

Wednesday, 27 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Infrastructure Delivery Subcommittee Meeting

Kaupapataka

Attachments Under Separate Cover

Te Rā Hui:
Meeting date: **Wednesday, 27 May 2026**

Te Wā:
Time: **9.00am**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

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4.	ENDORSEMENT OF TRANSPORT PROCUREMENT STRATEGY 2026 - 2029	
	Attachment 1: Transport - Roads General (See notes) - DRAFT - Transport Procurement Strategy 2026 - 2029	3



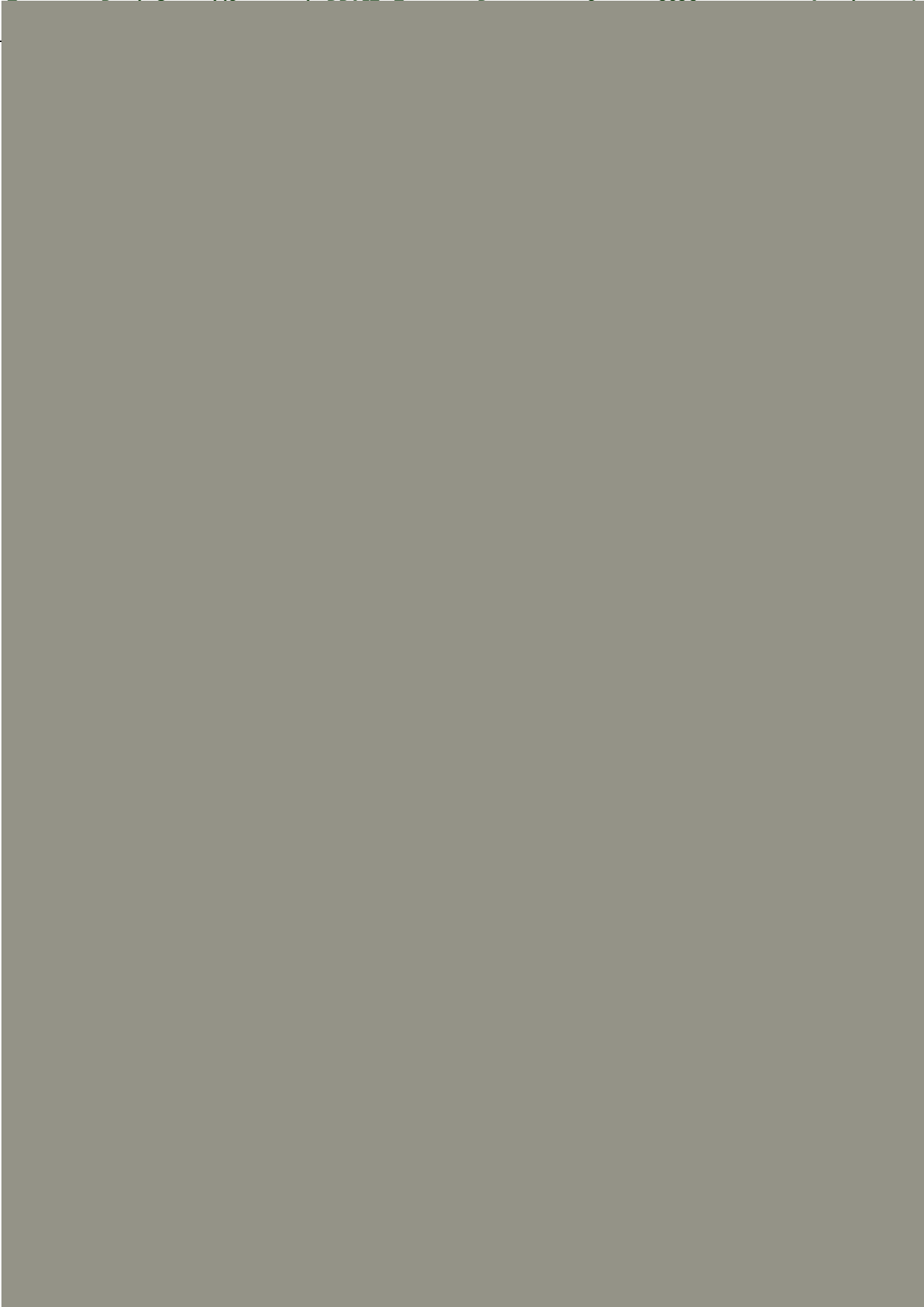
TE RAUTAKI HOKOHOKO
WAKA A TE KAUNIHERA Ā
ROHE O HERETAUNGA

HASTINGS DISTRICT COUNCIL
TRANSPORT PROCUREMENT
STRATEGY 2026-2029

May 2026



Item 4



Item 4

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1. WHAKARĀPOPOTOTANGA MATUA

EXECUTIVE SUMMARY

This strategy sets out Te Kaunihera ā-Rohe o Heretaunga – Hastings District Council's (Council) approach to the procurement of land transport activities for the 2026–2029 period, ensuring compliance with the [Land Transport Management Act 2003](#), the latest Waka Kotahi - New Zealand Transport Agency (NZTA) [Procurement Manual](#), and the [Government Procurement Rules 5th Edition \(2025\)](#).

The strategy has been formally endorsed by Hastings District Council and meets all statutory and Waka Kotahi - NZTA requirements. It applies to all transport-related procurement undertaken by Council, including but not limited to all Waka Kotahi - NZTA funded activities.

2. TIROHANGA WHĀNUI

OVERVIEW

Heretaunga Hastings encompasses urban centres, rural communities and productive land across Hawke's Bay, with a population of around 88,000. The transport network of approximately 1,646km of local roads is essential for facilitating access and supporting economic and social activity. The district's geography exposes it to weather-related risks, including flooding, storm events and periodic droughts.

Council's transport procurement follows national rules and funding requirements, with Section 17a reviews under the Local Government Act 2002 ensuring service delivery and procurement arrangements remain efficient and fit for purpose. Events such as Cyclone Gabrielle in 2023 have highlighted the need for robust infrastructure and flexible procurement to maintain network connectivity under extreme conditions.

