

WAITOMO

DISTRICT COUNCIL

LAND TRANSPORT PROCUREMENT STRATEGY

2025 – 2028



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1 Introduction

This procurement strategy sets out Waitomo District Council's (Council) strategic approach to procurement of land transport activities.

Waitomo District Council (WDC) is an Approved Organisation (AO) under the Land Transport Management Act 2003 (LTMA), making it eligible to receive funding assistance from Waka Kotahi NZ Transport Agency (NZTA) for roading activities. A large portion of Council's investment for transportation activities is financially assisted by NZTA, and this is legislated under the LTMA. Section 25 of the LTMA requires that an approved organisation (in this case Council) design its procurement procedures to obtain best value for money spent.

To help guide and support this procurement, WDC continues to use the COLAB Regional Procurement Principles, Policy and Framework for Waikato Councils as its primary procurement guidance document.

COLAB has adopted the five core procurement principles of New Zealand Government, as outlined in the NZTA Procurement Manual (the primary guide for co-funded land transport procurement). These principles are:

FIVE RULES OF PROCUREMENT



**PLAN AND MANAGE
FOR GREAT RESULTS**



BE FAIR TO ALL SUPPLIERS



GET THE RIGHT SUPPLIER



GET THE BEST DEAL FOR EVERYONE

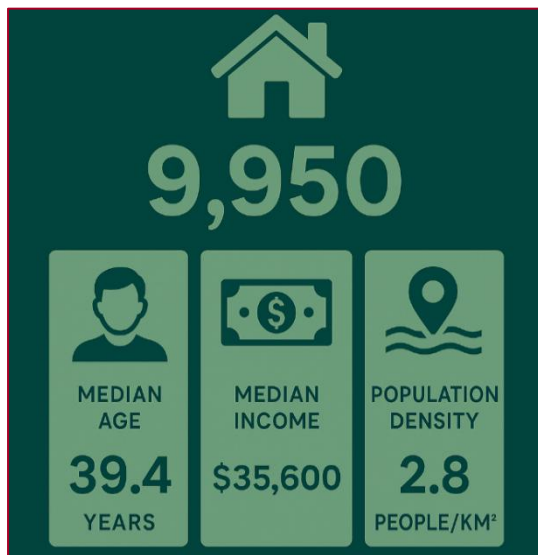


PLAY BY THE RULES

2 Strategic Context

2.1 Procurement Environment

With a Funding Assistance Rate (FAR) of 75%, NZTA is the primary investment partner for roading infrastructure in the Waitomo District. This high FAR reflects the district's unique socio-economic and geographic profile, as confirmed by the latest Census data (2023):



Population: Just 9,950 residents, indicating a small ratepayer base

Median Income: \$35,600, significantly below the national average of \$41,500

Geographic Spread: A large land area of 3,534.84 km² with a low population density of 2.8 people/km²

Network Statistics:

- 462km of sealed roads
- 546km of unsealed roads
- 162 bridges
- 54km of footpath

These factors combine to create a low revenue-to-transport footprint, meaning the district faces high infrastructure costs relative to its financial capacity. The elevated FAR is a recognition of this imbalance and is designed to ensure that essential transport services remain viable and safe for all residents.

Given NZTA's role as the majority funder it is essential that all investment decisions are supported by a robust and transparent procurement strategy which ensures:

- Continued eligibility for co-funding
- Alignment with national expectations and standards
- Efficient use of public funds
- Confidence in long-term infrastructure planning and delivery

The NZTA Procurement Manual outlines key objectives that reinforce this approach, including delivering best value for money, fostering competitive and fair supply markets, and ensuring transparent, auditable processes. It also emphasises alignment with broader transport outcomes such as sustainability, equity, and strategic fit with national and regional plans.

For Waitomo District a well-structured procurement framework is not only a funding safeguard but a strategic necessity, particularly when considering the above characteristics of the district. It enables the district to deliver transport infrastructure that is resilient, equitable, and tailored to rural needs, while maintaining trust and accountability with its funding partners.

The small population above combined with Waitomo District's relative remoteness presents a challenge with attracting tenderers across a range of services. The works tendered are relatively small in scale compared with other local council tenders.

The three-year funding allocation is summarised in table 1.1 and table 1.2 below

Table 1.1: Land Transport Programme 2024 – 2027

Activity Class	Expenditure Reporting Lines	Work Category	Description	Three-year Requested Allocation (\$)	2024/25 Approved Allocation	2025/26 Approved Allocation	2026/27 Approved Allocation	Three-year Approved Allocation (\$)
Local road operations	Operations	114	Structures maintenance	889,000	109,832	449,222	287,143	846,197
		121	Environmental maintenance	4,446,003	928,512	2,467,316	1,744,174	5,140,002
		122	Network service maintenance	1,808,610	482,549	655,682	584,621	1,722,852
		123	Network operations	0	0	0	0	0
		131	Rail level crossing warning devices maintenance	142785	94866	41249	0	136115
		140	Minor events	2,221,100	911,277	373,725	0	1,285,002
		151	Network and asset management	8,881,680	2,694,447	2,901,460	2,791,815	8,387,722
		215	Structures component replacements	886,000	97,201	459,967	286,174	843,342
		221	Environmental renewals	0	0	0	0	0
		222	Traffic services renewals	253,840	107,748	92,842	41,181	241,771
Total Local road operations				19,529,018	5,426,432	7,441,463	5,735,108	18,603,003
Local road pothole prevention	Pothole prevention	111	Sealed pavement maintenance	6,194,795	1,535,343	5,450,630	3,588,153	10,574,126
		112	Unsealed pavement maintenance	2,855,700	822,342	1,042,325	957,735	2,822,402
		113	Routine drainage maintenance	1,586,500	1,289,966	278,365	0	1,568,331
		211	Unsealed road metalling	2,221,100	997,948	733,676	463,248	2,194,872
		212	Sealed road resurfacing	6,292,000	2,457,188	2,215,472	1,545,321	6,217,981
		213	Drainage renewals	1,110,550	323,947	629,280	489,599	1,442,826
		214	Sealed road pavement rehabilitation	9,561,442	1,779,454	1,787,700	1,434,308	5,001,462
Total Local road pothole prevention				29,822,087	9,206,188	12,137,448	8,478,364	29,822,000
Walking and cycling improvements	Walking and cycling	124	Cycle path maintenance	0	0	0	0	0
		125	Footpath maintenance	174,515	20,076	42,798	0	62,874
		224	Cycle path renewal	0	0	0	0	0
		225	Footpath renewal	311,650	10,960	26,781	19,385	57,126
Total Walking and cycling improvements				486,165	31,036	69,579	19,385	120,000
Local road improvements	Improvements	216	Bridge and structures renewals	350000	0	0	0	0
Total Local road improvements				350000	0	0	0	0
Grand Total				50,187,270	14,663,656	19,648,490	14,232,857	48,545,003

