

Procurement and Contract Management Policy

1. Purpose

The Waimakariri District Council (the "Council") is a territorial local authority with obligations to its ratepayers and the public, defined under the Local Government Act 2002¹ as: "to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses".

Delivering good public service to the community starts with good procurement. How well money is spent has a direct impact on the quality of services the community experiences and reflects the Council's efficiency and effectiveness. Waimakariri District Council is committed to open and transparent procurement that delivers the best value for money (which isn't always the cheapest price), ensures impartiality in decision-making, and meets international standards of public scrutiny and accountability.

This Policy, together with the Procurement Strategy and processes, provides guidance to staff on good procurement of goods and services.

2. Policy Objective

2.1. Support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993

- 2.1.1. "Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognize that land is a taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wāhi tapu; and to facilitate the occupation, development, and utilization of that land for the benefit of its owners, their whanau, and their hapu; And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles."

2.2. Support the principles of best practice procurement

- 2.2.1. The purpose of the Council Procurement Policy (the 'Policy') is to articulate the Council's commitment to the responsible, effective and fit-for-purpose procurement of goods and services.

¹ LGA (2002) Section 10: 1(a) - This Policy identifies the authority, responsibilities and operational parameters for prudent procurement decision-making, and the effective management of contracts and associated legally binding agreements.

- 2.2.2. The Policy establishes the guiding principles for the Council's procurement and contract management practices, and seeks to ensure that:
- (a) a robust framework is adopted across the Council for procurement, and the subsequent management and reporting of goods and services contracts;
 - (b) the Council plans for, enters into and manages all contracts in a manner which facilitates Council strategic and business objectives, aligns with community wellbeings, and optimises risk transfer;
 - (c) staff understand their roles and responsibilities with regards procurement and contract management, and are appropriately skilled and trained to do so;
 - (d) the Council achieves quality performance and cost-effective service delivery.
- 2.2.3. Procurement should involve proactively managing supplier and other key stakeholder relationships throughout the sourcing process and for the duration of the contract. This embraces the development of relationships with suppliers and driving value for money through ongoing efficiency gains.
- 2.2.4. All suppliers must meet the Council's minimum standards to ensure health and safety is maintained.

3. Scope

This policy applies to:

- (a) All Council employees, including temporary employees and contracted staff.
- (b) Any person who is involved in the operation of the Council, including elected members, volunteers and those people with honorary or unpaid staff status.
- (c) Every business, service or activity of the Council – with the exception of employment contracts and property transactions (see [Property Acquisition and Disposal Policy 2022](#)).

4. Statement

4.1. Policy Context

- 4.1.1. Procurement plays a vital role in the delivery of Council outcomes, with a significant variety of goods, services and works being purchased from third party suppliers.
- 4.1.2. The Council recognises that rigorous procurement and contract management practices:
- (a) ensure the Council delivers value for money and quality outcomes for the community
 - (b) underpin the performance and delivery of the Council's strategic and business objectives
 - (c) provide opportunities for business sustainability, strategic growth and improvement.

4.2. Principles

- 4.2.1. Council procurement and contract management practices shall ensure that the Council plans for, enters into, and manages its procurement and contract management activities in a manner that maximises value for money and quality service delivery, as well as realises business, strategic and community expectations.

- 4.2.2. The following 11 principles shall be reflected in all procurement and contract management practices:
1. Procurement and contract management processes will comply with all applicable statutory obligations, recognise Council's business, strategic and community expectations, and reflect relevant sector, central and local government good practice standards and guidelines.
 2. Such processes shall at all times foster a safe working environment for staff, contractors and the general public and support the intent laid down within the Health and Safety at Work Act 2015.
 3. The purchasing power of the Council will be harnessed for the realisation of its strategic and business objectives, as well as the benefit of the local community.
 4. Planning and managing for great results. All purchasing decisions will consider what the most appropriate procurement options are and select from a range of delivery processes to achieve the best outcome for Council and the community.
 5. The Council shall be fair to all suppliers. All Council procurement for goods and services shall be open and competitive unless appropriate justification is provided, and approval is granted in accordance with this Policy. Where open tendering applies, procurement practice will demonstrate integrity by all parties and enable all potential suppliers to have equal access through the use of open and contestable processes.
 6. The Council shall ensure full probity in its procurement practices and decision-making processes. All procurement decisions will be appropriate and transparent, fair and equitable, and free from any real or undisclosed bias or conflict of interest.
 7. The Council shall take into consideration the whole of life costs and/or benefits associated with procurement – spanning design, manufacture, delivery, operation and disposal.
 8. Consideration will be given to sustainable procurement principles whenever possible, i.e. assessing the whole of life social, economic and environmental impact of the procurement.
 9. All contracts shall clearly identify the functional, performance and/or technical deliverables and key performance indicators that reflect the Council's expectations and quality standards, and establish effective means to measure, monitor and manage their delivery.
 10. All contracts will be actively managed in a manner that fosters collaboration with suppliers and contractors, maximises value for money, supports the Tā Mātou Mauri principles as well as supporting continuous innovation and improvement, including the use of 'All-of-Government Contracts' and 'n3' membership where appropriate.
 11. All procurement and contract management risks will be identified and managed effectively throughout the life cycle of the goods or service.
- 4.2.3. These principles are designed to ensure that the procurement of goods and services is an open, selective and transparent process that achieves value for money by delivering the desired outcome at the best possible quality and price. These principles also promote a procurement and contract management process that is impartial, open and ethical, ensuring that all Council procurement and contract management is undertaken in a fair and unbiased way.

