



TE KAUNIHERA Ā-ROHE O  
**ŌTOROHANGA**  
DISTRICT COUNCIL

# PROCUREMENT POLICY

## ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Administrator

Effective date

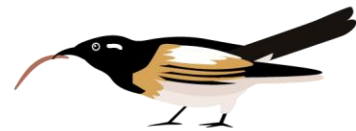
Next review date

Chief Executive

GM Business Enablement

29 July 2025

29 July 2027



## VERSION HISTORY

Date	Changes	By	Date Adopted
October 2021	Policy created	Manager Finance	19 October 2021
July 2025	Policy reviewed	Business Improvement Analyst	29 July 2025

## FOREWORD

This document sets out the framework, principles and policy to guide/inform the Council's procurement (purchasing) practices and processes. It is directly based on the regional procurement principles, policy and framework developed for Waikato region councils by Waikato Local Authority Shared Services Ltd (WLASS).

The Principles will ensure that we uphold the integrity of our procurement and set a clear expectation of what is expected when any person within the Council makes a purchasing (procurement) commitment.

The Policy provides clear guidance on how procurement activity should be undertaken at all levels. It sets out the "rules" by which we should all operate. The expectation is that anyone who is undertaking procurement activity will abide by the rules and seek guidance if they are unclear as to what is expected.

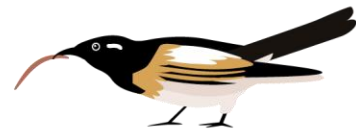
The Framework provides a consistent approach to procurement. There is a step-by-step guide to enable staff to select the appropriate procurement process having regard to the level of spend and risk, and then to work through that process with confidence and consistency. In addition, the document sets out how to determine whether or not to utilise an All of Government, Regional or Syndicated contracts.

An overarching consideration to this Policy is Te Punga o te Hapori – The Anchor of the Community. This framework is based around Community Wellbeing, and Procurement is an integral element, supporting social, cultural, economic and environmental goals for the Ōtorohanga District Council community.

This document will make it clear for both suppliers and Council staff on the expectations when procuring third party goods, services and/or works. It ensures that spend is planned out and creates well executed third party solutions that minimise risk and maximise value for all involved.

**Tanya Winter**  
**Chief Executive**





# PROCUREMENT PRINCIPLES

The Principles provide the overarching goals and should be used to help make good procurement decisions. These Principles apply to anyone (employee or third party) committing funds on behalf of the Council with a supplier regardless of how big or small; complex or straight forward; or open or closed the transaction(s) may be.

## 1. PLAN AND MANAGE FOR GREAT RESULTS:

- Identify what you need, including what outcomes should be achieved, and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business (for example, tenders through GETS).

## 2. BE FAIR TO ALL SUPPLIERS:

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and local businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with Council.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve for the future.

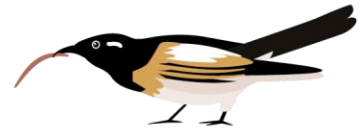
## 3. GET THE RIGHT SUPPLIER:

- Be clear about what you need, and fair in how you assess suppliers – don't string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with Council's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

## 4. GET THE BEST DEAL FOR EVERYONE:

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic and cultural outcomes that should be achieved.





- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing the deal – be accountable for the results.

#### 5. PLAY BY THE RULES:

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

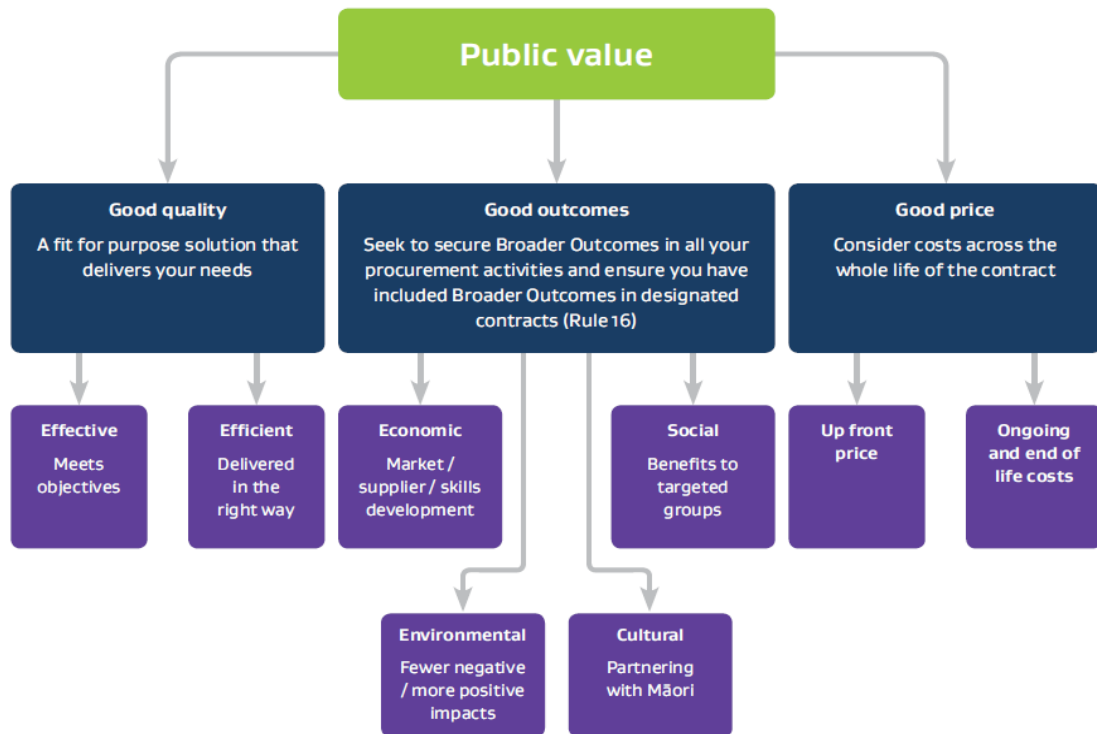
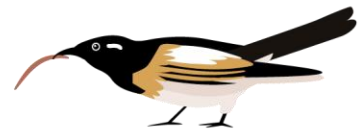
## PROCUREMENT POLICY

### 1. Overview

This Procurement Policy is designed to provide all employees and authorised third parties with clarity and guidance over the purchase of goods, services and/or works required to support Council's business delivery.

The policy is designed to ensure that the Council obtains best public value for the goods, services and/or works that it purchases, and to maintain the highest ethical standards in dealing with its suppliers.

The principle of public value when procuring goods, services or works means the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve best public value.



## 2. Application

This Policy applies to all staff and third parties committing expenditure on behalf of the Council.

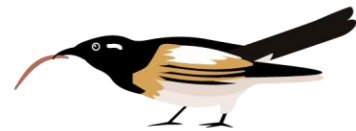
## 3. Scope of this Policy

This Policy applies to the commitment of all funds by staff or approved third parties on behalf of the Council, with the exception of property-related acquisitions/leases.

Any community groups, committees or boards that have delegated authority to spend public funds, must comply with the principles and objectives stated in this Policy.

Examples of expenditure to which this Policy applies include:

1. Operational Expenditure – Goods, services and/or works required to support the day-to-day running of the Council.
2. Material Outsourcing Arrangements – involves Council entering into an agreement with another party (supplier) to perform, on a continuing basis, a business activity which currently is, or could be, undertaken by the Council itself.
3. Panel Suppliers – where staff can purchase against pre-agreed rates and conditions of contract.
4. Consultancy Expenditure – involves the use of professional service providers to obtain advice and / or support relating to an area of specific expertise.



5. Project and Capital Expenditure – involves the Council entering into an agreement on a one-off basis with another party (supplier) to provide an agreed specific set of outcomes/deliverables aligned to a project or capital outlay.

Waka Kotahi/NZTA Subsidised Arrangements – covers NZTA subsidised activities/services obtained through the NZTA procurement process. (Note that the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if NZTA standards are higher than those set by the Council).

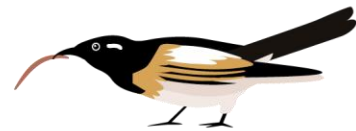
## 4. Policy Objectives

The objectives of the Procurement Policy are to provide clear direction and support to management, staff and third parties in relation to the performance of procurement activities in line with the Procurement Principles and establishes a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated Council Policies and Strategies.
- **Openness** - all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers.
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias.
- **Integrity** - all Council staff and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels.
- **Public Value** – getting the best possible result from procurement, using resources effectively, economically and without waste, and taking into account:
  - The total costs and benefits of a procurement (total cost of ownership), and
  - Its contribution to the results to be achieved.
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately.
- **Lawfulness** - all procurement is within the law and meets Council's legal and organisational obligations.
- **Accountability** - staff and/or third parties and suppliers are accountable for their performance.
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, cultural and social impacts over their lifecycle.

Procurement is based on the Government Procurement Charter, Principles, Rules and other good practice guidance. Collectively, these provide a broad framework that supports accountability for spending, sound business practice and better results.





Good practice is about developing a strong understanding of all of the aspects of the procurement lifecycle and skilfully applying these to deliver the best results. Processes should be proportionate to the value, risk and complexity of the procurement. Sound commercial judgement will achieve the best public value, and drive innovation and performance.

Understanding suppliers and the market is an essential part of a planned approach to market. Procurement also covers proactively managing supplier and stakeholder relationships throughout the sourcing and contract process. Development of supplier relationships drives public value through ongoing efficiency and effectiveness gains.

## 5. Contract Hierarchy

Once the requirement to spend has been established, the first consideration should be whether or not there are All of Government (AOG) contracts, Regional or Syndicated contracts available for use.

A review of these contract options should be undertaken and consideration given to whether the benefits of these contracts (such as economies of scale, and regional or national public value) outweigh pursuing a local (or local contribution) procurement approach, taking into account the principles of the Te Punga o te Hapori (The Anchor of the Community) framework.

## 6. Controls

Keep the integrity through the controls.

- The controls within the procurement process are there to protect staff, suppliers and the public - follow them.
- The Procurement Policy is not stand-alone - ensure understanding of the requirements in other policies as well (e.g. Delegated Authorities).
- Always ensure there is appropriate segregation of responsibility.
- Highlight any conflicts of interest so that everyone has transparency on any relationships.
- Always keep a record of the procurement activity undertaken so that there is clarity, ownership and accountability.

## 7. Spend Limits and Authorisations

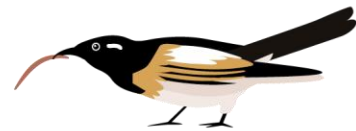
Any employee wishing to make a purchase on behalf of the Council needs to be aware from whom within the organisation they must get approval before making the commitment.

Appropriate authorisation must be obtained prior to ordering goods, services and/or works. The authorising signatory is certifying that they have reviewed the transaction and all related documentation and that it conforms to Council policy and goals, as well as applicable laws.

An authorising signatory should not both initiate and approve the same transaction. In no circumstances shall an authorising signatory approve payments of any kind to themselves.

Any employee purchasing on behalf of the Council must ensure that they follow the correct procurement process based on the spend level and risk threshold. In all cases, when determining the





correct procurement process, the spend level to be considered is the aggregate spend over the life of the contract and relates to the total spend on a project.

For example:

1. For a maintenance agreement of \$50k per annum with a three-year term the total spend is \$150k and the procurement process for spend of a level of \$150k should be applied.
2. The procurement planning for a project with multi-disciplines, such as refurbishment of a building, may require a builder - \$100k, electrical work - \$100k, HVAC work - \$75k and plumbing - \$50k: the procurement process for spend of a level of over \$250k should be applied for the aggregated spend, although it is accepted that as part of the procurement process the Council may decide to go out for individual tender processes for each of these services separately.

## 8. Preferred Suppliers

Wherever possible, employees should direct all goods, services and/or works purchases through preferred supplier contracted arrangements. A list of all AOG, Regional / Syndicated and local preferred suppliers should be reviewed before any commitment is made.

There may be occasions when employees will notice cheaper alternatives to these contracted arrangements. Employees should be aware that these contracts have been arranged with the overall benefit to the Council(s) in mind. Overall quality, performance, and public value have been considered when selecting the suppliers.

Note: Whether utilising preferred or non-preferred suppliers, the correct procurement process must be applied. Because the contract and commercial negotiations have been completed in advance, the process for using preferred suppliers is far less time consuming. However, if there is a need to vary the existing terms or pricing (where there is an increase in cost) outside of the agreed contract, the supplier should then be treated as a non-preferred supplier and the non-preferred supplier process applied.

A supplier who has pre-qualified under the Council's approved HSE system and/or process is not automatically a preferred supplier. A preferred supplier will have also been through a commercial process and have a contract in place.

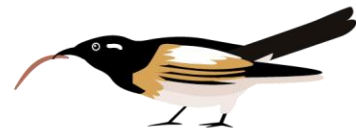
## 9. Procurement Process

Where an employee or authorised third party is looking to make a purchase they need to follow the appropriate procurement process. The processes have been separated to take into consideration the potential costs and risks to the Council.

**Cost** – these are the total costs (exclusive of GST) expected for the life of the contract and should include any contingencies or on-going costs. It is the aggregate of all the costs that should be used to determine the correct procurement process to follow.

**Risk** – these are the risks, their likelihood, the ability to mitigate the risks and the relative impact to the Council should the risk occur. This should take into consideration all types of risk including but not limited to commercial, operational and reputational risk.





