

# Christchurch City Council Procurement Policy 2018



<b>1.</b>	<b>Background</b>
	<p>Christchurch City Council spends close to \$1 billion annually on a wide range of works, goods and services that enable the delivery of community infrastructure, facilities and services for the citizens of Christchurch.</p> <p>This means that Council procurement not only has a budgetary impact, but also can have a significant impact on our local communities and on the quality of life we have in Christchurch.</p> <p>While there is a need to ensure that procurement delivers value for money for residents the Council believes it should also look to use procurement as a force for good to advance the long-term wellbeing of our community.</p>
<b>2.</b>	<b>Policy Purpose</b>
	<p>The purpose of this Policy is to provide a framework within which a consistent procurement practice is applied across all Council procurement activities in alignment with the Council’s vision, strategic priorities and community outcomes.</p> <p>The Policy articulates how the Council seeks to maximise the overall benefits that can be delivered through its procurement activity, enabling the Council to deliver value for money as well as advancing the social, environmental and economic wellbeing of Christchurch residents.</p>
<b>3.</b>	<b>Policy Vision</b>
	<p><i>The Council’s procurement activity delivers value for money for residents using a clear framework of accountability and sustainability, supporting Council’s social, economic and environmental priorities, and contributing to Christchurch being a city of opportunity for all.</i></p>
<b>4.</b>	<b>What is Procurement?</b>
	<p>The term ‘procurement’ covers all aspects of acquiring goods, works and services, including every aspect of the procurement lifecycle including determining and specifying the needs required to deliver the work programmes and levels of service detailed in the Council’s Long Term Plan and Annual Plan. This includes the contract and relationship management of our chosen suppliers.</p> <p>The procurement lifecycle ends with the completion of a service contract or the disposal or re-purposing of an asset at the end of its useful life.</p>
<b>5.</b>	<b>Policy Scope</b>
	<p>This Policy applies to all procurement activity undertaken by Council, with the exception of:</p> <ul style="list-style-type: none"> <li>• Acquisition of art and similar unique items of interest</li> <li>• Employment</li> <li>• Grants and sponsorship</li> <li>• Land acquisition</li> <li>• Leasing of Council-owned property and the leasing of property to the Council</li> <li>• Payments to government and regulatory bodies</li> <li>• Procurement undertaken by Council Controlled Organisations that is not on behalf of the Council</li> <li>• Tax</li> <li>• Treasury and financial instruments</li> <li>• Unsolicited proposals</li> </ul>

6.	<p><b>Meeting our Legislative Obligations</b></p>
	<p>The Local Government Act 2002 (section 14) details the principles relating to local authorities. The principles most relevant to the Council’s procurement activity are:</p> <ol style="list-style-type: none"> <li>1) <i>In performing its role, a local authority must act in accordance with the following principles:</i> <ol style="list-style-type: none"> <li>(a) <i>a local authority should—</i> <ol style="list-style-type: none"> <li>(i) <i>conduct its business in an open, transparent, and democratically accountable manner; and</i></li> <li>(ii) <i>give effect to its identified priorities and desired outcomes in an efficient and effective manner:</i></li> </ol> </li> <li>(f) <i>a local authority should undertake any commercial transactions in accordance with sound business practices; and</i></li> <li>(g) <i>a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and</i></li> <li>(h) <i>in taking a sustainable development approach, a local authority should take into account—</i> <ol style="list-style-type: none"> <li>(i) <i>the social, economic, and cultural interests of people and communities; and</i></li> <li>(ii) <i>the need to maintain and enhance the quality of the environment; and</i></li> <li>(iii) <i>the reasonably foreseeable needs of future generations.</i></li> </ol> </li> </ol> </li> </ol> <p>This policy reflects these principles as they relate to the Council’s procurement activity. In particular, the broader community wellbeing impacts are explicitly recognised.</p>
7.	<p><b>Core Procurement Principles</b></p>
	<p>In making procurement decisions, the Council will have regard to the contracting principles detailed in the Controller and Auditor-General’s Procurement Guidance for Public Entities, June 2008. These are:</p> <ul style="list-style-type: none"> <li>• <b>Accountability:</b> the Council will be accountable for its performance and give complete and accurate accounts of the use it has put public funds to.</li> <li>• <b>Openness:</b> the Council will be transparent in its administration of funds, both to support accountability and to promote clarity and shared understanding of respective roles and obligations between entities and any external parties entering into funding arrangements.</li> <li>• <b>Lawfulness:</b> the Council will act within the law, and meet its legal obligations.</li> <li>• <b>Fairness:</b> the Council has a general public law obligation to act fairly and reasonably. The Council must be, and must be seen to be, impartial in its decision-making.</li> <li>• <b>Integrity:</b> managing public resources must be done with the utmost integrity. The standards applying to public servants and other public employees are clear, and the Council will make it clear when funding other organisations that the same standards are expected from them.</li> <li>• <b>Sustainability:</b> the Council will look for opportunities for its procurement activity to positively impact on the environmental, social, economic and cultural wellbeing of our communities and the world we live in, now and in the future.</li> </ul>