- 4.2.4. Procurement processes should be designed to ensure that purchasing and contract management practice is proportionate to the value, risk and complexity of the purchase. This Policy provides a context for sound commercial judgement to achieve the best value for money, which isn't always the cheapest price, to drive innovation and high performance without compromising health and safety.

5. Responsibilities

- 5.1.** Council staff, consultants on behalf of the Council, and elected members undertaking procurement activities on behalf of the Council, are responsible for ensuring that the process is managed in accordance with this Policy and the associated Procurement Strategy and processes.
- 5.2.** The Procurement Project Control Group (PCG) has responsibility for:
- Ensuring appropriate procurement planning is undertaken for high value/high risk projects.
 - Ensuring staff and key stakeholders implement procurement good practice and adhere to mandatory requirements.
 - Monitoring procurement decisions to ensure good compliance with relevant policies and strategies.
 - Keeping current on the environment in which Council operates to ensure that what it is attempting to achieve remains relevant and achievable.
 - Specifying key procurement outcomes and ensuring there are adequate resources and finances to achieve public value.
 - Monitoring the planning, sourcing, risk management and contract management of high value and/or high-risk projects/contracts.
 - Ensuring timely and informed interaction takes place within the supply chain.
- 5.3.** The Procurement Champions Network Group has the responsibility for:
- Ensuring all staff involved in procurement are aware of and have access to the appropriate information on procurement process, practice, and support.
 - Promoting and championing the Policy and Strategy within the organisation.
 - Assist in instituting procurement directives from the Procurement PCG, to advocate for and promote procurement change from within the Council, and to be instrumental in implementation of the change.
- 5.4.** The Finance Unit has responsibility for:
- Reporting on procurement decisions to ensure good compliance with the relevant policies, strategies, and processes.
 - Identifying emerging procurement risks.
 - Procurement Training
- 5.5.** The Finance Unit and Project Delivery Unit has responsibility for:
- Developing and maintaining fit-for-purpose templates and guidance materials in good practice contract management.
 - Auditing contract management processes.

6. Procurement Framework

6.1. General

- 6.1.1. All procurement undertaken for Council must comply with this policy and the following:
- Waimakariri District Council Delegations Manual
 - Information and Data Management Policy
 - Local Government Official Information and Meetings Act 1987
 - NZTA Procurement Manual (where applicable)
- 6.1.2. Council is committed to good practice in the procurement of good and services. We consider the following as good practice:
- Government Procurement Rules²
 - Controller and Auditor-General Procurement Guidance for Public Entities June 2008
- 6.1.3. All contracts entered into by the Council must be in writing, signed by all relevant parties, and held securely on file in accordance with Council Information and Data Management Policy.
- 6.1.4. All contracts prepared by the Council shall utilise approved and standardised contract templates whenever possible. Refer Section 6.8 for further details.
- 6.1.5. No contractual arrangement entered into by the Council shall be greater than 10 years in its entirety, including rights of renewal, unless specifically approved by the Council. The Council shall not enter into contracts that include more than two rights of renewal or that are “evergreen” (i.e. of indefinite length).

6.2. Procurement Planning

- 6.2.1. The project scope shall be developed to determine the expected Price of the procurement, as an understanding of the expected Price will inform what the minimum requirements are for that procurement. The estimated Price should be determined based on expected cumulative spend on goods or services for that particular procurement (refer definition of Price for further guidance).
- 6.2.2. For any procurement, consideration shall be given to whether there is an existing contract available to deliver the project, including All of Government contracts, or whether a new procurement process is required. Where an existing contract is already in place that can be utilised, and where the work type is within the expected scope of that Contract, then it is not considered to be a new procurement process.
- 6.2.3. Where there is no existing contract available that can be used, a new procurement process shall be initiated, according to the requirements set out in this Section.
- 6.2.4. Table 1 (on the following page) outlines the minimum number of prices required, whether or not a Procurement Plan is required, and who can approve the Procurement Plan. It is noted that these are minimum requirements only, and all staff shall consider the most suitable method to achieve the best value for the Council.
- 6.2.5. If a Procurement Plan is required, it shall include confirmation of the proposed method of seeking and evaluating prices. The evaluation method proposed in the procurement plan should be stated in the tender documents and utilised at the evaluation stage.

