



Greater Wellington Regional Council's Transport Procurement Strategy

June 2025 to July 2028

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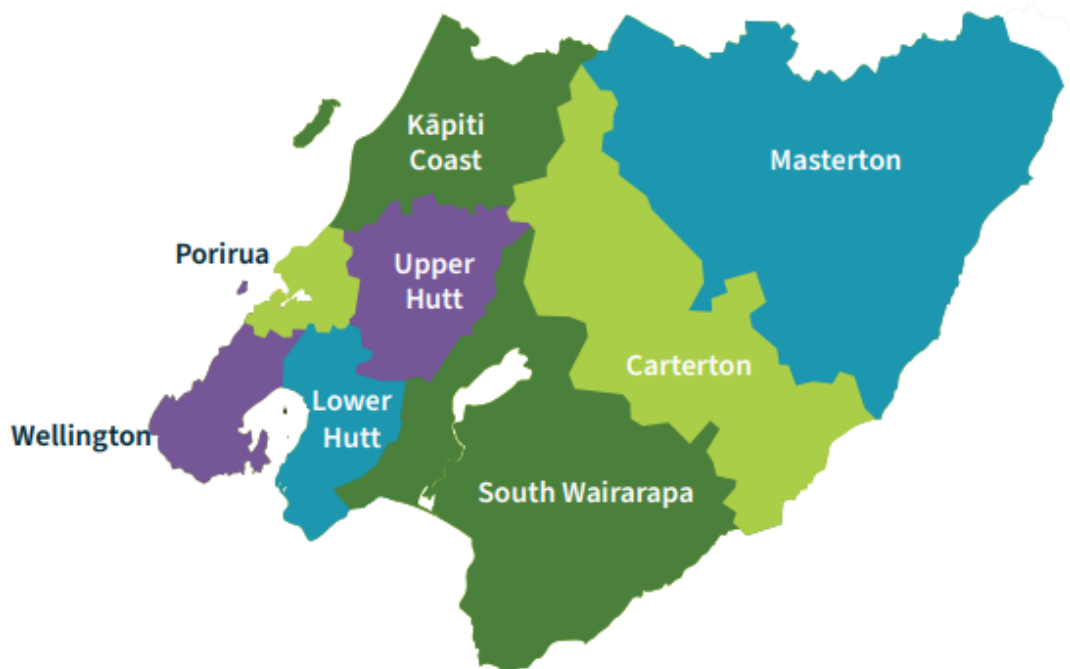
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1. Executive Summary

The Wellington region covers a land area of 813,500 hectares from sparsely populated rural and coastal areas to the third largest city in New Zealand.

Our public transport network, Metlink, supports more than 37 million journeys a year on bus, rail and harbour ferry services. Every day we have thousands of people travelling with Metlink and every one of those journeys matters to us. We work with our transport operators to deliver a connected, integrated network. We have five rail lines, 90 public bus routes, more than 80 school bus services and a harbour ferry service. This network connects the wider Wellington Region, including Wellington City, Hutt Valley, Porirua, Kāpiti Coast and the Wairarapa. We are also responsible for developing and maintaining public transport infrastructure, including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities. We are focused on becoming a smarter, cleaner region by encouraging more people to travel by bus, train and ferry.



Wellington region

This 2025 version of Greater Wellington’s Transport Procurement Strategy supersedes the previous NZ Transport Agency endorsed version.

1.1 Summary statement of key issues and opportunities to obtain best value for money

This Transport Procurement Strategy is Greater Wellington Regional Council's (Greater Wellington's) strategic approach to transport-related procurement of goods, services and works to the region for the period of June 2025 to July 2028 that are either funded in part or fully funded from the National Land Transport Fund (NLTF).

Key issues and opportunities include:

- Shortfall in future investment funding across the current triennium, created by declined funding applications from NLTF in the Significant Investment Programme and Low-Cost Low Risk funding classes. Noting that the decline in NLTF funding will have a material negative impact on public transport in the Wellington region.
- On-going funding for most existing operational costs funded
- Greater Wellington has re-prioritised projects that deliver safety and accessibility improvements and key enabling projects that unlock future network growth and value
- Developing packages of work so that local suppliers with sufficient capacity and capability can compete
- Using innovative procurement approaches that balance cost, quality and efficiency over the total-cost-of-ownership.

1.2 Recommendation that NZ Transport Agency:

Endorse this Transport Procurement Strategy.

1.3 Corporate ownership

The sponsors for the Transport Procurement Strategy are the Group Manager Metlink and Group Manager Corporate Services. The Transport Procurement Strategy was approved by the Chief Executive before being submitted to NZ Transport Agency for endorsement.

2. **Overarching Policy Context and Obligations**

At the highest level the statutory objectives of the Land Transport Management Act (LTMA) and Local Government Act 2002 (LGA) apply to Greater Wellington.

The Amendment LTMA Act introduced a new set of Principles to guide all persons exercising powers or performing functions under Part 5, Regulation of Public Transport, of the LTMA¹.

- Well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology
- Public transport services support travel choice from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe:
- Fair and equitable employment or engagement of people in the public transport workforce should ensure that there is a sufficiently robust labour market to sustain and expand public transport services:
- Regional councils, territorial authorities, and public transport operators should work together to co-ordinate public transport services, the provision of infrastructure, and land use as necessary
 - to meet the needs of passengers
 - to encourage more people to use the services
- Public transport services should be provided in a way that assists
 - public transport investment to be efficient
 - public transport investment to give value for money

The LGA empowers the Council to play a broad role in meeting the current and future needs of its communities for good quality Public Transport.

Greater Wellington's responsibilities under the LTMA include contributing to an effective, efficient, and safe land transport system in the public interest.

The Transport Procurement Strategy is required by section 10.4 of the NZTA Procurement Manual for activities that are funded in part or fully through the National Land Transport Programme (NLTP). The Transport Procurement Strategy is prepared in the context of Greater Wellington's overall Procurement Policy 2021 (currently under revision) that details what is required by the organisation when procuring products and services.

¹ LTMA, s115(1)(a)-(e)

2.1 Strategic objectives and outcomes

The strategic objectives of Greater Wellington are defined by the Long-Term Plan (LTP) 2024-2034. The strategic objectives in relation to public transport activities can be summarised as:

- We contribute to a low emissions region by lowering the carbon emissions of our transport network
- We make sure our public transport network is accessible and efficient so people can get to the places they want to go
- We are future proofing our public transport network to ensure people can continue to move around the region.

The Metlink Public Transport section of the LTP details the levels of services, performance measures and funding requirements for the next 10 years (refer to pages 63 to 77 of the LTP)

2.2 Other influencing documents related to this strategy include:

When preparing this Transport Procurement Strategy, Greater Wellington has drawn on the following to form the strategic context:

- Regional Public Transport Plan 2021 – 2031
- Draft Wellington Regional Public Transport Plan 2025-2035 (currently under pre-adoption decision-making)
- 2024 Asset Management Plan
- Strategic Public Transport Asset Control Strategy 2023
- Land Transport Management (Regulation of Public Transport) Amendment Act 2023
- Te Upoko o Te Ika a Māui Commitment
- The NZ Transport Agency Procurement Manual
- Greater Wellington's Procurement Policy
- Government Procurement Rules 4th edition
- Land Transport Management Act 2013
- Local Government Act 2002
- Local Government (Rating) Act 2002
- Land Transport Act 2004
- Public Transport Management Act
- Climate Change Response (Zero Carbon) Amendment Act 2019
- Resource Management Act 1991
- Health and Safety at Work Act 2015

2.3 Health and Safety

Greater Wellington recognises its obligations under the Health and Safety at Work Act (HSWA) 2015 and as such requires all suppliers to take practical steps to ensure safe work practices are employed. Greater Wellington requires all suppliers to comply with these requirements also recognising that in a contracting chain there are shared responsibilities

under HSWA to consult, cooperate and coordinate activities with supplier and contractors.

Greater Wellington requires its suppliers to actively explore ways to promote best practice health and safety throughout the procurement lifecycle, including ensuring that the key principle of 'health and safety by design' is considered and met.

Health and safety is captured in contract clauses and obligations and form part of the contract management, to include when required:

- clearly defined in the roles and responsibilities
- reporting and record keeping
- risk assessments
- site inspections
- supplier/contractor training
- continuous improvement and review (lessons learnt).

Greater Wellington's Health and Safety team provide advice on procurement including at the early procurement planning stage, tender document preparation, evaluation stage for contractor health and safety reviews, and audits as appropriate.

Greater Wellington where needed, use the guide produced by the Government Health and Safety Lead: A good Practice Procurement Guide for Improving Health and Safety 2019:

<https://www.healthandsafety.govt.nz/assets/Documents/Good-Practice-Procurement-Guide.pdf> and other relevant guidance when appropriate.

2.4 Objectives and outcomes for the procurement transport strategy

The objective of our Transport Procurement Strategy is to demonstrate how we will proactively and sustainably support the delivery of our public transport network of bus, rail and harbour ferry services.

