

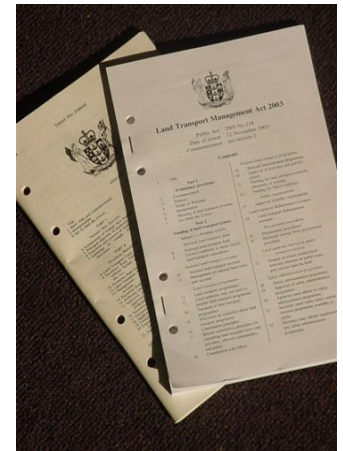
# Transit New Zealand What we Value in Infrastructure

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# Statutory context

## Sustainability focus clear in

- Land Transport Management Act
- New Zealand Transport Strategy
- Resource Management Act; and
- Local Government Act

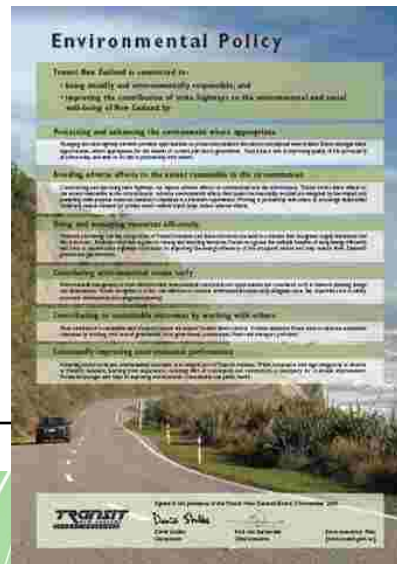


# Statutory Implementation

- Contributions to the 5 New Zealand Transport Strategy objectives codified in the Land Transport Management Act Minister's expectations
- Contributions to the impacts and objectives outlined in the current Government Policy Statement (1<sup>st</sup> GPS due July 2008)

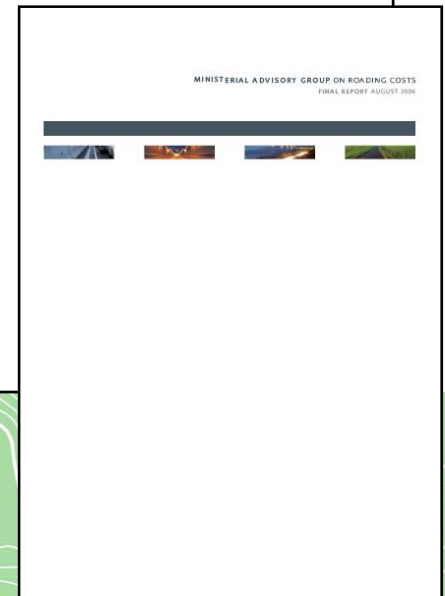
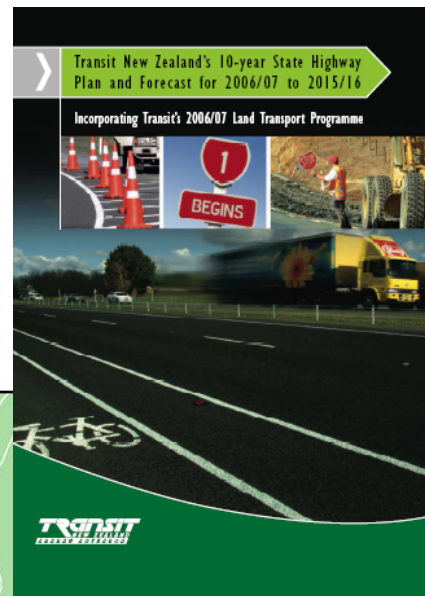
# Policy context

- New National State Highway Strategy
- New Planning Policy Manual
- Environmental Policy
- Signatory to the Urban Design Protocol



# Political context

- SHF5 – Transit's key deliverables
- Minister's expectations
- Ministerial Advisory Group (MAG)
- Next Steps review