8.	<b>Strategic Procurement Principles (Promoting Local Benefit)</b>
	<p>In addition to the core principles above, the Council has identified its own strategic procurement principles that align with the Council’s Vision, Strategic Priorities and Community Outcomes. These principles are integrated into the Council’s procurement decision-making framework and are intended to promote the delivery of local benefit. The framework and methodology the Council uses to assess local benefit is included in the Council’s Procurement Manual.</p> <ul style="list-style-type: none"> <li>• <b>Open and effective competition:</b> Open and effective competition maximises the prospect of the Council obtaining the best procurement outcome. The Council will ensure that suppliers wishing to do business with Council are given a reasonable opportunity to do so and that the procurement and relationship management processes used ensure that suppliers look to continue to do business with Council.</li> <li>• <b>Fostering local business:</b> The Council believes its procurement activity should contribute to having efficient and cost-effective local suppliers that support a dynamic and innovative Christchurch economy. The Council will ensure advantages from local procurement are recognised and considered in procurement decisions, local businesses are encouraged to explore unique and innovative initiatives, social procurement initiatives are progressed to provide economic and employment opportunities to communities in Christchurch and that where practicable, tenders are free from requirements that could limit opportunities for local suppliers.</li> <li>• <b>Environmental enhancement:</b> The Council’s procurement activity will have regard to proactive strategies that deliver better outcomes for the environment. The Council will maintain a commitment to long-term, ecological sustainability through procurement that conserves resources, saves energy, minimises waste, protects human health and enhances environmental quality and safety. In a procurement sense this includes a particular focus on improving energy and water efficiency, reducing, re-purposing and recycling where appropriate, and minimising greenhouse gas emissions.</li> <li>• <b>Social equity:</b> The Council has a commitment to promoting diversity, acceptance, fairness, compassion, inclusiveness and access for people of all abilities. A focus is placed on citizens who are underrepresented and people with less opportunity. Social equity contributes to building stronger and more resilient communities. Depending on the nature of the procurement, Council will explore opportunities to engage social enterprises to provide works, goods and services.</li> <li>• <b>Ethical behaviour and fair dealing:</b> Applying sound ethical principles and equitable and fair opportunities for procurement promotes the likelihood of better procurement outcomes. Having high standards of professionalism in procurement processes, systems and procedures enables the Council to provide a consistent approach to procurement requirements, reducing transaction costs and risks for suppliers and building Council/ supplier relationships and trust. This lowers the cost of doing business for all parties.</li> </ul>



