

Procurement in Papaioea

23 November 2022

PURPOSE

The purpose of today's session is:

1. To provide information to the Elected Members on procurement
2. To confirm our procurement principles.
3. To ascertain reporting considerations.

AGENDA

- Recap of Procurement Review
- Team and Journey to Date
- Elected Members Procurement Governance
- Guidance on principles
- Procurement within Council
- Guidance on reporting
- Next Steps

CONTEXT

Ahunga rautaki



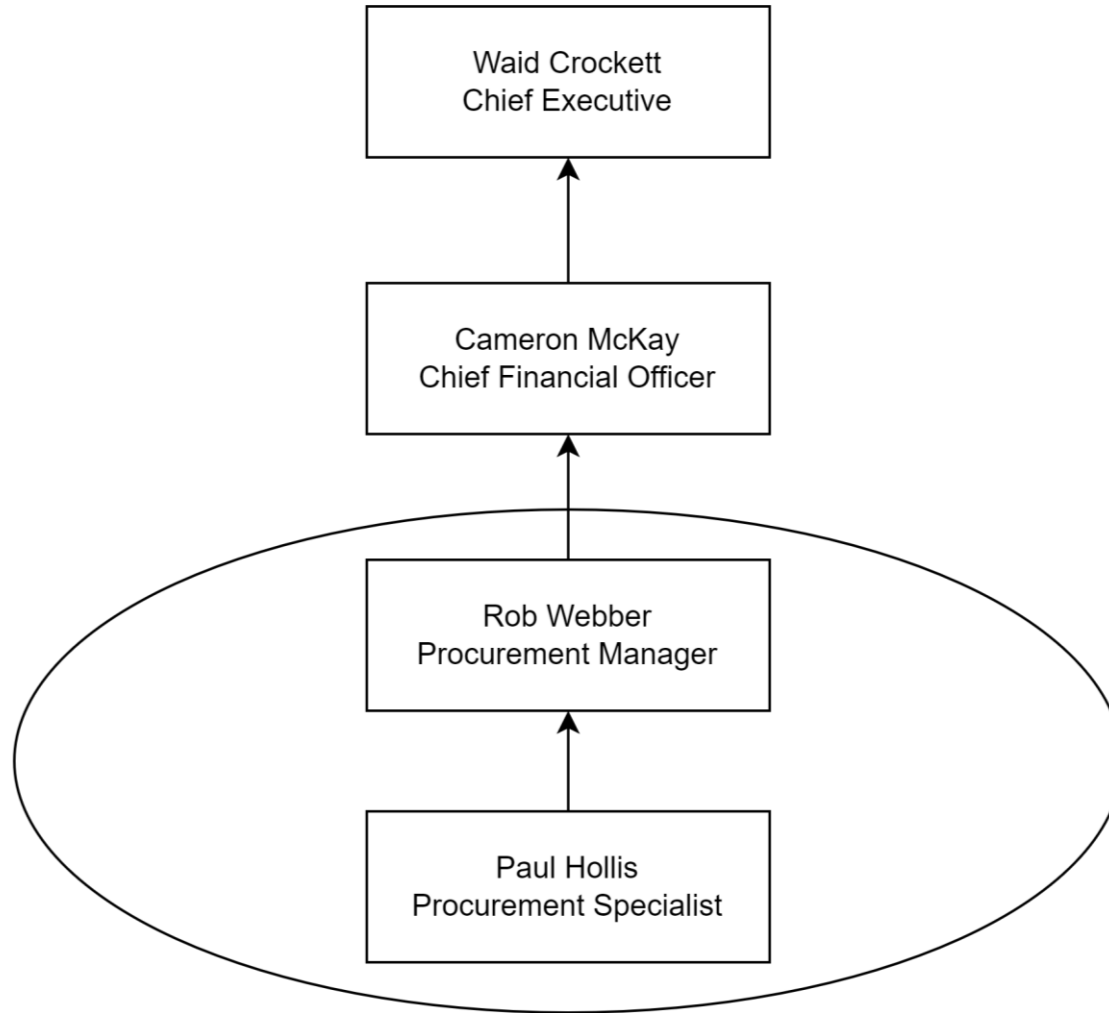
Strategic direction



The background of the slide is a dense, repeating pattern of green fern fronds, creating a textured, natural look. The color is a vibrant, slightly desaturated green.