Greater Wellington is responsible for developing and maintaining public transport infrastructure, including railway stations, train maintenance depot, bus and ferry shelters, signs, and Park & Ride facilities. We are focused on becoming a smarter, cleaner region by encouraging more people to travel by bus, train and ferry. This also comprises assets and infrastructure management.

Greater Wellington's business wide procurement purpose is to champion the responsible, sustainable, and ethical use of public money by fostering collaboration and enhancing the procurement expertise withing Greater Wellington.

Public Transport procurement practices when part or fully funded by NLTF will:

- Be well planned for and delivered to the right standard, for the right cost at the right time.
- Comply with the National Land Transport Fund (NLTF) funding requirements
- Be guided by the Strategic Public Transport Asset Control Strategy and the Asset Management Plan
- Align with the NZTA Procurement Manual
- Encourage options that avoid, reduce or absorb carbon emissions to the greatest extent possible.

2.5 NZ Transport Agency procurement requirements and what they mean for Greater Wellington

2.5.1 Value for money

Value for money is the combination of cost, quality, benefit and risk to meet the requirement. Achieving value for money involves more than selecting the lowest price, it requires a balanced consideration of several factors:

- **Cost:** valuating both initial expenses and ongoing operational costs to ensure financial efficiency
- **Quality:** Ensuring that the goods or services meet specified standards and performance criteria
- **Benefit:** Assessing the overall advantages and positive outcomes that the procurement will deliver
- **Risk:** Identifying and managing potential uncertainties that could affect the success of the procurement.

Taking a strategic approach to right sizing the selection and engagement process, encouraging competition and an understanding of the supply market will lead to value for money over whole-of-life costs.

2.5.2 Competitive and efficient markets

The LTP provides information to the supply community of what Greater Wellington intends to procure over a ten year period. To ensure the supply community is informed of upcoming procurement activity, Greater Wellington will publish advanced notices on Government Electronic Tenders Services (GETS) platform and other forums informing of upcoming procurements. Other considerations include:

- Tender periods will be appropriate to ensure complete and comprehensive tenders are submitted
- Clear specifications.

2.5.3 Fair competition among suppliers

Greater Wellington uses the NZ Transport Agency Procurement Manual to ensure that fair competition in the market is maintained. NZ Transport Agency Procurement Manual was designed to ensure that transport activities procured achieve the best value for money spent and promotes a whole of business strategic approach to public transport services. That approach is endorsed by this Strategy.

The means of achieving this objective is by giving confidence to the market that everyone who is willing and able to provide the outputs necessary to undertake an activity has an equal chance of obtaining work, in an environment where they know all the rules.

2.6 Other relevant factors

Greater Wellington is required to determine the cost-effectiveness of different funding, governance, and service delivery options under section 17A (s17A) of the Local Government Act 2002. A review of transport activities under s17A confirms the current strategy as the most cost-effective approach.

Greater Wellington retains in-house the planning, strategy, and management functions associated with Transport and contracts out for professional services including engineering advice, design, and some support functions to support in-house planning and management functions.

Greater Wellington, for delivery of infrastructure use a combination of permanent employment, fixed term, contractors and consultants depending on capacity, expertise required and scale.

Physical delivery of works is outsourced.

2.7 Effective partnership with Mana Whenua

Greater Wellington has six mana whenua partners. They are represented by the following entities:

- Ngā Hapū o Ōtaki,
- Ātiawa ki Whakarongotai Charitable Trust,
- Te Rūnanga o Toa Rangatira Inc.,
- Port Nicholson Block Settlement Trust,
- Rangitāne O Wairarapa Inc., and
- Ngāti Kahungunu ki Wairarapa Charitable Trust.

Greater Wellington is committed to working with Māori to build strong, connected and successful whānau, hapū and iwi, and to protect our natural resources.

To do that, we need to consider the articles of Te Tiriti o Waitangi and how we can apply them to our work to ensure great outcomes for Māori and non-Māori in our region. We must also consider how we partner with mana whenua and engage with urban Maori (mātāwaka) which are those who do not affiliate with mana whenua within this region.

Greater Wellington has developed Te Whariki Māori Outcomes framework which formalises our commitment to Te Tiriti o Waitangi. Te Whariki, and Te Iti Kahurangi (Greater Wellington’s Māori Capability framework) provide clear goals and progress indicators to track how we are doing as an organisation. We will continue to be open to new ways of doing things and putting into practice partnering for improved outcomes.

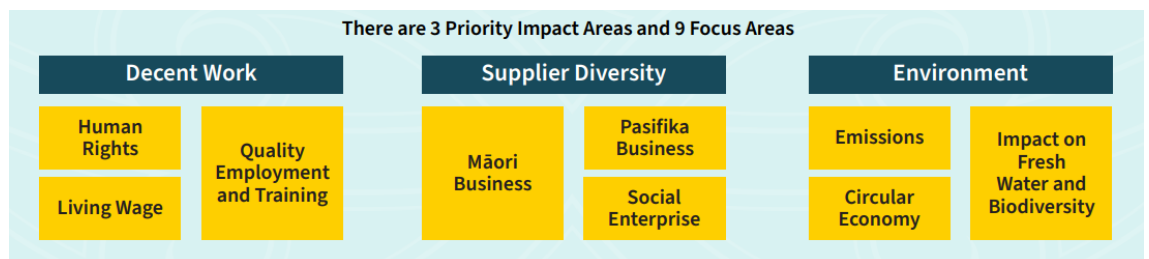
The nature of some procurements may require a more integrated approach when working with and in partnership with mana whenua.

2.8 Social Procurement

Social procurement means using the process of purchasing goods and services as a strategic lever to deliver wider social, environmental, economic and cultural outcomes in addition to the things we are procuring.

Social Procurement can be referred to as sustainable procurement and is related to MBIE’s Broader Outcomes.

Greater Wellington’s priority areas are:



NZTA Procurement Manual section 1.3 Legislative and policy framework section on Broader Outcomes relate to the secondary benefits that are generated from the procurement activity. These outcomes can be social, environment, cultural or economic benefits.

The Government Procurement Rules (4th Edition) 2019 illustrates how procurement decisions create value beyond just cost savings. At time of writing the Government Procurement Rules 5th edition is currently under consultation and Greater Wellington will be monitoring any key changes to this for alignment for future procurement activity.

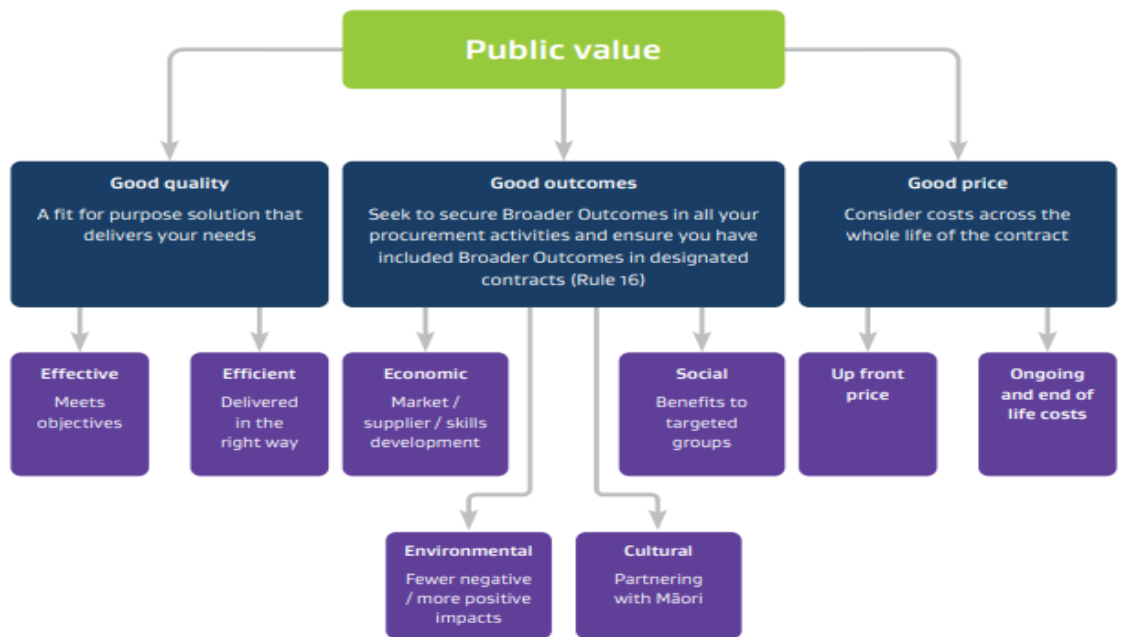


Figure 1: Public Value diagram, extracted from MBIE’s Government Procurement Rules, 4th Edition 2019

2.9 Greater Wellington Regional Council Delegation Manual

The Delegations Manual sets out the delegations provided to some Committees, the Chief Executive, and specified Greater Wellington officers for stated administrative, human resource and financial matters and for relevant statutory duties, responsibilities, and powers.

