

07 May 2025

LGOIMA 25-045

7(2)(a)

Tēnā koe 7(2)(a)

Request for information: Fulton Hogan

I refer to request for information received on 7 March 2025 for information regarding Fulton Hogan as the preferred contractor for Wellington Water Limited.

Your request is responded to in the appendix on the following page and is responded to in accordance with the Local Government Official Information and Meetings Act (LGOIMA – the Act) 1987. I apologise for the time it has taken to respond to you.

Information has been withheld under sections 7(2)(b)(ii) and 7(2)(i) of the Act, as described in the appendix. In accordance with section 7(1) of the Act, we do not consider the withholding of information under the respective section(s) 7 of the Act is outweighed by other considerations which render it desirable, in the public interest, to make that information available.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly at <https://www.wellingtonwater.co.nz/about-us/official-requests/official-information-act-responses/> with your personal information removed.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to email us at official.information@wellingtonwater.co.nz

Nāku noa, nā

7(2)(a)

Chief Corporate Services Officer

APPENDIX

a) analysis / independent advice received or what was evaluated upon selecting Fulton Hogan as the preferred contractor for Wellington Water.

The tender process that identified Fulton Hogan as the preferred contractor comprised three elements:

1. An Open-market Registration of Interest (ROI), which produced a shortlisted of three companies to progress to...
2. Competitive Dialogue, which was then used to inform a
3. The Request for Proposals (RFP) process to select the preferred contractor.

The Request for Proposal (RFP) criteria were:

1. Governance and Management
2. Service Delivery
3. Service Planning
4. Customer Experience
5. Resilience
6. Health & Safety
7. Technology
8. Implementation and Change
9. Commercial
10. Alliance Behaviours

I also refer you to the provided documents:

- **LGOIMA 25-045 Alliance RFP 2018 response form**
- **LGOIMA 25-045 Alliance RFP 2018**

External advice through this process included an independent evaluation chair and another independent evaluator as well as WWL staff who evaluated all the RFP responses. Probity and legal advice was also provided to the process by independent parties.

b) The competing bids as to Fulton Hogan as the main contractor for Wellington Water.

RFP responses were received from Fulton Hogan, CityCare and Downer.

c) The charged alleged "fair and reasonable" contracting rates Fulton Hogan has been contracted with Wellington Water for, as mentioned in the media by Fulton Hogan without supporting documents from either Wellington Water or Fulton Hogan:

--- clip news report ---

Dougherty noted the board did not have any say or involvement in the day-to-day contract administration.

A Fulton Hogan spokeswoman said the company stood by its contracting work for Wellington Water.

She said a summary of the report's findings showed Fulton Hogan has charged rates which are "fair and reasonable".

"AECOM noted that if anything, they appeared somewhat low."

--- clip news report ---

It is noted that you have quoted a newspaper clip, which quotes a Fulton Hogan spokesperson paraphrasing an AECOM comment. Please be advised that the direct quote from the AECOM report is:

"We believe that the Alliance labour and plant rates are fair and reasonable compared to the competitive industry charges, and, if anything, appear to be somewhat low"

While we have withheld this specific information as commercially sensitive (see sections indicated below), you may find the full AECOM report with redactions here: [AECOM Full Redacted Report - Analysis of WWL Panel Costs and Valuation Unit Rates](#)

This report contains relevant information on these rates and AECOM's determination of them as 'fair and reasonable'.

This part of your request is withheld under the following sections:

- 7(2)(b)(ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information, and
- 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

d) Confirm what type of tender or competitive process Fulton Hogan underwent with these charged contracting rates and whether the tender has been re-competed annually or other time period to make these competitive.

Fulton Hogan won the open tender and were contracted for a ten-year term as our maintenance provider. Contracts such as these are not retendered on an annual basis. As noted above, the rates are considered somewhat low.

Request for Proposal Response Form



Three Waters Maintenance and Operations Alliance

RFP released: 04.05.2018

Deadline for Questions: 01.06.2018

Deadline for Proposals: 12:00hrs 29.06.2018

Our water, our future

Check list for Respondents

Task	✓
1. Complete all sections of the Response Form.	
2. Delete all 'supplier tip' boxes from the Response Form. 3. Remove all yellow highlight from the Response Form.	
4. Make sure that you have complied with the following instructions: <ul style="list-style-type: none"> • the Response Form is limited to 100 A4 sides. The page limit does not include: <ul style="list-style-type: none"> ➤ Cover Letter ➤ Overhead, profit and margin schedule ➤ Contract Principles table ➤ Declaration form • the font used is Calibri font size 11. 	
5. Arrange for the declaration to be signed.	
6. Prepare your Proposal for delivery by arranging the printing of Five (5) hard copies AND creating a final soft copy file on disk or memory device. 7. Please provide the Overhead, profit and margin schedule in a separate envelope and electronic folder. 8. Where both hard and soft copies have been requested double check that the hard copies and soft copy are identical.	
9. Arrange for the Proposal to be delivered before the Deadline for Proposals.	

[insert your organisation name and logo or branding]

Response Form

In response to Request for Proposals

by: [insert organisation name]

for: Three Waters Maintenance and Operations Alliance

Date of this Proposal: [insert date of this document]



**Supplier
tips**

Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means *'a person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal'*. Definitions are at the end RFP Section 6.

1. About the Respondent



Supplier tips

- The section gives the Buyer basic information about your organisation and identifies your Point of Contact for the duration of the RFP process.
- If an item is not applicable e.g. you do not have a registered office complete the box by stating 'not applicable'.
- If you are submitting a joint or consortium Proposal complete an 'Our profile' table for each Respondent. Cut and paste the table as appropriate. Provide only one Point of Contact for your joint/consortium Proposal.

Our profile

This is a Proposal by [insert the name of your organisation] (the Respondent) alone to supply the Requirements.

OR This is a [joint/consortium] Proposal, by [insert the name of your organisation] and [insert the name of the other organisation/s] (together the Respondents) to supply the Requirements.

Item	Detail
Trading name:	[insert the name that you do business under]
Full legal name (if different):	[if applicable]
Physical address:	[if more than one office – put the address of your head office]
Postal address:	[e.g. P.O Box address]
Registered office:	[if you have a registered office insert the address here]
Business website:	[url address]
Type of entity (legal status):	[sole trader / partnership / limited liability company / other please specify]
Registration number:	[if your organisation has a registration number insert it here e.g. company registration number]
Country of residence:	[insert country where you (if you are a sole trader) or your organisation is resident for tax purposes]
GST registration number:	[NZ GST number / if overseas please state]

Our Point of Contact

Item	Detail
Contact person:	[name of the person responsible for communicating with the Buyer]
Position:	[job title or position]
Phone number:	[landline]
Mobile number:	[mobile]
Email address:	[work email]

2. Response to the Requirements



Supplier tips

- In this section you are asked to provide your response to our Requirements (RFP Section 2) by demonstrating your organisation’s ability to meet our criteria (RFP Section 3: Our Evaluation Approach). Carefully read RFP Sections 2 and 3 before completing this part.
- If there is anything that you do not understand ask our Point of Contact to clarify.
- If any information you provide is commercially sensitive to your business you must let the Buyer know. Please mark the information ‘commercially sensitive’ or ‘Confidential Information’. It is not acceptable to render this whole document confidential unless this is truly the case. The Buyer has a duty to protect Confidential Information, subject to the exceptions in the RFP-Terms (Section 6).
- If some of an answer is in another document e.g. a marketing brochure, copy and paste the relevant extract into this Proposal. Do not submit the whole brochure. Please do not include any advertising brochures or similar material in your Proposal.
- You may include information not specifically requested by us in your Proposal. But only if it adds value and is relevant to the Requirements.

Pre-conditions



Supplier tips

- You must be able to answer ‘yes’ to each of these pre-conditions. Make sure you are able to verify that this is the case, if asked.
- ‘Yes’ means that you can currently meet the pre-condition. It does not mean that you are planning to, or intend to at some time in the future.
- If you cannot answer ‘yes’ to all, your Proposal will not meet the basic Requirements and is likely to be declined.

#	Pre-condition	Meets
1.	Please disclose any details of any existing or potential ownership changes within your organisation.	[Yes/No]
2.	Please disclose any existing or pending litigation	
3.	Please provide your interim financial statements to 31 st December 2017	

Overview of our solution

Please provide an overview of your solution, including key value add areas and how they will directly benefit Wellington Water.

Questions relating to the evaluation criteria



Supplier tips

- Here you are asked to answer questions relating to the evaluation criteria. Your Proposal will be scored against your answers to these criteria. Aim to give answers that are relevant, concise and comprehensive.
- Consider the % weighting for each criterion. The higher the weighting the more important it is. Take the weightings into account in deciding how much detail to include.
- If you have made any assumption about the Requirements or delivery, clearly state the assumption.
- There may be several questions that relate to one criterion. If these questions are not individually weighted assume that they are of equal importance.

a) Alliance Governance and Management	Weighting 5%
<p>a) The Alliance will report through the existing Wellington Water governance structure. How will you integrate with this approach and manage the Alliance within this structure? What particular approaches will you adopt to ensure success?</p>	
<p>[insert your response here]</p>	
<p>b) What do you consider are the key factors in successful Alliance leadership and how will you deliver these for, and with, Wellington Water under the governance structure? (Your response should include who your proposed Alliance Leadership Team (ALT) members are and why).</p>	
<p>[insert your response here]</p>	
<p>c) The role of the Alliance Manager will be absolutely pivotal to the success of the Alliance. Following the CD process, what particular skills, attributes and experience of your proposed Alliance Manager do you think will drive the success of our Alliance?</p>	
<p>[insert your response here]</p>	
<p>d) What will your approach be to ensure the Alliance integrates</p> <ol style="list-style-type: none"> i. across its own delivery teams, ii. with the rest of the Wellington Water organisation, iii. across our Service Delivery workstreams and wider supplier community iv. with your wider business, and v. across the region. 	
<p>[insert your response here]</p>	

e) Outline your proposed management structure (down to AMT) and other key roles for the Alliance. Where you propose using your resources for a role, please detail their relevant experience, qualifications Alliance experience and why they would deliver best value for Wellington Water and its customers in that role.
[insert your response here]
f) How will you support the development and delivery of the wider Wellington Water business strategy, in your role as our Alliance partner?
[insert your response here]
g) What approaches will you adopt to ensure all Alliance staff have a clear set of performance expectations and are managed appropriately?
[insert your response here]
h) How will you ensure our tagline, <i>Our Water, Our Future</i> , is at the heart of the Alliance approach?
[insert your response here]
i) Identify what risks the governance structure may pose and how you will manage these with us.
[insert your response here]

b) Service Delivery	Weighting 9%
a) Based on the Scope of Work, how will you drive the Alliance to deliver the day to day operational scope in an integrated, efficient and effective manner? How will this translate into improved levels of service for our customers?	
[insert your response here]	
b) Describe how you will ensure the work completed by the Alliance will be of a consistently high and sustainable quality.	
[insert your response here]	
c) For each management area in this RFP (i.e. resilience, customer, H&S), outline how you will ensure your approach is integrated with the physical work completed on the network.	
[insert your response here]	

d) How will you foster an innovation culture through your service delivery approach?
[insert your response here]

c) Service Planning	Weighting 12%
a) Detail how the Alliance Maintenance Plan will initiate and drive the change from a highly reactive strategy to a proactive and predictive maintenance strategy.	
[insert your response here]	
b) Detail how you will introduce a robust planning function within the Alliance (including links to the Customer Hub, Wellington Water PMO and the wider business) to deliver a proactive asset management approach.	
[insert your response here]	
c) How will you ensure that field staff understand asset management and display 'Active Curiosity' when working on the network to capture and assessing network data?	
[insert your response here]	
d) What approach will you take to ensure proactive, reactive and planned maintenance activities are captured accurately against assets? How will you ensure accurate reports are produced?	
[insert your response here]	
e) Wellington Water is looking to generate savings in Traffic Management and Reinstatement through effective planning and development of Alliance capability in these areas. Please detail how you would approach the development of this capability and how the Alliance, WWL and our Capex Contractor Panel could benefit from this approach.	
[insert your response here]	
f) How can the Alliance help improve our knowledge of network performance?	
[insert your response here]	
g) Where could the Alliance Partner share resources to assist Wellington Water to succeed as a mature asset manager?	
[insert your response here]	

h) What level and type of direction would you expect the Wellington Water Service Planning team to provide to the Alliance on asset management?
[insert your response here]
i) Describe any asset management ideas or processes you offer which are innovative. Describe the benefits of these and how these benefits are measured.
[insert your response here]
j) Describe how you will deliver Value for Money (from a Totex perspective) in meeting or exceeding the overall maintenance and operations activities.
[insert your response here]
k) What technologies will you provide that will help fill our asset performance (cost, benefits & risk) data gaps?
[insert your response here]
l) What resourcing is needed during implementation and integration to establish detailed work processes and support tools to ensure the effective implementation of our service planning framework?
[insert your response here]
m) What auditing and inspection processes do you think are necessary to provide assurance that maintenance practices are being implemented effectively in the field and achieving the outcomes desired?
[insert your response here]
n) How will we know that the asset data that is captured is accurate and in an acceptable format?
[insert your response here]

d) Customer Experience	Weighting 10%
<p>j) How will you support and drive the delivery of our Customer Plan, as our Alliance Partner? Your response should individually address our five key workstreams and refer to the Appendices:</p> <ul style="list-style-type: none"> i. Customer Culture and Behaviours ii. Stakeholder Management iii. Community Engagement 	

iv. Customer Journey
v. Customer Data
[insert your response here]
k) The Customer and Operations Hub is integral to the delivery of positive customer services for Wellington Water (including capex works). Detail how you will manage and integrate the Hub, as part of the Alliance, to achieve our desired customer outcomes and strategies. Your response should include details of previous experience in management of customer centric operations.
[insert your response here]
l) How will you ensure the context of individual customers (i.e. the impact of a supply outage will affect customers differently, depending on their situation) is considered and addressed when providing services to our customers?
[insert your response here]
m) As the key, direct interface with most of our customers, how will you ensure Alliance staff have the customer at the centre of their thinking in everything they do?
[insert your response here]
n) As our Alliance Partner, how will you support Wellington Water’s community initiatives?
[insert your response here]
o) How will you help ensure the activity of the Alliance is conducted in a culturally sensitive manner and in concert with our local iwi?
[insert your response here]
p) How will your approach to customer management help ensure our client Councils are engaged in the process?
[insert your response here]

e) Health & Safety	Weighting 5%
a) Wellington Water is committed to continuously improving its H&S performance. What tools and processes have you adopted to improve H&S performance in your own organisation that will be utilised by the Alliance?	
[insert your response here]	
b) How does your organisational H&S culture align with the Wellington Water Health and Safety Vision? How will you help us embed this culture in all we do as an Alliance?	
[insert your response here]	

c) As our Alliance Partner, how will you effectively support Wellington Water’s critical risk and wellness programmes?
[insert your response here]
d) In the event of a major Health and Safety incident (critical injury or significant near miss), please describe in detail how you would respond.
[insert your response here]
e) How have you ensured worker engagement in Health and Safety practices? How could these be adopted by the Alliance?
[insert your response here]
f) What is your greatest Health and Safety/Wellbeing achievement in the last three years? What does this mean for Wellington Water?
[insert your response here]
g) Detail how, as the Alliance Partner, you will contribute to ensuring we meet Wellington Water’s outcome of being ‘Respectful of the Environment’.
[insert your response here]

f) Resilience	Weighting 5%
a) Detail how your existing facilities will integrate with Wellington Water and Client Council facilities to support a reliable and resilient response to a major event. How would you establish new facilities, if required?	
[insert your response here]	
b) Describe what additional resources are available in a major event and what benefit they would have in the restoration of infrastructure.	
[insert your response here]	
c) Detail how the Alliance will support Wellington Water’s 80-30-80 strategy in providing a prompt response to a major event and how the Alliance would meet customer expectations in restoration of infrastructure.	
[insert your response here]	
d) Detail your experience in managing and maintaining the Health & Safety of resources for an	

extended period following a major event.
[insert your response here]
e) Describe the reliability and resilience of your information and visualisation systems and how they can support communications across islands in a major event.
[insert your response here]
f) Detail how you are able to support continual improvement in incident and major incident response and how this would link to our 80-30-80 strategy.
[insert your response here]
g) Provide detail on how the Alliance will work with the Risk and Assurance function to ensure systems and processes are fit for purpose and maintain a continuous improvement culture.
[insert your response here]
h) How will you provide a resilient culture to respond to changing circumstances and needs?
[insert your response here]
i) Provide detail on how the Alliance will ensure resilient resources (people, systems, vehicles, plant and equipment) to perform roles and responsibilities as well as respond to incidents and emergencies
[insert your response here]

g) Technology	Weighting 12%
a) Outline the operational systems which would be provided through the Alliance to support the delivery of our outcomes and describe how these systems would benefit Wellington Water and our customers.	
[insert your response here]	
b) Please provide details of your event management system capable of running daily operations and service requests while integrating with Wellington Water data warehouse and council systems. This may include workforce, customer management, planned and unplanned maintenance and job costing.	

[insert your response here]
c) Please provide details of your asset information system capable of managing ongoing and preventative maintenance cycles of plant and linear assets.
[insert your response here]
d) Detail available operational technology which supports maintaining the Three Waters Networks including monitoring, service strike detection and situational awareness.
[insert your response here]
e) Detail your resources available to work with the TGG in building the technology roadmap, including discovery and alignment of technology resources and capabilities.
[insert your response here]
f) Please provide details of your resources who could assist in development with, and within, Wellington Water's GIS system
[insert your response here]
g) Provide details of technical expertise in system architecture and integration between Wellington Water/Alliance Partner and Wellington Water/Council systems.
[insert your response here]
h) How will you manage relationships with the TGG and Council stakeholders?
[insert your response here]

h) Alliance Implementation and Change Management	Weighting 15%
a) Outline your Alliance implementation plans for the following phases: <ul style="list-style-type: none"> i. The Interim Alliance Agreement (IAA) phase (Jan – June 2019) ii. The Final Alliance Agreement (FAA) phase (June 2019 onwards) 	
[insert your response here]	
b) How will you manage the change process for the implementation of the Alliance? (Your response should include management of Wellington Water staff moving to the Alliance team, those interfacing with the Alliance group and wider audiences)	
[insert your response here]	

c) How will you ensure your management team and other resources coming into the Alliance are focused on Wellington Water’s needs and outcomes, and are fully aligned across your team.
[insert your response here]
d) Wellington Water has an inclusive, open and supportive company culture (see our Company Values) and strives to improve this culture. Outline how, as our Alliance Partner, you will fit with and further develop this culture.
[insert your response here]
e) This is Wellington Water’s first Alliance. How can we collaboratively develop and adopt genuine Alliancing behaviours between our organisations to take the Alliance beyond the expected.
[insert your response here]
f) What do you consider the key risks are in the initial implementation of, and over the life of, the Alliance and how will you manage/mitigate them?
[insert your response here]
g) In addition to the preceding sections, how will your wider organisation provide additional value to Wellington Water and its customers?
[insert your response here]

i) Commercial	Weighting 12%
a) The Charter of Behaviours will be key to the success of the Alliance. Based on your knowledge of what Wellington Water is looking to achieve through the Alliance, what would you see the Charter containing?	
[insert your response here]	
b) How will you achieve value for money through the procurement and management of suppliers and services as the Alliance and how will this value be accurately measured?	
[insert your response here]	
c) How will you ensure the collaborative nature of the Alliance extends to its supply chain and sub-contractors?	

[insert your response here]
d) We expect that there will be a range of Alliance reporting for internal purposes and for our client Councils, which we will co-develop with our Alliance Partner. Please provide (as appendices) existing examples of reports that are used to demonstrate and drive Value for Money, improved performance, cost reporting and service enhancements for your customers.
[insert your response here]
e) What recommendations do you have for the Alliance performance framework (including KRAs and KPIs)?
[insert your response here]
f) How will you deliver effective budget and claim management within the Alliance?
[insert your response here]
g) Please complete the Overheads and Profit table at Section 3. [<i>*NB – of the 12% weighting for this section, the Overheads and Profit table has 5% of that weighting with the remaining 7%, equally spread across the remaining questions in this section.</i>]
[insert your response here]

j) Alliance Values and Behaviours	Weighting 15% (Evaluated at CD stage)
Your organisation’s behaviours and values have been evaluated and scored against our expected Alliancing behavioural framework throughout the Competitive Dialogue process.	

Assumptions

Please state any assumptions you have made in relation to the requirements. Where you have made assumptions in relation to the costs and pricing information please state these in the next section.

3. Price



Supplier tips

- In the RFP Section 4 we have outlined the pricing information that we are seeking. This should inform you how to present your proposed price. Where we have provided a template you must use this for your pricing information.
- In preparing your pricing information you must consider all risks, contingencies and other circumstances relating to the delivery of our Requirements and include adequate provision for them. You must also document any assumptions that you have made in costing the full delivery of the Requirements.
- If asked for a 'whole-of-life' cost this is the total cost to the Buyer over the whole of the life of the Contract. See [Guide to Total Cost of Ownership](#) and [TCO calculator](#) (listed under 'T').
- If we have asked for a two envelope response you must put all financial and pricing information in a separate sealed envelope or separate soft copy document.

Overheads and Profit schedule

Please submit your financial information using the following pricing schedule

Commercial Framework	Year One	Year Two	Year Three
Cost Framework			
Corporate Overhead: <i>(these are costs that would not be considered as part of the day to day running costs of the Alliance)</i>			
Cost one	\$	\$	\$
Cost two	\$	\$	\$
Cost Three	\$	\$	\$
Information Technology Charges: <i>(please list each system and charge)</i>			
Costs that you would expect to charge the alliance for the system setup and integration	\$	\$	\$
Costs for support of the systems specified in your RFP submission (including licencing)	\$	\$	\$
Please confirm how future system enhancements or new systems would be charged for to the Alliance	\$	\$	\$
Any other costs	\$	\$	\$
Subcontractors:			
We would expect our Alliance partner to pay subcontractor invoices on the Alliance's behalf, please specify if there would be any mark-up on invoices	%	%	%
Plant, Equipment and Vehicles:			
Please provide a schedule of charges	\$	\$	\$
Alliance Management Team (AMT):			
As per your proposed AMT please provide the estimated Total Fixed Remuneration (including any potential bonuses) for each role based on the skills and experience you would expect in the role (regardless of which	\$	\$	\$

organisation that role may come from)			
Related Party and Third Party Arrangements:			
If your RFP includes the use of related party or third party goods or services please specify the term and costs of these	\$	\$	\$
Profit % (Please split proposed Profit and KPI %):			
Please specify your desired profit % noting there will be no cost savings sharing	%	%	%
KPI %:	%	%	%
KPI Payments:			
We are proposing to have the desired profit % made up of profit and KPI % to reflect the risk profile of the alliance and the principal of no pain, how do you feel about this and do you have any other suggestions			
KPI is deemed to have been met for the first 18 months of the contract to establish baselines through a co-design process			
The TOC:			
We would like to co-design the TOC in the first 18 months can you please describe how you will go about driving efficiency and productivity to reduce the TOC over time including any initiatives you may have			
Depots:			
If you are proposing utilising any other depots in the region please set-out the costs that the alliance would be expected to pay	\$	\$	\$
Supplier Relationships:			
Please list any strategic supplier relationships that you have and what benefits will be available			
Transition/Implementation:			
Please provide a proposed budget for the transition/implementation with supporting calculations and assumptions as well as options on how to fund this	\$	\$	\$
Asset purchases:			
Wellington Water has limited capability to purchase items that are Capital in nature, please provide some options around how we could contribute to funding these future items			
Other:			
Are there any other costs that would be incurred by the alliance that is in your RFP submission but not captured above			

Assumptions

Please state any assumptions you have made in relation to the cost and pricing information.