## 10. Values

The different levels of procurement process are as follows:

1. Procurement under \$50,000 and considered low or medium risk requires:
  - a. 1 quote where a preferred supplier is utilised or spend is under \$20,000; or
  - b. 2 quotes where a non-preferred supplier is utilised and spend is over \$20,000; or
  - c. a Purchase Order with a 'one-up' delegated authority approval.
2. Procurement between \$50,000 and \$250,000 and considered either low or medium risk requires
  - a. 3 quotes; or
  - b. a Public or Invited RFX process to be used, as signed off in the Procurement Plan.

Note that if an approved Project Plan or Business Case has been completed which covers the information required within the Procurement Plan, completing a separate Procurement Plan is not required.

3. Procurement over \$250,000, or any high-risk procurement, regardless of dollar value requires:
  - a. a Public or Invited RFX process, as signed off in the Procurement Plan.

Note that if an approved Project Plan or Business Case has been completed which covers the information required within the Procurement Plan, completing a separate Procurement Plan is not required.

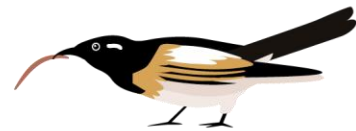
4. Where a contract is subject to a New Zealand Transport Authority (NZTA) subsidy, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by the Council.

Note: These are the minimum requirements pertaining to undertaking procurement activity and more suppliers than the minimum can participate.

## 11. Procurement Exemption

The process for the relevant level should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. **Monopoly situation:** Where there is a monopoly situation and only one Supplier capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party);
2. **Proprietary technology:** Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by Council. The Council must be satisfied that the proprietary technology is the most appropriate for the needs of Council;
3. **Benefits and costs of competition:** The time and costs of a competitive process outweigh the benefits of competition;
4. **Unique business proposition:** Where a Supplier has a unique business proposition that can minimise risks or costs to Council. This could include existing knowledge relevant to a project; or



5. **Existing contract:** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.

The key requirement is the direct appointment represents best value for Council. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instance a procurement exemption must be signed off by the designated person(s).

## 12. Emergency Procurement

In an emergency it may be necessary to dispense with parts of the procurement process so that the Council can react quickly to unforeseen events.

Emergency procurement should be used only in genuinely unforeseen circumstances. Poor planning or organisation of a procurement does not justify dispensing with parts of this policy.

In the context of this policy an emergency is defined as an event which results in:

1. Employees, public, supplier, property or equipment being placed in immediate risk.
2. Standards of health, welfare or safety having to be re-established without delay.
3. The significant impairment of the Council's delivery if the Council failed to respond promptly.
4. A declared or undeclared response to an 'emergency' as defined in the Civil Defence and Emergency Management Act 2002 (or any replacement Act).

Emergency procurement should be limited to what is required to cope with the emergency.

Emergency procurement must be authorised by employees with the appropriate financial delegation as soon as practicable following the purchase.

## 13. Anchor Organisation

When planning the purchase of goods and services, Council staff must consider the Te Punga o te Hapori (The Anchor of the Community) framework as a key element to achieving best public and local value.

A key principle of this framework is that local suppliers must be given full and fair opportunity to participate and compete for council work, where they have sufficient capacity, capability and skillset.



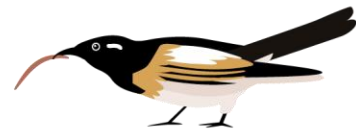


When planning a specific procurement, including setting tender evaluation criteria, staff must consider:

- Any practical advantages, such as financial savings, lower carbon footprint and faster response times, that purchasing from a local supplier could bring.
- The local value contribution that can be made to the district by both local and non-local suppliers.
- This includes how suppliers can contribute to broader social, cultural, economic, and environmental outcomes for the Ōtorohanga District.
- For all RFX procurement processes, a Local Value component should be included as a Pass/Fail criterion or an attribute of no less than 10% weighting.
- How larger procurement activities and the procurement approach might be structured to support smaller local suppliers.
- Undertaking local advertising for all relevant RFX opportunities.
- Capability, capacity, and skill set of the local contractor to undertake the work and/or to develop capability.

Where NZTA funding is involved, NZTA procurement processes apply to all suppliers.





## 14. Roles and Responsibilities

Employees and authorised third parties are responsible for ensuring the purchasing, tendering and contract process is carried out in line with the Procurement Principles, Policy and Framework (and any other Council policies and procedures), by those who have the delegated authority to make decisions relating to procurement.

All Contracts and Purchase Orders are to be authorised by the appropriate delegated authority prior to the commitment of funds.

Employees and/or authorised third parties are responsible for ensuring all contract information is uploaded on their local Electronic Document Management System, including all quotes or full RFx information.

Whenever the Council awards a contract, a suitably skilled employee or third party must be appointed to manage the contract. The person identified to manage the contract is responsible for ensuring that what has been agreed in the contract is delivered, on time, to the appropriate quality standards, and within the agreed price. It requires the employee to actively track and monitor delivery and costs, manage risks and manage the supplier relationship throughout the contract.

## 15. Corporate Purchasing (Credit) Card Policy

Where it is established that there is a regular requirement to purchase items for a cost centre to carry out their normal functions, the Council should consider arranging a preferred supplier contract. For more information regarding eligibility, use, and reconciliation of expenditure please refer to Council's Purchasing (Credit) Card Policy.

## 16. Conflicts of Interest

Conflicts of interest are circumstances where the exercise of an employee's duties or responsibilities to the Council with regards to their dealings with suppliers, could be, or might be perceived to be, influenced by some other interest that the employee may have. The other interest might exist because of:

- The employee's own financial affairs
- A relationship or other role that the employee has (or has had)
- Something that the employee has said or done.

Employees who believe they may have a conflict must disclose the conflict through the Interests Register in a timely manner.

Any conflicts of interest (actual or perceived) identified by a supplier during the procurement process will be assessed by the procurement/contract manager, who will exercise discretion in determining the level of risk and mitigation measures, and will seek advice from the GM Business Enablement if there is any doubt.





## 17. Confidentiality

The Council is committed to fair and ethical business practices that encourage competition and enhances our supplier relationships. A cornerstone of this policy is maintaining the confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials by all employees and third parties. Confidential information is not to be disclosed in any way to other suppliers, outside organisations, or to any unauthorised persons, subject to the provisions of LGOIMA (Local Government Official Information and Meetings Act, 1987).

Disclosure of confidential information is not only professionally unethical and damaging to the Council's negotiations with suppliers, it also exposes the Council to possible reputational risk or legal action. If you have any questions about any request to provide information concerning contracts, pricing, supplier proposals or other internal information, please discuss the request with your Group Manager.

## 18. Monitoring of Compliance with this Policy

The prime responsibility for the on-going monitoring of compliance with this policy rests with the GM Business Enablement.

## 19. Breaches of Policy

When there is evidence of a breach of this policy, Council will investigate to determine the circumstances and extent of the breach.

Any breaches of this policy must be notified to the GM Business Enablement and appropriate Council personnel will manage the incident and take any relevant action (which may include escalation).





# THE WAIKATO REGIONAL PROCUREMENT FRAMEWORKS

The Procurement Frameworks have been developed to accommodate the different levels and complexity of spend within a Council's portfolio. They have been 'sized' to enable the most efficient process to be undertaken having considered the cost and risk associated with the procurement.

After ensuring that the spend is necessary, yet prior to choosing the methodology, it is important to determine whether there are acceptable AOG, Regional or Syndicated contracts available that should be used rather than undertaking a local process.

Consideration of the Government Procurement Charter (Appendix 1) must be part of procurement planning.

If it has been determined that the process is to be managed locally, then the decision has to be made on which of the three processes should be used:

## **Under \$50,000 - Low or Medium Risk:**

Procurement under \$50,000 and considered low risk – Documented quotes required: One quote where a preferred supplier is utilised or spend is under \$20,000, two quotes where a non-preferred supplier is utilised and spend is over \$20,000 or a Purchase Order with a 'one-up' delegated authority approval.

## **Spend between \$50,000 and \$250,000 - Low or Medium Risk:**

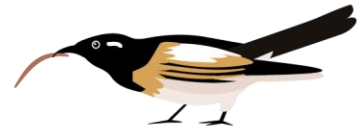
Procurement between \$50,000 and \$250,000 and considered either low or medium risk: Three quotes or a Public or Invited RFX process to be used as signed off in the Procurement Plan, if a Project Plan or Business Case has been completed which covers all of the requirements at this level of spend detailed in the Project Plan and has been appropriately signed off, this can be used in lieu of the Procurement Plan. On certain occasions it may be a requirement for direct negotiations, in which case a Procurement exemption would be sought as part of the process.

## **Spend over \$250,000 - Low or Medium Risk or all High Risk spend:**

Procurement over \$250,000 and considered either low, medium or high risk, or any high-risk procurement, regardless of dollar value: Public or Invited RFX process should be used, as signed off in the Procurement Plan, if a Project Plan or Business Case has been completed which covers all of the requirements at this level of spend detailed in the Project Plan and has been appropriately signed off, this can be used in lieu of the Procurement Plan. On certain occasions it may be a requirement for direct negotiations, in which case a Procurement Exemption would be sought as part of the process.

NB – These are the minimum requirements pertaining to undertaking procurement activity and more suppliers than the minimum can participate.





When considering the right procurement framework to use, the spend should equate to the total spend and cover the life of the contract.

For example:

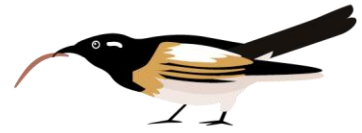
- if a building project is being undertaken the spend across all disciplines should be aggregated to assess the spend level, not by individual discipline, although the resulting procurement strategy may determine that the go to market strategy is by discipline.
- if it is a maintenance contract, spend over the life of the maintenance agreement should be aggregated to assess the spend level.
- if panel suppliers are being developed, the total spend for the category should be considered regardless of whether it is likely to be split across multiple suppliers.

Below are flowcharts and step-by-step guides for:

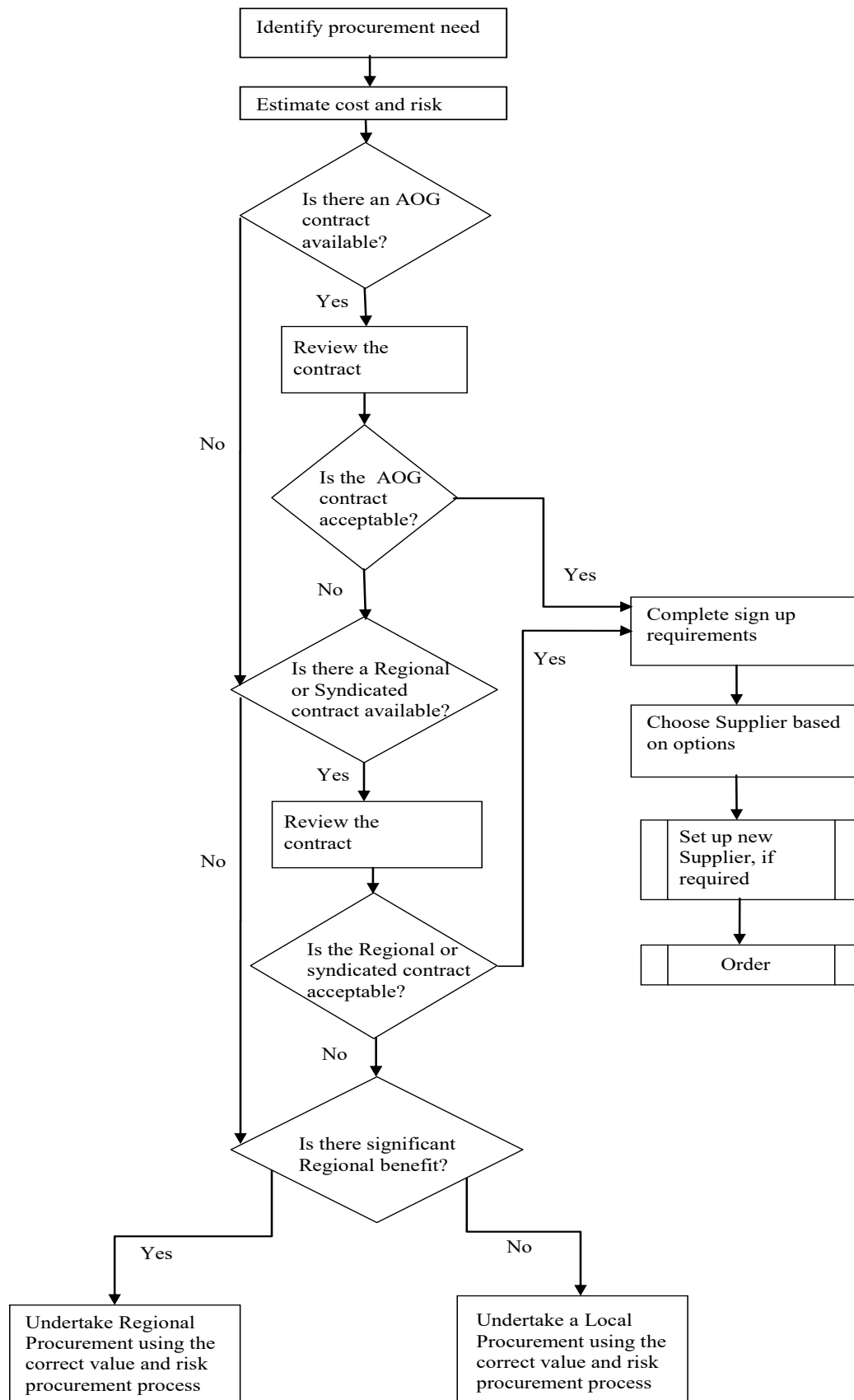
- determining whether to use an AOG, regional, syndicated or local process; and
- the process for each spend threshold.

