Item 1: Procurement Policy

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

Workshop to provide input into a new Procurement Policy.

Feedback is sought from the Committee on the proposed policy prior to submission to Full Council for adoption.

DATE/START TIME:

Thursday, 13 August 2026 at 1.30 pm

TIME BREAKDOWN:

Presentation: 10 minutes
Questions *or* Debate/Discussion: 50 minutes

PRESENTERS:

Pamela Parker – Procurement Manager

Prepared by:	**Reviewed and Authorised by:**
Name: Pamela Parker **Title:** Procurement Manager 21 July 2026	**Name:** Katherine Harbrow **Title:** GM Assurance Finance and Risk 22 July 2026

ATTACHMENTS:

A	Draft Procurement Policy 2026
B	Procurement Policy 2021
C	Draft Procurement Policy 2026 – Explanatory Notes

QUEENSTOWN LAKES DISTRICT COUNCIL

CONTENTS

1 PURPOSE

This Procurement Policy ("Policy") establishes Queenstown Lakes District Council's principles, governance, and minimum requirements for undertaking procurement activity. It supports lawful, ethical, transparent, consistent and value-focused procurement decisions that align with the Council's strategic priorities and statutory obligations.

The Policy applies to all QLDC staff, and consultants, contractors and volunteers performing procurement activities on behalf of QLDC.

The application of the Policy and operation of specific procurement activity is considered in the Procurement Guide ("Guide").

2 POLICY CONTEXT

Queenstown Lakes District Council (QLDC) spends a significant sum on a wide range of works, goods and services that enable the delivery of community infrastructure, facilities and services for our communities.

QLDC has a purpose to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. This includes meeting local public services needs and the provision of good quality local infrastructure for current and future communities. Much of this need is met in whole or part by supplier organisations that have the capability and capacity that QLDC does not. Therefore, suppliers are essential to how we operate and how we deliver our services.

Recognising that QLDC is reliant on suppliers to assist us in the delivery of community outcomes, we often compete for suppliers who can offer the greatest Public Value. This means that we need to make working with QLDC as simple as possible for suppliers across all their interactions with us, and throughout the Procurement Lifecycle.

For the purposes of this Procurement Policy, 'local' is defined as being within the boundaries of the Queenstown Lakes District. Where any amalgamation with any other territorial authority occurs, 'local' will be defined by the boundaries of the area covered by that amalgamation.

3 DEFINITION OF PROCUREMENT

Procurement covers all aspects of the business processes associated with purchasing the works, goods and services QLDC uses to run its operations and deliver on its objectives (as provided in the various documents listed in section 18.1 – Internal Alignment) and includes:

- identifying needs
- planning sourcing approaches
- sourcing works, goods, and services
- contract management
- contract expiry and disposal or repurposing of asset at end of its useful life

4 SCOPE AND APPLICATION

The Policy is binding on all QLDC officers and employees, contractors, consultants, seconded staff and volunteers.

The Policy is owned by Council's Chief Executive and General Manager, Assurance Finance and Risk.

The Policy is mandatory for all Council procurement. The Policy has the capability to incorporate any future Councillor directives and priorities.

The following are considered to be out of the scope of the Policy:

> Acquisition of unique items of interest, such as art
> Employment (excluding the engagement of contractors and consultants)
> Grants and sponsorship
> Koha, gifts and donations
> Land sale and acquisition
> Leasing of QLDC owned property and the leasing of property to QLDC
> Procurement undertaken by Council Controlled Organisations that is not on behalf of QLDC
> Payments to government departments and regulatory bodies, including IRD and ACC
> Statutory payments and/or appointments
> Treasury and financial instruments, investments, loans and guarantees

5 PROCUREMENT OBJECTIVES

The goals of procurement at QLDC are set out below.

5.1 OPTIMISE PUBLIC VALUE

Get the best possible outcomes over the whole of life of the asset, services or works, by striking the right balance of good outcomes, good quality, good price and good management.

All planned procurements should in the first instance be considered as potential whole-of-council sourcing opportunities to leverage QLDC's maximum expenditure for cost reduction, value optimisation and avoid the internal costs associated with having multiple contracts for similar goods, services and works.

Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value.

Procurement should be undertaken with the long-term effects and requirements in mind to ensure the best long-term value taking into account:

> The total costs and benefits of a procurement (whole of life costs); and
> Its contribution to the results you are trying to achieve.

5.2 SUPPORTING THE DELIVERY OF QLDC OBJECTIVES THROUGH EFFICIENT AND EFFECTIVE PROCUREMENT

Make conscious decisions to use procurements to assist the delivery of QLDC objectives.

Ensure procurements are fit for purpose and proportional to the value and risk of the projects.

Ensure that where appropriate, procurement activity has regard for the QLDC Procurement Principles (Appendix 1) and the Procurement Charter (Appendix 2) and the New Zealand Government Procurement Rules, Edition 5, 2025.

Where this Policy applies alongside mandatory external funding or statutory procurement requirements, those mandatory external requirements must be met. Where there is no mandatory external requirement, this Policy prevails over other related QLDC documents.

