
Supplementary agenda for a meeting of the Infrastructure Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 16 AUGUST 2023** commencing at **9.30am**.

Information and recommendations are included in the reports to assist the Committee in the decision making process and may not constitute Council's decision or policy until considered by the Committee.

6 REPORTS

- | | | |
|------|---|---|
| 6.10 | Road Services Review | 4 |
| 6.11 | Bridges Weight and Speed Restrictions – (Withdrawn) | |

GJ Ion
CHIEF EXECUTIVE

Infrastructure Committee

Reports to:	The Council
Chairperson:	Cr Eugene Patterson
Deputy Chairperson:	Cr David Whyte
Membership:	The Mayor and all Councillors
Meeting frequency:	Six-weekly
Quorum:	Majority of the members (including vacancies)

Purpose

The Infrastructure Committee is responsible for:

1. Guiding sustainable, physical development and growth of the Council's infrastructure to meet current and future needs.
2. Oversight and monitoring of efficient, safe and sustainable roading and transport, and waste management.
3. Governance of District's parks, reserves, community facilities and cemeteries.

In addition to the common delegations on page 10, the Infrastructure Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To provide direction on strategic priorities for core infrastructure aligned to the District's development, and oversight of strategic projects associated with those activities.
2. To guide the development and implementation of the 30 Year Infrastructure Plan.
3. To support and provide direction regarding Council's involvement in regional alliances, plans, initiatives and forums for regional infrastructure and shared services (for example, Regional Transport Committee).
4. To monitor and make decisions in relation to Council-owned community centres, facilities and halls.

The Committee is delegated the following powers to act:

- Approval of acquisition (including lease) of property, or disposal (including lease) of property owned by the Council, (where such acquisition or disposal falls within the Long Term Plan and exceeds the Chief Executive's delegation).
- Approval of easements, rights of way and other interests over property on behalf of Council.
- Approval of all matters under the Public Works Act 1981, unless such delegation is prohibited by legislation or is otherwise expressly reserved by Council or delegated to the Chief Executive or staff.
- Approval of road names in the Waikato District in accordance with Council policy.
- Approval of any proposal to stop any road.
- Hearing any written objections on a proposal to stop any road, and to recommend to Council its decision in relation to such objections.
- Approval of alterations and transfers within the provisional programme of capital works as

prepared for the Long Term Plan and Annual Plan, subject to the overall scope of the programme remaining unchanged and the programme remaining within overall budget.

- Approval of tender procedures adopted from time to time within the guidelines as set down by Waka Kotahi New Zealand Transport Agency for competitive pricing procedures (CPP), or other authorities where funding or subsidies are subject to their approval.
- Approval of traffic regulatory measures defined as:
 - a. Compulsory Stop Signs
 - b. Give Way Signs
 - c. No Passing Areas
 - d. No Stopping/Parking Provisions
 - e. Speed Restrictions
 - f. Turning Bays
 - g. Weight Restrictions on Bridges (Posting of Bridges).
- For all Council-owned land that is either open space under the District Plan, or reserve under the Reserves Act 1977, the power to:
 - a. Approve leases, subleases, licences, and easements (in relation to land and/or buildings).
 - b. Approve amendments to management plans.
 - c. Adopt or change names of reserves.
 - d. Make any decision under a management plan which provides that it may not be made by a Council officer (for example, agree a concession), provided that any decision that has a significant impact under the management plan is recommended to Council for approval.
 - e. Recommend to Council for approval anything that would change the ownership of such land.

For clarity, the committee is delegated all powers of the Council as administering body under the Reserves Act 1977, unless such delegation is prohibited by legislation or is otherwise expressly reserved by Council or delegated to the Chief Executive or staff.
- Enquire into and dispose of any objection to a notice issued pursuant to Section 335 (1) of the Local Government Act 1974 requiring payment of a sum of money for the construction of a vehicle crossing by the Council (section 335(3) Local Government Act 1974). Should a decision be made to reject the objection and reaffirm the requirements in the notice, to authorise that an application be made to the District Court, (section 335(4) Local Government Act 1974) Act, for an order confirming the notice.

Consider and approve subsidies for the installation of stock underpasses in extraordinary circumstances in accordance w

To	Infrastructure Committee
Report title	Road Services Review – recommendation of preferred option
Date:	16 August 2023
Report Author:	Megan May, Roothing Manager
Authorised by:	Roger MacCulloch, General Manager Service Delivery

1. Purpose of the report

Te Take moo te puurongo

To seek Infrastructure Committee recommendation to Council for approval of the preferred contract option for Roothing Services which will be progressed to detailed business case stage. This will prepare Council for the procurement process prior to the end of the Current Alliance contract which expires on 30 June 2025.

2. Executive summary

Whakaraapopototanga matua

The Waikato District Alliance contract for delivery of road maintenance services is due to expire on 30 June 2025. At approximately \$30-40M per year to maintain 2,500kms of local road network, this is a substantial contract for Council.

Therefore, reviewing options for delivery of these services from 1 July 2025 requires careful consideration to ensure Council can achieve the best fit for purpose and value for money outcome.

As detailed within the attached report, staff have undertaken an assessment of all viable model options, taking into consideration the critical success factors which were identified by both staff and Councillors through workshops.

Based on this assessment, the preferred option is to bring asset management and contract management inhouse and to design physical works contracts to deliver general maintenance and renewals through appropriately sized and scoped NZS3917 forms of service delivery contracts.

If approved, the team will design the detail of the preferred model to deliver on the critical success factors through the following steps:

- identify the boundaries for general maintenance contracts,
- identify areas of specialty activities that would provide better Public Value to tender and manage separately,
- design the team structure required to resource the asset management, programming and contract management tasks inhouse, and
- develop the procurement plan to identify contract and tendering details such as tenure of the contracts, supplier selection methodology etc.

Staff are also seeking a recommendation that the design of the preferred option be developed using a detailed business case approach, and that the Do-Minimum option also be assessed for comparison against the preferred new model.

The purpose of this is to ensure that Council can fully understand the impact and value for money expected from the change proposed, to inform a final decision on the delivery model for procurement.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Infrastructure Committee recommends that Waikato District Council:

- a. approves the preferred option of 4c and 5b/d of the Waikato District Council Road Services Review Report (refer Attachment 1) – to bring asset management and contract management inhouse and to design physical works contracts to deliver general maintenance and renewals through appropriately sized and scoped NZS3917 forms of service delivery contracts; and**
 - b. note that the team will proceed to design the detail of this model to deliver on the critical success factors through the following steps:**
 - i. identify the boundaries for the general maintenance contracts,**
 - ii. identify areas of specialty activities that would provide better Public Value to tender and manage separately,**
 - iii. design the team structure required to resource the asset management, programming and contract management tasks inhouse;**
 - iv. develop the detailed business case to recommend a decision on the best value delivery model for procurement, and**
 - v. develop the procurement plan to identify contract and tendering details such as tenure of the contracts, supplier selection methodology etc; and**
 - c. notes that the “Do-Minimum” approach will also be assessed against the preferred new model to test benefits and efficiencies of any change.**
-

4. Background

Koorero whaimaarama

The Local Government Act s17A requires local authorities to carry out service delivery reviews within two years of the expiration of a contract or other binding agreement to deliver a service.

The roading team has undertaken a full review of the Delivery of Roding Services and developed the WDC Roding Service Delivery Review – Report which is attached. This Committee paper seeks approval of the recommended option to enable progressing to design and development of the new contract model.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

The attached WDC Roding Service Delivery Review – Report recommending preferred option to deliver services from 1 July 2025 provides full details of the review process, options identified and shortlisted and preferred options being recommended for approval in this paper.

5.1 Options

Ngaa koowhiringa

Staff have assessed that there are two reasonable and viable options for the Committee to consider.

The options are set out below.

Option 1 Do not proceed to detailed business case of the preferred model option.

This option would be viable if Council believe that the critical success factors have not been accurately captured, or that there were alternative options which are preferred. This change would impact the timeline of delivery of this project.

Option 2 Proceed to detailed business case of preferred contract model option.

This option enables staff to proceed to the next stage of assessment and design, whilst testing the benefits and efficiencies against the current Alliance Contract model.

Staff recommend **Option Two** as it aligns with data previously gathered through council and staff workshops.

5.2 Financial considerations

Whaiwhakaaro puutea

Staff have assessed the funding required to complete the detailed business case, establishment of a new contract and the transition costs associate with this.

FUNDING REQUIRED	FAR	Total Budget	NZTA Subsidy	Local Share
Phases 1, 2 &3 until December 2024 - Review, design and procure new contracts	51%	\$350,000	178,500	171,500
Establishment of the new contract, including WDC asset management setup	51%	\$500,000	255,000	245,000
Delivery of road maintenance and renewals contracts from 1 July 2025	51%	Estimated \$30-40M	TBC in NLTP2024	TBC in LTP2024
		\$850,000	433,500	416,500

Current financial year costs are included in current budget. Future year costs will be included in the Long-Term Plan.

5.3 Legal considerations **Whaiwhakaaro-aa-ture**

Staff confirm that the preferred option complies with Council's legal and policy requirements and Section 17A of the Local Government Act.

5.4 Strategy and policy considerations **Whaiwhakaaro whakamaaherehere kaupapa here**

The report and recommendations are consistent with the Council's policies and plans but is inconsistent with the prior decision to form the Alliance in 2015.

The decision at the time was made, based on identifying an optimal contract model to deliver on agreed objectives.

Due to this inconsistency, staff are proposing to progress with the preferred model, whilst testing against the current model to ensure anticipated benefits are well understood and realised.