3. TE ĀHUA O NĀIANEI

CURRENT LANDSCAPE

3.1 Organisational intent, objectives, priorities

Council is committed to shaping a thriving, resilient, and sustainable district. Guided by the Long-Term Plan, Annual Plan, and Infrastructure Strategy (refer to Figure 1), this transport procurement strategy supports the delivery of infrastructure and services that connect communities, foster economic growth, and enhance environmental and social wellbeing. The strategy is grounded in Council's organisational values (refer to Figure 2) - *Te Whakaaweawe (Making a Difference)*, *Te Mahi Tahi (Working Together)*, *Oranga Tangata (Supporting Wellbeing)*, and *Mana Tangata (Respecting Others)*. They are intentionally woven throughout the strategy to ensure procurement practices reflect Council's commitment to ethical conduct, collaboration, community wellbeing, and respect. Every decision made under this strategy aligns with these values and the organisation's overarching plans, ensuring value, innovation, and compliance while preparing the district for a prosperous and sustainable future.

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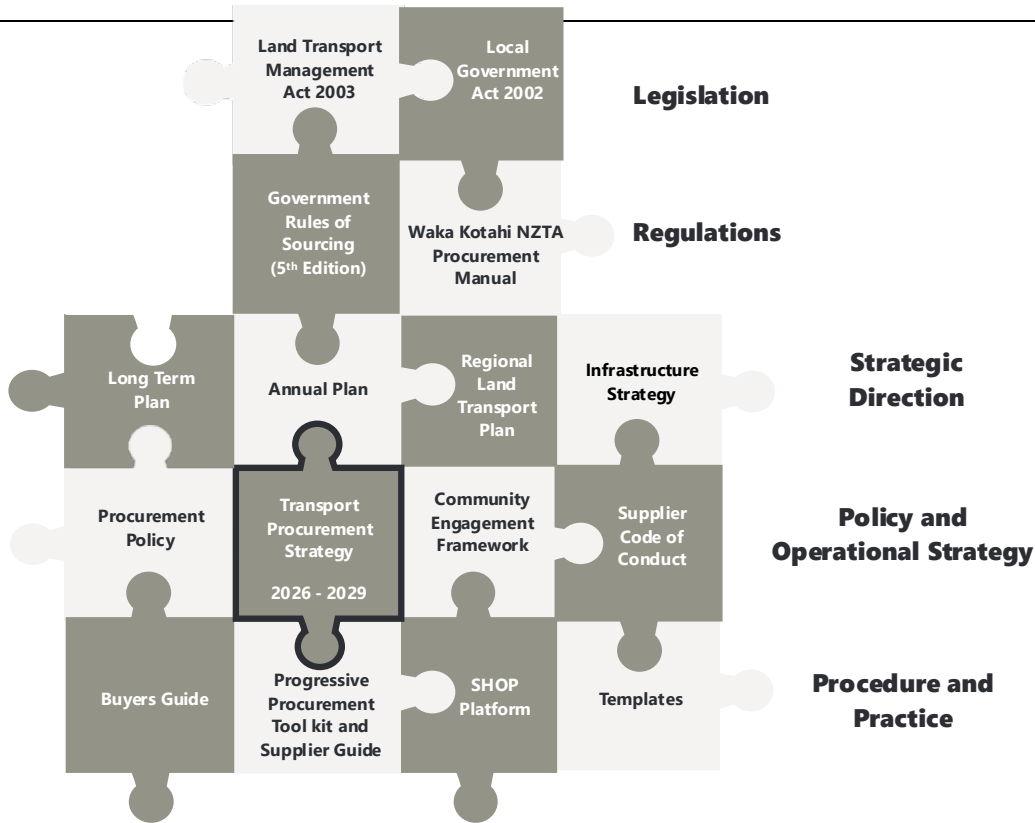


Figure 1: Organisational Governance Framework - From Legislation to Practice

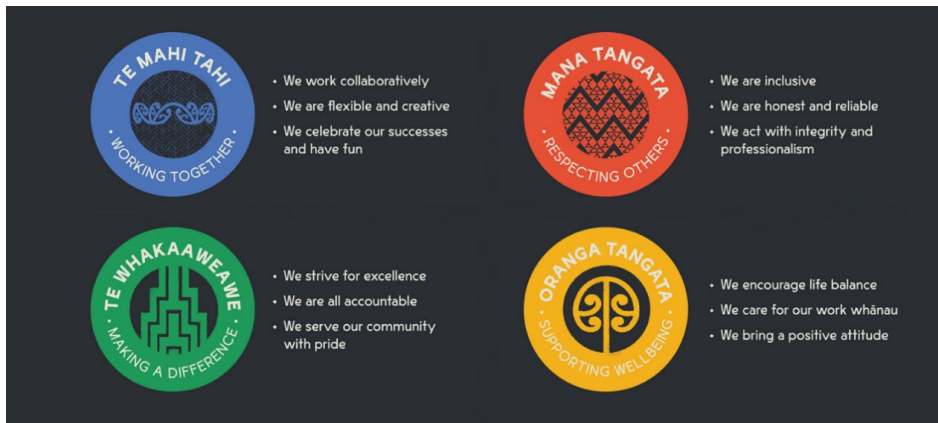


Figure 2: Ō Tatou urara, Council values

3.2 Procurement capability/capacity

Council’s procurement capability is led by a small core function that provides commercial leadership, governance, and assurance. This capability is embedded through procurement policies, guidance, templates, training modules and Council’s procurement platform (SHOP), which supports consistent, compliant practice. Capability has been further strengthened through the appointment of a Strategic Procurement Advisor and Cost Manager for the transport programme. In addition, Council invests in procurement expertise, with staff undertaking NZQA-accredited qualifications and targeted professional development.

3.3 Delivery capability/capacity

Transport programme delivery at Council is supported by a focused team responsible for planning, coordinating, and overseeing projects. A reporting tool is being implemented to provide a single source of truth for programme oversight. Recent appointments of Programme Delivery Managers for each category provide clear accountability for delivery, supported by specialist and technical staff. Engineering capability has been strengthened to improve capacity for project scoping and early-stage design. Where additional expertise is required, Council engages external consultants to supplement internal capacity, ensuring complex projects are delivered efficiently and to a high standard.

3.4 Transport expenditure trends

Figure 3 illustrates Council’s actual capital expenditure over recent years, providing a snapshot of investment patterns and priorities across the district.