There is a separate document setting out the terms of reference for committees and advisory groups, and delegations for committees for the current triennium

The Transport Committee’s terms of reference state:

- It’s purposes and specific responsibilities, including to “oversee the development, implementation, and review of policies for transport and mode-shift”
- It has the delegations necessary to perform its responsibilities (with key exceptions), subject to stated other requirements.

In addition, the Regional Transport Committee must exercise the legislative functions and powers of such a committee under the Land Transport Management Act 2003 and subject to other elements as provided for in the terms of reference. These functions and powers primarily relate to the preparation of a Regional Land Transport Plan.

2.10 Risk Management in Procurement

Risk management is embedded throughout the procurement lifecycle and contributes to creating a comprehensive understanding of threats and opportunities. This enables the minimisation of risk, maximising opportunities for innovation, and the fair and transparent allocation of risk.

2.11 Approach to contract management

A new Commercial Partnerships function is established and roles being recruited to enable clearer delineation between the operations team to allow a stronger focus and accountabilities for commercial and contractual outcomes for Metlink's contracts.

A key outcome of the Commercial Partnerships division is to develop consistent commercial strategies and contract management frameworks to work with public transport partners and suppliers to drive future operational and cost performance.

The Senior Manager Commercial Partnerships will be responsible for setting the commercial approach for Metlink and ensuring robust best practice management of a complex commercial and contracting regime.

3. Procurement Programme – Infrastructure

3.1 Administration services for Greater Wellington Rail Limited

Greater Wellington’s rail assets (excluding land) are held by the wholly owned subsidiary Greater Wellington Rail Limited (GWRL) which is a council-controlled trading organisation, as previously required by the Land Transport Management Act 2003² and in accordance with the Crown’s Metropolitan Rail Operating Model. The Directors of this company are appointed by Greater Wellington and include councillors.

GWRL’s function is a legal entity for asset ownership purposes, and this is set out in its management contract. To ensure that it can provide this function in the most efficient manner possible GWRL does not employ staff, and instead procures asset management and administrative services from Greater Wellington.

Any procurement activity that Greater Wellington undertakes on GWRL’s behalf under the management contract is in accordance with this procurement strategy.

Our public transport services are delivered through a combination of service contracts that we fund and manage, and assets which we own or manage. The assets that we own are contained within four asset classes:

- rail station infrastructure. Apart from Wellington Railway station, we own all the station buildings, overbridges, subways, lighting, fences, bike racks, and other minor rail station infrastructure in the region. Note: All rail platforms, in the region, are the property of KiwiRail.
- rail rolling stock
- bus and ferry infrastructure
- customer information assets.

The service contracts (relevant to our public transport asset management) that we fund and/or manage with our service providers are:

- bus operations
- ferry operations
- rail track access agreement.

3.2 Strategic Public Transport Asset Control Strategy 2023

The Strategic Public Transport Asset Control Strategy (Asset Control Strategy) provides the long-term framework and direction for increased Greater Wellington control over key public transport assets. The objective of the Asset Control Strategy is for Greater Wellington to play a more active and strategic role in the planning and management of strategic public transport infrastructure through a range of potential commercial arrangements. The Asset Control Strategy will help shape the size and

location of significant infrastructure investments across the Wellington region, whether publicly or privately held.

The Asset Control Strategy provides an opportunity to drive outcomes towards achievement of Greater Wellington procurement objectives by addressing the following key problem statements.

Table 1: Asset Control Problem Statements

Procurement Objective	Problem Statement
Value For Money and Competition	Operator control over strategic assets can adversely impact upon value for money and limit the ability to facilitate sustainable competition due to heightened barriers to entry.
Bus Fleet Decarbonisation	The Greater Wellington goal of decarbonisation of the public transport bus fleet brings an associated risk that asset and infrastructure investment will be loaded into short term operator contracts, resulting in reduced value for money. Operators may be reluctant to invest in zero emissions buses and associated enabling infrastructure where the investment costs do not align with their remaining contract terms, hindering the ability of Greater Wellington to reach decarbonisation targets.
Network Access	There is a risk that strategic assets required for Public Transport may be withdrawn for alternative uses (i.e. depots developed for alternative land uses). This may result in service continuity risks for the community or result in excessive costs to maintain services if suitable replacement assets are not available.

3.3 Regional Public Transport Plan 2021 – 2031

The Wellington Regional Public Transport Plan 2021 – 2031 (RPTP) guides the design and delivery of public transport services, information and infrastructure in the Wellington region. The RPTP has a ten-year strategic focus with particular attention on the coming three-yearly operational cycle.

The RPTP sets out the strategic priority of achieving an efficient, accessible and low carbon public transport network. The RPTP notes that

the key initiatives for public transport are centred on three strategic priorities:

- Mode shift
- Decarbonisation of the public transport fleet
- Improving customer experience.

Section 6.8 of the RPTP sets out Greater Wellington's procurement, service delivery and monitoring policies. The objective of these policies is to take an approach to procurement and monitoring of services that supports the efficient delivery of services and provides value for money.

The current RPTP is in the process of being reviewed, with a new draft Wellington RPTP currently under pre-adoption decision-making.

RPTP 2025-35 is due to be adopted by Greater Wellington in June 2025. We will ensure that this Strategy and the procurement policies in the RPTP remain consistent.

3.4 Land Transport Management Act 2003 (LTMA)

The LTMA provides the framework for planning and contracting public transport services.

The LTMA was recently amended through the Land Transport Management (Regulation of Public Transport) Amendment Act 2023 to align with new priorities of the government of the day. These principles have been codified in Part 5, s115 of the LTMA.

Where appropriate, Greater Wellington has updated its approach to best reflect the principles of the LTMA as set out below:

- well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology
- public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe
- fair and equitable employment or engagement of people in the public transport workforce should ensure that there is a sufficiently robust labour market to sustain and expand public transport services
- regional councils, territorial authorities, and public transport operators should work together to co-ordinate public transport services, the provision of infrastructure, and land use as necessary to meet the needs of passengers and to encourage more people to use the services
- public transport services should be provided in a way that assists public transport investment to be efficient and give value for money.

Greater Wellington is currently considering whether all of its strategic public transport assets will be held by a single Council Controlled Organisation or by Greater Wellington.

3.5 Current work underway

3.5.1 Kauri Street Bus Depot

Greater Wellington has secured a site on Kauri Street, Miramar and is planning to develop an electric bus depot on this site. The stage 1 development involves upgrading parking, installing electric charging infrastructure and building maintenance and staff amenity buildings.

Procurement of a civils construction contractor is underway.

Greater Wellington will be seeking a building construction supplier via open competitive process in early 2025.

Stage One of this project is being funded (to a maximum of \$10.838M) by the Climate Emergency Response Fund (CERF) provided by Government, to support long-term climate related initiatives and investments and to accommodate incoming electric buses.

The remainder of the Stage One (\$23.41M) and all of Stage Two (\$30M) is being funded by Greater Wellington.

3.5.2 Northern Bus Depot

Greater Wellington is currently pursuing options for a northern depot and is undertaking due diligence on a site in Kenepuru and anticipate deciding on whether to lease the site in early 2025.

3.5.3 Karori Depot

Greater Wellington is working with the incumbent operator to install electric charging infrastructure at the Karori depot in 2025.

Greater Wellington is in discussion with Wellington City Council regarding taking over the lease of the Karori depot in 2023.

3.5.4 Operator Depots

Greater Wellington is also considering the option of leasing current depots from our operators or transferring the leases that they hold to Greater Wellington at the end of the current contracts but prior to going to market for the associated units.

3.5.5 EV Charging Infrastructure (Southern Bus Depot)

A supplier has been engaged for electric charging infrastructure following an open competitive process in 2024. There are four stages to the programme being:

- Stage 1 - preparation of detailed requirements

- Stage 2 – design and specification
- Stage 3 – construction of electric charging infrastructure and electrical reticulation
- Stage 4 – on-going maintenance.

Greater Wellington has completed stages 1 and 2 and are in negotiation with the supplier for stage 3.

3.6 Waterloo Station Redevelopment – Transit Oriented Development (TOD)

The Waterloo Redevelopment project has entered its third phase following initiation in November 2021 by Greater Wellington Regional Council (Greater Wellington). Phases I (Concept Study) and II (Commercial Investigation) were completed by November 2023 with Phase III (Reference Design) initiated by Greater Wellington in May 2024 and currently underway. Phase III is due to be completed by September 2025.

The status of the project currently is:

- Local share funding for planning phases approved through Greater Wellington Long Term Plan (LTP) 2024-34
- Project endorsed through Wellington Regional Land Transport Plan (RLTP) and featured in Hutt City Council draft Spatial Plan and Wellington Future Development Strategy (FDS)
- Project given Priority Development Area status by Wellington Regional Leadership Committee (WRLC) in May 2022.

The project aims to deliver a redeveloped Waterloo Station to meet current and future public transport objectives in the Hutt Valley, contributes to Greater Wellington and key partner regional growth objectives, and focuses on creating liveable, thriving and sustainable urban communities by directly linking housing, transport and social services (health, childcare/education, public services, retail etc.) The Waterloo TOD project was publicly consulted on through the draft RPTP 2025-35 in March 2025.

