

Full Council

4 September 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: Assurance, Finance & Risk

Title | Taitara: Retrospective Approval of the Procurement Plan for the Legal Services Panel

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek Council's retrospective approval of the Procurement Plan for the Legal Services Panel which will give effect to the completed procurement process.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Approve** retrospectively the Procurement Plan for the Legal Services Panel;
3. **Note** that retrospective approval of the Procurement Plan for the Legal Services Panel gives effect to the full procurement process, including the Panel Agreements and all past and future secondary procurement activity;
4. **Delegate** authority to the Chief Executive to ratify and confirm the procurement and appointment of the Legal Services Panel.

Prepared by:



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Title: General Counsel

19 August 2025

Reviewed and Authorised by:



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Title: General Manager Assurance, Finance and Risk

19 August 2025

Context | Horopaki

Background

1. Queenstown Lakes District Council (QLDC) utilises panel agreements to procure works, goods and services. The Legal Office uses panel (Panel) agreements to source legal services for QLDC.
2. In 2019 QLDC conducted a tender process and established its first legal services panel, which expired mid-2024. Under that previous Panel, QLDC had a Panel comprising 4 full-service legal service providers.
3. In December 2023 QLDC adopted a Procurement Plan (the Procurement Plan – see Attachment A) for the renewal of the Legal Services Panel. It set out an open tender process and was in accordance with QLDC's usual tender processes.
4. The Procurement Plan was followed, an open tender process was carried out, 22 legal services providers lodged tenders for appointment to the Panel, and following the tender evaluation process, QLDC appointed 5 full-service and 3 specialist legal service providers. The Panel was established for 3 years with 2x1 year extensions exercisable by QLDC, subject to performance.
5. QLDC officers have identified that the Procurement Plan should have been submitted to Full Council for approval. This is because the aggregate spend on all legal services with all Panel firms over the 5 year period (2025-2030) was estimated to be approx. \$12 million.
6. During the first year of the new Panel, actual legal spend has been within budget and as expected in the Procurement Plan.

Approval of the Legal Services Panel Procurement Plan

7. The Procurement Policy provides that approvals of procurement plans are governed by the limits set out in the Delegations Register (Delegations from Council to the Chief Executive and Sub Delegations Financial).
8. To determine the estimated whole of life spend through the new Panel, the Procurement Plan for the Legal Services Panel used a forecast of legal expenditure based on the approved Long Term Plan budget, which had been set with reference to expenditure in previous years, adjusted for inflation.
9. Based on the forecast expenditure, approval of the Procurement Plan should have been with Council.

Summary of the Legal Services Panel

10. The purpose of the Legal Services Panel is to provide an administratively efficient mechanism to pre-qualify and engage with legal services suppliers on standardised and pre-approved contractual terms, hourly rates and key personnel.

11. Legal matters are generally time-sensitive, and/or require identification of a panel lawyer or legal team with the necessary expertise and capacity. For this reason, it is common for larger organisations to use a panel arrangement for procuring legal services.
12. Legal matters are separately scoped and priced based on written estimates for each matter, applying the pre-approved rates and services. These estimates are reviewed and approved under QLDC's purchase order system, by officers holding the appropriate financial delegation for the purchase order. Where the scope of the legal matter changes, the estimate and purchase order are updated and subject to a new review/approval process.

Summary of the Legal Services Panel & Secondary Procurement

13. As provided for in the Government Procurement Rules (Rule 57¹), once a Panel has been established through an open market process, there is no need to openly advertise individual contract opportunities, and purchases may be made directly from the Panel. This is secondary procurement.
14. QLDC's Procurement Guide sets out the high-level principles that a Panel should consider, including that the Panel should have an "...efficient and effective secondary procurement process". It also notes that "*Panel Agreements should have their own Panel rules that guide the operation of the Panel and in particular the secondary procurement processes.*"
15. Both the Government Procurement Rules and the Procurement Guide therefore contemplate Panel specific Panel rules for secondary procurement, e.g. the need to not always approach the open market, and the methods Council will use to award work under the Panel.
16. For the Legal Services Panel, as suppliers have already been prequalified through a robust evaluation process, have agreed standard contract terms and have been awarded Panel Agreements based on their capability and capacity – the Legal Services Panel follows the above Rules and Guide by adapting and amending Council's Procurement Policy thresholds.