Table 1.2: Summary of work activities, their respective budgets and procurement timelines

Topic	2024-2027 Budget	Procurement within NLTP Period	Summary
Maintenance & Operations	\$ 33,000,000	No	Waitomo District Council uses a combined Measure & Value and Lump Sum contract model (NZS3917) for maintenance and renewals. A 5+2 year contract was awarded to Inframax Construction Ltd starting 1 July 2024. The contract includes inspections, emergency response, drainage, sealed/unsealed road maintenance, traffic facilities, structures, vegetation, footpaths, and resurfacing. Council is considering a shift to a 10-year contract model to support long-term planning, market stability, and strategic infrastructure delivery. Sealed road resurfacing, drainage renewals and footpath renewals and improvements can be direct appointed within this contract
Street Light Maintenance & Renewals	\$ 750,000	Yes	Streetlight maintenance and renewals is undertaken utilising it's own contract - currently held with Horizons. This contract will be due to be retendered in 2026
Capital Works	\$ 6,000,000	Yes	Capital works are procured separately using either LPC or PQM depending on project complexity and risk. Council manages design and procurement internally, following NZTA guidelines. Contracts are based on NZS3910 and include clear performance and quality standards. Capital works that will be tendered consist of: - Sealed Road Rehabilitations - Drainage Renewals - Footpath Renewals and Improvements
Emergency Works	\$ -	Yes	Emergency works from storms or earthquakes are not pre-budgeted or included in supplier contracts. Depending on scale and NZTA funding, works are either publicly tendered (NZS3910) or delivered via the maintenance contract for low-value projects.
Local Road Improvements	\$ -	NA	No budget is allocated for local road improvements during the strategy period. If undertaken, procurement will follow LPC or PQM as appropriate.
Professional Services	\$ 8,400,000	Yes	Council uses a mix of internal teams and external consultants for contract administration, asset management, design, and QA. Direct appointment is allowed for services under \$100,000 per NZTA guidelines; above this threshold, PQM is used. This approach balances control, expertise, and flexibility.

(The figures in this table have been rounded for reporting purposes)

2.2 Procurement Compliance

Waitomo District Council is committed to conducting procurement in a manner that reflects guidance and policies from the New Zealand Government, NZTA, and aligns with Waitomo District Council's procurement policy. All these organisations have their own documents and guidelines relating to procurement that have been used to create this procurement strategy.

The reference materials summarised include:

- New Zealand Government Procurement Charter
 - New Zealand Government's expectations of how agencies should conduct their procurement activity to achieve public value.
- New Zealand Government Procurement Principles
 - These apply to all government agencies and provide government's overarching values. They apply even if the rules do not. Agencies should use the principles for guidance and to help make good procurement decisions.
- NZTA Procurement Manual
 - Key themes found within the NZTA procurement manual and how they apply to WDC's procurement strategy.
- Waitomo District Council Procurement Policy
 - Draft Procurement Policy for WDC. This is expected to be formalised late 2025, and the draft objectives have been included below to account for this.

By embedding the below principles and themes into its procurement processes, Waitomo District Council ensures that transport activities are delivered efficiently, transparently, and in a way that maximises public value. This approach supports long-term network resilience, strengthens local capability, and aligns with both national expectations and community outcomes.

The Government Procurement Rules also support the principles below by providing detailed guidance on:

- Procurement planning and market engagement
- Approaching the market and advertising opportunities
- Evaluating responses and awarding contracts
- Contract management and performance monitoring

Waitomo District Council applies these rules to all relevant procurements, particularly those exceeding the thresholds for goods, services, and construction works. Even where the rules are not mandatory, Council voluntarily adopts them to ensure good practice, market confidence, and alignment with national standards.

Key themes and targets that have been used to construct this procurement strategy are tabulated below.

Table 2: Summary of Strategic Alignment with Transport Frameworks

Government Procurement Principles	Government Procurement Charter	Waitomo District Council Procurement Policy	NZTA Procurement Requirements
Plan and manage for great results - Waitomo District Council ensures procurement is strategically planned, with clear objectives, robust risk management, and performance monitoring.	Manage risk appropriately – WDC procurement processes ensure risk is considered at all stages of procurement. Allocation of risk and responsibilities is at the forefront of negotiations.	Risk – all procurement considers the risks (commercial and otherwise) and ensures that these are managed appropriately.	Strategic Procurement Planning – Procurement will align with Council's Long-Term Plan, Section 17A review, and broader strategic goals to support resilience and sustainability.
		Accountability – employees, third parties and suppliers are accountable for their performance and delivery of their procurement activities.	Appropriate Delivery Models – WDC will select delivery models suited to each activity, including: - NZS3917 Measure and Value contracts for Maintenance and Renewals - Collaborative partnering models for professional services and capital works.
Be fair to all suppliers – Waitomo District Council promotes open competition and equal opportunity, ensuring suppliers are treated fairly and consistently throughout the procurement process.	Seek opportunities to include New Zealand Businesses - WDC ensures that procurement documentation allows for local businesses and small-to-medium enterprises to participate in procurement processes.	Openness – all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers.	Open and Competitive Markets – WDC will ensure fair and transparent procurement processes that encourage supplier competition, using methods such as Lowest Price Confirming or Price Quality Method.
		Fairness – all procurement is carried out in a fair manner and decisions are made with impartiality and without bias.	
Get the right supplier – Supplier selection is based on capability, capacity, and alignment with project needs, using appropriate evaluation methods such as Lowest Price Conforming or Price Quality Method.	Look for new and innovative solutions - WDC procurement documents will permit the submission of alternative tenders, encouraging innovative and bespoke solutions that deliver best value for Council. All alternative proposals must comply with applicable procurement rules, legislative requirements, and demonstrably achieve the specified outcomes.	Reputation – no procurement undertaken has an adverse impact on the reputation of WDC. The policy is expected to have Broader Outcomes in it when finalised. This will also allow for keeping it local where possible.	Broader Outcomes – Procurement will support environmental, social, and economic goals, including: - Local supplier participation - Workforce development - Sustainable practices and low-emissions solutions.
	Engage with businesses with good employment practices – WDC will conduct procurement practices with broader outcomes front of mind.		
Get the best deal for everyone – Waitomo District Council seeks value for money, balancing cost, quality, and broader outcomes to deliver sustainable and efficient services.	Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility – WDC procurement processes will include provisions and benefits for businesses that can contribute to economic and social development.	Value for Money – all procurement works towards minimising procurement costs, relation costs, and whole of life costs of the goods, services or works to deliver best value for money.	Value for Money – Procurement decisions will consider not just cost, but also quality, whole-of-life value, risk, and broader outcomes.
	Encourage collaboration for collective impact – WDC will work with other councils in the area and ensure teams within council collaborate for best for council outcomes.	Sustainability – all procurement is environmentally and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.	Capability and Capacity – WDC is building internal capability through recruitment and upskilling of staff. This reduces the reliance on external providers who will be used to complement the internal team.
Play by the rules – All procurement activities are conducted with integrity, transparency, and accountability, in line with legislative and policy requirements.	Promote inclusive economic development within New Zealand - broader outcomes are considered within all procurement activities and meet Council procurement objectives.	Adherence - all procurement is undertaken only where required and is in accordance with the Procurement Policy, the Procurement Framework and all other associated WDC policies and strategies	Robust Contract Management - Contracts will include clear KPIs, performance expectations, and mechanisms for monitoring and continuous improvement.
		Integrity – all WDC employees and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels.	
		Lawfulness – all procurement is within the law and meets WDC's legal and organisational obligations.	

