

Construction Clients Group

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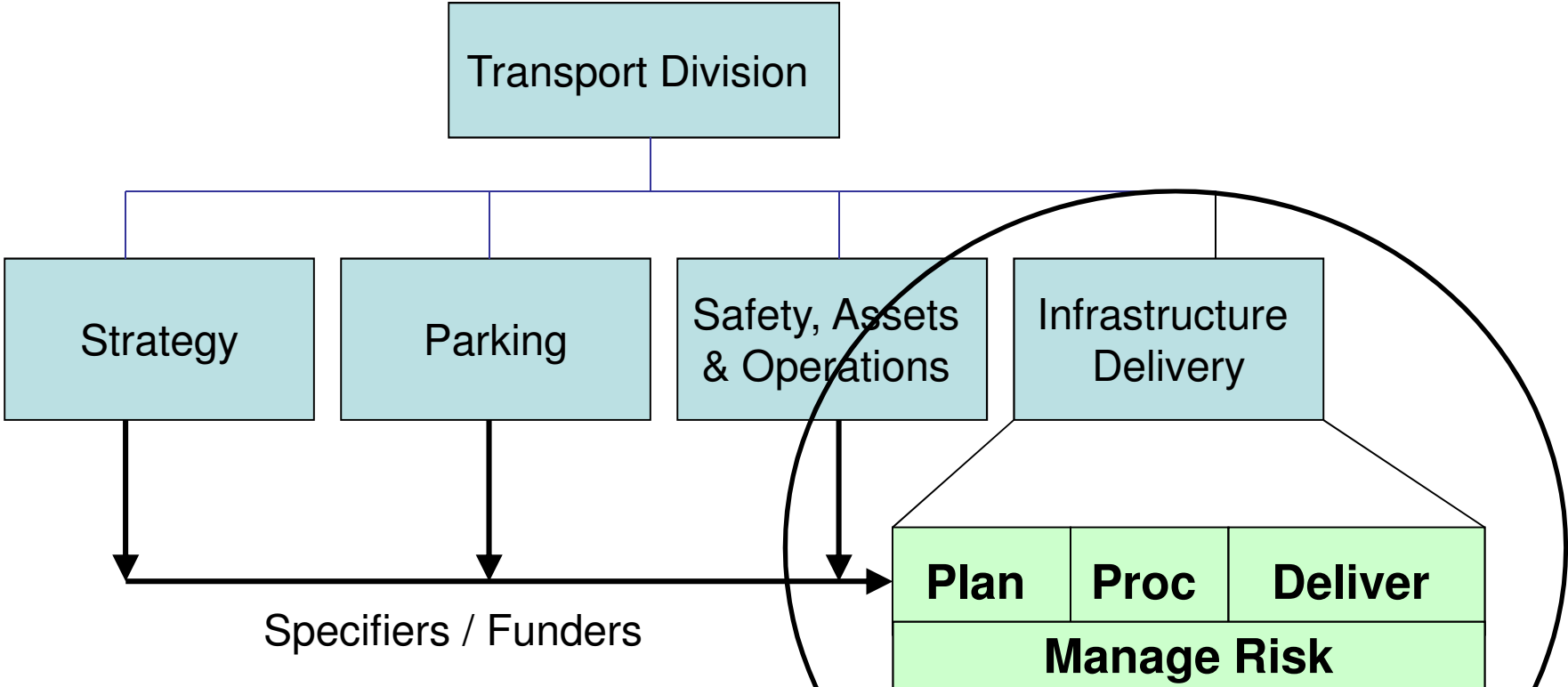


Agenda

- Who we are & what we procure
- Procurement History
- Learnings from previous contracts
- Strategic procurement plan
- Auckland Transport Agency