9.	<b>Policy Objectives</b>
	<p>The objectives of this Policy are for the Council’s procurement activity to promote achievement of:</p> <ol style="list-style-type: none"> <li>1. <b>Value for money</b> - provide the best value for money for the citizens of Christchurch, taking into account whole of life costs and benefits, and sustainable outcomes.</li> <li>2. <b>Environmental sustainability</b> – environmental costs and benefits will be considered as part of any procurement decision-making process with the Council looking to promote environmentally sustainability through procurement. Consideration and recognition is given to procurement that provides environmentally sustainable benefits.</li> <li>3. <b>Social responsibility</b> - social costs and benefits to Christchurch will be considered as part of any procurement decision-making process with the aim for Council procurement to be socially responsible. Consideration and recognition is given to procurements which provide social benefit to Christchurch.</li> <li>4. <b>Economic benefit</b> - the impact on the Christchurch economy in terms of business sustainability, capacity and capability building will be considered as part of any procurement decision-making process with the Council looking for its procurement activity to promote local business success. Consideration and recognition is given to procurements which provide economic benefit to Christchurch.</li> <li>5. <b>Ease of doing business</b> - provide a framework for Council procurement that promotes consistent, transparent and efficient procurement practices to high professional standards.</li> <li>6. <b>Build and maintain a reputation for ethical behaviour and fair dealing</b> - the Council’s procurement processes will apply sound ethical considerations and provide equitable and fair opportunities for procurement.</li> <li>7. <b>Achieve the Council’s strategic aspirations</b> - ensure procurement principles and process are aligned to the Council’s vision, Community Outcomes and Strategic Priorities and promote efficient and effective delivery of Long Term Plan and Annual Plan work programmes and levels of service.</li> <li>8. <b>Promote opportunity, innovation and participation</b> - fundamental to the achievement of the Council’s strategic aspirations is for Christchurch to have a ‘can do’ attitude and an ethos of anything being possible. The Council will look to use its procurement activity to promote this approach.</li> </ol>
10.	<b>Emergency Procurement</b>
	<p>The Council will from time to time need to react efficiently and effectively to genuinely unforeseen urgent circumstances. These situations may include the need for rapid procurement and may mean it is not be possible or prudent to satisfy all requirements of this Policy.</p> <p>When making procurement decisions in emergency situations the Council will act lawfully and with integrity, and within delegated authority. The Council will endeavour to document and account for all emergency procurement activities.</p> <p>The Council acknowledges that in emergency situations there can be a higher risk of fraud, bribery, corruption and inflated prices. The Council will look to include appropriate safeguards against these possibilities.</p>

<b>11.</b>	<b>Unsolicited Proposals</b>
	<p>Unsolicited proposals are unique or innovative proposals initiated by suppliers and which may not be suitable to progress through this Policy. The Council wants to encourage innovation and will treat all unsolicited proposals in a way that respects the intellectual property rights of the proponent, and is fair to everyone.</p> <p>For an unsolicited proposal to be considered by the Council it must:</p> <ul style="list-style-type: none"> <li>• provide a solution to a need that is not otherwise available in the market</li> <li>• be truly innovative and unique</li> <li>• demonstrate that the Council will receive the best possible value</li> <li>• align with the Council’s vision, strategic priorities and community outcomes</li> <li>• align with the Council’s Long Term Plan and Annual Plan</li> </ul> <p>Unsolicited proposals are considered under the provisions of the Council’s Guide to Unsolicited Proposals.</p>
<b>12.</b>	<b>Local Value</b>
	<p>Christchurch City Council is currently exploring options to include local value benefits into its procurement processes. Local value benefits in the procurement context are where there is a value in community wellbeing to the citizens of Christchurch over and above the normal best-value concepts of quality and price.</p> <p>Local value benefits could accrue through:</p> <ul style="list-style-type: none"> <li>• social procurement requirements such as employment of disadvantaged sectors of the local community to deliver on a procurement requirement or the introduction of apprenticeships, internships, training and/ or minimum wage “living wage” opportunities directly related to the service or goods being procured.</li> <li>• sustainable procurement where local environmental benefits are factored into the procurement decision. To this end, Council will require all suppliers it partners with to have a sustainability policy by 2021.</li> </ul> <p>If local value benefits are to be included in Council procurement processes these will be made clear in the information the Council provides regarding its requirements. This will include clear information on any weighting approach to be included.</p> <p>The Council will always be transparent regarding its requirements and considerations associated with any local value component to its procurement processes.</p>
<b>13.</b>	<b>Policy Implementation and Compliance</b>
	<p>The Council’s Procurement Manual details the business processes, rules and delegations to be followed when undertaking procurement activities for the Council.</p> <p>Compliance with this Policy and with the Procurement Manual is required for all procurement activity undertaken by, or on behalf of the Council.</p> <p>The Council will take every practicable measure to support, protect and, where possible preserve the anonymity of anybody who reports questionable procurement activity undertaken by, or on behalf of the Council. The Council’s Fraud Policy and Protected Disclosures Policy provide more detailed guidance.</p>