The project aims to deliver:

- A redeveloped public transport hub including a new rail station and integrated bus interchange
- A commercial development comprising office accommodation and essential services provision on the Greater Wellington owned land

Project timeframes are currently:

- FY24/5 – Commission a Reference Design for the redeveloped transport hub; commence business casing
- FY25/6 – Deliver Reference Design, finalise business casing and commence procurement activities
- FY26/7 – Commence initiation work for redevelopment of transport hub.

Greater Wellington is proceeding with a Phase III of the Waterloo Priority Development Area (PDA) project that is focused on:

- De-coupling the station rectification works from adjacent development to ensure the maintenance objectives can be achieved, whilst future proofing future development
- Procuring Waterloo Station Reference Design
- Commencing work to enable Detailed Business Cases to be prepared.
- Continue to refine options and approaches for the commercial component of the project (the Development) for further Council consideration.

Individual procurement plans will be developed for each activity and endorsed by Greater Wellington's Procurement Manager or delegate.

3.7 Infrastructure Maintenance Current Contracts Table

Contract	Provider	Value (Whole of Life value)	Contract Start	Contract End
Bus stop maintenance and cleaning	Directionz	\$2,800,000	01/03/2020	30/06/2025 (currently undertaking a competitive process)
Wellington Station Customer Information System PT0581	Bartons Sound System Ltd	\$400,000	22/03/2019	Bespoke system. Forecasted spend for this triennium.
Metlink CCTV, audio installation & maintenance services	Red Wolf Security Limited	\$14,000,000	01/07/2024	30/06/2034
Commuter Carpark Maintenance and Reseals PT0855	Fulton Hogan	\$2,750,000	1/08/2021	30/06/2025 (intend to exercise renewal option (additional 1+1))
Station Cleaning and minor maintenance PT0885	BGIS	\$4,516,450.49	1/08/2021	30/06/2025 (intend to exercise renewal option (additional 1+1))
Platform and car park lighting on the Wellington Rail Network PT1129	Commercial Signals	\$909,025.43	(TBC)	(TBC)
Wellington Metro Stations and EMU Heavy Maintenance PT0886	BGIS	\$9,750,000	14/10/2022	30/06/2025 (intend to exercise renewal option (additional 1 year))

Contract	Provider	Value (Whole of Life value)	Contract Start	Contract End
Wellington Bus and Rail Signage PT1078	Dzine Signs	\$8,400,000 (excl indexation)	1/10/2024	30/09/2034
Building Compliance and Fire Safety Systems PT1087	Fire Security Services	\$206,000.00	1/12/2023	30/11/2028

4. Procurement Programme – Bus

The majority of Greater Wellington’s current Public Transport Operating Model (PTOM) bus partnering contracts (currently 17 units) expire between 2027 to 2033. Greater Wellington will be developing and procuring new bus services contracts. The new contracts provide an opportunity to review the existing key commercial terms in light of recent amendments to the Land Transport Management Act 2003 (LTMA) and incorporate lessons learned through the management of the PTOM bus partnering contracts.

Greater Wellington has adopted preferred approaches in line with the principles specified in Part 5, s115 of the LTMA.

4.1 Bus Services Procurement

A multiple tranche approach has been proposed to procure the new bus services contracts. A post implementation review of the PTOM contracts recommended that Greater Wellington plan for progressive change and not a ‘big bang’ approach to avoid disruption to bus services. A tranching approach will help to minimise disruption and risk during the transition to new operators.

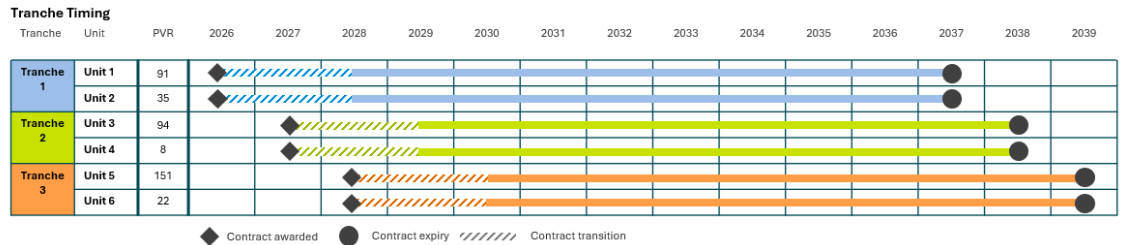
Greater Wellington has divided the bus contracts procurements into three tranches rolled out over a three-year period and is proposing to consolidate the 17 units into six units. Each tranche will consist of one large unit and one smaller unit.

The new unit design is a depot centric and geographically orientated approach and has been designed to:

- create a mix of large and small units that are attractive to both large international operators and small to medium local operators thereby increasing market competition while supporting diversity and depth in the market
- reduce barriers to entry by ensuring each unit has its own depot(s) allocated to it as a transferring asset
- provide long term value for money by ensuring all future assets are transferring assets thereby maximising the return on the capital investment across the useful life of the asset while further reducing barriers to entry and increasing market competition in future (3rd generation) contract rounds
- build contingency in the market by requiring different operators for each of the large units thereby reducing risk
- support the efficient and cost-effective transition to electrification and decarbonisation of Greater Wellington’s bus network

Greater Wellington has begun engaging with the market on the proposed unit design and draft key commercial terms for the future bus service contracts prior to finalising its position for contract drafting. Consultation with the public on the proposed unit design took place as part of consultation with the Regional Public Transport Plan in early 2025.

The proposed tranching approach is outlined in the figure below.



The proposed unit design and estimated Peak Vehicle Requirement (PVR) for each tranche is shown in the table below. Note current unit numbers are shown in the circles below.

The proposed articulated buses will operate on Route 2 in the current Unit 2, and the new proposed Unit 5.

Units	Tranche 1 2028		Tranche 2 2029		Tranche 3 2030	
	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
	1 North-South Spine	13 Porirua	9 Lower Hutt	15 Wairarapa	2 East-West Spine	14 Kapiti
	6 Taranaki	18 Tawa	10 Upper Hutt		3 University	
	7 Brooklyn/Owhiro		11 Wainuiomata		4 Khandallah/Aro	
	8 Newlands		12 Eastbourne		5 Central	
					20 Airport	
PVR	91	35	94	8	151	22
% of tranche	72.2%	27.8%	92.2%	7.8%	87.3%	12.7%
% of market	22.7%	8.7%	23.4%	2.0%	37.7%	5.5%

4.2 Strategic Bus Services Procurement Objectives

The following procurement objectives have been used to inform the development of the procurement approach and to assess the extent to which proposed contractual and commercial terms align with Greater

Wellington’s strategic vision and wider legislative requirements for the delivery of public transport services in New Zealand

- **Value for Money:** Efficient, transparent, and fair whole of life pricing that ensures efficient investment in Public Transport Services while being affordable
- **Competition:** Enables and facilitates a sustainable, competitive, equitable and efficient market
- **Aligned Processes & Capability:** Effective and efficient processes aligned with required operating roles that encourage long-term accountability, safety and collaborative relationships
- **Decarbonisation / Environmental Sustainability:** Minimise environmental impacts and enable a scaled implementation of zero emissions fleet to achieve decarbonisation
- **Mana Whenua Engagement:** Partnering with mana whenua, to understand their priorities and provide opportunities that align with mana whenua aspirations
- **Network Access:** Facilitates network accessibility for existing and potential future customers
- **Customer Experience:** Provide a high-quality experience that meets customer needs and supports travel choices
- **Community Impact:** Alignment with desired community values and achievement of wider social outcomes, safe workplace, and sustainable workforce development
- **Equitable Procurement:** Ensure a fair and equitable procurement process that enables access for all operators.
- **Innovation:** Facilitates innovation and agility to support the changing needs of the service and the community.
- **Service Excellence:** Promotes outcomes that drive operators to deliver service excellence

4.3 Market Engagement for Bus Services Procurement

Regular market engagement over the procurement period is proposed to ensure early testing and engagement on the market offer, determine market interest, and test key contract terms and the draft contract. Greater Wellington will consider timings of any market engagement to reflect the market activity such as other bus procurements in New Zealand and Australia.

Engagement with incumbent operators occurred from late 2024 to early 2025 followed by the wider market engagement commencing in early 2025. Engagement will occur via GETS and a Virtual Data Room (VDR) along with other market approaches to advise the market of the upcoming procurement.

A VDR has been established to facilitate this market engagement, with a confidentiality agreement signed by operators before documents are released. Operators, and other relevant parties, will be able to join the data room (and by extension market engagement) at any stage in the process, thereby ensuring maximum market participation. A new VDR will be established for the tendering of each unit.

Given the market engagement planned, current Metlink resources and the potential resourcing impacts on operators due to other bus services procurements nationally and internationally, it has been determined an Expression of Interest (EoI) stage is not required. The proposed market engagements are sufficient to assess market interest or more formally gather market feedback on the proposed procurement.

