

Notice is hereby given that an ordinary meeting of Finance Committee will be held on:

Date: Thursday 19 May 2016
Time: 1:30pm
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Finance Committee

OPEN ATTACHMENTS

ATTACHMENTS UNDER SEPARATE COVER

ITEM	TABLE OF CONTENTS	PAGE
15.	Waikato Road Asset Technical Accord (RATA) Contract	
	Attachment 1: Multi-Party Funding Agreement draft document:	
	- Multi Party Funding Agreement (MPFA)	2
	- RATA business plan (which forms schedule 1 for the MPFA)	23

Multi Party Funding and Services Agreement Between



Hamilton City Council

and



Waipa District Council

and



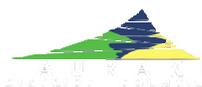
Waikato District Council

and



Matamata-Piako District Council

And



Hauraki District Council

And



Thames Coromandel District Council

And



Otorohanga District Council

And



Waitomo District Council

And



South Waikato District Council

And



Waikato Local Authority Shared Services Limited

1.0 Date of Agreement

- 1.1 This Agreement is made on 1 July 2016 (“**Effective Date**”)

2.0 Parties

- 2.1 Hamilton City Council (“**HCC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.2 Waipa District Council (“**Waipa DC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.3 Waikato District Council (“**Waikato DC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.4 Matamata-Piako District Council (“**MPDC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.5 Hauraki District Council (“**HDC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.6 Thames Coromandel District Council (“**TCDC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.7 Otorohanga District Council (“**ODC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003;
- 2.8 Waitomo District Council (“**Waitomo DC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003; and
- 2.9 South Waikato District Council (“**SWDC**”), a territorial authority constituted under the Local Government Act 2002 and an approved organisation and road controlling authority under the Land Transport Management Act 2003,
- (Collectively the “**Funding Partners**”).
- 2.10 Local Authority Shared Services Limited (“**LASS**”).

3.0 Recitals

- 3.1 The New Zealand Transport Agency’s Planning and Investment Knowledge base stipulates that multi-party projects involving more than one road controlling authority or approved organisation receiving financial assistance from the New Zealand Transport Agency (“**NZTA**”) must be conditional on those parties entering into a formal funding agreement which is to be developed in consultation with the appropriate NZTA Regional Planning and Investment Manager.
- 3.2 The Funding Partners have applied to receive, or are presently receiving, funds from NZTA for the Services to be provided under this Agreement. All Funding Partners have presented reports to

each of its Council and have gained commitment to engaging LASS to provide the Services.

- 3.3 The Funding Partners intend to engage LASS to provide them with services relating to road asset management, including the operation of a centre of excellence for road asset management known as the Road Asset Technical Accord (“RATA”).
- 3.4 This Agreement outlines the terms and conditions under which LASS will provide the Services to the Funding Partners. The arrangement between the Funding Partners is purely contractual for the purposes of sharing services (and nothing else) and does not give rise to a Council Controlled Organisation.

4.0 Definitions

- 4.1 In this Agreement, unless the context requires otherwise:

“**Agreement**” means this agreement, including all schedules;

“**Best Industry Practice**” means the exercise of the skill, diligence, prudence, foresight and judgement, as determined by reference to good international practice generally applied in OECD countries and which would be expected from a skilled and experienced person under the same or similar circumstances to those applicable under this Agreement;

“**Business Hours**” mean 8 am to 5 pm on a Business Day;

“**Business Day**” means any day of the year other than a Saturday, a Sunday, a New Zealand public holiday or provincial anniversary day in Hamilton;

“**Business Plan**” means the business plan for RATA as set out in Schedule 1 (Business Plan), and any amendment to that plan approved by the LASS Board;

“**Charges**” means the charges as described in Schedule 4 (Charges) and payable in accordance with the terms and conditions of this Agreement;

“**Confidential Information**” means any information:

- a. relating to the terms of this Agreement and includes the Data, Funding Partner Materials and LASS Materials;
- b. relating directly or indirectly to any party and their respective affairs received pursuant to this Agreement or otherwise obtained or discovered during the Services;
- c. disclosed by any party to another party on the express basis that such information is confidential; or
- d. which might reasonably be expected by a party to be confidential in nature,

provided that, where information, relates exclusively to one party, nothing in this Agreement will require that party to maintain confidentiality in respect of that information.

“**Data**” means:

- a. the data inputted by any party in relation to the Services;
- b. any data or information which relates directly or indirectly to an individual from which the identity of the individual can be directly or indirectly ascertained and which is held by or is under the control of the parties; and
- c. any data, information, record, list, configuration and work (in whatever form and on any medium) that relates to the Services which is stored by any of the parties;

“Effective Date” has the meaning given to it in clause 1.1;

“Funding Partners” means the parties listed in clause 2;

“Funding Partner Data” means, for any Funding Partner, Data in existence prior to the date of this Agreement in which it has Intellectual Property Rights and all Data relating to persons within that Funding Partner’s district arising after the Effective Date (including, any Data relating to customers, ratepayers or roading assets within that Funding Partner’s district);

“Funding Partner Materials” means any works and materials that exist as at the date on which those materials are first used for the purposes of this Agreement, including (without limitation) the Intellectual Property Rights of which are vested in a Funding Partner;

“GST” means goods and services tax chargeable in accordance with the Goods and Services Tax Act 1985;

“Intellectual Property Rights” means all rights to copyright, inventions (including patents), registered and unregistered trade marks, rights in computer software, databases and lists, operating manuals, quality manuals, confidential information, trade names, registered and unregistered design, semiconductor or circuit layout rights, know-how and any enhancements or modifications relating to the same, trade or other proprietary rights or rights derivative of those rights (including licence rights) anywhere in the world as well as any other rights in intellectual property which are recognised or protected under law;

“Lass Board” means the board of directors of LASS;

“LASS Data” means Data in existence prior to the date of this Agreement in which LASS has Intellectual Property Rights;

“LASS Materials” means any works and materials that exist as at the date on which those materials are first used for the purposes of this Agreement, including (without limitation) the Intellectual Property Rights of which are vested in LASS;

“NZTA” means the New Zealand Transport Agency;

“Political Advisory Group” means the project advisory group constituted under clause 8.2(b);

“RATA Advisory Group” means the project advisory group constituted under clause 8.2(a);

“RATA” has the meaning given to it in clause 3.3.

“**Services**” means the services described in Schedule 3 (Services);

“**Services Agreement**” means a services agreement between LASS and Waipa DC pursuant to which Waipa DC provides the Services;

“**Technical Advisory Group**” or “**TAG**” means the technical working group constituted under clause 8.2(c);

“**Term**” means the term of this Agreement as set out in clause 5; and

“**Waikato Mayoral Forum**” means the mayoral forum established by the territorial authorities of the Waikato region.

4.2 Interpretation

Unless the context otherwise requires:

- a. a reference to a clause is a reference to a clause of this Agreement;
- b. a reference to an appendix or schedule is a reference to an appendix or schedule to this Agreement;
- c. a gender includes each other gender;
- d. the singular includes the plural and vice versa;
- e. a reference to a "party" is a reference to a party to this Agreement and includes a reference to that party's successors in title, permitted assignees and transferees (if any);
- f. a reference to "writing" includes email;
- g. whenever the words includes or including are used in this Agreement, they are deemed to be followed by the words “without limitation”;
- h. a reference to any legislation, policy or standard includes a modification of that legislation, policy or standard or, in the case of legislation, legislation enacted in substitution for that legislation and a regulation, order-in-council and other instrument from time to time issued or made under that legislation;
- i. headings to clauses in this Agreement and the table of contents are included for the purpose of ease of reference only and are not to have any effect on construction and interpretation;
- j. the appendices and recitals form an integral part of this Agreement and will have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the appendices and recitals.
- k. a reference to any time is a reference to New Zealand time;
- l. a reference to currency is a reference to New Zealand currency, unless expressly provided otherwise; and
- m. a reference to a day, other than a Business Day, is a reference to any calendar day of the year.

5.0 TERM

5.1 Initial Term

This Agreement will commence on the Effective Date and will, subject to earlier termination in accordance with the provisions of this Agreement, continue for a term of 2 years (the “**Initial Term**”).

5.2 Renewal

Upon expiry of the Initial Term, all or part of this Agreement will automatically renew for two further terms of three years each (each, a “**Renewal Term**”) unless LASS by written notice to the Funding Partners terminates this Agreement not less than 12 months before the end of the Initial Term or either Renewal Term (as the case may be).

6.0 SERVICES

6.1 Provision of the Services

LASS shall provide the Services and any additional services as may be agreed between the parties on the terms and conditions of this Agreement.

6.2 Obligations of LASS

In providing the Services, LASS agrees to:

- a. provide the Services:
 - i. in accordance with the terms of this Agreement;
 - ii. with all due care, skill, promptness and diligence by suitably competent and trained personnel;
 - iii. in a good, professional and timely manner; and
 - iv. with full consideration of all advice provided by the RATA Advisory Group;
 - v. in accordance with all reasonable instructions received from the Funding Partners from time to time; and
- b. comply with all laws and regulations relevant to the provision of the Services.