² Government Procurement Rules - procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/

Table 1: Minimum Procurement Plan Approval Requirements Depending on Project Value and Procurement Type

	Expected Procurement Value / Procurement Type				
	Consultant	Non-consultant	Consultant	Non-consultant	All Procurement Types
	Less than \$15,000	Less than \$30,000	\$15,000 to \$100,000	\$30,000 to \$100,000	More than \$100,000
Number of prices required to be invited	One or more prices invited ³		Minimum of 3 prices invited		Public advertisement
Procurement Plan Required	Not required		Required		Required
Required Staff Approval of Procurement Plan: ²	Not required		<ul style="list-style-type: none"> Budget Holding Representative; and Procurement Manager; and Procurement PCG if less than 3 prices requested. 		<ul style="list-style-type: none"> Budget Holding Representative; and Procurement PCG.
Required MTO Approval of Procurement Plan:	Not required		Only required if: <ul style="list-style-type: none"> less than 3 prices requested; or Multi-year; or Project considered high risk by Procurement PCG or Budget holding representative¹ 		Only required if: <ul style="list-style-type: none"> Not public tender/proposal; or Multi-year; or Project considered high risk by Procurement PCG or Budget holding representative¹

Notes:

- ¹ In addition to the minimum requirements for MTO approval to be gained, the Budget holding representative or Procurement PCG may in any instance recommend a given Procurement Plan be accompanied by a report to MTO prior to approval, at their discretion, depending on the risk, complexity and/or strategic significance of the proposed procurement approach.
- ² Note if the Procurement is for Digital Services, approval of the Procurement Plan from the Chief Information Officer is also required *in addition* to approvals within this Table. Refer Section 6.3.
- ³ While a single price can be obtained for purchases less than \$30,000, this can only be done so with approval from the relevant party with delegated financial authority, who shall assess whether there is suitable justification for this approach prior to accepting any such price (refer Table 4 for further guidance on evaluation information required).

6.2.6. Over and above the requirements outlined above, where the expected cumulative annual price of goods or services with a single supplier is expected to be greater than \$100,000 over a given financial year, an open tender process should be utilised, even if each individual procurement complies with the requirements of Table 1.

6.3. Digital Services

- 6.3.1. All digital services procurement plans and contracts must include approval by the Council's Chief Information Officer, or their delegate, in addition to other approvals contained within this Policy.
- 6.3.2. Where a procurement plan is not directly for a digital service but indirectly requires a digital service as part of its execution, the digital services component requires to be approved by the Council's Chief Information Officer, or their delegate.

6.4. Procurement Exemptions

6.4.1. Procurement in the following areas is not required to follow the requirements of Table 1:

- Works undertaken under existing contracts, including All of Government contracts (provided the work is within the intended scope and use of that Contract), and the process to sign up to that All of Government contract was approved in accordance with Table 1.
- Land / property acquisitions.
- Internal goods and services such as engaging the Project Delivery Unit or the Water Unit, as this Policy only covers external procurements.
- Emergency works.
- Business related purchases such as travel, training and catering.
- Grants, koha and gratuities.
- Where the procurement approach has already been clearly approved and documented for a given Procurement Strategy that covers the type of work being undertaken. In such cases, the Procurement Strategy must have:
 - Been explicit that it was gaining approval for a certain procurement approach, for a certain period of time, with a certain estimated value.
 - Been approved by the relevant parties in accordance with Table 1, based on the full expected value of works the Procurement Strategy was covering.

6.4.2. There may be other cases of purchase types that are not typical, that may not fit within the Policy requirements. In such cases, a Procurement Plan shall be produced to outline what is proposed, and where this proposed process deviates from the standard approved process, in order to gain approval for the deviation.

6.5. All of Government and Trades Panels

6.5.1. If work is able to be undertaken as per an existing Trades Panel or All of Government (AoG) contract, this is not considered a new procurement, but is considered to be utilisation of an existing contract.

6.5.2. In these cases, the rules of that contract shall be followed, and if the rules / guidelines are followed, then the procurement shall be considered to be in accordance with this Policy.

6.6. Requesting and Receiving Prices

6.6.1. Prices shall only be requested or received once the Procurement Planning requirements (as per Table 1) have been met.

6.6.2. The following table outlines the requirements for requesting prices, receiving prices, and opening prices, depending on the procurement method chosen, and the expected Price of the procurement.