It is proposed that a Request for Tender (RFT) will be used (as opposed to a Request for Proposal) noting the extensive work undertaken in the redesign of the unit structure, key commercial terms, and approach to market. This has resulted in less opportunities for operators to bundle units or submit alternative proposals.

Greater Wellington is using the Price Quality Method (PQM) supplier selection method for the upcoming tenders. It is proposed that the base estimate will not be disclosed to tenderers as part of the procurement process.

Further details of the Future Bus Services Contracts (2026-2030) are provided in the Greater Wellington Bus Services Procurement Strategy and subsequent procurement plans that will be developed for each tranche.

4.4 Airport Express

The Airport Express is an integral part of the Metlink network, connecting the airport with the wider Wellington Region. Ten new purpose-build electric buses run on this low-cost, environmentally conscious services for travellers, people working in and around the airport, and commuters into the city (when capacity allows). The timetable is designed around airport departures and arrival times and train services at Wellington Railway Station.

The Airport Express electric buses will be included as part of the bus services procurement in tranche three mentioned above.

The service is funded through the continuous programme for this triennium.

4.5 On-demand public transport

Greater Wellington initiated a trial of an on-demand service in Tawa that commenced in May 2022 and was extended to December 2024.

The original proposition was that the Tawa trial would primarily be a commuter service, acting as a “first mile, last mile” connector service to the rail network. However, the trial showed that the service also had a high off-peak use for community journeys, placing a much greater focus on the On-Demand service as a community travel service.

Independent review findings concluded that there are very few places where on-demand services could be justified over fixed route buses, especially when considering value for money across the region as a whole.

Greater Wellington decided in light of the Tawa trial and the independent review to establish a new fixed route for Tawa (to replace the On-Demand service), which provides at a minimum a weekday hourly service.

Should funding become available or cost efficiencies be found in the future, provision of on-demand services will be reconsidered by Greater Wellington.

4.6 Rapid Transit Bus Corridors

The Wellington Regional Public Transport Plan 2021-2031 section 4.4 details rapid transport in the Wellington region. The Bus Corridors project was publicly consulted on through the draft RPTP 2025-35 in March 2025.

Following the dissolution of Let’s Get Wellington Moving (LGWM), Greater Wellington have established a new programme, the Rapid Transit Bus Corridors (RTBC) project. A regional project that encompasses work formally undertaken by LGWM and a wider regional programme of work to progress rapid bus corridors.

RTBC will be a significant public transport improvement initiative that will be jointly funded and delivered by Greater Wellington and Wellington City Council.

Several workstreams associated with this programme are already underway and progressing jointly with Wellington City Council (as the roading authority), including the Golden Mile and Harbour Quays work packages.

5. Procurement Programme – Te Hunga Whaikaha Total Mobility Service

Greater Wellington has a legislative requirement under the Land Transport Management Act 2003 to consider the needs of transport for disadvantaged people.

Consistent with this requirement, Greater Wellington administers Te Hunga Whaikaha Total Mobility (THWTM) for residents of the greater Wellington region.

Funded in partnership with the NZ Transport Agency, Greater Wellington assist over 16,000+ permanently disabled people to access safe and appropriate transport to help meet their everyday needs and enhance community participation.

THWTM service offers subsidised transport to those eligible who may need assistance using regular transport methods. Eligible users receive subsidised door-to-door trips or discounted public transport fares (buses, trains or ferries), allowing the cardholder to feel free to choose a transport option that suits them.

The NZ Transport Agency Procurement Manual chapter 9.0 details the procurement procedure 4 - Total Mobility scheme. Selecting a supplier under Procurement Procedure 4 does not involve a competition between suppliers - instead, all suppliers that meet quality criteria and a requirement for mandatory provision of wheelchair accessible transport will be considered for partnership.

THWTM expenditure will reflect the significant increase in customer usage due to a central government led discounting of the customer contribution from 50% to 25% of the total fare from 2022 significantly increasing usage of THWTM.

Contracts for both THWTM Transport Operators (Small passenger vehicles) and Assessment Services were openly tendered in August 2024 in accordance with Procurement Procedure 4, with new contracts commencing in November 2024.

THWTM customers self-determine their transport service provider from a pool of approved transport suppliers for each trip they wish to take. In effect, each trip is individually tendered through market forces. We reimburse the supplier for 75% of the fare, up to a maximum of \$60. The remaining 25%, up to a maximum of \$20 (plus anything over the maximum), is paid by the customer at the end of the trip.

Greater Wellington further incentivises the purchase and operation of wheelchair accessible vehicles (WAVs) for use within THWTM through the availability of a one-off contribution of funds towards the cost of purchasing an acceptable WAV (either factory-fitted or by retrofitting wheelchair equipment).

**Table 2: Annual THWTM Contract Value (July 2025 to June 2026)
estimated based on Ridewise**

Operating Area	Total fares / contract value	Customer contribution	Central Government CERF contribution	Central Government FAR contribution	Greater Wellington contribution
Region-wide Operators	\$2,262,447	\$565,612	\$565,612	\$678,733	\$452,490
Wellington City & Porirua	\$6,023,711	\$1,505,928	\$1,505,928	\$1,807,113	\$1,204,742
Hutt Valley	\$3,065,069	\$766,267	\$766,267	\$919,521	\$613,014
Kāpiti	\$1,351,099	\$337,775	\$337,775	\$405,329	\$270,220
Wairarapa	\$219,787	\$54,947	\$54,947	\$65,936	\$43,957
Total	\$12,922,113	\$3,230,529	\$3,230,529	\$3,876,632	\$2,584,423

Arotake (assessments) for people to be eligible to use this service are carried out by Greater Wellington approved professionals to determine eligibility for disabled people that are prevented from using bus, train or ferry, in a safe and dignified manner.

Contracts for THWTM Arotake Services have recently been improved and procured.

NLTF funding for this programme has not been allocated in the current triennium. As a result, procurement activities related to this initiative will be deferred until funding becomes available in a future budget cycle.

Alternative approaches to meeting service needs within existing resources will be explored where feasible.

6. Procurement Programme – Rail

6.1 Lower North Island Rail Integrated Mobility

Greater Wellington is currently implementing the Lower North Island Integrated Mobility (LNIRIM) Project for long distance passenger rail services for the Wairarapa and Manawatu lines. The funding agreement was signed in July 2024 committing \$870 million with the aim of delivering more reliability to commuters, benefit businesses and support economic growth.

Greater Wellington has developed a LNIRIM Procurement Strategy that was endorsed by NZ Transport Agency on 06 December 2023. The scope of the Procurement Strategy covers:

- Package 1: Rolling stock
- Package 1A: Maintenance depot
- Package 2: Stations and operator facilities
- Package 4: Operational readiness activities.

A further package (package 3 - stabling facilities and track upgrades) is included in the LNIRIM programme but not covered by the LNIRIM Procurement Strategy. KiwiRail is the delivery agency for this package.

The LNIRIM Project activities are focused on the critical path being the procurement, design, manufacture, and commissioning of rolling stock, consisting of 18 four-car trains as part of package 1. This activity, with a long lead time, will secure continuity of service between the ageing fleets to be retired from 2028 and the new rolling stock entering service.

In addition to the rolling stock Greater Wellington will be procuring the following for LNIRIM (either directly or through a lead contractor):

- A rail Maintenance Depot in Masterton (refer GETS Advance Notice RFX ID 30101916) and associated infrastructure;
- A rolling stock driving simulator, purpose built for the new rolling stock;
- Station upgrades on the Manawatu and Wairarapa Lines;
- Operator staff facilities;
- A rail operator; and
- Consultants and advisors to support the programme.

Greater Wellington plan to leverage existing contracts where appropriate to deliver the LNIRIM programme.

Individual procurement plans will be developed for each activity in the LNIRIM project and endorsed by Greater Wellington's Procurement Manager or their delegate.

6.2 Additional Metro Rolling Stock – Business case

Metlink are developing a business case to ascertain the viability and requirement for the purchase of new rolling stock to provide for future growth and demand for the Metro area.

The business case will review the service capacity requirements (current vs future), maintenance, stabling, operating requirements, cost, etc. We are establishing the validity of the purchase of ten (10) 4-car electric driven rolling stock sets.

This work is due to commence Q1 FY25/26 and is expected to take approximately 1 year. Funding (100% local share) has been approved for a total of \$5.8m until the end of this triennium June 2027.

7. Ferry

Wellington Harbour ferry services are run by East by West Ltd and provide services between Days Bay and Queens Wharf, with a stop at the Department of Conservation reserve on Matiu Somes Island.

With the pending introduction of Motu Move and a change in the way that revenue is collected, Greater Wellington commissioned a review of the ferry service to help inform the development of a sustainable contract model for this niche targeted service and options for greater integration with the wider public transport network.

Ferry services commenced operating under a net Public Transport Operating Model based unit contract from July 2019 and were directly appointed for a nine-year period.

The ferry fleet consists of three ferries (two diesel and one fully electric). The electric ferry is the first fully electric ocean-going commuter ferry in the southern hemisphere and supports Greater Wellington's decarbonisation goals.