TEAM AND JOURNEY TO DATE

MEET THE TEAM



Fiona Nissen



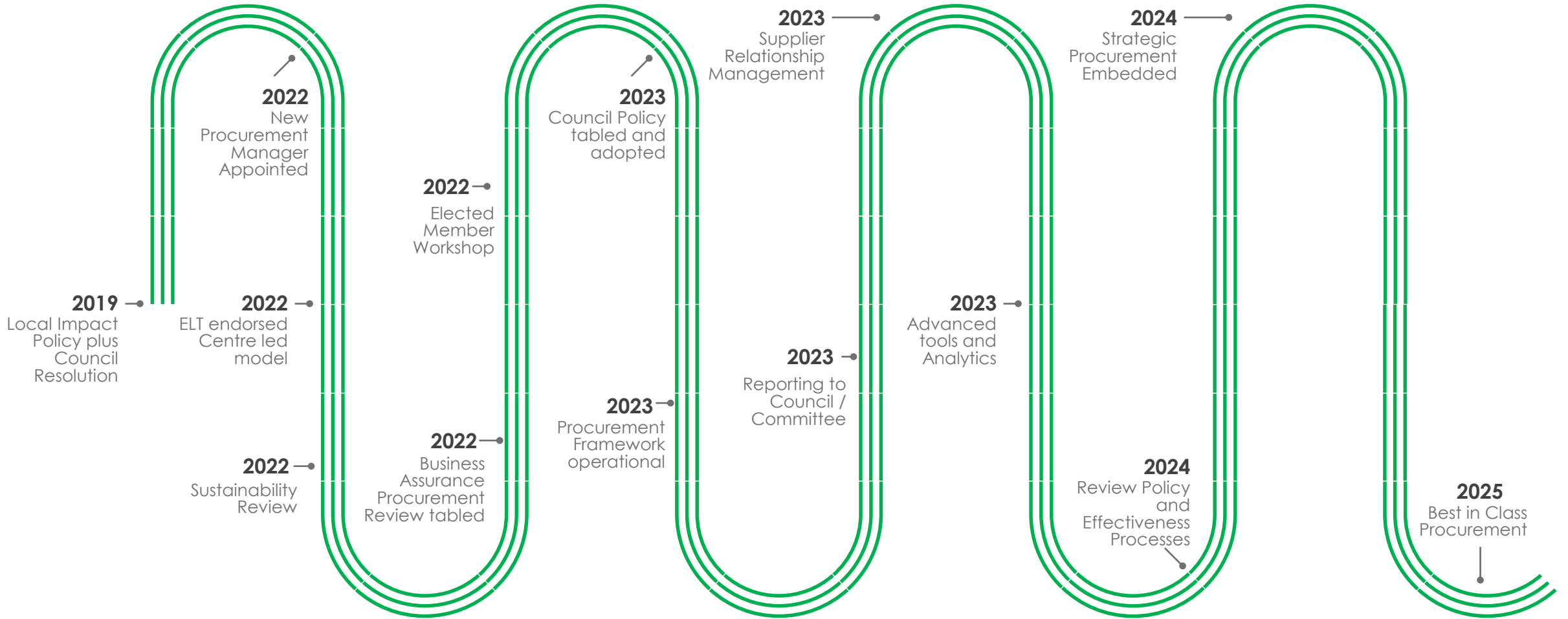
PROCUREMENT IS.....



The term for purchasing goods and/or services. It includes the initial planning stage, the tender process, to the delivery of the goods/services, and onto the contract finish date.