Table 2: Requirements for Requesting and Receiving Prices

	Procurement Method / Value		
	Value less than \$5,000	Expected Value between \$5,000 and \$100,000 and Invited process	Expected Value greater than \$100,000 and Open / Public Process
Requested by	Email to supplier	Request via Procurement Software	
Received by	Email to Buyer	Received through Procurement Software	
Prices Opened By	Buyer	Buyer for Quotes ¹ , otherwise Tender Secretary	Tender Secretary
Quote / Tender Opened on	Any day	Quotes: <ul style="list-style-type: none"> Any day / time as nominated by Buyer¹ Other Processes: <ul style="list-style-type: none"> as per Tender Secretary requirements (typically 4pm Wednesday, unless agreed otherwise). 	
Tender opening request sent to:	N/A	Tender Secretary	

Note:

¹ Where quotes are received and opened by the Buyer with an expected value greater than \$30,000, they shall ensure a Level 2 Manager is present to witness the opening.

6.6.3. Where the Tender Secretary is required to organise the tender opening (in accordance with Table 2), they shall organise the required elected / senior leadership representatives to be present at the opening, in accordance with Table 3:

Table 3: Requirements for Senior Leadership / Councillor to be present at Tender Openings

	Expected Procurement Value			
	<\$30,000	\$30,000 to \$99,999	\$100,000 to \$999,000	\$1,000,000 or more
Senior Leadership / Elected Member Leadership Required at Opening	Nil	Tender Secretary 1 Level 2 Manager	Tender Secretary 2 Level 2 Managers	Tender Secretary 1 Level 2 Manager 1 Councillor

6.6.4. A Tender Secretary shall be appointed by the Chief Executive with responsibility for opening the tenders received and recording the tender prices at the conclusion of the tender process.

6.6.5. All tenders should be opened in public.

6.7. Evaluation Methods

6.7.1. Evaluation of the procurement, and associated documentation, shall be undertaken in accordance with Table 4.

Table 4: Evaluation Method Requirements

	Procurement Value		
	Less than \$30,000	\$30,000 to \$100,000	More than \$100,000
Evaluation Personnel	Buyer or Budget Holder	Evaluation Team/Panel (minimum two parties)	Evaluation Team/Panel (minimum three parties)
Evaluation Approval Documentation and Approval ²	Evaluation email to Delegated Contractual Authority ¹	Tender evaluation report to Delegated Contractual Authority	

Notes:

- ¹ Evaluation email to contain the following as justification for the proposal: What is being purchased, who is the supplier, what is their price and has it been assessed as reasonable value, where will it be funded from, is there budget available, how were prices obtained and does that method comply with this Policy, does the supplier have relevant track record, skills and experience to undertake the works.
- ² Refer to the Contractual Authorities Staff Schedule (S-DM 1046) to determine if the outcome of the evaluation (and subsequent award) can be approved by a staff member with budget holding authority, Management Team, or the Council.

6.7.2. Evaluation shall be undertaken in accordance with the method identified in the Procurement Plan and tender request documentation. Typical options for evaluation method include:

- Lowest Price Conforming
- Price Quality Method / Weighted Attributes
- Quality Based Method

6.7.3. In addition to the typical methods outlined above, alternative processes may be considered, for non-typical situations. Examples of alternative processes may be the Target Price method, or an alliancing approach. In any case, the evaluation approach (whether typical or alternative) should be declared at the Procurement Planning stage, with justification.

6.8. Accepting and Awarding Contracts

6.8.1. The Council is accountable to the community through the Long-Term Plan and Annual Plan. All purchases (including tenders) of any goods and services which commits expenditure from the current year's Annual Plan shall be accepted by an officer with sufficient contractual authority as described in the delegations manual S-DM 1046.

6.8.2. One up approval (as defined in "Definitions") must be used for all purchases. This means that there needs to be more than one person involved in the purchasing decision and approval. That is, an Initiator and an Approver with the appropriate delegation to approve a purchase.

6.8.3. All quote/tender suppliers should be notified of the outcome of the procurement.

6.8.4. Unsuccessful suppliers should be offered written, or verbal debrief.

6.8.5. As a minimum, written agreement/contracts should be put in place for goods and services valued over \$30,000. This agreement/contract should be in writing using a standard Council template, where available, and be signed by the Delegated Contractual Authority.

6.8.6. Where there is no standard Council template available, or for low value (<\$30,000) procurements, the following other forms of contract may be accepted (in order of preference from top downwards):

- Accepted industry templates (i.e. a standard industry accepted short form agreement / set of contract terms and conditions intended for that activity type).

- Supplier terms and conditions if approved by the relevant delegated contractual authority, following review of the associated terms and conditions and the associated risk.

6.8.7. All purchases must have an approved Purchase Order. The exception to this requirement is contracts using Buyer Created Tax Invoice. Buyer Created Tax Invoices are typically used for larger contracts with more than three progress claims expected.

6.8.8. A Purchase Order should be raised by the contract administrator or their delegate and approved by staff with appropriate level of Delegated Contractual Authority.

6.9. Variations

6.9.1. If within the scope and intention of the contract, or necessary to achieve the intended contract outcomes, variations may be awarded without going through a separate procurement approval process, provided that it is approved by someone with sufficient contractual authority.