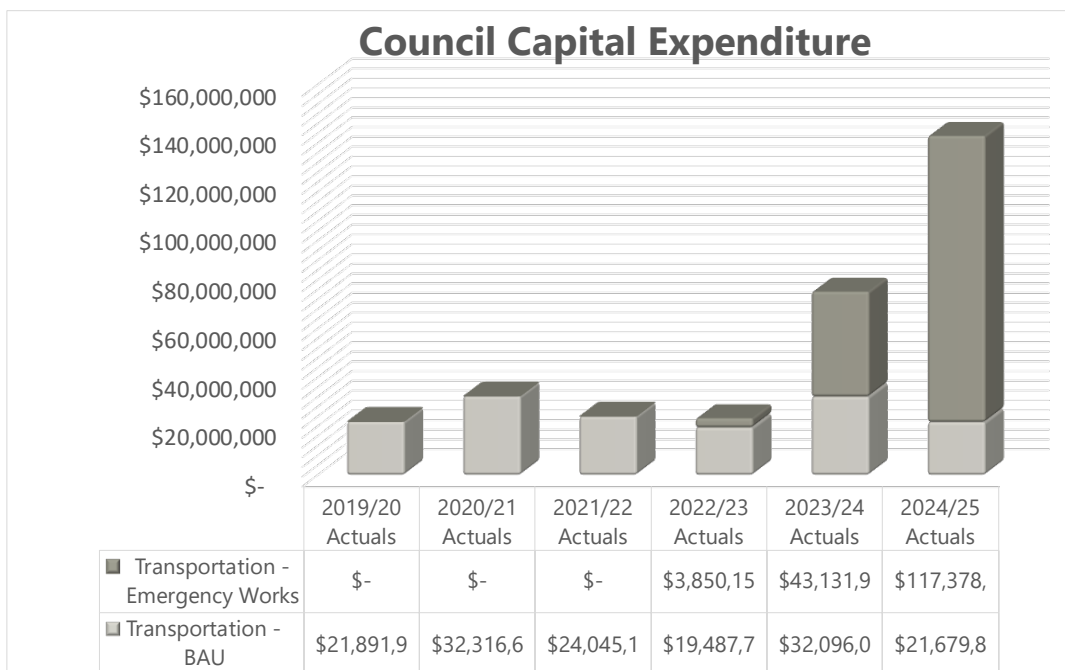


Figure 3: Council Infrastructure Capital Expenditure from 2019/20 to 2024/25 (Actuals)

3.5 Governance, compliance and assurance

The Council maintains clear governance and accountability for transport procurement through documented delegations and approval thresholds set out in the Delegations of Authority Policy, as well as the separation of governance, commercial, and delivery roles.

Probity and conflict-of-interest expectations are embedded in all procurement activity. Staff and evaluators complete conflict-of-interest declarations, and additional probity oversight is applied when value, risk, or complexity requires it. This approach supports consistent, independent, and fair decision-making.

Assurance is provided through established procedures, structured contract and performance management, and consistent retention of procurement records. Decisions — including the use of panels, direct appointments, closed contests, and any approved deviations — are documented to ensure transparency and provide a clear audit trail that meets the expectations of Waka Kotahi - NZTA and Audit New Zealand. Ongoing assurance is supported through regular monitoring, reporting, and periodic review of procurement practices to ensure continuous improvement and alignment with current expectations and best practice.

4. TE ŌHANGA KAITUKU SUPPLIER MARKET

The Hawke’s Bay transport supplier market is appropriately sized and performing well for the Council’s programme. Tender response data - shown in Figure 4 - indicates an average of around four responses per transport procurement (excluding direct engagements and panel allocations), reflecting healthy and sustained competition.

Several factors continue to influence market capacity, including geographic isolation, skill shortages, and demand associated with cyclone recovery works. The recovery effort also attracted additional suppliers into the region, temporarily broadening capacity, while competing priorities from neighbouring councils and central government agencies can still affect availability and pricing. These dynamics require ongoing monitoring to maintain a stable and resilient market.

Overall, this level of competition is considered right-sized: fewer responses can reduce competitive tension, while materially higher numbers may signal over-supply, increased bid costs, or unsustainable pricing. The Council will continue to monitor market behaviour and adjust procurement packaging, timing, and engagement as required. Where appropriate, the Council will collaborate with neighbouring councils and delivery partners to align procurement approaches, share market intelligence, and coordinate workloads to support a sustainable and competitive supplier environment.



Figure 4: Market Responsiveness to Council Transport Procurements (2024–2025)

5. NGĀ WĀHI HAUMITANGA MATUA MAJOR INVESTMENT AREAS

Transport is expected to remain one of Council's largest areas of infrastructure expenditure, with an annual procurement forecast of approximately \$40–45 million, excluding emergency works. This forecast reflects Council's planned and ongoing transport activities and supports medium-term procurement planning over the life of the strategy.

Approval of the Activity Management Plan (AMP) by both Council and Waka Kotahi - NZTA confirms the funding levels and investment priorities that guide the transport programme over the next three years¹. This provides the financial certainty needed to plan procurement activities, align contract structures with forecast workloads, and allocate resources effectively across the network.

Within this approved investment framework, Council's transport programme will focus on maintaining and enhancing the resilience, safety, and functionality of the network. Key priorities include:

- urban and rural road renewals and maintenance
- bridge strengthening and renewals
- walking and cycling infrastructure
- stormwater and drainage maintenance and improvements
- public transport infrastructure (as required)
- emergency works and resilience projects.

Figure 5 presents Council's long-term forecast expenditure for Transport Spend Categories², including emergency works, covering 2025/26 to 2033/34.

¹ The AMP is expected to be approved by June 2027.

² Professional services (investigation, design, and specialist services) are linked to individual contracts, with the associated forecasted budget captured within the relevant spend categories rather than presented separately.