Procurement transforms plans into action

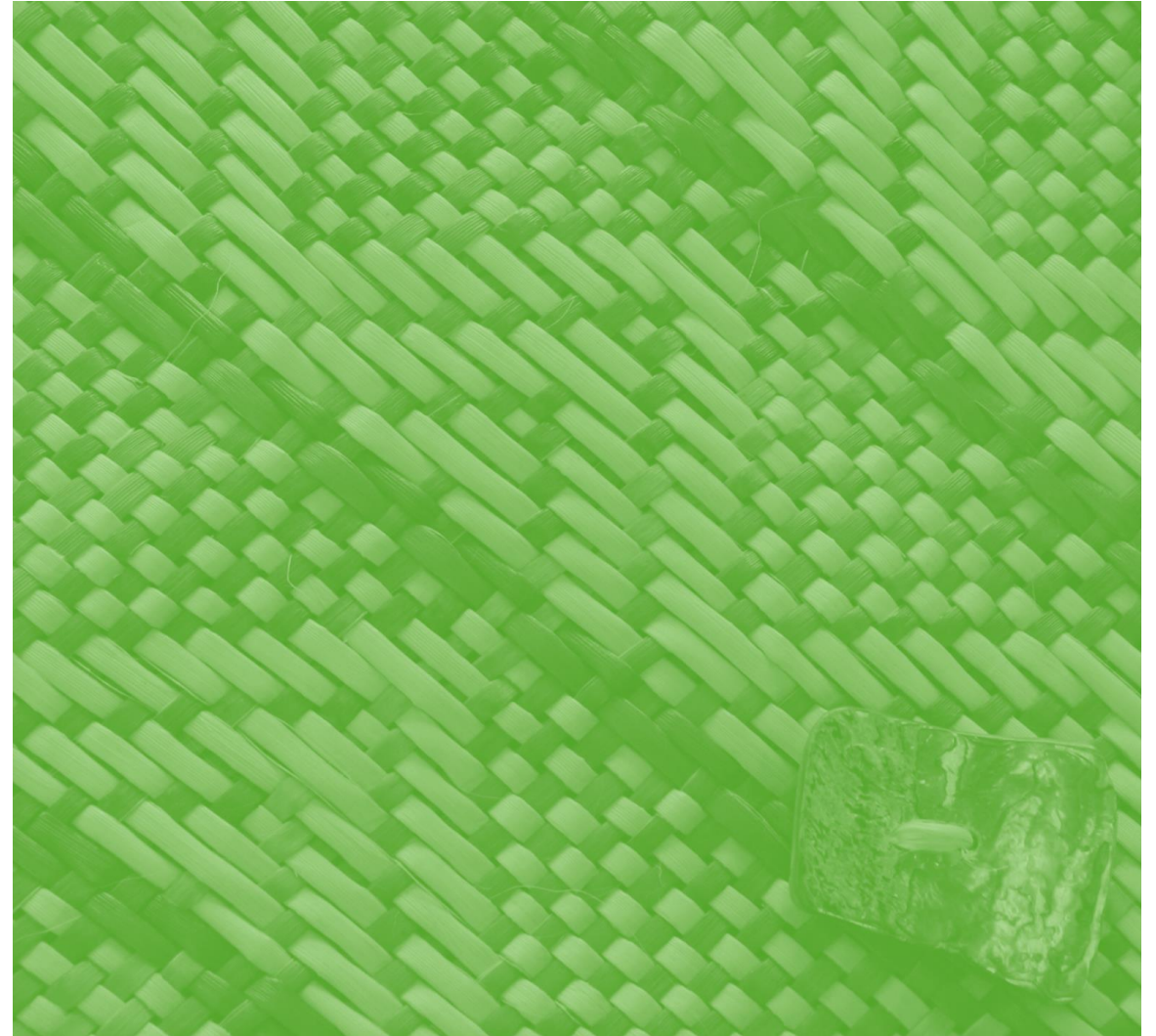
THE JOURNEY



ELECTED MEMBERS PROCUREMENT GOVERNANCE

GOVERNANCE

- **Constant commitment to ethical behaviour**
- **Ensure public value for money**
- **Encourage partnering and collaboration**
- **Promote innovation and improvements**
- **Supply chain sustainability**