6.9.2. If a contract is expected to have a significant portion of work awarded by way of variation throughout the contract period, that is not able to be priced and awarded at the time of contract award, this shall be made clear in the contract award report, and approval gained for this approach.

6.10. Payments

6.10.1. Payment claims must be approved by staff with the appropriate level of delegated contractual authority.

6.10.2. Payment claims that are greater than \$1,000,000 can be approved by the Chief Executive, provided the award report was approved by Council.

7. Sustainable Procurement

7.1. The Council recognises that procurement and contract management practices provide a key opportunity to maximise value for money and quality service delivery, as well as deliver tangible benefits for the local community, economy and environment – as articulated in the Council's Strategic Framework.

7.2. As such, the principles of sustainable procurement shall be recognised whenever possible in the assessment of the costs and benefits of procurement on a whole of life basis, as follows:

- Think Local:** The Council shall give preference to those suppliers that can evidence a positive economic footprint in the region. This includes contributing to the vibrancy and sustainability of the local economy, supporting job or market growth, as well as fostering opportunities for small and medium sized enterprises (SMEs).
- Think Environmental:** The Council shall encourage procurement decisions that have a positive impact on the natural environment and biodiversity, including the prudent use of natural resources, the minimisation of waste or hazardous substances, and efforts to reduce carbon or Greenhouse Gas (GHG) emissions.
- Think Social:** The Council shall encourage procurement decisions that maximise community benefits in terms of personal wellbeing, social cohesion, capital and inclusion, equal opportunities and participation.
- Think Cultural:** The Council shall encourage procurement decisions that have a positive impact on maintaining cultural beliefs, cultural practices, and heritage conservation.

- 7.3.** Whenever practicable, the Council shall give conscious consideration to sustainable procurement principles, including when undertaking cost-benefit analyses or weighted attributes assessments of potential goods and service suppliers. Sustainable procurement principles may be considered for inclusion in tender evaluation criteria for price quality / weighted attribute methods.

8. Conflict of Interest

- 8.1.** The Council shall ensure that procurement and contract management processes cannot be justifiably challenged on the basis of any real or perceived bias or conflict of interest.
- 8.2.** All procurement and contract management decision-making processes shall include careful consideration of any actual, potential or perceived conflicts of interest.
- 8.3.** Under no circumstances shall a staff member influence, advise or participate in a procurement or contract management activity where that employee has an actual, or perceived conflict of interest.
- 8.4.** Every person on the Tender Evaluation Team (TET) must complete a declaration in writing that they have no actual or perceived conflict of interest. This includes those involved directly in procurement and contract management activities, as well as anyone who has the ability to influence key decisions (e.g. those holding delegated contractual authority or monitoring performance).
- 8.5.** Where there is uncertainty about whether there is a conflict, employees should discuss the potential conflict with the Contract Owner, Line Manager or Department Manager or Chief Executive. If in doubt, employees should at all times fully disclose a potential conflict or bias. Refer also to the Council Conflict of Interest Policy for further details.
- 8.6.** Where the Chief Executive is involved with procurement and/or contract management and identifies a potential conflict of interest, escalation shall be to elected members.
- 8.7.** It is never acceptable for a Council staff member to accept a bribe or inducement. Any such instances will be dealt with in strict accordance with the Staff Code of Conduct Policy (QP-C507) and other applicable guidelines - see also the Council Fraud Policy and Procedures (QP-C513).
- 8.8.** As part of the procurement process the Council Gifts Register shall be reviewed to identify gifts and/or hospitality received by any person involved in a procurement process. Should these exceed a cumulative value of \$500 in the preceding 12 months, the person will be precluded from taking any part in the procurement process.
- 8.9.** Suppliers may be disqualified from tendering for Council goods and services for a period of not less than 12 months if they lobby or contact Councillors or staff (other than contacting staff named in the tender documents) regarding a tender while the tendering process is in progress.

9. Contract Management

9.1. Documentation

- 9.1.1.** The Council shall maintain a central database of all approved and/or active contractors, and ensure comprehensive records are held, including all third-party vetting; H&S approval; insurance coverage; contract review, renewal or expiration dates; deviations and variations. This database will be contained within the Council electronic procurement system.

- 9.1.2. Each Council contract shall have a delegated contract administrator, who acts as the dedicated single point of contact and is responsible for the effective management and delivery of the contract in line with this Policy and all associated processes or guidelines.

9.2. Contract Negotiation

- 9.2.1. Service delivery contracts (including maintenance contracts) shall include measurable, relevant, and robust key deliverables, measures, and performance indicators (i.e. 'SMART' key performance indicators that are Specific, Measurable, Achievable, Relevant and Time-bound).
- 9.2.2. All contracts shall establish effective and robust monitoring and reporting activities that ensure delivery of pre-determined deliverables and levels of performance.
- 9.2.3. All contracts shall comply with Council, professional regulatory body and statutory obligations as required.
- 9.2.4. Contract administrators shall be alert to and address any provisions in contracts that expose the Council to unsuitable or unacceptable risk. This includes a review of prior service delivery or performance by potential third party suppliers.

