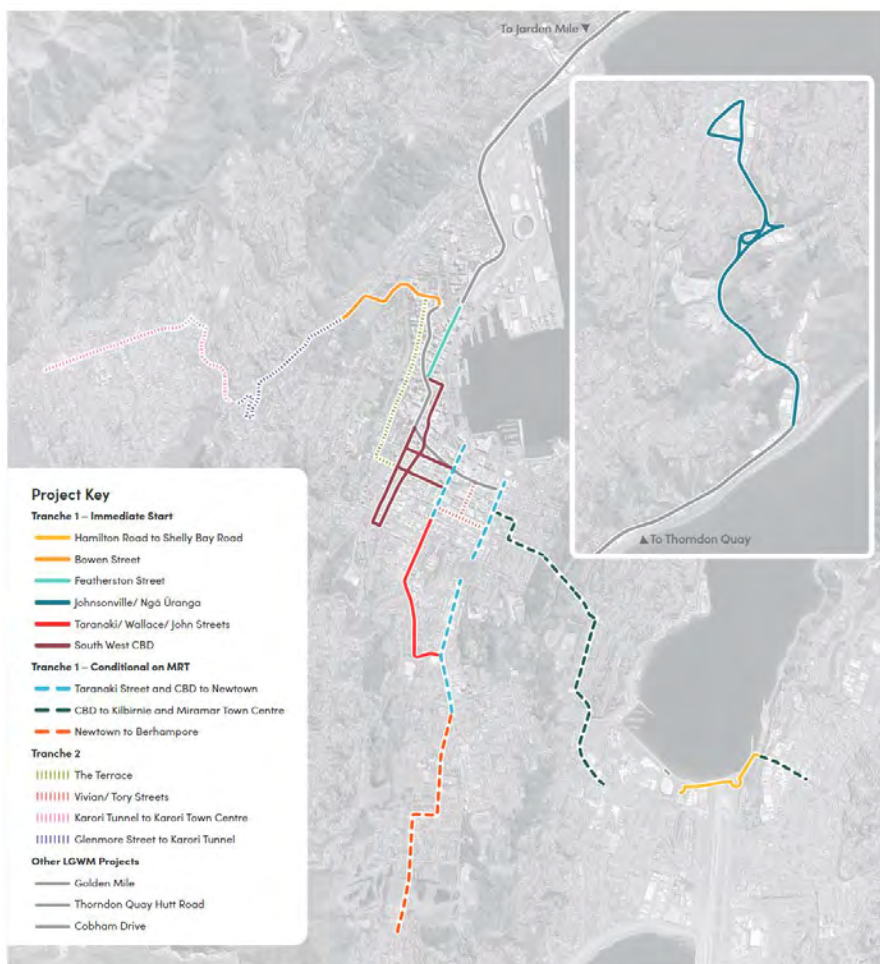


Figure 0-3 LGWM key routes

5.The Procurement Environment

5.1 The Physical Environment

Council is responsible for the safe design, delivery, operation and maintenance of the transport system of Wellington City which encompasses the limits of Wellington City, which extends to Makara Beach in the west and includes the northern suburbs of Johnsonville, Newlands, Tawa, and Linden, through to the harbour and southern foreshores.

The City also interfaces and interacts with a number of Road Controlling Authorities (RCA), spread through the region. Each RCA is responsible for a self-sufficient work programme, commensurate with its management resources. Waka Kotahi being the body responsible for the national highways is a party that we need to co-ordinate with when delivering our projects. We maintain dialogue with Waka Kotahi over sharing services, particularly along sections of the SH1 through the inner city.

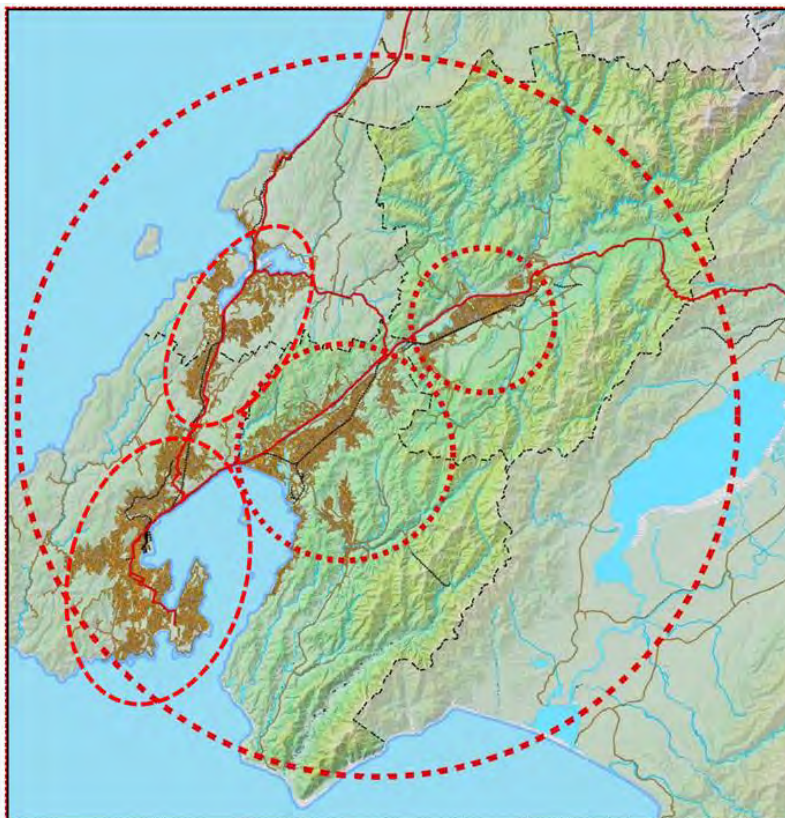


Figure 0-4 Extent of local and regional markets

5.2 Changes to Transport Demand & LGWM

Along with population growth, the composition of transport demand continues to increase in Wellington City. Changes are driven by customers and through initiatives such as cycling and public transport improvements. There is a significant capital investment over the 2021 to 2031 period in ‘Let’s Get Wellington Moving.’ The significant work being undertaken by the LGWM programme along with other regional transport initiatives have the potential to significantly alter the current market in Wellington, which is further explained in the following section.

5.3 Analysis of the Market

Analysis of the pipeline, supplier market and market trends is a core Waka Kotahi requirement for an endorsed Procurement Strategy. Council continues to be served by a combination of large and smaller suppliers, who in recent years have had challenges delivering due to sector constraints caused by COVID-19 supply chain disruptions alongside staff illness, increase delivery and material costs, and constrained skilled labour markets.

While there is interest in larger projects Council puts out to market, mostly from Tier 1 suppliers, there is limited interest from smaller suppliers – a key area of focus Council intends to increase over the duration of this strategy.

Local Market Analysis

An RFI for the Transitional Cycleways and Minor Works Panel was conducted in 2022 where Council requested feedback on our procurement processes to better understand the local market experience of our current tendering approaches. The insights are summarised as follows:

- There was significant support for approaches that provide opportunity for smaller contracts or packages of work to be tendered for, due to it allowing smaller contractors (in particular local, Māori, and Pasifika contractors) the opportunity to win business on their own merit, and gain the experience required to scale for larger projects.
- Evidenced the need for consistency of a pipeline of work of smaller projects for smaller contractors to meaningfully invest in resources (capability and capacity) to grow their business and be competitive in the Wellington market.
- Council needs to be easier to work with to be considered a client of choice, meaning a reduction of burdensome tender process that are not right sized for the project. In particular, for those organisations that do not have access to professional tender writing services, nor in-house bid teams, Council (alongside central government processes) are not considered worth the multi-thousand-dollar investment when competing against Tier 1 contractors for the same business.
- Contracts need to be commercially right-sized (risk and compliance) for the value of work and the size of the business delivering the work rather than relying on traditional processes that place significant risk on the contractor.
- There needed to be a genuine willingness to commit resources to support delivering this program from non-traditional smaller contractors.

Of note, several infrastructure firms that have not previously provided services to Council, demonstrated a willingness to work with Council if commercial approaches that unbundled pieces of work was undertaken.

General conversations with key suppliers on their contracts have evidenced further the challenges faced with the current supplier market.

- Inflation and cost pressures (supply chain, labour, training and retention)
- Delays in projects leading to challenges delivering on other projects committed to
- Decreasing gross margins

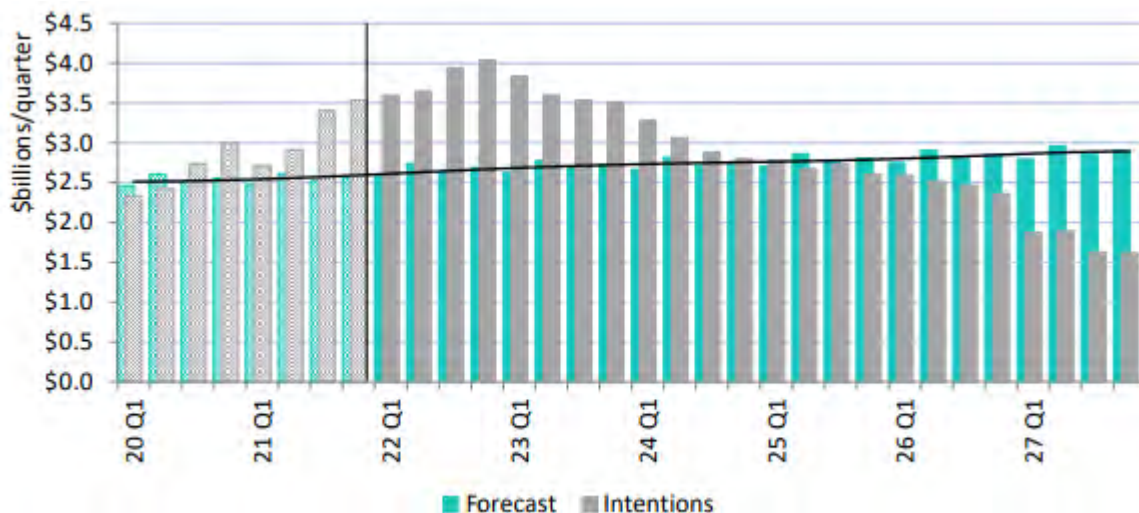
These challenges are echoed across the sector and are not Council specific. The feedback gained from the RFI process alongside these informs our approach on the Delivery of the Work Programme.

Sector Analysis – National Level

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According to the latest MBIE National Construction Pipeline Report (2022), in 2021, infrastructure represented one-fifth of total building and construction value. Infrastructure activity fell slightly between 2019 and 2020 but grew to \$10.2b in 2021. It is forecasted that activity will continue to increase steadily year on year and reach \$11.5b in 2027.