# Current context– value for money

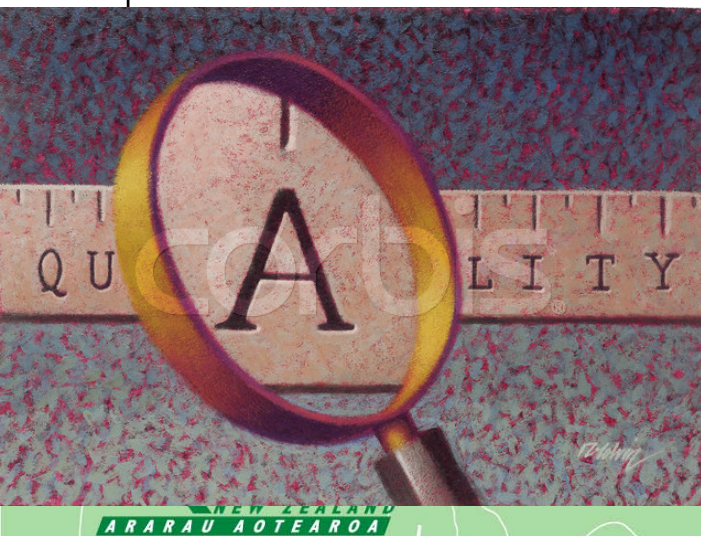
$$\text{Value for money} = \frac{\text{Optimal selection under the NZTS}}{\text{Efficient, cost-effective delivery}}$$

(Ministerial Advisory Group Report on Roothing Costs 2007)



# Current context – budget pressures

- Requirement to come within or under budget
- Delivering SHF5 within the 5 year funding guarantee