9.3. Contract Delivery

- 9.3.1. Contract administrators shall regularly monitor, audit and review contractor delivery against agreed milestones, deliverables or performance expectations over the life of the contract, including maintaining a regular audit programme, as required.
- 9.3.2. All contractor payments, performance bonds and other financial transactions shall be made in accordance with the terms of the contract and appropriate assurance of agreed performance delivery, in accordance with relevant Council contractual delegations and authority.
- 9.3.3. Contract administrators shall engage relevant parties and establish variations or re-negotiate contract terms where appropriate.
- 9.3.4. Full records of all contract evaluations and performance monitoring activities (including any variations, renewals and cancellations) shall be held in accordance with the Council document management guidelines and practices.

9.4. Escalation and Exit

- 9.4.1. The Council shall ensure appropriate and effective processes and mechanisms are in place for the reporting, escalation and resolution of performance issues or contract delivery failure.
- 9.4.2. Contract owners shall monitor contract schedules for renewal or expiry, and effectively manage the business impacts arising from exiting the agreement, including ensuring all relevant intellectual property, data or property is returned to Council.

10. Risk Management

10.1. Risk Identification

- 10.1.1. The Council shall ensure that the costs, benefits and risk presented by procurement are identified, and appropriately reflected in the procurement and contract management methodology utilised.
- 10.1.2. Contract owners shall work collaboratively with engaged providers to identify, assess and manage all risks associated with the goods or service procured, throughout the length of the contracted period.
- 10.1.3. All risks shall be identified in a risk register for the project. The form of the risk register will be based on the scale and complexity of the project.

10.2. Risk Mitigation

- 10.2.1. All critical issues must be escalated and resolved appropriately to ensure the continued quality delivery of service expectations.
- 10.2.2. All risk management and mitigation strategies must be clearly documented as part of the procurement and contract management process.

10.3. Residual Risk

- 10.3.1. Any risks that are not able to be eliminated at the design stage of a project, residual risks that will be transferred to the supplier must be identified in the contract document.

11. Deviations

11.1. Deviation Types

- 11.1.1. Deviation from the Council's procurement and contract management processes may be necessary due to circumstances beyond the control of Council. Such instances include:
 - (a) A limited number of suppliers available in the market.
 - (b) A different procurement methodology or process is stipulated by legislation or a professional/ regulatory body.
 - (c) An exceptional, urgent or emergency situation where immediate Council decision-making is required and is in the best interests of ratepayers.

11.2. Deviation Approvals

- 11.2.1. Approval for deviations that fall under (a) or (b) above shall follow the procedures in 6.2 for Price Request Method.
- 11.2.2. Approval for deviations that fall under (c) above, shall be by two members of the Management Team prior to adoption, and if appropriate the decision ratified retrospectively by the Chief Executive.

11.3. Deviation by Conflict of Interest

- 11.3.1. In such instances where a staff member has a conflict of interest, but also possesses specific expertise that is deemed essential to the procurement decision-making process and which is not available from any other sources, including those external to the Council, two members of the Management Team may sanction that person's involvement in writing, provided they:
 - (a) ensure the staff member's involvement is limited as much as possible; and
 - (b) closely supervise the staff member's role and takes personal responsibility for the fairness and equity in the decision-making.

12. Record Keeping

- 12.1. All procurement and contract document management processes shall adhere to relevant statutory and regulatory obligations, including the Public Records Act 2005.
- 12.2. Clear and comprehensive written records of all procurement and contract management activity shall be retained in accordance with Council document management policies and protocols. This includes market, tender and evaluation material, contracts and variations, performance reporting, correspondence, and associated service delivery records.

- 12.3.** Procurement and contract management records shall provide a clear, transparent and accessible audit trail so that Council staff, auditors and/or legal advisors may readily establish the process and rationale for any procurement decisions made and actions taken.
- 12.4.** At a minimum, records shall be retained that demonstrate:
- (a) Council procurement and contract management processes have been followed, as outlined in this Policy and all associated procedures and practice guidelines.
 - (b) Procurement adheres to appropriate budget allocations through the Long Term Plan, the Annual Plan, or an approved Business Case.
 - (c) Approval for procurement has been obtained from the relevant holder of delegated contractual authority, the Procurement Manager or the Procurement PCG as required.
 - (d) The Council has identified key contract performance expectations and deliverables and undertaken appropriate measures and audit/ monitoring activities that provide assurance of performance.
 - (e) All risks are identified, assessed and effectively managed in collaboration with the contractor, including Health and Safety assessments, site planning and maintaining appropriate insurance cover.
 - (f) All members of the tender evaluation team involved in decision-making have affirmed that they are free from any real or undisclosed conflicts of interest.