2.3 Waitomo District Long Term Plan (LTP)

Waitomo District Council's Long-Term Plan 2024–2034 sets out a strategic roadmap for delivering essential services, maintaining infrastructure, and investing in community wellbeing over the next decade. Procurement plays a critical role in enabling the delivery of these outcomes efficiently, sustainably, and in alignment with the Council's Community Outcomes, which reflect the aspirations of the Waitomo community.

These outcomes guide Council's planning and investment decisions and are embedded in procurement processes to ensure that every contract contributes to the broader vision of a vibrant, resilient, and inclusive district.

The WDC LTP 2024-2034 can be sourced at <https://www.waitomo.govt.nz/media/ngtly4hh/2024-2034-ltp-document-final-website.pdf>. The Roads and Footpaths section of the LTP commences on page 60 of the document.

The work packages and projects that Council procures are identified within the Council's Transport Activity Management Plan (AMP) for acceptance within its Long-Term Plan. The AMP considers the government investment direction as set out in the Government Policy Statement (GPS) for Land Transport 2024. The four strategic priorities in the 2024-2034 GPS are:

- Economic Growth and Productivity,
- Increased Maintenance and Resilience,
- Safety; and,
- Value for Money.

Council's Long Term Plan vision and priorities are shown below.



A prosperous district

We enable a thriving and sustainable economy to create greater benefits for everyone.



A district for all people

Our district is a great place to live because it is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



A district that cares for its environment

We ensure the wise use and management of all land and resources, now and for future generations.



A district that values culture

We value the whakapapa of our district, and we promote cultural, creative, and recreational activities where traditions, heritage and arts are celebrated.

2.4 Transportation Activity – S17a

In September 2023, Waitomo District Council undertook a Section 17A review of its roading activity to assess the cost-effectiveness of its current service delivery model. With both the professional services and operations and maintenance contracts due to expire in mid-2024, the review aimed to determine whether to continue outsourcing or shift to a more integrated approach.

The review highlighted the following challenges:

- Heavy reliance on external providers
- Limited in-house capacity for strategic planning and network ownership
- Recruitment and retention difficulties
- Higher costs associated with outsourcing

To address these challenges, the preferred way forward is a collaborative partnership model. This involved establishment of a strengthened in-house roading team comprising a Roding Manager and two Roding Engineers responsible for strategic planning, network oversight, and contract management. Specialist tasks such as design and complex capital works would continue to be outsourced, but under a more formalised and collaborative framework.

The review also recommends embedding collaborative principles into future contracts, fostering shared planning and performance oversight. Council has retained its current professional services provider under a revised contract while recruiting the new team. Longer-term opportunities include exploring shared services and joint procurement with neighbouring councils to enhance efficiency and regional alignment.

This approach aims to deliver “best for network” outcomes, improve strategic control, and ensure sustainable, cost-effective delivery of roading services for the Waitomo community.

3 Procurement Objectives

To achieve our overall vision, it is important that Council takes a strategic approach to transportation procurement and makes fundamental decisions on the methods we will use to achieve our procurement goals, and that we understand how important delivery methods are for our work.

The NZTA Procurement Manual is the primary procurement document for co-funded land transport procurement, containing procurement procedures approved by NZTA under Section 25 of the Land Transport Management Act (LTMA). The NZTA procurement procedures are equivalent to the Government Procurement Rules as they apply when NLTF monies are being invested.

NZTA requires a documented, long-term procurement strategy for transport sector activities funded under Section 20 of the LTMA. This strategy demonstrates WDC's compliance with NZTA procurement procedures.

Furthermore, this Land Transport Procurement Strategy has been developed to consider the requirements of NZTAs Procurement Manual Amendment 6 for activities funded through the National Land Transport Programme and the NZTA Infrastructure Procurement Strategy (IPS) 2023 which focuses on 5 key strategic areas to enhance the planning and delivery of infrastructure procurement portfolios:

1. Be an intelligent Client,
2. Plan for strategic procurement,
3. The importance of evolving their procurement practices,
4. Protecting healthy markets,
5. Partner for strategic commercial outcomes.

This Strategy also considers the CoLab Regional Procurement Principles, Policy and Framework for Waikato Councils which align with NZ Government and NZTA procurement principles.

Council is focused on the following outcomes:

- Public safety and amenity values
- Adopting sound life-cycle asset management practice for the establishment and maintenance of sustainable public infrastructure.
- Achieving the best value for money and public benefit for both the community and NZ Transport Agency Waka Kotahi (NZTA) (major funder).
- Sustainable end to end procurement?
- Delivering high quality services to the community in a timely and cost-effective manner.
- Developing local contracting capacity and capability.