Pacifecon’s research data indicates strong intentions throughout the forecast period.



Source: BRANZ/Pacifecon

Figure 0-5 Infrastructure activity nationally (BRANZ/ Pacifecon)

The increasing investment in infrastructure is echoed in the Council LTP. While this investment continues to at best increase and at worst sustain, Council expect the current challenges of market constraints to remain. This is due to the efforts that have been put in place to attempt to relieve pressure on the market (employment/skills development/recruitment programmes; supply chain cost relief measures; increase focused on local market development) by Waka Kotahi, activities through the Construction Sector Accord and various local authorities through their own Broader Outcomes activities are realised during delivery stages of works.

This is evidenced again by Pacifecon’s research data.

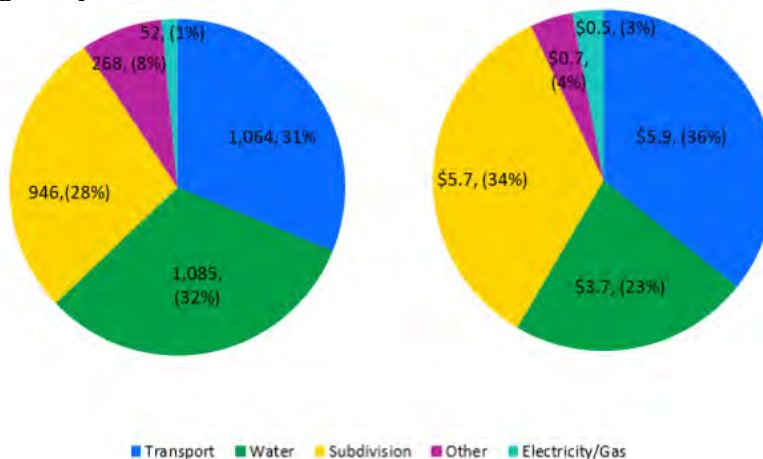


Figure 0-6 Infrastructure project types anticipated to start in 2022, by number and total value¹

¹ Transport, water and subdivision projects contributing 91% of the projects and 93% of the total value, considerably above the 2021 report.

As with previous interaction of the MBIE National Construction Pipeline Report, local government is the main initiator of infrastructure intentions, contributing 43% of projects initiated over the forecast period. This is a slight increase on the 2021 report. In comparison, central government has reduced to 25% with mainly transport projects.

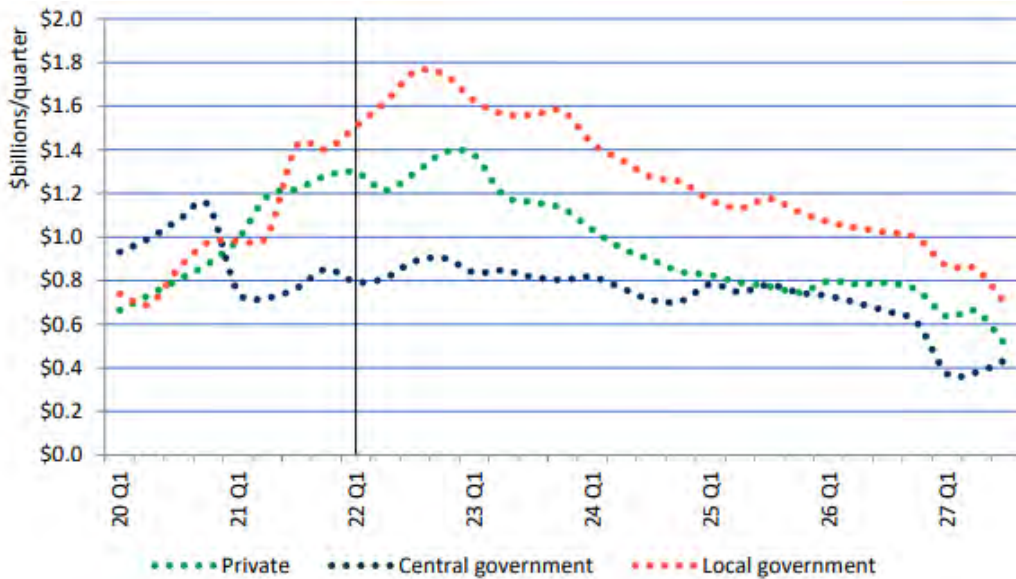


Figure 0-7 Comparison of sectors infrastructure intentions by project initiator and start date

Sector Analysis – Regional Level

Infrastructure activity at a regional level increased by 0.3% in 2021 following a 2% reduction in 2020. Forecasts overall are for continued steady growth to 2027. Growth, much like at the national level, is being driven by transport, subdivisions and water.

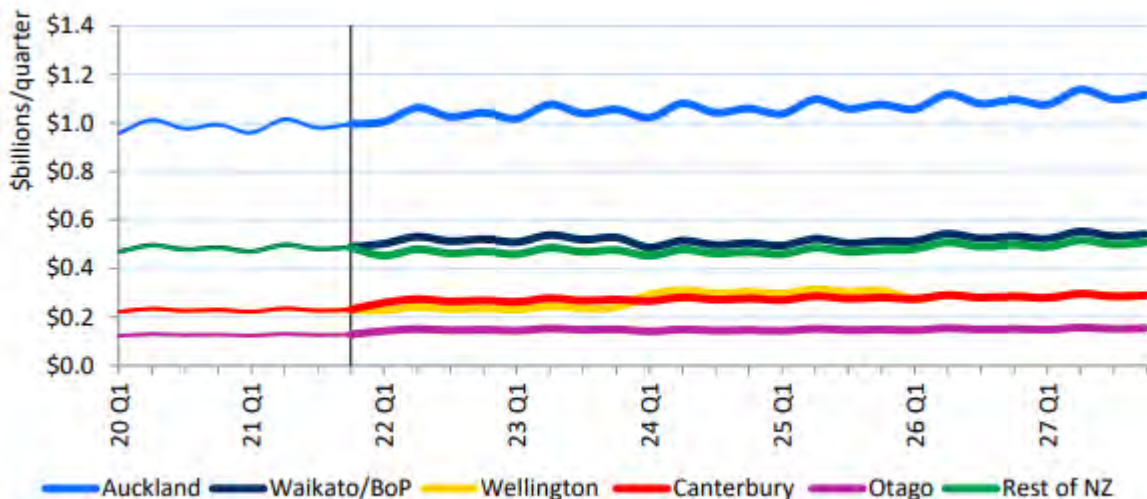


Figure 0-8 Value of infrastructure activity, by region

Wellington infrastructure activity increased very slightly to \$0.9b in 2021. Further increases to a high in 2025 of just over \$1.2b are anticipated. This level is then expected to be maintained to the end of

Transport and subdivisions intentions are notable, contributing a much higher proportion of value (70%) than the number of projects (59%)

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the forecast period. Major transport activity in this space includes both rail and roads, with LGWM, cycleways and greater multi-modal and urban design-based investments occurring.

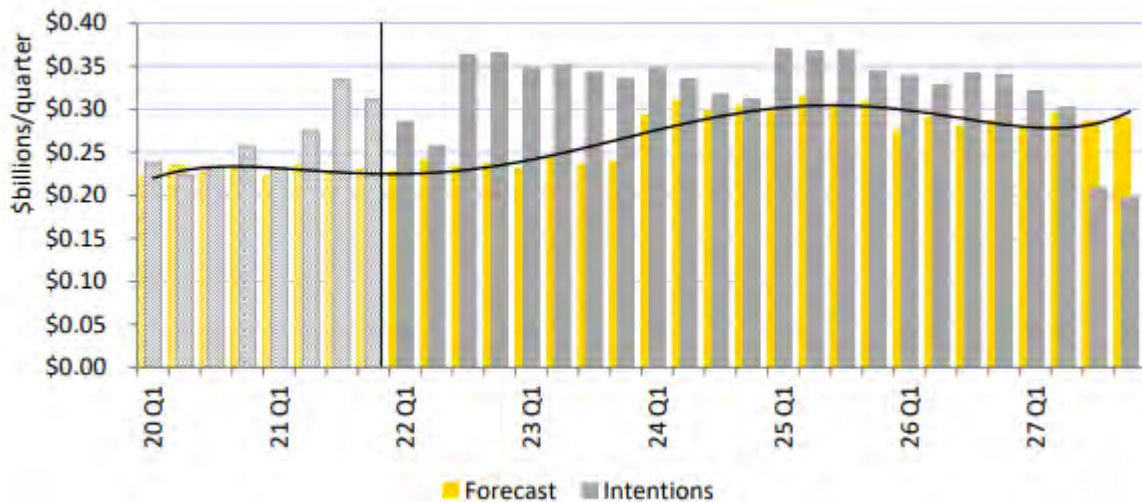


Figure 0-9 Wellington infrastructure activity forecast

As Council operates within the same market region as Greater Wellington Regional Council and Waka Kotahi for their Wellington based projects, alongside cross-over supplier markets in Porirua, the Hutt Valley, Wairarapa and Kapiti Coast, there is an expectation that the continued increases in infrastructure investments will ensure the market is filled with opportunities. However, given the value of major investments there is likely to be a continued over-reliance on Tier 1 contractors. In the previous strategy (2020-2023) Council raised the risk:

“This market may not be competitive for much longer if current trends of increased work (LGWM, Building Strengthening in the CBD and the Wellington Lifelines Programme Business Case) continue. In addition, there is an ongoing trend both locally and nationally for smaller suppliers being bought out and merged with larger suppliers.

Should this trend continue, it will inevitably reduce supplier numbers and could lead to increased pricing. There needs to be a step change in how we manage the procurement of these services so as to keep this market competitive.

Encouraging the use of multiple subcontractors is the first step in this process. We need to also create a space for these subcontractors to expand their offerings and get larger over time so that they can start to enter the broader supplier market.”

This risk has eventuated, to the extent that Tier 1 suppliers on Council’s Road Maintenance contract have been unable to sufficiently resource this contract, resulting in Council seeking alternative approaches to ensure maintenance works continue and keep network users safe.

Solutions to better address this risk to date have included:

- Increasing opportunities for local suppliers to participate in tendering activities
- Increasing kanohi-ki-te-kanohi (face-to-face) communication with local suppliers, and diverse supplier intermediaries (for example, Amotai)
- Establishing a greater relationship between Transport and Commercial Partnership to explore alternative means of market engagement, supplier upskilling and commercial approaches that better suit smaller, local, Māori and Pasifika enterprises.