5.3 ECONOMIC BENEFIT TO QLDC REGION

QLDC will consider, and incorporate where appropriate, the economic benefit to the Queenstown Lakes region when procuring goods, services or works.

Economic benefit requires that we consider not only the whole-of-life cost of the procurement, but also the costs and benefits to the QLDC region and thereby also to society and the environment.

Economic benefit to the QLDC region means having efficient and cost-effective local suppliers supports a dynamic and innovative economy for the QLDC region. Where appropriate, QLDC will foster and encourage a viable, capable and competitive local supply market that is able to provide works, goods and services now and into the future.

Where local economic benefit is considered, it must be balanced against whole-of-life cost, public value, fairness to suppliers, and cost to ratepayers. Cost to ratepayers remains the key consideration.

5.4 HEALTH AND SAFETY

To ensure responsible business practice and meet legislative requirements under the Health and Safety at Work Act 2015 the health and safety implications of any proposed procurement will be assessed before, during, and after the procurement. Consideration will be given to:

> Ensuring that the importance of workplace safety is considered in procurement and, where appropriate contemplated in selection criteria and/or decisions; and

> During procurement, identifying hazards and risks associated with any new or modified equipment, plant, material, substances, services or work processes being introduced into the workplace; and

> Collaborating across the supply chain to ensure health and safety risks are eliminated so far as is reasonably practicable. Where the risk cannot be eliminated, then these are minimised so far as is reasonably practicable.

6 PROCUREMENT PRINCIPLES AND CHARTER

6.1 PRINCIPLES

QLDC Procurement Principles:

1. Plan and manage for great results
2. Be fair to all suppliers
3. Get the right suppliers
4. Get the best public value
5. Play by the rules

Further detail is attached at Appendix 1.

6.2 CHARTER

QLDC Procurement Charter:

1. Seek opportunities to include New Zealand Businesses
2. Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility
3. Look for new and innovative solutions
4. Engage with businesses with good employment practices
5. Promote inclusive economic development within New Zealand
6. Manage risk appropriately
7. Encourage collaboration for collective impact

Further detail is attached at Appendix 2.

7 ROLES AND RESPONSIBILITIES

Role	Definition	Responsibilities
Executive Leadership Team	Senior Leadership oversight	> Ensure compliance, champion procurement capability. > Act in accordance with the Procurement Policy.
All Staff	Any council staff member	> Remain up-to-date with the Council Procurement Policy and Guidelines > Act in accordance with the Procurement Policy. > Provide accurate and timely information required by the Procurement Team to develop tailored procurement approaches.
Procurement Team	Team within QLDC responsible for oversight of procurement processes	> Designing, developing and leading tailored processes for values greater than $100,000 where Procurement Team resourcing allows > Providing advice for processes for values <$100,000. > Act in accordance with the Procurement Policy. > Develop QLDC's procurement knowledge, systems, processes and resources to support efficient and effective procurement that aligns with industry best practice.
Delegated Financial Authorities (DFA)	People with the required delegation for approval of procurement plan and expenditure.	> Review and endorse/decline Procurement Forms. > Execute contracts. > Act in accordance with the Procurement Policy.
Contract Manager	Individual with responsibility for ensuring that the rights and obligations under contracts are met.	> Input to procurement processes. > Responsible for provision of scope/requirements documentation. > Subject Matter Expert. > Responsible for the management of contracts including records on the Contract Register. > Act in accordance with the Procurement Policy.

Contractors and Consultants	Any person or company acting in the capacity of a contractor or consultant to QLDC.	> Remain up-to-date with the Council Procurement Policy and Procurement Guidelines > Act in accordance with the Council Procurement Policy. > Provide accurate and timely information required by the Procurement Team to develop tailored procurement approaches.

8 THE PROCUREMENT LIFECYCLE

To achieve the procurement outcomes sought, QLDC has adopted the NZ Government Procurement Lifecycle model ("Lifecycle"). The Lifecycle is considered best practice and has three key phases with eight distinct but interrelated stages. The key phases are: Plan, Source, and Manage:

- Plan - understanding what is needed and the supply options
- Source - balancing Price and non-price attributes to find the supplier best equipped to provide that need
- Manage - Receive the service or product, or have the works completed, and manage any related supply agreement

For each individual procurement the process followed will be proportionate to the value, risk and complexity of that procurement.

9 FINANCIAL THRESHOLDS FOR PROCUREMENT PLANNING & PROCUREMENT METHODS

QLDC procurement starts with the consideration of financial thresholds. To determine the financial threshold, the whole of life cost must first be considered.

Contracts may not be split into component parts and procured using a lesser financial threshold.

Once the whole of life cost has been determined the type of procurement planning is considered. The sourcing method is an output of procurement planning.