3.1 Value for Money

Waitomo District Council is committed to delivering value for money in our land transport activities, not simply by choosing the lowest-cost option, but by making smart, sustainable decisions that benefit our communities over the long term – For WDC, Value for money means:

- Planning effectively to ensure the right work is done at the right time.
- Selecting suppliers fairly and efficiently, in line with national procurement standards.
- Supporting a competitive and capable local market, including small and regional businesses.
- Delivering projects successfully—on time, within budget, and with lasting impact.

This approach reflects a whole-of-life perspective, where we consider the full lifecycle of assets and services, not just upfront costs. It also aligns with the NZTA Procurement Manual and the Government's Broader Outcomes framework, which encourages public sector procurement to deliver wider social, environmental, and economic benefits - this means our procurement decisions:

- Strengthen local economies by encouraging participation from local suppliers, Māori businesses, and social enterprises.
- Reflect community values by engaging with residents and stakeholders to understand their needs.
- Promote sustainability and resilience, helping us adapt to climate change and protect our environment.
- Build long-term capability, ensuring our region is well-equipped for future challenges.

By embedding these broader outcomes into our procurement strategy, we ensure that Council's investments deliver value not just to the organisation, but to the people and places we serve. This is about doing the right thing, not just the cheapest thing—and making sure our transport network supports a thriving, inclusive, and resilient Waitomo District.

3.2 Delivery Model

Waitomo District Council's land transport activities are predominantly well-defined, low-risk, and of moderate complexity. Councils across New Zealand have successfully employed a mix of in-house delivery, contracted design and build, and professional services to execute annual roading programmes. Waitomo District Council adopts a similar approach, leveraging internal expertise where available and engaging external consultants and contractors as needed to supplement capacity and provide specialist knowledge.

In selecting appropriate procurement models, the Council considers both the nature of the work and the opportunity to deliver broader outcomes. While models such as Lowest Price Conforming (LPC) and Price Quality Method (PQM) are traditionally focused on cost and capability, they can be structured to support broader social, environmental, and economic objectives.

For LPC, broader outcomes can be achieved through robust prequalification and eliminator criteria. These may include:

- **Demonstrated local or community engagement**

Suppliers may be required to demonstrate active partnerships with local iwi or community organisations, such as subcontracting to Māori-owned businesses or supporting community infrastructure projects.

- **Commitment to sustainable practices**

Contractors must show a commitment to environmental responsibility, including the use of recycled materials, low-emission equipment, and waste minimisation strategies aligned with national sustainability frameworks.

- **Proven track record in supporting regional employment or training initiatives**

Suppliers will be required to provide evidence of a proven history of supporting regional employment, such as offering apprenticeships or collaborating with local training providers to build industry capability.

By embedding these requirements into the eliminators, LPC can ensure that only suppliers aligned with Council's broader goals are considered conforming.

For PQM, broader outcomes are more explicitly integrated into the evaluation framework. Weightings can be assigned to:

- **Local economic impact**

Weightings may be applied to suppliers who source materials locally, employ regional labour, or reinvest into the district economy.

- **Environmental stewardship**

Evaluation criteria can reward suppliers with strong environmental credentials, such as carbon reduction targets, ISO 14001 certification, or the use of electric vehicles in project delivery.

- **Cultural competency and community responsiveness**

Suppliers are assessed on their ability to engage meaningfully with mana whenua, incorporate tikanga Māori into project delivery, and respond to community feedback throughout the works.

This allows the Council to balance price with quality attributes that reflect its strategic priorities, ensuring that procurement decisions contribute positively to the district's long-term wellbeing.

Both models, when supported by a clear procurement strategy and transparent evaluation processes, provide viable pathways to achieving broader outcomes while maintaining value for money and delivery certainty.

Our general procurement approach is summarised in the table below and explained further in this strategy.

Table 3: Summary of Procurement Delivery Models

Programme	2024-2027 Budget	PQM	LPC	Direct Appoint	Closed Tender
Maintenance and Operations	\$34,000,000.00	✓			
Street Light Maintenance and Renewals	\$750,000.00	✓	✓		
Renewals	\$6,000,000.00	✓	✓	✓	✓
Emergency Works	\$0.00	✓	✓	✓	✓
Local Road Improvements	\$0.00	✓	✓		
Professional Services	\$8,400,000.00	✓		✓	✓

The generally accepted forms of delivery comprise the models outlined in the table below which identifies typical characteristics for the key forms of delivery for infrastructure projects.

Table 4: Delivery Models

Potential for Innovation Increases 	Staged / Traditional
	Where the client wants to retain control over the programme of works, where delivery is likely to be on a measure and value basis, and where the client wants to encourage a healthy market environment. The staged model is the most-used delivery model for the Waitomo District Council transport activities. This model requires that these activities are well defined, low risk with well scoped and accurate tender documents. • The Client has scope, schedule and programme certainty • Contract is simple / non-complex / low risk • Small to medium sized contracts • Short, medium or long term contract duration with potential rollover • Direct negotiation / lowest price conforming / price-quality methods of procurement • Method of payment typically measure and value
	Design and Build
	Where the client wants to set performance measures and hold the contractor accountable for delivering them. • To encourage innovation • Contract more complex • Medium to large sized contracts • Typically price-quality methods of procurement • Client has sufficient asset information for contractor to price contract • Self-certification with client-controlled checks • A well-balanced risk profile • Certainty in expenditure and rates
	Alliance / Collaborative model
	This form of delivery provides flexibility and risk sharing in a formalised 'team approach' with the contractor focused on network outcomes. • Flexibility and risk sharing • Client wants to and has the capability to be directly involved in the contract • Client is uncertain of contract scope, required performance and programme and/or needs to make significant cost savings • Large / complex contracts • Longer term contract duration with potential rollover • Price-quality methods of procurement • Sharing knowledge and experience • The Asset has a high rate of change

3.3 Strategic Linkage

The procurement activities are intended to deliver WDC's programme of works to achieve overarching council goals aligned with the LTP while remaining within guidelines from the NZ Government and NZTA.