4. Proposed Contract Principles



Supplier tips

- In the RFP Section 5 we have detailed the terms and conditions of our Proposed Contract Principles. We need to know whether or not you are prepared to do business based on these principles.
- If you have any points that you wish to make about the Proposed Contract Principles this is where you tell us. Note below any suggestions or changes you wish to propose.
- It is important that, if asked, you are able to explain why your changes are important to you.
- In deciding which Respondent/s to shortlist the Buyer will take into account each Respondent's willingness to meet the Proposed Contract Principles.

THREE WATERS MAINTENANCE AND OPERATIONS ALLIANCE

Alliance principles

Introduction

Under this RFP, Wellington Water ("WWL") is seeking proposals from Respondents to enter into a collaborative alliance arrangement for the operation and maintenance of network assets managed by WWL in the Wellington area.

A draft of the Three Waters Network Maintenance and Operations Alliance Agreement has not been included with this RFP. However, set out below are (at a high level) the key principles that WWL expects it will require in the IAA / FAA with the successful Respondent.

This document is not intended in any way to limit the solutions and innovation to be suggested and offered up by Respondents in their responses to this RFP. However, Respondents are required to identify any proposed departures from the key principles identified below and provide reasons (including anticipated benefits to the Alliance) for such proposed departures. Where necessary, Respondents should also expand on the key principles set out below and provide information on how the Respondent will satisfy such key principles.

Please also note that the below does not limit the other provisions that may be required by WWL, and if required at WWL's sole discretion, the form of IAA / FAA presented to the proposed Alliance Partner for consideration may be different from what is set out below.

Responding to this document

Take time to read and understand the principles set out below. Consider whether, and to what extent, your proposal supports and / or incorporates these principles.

- **Departures:** If your proposal contains any departures from the principles set out below, please indicate and describe these in the "Departures" column.

- **Reason(s) for Departures / Comments, and References:**
 - If you have identified a Departure, please explain the reason(s) for such Departure (including any benefits to the Alliance). Please explain how your proposal will satisfy the principles set out below.
 - Even if you have not identified any Departure, please elaborate on how your proposal will satisfy the relevant key principles. If useful, please insert, in the final column of the table below, cross-reference(s) to the relevant other section(s) of your proposal.

Key defined terms used below:

Alliance Partner	=	The successful Respondent with whom WWL enters into the IAA / FAA
ALT	=	Alliance Leadership Team
AMT	=	Alliance Management Team
FAA	=	(Final) Three Waters Network Operations and Maintenance Alliance Agreement
IAA	=	Interim Three Waters Network Operations and Maintenance Alliance Agreement
Participants	=	Both Wellington Water and the Alliance Partner
Services	=	Final scope of services to be provided by the Alliance

Note: Feedback to the Contract Principles is not evaluated, but will be used to develop the IAA.

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
Implementation and integration				
1.	IAA: An Interim Alliance Agreement will be agreed between the Participants to cover the period from contract award of the IAA until the signing of the FAA.			
2.	Pre-commencement activities: Under the IAA, the Participants will, prior to the commencement of the Alliance:			
	(a) develop the Alliance Behaviours Charter, which will set out the shared behaviours and aspirations of the Participants for the Alliance;			
	(b) develop the final scope of services to be provided by the Alliance, ie the Services, including the Alliance Partner's responsibilities for ensuring that the Alliance meets the expectations of the IAA / FAA;			
	(c) develop and implement a mobilisation and integration plan to set up the Alliance;			
	(d) negotiate contract terms with the contractors currently used by WWL in connection with network operation and / or maintenance. Such contractors will be included in the Alliance, and the contracts with those contractors will be entered into with the Alliance Partner, or if already entered into with WWL, will be novated by WWL to the Alliance Partner. This is to occur by 1 July 2019;			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(e) agree the FAA, based on the key principles set out in this document and the IAA, by April 2019			
	(f) appoint the ALT, who will in turn appoint a mobilisation and integration project team responsible for the implementation of the mobilisation plan and integration into the Alliance; and			
	(g) develop an Alliance organisational structure and the associated resourcing strategy, which will utilise personnel from both Participants, and ensure such personnel undertake training and participate in other Alliance-related induction and implementation activities.			
	The Alliance Partner will resource the Alliance Manager position from the date of commencement of the IAA – see paragraph 8 below for more detail. The Alliance Manager will be available from that time to drive the mobilisation and implementation activities, to enable timely commencement of the FAA by 1 July 2019.			
3.	Cultural integration: The Alliance is expected to seamlessly integrate with WWL and operate in alignment with the then current standards and maturity level of WWL's organisation as a whole. The Alliance is not intended to operate as a separate entity with different standards of excellence and performance that would distance the Alliance from the rest of WWL's organisation. Rather, the expectation is that the Alliance will continue to drive improvements and excellence, which will enhance the culture within WWL, such that the Alliance and WWL as a whole will continue to remain aligned in culture			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	during the term of the Alliance.			
4.	Operational integration: The Alliance is required to work with WWL's:			
	(a) contractors panel; and			
	(b) consultants panel.			
5.	Branding: The branding for the Alliance will be aligned with WWL's brand and customer messaging, and as otherwise agreed between the Participants. This branding will be used to identify and promote the Alliance in the performance of the Services.			
Governance and structure				
6.	ALT:			
	(a) The Alliance will be accountable to WWL through the ALT. The ALT comprises members of WWL's Senior Leadership Team and the Alliance Partner's leadership team.			
	(b) The Alliance Manager will report to the ALT.			
	(c) The ALT will also provide strategic guidance and direction to the Alliance (through the Alliance Manager and the AMT).			
	(d) Composition of the ALT will be 50:50 between the Participants.			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(e) The ALT will appoint a Chair of the ALT to convene meetings. During the initial 18 months, meetings of the ALT will be held fortnightly or as otherwise agreed. Following the initial 18 months, meetings will be held monthly or as otherwise agreed.			
	(f) Decisions of the ALT will be by unanimous vote. In the event unanimity cannot be reached, the Participants will seek to settle any disagreements in good faith with reference to the Alliance Charter and, if further information is required, the Chair of the ALT may set the issue aside for a subsequent meeting. The ALT will have due regard to submissions by the AMT and Alliance Manager in making decisions and will ensure that all members of the ALT have access to such information reasonably required to make the decision. If no decision can be reached unanimously within a reasonable period of time, the matter will be referred to WWL's Board for final determination.			
7.	AMT: The AMT will be responsible for day-to-day operation and delivery of the Services. Membership of the AMT will be as agreed between the Participants, and will include the Alliance Manager. Meetings of the AMT will be convened by the Alliance Manager and will be held weekly or as otherwise agreed.			
8.	Alliance Manager:			
	(a) The Participants will jointly appoint an Alliance Manager who will provide leadership and guidance to the AMT. The initial Alliance Manager will be nominated and resourced by the Alliance			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	Partner, for approval by WWL. The initial Alliance Manager is expected to be in the role for no less than three years or for such other period agreed by the Participants.			
	(b) It is expected that the Alliance Manager position will be used to develop and deepen the management expertise in both Participant entities. Therefore, unless otherwise agreed by the Participants, the Participants will alternate in making nominations for and resourcing the role.			
9.	Replacement: ALT and AMT members may be replaced from time to time (on 30 days' notice) during the term of the Alliance by the relevant Participant who nominated them. Either Participant's nominee must first be approved by WWL (such approval not to be unreasonably withheld or delayed).			
10.	Reports and records:			
	(a) The AMT will provide such reporting, at such frequency, as required in the IAA / FAA and as agreed between the Participants.			
	(b) Under the IAA, the AMT will provide to the ALT progress reporting against the milestones to implement the Alliance, and such other reports as required by the ALT, fortnightly or from time to time, or as agreed between the Participants.			
	(c) The Participants will keep and maintain operational, financial and asset-related records and information relevant to the Alliance for the term of the Alliance and for seven years following			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	the expiry or termination of the Alliance, during which time each of the Participants can access these records and information with reasonable notice to the other Participant.			
Personnel, subcontractors, equipment and premises				
11.	Personnel:			
	(a) Subject to the WWL personnel joining the Alliance, the Alliance Partner will provide all personnel, processes and resources, to set up and operate the Alliance, so as to perform the scope of Services and perform the relevant services set out in the FAA.			
	(b) Some roles required to provide the Services may sit outside the Alliance. For example, some roles may not be FTEs, while others may be filled (in part or whole) by current WWL roles that integrate with the Alliance.			
	(c) Each Participant will undertake all employer responsibilities (eg salary, administering annual and sick leave etc) in respect of those of its personnel joining the Alliance.			
12.	Key Personnel: The FAA will name certain members of the Alliance as Key Personnel, on the basis that such personnel are critical to the Alliance's success. This will include the Participants' nominees for the ALT and the Alliance Manager. The Participants are not to remove any Key Personnel without good reason (such as sickness or resignation) or as otherwise agreed between the			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	Participants.			
13.	Equipment: Subject to the equipment to be provided by WWL, the Alliance Partner will provide all other equipment (including vehicles and tools) required by the Alliance.			
14.	Premises:			
	(a) Subject to access to and use of the premises to be provided by WWL, the Alliance Partner will provide all premises required by the Alliance.			
	(b) WWL will provide office accommodation at its usual office premises, for use by the Alliance's office-based roles and the customer hub.			
15.	Non-solicitation: Neither Participant may actively solicit for employment any employee or individual contractor of the other Participant (although this will not prevent either Participant from employing any person who responds to a genuine public advertisement placed by the Participant).			
16.	Secondments: The Participants recognise that secondments of staff (including staff outside of the Alliance) may be an appropriate means to develop the Alliance. The Participants will actively consider a programme for staff secondments, including to allow participation by members of WWL's graduate programme. The terms of such secondments (including graduate programme placements) will be as agreed between the Participants.			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
Data, technology and innovation				
17.	Data: The Alliance will collect all the data required as part of the Services. All data collected by the Alliance will be:			
	(a) owned by WWL; and			
	(b) collected in such format so as to be standardised with other asset data held or to be held by WWL, including in a single asset management system.			
18.	Provision of technology: The Alliance Partner will provide to the Alliance, and to WWL, during the term of the Alliance, the technology proposed in its tender response and described in the IAA / FAA.			
19.	Continuity: Where the Alliance Partner proposes critical Alliance systems to be provided by a third party, the Alliance Partner shall ensure that arrangements are in place with the relevant third party / subcontractor to ensure ongoing access and continuity of service during the entire term of the FAA.			
20.	Innovation: The Alliance Partner will bring and apply innovation when performing the IAA / FAA, so as to ensure that it is continually open to seeking and applying creative but fit for purpose solutions to achieving Alliance outcomes and remedying Alliance issues, including relating to the provision of Services.			
Invoicing and payments				
21.	IAA remuneration: WWL will remunerate the Alliance Partner in the manner and to the amounts agreed and			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	specified in the IAA. The IAA will include a detailed schedule of costs and rates that make up the charges payable by WWL to the Alliance Partner.			
22.	FAA remuneration:			
	(a) WWL will remunerate the Alliance Partner in the manner and to the amounts agreed and specified in the FAA. The FAA will include a detailed schedule of costs and rates that make up the charges payable by WWL to the Alliance Partner.			
	(b) The Participants will review the FAA remuneration framework in three year intervals from the commencement of the FAA, to consider if the then applicable remuneration framework remains appropriate. This will not include a review of the Alliance Partner's profit limb of the remuneration framework.			
	(c) For the avoidance of doubt, there will not be a pain component in the event the Alliance fails to meet the relevant KPIs.			
23.	Invoicing: The charges agreed in the IAA and FAA will be the sole compensation payable by WWL to the Alliance Partner. The charges can be set out in a single invoice, provided that, as required by WWL, there are accompanying schedules separately setting out the charges in respect of works relating to:			
	(a) each client Council;			
	(b) in respect of each client Council, on a per water			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	basis; and			
	(c) minor capex works.			
24.	Transparency: The Alliance Partner acknowledges that it is of paramount importance to WWL that all commercial aspects of the Alliance are administered in a transparent manner. Full and proper books of account and records relating to the Alliance shall be kept by the Alliance in accordance with applicable accounting practice. This financial information shall be available at all times for inspection by each Participant and for audit purposes by each Participant's respective auditors.			
25.	Audit: An audit of the financial records and other information shall be undertaken every 12 months from the commencement of the FAA (or such other period agreed by the ALT) by an independent auditor. The Participants shall ensure that all costs are allocated separate cost codes to meet audit requirements. The costs incurred in respect of the independent auditors shall be borne by the Alliance.			
Performance Framework				
26.	Standards of service: The Alliance Partner will:			
	(a) comply with all applicable laws and maintain all licences, approvals and permits required to perform its obligations under the IAA / FAA;			
	(b) ensure that all its personnel, and all WWL personnel, are, when performing Alliance works, suitably skilled, experienced, qualified, and hold all necessary licences, approvals and permits, for the			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	relevant tasks or responsibilities undertaken by such personnel;			
(c)	comply with all reasonable directions of the ALT;			
(d)	provide the Services to meet or better the KRAs and KPIs and to best industry standards;			
(e)	maintain each work site, and each premises it occupies, in a safe, clean and tidy condition;			
(f)	ensure that all services and materials provided to the Alliance are suitable for their intended use;			
(g)	not damage or adversely affect the property, operations, reputation or goodwill of WWL or any WWL clients or the ultimate customers;			
(h)	ensure that the Alliance does not damage any third party property;			
(i)	establish, implement and maintain, in consultation with WWL, an Asset Operations and Maintenance Plan, Quality Management Plan, and such other plan or strategy that would be useful to facilitate and ensure compliance with the terms of the FAA;			
(j)	co-operate at all times with WWL and third party suppliers in relation to any matter relating to the Alliance;			
(k)	in recognition of the critical nature of the assets managed by WWL, ensure appropriate and adequate business continuity planning is			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	undertaken and implemented (including the Alliance to develop, within three months of the commencement of the FAA, and tested and updated annually during the term of the Alliance, a disaster recovery and business continuity plan approved by WWL), so that the Services remain available at all times, including during and after natural disasters, business disruptions, and unexpected events; and			
	(l) in performing the Services, exercise all reasonable care that would reasonably and ordinarily be expected from a skilled, reasonable and experienced provider in the same or similar circumstances, with reference to best international standards and practice for the same or similar services.			
27.	Key Result Areas ("KRAs"): The FAA will specify the KRAs that are important to WWL and its council clients. These will be developed and formulated into specific KPIs.			
28.	Key Performance Indicators ("KPIs"): Performance of the Alliance will be measured by agreed KPI levels in accordance with the following principles:			
	(a) The Alliance will report on all KPIs at such frequency and in such manner set out in the IAA / FAA.			
	(b) KPI performance will determine whether the Alliance Partner receives the performance incentive component of the remuneration under the FAA (this is subject to paragraph 22).			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(c) The Alliance will be deemed to have met all KPIs in the initial 18-month period from commencement of the FAA.			
	(d) The period of assessment of performance against KPIs will be on a calendar year basis, ie from 1 January to 31 December of each year of the Alliance.			
Health and Safety				
29.	Policies and procedures: The Participants will agree, in consultation with any relevant subcontractors or third parties, detailed health and safety policies and procedures for the Alliance to ensure compliance with all applicable health and safety laws and regulations.			
30.	General: Without limiting the above, the Participants must ensure that they, and ensure that their personnel (other than those who are in the Alliance, which the Alliance will be responsible for):			
	(a) comply with all relevant health and safety legislation, including the Health and Safety At Work Act 2015;			
	(b) have in place policies and procedures to ensure compliance with all applicable health and safety laws and regulations;			
	(c) maintain an agreed health and safety vision and develop a health and safety culture;			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(d) take all practicable steps to ensure that no act or omission gives rise to, or is likely to give rise to, the issue of any improvement or prohibition notice, enforcement action or prosecution under any health and safety legislation;			
	(e) advise the ALT as soon as possible of:			
	(i) any hazards or risks the Participant identifies or creates and all accidents, incidents, and near misses, relating to the Alliance;			
	(ii) all notifiable events (as defined in the Health and Safety At Work Act 2015) relating to the Alliance; and			
	(iii) any contact by any regulatory agency regarding any health, safety and / or environmental matter relating to the Alliance; and			
	(f) comply with the ALT's instructions in relation to any health and safety matter, including the right to removal any personnel.			
31.	Removal: In accordance with any applicable employment procedures, each Participant will promptly remove those of its personnel who does not comply with health and safety requirements when undertaking Alliance work.			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
Intellectual property				
32.	New IP rights: All new intellectual property developed in, or in connection with, the Alliance, will vest in the Participants jointly, provided that WWL may, at any time during or after the term of the Alliance, use any of the new IP rights for any purposes in connection with its business, without having to obtain the prior consent of the Alliance Partner. Any use of the jointly owned IP rights by the Alliance Partner, during or after the term of the Alliance, will be subject at all times to the confidentiality provisions of the IAA / FAA. To the extent that any new IP does not vest in WWL, the Alliance Partner will assign and / or transfer such new IP rights to WWL (jointly with the Alliance Partner) immediately upon its creation or, if this cannot be achieved, grant or otherwise procure for WWL a non-exclusive, royalty-free, irrevocable licence to use the new IP for any purposes related to WWL's business during or after the term of the Alliance.			
33.	Existing WWL IP rights: Subject to the confidentiality provisions, WWL will grant the Alliance Partner a non-exclusive, royalty free, for the term of the Alliance, licence to use existing IP rights of WWL for the purposes of performing the Alliance Partner's obligations under the IAA / FAA.			
34.	Existing Alliance Partner IP rights: The Alliance Partner will grant to WWL a non-exclusive, royalty free, irrevocable licence to use existing IP of the Alliance Partner for the purpose of the IAA / FAA.			
35.	Warranty: Each Participant (" provider party ") warrants that use of the IP it provides will not infringe any third			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	party IP rights. Each provider party will indemnify the other Participant against all costs, losses, damages and claims that the other Participant (including each of its personnel, agents, contractors, other representatives and clients) incurs as a result of any claim that the IP rights provided by the provider party under the IAA / FAA infringes the IP rights of any third party.			
Liability and dispute resolution				
36.	No blame dispute resolution: The FAA will set out the individual responsibilities of WWL and the Alliance Partner, and the joint responsibilities of both Participants. The Alliance will have a 'no blame' culture such that:			
	(a) each Participant will waive all rights of action against the other Participant (" In-scope Dispute "), other than in the event of wilful default, breach of IP rights, breach of confidentiality or any loss or damage incurred by a Participant that is not related to, or in connection with, work undertaken by the Alliance (" Out-of-scope Dispute ");			
	(b) In-scope Disputes will be resolved through good faith negotiations (not arbitration or litigation) with regard to the Alliance Charter, and escalated as necessary to the ALT for decision-making (and if necessary, determination as contemplated in paragraph 6(f) above);			
	(c) the Alliance will be responsible for any third party claims against the Alliance, which will be satisfied in the first instance, through the insurances required at paragraph 38. Any amount of liability to third parties not covered by insurance will be			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	borne 50:50 by the Participants; and			
	(d) the ALT will conduct and / or settle any negotiations and / or litigation resulting from any third party claims on behalf of the Alliance.			
37.	Out-of-scope Dispute: Any Out-of-scope Dispute that is not resolved by negotiation will be finally determined by arbitration by one arbitrator, in Wellington, with the costs of arbitration to be borne equally by the Participants (subject, however, to any cost award by the arbitrator).			
Insurance				
38.	Insurance: The following insurances must be effected and maintained by the Participants as applicable, at their respective own costs, and with reputable insurer(s) that is / are AA rated or better:			
	(a) WWL will hold public liability cover of \$20 million per event and in aggregate, which will be extended to cover public liability incurred by the Alliance;			
	(b) each Participant will insure, to full replacement value, each item of construction machinery that it leases or owns, and that is used for the purposes of the Alliance, where such item of construction machinery has a market value of more than \$50,000;			
	(c) each Participant will insure, to full replacement value, each premises that it leases or owns, and that is used for the purposes of the Alliance; and			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(d) each Participant will, in respect of each motor vehicle that it leases or owns, and that is used for the purposes of the Alliance, hold insurance cover of not less than \$10,000,000 per claim and in aggregate.			
	Other than in the event of wilful default of either Participant, all deductibles will be paid by the Alliance. In the event of liability or damage being caused by the wilful default of either Participant, that Participant will bear the cost of the relevant deductibles.			
39.	Notification: Each Participant must, as soon as practicable, notify the ALT in writing of any occurrence relating to the Alliance that may give rise to a claim under any of the insurance policies (and shall keep the ALT informed of subsequent developments relating to the potential claim).			
40.	Waiver of subrogation: Each insurance policy shall include a waiver of subrogation provision so that the insurer is required to waive all rights of subrogation or action in respect of incidents in connection with the Alliance against any of the Participants apart from rights of subrogation or action arising out of wilful default by that other Participant.			
Term and termination				
41.	Term: It is anticipated that the entire Alliance arrangement (under the FAA) will span 10 years from 1 July 2019, after which WWL may, at its sole discretion in each instance, extend the term by a further three years, and after that, by a further two years.			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
42.	Disengagement: The Alliance will develop, within 12 months of the commencement of the FAA, and updated annually during the term of the Alliance, a disengagement plan approved by WWL, so that upon termination or expiry of the FAA, the Alliance Partner will:			
	(a) provide all reasonable assistance to WWL for up to 12 months in accordance with the disengagement plan, or as agreed between the Participants, to transition and handover provision of the Services to WWL or any alternative supplier and to minimise any business disruption arising from the handover to WWL or an alternative supplier; and			
	(b) will provide options for WWL to purchase resources and equipment used by the Alliance during the term of the Alliance (other than those already owned by WWL) if WWL wishes to do so.			
43.	Suspension / termination: WWL may suspend or terminate (in whole or in part) the IAA / FAA by written notice to the Alliance Partner in the event the Alliance Partner:			
	(a) is in material breach of the IAA / FAA and fails to properly or promptly remedy the breach within 10 business days after written notice from WWL of the breach;			
	(b) suffers an insolvency event or ceases to carry on all or substantially all of its business or operations;			
	(c) has a direct or indirect change of control or change of ownership without WWL's consent;			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(d) assigns, or attempts to assign, directly or indirectly, the IAA / FAA other than in accordance with paragraph 50 below; or			
	(e) is unable to perform its obligations under the IAA / FAA as a result of a force majeure event for 20 consecutive business days or an aggregate of 20 business days in any 12-month period.			
44.	Direct loss: WWL shall have a right to recover any direct costs, losses and damages incurred or suffered by WWL as a result of any termination of the IAA / FAA as contemplated in paragraph 43, including the reasonable costs of retendering.			
45.	Termination for convenience: WWL shall be entitled to terminate the IAA / FAA for convenience on 12 months' notice. If such termination right is exercised, WWL will pay to the Alliance Partner the amount of actual and reasonable sunk costs incurred by the Alliance Partner for the Alliance (which could not be redeployed by the Alliance Partner), up to an amount equivalent to the cost of the Alliance to the Alliance Partner (excluding any profit element) in the 12-month period immediately prior to the notice of termination being given by WWL.			
46.	Accrued rights: Expiry or termination of the IAA / FAA does not affect any rights of the Participants that have accrued before the date of termination of the IAA / FAA.			
Confidentiality and media				
47.	Confidentiality: Each Participant will:			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	(a) ensure that all confidential information of the other Participant is kept absolutely secure and confidential and is not disclosed to any person other than those personnel whom disclosure is necessary for the purposes of performing the IAA / FAA; and			
	(b) effect and maintain adequate security measures to safeguard the other Participant's confidential information from loss, unauthorised access, use, modification or disclosure by unauthorised persons.			
48.	No media etc: Subject to carrying out any communications plan agreed as part of the Services:			
	(a) No media releases, public announcements or public disclosures by any Participant relating to the Alliance shall be made without the prior written approval of WWL.			
	(b) The Alliance Partner will not use WWL as a reference site or client, nor refer to WWL in any way, including on social media, without WWL's prior written approval.			
Miscellaneous				
49.	Amendments: Any amendments to the IAA / FAA are to be agreed in writing between the Participants.			
50.	No assignment: The Alliance Partner will not directly or indirectly (including through change of control or change of ownership) assign, transfer or otherwise dispose of its			

	Principle	Departures	Reason(s) for Departures / Comments	Reference to section in your Proposal
	rights or interests in, or any of its obligations or liabilities under, or in connection with the IAA / FAA, without WWL's prior written consent. Such consent will not be unreasonably withheld, provided that WWL can withhold its consent if it has concerns regarding:			
	(a) the ability of the proposed assignee or transferee to discharge the Alliance Partner's obligations under the FAA;			
	(b) the financial substance and / or reputation of the proposed assignee / transferee, including where that may lead to disrepute of WWL or any of its client councils; or			
	(c) the proposed timing of the proposed assignment or transfer.			
51.	No joint venture: Neither the IAA nor the FAA is intended to create any legal partnership, joint venture or fiduciary relationship between the Participants. A Participant shall not have authority to act for, or to incur any obligation on behalf of, the other Participant, except as expressly provided in the IAA / FAA.			

