

Queenstown Lakes District Council

Capital Works, QS and Network
Management EOI Process

July 2006



Capital Works, QS and Network Management EOI Process

1. Welcome and Presentation Format
2. Introduction of QLDC personnel
3. Delivery is key - Duncan Field CEO
4. What is QLDC trying to achieve?



Capital Works, QS and Network Management EOI Process

5. How are we going about it? EOI Process
6. How can you help?
7. Questions??



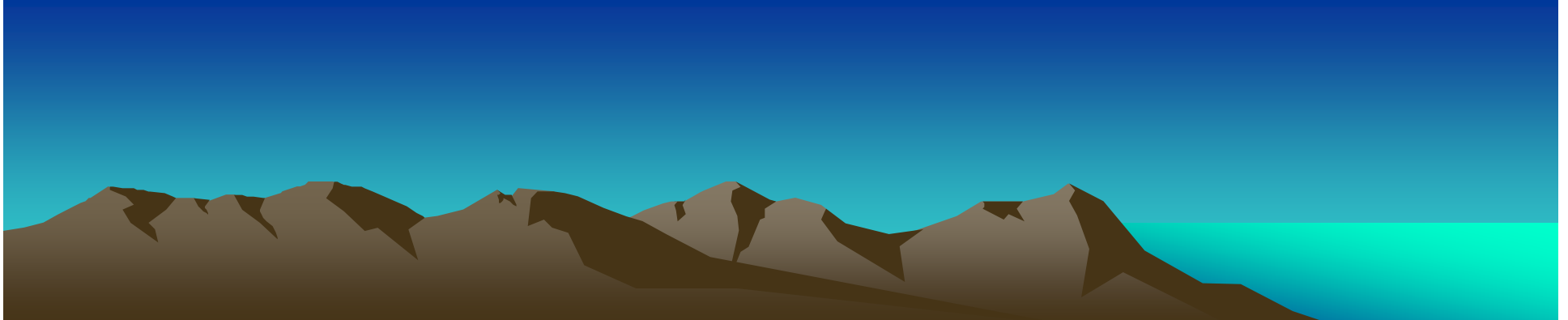
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- 4. What is QLDC trying to achieve?**



What is QLDC trying to achieve?

- QLDC is delivering a growing capital works program on time and at best value
- QLDC has **the** best asset management practices and delivers outstanding service and value to our community



Capital Works Delivery - how well do we think we did in 2006?

Sub Category	Budgeted	Forecast Expended	Deferred ?
Road - TNZ	10.4M	\$9.0M	\$1.4M
Road - Non Funded TNZ	\$10.3M	\$4.1M	\$6.2M
Stormwater	\$3.6M	\$3.0M	\$0.6M
Waste Water	\$10.4M	\$1.4M	\$9.0M
Water Supply	\$3.9M	\$1.2M	\$2.7M
Total	\$38.6M	\$18M	\$20M

- Includes committed contracts at the commencement of 05' / 06' financial year of \$5.9M. (04' / 05' was \$750K)



Capital Works Delivery - the case for change

- Over last 5 years capital project budgets have increased 83%
- Achievement has only increased 54%
- Achievement needs to have increased by 138%
- In the next three years we have forecast approx. \$120M expenditure



Capital Works Delivery - the case for change

- Contractors in region have over \$200M/annum capacity – We need to buy around \$120M over next 3 years
- Contractors want consistency of work, not start-stop
- Transaction costs high with tendering each individual project



Capital Works Delivery - the case for change

- Contracting industry has capacity for our workload – we haven't got it to you - yet!
- Capital Works Procurement Strategy adopted May 2006



Capital Works Delivery - Procurement Strategy

- Focus on procurement planning – how to
- Review internal processes – especially the “order to payment process”
- “Partner” with our suppliers through performance based contracts



Capital Works Delivery - Procurement Strategy

- Increase competence and capacity to manage significant suppliers and contracts
- Develop and maintain performance and knowledge systems to ensure learnings maintained “in house”



Asset Management Practices - the case for change

- Network Assets worth \$400M now
- 10 year LTCCP sees asset values doubling
- Population Growth
Resident Population

	2006	2011	2016	2021	2026
Total resident population	20,560	26,150	32,300	38,700	46,100



Asset Management Practices - the case for change

- Population Growth and Tourism Growth

Peak Day Population

	2006	2011	2016	2021	2026
Peak Day Population Total	75,400	92,400	110,000	127,400	148,100



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How are we going about it?

- **Expressions of Interest (EOI) Process** – we need your ideas before we commit to tendering
- Tenders may be for 3+3 years with 80% of workload tied up
- EOI process is an ideas **and** short listing process – put your best foot forward!



Expressions of Interest (EOI) Process - Aims

- Understand how best to engage the supply market to deliver our programme on time and on budget
- Understand how to capture and measure best value consistent with QLDC objectives



Expressions of Interest (EOI) Process - Aims

- Identify suppliers who should be invited to participate in a market (tender) process
- Improve processes and procedures that reduces total cost of ownership for all stakeholders



Expressions of Interest (EOI) Process – Supplier Relationships

QLDC want to work with people and organisations who:

- Work enthusiastically as an integrated team in a “best for project” culture
- Develop a shared understanding of each others business based on compatibility of organisation values, openness and mutual respect



Expressions of Interest (EOI) Process – Supplier Relationships

QLDC want to work with people and organisations who:

- Willingly share information and ideas
- Rigorously pursue opportunities for improvement
- Address issues in a timely manner



Expressions of Interest (EOI) Process – Form of Submission

Part One –

Your views and recommendations on:

how QLDC should engage and manage
suppliers to deliver the next 6 years of
network management and capital works
on time and at best value



Expressions of Interest (EOI) Process – Form of Submission

Part Two –

Your skills and experience you have to
offer QLDC

Which roles you are submitting on

In all cases ensure your EOI submission
addresses the Evaluation Attributes
(pages 9 and 10)



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How Can You Help?

- Participate – this is a short listing process
- Give us your ideas, views and recommendations
- Direct **all** requests to: CPEOI@qldc.govt.nz
- Recognise QLDC is different



How Can You Help?

- Housing = affordable if households can access adequate housing by spending < 30% of their gross income servicing a mortgage.
- Adequate housing
 - Suitability of the dwelling type
 - Quality of design and construction
 - Suitability of the location



How Can You Help?

- A Household earning our District Area Median Income of \$67,329 can afford to purchase a home of \$260,000
- This household has a GAP in their purchase ability.



How Can You Help?

- QDLC adopted strategy June 2005:
Housing our People in Our Environment
- More info at www.qldc.govt
- Closing date for EOI submissions is:
1200hrs (noon) 25 July 2006



?QUESTIONS?

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