

Subject	Public transport services exemption to the qualified evaluator rule contained in the NZTA's Procurement manual
Circulation	New Zealand Transport Agency staff Passenger Transport Advisory Group Regional and Local Authority Transport Officers Local Government New Zealand Bus and Coach Association Audit New Zealand Controller and Auditor General
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Purpose

To advise approved organisations that until October 2010 the rule in section 10.19 in the NZ Transport Agency's (the NZTA's) Procurement manual applies only when the contract is for physical works or professional services. This rule requires that approved organisation use qualified proposal evaluators.

This exemption (for contracts for other than physical works or professional services) has effect from the date of release of the Procurement manual (8 July 2009).

This temporary period of exemption will give the NZTA time to develop (in discussion with affected parties) the detailed policy required to apply this rule to public transport service contracts in particular.

Background

The NZTA's *Procurement manual* (the manual) contains the approved procurement procedures for activities funded through the National Land Transport Programme (NLTP). It was approved for release by the NZTA Board on 8 July. Included in the manual is a rule (refer section 10.19) requiring one member of the proposal evaluation team be to be qualified when the estimated value of a contract is more than \$200,000.

The qualified evaluator can be qualified in one of three ways; by:

- holding the National Certificate in Civil Engineering – Asset Management (Competitive Pricing Procedures), or
- holding another relevant qualification approved by the NZTA, or
- being approved by the NZTA as a proposal evaluator.

The first option is applicable to physical works and professional services contracts and the requirement to use a qualified evaluator has been in place for these contracts since 2004. Until the *Procurement manual* was published this year the requirement was limited to physical works and professional services contracts. There is currently no suitable qualification (the second option) available to people who evaluate proposals for public passenger transport services contracts. The third option allows NZTA to approve individual evaluators; however, detailed policy and process for approving individuals does not currently exist.

Given these facts and given that approved organisations have until October 2010 to transition to the new procurement environment and begin to use the new *Procurement manual*, the NZTA has decided to make the above rule exemption and allow the status quo to be maintained until October 2010. This will also allow time for the NZTA to address the above issues in discussion with affected parties.

The *Procurement manual* can be found on the NZTA's website:

<http://www.landtransport.govt.nz/funding/procurement/>

Addressing the issues

The exemption period will allow time for the National Certificate to be updated. A review has begun and consideration is being given to making the national certificate more widely relevant, to capture more than physical works and professional services contracts. The NZTA is also considering how practical effect could be given to option 3 - approval of evaluators by the NZTA. Feedback on the options available will be sought from affected parties, include local authority representatives and representatives of suppliers through their industry associations.

Options will also be discussed with the current holders of the National Certificate. Given that there is currently no equivalent community of recognised evaluators of public passenger transport services tenders (or tenders for other than physical works or professional services) the NZTA would like to hear from anyone who would be interested in becoming qualified as an evaluator of these tenders. The NZTA will seek feedback on its proposals from those who advise interest.

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