Roading New Zealand

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Auckland Procurement Workshop

"Sector Challenge and Statement of Support"

> By Chris Olsen, Chief Executive 7 November 2013



Overview

- Why share information?
- Challenges to Solve
- Success examples
- Statement of Support
- Questions?





Why Share Information?

The Invisible Hand of the economy produces efficiencies for society to be better off (Adam Smith 1776)

The Invisible Hand relies on market information to inform optimal decisions

Markets cannot function efficiently and productively without information sharing



Auckland's Infrastructure Market – Who Needs to Share?

Horizontal Sharing

- Auckland Council
- Auckland Transport
- WaterCare/Utilities
- NZTA
- Consultant to consultant
- Contractor to contractor
- Planners and engineers
- Regulators and operations



Auckland's Infrastructure Market – Who Needs to Share?

Vertical Sharing

- Client
- Consultant
- Contractor
- Subcontractor
- Supplier





Solve Challenges

RNZ believes this is extremely important for

- Matching supply and demand through having a smooth pipeline of work
- Achieving harmonized procurement with flexibility for specific markets
- Having consistent supplier performance evaluation across clients
- Specifying consistent engineering standards across clients
- Encouraging innovation though alternative tenders and performance based specifications
- Allocating risk appropriately



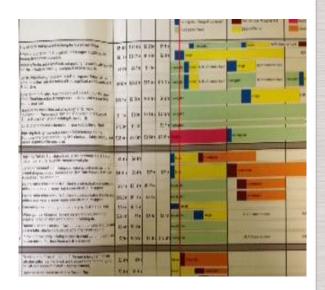
Examples of Success "It is Possible"

Auckland Contracts Group (8 TLAs & Industry)

- Pipeline of works
- Standardized conditions of tendering
- TLA Amendments to NZS 3910
- Standardized health and safety requirements

NZTA (State highways & Industry)

- Smoothed work programmes to enable industry to met demand
- Agreed contract type for each project
- Numerous improvements in procurement/types of contracts
- Numerous improvements in technical standards/specifications





Examples of Success "It is Possible"

Auckland Transport (AT & Industry)

- Setting up maintenance contracts
- Six monthly industry meetings on pipeline and new initiatives

Roading NZ (Contractors and Clients/Stakeholders)

- Strategy to grow contractors to match demand (40% in 2 years)
- Developed up todate best pratice (18 technical committees)
- Lifted health and safety performance (Industry Self Governance)
- Lifting indusry skills (Trades Regime)



Statement of Support

WORKING TOGETHER

RNZ totally supports The Auckland Procurement Workshop Its Outcomes and Way Forward





Questions

- 1. Who needs to share information better to make the sector more efficient?
- 2. What are the 5 top priorities to make the sector more efficient from information sharing?
- 3. What is the best mechanism to make this happen?



Thank you

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