



# STRUCTURAL ASSET MANAGEMENT SERVICES



*Case Study : DATE*



## BACKGROUND

As part of funding from Waka Kotahi (New Zealand Transport Agency), councils are required to inspect their bridges, culverts, retaining walls, underpasses, and other structural assets on a regular basis.

Structural Asset Management Services (SAMS) was the retender of two existing bridge inspection contracts and was renamed structural asset management services, to reflect that the type of assets were more than bridges, and that the services were more than inspections.



## AT A GLANCE

The procurement strategy had two key features: additional supplier capacity in the market and allocating councils to contract packages as part of the evaluation process, which resulted in a \$550k cost saving.



## APPROACH

Firstly, additional supplier capacity was sought because the market had effectively become a duopoly with councils experiencing a loss of genuine competition. Secondly, councils were not pre-packaged into contracts before going to market (the 2017 approach) and were instead allocated to contract packages as part of the evaluation process, to maintain competitive tension.

If the three new councils were included in the two existing contracts, then it was almost certain that there would be no change to the existing arrangement.

To improve the attractiveness of the opportunity and to encourage competition a clear message was sent to the market; that Co-Lab was looking to award two or more contracts, and that suppliers did not need to provide a response for every council (to encourage smaller suppliers to tender within their capability and resource capacity).



## OUTCOME

The outcome of the SAMS process was the inclusion of a third Waikato-based professional services firm with the benefit being stronger competition when the contracts are re-tendered in the future. The inclusion of a new supplier will also benefit future buyers such as Waka Kotahi and other councils.

The allocation of councils to contract packages was based on the ranking of the suppliers against the evaluation criteria, the level of confidence that the supplier had the capacity and could deliver the services, and the assessed whole-of-contract price (by council, by contract package, and overall).



## BENEFITS

1. The 2022 approach saved council **\$550k (7%)** over the life of the contract (compared to if the 2017 approach had been repeated).
2. Increased competition for future procurements
3. Consultants committed to use hybrid or electric vehicles for travel to council offices and to purchase electric utes and vans when they become available on the market.
4. One consultant committed to recruit a junior technical person during year two of the contract. And another consultant committed to providing two days in the field for each council to help councils understand better the inspection process and the network status. A third consultant committed to working with Co-Lab and the councils to help build contractor capability within the Waikato bridge maintenance sector.



“The evaluation was a brilliant way to allocate multiple contracts to multiple councils. Assigning suppliers during the evaluation phase ensured that councils would have suppliers best suited to their needs and that councils were right-sized based on supplier’s capacity. The entire process was well delivered with excellent communication from Co-Lab as we worked through an exciting new procurement approach.”

**Bryson Huxley, Senior Engineering Officer**  
– Transport Strategy, Taupo District Council

“Co-Lab effectively used the procurement process to provide the opportunity for consultants to showcase the breadth of their structures asset management capabilities, and the opportunities for participating councils to leverage these through the contract.”

**Andrew Ball, Transport Structures Asset Management Director, Beca**



### COUNCILS INVOLVED



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