Choose one and delete the other:

Having read and understood the Proposed Contract principles, I confirm that these terms and conditions are acceptable. If successful, I agree to sign an agreement based on the Proposed Principles, or such amended terms and conditions as are agreed with Wellington Water following negotiations. **OR**

Having read and understood the Proposed Contract principles, I have the following suggestions to make. If successful, I agree to sign an agreement based on the Proposed Principles subject to negotiating the following clauses:

5. Referees



Supplier tips

- Here you are asked to provide the names and contact details of your referees. These must be work related referees i.e. not a friend or family member.
- The best referees are those for whom you have recently delivered similar goods or services.
- Before including their details check with them to make sure that they consent to acting as referee on behalf of your organisation.

Please supply the details of two referees for your organisation. Include a brief description of the goods or services that your organisation provided and when.

Please note: in providing these referees you authorise us to collect any information about your organisation, except commercially sensitive pricing information, from the referees, and use such information in the evaluation of your Proposal. You also agree that all information provided by the referee to us will be confidential to us.

First referee	
Name of referee:	[insert name of the referee]
Name of organisation:	[insert name of their organisation]
Goods/services provided:	[brief description of the goods/services you provided to this referee]
Date of provision:	[insert the date when you provided the goods/services]
Address:	[insert street address]
Telephone:	[insert mobile or landline]
Email:	[insert email address]

Second referee	
Name of referee:	[insert name of the referee]
Name of organisation:	[insert name of their organisation]
Goods/services provided:	[brief description of the goods/services you provided to this referee]
Date of provision:	[insert the date when you provided the goods/services]
Address:	[insert street address]
Telephone:	[insert mobile or landline]
Email:	[insert email address]

Please contact me before you approach a referee for a reference	Yes/Not required
---	------------------

6. Our declaration



Supplier tips

- Here you are asked to answer questions and make a formal declaration.
- Remember to select 'agree' or 'disagree' at the end of each row. If you don't you will be deemed to have agreed.
- Remember to get the declaration signed by someone who is authorised to sign and able to verify each of the elements of the declaration e.g. chief executive or a senior manager.
- If you are submitting a joint or consortium Proposal each Respondent (supplier involved in the joint or consortium Proposal) must complete a separate declaration.

Respondent's declaration		
Topic	Declaration	Respondent's declaration
RFP Process, Terms and Conditions:	I/we have read and fully understand this RFP, including the RFP Process, Terms and Conditions (shortened to RFP-Terms detailed in Section 6, as amended by Section 1, paragraph 1.6. if applicable). I/we confirm that the Respondent/s agree to be bound by them.	[agree / disagree]
Collection of further information:	<p>The Respondent/s authorises the Buyer to:</p> <ol style="list-style-type: none"> collect any information about the Respondent, except commercially sensitive pricing information, from any relevant third party, including a referee, or previous or existing client use such information in the evaluation of this Proposal. <p>The Respondent/s agrees that all such information will be confidential to the Buyer.</p>	[agree / disagree]
Requirements:	I/we have read and fully understand the nature and extent of the Buyer's Requirements as described in Section 2. I/we confirm that the Respondent/s has the necessary capacity and capability to fully meet or exceed the Requirements and will be available to deliver throughout the relevant Contract period.	[agree / disagree]
Ethics:	<p>In submitting this Proposal the Respondent/s warrants that it:</p> <ol style="list-style-type: none"> has not entered into any improper, illegal, collusive or anti-competitive arrangements with any Competitor has not directly or indirectly approached any 	[agree / disagree]

representative of the Buyer (other than the Point of Contact) to lobby or solicit information in relation to the RFP

- c. has not attempted to influence, or provide any form of personal inducement, reward or benefit to any representative of the Buyer.

Offer Validity Period:

I/we confirm that this Proposal, including the price, remains open for acceptance for the Offer Validity Period stated in Section 1, paragraph 1.6.

[agree / disagree]

Conflict of Interest declaration:

The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Proposal, or entering into a Contract to deliver the Requirements. Where a Conflict of Interest arises during the RFP process the Respondent/s will report it immediately to the Buyer's Point of Contact.

[agree / disagree]

Details of conflict of interest: [if you think you may have a conflict of interest briefly describe the conflict and how you propose to manage it or write 'not applicable'].

DECLARATION

I/we declare that in submitting the Proposal and this declaration:

- a. the information provided is true, accurate and complete and not misleading in any material respect
- b. the Proposal does not contain intellectual property that will breach a third party's rights
- c. I/we have secured all appropriate authorisations to submit this Proposal, to make the statements and to provide the information in the Proposal and I/we am/are not aware of any impediments to enter into a Contract to deliver the Requirements.

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Proposal may result in the Proposal being eliminated from further participation in the RFP process and may be grounds for termination of any Contract awarded as a result of the RFP.

By signing this declaration the signatory below represents, warrants and agrees that he/she has been authorised by the Respondent/s to make this declaration on its/their behalf.

Signature:

Full name:

Title / position:

Name of organisation:

Date:

Request for Proposal



Three Waters Maintenance and Operations Alliance

RFP released: 04.05.2018

Deadline for Questions: 01.06.2018

Deadline for Proposals: 12:00hrs 29.06.2018

CONTENTS

REQUEST FOR PROPOSAL (RFP)	3
SECTION 1: KEY INFORMATION	8
SECTION 2: OUR REQUIREMENTS	11
SECTION 3: OUR EVALUATION APPROACH	51
SECTION 5: OUR PROPOSED CONTRACT	55
SECTION 6: RFP PROCESS, TERMS AND CONDITIONS	56

Request for Proposal (RFP)

Wellington Water Limited (Wellington Water) is inviting the three shortlisted suppliers from the ROI process to participate in the Three Waters Maintenance and Operations Alliance RFP process.

The shortlisted suppliers have demonstrated that they potentially have the experience, capacity and capability to deliver strategic maintenance and operations services within a Three Waters Maintenance and Operations Alliance with Wellington Water.

Why should you bid?

This RFP builds on the ROI and Competitive Dialogue stages and represents the next step in a unique opportunity for you to be an integral part of the provision of Three Waters services for ratepayers in the Wellington Region.

Wellington Water has been entrusted to manage the client Councils assets and is expected to operate and maintain the assets to the highest possible standards. The client Councils have a vested interest in Wellington Water providing best Value for Money services, as the reliance and resilience of the network has a direct impact on the health and satisfaction of their ratepayers as the end users.

Wellington Water and its proposed Three Waters Maintenance and Operations Alliance will be instrumental in the development and delivery of our regional initiatives to provide safe, efficient, resilient, and value for money services on behalf of the client Councils and our community.

A recap on us...

Wellington Water was formed in September 2014 following the merger between Greater Wellington Regional Council's Water Supply Group and Capacity Infrastructure Services.

Wellington Water are a Council Controlled Organisation jointly and equally owned by Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and Greater Wellington Regional Council (the client Councils). We currently employ around 200 staff and are the trusted advisor for the provision of drinking water, wastewater and stormwater services across these council areas.

To do this we manage annual expenditure of approximately \$154 million to maintain and develop water assets (which are still owned by the various Councils) with a replacement value of approximately \$5.3 billion. We provide investment advice about the future development of Three Waters assets and services.

Our vision is:

'We create excellence in regional water services so communities prosper'.

Our organisational outcomes are:

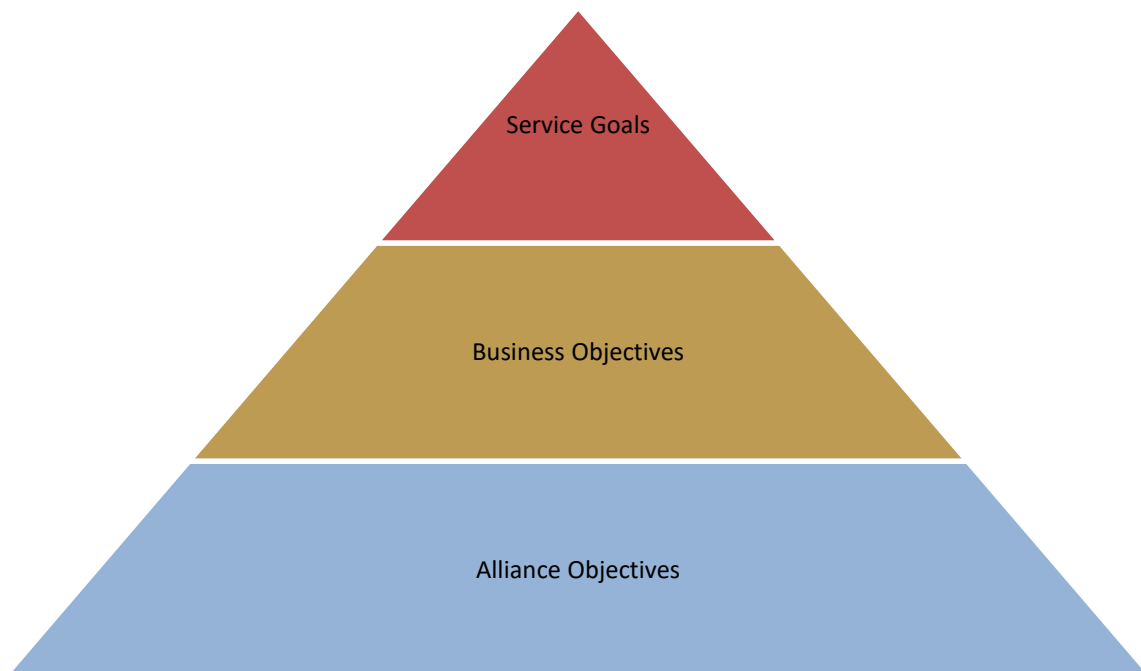
- **Safe and healthy water** - we provide water services to ensure safe drinking water and will work to eliminate the harmful effects of wastewater and stormwater over time.
- **Respectful of the environment** - when we provide water services, we seek to avoid harm to the natural and built environment and over time, enhance it for the benefit of future generations.
- **Resilient networks support the economy** - we provide reliable day-to-day water services, that are able to withstand shock and stresses, and future proof the network to enable a strong regional economy and enhanced natural environment.

Our organisational values are:

- **People come first** - what we do makes a big difference to other people's lives, and we strive for excellence in serving our communities, our clients and each other.
- **We share our knowledge** - we're a diverse team of skilled professionals, soaking up new knowledge to share innovative solutions that meet our customer's and client's needs.
- **Together we're stronger** - we look out for each other, we trust and respect each other, and we're proud of our achievements.













Strategic Alignment

In responding to this RFP the relationship between the Service Goals and the alignment of Wellington Water's business objectives and Alliance objectives must be at the forefront of your thinking.



Service Goals

Our work is about the outcomes we provide for our community. To do this effectively we have developed three outcomes and 12 supporting service goals. Each outcome and strategic goal has a set of Key Result Areas (KRAs) that we use to assess how well we are delivering services to our customers.

Safe and healthy water	Respectful of the environment	Resilient networks support our economy
 <p>We provide safe and healthy drinking water</p>	 <p>We manage the use of resources in a sustainable way</p>	 <p>We minimise the impact of flooding on people's lives and proactively plan for the impacts of climate change</p>
 <p>We operate and manage assets that are safe for our suppliers, people and customers</p>	 <p>We will enhance the health of our waterways and the ocean</p>	 <p>We provide three water networks that are resilient to shocks and stresses</p>
 <p>We provide an appropriate region-wide fire-fighting water supply to maintain public safety</p>	 <p>We influence people's behaviour so they are respectful of the environment</p>	 <p>We plan to meet future growth and manage demand</p>
 <p>We minimise public health risks associated with wastewater and stormwater</p>	 <p>We ensure the impact of water services is for the good of the natural and built environment</p>	 <p>We provide reliable services to customers</p>

Business Objectives:

In addition to our service goals, this Alliance arrangement is expected to support the realisation of the following business objectives:

1. Improved customer service delivery and customer experience. Customers benefit from the Alliance culture, values and behaviours and the focus on the efficient delivery of the work.
2. Enhanced Value for Money through development of efficient, effective and flexible working practices.
3. Drive our Health and Safety vision of putting **'people first, every time'**.
4. Delivering on outcomes based performance measures and improvement opportunities.
5. Optimising our knowledge and creating synergies which result in an organisation which is more than the sum of its parts.
6. Establishment of common systems, effective approaches, technology solutions and IP sharing.

Alliance Objectives:

In order to support these service goals and business objectives, we have developed a series of objectives for the Alliance.

In identifying these objectives we have assumed that any Alliance partner will provide an underlying system and a capability that delivers excellence in **safety, quality and environmental performance** – we consider these as a given for anyone considering working with us in the Alliance.

In addition to these fundamentals, you should be able to work with Wellington Water staff to:

- a) Put our **customer, partners and communities** at the heart of everything we do by:
 - i. Considering the customer/community impact before doing any work;
 - ii. Devising customer/community plans which deliver appropriate service; and
 - iii. Achieving an 85% positive rating from customers on their customer experience (based on call backs).
- b) Aiming to provide customer, community and operations insight into our **service planning** task by:
 - i. Watching for trends in customer feedback which infer a different level of service;
 - ii. Being accurate with site and cost data and ensuring it is loaded into asset systems promptly; and
 - iii. Building rapport with our service planning team to ensure customer community and operations insight assists future planning.
- c) Do the right thing at the right time to the right standard by:
 - i. Embracing our **three outcomes** and 12 strategic goals;
 - ii. Planning work in a sustainable and long run way;
 - iii. Bringing innovation and continuous improvement to the way we work;
 - iv. Reduce and recycle waste; and
 - v. Fully committing to our obligations to customers, partners and communities.
- d) Plan and practise a high degree of **responsiveness to natural events** by:
 - i. Establishing region wide depots which allows us to quickly respond to events;
 - ii. Having a plan which means we can operate without fatigue for weeks; and
 - iii. Ensure we are backed up from outside the region.
- e) Demonstrate long run **value for money** by delivering the required level of service for less and less cost by:
 - i. Maintaining cost structures which demonstrate increasing productivity in delivering activities which can be audited by a 3rd party;
 - ii. Taking a total expenditure approach;
 - iii. Bringing innovation and continuous improvement to the way we work; and
 - iv. Being transparent and proactive to external parties on the holistic values we have created.
- f) Work in a **collaborative, open and transparent** way by:
 - i. Nurturing a consistent culture of openness and transparency in order to create and maintain trust;
 - ii. Nurturing a culture of openness and trust;
 - iii. Being open and up front when things go wrong; and
 - iv. Being friendly and enjoying the work you do.

- g) Carry out all work in a way which builds on the **collective responsibility for Wellington Water's three outcomes** by:
 - i. Respecting Wellington Water's Memorandum of Partnership with Ngāti Toa and Taranaki Whānui;
 - ii. Respecting the roles of councils and the environmental regulatory role of the Greater Wellington Regional Council; and
 - iii. Working with all interest groups.

- h) Be part of **the Wellington Water team** by:
 - i. Working across the organisation and so contributing to the overall company goals;
 - ii. Respecting the role of our councils and our role as trusted advisor; and
 - iii. Reinforcing the Wellington Water brand and by-line *“our water, our future”*.

- i) Help establish a sustainable level of Three Waters **capability in the Wellington region** by:
 - i. Always recruiting locally as a first priority and only utilising resources outside the region on the basis we don't have the capability;
 - ii. Maintaining the right balance between Wellington Water resources and your resources;
 - iii. Establishing and implementing an inclusiveness and diversity priority; and
 - iv. Lifting the capability of our workers across the Three Waters family.

- j) Assist Wellington Water in proactively **communicating** with the region to ensure:
 - i. We are all personally resilient;
 - ii. Our people know how to behave appropriately in assisting with water conservation and managing environmental effects; and
 - iii. Our communities increasingly understand the usefulness of Three Waters to their everyday lives

- k) Embrace **data stewardship** by:
 - i. Understanding data sits at the centre of all evidence based decisions;
 - ii. Establishing high standards of data collection and prompt conveyancing; and
 - iii. Working with others to establish improved data sharing in everyday business.

Alliance Reasoning

This Alliance will be unique for New Zealand in its set up and scope. The Alliance will be fully integrated into the heart of Wellington Water and central to the future shape of the organisation. It will be the catalyst for change in the way Wellington Water delivers its services to the community.

This co-operative arrangement will be based on the open sharing of information, sharing of common goals and objectives and working within an environment of trust and teamwork. The Alliance will be based on a set of principles, behaviours and values through a Charter of Behaviours that sets the tone of how we will interact with each other, our stakeholders and the wider community in the achievement of Wellington Water's service goals and business objectives and through the championing and delivery of the Alliance objectives.

Living and championing these principles, behaviours and values of doing the right thing, at the right time, for the right reasons will set this Alliance apart and take it to the next level to be the benchmark for the water industry in New Zealand.

SECTION 1: Key information



1.1 Context

- a. This Request for Proposal (**RFP**) is an invitation to the shortlisted participants to submit a Proposal for the Three Waters Maintenance and Operations Alliance opportunity.
- b. This RFP is the third step in a multi-step procurement process.
- c. Words and phrases that have special meanings are shown by the use of capitals e.g. Respondent, which means ‘a person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal’. Definitions are at the end of [Section 6](#).



1.2 Our timeline

- a. Here is our indicative timeline for this RFP.

Steps in RFP process:	Date:
Issue of this RFP	04.05.2018
Deadline for Questions from participants:	01.06.2018
Deadline for WWL to answer participants’ questions:	22.06.2018
Deadline for Proposals:	12:00hrs 29.06.2018
Nominate preferred Alliance partner	21.09.2018
Unsuccessful Respondents notified:	21.09.2018
Respondents’ debriefs:	W/C 24.09.2018
IAA Negotiation period start	01.10.2018
IAA Sign-off	14.12.2018
Implementation period	07.01.2019 – 30.06.2019
Alliance Charter and FAA development	07.01.2019 – 29.03.2019
Charter and FAA sign-off	01.05.2019
Final Alliance Agreement (FAA) start date:	01.07.2019

- b. All dates and times are dates and times in New Zealand.



1.3 How to contact us

- a. All enquiries must be directed to our Point of Contact. We will manage all external communications through this Point of Contact.

b. Our Point of Contact

Name: Graham Allen

Title/role: Procurement Specialist

Email address: graham.allen@wellingtonwater.co.nz



1.4 Developing and submitting your Proposal

- a. This is a closed, competitive tender process. The RFP sets out the step-by-step process and conditions that apply.
- b. Take time to read and understand the RFP. In particular:
 - i. develop a strong understanding of our Requirements detailed in [Section 2](#).

-
- ii. in structuring your Proposal consider how it will be evaluated. [Section 3](#) describes our Evaluation Approach.
 - iii. specifically outline why you consider your proposed approach to the Alliance will add value to Wellington Water and its customers.
 - iv. refer to the content of Section 2 and the presentation slides from the Combined workshop in the Appendices.
 - c. For helpful hints on tendering and access to a supplier resource centre go to: [www.procurement.govt.nz / for suppliers](http://www.procurement.govt.nz/for-suppliers).
 - d. If anything is unclear or you have a question, ask us to explain. Please do so before the Deadline for Questions. Email our [Point of Contact](#).
 - e. In submitting your Proposal you must use the Response Form provided.
 - f. You must also complete and sign the declaration at the end of the Response Form.
 - g. The response is limited to 100 A4 sides. Page limit excludes:
 - Cover Letter
 - Overhead profit and margin costing table
 - Contract Principles table
 - Declaration form
 - h. Font is Calibri, size 11 point.
 - i. Check you have provided all information requested, and in the format and order asked for.
 - j. Having done the work, don't be late – please ensure you get your Proposal to us before the Deadline for Proposals!



1.5 Address for submitting your Proposal

- a. The Proposal must be delivered in both hard copy and soft copies. We require **five** hard copies and **one** soft copy saved to a memory device by the submission date outlined in paragraph 1.2.
- b. Overhead profit and margin table is to be submitted in a separate envelope and electronic folder.
- c. Please courier or hand deliver your proposal to the following address:

For Proposals delivered by hand or courier:

Tender Box
Three Waters Maintenance and Operations Alliance
Wellington Water Ltd
Level 4, IBM House
25 Victoria Street
Petone
Lower Hutt, New Zealand
Attn: Graham Allen

- d. Note: Proposals sent by fax or email will not be accepted.



