



NZ TRANSPORT AGENCY
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The new procurement environment for NZ Transport Agency funded works and services

RCA Forum September 2009

The NZTA procurement review

- o Current environment is based on the competitive pricing procedures (CCP) legislation from the early 1990's
- o Pilot of the interim manual and feedback process
- o New procurement manual published (nzta.govt.nz > Land Transport NZ > funding > procurement review)
- o Transition process to be completed by October 2010

The keys to the new NZTA procurement environment

- o Understanding best value for money
- o Understanding the principles behind the new procurement environment
- o Taking a long term strategic approach to all procurement

Best value for money - the single objective

Best value for money includes:

- o Valuing economic, environmental and social outcomes
- o Sustaining competitive markets
- o Minimising long term / whole of life cost
- o Optimising total process cost
- o Maintaining / building capability
- o Monitoring and feedback



The new procurement environment is principle based

Best value for money is supported by 3 key principles:

- o Enabling competition (that is fair) is desirable
- o Encouraging competitive and efficient markets is desirable
- o Best value for money long term demands a strategic approach

The new procurement environment is principle based (cont.)

Further principles include:

- o Legal requirements must be met
- o Decision making must be transparent – decision makers are accountable
- o Suppliers must be treated fairly
- o Standardisation brings efficiencies



Taking a long term strategic approach

- o All approved organisations (and the NZTA) will have a procurement strategy
- o The procurement strategy documents the long-term integrated approach to procurement of transport activities
- o An approved organisation must assess and document the strategic context for every procurement activity

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