

Appendix G Definition of terms

The term ...	Is defined as ...
Added value premium	The amount more that the approved organisation is prepared to pay for the output offered by an alternative proposal.
Aggregation	This term can apply to coordination of demand or aggregation of supply. 'Aggregating demand' means a purchaser (or group of purchasers) coordinating their procurement of the same or similar goods and services.
Alternative proposal	An alternative proposal offers an output that is different to that specified in detail within the RFP. However, the output offered is within the scope and meets the requirements of the RFP.
Approved organisation	Approved organisation means a regional council, a territorial authority, the Department of Conservation, the Waitangi National Trust Board, Auckland Transport and any other approved public organisation within the scope of the Land Transport Management Act 2003.
Bundling	The grouping together of different but related goods or services. Bundling, as a concept, is related to aggregation.
Commercial unit	A commercial unit is a public transport services unit that a region has identified in its RTP as part of its public transport network operated with exclusive rights under contract, but without direct subsidy from an approved organisation or the Transport Agency through the National Land Transport Fund.
Conforming proposal	A conforming proposal is one that is within the scope of the RFP and meets the requirements of the RFP.
Data envelopment analysis	The technique that utilises linear programming techniques to analyse the tradeoffs between efficiency on multiple outputs, which is used to determine the benchmark price range that informs the contract negotiation process in large bus markets.
Delivery model	The form of the relationship established between the purchaser and the supplier(s) to purchase the outputs required to deliver an activity.
Expression of interest (EOI)	Generally used to request information from suppliers that may be used to identify potential suppliers before seeking proposals. Information sought is usually high-level and specific.
Financial incentive mechanism	The formula in a public transport partnering contract that specifies the parties' share of the change in fare revenue
Indexation	A method used to adjust contract payments for input price fluctuations.
Novation	The substitution of a new contract for one already existing. This can occur under a design and build delivery model where the contract between the designer and the purchaser is handed over to the constructor once design has reached a certain stage. The designer then completes the detailed design for the constructor.
Partnering contract	A contract for public transport services designed to encourage greater collaboration between approved organisations and suppliers of services.

The term ...	Is defined as ...
	Suppliers bid on the basis of the gross price of providing a unit of public transport services, and fare revenue risk is shared between the approved organisation and supplier through an agreed financial incentive mechanism.
Physical works	Maintenance, operation, renewal, improvement and construction of new land transport infrastructure.
Professional services	Professional services include services typically provided by consulting engineers, planners, public transport planners, surveyors and other professionals. Professional services contribute to the delivery of approved activities and include strategy or policy development, planning, investigation and design services, and the supervision of works or services contracts. Refer to the Transport Agency's Planning and Investment Knowledge Base.
Public transport fare subsidy schemes	Public transport fare subsidy schemes include any schemes where eligible passengers pay a fare that is less than that paid by non-eligible passengers. The concessionary fare schemes, the Total Mobility scheme and the SuperGold Card's free off-peak travel are examples of subsidised fare schemes.
Public transport services	Has the same meaning as in section 5 of the Land Transport Management Act 2003. www.legislation.govt.nz/act/public/2003/0118/latest/DLM226238.html
Request for information (RFI)	A formal request to the market for information only. It is not a request for proposals. The information received may be used to help develop later stages of the supplier selection process or to shortlist potential suppliers.
Request for proposal (RFP)	A formal means of seeking proposals from the market for the supply of outputs.
Requirements for urban buses (RUB)s	The Requirements for Urban buses are a collaboratively developed common standard for urban bus quality to improve the accessibility, comfort and usability of buses used in urban services,
Supplier selection method	The process by which proposals from supplier(s) are evaluated and a preferred supplier(s) selected.
Supplier quality premium	The amount more that the approved organisation is prepared to pay for a higher-quality supplier.
Term service contract	A contract for the provision of goods or services for a defined period of time.