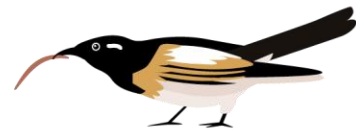
NB: The most effective local processes have been highlighted in green and the decision points in red.





## DETERMINING WHETHER TO USE AN AOG, REGIONAL OR LOCAL PROCESS





## DETERMINING WHETHER TO USE AN AOG, REGIONAL OR LOCAL PROCESS STEP BY STEP GUIDE

Step	Description	Guiding Information
1.	Procurement Need	Prior to undertaking any procurement, the need for procurement should be established. To ensure that the correct goods, services and/or works are received by the Council, it is important to understand what is required. These requirements need to be clearly articulated with the suppliers to enable them to effectively offer goods, services and/or works. Upon completion of the procurement process these must be recorded in the contract or on the requisition.
2.	Estimate Cost and Risk	Once the need is clearly defined, the person leading the process needs to estimate the cost and risk. The cost should be the full cost of the procurement as defined in the Procurement Policy, and the risk needs to be considered in line with the Council or Waikato LASS risk thresholds. This will then provide guidance as to the correct procurement process to follow.
3.	AOG Contracts	Is there an All of Government (AOG) contract available for use? If there is then this should be reviewed to determine if it provides the goods, services and/or works required. If it does, then this method should be utilised. If it does not, then go to Step 6.
4.	AOG Sign Up	Request the documentation required to sign up to the AOG contract, if it is unclear on where to get the documentation or how to fill the information in then contact either your local or regional procurement expert or the MBIE Procurement team for guidance. Once completed submit all of the information.
5.	AOG Supplier Selection	Upon inclusion into the AOG contract, if there is a choice of supplier, assess the most suitable provider, ensure that they meet the HSE requirements for the Council, and go to step 10.
6.	Regional / Syndicated Contracts	If there is no AOG contract, identify whether there is a Regional or Syndicated Contract, if there is then assess that it meets the requirements of the procurement, if it does, utilise the Contract if not, go to step 9.
7.	Regional / Syndicated Contracts Sign Up	Request to join the contract with the contract owner. This will be either Waikato LASS or one of the other Councils in the region. They will vary the contract to allow for your inclusion. Discuss and agree your requirements with the Supplier, go to step 10.
8.	Regional or Syndicated Benefit Realisation	If there is no Regional or Syndicated Contract, assess whether it would be beneficial to set one up. Review this with the other council's procurement leads. If there is agreement by all or a significant proportion of the Councils then agree who will lead the process, select the appropriate procurement process based on threshold and risk detailed within the frameworks and execute.
9.	Local Procurement	If there is no appetite or need for a Regional Contract, undertake a local procurement process. Utilise the methodology for choosing the correct procurement process based on threshold and risk detailed within the frameworks and follow the appropriate procurement process.



Step	Description	Guiding Information
10.	Supplier Set Up	If the chosen Supplier is a new supplier, <u>after</u> they have met the HSE requirements of the Council, ensure that they are set up on the system. Once this is completed or if they are already on the system go to Step 11.
11.	Order	<p>Award the contract and / or provide a Purchase Order detailing the goods, services and/or works to be supplied.</p> <p>Inform the unsuccessful suppliers and provide the opportunity for feedback, if required.</p> <p>Ensure all Procurement information is correctly filed.</p>





## PROCUREMENT CHECKLIST

Below is a checklist to ensure all of the required information has been completed (NB the green boxes are required and the red are not. Orange has been used where there is a choice e.g. quote or RFx):

Required Documents / steps	Under \$50k & Low / Medium Risk	Between \$50k & \$250k & Low / Medium Risk	Over \$250k & Low / Medium Risk or any High Risk
Estimate of total cost for the life of the agreement			
Conflict of Interest forms			
Confidentiality forms			
Procurement Plan or acceptable Business Case / Project Plan			
Scope			
Quote template			
RFx documents			
Draft contract			
Evaluation documents			
Notes to tenderers template			
Bid receipt form			
Evaluation report			
Approval to proceed to negotiation form			
HSE confirmation			
Supplier insurance information			
Final contract			
Letters to unsuccessful tenderers			
Recommendation / Approval form(s)			
Supplier details for new supplier set up			
Purchase Order			
Contract management plan			
Escalation process			
Contract variation form			

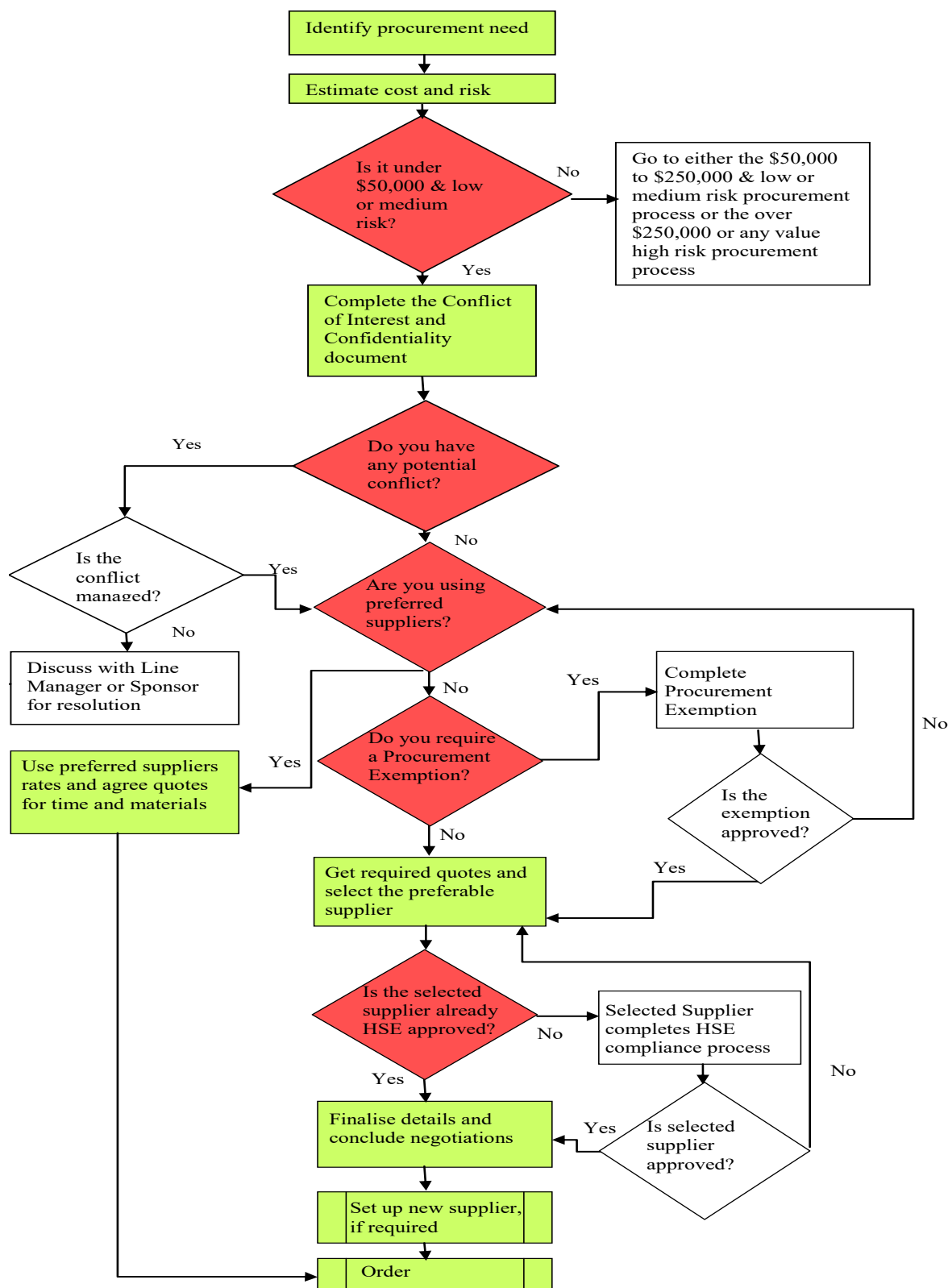


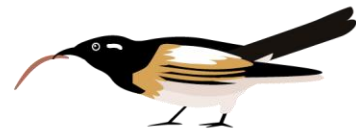
Documents that may be required	Under \$50k & Low / Medium Risk	Between \$50k & 250k & Low / Medium Risk	Over 250k & Low / Medium Risk or any High Risk Procurement
Procurement timetable			
Conflict of Interest resolution plan			
Preferred supplier agreements			
Procurement Exemption			
Risk review			
Market & supplier analysis			
Category strategy			
Evaluation guidelines			
Evaluation scoring sheet			
Negotiation strategy			
Legal contract review			
Transition plan			
KPI review meeting agenda			
Annual review meeting agenda			
Termination letter			





## PROCUREMENT UNDER \$50,000 - LOW OR MEDIUM RISK





## PROCUREMENT UNDER \$50,000 - LOW OR MEDIUM RISK

### STEP BY STEP GUIDE

Step	Description	Guiding Information
1.	Procurement Need	Prior to undertaking any procurement, the need for procurement should be established. To ensure that the correct goods, services and/or works are received by the Council, it is important to understand what is required. These requirements need to be clearly articulated with the suppliers to enable them to effectively offer goods, services and/or works. Upon completion of the procurement process these must be recorded in the contract or on the requisition.
2.	Estimate Cost and Risk	Once the need is clearly defined, the person leading the process needs to estimate the cost and risk. The cost should be the full cost of the procurement as defined in the Procurement Policy, and the risk needs to be considered in line with the Council or Waikato LASS risk thresholds. This will then provide guidance as to the correct procurement process to follow.
3.	Correct threshold	Ensure that the total value is below \$50,000 and either a low or medium risk, if it is not then go to either the \$50,000 to \$250,000 and low or medium risk step by step guide or the over \$250,000 and low or medium risk or any spend which is high risk step by step guide.
4.	Conflict of Interest and Confidentiality	Complete your Councils' Conflicts of Interest and Confidentiality template(s). If there is no conflict of interest, go to step 6.
5.	Conflict of Interest resolution	If there is a Conflict of Interest, discuss this with your Line Manager or the Delegated Authority / Sponsor for this spend and agree a plan for managing the Conflict.  NB this may include removal of the individual from the procurement process if it could materially impact the outcome or produce a potential conflict for the individual or any supplier(s) involved.
6.	Preferred Suppliers	Are you using Preferred Suppliers? (Preferred Suppliers are defined in the Procurement Policy Glossary of Terms). If you are, go to step 7, if you are not using a Preferred Suppliers, go to step 9.
7.	Using Preferred Suppliers	Ensure that the Preferred Suppliers are contracted to perform the services. Undertake the works or supply the goods that you require, if they are not go, to step 9.
8.	Time and Materials Supplier rates	The Preferred Supplier rates may already be established if they are then get the supplier to provide time and materials quotes so that you can assess the total cost, if the rates are not already provided get the supplier to provide



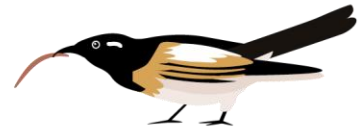
Step	Description	Guiding Information
		these as well. Ensure that the supplier is prepared to carry out the work under their existing contract if they are go to step 18, if they are not, go to step 9.
9.	Procurement Exemption	<p>If you are not going to comply with Procurement Policy or your Council Specific Information sheet requirements for this level of spend complete a Procurement Exemption form. If you are complying with Procurement Policy, go to step 12.</p> <p>NB: this is designed to support the rationale for going outside of the general procurement process and where there is legitimacy to this the procurement exemption provide support to the procurer.</p>
10.	Procurement Exemption Sign Off	Once the Procurement Exemption is complete it needs to be assessed and signed off by the authorised person or their delegated alternate, this is detailed in your Council Specific Information.
11.	Exemption approval	<p>If the procurement exemption is approved, go to step 12.</p> <p>If the procurement exemption is not approved go back to step 6 and reassess the suppliers to be engaged.</p>
12.	Quoting process	<p>For spend under \$50,000 it is likely that a quoting process will be utilised, ensure that you receive the required number of quotes in line with the Procurement Policy or as specified in the Council Specific Information Sheet. If you are not going to receive the required number of quotes, go to step 9, unless you have an approved Procurement Exemption.</p> <p>Ensure that you have clearly articulated what you require so that all of the suppliers have adequate information to provide you with a full quote. It is preferable that the quotes are requested in writing, however if these are requested verbally ensure that the responses are in writing or that you have documented these and that they are clearly detailed in the Purchase Order.</p>
13.	Receiving quotes	Ensure that you have received all of the quotes before you make a final decision, if you have evaluate, make a decision and, go to step 14.
14.	HSE	At the time of requesting quotes, it is essential to establish whether the supplier(s) are HSE approved, if they are, go to step 16.
15.	HSE approval process	<p>If the supplier(s) are not HSE approved outline the requirements to be approved to the supplier. If required, utilise the HSE team / expert to provide assistance in explaining the requirements to the supplier(s).</p> <p>It is acceptable to allow them to quote and undertake the full HSE approval process if they are successful, but this <u>must</u> be completed prior to the award of the contract or the raising of the Purchase Order.</p>



