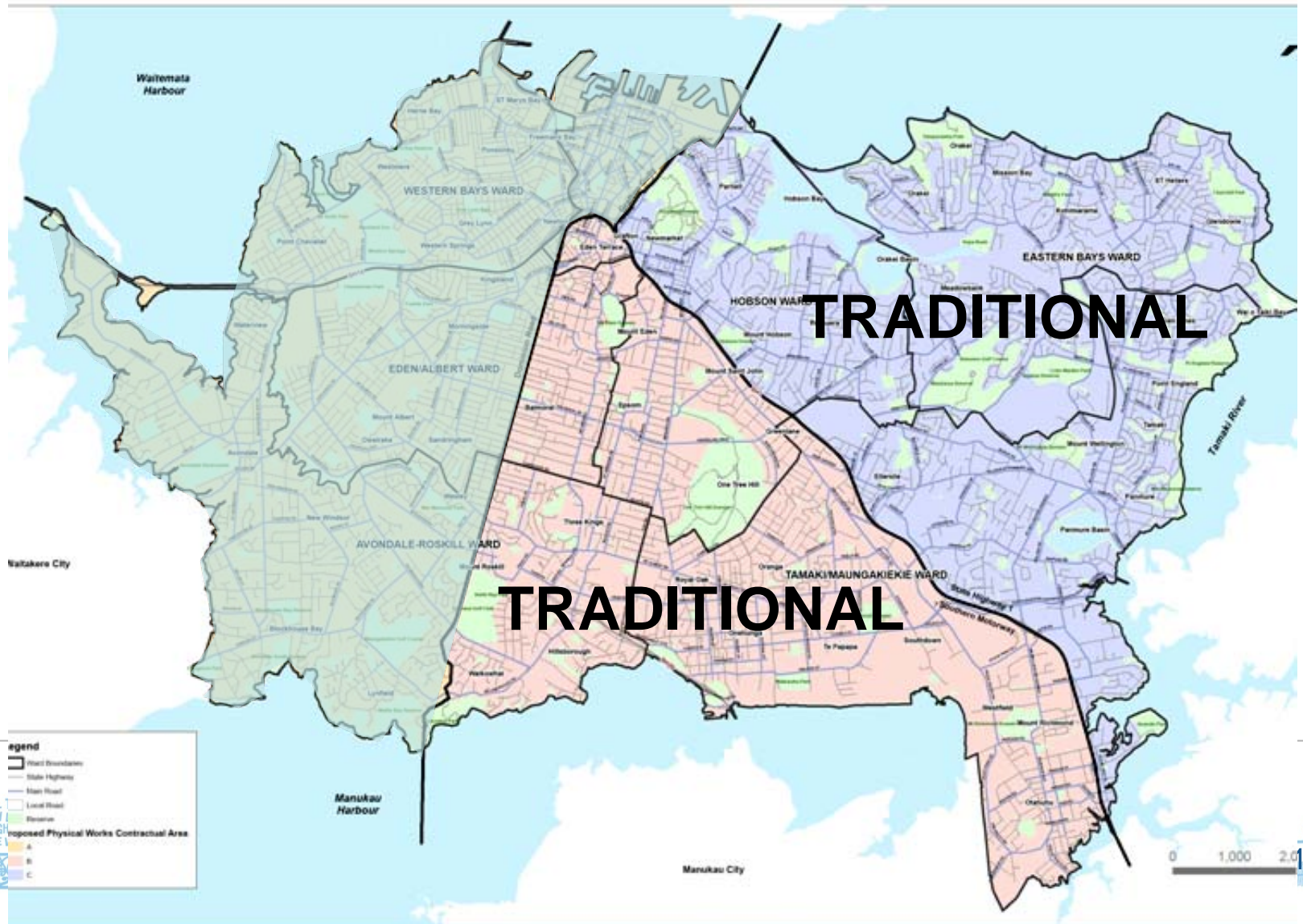