1.6 Our RFP Process, Terms and Conditions

- a. **Offer Validity Period:** In submitting a Proposal the Respondent agrees that their offer will remain open for acceptance by the Buyer for six (6) calendar months from the

Deadline for Proposals.

- b. The RFP is subject to the RFP Process, Terms and Conditions (shortened to RFP-Terms) described in [Section 6](#)



1.7 Later changes to the RFP or RFP process

- a. If, after releasing the RFP, Wellington Water need to change anything about the RFP, or RFP process, or want to provide suppliers with additional information we will notify all Respondents by email.
-

SECTION 2: Our Requirements

2.1 Definitions

In relation to the RFP the following words and expressions have the meaning described below.

Alliance Partner	=	The successful Respondent with whom Wellington Water enters into the IAA / FAA
ALT	=	Alliance Leadership Team
AMT	=	Alliance Management Team
Participants	=	Both Wellington Water and the Alliance Partner
Services	=	Final scope of services to be provided by the Alliance
IAA	=	Interim Alliance Agreement
FAA	=	Final Alliance Agreement

2.2 Background

Wellington Water has identified an opportunity to drive a regional approach to better deliver its core services to its customers and stakeholders.

As part of the Service Delivery Strategy, Wellington Water is seeking to implement an Alliance delivery model to replace the existing Maintenance and Operations legacy contract which expires on 30 June 2019. The purpose of the Three Waters Maintenance and Operations Alliance will be to foster a new era of collaborative relationships and shape the future of the Three Waters Services for the Wellington Region.

In the following sections, we have detailed our high level requirements and, where appropriate, how they have changed following the Competitive Dialogue process. In responding to this RFP you must refer to these requirements.

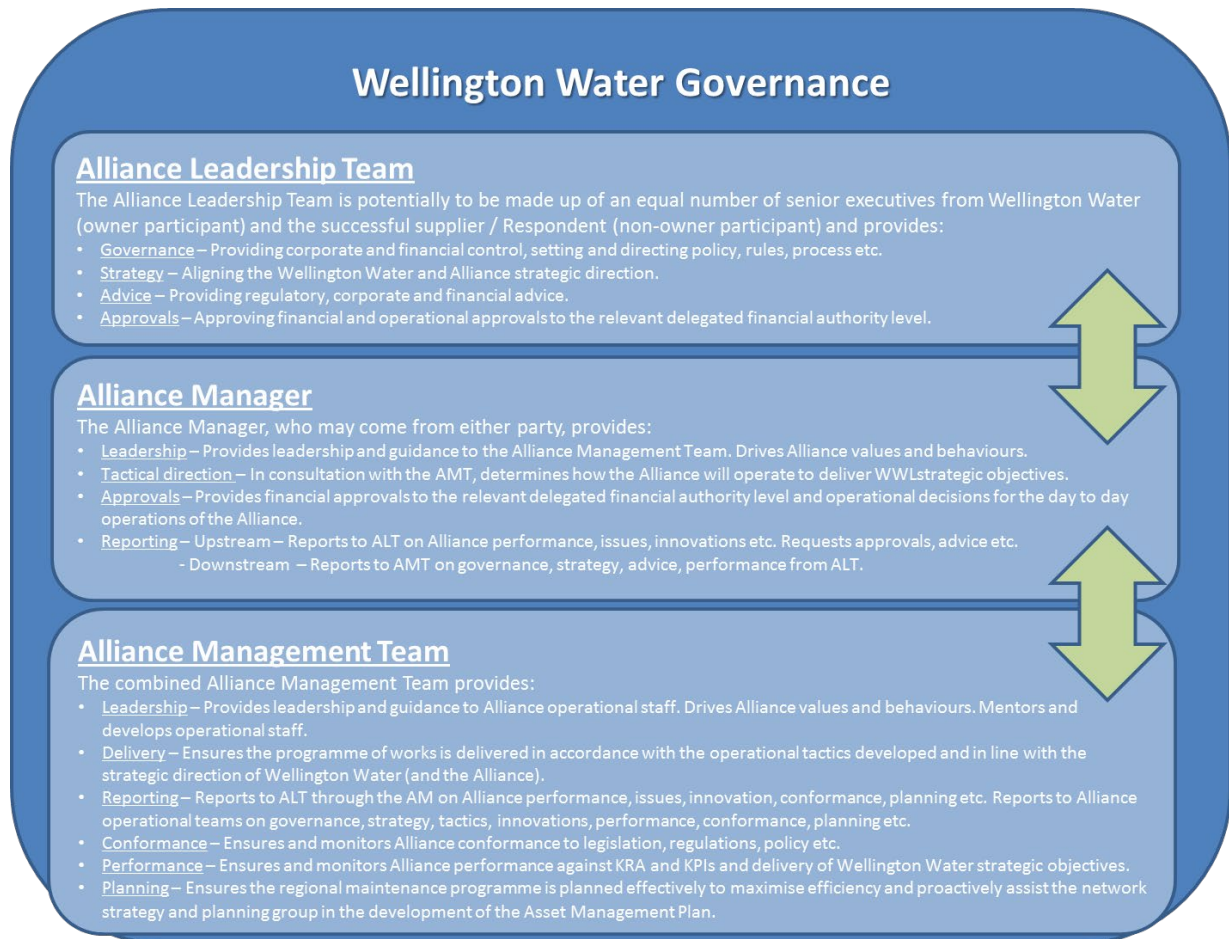
2.3 Governance

The Alliance will operate within the Wellington Water organisation and report to the Wellington Water Senior Leadership Team and Board, but will have its own integrated ALT who will provide non-financial and financial governance and drive the Wellington Water strategic direction to the delivery of outcomes.

The following diagrams summarise this:



The following diagram outlines some key functions of each level of Governance. The final approach will be agreed with the Alliance partner.



The ALT will be made up of Senior Leaders of Wellington Water and the Alliance Partner and will provide leadership, governance, strategy and overall direction. The ALT may also include an independent member to provide guidance on Alliance approaches and wider perspectives. Wellington Water’s representatives on the ALT will be:

- Gary O’Meara – Group Manager Network Operations
- Tonia Haskell – Group Manager Network Development & Delivery

The Alliance Manager will report to the ALT and the individual performing this role will be pivotal to the success of the Alliance. It is expected that the initial Alliance Manager will be provided by the Alliance Partner.

Reporting to the Alliance Manager will be a group of delivery line managers, who will be a mixture of Wellington Water and Alliance Partner staff. This group will form the AMT and is led by the Alliance Manager. It will provide day to day management, deliver network performance and ensure application of policies and guidance.

What learnings have we taken from the CD process:

- The Alliance Manager is an absolutely pivotal role in the success of the Alliance.
- There is value in involving Alliance governance within the wider Service Delivery workstreams, such as the consultant, contractor panels etc. Seamless delivery for our customers will be key.
- There is potential value in having an independent member of the ALT to act in an advisory role, as and when required. This requires further discussion with the Alliance Partner.
- Realisation of the complexity of the make-up of this Alliance compared to project Alliances. They are not the same.
- Bringing the Alliance together will be challenging. We need our Alliance Partner to be integrated and aligned within their own organisation, with no disconnects.

What has been decided from the CD process:

- The ALT will consist of 2 x Wellington Water and 2 x Alliance Partner representatives. Gary O'Meara and Tonia Haskell are Wellington Water's nominations.
- A development and succession plan is required for the Alliance Manager role. It is anticipated that the role will alternate between Wellington Water and the Alliance Partner every few years.
- The Alliance Manager will have a place on the Contractor Leadership Group (CLG) of the Capex Contractor Panel.
- The Alliance will be the fourth member of the Capex Contractor Panel to potentially undertake surge and specialist Capex works.
- The Wellington Water strapline of '**Our water, our future**' is what we will align the Alliance to.
- Water Treatment Plant Operations will remain with Wellington Water.
- The Alliance will be co-located with Wellington Water in Petone (subject to any change to Wellington Water's primary office premises).

What is still unclear:

- The full structure and roles of the AMT and Alliance operational staff.
- Full and final scope of the Alliance.
- Wastewater Trunk Mains boundaries to WWTP are being finalised.

2.4 Service Delivery – the scope

The Alliance will regionalise the Three Waters Maintenance and Operations services and the scope will be expanded to include a customer experience and management function, to further improve the service to the community. It should be noted that these services will all be delivered within a very clear and defined budget and delivery efficiency will be key to its success.

We will continue to refine the Alliance scope throughout the remaining procurement process with our preferred Alliance Partner, but we currently consider that the following areas comprise the scope of the Alliance:

THREE WATERS MAINTENANCE AND OPERATIONS ALLIANCE SCOPE

- Customer Operations Hub and Customer Engagement
- 24/7 Fault and Emergency Response (inc response to SCADA alarms)
- Three Waters Network Maintenance (Planned, Reactive, Scheduled, Emergency)
- Network Planning and Scheduling
- Network Outage Management/Co-ordination
- Miscellaneous Water Quality Sampling and co-ordination of testing
- Condition Assessment and Reporting
- Traffic Management (Alliance Partner capability)
- Reinstatement (Alliance Partner capability)
- CCTV Inspections (Alliance regional capability)
- Bulk Water Mains (Maintenance and minor CAPEX works)
- Wastewater Trunk Mains (Maintenance)
- Water Treatment Plant Maintenance, as required
- Pump Station Maintenance
- Building and Access Maintenance
- New Service Connections
- 3rd Party Damages
- Management of remote sites and emergency stores
- Alliance administration & finance
- Health, Safety and Environmental Performance implementation and monitoring
- Asset data capture and as built
- Operational analytics of captured Asset data
- Minor CAPEX works
- Alliance Training and Competency Management
- Meter Reading, Repairs and Replacements

While the following table outlines the functions that Wellington Water will continue to perform outside of the Alliance, it is expected that, as with other Wellington Water business units, the Alliance will contribute to them as required and agreed:

WELLINGTON WATER RETAINED FUNCTIONS (Alliance will regularly contribute as part of Wellington Water business)
<ul style="list-style-type: none"> ➤ Wellington Water Corporate Governance ➤ Business Strategy ➤ Finance and Procurement ➤ Quality Assurance Policy ➤ Health, Safety and Environmental Governance ➤ SMART Services Management ➤ Asset Management and Service Planning ➤ Network Strategy and Planning ➤ Client Communications (Alliance will assist where required) ➤ Internal Communications ➤ CAPEX Programme Management (PMO) ➤ Land Development and Property Management, Consents, RMA's etc. ➤ Water Treatment Plant Operations. ➤ Waste Water Treatment Plant contracts. ➤ Network Control Operations (SCADA) ➤ Graduate Programme (Grads continue to rotate through business) ➤ Network Design and Modelling ➤ Investigations

Interconnected Functions

The Alliance will be an integral to the successful delivery of the Wellington Water strategy in a number of key functions. The following table outlines the relative distinction for these functions:

INTERCONNECTED FUNCTIONS	
ALLIANCE OPERATIONAL	WELLINGTON WATER STRATEGIC
Customer Hub and Customer Experience	
<ul style="list-style-type: none"> ➤ First Point of contact for customer enquiries, compliments and complaints ➤ Source of information and feedback to customer and community ➤ Prioritisation of jobs and dispatch of response teams ➤ Frontline contact with customer & initial complaints management ➤ Development and support of community projects and incentives ➤ Development of and compliance with, the customer charter and customer policies. ➤ Input and feedback to customer panel ➤ Development and implementation of customer and community performance framework 	<ul style="list-style-type: none"> ➤ Secondary Point of contact for customer compliments and complaints ➤ Source of information and feedback to customer and community ➤ Development and support of customer management system ➤ Development and support of community projects and incentives ➤ Development of and compliance with the customer charter and customer policies ➤ Development and management of customer policies ➤ Development and management of Customer panel ➤ Customer and community performance measurement and feedback

INTERCONNECTED FUNCTIONS	
ALLIANCE OPERATIONAL	WELLINGTON WATER STRATEGIC
Health and Safety	
<ul style="list-style-type: none"> ➤ Compliance ➤ Innovation ➤ Management ➤ Training ➤ Competency ➤ Performance 	<ul style="list-style-type: none"> ➤ Policy ➤ Incentives ➤ Compliance ➤ Performance Measurement
Quality Assurance	
<ul style="list-style-type: none"> ➤ Compliance ➤ Innovation ➤ Management ➤ Training ➤ Competency ➤ Performance 	<ul style="list-style-type: none"> ➤ Policy ➤ Incentives ➤ Compliance ➤ Performance Measurement ➤ Auditing
Business Strategy	
<ul style="list-style-type: none"> ➤ Operationalise – Put into action ➤ Review ➤ Feedback 	<ul style="list-style-type: none"> ➤ Development ➤ Implementation ➤ Review ➤ Communicate
Network Control Systems/SCADA	
<ul style="list-style-type: none"> ➤ Respond to alarms ➤ Rectify and Report ➤ Communicate data ➤ Innovation 	<ul style="list-style-type: none"> ➤ Monitor and Manage ➤ Receive and Analyse Data ➤ Communicate Data ➤ Development and Innovation
Service Planning/Asset Management	
<ul style="list-style-type: none"> ➤ Condition Assessment Inspections and Reporting ➤ As Builts recording and Reporting ➤ Data capture and distribution ➤ Analyse data, recognise trends and report ➤ Assist with Asset Management Plan ➤ Develop Maintenance Plan 	<ul style="list-style-type: none"> ➤ Development and Innovation ➤ GIS data analysis and storage ➤ Manage & Analyse data and perform root cause analysis and trending analysis ➤ Manage Asset Management System ➤ Develop Asset Management Plan ➤ Network Strategy and Planning
Finance and Procurement	
<ul style="list-style-type: none"> ➤ Alliance Claims Management ➤ TOC Management ➤ Maintenance budget management ➤ Alliance contract management ➤ Compliance to procurement policy 	<ul style="list-style-type: none"> ➤ Claims Management ➤ Network budget management ➤ Alliance contract management ➤ Procurement policy development ➤ Innovative procurement solutions

Service Delivery - Maintenance Activity

A Wellington Water corporate data dropbox will be made available for access by Participants to requested network data as part of the RFP process. Please request any further network data you may require for response to the RFP by Friday 18th May, to ensure that the data can be provided to Participants within a reasonable timeframe.

Scheduled Maintenance

The scheduled maintenance activities are undertaken on a set periodic maintenance schedule for each particular asset or item of equipment. Scheduled maintenance generally includes condition assessment, visual inspections and preventative maintenance to extend the operational lifecycle of an asset and predict the lifecycle of the asset, based on criteria such as maintenance history, environment etc.

Reactive Maintenance

Reactive maintenance is generally in response to equipment faults and damages such as broken/leaking mains, valves etc. caused by a variety of reasons. Reactive maintenance can consist of temporary or permanent repairs.

Planned Maintenance

It is expected that scheduled and planned maintenance will, over time, as a result of effective planning, comprise the majority of activity undertaken, leading to a considerable reduction in the level of reactive work.

The table below identifies the types of typical maintenance activities that will be delivered by the Alliance:

ASSET	SCHEDULED MAINTENANCE	PLANNED/REACTIVE MAINTENANCE
Potable Water Network (Reticulated & Bulk Mains)	<ul style="list-style-type: none"> Valve and hydrant Inspections Pump station and reservoir inspections Pipe inspections Condition assessment inspections Critical asset inspections Emergency tank inspections 	<ul style="list-style-type: none"> Repair broken mains/pipes Repair/replace broken valves and hydrants Flushing in response to water quality complaints or identified issues. Repair plant and equipment failures 24/7 fault and emergency response Toby repair/replacement Water leak investigations Miscellaneous Water sampling and coordination of testing Service and rider main repairs 3rd party damages
Wastewater & Stormwater Networks	<ul style="list-style-type: none"> CCTV inspections Sewer cleaning & flushing Inflow and infiltration testing Critical asset inspections Condition assessment inspections 	<ul style="list-style-type: none"> Repair plant and equipment failures Clear blockages CCTV inspections 24/7 fault and emergency response Manhole repairs/replacement
Pump Stations & Potable Water Treatment Plants	<ul style="list-style-type: none"> Planned preventative maintenance programmes Electrical testing and pump overhauls Safety inspections of lifting beams and backflow preventers 	<ul style="list-style-type: none"> Response to SCADA alarms Repair plant and equipment failures

	<ul style="list-style-type: none"> • Condition assessment inspections • Wash down wet wells • Routine Inspections 	
--	--	--

Service Delivery – Condition Assessment

The condition assessment activities undertaken by the Alliance as part of the scheduled maintenance activity will include:

ASSET	ACTIVITY
Water Supply Dams	<ul style="list-style-type: none"> • Scheduled condition assessment inspections • Routine monitoring and annual inspections to report on safety performance
Water Treatment Plants	<ul style="list-style-type: none"> • Scheduled condition assessment inspections
Water Reservoirs	<ul style="list-style-type: none"> • Detailed condition assessment inspections, including structural assessments
Water Pumping Stations	<ul style="list-style-type: none"> • Routine inspections • Annual inspections of lifting beams, gantry cranes, supports, chains, wire ropes etc • Testing of pump station efficiency • Vibration monitoring, leak detection & thermography • Monitoring of motor insulation
Bulk Water Mains	<ul style="list-style-type: none"> • Pipe sample analysis • Condition assessment inspections • Analysis of pipe performance (breaks/leaks) to determine condition
Potable Water Reticulated Network	<ul style="list-style-type: none"> • Condition assessment grading as part of pipe repairs • Analysis of pipe performance (breaks/leaks) to determine condition
Valves and Hydrants	<ul style="list-style-type: none"> • Scheduled hydrant inspections • Scheduled flushing and operating
Wastewater Pumping Stations	<ul style="list-style-type: none"> • Routine inspections in conjunction with maintenance work such as wet-well washing • Vibration monitoring, thermography and leak detection • Testing of pump station efficiency • Monitoring of motor insulation • Building Inspections • Annual inspections of lifting beams and gantry cranes, supports, chains, wire ropes etc.
Wastewater Trunk Mains	<ul style="list-style-type: none"> • Pipe sample analysis • Condition assessment inspections during repairs • Analysis of pipe performance (breaks/leaks) to determine condition • Pipe bridge and rising main inspections • CCTV, sonar, laser profiling and walk-through inspections
Wastewater	<ul style="list-style-type: none"> • Condition assessment inspections during repairs

ASSET	ACTIVITY
Reticulated Network	<ul style="list-style-type: none"> • CCTV inspections • Analysis of pipe performance (breaks/leaks) to determine condition • Pipe bridge inspections

Service Delivery - Network Overview

The following tables detail the scale of the Three Waters network in each Council area throughout the Wellington Water area:

Potable Water - asset profile

Council	Pipeline (kms)				Quantity						
	<= 50mm	<= 100mm	> 100mm	Total	Reservoirs	Pump Stations	Hydrants	Water Meters	Valves	Service Connections	Pressure Reducing Valves
Wellington City	415	304	475	1,194	65	34	8,643	146	11,731	72,002	37
Hutt City	323	224	251	798	26	12	4,504	57	7,963	39,053	24
Porirua City	178	85	152	415	18	13	2,005	25	3,538	19,031	24
Upper Hutt City	206	81	114	401	16	8	1,579	33	3,335	15,134	8
Total	1,122	694	992	2,808	125	67	16,731	261	26,567	145,220	93

Stormwater - asset profile

Council	Pipeline (kms)						Quantity				
	<= 225mm	<= 450mm	<= 600mm	<= 900mm	> 900mm	Total	Manholes	Pump Stations	Open Drains (km)	Intakes	Dams
Wellington City	397	240	46	49	63	795	19,190	2	2	18,740	0
Hutt City	262	157	51	36	26	532	11,568	14	26	9,592	5
Porirua City	201	81	16	17	7	322	9,259	0	1	4,971	0
Upper Hutt City	50	62	17	16	16	161	3,726	7	12	3,790	2
Total	910	540	130	118	112	1,810	43,743	23	41	37,093	7

Wastewater - asset profile

Council	Pipeline (kms)					Quantity	
	≤ 150mm	≤ 225mm	≤ 375mm	> 375mm	Total	Manholes	Pump Stations
Wellington City	742	173	65	67	1,047	33,527*	68
Hutt City	465	63	56	46	630	14450*	30
Porirua City	337	28	29	21	415	10,714	66
Upper Hutt City	173	31	23	19	246	5,117*	18
Total	1,717	295	173	153	2,338	10,714	182

*incl lampholes and chambers

Service Delivery - Resourcing

Combining our strengths to deliver more

One of the main benefits of entering into an Alliance is the ability to share resources, skills and capabilities in the efficient delivery of Wellington Water's services.

There are currently 49 Wellington Water staff employed in the Network Operations and Customer space. It is expected that these staff would form the majority of the Wellington Water contingent of the Alliance. It is understood that their current roles may not necessarily exist in the same form within the new Alliance structure.

3 x MANAGERS	CURRENT LOCATION
1 x CONTRACT & CUSTOMER MANAGER	PETONE
1 x WORK OPERATIONS MANAGER	POMARE
1 x WATER SUPPLY OPERATIONS MANAGER	PORIRUA
8 x TEAM LEADERS	
• 1 x WCC/PCC (SENIOR ENG)	PETONE
• 1 x HCC/UHCC (SENIOR ENG)	PETONE
• 1 x PIPELINES	POMARE
• 1 x MECHANICAL MAINTENANCE	POMARE
• 1 x CCTV	HAPPY VALLEY LANDFILL
• 1 x DRAINAGE	PORIRUA
• 1 x WATER SUPPLY OPS	PORIRUA
• 1 x UTILITIES	PETONE
4 x CONTRACT OFFICERS	
• 2 x WCC/PCC	PETONE
• 2 x HCC/UHCC	PETONE
4 x ENGINEERS	
• 2 x WCC/PCC	PETONE
• 2 x HCC/UHCC	PETONE
•	

30 x FIELD STAFF	
5 x PIPELINE FOREPERSONS (BULK WATER)	POMARE
1 x WASTEWATER TECHNICIAN	PORIRUA
1 x PUMP STATION TECHNICIAN	PORIRUA
1 x SERVICE DELIVERY FACILITATOR	PETONE
3 x MAINTENANCE FITTERS	POMARE
2 x MAINTENANCE OPERATORS	POMARE
2 x FITTER/WELDERS	POMARE
1 x APPRENTICE FITTER/WELDER	POMARE
4 x CCTV OPERATORS	HAPPY VALLEY LANDFILL
1 x CCTV ADMINISTRATOR	HAPPY VALLEY LANDFILL
4 x DRAINAGE SERVICEPERSONS	PORIRUA
1 x TECHNICAL OFFICER WATER SUPPLY OPS	PORIRUA
3 x SERVICEPERSONS WATER SUPPLY OPS	PORIRUA
1 x TRAINEE SERVICEPERSON WATER SUPPLY OPS	PORIRUA

In addition Wellington Water employs a number of Graduate Engineers and it is expected that part of their programme of role-rotation throughout the business will include being within the Alliance.

