

# Procurement Policy

|                         |                                         |
|-------------------------|-----------------------------------------|
| Policy Owner:           | Procurement Manager                     |
| Document number:        | 6300300                                 |
| Approval Date:          | June 2025                               |
| Review Date             | June 2028                               |
| Required by Legislation | No (best practice preventative control) |

---

## 1. Introduction

This procurement policy ensures efficient acquisition of goods, services, and works while maintaining transparency, accountability, and robust governance. It upholds Council commitments and community expectations, meeting legal obligations and protecting public trust.

Procurement covers the entire lifecycle of acquiring essential goods, services, or works, from planning and sourcing to contract management and service delivery, supporting our business operations and public service objectives.

## 2. Purpose

- 2.1 To provide guiding principles and a framework with which elected members (including community boards), staff, consultants, and any agents acting on behalf of the council must comply in respect to procurement and spending on behalf of the council.
- 2.2 To support the elected members' overall strategic objectives to maximise sustainable value for money over the whole life of the assets or services being procured.

## 3. Definitions

**MBIE:** Ministry of Business Innovation and Employment (New Zealand).

**PSP:** Professional Services Panel contract, contract issued by Co-Lab.

**RFx process (RFP / RFT / RFQ):** Request for Proposal, Request for Tender, Request for Quote.

**Sustainable Value:** A holistic approach to assessing and implementing practices that not only ensure economic success but also consider environmental protection, social equity, and cultural respect. This concept is integral to creating Liveable, Thriving and Connected Communities.

## 4. Application

- 4.1 This Policy applies to all procurement activity for goods or services, undertaken by, or on behalf of Waikato District Council. This includes the engagement of consultants to backfill roles where recruitment has been unsuccessful.
- 4.2 This policy does not apply to the following activities:
  - Employment of staff via People and Capability processes (including the use of recruitment agencies)

- The acquisition, disposal or lease of land or buildings (except the design, construction, or refurbishment of buildings)
- Disposals and sales of Council assets
- Development Agreements

## 5. Policy Statements

### 5.1 Values

There are six values that underpin and uphold Council's approach to procurement and align with the Council vision of Liveable, Thriving and Connected Communities. These values, as described below, should be considered in all procurement decisions.

- Zero Harm – working in ways that support and deliver on our health and safety vision of “Work Safe, Home Safe”
- Integrity – being able to do the right thing, uncompromised, even when nobody is watching or listening
- Customer Focused – having the best interests of the customer and the community always, as the basis of the decisions we make.
- Innovation and Efficiency – embracing smarter, more efficient approaches while evaluating the risks and value of procurement
- Collaboration – working in ways that support and develop new and collaborative ways of doing things.
- Sustainability – considering economic, social, cultural and environmental impacts always, ensuring decisions made today do not have a negative impact on the generations to come

### 5.2 Principles and good practice

While Waikato District Council is not a mandated agency, our procurement framework aligns with The Government Procurement Rules (4<sup>th</sup> edition) and general industry best practices.

To ensure that these principles are practically applied, the following good practice considerations will be adhered to throughout all stages of the procurement process, including the evaluation, negotiation, execution and management of any associated contract:

1. Plan, Source and Manage for great results: We strive for excellence in procurement outcomes by Planning, Sourcing and Managing each step of the procurement process.
2. Be fair to suppliers: Fair treatment of suppliers ensures a level playing field, fostering a competitive and diverse market within our district and the regional supply chain around us.
3. Get the right supplier: Selecting the right supplier is crucial for achieving the desired

outcomes and ensuring the delivery of quality goods and services.

4. Get the best deal for everyone: Our procurement practices aim to achieve the best possible deal, which delivers value for both the Council, Suppliers and the communities we serve.
5. Play by the rules: Adherence to established rules and regulations governs our procurement actions, ensuring compliance and ethical conduct.

### 5.3 Financial Thresholds

The following thresholds have taken into account the Co-Lab Regional Procurement Framework and the New Zealand Government Procurement Rules.

| Spend Threshold | Risk Level                           | Procurement Requirement (non-PSP)                                                                                                                                                                                                                                                                                                                                                |
|-----------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$0 - \$50K     | Low                                  | <p>No procurement plan required.</p> <ul style="list-style-type: none"> <li>• Single quote in writing where an existing supplier is already registered with WDC, or</li> <li>• Two quotes in writing where there is no existing supplier arrangement.</li> </ul> <p>Engagement is via electronic purchase order or appropriate minor consultancy or physical works contract.</p> |
| \$50k - \$250K  | Low to medium                        | <p>Lite procurement plan required.</p> <ul style="list-style-type: none"> <li>• Three written quotes required, or</li> <li>• Public or invited RFx process as identified in the procurement plan.</li> </ul> <p>Engagement is via contract.</p>                                                                                                                                  |
| \$250K +        | High-risk regardless of dollar value | <p>Full procurement plan required.</p> <ul style="list-style-type: none"> <li>• Public or invited RFx process as identified in the procurement plan.</li> </ul> <p>Engagement is via contract.</p>                                                                                                                                                                               |