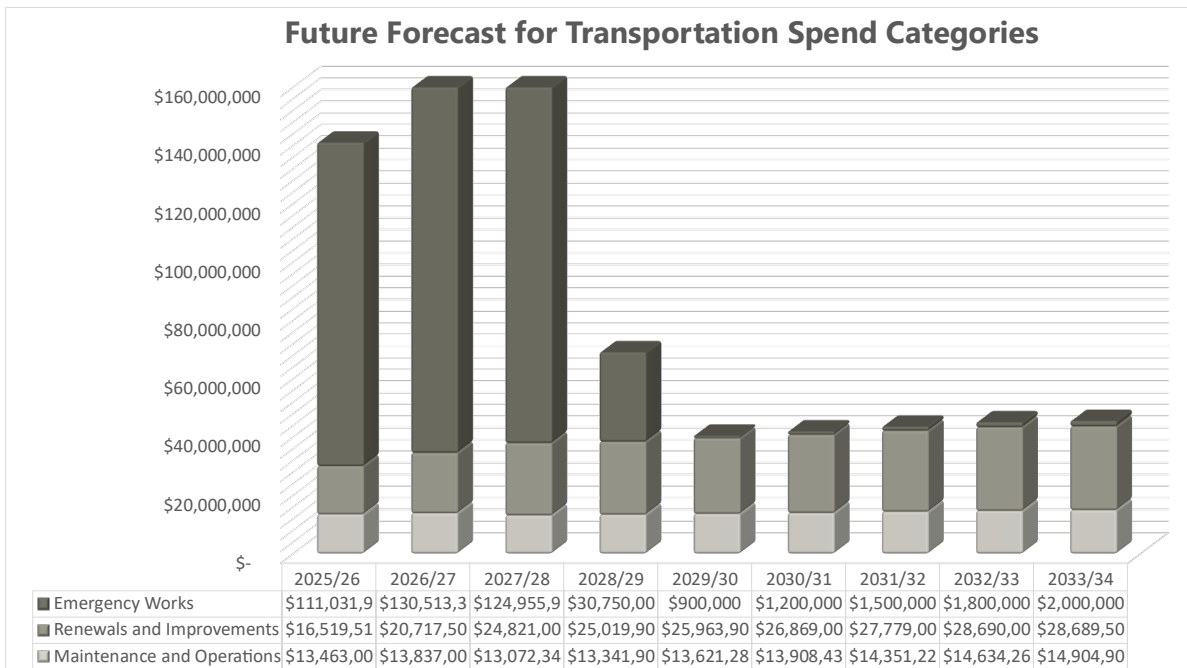


Figure 5: Future forecast for transport spend categories from 2025/26 to 2033/34

Emergency works and resilience projects continue to represent a significant component of the broader transport programme, reflecting the ongoing roading recovery from Cyclone Gabrielle. While forecast expenditure for emergency works reduces over time as shown in Figure 5, these activities are expected to remain relevant during the early years of the strategy period before transitioning to a smaller proportion of overall transport spend. Given the responsive and variable nature of emergency works, and associated funding and approval pathways, this programme is intentionally managed separately from the annual procurement forecast.

Refer to Āpitiwhanga 1: Ngā Mahi Hokohoko ā Mua | Future Procurement Activity for a snapshot of significant procurement activities to be undertaken over the 2026-2029 period.

6. TE ARA RAUTAKI STRATEGIC APPROACH

6.1 Approvals from NZTA – Waka Kotahi

Council has sought and received approval from NZTA - Waka Kotahi for targeted procurement deviations and advanced delivery methods under the procurement manual. These approvals support the efficient delivery of Cyclone Gabrielle recovery activities, recognising the need for accelerated processes, market capacity constraints, and the urgency of reinstating critical transport infrastructure.

To enable rapid delivery of the recovery programme, approval was given on 10 January 2024, to establish a contractor supplier panel for physical services. This panel works in parallel with the

Professional Engineering Consultancy Panel, approved and established in 2021, that delivers services across roading, traffic and transportation and bridge strengthening.

On 25 October 2024, approval was given for a deviation from Procurement Rule 10.9 for a period of seven years (2024–2031), aligning with the planned duration of recovery activity. The thresholds approved under this deviation are tabled below:

Procurement procedure	Physical works	Professional services
Direct appointment	\$500,000	\$250,000
Closed contest	\$1,000,000	\$500,000

On 5 November 2024, Waka Kotahi - NZTA confirmed that this deviation applies to both the Contractor Supplier Panel and relevant pre-qualified contractors (refer to section 6.4).

6.1.1 Local Consultancy Services Panel

Under section 25 of the Land Transport Management Act 2003, Council seeks approval³ from Waka Kotahi - NZTA to establish a Local Consultancy Services Panel to complement the existing Professional Engineering Consultancy Panel, by enabling smaller-scale work to be delivered locally.

This proposed panel is intended as a low-value, strategic procurement mechanism, focused on disaggregated, small to medium consultancy assignments that are well suited to local capability. Most engagements through the panel are expected to be under \$100,000, reflecting its role in supporting smaller-scale work. This value is indicative only and may be exceeded where appropriate, for example where an initial assignment leads to further related work. The approach is designed to streamline procurement for lower-value activity while strengthening local participation.

The panel will be open to all suitably qualified suppliers and will not include location-based eligibility requirements. Consistent with the Government Procurement Rules, “local” participation is defined by the delivery of outcomes commonly associated with local or regional capability, such as responsiveness, understanding of the local operating environment, ability to mobilise quickly, and contribution to regional capability and capacity, rather than by supplier location.

By improving utilisation of capable local providers, reducing spend leaving the district, lowering administrative effort for staff, and broadening the local supplier base, the proposed panel supports Council’s economic, social, and sustainability objectives. Further detail on the panel scope, proposed sub-categories, procurement methodology, and rationale is provided in [Āpitiwhanga 2: Te Tātari Wāhanga | Category Analysis](#).

6.1.2 Non-disclosure of engineer’s estimates

For selected procurements, Council may seek approval from Waka Kotahi – NZTA to use the Price–Quality method without disclosing the engineer’s estimate, in accordance with Procurement Rule 10.5 and the Procurement Manual.

³ Approval of the panel is subject to Waka Kotahi – NZTA endorsement of the associated procurement plan.

Non disclosure may be appropriate in circumstances where preserving competitive tension and avoiding anchoring or signalling effects will support more effective Price–Quality evaluation outcomes, particularly in volatile pricing environments. Where this approach is proposed, Council will prepare a clear rationale and seek approval from Waka Kotahi – NZTA on an individual basis.

Engineer’s estimates will continue to be prepared using a disciplined methodology and will remain central to internal evaluation processes, including supplier quality premium calculations. Council will align its use of non disclosure with evolving procurement guidance, including updates to the Procurement Manual and related guidance on weighted attribute evaluation.

6.1.3 In-house Professional Services

A formal agreement between the Council and Waka Kotahi - NZTA for in house asset management and professional services, applying to business as usual transport activities, took effect on 1 July 2024. This agreement will be extended, or a supplementary agreement established, to include Programme Delivery Office roles as the function matures.

Only services delivered using the Council’s own staff and assets will be included under the in house arrangement. Internal charges will be based on actual, eligible, and auditable costs, with activities clearly identifiable as professional or administrative services relevant to co funded transport programmes. Approved rates will reflect fully allocated costs consistent with Waka Kotahi - NZTA expectations. Where National Infrastructure Funding and Financing (NIFF) funding is sought, written approval will be required before internal staff time can be claimed.