6.3 Obligations of the Funding Partners

In engaging LASS to provide the Services, the Funding Partners agree to:

- a. participate as required in the tasks and projects set out in the Business Plan and any other task or project that is incidental to the Business Plan;
- b. work together co-operatively and in good faith;
- c. provide information as may be required by LASS to perform the Services;

- d. keep each other party fully informed of all matters relating to the Services and to act promptly and reasonably in conducting all matters relating to Services;
- e. acknowledge each Funding Partner's funding and participation relating to the Services whenever called for in public statements or in any written publication; and
- f. notwithstanding the right for the media to report on any public meeting and only in accordance with the terms and conditions of this Agreement, authorise LASS to make public statements or release documentation on behalf of the parties.

7.0 CHARGES AND PAYMENT

7.1 Payment of the Charges

The Funding Partners will pay the Charges in consideration of LASS providing the Services in accordance with this Agreement.

7.2 Payment of the Charges

Charges are payable quarterly in advance and LASS will invoice each of the Funding Partners that portion of the Charges payable by each Funding Partner payable by LASS in the applicable quarter for the year specified in the current Business Plan. LASS will also provide to the Funding Partners reasonable details of the Services to be provided in respect of the Charges and a calculation of the apportionment between the Funding Partners. Each Funding Partner will pay the invoiced amount by the 20th day of the month following the date of the invoice.

7.3 Payments

All amounts and fees stated or referred to in this Agreement:

- a. will be payable in New Zealand Dollars; and
- b. are exclusive of GST.

7.4 Invoice disputes

If any of the Funding Partners disputes an invoice, that Funding Partner may withhold any disputed sum until the dispute is resolved, but will pay the undisputed portion in accordance with this clause 7. LASS will not be excused from performing its obligations under this Agreement while an invoice is disputed by a Funding Partner.

7.5 GST

All consideration expressed in or due under this Agreement is exclusive of GST. In addition to such consideration, the Funding Partners will pay to LASS the amount of all GST chargeable on any taxable supply by LASS under this Agreement. Any amount payable by the Funding Partners under this clause 7.5 will be payable on the date and in the same manner as the balance of consideration for the relevant supply is payable under this Agreement.

8.0 GOVERNANCE

8.1 Establishment

The parties will establish the RATA Advisory Group, the Political Advisory Group and the

Technical Advisory Group (as those terms are defined below) with the composition, functions and powers set out in this clause 8 and the Business Plan.

8.2 Roles and Composition

a. RATA Advisory Group

The parties will establish a RATA advisory group (the “**RATA Advisory Group**”) that will provide strategic advice to LASS in respect of the performance of the Services and will have the functions, responsibilities and rights outlined in the Business Plan. The RATA Advisory Group shall comprise:

- i. one funding partner Chief Executive nominated by the LASS Board
- ii. The Group Manager Service Delivery of Waipa DC
- iii. Up to two senior executives appointed by LASS
- iv. A senior executive nominated by NZTA.

b. Political Advisory Group

The parties will establish a political advisory group (the “**Political Advisory Group**”) that will provide advice to RATA in respect of the political aspirations and expectations of RATA, acknowledging that RATA commenced as an initiative of the Waikato Mayoral Forum. The Political Advisory Group shall comprise up to:

- i. three members of the Waikato Mayoral Forum (appointed by the Waikato Mayoral Forum);
- ii. one funding partner Chief Executive nominated by the LASS Board;
- iii. the LASS Board Chief Executive;
- iv. up to two senior executives nominated by NZTA.

c. Technical Advisory Group

The parties will establish a technical working group (the “**Technical Working Group**”) that will provide technical advice to the Governance Group and LASS on the performance of the Services under this Agreement and will have the functions, responsibilities and rights outlined in the Business Plan. The Technical Advisory Group shall comprise of up to:

- i. one technical expert nominated by each Funding Partner; and
- ii. two technical experts nominated by NZTA having regard to the Services anticipated under this Agreement.

8.3 Effective Date Members

On the Effective Date, each of the, RATA Advisory Group, Political Advisory Group and the Technical Advisory Group will have the members set out in the adopted RATA Business Plan for each group.

8.4 Meetings

Each of the, RATA Advisory Group, the Political Advisory Group and the Technical Advisory Group shall establish its own meeting schedule and meeting procedure, including quorum, voting and approval thresholds.

9.0 PERFORMANCE OF THE SERVICES

9.1 Appointment

LASS will appoint Waipa DC to provide the services as identified in the Business Plan. There will be established a contract between LASS and Waipa DC for the provision of the services which will require employment of suitable personnel to the roles with respect to RATA (the “**Specific Personnel**”).

9.2 Functions and Duties

The functions and duties of Waipa DC and the Specific Personnel will be as specified in the Services Agreement.

10.0 OFFICIAL INFORMATION AND RELEASE

10.1 Relevant Acts

The Funding Partners recognise that:

- a. they are subject to the Local Government Official Information and Meetings Act 1987, the Privacy Act 1993 and the Public Records Act 2005 (collectively the “Acts”); and

this Agreement, the Business Plan and meetings of PAG and TAG are likely to be subject to the Acts.

10.2 Co-operation

The Funding Partners agree to co-operate fully and promptly in assessing any request to one or more of them for the release of information under any of the Acts, with particular regard to the time limits for transfer of requests and responding to requests under those Acts.

11.0 ADDITION OF FUNDING PARTNERS

With the approval of the LASS Board, additional local authorities may be added as parties to this Agreement by signing a deed of accession agreeing to be bound by the terms of this Agreement. Any local authority added as a party to this Agreement will be a Funding Partner under this Agreement.

12.0 DATA AND INTELLECTUAL PROPERTY

12.1 Acknowledgement

- a. **Funding Partner ownership:** LASS acknowledges and agrees that each Funding Partner or its licensor is and remains owner of, and retains all Intellectual Property Rights in, all of its respective Funding Partner Materials and Funding Partner Data.
- b. **LASS ownership:** Each Funding Partner acknowledges that LASS or its licensor, as the case may be, is and remains owner of, and retains all Intellectual Property Rights in:
 - i. the LASS Materials;
 - ii. any pre-existing proprietary methodologies of LASS utilised in the course of providing the Services under this Agreement; and

- iii. has and continues to have sole and exclusive ownership of, and all Intellectual Property Rights in, all LASS Data.

12.2 Licence

Each Funding Partner hereby grants to LASS a non-exclusive, non-transferable (other than the right to sub-license to subcontractors in accordance with this Agreement), irrevocable, royalty-free licence to access, possess, store, use and reproduce the Funding Partner Materials and Funding Partner Data, and all associated Intellectual Property Rights, only to the extent necessary to, and solely for the purpose of, providing the Services and as authorised by this Agreement, during the Term.

12.3 Know how

Nothing in this Agreement restricts either the Funding Partner or LASS from using any general ideas, concepts, know-how or techniques which any party, individually or jointly, develops or discloses under this Agreement, except to the extent that use infringes the Intellectual Property Rights of another party or breaches an obligation of confidentiality under clause 13.

12.4 Ownership of developed IP and data

- a. Title to all Intellectual Property Rights in material created or developed by LASS in the course of performing the Services (the “**Developed Materials**”) will be owned solely and exclusively by LASS, but only to the extent that the Developed Materials do not contain any Funding Partner Data and/or Funding Partner Materials.
- b. LASS hereby grants to each of the Funding Partners a non-exclusive, transferable (including the right to sub-license), perpetual, irrevocable, worldwide, royalty-free licence to access, possess, store, use, reproduce, modify and adapt the Developed Materials for each parties own use, and will provide the Developed Materials to such other party on request.

13.0 CONFIDENTIALITY

13.1 Protection of Confidential Information

- a. **Non-disclosure:** Subject to clause 13.1(b) and clause 13.2, each party will treat as confidential and not disclose to any third party nor use for its own benefit (other than for the purposes of this Agreement), any Confidential Information that is the Confidential Information of any other party.
- b. **General exceptions:** Clause 13.1(a) does not preclude a party disclosing Confidential Information:
 - i. if that information was known, or becomes known, to the public through no act or default of the recipient;
 - ii. that the recipient is required by law to disclose, so long as the recipient provides written notice of the required disclosure promptly upon receipt of notice of the required disclosure (if it is permitted to do so by law);
 - iii. that was lawfully known to the recipient prior to the date it was received;
 - iv. that becomes available to the recipient from a source other than a party to this Agreement provided that the recipient has no reason to believe such source is itself bound by an obligation of confidence to the person that disclosed that information or is otherwise prohibited under law from disclosing that information;

- v. that has been or is independently developed by the recipient;
- vi. to any professional adviser for the purposes of rendering professional services to a party and in relation to this Agreement;
- vii. to the extent that that disclosure is authorised by this Agreement; or
- viii. if that disclosure is approved for release with the prior written consent of the party from whom the Confidential Information is first received.