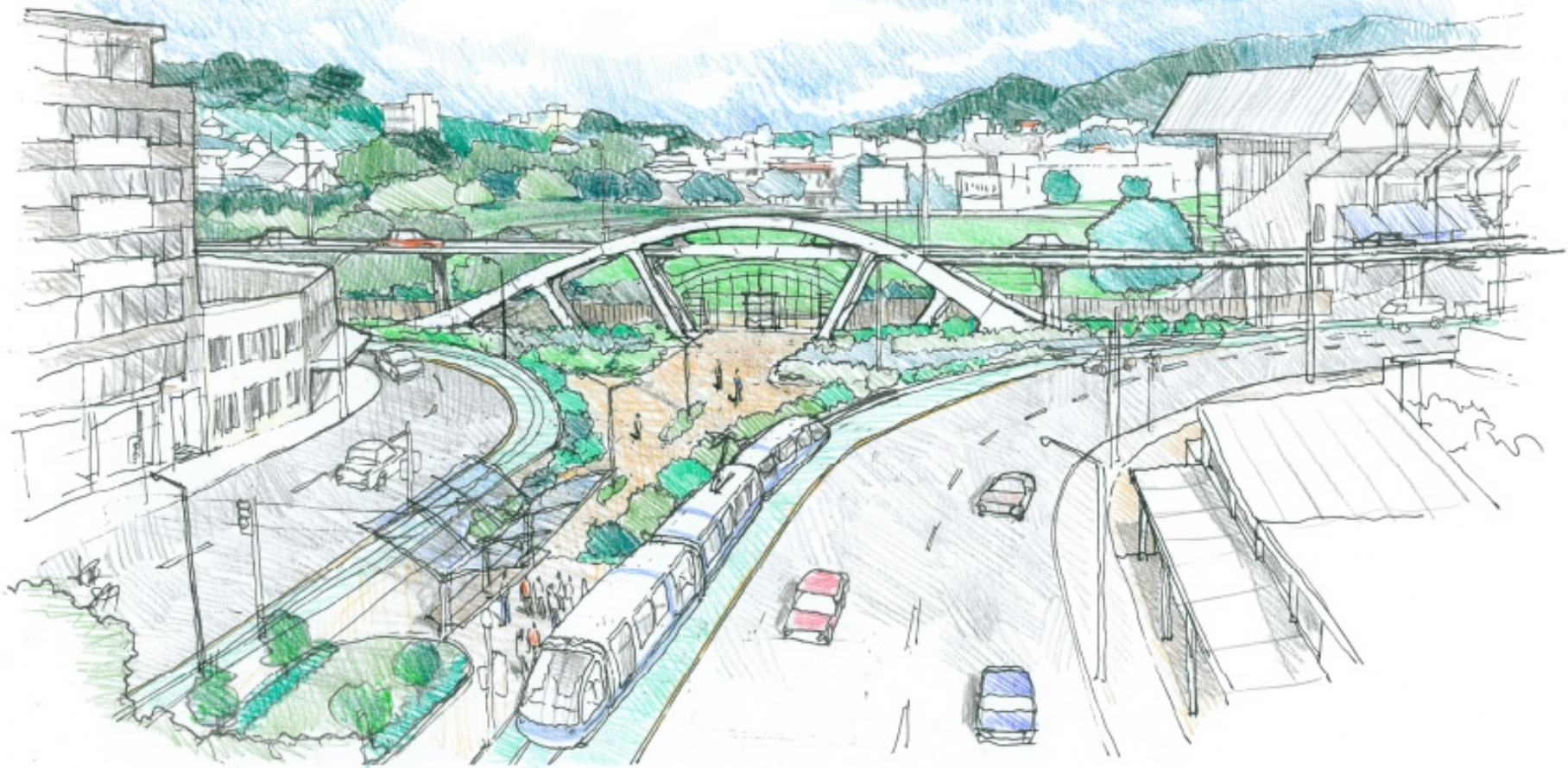
# Transit's Urban Design Expectations

- Urban design is an integral part of every aspect of our business
- It is not about delivering outcomes that are outside of Transit's mandate
- It is about achieving value for money
- It requires innovation and collaboration to deliver good urban design outcomes within or under budget





# A Wellington Concept?



# Procurement/Delivery Methods

## *For the consultant*

- Weighted Attribute/PQM
- Target Price
- Brooks Law

## *For the Contractor*

- Lowest Price Conforming
- PQM
- PSMC
- ECI/Lump Sum/D&C/Value Engineering
- Alliance
- PPP

# Long Term Procurement Plan – 2005

## Key Objectives

- extract best value for money from any activity
- identify a sustainable mix of procurement models
- encourage competitive and efficient markets which are sustainable
- encourage supplier innovation
- engage suppliers who can deliver quality and value for money
- increase the quality and focus during the development phase of projects
- move towards the whole-of-life approach
- further improve the management of risks and optimise the allocation of risks to suppliers where they are best placed to manage these



# Long Term Procurement Plan – 2005

## ***Directional Plan Specific to Asset Improvement Projects***

- have at least one asset improvement Alliance project in operation at any one time
- establish Design-Construct as the preferred method of delivering projects larger than \$50M
- improve the measures encouraging a whole-of-life approach in design and construction
- move from Measure & Value contracts to Lump Sum contracts for construct-only works
- establish PQM Complex, a tender evaluation method that involves robust risk-assessment, financial audits and negotiation of scope and price, with more than one tenderer

# Long Term Procurement Plan – 2005

## *Directional Plan Specific to Asset Management Projects*

- consolidate and enhance the current proportions of PSMC, Hybrid and Traditional procurement asset management models
- steadily build the abilities of our sector to behave in a way which maximises the value creation within each
- establish an asset management Alliance project(s) within the next five years
- enhance training opportunities in the land transport industry to assist retention of personnel
- continue to research and identify where value creation is being achieved