The following table summarises this process:

Estimated Whole of Life Spend	Procurement Plan Required	Procurement Plan Endorsed (E) / Approved (A)	Sourcing Methods Available	Recommendation Report Approval by DFA	Contract Required
Less than $10,000	No	N/A	1. All.	No	PO terms and conditions or contract
From $10,000 to less than $100,000	Yes	Delegated Financial Authority (A)	1. Three quotes**; or 2. RFQ/RFP/RFT (selected or open-market to a minimum of three potential respondents); or 3. Approved Secondary Procurement Process to an existing Supplier Panel or AoG Supplier Panel; or 4. Direct appointment where substantial work has already been undertaken by supplier and changing suppliers would involve rework or other costs; or 5. As per an approved Procurement Plan.	Yes – where more than one quote sought.	Yes
$100,000 to less than $250,000	Yes	Procurement Team (E) Delegated Financial Authority (A)	1. RFQ to a minimum of three potential suppliers; or 2. RFP/RFT (selected or open-market to a minimum of three potential respondents); or 3. Approved Secondary Procurement Process to an existing Supplier Panel or AoG Supplier Panel using appropriate templates; or 4. Direct appointment where substantial work has already been undertaken by supplier and changing suppliers would involve rework or other costs; or 5. As per an approved Procurement Plan.	Yes	Yes
$250,000 and greater	Yes	Procurement Team (E) Delegated Financial Authority (A)	1. Open market RFP/RFT; or 2. As per approved Procurement Plan.	Yes	Yes

** Quotes obtained may be written or verbal, but accurate records must be kept including rationale for supplier selection.

The selection of sourcing method must be justified in the Procurement Plan and approved under Delegated Authority, having regard to value, risk, market maturity, complexity and sufficiently testing the market

Procurement Plans are approved under Delegated Authority. Procurement Team endorsement is advisory and confirms procurement process compliance. DFA approval remains the formal approval decision. Where DFA approval proceeds without Procurement Team endorsement, the reasons must be recorded and reported to SMART Finance Committee.

General description of sourcing methods:

> Direct appointment;

> Verbal or written quotes;

> Closed competitive process (at least two invited suppliers);

> Open competitive process (opportunity advertised to whole market);

> QLDC supplier panels; and

> All of Government supplier panels.

Where procurements are partially or fully funded by the National Land Transport Fund, sourcing methods must be in accordance with the NZTA procurement manual and New Zealand Government Procurement Rules.

10 PROCUREMENT APPROVALS UNDER DELEGATED AUTHORITY

Approvals for procurement activity are governed by the limits provided in the following sections of the Delegations Register:

> Delegations from Council to the Chief Executive; and

> Sub-Delegations Financial.

This means that the maximum value of any "approval" for procurement activity, such as Procurement Plans, and Procurement Recommendation Reports is limited to the level of a staff members delegated authority.

Where a panel of suppliers is being sought, the total value of the contract is set at the aggregated amount across all potential suppliers.

11 SECONDARY PROCUREMENT PROCESSES

Secondary Procurement Processes for supplier shall be approved as a part of Procurement Plans.

12 EMERGENCY PROCUREMENT

QLDC will sometimes need to procure goods, services or works quickly to respond to an emergency. An emergency is when there are genuine unforeseen circumstances, examples include earthquakes, landslips, weather events, flooding, pandemic, terrorist or cyber attack.

Urgent situations that are created through a lack of planning or risk mitigation do not constitute an emergency.

In an emergency, QLDC may depart from the Policy and Guide to provide emergency assistance or relief, including to alleviate any immediate threats to health, safety, security, the environment, or the maintenance of essential services.

When making procurement decisions in an emergency QLDC **must** act lawfully and with integrity, and within delegated authority. The decisions made in any departure from the Policy or Guide must be documented during, or soon after, the event. QLDC will weigh-up the need to act quickly along with its overarching obligations.

All emergency procurements must be reported to the Procurement Manager as soon as practicable following the event.

13 UNSOLICITED UNIQUE PROPOSALS

Should QLDC receive an unsolicited unique proposal, the process will be managed with reference to MBIE's *Guide to Unsolicited Unique Proposal*s.

14 MONITORING AND REPORTING

Managers within Directorates, exercising their delegated financial authorities to approve Procurement Forms are responsible for monitoring compliance with the Procurement Policy.

The Procurement Team is responsible for reporting of QLDC-wide procurement activities.

15 PROCUREMENT GUIDE

QLDC's Procurement Guide will provide guidance on :

> the direction for the operation of procurement within QLDC

> how the Procurement Lifecycle will be managed in an ideal situation, including guidance on each type of Procurement Planning, and the available Procurement Methods.

> procurement reporting and compliance requirements.

Notwithstanding the above, the Procurement Guide provides for many situations but not all. Each step, becomes nuanced when applied to individual procurements and there will be occasions when deviation from the Guide is required to fit specific circumstances. Where this occurs, robust and transparent practices must be used with full justification for the deviation recorded and approved by the relevant Delegated Financial Authority.