13.2 Limited disclosure

- a. **LASS:** Subject to clause 13.2(c), LASS may disclose the Confidential Information of a Funding Partner only to the subcontractors, personnel and professional advisers who need to know the same for the sole purpose of enabling LASS to perform its obligations and exercise its rights under this Agreement. LASS will ensure that its personnel, professional advisers and subcontractors are aware of and comply with the terms of this clause 13.
- b. **Funding Partner:** Subject to clause 13.2(c), a Funding Partner may disclose Confidential Information of LASS to a Funding Partner's personnel and professional advisers who need to know the same, in connection with the Services and/or this Agreement, and the Funding Partner will ensure that its personnel and professional advisers are aware of and comply with the terms of this clause 13.
- c. **Disclosure to Subcontractors and service providers:** Other than as set out in this clause 13.2 no party will disclose another party's Confidential Information to any subcontractor or service provider (including any potential service provider), unless the relevant person needs to know the Confidential Information to perform obligations under this Agreement and has given a written confidentiality undertaking to the party that owns the Confidential Information and for the benefit of that party in terms substantially similar to those set out in this clause 13. All such undertakings from third parties will be provided to the other parties on request.

13.3 Data

LASS will ensure that all Data (including Funding Partners Data and Funding Partners Materials) in LASS's possession or for the time populating any database maintained by LASS or its personnel or subcontractors relating to the Services (and any backup archives of that information) is kept in secure custody and is managed and protected and only disclosed or otherwise dealt with in accordance with good commercial practice and this Agreement.

14.0 TERMINATION

14.1 Termination

Following expiry of the Initial Term,

- a. the Funding Partners collectively or LASS may terminate this Agreement by giving all other parties at least 12 months prior written notice; and
- b. any individual Funding Partner may terminate its involvement in the Agreement by giving the other Funding Partners and LASS at least 12 months prior written notice.

14.2 Consequences of termination

If the Agreement expires or is terminated in accordance with clause 14.1:

- a. any charges and out-of-pocket costs, fees and expenses payable by LASS (including under the Services Agreement) in connection with the exercise of such right will be reimbursed by the Funding Partners promptly upon request by LASS; and
- b. LASS will, if requested by the Funding Partners, assist the Funding Partners in transitioning the Services to another service provider prior to termination and LASS may charge the Funding Partners for any applicable costs incurred in connection with the transition of the Services.

14.3 Survivorship

Upon termination of this Agreement, the Funding Partners will remain liable to LASS for the Charges owed and payable in respect of Services provided prior to the effective date of termination. Notwithstanding termination of this Agreement, clauses 12 (Data and Intellectual Property), 13 (Confidentiality) and 14 (Termination), together with those other clauses, the survival of which is necessary for the interpretation or enforcement of this Agreement, will continue to have effect.

15.0 DISPUTE RESOLUTION

15.1 Initial process

If a dispute arises or occurs (a “**Dispute**”), each party to the Dispute must use its reasonable endeavours to resolve that Dispute through good faith negotiations and informal dispute resolution techniques within 20 Business Days after the date on which the Dispute arose (the “**Initial Negotiation Period**”).

15.2 Escalation

If the Dispute is not resolved by the relevant parties by the end of the Initial Negotiation Period, then the unresolved Dispute shall be referred to the respective Chief Executive Officers of the parties involved, who will use their best efforts to resolve the unresolved Dispute within 20 Business Days of the end of the Initial Negotiation Period (the “**Second Negotiation Period**”).

15.3 Binding arbitration for unresolved Disputes

- a. **Matters referred to arbitration:** If a Dispute is not resolved under clause 15.2 by the end of the Second Negotiation Period, then any person who is a party to the Dispute may give written notice to the other party or parties involved in the Dispute requiring that the unresolved Dispute be referred to arbitration for determination in accordance with this clause 15.3.
- b. **Conduct of arbitration:** In the event of a submission to arbitration under clause 15.3(a) single arbitrator will conduct the arbitration pursuant to the Arbitration Act 1996 (and protocols of the Arbitrators’ and Mediators’ Institute of New Zealand, Inc.) (together the Arbitration Act), provided that:
 - i. the arbitrator will be such person as the parties involved in the Dispute may agree upon in writing or, failing agreement being reached within 3 Business Days of the date upon which the notice is given under clause 15.3(a) the person appointed as arbitrator by the President or Vice-President of the Arbitrators’ and Mediators’ Institute of New Zealand, Inc. (or his or her nominee) after receiving a request in writing from any party involved in the Dispute to appoint an arbitrator;
 - ii. the place of arbitration will be Hamilton, New Zealand;

- iii. the arbitrator will decide the Dispute in accordance with New Zealand law and conduct the arbitration in accordance with the Arbitration Act.

15.4 Urgent Relief

Nothing in this clause 15 will preclude any relevant party involved in the Dispute from taking immediate steps to seek urgent equitable relief before a New Zealand court.

16.0 NOTICES

16.1 Every notice to be given by a party to the other parties under or in connection with this Agreement must be in writing and sent using one of the addresses listed in Schedule 2.

16.2 Every notice to be given by a party under or in connection with this Agreement will be deemed to be received, as follows:

- a. personal delivery, at the time of delivery to such person's physical address;
- b. mailing by post, 3 Business Days after the date of mailing to such person's address; and
- c. facsimile transmission, at the time the sender's facsimile machine confirms by way of successful transmission report that the facsimile was transmitted to the facsimile number of the recipient.

16.3 For the purposes of this Agreement, any notice transmitted by facsimile or delivered after 5.00 pm on a Business Day, or at any time on a non-Business Day, will be deemed received at 9.00 am on the next Business Day.

16.4 If a written notice of change of address or facsimile number is notified to parties by any of the methods specified in clause 16.2 above, then the new address or facsimile number will be deemed to be that party's address or facsimile number for the purposes of this Agreement.

17.0 INDEMNITY

The Funding Partners shall, jointly and severally, indemnify LASS for any claim, loss, damages, liability or expense incurred or suffered by LASS under the indemnity in clause 13 of the Services Agreement.

18.0 GENERAL

18.1 No third party benefit

This Agreement does not and is not intended to confer any benefit or create any obligation enforceable at the suit of any person who is not a party to this Agreement.

18.2 Amendments

- a. Amendments to this Agreement shall only be effective if agreed by all parties in writing.
- b. Amendments to the Business Plan shall only be effective those amendments are agreed to by all parties in writing.

18.3 No Partnership

Except as anticipated under this Agreement, nothing in this Agreement is intended to or will operate to create a partnership or joint venture of any kind between the parties, or to authorise

any party to act as agent for the other, and no party will have authority to act in the name or on behalf of or otherwise to bind the other in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

18.4 Statutory Obligations of Funding Partners

Each Funding Partner recognises that the other(s) has statutory accountabilities and obligations, including reporting obligations, and that each must perform them without improper influence of or consideration for the other(s).

18.5 Severance

The legality, invalidity or unenforceability at any time of any provision of this Agreement shall not affect the legal, validity or enforceability of the remaining provisions in this Agreement.

18.6 Further Assurances

Each of the parties agree to execute and deliver any documents and do all things as may reasonably be required by one or other of the parties to obtain the full benefit of this Agreement to its true intent.

18.7 Reliance on Own Judgment

Each of the parties confirms that it is acting on its own judgment and not in reliance upon any representation or warranty made by one or more of the other parties or their employees or agents.

18.8 No assignment

There shall be no assignment, transfer or creation of any encumbrance over any rights or obligations in this Agreement. Any purported assignment in breach of this clause will confer no rights on the purported assignee.

18.9 No waiver

A waiver of any right under this Agreement shall not be effective unless given in writing. A failure to exercise or delay in exercising any right under this Agreement shall not operate as a waiver of that right.

18.10 Counterparts

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which will be an original, but all of which together will constitute one and the same instrument. This Agreement is not effective until each party has executed at least one counterpart.

18.11 Governing Law

The validity, construction and performance of this Agreement (and any claim, dispute or matter arising under or in connection with it or its enforceability) and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with the law of New Zealand.

Signed as an Agreement

IN WITNESS THEREOF this Agreement has been signed on the date above written

Signed for
Hamilton City Council
by:

Signed for
Waipa District Council
by:

Signed for
Waikato District Council
by:

Signed for
Matamata-Piako District Council
by:

Richard Briggs
Chief Executive

Garry Dyet
Chief Executive

Gavin Ion
Chief Executive

Don McLeod
Chief Executive

In the presence of:

In the presence of:

In the presence of:

In the presence of:

Name:

Name:

Name:

Name:

Occupation:

Occupation:

Occupation:

Occupation:

Address:

Address:

Address:

Address:

Signed for
Hauraki District Council
by:

Signed for
Thames Coromandel District Council
by:

Signed for
Otorohanga District Council
by:

Signed for
Waitomo District Council
by:

Langley Cavers
Chief Executive

Benjamin Day
Chief Executive (Acting)

Dave Clibbery
Chief Executive

Chris Ryan
Chief Executive

In the presence of:

In the presence of:

In the presence of:

In the presence of:

Name:

Name:

Name:

Name:

Occupation:

Occupation:

Occupation:

Occupation:

Address:

Address:

Address:

Address:

Signed for
**South Waikato
District Council**
by:

Signed for
LASS
by:

Craig Hobbs
Chief Executive

Sally Davis
Chief Executive

In the presence of:

In the presence of:

Name:

Name:

Occupation:

Occupation:

Address:

Address:

SCHEDULE 1

RATA BUSINESS PLAN – 2016-2021

SCHEDULE 2

NOTICES

if to LASS:

Attention: Chief Executive
c/- LASS Company Secretary
15 Galileo
Ngaruawahia, 3720
New Zealand

Email: info@waidc.govt.nz

if to Waipa DC:

Attention: Chief Executive Officer
101 Bank Street
Private Bag 2402
Te Awamutu 3840
New Zealand

Email: info@waipadc.govt.nz

SCHEDULE 3

SERVICES

All services as detailed in the RATA Business Plan. These services include provision of strategic asset management support, advice and guidance. Services will include procurement of data collection surveys, annual benchmarking work, review of forward works programmes. Good practice implementation support will be provided where required and funded.