During the 2026–2029 period, the Council will maintain appropriate time tracking and cost allocation processes to support accurate and evidence based funding claims. Assurance or reporting requirements will be confirmed with Waka Kotahi - NZTA as part of the in-house professional services arrangement.

6.2 Economic benefits to New Zealand

In applying [Rule 8 of the Government Procurement Rules](#), the Council will incorporate economic benefit considerations into transport procurements in a manner proportionate to the scale, nature, and risk of the activity.

For procurements valued at \$100,000 or more, economic benefit will be included in the evaluation criteria with a minimum weighting of 10 percent and reflected in contract conditions and post-award monitoring where relevant. Economic benefit considerations may include participation by New Zealand-based suppliers and subcontractors, development of local workforce capability, opportunities for Māori and local business involvement, and retaining economic value within the Hawke’s Bay region.

6.3 Categorisation and bundling

Spend categorisation and contract bundling are essential to delivering value for money, strong governance, and efficient transport outcomes in Hawke’s Bay. Categorising spend gives Council clear visibility of expenditure, highlights duplication or fragmented contracts, and supports evidence-based decision-making. Bundling within transport services can create economies of scale, improve commercial terms, and provide greater consistency in service delivery, while also reducing the administrative burden of managing multiple low-value, short-term contracts.

Each category has its own strategy based on the supplier market, complexity, and risk involved. When determining Council's approach, factors such as avoiding over-bundling, recognising when specialist services are better sourced separately, and creating opportunities for local small- to medium-sized businesses were considered. These practices enable more planned, outcome-focused procurement, secure Public Value, and maximise the impact of limited resources while supporting reliable, sustainable transport services.

Refer to [Āpitihangā 2: Te Tātari Wāhanga | Category Analysis](#) for a breakdown of Council categories, rationale regarding aggregation/division, our procurement procedures (including delivery model and approach to market) and contract terms/management.

6.4 Pre-qualification system

Pre-qualification is used to ensure suppliers engaged on transport works have the appropriate capability, capacity, and systems in place before contracts are awarded. It helps manage delivery risk, streamline tender processes, and support consistent performance across the programme of works. Applications for pre-qualification are welcomed from suppliers at any time, supporting an open and competitive market while maintaining fair and transparent procurement practices. To ensure Council is utilising pre-qualification requirements correctly, guidance is being developed for staff. For more information, refer to the Council's [website](#).

6.5 Community engagement

Council's approach is underpinned by its core values and the Community Engagement Framework, ensuring engagement is purposeful, accessible, and centred on the community. This commitment to *Te Whakaaweawe – Making a Difference* is reflected in clear, plain-language communication and a focus on meeting people where they are. Residents receive information that is easy to understand, along with opportunities to engage with planned transport projects.

To keep communities well informed throughout each project, Council uses a variety of communication channels. Community meetings—attended by staff, suppliers, and project managers—demonstrate *Te Mahi Tahī – Working Together* by encouraging open dialogue and incorporating local knowledge into project planning. Advance notifications to households' support *Oranga Tangata – Supporting Wellbeing* by helping residents prepare for temporary disruptions and reducing uncertainty. Across all engagement activities, Council upholds *Mana Tangata – Respecting Others* through transparent, considerate communication and by delivering outcomes that are practical, high-quality, and responsive to community needs.

6.6 Mana whenua partnerships

Genuine partnerships are integral to the delivery of projects in Heretaunga Hastings and inform procurement and delivery decisions. Council partners with Mana Whenua entities, recognising their role within their takiwā (area of interest). The transport procurement strategy reflects Te Tiriti o Waitangi, The Treaty of Waitangi commitments. Partnering with Mana Whenua is initiated at project inception and, where appropriate, continued through planning, design, delivery, and review so insights from Mana Whenua are meaningfully considered to inform decisions.

Council-Mana Whenua partnerships are underpinned by:

- Te Aranga Cultural Landscape Strategy and Co-design Principles
- Te Hā o Waiaroha *The Waiaroha Way* Environmental Principles
- Heretaunga Ararau Te Reo Māori Policy and Action Plan.

Council acknowledges the importance of direct engagement with Mana Whenua groups within their respective takiwā (Area of Interest) when procuring cultural services. Council's transport procurement strategy/approach supports kaupapa Māori cultural awareness and integrates Mana Whenua perspectives adding value across all projects. Examples include, but not limited to:

- operationalising Te Aranga Co-design Principles into projects
- undertaking appropriate Cultural Impact or Values Assessments and incorporating recommendations into projects
- supporting contractors/suppliers (where appropriate schools and community) to attend Cultural Training/Induction, understanding of local history, cultural & ecological significance and outlining accidental discovery protocols
- supporting active Cultural Monitors onsite during construction delivery
- integration of appropriate toi (art & design), pou (marker post, pillar), tikanga (practises), karakia (chants to support spiritually safe working environments), te reo Māori (Māori language), ingoa (names) and/or pūrakau (local narratives), and
- when appropriate support Mana Whenua procurement opportunities (i.e. riparian planting projects).

6.7 Supplier relationships and contract management

Council's approach to supplier relationships supports consistent, high-quality delivery and reflects the realities of the regional operating environment. Council values its supplier relationships and will continue to strengthen them through clearer communication, including newsletters, forward looking pipeline information, and opportunities for early contractor involvement to support better planning and coordination.

Robust contract management is essential to achieving reliable, safe, and cost-effective outcomes. Council applies a structured, proactive approach to monitoring performance, managing risk, and ensuring value for money across all transport contracts. As part of this, Council uses Waka Kotahi - NZTA's Performance Assessment by Coordinated Evaluation (PACE) system to assess contractor performance. PACE scores provide a consistent and transparent measure of delivery, safety, quality, collaboration, and capability. These scores are used to guide contract management discussions, identify areas for improvement, and inform future procurement decisions, ensuring that supplier performance is directly linked to ongoing opportunities.

Council is committed to ethical, responsible, and sustainable procurement, supported by a new Supplier Code of Conduct that sets expectations for ethical behaviour, social responsibility, environmental stewardship, and professional conduct. Alongside these initiatives, Council will continue to refine its procurement approach through lessons learned, stakeholder feedback, and post-project reviews, ensuring supplier relationships remain constructive, performance-focused, and aligned with best practice.

6.8 Contract terms

Recent Maintenance and Operations contracts have been procured using an initial contract term with multiple rights of renewal. This approach reflected standard practice and recognised the benefits of balancing market participation with continuity of service delivery. While these contract structures supported flexibility and avoided long-term market lock-in, experience has shown that contracts were often renewed in practice, providing limited additional competition while reducing certainty for suppliers.