5.5 Maaori and cultural considerations **Whaiwhakaaro Maaori me oona tikanga**

Whilst the procurement of services has the potential to impact Iwi and Maaori stakeholders, the decision to proceed to detailed business case does not.

5.6 Climate response and resilience considerations **Whaiwhakaaro-aa-taiao**

The new contract will be designed to support and align with council's requirements to deliver climate and resilience response.

5.7 Risks

Tuuraru

Risks associated with progressing the design of the new contract model are identified in the attached recommendation report.

However, it should be noted that the content of this report may be unsettling for our current Alliance partner and roading staff.

To try and mitigate this risk, a meeting has been held with relevant staff to discuss the process being followed and the Downer representatives on the Principles Group, which oversees the current contract, have been advised of the recommendations made.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this specific report are assessed as of low significance in accordance with the Council's [Significance and Engagement Policy](#). However, this report is part of a broader project or process that is assessed as of high significance.

6.2 Engagement

Te Whakatuutakitaki

Staff have engaged with other Councils who have carried out similar processes. Market engagement will be carried out as part of the procurement planning process.

Highest level of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<i>Cross Boundary collaboration to identify lessons learnt.</i> <i>Market Engagement planned</i>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other - Supplier Market

7. Next steps Ahu whakamua

Subject to Council approval, staff will proceed to design the detail of this model to deliver on the critical success factors through the following steps:

- identify the boundaries for the general maintenance contracts,
 - identify areas of specialty activities that would provide better Public Value to tender and manage separately,
 - design the team structure required to resource the asset management, programming and contract management tasks inhouse,
 - develop the detailed business case to recommend a decision on the best value delivery model for procurement, and
 - develop the procurement plan to identify contract and tendering details such as tenure of the contracts, supplier selection methodology etc.
-

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Committee's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers impact on Maaori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

9. Attachments Ngaa taapirihanga

Attachment 1 – WDC Roding Service Delivery Review – Report recommending preferred option to deliver services from 1 July 2025.




Waikato District Council Roothing Service Delivery Review

**Report recommending preferred option to
 deliver services from 1 July 2025**

Document development control	
Prepared by:	Karen Boyt
Position / title:	Transport Consultant
Recommended by	Megan May
Position / title:	Roothing Manager
Business unit:	Service Delivery
Document version:	2.0
Date of revision:	7 August 2023
Status:	FINAL DRAFT – for Infrastructure Committee

Approvals

The approval of this plan shows satisfaction in and recommends the process and approach.

Roading Team			
Approval to:	Support for recommended Contract Model to deliver services from 2025		
Name:	Megan May		
Position / title:	Roading Manager		
Signature:		Date:	01 August 2023


Project Sponsor/Manager			
Approval to:	Recommend Service Delivery Option to Infrastructure Committee		
Name:	Roger MacCulloch		
Position / title:	GM Service Delivery		
Signature		Date:	10/8/2023

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Background

The Waikato District Alliance contract model for delivery of road maintenance services is due to expire on 30 June 2025. At approximately \$30-40M per year to maintain 2,500kms of local road network, this is a substantial contract for Council. Therefore, reviewing options for delivery of these services from 1 July 2025 requires careful consideration to ensure Council can achieve the best fit for purpose and value for money outcome.

The Local Government Act s17A requires local authorities to carry out service delivery reviews within two years of the expiration of a contract or other binding agreement to deliver a service.

This report documents the process and findings of the Roothing Service Delivery Review and recommends a preferred option.

Current approach to service delivery

The services required to manage this large network need careful planning and prioritising of work programmes. Currently the delivery of service is split into two groups as follows:

- Strategic Asset Management (incl setting of LOS), funding relationships, management of bridges, development of improvement projects and interface with developers is resourced within Council.
- Maintenance, renewals, asset management planning, project management, network, operations and customer interface/service requests operations are planned and delivered through the Waikato District Alliance joint venture with Downer (WDA). Current spend through the WDA is approximately \$30m per year.

The Council introduced the Alliance contract model in 2015 to provide flexibility and collaboration in delivering the road maintenance services through a combined Council/Supplier team. This reduced the number of contracts managed by Council and provided greater stewardship through the Alliance. Approximately 12 council staff, including asset management, network inspection and customer service staff, are included in the Alliance to work with the supplier.

In 2020, the Alliance was due for renewal to extend the contract for an additional 5 years. Due to the size of the contract, council decided to carry out a review of the contract before renewing for the following purpose:

- ensure it's still doing what it's meant to be doing
 - consider what's changed since it was executed
 - review performance and delivery under the contract
 - consider how we can maximise the benefits of the partnership for WDC and our ratepayers; and to
- >> make changes and improvements if needed.

This review resulted in a refresh to deliver improvements to achieve the following update to council's objectives for the Alliance:

- Deliver **innovative and flexible** transport services aligned to Council's vision of Liveable, Thriving, Connected Communities
- Harness the value of **strategic partnerships**
- Create a **safe and efficient** roading network
- Demonstrate **optimal value** and sustainable investment
- Support and retain WDC's critical capability and **network knowledge**

- Deliver outstanding outcomes and experiences for our **communities**

The Roothing Asset Management Plan is developed 3-yearly to outline the 10-year strategic plan which shows our vision for management of the assets and the plan and investment requirements to get there. It guides the levels of service expected for investment. The 2024 AMP is currently under development to guide the outcomes needed from delivery of roading services. Challenges expected are:

- Network expanding year on year (e.g. WEX, development, vested)
- Waikato District – growth prominence and NZ inc. focus with Hamilton to Auckland corridor
- Ageing infrastructure, including structures – capex investment needs are changing
- \$30m/yr investment for last 10yrs - no longer holding the network condition
- Changing vehicle usage - total number of vehicles; heavies; haulage; emissions/VKT reductions targets
- Funding drivers of our investment partners - GPS and NZTA
- Level of service expectations changing + customer satisfaction tipping
- Safety landscape and controls have tightened (e.g. new NZGTTM for traffic management)
- Cost of service delivery upward trend/covid and storm recovery economic tail
- Funding constraints – ratepayer affordability and funding partner constraints

Transport Procurement Strategy

Roothing is required to develop its own procurement strategy for procurement of services that are subsidised by Waka Kotahi. The current procurement strategy was updated and approved by Waka Kotahi in June 2023 for a one year period to enable completion of this review before approval of the next phase of procurement for the road maintenance and renewal services is sought. Therefore, an update to the Procurement Strategy is required early 2024 to seek approval prior to June.

The procurement strategy requires that procurement of roading contracts follow the requirements of the Waka Kotahi Procurement Manual, which requires consideration of Health and Safety outcomes, Broader Outcomes for secondary benefits including social, cultural, environmental and economic outcomes, and ensures a fair supplier selection process is followed.

Review Process – Requirements

Legislative Requirements

The Local Government Act (LGA) s17A requires that “A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.”

An assessment of the need for an LGA s17A review was undertaken to identify the areas that require review. The Steering Group confirmed that a review is necessary due to the current contract being within 2 years of expiry and because it has been six years since the last review of the service. The following areas were identified as being beneficial to review:

Option	Is there value is carrying out a review?	Costs of review <i>(financial and other)</i>	Benefits of review <i>(financial and other)</i>
Review of the Organisational Structure for management of Road Services both within the Services Delivery Team and across wider services.	Completed recently and new Rooding Team structure created. Review could consider where asset management staff are located. Review could also consider resource requirements and structure internally to respond to proposed contracting approach going forward.	Resourced internally with consultant support	Opportunities to seek cost efficiencies and effectiveness through reviewing the internal resourcing to manage the proposed contracting approach.
Review of the Contract for Delivery of Road Maintenance Services	Review recommended as per LGA s17A Decision to review worksheet. Include full review of scope to all associated services – anything where same activity is completed by others at Council. And include subsidised funding review. Include outcomes and priority for investment, are services focussed in the right areas. Aligned with AMP.	Resourced internally with consultant support	Opportunities to seek cost efficiencies and effectiveness through considering the type of contract, scope of services included and approach to procuring the services. For full details refer to the LGA s17A decision to review worksheet attached.

Full detail of the assessment is provided in Attachment A – LGAs17A review assessment – Road Services.

Waka Kotahi Investment Requirements

The road maintenance and renewal activities are subsidised by Waka Kotahi from the National Land Transport Fund at 51%. As a co-investor, Waka Kotahi approval of the Procurement Plan for delivery of the road maintenance and renewals is required.

In June 2023, Waka Kotahi approved the updated Transport Procurement Strategy for a one-year period, with the next Procurement Strategy to be submitted around March 2024 for approval by 9 June 2024. This timing was planned to allow completion of this review and development of the procurement plan identifying how the next contract will be procured.

Council Requirements

On 7 December 2022 the current approach to contracting the road services delivery through the Waikato District Alliance was presented to Council to capture initial suggestions in regard to what is important to consider in reviewing the future delivery of services.

Council were presented with an overview of the background to the Alliance contract model and the achievements since introducing this new all encompassing model in 2015. Feedback was sought based on current position to understand what outcomes we need to seek for future improvements and opportunities for changes to the way we contract these services.

The following areas were considered to be important:

- Focus on customer experience
- Improving capability of staff
- Community engagement through a reference group type approach
- Programmes well communicated – particularly to ensure community boards are well informed and engaged
- Reality around ability to deliver “outstanding outcomes” on limited budgets
- Perception of loss of knowledge through the Alliance (consider visibility/connection within Council offices?)
- Communicating Levels of Service
- Maaori needs understood and addressed, including:
 - o Leadership - Clear direction to all workers, connection to how their work contributes to outcomes, what the overall objectives and achievements are.
 - o Seek broader and social outcomes - engage and involve maaori to design this.
- More efficient systems eg Customer Service Requests
- Affordability

Review Process – Approach taken

The structure of the review

A steering group formed in December 2022 to guide the direction for this review of service delivery.