Greater Wellington's understanding of the current ferry market is that the Wellington ferry service does not present a good market opportunity for ferry service operators in New Zealand. Greater Wellington will conduct this procurement under clause 10.11 of the NTZA Procurement Manual 10.11 Direct appointment where competition will not help obtain best value for money.

In December 2024, Greater Wellington Council authorised the Chief Executive to negotiate terms for a Gross Contract with East by West Company Limited, this approach was approved by NZ Transport Agency which is currently funded through the continuous programme.

Greater Wellington is currently in negotiations with East by West Company Limited which are on-going at time of writing. The new contract will be 7 years and will align with the proposed timetable for PTOM procurement.

NZ Transport Agency has advised that future funding will need to be considered for the 2028-2031 NLTP.

8. Procurement Programme – Technology

8.1 Total Mobility – Ridewise software upgrade

Ridewise is an electronic system implemented by NZ Transport Agency to modernise the administration of the Total Mobility scheme, which provides subsidised transport services for individuals with long-term impairments.

It's an online database that holds all customer and supplier records and information. There is a nightly upload to back-office system which provides reporting, data, analytics and fraud checks.

The Ridewise software is considered out of scope for Motu Move programme, so Greater Wellington is considering options despite the funding challenges.

When the Ridewise software is upgraded, transport operators will need to implement hardware and software leading to additional integration costs.

The Ridewise management system is end-of-life. \$2 million was requested but has been declined as part of the NLTP 2024-2027 budget. This initiative is now being led by NZ Transport Agency and Greater Wellington will provide subject matter expertise as required.

8.2 Real Time Passenger Information System (RTI 2.0)

RTI 2.0 is currently being rolled out and it is intended that bus equipment will be replaced between April / May 2025 and August / September 2025. All digital signage will be completed by March 2026 (if possible) with Train Stations first followed by On Street second. Replacement timeline is highly dependent on getting access to the Train Corridor and Traffic Management on streets.

RTI 2.0 will provide better predictions and real time information across the bus, rail and ferry network. It has better prediction accuracy to give customers a better experience, more accessible information (audio messaging) and for the Drivers, Google Map style navigation.

No procurement activity to occur in this triennium.

8.3 Announcement at stations

Currently Wellington Station is the only train station with audio announcements. Greater Wellington intends to rollout announcements at other Wellington regional stations. The solution will allow event-based messages to be sent per station. These messages could be anything from next train departures to platform changes to Health and Safety warning messages (e.g. Please stand back from the platform, Freight Train passing through). Greater Wellington will be leveraging existing suppliers to do this work.

This project will be part funded by LNIRM (all stations along the WRL line and the Capital Connection) as it was not funded as part of the NLTF.

No further procurement activity to occur in this triennium.

8.4 He Hapori – Customer Relationship Management (CRM) System

Greater Wellington conducted an open procurement process in 2024 to source a CRM Solution and Implementation Partner which is currently being implemented and known as He Hapori.

He Hapori will contain Metlink Fleet List (used by our RTI 2.0 system, our Data Warehouse netBI and our Website / Opendata / Mobile App. He Hapori will integrate with our Data Warehouse for statistical and hotspot reporting. It will also manage the delivery of our GTFS (Public Transport Network Map) to all downstream providers. In short it will become a core solution within Greater Wellington and Metlink.

We expect to use He Hapori for Total Mobility from some time in 2025, as the contact centre and Metlink’s tool for customer query capture and resolution.

No further procurement activity to occur in this triennium.

8.5 National Ticketing Solution

The National Ticketing Solution is a partnership between 13 Public Transport Agencies and NZ Transport Agency which will provide a range of easy-to-use payment methods nationwide, for bus, rail and ferry trips. It replaces separate regional systems currently in use.

The national system will be called Motu Move and will enable more options for passengers to pay for public transport including using a credit, debit card or digital payment methods on mobile phones and smart watches, as well as a prepaid Motu Move card.

A Moto Move pilot on the Route 29 bus started in Christchurch in December 2024 and roll out across wider Canterbury is being planned for 2025.

The rollout planning for Wellington commuters is underway.

Note, NZ Transport Agency is conducting the procurement for the core solution (back-office software, on-bus / platform equipment, the national service centre and shared merchant / banking services) with most of this procurement already now complete. Greater Wellington is responsible for procuring local solution components unique to the Wellington implementation – predominantly relating to services to integrate its back-office systems into the national level solution. The majority of this local procurement is either complete or well-advanced.

From a customer perspective, when the Greater Wellington customer transition starts, Metlink is looking at customers having the choice to purchase a new Motu Move transit card – as one of the payment options. No material procurement impact on operators is expected, as the programme will manage the procurement of equipment for buses and rail platforms on their behalf.

8.6 Accessibility tools

Accessibility improvements to the public transport network are a key focus of Greater Wellington’s Draft Wellington Regional Public Transport Plan 2025-2035 (currently under consultation), and Long Term Plan.

Consistent and disability-specific training of Metlink Operators was prioritised as the most important action in the Accessibility Action Plan (AAP) by a diverse group of disabled customers and trusted advisors from sector groups.

Metlink leadership and Greater Wellington Council have adopted the AAP with the goal of delivering consistent Operator Accessibility Training starting June 2025. More information is available on the [Metlink website](#).

The key purpose of the AAP is to bring more cohesion and consistency to how we include accessibility and disability knowledge into our practice as a public transport authority. Therefore, we seek the engagement of an experienced provider to develop and deliver consistent accessibility training to staff of both Metlink and operators.

Greater Wellington has recently released a tender on GETS for ‘Metlink Network Operator Accessibility Training’ Request for Proposal.

It is likely that training will be delivered via a combination of e-learning modules and the ‘train the trainer’ model currently used by operators to train front line staff. Some in person, practical training may be required to support staff learn practical skills that ensure the safety of customers (e.g. ensuring Total Mobility drivers know how to safely transport a wheelchair user).

8.6.1 Wide Screen Digital Signage

Wide screen digital signage across the Matangi Fleet for Announcements: this will be announcements of ‘next stop’ and/or advertising and initial thinking is that this will be LED strips. This will be an open market process (budget depended) with the project starting in 2026 (\$400k) and \$7m over 2027-28. Greater Wellington is looking at starting this project towards the end of the triennium.

9. Procurement Programme – Professional Services

The procurement of professional services plays a critical role in supporting the delivery of efficient, cost-effective and high quality advice and solutions. This includes both internal professional services utilising in-house expertise and external professional services which leverages market capabilities when additional capacity, specialist knowledge or independent oversight is required.

The NZ Transport Agency Procurement Manual is currently silent regarding engaging Contractors and Consultants through secondary processes via All-of- Government panels. Greater Wellington sought approval from NZ Transport Agency for an exemption from open advertising requirements and this was granted on 23 June 2023. This was on the proviso that where Greater Wellington are using the All of Government panels, the rationale, selection of each individual and the value is documented and kept for audit purposes.

The Greater Wellington specific exemption can only be applied on condition that:

- The All of Government provider presents the best value for money proposition (evidenced through a robust rationale)
- The rationale is supported by a comprehensive and appropriate audit trail
- The Manager Procurement (or agreed substitute) has endorsed the rationale in writing.

Greater Wellington has travel choice and travel demand management activities like cycle and scooter skill programmes across the Wellington region.

In 2018 Pedal Ready became part of the Bike Ready (NZ Transport Agency) national cycle skills education system which are predominantly provided in-house.

Any procurement activity is in accordance with the NZ Transport Procurement Manual where part or fully funded, noting the majority of procurements in this area are low value and low risk.

The Wellington Transport Analytics Unit is a cross-agency organisation funded by Wellington City Council, NZ Transport Agency and Greater Wellington to collate and share consistent transport planning data. The unit has been established through a Memorandum of Understanding (MoU). Any procurement activity is in accordance with the NZ Transport Procurement Manual where part or fully funded.

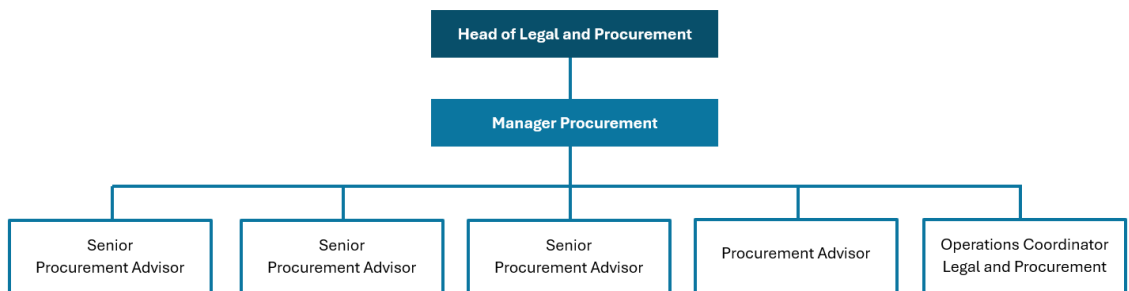
10. Implementation of strategy

10.1 Capability and Capacity

The overall responsibility of the Transport Procurement Strategy rests with the Head of Legal and Procurement, the Procurement Team and Commercial Partnerships Team are responsible for delivery.