Council would like to extend these risk mitigations to more innovative options for commercial arrangements that are not available within the parameters of the Procurement Manual, but are an option under the Council Procurement Strategy, Policy and Procedures.

5.4 Relationship with Suppliers

As noted in section 5.3, Council are seeking to improve collaboration with suppliers and engage with them more on local market building and uplifting the innovations within the delivery of works on initiatives such as: health, safety and wellbeing; meaningful and robust reporting; carbon-emissions and waste reduction; and smaller supplier mentoring/development.

With a focus on the wellbeing of the both the supplier market and the Wellington community we acknowledge that our whole supplier market is key to effective and efficient service delivery, and we cannot rely only on large multi-national suppliers as the default delivery partners. At present, Council relies heavily on the health of our working supplier relationships that have developed over the course of our longer-term contracts but want to work better at elevating these to a more strategic level where appropriate.

The Waka Kotahi approach to regional relationship management, while different in complexity and scale to Council, is an approach Council intend to explore with the support of Commercial Partnerships. We believe this elevation will allow for tactical decision making to remain at the contract delivery level, while creating space for more strategic long-term thinking to occur at the management level of Council and our suppliers.

5.6 Council Controlled Organisations

Council has relationships with a number of CCOs, however this is very limited in the Transport Infrastructure pipeline or work. The initiatives occurring at a national level through Three Waters are not under the direction of the Transport & Infrastructure Business Unit, but we do serve a role in approving the reinstatement of works undertaken by Wellington Water at present.

For Transport related activities, Council is actively involved in collaboration with neighbouring authorities and other agencies. This includes Waka Kotahi, neighbouring authorities, Greater Wellington Regional Council and a range of central government ministries who have works or wider interactions with our network.

6. Delivering the Work Programme

6.1 Service Delivery Strategy

Our 30-year infrastructure strategy informs our procurement strategy on the approach Council will engage with the market. The likely scenario that we will face will be a focus of investment in priority areas for years 1-10 (largely centred on infrastructure creation such as LGWM) and asset management plan programmes for years 11-30 (largely made up of continuous maintenance programmes).

Key aims	Key strategies
Infrastructure development meets with the growing needs of the city at lowest whole of life cost	Plan for growth including the LGWM programme of works whilst ensuring we take a whole of life approach to investment
Priority infrastructure investments achieve approved increased levels of service	Manage asset renewals to address the deterioration of assets in line with asset management plans (AMPs) risks

Key aims	Key strategies
Maintenance and renewal programmes are optimally set	Continuously improve our assets data and systems
Maximise benefits from any under-utilised assets	Unless otherwise stated in our AMPs all levels of service remain unchanged
Increase our understanding of seismic risks and climate change on our infrastructure	Coordinate infrastructure decisions across the Council, subsidiaries, other agencies and local councils within the region
Improve resilience in network infrastructure	Continuously improve our AMPs to reflect increased knowledge of seismic risks and climate change impacts
Core essential services are delivered to agreed standards	Prioritise funding to the areas where there are specific renewal challenges to overcome

Service Delivery Reviews

In 2016 Council undertook a Service Delivery review of Transport as required under section 17A of the Local Government Act 2002.

The outcome of the review was that our transport system is performing reasonably well. Most residents believe the city is easy to get around and, by national standards; Wellingtonians are high users of public transport and other alternative transport modes to private cars, such as walking.

There are bottlenecks in the city that are causing congestion, but the relevant agencies are actively looking at ways in which they can best be resolved.

While not all performance targets were achieved, it is important to note that many were set as stretch targets. The city-region also has a significant investment programme allocated for the near future to lift the overall transport network performance. This includes the investment will be from Waka Kotahi in state highways, from the GWRC in bus rapid transit, and from Wellington City Council on public transport, local roads and the cycling network.

6.2 Wider Network Services

Electricity Supply

Electricity supply is a complex consumable for us, with a range of sites and demand patterns. We seek advice through our internal Energy Manager and work with MBIE to obtain a 'best for Council' outcome.

6.3 Specialist Support

Council have identified that specialised skills and resources are necessary to support our functions. Specialisation relates to organisations with skills and knowledge and/or organisations with key staff that Council do not hold inhouse. We acknowledge that there are real costs in changing providers, including the loss of institutional knowledge and business continuity; and this should be reflected in our procurement processes.

We have chosen to identify the following Specialist Suppliers and associated specialist software:

- RAMM Software Ltd – provision of roading infrastructure management software

- Submitica – provision for management of Corridor Access Requests
- Planet/ CMS – software used to manage the LED street lighting network

6.3 Risk Identification and Management

One of the risks associated with our transportation procurement programme relates to funding, in particular the access to sufficient funding through rates, or financially assisted funding through the NLTP. To manage these risks we are focussed on sound strategic planning, communication with our stakeholders, and innovative commercial methodologies that are value for money and, where possible, pursue cost-savings. Council relies on the LTP as a key tool for consulting over program costs and delivery with the public, while business cases are more aligned to the priorities, both of which have informed the below risk and mitigations.

Issues and risks will be referred to WCC’s Finance Audit and Risk Committee if governance level input is required.

Key Risks and Mitigations

Risk	Mitigation
<p>Constrained Physical Works market: the national and the local markets’ ability to deliver a quality tender response, alongside delivering against contractual requirements within the required timeframes and the availability of contractors (and subcontractors) with skilled resource and capability across all required disciplines.</p>	<ul style="list-style-type: none"> • Growing the supplier market through development of a greater range of medium sized contractors and through the subcontractor market. • Early market engagement, with a clear scope of requirements, and an ability for tenderers to ask clarifying questions throughout the tender process. • Continue to invest in solutions (like the Transitional Cycleways and Minor Works Panel) that grow market capacity and capability.
<p>Constrained Professional Services market: Much of the transport professional services expertise will be involved in some way or another (in particular the development of business cases or designs for LGWM programme).</p>	<ul style="list-style-type: none"> • Whilst a risk, this is also an opportunity to build in house capability through the LGWM City Streets work stream as well as encourage smaller professional services firms to participate in the procurement of these services. • Pursue Broader Outcomes on professional services contract opportunities to encourage subcontractor or partnering opportunities to smaller/local/diverse suppliers.
<p>New market entrants/smaller suppliers not familiar with Council process submitting poor quality tenders: Poor quality of submissions of suppliers who are unfamiliar with the Council process results in historical Council suppliers who are familiar being at an advantage/winning contracts, thus continuing the cycle of capacity constraints.</p>	<ul style="list-style-type: none"> • Establish resources accessible to the market that support sound proposal writing that make clear typically constraining elements of tendering (Health, Safety and Wellbeing; insurances/liability; cost to tendering etc.) • Ensure wider (free/low cost) market resources available (NZGP, Amotai, CIPS, etc.) are promoted or publicised to ensure they are known to the market

Risk	Mitigation
	<ul style="list-style-type: none"> • Work with Waka Kotahi as a co-funder and fellow government infrastructure buyer to ensure market share is sustainable.
<p>Service affordability: pressure with the Wellington construction market and wider supply chain may result in proposal that have significant cost increases that may contribute to supplier's capabilities to deliver within our planned budgets.</p>	<ul style="list-style-type: none"> • Ensure contract cost adjustments/price fluctuations clauses are reasonable for the type of service required. • Manage delivery issues with suppliers as part of good practice contract management • Escalate issues or request support from Commercial Partnerships where required.
<p>The speed of delivery required by the LGWM programme.</p>	<ul style="list-style-type: none"> • We are managing this risk by working very closely with all three parties that form LGWM (i.e. WCC, Waka Kotahi and GWRC). • We are proactively looking into mechanisms as to how these programmes of work could be delivered and exploring all avenues so as to be prepared to deliver as project scopes within the programme become clear.

6.4 Delivery Models

Under the Council Procurement Policy and Procedures, procurement planning at an appropriate level for the scale, scope, risk, value and outcomes required for Council expenditure is mandatory.

In collaboration with the Commercial Partnerships team, a procurement plan is developed to ensure the commercial approach will deliver the result sought, and that correct procedures are followed as stated in the Procurement Manual, and Council Procurement Policy and Procedures.

Council transport procurement processes requires that our activities are purchased through the most appropriate delivery model. The delivery models we have employed previously, and will continue to utilise where most appropriate are:

1. Staged
2. Design and build
3. Shared risk*
4. Supplier panel(s)*, including pre-approved/established Panels
5. Pre-established All of Government Panels

**Important to note where initiatives are new and not currently approved/established contracts they are subject to additional Waka Kotahi approval as they are classified as "Advanced Procurement" activities under the Procurement Manual.*

To date we have used staged models and supplier panels the most. In practice the stage works are structured around performance outcomes, with the contractor given choice over methodology. In general, these models have proven to be tried and tested with Council taking minimal risk. However, the current market has seen a reluctance from suppliers to continue to take risk on behalf of clients and as such changes to these procurement models may become a necessity in the future. In particular, the economic recovery from COVID-19 could take between 5-10 years, with significant near-term impacts seen across most indicators and lasting decline for some industries. Before

COVID-19, the Wellington regional economy was strong, benefiting from an increasing population and positive annual economic growth. Considering the sudden shock of COVID-19 to the New Zealand economy, the region's immediate economic future is highly volatile and this will have a knock on effect on the local supplier market.

Council Works, aside from those cofounded and collaborated on under LGWM, can be categorised into two primary groups – Term Maintenance Works through the Road Maintenance Contract, the Streetlight Maintenance Contract, The Traffic Signals Maintenance Contract, and Capital Works projects. In recent years Council has seen a significant increase in projects required to be delivered under national transport investment projects (such as cycleways and other multi-modal investments) which has required a more intensive approach to network management and commercial methodologies. The following details the preferred delivery models for these two categories.

Term Maintenance Works

For term maintenance works, the city has been divided into three distinct contract areas; North, CBD and South. This has been done because we are confident the City is best served by more than one contract, as this retains competition in the city and offers different suppliers the opportunity for innovations. Typically, the north and south contracts are publicly tendered, with the CBD added to the contract which will provide best value for money, subject the contractor's ability to manage both areas adequately.

The staged delivery model is the preferred delivery model for our medium to long term maintenance contract works for the following reasons:

- The scope of work is well defined.
- The level of complexity and uncertainty is low.
- Tenderers still can offer innovations due to the longer-term nature of the contracts.
- The process is a 'best fit' with our internal funding processes as well as that of Waka Kotahi as at the end of the design phase it provides an opportunity revise the estimate and to confirm that the work can be carried out within the approved budget.

