

Procurement of Professional and Physical Works Services – QLDC style

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Abstract

Queenstown Lakes District Council has an extensive programme of infrastructure capital works to be carried out over the next ten years. \$500 million dollars worth of works have to be delivered. Using conventional procurement tendering processes it is estimated 2000 tenders would have been processed.

The Council decided to develop an alternative procurement strategy. The overriding principle was to focus on relationship contracting. The basic plan was to contract a number of professional services providers for a five year period, two for network management; one each of transportation and water utilities. The capex designers will be allocated 80% of the capex projects. The remaining 20% will be competitively tendered.

The methodology for the physical works delivery was to appoint a panel of qualified contractors and allocate work to them according to an annual value of work for each contractor.

This whole process has had an enormous number of learning processes along the way. Beginning from the expression of interest through the evaluation of expressions to the appointment to the panel, there have been lessons learned.

At this time the contractor panel has been appointed and is in the process of allocating jobs and working up costs. An integral part of the process is the use of a quantity surveyor to scrutinise estimates and budgets.

Developing a completely new process from project inception to project completion has brought with it the need to develop processes for virtually every step along the way. We have called this "The Project Machine". Developing the project machine has been a learning exercise in its own right. Not only have the procurement steps had to be thought through but performance measurement, value measurement and administrative processes had to be developed.

By the time of the Ingenium 2008 conference we will have the experience of constructing several million dollars worth of work, the experiences of this period will be able to be captured in the paper for the conference.

Bio

Current position: Roading Manager, Queenstown Lakes District Council. Responsible for delivery of maintenance, renewals and capital roading and parking infrastructure. Queenstown is one of the fastest growing areas in New Zealand and along with the spectacular mountain and lake environment is one of New Zealand's tourism jewels. The district also has one of the highest costs of living of anywhere in New Zealand. These aspects create unique pressures on services and resources.

Previous position: Southland District Council for 36 years. The last ten as Asset Manager Roading responsible for delivery of maintenance, renewals and capital works for 5000kms of roads and 900 bridges.