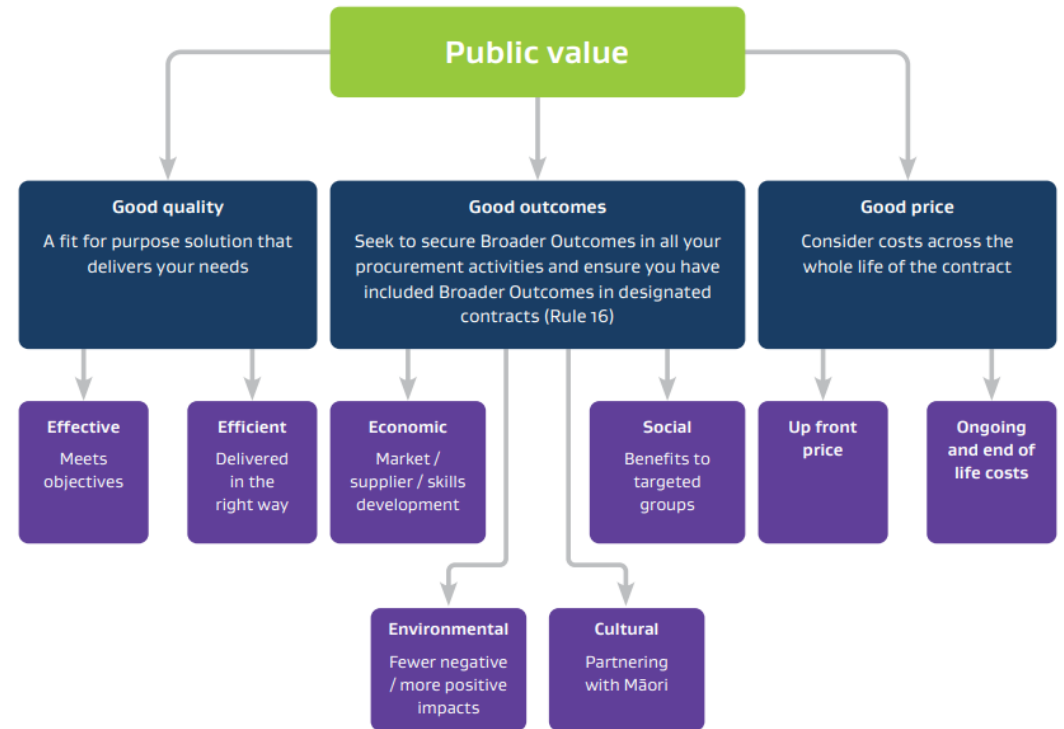


GUIDANCE ON PRINCIPLES

OUR VISION THROUGH PUBLIC VALUE

Small city benefits, big city ambition

He iti rā, he iti pounamu



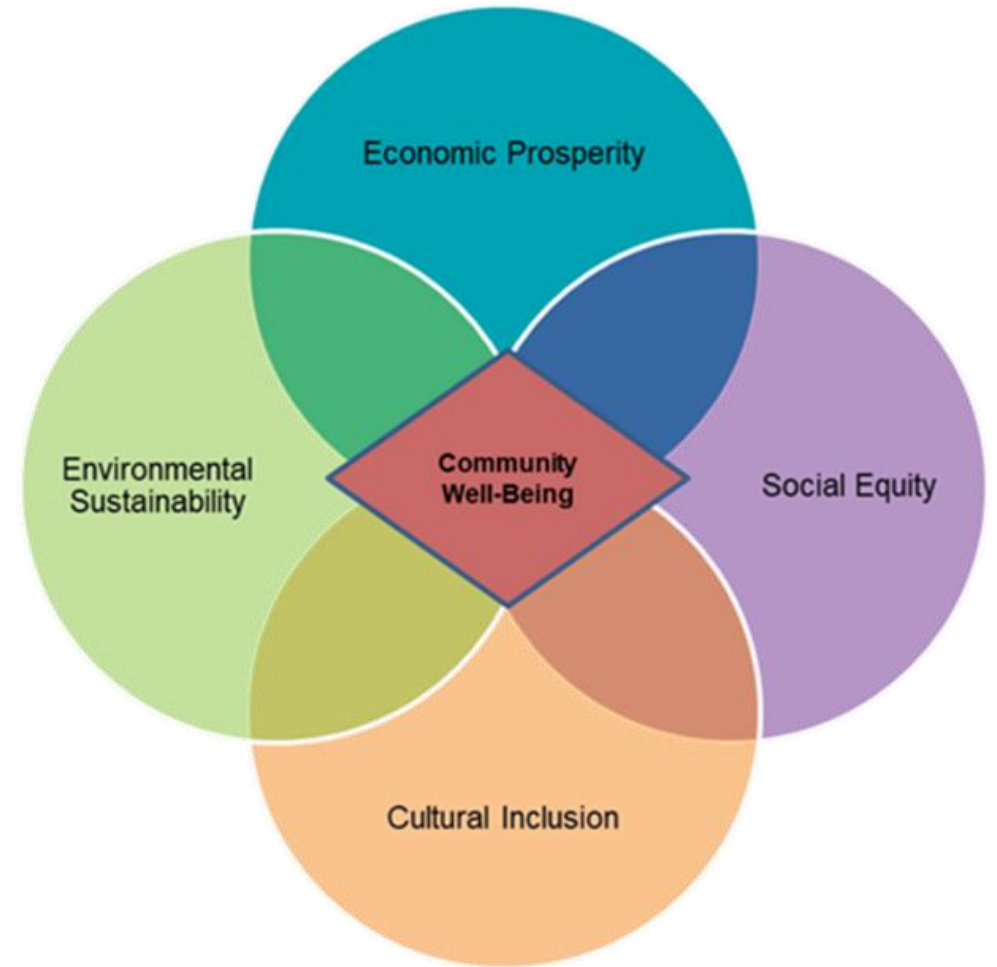
WELLBEING'S

Engrained in our activity

Embedded in legislation

Every procurement activity should consider Well Beings

Plan to identify opportunities!



