

# MAKAURAU MARAE – CARPARK CONSTRUCTION 2020



In partnership with



## Supporting the New Zealand economy through Supplier Diversity

### The story

Makaurau Marae is home to the descendants of Te Wai O Hua. Situated on Ruaiti Rd in Ihumatao, Mangere, the surrounding area is unique in today's society in that Makaurau Marae sits as a traditional pa site with whanau homes all in close proximity. Our marae serves many important purposes and is often utilised by schools, community groups, government agencies, international visitors and local people as an accommodation, gathering, and educational facility. Only a stones throw from the ancient Otuataua stone fields and the shores of the Manukau Harbour it is a marae not only rich in history but also in environmental beauty.

In 2019 Makaurau Marae was identified as eligible for support from the Auckland Transport Marae Entry/Exit Road Safety Programme. Through the programme AT would contribute to an improved driveway and parking facility for the Marae and Kohanga Reo (language nest) to benefit mana whenua and the wider community. AT also worked with Auckland Council departments and CCOs to invest in positive environmental outcomes (storm and wastewater improvements) at Makaurau Marae.

Not only does the entire project deliver positive social and environmental outcomes for Māori but through an innovative Sustainable Procurement Approach, the contract for the civil work was awarded to a 100% Māori-owned business.



“I’m proud to be working on a project that sees marae being upgraded, as many of our marae are in desperate need of that. It’s a good opportunity for our company to work directly for AT instead of seeing the work go to the normal big companies.”

Busby Leaf, Foreman – Lite Civil Limited

### The impacts

This initiative was undertaken to test AT's ability to deliver its sustainable procurement objectives particularly its ability to provide opportunities for Māori and Pasifika businesses. The approach was a big step-up in AT's Sustainable Procurement practice as it was well outside of standard AT process.

The impact for AT is:

- We now have an exceptional case study for staff and our suppliers showing that is possible to design creative and innovative procurement approaches that deliver high socio-economic impact, in this instance leading to a more equal economy.
- Through this procurement we have deepened our relationship with HWEN who are leading Sustainable Procurement practice in New Zealand.
- This case study sets precedent to scale our impact through future Marae Road Safety programme and other AT activities which may also be able to follow this approach.
- Through this contract AT have helped build skill and experience and therefore competition in the Auckland Civil Construction sector thus increasing the market's ability to deliver our city's large pipeline of projects.

Work was put on hold through the COVID-19 lockdown, however recommenced as soon as it was safe to do so. Lite Civil was pleased to be working both directly for AT and also on a project that brought significant value to the Marae and Maori Community.

## Sustainable Procurement Approach

On 20 December 2019, a Registration of Interest (ROI) was issued for the construction of the Marae's new carpark and driveway. In order to deliver Auckland Transport's Sustainable Procurement Objectives, the AT procurement team trialled an innovative Sustainable Procurement tactic. This project the sustainable procurement objective was to create shared socio-economic prosperity through Supplier Diversity.

In order to deliver the Supplier Diversity outcome we took an approach where the ROI was only issued to 10 He Waka Noa (HWEN) civil infrastructure businesses. HWEN is a database of verified Māori and Pasifika owned businesses maintained by The Southern Initiative who Auckland Transport's Procurement Team has had a relationship with since 2016.

A bespoke, streamlined ROI was designed in favour of AT's standard RFT documentation. This approach was essential to cater for the smaller size businesses that were likely to apply for the work that do not have the resources or overheads to respond to AT's large and complex tenders.



AT have really shown the progress they are making in Sustainable Procurement through this project. We can see the change in practice from our first projects through to now and are excited to continue our partnership. Although these projects may seem small to AT and other business, they can have a significant impact on the small businesses that are awarded the contract"

**Anna-Jane Edwards, Social Intrepneur, He Waka Eke Noa**

This project was the first time AT elected to only issue the ROI to HWEN businesses, rather than using the established AT Physical Works Supplier Panel (PWSP). AT trialled this approach because:

- The project provided an exciting opportunity to test the capability of HWEN businesses to deliver AT civil works
- It was an ideal project to test with HWEN businesses, because it was Marae-based work and the nature of the project was low risk because there was virtually no temporary traffic management involved
- The approach would meet NZ Government's Broader Outcomes requirements, as specified in the Government Procurement Rules (4th ed.) including 2 of the Governments priority outcomes: increasing opportunities for Maori and Pasifika businesses and, growing the NZ construction sector workforce
- AT PWSP agreements allow for AT to procure outside of the panel, at its sole discretion.