During the term of this strategy (2026–2029), Council intends to challenge this conventional approach for new procurement opportunities. For example, future arrangements such as the Local Consultancy Services Panel will consider alternative contract structures, including longer-term contracts or clearer long-term signals to the market, where appropriate. This reflects a shift toward enabling supplier investment in capability, people, and assets, and achieving improved whole-of-life value and more sustainable transport outcomes.

ĀPITIHANGA 1: NGĀ MAHI HOKOHOKO KEI TUA APPENDIX 1: FUTURE PROCUREMENT ACTIVITY

The following table provides a snapshot of significant upcoming procurements. It is not a complete list, and remains subject to funding approval, as the Asset Management Plan 2027 is still under development.

Estimated contract values are presented as ranges to avoid influencing supplier pricing, support fair competition, and help achieve value for money. Procurement approaches may be updated or amended as needed to respond to unforeseen circumstances or changes in community needs.

Contract description	Estimated contract value ⁴	Estimated contract start date	Procurement approaches ⁵	Estimated Contract term
Ellis Wallace Road Slip Repairs	\$1,250,000 - \$1,500,000	1 Jul 2026	Secondary Procurement (Contractor Supplier Panel)	6 months
Ridgemount Road Slip Repairs	\$1,250,000 - \$1,500,000	1 Jul 2026	Secondary Procurement (Contractor Supplier Panel)	6 months
Waipunga Road Bridge and Slip Repairs	\$1,250,000 - \$1,300,000	1 Jul 2026	Secondary Procurement (Contractor Supplier Panel)	6 months
Heays Access Road – Slip Repairs	\$2,750,000 - \$3,000,000	1 Jul 2026	Secondary Procurement (Contractor Supplier Panel)	6 months
Urban and Heretaunga Plains Pavement Corridor Management ⁶	\$45,000,000 - \$45,250,000	1 Jul 2026	Open competitive process	5 years, with two extensions available (+3+2)
Rural Pavement and Corridor Management ⁷	\$64,500,000 - \$65,000,000	1 Jul 2026	Open competitive process	5 years, with two extensions available (+3+2)
Street Light and Traffic Signal Maintenance	\$2,750,000 - \$3,000,000	1 Jul 2026	Open competitive process	5 years with two extensions available (+3+2)
Whanawhana Bridge Replacement	\$4,500,000 - \$5,000,000	1 Sep 2026	Open competitive process	10 months
Salisbury Culvert	\$500,000 - \$1,000,000	1 Sep 2026	Secondary Procurement (Contractor Supplier Panel)	4 months
Double Culvert Repair	\$500,000 - \$750,000	1 Sep 2026	Secondary Procurement (Contractor Supplier Panel)	5 months
Mangatutu Bridge Replacement	\$4,500,000 - \$5,000,000	1 Sep 2026	Open competitive process	1 year

⁴ Estimated contract values reflect the initial contract term only and exclude any rights of renewal.

⁵ Openly advertised procurements using pre-qualification are classified as open competitive processes; only non-advertised invitations to selected pre-qualified suppliers are treated as closed competitive processes.



⁶ This procurement is now in the tender recommendation stage.

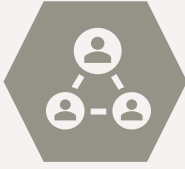
⁷ This procurement is now in the tender recommendation stage.


Contract description	Estimated contract value ⁴	Estimated contract start date	Procurement approaches ⁵	Estimated Contract term
Waipunga Road Package ⁸	\$3,500,000 - \$4,000,000	20 Sep 2026	Secondary Procurement (Contractor Supplier Panel)	6 months
Puketitiri Road AWPT (RP 18.608 – 19.66) site 3	\$1,000,000 - \$1,250,000	1 Oct 2026	Secondary Procurement (Contractor Supplier Panel)	2.5 months
Puketitiri Road AWPT (RP 21.086 – 22.163) site 4	\$1,000,000 - \$1,250,000	1 Oct 2026	Secondary Procurement (Contractor Supplier Panel)	2.5 months
Havelock Road AWPT	\$1,250,000 - \$1,500,000	1 Oct 2026	Open competitive process	4 months
Hendley Road Culvert	\$2,000,000 - \$2,500,000	10 Oct 2026	Open competitive process	6 months
Moeangiangi Bridge Replacement	\$3,500,000 - \$4,000,000	1 Nov 2026	Open competitive process	11 months
Follies Bridge Replacement	\$4,500,000 - \$5,000,000	1 Jan 2027	Open competitive process	8 months
Ellis Wallace Bridge Replacement	\$7,500,000 - \$8,000,000	1 Jan 2027	Open competitive process	1 year
Redclyffe Bridge Replacement	\$50,000,000 - \$60,000,000	2027 - 2028	Open competitive process	To be confirmed (TBC)
Brookfields Bridge Replacement	\$40,000,000 - \$50,000,000	2027 - 2028	Open competitive process	TBC
Local Consultant Panel - supplement to wider professional services panel	N/A	TBC	Open competitive process	3 years

⁸ This package of work may be separated into smaller portions to ensure all panel members have adequate work.