Who we are



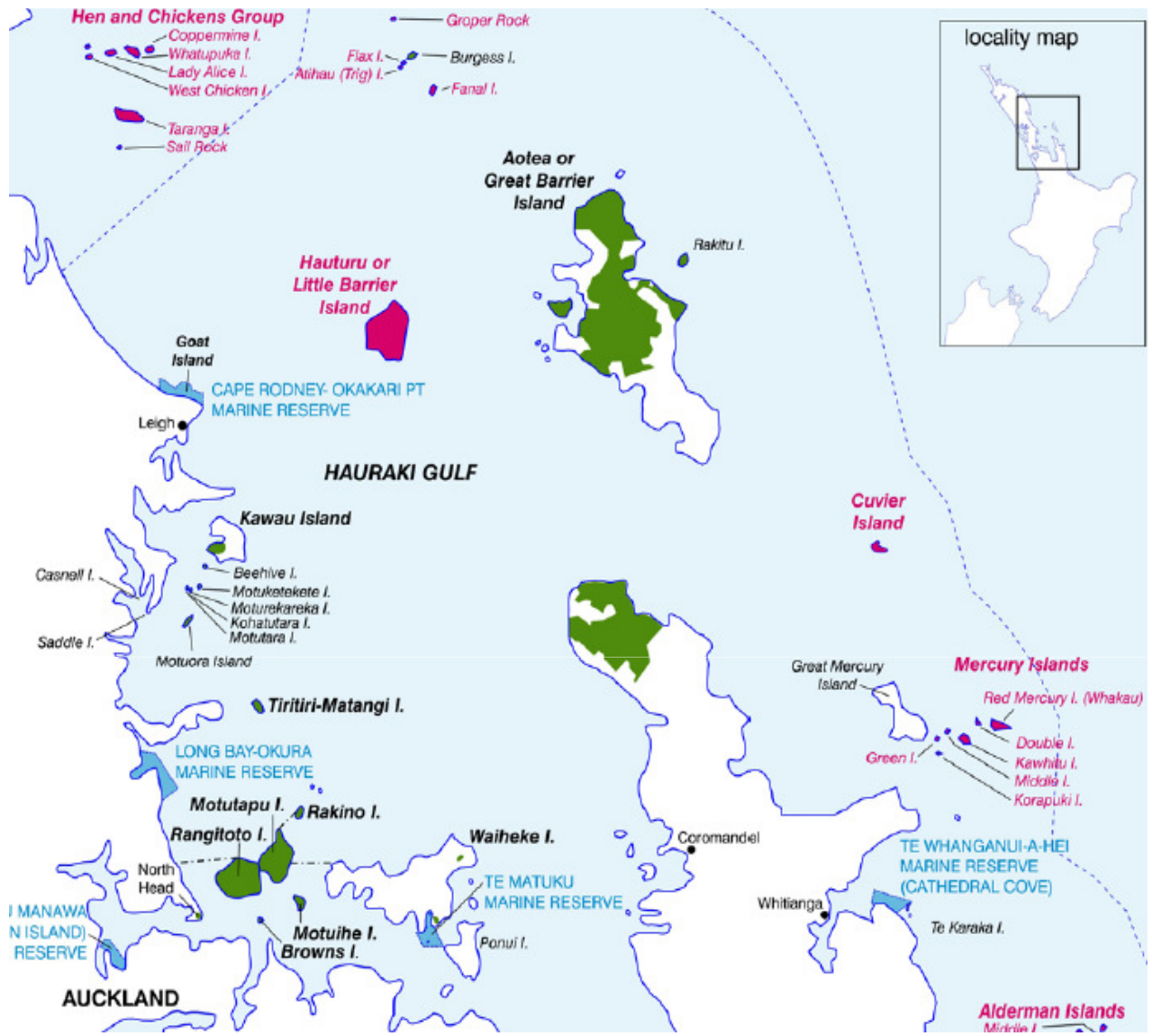
Transport structure as at June 09



What we procure

- **Capital Expenditure**
 - \$160 million p.a. avg. over the next five years.
 - includes a wide range of projects including footpath and road renewals, cycle/walkway improvements, minor safety works, etc.
- **Operational Expenditure –**
 - \$25 million p.a. avg. over the next five years
 - includes maintenance associated with assets having a total replacement value of \$3 billion.





Procurement History

- Tendering contracts using Competitive pricing Procedures (CPP)
- Open tender 70% price weighting
- NZS: 3910 master-servant relationship
- Traditional “staged” approach
- No formal strategic procurement plan



Learnings From previous contracts

- Pro-active in-house management required
- Cumbersome tender documents
- Risk not always allocated with the party that was in the best position to manage it
- Often receiving a wide range of prices
- Efficiency/effectiveness



Strategic Procurement Plan

- Review of current position (internal and external)
- Alignment with organisational objectives
- Best value approach
- Specific procurement strategies



Some benefits of a strategic approach

- Knowledge of business and environment
- Supplier panel
- Resource planning
- Training