16 QLDC COMMERCIAL VALUES AND BEHAVIOURS

We will act with integrity and transparency, ensure our commercial decision making and processes are ethically sound by:

> Maintaining the trust of our business by ratepayers, by providing efficient, high-quality, and outcomes focused advice and guidance

> Guaranteeing that all procurement processes are ethical, equitable, fair, and transparent

> Ensuring risks (including insurance), costs, relationships and the health of our local economy has been considered in our processes

> Pursue supply chain efficiency and cost-savings where it enables effective commercial outcomes to be achieved

17 SUPPLIER CODE OF CONDUCT

Having ethical suppliers supports a dynamic and innovative economy for the Queenstown Lakes and surrounding districts and assist the delivery of community outcomes.

QLDC adopts the Government's Supplier Code of Conduct (Appendix 3) New Zealand Government Supplier Code of Conduct. The Supplier Code of Conduct sets out the expectations that the Government / QLDC has of its suppliers.

18 ALIGNMENT

18.1 INTERNAL ALIGNMENT

> Procurement Guide
> Ten Year Plan
> Register of Delegations
> Vision Beyond 2050
> Climate Action Plan
> Waste Minimisation and Management Plan
> Conflicts of Interest Policy
> Gifts and Hospitality Policy
> Fraud and Corruption Policy
> Risk Management Policy
> Health, Safety, and Wellbeing Policy
> Sensitive Expenditure Policy / Purchasing Card Policy
> Information and Records Management Policy
> Protected Disclosures Policy
> NZTA Procurement Strategy

18.2 EXTERNAL ALIGNMENT

Procurement Guidance:

- Procurement Guidance for Public Entities, Office of the Auditor General
- New Zealand Government Procurement Rules
- New Zealand Transport Agency Procurement Manual.

Legislation:

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Contract and Commercial Law Act 2017
- Health and Safety at Work Act 2015
- Public Records Act 2005
- Construction Contracts Act 2013
- Commerce Act 1986
- Fair Trading Act 1986.

APPENDIX 1 – QLDC PROCUREMENT PRINCIPLES

1.	**PLAN AND MANAGE FOR GREAT RESULTS**
	> Identify what you need, including what broader 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, procurement activity uses the Government Electronic Tender Service).
2.	**BE FAIR TO ALL SUPPLIERS**
	> Create competition and encourage capable suppliers to respond. > Treat all suppliers equally – we don't discriminate. > Make it easy for all suppliers (small and large) to do business with QLDC. > 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 next time.
3.	**GET THE RIGHT SUPPLIERS**
	> 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 QLDC'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 PUBLIC VALUE**
	> Seek the best value for ratepayers – consider 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.

APPENDIX 2 – QLDC PROCUREMENT CHARTER

1.	**SEEK OPPORTUNITIES TO INCLUDE NEW ZEALAND BUSINESSES**
	> Openly work to create opportunities for local businesses and small-to-medium sized enterprises to participate in 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**
	> Avoid overprescribing the technical requirements of a procurement and give businesses the opportunity to demonstrate their expertise.
4.	**ENGAGE WITH BUSINESSES WITH GOOD EMPLOYMENT PRACTICES**
	> Ensure that the businesses we contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within Aotearoa New Zealand, ensure that they comply with all Aotearoa New Zealand employment standards and health and safety requirements.
5.	**PROMOTE INCLUSIVE ECONOMIC DEVELOPMENT WITHIN NEW ZEALAND**
	> Engage with Māori, Pasifika, regional businesses and social enterprises in order to actively contribute to our local economy and promote 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 like-minded groups the opportunity to find common solutions within our procurement opportunities.

APPENDIX 3 – SUPPLIER CODE OF CONDUCT

NEW ZEALAND GOVERNMENT PROCUREMENT

Supplier Code of Conduct

Statement of Government Expectations

The Government is committed to sustainable and inclusive government procurement that delivers for New Zealand and New Zealanders. This Supplier Code of Conduct outlines the expectations we have of our suppliers. Suppliers must make their subcontractors aware of this code.

Ethical behaviour

The Government expects its suppliers to:

- manage their activities and affairs, and conduct themselves, with integrity in accordance with applicable laws, regulations and ethical standards
- not engage in any form of corruption
- be transparent about their ethical policies and practices.

Labour and human rights

The Government expects its suppliers to:

- adhere to international human rights standards in their workplace and monitor and address these standards within their supply chain
- comply with New Zealand employment standards and maintain a workplace that is free from unlawful discrimination.

Health, safety and security

The Government expects its suppliers to:

- comply with workplace health and safety laws and regulations and maintain healthy and safe work environments
- comply with any security requirements notified to them by the Government
- adequately protect any information, assets, tools and materials provided by the Government and return these promptly when requested.

Environmental sustainability

The Government encourages suppliers to establish environmentally responsible business practices and proactively improve their environmental performance. The Government expects its suppliers to:

- conduct their business in accordance with applicable laws, regulations and standards regarding the mitigation of impacts on, and protection of, the environment
- work to improve their environmental sustainability and reduce their environmental impacts.

Corporate social responsibility

The Government encourages its suppliers to be good corporate citizens and contribute positively to their communities. Some positive things suppliers could do are:

- pay their subcontractors promptly
- consider including local, Māori, and Pasifika businesses to deliver the contract.