ĀPITI HANGA 2: TE TĀTARI WĀHANGA APPENDIX 2: CATEGORY ANALYSIS

	Aggregation/division	Current Contracts	Future procurements	Procurement approach	Contract management	Alignment to Council organisational values
 <p>Maintenance and Operations</p> <p>Core network, drainage, pavements, resurfacing, streetlights / poles and traffic services</p>	<p>The Maintenance and Operations programme could be split into smaller packages to create opportunities for local suppliers; however, previous attempts resulted in incomplete asset data, loss of critical information, and reduced transparency around payments. An aggregated contract provides consistent data capture, full cost visibility, and clear auditability. This approach enables local participation through subcontracting, allowing smaller suppliers to contribute within a single, integrated delivery model.</p> <p>Road marking services are now being incorporated into the larger contracts - although split across rural, urban, and plains areas - to support fully integrated delivery. This approach ensures activities are properly sequenced (for example, avoiding marking before resealing) and enables more accurate recording of asset condition. It also allows programming to be driven by performance needs rather than a fixed cycle, improving efficiency and service quality.</p>	<p>Urban and plains pavement corridor management:</p> <ul style="list-style-type: none"> - Downers NZ - June 2018 - 5 years (+2+1) - \$26,927,340 <p>Rural pavement and corridor management:</p> <ul style="list-style-type: none"> - Fulton Hogan - June 2018 - 5 years (+2+1) - \$32,094,425 <p>Road marking:</p> <ul style="list-style-type: none"> - Roadrunner Markers - July 2018 - 4 years (+1+3) - \$1,268,305 <p>Street lighting / Traffic signals:</p> <ul style="list-style-type: none"> - Pope Electrical Ltd - July 2018 - 4 years (+1+3) - \$2,631,000 	<p>The following procurements are in the sourcing stage during the development of this strategy:</p> <p>Urban and Heretaunga plains pavement corridor management:</p> <ul style="list-style-type: none"> - 5 years (+3+2) - \$45,000,000 - \$45,250,000 <p>Rural pavement and corridor management:</p> <ul style="list-style-type: none"> - 5 years (+3+2) - \$64,500,000 - \$65,000,000 <p>Street lighting / Traffic signals:</p> <ul style="list-style-type: none"> - 5 years (+3+2) - \$2,750,000 - \$3,000,000 	<p>Council is using an open competitive tender, consistent with the Buyers Guide and appropriate for a high-value contract.</p> <p>A multi-stage procurement is not necessary, as likely bidders are well known, and the contract sets a high capability threshold.</p> <p>A Price–Quality evaluation is being utilised, and the open tender format helps attract out-of-region suppliers.</p> <p>A Measure and Value (Traditional) contract is preferred for its flexibility, while performance-based models were discounted due to their inflexibility and the disproportionate risk they place on contractors.</p> <p>The economic benefit criteria was weighted 10% for the Urban and Heretaunga plains pavement corridor management procurements. Contractors were encouraged to demonstrate innovation, sustainability, and employment outcomes in their submissions. For example, the use of local suppliers, and supporting regional economic resilience.</p>	<p>The Maintenance & Operations contract will be established as a long-term agreement with options for renewal, subject to performance and funding.</p> <p>Contract management will focus on consistent delivery, accurate asset data capture, and transparent cost reporting. Performance expectations will be monitored through regular reviews covering responsiveness, quality, health and safety, and data integrity.</p> <p>Council will maintain an active partnership with the contractor to support continuous improvement and ensure accountability throughout the life of this high-value contract.</p>	<p>Te Mahi Tahī (Working Together): A long-term partnership model supports coordinated planning, consistent delivery, and strong day-to-day collaboration.</p> <p>Mana Tangata (Respecting Others): Clear expectations, transparent performance monitoring, and fair engagement with contractors reinforce respectful, professional relationships.</p> <p>Te Whakaaweawe (Making a Difference): Reliable maintenance and accurate asset data help ensure essential services remain safe, functional, and responsive to community needs.</p> <p>Oranga Tangata (Supporting Wellbeing): Strong health and safety performance, rapid issue resolution, and high-quality asset care contribute to community wellbeing.</p>
 <p>Renewals and Improvements</p> <p>Project based works</p>	<p>Renewals and Improvements can be packaged in different ways depending on the size, complexity, and risk of each activity. Using activity-based packages provides flexibility and allows Council to tailor procurement to the specific needs of each project. However, single larger contracts can also be advantageous, offering opportunities for volume discounts, reduced administrative effort, and stronger negotiation leverage with suppliers.</p> <p>Routine renewal and improvement activities are delivered through the existing maintenance and operations contracts (for example, resurfacing). This combined approach provides flexibility—enabling Council to use established contract models while still procuring separate works or services when appropriate. It supports competitive pricing, fair market access, and the ability to align procurement with the scope and delivery demands of each activity.</p>	<p>Contracts in this spend category are delivered as project-specific engagements that conclude once each project is completed. As such, no significant contracts span the full 2026–2029 period – other than the maintenance and operations contracts (listed in the spend category above).</p>	<p>Future procurement activity related to renewals and improvements will be guided by priorities identified in the Asset Management Plan 2027, currently under development.</p>	<p>Renewals and Improvements will be procured through open competitive tendering. Evaluation methodologies will be selected to suit the scale, complexity, and risk of each package, (including Price–Quality assessments and Lowest Confirming Price).</p> <p>Delivery methods will also be tailored to each project, with traditional Measure and Value or lump-sum models preferred for their flexibility and clear risk allocation. Staged delivery may be used where sequencing work overtime better aligns with funding availability, programme priorities, or seasonal constraints.</p>	<p>Contract terms will be short- to medium-duration, aligned to the scope and timing of each project. Contract management will emphasise quality delivery, accurate asset data capture, and transparent cost reporting—consistent with Council’s established practices.</p> <p>Performance will be monitored through regular reviews covering safety, workmanship, responsiveness, and programme management. Council will maintain active oversight to ensure contractors meet required standards and that completed improvements integrate effectively with the wider network.</p>	<p>Te Mahi Tahī (Working Together): Project-based delivery supports clear collaboration with suppliers on defined scopes of work.</p> <p>Mana Tangata (Respecting Others): Transparent procurement and fit-for-purpose evaluation methods ensure fair access for suppliers of all sizes and regions.</p> <p>Te Whakaaweawe (Making a Difference): Well-executed renewal and improvement projects enhance network performance and deliver visible community benefits.</p> <p>Oranga Tangata (Supporting Wellbeing): Safe work practices and reliable asset upgrades strengthen community safety and resilience.</p>

