



GREAT LAKE TAUPŌ
Taupō District Council

Procurement Policy

July 2024

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POLICY

Document Control, Approvals, Custodian and Review Date

Document Control

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	NAME	SIGNATURE	DATE
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APPROVER	Chief Executive Julie Gardyne		July 2024

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CUSTODIAN	Procurement Manager Stephanie Rugg	Every 3 years unless required earlier	July 2027

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1. PURPOSE

The purpose of this policy is to formalise Taupō District Council’s (TDC) expectations of all employees, contractors, and consultants, when procuring goods and services on behalf of TDC, including council-controlled organisations (CCOs) and council-controlled trading organisations (CCTOs).

This policy is supported by TDC’s Procurement Procedures which set out the issues to be considered, the procedures to be followed and the methods of procurement to achieve public value. The Procedures achieve this through consideration of broader outcomes and ensuring value for money and fit for purpose products, services and works whilst complying with legislation governing Local Authorities.

This Policy, together with TDC’s Procurement Procedures, establishes a clear framework for consistent and robust procurement practice, accountability, and sustainability.

To ensure procurement delivers best value it starts with identifying needs over the life of the asset, plans the best way to meet them through the sourcing of the goods/services/works, manages the contract, and ends with the expiry of the contract.

2. SCOPE

This Policy applies to all procurement of any value, for products, services, or works undertaken by or on behalf of TDC.

The Policy does not cover:

- Employment (excluding the engagement of contractors and consultants to supply employment related services).
- The acquisition, disposal or lease of land or buildings (except the design, construction, or refurbishment of buildings). Disposals or sales of Council assets.
- Investments, loans, guarantees, or other financial instruments.
- Gifts or donations, refer to Sensitive Expenditure Policy
- Grants or partnerships, refer to community grants, awards and partnerships policy
- Acquisition of art and similar unique items of interest.
- Non-contractual agreements such as memorandums of understanding

3. PROCUREMENT PRINCIPLES

The Council will apply the Principles of Government Procurement when planning, sourcing, and managing our procurement, as these set the standard for good practice.



FIGURE 1 – NEW ZEALAND PROCUREMENT PRINCIPLES

The TDC Procurement Procedures and this Policy, are based on the NZ Government Procurement Principles for application by all government organisations which TDC are committed to using.

The Principles are expanded here:

1. **Plan and manage for great results:** identify what you need and then plan how to get it. This means setting up a procurement team with the right mix of skills and experience, involving suppliers early and choosing the right procurement process that is proportionate to the size, complexity and risks involved.
2. **Be fair to all suppliers:** don't discriminate. We also need to consider how we can make it easy for all suppliers to do business with us (big and small). Being clear on how we will assess proposals helps with this. Keeping a breadth of suppliers engaged help to create competition.
3. **Get the right supplier:** We need to be clear about what we need, and the risks involved, so we can get the right supplier to deliver what we need, at a fair price and on time.
4. **Get the best deal for everyone:** we need to secure the best possible value for our taxpayers, over the lifetime of the goods and services. This needs a balance between costs and benefits, an openness to innovation and being accountable for results.
5. **Play by the rules:** we need to carry out our procurement in a transparent, accountable, impartial, and equitable way. This means being reasonable, and ensuring everyone acts lawfully and with integrity, staying impartial and managing conflicts of interest.

4. ROLES AND RESPONSIBILITIES

Role	Description	Responsibility
All Staff	Any TDC Council, CCO or CCTO staff member.	Remain up to date with and adhere to Council Procurement Procedures and Policy. Responsible for the provision of accurate and timely information required by Procurement to advise on tailored commercial and contracting approaches. Responsible for the day-to-day management of their contract as part the Procurement Policy.
Transport team	NZTA tender mediator for evaluations	NZTA requires someone who is NZTA L6 qualified to be on the panel for tenders over \$200,000
Procurement Manager	Function in TDC responsible for providing guidance on procurement activities undertaken.	Responsible for designing & developing the Procurement Policy, Procedures, and related documents, advising on tailored procurement approaches.
Delegated Financial Authorities (DFA)	Individual with the required delegation for approval to approve expenditure at Council.	Responsible for the approval of procurement activities (including contracts and contract variations) in accordance with the Delegations Policy including delegated approval to contracts and contract variations.
Legal and Governance Team	Function in TDC responsible for legal advice and associated activities.	Responsible for the day-to-day legal advice and guidance for Council, including contract advice and development, bespoke terms development, legal risk guidance and variations.
Health & Safety	Function in TDC responsible for Health & Safety and associated activities.	Responsible for the day-to-day operational and strategic Health and Safety advice for TDC, including checking Contractors Health and Safety documentation.