The steering group includes:

- General Manager Service Delivery – Roger MacCulloch/Megan May
- Chief Operating Officer – Tony Whittaker
- Contracts and Partnering Manager – Jackie Bishop
- Procurement Manager – Everard Whangapirita

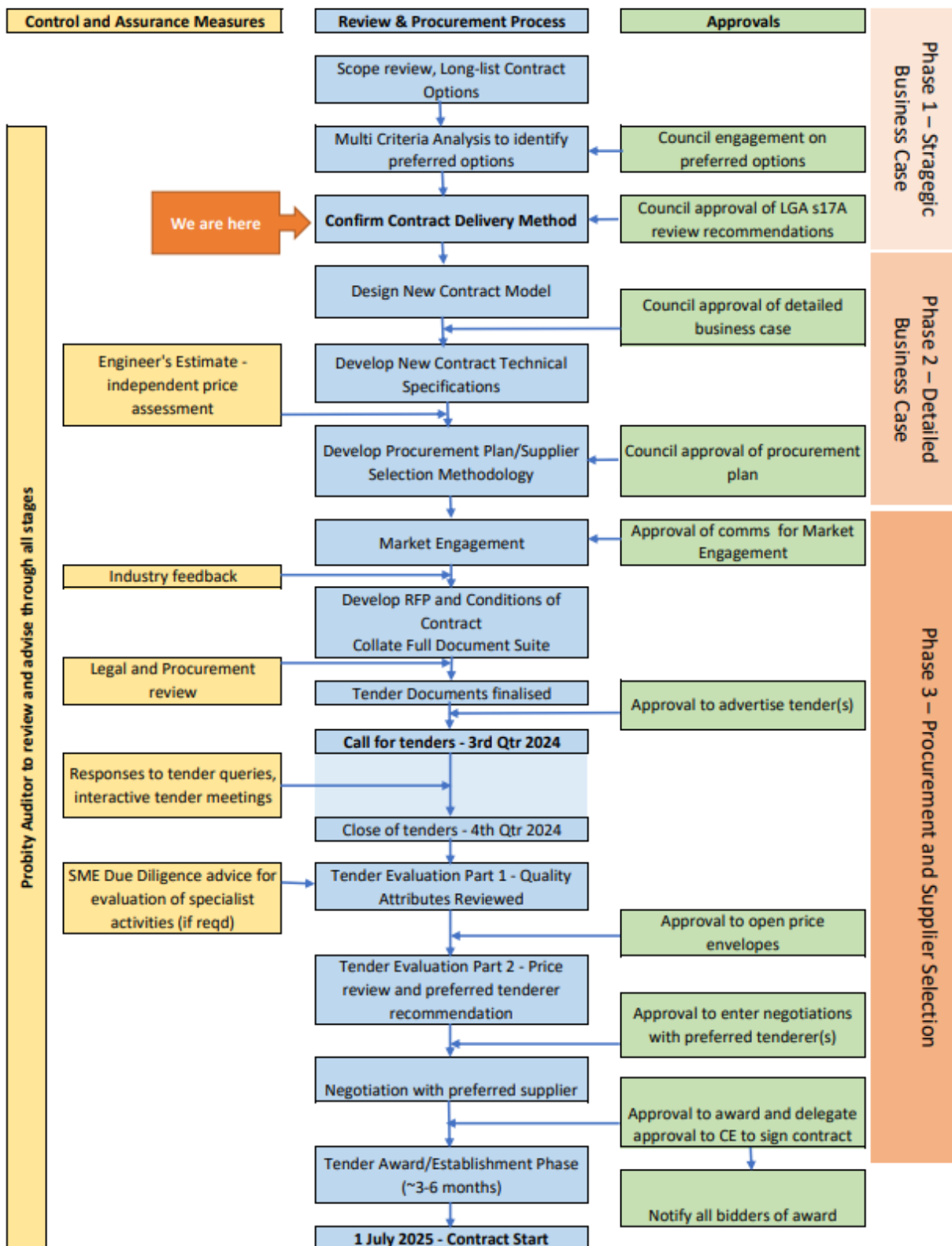
The project team leading this review includes:

- Rooding Manager –Megan May
- Transport Operations Team Leader – Attinder Singh
- Independent Consultant – Karen Boyt

The following process plan was developed to guide the review and changes to the contract model:

WDC Road Maintenance - Review and Procurement Process Map

Updated: 3-Aug-23



Steps to the Review

The steps to gather evidence and requirements for delivery of roading services from 2025, and use this to analyse the options to identify the preferred delivery approach were:

1. Gather inputs:
 - a. Workshops with Councillors to identify the objectives for delivery of services;
 - b. Workshops with the existing teams to identify opportunities for improvements to current practice, lessons learnt from the current model and agree the important outcomes to assess for identification of the optimal delivery method.
 - c. Interviews with other Road Controlling Authority (RCA) maintenance contract teams to understand current practice and learnings from recently tendered and established road maintenance contracts.
 - d. Identification of contract options available to Waikato DC.
2. Assessment of Options:
 - a. Multi Criteria Assessment of the contract options to identify the preferred option.
 - b. Test preferred options for ability to resource and procure within timeframes available.
 - c. Confirm assessment of Critical Success Factors with Councillors (workshop 24 July 2023)
3. Approval of Preferred Option:
 - a. Steering Group to review and approve recommendation report;
 - b. Seek Executive Leadership Team agreement of recommended preferred option (through subgroup);
 - c. Seek Council approval of the recommended preferred option;
 - d. Develop Procurement Plan for Waka Kotahi approval to procure preferred option.

Options for Delivery of Road Services

Identification of Outcomes to be sought

Workshops with the roading team and steering group were held on 17 March 2023 and 5 May 2023 to identify opportunities for improvement from the current approach to service delivery and then to test the outcomes that are important for delivery of services.

The first workshop considered the current delivery of services through the Waikato District Alliance, and included key representatives from the wider Alliance team. The opportunities for improvement were identified in priority order as:

1. Communication to Customers and Community
 - a. Clearly define Levels of Service to better communicate with customers
 - b. Publicly communicate work programmes to provide communities with better information
 - c. Improve process for managing and monitoring customer requests
2. Optimising Planning for Delivery
 - a. Improve proactive planning and programming to achieve less reactive maintenance
 - b. Improve scope of works to provide well defined set of requirements
 - c. Improve asset management and programming for all cyclic maintenance and all assets, not just pavement
3. Demonstrate Value for Money
 - a. Improve reporting to validate effective programming and delivery of planned financial forecasts – connection from AMP to programming to delivery
 - b. Improve visibility of costs to deliver programmes – to provide assurance of value

4. Visibility of Information and Sharing of Knowledge (connection)
 - a. Improve access to systems and information accessible to everyone involved on the network
 - b. Better connection internally for visibility and input to development of new asset
 - c. Better RAMM data management, including transfer of data for new assets
5. Optimising Resources, Roles and Culture
 - a. Retain the high level of zero harm behaviour, one-team collaborative approach and sharing of knowledge/experience
 - b. Improve connection of WDC staff to WDC
 - c. Improve connection of team to wider council
 - d. Increase resource for safety engineering

The second workshop worked through future contract options to consider the outcomes that they might achieve. The contract options put to the team included a full range of current road maintenance contract options used by RCAs around New Zealand currently. Discussions from this exercise were used to identify what were the important outcomes to assess to identify the optimal delivery option. These ideas were then consolidated into key themes to confirm the criteria for assessing options as follows:

1. Opening up to a wider supplier Market
 - a. Mitigation of risk (eg issue if 2 networks by only 2 bidders)
 - b. Competition tension vs profitable/healthy
 - c. Broader supplier outcomes
 - d. More than one supplier to open up learnings
2. Fit for Purpose
 - a. Value for Money – best outcomes for \$ spent
 - b. Health and Safety risk reduced and well managed
 - c. Knowledge of local/community environment (network as an organism)
3. Long-term planning
 - a. Smartest skills to manage – Data intelligence
 - b. Prioritise appropriately – LoS expectations
4. Knowledge of Council needs/Community Outcomes
 - a. Empathy and Intellectual Property
 - b. Supplier compliments council values – good comms
5. Contribution to Wellbeings
 - a. Opportunities to Joint Management Partners
 - b. Environment/Climate impact
6. Responsiveness
 - a. Reactive
 - b. Coordination for efficient planning – delivery
 - c. Responsiveness in emergencies (lifelines)
7. Staff Wellbeing
 - a. Retain network knowledge/IP
 - b. Collaborative (minimise Contract Management time)

Following the workshop, identification of options was finalized to confirm the viable options to be considered for assessment.