| Spend Threshold | Procurement Requirement (PSP Only)                                                                                                                                                                                                                                                             |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$0 - \$250K    | <p>Direct appointment of suppliers within the correct Activity and Sub-category</p> <ul style="list-style-type: none"> <li>• Procurement plans are not required, however a detailed scope should be provided to the supplier</li> </ul> <p>Engagement is via Instruction for Service (IFS)</p> |

|               |                                                                                                                                                                                                                                                                                    |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$250K-\$500K | Three written quotes from suppliers within the correct Activity and Sub-category <ul style="list-style-type: none"> <li>Procurement plans are not required, however a detailed scope should be provided to the supplier</li> </ul> Engagement is via Instruction for Service (IFS) |
| \$500K +      | Full procurement plan required. <ul style="list-style-type: none"> <li>RFx process as identified in the procurement plan.</li> </ul> Engagement is via Instruction for Service (IFS)                                                                                               |

#### 5.4 New Zealand Transport Agency (NZTA)

Where a procurement is subject to NZTA subsidy, the financial thresholds and procedures prescribed in the NZTA manual will apply.

#### 5.5 Collaborative Contracts

The Council has access to various public sector contracts for acquiring common goods and services that are routinely needed in the everyday operations of a local authority. These contracts are designed to leverage collective buying power and streamline procurement processes, ensuring cost-effectiveness and efficiency.

Where Council has signed up to a collective contract under an exclusivity clause we are obligated to use them. For non-exclusive collaborative contracts, the preference would be to use them unless the procurement plan has a clearly defined rationale not to..

Examples of Collaborative Contracts are:

- a) **All of Government (AoG) contracts:** These are centrally approved government contracts that create a mechanism for Council to engage with pre-qualified suppliers for a range of commonly procured goods and services. AoG contracts simplify the procurement process by providing agreed terms and competitive pricing, achieved through the aggregated demand of multiple government agencies.
- b) **Co-Lab contracts** (Waikato Local Authority Shared Services trading as Co-Lab): This organisation facilitates collaborative procurement among local Waikato councils to reduce costs and enhance service performance for community stakeholders. By joining forces with Co-Lab, Council can access shared services and resources, capitalising on economies of scale and shared expertise.
- c) **Syndicated contracts:** These contracts involve a consortium of public agencies that pool their respective procurement needs to establish contracts for goods or services. The Council's participation in such contracts is guided by the principles of collaboration and cost savings, aligning with the strategic goals.
- d) **Supplier panels:** Supplier Panels are established through a pre-qualification process where suppliers are assessed and selected based on their capability to deliver specific goods or services. Once on a panel, these suppliers are engaged through secondary procurement processes for individual contracts. Panels offer agility in procurement while maintaining competitive tension and

quality assurance.

## **5.6 Procurement Exemptions**

Procurement exemptions, which are a departure from the financial thresholds table contained in this policy, will not be considered for procurements of less than \$50K.

Procurement exemptions must be approved by the Chief Financial Officer (CFO) and/or the Chief Executive (CE) on the advice of the Procurement Manager.

Poor planning or workflow management are not valid reasons for exemption from this policy or its associated processes.

## **5.7 Procurement Documentation/Records Management**

All records must be retained for each procurement and stored in the Electronic Document Management (Enterprise Content management, or ECM) system. The records must document the procurement process; the contract awarded and include all recommendations and reports.

## **5.8 Emergency Procurement**

It may be necessary in an emergency to dispense with parts of the procurement process, so that the Council can react quickly. An emergency is defined as an event which puts:

- a) Life, property, or equipment at immediate risk; or
- b) Standards of public health, welfare or safety having to be re-established without delay, such as in the case of disaster relief; or
- c) The Council's service delivery would be significantly impaired if it failed to respond promptly; or
- d) A declared or undeclared response to an 'emergency' as defined in the Civil Defence and
- e) Emergency Management Act 2002.

Emergency procurement is to be used only in genuinely urgent circumstances and should be limited to what is required to cope with the emergency. Council staff are accountable for the maintenance of appropriate documentation regarding decision-making and commitments during the emergency.

## **5.9 Related Documents and Legislation**

This policy operates in conjunction with a suite of related documents and legislation that collectively ensure our procurement activities are conducted with integrity, transparency and accountability.

### **Legislation:**

- Health and Safety at Work Act 2015
- Local Government Act 2002
- Public Records Act 2005
- Construction Contracts Act 2002
- Public Audit Act 2001

- Public Finance Act 2004
- Local Government Official Information and Meetings Act 1987
- Local Authorities (Members' Interests) Act 1968
- Commerce Act 1986
- Fair Trading Act 1986

**Policies:**

- Conflict of Interest Policy
- Fraud Prevention Policy
- Protected Disclosure Policy
- Delegations Register
- Sensitive Expenditure Policy
- Gifts and Hospitality Policy
- Climate Response and Resilience Policy
- Computer Systems Cloud Computing Policy
- Risk Management Policy

**Framework:**

- Procurement, Roles, Responsibilities and Processes
- Code of Conduct
- Government Procurement Rules (MBIE)
- Waikato Local Authority Shared Services trading as Co-Lab Regional Framework

**6. Policy Review**

This policy shall be reviewed at three-yearly intervals, or, as otherwise, required by the Chief Executive or Procurement Manager.