5. NON-COMPLIANCE

The Executive Team (ET) member across the Council are ultimately accountable for ensuring that all procurement activity is carried out in accordance with this policy. Any exceptions should be documented on an Exemption Request Memo endorsed by the Procurement Manager and signed off by the Chief Executive.

6. EMERGENCY PROCUREMENT

Council may depart from this policy to undertake emergency procurement, an emergency in the context of procurement is defined as an event which results in one or more of the following:

- Employees, public, supplier, property or equipment being placed in immediate risk
- Standards of health, welfare or safety having to be re-established without delay
- Emergency works authorized under section 330 of the Resource Management Act 1991
- A declared or undeclared response to an emergency as defined in the Civil Defence and Emergency Management Act 2002.

Any departure from this policy due to an emergency must be fully justified and documented during or after the event.

A lack of planning does not constitute an emergency for the purpose of this policy.

7. SUPPLIER PANELS

TDC has Supplier Panels which can be All of Government (AoG), or TDC Supplier Panels, selected via an open competitive process to supply goods, services or works. **Where procurement is covered by the scope of an established panel, a supplier from that panel should be used to deliver that work.** For more information refer to the Procurement Procedures.

P-Cards are not to be used for purchasing goods or services when a supplier is set up that can supply the same or similar goods and/or service.

TDC has the following supplier panels either in place, or being established:

- Facilities – for the procurement of services and supplies such as plumbers, electricians.
- Open Spaces – for the procurement of services and supplies such as arborists, tree trimming or gardening services.
- Professional Services – for the procurement of services from consultants.
- Transport - for the procurement of services such as maintenance, road signage or traffic management.
- Water Reticulation Construction - for the procurement of civil construction services
- Construction/building - for the procurement of services or construction suppliers.

Supplier panels are not to be used for Waka Kotahi (NZTA) funded work in excess of \$200,000.

For more information see the **Procurement page** on Tui.

Procurement Approval Memo

For all procurement over \$20,000 once a preferred supplier has been identified a Procurement Approval Memo is to be signed by the Manager with delegated financial authority and the Procurement Manager.

8. WAKA KOTAHI

In order for Council expenditure to qualify for Waka Kotahi (New Zealand Transport Agency) funding, it requires Council to follow the Waka Kotahi [Procurement Manual](#). **Staff must therefore adhere to this policy and follow the Waka**

Kotahi Procurement Manual, both for physical works and professional services that relate to Waka Kotahi funded works.

9. PROCUREMENT VALUE THRESHOLDS

All Procurement Plans and Procurement Approval Memos must be approved by the Procurement Manager and authorised by the person with the delegated financial authority for the contract value.

Procurement Plans

The Procurement Procedures outline the requirements for a Procurement Plan based on value and risk:

Lite Procurement Plan – for Low-risk procurements with spend more than \$100,000 and less than \$500,000 (excluding GST).

Detailed Procurement Plan – for Medium/High Risk procurements of any value, or for Low-risk procurements of value \$500,000 or more.

The plans, if needed must be approved (signed) by the following people, in the following order:

1. The Procurement Manager
2. The Manager with correct delegated financial authority (DFA) for the expected whole-of-life sum (Objective Ref: A2931287)
3. If the procurement proposes a Procurement Exemption from TDC's Procurement Policy and Procurement Procedures, then it will also need Chief Executive sign off.

The Procurement Plan must be signed before market engagement can proceed.

Procurement Exemptions

Contract Award Notice for Procurement Exemptions.

Even if you have a valid exemption from the need to openly advertise a procurement and have received an approved procurement exemption using the Exemption Memo, **you must publish a Contract Award Notice on the Government Electronic Tender Service (GETS)**. This is a requirement of the NZ Procurement Rules ([Rule 14](#)).