New Zealand Government

Procurement Policy | He Kaupapa Here Whiwhinga

QUEENSTOWN LAKES DISTRICT COUNCIL

CONTENTS

1 PURPOSE

Queenstown Lakes District Council (QLDC) spends in excess of $100 million annually on a wide range of works, goods and services that enable the delivery of community infrastructure, facilities and services for our communities.

The purpose of this Procurement Policy ("Policy") is to describe QLDC's Procurement Principles and to define a framework of essential considerations when planning, sourcing and managing procurement.

This Policy will enable consistency in approach, compliance with QLDC's values and objectives[1], and the promotion and achievement of the expected outcomes from its procurement activity.

The Policy applies to all QLDC staff, and any consultants or contractors performing procurement activities on behalf of QLDC.

The application of the Policy and operation of specific procurement activity is considered in the Procurement Guide[2] ("Guide").

2 POLICY CONTEXT

QLDC has a purpose to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. This includes meeting local public services needs and the provision of good quality local infrastructure for current and future communities. Much of this need is met in whole or part by supplier organisations who have the capability and capacity that QLDC does not. This means that suppliers are essential to how we operate and how we deliver our services.

3 DEFINITION OF PROCUREMENT

Procurement covers all aspects of the business processes associated with purchasing the works, goods and services QLDC uses to run its operations and deliver on its objectives. It starts with identifying needs; then planning the best way to meet them; continues through sourcing the works, goods and services; then managing the contract; and ends with expiry of the contract or the disposal / repurposing of an asset at the end of its useful life.

4 THE GOAL OF PROCUREMENT AT QLDC

This goal of procurement at QLDC is to:

4.1 OPTIMISE PUBLIC VALUE

Get the best possible result over the whole-of-life of the goods, services or works by maximizing the benefits and outcomes generated by QLDC's procurement activities.

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[1] For the purpose of the Policy, "objectives" are those provided for in the various documents listed in section 15.1 – Internal Alignment.

[2] The purpose of the Procurment Guide is summarised in section 13.

4.2 SUPPORTING THE DELIVERY OF QLDC OBJECTIVES THROUGH EFFICIENT AND EFFECTIVE PROCUREMENT

Make conscious decisions to use procurement to assist the delivery of QLDC objectives.

Ensure procurement activity has consideration for QLDC's Procurement Principles and Procurement Charter.

4.3 BUILD PROCUREMENT CAPABILITY AND CAPACITY

Develop QLDC's procurement knowledge, systems, processes, and resources to support efficient and effective procurement that aligns with industry best practice.

5 PROCUREMENT PRINCIPLES AND CHARTER

QLDC has adapted the following Procurement Principles and Procurement Charter from the New Zealand Government Procurement's *Government Procurement Rules, Edition 4, 2019*.

5.1 PROCUREMENT PRINCIPLES

These Principles apply to all procurement, including procurement under approved departures from the standard.

1	**PLAN AND MANAGE FOR GREAT RESULTS**
	> Identify what you need, including what broader 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, procurment activity uses the Government Electronic Tender Service).
2	**BE FAIR TO ALL SUPPLIERS**
	> Create competition and encourage capable suppliers to respond. > Treat all suppliers equally – we don't discriminate. > Make it easy for all suppliers (small and large) to do business with QLDC. > 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 next time.
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 QLDC'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* – consider 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.

5.2 PROCUREMENT CHARTER

This Charter sets out QLDC's expectations when considering and planning procurement.

1	SEEK OPPORTUNITIES TO INCLUDE NEW ZEALAND BUSINESSES
	> Openly work to create opportunities for local businesses and small-to-medium sized enterprises to participate in 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**
	> Avoid overprescribing the technical requirements of a procurement and give businesses the opportunity to demonstrate their expertise.
4	**ENGAGE WITH BUSINESSES WITH GOOD EMPLOYMENT PRACTICES**
	> Ensure that the businesses we contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within Aotearoa New Zealand, ensure that they comply with all Aotearoa New Zealand employment standards and health and safety requirements.

5	PROMOTE INCLUSIVE ECONOMIC DEVELOPMENT WITHIN NEW ZEALAND
	> Engage with Māori, Pasifika, regional businesses and social enterprises in order to actively contribute to our local economy and promote 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 like-minded groups the opportunity to find common solutions within our procurement opportunities.

6 PROCUREMENT POLICY SCOPE

The Policy is binding on all QLDC officers and employees, contractors, consultants, seconded staff and volunteers while engaged by QLDC as purchasing agents.

It applies to the procurement of all goods, services or works undertaken by QLDC, except as identified in section 0, below.

7 OUTCOMES SOUGHT

7.1 PUBLIC VALUE

Public value means 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 lifetime cost of ownership), and
- its contribution to the results you are trying to achieve.

The principle of public value is about getting the best possible result over the whole-of-life of the goods, services or works.

Public value includes considerations that are not solely focused on price, for instance what benefit the procurement could bring to the local community or environment.

Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value. Good procurement is about being risk aware, not risk averse.

7.2 BROADER OUTCOMES

Broader outcomes are the secondary benefits that are generated by the way goods, services or works are produced or delivered. These outcomes can be social, environmental, cultural or economic benefits, and will assist QLDC in delivering long term public value.

QLDC will consider, and incorporate where appropriate, broader outcomes when procuring goods, services or works.

Broader outcomes require that we consider not only the whole-of-life cost of the procurement, but also the costs and benefits to society, the environment and the economy.

7.3 LOCAL

Having efficient and cost-effective local suppliers will support a dynamic and innovative economy for the Queenstown Lakes and surrounding districts. QLDC will foster and encourage a viable, capable and competitive local supply market that is able to provide works, goods and services now and into the future.

QLDC will consider, and ensure where appropriate, that its procurement processes are free from requirements that could limit opportunities for local suppliers.

QLDC will be transparent regarding the requirements and considerations associated with any local value in its procurement processes.

7.4 HEALTH & SAFETY

To ensure responsible business practice and meet legislative requirements under the Health and Safety at Work Act 2015 the health and safety implications of any proposed procurement will be assessed before, during, and after the procurement, with particular emphasis on the following:

- Ensuring that the importance of workplace safety is considered in procurement and, where appropriate contemplated in selection criteria and/or decisions;
- During procurement, identifying hazards and risks associated with any new or modified equipment, plant, material, substances, services or work processes being introduced into the workplace; and
- Collaborating across the supply chain to ensure health and safety risks are eliminated so far as is reasonably practicable. Where the risk cannot be eliminated, then these are minimised so far as is reasonably practicable.

7.5 SUPPLIER CODE OF CONDUCT

QLDC will adopt the Government's Supplier Code of Conduct (Appendix 1). The Supplier Code of Conduct sets out the expectations that the Government / QLDC has of its suppliers.

Having ethical suppliers will support a dynamic and innovative economy for the Queenstown Lakes and surrounding districts and assist the delivery of community outcomes.

7.6 QLDC AS A "CLIENT OF CHOICE"

Recognising that QLDC is reliant on suppliers to assist us in the delivery of community outcomes, we often compete for suppliers who can offer the greatest Public Value. This means that we need to make working with QLDC as simple as possible for suppliers across all their interactions with us, and throughout the Procurement Lifecycle.

8 THE PROCUREMENT LIFECYCLE

To achieve the procurement outcomes sought, QLDC has adopted the NZ Government Procurement Lifecycle model.

The Lifecycle is considered best practice and has three key phases with eight distinct but interrelated stages.

The key phases are ‘Plan’, ‘Source’, and ‘Manage’:

- Understanding what is needed and the supply options (Plan)
- Balancing Price and Non-price attributes to find the supplier best equipped to provide that need (Source), and
- Receive the service or product and manage any related supply agreement (Manage)

For each individual procurement the process followed will be proportionate to the value, risk and complexity of that procurement.

QLDC will manage the ‘Plan’, ‘Source’, and ‘Manage’ phases of procurement in accordance with the Guide.

9 FINANCIAL THRESHOLDS FOR PROCUREMENT PLANNING & PROCUREMENT METHODS

QLDC procurement starts with the consideration of financial thresholds. To determine the financial threshold, the whole of life cost must first be considered.

Contracts may not be split into component parts and procured using a lesser Financial Threshold.

Once the whole of life cost has been determined the type of procurement planning is considered. The sourcing method is an output of procurement planning.

The following table summarises this process:

Spend Bracket	Estimated Whole of Life Spend	Procurement Planning Required *	Sourcing Methods Available
1.	Less than $10,000	Not mandated	All
2.	From $10,000 to less than $100,000	Lite	All
3.	$100,000 and greater	Full	1. Open market 2. Procurement Departure Request *
	* Procurement Plans and Procurement Departure Requests are approved under Delegated Authority.		

QLDC will manage the Financial Thresholds in accordance with the Guide.

10 PROCUREMENT APPROVALS UNDER DELEGATED AUTHORITY

Approvals for procurement activity is governed by the limits provided in the following sections of the Delegations Register:

> Delegations from Council to the Chief Eexutive; and

> Sub-Delegations Financial.

This means that the maximum value of any “approval” for procurement activity, such as Procurement Plans, Procurement Departure Requests and Procurement Recommendation Reports is limited to the level of a staff members delegated authority.

11 EMERGENCY PROCUREMENT

QLDC will sometimes need to procure goods, services or works quickly to respond to an emergency. An emergency is when there are genuine unforeseen circumstances, examples include earthquakes, flooding, pandemic, terrorist or cyber attack.

In an emergency, QLDC may depart from the Policy and Guide to provide emergency assistance or relief, including to alleviate any immediate threats to health, safety, security, the environment, or the maintenance of essential services.

When making procurement decisions in emergency QLDC will act lawfully and with integrity, and within delegated authority. The decisions made in any departure from the Policy or Guide must be documented during, or soon after, the event. QLDC will weigh-up the need to act quickly along with its overarching obligations.