Since the Transport Procurement Strategy Greater Wellington has established a Procurement Team over the last 24 months and this has seen procurement maturity lift across the organisation.

The Procurement team structure:



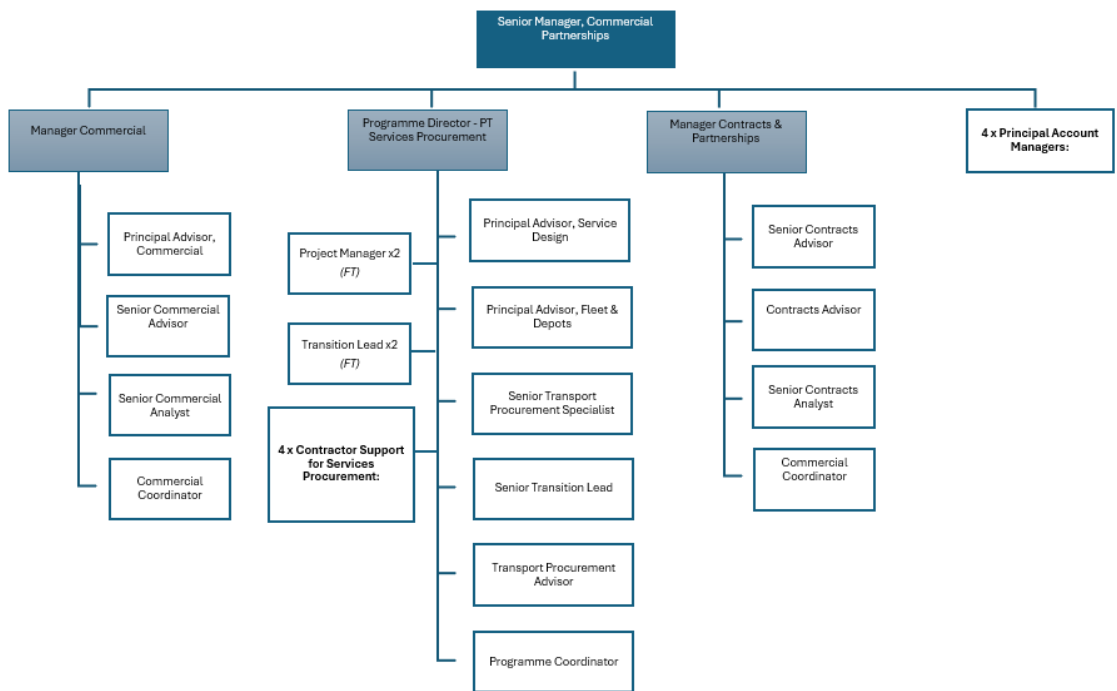
When surge capacity is required, the team brings on external Procurement Contractors to support the work programme and to meet project timeframes.

A key focus for Greater Wellington is to have more in-house qualified NZ Certificate in Infrastructure Procurement Procedures Level 6 as we currently use several external consultants to meet this requirement (Procurement Manual section 10.19 Qualification of proposed evaluators) of the NZ Transport Agency Procurement Manual. Two staff members have recently enrolled to become qualified and going forward we would look to have discussions with NZ Transport Agency to fund the cost of this qualification for other staff members.

The Commercial Partnerships team was established in late 2024 to provide greater commercial focus to enhance and maintain public transport services. This team will be responsible for setting up and managing commercial contracts, partners and third-part suppliers that we rely on to provide public transport services. There is significant bus, rail and ferry contracts coming up over the next few years for renewal and this team will be responsible for delivering these.

The Commercial Partnerships team has its management position filled and some of the senior roles. Recruiting is currently underway to fill the remaining vacancies.

The Commercial Partnerships team structure:



10.2 Internal Procurement Processes

Greater Wellington’s Procurement Policy 2021 (currently under revision) details what is required by the organisation when procuring goods, services and works. This is supported by strategies as mentioned at section 2.2 (e.g.: the social procurement strategy) of this document and the procurement toolkit. The toolkit includes processes, guidelines, templates, intranet procurement page, risk self-assessment and training and education.



10.3 Performance measurement and monitoring

Greater Wellington has a range of monitoring systems for internal performance and external reporting.

Table 3: Key monitoring indicators for the procurement strategy

Activity	Key Performance Indicator
Early sector engagement on all procurement activities	100% of all competitive approaches have early sector engagement prior to the tender processes commencing by 2023.
Greater Wellington takes a strategic approach to procurement	100% of all transport procurement above \$20,001 has an approved procurement memo <small>(note this may be revised as part of the Procurement Policy revision)</small>
Review the effectiveness of procurement processes looking at fairness, competitiveness, and innovation.	Information on the success of procurement activities is gathered and utilised.
NZ Transport Agency procurement reporting requirements	As per section 11 of the NZ Transport Agency Procurement Manual.
NZ Transport Agency public transport Key Performance Indicators	Are reported according to NZ Transport Agency requirements.

10.4 Communications plan

The communications plan is an important part of the Transport Procurement Strategy as it ensures all stakeholders are aware of Greater Wellington’s procurement strategy and how it impacts them.

Greater Wellington has identified the following stakeholders and developed a plan to communicate the appropriate level of information and detail relevant to their role in the procurement environment (purchaser or supplier).

Stakeholder	Key Message	Channels
Internal stakeholders		
Council (elected members)	Overview of strategy and key elements	Information paper Decision making where this is no financial delegation
Greater Wellington Public Transport employees	Overview of strategy and key elements	GM Metlink messaging to PT staff Intranet
External stakeholders		
NZ Transport Agency	Overview of strategy and significant procurement activity; compliance with the procurement manual	Submission of strategy to NZ Transport Agency for endorsement Strategy published on Greater Wellington's website
Wellington region territorial local authorities	Overview of strategy and key elements Seek opportunities to collaborate	Meetings as required Sharing of the strategy
Supply market		
Strategic suppliers Transport operators Professional services Technology suppliers Targeted groups when required	Introduction to the strategy Overview of planned procurement activities	Regular meetings with key stakeholders Email link to strategy Strategy uploaded to website Supplier feedback through contract review process / debrief sessions
Non-strategic suppliers	Introduce strategy and purpose	Email link to Strategy uploaded to website

11. Procurement Environment

11.1 Analysis of the supplier market

For each high value and significant procurement activity, a procurement plan is prepared to ensure the process will deliver the result sought, and that correct procedures are followed. As part of the procurement plan development a market analysis is conducted and findings documented.

This forms the basis of the supplier positioning analysis and to understand our value as a customer to the supply market. A power and dependency assessment between Greater Wellington and suppliers is also undertaken.

From this information we make an informed decision on how to approach the market to ensure suppliers have the ability to respond are encouraged to do so. Pre-conditions are included in the tender, to ensure only those suppliers that can meet the requirements respond, as Greater Wellington does not want to expend any additional time or cost wastage to the supplier community.

Other on-going macro and micro considerations are:

- Understanding what other infrastructure projects are underway or are planned to occur in the Wellington region, e.g.: Riverlink project
- Government budgets and changes to policy: with the new Government Policy Statement on land transport (GPS) sets the Government's priorities for land transport investment over the next 10-year period. It also sets out how money from the NLTF is spent. The decline in NLTF funding this triennium, will have a material negative impact on public transport in the Wellington region
- Regulatory compliance: these include environment regulations as well as health and safety legislation which is necessary but can lead to cost increases
- Market trends: ability to evaluate what the current trends/innovations are and how these changes impact on what we need to buy, e.g.: environmentally friendly transportation
- Supply chain disruptions: this can be caused by natural disasters which New Zealand has seen its fair share of lately, wars which can lead to increase costs and shipping delays and fuel price volatility. If there is a limited number of suppliers in the market, we need to consider how we could grow the supplier base and establish back-up plans where needed.
- Competitive landscape: Ability to understand who the key players are in the Wellington region and analysing their market share, financial information, and if there have been any mergers. We have seen suppliers take on additional work and then seen their inability to deliver to all their clients. In some cases, it may mean having two

suppliers where the work can be divided between them to mitigate the risk of delays to project timings and/or delivery

- Labour market: understanding of skilled workers in the region from construction workers, engineers to professional services. If we cannot find the skilled workers needed within the allocated budget, this can have a detrimental impact on project timelines.
- Sustainability and ethical considerations: there is an increase emphasis on adopting environmentally sound solutions, removing waste and ensuring our suppliers are meeting ethical standards for example modern slavery.

The above factors help Greater Wellington analyse the supply market and the Procurement team working with its stakeholders can gain valuable insights. This helps with making informed decisions to optimise the procurement strategy and achieve the business objective over the whole-of-life.

Encouraging competitive and efficient markets requires careful planning, ongoing engagement with suppliers and taking on board feedback and good practice. There may still be a need to be able to pivot at times given the current political and economic conditions, whilst still allowing for innovation.

