

Item 1: Procurement Policy

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

The purpose of this briefing is to provide an understanding of Procurement in Local Government including Procurement Principles, Procurement Cycle, Queenstown Lakes District Council Procurement Policy proposed changes, and Case Law.

DATE/START TIME:

Tuesday, 9 June 2026 at 11.30am

TIME BREAKDOWN:

Presentation: 20 minutes

Questions or Debate/Discussion: 40 minutes

PRESENTER:

Pamela Parker - Procurement Manager

Prepared by:



Name: Pamela Parker

Title: Procurement Manager

28 May 2026

Reviewed and Authorised by:



Name: Katherine Harbrow

Title: GM Assurance Finance Risk

28 May 2026

ATTACHMENTS:

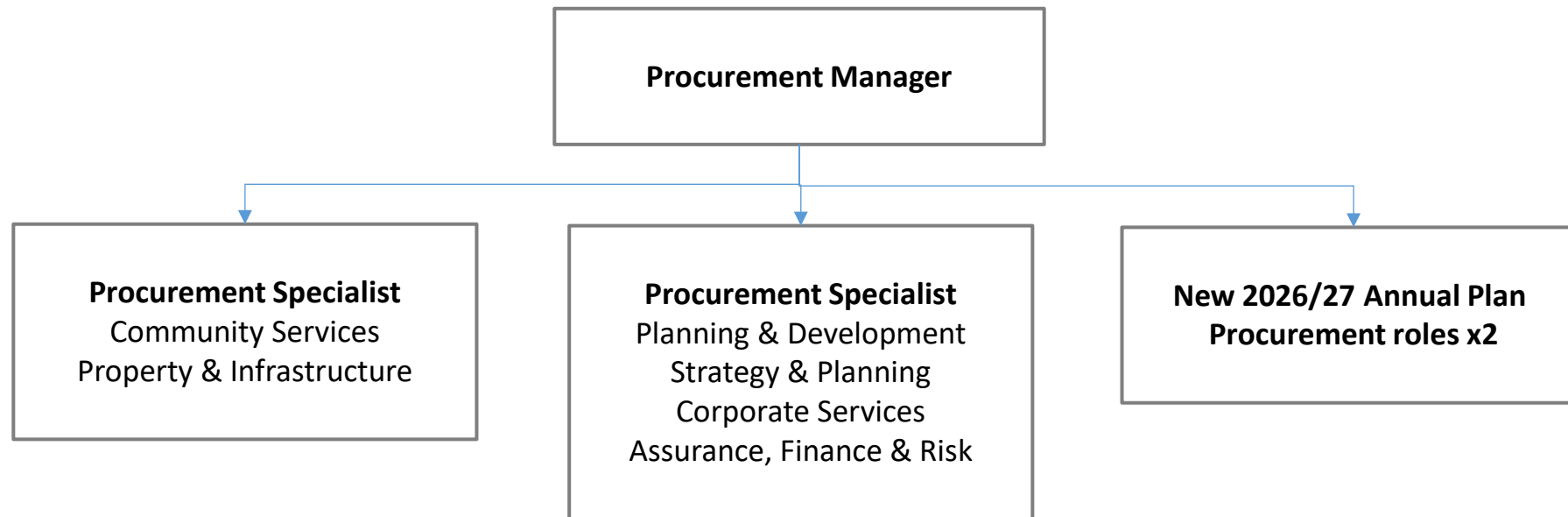
A	Proposed Changes to Procurement Policy
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PROCUREMENT WORKSHOP

PROCUREMENT POLICY

9 June 2026

PROCUREMENT TEAM



Administrative functions within Directorates:

- Procurement Administrators
- GETS Administrators

Geoff Mayman
Commercial & Procurement
Manager (P&I)

External Procurement Specialists

WHOLE OF LIFE COSTS

“Procurement is all the business processes associated with purchasing, spanning the whole contract cycle from the identification of needs to the end of a service contract, or the end of the useful life and subsequent disposal of an asset.”

OAG: Procurement Guidance for Public Entities, June 2008

“Procurement begins with a public organisation determining what goods and services it needs to achieve its goals. Procurement ends when the goods/services have been supplied and the contract or the asset’s useful life is at an end, and the process has been reviewed to ensure all commitments are met, benefits are realised and any lessons learned recorded.”

OAG: Introducing our work about procurement, 2018

WHOLE OF LIFE COSTS

Calculated for Procurement Plans and Delegated Financial Authority

EXAMPLES OF WHOLE OF LIFE COSTS	No contract but repeated small orders	CAPEX build with ongoing OPEX
Year 1	\$5k per month x 12 months	CAPEX \$7M
Year 2	\$0	OPEX \$1.5M
Year 3	\$0	OPEX \$500K
Whole of Life Cost	\$60k	\$9M
Delegated Financial Authority	Category C	Smart Finance Committee or full Council

CENTRAL GOVERNMENT PROCUREMENT CYCLE



Planning is the foundation of good procurement.