Urgent situations that are created through a lack of planning or risk mitigation do not constitute an emergency.

Emergency Procurement is further considered in the Guide.

12 UNSOLICITED UNIQUE PROPOSALS

Should QLDC receive an unsolicited unique proposal, the process will be managed with reference to MBIE’s *Guide to Unsolicited Unique Proposal*s.

13 PROCUREMENT GUIDE

QLDC’s Procurement Guide will set out:

> the direction for the operation of procurement within QLDC

> how the Procurement Lifecycle will be managed, including the requirements of each type of Procurement Planning, and the available Procurement Methods.

> to assist staff to balance the various aims of the Policy, including how they consider procurement specific prioritisation of the Policy and QLDC objectives; and

> procurement reporting and compliance requirements.

14 OUT OF SCOPE

The following are considered to be out of the scope of the Policy:

> Acquisition of unique items of interest, such as art

> Employment (excluding the engagement of contractors and consultants)

> Grants and sponsorship

> Koha, gifts and donations

> Land sale and acquisition

> Leasing of QLDC owned property and the leasing of property to QLDC

> Procurement undertaken by Council Controlled Organisations that is not on behalf of QLDC

> Payments to government departments and regulatory bodies, including IRD and ACC

> Statutory payments and/or appointments

> Treasury and financial instruments, investments, loans and guarantees.

15 ALIGNMENT

15.1 INTERNAL ALIGNMENT

> Procurement Guide

> Ten Year Plan

> Register of Delegations

> Vision Beyond 2050

> Climate Action Plan

> Waste Minimisation and Management Plan

> Conflicts of Interest Policy

> Gifts and Hospitality Policy

> Fraud and Corruption Policy

> Risk Management Policy

> Health, Safety, and Wellbeing Policy

> Sensitive Expenditure Policy / Purchasing Card Policy

> Information and Records Management Policy

> Protected Disclosures Policy

> NZTA Procurement Strategy.

15.2 EXTERNAL ALIGNMENT

15.2.1 PROCUREMENT GUIDANCE

> Procurement Guidance for Public Entities, Office of the Auditor General

> Government Procurement Rules

> New Zealand Transport Agency Procurement Manual.

15.2.2 LEGISLATION

> Local Government 2002

> Local Government Official Information and Meetings Act 1987

> Contract and Commercial Law Act 2017

> Health and Safety at Work Act 2015

> Public Records Act 2005

> Construction Contracts Act 2013

> Commerce Act 1986

> Fair Trading Act 1986.

APPENDIX 1 – SUPPLIER CODE OF CONDUCT

Supplier Code of Conduct (procurement.govt.nz)

NEW ZEALAND GOVERNMENT PROCUREMENT

Supplier Code of Conduct

Statement of Government Expectations

The Government is committed to sustainable and inclusive government procurement that delivers for New Zealand and New Zealanders. This Supplier Code of Conduct outlines the expectations we have of our suppliers. Suppliers must make their subcontractors aware of this code.

Ethical behaviour

The Government expects its suppliers to:

- manage their activities and affairs, and conduct themselves, with integrity in accordance with applicable laws, regulations and ethical standards
- not engage in any form of corruption
- be transparent about their ethical policies and practices.

Labour and human rights

The Government expects its suppliers to:

- adhere to international human rights standards in their workplace and monitor and address these standards within their supply chain
- comply with New Zealand employment standards and maintain a workplace that is free from unlawful discrimination.

Health, safety and security

The Government expects its suppliers to:

- comply with workplace health and safety laws and regulations and maintain healthy and safe work environments
- comply with any security requirements notified to them by the Government
- adequately protect any information, assets, tools and materials provided by the Government and return these promptly when requested.

Environmental sustainability

The Government encourages suppliers to establish environmentally responsible business practices and proactively improve their environmental performance. The Government expects its suppliers to:

- conduct their business in accordance with applicable laws, regulations and standards regarding the mitigation of impacts on, and protection of, the environment
- work to improve their environmental sustainability and reduce their environmental impacts.

Corporate social responsibility

The Government encourages its suppliers to be good corporate citizens and contribute positively to their communities. Some positive things suppliers could do are:

- pay their subcontractors promptly
- consider including local, Māori, and Pasifika businesses to deliver the contract.