Analysis and Advice | Tatāritaka me kā Tohutohu

17. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
18. Option 1 Retrospectively approve the Legal Services Procurement Plan.

Advantages:

- Remedies compliance with the Procurement Policy.
- Validates and gives effect to the Procurement Plan.

¹ Rule 57, [Panel of suppliers | New Zealand Government Procurement](#)

- Removes ambiguity:
 - with the subsequent procurement process; and
 - execution of the Panel Agreements, including the secondary procurement processes.
- Provides an administratively efficient remedy to correct an error.
- Enables the efficient procurement of services to assist QLDC's delivery of Council activities and risk management.
- Maintains QLDC's credibility with suppliers by not having to rerun the procurement process.

Disadvantages:

- There are no clear disadvantages to this option.

19. Option 2 Do not retrospectively approve the Legal services Procurement Plan and undertake a new procurement process.

Advantages:

- By undertaking a new procurement process, this would ensure compliance with the Procurement Policy.

Disadvantages:

- An otherwise sound procurement process with solid commercial outcomes would need to be cancelled and rerun.
- There would be negative time and cost impacts on QLDC staff and suppliers.
- This would negatively impact the supply market's perception of QLDC as a client of choice.
- Until a new procurement process is completed, the procurement processes would be less time and cost efficient, which may put at risk some elements of the delivery of QLDC's activities and risk management.

20. This report recommends **Option 1** for addressing the matter because it effectively and efficiently provides compliance with the Procurement Policy and gives full effect to the procurement process.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

21. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024, however it is acknowledged that procurement is an important area of focus for Council and the community.
22. The persons who are affected by or interested in this matter are QLDC suppliers and the community.

Māori Consultation | Iwi Rūnaka

23. The Council has not consulted with Iwi in the preparation of this report.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

24. This matter relates to the Financial risk category. It is associated with RISK10028 Ineffective procurement within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
25. Applying the Risk Management Policy specifically to this report and assuming the Likelihood is Unlikely and the Consequence is Moderate, the Residual Risk rating relating to this report is Low.
26. The approval of the recommended option will allow Council to avoid the risk. This will be achieved by ensuring the appropriate approval to the Procurement Plan, which then gives effect to the full procurement process, including the subsequently executed Panel Agreements and all past and future secondary procurement activity.

Financial Implications | Kā Riteka ā-Pūtea

27. There are no financial implications arising specifically from this report. However, if this report is not approved, there will be additional time and cost to rerun the procurement process, these costs would be covered within existing approved budgets.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

28. The following Council policies, strategies and bylaws were considered:
- QLDC Procurement Policy
 - QLDC Procurement Guide
 - QLDC Risk Management Policy
 - QLDC Long Term Plan 2024-34

- Our Vision and Mission

29. The recommended option is consistent with the principles set out in the named policies.

30. This matter supports the Long Term/Annual Plans through ensuring that effective procurement is in place to support the delivery of plan objectives.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

31. For the Legal Services Panel Procurement QLDC required each tenderer to agree to QLDC's template "agreement for legal services" that provides QLDC with contractual protections, and service delivery, from its legal service providers. Each successful tenderer accepted QLDC's agreement, sometimes with minor changes.

32. Essentially the same template agreement was used as for the previous panel, except for some drafting updates and enhancements. As a client, QLDC holds these contractual protections in addition to the statutory client protections applying to regulated legal services.

33. QLDC's in-house legal team approve and monitor each matter that is briefed to an external legal provider, to provide efficient legal instructions and scope management. QLDC is usually billed monthly for each matter, and each invoice is processed and approved through QLDC's finance system.

34. The legal and policy framework within which QLDC procurement operates is outlined earlier in this Report.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

35. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future, by providing procurement that supports QLDC in achieving its strategic and operational objectives. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

36. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Procurement Plan for the Legal Services Panel
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