We have decided to continue using this model for our Road Maintenance Renewal (RMR) Contract which was let in July 2020. This contract went through an Open Market competitive tender procurement process to select capable road maintenance and renewals contractors for the Wellington City. We have maintained the existing contract areas; North, CBD and South, with Downer being successful for the Northern Contract and Fulton Hogan being successful for the Southern and CBD contracts. These contracts used the NZS3917 Conditions of Contract and have a contract term of 3 + 2 years (with the two-year renewal awarded at the sole discretion of WCC).

It is WCC's preference to implement our extension clauses under these contracts and negotiations are underway with suppliers to enable the 2-year extension to contract.

An independent review of the contracts was undertaken in September 2022 by FieldForce. The scope of the review included:

- Review the current state of the contracts operation and performance using a delivery value chain approach
- Assess the performance of both WCC and the contractors to identify potential improvement opportunities
- Develop recommendations for consideration and inclusion within the contract reset – July 2023

A summary of the key recommendations from that review were:

- Introduce defined operational performance targets for internal staff and contractors
- Improve Works Program monitoring, management and reporting capability
- Introduce a structured reporting and contract management governance framework
- Redefine the Auditing (OFI) process and policies

- Revise and standardise the application of the existing technology across WCC and contractors
- Implement consistent Contract Management processes within WCC and across the contractors

These recommendations have all since been implemented will form part of the ongoing extension of this contract.

There are two other term maintenance works contracts which are due to come to the end of their term by December 2023 which are the Streetlight maintenance contract and the Traffic Signals maintenance contract. WCC is aiming to deliver an appropriate Procurement Plan for these contracts to Waka Kotahi for approval in the ensuing months. One of the options for consideration would be combining these contracts into a single Electrical Services contract.

Capital Works

Our Capital Works Programmes have generally made use of a supplier panels or individual NZS3901 contract awards.

The previous iteration of this Procurement Strategy signalled an intent to establish a supplier panel to deliver our Capital Works Programme. The procurement plan and associated documents have since been approved by Waka Kotahi and WCC and the panel will be completely set up with contracts signed by the end of June 2023.

As previously mentioned, to ensure the proposed approach was suitable for the market it proposed to focus on, Council conducted pre-market engagement through issuing a Request for Information (RFI) in April 2022, seeking feedback from the market on the proposed targeted panel. Council received 11 responses, including several Amotai contractors that provided feedback through an interactive briefing session.

It was agreed that Council conducts a contestable procurement process to establish a Transitional Cycleways and Minor Works Agreement (Panel Agreement) for a maximum term of five years, that comprised of:

- A Head Contractor Panel: comprised of contractors that have the capability and competency to self-perform work packages, and/or act as the Head Contracting party and manage Subcontractors. Up to 5 contractors contracted to this panel;
- A Subcontractor Panel: comprised of predominantly smaller contractors (in particular local, Māori, and Pasifika), that can act in the capacity of a subcontractor to a Head Contractor, or a direct contractor of minor works to Council. Up to 5 contractors appointed to this panel.

This Panel arrangement will encourage more diversity and competition, whilst endeavouring to grow the sector within the Wellington region and enable Council and Waka Kotahi as our co-funders to deliver these programmes of work in a timely and value-for-money manner. This approach is an opportunity to achieve strategic commitments made under Council's various policies and strategies.

The mission for this Panel arrangement will be to encourage more diversity and competition within the Wellington region. If successful, the Panel will both grow and relieve pressure on the currently constrained Wellington construction market; achieve positive outcomes for local contractors, including local employment and skills-development; diversify the construction sector to support the growth across smaller contractors; and create a more stable and competitive market long-term for Wellington (and by association the national) construction market to deliver on a significant local and national infrastructure pipeline of work.

Traditionally, for most project-based work the preferred approach has been to competitively tender large contracts on the open market. This is consistent with Waka Kotahi's requirements. Physical works are carried out by that contractor or sub-contractors under the direction of the main contractor.

There is a growing need for us to review the approach of individual contract awards and to rather consider transport corridor, or programme approaches to bundling contract opportunities. This is an opportunity that we will be reviewing in the term of this procurement strategy.

6.5 Supplier Selection Methods – Physical Works

We intend to follow the Procurement Manual Procurement Procedure 1 - Infrastructure for Physical Works. Under the Procurement Manual Rule 10.9, the limit for direct appointment for physical works is \$100,000, and closed contests (selected tender) is \$200,000, this remains unchanged.

Activity	Delivery Model	Bundling	Supplier Selection	Likely Contract Form
Maintenance - Roads	Staged/ Design & build	Two-Three Term Maintenance Contracts (geographically defined)	Public Tender (RFP) every five years Price Quality Method	Formal Contract NZS3917:2013 based
Maintenance - Streetlights and Traffic Signals	Staged/ Design & build	One Term Maintenance Contract	Public Tender (RFP) every five years Price Quality Method	Formal Contract NZS3917:2013 based
Renewals – Reseals	Staged/ Design & build	Include with Rooding Term Maintenance Contract(s)		
Renewals (Roads, Bridges, Structures, Signage)	Staged/ Design & build	Individual Contracts or Multiple Projects per Contract Minor renewals maybe included with Rooding Term Maintenance Contract(s)	Public Tender (RFP) Lowest Price Conforming Price Quality Method	Formal Contract NZS3910:2013 based
Renewals - Streetlights	Staged/ Design & build	Include with Streetlight Term Maintenance Contract		
Improvements (Roads, Bridges, Structures, Signage)	Staged/ Design & build	Individual Contracts or Multiple Projects per Contract Design and build for complex projects Minor improvement maybe included with Rooding Term Maintenance Contract(s)	Public Tender (RFP) Lowest Price Conforming Price Quality Method	Formal Contract NZS3910:2013 based
Improvements - Streetlights	Staged/ Design & build	Include with Streetlight Term Maintenance Contract Design and build for large projects		

Activity	Delivery Model	Bundling	Supplier Selection	Likely Contract Form
Electricity supply	Staged/ Design & build	Tendered with bulk supply contract.	Public or Selected Tender for all of Council	Formal Contracts (maybe supplier format)
Capital Works	Transitional cycleways and minor works agreement Supplier Panel* or NZS3910 *any other panel agreement will be subject to further Waka Kotahi approval			

Expenditure Level	Suggested Procurement Method
Significant (Over \$10,000,000)	Public Tender (or establish new Supplier Panel)
High (\$1,000,000 - \$10,000,000)	Public Tender or establish new Supplier Panel
Moderate (\$200,000- \$1,000,000)	Public Tender or current Supplier Panel
Low (\$100,000- \$200,000)	Closed Contest or current Supplier Panel
Minor (Under \$100,000)	Supplier Panel member or Direct Appointment

6.6 Supplier Selection Methods – Professional Services

In-house Professional Services

We have in-house professional services for management of transport activities. This includes our subsidised Land Transport Programme in accordance with the Waka Kotahi Planning, programming and Funding Manual.

We intend to follow the Waka Kotahi Procurement Manual Procurement Procedure 2 Planning and Advice for Professional Services. Under Procurement Manual Rule 10.9, the limit for direct appointment is \$100,000, and closed contests (selected tender) is \$200,000, this remains unchanged.

Activity	Delivery Model	Bundling	Supplier Selection	Likely Contract Form
Professional Services – Operation of RAMM and dTIMS	Staged	One Term Contracts	Public Tender (RFP) every five years* Price Quality Method	Formal Contract CCCS (2005) based Engagements under the Technical Consultant Panel Panel Agreement & Statement of Works Statement of Works
Services (e.g. Asset Management)	Staged	Individual assignments or complementary projects	Direct Appointment	IPENZ Short Form Agreement

Activity	Delivery Model	Bundling	Supplier Selection	Likely Contract Form
Planning, Design)		Streetlight professional services bundled with streetlight maintenance contract	Public or Selected Tender (RFP) Price Quality Method	
Information Technology	Design & build	Individual assignments	Direct Appointment if approval obtained	Formal Contracts
Road Safety & Community Programmes Network and Asset Management	In-house			

Expenditure Level	Suggested Procurement Method
Significant (Over \$10,000,000)	Public Tender
High (\$1,000,000 - \$10,000,000)	Public Tender
Moderate (\$200,000- \$1,000,000)	Public Tender
Low (\$100,000- \$200,000)	Closed Contest or AoG supplier panel
Minor (Under \$100,000)	AoG Supplier Panel member or Direct Appointment

6.7 Contract Management

Management of contracts is conducted internally, with additional support given by professional services firms where required. In conjunction to the relevant Waka Kotahi sections, our contracts are managed in accordance with the Council Contract Management Policy, and focused on the following key areas:

- Clearly defined and managed approach to performance management and reporting².
- An increased focus on collaboration which will see the parties working together to solve problems together and seek efficiencies through innovation.
- An increased focus on the “customer” when planning and carrying out works recognizing the balance required between safety, community outcomes and work delivery.
- A clearly defined performance management framework designed to underpin collaboration and incentivise ongoing improvement.
- Improved governance of the contracts to ensure meaningful risk management occurs, Broader Outcomes targets are realised, and the general good health of the contract is maintained throughout its term.

6.8 Asset Management and Investment Management

Strategic and asset management functions are provided through the in-house professional services resources that provide advice, planning and guidance over asset activities to ensure the appropriate

² Mid 2023 will see the Commercial Partnership team launch out an enterprise-wide Contract Management module and associated training, which the Transport team will utilise in-lieu of the current manual approaches to contract management.

levels of service are provided and funded. This is conducted primarily through the formulation of Activity Management Plans, which inform the Long-Term Plan and infrastructure strategies.

7. Strategy Implementation

7.1 Implementation of the Procurement Strategy

The ultimate ownership of the Procurement Strategy rests with the Manager Transport and Infrastructure, strongly supported the Commercial Partnerships team. Alongside this, there are several teams responsible for ensuring that the specific delivery, commercial methods and improvement initiatives included within the Strategy are implemented and monitored. These teams include our Transport Strategy, Planning, Assets, Operations and Delivery teams as well as the urban design and place planning teams who are required to work in close collaboration with the stakeholder teams.

Relationships between these key stakeholders to ensure collaboration and the right level of support is given is managed through the following approaches:

- Regularly cross-functional meetings between all levels of stakeholders (Tier 2/3 and their associated teams).
- Co-creation of documents (business cases, procurement plans, contracts etc.) across teams to ensure appropriate and relevant perspectives and insights are included on the right documents.
- Sharing of resources across teams and the wider enterprise to ensure best-practice policies, plans, processes and strategies are easily accessible across teams and additional guidance resources are created to avoid gaps in knowledge or understanding of current approaches to delivery.

