



Subject	Public Transport Operating Model – Amendments to the Transport Agency’s Procurement Manual
Circulation	Regional and Local Authority Transport Officers Local Government New Zealand Office of the Auditor General Ministry of Transport NZTA Planning and Investment Managers Bus and Coach Association Fullers, Belaire Ferries, East by West Ferries, Black Cat Cruises
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Purpose

To notify approved organisations and other stakeholders of changes to the Transport Agency’s Procurement Manual to support implementation of the Public Transport Operating Model.

Background

The Public Transport Operating Model (PTOM) has been introduced by the government to address concerns that increases in public spending on public transport were not being matched by patronage increases.

On 13 June 2013 amendments to the Land Transport Management Act 2003 came into force. Part 5 (Regulation of public transport) replaces the Public Transport Management Act 2008 and provides the high level legal framework for PTOM.

To support implementation of PTOM the Transport Agency has amended its Procurement Manual. These amendments give effect to the operational policy components of PTOM.

Amendments to the Procurement Manual

The following chapters and appendices have been amended:

- Chapter 8 (Procurement procedure 3 – Public transport services)
- Chapter 10 (Rules)
- Chapter 11 (Performance measurement and monitoring)
- Appendix A (Procurement strategy checklist)
- Appendix C (Supplier selection methods)
- Appendix D (Procurement Procedure Decision trees)
- Appendix H (Definition of terms) – please note this has been renumbered Appendix G.

Appendix G (Monopoly suppliers) has been removed and details inserted in Chapter 10 under Rule 10.10 (Direct Appointment of a monopoly supplier).

New appendices have also been developed that will be incorporated into the Procurement Manual:

- Appendix H (Calculating public transport services commerciality ratios)
- Appendix I (Contract negotiation processes for bus services)
- Appendix J (Public transport financial incentive mechanisms)
- Appendix K (Measuring public transport customer satisfaction)
- Appendix L (Public transport data definitions)

Appendix A to this general circular outlines at a high level the amendments that have been made to existing chapters and appendices contained the Procurement Manual.

Where can I find copies of the amendments and new appendices to the Procurement Manual?

The amended chapters and appendices, and new appendices are included as attachments to this General Circular.

The amendments to the Procurement Manual will be incorporated into the main document at the earliest opportunity.

When do the amendments come into force?

The amendments to the Procurement Manual have immediate effect.

Who to contact if you require additional information

General queries

Approved organisations should contact their local Transport Agency Regional Office for further information or assistance in implementing the PTOM changes.

Bus operators can contact the Bus and Coach Association, or Ian Stuart at ian.stuart@nzta.govt.nz or 04 890 4747.

Ferry and rail service operators, and other stakeholders, should contact Ian Stuart at ian.stuart@nzta.govt.nz or 04 890 4747.

Queries concerning performance measures contained in chapter 11 of procurement manual

Please contact your local Transport Agency Regional Office or David Cope at david.cope@nzta.govt.nz or 04 894 6413

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Appendix A – Overview of amendments made to the Transport Agency Procurement Manual

Procurement Manual	New inclusion	Removed
Chapter 8 (Procurement Procedure 3 - Public Transport Services)	<ul style="list-style-type: none"> • Partnering delivery model • Partnering contracts with additional clauses to a standard contract 	<ul style="list-style-type: none"> • Design and implement delivery model • Shared Risk delivery model
Chapter 10 (Rules)	<p><i>Existing rules that have been amended</i></p> <ul style="list-style-type: none"> • 10.6 (Documentation and publication requirements) • 10.8 (Competition for supply) • 10.10 (Direct appointment of a Monopoly supplier) • 10.12 (RFP contents and conformity) • 10.23 (Lead-in times for public transport unit contracts) • 10.24 (Contract term of public transport units) • 10.27 - now 10.25 (Contract price adjustment for input price variation public transport services) • 10.29 - now 10.26 Key performance indicators for public transport (bus) contracts • 10.30 - now 10.31 (Vehicle quality requirements for bus public transport units) <p><i>New rules</i></p> <ul style="list-style-type: none"> • 10.27 (Direct appointment of a supplier for a public transport unit) • 10.28 (Gross price resets for public transport units) • 10.29 (Information for tenderers for public transport units) • 10.30 (One-off transition for like-for-like units) 	<ul style="list-style-type: none"> • 10.25 (Maximum contract size for public transport services) • 10.26 (Contract service level changes for public transport services) • 10.28 (Fare adjustment – public transport services (net contracts))
Appendix A (Procurement strategy checklist)	An additional checklist specifically for developing a procurement strategy for public transport services	Nothing
Appendix C (Supplier selection methods)	Updated to refer to changes made to Chapter 10 Rules	Nothing
Appendix D (Procurement procedure decision trees)	Public transport procurement decision trees updated to reflect new procurement procedures	Nothing
Appendix G (Monopoly suppliers)		Removed – content shifted to

		rule 10.10
Appendix H - now G (Definition of terms)	<p><i>Existing definitions that have been amended</i></p> <ul style="list-style-type: none"> • Public transport service <p><i>New definitions</i></p> <ul style="list-style-type: none"> • Group Tender • Partnering Contract 	<ul style="list-style-type: none"> • Net contract • Gross contract