DELIVERABLES

LASS will provide the following reports to the Funding Partners:

1. **Bi-annual reports** – covering and detailing the delivery and actions relating to the performance of the Services for the relevant six month period. This report will be based on the activities of LASS over that period and include a financial summary of cost position. The bi-annual report will be submitted to the RATA Advisory Group for review and approval prior to distribution to all parties.
2. **Annual Reports** - covering service delivery and actions for the twelve month period based on the performance of the Services over that year and include financial summary of cost position and a full summary of benefits realized through the performance of the Services by LASS. The annual report will be submitted to the RATA Advisory Group for review and approval prior to distribution to all stakeholders.

SCHEDULE 4

CHARGES

The Charges for the Services are comprised of:

- a. the operational costs of \$599,500 per annum (with annual reviews subject to approval by the LASS Board) for the Term (**Operational Costs**); and
- b. Costs per km of road network for data collection costs as detailed in the Business Plan; and
- c. the charges for additional Services to be provided by LASS.

Operational Costs

The Operational Costs will be paid by the Funding Partners in amounts determinant on the level of participation on RATA and in accordance with clause 7.

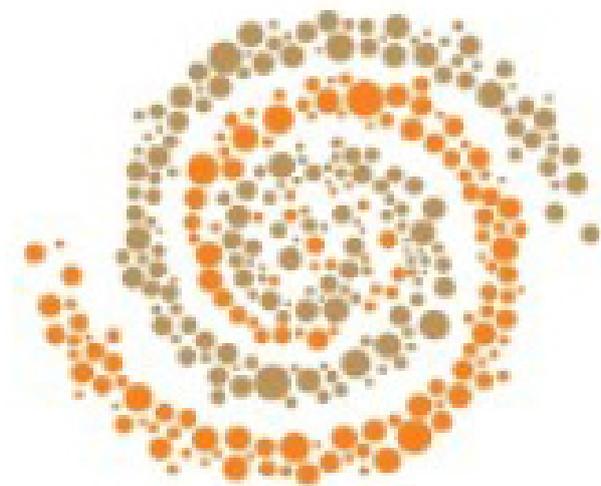
Future Projects

Each Funding Partner will confirm its commitment to participate in any future joint procurement project of LASS ("**Project**") by providing written notice to LASS of its intention to participate in any Project as each is considered by LASS.

Unless a Funding Partner notifies LASS in writing (a "**Commitment Notice**") of its intention to participate in any Project, that Funding Partner has no obligation to pay for any obligations of LASS in respect of that Project. Each Funding Partner should also include in any Commitment Notice the basis of its participation (and capped funding obligation) for that Project.

Data collection (and other joint procurement related costs) will be recovered by LASS based on an agreed formula as detailed in the Business Plan.

WAIKATO ROAD ASSET TECHNICAL ACCORD



DRAFT 2016-21 BUSINESS PLAN

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1. Executive Summary

Statement of Intent/Vision

The LASS Board, on behalf of all Waikato Local Authorities, agreed in 2015 to the permanent establishment of a Centre of Excellence for road asset management, known as the Waikato Road Asset Technical Accord (RATA). This decision was based on the successes achieved by RATA over the initial project period, and has been supported by a resolution of the Waikato Mayoral Forum.

The agreed vision for RATA is:

By 2020, RATA will evolve from its current focus on data and evidence for asset management, to a local government trusted partner to deliver roading asset management services to the Waikato region.

Purpose of RATA

RATA will enable and facilitate effective, strategic roading investment decision-making for the Waikato region.

Strategic Outcomes

By leading asset management best practice, RATA will deliver across the Waikato Region:

Better decision making by enabling consistent best practice data collection through:

Data Management: Support for effective collection and use of good quality data

Systems and Processes: Develop good practice processes and systems for data collection, analysis and management

1. Lead engagement and increase capability within the sector through:
 - a. Innovation: Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset investment and performance
 - b. Leadership: actively contributing to Rata's work programmes and share learnings and experience
 - c. Developing Good Practice: involved in national best practice work (e.g. Road Efficiency Group, RIMS, Austroads)

2. Demonstrate asset management effectiveness across the transport sector by:
 - a. Utilising benchmarking to understand where optimal outcomes are being achieved
 - b. Supporting the development of forward works programmes which are robust, evidence based, and based on good practice
 - c. Developing and supporting asset valuation processes which are implemented consistently and in line with good practice

4. RATA becomes the supplier of choice for asset management support and advice.

Key Resources

The key resources of RATA are:

Manager – RATA Business Unit

Key tasks: Provide strategic leadership; manage Unit staff; liaise with and report to stakeholders including LASS Board; deliver business plan; seek opportunities for RATA to grow the value proposition for collaboration.

Project Manager – RATA Business Unit

Key tasks: Manage data collection contracts; undertake benchmarking; manage dTIMS project; prepare good practice documentation; scope new projects and secure approvals; manage other contracts as required.

Sub Regional Asset/Inter-Council Asset Engineers – RATA Business Unit (Two positions)

Key tasks: RAMM database support; data cleansing; data improvement and auditing; asset capitalisation processes (office based); support forward works programme development (data requirements); run RAMM Treatment Selection Algorithm (TSA); run data queries using Structured Query Language (SQL); oversee traffic count strategy management; support implementation of One Network Road Classification (ONRC); contribute to annual reporting processes; support asset valuation work.

Administration Support – RATA Business Unit

Key tasks: monitor and ensure reporting requirements are met; coordinate arrangements for meetings and Fora; assist with budget management.

It is anticipated that the sub regional asset engineers will provide services to Waipa, South Waikato, Otorohanga, Matamata Piako, Waitomo and Hauraki District Councils. It is currently anticipated that these services will not be required by Hamilton City, or Thames Coromandel and Waikato District Councils, as they have significant investment in in-house asset management staff through contract relationships (either maintenance alliance or network management contract).

Funding

The estimated cost of RATA is expected to be \$627,500 in 2016/17 (excluding data collection contract costs). In subsequent years the estimated cost is similar with only inflation adjustments required. This is proposed to be funded by all participating councils, depending on the services that they receive, as follows:

Local Authority	Annual RATA Participation Sum
Hamilton City	\$51,000
Hauraki	\$79,000
Matamata-Piako	\$79,000
Otorohanga	\$79,000
South Waikato	\$51,000
Thames-Coromandel	\$51,000
Waikato	\$51,000
Waipa	\$79,000
Waitomo	\$79,000

No allowance has been made for participation by either Taupo or Rotorua as they do not currently participate in RATA. However if this situation changes then the cost allocation model would require review.

Savings and Benefits Achieved by RATA

RATA achieved savings of \$180,000 in the first 12 months of its operation (to 30 June 2015). This figure represented savings achieved through joint procurement, training support, and the deferral of physical works. The goal for RATA is to have achieved savings of at least \$250,000 by 30 June 2017. This has been achieved by December 2015 with savings declared of \$348,000 to 31 December 2015.

It is believed that there are further significant savings to be made within the region through better data analysis and decision making processes. In 2014-15 the RATA participants invested over \$18,100,000 in renewal work on sealed roads. Through better asset management practices and understanding of risk, asset lives, and deterioration rates this could be reduced by up to \$1.75M per year. Additionally saving opportunities have been identified in resealing programmes where inappropriate asset lives are being used in depreciation calculations.

However, other non-financial benefits achieved by RATA have been, and will continue to be, equally as significant, and have included support on more effective data use and improved data analysis, collegial support, and sharing of experiences and learning, which has helped to create greater resilience in roading asset management in the Waikato.

Risks

The risks that RATA will need to manage, which are detailed in Section 6.4, are as follows:

- Insufficient Local Authorities commit to participating in RATA to make the initiative viable (e.g. Taupo DC have indicated that they will not participate in RATA, but they will use a regionally consistent specification for data collection to enable regional benchmarking in the future)
- Staff within participating councils do not accept, or implement, the changes recommended by RATA
- Funding requirements are higher than anticipated
- Funding splits are not supported by the Local Authorities or by NZTA
- WRTM project management is affected by the handover from LASS to RATA (this work is currently contracted by LASS to Latitude Planning Services).