7.2 Implementation Plan

As this strategy is the decision making and direction setting approach for transport, it needs to be effectively implemented at Council so all relevant stakeholders are aware and can take responsibility for their corresponding areas. The following table outlines the steps involved in implementing this strategy.

<p>Step 1 – Consultation The draft strategy will be circulated internally, and to Waka Kotahi for comment, and amendments made.</p>
<p>Step 2 – Endorsement Endorsement sought and received internally, and from Waka Kotahi.</p>
<p>Step 2 - Adoption The final Procurement Strategy will be adopted for implementation by Council.</p>
<p>Step 3 – Implementation by stakeholders The approved Procurement Strategy shall be made available on internal public channels, for all staff involved in transport related activities to be made aware of and gain access to. A copy will also be supplied to all engineering consultants carrying out roading procurement on behalf of the local authorities.</p>
<p>Step 4 – Review of existing documentation and manuals</p>

Council will carry out a review of their internal documentation and manuals to ensure that they are consistent with the Procurement Strategy.
<p>Step 5 – Consultation with neighbouring Road Controlling Authorities As part of the REG programme, collaboration opportunities will be discussed as well as the capability and risks of the supplier market.</p>
<p>Step 6 – Consultation with Supplier Current suppliers under long term agreements (Maintenance or Panels) will be advised of the programme for the next review, and their input sought. Additional opportunities for dialog with suppliers will be developed.</p>
<p>Step 7 - Next Review On-going reviews of the policy will be carried out at three yearly intervals.</p>

7.3 Council Capability and Capacity

Council is a large and complex organisation, with Poneke residents and ratepayers having high expectations of our service delivery. There is a significant portfolio of transport assets managed in the delivery of services across the city and projections indicate that steady population growth can be expected for the next thirty years.

Due to this, Council needs to be sufficiently resourced (both capability and capacity) to meet these expectations, and deliver a value for money, safe and sustainable transport network for the community. Council has a preference to use internal resources for management and operations functions, supplemented by external consultants who provide additional resources and specialised expertise as required.

As of January 2023 both the Infrastructure/Transport function and Commercial/Procurement function are finalising their future state (across structure, governance and strategy) putting Council in a more meaningful position to collaborate cross-functionally – in particular with our Commercial Partnerships team – to ensure we continue to accurately scope the investment required, the health and long term stability of our markets, and reflects the expectations of both the transport and commercial functions in Council.

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

7.6 Monitoring, Auditing and Probity

Monitoring is key to implementation, ensuring the objectives of the Procurement Strategy are achieved through the way in which we undertake commercial activities, as well as guaranteeing all improvement initiatives are developed in the right areas and align with the overall Procurement Strategy intentions. The purpose of all monitoring is to gauge the best value for money received and continually look for further efficiency gains.

As part of our ongoing monitoring, where appropriate, Council will continually review and make changes to our strategy. We see this as a natural process as our business continues to evolve to meet the demands of our customers and stakeholders.

The appropriateness and effectiveness of this strategy will be evaluated as services are engaged, and contract performance indicators are assessed. Success of the transport programme outcome will be reviewed every three years as part of the development of the WCC's Long-Term Plan and the National Land Transport Programme.

We collect the mandatory performance measure data required by the Department of Internal Affairs and the Waka Kotahi and we have processes in place to ensure that we meet the requirements of existing audits in addition to the Annual Achievement Report (AAR) on network condition. Transparency and accountability checks occur through our normal business practices including audits by Audit New Zealand.

Audit New Zealand audits include:

- Financial performance;
- Performance in terms of the asset management plans; and
- Compliance with the Long Term Plan.

Waka Kotahi carries out a procedural and financial audit of all work jointly funded by local and central government at regular intervals, as well as technical audits to assess technical quality of the work carried out. The last Procedural audit identified the following in July 2020:

Council's procurement procedures are sound and comply with Waka Kotahi requirements and its Procurement Strategy. And appropriate processes are in place to ensure that it is getting value for money from its delivery of professional services.

For significant contracts, particularly multi-year contracts, we shall consider the involvement of a probity auditor, or a specialist advisor for tender evaluations and/or negotiations.

7.8 Improvement Plan

Due to the large and complex nature of WCC's procurement functions, it is appropriate that we will be subject to periodic internal and external reviews.

The terms of reference for reviews are to:

1. Identify and address recurring systemic issues and opportunities through a structured continuous improvement programme.
2. Benchmarked procurement performance against similar organisations to demonstrate that our processes:
 - Proactively support the delivery of critical and important business priorities – especially safety
 - Improve commercial discipline and add value for money
 - Manage procurement supply chain and mitigate reputational risk
 - Improve the efficiency and effectiveness of the procurement process

The following Procurement Strategy related items have been identified as future actions:

- Consultation with suppliers
- Greater integration with Council wide procurement documentation
- Collaboration discussions with other agencies
- Improvements to staff guidance documents

Regional Efficiency Group (REG) Procurement Strategy Self-Assessment Result

Below is a comparison of our self-assessment of this procurement strategy as compared to our previous assessments in 2013 and 2020.

Our most recent evaluation has resulted in a net improvement of 9% compared to our previous strategy. We still require a further 31% improvement in order to achieve our targeted levels. Our main areas for improvement sit with implementing performance measurement and monitoring.



Figure 10 REG Procurement Strategy Self Evaluation 2023

7.9 Future Endorsement and Revision

In terms of Procurement Manual Rule 10.4, endorsement of the Procurement Strategy is required at least every three years.

Appendix A – Definitions

Procurement	<p><i>All aspects of acquiring and delivering goods, services and works. It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of an asset.</i></p> <p>(Government Procurement Rules, 4th Edition, 2019)</p>
Value for Money	<p><i>Using resources effectively, economically and without waste to achieve the best possible outcome for whole-of-life cost (or the total cost of ownership).</i></p> <p><i>Value for money is not necessarily selecting the lowest price, and involves selecting the most appropriate procurement method for the risk and value of the procurement.</i></p> <p>(Office of The Auditor General, June 2008, Procurement Guidance for Public Entities - Good Practice Guide)</p> <p><i>Value for money is not always the cheapest price.</i></p> <p>(Government Rules of Sourcing 3rd Edition)</p> <p><i>Value for money means using resources effectively, economically, and without waste, and taking into account: the total costs and benefits of a procurement (total cost of ownership), and its contribution to the results you are trying to achieve.</i></p> <p>(Office of The Auditor General, Introducing our work about procurement)</p>
Cost Effective Delivery of Services	<p>In terms of the purpose of local government, there is a clear requirement to <i>meet the current and future needs of communities for good-quality local infrastructure, local public services, ... in a way that is most cost-effective for households and businesses... good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are —</i></p> <p style="padding-left: 40px;">(a) efficient; and</p> <p style="padding-left: 40px;">(b) effective; and</p> <p style="padding-left: 40px;">(c) appropriate to present and anticipated future circumstances</p> <p>(Local Government Act 2002 s10).</p>
Broader Outcomes	<p><i>Broader Outcomes are 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.</i></p> <p>(Government Procurement Rules, 4th Edition, 2019)</p>
public value	<p><i>Public value means the best available result for New Zealand for the money spent. It includes using resources effectively, economically, and responsibly, and taking into account:</i></p> <ul style="list-style-type: none"> - <i>the procurement's contribution to the results you are trying to achieve, including any Broader Outcomes you are trying to achieve and</i> - <i>the total costs and benefits of a procurement (total cost of ownership).</i> <p><i>The principle of public value when procuring goods, services or works does not mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works).</i></p> <p><i>Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value.</i></p> <p>(Government Procurement Rules, 4th Edition, 2019)</p>
goods	<p><i>Items which are capable of being owned. This physical goods and personal property as well as intangible property such as Intellectual Property (e.g. a software product).</i></p> <p>(Government Procurement Rules, 4th Edition, 2019)</p>
services	<p><i>Acts or work performed for another party, e.g. accounting, legal services, cleaning, consultancy, training, medical treatment, or transportation.</i></p> <p><i>Sometimes services are difficult to identify because they are closely associated with a good (e.g. where medicine is administered as a result of a diagnosis). No transfer of possession or ownership takes place when services are sold, and they:</i></p> <ul style="list-style-type: none"> - <i>cannot be stored or transported</i> - <i>are instantly perishable</i> - <i>only exist at the time they are provided.</i> <p>(Government Procurement Rules, 4th Edition, 2019)</p>

Appendix B – Legislation

The key legislation, regulations, authorities and national strategies relevant to the management of the transportation activity include:

- Land Transport Management Act 2003
- Local Government Act (LGA) 2002
- Resource Management Act 1991
- The Health and Safety at Work Act 2015
- Civil Defence Emergency Management Act 2002
- Public Works Act 1981

Specifically for this procurement strategy:

The principal legislative guidance for procurement is based on Section 10 of the Local Government Act 2002 (**LGA**) amended 2012.