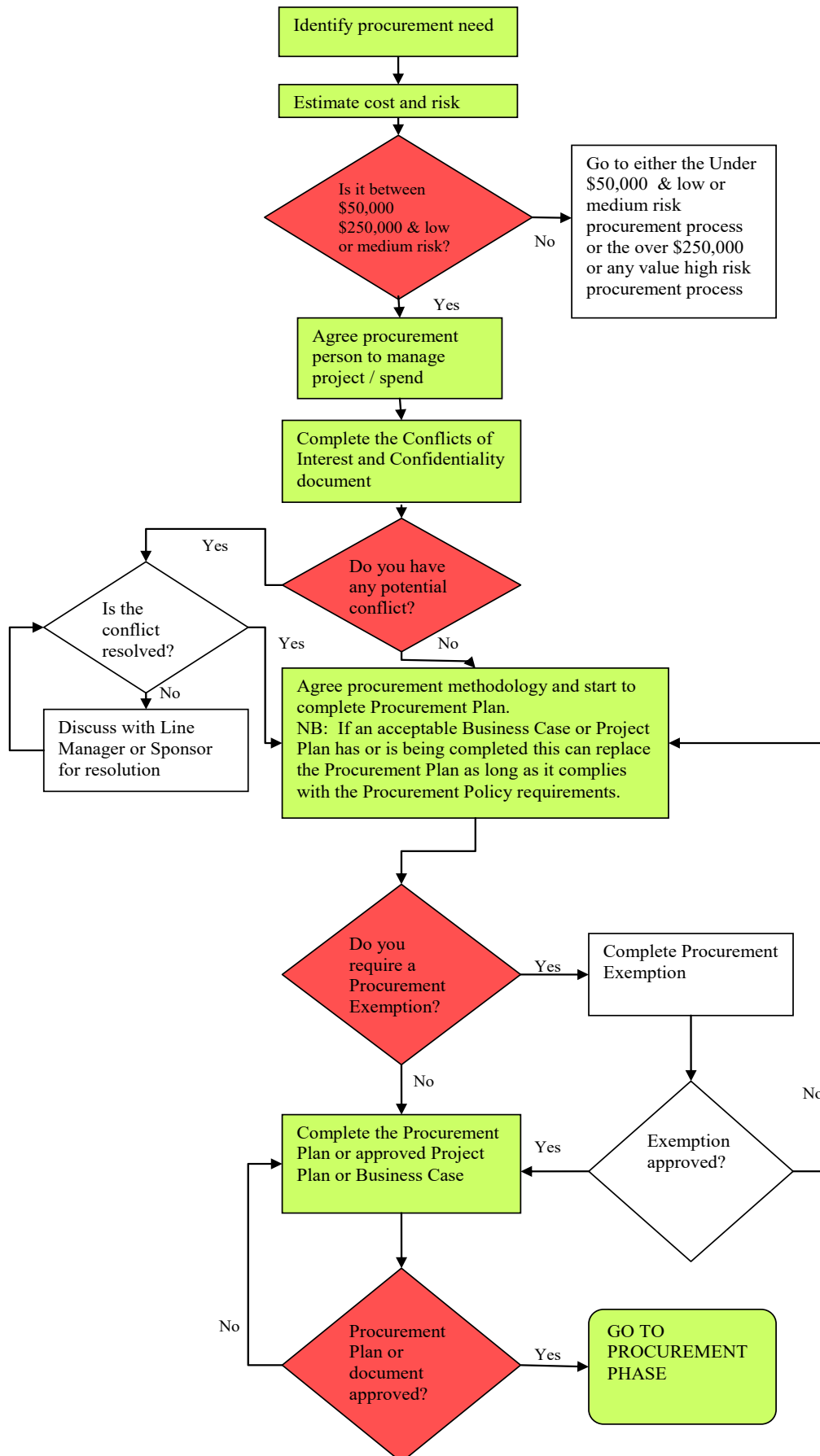


Step	Description	Guiding Information
		If the supplier will not undertake the HSE approval process or does not gain approval, then go back to step 12 if you have other quotes you can consider or, step 6 if you have no other quotes to consider.
16.	Finalising Arrangements	Complete the final commercial negotiations. Include any final technical negotiations in this process and ensure that HSE approval has been attained and any Insurance Certificates required have been received.
17.	Supplier Set Up	If the chosen Supplier is a new supplier, <u>after</u> they have met the HSE requirements of the Council, ensure that they are set up on the system. Once this is completed or if they are already on the system go to Step 18.
18.	Order	<p>Award the contract and / or provide a Purchase Order detailing the services to be provided, the works to be undertaken and/or the goods to be supplied.</p> <p>NB: No work should commence before the contract is signed or Purchase Order sent or before the Insurance and HSE requirements are completed.</p> <p>Inform the unsuccessful suppliers and provide the opportunity for feedback, if required.</p> <p>Ensure all Procurement information is correctly recorded and filed.</p>



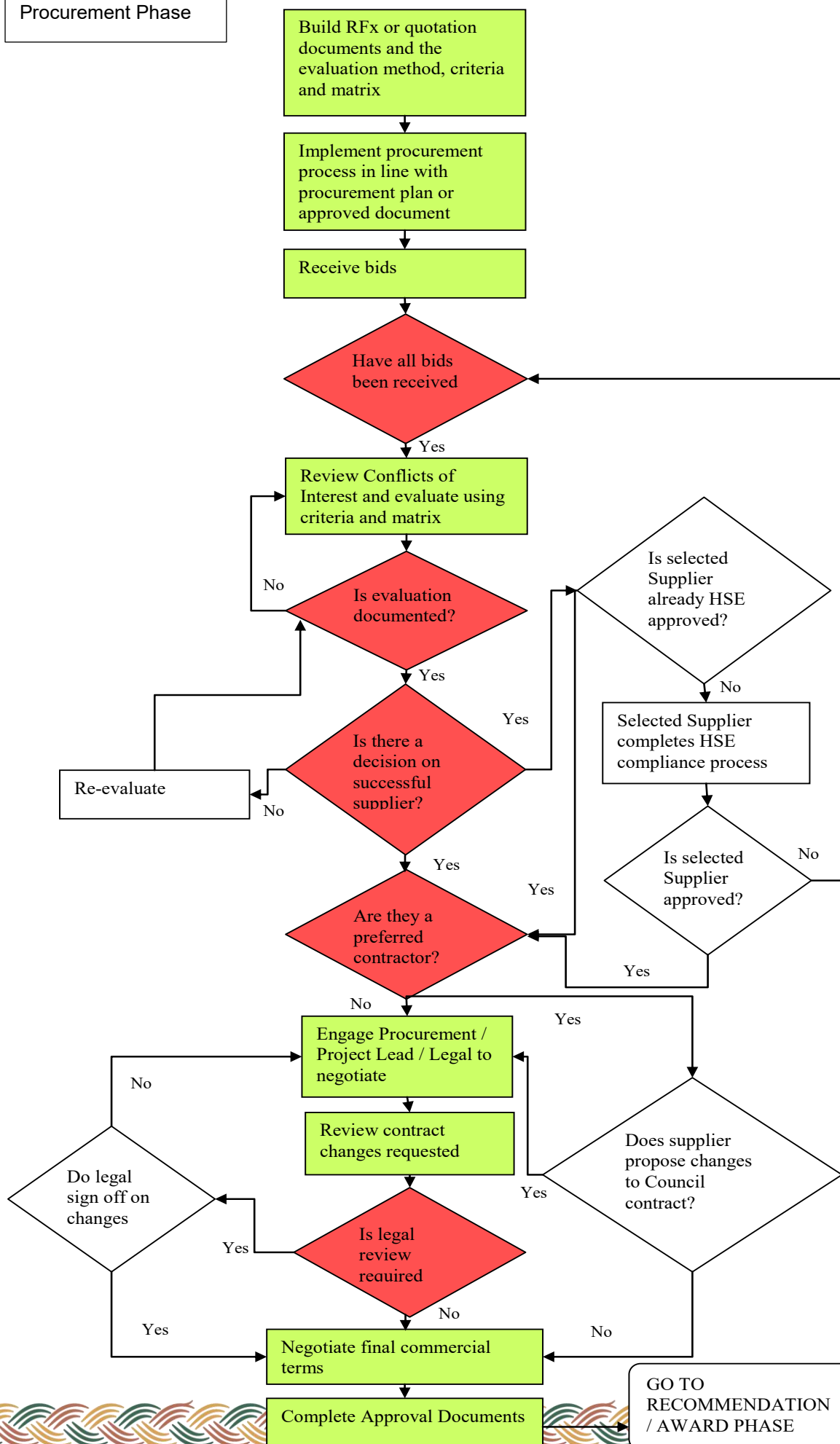


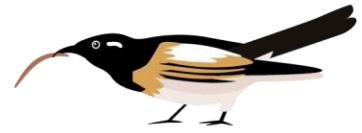
## PROCUREMENT BETWEEN \$50,000 AND \$250,000 - LOW OR MEDIUM RISK