# Roads in Progress and Prospect



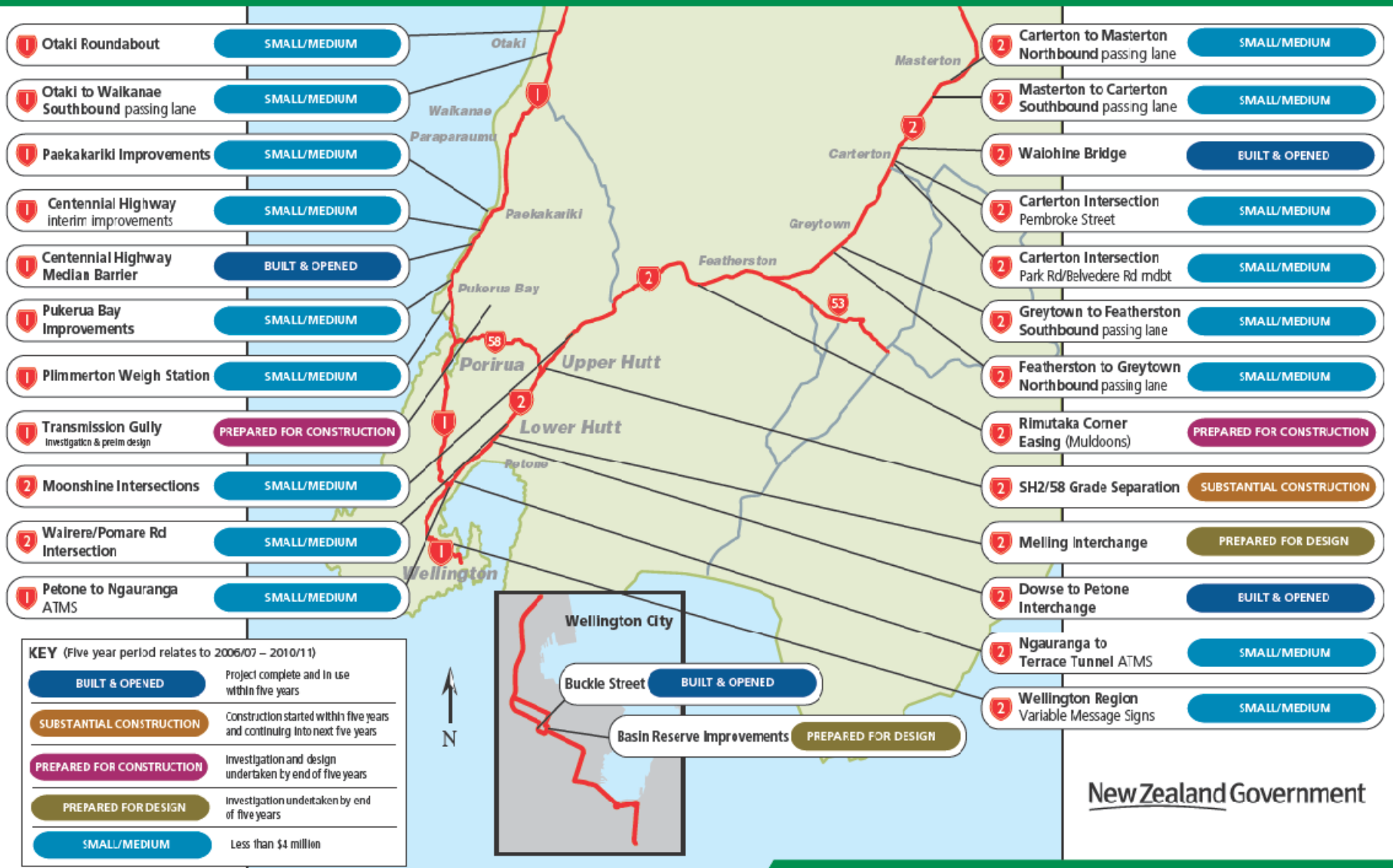
Dowse to Petone

Transmission Gully

Ngauranga to Airport  
Strategic Study

# TRANSIT NEW ZEALAND - WELLINGTON PROJECTS

## CONSTRUCTION STATUS 2007/8 – 2010/11



**KEY** (Five year period relates to 2006/07 – 2010/11)

<b>BUILT &amp; OPENED</b>	Project complete and in use within five years
<b>SUBSTANTIAL CONSTRUCTION</b>	Construction started within five years and continuing into next five years
<b>PREPARED FOR CONSTRUCTION</b>	Investigation and design undertaken by end of five years
<b>PREPARED FOR DESIGN</b>	Investigation undertaken by end of five years
<b>SMALL/MEDIUM</b>	Less than \$4 million

New Zealand Government



# In Summary

- Appropriate cost
- Quality product
- Timely delivery
- Minimal disruption and maximum safety for motorists