The Audit Office, 2023/24

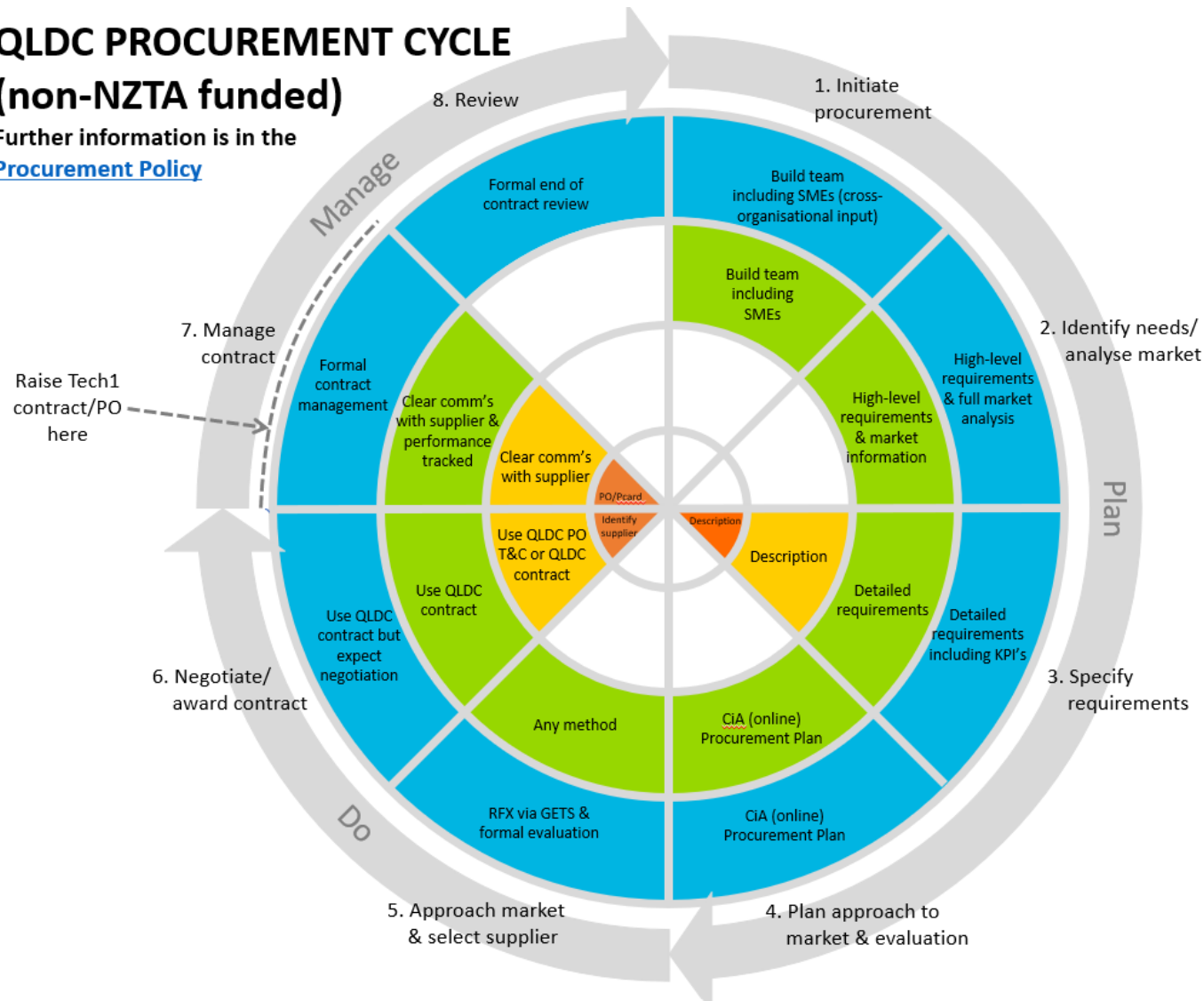
QLDC is "... encouraged to apply the Government Procurement Rules."

Government Procurement Rules version 5, 2025

QLDC PROCUREMENT CYCLE

QLDC PROCUREMENT CYCLE (non-NZTA funded)

Further information is in the [Procurement Policy](#)



When calculating procurement value, you **MUST** consider risk (a low value purchase can have a very large impact on a project e.g. a \$2K spend may have a multi-\$M impact if it goes wrong). If risk is elevated compared to purchase value, consult with procurement regarding the best approach.