3.4 The Procurement Approach

The approach to procurement can be summarised as shown in the figure below, with clear links from planning all the way through to implementation.

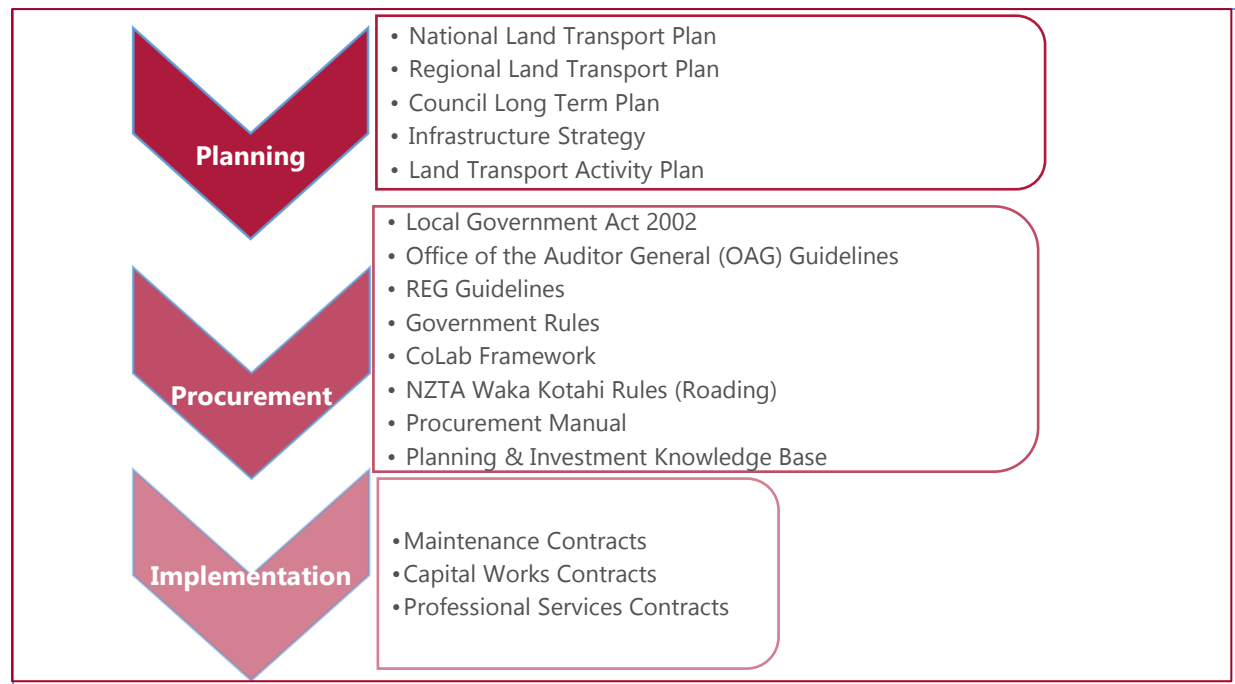


Figure 1: Procurement Process

3.5 Stages of Procurement

The figure below outlines the stages of procurement.

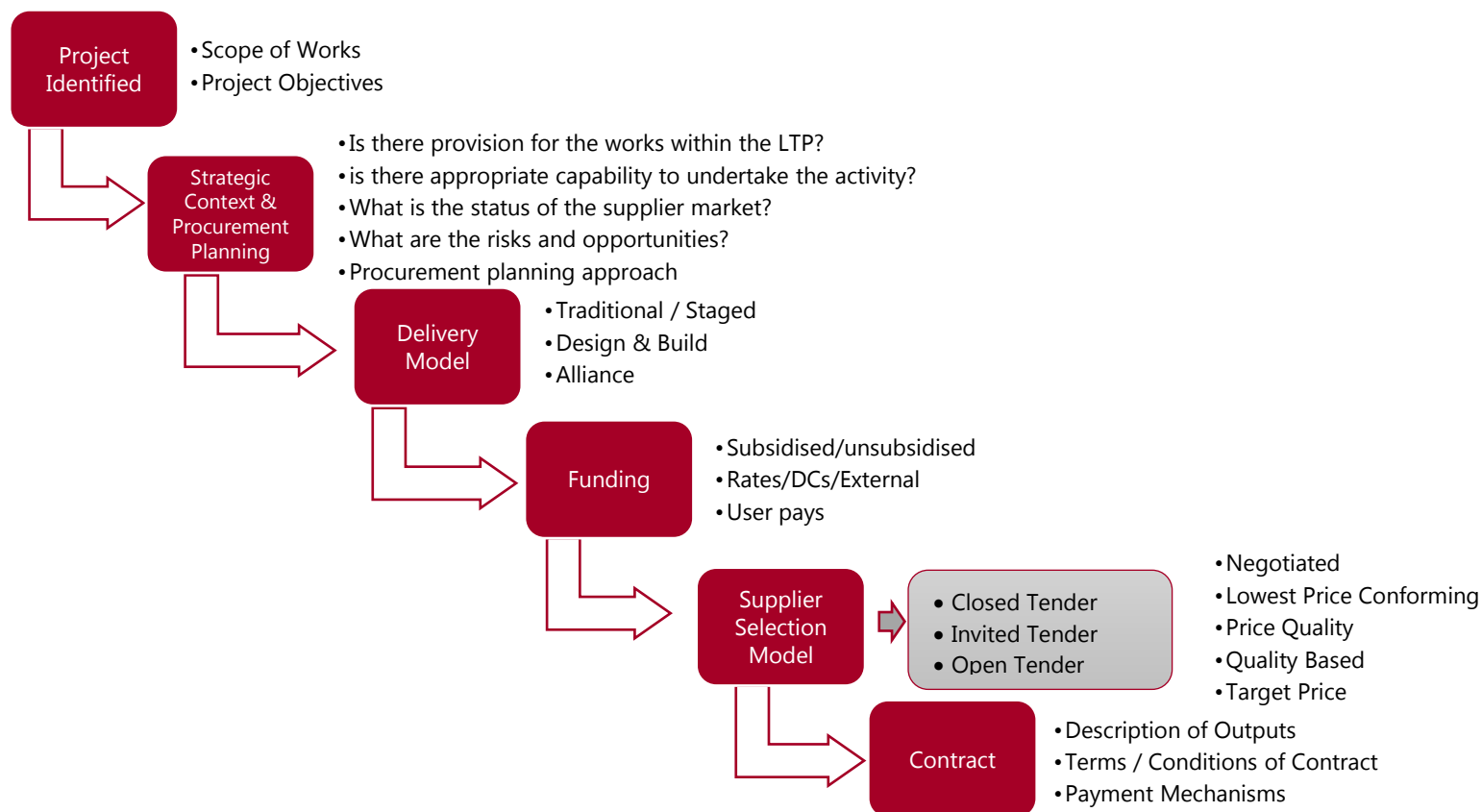


Figure 2: General Stages of Procurement

3.6 Procurement Planning

Prior to the engagement of any supplier of goods or services, and regardless of scale or complexity, some form of procurement planning is required to ensure the best value for money.