Term of RATA

Whilst the business plan has been developed based on a five year vision, Lass on behalf of the participating Councils have determined that the term of RATA should be noted as two years with up to two further renewal periods of three years each (a maximum term of eight years). This is to allow all participating Council's to review their procurement of these services on a three yearly basis, whilst maintaining alignment with adopted long term plans.

Future Opportunities

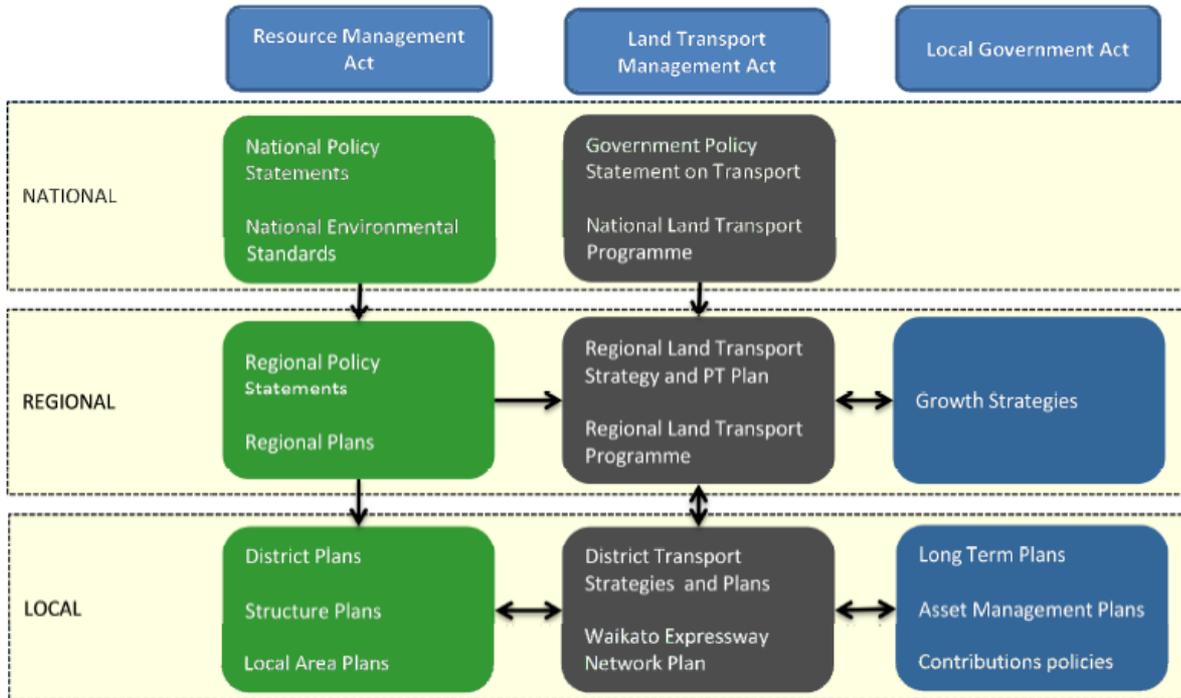
As RATA becomes established permanently, and more knowledge of existing asset management practices within the Waikato becomes known, further opportunities for improvement will become apparent. Initially, the following projects have been identified as future opportunities for RATA:

- Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
- Develop RAMM processes and protocols for consistent data/inventory management
- Support the development of a Regional Infrastructure Technical Specification (a Mayoral Forum project)
- Develop standard contract document templates for use by participating Councils
- Assess the need for specialist services (e.g. bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services
- Develop investment models that clearly identify the lowest whole of life costs.

2. Background

In 2011, the Waikato Mayoral Forum established four work streams (roading, two-waters, planning and governance) to investigate opportunities for collaboration within the Waikato.

The Roothing Work Stream (comprising Mayor John Tregidga, Mayor Alan Sanson, Mayor Brian Hanna, Don McLeod, Chief Executive of Matamata Piako District Council, and Harry Wilson, Regional Director of NZTA) sought to understand and explore potential opportunities for greater collaboration in the roading sector within the Waikato Region. Roothing is provided by local authorities (local roads) and the NZ Transport Agency (state highway network), plus opportunities for other modes of transport such as walking and cycling, and includes provision for all modes of transport. The primary legislation that influences planning and investment in the roading sector is outlined in the diagram below.



Business Case

A strategic business case was commissioned by the Roothing Working Group (funded by the Road Efficiency Group's Clustering and Collaboration promotional work), which identified that there was an opportunity for collaboration between the Waikato Road Controlling Authorities (RCA's) in the provision of road maintenance, operations and renewal works.

This was guided by a resolution from the Roothing Working Group, which sought to ensure that:

1. Good customer service is delivered locally; and
2. Functions that would benefit from greater scale are reviewed.

The spirit of collaboration in the Waikato was driven by a mutual desire to improve the way that roading services are managed and delivered. It was founded in the national strategic context of the Government Policy Statement (GPS 2012) and the findings of both the NZTA Maintenance & Operations (M&O) Review and the Road Maintenance Task Force (RMTF). These documents identified that efficiencies in road maintenance and renewal can be

delivered through greater collaboration, and improved asset management and procurement models.

The Waikato collaboration also reflects the existing relationships of trust between the participants and the collaboration and planning work that has already been carried out. This has provided an ideal opportunity to explore more formal collaborative activity in the roading sphere that could provide substantial cost and operational efficiencies.

Workshop sessions were held with each of the RCAs in May 2013, which identified the key issues and challenges that they face, along with the objectives and opportunities to address these. The workshop findings formed the basis of the collaboration proposal, along with other regional information, and an understanding of the advances being made in asset management and its importance in road management decision making.

The preferred option was built on the Mayoral Forum's desire for greater consistency in road classifications and levels of service, and for greater centralisation of data collection.

As a result of the work done by the Roading Working Group and the preparation of the Strategic Business Case, the Waikato Mayoral Forum resolved to establish a Waikato Centre of Excellence (to be known as the Road Asset Technical Accord - RATA) in road asset management. RATA was tasked with delivering more advanced asset management than could be achieved independently, thus assisting better council decision-making and reducing whole of life costs for roading assets.

The purpose of RATA was to:

- provide a high and consistent level of asset management services and resource for the Waikato TLA roading managers
- propagate the use of "best practice"
- enable smarter investment decisions.

RATA was established in August 2014. The savings that RATA has enabled in the region have been obtained from deferring renewal work (with understanding of risk but confidence in how to manage that risk), shared procurement of best practice asset management services (such as data collection and analysis), and shared training opportunities.

In November 2015, a stakeholder survey assessed whether RATA was delivering on its objectives, and also where improvements were expected.

Areas which were working well were:

- Communication between asset managers through tours and meetings was beneficial
- Data collection work was good now that it is consistently measured
- There was growing confidence in the reliability of the data collected, and more effective use of RAMM
- There was appreciation for the support being provided to implement ONRC.

Areas which were working reasonably well were:

- Information sharing regarding seal ages
- RAMM health check was considered interesting, but there was limited follow-through.

Areas where challenges existed were:

- Secondments from councils haven't been popular for people to take up
- Implementing change is difficult without adequate resources being available
- Future staff changes may impact on the effectiveness of RATA (either within RATA or within roading teams).

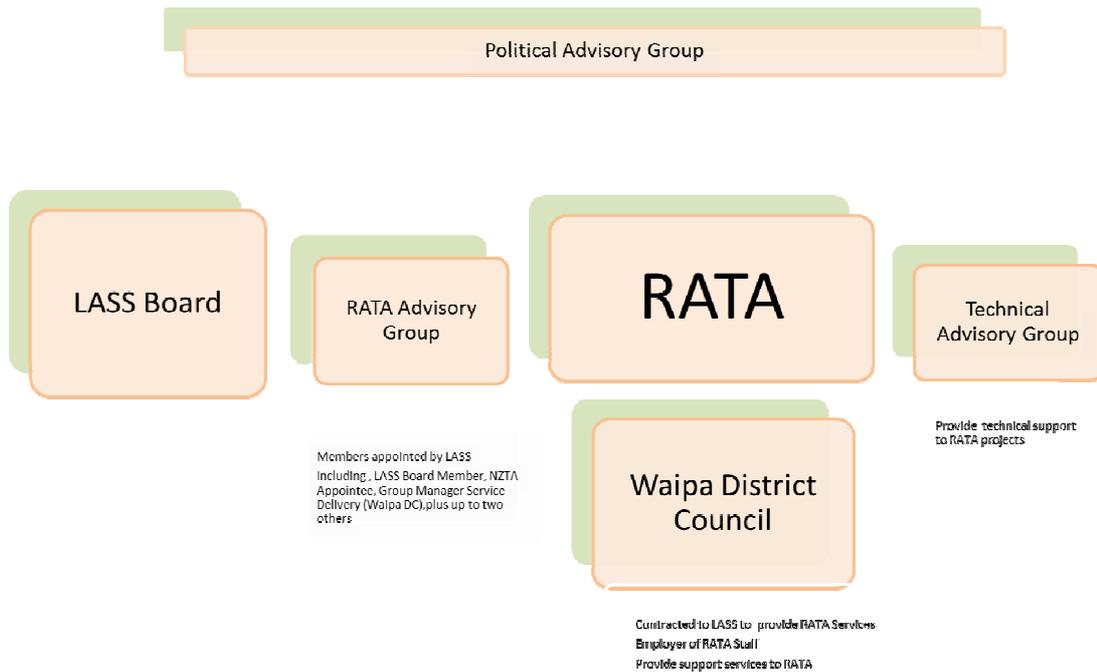
Overall, RATA is providing greater levels of confidence in investment decision making for road and transport infrastructure, resilience in asset management capacity in the Waikato, and collaboration through RATA is an excellent vehicle for capturing benefits associated with:

- Providing technical resources to councils which do not have this in-house;
- Sharing specific asset management knowledge and best practice in technical areas (presentations, sharing of work, network drive overs, workshops);
- Knowledge transfer around the better business case model and One Network Road Classification; and
- Greater understanding of regional initiatives such as the Waikato Regional Traffic Model.