3. Procurement principles

3.1 Best value

3.2 Fit for future

3.3 Effective and efficient processes

3.4 Risks are identified and managed

3.5 Positive feedback from stakeholders, suppliers and staff

Wellington City Council



Our Procurement Principles

The Council's Procurement Principles align with the Five Principles of Government Procurement. As well as these, Council will apply the following principles:



Horowhenua District Council

Strategic Procurement Principles (Promoting Local Benefit)

In addition to the core principles above, the Council has identified its own strategic procurement principles that align with the Council's Vision, Strategic Priorities and Community Outcomes. These principles are integrated into the Council's procurement decision-making framework and are intended to promote the delivery of local benefit. The framework and methodology the Council uses to assess local benefit is included in the Council's Procurement Manual.

- **Open and effective competition:** Open and effective competition maximises the prospect of the Council obtaining the best procurement outcome. The Council will ensure that suppliers wishing to do business with Council are given a reasonable opportunity to do so and that the procurement and relationship management processes used ensure that suppliers look to continue to do business with Council.
- **Fostering local business:** The Council believes its procurement activity should contribute to having efficient and cost-effective local suppliers that support a dynamic and innovative Christchurch economy. The Council will ensure advantages from local procurement are recognised and considered in procurement decisions, local businesses are encouraged to explore unique and innovative initiatives, social procurement initiatives are progressed to provide economic and employment opportunities to communities in Christchurch and that where practicable, tenders are free from requirements that could limit opportunities for local suppliers.
- **Environmental enhancement:** The Council's procurement activity will have regard to proactive strategies that deliver better outcomes for the environment. The Council will maintain a commitment to long-term, ecological sustainability through procurement that conserves resources, saves energy, minimises waste, protects human health and enhances environmental quality and safety. In a procurement sense this includes a particular focus on improving energy and water efficiency, reducing, re-purposing and recycling where appropriate, and minimising greenhouse gas emissions.
- **Social equity:** The Council has a commitment to promoting diversity, acceptance, fairness, compassion, inclusiveness and access for people of all abilities. A focus is placed on citizens who are underrepresented and people with less opportunity. Social equity contributes to building stronger and more resilient communities. Depending on the nature of the procurement, Council will explore opportunities to engage social enterprises to provide works, goods and services.
- **Ethical behaviour and fair dealing:** Applying sound ethical principles and equitable and fair opportunities for procurement promotes the likelihood of better procurement outcomes. Having high standards of professionalism in procurement processes, systems and procedures enables the Council to provide a consistent approach to procurement requirements, reducing transaction costs and risks for suppliers and building Council/supplier relationships and trust. This lowers the cost of doing business for all parties.

Core Procurement Principles

In making procurement decisions, the Council will have regard to the contracting principles detailed in the Controller and Auditor-General's Procurement Guidance for Public Entities, June 2008. These are:

- **Accountability:** the Council will be accountable for its performance and give complete and accurate accounts of the use it has put public funds to.
- **Openness:** the Council will be transparent in its administration of funds, both to support accountability and to promote clarity and shared understanding of respective roles and obligations between entities and any external parties entering into funding arrangements.
- **Lawfulness:** the Council will act within the law, and meet its legal obligations.
- **Fairness:** the Council has a general public law obligation to act fairly and reasonably. The Council must be, and must be seen to be, impartial in its decision-making.
- **Integrity:** managing public resources must be done with the utmost integrity. The standards applying to public servants and other public employees are clear, and the Council will make it clear when funding other organisations that the same standards are expected from them.
- **Sustainability:** the Council will look for opportunities for its procurement activity to positively impact on the environmental, social, economic and cultural wellbeing of our communities and the world we live in, now and in the future.