New Zealand Government

Attachment C: Draft Procurement Policy 2026 – Procurement Explanatory Notes

	OLD SECTION		NEW SECTION		CHANGES TO SECTION & RATIONALE
A	1	Purpose	1	Purpose	Taken figures out – we increase our spend year on year so including figures means it's out of date after 12 months. Consultant compliance with policy has been an issue – putting this front & centre
B	2	Policy Context	2	Context	More fulsome explanation of context. 'Local' has been defined.
C	3	Definition of Procurement	3	Definition	Better layout.
D	4	The Goal of Procurement at QLDC	5	Procurement Objectives	Refer to rows E, F, G
E	4.1	Optimise Public value	5.1	Optimise Public Value	Puts whole of life value to ratepayers at the core. Includes consideration for QLDC financial cost of running different types of procurement – in some instances, running a procurement may cost more than the value of the work itself.
F	4.2	Supporting the Delivery of QLDC Objectives	5.2	Supporting the Delivery of QLDC Objectives	Added sentence to clarify priority of our Policy over Govt Proc Rules where there is conflict between documents. Exception to this is where finding is tied to process (e.g., NZTA). Added proportionality of processes to risks.
G	4.3	Build Procurement Capability/Capacity	7	Roles & Responsibilities	New section providing clarity of where responsibility lies.
H	5	Procurement Principles & Charter	6 App 1 App 2	Procurement Principles & Charter	No substantive change.
I	6	Policy Scope	4	Scope & Application	Combines in & out of scope.
J	7	Outcomes Sought	5	Optimise Public Value	Refer to row E
K	7.1	Public Value	5.1	Optimise Public Value	Refer to row E
L	7.2	Broader Outcomes	5.3	Economic Benefit to QLDC Region	Reflected change in Govt Proc Rules v5 from 'Broader Outcomes' to 'Economic Benefit'. Added economic benefit specific to QLDC region. Sets out that value to ratepayers prevails over use of local suppliers. There are situations where we have to balance value to the ratepayer vs using local suppliers. This provides that while local suppliers are to be considered, value to the ratepayer is the priority.

	OLD SECTION		NEW SECTION		CHANGES TO SECTION & RATIONALE
M	7.3	Local	5.3	Economic Benefit to QLDC Region	Refer to row L
N	7.4	H&S	5.4	H&S	No substantive change.
O	7.5	Supplier Code of Conduct	17	Supplier Code of Conduct	No substantive change.
P	7.6	QLDC as Client of Choice	2	Policy Context	No substantive change.
Q	8	Procurement Lifecycle	8	Procurement Lifecycle	No substantive charge.
R	9	Financial Thresholds for Procurement Planning & Methods	9	Financial Thresholds for Procurement Planning & Methods	Requires a minimum of 3 quotes for procurements – this has not previously ben required as a minimum (currently $10k-$100k direct appointments are allowable with no justification). This needs to be flexible enough to cover where there are not 3 suppliers in the national market. Does not require a formal RFQ but simple verbal or written quotes with clear records kept of supplier responses & decisions rationale. Allows increased options for up to $250k BUT puts Procurement review overall procurements >$100k to ensure processes are proportional and with sufficiently test the market. Where Procurement Team endorsement is no provided but DFA approves Plan, will be reported o SMART Finance Committee. Exceptions to Proc Team endorsement requirement is where a panel exists and an approved secondary process will be used. >$250k requires full open-market process with Proc Team endorsement. Approval of Proc Plans remains with DFA. Proc Departure Request information will continue to be a part of the procurement forms but is no longer a form on its own or called 'departure' as the policy now allows all forms of processes where they are appropriate and approved. All Proc Plans require justification for the chosen process – this will continue the capture of info where we have not run a competitive process. Streamlines process for staff as removes duplication of of information over multiple forms (forms currently already combined into one for to reduce duplication). Inclusion of RFx documentation to be appropriate for market maturity e.g., Tier 1 suppliers have different level of understanding of RFx documents to small fencing contractors. Documentation being appropriate to level of risk of contract reduces the chance of a small project that could have significant implications later (e.g., design of a system that may be <$10k but build of system is >$100k meaning that poor design has higher level of risk)
S	10	Approvals under DFA	10	Approvals under DFA	Adds statement that DFA for panels sits at level of aggregated value across all potential suppliers.
T	11	Emergency Procurement	12	Emergency Procurement	No substantive change.

	OLD SECTION		NEW SECTION		CHANGES TO SECTION & RATIONALE
U	12	Unsolicited Unique Proposals	13	Unsolicited Unique Proposals	No substantive change.
V	13	Procurement Guide	15	Procurement Guide	Sets out that the Guide is a guide only and not a list of mandated actions – each section read in isolation of any context makes sense; however, where the nuances of different procurements are applied, all sections may not be able to be followed exactly. Requires that where the Guide is unable to be followed in detail, good practice is to the followed and justification for any deviation from the Guide recorded and approved. By centralising Procurement and introducing the requirement for the Proc Team to review all Proc Plans >$100k, the nuances that occur with each procurement are able to be accounted for within good process, even where every s3ection of the Guide is not able to be followed to the letter.
W	14	Out of Scope	4	Scope & Application	Just combined into one scope section.
X	15	Alignment	18	Alignment	No substantive change.
Y	App 1	Supplier Code of Conduct	App 3	Supplier Code of Conduct	No change.
Z	-	-	11	Secondary Procurement Process	New section – requires that secondary process be approved by Council at Procurement Plan stage.
AA	-	-	14	Monitoring & Reporting	New section.
BB	-	-	16	QLDC Commercial Values & Behaviours	New section.

Note:

- The Procurement Guidelines will need to be updated alongside the Procurement Policy.
- The online Procurement forms will be amended to align with the Procurement Policy.