	Aggregation/division	Current Contracts	Future procurements	Procurement approach	Contract management	Alignment to Council organisational values
 <p>Professional Services</p> <p>Investigation, design and specialist services</p>	<p>Council uses a hybrid approach for professional services. The Professional Engineering Consultancy Panel operates on a three-year term with two optional three-year extensions and is currently in its second term.</p> <p>Although originally intended to achieve a 70/30 spend split between panel and external procurement, the panel is now used almost exclusively due to ease of process and reduced staff workload. This reliance has increased out-of-region spend, limited local economic benefits, and constrained opportunities for smaller local suppliers. To address this, Council intends to establish a Local Consultancy Services Panel to enable disaggregation of smaller work packages, support local capability, and help move toward the original spend balance.</p>	<p>Professional Engineering Consultancy Panel:</p> <ul style="list-style-type: none"> - Stantec, GHD and WSP - July 2022 - 3 years (+3+3) <p>The panel supports delivery of design, technical advisory, and project management services across the transport programme.</p>	<p>Council is currently reviewing the future approach to the Professional Engineering Consultancy Panel. Subject to confirmation, it is likely that a shorter extension will be applied rather than activating the final renewal option. This will allow Council to reassess service demand as emergency and cyclone recovery activity reduces and to consider impacts associated with the establishment of the new Local Waters Done Well entity, ensuring continuity of service supply during transition.</p> <p>Council will establish a Local Consultancy Services Panel to increase local participation and enable smaller, lower risk packages to be procured separately.</p> <p>In addition, four new professional services contracts are being developed for asset management and information system services, covering:</p> <ul style="list-style-type: none"> • Transportation, parks, and buildings asset information systems (AMIS / AWM) • Asset valuations • Short duration automatic traffic count surveys • Bridge inspections and technical advisory services <p>The scope and procurement approach for these contracts are currently being finalised.</p>	<p>The current Professional Engineering Consultancy Panel was established through an open, competitive process. High-value work is sourced via mini-competitions, while routine tasks are directly allocated using pre-agreed rates. This model streamlines procurement, provides consistency, and enables early involvement. It also strengthens long-term supplier relationships that add value across the programme.</p> <p>To establish the Local Consultancy Services Panel, Council will use an open Request for Tender with a Price Quality Method, including evaluation criteria relating to local economic benefits. Attribute-focused weighting will ensure strong capability, while a price component will support value for money.</p> <p>This open approach maximises participation and ensures all local suppliers have the opportunity to be considered. Up to three suppliers will be appointed per discipline, with each discipline assessed separately. Suppliers may apply for multiple disciplines but must demonstrate capability for each.</p>	<p>The Professional Engineering Consultancy Panel operates under a medium-term contract with options for renewal. Before extending the panel, Council considers market health, emerging supplier capability, and consultant performance. Consistent contract terms and quarterly performance reviews support effective oversight. To support seamless delivery, Council often engages the same consultant for both design and project management, enabling continuity, clearer accountability, and stronger relationships throughout the project lifecycle.</p> <p>For the new Local Consultancy Services Panel, contract management will align with the requirements of Rule 22 (Panel of Suppliers) of the New Zealand Government Procurement Rules. The panel will operate as a closed panel for the duration of its term. Council will develop a contract management plan and appoint a Panel Manager to oversee performance, compliance, and supplier engagement. A Panel Guide will be developed and provided to all appointed suppliers to outline expectations, processes, and performance standards.</p>	<p>Te Mahi Tahī (Working Together): Ongoing collaboration and continuity across design and project management roles.</p> <p>Mana Tangata (Respecting Others): Fair and transparent procurement achieved through open tendering, consistent terms, clear allocation processes, and opportunities for local suppliers to participate.</p> <p>Te Whakaaweawe (Making a Difference): Efficient procurement models - including pre-agreed rates, structured contract management, and local participation - that support timely, high-quality project outcomes and greater regional impact.</p> <p>Oranga Tangata (Supporting Wellbeing): Regular performance reviews and strengthened supplier relationships that ensure safe, reliable outcomes.</p>

	Aggregation/division	Current Contracts	Future procurements	Procurement approach	Contract management	Alignment to Council organisational values
 Emergency Works Cyclone recovery and resilience events	<p>An aggregated approach is preferred for Emergency Works, particularly for large-scale events such as cyclone recovery. Pre-established contractual arrangements improve spend visibility, reduce reliance on reactive and high-cost procurement, and enable faster, more controlled responses.</p> <p>Works are bundled by geography—such as Taihape Road, Glengarry, and other defined catchments—to support efficient mobilisation and clearer accountability. While the panel structure provides a strong foundation for rapid delivery, additional works can still be procured outside the panel when specialist capability or extra capacity is required.</p> <p>Where an immediate issue arises—for example, damage to an existing road—Council engages its maintenance and operations contractors to provide the initial response. These contractors can mobilise quickly for emergency works and may also undertake selected recovery activities as required.</p>	<p>Contractor Supplier Panel</p> <ul style="list-style-type: none"> - <i>Hicks Bros Civil Construction, Downer NZ, Tūpore Infrastructure, and TW Civil and Infrastructure</i> - <i>July 2023</i> - <i>3 years (+2)</i> <p>The panel is performing well, with strong supplier relationships, no significant allocation complaints, and delivery meeting Council expectations. Two out-of-region suppliers exceed the 30% local subcontracting requirement, supporting regional capability.</p> <p>Maintenance and Operations Contracts</p> <p>Provide rapid mobilisation for initial emergency and cyclone response, and support selected recovery works where appropriate.</p>	<p>Emergency and cyclone related recovery works will be delivered through both the Contractor Supplier Panel and open competitive procurement, depending on project scale, risk, complexity, and value.</p> <p>The panel will remain the primary mechanism for emergency and recovery works, while significant bridge construction and replacement projects (2026–2029) may be procured through open tender where scale or risk warrants broader market engagement.</p>	<p>Council has an established panel of four contractors that was put in place via an open competitive tender process.</p> <p>The panel operates through multiple Separable Portions, allowing physical works packages to be awarded and delivered independently as the programme progresses.</p> <p>Packages are allocated through a mix of closed contest and direct appointment, with the level of effort required to quote scaled to the size and complexity of each project. Similar work types or locations may be bundled where this improves efficiency, while still balancing programme and workflow constraints. This approach maintains flexibility, supports timely delivery, and ensures procurement effort remains proportionate to project scale.</p>	<p>The panel operates under a three-year plus two-year review structure, with supplier involvement determined by the Separable Portions they are allocated rather than a fixed contract period. The allocation-based approach supports strong, collaborative relationships by providing suppliers with ongoing opportunities and clear visibility of work.</p> <p>While individual packages vary in size and complexity, Council aims to allocate a broadly comparable overall value of work across the panel.</p> <p>Contractors also work closely with consultants from the professional services panel, supporting integrated design and construction delivery.</p> <p>Performance management is an ongoing focus, with regular monitoring, feedback, and review milestones used to confirm capability, address issues early, and ensure the panel continues to meet Council's expectations.</p>	<p>Te Mahi Tahī (Working Together): Fostering strong, ongoing collaboration between contractors, consultants, and Council.</p> <p>Te Whakaaweawe (Making a Difference): Enabling efficient, flexible delivery that supports rapid community recovery.</p> <p>Mana Tangata (Respecting Others): Allocating work transparently and maintaining fair, professional supplier relationships.</p> <p>Oranga Tangata (Supporting Wellbeing): Ensuring coordinated, high-quality delivery through integrated teams and active performance management.</p>





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