Service Delivery – Assets and Equipment

The current Wellington Water Maintenance and Operations teams use a range of equipment to deliver the current levels of activity and service. A full list will be shared with the selected Alliance partner as part of the development of the TOC.

Service Delivery – Wellington Water Sub-contractors

These Wellington Water resources are also supported by specialist sub-contractors on an as required basis, outside of, or in support of the existing maintenance contract. Certain sub-contractors have been identified as having the majority of their business tied to Wellington Water’s portfolio of works and so we wish to have these businesses continue their engagement with Wellington’s water services (through the Alliance)during the initial stages of the Alliance and to assist and support them during this period of change. The types of services provided by the sub-contractors are:

- Leak detection
- CCTV
- Reinstatement
- Electrical & pump maintenance
- Building maintenance
- Reactive repairs to the 3 waters network
- Bulk Water excavation
- Meter repair & replacement
- Service Installations

What learnings have we taken from the CD process:

- Wellington Water expects to maintain a closely balanced ratio of staff between Wellington Water and the Alliance Partner within the Alliance.
- The Wellington Water CCTV team provides service within Wellington and there is opportunity for this to grow across the region and for further investment in the equipment used.

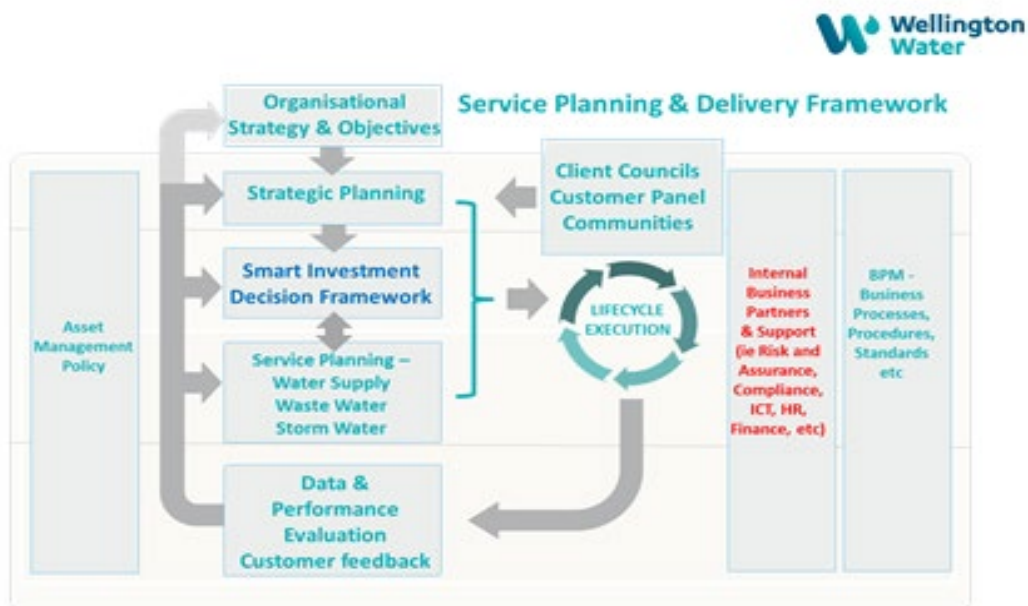
Service Planning

Three Waters Strategy

Wellington Water's strategy sets the direction and approach required over the next fifty years. It provides flexibility to deal with known changes, and what an uncertain future may present us. It has identified some key areas of work that will be the subject of future service studies that will help identify potential investment needs

Service Planning and Delivery Framework

The following diagram outlines our adopted service planning and delivery framework and how we are aligning our asset management approaches to ISO 55000.



Our water, our future.

An asset management system is needed to:

- Ensure regional consistency from previously different approaches in legacy organisations
- Ensure workflow occurs across the organisation with known accountabilities
- Align to international best practice; and
- Ensure linkages occur to other supporting management systems

The following diagram shows our approach to get line of sight in our investment planning approaches, it is essential that alignment of investment activities against our service goals occurs. The areas marked with stars are where it is vital that there is Alliance involvement in the process.



Pivotal to our approach is:

- Understanding drivers for investment - our customer needs/other influences (changes in the environment/government legislation etc.)
- Aligning this (through Council priority areas) with our 12 service goals
- Understanding current service performance vs. desired performance to identify gaps
- Determining investment priorities
- Developing optimised Three Waters 10/30 year investment plans that close these gaps in costs and time to achieve outcomes and our long-term objectives.
- Promoting alternative options that can close these gaps sooner

So far, at this stage of the journey, the asset management policy and framework has been established and high level business process mapping is underway for full lifecycle management. Levels of investment to each goal for each Council have been established (30 years) and performance measures to drive total investment have been defined.

The draft regional service plans have been written, including 30 year budgets and a Gap analysis to ISO 55000 has been completed by an external facilitator to determine Wellington Water's maturity in the Service Planning space. From this Gap analysis consistent approaches to Service Planning have been identified.

As part of our long-term strategy through 2019 and beyond and in collaboration with our Alliance Partner, we will continue to move towards an evidence based view of our performance through better reporting of

performance measures and by targeting performance data capture to where there is greatest priority, including condition assessment and costs.

Our aim is to develop into a mature asset management company through measurable improvements when re-assessed against ISO 55000 and the implementation of the Alliance will be instrumental in our development and growth.

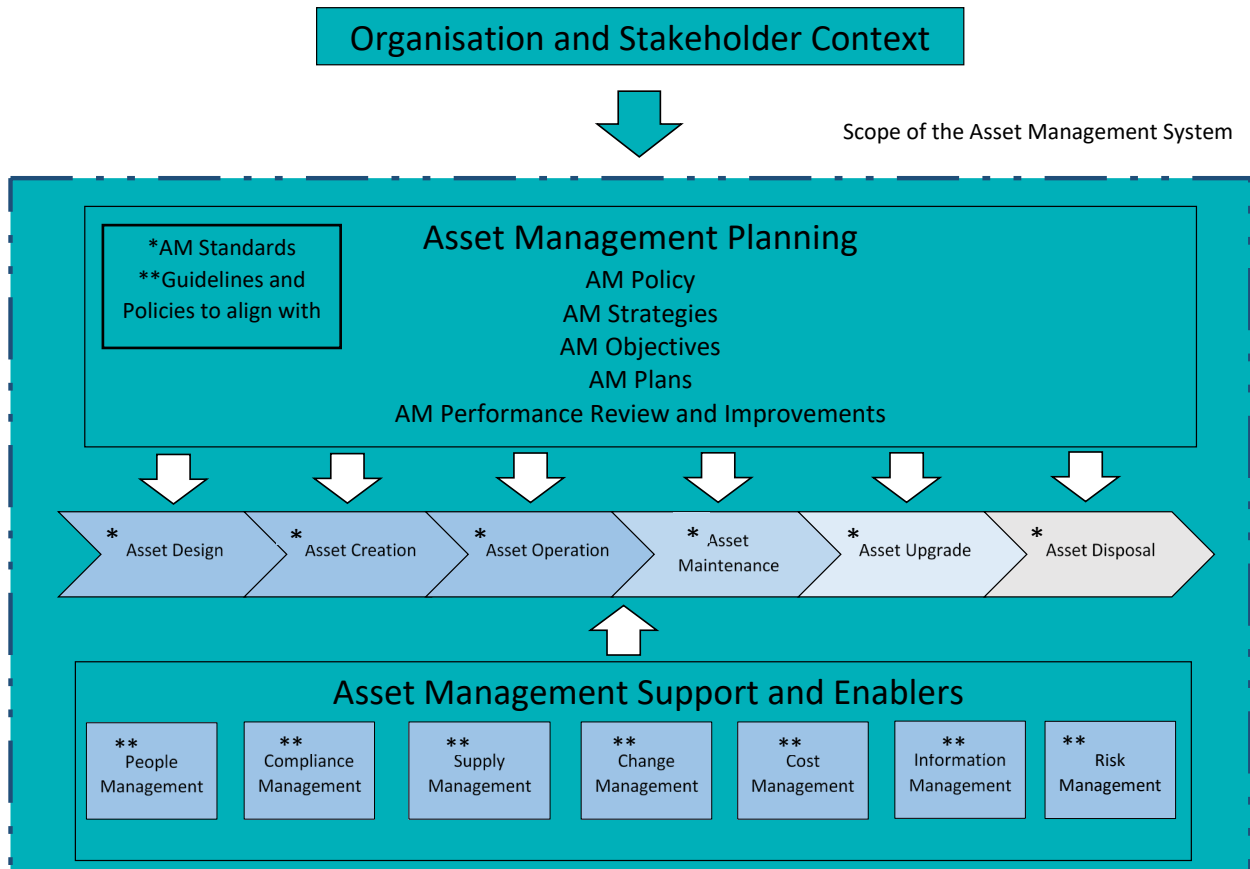
Short-term Plan 2018

- First cut tactical prioritisation for capex complete
- Regional service plans finished
- Business processes for asset management system well advance
- Implementation programme for asset management system complete and underway
- Regional water safety plan written

Our approaches to this work are dependent on collaboration across Wellington Water and our Alliance Partner.

Med-long term Plan 2019 and beyond

- Providing an evidence based view of our goal performance through better reporting of performance measures
- Being able to implement and review the implementation of the asset management system
- Being a mature asset management company when reassessed against ISO 55000
- Targeting performance data capture to where there is greatest priority - includes condition assessment and costs





Our water, our future.

In the implementation of this strategy we have identified a few challenges, some of which were explored in the CD process:

- What do we think of as totex?
- Capex, Opex, and money or effort best spent outside Wellington Water- including bylaws, building controls, demand management, education
- How do we decide whether to fix or replace assets?
- What is the appropriate level of planned or reactive maintenance?
- What does "asset performance" mean when thinking about our objectives?
- Were our investment decisions right (the amount and the time) and how do we know?
- What are impending risks?
- Do we really need the assets?

To help address these questions we have identified further questions relating to operations and maintenance data that is held against assets. We expect our Alliance Partner to develop potential solutions in relation to the following questions:

- Is maintenance data capturing all costs?
- Is there evidence of root cause analysis of failures?
- How do you eliminate wastage and unnecessary maintenance work?
- Is captured data in the right format for us to use?
- How can we always assign confidence to the data captured?
- How do we use national data meaningfully for our planning?

What learnings have we taken from CD:

- Good decisions from field staff are based on the development and promotion of 'Active Curiosity'
- We need one source of truth for data.
- Development of the skills and competencies of Alliance staff through training and mentoring will be key to the success of the Alliance.
- Potential for development of the CCTV capability.

What has been decided from the CD process:

- There will be a specific planning and scheduling function within the Alliance.
- Wellington Water would like to see a focus on accurate field data capture and root cause analysis.
- Electronic field data technology and interconnected systems will be a requirement for the Alliance.
- The Alliance will develop an annual maintenance plan and assist in the development of the regional asset management plans.
- The Alliance will work with service planning to develop business processes and accountabilities to ensure there is implementation of the Service Planning and Delivery framework

What is still unclear:

- The interface requirements for the Asset Information System to enable seamless integration of introduced systems.

2.5 Customer Experience

Customers are at the heart of our business. Customer experience determines our success. Customer feedback improves our business. The Alliance will hold our brand, our reputation and our future.

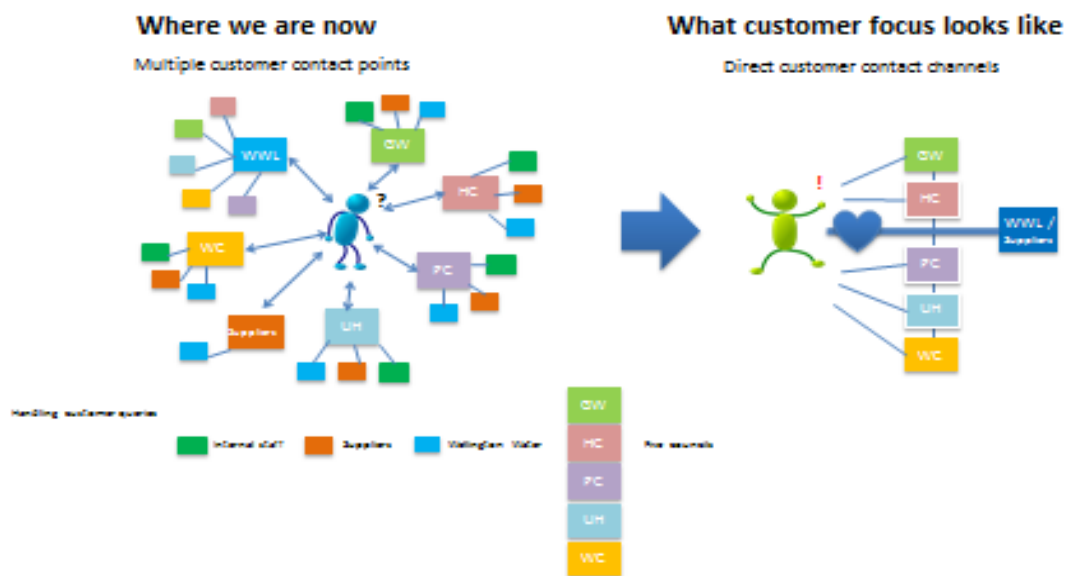
Our three outcomes are our highest order of customer experience. But our customers don't just turn on the tap to experience safe and healthy water – they turn on the tap to bathe their new-born baby; they don't measure water quality – they just want to swim, or picnic by a clean stream; they don't need to understand resilience; they need water where it should be, and not where it shouldn't be. The Alliance will be at the forefront of delivering these outcomes to the community.

Water is now and will remain a sensitive issue for both central and local government. Regulation will play a big part in the way we deliver our services for the benefit of our customers, the wider community and New Zealand as a whole.

Wellington Water is carrying out a customer project to advance this work and we expect to engage and revise the project with our Alliance Partner as soon as possible. This work is foundational to our strategy of customer-driven business improvement, so we expect whatever we achieve in the short term to be of value to the Alliance.

Our short-term plan includes;

- improve our data acquisition;
- improve customer enquiry handling;
- identify what's next for process improvement;
- a re-boot of our hub;
- boosting our on-street and digital presence;
- revised customer service reporting;
- establishing group customer champions;
- identifying core training needs and gaps; and
- embedding our customer panel deeper in our work.



Customer Operations Hub Scope

The Alliance will lead and manage the Customer Hub, which will involve the following activities:

- Being the first point of contact for all customer enquiries, compliments & complaints
- Leading customer support, and coordinating with the rest of the business, in the event of emergencies
- Operating clear processes so customers know where to go for each type of query
- Responding to customer interactions including queries about all maintenance, operational and planned work
- Complaint and enquiry process management
- Working with client councils to resolve queries they are leading
- Prioritising and dispatching jobs to response teams
- Managing, monitoring and communications during network outages
- Being the single source of information & feedback to customers, community & other stakeholders
- Delivering community awareness projects & incentives; helping Wellington Water's communications team with community messaging
- Developing and leading the customer charter & customer policies.
- Demonstrating Wellington Water's customer behaviours

- Providing input & feedback to the customer panel
- Developing and implementing the customer & community performance framework
- Customer satisfaction monitoring and reporting.



Our customer strategy is that customers are at the heart of our business. We are entering into an Alliance to deliver on this strategy because we recognise the scale and skills required for our vision is beyond Wellington Water alone.

We want our customers to trust us to look after their water assets, now and in the future. The more they trust us, the more they'll listen to us. The more they listen to us, the better value we'll deliver.

The Alliance will be the customer face of Wellington Water. It will be active across all aspects of customer service, planned and unplanned work, marketing and community engagement campaigns. The Customer Hub will be the primary source of the data, information and intelligence that will drive our relationships and continuous business improvement.

What learnings have we taken from CD:

- The Alliance is Wellington Water's customer engagement team – not a "delivery by" service
- Clear, prominent and focused branding and messaging is essential for a customer centric approach
- Involving the community in the development of customer initiatives has great value.

What has been decided from the CD process:

- The Customer Hub will be a single source of truth for the customer regarding operations on the network, including CAPEX contractor works.
- 24/7 Customer and Operations hub

What is still unclear:

- Structure of interface with client council customer management systems and teams
- Structure & resources of Customer Hub
- The impact of any regulatory change on our relationship with the customer.

2.6 Resilience

Resilient Three Water's networks are vital to the prosperity, well-being and safety of the region's communities.

Resilient networks can recover and remain functioning after shock events, such as earthquakes or landslides. Restoring essential services to the region is vital to communities and for sustaining the region's economy. Achieving this resilience is reflected in our water supply goal to provide 80% of our customers, within 30 days of a reasonable seismic event, with at least 80% of their water needs (80-30-80 Strategy).

Resilient networks are also adaptive to on-going stresses such as the impacts of sea level rise, and uncertainties such as social and political change. Minimising the impacts of flooding on people's lives is an important focus for the region as climate change is likely to exacerbate the frequency and severity of flooding events. The Alliance will play a critical role in the delivery of Service Continuity.

Resilience - Business and Service Continuity

“Making Wellington Water resilient to any disruption”

This approach encompasses readiness, response and recovery from disruptive incidents that either individually or in combination;

- Affect our organisational capability (**business continuity**)
- Impact, or potentially impact service delivery to our customers (**infrastructure service continuity**)
- Impact, or potentially impact the safety and welfare of our people, our customers and/or the community (**emergencies**); and
- In addition, this approach ensures core capability and critical activities are resilient (people, resources, systems), so our responses to disruptions in the Three Waters network are resilient (infrastructure, customers, community).

Wellington Water Business Continuity Plans and Infrastructure Service Continuity Plans have recently been re-developed and this has changed the way we operate with Councils to be more regionally focused. We have set up a Wellington Water EOC structure and the changes we have made are:

- Changing mindsets; ensuring we work across rather than within own areas (escalation and challenge sharing); and
- Building relationships and Council EOC confidence

We continue to focus on:

- Embedding practice and awareness
- Moving away from 'just doing stuff' and being deliberate about when, where, why and who.

- No surprises, following the behavioural concept of escalating to reinforce the collective response; and
- Challenges - depth of resource and moving past the first two days of response

Short-term plan

Our short-term plan for 2018 includes:

- Creating and integrating plans for the CIR infrastructure;
- Rolling out GIS web based system with mobile applications for collecting and using information;
- Resiliency of key documents – ensuring availability on mobile devices;
- Communication and awareness of resilience – practice; and
- Implementing mobile web based systems to monitor staff safety in field.

Medium-term plan

Our medium - long term plan for 2019 and beyond includes:

- Looking at an integrated resilient communications system – i.e. RT's, Sat phs etc
- Practice, practice, practice
- Increasing competency across the organisation – training and engagement; and
- Resilience of response – more than 2 days.

The Alliance role

Key Concept

Everyone in Wellington Water has a role – it is about ensuring we personally know what is required of us.

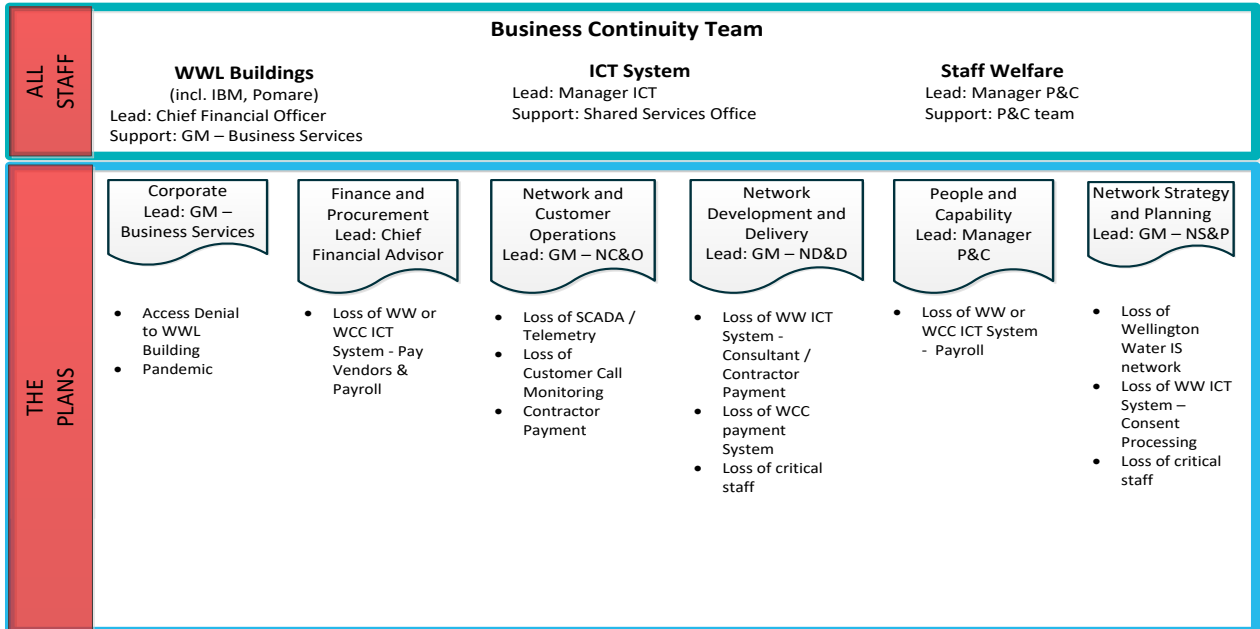
As part of this, the Alliance will play a critical role in the delivery of service continuity. To deliver service continuity we need to have business continuity sorted e.g. resilient depots etc. The Interface needs to be seamless, there should be no surprises, situational awareness and understanding of expected responses is critical.