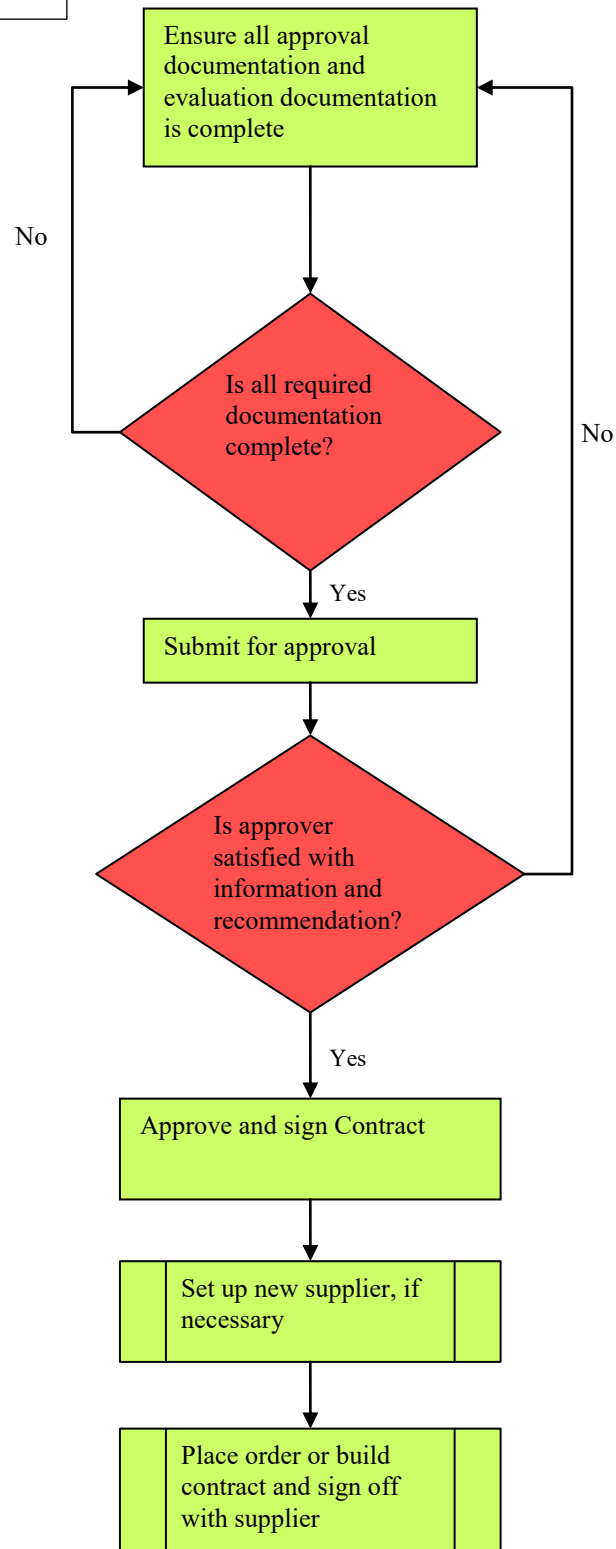


## Procurement Phase



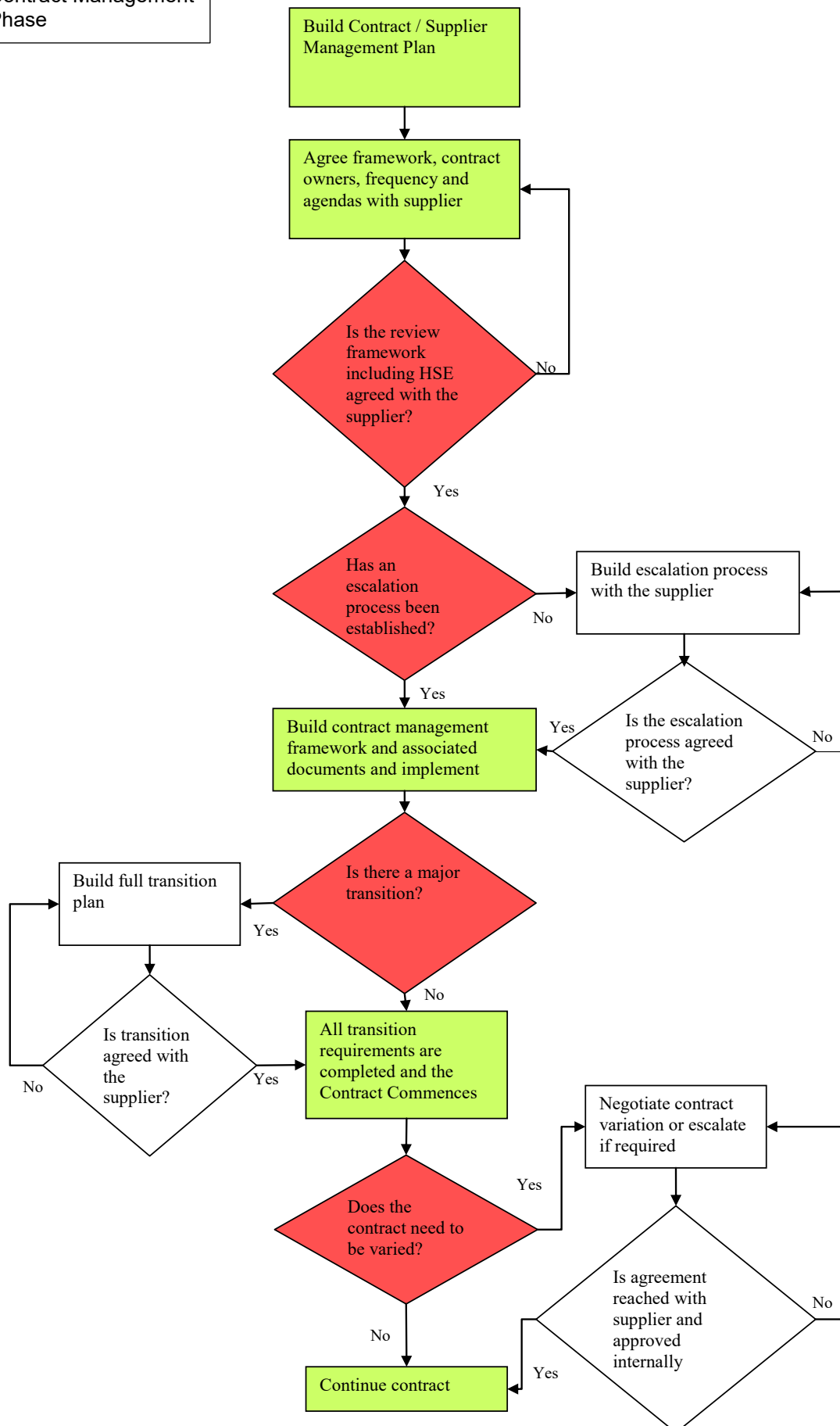


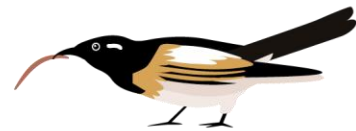
Recommendation /  
Award Phase





## Contract Management Phase





## PROCUREMENT BETWEEN \$50,000 AND \$250,000 - LOW OR MEDIUM RISK

### STEP BY STEP GUIDE

Step	Description	Guiding Information
1.	Procurement Need	Prior to undertaking any procurement, the need for procurement should be established. To ensure that the correct goods, services and/or works are received by the Council, it is important to understand what is required. These requirements need to be clearly articulated with the suppliers to enable them to effectively offer goods, services and/or works. Upon completion of the procurement process these must be recorded in the contract or on the requisition.
2.	Estimate Cost and Risk	Once the need is clearly defined, the person leading the process needs to estimate the cost and risk. The cost should be the full cost of the procurement as defined in the Procurement Policy, and the risk needs to be considered in line with the Council or Waikato LASS risk thresholds. This will then provide guidance as to the correct procurement process to follow.
3.	Correct Threshold	Ensure that the total value is between \$50,000 and \$250,000 and either a low or medium risk, if it is not then go to either the below \$50,000 and low or medium risk step by step guide or the over \$250,000 and low or medium risk or any spend which is high risk step by step guide.
4.	Procurement Lead	Establish who is going to lead the Procurement process and be responsible for completing all of the procurement documentation
5.	Conflict of Interest and Confidentiality	Complete your Councils' Conflicts of Interest and Confidentiality template(s). If there is no conflict of interest, go to step 7.
6.	Conflict of Interest resolution	<p>If there is a Conflict of Interest, discuss this with your Line Manager or the Delegated Authority / Sponsor for this spend and agree a plan for managing the Conflict.</p> <p>NB: this may include removal of the individual from the procurement process if it could materially impact the outcome or produce a potential conflict for the individual or any supplier(s) involved.</p>
7.	Procurement Methodology	<p>For spend between \$50,000 and \$250,000 you may decide to utilise a quoting process or an RFx process, ensure that you receive the required number of quotes or bids in line with the Procurement Policy. If you are not going to receive the required number of quotes or intend to use an invited RFx process, you will need to complete a Procurement Exemption as part of this process.</p> <p>Ensure that you have clearly articulated what you require so that all of the suppliers have adequate information to provide you with a full quote. It is preferable that the quotes are requested in writing, however if these are requested verbally ensure that the responses are in writing or that you have these documented and clearly detailed in the Purchase Order.</p>



Step	Description	Guiding Information
8.	Procurement Plan	<p>If there is a Business Case or Project Plan that covers all the required procurement applicable to this level of spend in the Procurement Plan, then this can be substituted for the Procurement Plan (for clarity comply with all sections relating to Procurement Plan using your alternate document).</p> <p>Otherwise complete the Procurement Plan sections applicable to this threshold of spend in the Procurement Plan, to assist a suite of tools have been developed in the Council Procurement Toolkit.</p>
9.	Preferred Suppliers	Are you using Preferred Suppliers? (Preferred Suppliers are as defined in the Procurement Policy Glossary of Terms). If you are, go to step 10, if you are not using a Preferred Suppliers, go to step 12.
10.	Using Preferred Suppliers	Ensure that the Preferred Suppliers are contracted to perform the services. Undertake the works or supply the goods that you require, if they are not go, to step 12.
11.	Time and Materials Supplier rates	The Preferred Supplier rates may already be established if they are the get the supplier to provide time and materials quotes so that you can assess the total cost, if the rates are not already provided get the supplier to provide these as well. Ensure that the supplier is prepared to carry out the work under their existing contract if they are go to step 31, if they are not, go to step 12.
12.	Procurement Exemption	<p>If you are not going to comply with Procurement Policy or your Council Specific Information sheet requirements for this level of spend or if you intend to use an invited tender process complete a Procurement Exemption form. If you are complying with Procurement Policy, go to step 15.</p> <p>NB: this is designed to support the rationale for going outside of the general procurement process and where there is legitimacy to this the procurement exemption provide support to the procurer.</p>
13.	Procurement Exemption Sign Off	Once the Procurement Exemption is complete it needs to be assessed and signed off by the authorised person or their delegated alternate, this is detailed in your Council Specific Information.
14.	Procurement Exemption Approval	<p>If the Procurement Exemption is approved, go to step 15.</p> <p>If the Procurement Exemption is not approved, go back to step 7 and reassess the suppliers to be engaged.</p>
15.	Procurement Plan Approval	Upon completion of the Procurement Plan this should be approved by the authorised person detailed in the Council Specific Information or the delegated person.
16	Build Procurement Documents	<p>Depending on whether a quoting or an RFx process is being utilised, build the appropriate documents to enable you to go to market for either quotes or formal responses.</p> <p>Ensure that you build in sufficient negotiation time and flexibility.</p> <p>This should also include providing a draft contract where appropriate, requested changes can then be marked up by the supplier as part of their</p>





Step	Description	Guiding Information
		submission. (NB: It is often good to add this in as a weighted criterion in the evaluation, especially as this can minimise their requested changes to those which are material).
17.	Build Evaluation Documents	Prior to going to market it is important to develop and sign off the evaluation criteria and methodology, what the weightings are and the panel who will be evaluating the responses (this should include both technical and commercial reviews).
18.	Go To Market	<p>Once all the documents have been completed (and if required, signed off). The Procurement Lead should go to market, this may be a direct process if a quoting methodology is used, or an invited or an open tender process if an RFX process is being used. If an open process is being used it is important that you follow the Council requirements and use the correct system (TenderLink/LG Tenders or GETS).</p> <p>Ensure that your process provides for an adequate amount of time for the suppliers to respond. This will ensure that you get the most complete and well developed responses from the suppliers.</p> <p>Ensure that you have clearly articulated how you want the documentation provided (paper, memory stick, electronically), where the information is to be sent to, the number of copies and any specific splits (such as non-commercial copies for technical only evaluators).</p> <p>Ensure that there is also a clear deadline for submissions, regardless of whether you run a quoting or RFX process so that all suppliers are working to the same rules and timelines.</p>
19.	Quote or RFX Questions	<p>If any supplier seeks clarification on anything to do with the Procurement Documents, the question and response should be shared with all other bidders in writing.</p> <p>The only exception to this is if the information requested by the supplier is of a personal nature to their bid / quote, the Procurement Lead should then decide whether this information should be kept proprietary or shared with all bidders and inform the supplier prior to answering the question. In the event the information would be shared the supplier should make a final decision on whether they want the question answered or whether they want to withdraw the question (this is likely if they feel it would have a detrimental impact on their bid / quote).</p>
20.	Bid Receipting	<p>All bids / quotes should be received by the deadline. Any supplier bid which is late must be approved by the person with delegated authority. Council should only extend the deadline if there is a significant reason for allowing an extension of time (e.g. a significant change or addition to the scope).</p> <p>No bids / quotes should be opened prior to the deadline, if these are being received electronically, they should not be reviewed, however they can be printed ready for the deadline.</p> <p>All bids or quotes should be registered. If paper copies are provided / printed these should be initialled and witnessed at the time of opening and recorded</p>





Step	Description	Guiding Information
		on the bid opening sheet. If electronic copies are to be utilised these should be recorded on the bid opening sheet.
21.	Evaluation	<p>The evaluation panel established in step 17, now undertake the evaluation subject to no further Conflicts of Interest being identified. Ensure that the right documentation is received by each evaluator (e.g. if they are undertaking a technical only evaluation do not provide the commercial documentation). Provide a timeline for the panel to feedback their evaluations.</p> <p>Upon completion of the individual evaluations the Procurement lead may bring the evaluation team together to go through the evaluations and collate the results with the team (this is useful if you want a deep understanding of their rationale, often used on technically complex or large scale tenders) or collate the results and feed back to the team (this is less time consuming and often used on straight forward tender processes).</p> <p>It is important that the evaluation team are on board with the final decision. Therefore, there should be an opportunity to challenge and review the results of the evaluation to ensure that the correct decision is being made.</p> <p>At this point all appropriate due diligence should also be undertaken as part of the evaluation process.</p>
22.	Evaluation Sign Off	<p>It is important that all of the evaluators sign off on the evaluation, process, results and final decision prior to proceeding. If this cannot be agreed the results should be escalated for a final decision.</p> <p>If there is a requirement for any other sign off of the evaluation prior to proceeding, this should be undertaken at this stage.</p>
23.	Supplier Selection	Advise the selected supplier of their selection and the intention to enter into formal negotiations, do not advise the other bidders of being unsuccessful at this stage as you still need to complete the negotiation process.
24.	HSE	At the time of requesting quotes, it is essential to establish whether the supplier(s) are HSE approved, if they are go to step 26.
25.	HSE Approval Process	<p>If the supplier(s) are not HSE approved outline the requirements to be approved to the supplier. If required, utilise the HSE team / expert to provide assistance in explaining the requirements to the supplier(s).</p> <p>It is acceptable to allow them to bid or quote and undertake the full HSE approval process if they are successful, but this <u>must</u> be completed prior to the award of the contract or the raising of the Purchase Order.</p> <p>If the supplier will not undertake the HSE approval process or does not gain approval, then go back to step 21 if you have other quotes you can consider or, step 7 if you have no other quotes to consider.</p>
26.	Negotiation Preparation	<p>Identify the negotiating person or team.</p> <p>Review the tender documentation and establish the technical and commercial points of negotiation.</p>





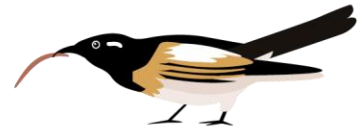
Step	Description	Guiding Information
		Review the contract and identify any changes requested by the supplier.
27.	Legal Team Review	Where there are significant changes to contract ensure the Legal Team undertake a review of the changes. If you are unsure whether they are significant ask the Legal Team to advise.
28.	Legal Team Sign Off	If the Legal Team sign off the changes, go to step 29. If the Legal Team do not sign off the changes negotiate the terms in line with the Legal Team's guidance and, go to step 29. If all aspects of the contractual negotiations are not agreed escalate for resolution, if resolution is successful, go to step 29. If resolution cannot be reached, go to step 21 and reconsider the supplier to be selected.
29.	Commercial Negotiation	Complete the final commercial negotiations. Include any final technical negotiations in this process and ensure that HSE approval has been attained and any Insurance certificates required have been received. If all aspects are agreed by the parties, go to step 30. If all aspects are not agreed escalate for resolution, if resolution is successful, go to step 30. If resolution cannot be reached, go to step 21, and reconsider the supplier to be selected.
30.	Complete Recommendation to Award Documentation	Ensure all of the Procurement Plan, Evaluation Documentation and all Approval Documentation is completed
31.	Approval process	Submit for final approval to the appropriate person within the Council Specific Information, the Delegate Authority holder or the designated person with the delegation provided to them.
32.	Final Approval	If approval is given, go to step 33. If approval is not given either: a. if additional approval information is required, go to step 30; b. if additional evaluation is required, go to step 21; c. if the process is to be run, go to step 7; or d. end the process and inform all Suppliers of the decision not to proceed.
33.	Supplier Set Up	If the chosen Supplier is a new supplier, <u>after</u> they have met the HSE and Insurance requirements of the Council, ensure that they are set up on the system. Once this is completed or if they are already on the system go to Step 34.
34.	Order	Award the contract and / or provide a Purchase Order detailing the services to be provided, the works to be undertaken and/or the goods to be supplied. NB: No work should commence before the contract is signed or Purchase Order sent or before the Insurance and HSE requirements are completed.