The purpose statement is “*to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses*”. In the LGA, good-quality is defined as being:

- *Efficient;*
- *Effective; and*
- *Appropriate to present and anticipated future circumstances.*

There is further legislative guidance for procurement activities in section 14 (1) (h) of the LGA 2002 which states that:

- *“In performing its role, a local authority must act in accordance with the following principles:*
- *...in taking a sustainable development approach, a local authority should take into account;*
- *the social, economic, and cultural interests of people and communities; and*
- *the need to maintain and enhance the quality of the environment; and*
- *the reasonably foreseeable needs of future generations.”*

This Act requires that Local Authorities to:

- *consult with the Community through the Long Term Plan (LTP) process to determine the desired community outcomes;*
- *prepare and consult on a forward programme of works on a ten year cycle; and*
- *fund the replacement cost of existing assets on a life cycle basis (Asset Management Plans).*

The results of this activity is the Long Term Plan 2018-28 that documents those projects and initiatives WCC intend to invest in to make Wellington more resilient, vibrant and competitive, and make sure our residents continue to have a high quality of life. This Strategy supports those assets that are the NLTP funding.

s25 (below) of the Land Transport Management Act (2003) states that WCC, as Approved Organisations (AOs), must use procurement procedures that are designed to obtain best value for money:

25 Procurement procedures

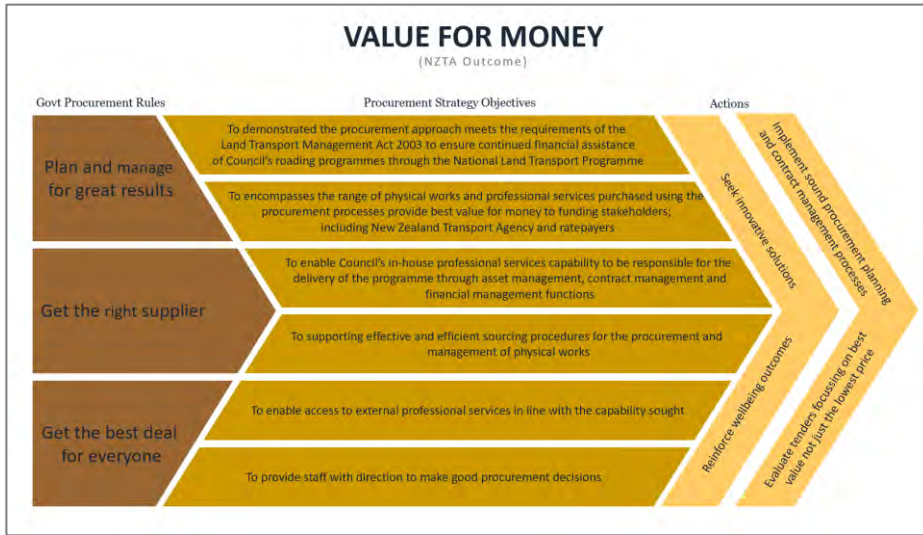
- (1) *For the purposes of this Part, the Agency must approve 1 or more procurement procedures that are designed to obtain the best value for money spent by the Agency and approved organisations, having regard to the purpose of this Act.*
- (2) *In approving a procurement procedure, the Agency must also have regard to the desirability of—*
 - (a) *enabling persons to compete fairly for the right to supply outputs required for approved activities, if 2 or more persons are willing and able to provide those outputs; and*
 - (b) *encouraging competitive and efficient markets for the supply of outputs required for approved activities.*
- (3) *Every approved procurement procedure must specify how procurement is to be carried out (which may differ for different kinds of procurement).*
- (4) *It is a condition of every procurement procedure that the Agency or an approved organisation must procure outputs from a provider other than the Agency or that organisation (as the case may require), or its employees.*
- (5) *However, nothing in subsection (4) prevents an approved organisation from procuring from the organisation's own business units the provision of minor and ancillary works on terms approved by the Agency.*
- (6) *Nothing in this section compels an organisation or person to accept the lowest tender received by it for the provision of any outputs.*

How NZTA Objectives Align to Our Objectives

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

The actions identified reflect Council's objectives for procurement

- *Proactively supporting the delivery of critical and important business priorities*
- *Improving commercial discipline and value for money*
- *Managing procurement supply chain and mitigating reputational risk*
- *Identifying and addressing systemic procurement process issues and opportunities*
- *Improving the effectiveness and efficiency of the procurement process*



Appendix C – Significant Contracts

Contract	Current Contract Type	Expiry Date	Anticipated Response at Expiry
Road Maintenance Contract – South	NZS 3917	30 June 2025	Open market tender
Road Maintenance Contract – North	NZS 3917	30 June 2025	Open market tender
Road Maintenance Contract – CBD	NZS 3917	30 June 2025	Open market tender
Streetlight Maintenance Contract	NZS 3917	30 November 2023	Open market tender
Traffic Signal Maintenance Contract	NZS 3917	30 November 2023	Open market tender
Supplier panel for transitional cycleways and minor works	Panel Agreement with individual medium and minor works contracts	30 June 2026 with an additional right of renewal for 2 years	TBC

Appendix D – Budgets

Financial Forecasts according to Waka Kotahi Work Categories

Waka Kotahi Work Category	Category Description	17-18 (Actual)	18-19 (Actual)	19-20 (Actual)	20-21 (Actual)	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
0	Unsubsidised	19,593,986	14,890,363	10,468,883	TBC	22,591,905	22,039,754	21,584,016	19,384,766	20,140,298	19,496,285	18,253,020	18,374,096	18,255,718	18,377,290
111	Sealed Pavement Maintenance	3,838,593	5,264,792	4,919,611	TBC	5,435,021	5,539,247	5,603,553	5,617,763	5,631,540	5,648,572	5,715,736	5,729,810	5,744,238	5,758,954
113	Routine Drainage Maintenance	3,846,600	3,866,276	3,568,209	TBC	1,953,202	1,954,958	1,956,752	1,959,524	1,951,744	1,953,100	1,954,504	1,954,489	1,954,489	1,954,489
114	Structures Maintenance	340,024	161,999	199,294	TBC	325,489	338,806	338,944	357,995	301,869	212,648	175,211	175,203	175,203	175,203
121	Environmental Maintenance	1,359,325	1,405,827	1,492,128	TBC	2,273,083	2,273,141	2,273,953	2,274,679	2,275,077	2,274,684	2,275,079	2,275,070	2,275,070	2,275,070
122	Traffic Services Maintenance	4,820,202	3,946,691	4,281,558	TBC	4,421,573	4,423,375	4,425,079	4,465,876	4,461,559	4,462,511	4,463,497	4,463,490	4,463,490	4,463,490
123	Operational Traffic Management	1,098,494	1,382,904	1,200,820	TBC	1,343,556	1,348,014	1,352,399	1,358,483	1,355,724	1,359,838	1,364,093	1,368,471	1,373,008	1,373,008
124	Cycle Path Maintenance	86,684	121,823	67,604	TBC	157,609	165,104	195,893	198,055	188,611	188,611	188,611	188,611	188,608	188,608
125	Footpath Maintenance	0	6,113,186	5,912,577	TBC	2,299,580	2,303,997	2,302,703	3,430,255	2,482,536	2,483,264	2,484,008	2,483,898	2,483,898	2,483,898
131	Level Crossing Warning Devices	31,707	22,906	16,455	TBC	23,911	23,930	23,947	23,993	23,856	23,856	23,856	23,856	23,856	23,856
140	Minor Events	301,747	231,966	346,651	TBC	347,775	348,050	348,376	340,153	340,382	340,547	340,716	340,704	340,704	340,704
151	Network and Asset Management	819,300	1,374,499	1,497,822	TBC	1,649,134	1,635,352	1,653,561	1,644,177	1,658,824	1,643,922	1,658,907	1,658,455	1,658,455	1,658,455
212	Sealed Road Resurfacing	8,635,321	10,156,413	7,162,497	TBC	8,424,435	8,485,227	7,483,227	8,229,367	8,393,518	8,560,952	9,414,866	9,602,727	9,794,345	9,989,795
213	Drainage Renewals	2,198,529	2,309,894	2,191,916	TBC	2,155,328	2,176,566	2,179,432	2,766,122	2,499,511	2,539,291	2,538,178	2,512,848	2,520,889	2,520,889
214	Pavement Rehabilitation	1,213,840	1,366,383	1,650,666	TBC	2,582,287	2,583,307	2,584,034	2,585,166	2,585,578	2,588,450	2,589,169	2,588,076	2,588,423	2,588,423
215	Structures Component Replacements	1,789,413	3,969,464	3,559,863	TBC	4,215,072	5,340,729	6,111,544	5,124,306	5,090,366	5,090,366	5,090,367	5,090,365	5,090,365	5,090,365
216	Bridge and structures renewals	0	0	0	TBC	3,040,495	4,338,303	3,568,727	3,818,598	3,072,827	1,887,455	1,390,065	1,390,061	1,390,061	1,390,061
222	Traffic Services Renewals	1,577,955	2,715,085	2,804,566	TBC	2,889,583	2,892,069	2,893,839	2,976,606	2,977,620	2,978,555	2,979,523	2,979,520	2,979,520	2,979,520
225	Footpath renewal	0	0	0	TBC	4,828,698	4,947,217	4,930,236	5,227,543	5,265,722	5,268,300	5,270,970	5,270,969	5,270,969	5,270,969
321	New traffic management facilities	149,185	965,116	0	TBC	0	110,400	6,684,000	1,088,566	961,330	340,330	340,331	340,328	340,328	340,328
324	Accelerated Rollout of Street Lighting LEDs & CMS	13,463,834	4,982,347	993,896	TBC	2,511,596	605,098	605,518	482,333	482,333	482,333	482,333	482,333	482,333	482,333
357	Resiliency 2015-25 - Ngaio Gorge/Wadestown	1,671,140	798,626	1,205,691	TBC	533,083	2,213,219	473,332	2,163,653	333,653	1,033,653	1,033,654	1,232,845	1,232,845	1,232,845
421	Cycleway Promotion 2019-21 - Implementation	0	0	341,501	TBC	500,000	500,000	500,000	444,000	444,000	444,000	444,000	444,000	444,000	444,000
432	Road Safety Promotion - Med Risk	288,655	97,874	110,114	TBC	384,837	452,837	450,837	410,000	410,000	410,000	410,000	410,000	410,000	410,000
0	Unsubsidised	517,885	774,677	806,133	TBC	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569	1,744,569
003	Activity Management Plans 2019-20	248,557	0	153,174	TBC	716,386	782,974	786,798	787,406	790,834	790,448	793,941	798,180	798,180	798,180
003.1	Activity Management Plans 2018-19	0	247,145	0	TBC	3,500	3,500	3,508	3,517	3,516	3,516	3,516	3,515	3,515	3,515

Waka Kotahi Work Category	Category Description	17-18 (Actual)	18-19 (Actual)	19-20 (Actual)	20-21 (Actual)	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
141.1342	Emergency Works 12/13	0	0	0	TBC	5,171,031	3,469,074	152,169	153,636	153,636	153,636	153,636	153,635	153,635	153,635
323	New Roads	0	0	0	TBC	0	0	0	5,000,000	5,160,449	5,348,286	5,213,931	5,589,006	2,738,323	5,215,164
341.139.1	Low Cost/Low Risk Improvements	6,164,476	7,236,584	6,461,280	TBC	13,779,386	13,982,764	15,415,151	16,641,940	13,547,179	13,900,300	10,956,498	10,956,491	10,956,491	10,956,491
341.1391	Low Cost/Low Risk Improvements	0	0	0	TBC	7,048,163	537,163	387,163	200,000	325,000	200,000	325,000	200,000	325,000	200,000
357	Resilience Improvements	0	0	0	TBC	3,500,000	3,500,000	0	0	0	0	0	0	0	0
452	Cycling Improvements	0	0	0	TBC	24,807,288	30,504,802	19,499,050	16,423,957	16,442,915	16,460,141	16,477,444	12,412,340	11,753,996	11,137,940
Cable Car	Cable Car Improvements ³	0	0	0	TBC	150,000	3,350,000	1,200,000	1,600,000	400,000	200,000	0	0	0	0
Grand Total		83,449,786	83,871,022	77,603,320	TBC	131,807,573	134,913,546	119,712,307	118,927,004	111,896,573	110,512,416	106,549,230	103,237,958	99,954,524	102,022,048