13. Confidentiality

- 13.1.** Employees involved in procurement and contract management activities shall take all due precautions when handling commercially sensitive information. This includes ensuring information is not passed between parties entering into a tender or other competitive procurement process, as well as maintaining the rights of Council and third-party intellectual property.
- 13.2.** Confidentiality obligations continue throughout the procurement and contract management process, as well as after the contract has terminated or expired.

14. Health and Safety

- 14.1.** The Health & Safety at Work Act 2015 requires that an organisation must ensure the health and safety of workers (including contractors), and that organisations must consult, co-operate and co-ordinate activities with all other organisations who have health and safety duties in relation to the same matter (overlapping duties); so far as is reasonably practicable. Council maintains contract health and safety management systems in order to achieve compliance with these requirements.
- 14.2.** Suppliers for all contracts shall be required to meet a range of health and safety requirements throughout the life cycle of the contract, which, depending on the nature of the contract, may include (but are not limited to):
- Health and safety pre-qualification
 - Site specific safety plans
 - Site inductions
 - Incident reporting
 - Site safety audits
 - Contract close outs

- 14.3.** In particular, all suppliers for contracts involving physical works shall be health and safety pre-qualified. This will mean that they are assessed at >50% via the SiteWise health and safety pre-qualification system as a minimum or meet the requirements of another externally audited pre-qualification system of equivalent or superior standard (this will be approved on a case-by-case basis by the WDC Health & Safety Team).
- 14.4.** Suppliers can achieve health and safety prequalification before or during the tender period, but pre-qualification must be achieved prior to work commencing.
- 14.5.** Where a decision is made to select a supplier who is not health and safety prequalified as the preferred tenderer (or who has a SiteWise score lower than any minimum score indicated in the tender documents), approval must be gained from the Management Team. The reasons for the decision shall be reported (such as emergency works, or a sole supplier situation).
- 14.6.** All further health and safety requirements for the duration of the contract shall be clearly defined within the contract documentation.

15. Definitions

Appropriate approval: one up or one sideways - that is as long as the approver has appropriate Delegated Contractual Authority, has adequate knowledge of the transaction, and is not the initiator then they can approve the award of the provision for goods or services and also approve acceptance of the price. They do not need to be the next level up in terms of the staff structure but do need informed knowledge around the nature of the procurement.

Approver: staff member with appropriate Delegated Contractual Authority to approve the purchase order or award the contract.

Bribe or inducement: the giving or receiving, whether directly or indirectly, of something of value to influence a (procurement or contract management) transaction.

Budget holding representative: A person with financial delegation within the cost centre funding a given project, who is nominated to provide approval of Procurement Plans on behalf of the asset owner, prior to the plan being sent onto the next level/s of approval. It is noted that the Budget Holding Representative's financial delegation does not need to match the value of the procurement (i.e. the financial delegation applies not at the procurement planning stage, but rather to approve the evaluation and award of a contract).

Consultant: An individual or company engaged to provide professional advice, expertise, or solutions for a specific piece of work with a defined scope. Should there be any uncertainty on the distinction between a Consultant and a Contractor, reference should be made to the New Zealand Government Procurement guidance documentation (www.procurement.govt.nz), which outlines how to tell the difference between a Consultant and a Contractor.

Contract: a formal, documented agreement between the Council and a supplier or contractor that commits the Council in legal or financial terms to the acquisition of goods and services.

Contract administrator: a designated Council staff member who is responsible for the procurement and/or ongoing management and delivery of contracted goods or services.

Contract management: the process of systematically and efficiently managing contract creation, execution and analysis for maximising operational and financial performance and minimising risk.

Contract owner: a designated Council staff member who is responsible for the overall spend and delivery of goods or services for a specific contract.

Contract variation: an addition or alteration to the terms of contract that is mutually agreed to by both parties to the contract. A contract variation can be documented by letter or variation order.

Contracted staff: non-permanent employees of the Council, including consultants and contractors employed on fixed or short-term contracts, who are undertaking business activities on behalf of the Council.

Digital Services: is any product or service delivered or consumed electronically, often over the Internet. For Council this includes how we engage, connect and exchange information (including data) with our community, partners, suppliers/contractors etc. This includes technology, data and automation of processes. Examples include but are not limited to: Mobile apps, software (as a service), social media and collaborative platforms, electronic payment methods, infrastructure, digital platforms, digital twins, Internet of Things (IoT), third party hosted and/or shared services, artificial intelligence.

Delegated Contractual Authority: a designated Council staff member with responsibility to execute and approve contracts on behalf of Waimakariri District Council.

Direct purchase or procurement: means the procurement of goods and/or services by placing an order with the supplier of choice, without seeking other bids (see also "Sole Sourced").

Emergency situation: a situation that threatens life, property or equipment, or has a significant impact on services or the public.

Initiator: staff member requesting (requisitioning) the purchase or requesting the approval of the pricing method.