The contract options and criteria for assessing the options were tested with Councillors at a workshop on 21 June 2023. Councillors were asked to identify the critical success factors of the ideal

contract option for delivery of services from 2025. Their feedback was captured into the following four Critical Success Factors:

- Value for Money
 - Limited budget – need best outcome for limited funds
 - Long-term planning to manage future risk exposure
 - Continuous improvement and innovation
 - Fit for purpose to deliver community levels of service
 - Appropriate measures to monitor achievements
 - Use of local suppliers
- Contract provides flexibility to meet changing community and network needs
 - Focus on best outcomes for Network and Communities (safety, balanced approach to urban/rural response)
 - Supporting sustainable growth and transport access for business
- Good planning and scheduling to deliver efficiency and responsiveness
 - Improved information to enable communications and engagement with stakeholders, partners and communities – sharing of info
 - Response in emergencies to restore access and repair
- Network Knowledge and Asset Management IP retained by Council
 - Improved connection with Council

Finally, the Project Team, along with the Contracts and Partnering Manager, considered all of the input and confirmed the Multi Criteria Assessment criteria and weighting as follows. (this was tested at 24 July workshop with Councillors):

Assessment Criteria	Weighting
Review Workshop 1 - Areas for Improvement	5
1.Communication to Customers and Community	1
2.Optimising Planning for Delivery	1
3.Demonstrate Value for Money	1
4.Visibility of Information and Sharing of Knowledge	1
5.Optimising Resources, Roles and Culture	1
Waka Kotahi Investment Criteria:	3
GPS Alignment - contribution to achieving the key priorities of the Government Priority Statement for Land Transport. 2024 version expected to focus on Resilience.	1
Scheduling - ability to deliver LTP as funded - ability to align with any critical links eg. other works in the corridor.	1
Efficiency - expected return on investment including the whole-of-life costs and benefits	1
Transport Review Options Workshop - Priorities	
1.Opening up to a wider supplier Market	1
a.Mitigation of risk of not enough interest from suppliers	0.25

b.Sustainable price for supplier - profitable	0.25
c.Broader supplier outcomes - opportunities for all tiers	0.25
d.More than one supplier to open up learnings	0.25
2.Fit for Purpose	0
a. Value for Money – best outcomes for \$ spent	0
b. Health and Safety risk reduced and well managed	0
c.Knowledge of local/community environment in terms of network need (network as an organism)	0
3.Long-term planning	0
a. Smartest skills to manage - Data intelligence	0
b. Prioritise appropriately – LoS expectations	
4.Knowledge of Council needs/Community Outcomes	0
a. Community Empathy and Intellectual Property	0
b. Supplier compliments council values – good comms	
5.Contribution to Wellbeings	1
a.Opportunities to include Joint Management Partners	0.5
b.Environment/Climate impact	0.5
6.Responsiveness	0
a. Flexible to respond to community needs	0
b. Coordination for efficient planning – delivery	0
c.Responsiveness in emergencies (lifelines)	0
7.Staff	0
a.Retain network knowledge/IP	0
Ability to establish new model	
Affordability	5
Resourcing	5
Critical Success Factors: (As drafted through Councillor Workshop 21 June - wording to be confirmed)	
A. Value for Money	5
B. Contract provides flexibility to meet changing community and network needs	5
C. Good planning and scheduling to deliver efficiency and responsiveness	5
D. Network knowledge and asset management IP retained by Council	5

Notes: 1. Criteria weighted as zero were considered as included within the weighting of the Critical Success Factors.
2. Colour coding to identify the assessment criteria that deliver on the Council's Strategy Outcomes is as follows:

Council Strategic Outcomes:

Consistent delivery of core services

Colour code:



Meaning for Roadings:

Ensure current levels of service meet agreed standards and seek to improve rural roadside amenity and safety measures

Improving Council Responsiveness		Keep communities informed about our work and services and respond to requests in a timely manner. Listen and engage on issues that matter most.
Building community resilience		Partner with communities to address climate change, natural disasters and social change. Provide relevant information and protect our critical infrastructure
Building relationships		Work with our communities, stakeholders and governance to tell our stories, learn from each other and build a shared sense of belonging. Respecting Te Tiriti o Waitangi.
Improving connectivity		Improve connectivity within and between settlements to create a more accessible and connected district. Make it easy to engage, access information and promote local attractions and events.
Supporting sustainable growth		Focus on existing and planned growth nodes throughout the district and explore funding tools to ensure that economic and residential growth benefits our communities

Identification of Contract Options

To understand the options available to deliver the services from 2025, the project team has undertaken thorough research to inform identification of the long-list of options. This research included:

- Review of the requirements for procurement and recommended contract models to consider provided by the Waka Kotahi Procurement Manual;
- Interviews with Waka Kotahi representatives to understand their current Road Maintenance Alliance model and hear what they had learnt from establishing the Auckland and Wellington State Highway Alliances;
- An interview with Auckland Transport procurement and contracts manager to hear about their newly established collaborative NZS3917 road maintenance contract. This included understanding how they have separated the works into different areas with asset management and contract management provided through council.
- An interview with Gisborne District Council Infrastructure Manager and Procurement/Contract Management consultant to hear about their experience with shifting from a single fence to fence contract (joint with SHs in a NOC model) to several different contracts, with four general maintenance contracts and separate network wide contracts for pavement rehabs and reseals, streetlighting and vegetation control. As part of this shift they have established a new asset management and contract management team inhouse.
- Drawing on knowledge of our consultant from developing and procuring the Hamilton City Council new collaborative agreement and Hauraki District Council's new NZS3917 general maintenance contract.

As a result of this research work, the following options were included in our long-list to assess against the Outcomes sought.

The Options – 1-3

1. Do Nothing

- Retain existing Alliance and retender with same documents from 2015

2. Do Minimum

- Existing Alliance model with Technical updates for retender in 2015

3. Shift to a newer Collaborative Contract using KPI performance reward model

- Eg use HCC model

* All options retain existing network and scope. Full delivery model, fence to fence, Asset Management included through co-located team.

The Options – 4

4. Separate Asset Management (combined with one of Option 5)

- Professional Services for asset management, renewal programming and design contracted separately to work collaboratively with WDC existing team (Prof services alliance approach), contract management inhouse.
- Asset management, renewal programming and design, contract management inhouse.
- Asset management, renewal and routine maintenance programming inhouse, design and specialist advice outsourced, contract management inhouse.

* Asset management includes network inspection and corridor management (TMC)

The Options – 5

5. Separate Physical Works (combined with one of Option 4)

- Physical works as a single fence-fence Alliance/ Collaborative delivery contract.
- Physical works as two-three fence-fence NZS3917 contracts (e.g. East & West, or North & South).
- Physical works as two-three NZS3917 contracts allocated for specified services (e.g. 1 x pavement and 1 x traffic services).
- Two-three fence-fence NZS3917 contracts for routine footpath and road maintenance (and renewals?), plus separate network wide contract(s) for specialty activities e.g. traffic services (streetlights, street cleaning, signs and markings)

The Options – 6, 7, 8

6. Individual Prof Services and Physical Works contracts combined into a single Alliance after award

- Auckland Motorways ASM example

7. Develop new WDC bespoke contract

- Same scope and network, updated tech specs and new contract. Developed to target WDC improvements to the existing model.

8. Follow Waka Kotahi new approach

- Outcomes based Integrated Delivery Model (not available until 2026)

These options provide a high-level coarse description of the type of contract model to be developed for procurement of services. Once the preferred option is approved, a detailed procurement plan will be developed to further design the procurement and delivery model, clarify the scope and boundaries, roles and responsibilities etc.

Assessment of Shortlist Options

The Critical Success Factors identified in the above section - Identification of Outcomes to be Sought - Page 8, have been used to assess the long-list of options to identify the following preferred options.



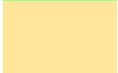



Assessment Criteria	Weighting	Option 1	Option 2	Option 3	Option 4a	Option 4b	Option 4c	Option 5a	Option 5b	Option 5c	Option 5d	Option 6	Option 7	Option 8
Review Workshop 1 - Areas for Improvement	5													
1.Communication to Customers and Community	1	3	4	5	5	5	5	5	5	4	5	5	5	0
2.Optimising Planning for Delivery	1	3	4	5	4	5	5	5	4	4	5	5	5	0
3.Demonstrate Value for Money	1	2	2	4	5	5	5	5	5	5	5	5	5	0
4.Visibility of Information and Sharing of Knowledge	1	2	3	4	4	5	5	5	5	4	4	5	5	0
5.Optimising Resources, Roles and Culture	1	3	4	5	4	4	4	5	4	4	4	5	5	0
Waka Kotahi Investment Criteria:	3													
GPS Alignment - contribution to achieving the key priorities of the Government Priority Statement for Land Transport. 2024 version expected to focus on Resilience.	1	3	3	4	5	4	4	5	5	5	5	5	5	
Scheduling - ability to deliver LTP as funded - ability to align with any critical links eg. other works in the corridor.	1	4	5	5	4	4	4	4	4	4	3	4	5	
Efficiency - expected return on investment including the whole-of-life costs and benefits	1	4	4	5	4	5	5	4	5	4	5	5	5	
Transport Review Options Workshop - Priorities														
1.Opening up to a wider supplier Market	1													

Assessment Criteria	Weighting	Option 1	Option 2	Option 3	Option 4a	Option 4b	Option 4c	Option 5a	Option 5b	Option 5c	Option 5d	Option 6	Option 7	Option 8
a.Mitigation of risk of not enough interest from suppliers	0.25	1	1	2	3	4	4	2	3	4	5	3	3	
b.Sustainable price for supplier - profitable	0.25	5	5	5	4	5	5	4	4	3	4	4	3	
c.Broader supplier outcomes - opportunities for all tiers	0.25	1	1	2	5	5	5	2	3	4	5	5	2	
d.More than one supplier to open up learnings	0.25	1	1	2	3	4	4	2	4	3	5	5	2	
2.Fit for Purpose	0													
a. Value for Money – best outcomes for \$ spent	0	3	3	4	5	4	4	4	5	4	5	3	3	
b. Health and Safety risk reduced and well managed	0	5	5	5	5	4	4	5	4	4	4	5	5	
c.Knowledge of local/community environment in terms of network need (network as an organism)	0	4	4	5	3	5	5	4	5	5	5	4	5	
3.Long-term planning	0													
a. Smartest skills to manage - Data intelligence	0	3	3	4	5	4	4	5	4	4	4	4	3	
b. Prioritise appropriately – LoS expectations														
4.Knowledge of Council needs/Community Outcomes	0													
a. Community Empathy and Intellectual Property	0	3	3	4	3	5	5	4	4	4	4	4	3	
b. Supplier compliments council values – good comms														
5.Contribution to Wellbeings	1													
a.Opportunities to include Joint Management Partners	0.5	5	5	5	3	5	5	3	3	3	4	4	5	
b.Environment/Climate impact	0.5	5	5	5	5	5	5	4	4	4	4	5	5	