Anticipated integrations in the overall business and service continuity framework should include;

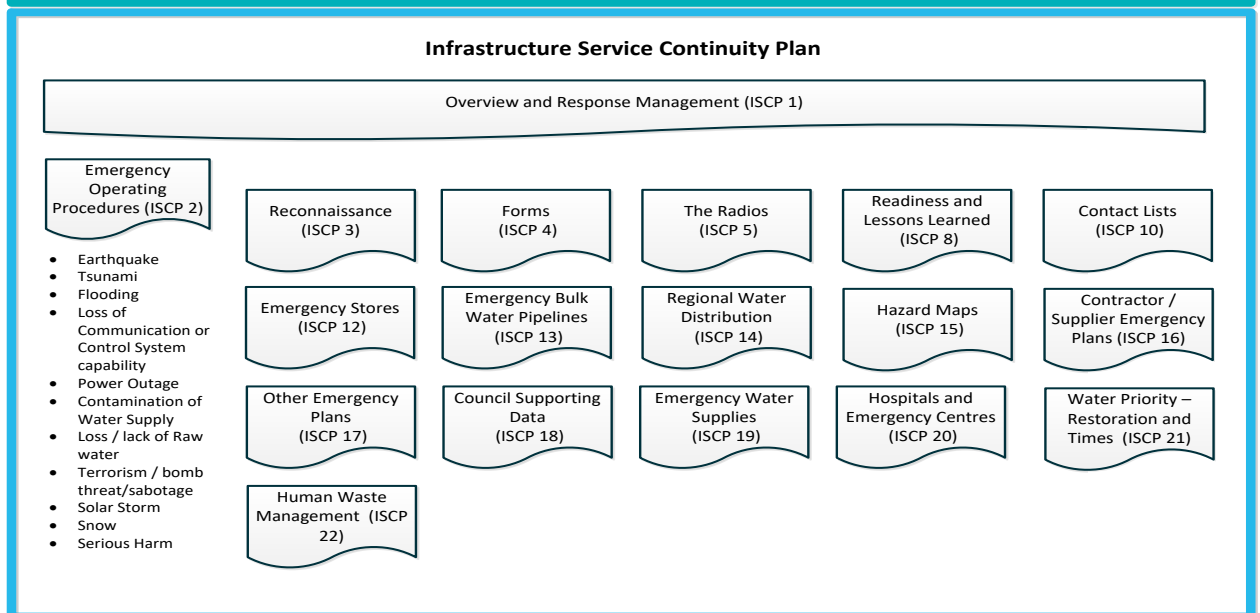
- Provision of resilient resources to respond (people, vehicles, plant, equipment) and perform roles and responsibilities; and
- Provision of strategically located fully functional resilient depots (power, water, waste, energy, technology, fuel).

The following diagrams indicate the processes already in place:

ACTIVATE: Business Continuity Plans
 Business Continuity Team forms
 (Lead: Manager, Risk and Assurance)
 +



ACTIVATE: Infrastructure Service Continuity Plan
 Emergency Management Team forms
 (Lead: Manager, Risk and Assurance)
 +



CIR Framework

The operational plan for CIR considers two key areas of responsibility;

- Water stations / reservoirs – Wellington Water (and supply chain)
- Distribution network – Council E.O.C's

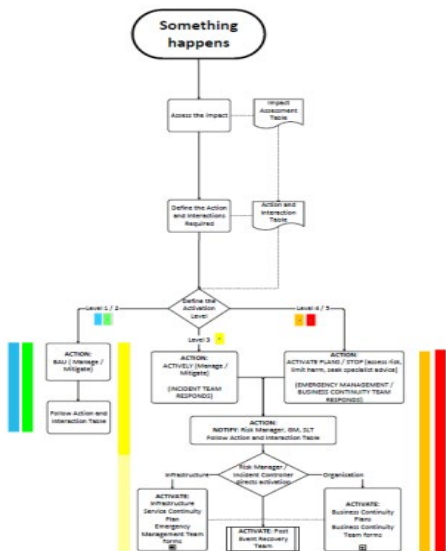
The following operational states are to be considered in the context of the situation:

- **Business as usual:** The infrastructure related to CIR will be maintained ready for deployment by Wellington Water (including the Alliance). After the event, disestablishment is also included.
- **Emergency:**
 - Water stations / reservoirs will be operated and maintained by Wellington Water and supply chain
 - Recon teams (including the Alliance) to set up & support maintenance. The consultant panel will manage the emergency water stations.
 - Distribution network will be operated in liaison with the Council E.O.C's

Management Systems (systems / processes and ways of working)

- Wellington Water hold three ISO certifications; 9001 for the provision of infrastructure services and 9001 & 14001 for the provision of potable water (bulk supply)
- We operate an IT system called QPulse that supports the delivery of the quality management function including audit, controlled documents and ProMapp for our business processes.

Assessment of Significance Guiding our actions



Impact Assessment Table

Level	Characteristics	Flooding	Water / Wastewater Damage	Overflows & Contamination	Potable Water Quality	Health and Safety
5	Reversible < 2 hours No or below but minor spread effects < 10 houses affected < \$10K restoration	Minor property damage Significant disruption to roads, public residents Water levels above flooding floor levels Storm forecast	Water supply or sewerage out for 1-2 hours	Minor contamination of building, land, fixtures, ponds, waterways etc.	Minor water supply maintenance, minor reports of poor quality	Minor injury / permanent disability
4	Reversible < 4-8 hours Minor property damage Reversible water environmental damage < 10 houses affected < \$25K restoration	Minor property damage Moderate disruption to roads, public residents Ground floor flooding Poor weather forecast	Water supply or sewerage out for 2-4 hours	Moderate contamination of building, land, fixtures, ponds, waterways etc.	Minor water quality issues Minor reports of poor quality	Minor injury / permanent disability or multiple long-term disabilities. A few other serious illness, medical treatment required for more than 10 people.
3	Reversible < 24 hours Minor property damage < \$5K restoration	Minor property damage Moderate disruption to roads, public residents Ground floor flooding Moderate weather forecast	Water supply or sewerage out for 4-8 hours	Moderate but contained spill or overflow	Minor water quality issues Minor reports of poor quality	Minor injury / permanent disability or multiple long-term disabilities. A few other serious illness, medical treatment required for more than 10 people.
2	Reversible < 3 hours Minor effects No houses affected	Minor property damage Minor disruption to roads, public residents Minor flooding Good weather forecast	Water supply or sewerage out for 1-2 hours	Minor localized spill or overflow	Minor water quality issues Minor reports of poor quality	Minor injury / permanent disability or multiple long-term disabilities. A few other serious illness, medical treatment required for more than 10 people.

Action and Interaction Table

	ACTIONS	RESPONSE TEAM	NOTIFY EXTERNAL	NOTIFY INTERNAL	RECOVERY TEAM
5	ACTIVATE PLANS / STOP Losses / Risk, level 5 team, seek specialist advice	EMERGENCY MANAGEMENT TEAM / HUB SUPPORT	WREMO	Board Water Commission	POST EVENT RESPONSE TEAM (P.E.R.T)
4	ACTIVELY (Manage / Mitigate)	INCIDENT TEAM / HUB	Council EOC's	CCR's	R.E.R.T / HUB
3	BAU (Manage / Mitigate)	BAU / CUSTOMER HUB LEAD	General Customers, RPI, GWRC	Risk Mgt, SLT	BAU
2	BAU (Manage / Mitigate)	BAU / CUSTOMER HUB LEAD	Customers	Team Leader / Manager / Community Engagement	BAU
1	BAU (Manage / Mitigate)	BAU / CUSTOMER HUB LEAD	Customers	Supervisor	BAU

What learnings have we taken from CD:

- Additional systems and methods need to be considered in the development of resilience.

What has been decided from the CD process:

- Following an event, water stations / reservoirs will be operated and maintained by Wellington Water (& supply chain). Recon teams (including the Alliance) to set up and support maintenance, consultant panel to manage the emergency water stations.
- Distribution network will be operated in liaison with the Council E.O.C's
- Business as usual – all the infrastructure related to CIR will be maintained ready for deployment by Wellington Water.

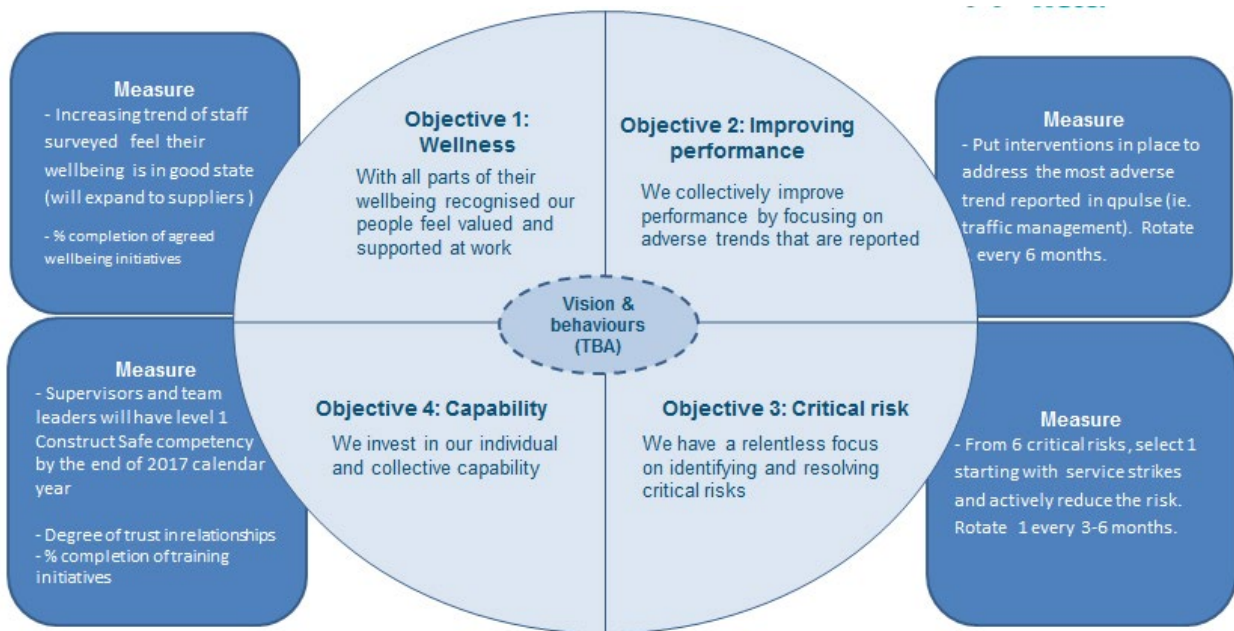
What is still unclear:

- How the remote depots and islands will continuously and seamlessly interact to ensure business continuity.

2.7 Health and Safety

Our Vision

Wellington Water recently developed and launched a new Health and Safety vision. The vision should be constantly applied to everything we do, as shown below:



Key Principles

‘People first, every time’

 **Look after yourself and your mates**

 **Plan and prepare together**

 **Speak up and do the right thing**

The launch of our new H&S Vision allows us to set expectation of values and behaviours we work to. The challenges we face are to align the behaviours across a large organisation with a diverse workforce and ensuring they translate well and can be easily applied and are integral to the operational work we do consistently.

Wellness Programme

One area of focus for Wellington is the Wellness Programme, which sits within the following framework:

Wellness Themes	Wellness Objectives
Mental Wellness	Each individual realises his/her own abilities, can cope with the normal stresses within the workplace and build resilience to challenges we may face to be productive and enjoy life.
Physical Wellness	Each individual has the tools, knowledge and opportunity to maintain a healthy quality of life, one in which we are able to get through our daily activities without undue fatigue or physical stress.
Social Wellness	Each individual is able to build and maintain healthy and supportive relationships with others including; co-workers, friends and family, to ensure we are connected to a positive social network.



Health and Safety Priorities

Wellington Water’s short to medium-term priorities are to improve our overall H&S performance by:

- Conducting a significant review of our critical risks and develop safer ways to mitigate them
- Improving the relationships with our H&S forums to drive a collaborative approach to managing our critical risks
- Driving our critical risk review and ensuring we implement new processes to better manage our critical risks
- Improving our incident reporting levels, both positive and negative
- Improving the quality of information supplied through incident reporting to improve incident analysis
- Working with our supply chain to develop a healthier reporting culture
- Instill our values aligned to our recently launched H&S Vision
- Developing relationships with our supply chain and Council forums to drive improved H&S standards
- Driving our vision and behaviours across our supply chain
- Developing consistent methods and processes across all parts of Wellington Water; and
- Developing the capabilities of our H&S Representatives so that they can work across our teams to improve safety standards

We are looking for the Alliance to collaborate in all aspects of H&S performance and work with Wellington Water to help develop a consistent, best practice approach in all areas of our operation.

As part of our collaborative approach, the Alliance, as an integral part of Wellington Water, will lead from the front in delivering industry leading H&S performance and developing a culture which is mature enough to recognise the value of putting *'people first, every time'*.

The KPI's, co-designed with our Alliance Partner, will provide best practice performance benchmarking across the industry and beyond. For example, we have seen a marked improvement in a reduction of speeding events of our fleet, due to a focus by our H&S committee. Due to this focus, we have adopted a more formal approach using eroad data and subsequently seen a 50% reduction in speeding offences.

What learnings have we taken from CD:

- We are committed to raising the capabilities of our people and supply chain with the ConstructSafe tier one testing being the initial mandatory requirement. We are also looking to raise the capabilities of our H&S Representatives to engage with their teams and build meaningful relationships.
- We are developing our work around wellbeing/wellness particularly with our supply chain. Focusing initially around the subject areas of fatigue, Drugs & Alcohol, Health & Diet and Mental Health.
- Wellington Water should not have pre-conceived ideas on how Health, Safety & Wellness is managed throughout the Alliance implementation. The Participants should adopt a collaborative approach to harmonise two sets of policies and procedures.

What has been decided from the CD process:

- A major piece of work for the next 12 months is the review of our **critical risks** (listed below). We will then look to work with our Alliance Partner to incorporate any lessons learned from their own critical risk reviews:-
- Critical risks:-
 - Traffic management
 - Vehicles and mobile equipment
 - Tools, equipment and assets
 - Falls from height
 - Excavations
 - Services
 - Chemicals
 - Confined spaces
- We are keen to see new technologies supporting incident reporting and performance measures that can be supplied from that new technology.
- We are keen to see the link between innovation and training to raise the competency and capabilities of our people.

What is still unclear:

- How Wellington Water will ensure that the H&S strategy is seamless across all business streams and supply networks.

2.8 Technology

Technology is a broad topic. Wellington Water's 'Shaping our Future' initiative identified delivery of smarter water services as a key objective including, progressively moving to a regional approach for technology, supporting consistent service performance, increasing understanding of our network data and how we can manage it more effectively staying close to new technology and innovation while investing in change where it proves to be of significant benefit.

Customer help desks and incident reporting are run by each Council and the data is owned by the relevant Council. Wellington Water and its partners are stewards for that data.

- There are two separate Control Systems (CS) networks which are segregated from corporate systems.
- The Human Machine Interface (HMI) for the Four Cities CS is currently being upgraded.
- Historians are typically used to provide trending information.
- Geographic Information Systems (GIS) and the Data Warehouse (DW) are the intended systems for network visualisation.
- Technology is governed within Wellington Water by the Technology Governance Group (TGG).

The world of converging technology is exiting, but constantly evolving. Therefore, we must implement solutions that converges people, processes, information and technologies in a distinct system to support a set of business capabilities. We must also actively manage technology to eliminate unjustified investment. We use risk based management of our information, technology and industrial control systems and ensure security is part of our design.

To drive integrated Technology solutions across our business our Technology Governance Group (TGG) focuses on:

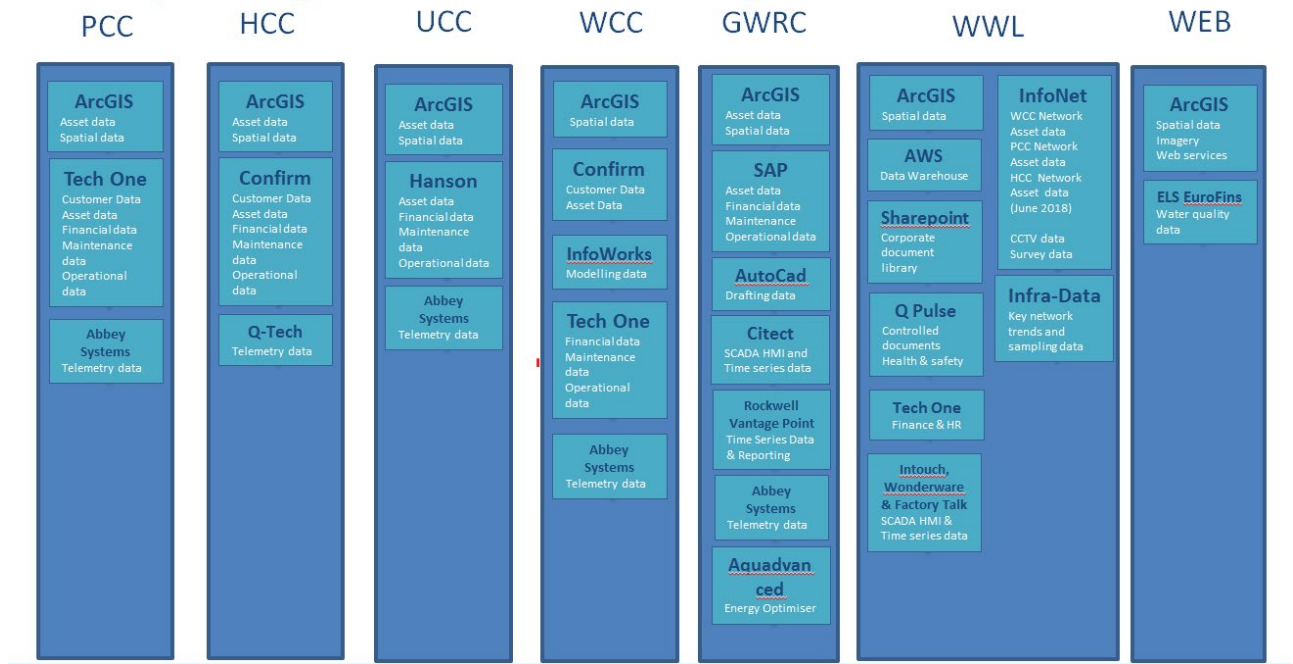
- Development and maintenance of an **integrated Technology Strategy**, with reference to strategies relating to Information, Control and Corporate Technologies;
- **Review** all proposed IT technology-related projects;
- **Provide an endorsement** for Technology projects that are supportive of the vision and goals of the Technology Strategy and are 'fit for purpose' for the function they are supporting;
- Ensure effective **integration and alignment** between differing teams and IT technology-related activities;
- Provision of **support and resources** for projects associated with the implementation of the Technology Strategy;
- Ensure that IT technology development **enables** the business strategies of Wellington Water;
- Manage IT technology-related spend in accordance with the **IT Procurement Policy**;
- **Provide oversight** of IT technology-related vendors (including The Shared Services Organization) on behalf of Wellington Water;
- Act as a forum for **advice** for Technology-related matters

Wellington Water currently uses a number of systems and processes in place to perform similar functions across different Councils:

Technology



Key Wellington Water and Council Systems



Our water, our future.

Taking into account the varied systems and processes currently being used across the region, Wellington Water's challenges include:

- Managing the customer experience and interactions
- Making accurate asset data available to the wider business which can be used to make informed decisions
- Collecting and processing data in a timely manner
- Moving away from data islands by making data visible across the organisation
- Situational awareness of what is currently happening in the network with non-monitored assets
- Tracking of spares and mobile assets for operational response

We are looking for the Alliance Partner to provide solution architecture capability and showcase what customer, event, workforce and asset management experience and systems they can bring to the Alliance and how this will integrate and interact with the existing systems.

The Alliance solution architect(s) would work collaboratively with the TGG to develop the roadmap for seamless integration of systems and technologies in the development of the Alliance.

We are also looking for the Alliance Partner to promote innovation in the following areas:

- Mobility and data collection
- Situational awareness and promotion of **'Active Curiosity'** in data capture and analysis.
- Reduction of service strikes
- Stores and asset tracking
- Resilience and business continuity planning
- Management of control systems are excluded from the Alliance scope, however, the Alliance will interact with these systems on a daily basis.

Short-term Plan 2018

Information Technology

- Nowcast, accurate two hour rain forecast for location and intensity
- Radio Telephone (RT) unification

Information Directorate

- Simplification project is in an initial phase looking at current business processes and will propose improvement initiatives
- GIS maps for all three water networks will be launched and used to visualise the network

Control Systems

- Digital Radio rollout and RTU upgrades
- Wonderware Intouch HMI for the Four Cities

Medium-long term plan 2019 and beyond

- Simplification and rationalisation of systems and information repositories to provide a consistent regional approach
- Unified control systems networks and infrastructure
- A remote monitoring service which is technology agnostic and delivers a consistent user interface
- Using artificial intelligence and machine learning to inform investment and intervention decisions
- The Alliance will provide a lead role in providing customer, asset and network information which is visible to different business functions within Wellington Water and client councils. This should be done in a transparent way and not on a case by case basis and would include:
 - Providing situational awareness tools to enhance operations and communicate network status beyond the operation groups
 - Defining new ways to leverage existing technology

What learnings have we taken from CD:

- As a regional operator we have a huge opportunity to combine efforts and outcomes with our Council technology teams and external technology partners
- Wellington Water needs to create efficiency in its back office operations to ensure that funding can be directed to higher-value activities. At the same time, this needs to be balanced with investment in emerging information and digital technologies that can add further value to Wellington Water's services.
- Customer, asset and network information owned by Wellington Water should be visible and easily accessible to different business functions and client councils in a transparent way to support our core processes and standards.

What has been decided from the CD process:

Day 1 expectations

- Event job management system must be capable of running daily operations service requests
- As part of implementation stage, Alliance Partner resources should be available to work with the TGG in building the technology roadmap, including discovery and alignment of technology resources and capabilities.
- The Alliance will need technical capability for integration of the Alliance Partner's event, asset and customer management systems with Wellington Water data warehouse and Council systems.

Alliance Partner Technology

- The Alliance Partner should provide an asset information system capable of managing ongoing and preventative maintenance cycles of plant and linear assets.
- The event management system should be capable of running daily operations service requests while integrating with Wellington Water data warehouse and council systems. This may include workforce, customer management, planned and unplanned maintenance and job costing.
- Operational technology must support the maintenance of the Three Waters Networks including monitoring, service strike detection and situational awareness.

Alliance Partner resources

- Assist in development with; and within Wellington Water's GIS system
- Provide technical expertise in system architecture and integration between Wellington Water/Alliance Partner and Wellington Water/Council systems.
- Provide expertise in managing relationships with the TGG and Council stakeholders.

What is still unclear:

- It is undecided who will take the lead for integrating with the Council Customer Relationship Management and Asset Information Systems at this stage and the approach will be co-developed with our Alliance Partner.

2.9 Contractual Framework

Key defined terms used in this section are:

FAA	(Final) Three Waters Network Operations and Maintenance Alliance Agreement
IAA	Interim Three Waters Network Operations and Maintenance Alliance Agreement
Participants	Both Wellington Water and the Alliance Partner
Services	Final scope of services to be provided by the Alliance

Under this RFP, Wellington Water is seeking proposals from Respondents to enter into a collaborative Alliance arrangement for the maintenance and operation of network assets managed by Wellington Water on behalf of its client Councils. The agreement will be an outcome based collaborative relationship ('Alliance') agreement, with the ability to evolve synergistically with the Alliance and the agility and flexibility to respond to outside influences.