Invited Tenders: Invited or Restricted tenders, restricted calls for tenders, or invited tenders are only open to selected (and possibly prequalified) vendors or contractors. Invited or Restricted tenders can come about because essentially only limited suppliers of the services or product exists, of confidentiality issues or of the need for expedience (as in emergency situations). This term covers the following references included in the policy: closed, limited, restricted, invited, selected pricing approaches. Sole source and direct procurement is a subset of the invited approach, where only one supplier is invited to supply a price.

Market: all potential providers of a good or service that may be available to the Council.

Open market: all eligible suppliers can provide a price. The term covers the following references included in the Policy: open and public pricing approaches.

Open tender: the process of publicly inviting offers to supply goods or provide services involving specifications and detailed documentation.

Panel: a list of suppliers that have been pre-approved through a formal process to supply particular goods or services and who have agreed to Council terms and conditions for supply.

Prequalified (Prequalification) List: a list of suppliers that have been pre-approved as having the capability to deliver specific goods or services.

Price: the total price of a procurement for the total period of the contract, including extensions. For clarity, where there is an annual charge for a service and the Council only commits to one year's service at any given time, the annual charge is the Price of that procurement (and this is then reassessed on an annual basis), however if a multi-year contract for that service is entered into, the Price of the procurement is the expected value of the Contract over the total period of the contract term.

Procurement: the process of securing goods and services, including but not limited to purchase planning, standards or specifications determination, supplier and sector research, review and selection, pricing negotiation, making the purchase, supply contract administration, disposals and other related functions.

Proposal: the process whereby suppliers will propose how their goods or services or works can achieve a specific outcome, and their prices for doing so.

Quote/Quotation: the process used to procure standard goods, services or works that are easy to describe (e.g. an off-the-shelf product where the supplier can quote a unit price or contractors providing their hourly rates).

Services: the whole of the services, tasks, work and requisites to be supplied, rendered, provided or performed by a contractor under a contract and any variations provided for by the contract, and includes all and any goods, materials, plant, machinery or equipment supplied, provided or used by the contractor in performance of the contract.

Sole source: a single supplier is selected, and subsequently commercial terms are directly negotiated with that supplier for an agreed scope of works or services (see also **Direct purchase or procurement**).

Sustainable Procurement: procurement principles that allow the Council to secure goods and services in a way that recognises the whole of life costs and/or benefits of the goods or service, as well as delivers benefits for the local Waimakariri community, economy and environment.

Tender: the process whereby suppliers will respond to the supply of clearly defined goods or services or works. Typically, there are highly technical requirements and a prescriptive solution.

Tendering: Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request to supply goods or services. As a contestable process other businesses are invited to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets the needs and provides the best value for money (this term may cover either selected or open tenders).

Tender request documents: Also referred to as invitations to tender, Requests for Tender (RFT), and Requests for Proposal (RFP) which outline what is required and set out the Council's requirements. These documents also outline the particular needs, criteria, and instructions that are to be followed.

Total contract value: the estimated total value of the contract for the entire life of the contract, including extensions.

Whole of Life: an assessment of the total costs and/or benefits of purchasing goods or services – from concept to disposal. This includes purchase outcomes, operating costs spanning the useful life of the good or service, as well as any impacts associated with (product) manufacture, transport, delivery and disposal. Consideration may also be given to sustainable procurement, i.e. assessing the local social, economic and environmental costs and/or benefits associated with the procurement.

Written Request for Quotation: a written process of inviting tenderers to supply goods and/or services involving simple documentation and a limited number of potential suppliers.

16. Questions

Any questions regarding this policy should be directed to the Procurement Manager in the first instance.

17. Relevant documents and legislation

- Council Tā Mātou Mauri – Our Principles
- Controller and Auditor-General Procurement Guidance for Public Entities June 2008
- Ministry of Business, Innovation and Employment, Government Rules of Sourcing 2015
- *Local Government Act 2002* S3(c) promotes the accountability of local authorities to their communities,
 - and S10 (b) has the purpose of local government as meeting the current and future needs of communities
 - for good-quality local infrastructure, local public services, and performance of regulatory functions in a
 - way that is most cost-effective for households and businesses
- All tenders which are subject to a New Zealand Transport Agency (NZTA) subsidy must comply with the requirements of NZTA. If there is any conflict between this policy and the NZTA requirements, then the NZTA requirements will take precedence to the extent of the inconsistency
- Health and Safety at Work Act 2015
- Council Contract Admin Guidelines
 - Refer 'Manage Contracts' in Promapp (<https://au.promapp.com/waimakariridc/Process/Group/370e0e4d-7672-4bb0-804f-a98d2dbbdf1d>)

18. Effective date

1 December 2025

19. Review date

1 December 2028

20. Policy owned by

General Manager Finance & Business Support

21. Approval

Adopted by Waimakariri District Council on 4 November 2025