Christchurch City Council

Policy Principles

This policy will be achieved under the direction of the following principles:

Principle 1: Working together

Principle 2: Value te ao Māori

Principle 3: Be sustainable

Principle 4: Act fairly

Principle 5: Deliver the best value for every dollar

Principle 6: Safe with us

Auckland Council



GOVERNMENT PROCUREMENT PRINCIPLES

Plan and Manage for Great Results

Be Fair to All Suppliers

Get the Right Supplier

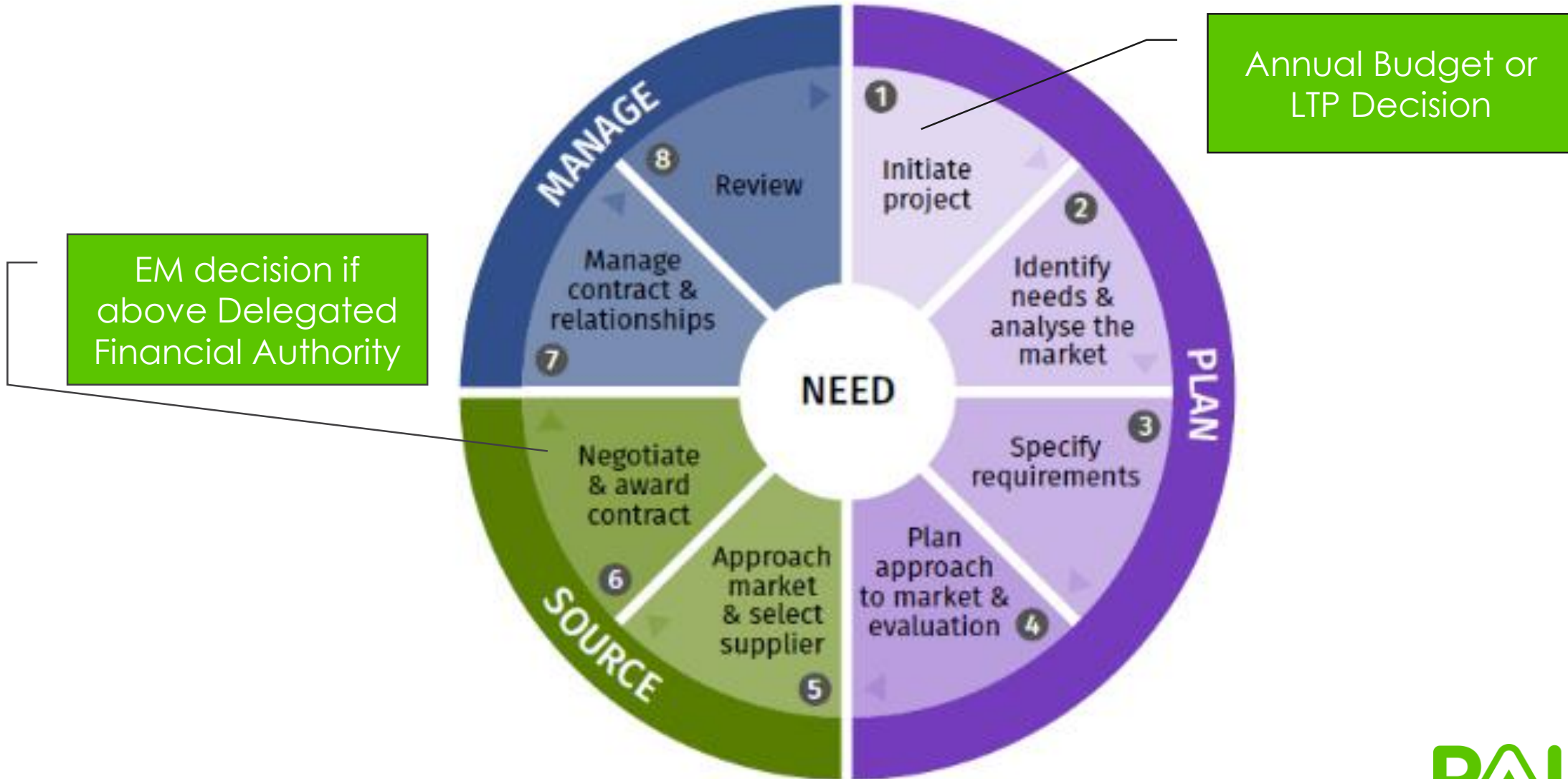
Get the Best Deal for Everyone