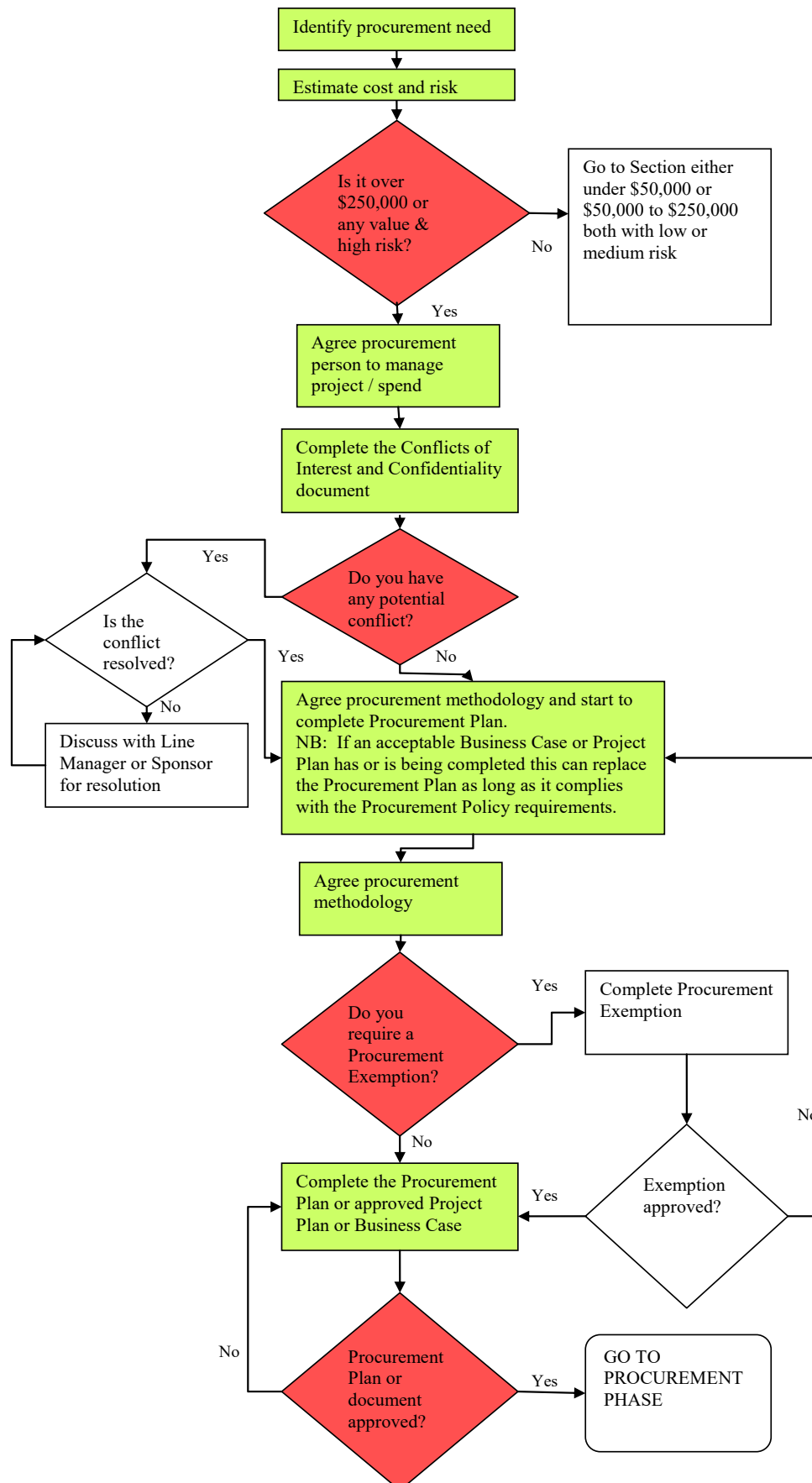


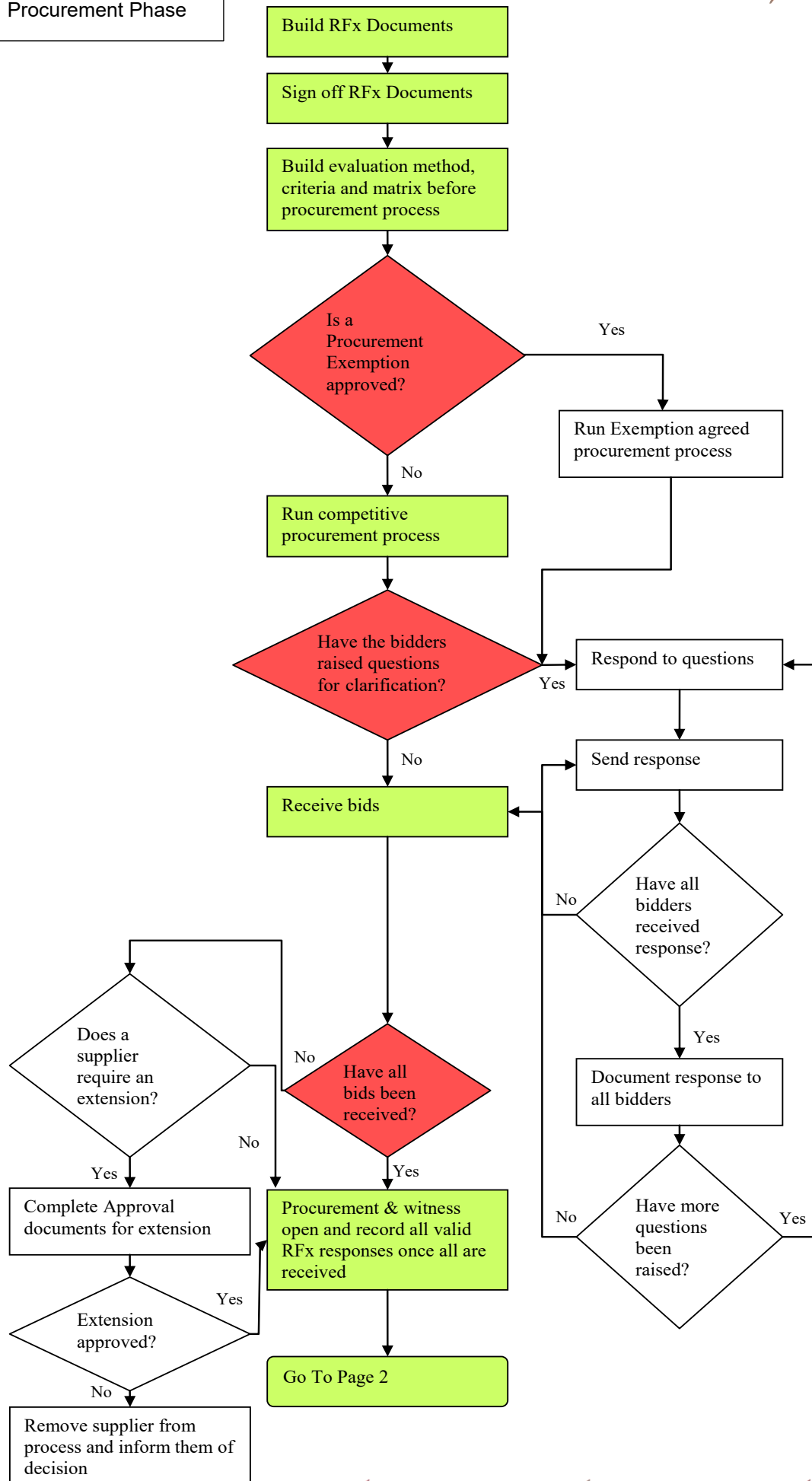
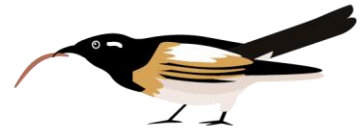
Step	Description	Guiding Information
		Inform the unsuccessful suppliers and provide the opportunity for feedback, if required. Ensure all Procurement information is correctly recorded and filed.
35.	Contract / Supplier Management	Assess the need for on-going contract management and the level required, if there is no need for Contract / Supplier Management (e.g. one off purchase), go to Step 37.
36.	Contract / Supplier Management Framework	Agree the required Contract / Supplier Management with the supplier; this should include all documents, reports, meetings and HSE requirements to be produced or attended, their frequency and the owner.
37.	Escalation Process	Agree with the supplier an escalation process for both commercial and technical issues, and go to step 38, or if it has been established in step 35 that there is no need for Contract / Supplier Management (e.g. one off purchase), go to Step 39.
38.	Contract / Supplier Management Framework	Build the framework based on the agreed documentation in Step 36.
39.	Transition	Determine whether there is a transition plan required. If not, go to Step 42.
40.	Transition plan	Create a full transition plan with the supplier; this should take into consideration timeframes, operational issues / challenges associated with the change, resources and employee awareness requirements.
41.	Transition	Undertake transition and complete process.
42.	Contract Commencement	Commence contract on the agreed start date.
43.	Contract Variations	During the life of the contract, if the contract needs to be varied identify the variation required and negotiate / agree with the supplier.
44.	Variation approval	Seek approval to vary contract in line with Council Specific Information or the Delegated Authority budget holder.  If agreed write variation to contract, sign off with supplier, get authorised Council sign off, implement and file variation with the other procurement documentation.  If not agreed, go to step 45 and continue the contract, or, step 37 to escalate.
45.	Continuance	Continue Contract in line with agreed Contractual Terms.

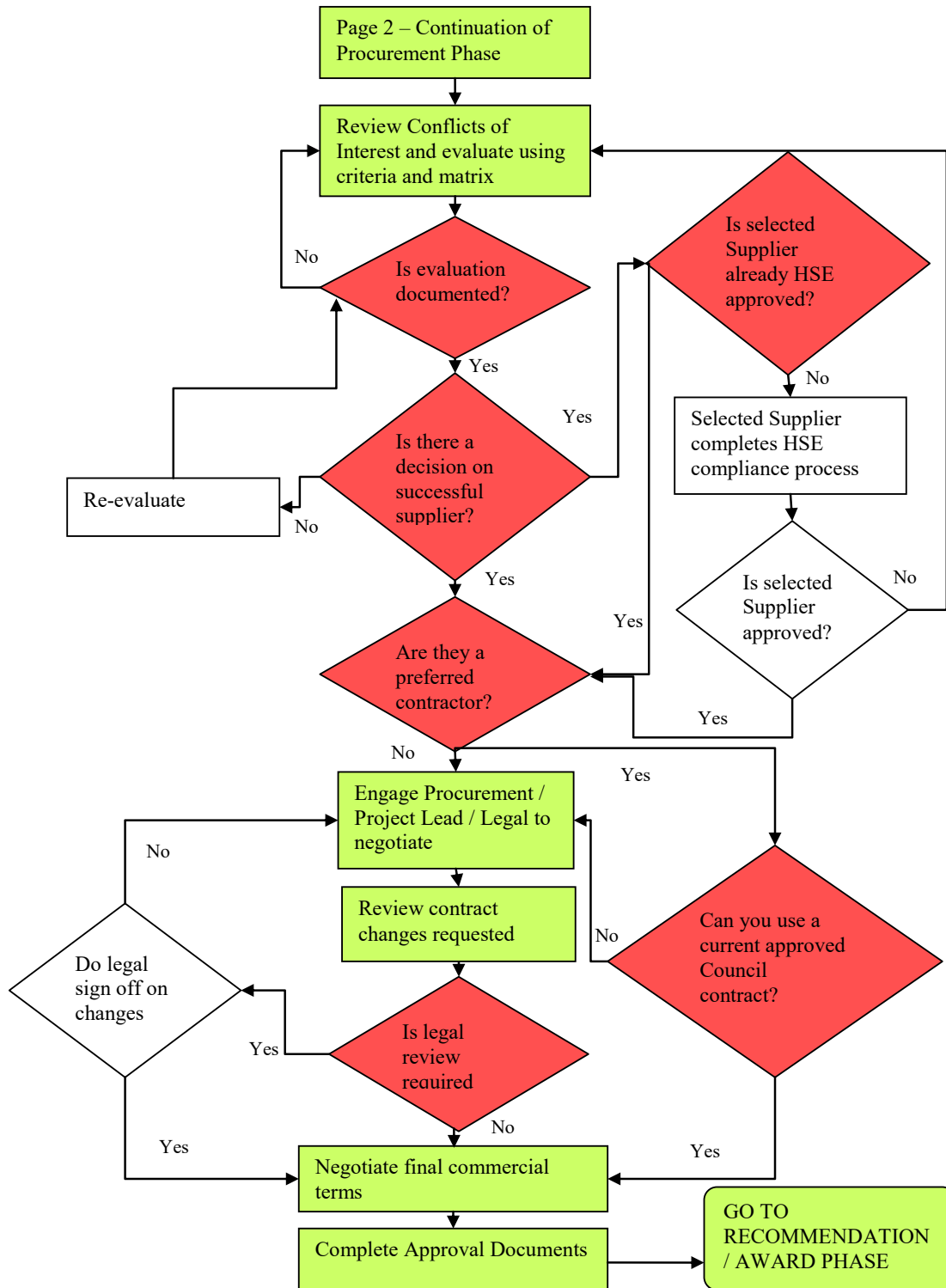
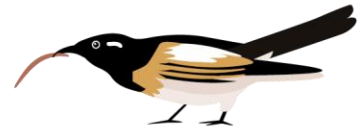