2.1. Governance

The proposed governance model for RATA from 1 July 2016 is that of a business unit, hosted by Waipa District Council, providing services to the Waikato councils through LASS. Therefore, all formal reporting and governance oversight will be the responsibility of LASS.

The following structure diagram indicates the proposed governance model:



MEMBERSHIP

The membership of all groups shall be recorded in the Terms of Reference for each group. However the following positions are anticipated as members:

Political Advisory Group:

Up to three Mayors appointed by the Mayoral Forum
 Local Authority Chief Executive appointed by the LASS Board
 Manager, Regional Planning and Investment Manager (Waikato / Bay of Plenty), NZTA
 Chief Executive, LASS

RATA Advisory Group

Local Authority Chief Executive appointed by the LASS Board
 Waikato Regional Planning and Investment Manager, NZTA
 Waipa DC Group Manager Service Delivery
 Plus two Infrastructure Managers as appointed by LASS

RATA Technical Advisory Group

Appointed by RATA Advisory Group from interested/nominated persons within the Region

3. Vision and Values

3.1. Vision

By 2020, RATA will evolve from its current focus on data and evidence for asset management, to a local government trusted partner to deliver roading asset management services to the Waikato region.

3.2. Purpose

RATA will enable and facilitate effective, strategic roading investment decision-making for the Waikato region.

RATA will deliver significant improvements in asset management decision-making to support the Councils' existing abilities. This will:

- Deliver a range of intangible benefits
- Assist in "one-network" regional planning and support implementation of fit-for-purpose standards
- Help overcome skill shortages/succession issues being faced by many Councils
- Enable procurement savings to be generated through synergy and critical mass
- Position the Waikato region to take advantage of future asset management advances occurring in the industry and within NZTA.

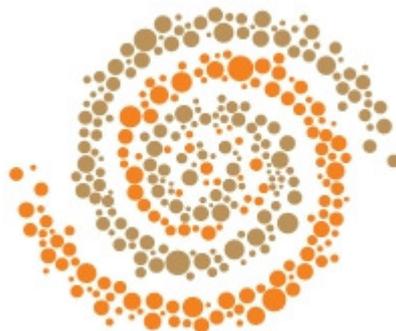
3.3. Values

RATA people will have a can do attitude and own their decisions and actions.

RATA people will be honest and act with integrity.

RATA personnel are flexible and receptive to new ideas.

RATA will inspire people to exceed expectations and pursue excellence in all we do.



4. Strategic Objectives

<i>Outcomes</i>	<i>Objectives</i>	<i>Key Results</i>	<i>Milestones</i>
<p>Data Management Support effective collection and use of good quality data</p>	<p>Good quality data resulting from good practice data collection strategies in place using meta-data standards adopted by the sector</p> <p>Data collected consistently</p> <p>Data analysed consistently and resulting outcomes understood</p>	<p>Data collection contract is reviewed and re-tendered using good practice specifications (based on meta-data standards adopted by the sector), and procurement methodology</p> <p>Data collection regimes are adequately reviewed and monitored to be cost effective</p> <p>Data collection suppliers are adequately monitored to ensure good quality data is being provided</p> <p>Data analysis is completed at appropriate frequency with shared learnings from the analysis demonstrated</p> <p>Waikato Regional Transport Model (WRTM) is adequately maintained to be a trusted tool for future traffic assessments</p>	<p>Contract renewed or re-tendered by 31 October 2016</p> <p>Data collection regime reviewed every two years from March 2016</p> <p>Contract reviews are completed after each monthly meeting</p> <p>Regional pavement deterioration modelling is completed at least every three years to support the development of long term infrastructure strategies and regional land transport plans</p> <p>WRTM project management will transition to RATA's management from 1 July 2016. A project plan for the WRTM will be maintained.</p>
<p>Systems and Processes Good practice processes and systems for data collection, analysis and management</p>	<p>Processes for data management are consistent, clear and robust</p> <p>Effective and efficient</p>	<p>Process maps are produced and adopted for use by all participating council's</p> <p>Annual programmes for data</p>	<p>By December 2016, Data Management calendar and annual programme completed, with supporting best practice process maps</p> <p>By December 2017 all process maps are fully</p>

	systems and processes are in place which provide data analyses that are timely, accurate and appropriate	management are available for each participating council	implemented in all participating RCAs Traffic Count Estimation Module in RAMM (or an approved alternative) is adopted by all RATA participants to update traffic estimates for asset management purposes
Innovation Identify opportunities to modify standard approach and/or develop new approaches that will lead to optimal asset investment and performance	RATA personnel are alert to opportunities in asset management that will produce efficiency gains beyond those which are generally accepted as best practice within the industry	Improved asset management processes are identified and implemented Organisations external to RATA seek to adopt practices developed by RATA	An innovative system and/or process developed by RATA is presented at an appropriate forum or conference every year
Collaboration RATA participants actively participate in RATA work to share learnings and experience	Asset management staff are building capability and understanding of good practice	Asset Manager's Forum meetings have a high level of attendance Annual Forward works programme tours are held to highlight areas of good practice and encourage sharing of experience and learnings	Two-monthly Fora are held Forward works programme tours are held annually
Best Practice RATA staff are involved in national best practice work wherever possible and appropriate (e.g. Road Efficiency Group, RIMS, Austroads)	RATA is actively involved in understanding national best practice to ensure the Waikato is a leader in this sector	Nationally recognised good practice is implemented in the Waikato The Waikato is involved in good practice testing and proving work to support final implementation	Six monthly and annual reports provide updates on the status of best practice work and its positive impact on RATA participants
Benchmarking Benchmarking is used to	Good practices are maintained and shared	Benchmarking reports are completed annually	

establish areas of good practice	across the Region	<p>Feedback from RATA participants is that the work is useful and helpful in establishing good practice</p> <p>Examples of good practice are shared at Asset Managers' Fora</p>	Good practice examples are shared at least once every six months
<p>Forward Works Programmes</p> <p>These programmes are robust, evidence based, and developed based on good practices</p>	All maintenance, operation and renewal programmes are supported by RATA as delivering fit for purpose levels of service	Three year programmes are able to be supported by RATA as being developed in accordance with best practice	
<p>Asset Valuation</p> <p>Asset valuation processes are considered to be in line with good practice</p>	Valuation assumptions are consistent across the region	Contribute to the LASS Asset Valuation project to develop good practice processes for the valuing of road and transport assets	Valuation assumptions for all RATA participants are reviewed by mid 2017

5. Reporting/Deliverables

The following reports will be delivered:

- Mid-Year report – covering service delivery and actions for the previous six month period. This report will be based on the activities and achievements of RATA over the first 6-months of the financial year and include a financial summary. The report will be submitted to the RATA Advisory Group for review and approval prior to presentation to the LASS Board and circulation to all stakeholders.
- Annual Report - covering service delivery and actions for the previous twelve month period. This report will be based on the activities and achievements of RATA for the last financial year and include the financial out-turn and a full summary of the benefits (financial and non-financial) realised through RATA. The report will be submitted to the RATA Advisory Group for review and approval prior to presentation to the LASS Board and circulation to all stakeholders.

5.1. Future Opportunities

As RATA becomes better established, and more knowledge of existing asset management practices within the Waikato becomes known, further opportunities will become apparent. However, initially the following have been identified as future opportunities for RATA:

- Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
- Develop RAMM processes and protocols for consistent data/inventory management
- Support the development of a Regional Infrastructure Technical Specification (a Mayoral Forum project)
- Develop standard contract document templates for use by participating Councils
- Assess the need for specialist services (e.g. bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services
- Develop investment models that clearly identify the lowest whole of life costs.

5.2. Term of RATA

Whilst the business plan has been developed based on a five year vision, Lass on behalf of the participating Councils', have determined that the term of RATA should be noted as two years with up to two further renewal periods of three years each (a maximum term of eight years). This is to allow all participating Council's to review their procurement of these services on a three yearly basis, whilst maintaining alignment with adopted long term plans.