Link Table between Waka Kotahi Work Categories and WCC Activity Codes

Cat	Category Description	Activity	Activity Description	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
0	Unsubsidised	1200	ORG	1,095,527	1,100,021	1,233,746	1,245,635	1,245,635	1,245,635	1,245,640	1,245,631	1,245,631	1,245,631
0	Unsubsidised	1024	Road Corridor Growth Control	324,278	324,330	324,374	324,497	324,497	324,497	324,497	324,497	324,497	324,497
0	Unsubsidised	1025	Street Cleaning	7,010,076	7,016,320	7,022,695	7,031,112	6,953,179	6,959,088	6,965,206	6,965,198	6,965,198	6,965,198
0	Unsubsidised	1067	Drainage Maintenance	898,888	899,676	900,416	901,839	902,395	902,808	903,236	903,236	903,236	903,236
0	Unsubsidised	1138	Rural Fire	15,940	15,940	15,940	15,940	15,940	15,940	15,940	15,940	15,940	15,940
0	Unsubsidised	1143	Urban Design	30,000	0	30,000	200,000	30,000	0	30,000	0	30,000	0
0	Unsubsidised	1154	Road Maintenance	46,370	46,407	46,450	45,354	45,384	45,406	45,429	45,427	45,427	45,427
0	Unsubsidised	1155	Tawa Shared Driveways Maintenance	23,756	23,755	23,755	23,755	23,760	23,760	23,760	23,760	23,760	23,760
0	Unsubsidised	1156	Wall, Bridge & Tunnel Maintenance	59,974	60,026	60,089	60,236	60,240	60,241	60,241	60,237	60,237	60,237
0	Unsubsidised	1159	Vehicle Network Asset Management	3,466,331	3,464,138	3,466,707	3,464,826	3,467,179	3,464,819	3,467,182	3,467,169	3,467,169	3,467,169
0	Unsubsidised	1164	Lambton Quay Interchange Maintenance	723,699	723,848	724,485	725,020	725,385	725,737	726,095	726,006	726,006	726,006
0	Unsubsidised	1166	Passenger Transport Asset Management	70,529	70,531	70,533	70,538	70,538	70,538	70,538	70,538	70,538	70,538
0	Unsubsidised	1170	Street Furniture Maintenance	286,152	286,579	287,016	287,704	288,076	288,397	288,728	288,723	288,723	288,723
0	Unsubsidised	1171	Footpaths Asset Management	623,004	623,004	623,004	623,004	623,004	623,004	623,004	623,004	623,004	623,004
0	Unsubsidised	1172	Footpaths & Accessway Maintenance	45,210	45,246	45,283	45,346	45,377	45,401	45,425	45,425	45,425	45,425
0	Unsubsidised	1175	Traffic Control Asset Management	63,486	63,483	63,529	63,583	63,577	63,578	63,578	63,569	63,569	63,569
0	Unsubsidised	1177	Traffic & Street Sign Maintenance	7,189	7,196	7,203	7,217	7,221	7,224	7,227	7,227	7,227	7,227
0	Unsubsidised	1178	Network Planning & Coordination	2,062,254	2,069,978	2,076,502	2,094,854	2,094,847	2,094,848	2,094,856	2,094,831	2,094,831	2,094,831
0	Unsubsidised	1179	Street Lighting Maintenance	210,123	210,149	210,171	213,498	213,038	213,038	213,038	213,038	213,038	213,038

³ Even though Cable Car Improvements are shown in this table, this is a submission made by our CCO (Council Controlled Organisation).

Cat	Category Description	Activity	Activity Description	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
0	Unsubsidised	1180	Transport Education & Promotion	0	0	10,000	0	0	0	0	0	0	0
0	Unsubsidised	1192	Quarry Operations & Maintenance	342,977	343,345	333,053	333,931	323,333	312,681	312,685	312,673	312,673	312,673
0	Unsubsidised	2070	Laneways	0	150,000	0	910,000	1,900,000	1,290,000	0	150,000	0	150,000
0	Unsubsidised	2073	Town Centre Upgrades	31,685	7,846	7,846	7,846	7,846	7,846	7,846	7,846	7,846	7,846
0	Unsubsidised	2078	Asphalt & Other Seal Renewals	15,624	13,392	8,928	9,821	10,017	10,218	11,239	11,464	11,693	11,927
0	Unsubsidised	2079	Chipseal Renewals	36,480	45,600	51,072	56,179	57,303	58,449	64,294	65,580	66,891	68,229
0	Unsubsidised	2084	Service Lane & Road Boundary Upgrades	1,025,286	57,940	57,940	57,940	57,940	57,940	57,940	57,940	57,940	57,940
0	Unsubsidised	2085	Tunnel & Bridge Upgrades	0	0	0	0	0	0	0	0	0	0
0	Unsubsidised	2086	Kerb & Channels Renewals	18,977	19,190	19,225	25,147	19,957	20,359	20,347	20,092	20,173	20,173
0	Unsubsidised	2094	Cycling Improvements	700,000	3,600,000	2,700,000	0	0	0	0	0	0	0
0	Unsubsidised	2095	Bus Priority Planning	273,473	274,080	274,589	276,028	276,028	276,028	276,028	276,027	276,027	276,027
003	Activity Management Plans 2019-20	1159	Vehicle Network Asset Management	79,757	77,929	80,070	78,503	80,463	78,496	80,466	80,454	80,454	80,454
003	Activity Management Plans 2019-20	1178	Network Planning & Coordination	85,927	86,249	86,521	87,286	87,285	87,285	87,286	87,285	87,285	87,285
003.1	Activity Management Plans 2018-19	1182	Safety Asset Management	3,500	3,500	3,508	3,517	3,516	3,516	3,516	3,515	3,515	3,515
111	Sealed Pavement Maintenance	1154	Road Maintenance	1,924,353	1,925,879	1,927,679	1,882,181	1,883,445	1,884,357	1,885,298	1,885,228	1,885,228	1,885,228
111	Sealed Pavement Maintenance	2079	Chipseal Renewals	401,280	501,600	561,792	617,971	630,331	642,937	707,231	721,376	735,803	750,519
111	Sealed Pavement Maintenance	2080	Preseal Preparations	3,109,388	3,111,768	3,114,082	3,117,611	3,117,765	3,121,278	3,123,208	3,123,206	3,123,206	3,123,206
113	Routine Drainage Maintenance	1025	Street Cleaning	778,897	779,591	780,299	781,235	772,575	773,232	773,912	773,911	773,911	773,911
113	Routine Drainage Maintenance	1067	Drainage Maintenance	367,152	367,473	367,775	368,357	368,584	368,752	368,928	368,927	368,927	368,927
113	Routine Drainage Maintenance	1158	Kerb & Channel Maintenance	807,153	807,893	808,677	809,933	810,585	811,115	811,665	811,651	811,651	811,651
114	Structures Maintenance	1156	Wall, Bridge & Tunnel Maintenance	107,954	108,047	108,160	108,425	108,432	108,433	108,434	108,426	108,426	108,426
114	Structures Maintenance	2083	Wall Upgrades	217,535	230,760	230,784	249,570	193,436	104,215	66,777	66,777	66,777	66,777
121	Environmental Maintenance	1024	Road Corridor Growth Control	2,170,168	2,170,517	2,170,810	2,171,636	2,171,636	2,171,636	2,171,636	2,171,636	2,171,636	2,171,636
121	Environmental Maintenance	1156	Wall, Bridge & Tunnel Maintenance	86,963	87,038	87,129	87,342	87,348	87,349	87,349	87,343	87,343	87,343
121	Environmental Maintenance	1159	Vehicle Network Asset Management	15,951	15,586	16,014	15,701	16,093	15,699	16,093	16,091	16,091	16,091
122	Traffic Services Maintenance	1176	Road Marking Maintenance	1,640,977	1,642,127	1,643,230	1,645,037	1,645,823	1,646,636	1,647,478	1,647,477	1,647,477	1,647,477
122	Traffic Services Maintenance	1177	Traffic & Street Sign Maintenance	352,265	352,608	352,948	353,656	353,839	353,970	354,106	354,100	354,100	354,100
122	Traffic Services Maintenance	1179	Street Lighting Maintenance	2,416,415	2,416,714	2,416,964	2,455,230	2,449,935	2,449,935	2,449,936	2,449,935	2,449,935	2,449,935
122	Traffic Services Maintenance	1181	Fences & Guardrails Maintenance	11,916	11,926	11,936	11,952	11,962	11,970	11,979	11,979	11,979	11,979
123	Operational Traffic Management	1174	Traffic Signals Maintenance	1,343,556	1,348,014	1,352,399	1,358,483	1,355,724	1,359,838	1,364,093	1,368,471	1,373,008	1,373,008
124	Cycle Path Maintenance	1161	Cycleways Maintenance	157,609	165,104	195,893	198,055	188,611	188,611	188,611	188,608	188,608	188,608
125	Footpath Maintenance	1171	Footpaths Asset Management	179,309	179,536	179,984	180,839	180,804	180,810	180,813	180,762	180,762	180,762
125	Footpath Maintenance	1172	Footpaths & Accessway Maintenance	858,984	859,683	860,380	861,580	862,162	862,615	863,082	863,077	863,077	863,077
125	Footpath Maintenance	1173	Footpaths Structures Maintenance	193,398	193,376	193,399	193,397	193,391	193,392	193,393	193,385	193,385	193,385
125	Footpath Maintenance	1175	Traffic Control Asset Management	104,143	104,133	104,345	104,593	104,563	104,568	104,571	104,527	104,527	104,527