Assessment Criteria	Weighting	Option 1	Option 2	Option 3	Option 4a	Option 4b	Option 4c	Option 5a	Option 5b	Option 5c	Option 5d	Option 6	Option 7	Option 8
6.Responsiveness	0													
a. Flexible to respond to community needs	0	4	4	4	5	5	5	5	5	4	5	4	5	
b. Coordination for efficient planning – delivery	0	3	3	5	4	4	4	4	5	4	5	4	5	
c.Responsiveness in emergencies (lifelines)	0	5	5	5	4	4	4	5	5	4	5	5	5	
7.Staff	0													
a.Retain network knowledge/IP	0	2	2	3	2	5	5	4	4	4	5	4	3	
Ability to establish new model														
Affordability	5	5	5	4	2	4	4	4	4	4	4	2	1	
Resourcing	5	5	5	3	3	2	3	5	5	5	4	3	2	
Critical Success Factors: (As drafted through Councillor Workshop 21 June - wording to be confirmed)														
Value for Money	5	2	3	3	2	5	5	3	4	4	5	3	2	
Contract provides flexibility to meet changing community and network needs	5	4	4	4	3	5	5	3	3	2	4	5	5	
Good planning and scheduling to deliver efficiency and responsiveness	5	3	3	4	5	5	5	4	4	3	3	5	5	
Network knowledge and asset management IP retained by Council	5	2	2	3	1	5	4	4	4	4	4	3	4	
Rounded Total Score	200	135.0	145.0	150.0	125.0	175.0	175.0	160.0	165.0	150.0	165.0	155.0	145.0	0.0
Ranking		11	9	7	12	1	1	5	3	7	3	6	9	13

Notes: 1. Option 8 was not possible to assess since this model is not sufficiently developed enough to know what outcomes it might achieve.

2. Colour coding to identify the assessment criteria that deliver on the Council's Strategy Outcomes is as follows:

Council Strategic Outcomes:	Colour code:	Meaning for Rooding:
Consistent delivery of core services		Ensure current levels of service meet agreed standards and seek to improve rural roadside amenity and safety measures
Improving Council Responsiveness		Keep communities informed about our work and services and respond to requests in a timely manner. Listen and engage on issues that matter most.
Building community resilience		Partner with communities to address climate change, natural disasters and social change. Provide relevant information and protect our critical infrastructure
Building relationships		Work with our communities, stakeholders and governance to tell our stories, learn from each other and build a shared sense of belonging. Respecting Te Tiriti o Waitangi.
Improving connectivity		Improve connectivity within and between settlements to create a more accessible and connected district. Make it easy to engage, access information and promote local attractions and events.
Supporting sustainable growth		Focus on existing and planned growth nodes throughout the district and explore funding tools to ensure that economic and residential growth benefits our communities

The above matrix assessment indicates the following preferences for delivery of services from July 2025:

- A single contract for delivery of all services including asset management is no longer preferred. While the Alliance has improved service delivery for Waikato District Council since 2015, the Council are now in a position to better understand their assets and are ready to move to more of a council led asset management approach. Therefore **options 1, 2, 3, 6, 7 and 8 are discounted;**
- Similarly, outsourcing of asset management services separately to a professional services consultant is not considered to bring the improvements Waikato District Council are seeking, and given they are ready to move to more of a council led asset management approach, **Option 4a is discounted;**
- The remaining options require a combination of either 4b or c with either 5b,c or d.
 - 4b and c provide a similar outcome in terms of delivering on the critical success factors, but 4c will provide a more achievable option to begin with. This will enable the Roading Manager to establish a team focused on asset management and programming, network and corridor management and contract management while utilizing external specialist support for design and engineering activities where required. **Option 4c is the preferred asset management delivery option.**
 - Of the physical works options, with move to a council led asset management approach there is also opportunity to diversify the portfolio for management of the assets to provide more council led oversight of maintenance activities for delivery through a range of suppliers. This could also offer opportunities to seek more use of local suppliers and other broader outcomes. This is best achieved through separating the works into smaller groups for greater efficiency and effectiveness. However, there is value in continuing to provide a general maintenance contract over 2-3 network areas to cover the core routine maintenance activities across the width of the corridor, focused on a local area and community needs. **Therefore 5a and 5c are discounted.**
 - Option 5b results in a similar outcome to the current delivery model with one supplier maintaining all of the assets in the corridor for their network, but there will be 2-3 networks. This will require subcontractors to be engaged by the head supplier for specialist activities such as streetlight maintenance and vegetation control. There is considered to be an opportunity with splitting the network up into smaller packages whereby the suppliers can better resource and plan works in their area and there is an opportunity for council to benchmark costs and quality of the work to better understand network costs and needs. **Option 5b is a preferred option.**
 - Option 5d achieves the benefits of 5b identified above, it also provides an opportunity for council to separately tender and manage specialty services that would otherwise be subcontracted. This creates more management tasks for council but will reduce the on-cost charged by head suppliers. The benefit of separating specialist activities may be in the ability for council to direct works to ensure customer requests are better managed, and the opportunity to encourage more local and broader outcomes. **Option 5d is also a preferred option.**

Preferred Option for Delivery of Road Services from July 2025

The analysis above results in two preferred options based on the assessment being very close:

Preferred Option A – 4c and 5b - Asset management, programming and contract management inhouse, physical works separated into 2-3 fence to fence maintenance contracts encompassing all activities;

Preferred Option B – 4c and 5d – Asset management, programming and contract management inhouse, physical works separated into 2-3 general maintenance contracts plus network contracts for specialist activities;

It is recommended that council agree to proceed with the preferred option – 4c and a combination of 5b and 5d, which will be designed in detail to best deliver on the critical success factors.

Following approval of this recommendation, the team will design the detail of this model to:

- identify the boundaries for the general maintenance contracts;
- identify areas of specialty activities that would provide better Public Value to tender and manage separately,
- design the team structure required to resource the asset management, programming and contract management tasks inhouse;
- develop the detailed business case to recommend a decision on the best value delivery model for procurement; and
- develop the procurement plan to identify contract and tendering details such as tenure of the contracts, supplier selection methodology etc.

Market Analysis

Waikato District is fortunate to be centrally located with all of the main road maintenance suppliers based locally or nearby in Hamilton and/or Auckland. This includes **Downer** (the incumbent), **Fulton Hogan** and **Higgins** (the SH maintenance suppliers), with all three having Asphalt plants in Hamilton. **Ventia** are likely to be interested in bidding and capable of establishing, they hold maintenance contracts for Thames Coromandel, South Auckland and have recently won the Hauraki contract. **HEB** are also likely to be interested in bidding in their own right, they currently manage the north of Waikato's network as a supply partner to the WDA. HEB have crews based in Auckland, Tuakau and Hamilton.

All of these suppliers have asset management capability inhouse and are fully capable to deliver the full range of services that may be required.

Additionally, the selection of a more traditional contract model and for smaller network areas may open the tenders up to a wider market to attract smaller operators. Examples for the Waikato include **Inframax** who currently hold Taupo, Otorohanga and Waitomo contracts, and Schick who have tendered for maintenance contracts around the Waikato in the past but not yet won any tenders. The selection of separating activities into more specialized contracts will open the tender up to a much wider market of specialist providers, including many locally based and more innovative options.

In addition to the larger suppliers there are also many smaller local suppliers that are showing more interest in maintenance of road networks around the Waikato.

Indications are that willingness to bid for general road maintenance contracts is very low in the industry currently. Hamilton City, Hauraki and Waipa only received 2 bids for their recently (2023) awarded road maintenance contracts. Therefore, market engagement will be important to test bidder's willingness and identify any barriers to be avoided.

Barriers may include:

- Capacity – some suppliers may have reached capacity for the number of maintenance contracts they can resource.
- Value of tendering versus likelihood of success – the cost of tendering large maintenance contracts is significant and requires an appropriately sized bid team to resource. Therefore, the suppliers need to factor in this investment cost when choosing to bid. Splitting the network into more than one contract may help to mitigate this risk, and the procurement plan can consider this in the design of the supplier selection methodology.
- CPI uncertainties and resource shortages – the ability for bidders to accurately predict costs for tendering work to be delivered in the year ahead is becoming more and more difficult. Risks of resource shortages and cost increases are becoming more likely, whilst the number of uncertainties (like the next pandemic/business disruption) are increasing and unpredictable. This may result in bidders seeking longer-term contracts, and those that already have long-term contracts in place seeking to keep them stable.

The preferred option identified above recommends separating the contracting of services into packages of work to be designed to enable the best delivery outcomes for the district. With physical works delivery contracted in smaller packages, there is more opportunity for the market. This approach will reduce the barriers indicated above, and is likely to receive more interest from a wider market to ensure council attracts a good range of competitive proposals to encourage innovation and value for money.