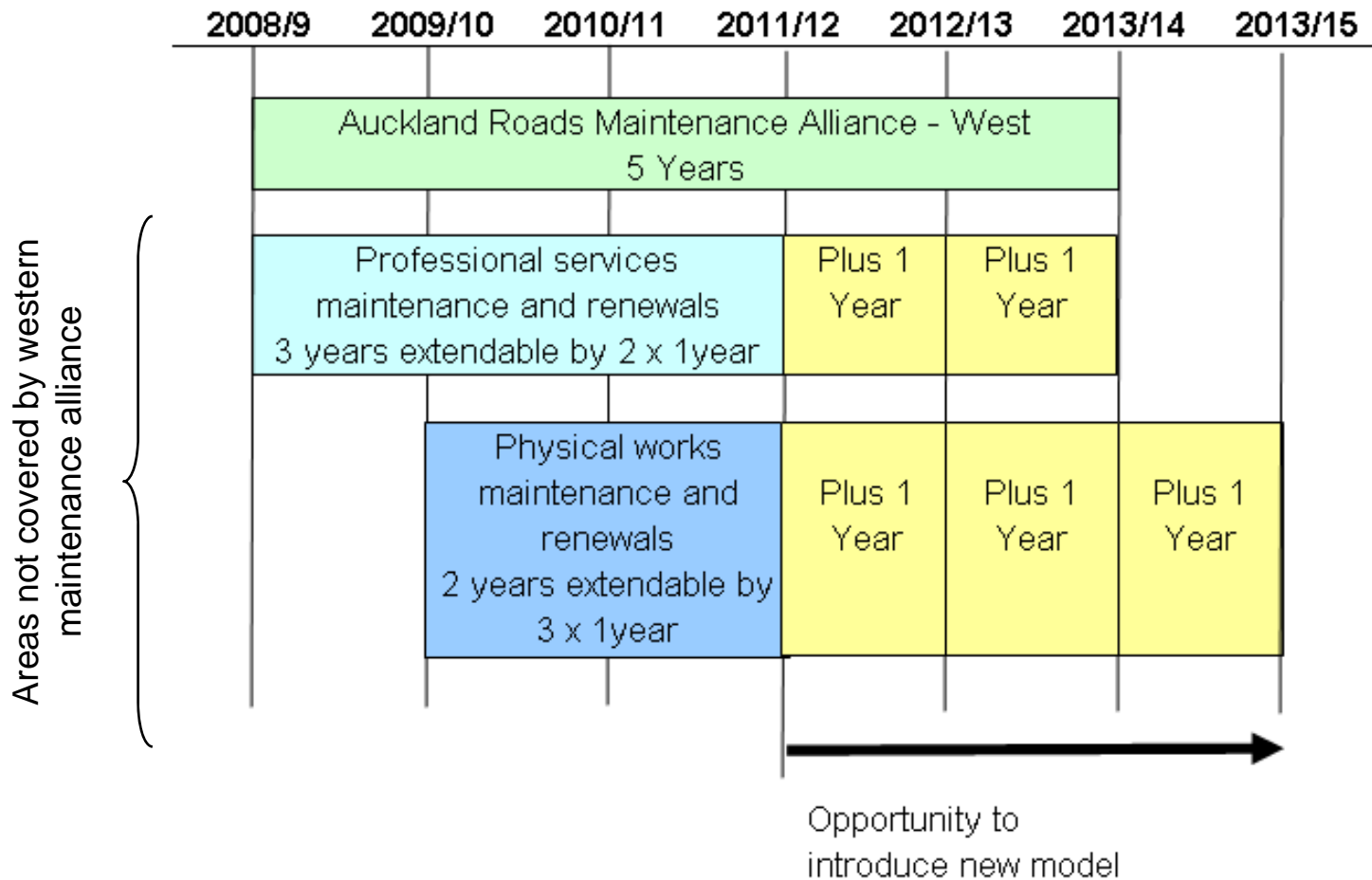