<\$1K
No Procurement Plan required.
Use Pcard to purchase where possible (Purchase Order if Pcard not possible).
[<\\$1K process flowchart](#)

\$1K-\$10K
No Procurement Plan required.
Consult with Procurement if risk highlighted or value close to \$10K.
Clear records of decisions must be kept.
Any resulting contract **MUST** be created into TechOne
[\\$1-\\$10K process flowchart](#)

\$10K-\$100K
Use an existing [AoG/QLDC](#) contract if possible. [Procurement Plan Lite \(PPL\)](#) is required.
Procurement approval is required.
Resulting contract **MUST** be set up in TechOne
[\\$10K-\\$100K process flowchart](#)

>\$100K
Use an existing [AoG/QLDC](#) contract if possible. QLDC is encouraged to follow the [Government Procurement Rules](#) & formal process required. [Procurement Plan Full \(PPF\)](#) required.
Procurement approval is required
Check for existing contracts that could be used.
Resulting contract **MUST** be set up in TechOne.
PROCUREMENT INVOLVEMENT IS MANDATORY.
[>\\$100K process flowchart](#)

If not following the required procurement process, a Procurement Departure request **MUST be completed along with a Procurement Plan**

QLDC PROCUREMENT POLICY vs NZTA

NZTA Procurement requires additional practices to achieve funding/part-funding of projects/works:

- Publication of winning bids including values on the [GETS website](#)
- Minimum of one member of the evaluation panel must hold the NZ Certificate in Infrastructure Procurement
- Specified evaluation methodologies to be used

CURRENT & PROPOSED THRESHOLDS

EXPENDITURE BRACKETS	MBIE THRESHOLDS	QLDC THRESHOLDS - CURRENT	QLDC THRESHOLDS – PROPOSED	PROPOSED EXTRA CONTROLS
Less than \$10,000 for goods/services/works		<ul style="list-style-type: none"> No Procurement Plan required All sourcing methods available 		
\$10,000 to less than \$100,000 for goods/services/works		<ul style="list-style-type: none"> Procurement Plan required All sourcing methods available 	<ul style="list-style-type: none"> Raise threshold to \$250,000 Procurement Plan required 3 written quotes against a written Statement of Work as a <u>minimum</u> or Procurement Departure Request, except where secondary procurement process allows otherwise 	<ul style="list-style-type: none"> Procurement Team to review ALL Procurement Departure Requests with Procurement approval required before progressing (ensure procurement process is proportional and sufficiently tests the market) Requirement for written quotes as a minimum Approvals require DFA but will also require one-up approval as a minimum.
\$100,000 and greater for goods/services/works	<ul style="list-style-type: none"> Must advertise on GETS unless valid reason to opt out Award to NZ business unless good reason otherwise 	<ul style="list-style-type: none"> Procurement Plan required Open market or Procurement Departure Request 	<ul style="list-style-type: none"> Raise threshold to \$250,000 Procurement Plan required Open market or Procurement Departure Request except where secondary procurement process allows otherwise 	<ul style="list-style-type: none"> Procurement Team to review ALL Procurement Plans >\$100,000 and endorse (ensure procurement process is proportional and sufficiently tests the market) Approvals require DFA but will also require one-up approval as a minimum.
\$9M for new construction works	<ul style="list-style-type: none"> Must advertise on GETS Award to NZ business unless good reason otherwise 			<ul style="list-style-type: none"> Procurement Team to review ALL Procurement Plans >\$100,000 and endorse (ensure procurement process is proportional and sufficiently tests the market)

2021 vs 2026 POLICY ALIGNMENT

- S1 Purpose – minor updates
- S2 Policy Context – minor updates
- S3 Definition of Procurement – updated to reflect full procurement cycle
- S4 The Goal of Procurement at QLDC – minor updates
- S5 Procurement Principles and Charter – replaced with Procurement Policy Scope
- S6 Procurement Policy Scope – replaced with Roles and Responsibilities
- S7 Outcomes Sought – replaced with Monitoring
- S8 The Procurement Lifecycle – replaced with QLDC Commercial Values and Behaviours
- S9 Financial Thresholds for Procurement Planning & Procurement Methods – replaced with Supplier Code of Conduct
- S10 Procurement Approvals Under Delegated Authority – replaced with The Procurement Lifecycle
- S11 Emergency Procurement – replaced with Secondary Procurement Processes
- S12 Unsolicited Unique Proposals – replaced with Financial Thresholds for Procurement Planning & Procurement Methods
Note: substantive changes to Financial Thresholds
- S13 Procurement Guide – Replaced with Approvals Under Delegated Authority
- S14 Out of Scope – replaced with Emergency Procurement
- S15 Alignment – replaced with Unsolicited Unique Proposals
- S16 new - Procurement Guide
- S17 new - Alignment