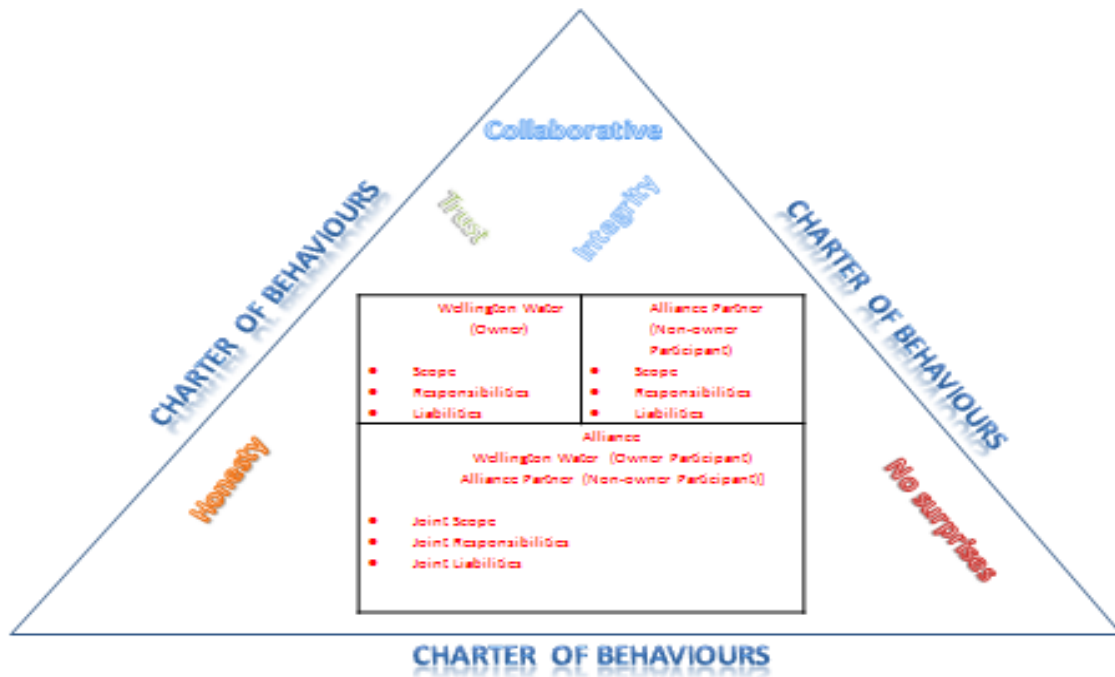
The structure of the agreement will include a base Contractual Framework, consisting of general conditions of contract and statutory requirements, together with a supporting Performance framework, Cost Management framework and set of Contract Principles all linked to an overarching **Charter of Behaviours**. The base framework will consist of the fixed contractual responsibilities and liabilities portion of the agreement, with the supporting frameworks being flexible enough to adapt to regular Alliance reviews, strategy, outside influences etc. to ensure the contract continues to reflect the evolution of the Alliance.

A draft of the Three Waters Network Maintenance and Operations Alliance Agreement has not been included with this RFP. However, set out in the Appendices are (at a high level) the key principles that Wellington Water expects it will require in the IAA / FAA with the successful Respondent.

This document is not intended in any way to limit the solutions and innovation to be suggested and offered up by Respondents in their responses to this RFP. However, Respondents are required to identify any proposed departures from the key principles identified and provide reasons (including anticipated benefits to the Alliance) for such proposed departures. Where necessary, Respondents should also expand on the key principles and provide information on how the Respondent will satisfy such key principles.

Please also note that the principles do not limit the other provisions that may be required by Wellington Water, and if required at Wellington Water's sole discretion, the form of IAA / FAA presented to the proposed Alliance Partner for consideration may be different from what is set out in the Appendices.

The **Charter of Behaviours** will be the key driver of the agreement and will centre on our joint pledge to the community, ourselves and other stakeholders, our commitment to fostering a healthy Alliance relationship, a commitment to looking after **‘people first, every time’** and having pride in everything we do.



The IAA/FAA will ensure that there is a clear distinction in responsibilities between Wellington Water acting as the Owner and as the Owner Participant.



2.9 Performance Framework





The Key Result Areas (**KRA's**) for the Alliance will align with Wellington Water’s Customer Outcomes and Service Goals with the associated Key Performance Indicators (**KPI's**) being co-designed with the Alliance Partner.





Key Result Areas

The following KRAs are provided to outline our current thinking for the performance framework:

Service Goal	Area	Measures
 <p>We provide safe and healthy drinking water</p>	Hygiene maintenance procedures	<ol style="list-style-type: none"> 1. Procedures documented for different work areas/types 2. Procedures audited 3. Improvements implemented
	Interactions between treatment plants and network operations/maintenance,	<ol style="list-style-type: none"> 1. Communication about daily issues where actions have consequences on others work 2. Response to transgressions, 3. Co-ordinating activities when performing shutdowns and maintenance work, 4. Identification of improvements or proactive actions to improve outcomes and/or communications.
	Backflow Prevention	<ol style="list-style-type: none"> 1. Documentation of backflow survey practices and assessment programme 2. BFP device testing programme designed and implemented 3. Implementation of WSP improvements
	Water Quality Testing and DWS compliance	<ol style="list-style-type: none"> 1. Preparation and implementation of water quality sampling programme - include sampling post maintenance or construction 2. Sampling competence
	Water safety plan	<ol style="list-style-type: none"> 1. Implement requirements and demonstrate this is done 2. Communication with Risk and assurance and service planning
	Aesthetics	<ol style="list-style-type: none"> 1. Flushing programs (design and implementation evidence) 2. Response to customer concerns – taste, odour, appearance 3. Low chlorine - testing reactive (events and post breaks etc.) and proactive testing to understand chlorine demand. (This also links to the communication with WTP operations and response to transgressions/issues). 4. Reservoir turnover – awareness and proactive operational response to achieve turnover 5. Pump flow behaviour and velocity management 6. Condition assessment, failure mode reporting and data collection.
 <p>We operate and manage assets that are safe for</p>		<ol style="list-style-type: none"> 1. Alignment of HSE reporting with industry standard programs and definitions. 2. Audit (internal and external) of events and near miss miss-reporting. 3. Demonstration of effective engagement with

	our suppliers, people and customers		<p>HSE and risk systems; i.e. use of tools, reporting, registering improvements, meetings and training.</p> <p>4. Identification of assets where safety improvements could be implemented</p>
	We provide an appropriate region wide firefighting water supply		<ol style="list-style-type: none"> 1. Programme, implement and report pressure monitoring, hydrant lid painting, hydrant flow tests 2. Proactive reporting of improvements to accessibility and availability of hydrants 3. Engage effectively with Fire and Emergency, including: <ul style="list-style-type: none"> • Proactively notify Fire and Emergency of hydrants out of actions • Update records/schematics to Fire and Emergency • On hand and able to support Fire and Emergency operations i.e. water supply diversions for large fires or difficult fires. • Ongoing interaction on Fire and Emergency on responding to issues they have raised. • Regular and effective meetings held with Fire and Emergency. 4. Identify improvements to support firefighting water supply
	We minimise public health risks	Reactive response to blockages and overflows	<ol style="list-style-type: none"> 1. Response times defined and achieved 2. Single visits and minimising repeat visits 3. Customer response and interaction to event, 4. Root cause analysis and reporting
		Proactive responses to blockages and overflows	<ol style="list-style-type: none"> 1. Identification of potential repeat causes of blockage or 2. I&I reduction work (including customer engagement and reporting of issues in the customer's property).
		Integration with WWTP operations,	<ol style="list-style-type: none"> 1. Communication about daily issues where actions have consequences on others work 2. Response to transgressions, 3. Co-ordinating activities when performing shutdowns and maintenance work,
		Compliance conditions	<ol style="list-style-type: none"> 1. Consents conditions are met and reported. 2. Support the reporting of data and issues in line with other party KPIs and/or consents i.e. beach warnings or closures. 3. Suggesting and implementing improvements to delivering compliance or reporting.

	We manage the use of resources in a sustainable way	Water loss	<ol style="list-style-type: none"> 1. Condition assessment , data collection, failure mode reporting where leakage exists or potential leakage could occur 2. Reporting leaks found during other work, including internal leaks – requires customer interaction and management. 3. Carrying out leak detection 4. Resolution of reported leaks (time to respond) 5. Zone management
		Energy	<ol style="list-style-type: none"> 1. Accountability for pump station energy use, 2. Condition and performance assessment/monitoring is carried out and used to respond efficiently and effectively.. 3. I&I reduction can be considered a means of reducing energy usage
	We will enhance the health of waterways/oceans	Catchment management plans	<ol style="list-style-type: none"> 1. Participation with plan implementation and improvements
		Proactive stormwater pollution response	<ol style="list-style-type: none"> 1. Sump cleaning. 2. Reporting of pollution observations 3. Identifying assets where condition and performance may create waterway pollution
		Customer interaction	<ol style="list-style-type: none"> 1. Education about their impact on the environment (eg misuse of stormwater systems)
	We influence customer behaviour	Connection to education messages	<ol style="list-style-type: none"> 1. Staff demonstrate they are connected to delivery of WWL education messages
		Customer interaction	<ol style="list-style-type: none"> 1. Interventions beyond the boundary for leaks, wastage, cross connections, I&I etc.
	We enhance the impact on the natural and built environment of water services		<ol style="list-style-type: none"> 1. Consent compliance and monitoring 2. Maintenance of structures and above ground structures, reporting of maintenance and recording data 3. Demonstrate minimised impact on communities from flooding, noise, odour, visual disturbances

	<p>We minimise the impact of flooding on people’s lives and proactively plan for the impacts of climate change</p>		<ol style="list-style-type: none"> 1. Accurate and timely data capture during floods – location, extent, time 2. Customer interaction - empathy and delivery post flood 3. Be involved with PERT process as required (post event response team) 4. Delivery of response times 5. Proactive approach before rainfall events - drain cleaning, intake cleaning sandbag delivery etc. 6. Identify capital improvement opportunities 7. Additional resources available to respond to events [link to resilience/reliable service]
	<p>We provide three water networks that are resilient to shocks and stresses</p>		<ol style="list-style-type: none"> 1. Demonstrate capability to deliver and support CIR 80-30-80 programme 2. Additional resources available to respond to events
	<p>We plan for sustainable water sources and future demand</p>		<ol style="list-style-type: none"> 1. Identification and resolution of I&I (including cross connections and customer internal issues) 2. Leakage – see waterloss 3. Water wastage - customer interaction, see education
	<p>We provide reliable services to customers</p>	<p>Reactive response</p>	<ol style="list-style-type: none"> 1. Response times to resolve customer problem 2. Failure and breakage data 3. Failure reporting
		<p>Proactively identifying gaps in network performance that would create disruption to customer service for water supply, wastewater and stormwater</p>	<ol style="list-style-type: none"> 1. Recording of pipe condition according to templated methods 2. Repeats and call backs (minimised) – and analysed for root cause 3. Knowing network performance and ensuring operations don’t compromise performance (eg leaving valves shut, poorly planned maintenance). 4. Preparation and implementation of inspection and maintenance programmes

2.11 Commercial Framework

The commercial framework for an Alliance is the principal mechanism that aligns the achievement of the Alliance objectives with the commercial objectives of the Alliance Partner. In particular, the commercial framework will set out the structure and principles that govern the Alliance Partner's remuneration for the term of the agreement.

Wellington Water has a desire to move towards a predictive and planned maintenance programme of works to support our strategy. A significant step change is required to make this step forward.

This is very different to the way we currently operate, where the majority of our budgets are spent on reactive maintenance, making it very difficult to determine what the various TOC's should be as we establish the alliance.

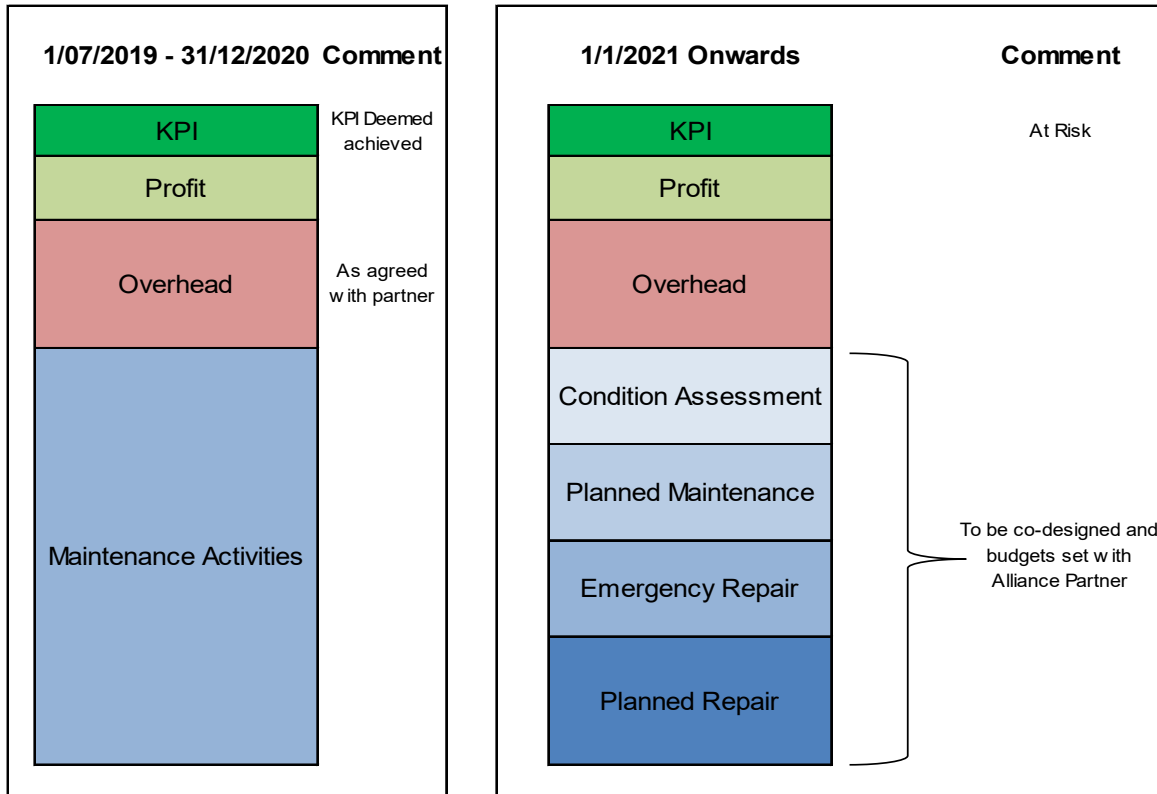
Given the step change required to transition from a reactive maintenance strategy, to a planned and predictive strategy, we envisage that the first 18 months of the Alliance development will involve co-designing the TOC's and establishing the budgets, which will then be subject to KPI performance in the following period. This will be developed throughout the negotiation period and the co-designing of the TOC's, however the Commercial framework and responses will have a weighting.

It is important to note that the overall budget per council is already established and the co-design process will determine the split of that budget. We envisage the TOC being broken down into the following maintenance categories supported by a management fee:

- Reactive Maintenance
- Planned Maintenance
- Scheduled Maintenance
- Emergency Repair

With the above approach, any cost savings may take some time to establish; therefore we anticipate that during the initial stage of the Alliance we would exclude the possibility of sharing cost savings with our Alliance Partner. In addition, due to the way we are funded by the client Councils there will be no pain share arrangement in the IAA/FAA. Our budgets are set and there is no further funding available, therefore we will need to manage our work within the budget.

To incentivise our Alliance Partner we will be looking to make a portion of the Alliance Partners profit percentage subject to KRA and KPI performance. This will be determined and mutually agreed with our Alliance Partner. The performance measures will be deemed to have been achieved during the first 18 months of the Alliance, while the various TOC's are agreed and established.



Please note not reflective of proposed splits

In the Response Form you are asked to identify, by cost element a range of prices.

What learnings have we taken from CD:

- Wellington Water has a desire to move towards a predictive and planned maintenance programme of works to support our strategy. A significant step change is required to make this step forward.

What has been decided from the CD process:

- A **Charter of Behaviours** will be developed by the Participants and will be the key driver of the FAA and will centre on our pledge to the community, ourselves and other stakeholders, our commitment to fostering a healthy alliance relationship, a commitment to looking after **'people first, every time'** and having pride in everything we do.
- There will not be a pain component in the FAA.
- The TOC's and KPI's will be developed collaboratively over the initial 18 month period of the Alliance. During this period, the KPI performance measures will be deemed to have been met by the Alliance.
- The FAA will include a table of responsibilities for Wellington Water, the Alliance Partner and mutual/joint Participant responsibilities. These will be developed collaboratively.
- An IAA will be developed collaboratively between participants to cover the period from contract award of the IAA until the commencement of the FAA. This will cover the development of the Charter of Behaviours, final scope of services, organisational structure and the development and implementation of a mobilisation and integration plan.

What is still unclear:

- Implementation costs, Alliance Partner overheads and profit.
- Final TOC.
- KPI review periods.

2.12 Contract term

We anticipate that an IAA will be established with our Alliance Partner on confirmation of contract award. It is expected that the IAA will run through until 30th June 2019 to cover the initial implementation period of the Alliance.

The FAA will commence 01 July 2019 following the initial implementation period and will be co-developed during the negotiation period.

The anticipated Contract term and options to extend are:

Description	Years
Initial term of the Contract	10
Options to extend the Contract	3+2
Maximum term of the Contract	15

2.13 List of Appendices

In addition to this RFP we refer to the following documents, some of which have been previously uploaded to the Alliance dropbox.

- A. CD Presentation Slides
- B. Draft SOI 2018-2021(Latest draft)
- C. Three Waters Strategy document
- D. Updated Customer Plan (04.05.2018)
- E. Wellington Water Organisation chart
- F. Draft RSP Part 1 – SAMP
- G. Draft RSP Part 2 – Water Supply, Wastewater, Stormwater
- H. Draft RSP Part 3 – GWRC, UHCC, HCC, PCC, WCC
- I. Resilience reference information – Assessment of significance
- J. Resilience reference information – Service Continuity Plan
- K. Resilience reference information – Wellington Water BCMS development and maintenance
- L. Draft Alliance Principles
- M. 2016/17 Performance Dashboard

SECTION 3: Our Evaluation Approach

3.1 Evaluation model

The evaluation model that will be used is weighted attribute (weighted criteria).

A ‘two envelope’ system will be used for the evaluation. This means that Respondents must provide all requested financial information relating to overheads, profit and margin in a separate sealed envelope/soft copy folder. The evaluation panel will firstly score each Proposal based on the weighted criteria listed below. Proposals will then be ranked according to their scores. Following completion of the scoring the sealed envelopes containing financial information will be presented to the panel. The panel will then assess the Proposals based on best value-for-money over the whole-of-life of the Contract.

3.2 Pre-conditions

Each Proposal must meet all of the following pre-conditions. Proposals which fail to meet one or more will be eliminated from further consideration.

Respondents who are unable to meet all pre-conditions should conclude that they will not benefit from submitting a Proposal.

#	Pre-condition	Meets
1.	Please disclose any details of any existing or potential ownership changes within your organisation.	[Yes/No]
2.	Please disclose any existing or pending litigation	
3.	Please provide your interim financial statements to 31 st December 2017	

3.3 Evaluation criteria

Proposals which meet all pre-conditions will be evaluated on their merits according to the following evaluation criteria and weightings.

Criterion	Weighting
1. Governance and Management	5%
2. Service Delivery	9%
3. Service Planning	12%
4. Customer Experience	10%
5. Resilience	5%
6. Health & Safety	5%

7. Technology	12%
8. Implementation and Change	15%
9. Commercial	12%
10. Alliance Behaviours (evaluated through the CD process)	15%
Total weightings	100%

(Contract principles feedback is not evaluated, but will be used to help develop the IAA/FAA)

3.4 Scoring

The following scoring scale will be used in evaluating Proposals. Scores by individual panel members may be modified through a moderation process across the whole evaluation panel.

Rating	Definition	Score
EXCELLENT significantly exceeds the criterion	Exceeds the criterion. Exceptional demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	9-10
GOOD exceeds the criterion in some aspects	Satisfies the criterion with minor additional benefits. Above average demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence.	7-8
ACCEPTABLE meets the criterion in full, but at a minimal level	Satisfies the criterion. Demonstration by the Respondent of the relevant ability, understanding, experience, skills, resource, and quality measures required to meet the criterion, with supporting evidence.	5-6
MINOR RESERVATIONS marginally deficient	Satisfies the criterion with minor reservations. Some minor reservations of the Respondent’s relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	3-4
SERIOUS RESERVATIONS significant issues that need to be addressed	Satisfies the criterion with major reservations. Considerable reservations of the respondent’s relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	1-2
UNACCEPTABLE significant issues not capable of being resolved	Does not meet the criterion. Does not comply and/or insufficient information provided to demonstrate that the Respondent has the ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence.	0

3.5 Evaluation process and due diligence

In addition to the above, we will undertake the following process and due diligence in relation to shortlisted Respondents. The findings will be taken into account in the evaluation process.

- a. reference check the Respondent organisation and named personnel

3.6 Optional evaluation process and due diligence

In addition to the above, we may undertake the following process and due diligence in relation to shortlisted Respondents. The findings will be taken into account in the evaluation process. Should we decide to undertake any of these we will give shortlisted Respondents reasonable notice.

- a. request Respondents make a presentation
- b. arrange site-visits to assess operational activities/systems
- c. inspect audited accounts for the last three financial years
- d. undertake a credit check

SECTION 4: Pricing information

4.1 Pricing information to be provided by respondents

- a. Respondents are to identify their proposed overheads and profit related to the Alliance. The cost structures should reflect all initiatives put forward in your RFP submission
- b. Use the overhead costing template provided. Overhead costing template is to be submitted in a separate sealed envelope/electronic folder.
- c. Respondents are to document in their Proposal all assumptions and qualifications made about the delivery of the Requirements, including in the financial information. Any assumption that Wellington Water or a third party will incur any cost related to the delivery of the Requirements is to be stated, and the cost estimated if possible.
- d. Any pricing should be tendered in NZ\$.
- e. Where a Respondent has an alternative method of costing (i.e. a costing approach that is different to the schedule) this can be submitted as an alternative model. However, the Respondent must also submit a schedule that conforms to the RFP.

SECTION 5: Our Proposed Contract

5.1 Proposed Contract Principles

A draft of the Three Waters Network Maintenance and Operations Alliance Agreement has not been included with this RFP. However, set out in the response form and Appendices are (at a high level) the key principles that Wellington Water expects it will require in the IAA / FAA with the successful Respondent.

In submitting your Proposal you must let us know if you wish to question and/or negotiate any of the terms or conditions in the Proposed Contract principles, or wish to negotiate new terms and/or conditions. The principles document contains a section for you to state your position. If you do not state your position you will be deemed to have accepted the Proposed Contract principles in full.

SECTION 6: RFP Process, Terms and Conditions

Note to suppliers and Respondents

5. In managing this procurement the Buyer will endeavour to act fairly and reasonably in all of its dealings with interested suppliers and Respondents, and to follow due process which is open and transparent.
6. This section contains the government's standard RFP Process, Terms and Conditions (shortened to RFP-Terms) which apply to this procurement. Any variation to the RFP-Terms will be recorded in Section 1, [paragraph 1.6](#). Check to see if any changes have been made for this RFP.
7. Words and phrases that have a special meaning are shown by the use of capitals e.g. Respondent, which means *'a person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal.'* [Definitions](#) are at the end of this section.
8. If you have any questions about the RFP-Terms please email our [Point of Contact](#).