Risk Analysis

We have identified and are monitoring the following risks associated with this review and change process:

- Ability to keep to programme for start of new contracts from 1 July 2025 – Moderate – Close monitoring of the programme and project plan to manage this risk. If delays occur, extra resourcing may be required to enable faster delivery.
- Preferred contract model requires more resource/budget than estimated - Moderate – Close monitoring of the programme and project plan to manage this risk.
- LTP timing, LTP approved before the contract options are certain – Low – the risk of this occurring is high, however provision is being made to estimate budget and allow for engineer's estimate to inform our market value estimate.
- Final scope allocation may impact on other contracts (such as vegetation/mowing) – Low – risk that scope changeover affects current contracts will need to be reviewed on a case-by-case basis. There will be opportunity to establish the new road maintenance contract based on scope coming in at a later date if required.
- Staff uncertainty around impact on them – High – staff embedded in the WDA are particularly vulnerable to uncertainty around the impact of any change to the contract model and procurement for a new contract. A separate Staff Engagement and Consultation

Plan will be developed to ensure that staff are informed early and have an opportunity to engage individually throughout the process.

- Period of establishment also requires completion and handover of the old contract – High – risk of WDC staff being stretched as they try to support both phases. Also risk of reducing level of commitment from the Alliance through loss of staff and conflict between resourcing for handover versus delivery of remaining programmes. A management plan will need to be developed by the Alliance to ensure close-out and disestablishment is planned and well managed.
- Ability to fill vacancies in council team with suitable skilled people – High – risk that bringing asset management and contract management inhouse results in vacancies that are difficult to fill with suitably trained staff. Design of the new structure will need to include planning to fill roles required in the future, HR support will be provided and development of cadets will be considered to begin developing people early.
- Future use of Brownlee yard, and pre-purchased materials from the Alliance – Low – council ownership of the Brownlee yard and any materials should be taken into account in designing the new model.

Strategic Analysis

This report has focused on reviewing the way roading services are delivered today, in the current roading and market environment. It looks forward at the opportunity into the future taking into account the challenges facing the district and the roading industry as a whole.

It is also worth reflecting on the past decision of council to move to the Alliance, and the business model that council operates within, to identify risks and opportunities with the recommendations in this report.

Choosing the Alliance

The move to the Alliance model in 2015 was informed by a review into the optimal contract model options at the time to deliver on the following objectives:

- **Flexibility** – emergency works, ONRC, responsiveness
- **Finance** – unsustainable pricing, unit rate loading / unloading, affordability
- **Performance** – mechanism's (reward for good / penalties for bad)
- **Capability** – existing staff attributes, market sustainability
- **Business management** – multiple contracts, duplication of resource
- **Customer** – Customer Response Management, demonstrating value for money
- **Political** – alignment with strategic direction
- **Best for asset** – confidence in data (technical asset management), reporting, planned intervention (from reactive to proactive) – regardless of what asset type.

The two preferred options in preference order were:

- Collaborative Working Agreements (Alliance type models)
- Traditional (bundled) type contracts.

WDC also visited other Councils, who had implemented Collaborative Working Agreements at that time (Wanganui District Council, Hamilton City Council and Tararua District Council) to discuss how this is working for them and what lessons they learned from the process.

Having taken all of that into account WDC decided that the Collaborative Working Agreement Model would be the most effective for delivering the outcomes noted above, which became the Waikato District Alliance.

WDC perceived the key benefits of the Collaborative Working Agreement to be:

- Contracting partners are incentivised to work cooperatively to complete the project within the time and budget forecasts (Painshare/Gainshare model)
- Optimal solutions and better decision making for the project through:
- Transparency of costs - all Alliance staff are able to see the real costs of activities and can therefore make the best decisions for the network
- Elimination of duplication at all levels – staff, resources, systems and processes
- Management efficiency is improved with all staff working under a single management structure
- Integrated asset management
- Response times to work and customer requests are significantly reduced through colocation, reduction in Client / Contractor interfaces, and having an agile and flexible approach that works quickly and collaboratively to resolve issues as they arise.

Analysing the difference in value for money between Alliance and the Preferred Model

The change in 2015 was supported as a result of difficulties with the model previously used, as follows:

- 2 major maintenance contracts (East + West) + multiple other DW contracts
- Traditional contracting model (measure & value) not delivering outcomes sought
- Poor performance and some major contractors in loss position
- State of the network and customer satisfaction – low

The shift to the Alliance model required significant change for council staff, with some relocating to the new Alliance. Property was purchased to house the new Alliance, and council have also purchased some vehicles, plant and materials. Therefore, a decision to change the service delivery model back to what may be considered a traditional contracting model again, and return staff to be based inhouse, will again create significant impact on council and its staff.

From this perspective, it is recommended that the design of the preferred option be developed using a detailed business case approach, and that the Do-Minimum option also be assessed for comparison against the preferred new model. The purpose of this is to ensure that council can fully understand the impact and value for money expected from the change proposed, to inform a final decision on the delivery model for procurement.

Costs

The LTP 2024 will provide the level of investment approved to spend on roading service delivery from 2025. Until this is approved, we are forecasting the network need through the development of the Roading Activity Management Plan 2024. Currently we forecast costs associated with this report and recommendation, exclusive of GST, as follows:

1. Phases 1, 2 &3 until December 2024 - Review, design and procure new contracts - \$350,000
2. Establishment of the new contract, including WDC asset management setup - \$750,000
3. Delivery of road maintenance and renewals contracts from 1 July 2025 - NZD\$30M to \$40M per annum.

Design of the preferred contract model will be carried out to deliver the levels of service and budgets set by the AMP and LTP.

Recommendation

It is recommended that Waikato District Council:

- a. **approve the preferred option of 4c and 5b/d of the Waikato District Council Road Services Review Report – to bring asset management and contract management inhouse and to design physical works contracts to deliver general maintenance and renewals through appropriately sized and scoped NZS3917 forms of service delivery contracts.**
- b. **note that the team will proceed to design the detail of this model to deliver on the critical success factors through the following steps:**
 - i. identify the boundaries for the general maintenance contracts,
 - ii. identify areas of specialty activities that would provide better Public Value to tender and manage separately,
 - iii. design the team structure required to resource the asset management, programming and contract management tasks inhouse;
 - iv. develop the detailed business case to recommend a decision on the best value delivery model for procurement, and
 - v. develop the procurement plan to identify contract and tendering details such as tenure of the contracts, supplier selection methodology etc.
- c. **and also notes that the “Do-Minimum” approach will also be assessed against the preferred new model to test benefits and efficiencies of any change.**

Attachment A – LGAs17A review assessment – Road Services

Review of service under S17a of the Local Government Act

As part of the 2012 amendments to the Local Government Act (LGA), Government introduced the requirement for local authorities to carry out service delivery reviews (Section 17A). This came into effect in August 2014.

The aim of the reviews is to seek efficiencies and demonstrate that local authorities are delivering services in a manner that is most cost-effective for households and businesses. A review must consider the 'cost-effectiveness' of funding, governance and service delivery arrangements.

All council services must be reviewed, and there are three statutory triggers for when a review must be undertaken:

1. When considering significant changes to levels of service.
2. Within two years of the expiration of a contract or other binding agreement to deliver a service.
3. No later than six years following the last review.

Council is not required to undertake a review if:

1. Delivery is governed by legislation, contract, or other binding agreement that cannot be altered within the following two years.
2. Council is satisfied that the cost of the review outweighs the benefit.

If the service is deemed to meet one of the first three criteria and an exemption does not apply, then the a S17a review must consider the following elements:

- Governance and funding by:
 - Council alone, or
 - In a shared governance arrangement with one or more other local authorities.
- Service delivered by:
 - The local authority (i.e. in-house)
 - A Council Controlled Organisation (CCO) owned by the local authority or jointly owned with another shareholder (e.g. another local authority or private entity)
 - Another local authority (e.g. through a shared service arrangement); or
 - Another person or agency (e.g. outsourced contract or by opting out).

The following tables should be completed to undertake the initial assessment of whether the service is due for review.

Brief service description	Comments
Name	Delivery of Roading Services
Rationale for delivery	Outsourcing of Road Maintenance Services through the single Alliance contract model provides flexibility and collaborative Asset Management between Council and the Supplier. Other parts of the service overlap with other Council services eg catchpits and rubbish bins.
Current delivery method	Alliance Contract + small component of other suppliers

Brief service description	Comments
Current governance arrangements	The Rooding Services is governed through Council's Executive Management team and Elected Member process; The Alliance has a Contract Governance Group – the Principal's Group.
Current collaboration mechanisms/ partnership arrangement	The Alliance provides collaboration between Supplier and Council's Rooding Team. Council also collaborate with Co-Lab/RATA for Structures Asset Management, Waikato Regional Transport Model (WRTM) and Data Collection contracts. Traffic Signals maintenance is managed by Hamilton City Council to use the expertise of their Traffic Operations team.
Current funding sources	51% of road maintenance and renewals funded by Waka Kotahi through the NLTF, the remainder from Council revenue/debt in accordance with the requirements of the Land Transport Management Act 2013.
Other important relevant information	Capital projects are identified, programmed and funded by the Rooding Team, with design and delivery being delivered through the WDA or Project Services Team.
Business owner	General Manager Service Delivery

Does the service meet the review requirements?		
Question		Comments
Is there a significance change to relevant service levels?	✘	No, individual service levels may be adjusted in each LTP to manage budgets within available funding levels, however the service to deliver the Rooding Activity remains the same.
Is it within 2 years of the expiration of a contract or other binding agreement to deliver a service?	✔	The Alliance contract expires on 30 June 2025. At that point it will have been operating for 10 years, which is the extent of contract approved by Waka Kotahi. Waka Kotahi funding is reliant on us undertaking the review.
Has it been six years since the last review of the service?	✔	Last review of the rooding maintenance service was 2015.
<i>If you answer yes to one of more of questions in this table a S17a review is required, unless you meet one of the exemption criteria below.</i>		

Do any of the exemption criteria apply?		
Question		Comment
Is the delivery of the service governed by legislation, contract, or other binding agreement that cannot be altered within the following two years?	✘	Contracting of services must follow the Waka Kotahi Procurement Manual to meet their investment requirements, this requires procurement for a maximum of 7 years for maintenance, or up to 10 years by an approved exemption.