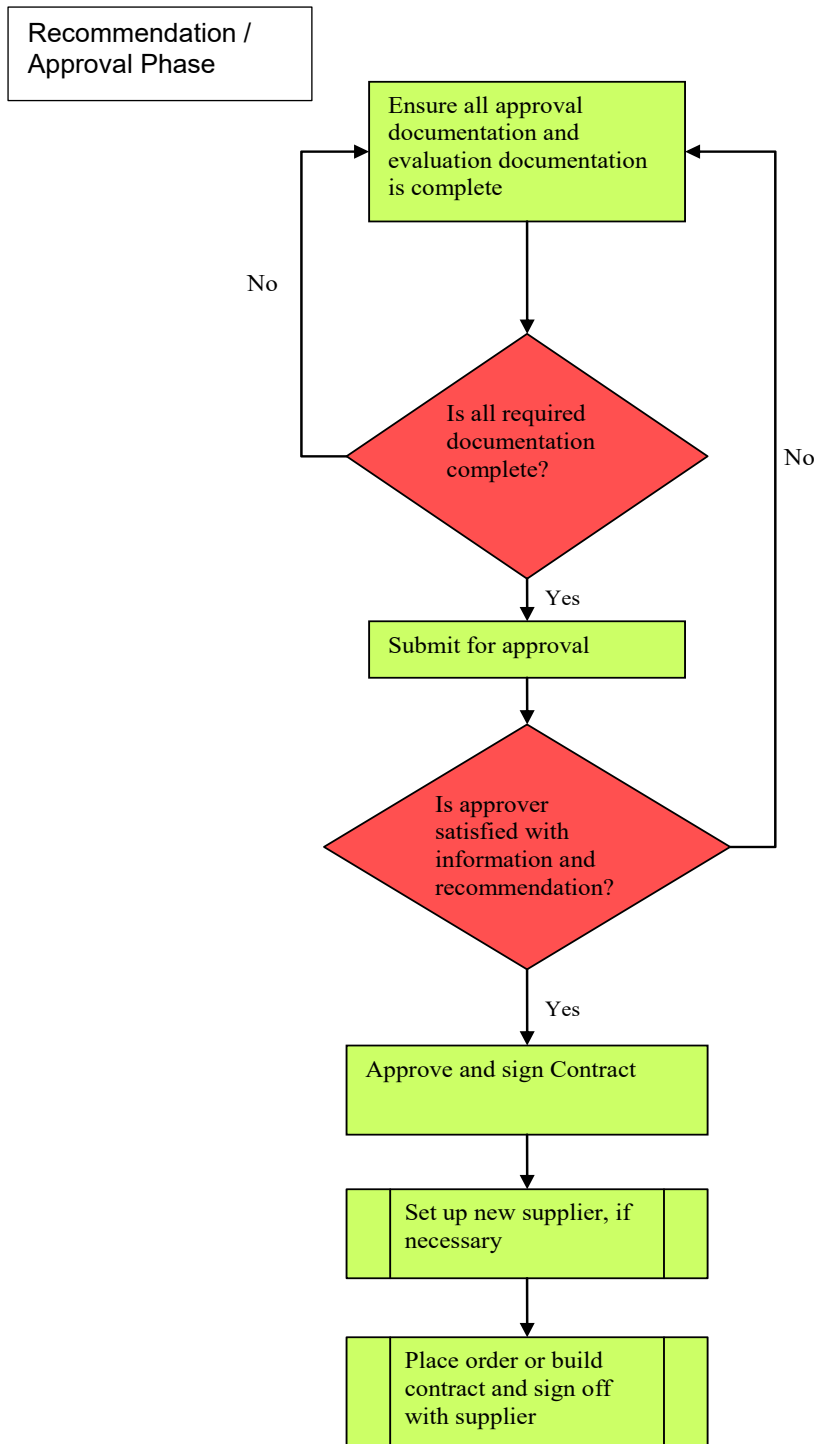
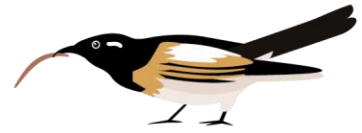


## PROCUREMENT OVER \$250,000 - LOW OR MEDIUM RISK; OR ANY VALUE WITH HIGH RISK



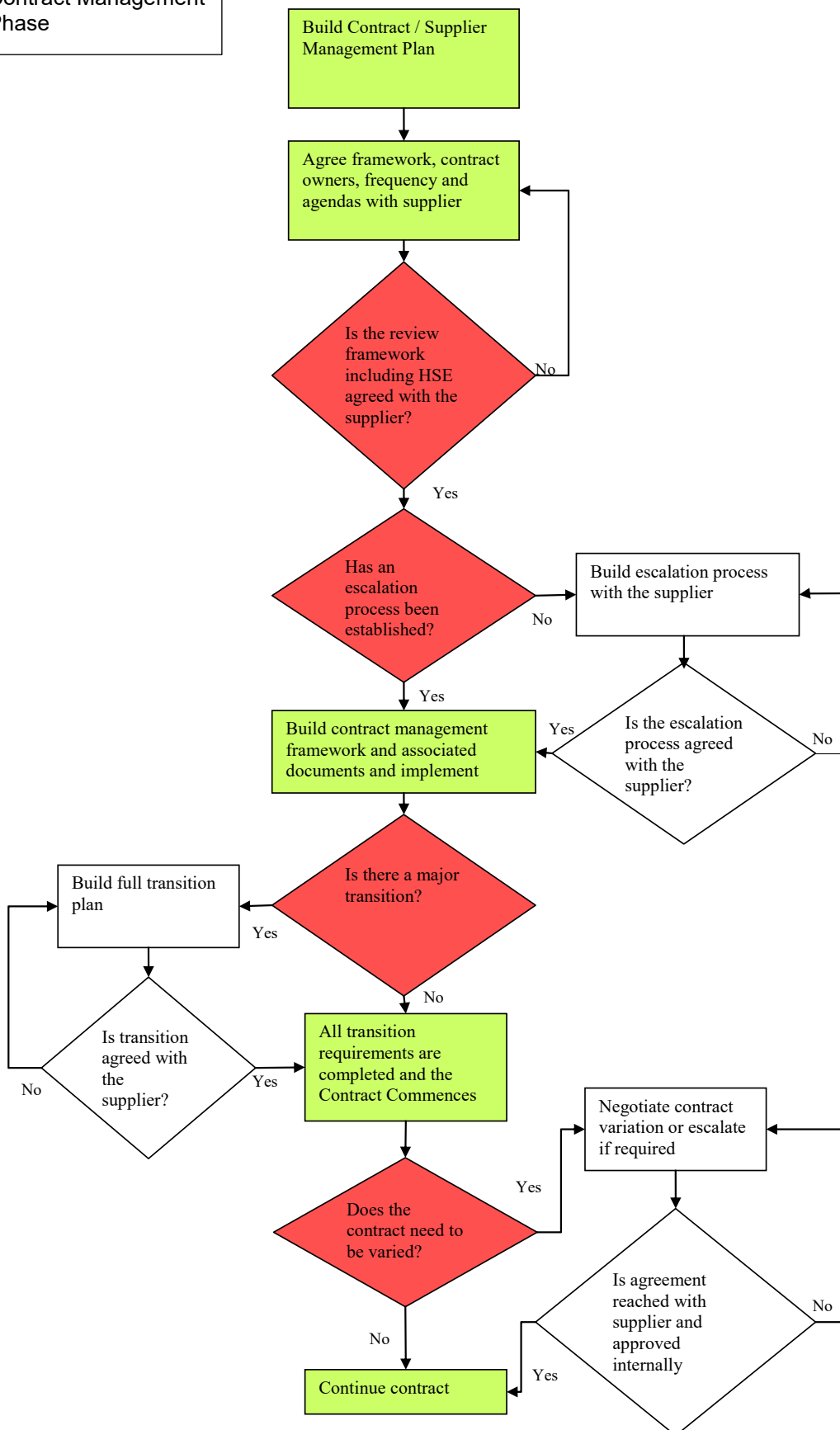








## Contract Management Phase





## PROCUREMENT OVER \$250,000 - LOW OR MEDIUM RISK (OR ANY VALUE WITH HIGH RISK) - STEP BY STEP GUIDE

Step	Description	Guiding Information
1.	Procurement Need	Prior to undertaking any procurement, the need for procurement should be established. To ensure that the correct goods, services and/or works are received by the Council, it is important to understand what is required. These requirements need to be clearly articulated with the suppliers to enable them to effectively offer goods, services and/or works. Upon completion of the procurement process these must be recorded in the contract or on the requisition.
2.	Estimate Cost and Risk	Once the need is clearly defined, the person leading the process needs to estimate the cost and risk. The cost should be the full cost of the procurement as defined in the Procurement Policy, and the risk needs to be considered in line with the Council or Waikato LASS risk thresholds. This will then provide guidance as to the correct procurement process to follow.
3.	Correct Threshold	Ensure that the total value is over \$250,000 and low or medium risk or any spend which is high risk, if it is not then go to either the below \$50,000 and low or medium risk step by step guide or \$50,000 to \$250,000 and low or medium risk step by step guide.
4.	Procurement Lead	Establish who is going to lead the Procurement process and be responsible for completing all of the procurement documentation
5.	Conflict of Interest and Confidentiality	Complete your Councils' Conflicts of Interest and Confidentiality template(s). If there is no conflict of interest, go to step 7.
6.	Conflict of Interest Resolution	<p>If there is a Conflict of Interest, discuss this with your Line Manager or the Delegated Authority / Sponsor for this spend and agree a plan for managing the Conflict.</p> <p>NB: this may include removal of the individual from the procurement process if it could materially impact the outcome or produce a potential conflict for the individual or any supplier(s) involved.</p>
7.	Procurement Methodology	<p>For spend over \$250,000 or high risk you will be running an RFx process unless otherwise approved via a procurement exemption (NB an invited RFx process will require approval via an exemption), ensure that you receive the required number of bids in line with the Procurement Policy. If you are not going to receive the required number of quotes you will need to complete a Procurement Exemption as part of this process.</p> <p>Ensure that you have clearly articulated what you require so that all of the suppliers have adequate information to provide you with a full submission. Or provide them with the opportunity to develop a response based on their experience if you do not have clarity, detail or believe that they are best placed to provide this.</p>





Step	Description	Guiding Information
		Also consider whether you want to run a one or two stage process, if you expect a large amount of responses it may be preferable to run an EOI process ahead of the RFx to shortlist the tenderers to an acceptable level.
8.	Procurement Plan	<p>If there is a Business Case or Project Plan that covers all the required procurement applicable to this level of spend in the Procurement Plan then this can be substituted for the Procurement Plan (for clarity comply with all sections relating to Procurement Plan using your alternate document).</p> <p>Otherwise complete the Procurement Plan sections applicable to this threshold of spend in the Procurement Plan, to assist a suite of tools have been developed in the Council Procurement Toolkit.</p>
9.	Procurement Exemption	<p>If you are not going to comply with Procurement Policy or your Council Specific Information sheet requirements for this level of spend or if you intend to use an invited tender process complete a Procurement Exemption form. If you are complying with Procurement Policy, go to step 15.</p> <p>NB: this is designed to support the rationale for going outside of the general procurement process and where there is legitimacy to this the procurement exemption provide support to the procurer.</p>
10.	Procurement Exemption Sign Off	Once the Procurement Exemption is complete it needs to be assessed and signed off by the authorised person or their delegated alternate, this is detailed in your Council Specific Information.
11.	Procurement Exemption Approval	<p>If the Procurement Exemption is approved, go to step 12.</p> <p>If the Procurement Exemption is not approved, go back to step 7 and reassess the suppliers to be engaged.</p>
12.	Procurement Plan Approval	Upon completion of the Procurement Plan this should be approved by the authorised person detailed in the Council Specific Information or the delegated person.
13.	Build Procurement Documents	<p>Depending on whether a quoting or an RFx process is being utilised, build the appropriate documents to enable you to go to market for either quotes or formal responses.</p> <p>Ensure that you build in sufficient negotiation time and flexibility.</p> <p>This should also include providing a draft contract where appropriate, requested changes can then be marked up by the supplier as part of their submission. (NB: It is often good to add this in as a weighted criterion in the evaluation, especially as this can minimise their requested changes to those which are material).</p>
14.	Procurement Document Review	Prior to going to market it is advisable to get an independent review of the documents. This does not need to be an external review, but by ensuring that somebody with knowledge who has not been involved putting the tender documents together reviews the documents enables you to have an impartial view on them and identify any gaps or issues that the supplier may face before they arise.