Standard RFP process



Preparing and submitting a proposal

- **Preparing a Proposal**
 - l) Respondents are to use the Response Form provided and include all information requested by the Buyer in relation to the RFP.
 - m) By submitting a Proposal the Respondent accepts that it is bound by the RFP Process, Terms and Conditions (RFP-Terms) contained in Section 6 (as varied by Section 1, paragraph 1.6, if applicable).
 - n) Each Respondent will:
 - examine the RFP and any documents referenced in the RFP and any other information provided by the Buyer
 - consider all risks, contingencies and other circumstances relating to the delivery of the Requirements and include adequate provision in its Proposal to manage such risks and contingencies
 - document in its Proposal all assumptions and qualifications made about the delivery of the Requirements, including any assumption that the Buyer or a third party will deliver any aspect of the Requirements or incur any cost related to the delivery of the Requirements
 - ensure that pricing information is quoted in NZ\$ exclusive of GST
 - if appropriate, obtain independent advice before submitting a Proposal
 - satisfy itself as to the correctness and sufficiency of its Proposal, including the proposed pricing and the sustainability of the pricing.
 - o) There is no expectation or obligation for Respondents to submit Proposals in response to the RFP solely to remain on any prequalified or registered supplier list. Any Respondent on such a list will not be penalised for failure to submit a Proposal.

○ **Offer Validity Period**

7. Proposals are to remain valid and open for acceptance by the Buyer for the Offer Validity Period.



○ **Respondents' Deadline for Questions**

- Each Respondent should satisfy itself as to the interpretation of the RFP. If there is any perceived ambiguity or uncertainty in the RFP document/s Respondents should seek clarification before the Deadline for Questions.
- All requests for clarification must be made by email to the Buyer's Point of Contact. The Buyer will endeavour to respond to requests in a timely manner, but not later than the deadline for the Buyer to answer Respondents' questions in Section 1, paragraph 1.2.a, if applicable.
- If the Buyer considers a request to be of sufficient importance to all Respondents it may provide details of the question and answer to other Respondents. In doing so the Buyer may summarise the Respondent's question and will not disclose the Respondent's identity. The question and answer may be posted on GETS and/or emailed to participating Respondents. A Respondent may withdraw a request at any time.
- In submitting a request for clarification a Respondent is to indicate, in its request, any information that is commercially sensitive. The Buyer will not publish such commercially sensitive information. However, the Buyer may modify a request to eliminate such commercially sensitive information, and publish this and the answer where the Buyer considers it of general significance to all Respondents. In this case, however, the Respondent will be given an opportunity to withdraw the request or remove the commercially sensitive information.



○ **Submitting a Proposal**

1. Each Respondent is responsible for ensuring that its Proposal is received by the Buyer at the correct address on or before the Deadline for Proposals. The Buyer will acknowledge receipt of each Proposal.
2. The Buyer intends to rely on the Respondent's Proposal and all information provided by the Respondent (e.g. correspondence and negotiations). In submitting a Proposal and communicating with the Buyer each Respondent should check that all information it provides to the Buyer is:
 - true, accurate and complete, and not misleading in any material respect
 - does not contain Intellectual Property that will breach a third party's rights.
3. Where the Buyer requires the Proposal to be delivered in hard and soft copies, the Respondent is responsible for ensuring that both the hard and soft copies are identical.
4. Where the Buyer stipulates a two envelope RFP process the following applies:
 - each Respondent must ensure that all financial information and pricing components of its Proposal are provided separately from the remainder of its Proposal
 - financial information and pricing must be contained either in a separate sealed envelope or as a separate soft copy file (whichever option has been requested by the Buyer)
 - the pricing information must be clearly marked 'Financial and Pricing Information.' This is to ensure that the pricing information cannot be viewed when the package containing the other elements of the Proposal is opened.



Assessing Proposals

○ Evaluation panel

- 2 The Buyer will convene an evaluation panel comprising members chosen for their relevant expertise and experience. In addition, the Buyer may invite independent advisors to evaluate any Proposal, or any aspect of any Proposal.

○ Third party information

1. Each Respondent authorises the Buyer to collect additional information, except commercially sensitive pricing information, from any relevant third party (such as a referee or a previous or existing client) and to use that information as part of its evaluation of the Respondent's Proposal.
2. Each Respondent is to ensure that all referees listed in support of its Proposal agree to provide a reference.
3. To facilitate discussions between the Buyer and third parties each Respondent waives any confidentiality obligations that would otherwise apply to information held by a third party, with the exception of commercially sensitive pricing information.



○ Buyer's clarification

- The Buyer may, at any time, request from any Respondent clarification of its Proposal as well as additional information about any aspect of its Proposal. The Buyer is not required to request the same clarification or information from each Respondent.
- The Respondent must provide the clarification or additional information in the format requested. Respondents will endeavour to respond to requests in a timely manner. The Buyer may take such clarification or additional information into account in evaluating the Proposal.
- Where a Respondent fails to respond adequately or within a reasonable time to a request for clarification or additional information, the Buyer may cease evaluating the Respondent's Proposal and may eliminate the Proposal from the RFP process.



○ Evaluation and shortlisting

7. The Buyer will base its initial evaluation on the Proposals submitted in response to the RFP. The Buyer may adjust its evaluation of a Proposal following consideration of any clarification or additional information as described in paragraphs 6.6 and 6.7.
8. In deciding which Respondent/s to shortlist the Buyer will take into account the results of the evaluations of each Proposal and the following additional information:
 - each Respondent's understanding of the Requirements, capability to fully deliver the Requirements and willingness to meet the terms and conditions of the Proposed Contract
 - except where the price is the only criterion, the best value-for-money over the whole-of-life of the goods or services.
9. In deciding which Respondent/s, to shortlist the Buyer may take into account any of the following additional information:
 8. the results from reference checks, site visits, product testing and any other due diligence
 9. the ease of contracting with a Respondent based on that Respondent's feedback on the Proposed Contract (where these do not form part of the weighted criteria)
 10. any matter that materially impacts on the Buyer's trust and confidence in the Respondent

11. any other relevant information that the Buyer may have in its possession.
10. The Buyer will advise Respondents if they have been shortlisted or not. Being shortlisted does not constitute acceptance by the Buyer of the Respondent's Proposal, or imply or create any obligation on the Buyer to enter into negotiations with, or award a Contract for delivery of the Requirements to any shortlisted Respondent/s. At this stage in the RFP process the Buyer will not make public the names of the shortlisted Respondents.



○ **Negotiations**

1. The Buyer may invite a Respondent to enter into negotiations with a view to contract. Where the outcome is unsatisfactory the Buyer may discontinue negotiations with a Respondent and may then initiate negotiations with another Respondent.
2. The Buyer may initiate concurrent negotiations with more than one Respondent. In concurrent negotiations the Buyer will treat each Respondent fairly, and:
 - prepare a negotiation plan for each negotiation
 - advise each Respondent, that it wishes to negotiate with, that concurrent negotiations will be carried out
 - hold separate negotiation meetings with each Respondent.
3. Each Respondent agrees that any legally binding contract entered into between the Successful Respondent and the Buyer will be essentially in the form set out in Section 5, the Proposed Contract.



○ **Respondent's debrief**

1. At any time after shortlisting Respondents the Buyer will offer all Respondents who have not been shortlisted a debrief. Each Respondent will have 30 Business Days, from the date of offer, to request a debrief. When a Respondent requests a debrief, the Buyer will provide the debrief within 30 Business Days of the date of the request, or of the date the Contract is signed, whichever is later.
2. The debrief may be provided by letter, email, phone or at a meeting. The debrief will:
 - provide the reasons why the Proposal was or was not successful
 - explain how the Proposal performed against the pre-conditions (if applicable) and the evaluation criteria
 - indicate the Proposal's relative strengths and weaknesses
 - explain, in general terms, the relative advantage/s of the successful Proposal
 - seek to address any concerns or questions from the Respondent
 - seek feedback from the Respondent on the RFP and the RFP process.



○ **Notification of outcome**

1. At any point after conclusion of negotiations, but no later than 30 Business Days after the date the Contract is signed, the Buyer will inform all unsuccessful Respondents of the name of the Successful Respondent, if any. The Buyer may make public the name of the Successful Respondent and any unsuccessful Respondent. Where applicable, the Buyer will publish a Contract Award Notice on GETS.



○ **Issues and complaints**

- A Respondent may, in good faith, raise with the Buyer any issue or complaint about the RFP, or the RFP process at any time.
- The Buyer will consider and respond promptly and impartially to the Respondent's issue or complaint.
- Both the Buyer and Respondent agree to act in good faith and use their best endeavours

to resolve any issue or complaint that may arise in relation to the RFP.

- The fact that a Respondent has raised an issue or complaint is not to be used by the Buyer to unfairly prejudice the Respondent's ongoing participation in the RFP process or future contract opportunities.



Standard RFP conditions



○ Buyer's Point of Contact

1. All enquiries regarding the RFP must be directed by email to the Buyer's Point of Contact. Respondents must not directly or indirectly approach any representative of the Buyer, or any other person, to solicit information concerning any aspect of the RFP.
2. Only the Point of Contact, and any authorised person of the Buyer, are authorised to communicate with Respondents regarding any aspect of the RFP. The Buyer will not be bound by any statement made by any other person.
3. The Buyer may change the Point of Contact at any time. The Buyer will notify Respondents of any such change. This notification may be posted on GETS or sent by email.
4. Where a Respondent has an existing contract with the Buyer then business as usual communications, for the purpose of managing delivery of that contract, will continue using the usual contacts. Respondents must not use business as usual contacts to lobby the Buyer, solicit information or discuss aspects of the RFP.

○ Conflict of Interest

1. Each Respondent must complete the Conflict of Interest declaration in the Response Form and must immediately inform the Buyer should a Conflict of Interest arise during the RFP process. A material Conflict of Interest may result in the Respondent being disqualified from participating further in the RFP.

○ Ethics

1. Respondents must not attempt to influence or provide any form of personal inducement, reward or benefit to any representative of the Buyer in relation to the RFP.
2. A Respondent who attempts to do anything prohibited by paragraphs 6.13.a. and d. and 6.15.a. may be disqualified from participating further in the RFP process.
3. The Buyer reserves the right to require additional declarations, or other evidence from a Respondent, or any other person, throughout the RFP process to ensure probity of the RFP process.

○ Anti-collusion and bid rigging

1. Respondents must not engage in collusive, deceptive or improper conduct in the preparation of their Proposals or other submissions or in any discussions or negotiations with the Buyer. Such behaviour will result in the Respondent being disqualified from participating further in the RFP process. In submitting a Proposal the Respondent warrants that its Proposal has not been prepared in collusion with a Competitor.
2. The Buyer reserves the right, at its discretion, to report suspected collusive or anti-competitive conduct by Respondents to the appropriate authority and to give that authority all relevant information including a Respondent's Proposal.

○ Confidential Information

1. The Buyer and Respondent will each take reasonable steps to protect Confidential Information and, subject to paragraph 6.17.c. and without limiting any confidentiality undertaking agreed between them, will not disclose Confidential Information to a third party without the other's prior written consent.
2. The Buyer and Respondent may each disclose Confidential Information to any person who

is directly involved in the RFP process on its behalf, such as officers, employees, consultants, contractors, professional advisors, evaluation panel members, partners, principals or directors, but only for the purpose of participating in the RFP.

3. Respondents acknowledge that the Buyer's obligations under paragraph 6.17.a. are subject to requirements imposed by the Official Information Act 1982 (OIA), the Privacy Act 1993, parliamentary and constitutional convention and any other obligations imposed by law. The Buyer will not be in breach of its obligations if Confidential Information is disclosed by the Buyer to the appropriate authority because of suspected collusive or anti-competitive tendering behaviour. Where the Buyer receives an OIA request that relates to a Respondent's Confidential Information the Buyer will consult with the Respondent and may ask the Respondent to explain why the information is considered by the Respondent to be confidential or commercially sensitive.



○ Confidentiality of RFP information

- For the duration of the RFP, to the date of the announcement of the Successful Respondent, or the end of the RFP process, the Respondent agrees to keep the RFP strictly confidential and not make any public statement to any third party in relation to any aspect of the RFP, the RFP process or the award of any Contract without the Buyer's prior written consent.
- A Respondent may disclose RFP information to any person described in paragraph 6.17.b. but only for the purpose of participating in the RFP. The Respondent must take reasonable steps to ensure that such recipients do not disclose Confidential Information to any other person or use Confidential Information for any purpose other than responding to the RFP.

○ Costs of participating in the RFP process

1. Each Respondent will meet its own costs associated with the preparation and presentation of its Proposal and any negotiations.

○ Ownership of documents

1. The RFP and its contents remain the property of the Buyer. All Intellectual Property rights in the RFP remain the property of the Buyer or its licensors. The Buyer may request the immediate return or destruction of any or all RFP documents and any copies. Respondents must comply with any such request in a timely manner.
2. All documents forming the Proposal will, when delivered to the Buyer, become the property of the Buyer. Proposals will not be returned to Respondents at the end of the RFP process.
3. Ownership of Intellectual Property rights in the Proposal remain the property of the Respondent or its licensors. However, the Respondent grants to the Buyer a non-exclusive, non-transferable, perpetual licence to retain, use, copy and disclose information contained in the Proposal for any purpose related to the RFP process.

○ No binding legal relations

1. Neither the RFP, nor the RFP process, creates a process contract or any legal relationship between the Buyer and any Respondent, except in respect of:
 - the Respondent's declaration in its Proposal
 - the Offer Validity Period
 - the Respondent's statements, representations and/or warranties in its Proposal and in its correspondence and negotiations with the Buyer
 - the Evaluation Approach to be used by the Buyer to assess Proposals as set out in Section 3 and in the RFP-Terms (as varied by Section 1, paragraph 1.6, if applicable)
 - the standard RFP conditions set out in paragraphs 6.13 to 6.26

- any other matters expressly described as binding obligations in Section 1, paragraph 1.6.
- 2. Each exception in paragraph 6.21.a. is subject only to the Buyer's reserved rights in paragraph 6.23.
- 3. Except for the legal obligations set out in paragraph 6.21.a. no legal relationship is formed between the Buyer and any Respondent unless and until a Contract is entered into between those parties.

○ **Elimination**

- The Buyer may exclude a Respondent from participating in the RFP if the Buyer has evidence of any of the following, and is considered by the Buyer to be material to the RFP:
 - the Respondent has failed to provide all information requested, or in the correct format, or materially breached a term or condition of the RFP
 - the Proposal contains a material error, omission or inaccuracy
 - the Respondent is in bankruptcy, receivership or liquidation
 - the Respondent has made a false declaration
 - there is a serious performance issue in a historic or current contract delivered by the Respondent
 - the Respondent has been convicted of a serious crime or offence
 - there is professional misconduct or an act or omission on the part of the Respondent which adversely reflects on the integrity of the Respondent
 - the Respondent has failed to pay taxes, duties or other levies
 - the Respondent represents a threat to national security or the confidentiality of sensitive government information
 - the Respondent is a person or organisation designated as a terrorist by New Zealand Police.

○ **Buyer's additional rights**

- 1. Despite any other provision in the RFP the Buyer may, on giving due notice to Respondents:
 - 3. amend, suspend, cancel and/or re-issue the RFP, or any part of the RFP
 - 4. make any material change to the RFP (including any change to the timeline, Requirements or Evaluation Approach) on the condition that Respondents are given a reasonable time within which to respond to the change.
- 2. Despite any other provision in the RFP the Buyer may:
 - accept a late Proposal if it is the Buyer's fault that it is received late
 - in exceptional circumstances, accept a late Proposal where it considers that there is no material prejudice to other Respondents. The Buyer will not accept a late Proposal if it considers that there is risk of collusion on the part of a Respondent, or the Respondent may have knowledge of the content of any other Proposal
 - in exceptional circumstances, answer a question submitted after the Deadline for Questions, if applicable
 - accept or reject any Proposal, or part of a Proposal
 - accept or reject any non-compliant, non-conforming or alternative Proposal
 - decide not to accept the lowest priced conforming Proposal unless this is stated as the Evaluation Approach
 - decide not to enter into a Contract with any Respondent



- liaise or negotiate with any Respondent without disclosing this to, or doing the same with, any other Respondent
 - provide or withhold from any Respondent information in relation to any question arising in relation to the RFP. Information will usually only be withheld if it is deemed unnecessary, is commercially sensitive to a Respondent, is inappropriate to supply at the time of the request or cannot be released for legal reasons
 - amend the Proposed Contract at any time, including during negotiations with a shortlisted Respondent
 - waive irregularities or requirements in or during the RFP process where it considers it appropriate and reasonable to do so.
3. The Buyer may request that a Respondent/s agrees to the Buyer:
- selecting any individual element/s of the Requirements that is offered in a Proposal and capable of being delivered separately, unless the Proposal specifically states that the Proposal, or elements of the Proposal, are to be taken collectively
 - selecting two or more Respondents to deliver the Requirements as a joint venture or consortium.



○ **New Zealand law**

1. The laws of New Zealand shall govern the RFP and each Respondent agrees to submit to the exclusive jurisdiction of the New Zealand courts in respect of any dispute concerning the RFP or the RFP process.

○ **Disclaimer**

- The Buyer will not be liable in contract, tort, equity, or in any other way whatsoever for any direct or indirect damage, loss or cost incurred by any Respondent or any other person in respect of the RFP process.
- Nothing contained or implied in the RFP, or RFP process, or any other communication by the Buyer to any Respondent shall be construed as legal, financial or other advice. The Buyer has endeavoured to ensure the integrity of such information. However, it has not been independently verified and may not be updated.
- To the extent that liability cannot be excluded, the maximum aggregate liability of the Buyer, its agents and advisors is \$1.

○ **Precedence**

5. Any conflict or inconsistency in the RFP shall be resolved by giving precedence in the following descending order:
4. Section 1, paragraph 1.6
 5. Section 6 (RFP-Terms)
 6. all other Sections of this RFP document
 7. any additional information or document provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
6. If there is any conflict or inconsistency between information or documents having the same level of precedence the later information or document will prevail.

Definitions

In relation to the RFP the following words and expressions have the meanings described below.

Advance Notice A notice published by the buyer on GETS in advance of publishing the RFP. An

Advance Notice alerts the market to a contract opportunity. Where used, an Advance Notice forms part of the RFP.

Business Day	Any week day in New Zealand, excluding Saturdays, Sundays, New Zealand (national) public holidays and all days from Boxing Day up to and including the day after New Year's Day.
Buyer	The Buyer is the government agency that has issued the RFP with the intent of purchasing the goods or services described in the Requirements. The term Buyer includes its officers, employees, contractors, consultants, agents and representatives.
Competitors	Any other business that is in competition with a Respondent either in relation to the goods or services sought under the RFP or in general.
Confidential Information	<p>Information that:</p> <ul style="list-style-type: none"> • is by its nature confidential • is marked by either the Buyer or a Respondent as 'confidential', 'commercially sensitive', 'sensitive', 'in confidence', 'top secret', 'secret', classified' and/or 'restricted' • is provided by the Buyer, a Respondent, or a third party in confidence • the Buyer or a Respondent knows, or ought to know, is confidential. <p>Confidential information does not cover information that is in the public domain through no fault of either the Buyer or a Respondent.</p>
Conflict of Interest	<p>A Conflict of Interest arises if a Respondent's personal or business interests or obligations do, could, or be perceived to, conflict with its obligations to the Buyer under the RFP or in the provision of the goods or services. It means that the Respondent's independence, objectivity or impartiality can be called into question. A Conflict of Interest may be:</p> <ol style="list-style-type: none"> i. actual: where the conflict currently exists ii. potential: where the conflict is about to happen or could happen, or ii. perceived: where other people may reasonably think that a person is compromised.
Contract	The written Contract/s entered into by the Buyer and Successful Respondent/s for the delivery of the Requirements.
Contract Award Notice	Government Rules of Sourcing, Rule 45 requires a Buyer to publish a Contract Award Notice on GETS when it has awarded a contract that is subject to the Rules.
Deadline for Proposals	The deadline that Proposals are to be delivered or submitted to the Buyer as stated in Section 1, paragraph 1.2.
Deadline for Questions	The deadline for suppliers to submit questions to the Buyer as stated in Section 1, paragraph 1.2, if applicable.
Evaluation Approach	The approach used by the Buyer to evaluate Proposals as described in Section 3 and in Section 6 (as varied by Section 1, paragraph 1.6, if applicable).
GETS	Government Electronic Tenders Service available at www.gets.govt.nz
GST	The goods and services tax payable in accordance with the New Zealand Goods and Services Tax Act 1985.
Intellectual Property	All intellectual property rights and interests, including copyright, trademarks, designs, patents and other proprietary rights, recognised or protected by law.

Offer Validity Period	The period of time when a Proposal (offer) is held open by the Respondent for acceptance by the Buyer as stated in Section 1, paragraph 1.6.
Point of Contact	The Buyer and each Respondent are required to appoint a Point of Contact. This is the channel to be used for all communications during the RFP process. The Buyer's Point of Contact is identified in Section 1, paragraph 1.3. The Respondent's Point of Contact is identified in its Proposal.
Price	The total amount, including all costs, fees, expenses and charges, to be charged by the Successful Respondent for the full delivery of the Requirements. Each Respondent's Proposal must include its Price.
Proposal	The response a Respondent submits in reply to the RFP. It comprises the Response Form, the Respondent's bid, financial and pricing information and all other information submitted by a Respondent.
Proposed Contract	The Contract terms and conditions proposed by the Buyer for the delivery of the Requirements as described in Section 5.
RFP	Means the Request for Proposal.
Registration of Interest	A formal request by a Buyer asking potential suppliers to register their interest in a procurement. It is the first step in a multi-step tender process.
Request for Proposal (RFP)	The RFP comprises the Advance Notice (where used), the Registration of Interest (where used), this RFP document (including the RFP-Terms) and any other schedule, appendix or document attached to this RFP, and any subsequent information provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
RFP-Terms	Means the Request for Proposal - Process, Terms and Conditions as described in Section 6.
RFP Process, Terms and Conditions (shortened to RFP-Terms)	The government's standard process, terms and conditions that apply to RFPs as described in Section 6. These may be varied at the time of the release of the RFP by the Buyer in Section 1, paragraph 1.6. These may be varied subsequent to the release of the RFP by the Buyer on giving notice to Respondents.
Requirements	The goods and/or services described in Section 2 which the Buyer intends to purchase.
Respondent	A person, organisation, business or other entity that submits a Proposal in response to the RFP. The term Respondent includes its officers, employees, contractors, consultants, agents and representatives. The term Respondent differs from a supplier, which is any other business in the market place that does not submit a Proposal.
Response Form	The form and declaration prescribed by the Buyer and used by a Respondent to respond to the RFP, duly completed and submitted by a Respondent as part of the Proposal.
Successful Respondent	Following the evaluation of Proposals and successful negotiations, the Respondent/s who is awarded a Contract/s to deliver all or part of the Requirements.