Do any of the exemption criteria apply?		
Question		Comment
Is Council satisfied that the cost of the review outweighs the benefits?	x	Benefits of a review of the contract are expected to outweigh the cost of the review. Refer to the attached LGA s17A decision to review worksheet.
<p><i>Note: when considering the cost of review, thought should be given to the following:</i></p> <ul style="list-style-type: none"> - <i>Budget size of cost of service.</i> - <i>Estimate cost of a review (Staff cost, external cost and opportunity cost).</i> - <i>Estimated time needed for the review.</i> - <i>Ability of neighbouring councils to concurrently carry out reviews.</i> - <i>Does any change in the environment warrant a further review?</i> - <i>Is there a strategic or other reason to retain the current model of delivery?</i> 		
<p><i>If neither of the exemption criteria apply, then a S17a review is required.</i></p>		

Once determined that a S17a review is required to be undertaken in relation to a service, make sure that the review considers the following options for governance, funding and service delivery:

Option	Is the delivery of the service governed by legislation, contract, or other binding agreement that cannot be altered? If not, is there value in carrying out a review?	Costs (financial and other)	Benefits (financial and other)
(a) responsibility for governance, funding, and delivery is exercised by the local authority	Local Roads are vested for management by Councils under the Local Government Act 1974 Part 21, Council's act as the Road Controlling Authority as defined in the Land Transport Management Act 2003. From this perspective, Council must govern the road therefore this cannot be altered.	n/a	n/a
(b) responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by:			
(i) a council-controlled organisation of the local authority	As above, legislation requires Council direct management of roads in regards to carrying out the powers and duties allowed by the acts. This is currently managed through the Roading team. However, physical services delivery, which is currently undertaken through the WDA, could be delivered through a CCO. Previous experience with Strada operating as a CCO for contracting of road	Investment in capital to set up such a business would be required. Roading contracting is not our core business. It is therefore determined that the cost of establishing	Benefits of outsourcing are the value from competition and healthy market outcomes. Bulk purchase and material value would not be as competitively available to Council.

Option	Is the delivery of the service governed by legislation, contract, or other binding agreement that cannot be altered? If not, is there value in carrying out a review?	Costs (<i>financial and other</i>)	Benefits (<i>financial and other</i>)
	maintenance services resulted in a Council decision to outsource to gain benefit from the wider market.	a CCO would not provide the value required to make further review of this option viable.	
(ii) a council-controlled organisation in which the local authority is one of several shareholders	As above, legislation requires Council direct management of roads.	n/a	n/a
(iii) another local authority	Council can delegate its functions and powers for management of roads under section 61 of the LTMA, but only with prior approval of the Minister. It is not viable to seek Ministerial approval – currently Government have LG review underway to consider this nationally.	n/a	n/a
(iv) another person or agency	As above	n/a	n/a
(v) responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person	As (b)(i) to (iv) above are not viable, this option cannot be considered.	n/a	n/a

Option	Is the delivery of the service governed by legislation, contract, or other binding agreement that cannot be altered? If not, is there value in carrying out a review?	Costs (financial and other)	Benefits (financial and other)
listed in paragraph (b)(i) to (iv).			
<p>Any other options considered...</p> <p>1. Review of the Organisational Structure for management of Road Services both within the Services Delivery Team and across wider services.</p>	<p>Completed recently and new Roothing Team structure created. Review could consider where asset management staff are located. Review could also consider resource requirements and structure internally to respond to proposed contracting approach going forward.</p>	Estimated at \$10,000	Opportunities to seek cost efficiencies and effectiveness through reviewing the internal resourcing to manage the proposed contracting approach.
<p>2. Review of the Contract for Delivery of Road Maintenance Services</p>	<p>No -review recommended as per LGA s17A Decision to review worksheet.</p> <p>Include full review of scope to all associated services - anything where same activity is completed by others at Council. And include subsidised funding review.</p> <p>Include outcomes and priority for investment, are services focussed in the right areas. Aligned with AMP.</p>	Estimated at \$30,000	Opportunities to seek cost efficiencies and effectiveness through considering the type of contract, scope of services included and approach to procuring the services. For full details refer to the LGA s17A decision to review worksheet attached.

Attachment 1: LGA s17A Decision to Review Worksheet

The [Local Government Act Section 17A](#) – Delivery of Services – requires that:

- (1) A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.
- (2) Subject to subsection (3), a review under subsection (1) must be undertaken—
- (a) in conjunction with consideration of any significant change to relevant service levels; and
 - (b) within 2 years before the expiry of any contract or other binding agreement relating to the delivery of that infrastructure, service, or regulatory function; and
 - (c) at such other times as the local authority considers desirable, but not later than 6 years following the last review under subsection (1).
- (3) Despite subsection (2)(c), a local authority is not required to undertake a review under subsection (1) in relation to the governance, funding, and delivery of any infrastructure, service, or regulatory function—
- (a) to the extent that the delivery of that infrastructure, service, or regulatory function is governed by legislation, contract, or other binding agreement such that it cannot reasonably be altered within the following 2 years; or
 - (b) if the local authority is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review.

Decision to Review WORKSHEET FOR SECTION 17A SERVICE REVIEWS

This worksheet sets out criteria which helps in making an assessment under section 17A(3)(b), whereby a local authority is not required to undertake a review *if the local authority is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review.*

Service Area – Road Maintenance and Renewals Contract

Review Decision	<p>The Road Maintenance Alliance is due to expire in July 2025, therefore clause 2(b) above is met, and the need to consider a review is required. This worksheet has been used to test whether any factor under clause (3) above indicates that a review is not warranted.</p> <p>Based on factors below a review of alternative options for delivering the full service is not warranted, however a review of the existing contract model for the supply of road maintenance and renewal services to capture improvements is warranted, as follows:</p> <ol style="list-style-type: none"> 1. Governance – not warranted: The service is governed in accordance with LTMA 2003 requirements. 2. Funding – not warranted: Council must retain these services in accordance with LTMA 2003. 3. Delivery – warranted: there is opportunity to consider efficiency and effectiveness gains. <p>Expert in-house resources are available to undertake the review of Delivery with some consultancy support.</p>
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Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
Size and scale of service	The bigger the budget the more efficiency gains are possible.	Total OPEX pa	OPEX only for all services = \$24M 2022/23 All managed through the Road Maintenance contract – currently delivered through the Alliance agreement with Downer, therefore all controlled by Council.	Yes – size of contract indicates efficiency gains are possible.
	Capital intensive services are more likely to generate savings.	Total CAPEX pa	Renewals and CAPEX. approx. \$48M 2022/23 (this includes carry-over from last years undelivered projects). Approximately 50% is delivered through the Alliance road maintenance delivery contract. The remaining Transport Capital Improvement projects are procured through separate contracts.	Yes – An increasing programme of renewals and capital projects suggests there may be efficiency gains.
The anticipated cost of a review	The greater the cost of a review as a percentage of the total cost of service, the less likely there is value in the review.	Cost of review / Cost of service	Expert In-house/contract capability and capacity to carry out contract review. Estimated cost for existing contractor approximately \$30k.	Yes – low cost in comparison with the total value of the contract
Uniqueness of service delivery	The more generic the service the more opportunity for economies of scale or scope.	Customer needs.	Road maintenance services are common through all local road and state highway networks. There are clear rules and guidance for delivery of the services, including investment criteria for the majority of services that are subsidized through the National Land Transport Fund.	Yes – services are generic and there are many opportunities to review how other road controlling authorities are getting value from their form of delivery.
	If the area of delivery can be increased, economies of scale could exist.	Geographical area of delivery.	The 2,500km Waikato road network provides more than enough network length economies of scale in work volume and value for this contract. Surrounding road networks are not setup to align contracts. Water services may provide an opportunity for sharing services in the future, once there is clarity on the direction of the Waters Reform.	No – current geographical area is sufficiently large for economies of scale. However, there could be opportunity for economies of scale through a reduced size of network – eg 2 networks.

