



New Zealand Contractors' Federation

What's happening in the Contracting Space?

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Current work streams

- NZ Transport Agency
- Procurement
- Voidable transactions - Liquidations
- Construction Contracts Act
 - Interest applying to late payments
 - Security of payment
 - Retentions, and
 - Voidable Transactions
- MBIE – Excavations ACoP



Standards NZ

- NZS 3910:2013 Conditions of contract for building and civil engineering construction
Published 1 October 2013
- NZS 3916:2013 Conditions of contract for design and construct projects
Published 1 November 2013
- NZS 3917 Conditions of Contract for Fixed Term (e.g. maintenance or operations, works or services).
Hopefully publishing in December

Healthy Industry

A safe, viable and progressive sector meeting the needs of all its participants

A healthy civil construction sector is one where skilled and qualified clients, consultants and contractors produce outcomes that deliver value for money for all participants.

It is the result of investment in people, forward planning, fair and consistent procurement strategies, competition in the supply chain and growth opportunities for those willing and able to take up the challenge.

A Healthy Civil Construction Sector


Vision
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Elements
A healthy civil construction sector environment is one where:

- safety is a priority for everyone
- there is competition for all types and sizes of projects based on value for money
- there are growth opportunities for all business types and sizes
- there is a degree of certainty of forward work that allows investment in personnel and resources
- collaboration produces innovative solutions
- there are transparent procurement strategies
- procurement and delivery processes promote a sustainable industry environment
- industry participants take responsibility for environmental and other community and social impacts
- there is recognition that investing in improved skills and training will improve quality and productivity
- industry participants are aligned to client needs and adapt to changing political or economic conditions

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 ROADING NEW ZEALAND

www.nzcontractors.co.nz
www.roadingnz.org.nz

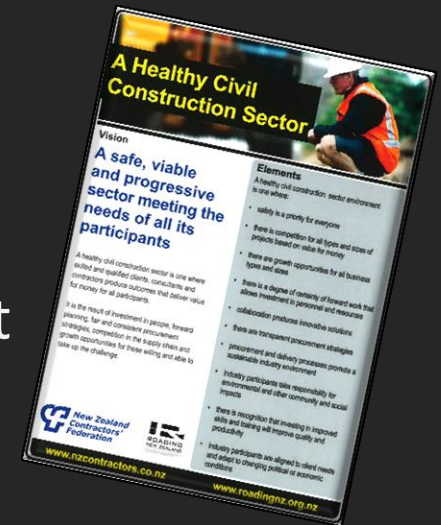
Healthy Industry

Large aggregated bundled up contracts may not provide value for money

They may not be cheaper

One Size does NOT fit all

AND over time the industry could be stripped of capacity and capability resulting in increased costs – there are recent examples in NZ

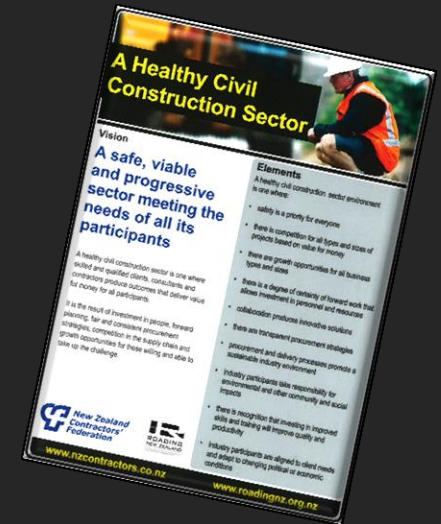


Healthy Industry

Scale is not the only way to save money

Consider prequalification to reduce tender and evaluation costs

Develop RFT's that are specific to your project



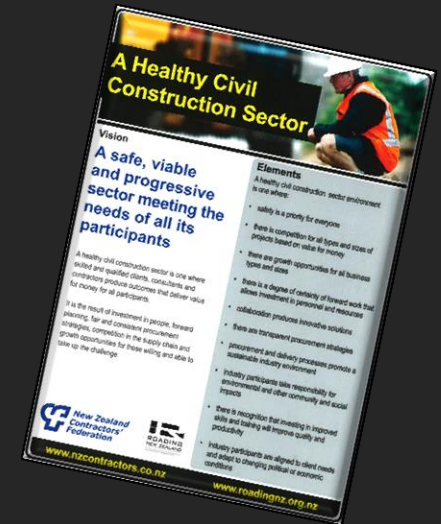
Healthy Industry Prequalification

1. What if we asked for:

- Relevant Experience
- Track Record
- Monitor performance
(feed it back to the original prequalification score)
- Management Systems
- Resource (or sourcing)
- Routine procedures (methodology)

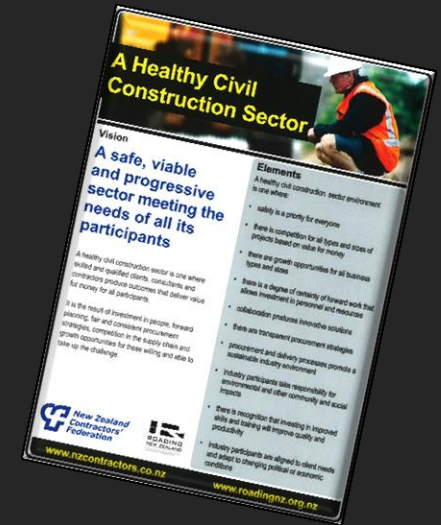
2. What if we evaluated and kept scores (not just pass / fail)

3. We could update a contractors score based on past performance

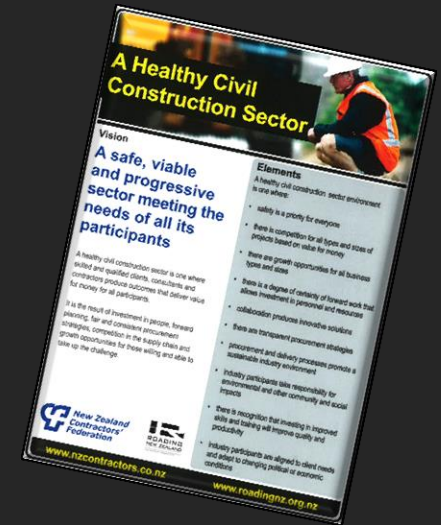


Healthy Industry Prequalification

Prequalification – a semi-permanent
'Warrant of Fitness' for any company to
carry out works in a reasonably broad
range.



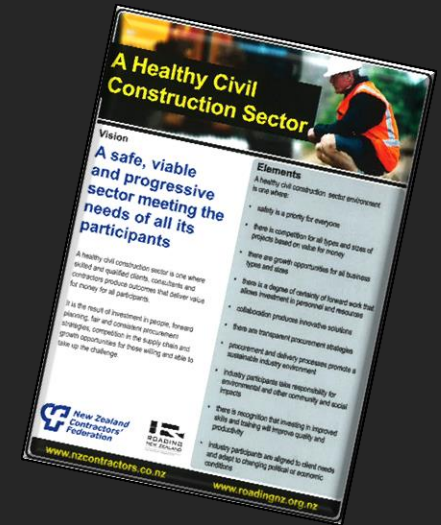
Healthy Industry Prequalification



What if we only needed to evaluate:

- the methodology within those critical risk/ success areas,
- the price (including any whole-of-life reductions in costs), and
- the relevant project-specific skills of the team nominated to carry out the work.

Healthy Industry Prequalification The road ahead



Lets work together to develop a nation wide Prequalification system

- That all parties trust
- Reduce the cost of tendering AND evaluation
- Ensure a healthy industry
- Do it now in advance of the apparent tsunami of work coming