Contract values must not be structured or divided at any stage to fall under thresholds to avoid tendering.

Financial Thresholds Guide

Stage 1 - Plan the Procurement										
Value	Plan	Procure								
Up to \$20,000	N/A	Direct procurement preferably from TDC panel supplier. Engage using a purchase order. 1 - 2 quotes required.								N/A
\$20,000-\$100,000		Direct procurement preferably from TDC panel supplier, if not using panel supplier provide justification in Procurement Approval Memo. Engage using either a purchase order or a contract. 1 - 2 quotes required.								Procurement Approval Memo
	Non-Panel	Open Spaces	Professional Services	Facilities	Transport - NZTA	Transport non NZTA	Water	Building		
100,000-120,000	Lite Procurement Plan - low risk	at least 2 quotes from TDC supplier panel or open competition								
120,000-200,000										
200,000-500,000										
>\$500,000	Detailed Procurement Plan	Open competitive RFX process unless exemption approved by the Chief Executive.								
Or any med/high risk contract regardless of value										

10. BROADER OUTCOMES & SUPPLIER DIVERSITY

In October 2018 the Government recognised that its procurement activities offer a unique opportunity to achieve broader cultural, economic, environmental, and social outcomes for New Zealand. These secondary benefits are referred to as Broader Outcomes. TDC must consider, and incorporate where appropriate, broader outcomes when purchasing goods, services or works for more information see New Zealand Procurement Rules [Rule 16](#).

Supplier Diversity is the practice of intentionally procuring from businesses owned by minority groups specifically Māori and Pasifika, levelling the playing field for these suppliers to compete fairly on the open market, while strengthening buyers’ supply chains.

The **Procurement Procedures** provide more information on how to deliver Broader Outcomes in the procurement process, which can be social, environmental, cultural, or economic, this requires consideration of how to effectively involve small to medium sized business, the social and economic benefit to the Taupō region, using a 15% weighting across the attributes in the Procurement supplier selection process.

Local Economic Impact

TDC will evaluate the impact of its procurement activity on matters such as local employment, use of local subcontractors, purchase or use of local materials and use of local operating premises.

Environmental

Support the transition to a net zero emissions economy and assist the Government to meet its goal of significant reduction in waste.

Social

Look to create local training and employment opportunities. Improve conditions for workers and future-proof the ability of Taupō businesses to trade.

Cultural

Look to increase Māori and Pasifika business contracting directly to TDC. Ensure that all TDC spend is either neutral or enhances our relationship with our iwi.

11. HEALTH AND SAFETY

TDC requires all contractors including their sub-contractors and employees, carrying out any work on behalf of Council, to comply with all legislative health and safety requirements under the Health and Safety at Work Act 2015 (HSWA), regulations and industry best practices.

Health and safety must be considered at the planning stage and throughout the delivery process. All Procurement should consider the following:

- All Contractors need to be pre-qualified to a standard of 75% site wise or equivalent. This is the minimum standard that Council will accept before awarding any work.
- All Contractors need to complete the relevant TDC health and safety documentation prior to work commencing, and ongoing risk assessments depending on the nature of the work.

For more information see the [Health and Safety Contracting to Council Guidelines](#).

12. TEMPLATES AND FORMS

TDC has procurement forms and contract templates that are based on standard form contracts. Where a standard TDC template exists, this must be used. Documents for each procurement are to be stored in TDC's Enterprise Content Manager (ECM) (previously Objective, and currently transition to new ECM) including the responses from unsuccessful applicants.

13. VARIATIONS

All variations to agreed supply arrangements must meet the criteria outlined in the Procurement Procedures.

14. BREACHES OF POLICY

When there is evidence of a breach of this policy, the Procurement Manager will investigate to determine the circumstances and extent of the breach. Any breaches of this policy must be reported to the Procurement Manager for further investigation.

15. RELATED DOCUMENTS AND LEGISLATION

The following documents should be read in conjunction with the Guidelines.

- Contract and Commercial Law Act 2017
- Health and Safety at Work Act 2015
- Public Records Act 2005
- Construction Contracts Act 2002
- Electronic Transactions Act 2002
- Local Government Act 2002
- Public Audit Act 2001
- The 10-year budget (Long Term Plan).