The strategy for encouraging competitive markets is not fixed and will be continuously monitored for each market engagement.

NZ Transport Agency are collecting information from Councils on Market Activity from tendering. Greater Wellington has contributed to this information and look forward to seeing a summary of its findings.

11.2 Impact of procurement on others

Greater Wellington considers the impact of its procurement on other government (central and local) organisations. The Procurement team, where there are opportunities to collaborate with others in the region, will explore those opportunities on a case-by-case basis. Like many Councils across New Zealand, we are all experiencing higher costs, cost scrutiny and rising inflation and look for ways to drive cost efficiencies.

12. Procurement Approach

12.1 Summary

The procurement programme sections mentioned earlier in this document will be delivered through a structure, transparent and value-driven approach to ensure the acquisition of goods, services and infrastructure necessary to delivery public transport services.

Greater Wellington will be guided by the NZ Transport Procurement Manual and the below mentioned approaches to determine best fit-for-purpose approach to procuring.

12.2 General Procurement Approach

12.2.1 Strategic Planning and Market Engagement

- Conduct market analysis to understand supplier capabilities and industry trends
- Engage with stakeholders early to define procurement needs and align with strategic objectives
- Use early contractor involvement (ECI) or supplier engagement to optimise procurement outcomes.

12.2.2 Procurement Method Selection

- Determine the most suitable procurement method based on project complexity, risk, and market conditions aligned to the NZ Procurement Manual Chapter 8.5.
- Use a mix of open tenders, panel contracts, direct engagement, and collaborative procurement models where appropriate, noting some of these methods may require approval from NZ Transport Agency as they are Advanced Procedures.

12.2.3 Value-for-money and Sustainability Focus

- Ensure a balanced evaluation of cost, quality, and long-term serviceability.
- Incorporate whole-of-life costing, innovation, and social procurement principles.
- Support local suppliers, and environmentally sustainable procurement where feasible

12.2.4 Risk Management and Governance

- Embed risk assessment at every stage of the procurement lifecycle.
- Ensure compliance with regulatory requirements and procurement policies.

- Maintain robust governance frameworks, including audit trails, performance monitoring, and continuous improvement mechanisms.

12.2.5 Contractor and Supplier Management

- Use appropriate contract models (e.g., fixed-price, performance-based) to align with project objectives.
- Implement strong supplier relationship management practices to drive efficiency, quality, and innovation.
- Monitor contract performance through KPIs, service level agreements (SLAs), and regular reviews.

There are broadly two methods of approach, direct or competitive.

Greater Wellington uses the Government Electronic Tendering Service (GETS) to advertise tenders and manage the tender process. The GETS system is used for managing all supplier questions and answers relating to tender queries.

The procurement plan will consider complexity and uncertainty, scale, timing and urgency, potential for innovation, risk, and an understanding of the supplier market. The analysis within the procurement plan, along with the procurement objectives will provide the context for identifying the best approach to market and supplier selection method.

Greater Wellington uses the GETS to advertise tenders and manage the tender process. The GETS system is used for managing all supplier questions and answers relating to tender queries.

NZTA funded projects have direct appointment and closed contest thresholds of \$100,000 and \$200,000 respectively. Due to the significant and high value of procurements undertaken, Greater Wellington will have discussions with NZTA to increase these thresholds levels that will drive efficiencies and effectiveness for our organisation and supplier community.

The procurement projects will be executed in a structured, efficient and transparent manner, ensuring procurement decision support economic, environmental and social outcomes. Through strategic planning, competitive sourcing, and strong supplier management, the procurement projects will deliver value-for-money solutions that contribute to a sustainable and effective public transport service.

See Appendix 1 for further details on delivery models.

12.3 Identification of any pending high-risk or unusual procurement activities

Bus Service contracts

As mentioned at section 4, Greater Wellington is undertaking a multiple tranche approach for bus service contracts. It has been determined as the best way forward to reduce procurement risk and transition risk.

Lower North Island Rail Integrated Mobility

The procurement activity for LINRIM programme is well advanced, but worth mentioning here as it is not a frequent activity.

The Lower North Island Rail Integrated Mobility Procurement Strategy and subsequent Procurement Plans have been developed with knowledge of the market and potential risks and issues. Extensive assurance activities are also being undertaken to ensure appropriate delivery of the procurement activities.

Other procurement activities

At times, there may be situations where Greater Wellington will need to direct appoint a monopoly supplier (refer NZTA Procurement Manual section 10.10) or where direct appoint where competition will not help obtain best value for money (refer NZTA Procurement Manual section 10.11). In these situations, a procurement memo/plan will be developed with appropriate rationale and be approved by the Delegated Financial Authority and endorsed by the Manager Procurement.

13. Appendix 1: Summary of delivery models and supplier selection methods

The following is a summary of the delivery models and supplier selection methods to be used by Greater Wellington when procuring transport activities. Full details for each can be found in the Transport Agency's Procurement Manual.

For each high value and significant procurement activity, a procurement plan is prepared to ensure the process will deliver the result sought, and that correct procedures are followed. A key item is the price/quality weighting which will be varied to suit the complexity of work. Our procurement process requires that our activities are purchased through the most appropriate delivery model. The delivery models that we commonly employ are set out below. The models used are in accordance with NZ Transport Procurement Manual, Delivery models (Chapter 8.4)

Partnering

- For scheduled public transport services identified as units in the RPTP
- Medium and large scale procurement
- There is value in the purchaser and suppliers collaborating closely
- There is scope for risk to be shared between approved organisations and suppliers to incentivise both parties to work together to innovate.

Staged

- Scale is small to medium
- Complexity, uncertainty and risks are low
- The Council wishes to maintain some form of involvement and control over the activity
- Scope is well defined and the opportunity for innovation is low.

Design and Build

- A traditional design and build model uses a single contract to complete the detailed design and construction phases.

Supplier panel (advanced)

- Where is a number of small activities where supplier consistency would be valued.
- Where the volume of service activity may be too large for one supplier to undertake
- Where economies of scale can be achieved with other business activities non-transport related (e.g.: Earthworks, civils and machinery panel) and additional saving can be made leading to cost efficiency.

14. Appendix 2: Key public transport projects as identified in the Long Term Plan 2024-2034

The below table provides a summary of public transport key activities and is subject to NZ Transport Agency funding.

Key Projects		
Network Operations Centre	Establishing a 24/7 Network Operations Centre, focused on the full network (ferry, rail and bus) means we can provide more reliable, timely and accurate information to our customer.	2025-2034
New busways programme	There will be staged delivery of bus priority across Wellington City. We will work in collaboration with the relevant road controlling authorities (Wellington City Council and New Zealand Transport Agency). The focus is early delivery of projects considered crucial for reliable bus journeys and progressing towards a future busway solution along the regionally significant eastern and southern corridor.	Ongoing
Planning for the delivery of the National Ticketing Solution	National Ticketing Solution is a convenient, reliable and cost-effective solution aimed at providing more ways for customers to pay for public transport.	Implementation 2025-2026
Delivering the Strategic Public Transport Asset Control Strategy	This strategy is our long term framework and direction for Public Transport Authority control of strategic public transport assets. The objective is for us to play a more active and strategic role in the planning and management of public transport infrastructure through a range of potential commercial arrangements.	Ongoing

Delivering the bus growth strategy	Budgeting for an additional 100 buses (47 this triennium), which will create new bus routes and increase the frequency and capacity of our services. This will allow us to cater for the expected population growth of the region.	Ongoing
Bus fleet decarbonisation	We will continue reducing emissions from our bus fleet, through the staged replacement of diesel buses. This will support the reduction of CO2 and other harmful emissions.	2025-2035
Asset Control – Southern Depot Development	Delivering a long term option for a southern bus depot, to replace the earthquake-prone depot that is reaching end of life in Kilbirnie.	2024-2029
Asset Control – Northern Depot Opportunity	Identifying and evaluating long term options for bus depots in the north of the region, with location dependent on land availability and/or opportunities.	2024-2028
Waterloo Station Transit Oriented Development	Replace ageing and end-of-financial-life building infrastructure at Waterloo Station with a mixed-use transport/commercial Transit Oriented Development	2024-2029
Johnsonville Transport Hub/Interchange	As part of the redevelopment of the land currently owned by Stride Property Group, it is proposed to build a public transport hub, including a layover/driver break facility.	2025-2032
Public Transport Lower North Island Rail - Rolling Stock	As part of the Lower North Island Integrated Mobility (LNIRIM) Project for long distance passenger rail services for the Wairarapa and Manawatu lines. Includes network improvements Wgn/ Masterton and Wgn/ Palmerston North	2024-2029

BRT (buses that replace trains) infrastructure improvements	Provide consistent and accessible levels of service for buses that replace trains, including Metlink buses, electronic payment and fully accessible stops.	Ongoing
Additional Metro Rolling Stock - Business case	Develop a business case for purchase of ten, 4 car electric units for the Wellington Metro area	2025-2027