# Contracting landscape from 1 July 2008



# Maintenance and renewal contracts

Financial year from 1 July to 30 June



# Strategic Procurement Plan

- Background.
- Purpose – procure ‘best value’ services.
- Scope – full suite of construction service
- Internal forces – strategic priorities.
- External forces – capacity & capability..
- Procurement choice-LTNZ accreditation



# Procurement solutions

- Methodologies - flexibility to deliver best value.
- Feedback- simplify tendering process
- Engagement – industry support.
- Supplier performance-measured by aligning services type & suppliers to geographical areas

**Optimising internal demand vs  
external supply!**



# Performance Measurement

Benchmarking facilitates competitive performance improvement by enabling:

Comparison between suppliers

- Comparison between contract areas
- Comparison between procurement methodologies
- Comparison with NZ and international industry standard

Results of supplier performance reviews will have a significant influence on the selection of suppliers for future contracts



# Two areas of benchmarking:

- **Doing the thing right:** Utilising national construction KPIs relating to supplier performance in terms of delivering projects/contracts in full, on time and to the required specification.
- **Doing the right thing:** With all parties focused on outcomes that align with Auckland City's strategic objectives



# Weighting of KPIs

KRA		KPI	Weightings					Votes								Average	Standard Deviation	Final Agreed Weighting
			Limb 1a	Limb 1b	Limb2	Limb3	Limb4	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5	Vote 6	Vote 7	Vote 8			
Supply chain	Client satisfaction	Scorecard (3 sub-sections)	tbc	tbc	tbc	tbc	tbc	50	50	50	25	40	45	50	30	43	10.0	40
	Technical	Scorecard (7 sub-sections)	tbc	tbc	tbc	tbc	tbc											
Road Safety	Customer perception	Increase in customer safety perception score	tbc	tbc	tbc	tbc	tbc	5	10	5	5	10	5	15	15	9	4.4	10
	Technical	Total number of crashes	tbc	tbc	tbc	tbc	tbc											
Asset Quality	Customer perception	Improve AMEM scores	tbc	tbc	tbc	tbc	tbc	10	10	5	10	20	10	10	15	11	4.4	10
	Technical	Improve LTNZ asset technical measure - Smooth Travel Index	tbc	tbc	tbc	tbc	tbc											
Customer Responsiveness and Service	Customer perception	Nexus survey of contractor conduct	tbc	tbc	tbc	tbc	tbc	5	5	5	10	5	5	5	5	6	1.8	5
	Technical	RFS scorecard (3 sub-sections)	tbc	tbc	tbc	tbc	tbc											
Environmental Stewardship	Customer perception	Reduction in RFS environmental complaints including noise levels	tbc	tbc	tbc	tbc	tbc	5	5	5	5	5	5	5	5	5	0.0	5
	Technical	Environmental scorecard (7 sub-sections)	tbc	tbc	tbc	tbc	tbc											
Network availability and accessibility	Customer perception	Disruption measure taken from NEXUS survey	tbc	tbc	tbc	tbc	tbc	10	5	5	5	5	5	5	10	6	2.3	10
	Technical	Number of penalties due to exceeding access / closure periods	tbc	tbc	tbc	tbc	tbc											
Quality / Production	Technical	Rate of delivery planned vs actual scorecard (7 sub-sections)	tbc	tbc	tbc	tbc	tbc	5	5	5	10	5	5	5	10	6	2.3	5
	Technical	N/A																
Cost and Affordability	Technical	Value for Money scorecard (5 sections)	tbc	tbc	tbc	tbc	tbc	10	10	20	10	10	20	5	10	14	8.2	15
	Technical	Productivity	tbc	tbc	tbc	tbc	tbc											

100% 100% 100 100 100 100 100 100 100 100 100 100 100 100 100 100



# Targets

Auckland City Council  
Alliance Key Result Areas and Performance Indicators

KRA		KPI	Targets (Business as Usual)					Targets (Stretch)						
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
Supply chain	Client satisfaction	Scorecard (3 sub-sections)	Industry average	Yr 1 + 3%	Yr 2 + 2%	Yr 3 + 1%	Yr 4 + 1%	Industry 75 percentile	80 percentile	85 percentile	88 percentile	90 percentile	N	
	Technical	Scorecard (7 sub-sections)	Industry average	Yr 1 + 5%	Yr 2 + 5%	Yr 3 + 5%	Yr 4 + 5%	Industry 75 percentile	80 percentile	85 percentile	88 percentile	90 percentile	N	
Road Safety	Customer perception	Increase in customer safety perception score	TBC											
	Technical	Total number of crashes	TBC											
Asset Quality	Customer perception	Improve AMEM scores	75% at grade 3 or better	75% at grade 3 or better	75% at grade 3 or better	75% at grade 3 or better	75% at grade 3 or better	78% at grade 3 or better	80% at grade 3 or better	82% at grade 3 or better	85% at grade 3 or better	Ta		
	Technical	Improve LTMC asset technical measure - Smooth Travel Index	STE=78%, CI and PI = 95%	STE=81%, CI and PI = 96%	STE=84%, CI and PI = 97%	STE=85%, CI and PI = 97%	STE=86%, CI and PI = 97%	STE=78%, CI and PI = 95%	STE=84%, CI and PI = 97%	STE=85%, CI and PI = 97%	STE=86%, CI and PI = 97%	Ta		
Customer responsiveness and service	Customer perception	Nexus survey of contractor conduct		82%	83%	84%	85%	86%	89%	90%	91%	92%	93%	N
	Technical	RFS scorecard (3 sub-sections)		90%	90%	90%	90%	90%	92%	93%	94%	95%	96%	Ta
Environmental Stewardship	Customer perception	Reduction in RFS environmental complaints including noise levels	TBC	Yr 1 - 1%	Yr 2 - 1%	Yr 3 - 1%	Yr 4 - 1%	TBC	Yr 1 - 2%	Yr 2 - 2%	Yr 3 - 2%	Yr 4 - 2%		
	Technical	Environmental scorecard (7 sub-sections)	TBC	Yr 1 + 3%	Yr 2 + 2%	Yr 3 + 1%	Yr 4 + 1%	TBC					N	
Network availability and accessibility	Customer perception	Disruption measure taken from NEXUS survey	TBC					TBC						
	Technical	Number of penalties due to exceeding access / closure periods	TBC					TBC						
Quality / Production	Technical	Rate of delivery planned vs actual scorecard (7 sub-sections)		90%	95%	95%	95%	95%	95%	96%	97%	98%	99%	Ta
	Technical	N/A												
Cost and Affordability	Technical	Value for Money scorecard (3 sections)	N/A	Yr 1 - 1%	Yr 2 - 1%	Yr 3 - 1%	Yr 4 - 1%	N/A	Yr 1 - 2%	Yr 2 - 2%	Yr 3 - 2%	Yr 4 - 2%	N	
	Technical	Productivity	N/A	Yr 1 + 1%	Yr 1 + 2%	Yr 1 + 1%	Yr 1 + 1%	N/A	Yr 1 + 1%	Yr 1 + 2%	Yr 1 + 3%	Yr 1 + 3%	N	





# Governance Meetings

- A two way process to facilitate performance improvement
- Held quarterly with senior representation from both organisations
- Review of actual performance



# Health & Safety

All Contractors **Must** be approved by an accredited organisation!



# Client of Choice

- Provides best value outcomes
- Delivers on time, in full and to required standard
- TRUST
- Keen to develop, share and implement actions to improve performance



# Questions