The procurement planning process should include, as a minimum:

Table 5: Procurement Planning Process

1. A review of the current contract where applicable:	a. Is it delivering on its objectives? b. Are the appropriate levels of service being met? c. Are the agreed community outcomes being met?
2. Consideration of the Strategic Context:	a. Market circumstances; b. Risks of the proposal; c. Opportunities for innovation; d. Potential to integrate across other activities; e. Capacity and capability of Council officers to manage and deliver the procurement programme;
3. How can delivery be improved?	a. Scope and cost of delivery; b. Potential 'bundling' of works; c. Length of contract; d. Potential for local involvement.
4. Determination of the preferred Format of Contract Delivery – <i>what type of contract will the works / services be delivered under?</i>	
5. Determination of appropriate Selection Procedure – <i>how will the preferred supplier be decided?</i>	

3.7 Maintenance and Operations

Waitomo District Council delivers its maintenance and core renewals activities through a combined Measure & Value and Lump Sum contract model, specifically using the NZS3917 standard contract. This approach is well-suited to the nature of the district's roading network, which is characterised by predictable, low-complexity work requiring consistent delivery standards and cost control.

In 2023, Council completed a competitive procurement process for its Maintenance and Renewals Contract, resulting in the award of a 5+2 year contract to Inframax Construction Ltd. This commenced on 1st July 2024. This structure provides a five-year initial term with a possible renewal period of two years at the Principals discretion, subject to performance and Council's strategic needs. The contract ensures continuity of service while allowing flexibility to adapt to future changes in funding, priorities, or delivery models.

The contract includes provisions for:

- Inspections and programming
- Emergency works/incident response (including call-outs)
- Drainage maintenance and renewals (including catchpit cleaning)
- Sealed pavement maintenance (including the annual pre-seal repair programme)
- Unsealed roads maintenance – metalling, grading, drainage
- Traffic facilities maintenance and renewals (pavement marking, signs, sight rail, barriers etc)
- Structures minor maintenance
- Vegetation control (includes Roadside and Pest Plant Spraying)
- Footpath maintenance and renewals
- Annual network wide resurfacing (including seal designs)

Waitomo District Council is considering a recommendation to extend the standard contract tenure for its land transport maintenance and operations contracts from the current 5+2 year model to a 10-year term (structure to be confirmed).

This proposed shift reflects Council's commitment to:

- Long-term planning and investment certainty for both Council and suppliers.
- Improved asset management outcomes, allowing for better lifecycle planning and delivery.
- Greater market stability, encouraging suppliers to invest in local capability, innovation, and workforce development.
- Alignment with broader outcomes, including sustainability, community engagement, and regional economic development.

For Council, this change supports a more strategic approach to infrastructure delivery—reducing procurement churn, fostering stronger partnerships, and enabling more consistent service levels across the district. For NZTA, the extended tenure aligns with national procurement principles that promote whole-of-life value, efficient delivery, and market development, while maintaining flexibility through appropriate performance management and contract structuring.

Council will work collaboratively with NZTA and stakeholders to confirm the optimal structure of the 10-year term, ensuring it remains fit-for-purpose, performance-driven, and responsive to change.

3.8 Street Light Maintenance and Renewals

Street Light Maintenance and Renewals within the Waitomo District Council are currently delivered under contract by Horizons, with the existing arrangement due for re-tendering in 2026. These services are considered part of the broader asset management strategy but are procured separately from the core Maintenance and Renewals Contract.

Council manages the planning and procurement of street lighting works internally, ensuring alignment with strategic priorities, network safety, and funding availability. The procurement method selected for the next contract cycle will be based on project complexity, risk profile, and market capability, in accordance with the NZ Transport Agency Procurement Manual.

Physical works contracts for street lighting may be competitively tendered using:

- Lowest Price Conforming (LPC): Typically applied to well-defined, low-risk maintenance tasks such as routine bulb replacements or minor pole repairs, where price is the primary differentiator.
- Price Quality Method (PQM): Used for more complex renewals or upgrades involving design, technology integration (e.g., LED conversions, smart lighting systems), or safety-critical installations. PQM allows Council to assess supplier capability, innovation, and delivery methodology alongside price.

Council will review market conditions and stakeholder needs ahead of the 2026 re-tendering to determine the most appropriate procurement approach, ensuring the contract remains fit-for-purpose and responsive to technological advancements and community expectations.

3.9 Capital Works

Capital works outside of the core Maintenance and Renewals Contract are procured separately by Waitomo District Council, with design and procurement processes managed internally. Council undertakes the planning and tendering of these works, ensuring alignment with strategic priorities, network needs, and available funding.

Physical works contracts are competitively tendered using either the Lowest Price Conforming (LPC) method or the Price Quality Method (PQM), depending on the complexity, risk profile, and value of the project:

- LPC is typically used for well-defined, low-risk projects where scope and specifications are clear, and price is the primary differentiator.
- PQM is applied to higher-risk or more complex projects where factors such as methodology, experience, innovation, and team capability are critical to successful delivery.

Council follows the NZ Transport Agency Procurement Manual when selecting the appropriate procurement method, ensuring that all subsidised activities meet national standards for transparency, fairness, and value for money. The choice of procurement method is documented in the procurement plan for each project, with justification based on risk assessment and market capability.

Contracts for capital works are generally based on NZS3910. Council ensures that contract documentation includes clear performance expectations, quality standards, and mechanisms for monitoring and reporting.

3.10 Emergency Works

Emergency works that may arise from natural disasters or events that are of a significant value are not currently allowed for in suppliers contracts or the Council budgets. These works may arise from two main events, severe storm events, and earthquakes.