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
	The existence of different models suggests a review could realise benefits from comparison from approaches proven elsewhere.	Multiple models of delivery.	Waka Kotahi's Procurement Manual recommends use of one of its standard contract models. If an alternative is recommended, Waka Kotahi must consider as an exemption for approval to deliver subsidized activities. The current Alliance service delivery model is the most advanced model available and provides flexibility to vary its scope. Economies are achieved through programming all maintenance activities through the single supplier to maximise activities delivered through each worksite set-up. Services are paid as cost plus with incentives to deliver outcomes driven through a Target Cost Estimate process. Recently the Maintenance Alliance contract model has been updated by Hamilton City Council, and New Plymouth and Wanganui have/are moving to an NEC collaborative contract model so there would be value in reviewing these and other Councils method of delivery.	Yes – there are many opportunities to review how other road controlling authorities are getting value from their form of delivery.
Type of service	Services which are core competencies and have non-commercial objectives should be maintained in house. <i>A core competency is fundamental knowledge, ability, or expertise in a specific subject area or skill set which cannot be replicated by others.</i>	Core competency	The Asset Management function is considered a core competency that requires Council delivery. Through the Alliance, this is achieved collaboratively with Council staff working alongside supplier staff to bring together inhouse knowledge and expert skills to provide greatest efficiency, retain inhouse knowledge and ensure long-term/asset lifecycle planning focus. The programming, management and delivery of construction works are specialist activities that are considered best delivered through outsourcing.	Yes – the significant programme of construction works delivered externally through this service indicates that there may be opportunity for efficiency and effectiveness gains.
Market Barriers	The success of alternative service delivery methods	Supply side capability and capacity	Waikato District is fortunate to be centrally located with all of the main road maintenance suppliers based locally or nearby in Hamilton. This includes Downer (the incumbent), Fulton	Yes – a strong local contracting market indicates that there is opportunity for

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
	(such as contracting out to a private sector provider) depends on the existence of a competitive market.		<p>Hogan (the SH maintenance supplier) and Higgins, with all three having Asphalt plants in Hamilton. Ventia are likely to be interested in bidding and capable of establishing (they closed their base in Hamilton in July 2021 due to the loss of the SH maintenance contract, but have bases located in South Auckland and Coromandel). HEB are also likely to be interested in bidding, their maintenance crews are based in Auckland but they have a construction office in Hamilton that is increasing in capacity.</p> <p>All of these suppliers have asset management capability inhouse and are fully capable to deliver the full range of services in this contract.</p>	<p>efficiency and effectiveness gains.</p>
		Demand	<p>Indications are that willingness to bid is very low in the industry currently. Hamilton City only received 2 bids for its recently awarded Collaborative Corridor Agreement, and others are indicating similar numbers of bidders. Therefore, market engagement will be important to test bidder's willingness and identify any barriers to be avoided.</p> <p>Barriers may include:</p> <p><u>Capacity</u> – some suppliers may have reached capacity for the number of maintenance contracts they can resource.</p> <p><u>Value of tendering versus likelihood of success</u> – the cost of tendering large maintenance contracts is significant and requires an appropriately sized bid team to resource. Therefore, the suppliers need to factor in this investment cost when choosing to bid. Splitting the network into more than one contract may help to mitigate this risk, and the procurement plan can consider this in the design of the supplier selection methodology.</p> <p><u>CPI uncertainties and resource shortages</u> – the ability for bidders to accurately predict costs for tendering work to be delivered in the year ahead is becoming more and more difficult. Risks of resource shortages and cost increases are</p>	<p>Maybe – uncertainty indicates that there is value in engaging with market to test opportunities for efficiency and effectiveness gains.</p>

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
			becoming more likely, whilst the number of uncertainties (like the next pandemic/business disruption) are increasing and unpredictable. This may result in bidders seeking longer-term contracts, and those that already have long-term contracts in place seeking to keep them stable.	
Subject to other legislative procurement processes	Services that have been the subject of comprehensive review under other procurement or legislative processes are less likely to generate new and better ways of doing things.	Other processes	<p>Subsidised funding is approved by Waka Kotahi through the National Land Transport Plan (NLTP). Services subsidised by NLTP funding must be planned and procured in compliance with the Land Transport Management Act (LTMA) and must follow Waka Kotahi's requirements.</p> <p>Application for funding from Waka Kotahi is managed through the Activity Management Planning process to identify the needs for investment and plan future forward works programmes. This is then used to inform the Council's Long Term Plan development and the Regional Land Transport Plan.</p> <p>Council is required to complete a 3-year Transport Procurement Strategy for the approval of NZTA to confirm it's procurement of NLTP subsidised services is in accordance with the LTMA. This requires that Council has undertaken an LGA s17A review of cost effectiveness and efficiency of their service delivery contracts.</p> <p>Guidelines on the review of procurement processes for road controlling authorities have been published by the Road Efficiency Group (REG) for this purpose.</p>	Yes – a requirement of Waka Kotahi in approving subsidized funding is that an LGA s17A review is undertaken to identify opportunities for efficiency and effectiveness gains.
Current efficiency and effectiveness	A service that consistently achieves its performance targets is evidence that it meets customer expectations and a	Achievement of performance targets.	<p>Performance is monitored under the current contract through a Performance Framework, which monitors the outcomes against the contract objectives. The model clearly identifies the Enablers to achieving performance targets and the key results needed to achieve outstanding service delivery.</p> <p>Public perception on delivery is that there is room for improvement as interpreted from some feedback from Councillors.</p>	Maybe – based on customer perception there may be opportunity for effectiveness gains.

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
	<p>review is less likely to realise benefits.</p> <p>If operating costs are comparable with other suppliers then a review is less likely to realise efficiency gains.</p>	Comparable operating costs.	<p>The Alliance model aims at providing best long-term value for money and has proven its worth in extending the expenditure by using collaborative principles and a flexible approach to programming.</p> <p>The cost efficiency of this model is worth reviewing however to ensure that the incentive drivers are achieving the appropriate outcome for Council – eg. could these be better aligned with the Community Outcomes to better satisfy customers?</p>	Maybe – there may be opportunity for effectiveness gains.
Views and Preferences of the Community	There is value in conducting a review if it could further Council's: community outcomes; strategic priorities; or responds to a demographic trend or future problem.	Strategy	<p>Demand for the transportation service increases year on year as the district and surrounding cities continue to grow. In addition, the length of network grows by approximately 4-5km per year due to development and revocations. This is considered an essential service for the community to function. Roads provide a lifeline in times of crisis and civil defense emergencies, not only for the movement of customers but also for the utilities which use the road corridors for their networks.</p> <p>Local employment opportunities are inevitable from a road maintenance contract due to the long-term resource demand needs. The Alliance style of contract relies on subcontracting specialized maintenance and construction activities (and possibly professional services).</p> <p>The current Alliance arrangement does provide the flexibility to respond to changing needs. However, the tendering environment can create opportunities for new suppliers to invest in innovation to offer efficiency and effectiveness gains.</p>	Yes – the importance of this service to delivering on Council's strategic priorities indicates that there is value in reviewing opportunities for efficiency.

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
	Council may get the most benefit by focusing on services that are important to citizens and are failing to meet their expectations.	Public interest	Council receives a high number of customer requests related to road network issues.	Maybe – based on customer perception there may be opportunity for effectiveness gains.
Change in the operating environment	The more elapsed time since the last review the greater value in a review	Elapsed time	In February 2015 WDC undertook a roading maintenance procurement model review to inform the decision to procure services using the Alliance model, which confirmed the value for money and efficiency of the Alliance model in delivering the service. In 2019 a thorough review of the Alliance delivery of services was undertaken to provide assurance to Council of the value of agreeing to rollover the contract for the agreed second 5-year term. However, this review would need to be checked to determine if it met the s17A requirements.	Maybe – the 2019 review may not meet the requirements of a full s17A review and was undertaken to inform the renewal, not the opportunity for obtaining cost efficiency at the end of the ten-year tenure.
	Service reviews realise the most benefits when there is certainty around the operating environment in which the service is delivered.	Pending change	Changes likely to impact on the operating environment include: <ul style="list-style-type: none"> - Legislative changes – no known changes that will impact this service. - Central Government policy (GPS) – no significant change expected in the next version, due 2024. - Changes in the political direction of Council – council recently elected, so no change expected. - Waters Reform – little to minor impact on this service - RMA Reform – little to minor impact on this service - Local Government Review – may be significant impact to this service, recommendations report due June 2023, but will take a few years to confirm any changes and begin reform. Therefore now is a stable period prior to possible changes. 	Yes – the consideration of likely changes in the policy and legislative environment suggests stability which indicates that there is value in reviewing opportunities for efficiency.

Factor to Consider	Key Principle	Criteria	Roading Team Response	Review indicated
Joint approach	Reviews undertaken jointly with relevant Councils and service providers will realise the most value.	Ability to participate	<p>In our region only HCC is in alignment with Council's delivery model, with other neighbouring Councils preferring the traditional NZS3910 form of contract for individual activities within the road maintenance services.</p> <p>Hamilton's contract has recently been retendered for a start of a new Collaborative Contract from 1 July 2023. Hamilton's network is mostly urban, therefore the two networks are quite different in their needs, levels of service requirements and outcomes to achieve. Therefore alignment of the two contracts is unlikely to bring value or savings for either party, and would introduce additional management/leadership challenges.</p> <p>The size and value of the contract is also at the upper limit of capability for a single contracting team to manage.</p> <p>Experience with reviewing the NOC networks indicated that a length of highway network between 500km to 1000km is optimal.</p>	No – there is no value in a joint approach for these services since the size of the network is already at the maximum limit of the NZ supplier capability.
Shared services	Shared services are the Government's preferred structural option to co-ordinate infrastructure across a region to support future growth and reduce costs.	Shared service	<p>Waikato DC is a member of the Waikato Local Authority Shared Services (WLASS), and the Regional Asset Technical Accord (RATA) – now Co-Lab.</p> <p>Through these shared services, Council takes advantage of the opportunity to share contracts for the Bridge Maintenance and data collection, and is a party to the WLASS Professional Services Panel which the Transport Team uses for specialized professional services outside of the Alliance.</p> <p>Additionally, HCC offers shared services for the management of Traffic Signals, CCTV and ITS throughout the Waikato which Council uses for maintenance of our traffic signals.</p> <p>As noted above, the Waikato road network provides significant economies of scale in work volume and value for this contract. Surrounding local road networks are not set up to align contracts.</p>	No – it is considered that the services are already using shared service as much as possible and there is no value in reviewing this further.