The ROI closed on 17 January 2020 where AT received 4 responses. Two of which were deemed to be conforming and 2 were non-conforming. On 19 Feb 2020, a contract was awarded to Lite Civil Limited, a 100% Māori-owned business.

This was the first time Auckland Transport has directly awarded a contract to a HWEN business through its Sustainable Procurement Programme. It is also the largest contract we have awarded to a HWEN business either through direct or sub-contract work.

"It's really important to Auckland Transport that we create job opportunities in areas of disadvantage to generate shared socio-economic prosperity for all Aucklanders.

Undertaking Social Procurement through the Makaurau Marae Upgrade is even more important now because we know historically economic shocks like Covid-19 are more likely to disproportionately impact vulnerable communities. Supplier Diversity will be a key part of AT's recovery response to COVID-19."

**Shane Ellison, CEO - Auckland Transport**



This was an exciting project for AT's Supplier Diversity journey. It was the first time we have intentionally and directly engaged a He Waka Eke Noa Business. We understood the skill and capability of the HWEN Business Market through our relationship with TSI and that this project would match the capability and capacity of the businesses invited to tender. We felt confident that we could take this sustainable procurement approach and both AT and the HWEN Businesses would be successful."

**Dave Colquhoun, Auckland Transport**

### DEFINITION:

Supplier Diversity is a strategic and intentional business process that proactively engages, supports and enables businesses owned by indigenous peoples, minority ethnic groups, women and social enterprises to be engaged in supply chains. This is known as business to business (B2B) procurement. Its aim is to level the playing field so these businesses have fairer access to customers and markets.

## Lessons learnt

This was AT's first procurement of civil works exclusively through HWEN businesses. AT are pleased to showcase this success and share lessons learnt from the process and provide advice to better New Zealand's Supplier Diversity practice.

### LESSON 1: BESPOKE PROCUREMENT PROCESS

Standard Request for Tender or procurement processes, typically applied in physical works tenders, may not be fit for purpose for procuring work with HWEN businesses, SME's or Social Enterprises.

#### Advice:

- AT staff and our T1 suppliers should consider whether there are alternative methods of procuring activities that achieve positive outcomes, without compromising the requirement to meet its own Procurement Strategy and Government Procurement Rules.
- After the project was completed we held a project debrief session. From that session we found not enough engagement had been made with the marae throughout the tender process. In the future, when working on marae based work, AT will ensure that Marae mana whenua are better included in the procurement and tender selection process and further offered the opportunity to induct staff and contractors on cultural safety specific to their marae and papakainga.

### LESSON 2: TENDERING SUPPORT

Not all HWEN businesses, SME's or Social Enterprises are experienced in tendering for AT work, or, have familiarity with AT tender documents. In this instance AT did not use a standard RFT, in favour of a streamlined ROI. However, some of the businesses still provided non-conforming responses and a number did not respond to the ROI.

#### Advice:

- It is vital to follow up with businesses who provided non-conforming responses so that they can learn from the experience and competitively bid for future work. It is not a failure that these businesses provided a non-conforming bid. Our aim is to upskill the sector and this is an easy way we can support HWEN businesses to develop and grow.
- AT plan to host a session in partnership with TSI to speak more generally to all HWEN businesses regarding how to tender successfully for AT work.
- When attempting Supplier Diversity, It is important to understand the diverse supply market (capacity and capability) and select appropriate projects that match diverse supplier's ability to perform.

### LESSON 3: RISK AND H&S

Not all HWEN businesses, SME's or Social Enterprises have the H&S requirements or ability to take on high levels of risk and assurances like larger corporations.

#### Advice:

- This project was relatively low risk due to the absence of temporary traffic management (TTM). This meant that AT was able to waive the standard ISNet prequalification for Health & Safety (which comes at a reasonable subscription cost and time to achieve 'approved' status – potentially a barrier for small firms, as many HWEN businesses are).
- In this instance, the H&S management system and site specific H&S plan were able to be reviewed and confirmed as acceptable by AT's H&S team, however, this may not apply to future activities.
- AT needs to consider how it will manage H&S acceptance in these projects, where there is TTM, or, other high risk activities, and HWEN businesses were to again be exclusively invited to tender.



This was an exciting project that was low risk where AT could go outside the normal procurement process to achieve positive socio-economic impact. It is yet another example of the variety of ways that we can deliver social procurement activities at AT and that each project needs to design a fit for purpose approach. This must happen early in the procurement process to have the best chance of success. The success of this project has shown AT just how we can generate socio-economic impact and sets precedent for future projects of this nature.”

Dave Colquhoun, Auckland Transport