Play by the Rules

DISCUSSION

PROCUREMENT WITHIN COUNCIL

PROCUREMENT AS A PROCESS

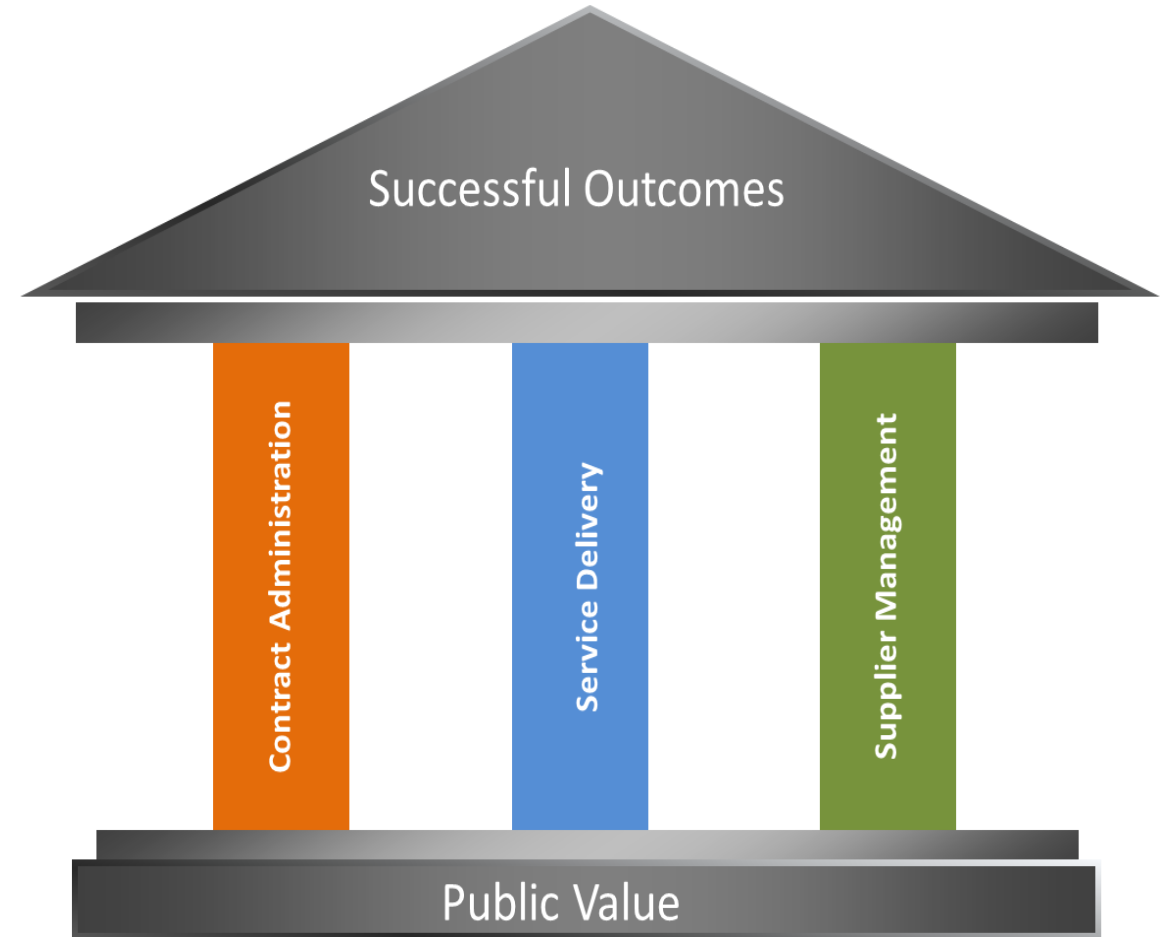


SUCCESSFUL OUTCOMES

A deliberate focus on achieving best results for our community

Achieved through a balanced approach to our procurement activity

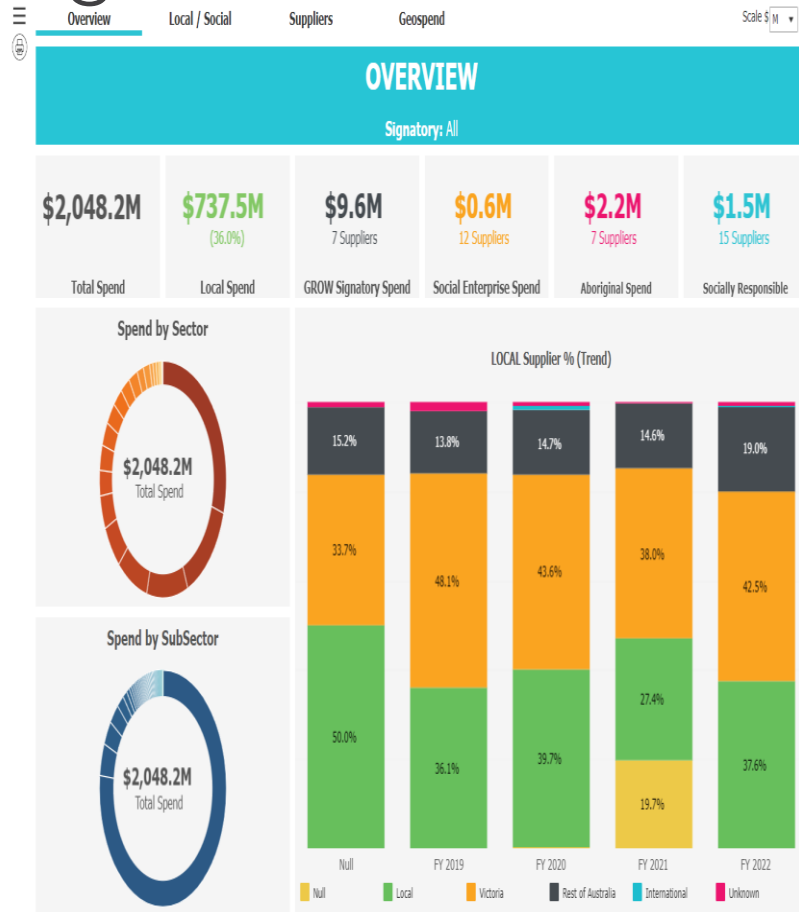
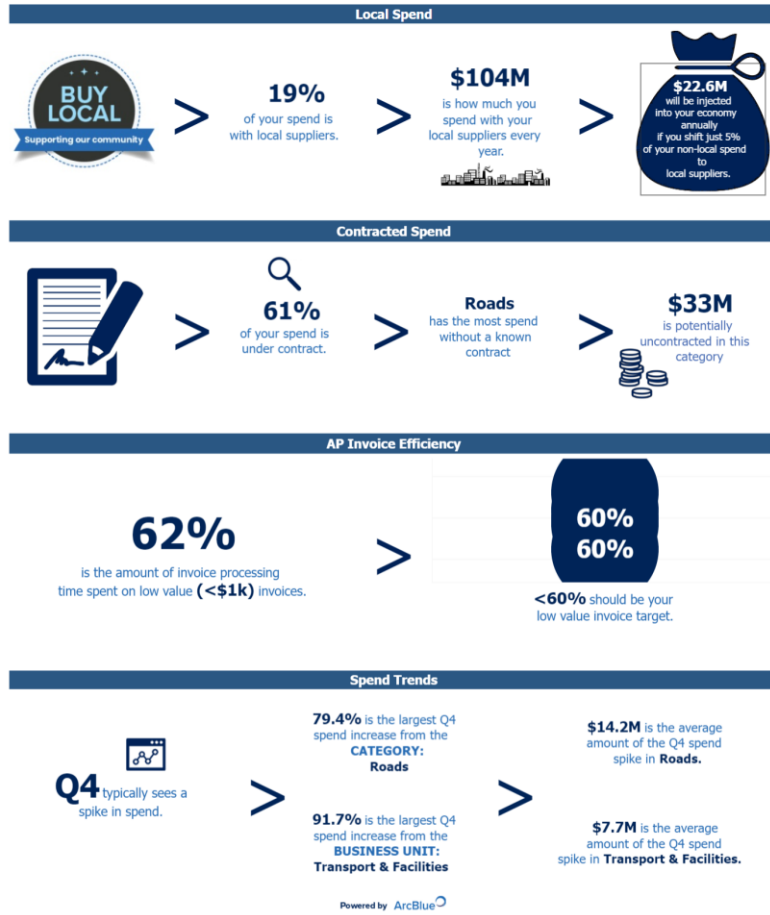
Become a “client of choice”



GUIDANCE ON REPORTING

DISCUSSION

Examples of types of reporting



NEXT STEPS

NEXT STEPS

- Ongoing refinement of process.
- Publication of future opportunities.
- Measurable value visible for EM.
- Reporting Mechanisms.
- Guidance provided today will inform the Council Policy.



QUESTIONS

A young boy with dark hair, wearing bright green sunglasses and a white short-sleeved shirt with a palm tree pattern, is shown in profile eating a large ice cream cone. The background is a solid green color with horizontal lines. The text 'THANK YOU' is written in large white letters on the left side of the image.

THANK YOU

PALMY™
PAPAIOEA
PALMERSTON
NORTH
CITY