6. Stakeholder Analysis

Who are the stakeholders	Why are they stakeholders	What are their expectations
Local Authority Roding Managers	Roding Managers will receive the deliverables from RATA and participate in a number of projects	High quality reports (accurate and timely) with participation opportunities made available; support services provided to implement data improvements where required; independent data audits; support with implementation of ONRC on local road networks; accurate and timely data on local road networks
Elected Members	Political support for efficiencies through implementation of shared services	Efficiencies are achieved and reported on
LASS Board	LASS is a limited liability company and provides the legal entity to deliver RATA's services to all participants	High quality services provided to participants. Regular reporting, transparent and robust processes implemented
Waipa District Council (RATA Business Unit Employer)	Contracted to LASS to employ RATA staff and provide support services (e.g. IT, vehicles, HR)	To provide all support services to ensure RATA delivers high quality services to participants. Participation in RATA Advisory Group
Political Advisory Group	RATA commenced as a Mayoral Forum project with strong support and input from the nominated political representatives who wish to continue their participation	Timely provision of information to ensure members are adequately informed regarding RATA services. Two-monthly meetings held for information sharing
RATA Advisory Group	Ensure that RATA is successful in meeting the expectations of stakeholders (refer to Terms of Reference)	Timely and accurate reporting, including information on deliverables achieved, issues arising and stakeholder feedback. Quarterly meetings held. Guide the development of the annual plan for adoption by the LASS Board
Technical Advisory Group	Ensure that all technical specifications used by RATA meet the needs of stakeholders	Provided with sufficient opportunity to guide the development of the specifications; have opportunities to suggest future projects for RATA

Suppliers	Suppliers will provide inputs as necessary to projects	Opportunities to participate will be fair and equal to all; tendering processes will be professional and appropriate
NZ Transport Agency - Planning and Investment	Co-investment partner with Local Government in RATA; promoter of clustering and collaboration	Added value and savings to the NLTP programme will be identified and given effect to. Those that can be attributed to RATA will be used to off-set the funding grant made available.
NZ Transport Agency - Highway Network Operations	Provide support with technical advice as the national asset management group develops	Opportunities to participate and provide support are timely and appropriate without being too onerous

7. Environmental Analysis

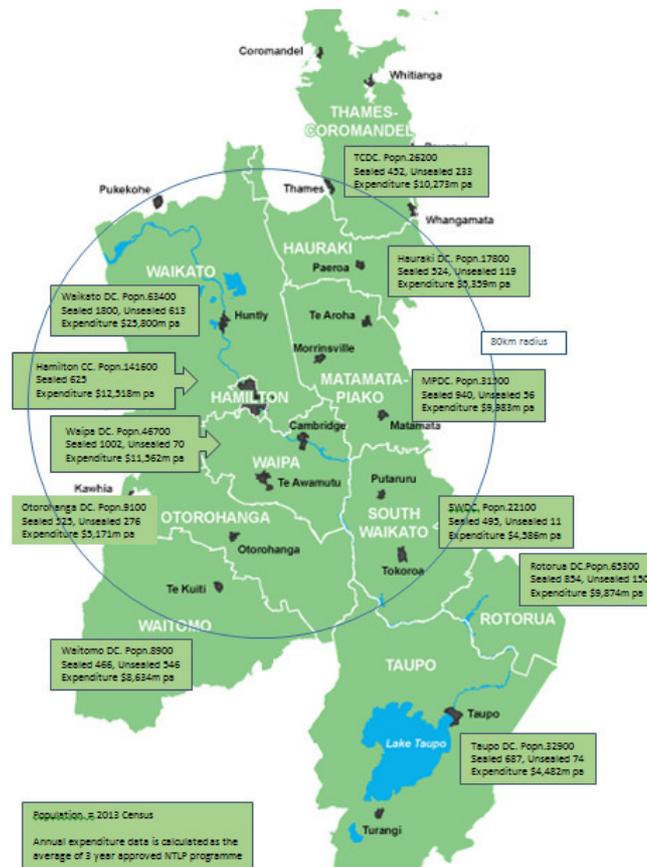
7.1. Strategic Environmental Scan

There is a growing need for strategic asset management support within the roading sector. RATA’s role in facilitating the capacity and capability build within the Waikato Region is critical to achieving the outcomes that our customers expect and are willing to pay for. A step-change is being indicated as necessary to enable local authorities to continue to maintain networks at a fit-for-purpose standard.

The spirit of collaboration is driven by a mutual desire to improve the way that road and transport services are managed and delivered. It is led by the national strategic context of the Government Policy Statement (GPS 2012) and the findings of the NZTA Maintenance & Operations (M&O) Review and the Road Maintenance Task Force (RMTF). These documents identified that efficiencies in road maintenance and renewal can be delivered through greater collaboration and improved asset management.

Benchmarking that is meaningful is a key goal for RATA. Benchmarking is only possible once consistent data is available, with reliable and consistent inventory knowledge to test the data against. Benchmarking will enable areas of good practice to be identified, explored and shared with the Region’s local authorities.

“Benchmarking kick starts the engine of change and provides a reliable reference point for guiding the journey forward”



7.2. SWOT Analysis

The challenge for RCA’s is to manage their roading assets within the flat-lined level of financial assistance available from NZTA, and Councils’ desire to limit rate increases. These constraints will necessitate one or a combination of the following:

- Increasing ratepayer funding of local roads to maintain real spend at current levels, i.e. undertaking components of previously subsidised road maintenance without NZTA financial assistance
- Making further savings in roading expenditure to minimise rate increases
- Reducing levels of service in maintenance and operations to reflect the available funding
- Reducing expenditure on roading capital improvements (potentially this will occur due to lack of subsidy for capital improvements) and divert local share of the capital funding to the maintenance activity
- Providing for a managed consumption of assets where existing investment has provided a higher than necessary level of service without creating a bow wave of deferred maintenance
- Identifying ways of delivering the necessary levels of service more cost effectively.

These funding issues need to be balanced against the need to make sound planning and asset management decisions, to respond to road demand changes, and to assist economic development, e.g. heavy commercial vehicles (HCV), high productivity motor vehicles (HPMV), agriculture, dairy, tourism, forestry, industry etc.

Strengths and Weaknesses – Internal Analysis

Strengths	Weaknesses
Local people will be involved in RATA High levels of participation will be achieved through local representation at both the RATA Advisory Group and Technical Advisory Group	Some external consultant input will be necessary in some areas Costs associated with delivery of some components will be subject to tendering or recruitment which will not be known at “sign-up” time The level of enthusiasm with which RATA services are received may vary from authority to authority

Opportunities and Threats – External Analysis

Opportunities	Threats
Wider participation in other projects (e.g. ONRC, Regional Infrastructure Technical Specifications) may add value	Other project involvement may be a distraction from key priorities

7.3. Actions from SWOT Analysis

Challenges to be overcome may include:

Challenge	Description
Willingness to compromise	TLAs may need to accept some compromises over their level of control as participation in RATA will involve sharing of resources and the delivery of regionally consistent outputs.
Local knowledge	Incorporating local knowledge of specific problem areas and cost-effective treatment methods for each network area, e.g. geology
Other projects being a distraction	These is also an opportunity for RATA to develop a consistent approach across the region
Cultural Differences	Melding staff from a number of TLAs into RATA; each council's Roading Manager's relationship with RATA staff.

8. Priorities, Assumptions, Issues and Risks

The Strategic Business Case for RATA, prepared by the Rationale Group in November 2013, outlined the following critical success factors for developing collaboration in the Waikato:

Critical Success Factors	Desired Outcome
1. Financially sustainable, safe and reliable network	Optimal investment in asset maintenance and renewal for all assets, while enhancing safety and ensuring a sound resilient local and regional network
2. Asset management abilities	Enables better decision making and investment optimisation by improving asset management data, analysis and expertise
3. HR - retaining staff and skills	Improves ability to attract, develop and retain staff with the desired mix of skills, experience and knowledge
4. Levels of Service (classification and consistency)	Assists the understanding, development and implementation of consistent road classifications and the related LOS considerations
5. Growth/Land use changes	Provides a basis for better understanding and responding to growth and land use changes
6. Facilitating local economic growth	Supports transport growth and efficiency as a driver of economic success
7. Competitive physical works market	Supports the retention of competitive market conditions
8. Professional services /consultants	Supports the retention of accessible,

	affordable and suitably skilled expertise. Enables TA's to retain "ownership" of decision making
9. Retaining "local" governance/decisions	Enables and supports good local decision making
10. Procurement and value for money	Provides for benchmarking and information to support "smart buying". Allows for local procurement if appropriate/cost effective. Provides a foundation for possible joint procurement

All projects undertaken by RATA will be assessed against these 10 key success factors (which were developed regionally during the development of the Strategic Business Case) to ensure that RATA is meeting the objectives that have been agreed to.

It is proposed that all projects will be monitored against the following key performance indicators:

- All joint procurement is compliant with current best practice and NZTA/Local Authority requirements
- Savings are achieved through joint procurement
- Data collected on the region's roads is consistent and reliable
- Sharing of ideas and practices leads to greater consistency of outcomes
- Benchmarking tool provides and enables the identification of best practice approaches
- All participants support RATA and are satisfied with the deliverables.