Depending on size of event and funding approved by NZTA, this will typically either be a public tender (NZS3910, measure and value) or procured through the road maintenance contract for low value projects.

3.11 Local Road Improvements

There is no budget allocated for local road improvements for the period covered by this Procurement Strategy. However, if any local road improvements are undertaken these will be procured using the LPC or PQM as required. Professional services

Operations and Maintenance contract administration, Asset Management, design, project management, and quality assurance are sourced through a mix of internal resources and external consultants. Internal teams such as the Roding Team provide core capability, while external consultants are engaged where specialist expertise or additional capacity is required.

This approach allows Council to maintain control over project outcomes while leveraging market expertise and innovation. It also supports flexibility in delivery, enabling Council to respond to changing priorities and funding conditions while maintaining a strong focus on best value for money and network performance.

The NZTA Procurement manual section 10.9 allows for direct appointment of *'a single willing and able supplier'* where the cost estimate is less than or equal to \$100,000.00. Individual contracts that fall below this threshold may be direct appointed, otherwise professional services above this threshold shall be sourced using the Price Quality Method.

4 Supplier Selection Methods

There is no “one size fits all” approach to procurement and WDC favours a range of methods including:

- Comprehensive long-term contracts for maintenance works which require high levels of capacity, capability and certainty.
- Smaller packages to enable smaller local suppliers to supply services to Council and their community.
- Larger packages for capital projects involving complex design, project management and construction.
- The acknowledgement of the roles of specialists (e.g. Business Case Approach, strategies and studies).
- For all subsidised roading contracts, the NZTA Procurement Manual should be referred to.
- The tender process may, depending on the scale and complexity of the goods or services being purchased, include an initial Registration of Interest (ROI) or Expression of Interest (EOI) phase as a means of establishing more information about the goods or services, the market and the capability of suppliers to satisfy the procurement need.
- It may also be used as a means of selecting a short-list of organisations for the RFT/RFP phase.
- This stage would be followed by a Request for Proposal (RFP) or Request for Tender (RFT).

5 Procurement Plans

In all cases, Procurement Plans should provide a structured method of identifying the most appropriate way to procure services and should consider:

- The best way to approach the procurement of the required services including:
 - how to approach the market and, how to evaluate submissions.
- Risks associated with the procurement of those services so that they can be managed.
- The timeline for procurement of the services and Budget.

6 COLAB

WDC has adopted the Regional Procurement Policy and Framework, that outlines the required processes for all purchases. Procurement thresholds are tabulated below.

Table 6: Procurement Policy Processes and Thresholds

	Regional Procurement Policy and Framework Threshold Levels	
	Preferred Supplier	Non-preferred supplier
Up to \$5k	Purchase order	Purchase order
Under \$20k	One quote	One quote
\$20k - \$50k	One quote	Two quotes
\$50k - \$250k	Approved Procurement Plan & Three quotes or RFx	Approved Procurement Plan & Three quotes or RFx
Over \$250k or high risk	Approved Procurement Plan & Public or Invited RFx	Approved Procurement Plan & Public or Invited RFx
NZTA funded contract	NZTA Procurement Manual (if the standards are higher)	NZTA Procurement Manual (if the standards are higher)

**Notes:*

- If an approved Project Plan or Business Case has been completed which covers the information requires with the Procurement Plan, completing a separate Procurement Plan is not required.
- Where a contract is subject to NZTA subsidy, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by the Council.
- Furthermore, for direct appointments and closed contests for "low dollar value" contracts (as defined by the NZTA Procurement Manual), if the Co-Lab standard exceeds the NZTA Procurement Manual requirements, the higher standard will be applied. The contract cost estimate for direct appointments must comply with the limits in Section 10.9 of the NZTA Procurement Manual.
- The value is the cost over the whole life of the contract, including any renewal periods.
- As per the WLASS Regional Procurement Principles, Policy and framework for Waikato Councils "Preferred Supplier" are *"suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time. This is not a guarantee of work to the supplier."*

7 NZ Transport Agency Waka Kotahi (NZTA) Procurement Manual

For all subsidised roading contracts, the NZTA Procurement Manual provides the following guidance.

- Direct Appointment <\$100,000 (Physical Works and Professional Services).
- Closed Contest <\$200,000 (Physical Works and Professional Services).
- Open Tender >\$400,000

Rule 10.19 of the NZTA Procurement Manual refers to the Qualifications of Proposal Evaluators. For contracts with an estimated value exceeding \$200,000, approved organisations (WDC) must ensure that at least one member of the proposal evaluation team is accredited to the appropriate level, and holds:

- The National Certificate in Civil Engineering – Asset Management (Competitive Pricing Procedures), or
- The National Certificate in Transport Agency Procurement Procedures, or
- The New Zealand Certificate in Infrastructure Procurement Procedures, or
- Holds another relevant qualification approved by NZTA, or
- Is approved by NZTA as a proposal evaluator.

For the delivery of the WDC Land Transport programme, the NZTA Procurement Manual guides the procurement activities. Periodic audits are conducted to ensure compliance with the manual.

Refer to the NZTA Procurement Manual and associated manuals (i.e. SM021) for further guidance on thresholds for procurement.

8 Processing of Late Tenders

Late tender submissions will generally not be accepted. All documentation required as part of a tender must be received in the Tenderlink Portal by the tender closing time.

However, in practice there will on occasion be tenders that are late and the rejection of which would be unreasonable. In accordance with the NZTA Contract Procedures Manual (SM021) a late tender may be accepted where:

- the tender was late due to extreme circumstances or circumstances beyond the control of the tenderer, and
- the additional time would not have allowed the tenderer to materially change their tender, and
- accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time.

Where advice is requested regarding a late tender the Tender Secretary must ensure that this advice is provided in writing and a copy retained on the contract file.

8.1 Procedure for Late Tenders

The procedure to be followed when a late tender is received is tabulated below.