Strategic Procurement Plan

- Consultation with industry
 - Briefings
 - Feedback
 - Industry representative bodies
- Simplified processes and improved communication



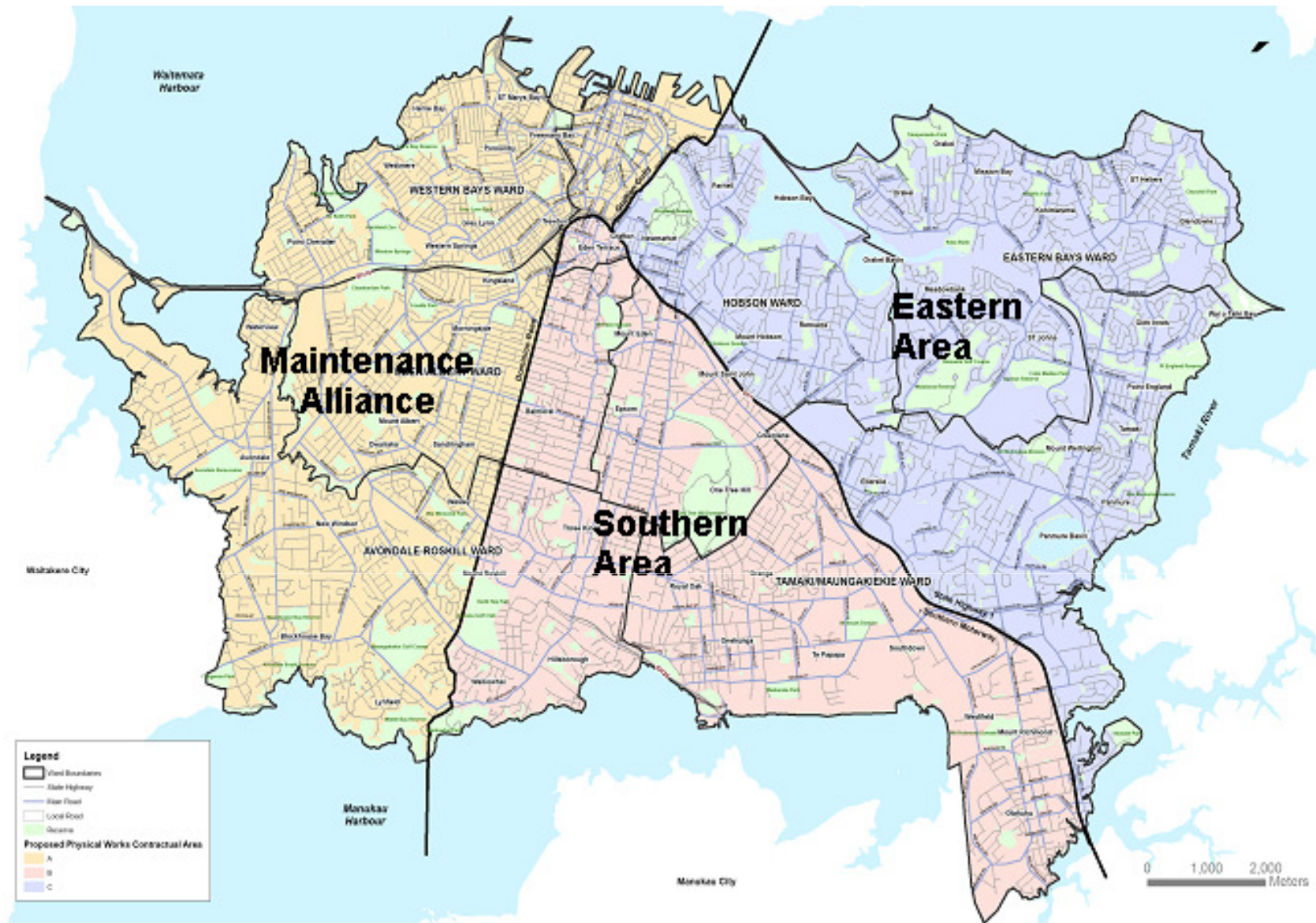
Strategic Procurement Plan

1	Executive summary
2	Policy context of the approved organisation
3	Procurement programme
4	Procurement environment
5	Approach to delivering the work programme
6	Implementation

Extract from Appendix A:

<http://www.landtransport.govt.nz/funding/procurement/index.html>





Auckland Transport Agency

- Developing a Strategic Procurement Plan for Auckland



Questions