Cat	Category Description	Activity	Activity Description	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
125	Footpath Maintenance	1181	Fences & Guardrails Maintenance	385,271	385,608	385,939	386,452	386,773	387,035	387,306	387,305	387,305	387,305
125	Footpath Maintenance	2096	Footpaths Structures Renewals & Upgrades	321,113	321,219	321,308	1,395,842	490,073	490,073	490,073	490,073	490,073	490,073
125	Footpath Maintenance	2100	Pedestrian Accessways Renewals	257,362	260,442	257,348	307,551	264,770	264,770	264,770	264,770	264,770	264,770
131	Level Crossing Warning Devices	1174	Traffic Signals Maintenance	23,911	23,930	23,947	23,993	23,856	23,856	23,856	23,856	23,856	23,856
140	Minor Events	1154	Road Maintenance	347,775	348,050	348,376	340,153	340,382	340,547	340,716	340,704	340,704	340,704
151	Network and Asset Management	1157	Drains & Walls Asset Management	351,100	351,137	351,614	352,253	352,191	352,202	352,207	352,118	352,118	352,118
151	Network and Asset Management	1159	Vehicle Network Asset Management	606,150	592,262	608,533	596,619	611,522	596,573	611,538	611,454	611,454	611,454
151	Network and Asset Management	1162	Cycleway Asset Management	14,144	14,195	14,242	14,367	14,367	14,367	14,367	14,366	14,366	14,366
151	Network and Asset Management	1166	Passenger Transport Asset Management	5,236	5,257	5,275	5,326	5,326	5,326	5,326	5,326	5,326	5,326
151	Network and Asset Management	1175	Traffic Control Asset Management	326,014	325,980	326,647	327,423	327,327	327,344	327,352	327,214	327,214	327,214
151	Network and Asset Management	1182	Safety Asset Management	346,490	346,520	347,250	348,189	348,092	348,110	348,117	347,977	347,977	347,977
212	Sealed Road Resurfacing	2078	Asphalt & Other Seal Renewals	1,546,776	1,325,808	883,872	972,259	991,704	1,011,538	1,112,692	1,134,946	1,157,645	1,180,798
212	Sealed Road Resurfacing	2079	Chipseal Renewals	3,210,240	4,012,800	4,494,336	4,943,770	5,042,645	5,143,498	5,657,848	5,771,005	5,886,425	6,004,153
212	Sealed Road Resurfacing	2081	Shape & Camber Correction	3,667,419	3,146,619	2,105,019	2,313,339	2,359,169	2,405,916	2,644,326	2,696,776	2,750,275	2,804,844
213	Drainage Renewals	2082	Drainage Renewals	276,558	276,729	276,134	276,539	523,778	523,778	523,779	523,778	523,778	523,778
213	Drainage Renewals	2086	Kerb & Channels Renewals	1,878,771	1,899,837	1,903,298	2,489,583	1,975,732	2,015,512	2,014,399	1,989,070	1,997,111	1,997,111
214	Pavement Rehabilitation	2080	Preseal Preparations	777,347	777,942	778,521	779,403	779,441	780,319	780,802	780,802	780,802	780,802
214	Pavement Rehabilitation	2090	Roading Rebuild	1,804,940	1,805,365	1,805,513	1,805,763	1,806,137	1,808,130	1,808,367	1,807,274	1,807,621	1,807,621
215	Structures Component Replacements	2077	Wall, Bridge & Tunnel Renewals	2,320,523	3,788,518	4,558,898	3,570,431	3,859,218	3,859,218	3,859,219	3,859,218	3,859,218	3,859,218
215	Structures Component Replacements	2085	Tunnel & Bridge Upgrades	1,894,549	1,552,211	1,552,646	1,553,875	1,231,148	1,231,148	1,231,148	1,231,147	1,231,147	1,231,147
222	Traffic Services Renewals	2101	Traffic & Street Signs Renewals	1,199,821	1,200,887	1,201,940	1,203,408	1,204,312	1,205,247	1,206,213	1,206,213	1,206,213	1,206,213
222	Traffic Services Renewals	2102	Traffic Signals Renewals	948,956	949,587	950,116	951,610	951,610	951,610	951,611	951,610	951,610	951,610
222	Traffic Services Renewals	2103	Street Lights Renewals & Upgrades	740,806	741,595	741,782	821,588	821,698	821,698	821,699	821,697	821,697	821,697
324	Accelerated Rollout of Street Lighting LEDs & CMS	2103	Street Lights Renewals & Upgrades	2,511,596	605,098	605,518	482,333	482,333	482,333	482,333	482,333	482,333	482,333
357	Resiliency 2015-25 - Ngaio Gorge/Wadestown	2088	Emergency Route Walls Upgrades	533,083	2,213,219	473,332	2,163,653	333,653	1,033,653	1,033,654	1,232,845	1,232,845	1,232,845
341.139.1	Low Cost/Low Risk Improvements	2094	Cycling Improvements	5,960,000	4,884,203	4,783,817	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
452	Cycling Improvements	2094	Cycling Improvements	24,807,288	30,504,802	19,499,050	16,423,957	16,442,915	16,460,141	16,477,444	12,412,340	11,753,996	11,137,940
432	Road Safety Promotion - Med Risk	1180	Transport Education & Promotion	384,837	452,837	450,837	410,000	410,000	410,000	410,000	410,000	410,000	410,000
0	Unsubsidised	2099	Street Furniture Renewals	190,522	190,840	191,141	190,927	215,606	215,802	216,005	216,005	216,005	216,005
421	Cycleway Promotion 2019-21 - Implementation	1163	Cycleways Planning	500,000	500,000	500,000	444,000	444,000	444,000	444,000	444,000	444,000	444,000
0	Unsubsidised	2101	Traffic & Street Signs Renewals	12,119	12,130	12,141	12,156	12,165	12,174	12,184	12,184	12,184	12,184
0	Unsubsidised	2103	Street Lights Renewals & Upgrades	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
141.1342	Emergency Works 12/13	2088	Emergency Route Walls Upgrades	5,171,031	3,469,074	152,169	153,636	153,636	153,636	153,636	153,635	153,635	153,635
216	Bridge and structures renewals	1156	Wall, Bridge & Tunnel Maintenance	44,981	45,019	45,067	45,177	45,180	45,180	45,181	45,178	45,178	45,178
216	Bridge and structures renewals	2077	Wall, Bridge & Tunnel Renewals	105,404	1,227,476	457,536	457,705	457,705	457,705	457,705	457,705	457,705	457,705

Cat	Category Description	Activity	Activity Description	21-22 (Forecast)	22-23 (Forecast)	23-24 (Forecast)	24-25 (Forecast)	25-26 (Forecast)	26-27 (Forecast)	27-28 (Forecast)	28-29 (Forecast)	29-30 (Forecast)	30-31 (Forecast)
216	Bridge and structures renewals	2083	Wall Upgrades	2,890,110	3,065,808	3,066,125	3,315,716	2,569,942	1,384,570	887,180	887,179	887,179	887,179
225	Footpath renewal	2097	Footpaths Renewals	4,090,555	4,208,525	4,191,037	4,494,232	4,526,252	4,528,553	4,530,936	4,530,935	4,530,935	4,530,935
225	Footpath renewal	2106	Fences & Guardrails Renewals	738,143	738,692	739,199	733,310	739,469	739,746	740,034	740,034	740,034	740,034
321	New traffic management facilities	2107	Speed Management Upgrades	0	110,400	6,684,000	1,088,566	961,330	340,330	340,331	340,328	340,328	340,328
003	Activity Management Plans 2019-20	1153	Network Planning	550,702	618,796	620,207	621,618	623,085	624,666	626,190	630,441	630,441	630,441
341.139.1	Low Cost/Low Risk Improvements	2089	Roading Capacity Upgrades	25,000	1,098,000	1,072,862	2,718,497	2,412,299	1,837,214	1,254,730	1,254,730	1,254,730	1,254,730
341.139.1	Low Cost/Low Risk Improvements	2091	Port & Ferry Access Upgrades	0	0	0	5,348,286	2,299,763	3,208,972	0	0	0	0
341.139.1	Low Cost/Low Risk Improvements	2095	Bus Priority Planning	15,456	15,456	15,456	15,456	15,456	15,456	15,456	15,456	15,456	15,456
341.139.1	Low Cost/Low Risk Improvements	2098	Footpaths Upgrades	3,969,797	3,509,455	3,787,560	3,789,922	3,908,105	3,908,228	3,908,355	3,908,353	3,908,353	3,908,353
341.139.1	Low Cost/Low Risk Improvements	2104	Rural Road Upgrades	114,293	114,293	114,293	114,293	114,293	114,293	114,293	114,293	114,293	114,293
341.139.1	Low Cost/Low Risk Improvements	2105	Minor Works Upgrades	3,178,875	3,841,052	5,370,799	3,464,675	3,603,386	3,619,083	4,463,324	4,463,319	4,463,319	4,463,319
341.139.1	Low Cost/Low Risk Improvements	2109	Parking Upgrades	181,384	184,358	187,294	190,810	193,877	197,054	200,340	200,340	200,340	200,340
357	Resilience Improvements	2077	Wall, Bridge & Tunnel Renewals	3,500,000	3,500,000	0	0	0	0	0	0	0	0
0	Unsubsidised	2107	Speed Management Upgrades	0	0	90,524	0	0	0	0	0	0	0
323	New Roads	2087	Vehicle Network New Roads	0	0	0	5,000,000	5,160,449	5,348,286	5,213,931	5,589,006	2,738,323	5,215,164
341.139.1	Low Cost/Low Risk Improvements	1143	Urban Design	0	0	0	50,000	25,000	50,000	25,000	50,000	25,000	50,000
341.139.1	Low Cost/Low Risk Improvements	2070	Laneways	3,541,000	500,000	350,000	150,000	300,000	150,000	300,000	150,000	300,000	150,000
0	Unsubsidised	2133	Quarry Renewals & Upgrades	2,879,976	272,763	593,660	58,831	58,831	58,831	58,831	58,831	58,831	58,831
341.139.1	Low Cost/Low Risk Improvements	2073	Town Centre Upgrades	3,470,000	0	0	0	0	0	0	0	0	0
0	Unsubsidised	1157	Drains & Walls Asset Management	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801	1,427,801
0	Unsubsidised	1148	Development Control and Facilitation	929	929	929	929	929	929	929	929	929	929
0	Unsubsidised	1184	Parking Services & Enforcement	6,522	6,522	6,522	6,522	6,522	6,522	6,522	6,522	6,522	6,522
0	Unsubsidised	1162	Cycleway Asset Management	33	33	33	33	33	33	33	33	33	33
0	Unsubsidised	1182	Safety Asset Management	309,284	309,284	309,284	309,284	309,284	309,284	309,284	309,284	309,284	309,284
341.139.1	Low Cost/Low Risk Improvements	1180	Road Safety Promotion	37,163	37,163	37,163	0	0	0	0	0	0	0
341.139.1	Low Cost/Low Risk Improvements	2107	Speed Management Upgrades	334,581	335,948	83,069	0	0	0	0	0	0	0