Step	Description	Guiding Information
15.	Build Evaluation Documents	Prior to going to market it is important to develop and sign off the evaluation criteria and methodology, what the weightings are and the panel who will be evaluating the responses (this should include both technical and commercial reviews).
16	Go To Market	<p>Once all the documents have been completed (and if required, signed off). The Procurement Lead should go to market; this may be a direct process or an invited tender process if a Procurement Exemption has been approved or an open tender.</p> <p>If a Procurement Exemption approved process is being used, then follow the agreed methodology.</p> <p>If an open process is being used it is important that you follow the Local Council requirements and use the correct system (TenderLink or GETS).</p> <p>Ensure that your process provides for an adequate amount of time for the suppliers to respond. This will ensure that you get the most complete and well developed responses from the suppliers.</p> <p>Ensure that you have clearly articulated how you want the documentation provided (paper, memory stick, electronically), where the information is to be sent to, the number of copies and any specific splits (such as non-commercial copies for technical only evaluators).</p> <p>Ensure that there is also a clear deadline for submissions, regardless of whether you run a closed or open RFX process so that all suppliers are working to the same rules and timelines.</p>
17.	Advising Suppliers	In an open tender situation, there may be certain suppliers it would be beneficial to have bidding. It is acceptable to advise these suppliers that you have gone to market and where they can find the information should they wish to bid.
18.	EOI or RFX Questions	<p>If any supplier seeks clarification on anything to do with the Procurement Documents, the question and response should be shared with all other bidders in writing.</p> <p>The only exception to this is if the information requested by the supplier is of a personal nature to their bid, the Procurement Lead should then decide whether this information should be kept proprietary or shared with all bidders and inform the supplier prior to answering the question. In the event the information would be shared the supplier should make a final decision on whether they want the question answered or whether they want to withdraw the question (this is likely if they feel it would have a detrimental impact on their bid).</p>
19.	Bid Receipting	All bids / quotes should be received by the deadline. Any supplier bid which is late must be approved by the person with delegated authority. Council should only extend the deadline if there is a significant reason for allowing an extension of time (e.g. a significant change or addition to the scope).





Step	Description	Guiding Information
		<p>No bids / quotes should be opened prior to the deadline, if these are being received electronically, they should not be reviewed, however they can be printed ready for the deadline.</p> <p>All bids or quotes should be registered. If paper copies are provided / printed these should be initialled and witnessed at the time of opening and recorded on the bid opening sheet. If electronic copies are to be utilised these should be recorded on the bid opening sheet.</p>
20.	Evaluation	<p>The evaluation panel established in step 15, now undertake the evaluation subject to no further Conflicts of Interest being identified. Ensure that the right documentation is received by each evaluator (e.g. if they are undertaking a technical only evaluation do not provide the commercial documentation). Provide a timeline for the panel to feedback their evaluations.</p> <p>Upon completion of the individual evaluations the Procurement lead may bring the evaluation team together to go through the evaluations and collate the results with the team (this is useful if you want a deep understanding of their rationale, often used on technically complex or large scale tenders) or collate the results and feed back to the team (this is less time consuming and often used on straight forward tender processes).</p> <p>It is important that the evaluation team are on board with the final decision. Therefore, there should be an opportunity to challenge and review the results of the evaluation to ensure that the correct decision is being made.</p> <p>At this point all appropriate due diligence should also be undertaken as part of the evaluation process.</p>
21.	Evaluation Sign Off	<p>It is important that all of the evaluators sign off on the evaluation, process, results and final decision prior to proceeding. If this cannot be agreed the results should be escalated for a final decision.</p> <p>If there is a requirement for any other sign off of the evaluation prior to proceeding, this should be undertaken at this stage.</p>
22.	Supplier Selection	<p>Advise the selected supplier of their selection and the intention to enter into formal negotiations, do not advise the other bidders of being unsuccessful at this stage as you still need to complete the negotiation process.</p>
23.	HSE	<p>At the time of requesting quotes, it is essential to establish whether the supplier(s) are HSE approved, if they are go to step 25.</p>
24.	HSE Approval Process	<p>If the supplier(s) are not HSE approved outline the requirements to be approved to the supplier. If required, utilise the HSE team / expert to provide assistance in explaining the requirements to the supplier(s).</p> <p>It is acceptable to allow them to bid and undertake the full HSE approval process if they are successful, but this <u>must</u> be completed prior to the award of the contract or the raising of the Purchase Order.</p>





Step	Description	Guiding Information
		If the supplier will not undertake the HSE approval process or does not gain approval, then go back to step 20 if you have other quotes you can consider or, step 7 if you have no other quotes to consider.
25.	Negotiation Preparation	Identify the negotiating person or team. Review the tender documentation and establish the technical and commercial points of negotiation. Review the contract and identify any changes requested by the supplier.
26.	Legal Team review	Where there are significant changes to contract ensure the Legal Team undertake a review of the changes. If you are unsure whether they are significant ask the Legal Team to advise.
27.	Legal Team Sign Off	If the Legal Team sign off the changes, go to step 28. If the Legal Team do not sign off the changes negotiate the terms in line with the Legal Team's guidance and, go to step 28. If all aspects of the contractual negotiations are not agreed escalate for resolution, if resolution is successful, go to step 28. If resolution cannot be reached, go to step 20 and reconsider the supplier to be selected.
28.	Commercial Negotiation	Complete the final commercial negotiations. Include any final technical negotiations in this process and ensure that HSE approval has been attained and any Insurance Certificates required have been received. If all aspects are agreed by the parties, go to step 29. If all aspects are not agreed escalate for resolution, if resolution is successful, go to step 30. If resolution cannot be reached, go to step 20, and reconsider the supplier to be selected.
29.	Complete Recommendation to Award Documentation	Ensure all of the Procurement Plan, Evaluation Documentation and all Approval Documentation are completed.
30.	Approval process	Submit for final approval to the appropriate person within the Council Specific Information, the Delegate Authority holder or the designated person with the delegation provided to them.
31.	Final Approval	If approval is given, go to step 32. If approval is not given either: <ul style="list-style-type: none"> <li>a. if additional approval information is required, go to step 29;</li> <li>b. if additional evaluation is required, go to step 20;</li> <li>c. if the process is to be run, go to step 7; or</li> <li>d. end the process and inform all Suppliers of the decision not to proceed.</li> </ul>





Step	Description	Guiding Information
32.	Supplier Set Up	If the chosen Supplier is a new supplier, <u>after</u> they have met the HSE and Insurance requirements of the Council, ensure that they are set up on the system. Once this is completed or if they are already on the system go to Step 33.
33.	Order	Award the contract and / or provide a Purchase Order detailing the services to be provided, the works to be undertaken and/or the goods to be supplied.  NB: No work should commence before the contract is signed or Purchase Order sent or before the Insurance and HSE requirements are completed.  Inform the unsuccessful suppliers and provide the opportunity for feedback, if required.  Ensure all Procurement information is correctly recorded and filed.
34.	Contract / Supplier Management	Assess the need for on-going contract management and the level required, if there is no need for Contract / Supplier Management (e.g. one off purchase), go to Step 40.
35.	Contract / Supplier Management Framework	Agree the required Contract / Supplier Management with the supplier; this should include all documents, reports, meetings and HSE requirements to be produced or attended, their frequency and the owner.
36.	Escalation Process	Agree with the supplier an escalation process for both commercial and technical issues, and go to step 37 or if it has been established in step 35 that there is no need for Contract / Supplier Management (e.g. one off purchase), go to Step 38.
37.	Contract / Supplier Management Framework	Build the framework based on the agreed documentation in Step 35.
38.	Transition	Determine whether there is a transition plan required. If not, go to Step 41.
39.	Transition Plan	Create a full transition plan with the supplier; this should take into consideration timeframes, operational issues / challenges associated with the change, resources and employee awareness requirements.
40.	Transition	Undertake transition and complete process.
41.	Contract Commencement	Commence contract on the agreed start date.
42.	Contract Variations	During the life of the contract, if the contract needs to be varied identify the variation required and negotiate / agree with the supplier.
43.	Variation Approval	Seek approval to vary contract in line with Council Specific Information or the Delegated Authority budget holder.





Step	Description	Guiding Information
		<p>If agreed write variation to contract, sign off with supplier, get authorised Council sign off, implement and file variation with the other procurement documentation.</p> <p>If not agreed, go to step 44 and continue the contract, or, step 36 to escalate.</p>
44.	Continuance	Continue Contract in line with agreed Contractual Terms.

## GLOSSARY OF TERMS

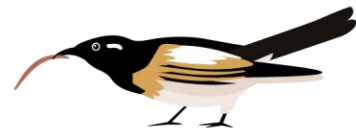
Definition	Detail
<b>Approved Contract Sum</b>	The sum total, exclusive of GST, of any individual agreement, purchase requisition, purchase order, disbursement, payment authorisation certificate, or payment made to a Supplier over the full term of the contract, including rights of renewal.
<b>Approved Supplier</b>	A supplier set up and approved for use in the Council's financial system.
<b>Confidentiality Agreement</b>	This is the Agreement between the parties and their staff to keep confidential all information pertaining to the Agreement, except where required to divulge by law.
<b>Conflict of Interest</b>	There is a conflict of interest where a staff member or an elected member's duties or responsibilities to Council could be affected, or perceived to be, by some other interest or duty that the staff member or an elected member may have.
<b>Contingency</b>	An amount allowed for in the Approved Contract Sum to take into account either foreseen but unquantifiable requirements or unforeseen circumstances. Sum of money to be spent only as a Variation or site instruction on approval by Council.
<b>Contract</b>	Means any and all contracts, agreements, memoranda of understanding (or agreement), letters of agreement, or any other document which purports to be binding upon Council as generally defined in the Contracts Enforcement Act 1975 - Including any subsequent extensions, renewals, or modifications to a Contract.
<b>Council Specific Information</b>	Any amendments, additional requirements or policies and procedures that the individual Councils wish to include. These should only be used to increase the requirements rather than lowering the minimum requirements (e.g. the procurement framework may require two quotes to be obtained, the council specific information may require three as a minimum; however, it cannot reduce the minimum number of quotes to one).
<b>Delegated Authority</b>	The person with the authority to approve the total Contract commitment over its entire term. The entire term includes the initial term plus any renewal periods contemplated at the commencement of the contract. Delegated Authority is completed by signature or electronic signoff within Councils finance systems. All non-electronic signatures must be accompanied by the printed name, position of the Delegated Authority as well as the date of signatory.
<b>Direct Appointment</b>	A supplier selection method that involves the negotiation of a contract with a single Supplier.





<b>Invited RFx</b>	Limited numbers of Tenderers are invited to submit a tender without public advertisement of Contract. Where the value of the contract is <\$250,000.00, selected Suppliers who satisfy the required criteria are invited to put forward a submission. It is recommended a minimum of three (3) Suppliers should be invited.
<b>LGOIMA</b>	The Local Government Official Information and Meetings Act 1987, to which the Council must adhere.
<b>Local Supplier</b>	A supplier of goods, works or services operating or based within Ōtorohanga District Council boundary and employing and developing local people.
<b>NZTA</b>	New Zealand Transport Authority
<b>One Up Authorisation</b>	The procurement officer's manager or other person with the authority to sign off on the procurement.
<b>P-Card</b>	Purchasing Card. A Council credit card used by certain positions as required. Purchases for goods and services which are approved by Financial Delegated Authority.
<b>Preferred Supplier</b>	A supplier with a formal Contract for the supply of a category of goods, services or works for a specified period of time. This is not a guarantee of work to the supplier.
<b>Procurement Exemption</b>	Authorises, through a signed exemption form, the continuation with the procurement activity outside of the Procurement Policy.
<b>Procurement Plan</b>	Is the detailed plan outlining how the procurement activity will be carried out.
<b>Procurement Policy</b>	The Policy which provides guidance on how procurement activity is conducted.
<b>Purchase Order</b>	Legal document for purchase of goods, services or works issued from the Council following approval by the relevant Delegated Financial Authority. Terms and conditions are governed by the Councils Purchase Order terms and conditions.
<b>Public RFx</b>	A publicly advertised RFx (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender) that any party may respond to.
<b>RFx</b>	A generic abbreviation that covers all 'Request for' "processes" (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender). Specifies what the Council wishes to purchase, the terms and conditions plus instructions on how to bid and respond.
<b>Supplier</b>	The person or organisation responsible for the supply of goods, services or works as required to Council. Also known as vendor, contractor, consultant or provider.
<b>Syndicated Procurement Contract</b>	Syndicated procurement is when a Government agency or Local Body contracts with a Supplier on behalf of other entities. This can lead to economy of scale advantages for Council. Council is part of a number of syndicated arrangements.
<b>Third Party</b>	A third person or organisation less directly involved in a matter than the main people or organisations that are involved.
<b>Variation</b>	Written changes to the scope, price or term of a Contract.





# Appendix 1 - Government Procurement Charter

The Charter sets out the Government's expectations of how public sector agencies should conduct their procurement activity to achieve public value.

Government agencies spend approximately \$41 billion a year on a wide range of goods and services from third party suppliers. We need to ensure that government procurement delivers public value for all New Zealanders while supporting the delivery of better public services throughout New Zealand.

Agencies should identify their key priorities and seek to meet as many of these expectations as practical.

The New Zealand Government directs agencies to:

1. **Seek opportunities to include New Zealand businesses.** Openly work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes.
2. **Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility.** Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.
3. **Look for new and innovative solutions.** Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.
4. **Engage with businesses with good employment practices.** Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.
5. **Promote inclusive economic development within New Zealand.** Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.
6. **Manage risk appropriately.** Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.
7. **Encourage collaboration for collective impact.** Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within your procurement opportunities.