8.1. Priority Projects

A number of projects have already been identified for RATA to deliver:

Priority Ranking	Description
1.	Manage a data collection contract based on an agreed specification for all participating local authorities (including sealed road pavements, footpath, surface water channel)
2.	Manage the Waikato Regional Transport Model Project (previously managed by Latitude Planning Services Ltd)
3.	Conduct a Forward Works Programme tour during August/September each year for all RATA participants
4.	Produce an annual regional benchmarking report based on several factors, including investment on renewals vs maintenance, for each local authority
5.	Provide data improvement support services to those Councils who wish to use the services of a sub-regional asset engineer (available through RATA)
6.	Continue to undertake pavement deterioration modelling on a regional basis. Identify and undertake data improvement tasks to provide greater confidence in the modelling outcomes

Future projects may include:

Priority Ranking	Description
TBC	Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
TBC	Develop RAMM processes and protocols for consistent data/inventory management
TBC	Support the development of a Waikato Regional Infrastructure Technical Specification
TBC	Develop standard contract document templates for use by participating Councils
TBC	Assess the need for specialist services (bridge engineer, geotechnical engineer) within the Region to establish the most appropriate value-for-money option to provide these services

8.2. Assumptions

Assumption	Description
All support services will be provided by Waipa District Council with appropriate allocation of costs to the RATA business unit	RATA will be established as a business unit within Waipa District Council, who will provide all the necessary support services (finance, IT, HR, GIS, legal advice, communications and Group Manager management support). The Waipa DC overhead costs will be approximately \$120,000 per year
Levels of participation are as per current levels	Currently nine local authorities participate in RATA. It is planned that this will not reduce (but may increase if Taupo DC choose to participate)
The proposed Governance arrangements will be acceptable to all parties	The LASS Board will have governance responsibility for RATA, with the RATA Advisory Group providing detailed oversight on behalf of the Board. The Political Advisory Group will support RATA's work by meeting at regular intervals to understand and comment on progress and to identify and assist with any political issues that may arise

8.3. Issues

At the time of developing the RATA 2016-2021 business plan, a multi party funding agreement is in place between RATA and each of the participating Councils. This agreement terminates on 30 June 2016. The document has been used as a template for the Agreement which will be required beyond 1 July 2016.

8.4. Risks

Risk	Response/Mitigation
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Insufficient Local Authorities commit to RATA to continue	It is anticipated that due to the support from the Mayoral Forum and LASS Board for RATA to become permanent, sufficient commitment is in place. However, if there is reduced participation, the shared costs may be higher for those who do participate. The LASS Board will continually monitor the situation.
Funding requirements are higher than anticipated	Costs can be reviewed. The scale of projects delivered or support provided can also be reviewed.
Funding splits as proposed are not supported by Local Authorities or by NZTA	Alternative options for cost allocation can be investigated. NZTA support is considered critical to the success of RATA. Reporting on all of the benefits accruing to the co-investors will be rigorous to highlight the value of investment.
Staff resources not able to be sourced within the Region to fill roles	If full staffing is not achievable, external resources will be required, which may incur additional costs.

9. RATA Budget

	Budget 2016-17	Budget 2017-18	Budget 2018-19
<u>Income</u>			
Councils - data collection	315000	321930	329012
Councils - project funding	28000	28616	29246
Councils - RATA costs	599500	608557	621901
Total Budgeted Income	\$ 942,500	\$ 959,103	\$ 980,159
<u>Expenses</u>			
Data Collection	315000	321930	329012
Forward Works Programme Tours	5000	5110	5222
Asset Managers Forum	3000	3066	3133
Benchmarking of Reg Road Outcomes	20000	20440	20890
Staff and contractor costs	425000	434350	443906
Accommodation/ office space (refer overheads)			
Vehicles	29000	29638	30290
Staff training/Subscriptions/Professional Development	10000	10220	10445
IT (refer overheads, provision for phone charges)	2500	2555	2611
Recruitment	5000	1000	1000
Stationery/Equipment etc	1000	1000	1000
Legal costs (refer overheads)			
External contractor support (Data Collection contract)	7000	7154	7311
Overheads	120000	122640	125338
Total Budgeted Expenses	\$ 942,500	\$ 959,103	\$ 980,159
Budgeted Income less Budgeted Expenses	0	0	0

Overhead allocation has been based on Waipa District Council's standard methodology.

9.1. Funding Options

The costs associated with the Business Plan are an estimate based on the best information available and the assumptions that those participating will be as follows:

Full RATA Participation (with services of Sub Regional Champion)

Waipa	South Waikato
Otorohanga	Matamata Piako
Waitomo	Hauraki

Full RATA Participation (without services of Sub Regional Champion)

Based on the budget outlined in Section 9, the following cost recoveries are proposed for 2016/17 (with future years being similar, but subject to annual plan reviews and CPI adjustments).

Local Authority	Annual RATA Participation Sum
Hamilton	\$51,000
Hauraki	\$79,000
Matamata-Piako	\$79,000
Otorohanga	\$79,000
South Waikato	\$79,000
Thames-Coromandel	\$51,000
Waikato	\$51,000
Waipa	\$79,000
Waitomo	\$79,000

9.2. Monitoring

The reporting processes outlined in Section 5 will be used to inform stakeholders of progress on RATA's objectives and key tasks against the critical success factors. It is acknowledged that some benefits from RATA will accrue to the participants over several years. As such, a monitoring regime to reflect this will require development. It is anticipated that this will be based on establishing a base line with respect to levels of investment, programme size, and current outcomes to compare against in the future.

Two-monthly meetings with the RATA Advisory Group are planned to discuss progress with the RATA Unit Manager. It is proposed that the monitoring framework outlined in Appendix B will be used initially and further developed for monitoring RATA's progress against the agreed strategic objectives.

A record will be kept of all savings achieved across the region as a result of RATA's work. This will include the savings associated with joint procurement, consultant engagements that may not be required individually, and future programme savings.

10.Approvals

This business plan has been developed based on the information available at the time of preparation. Amendments will be made only upon approval of the parties noted below and will be recorded as an appendix to the business plan.

Sally Davis

CE - LASS

__ / __ / 2016

Don McLeod

CE – Matamata Piako DC

__ / __ / 2016

Robert Brodnax

NZ Transport Agency

__ / __ / 2016

Barry Bergin

Waipa District Council

__ / __ / 2016

Chris Allen

Hamilton City Council

__ / __ / 2016

Adrian De Laborde

Hauraki District Council

__ / __ / 2016

11. Appendix A – Monitoring Framework

Project	Benefits	KPIs
1. RATA will manage the regional data collection contract for the participating local authorities and provide any non-participating local authorities with the specifications for data collection so that region-wide benchmarking is possible	Cost to each council is less than individual contracts Tendering costs to each council are reduced Data collection completed on time to required accuracy Data is consistent over whole network At least two consultancies are successful in delivering the work	Procurement complies with NZTA procedures Cost savings demonstrated Contract deliverables are on time/to budget/to quality standards Each Funding partner/participant is satisfied with the contract deliverables
2. An annual benchmarking tool will be implemented and enhanced to demonstrate the region's comparable performance with respect to customer satisfaction, asset condition or other network outcomes, and level of investment	Common measures are used in all councils These measures are also used in LTPs and Annual Reports Comparisons can be made between councils	Staff from all Councils actively participate in project At least four improvement opportunities are identified from the benchmarking analysis
3. Each year (between July and October) a collaborative review of each council's forward works programme will be completed (based on the NZTA's Review and Prioritisation Team work)	Knowledge/experience shared Professional relationships established/strengthened % of sites rated as 'about right' increases each year Mechanism for collaboratively assessing sites developed	New types of treatments introduced
4. Mid-year and annual reports will be produced for all stakeholders to communicate progress against planned outcomes	Value of RATA demonstrated to participants	Savings identified offset NZTA funding to RATA Monitoring framework further developed to demonstrate success
Future Opportunities/Projects		
Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)	Consistency in interpretation of requirements across region	
Develop RAMM processes and protocols for consistent data/inventory management	Value added by putting emphasis on critical data Data collection can be standardised KPI data can be easily compared Reliable data available for growth and expenditure forecasts	Aligned with Austroads and Road Efficiency Group work to support the implementation of meta-data standards in NZ
Support the development of a Regional Infrastructure Technical Specification	Common standards throughout the region Reduced costs for suppliers/contractors Reduced effort by Councils to maintain standards	
Develop standard contract document templates for use by participating Council's	Common standards throughout the region Reduced costs for suppliers/contractors Reduced effort by Councils to maintain standards	
Assess the need for specialist services (bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services		
Develop a consistent framework for assessing unsealed roads and developing renewal programmes for unsealed roads	Common/consistent standards throughout the region	

12. **Appendix B – RATA Advisory Group Terms of Reference**
13. **Appendix C – Services Agreement Between LASS and Waipa DC (for RATA Services)**
14. **Appendix D – Multi-party Funding Agreement (LASS and Participating Councils)**
15. **Appendix E – Job Descriptions for RATA Staff (Key Resources)**
16. **Appendix F – Terms of Reference for RATA Political Advisory Group**
17. **Appendix G – Terms of Reference for RATA Technical Advisory Group**