Table 7: Late Tender Submission Procedure (NZTA Contract Procedures Manual (SM021))

STEP	ACTION				
1.	The Tender Secretary must endorse 'late tender received pm ... /... / ...' on the tenderer's email / file and together with a witness initial the endorsement. The email attachment / file should not be downloaded				
2.	Enter the name of the tenderer at the bottom of template Schedule of tenders received and endorse 'late'.				
3.	The Tender Secretary, in consultation with the TET leader, shall determine and note the reason for the tender being received after the closing time.				
4.	The TET leader must make a report/recommendation to the General Manager regarding any late tenders. The General Manager must give approval to consider or reject the tender. Where it is deemed that it was not beyond the control for the tenderer to deliver their tender by closing time, the late tender shall be rejected, and the email / file deleted. The Tender Secretary must attach NZTA SM021 Appendix XVII Template " <i>Notice of late tender</i> " and a copy placed on file.				
5.	The TET leader may decide that a late tender is deemed acceptable, on being subject to the following tests: *Note: <i>To accept a late tender in all cases, there must be proof that the carriage of the tender was beyond the control of the tenderer at tender closing time.</i> <table> <tr> <th><i>If ...</i></th><th><i>then ...</i></th></tr> <tr> <td>the full tender would arrive and be uploaded to the TenderLink box before the tender closing time in the normal course of action and accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time</td><td>with the agreement of the TET leader, accept the late tender and document the reasons for doing so.</td></tr> </table>	<i>If ...</i>	<i>then ...</i>	the full tender would arrive and be uploaded to the TenderLink box before the tender closing time in the normal course of action and accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time	with the agreement of the TET leader, accept the late tender and document the reasons for doing so.
<i>If ...</i>	<i>then ...</i>				
the full tender would arrive and be uploaded to the TenderLink box before the tender closing time in the normal course of action and accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time	with the agreement of the TET leader, accept the late tender and document the reasons for doing so.				

9 Risk Management

Risk management within the procurement planning and implementation process is necessary to drive better procurement outcomes and ultimately better project outcomes relevant to quality, budget and timeliness of delivery. Risk identification needs to take place at each level of procurement from project inception/planning through to contract management.

One of key aspects of procurement planning is identifying the risks and opportunities that differentiate suppliers with respect to quality as well as price (differentiators). Critical to this is not to generate an exhaustive list, but to identify those critical factors that differentiate the potential tenderers on their ability to deliver the project successfully.

For instance, when evaluating key risks associated with the project, ask questions like: What could go wrong? What could cause the project to fail? Examples of aspects that could go wrong include:

- lengthening the programme
- over-extending budget
- endangering people, property or the environment
- negatively impacting stakeholders
- not providing a quality output
- generating adverse social, environmental or economic effects in the longer term
- contributing to long-term erosion of value for money invested?

What these allow the buyer to identify is an understanding of the market, the suppliers, the conditions, they also provide for greater articulation in the RFX of what is expected and what is required.

Ultimately an ideal procurement process is one that is fair and impartial, transparent, fit for purpose and cost efficient.

10 Procurement Issues

WDC has identified several procurement issues which consist of but aren't limited to:

- Limited supplier market
- Challenges with weather and construction windows (e.g. peak period limitations)
- Managing cost escalations

Increasing costs and decreasing budgets may result in assets being maintained at a minimum level of service for extended periods.

11 Performance Measurement

WDC has a number of monitoring systems for performance measurement and reporting.

NZTA audits are also undertaken which include road infrastructure safety assessments, technical and investment audits.

The LTP has the following information in regard to land transport, which are audited by Audit NZ:

- Levels of service statement
- Targets (financial and non-financial)
- Performance measures

12 Delegations

Council has a delegation register which specifies the value of staff, committee and Council expenditure delegations.

No person shall enter into a contract or funding arrangement (including purchasing of goods and services) on behalf of Council unless:

- They have specific delegation to do so;
- The works, goods and / or services are within budget as set out in the LTP / Annual Plan or by formal resolution of Council.

13 Interaction with Other Documentation

This Procurement Strategy is linked to WDC and NZTA's wider planning framework as well as implementation rules and guides including:

- Financial delegations
- NZTA Planning and Investment Knowledge Base
- NZTA Procurement Manual

14 Review and Improvement

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

The following procurement items have been identified as future actions:

- Continued staff development, in particular in the areas of procurement and asset knowledge.
- This Procurement Strategy will be reviewed every 3 years, to enable adoption of the next version 3 years following adoption of this document.
- Continue developing tailored procurement models for each project, using approved methods such as LCP and Price Quality. This includes thorough project and market understanding, and risk and opportunity assessment.
- Exploring the application of artificial intelligence (AI) and other modern digital technologies in the next operational maintenance and professional services contracts.

15 Documentation and Publication

Once this Procurement Strategy has been endorsed by NZTA and adopted by Council it will be uploaded and be accessible through the WDC website.

16 Broader Outcomes

Waitomo District Council views procurement as a strategic tool to deliver not only goods, services, and infrastructure—but also wider benefits for the community, economy, and environment. In line with the New Zealand Government Procurement Rules and the above table, broader outcomes are embedded into procurement planning and decision-making to maximise public value.

The Council's Procurement Policy focuses on four key broader outcomes:

Supporting Local and NZ Businesses

Council ensures fair access to procurement opportunities, encouraging participation from local and regional suppliers to strengthen the district's economy and build capability.

Building Sector Skills and Capacity

Through capital and infrastructure projects, Council supports contractors who invest in workforce development, training, and long-term sector sustainability.

Raising Health, Safety, and Employment Standards

All suppliers must meet high standards for workplace safety and ethical employment. Contracts include monitoring provisions to ensure continuous improvement.

Promoting Environmental Sustainability

Council considers the full lifecycle impact of goods and services, favouring low-emissions, energy-efficient, and waste-reducing solutions where possible.

These outcomes align with Waitomo's commitment to community wellbeing, sustainability, and responsible governance. A supporting Procurement Framework guides staff in applying these principles consistently across planning, evaluation, and contract management.

WDC will ensure that broader outcomes are considered in all procurement activities, and ensure adequate weighting is placed on broader outcome sections of PQM procurement.

17 Endorsement and Review

Subject to the endorsement of NZTA (specific to the land transport activity), this Land Transport Procurement Strategy will be adopted by Council.

Responsibility for the Strategy and its currency primarily lies with the Roding Manager, who is also responsible for the continuity of transportation activities funded from the National Land Transport Fund (NLTF).

Reviews and NZTA endorsement of the Land Transport Procurement Strategy is a requirement for continued NLTF investment and therefore reviews are planned on a triennial basis (following local government elections).