

# Sustainable Procurement Policy

Adopted: Draft for 10 December 2020 Council Approval

Next review: October 2021.

## Background

As a spender of public money, the Far North District Council recognises its responsibility to ensure transparency and accountability in its spending. In addition to this, Council recognises that the expenditure of public money has a significant impact on the local and domestic economy and can generate additional social, cultural and environmental benefits.

Procurement plays a vital role in the delivery of Council outcomes and covers all the business processes associated with purchasing the goods, services and works that we use to run our business and deliver our public service objectives.

This Policy provides procurement guidance to suppliers and Council staff to deliver the outcomes of its Long Term Plan (LTP).

## Purpose and Scope

This policy and Council's Procurement Manual outline the approach that the Council will take to planning, sourcing and managing its procurement. The purpose of this policy is to achieve Council's Procurement Objectives in a fair, transparent and accountable manner.

This policy applies to procurement activities undertaken by all temporary and permanent employees, consultants and contractors.

This policy is the responsibility of the General Manger – Corporate Services.

## Our Procurement Objectives

Our procurement objectives are to:

- Address the social, economic, cultural and environmental challenges in our region by leveraging our spending power on contracted services to specify sustainable outcomes that need to be achieved
- Get the best results from our spending, including sustainable value-for-money over the lifetime of the goods, services and works that we buy
- Raise performance standards through fair and effective management of our suppliers and service providers to get the best public services for the Far North District
- Help Far North District businesses to grow capability and increase competitiveness by working with them to identify opportunities for innovation and continuous improvement in planning, decision making and ongoing contract management.

## Exemptions

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1. Any procurement project partially or fully funded by NZTA is subject to the requirements of the NZTA Procurement Manual and any subsequent Amendments. The current NZTA Procurement Manual Amendment takes precedence over the Far North District Council Procurement Policy for NZTA funded procurements.
2. Central government funded (or partially funded) procurement projects may have certain broader outcomes which are different to those of the Far North District Council. In those instances, Council will follow the requirements of the funding agency whilst seeking to achieve their own sustainable outcomes where at all possible.
3. Unsolicited proposals (proposals not initiated by Council through normal procurement processes) are not normally subject to the Procurement Policy and are to be initially assessed by the Tenders Panel. Further guidance on this is contained in the Procurement Manual.
4. On occasion, an exemption to this policy may be required to comply with regulatory obligations.
5. The following are not considered procurement activities and are not subject to this Procurement Policy:
  - Employing staff (excluding the engagement of contractors and consultants)
  - Investments, loans and guarantees
  - Gifts, donations and projects initiated by established grant funds
  - Statutory appointments
  - Ministerial appointments
  - Payment of approved professional fees.

## Policies

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### Roles and Responsibilities

1. All staff are responsible for applying the Procurement Policy and procedures. Failure to comply with policy and procedures may be considered misconduct under Council's Code of Conduct and could result in disciplinary action.
2. Council's managers are responsible for:
  - managing their business unit's purchasing requirements up to their respective Delegated Financial Authority limits
  - ensuring their staff apply Council's Procurement Policy and procedures.
3. The Project Management Office will assist with higher value, higher risk procurements on an as required basis.
4. The roles and responsibilities of the Tenders Panel are outlined in the Procurement Manual.

## Principles of Procurement

5. We will generally apply the *Government Procurement Rules* when planning, sourcing and managing our procurement, as these set the standard for good practice.
6. The approach to procuring goods, services and works may vary depending on the value, complexity and risk involved. We will generally apply the approach best-suited to the individual purchase within the framework of the *Rules*, encouraging competitive tendering whenever possible.
7. Council's default procurement approach will be open and competitive. Should an open competitive market not exist, there is guidance around alternative procurement approaches contained in the Procurement Manual.
8. Council will purchase from competitive suppliers who contribute to the social, economic, cultural and environmental well-being of the District whilst also demonstrating best public value.
9. Council will seek to promote the Far North economy through providing full and fair opportunity to compete for Council business.
10. Council will buy from the best source available, based on its own analysis of all costs, benefits, and overall value for money.

## Sustainable Outcomes

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The Council will be a fair but demanding buyer who will purchase from competitive suppliers who contribute to the social, cultural, economic and environmental well-being of the District. Council understands that many of our suppliers are already investing in sustainable outcomes, and we want to ensure they are recognised. We also understand that this is a new area for some suppliers, and we endorse our suppliers' efforts wherever they are in the journey.

Council will be asking questions about how each supplier currently contributes to, or plans to contribute to, the following well-beings:

### **SOCIAL**

How you look after the health and wellbeing of your staff; how you contribute to your local community clubs, schools, marae, social enterprises etc, through sponsorship, volunteering, or other forms of support

### **CULTURAL**

How you engage with mana whenua; how you recognise Māori cultural heritage; and how you support diversity and inclusion

### **ECONOMIC**

How many people you employ; how many of those are Māori and Youth, and at what levels of seniority; how you contribute to the upskilling and education of your staff; how you innovate; and how you 'buy local' when selecting your own suppliers.

### **ENVIRONMENTAL**

Your company's actions in reducing carbon emissions; your waste minimisation approaches; water management; and environmental guardianship (kaitiakitanga).

## Thresholds

11. Council's standard procurement processes are based on financial thresholds, detailed in Council's Procurement Manual.

## Relevant Legislation, Policies and Procedures

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<b>Council Policies and Procedures</b>	<a href="#">Procurement Manual</a> <a href="#">Sustainable Procurement Framework</a> <a href="#">Sustainable Procurement Suppliers Guide</a> <a href="#">Code of Conduct – Elected Members</a> <a href="#">Code of Conduct – Employees</a> <a href="#">Disposal of Property, Plant and Equipment Policy 2119</a> <a href="#">Gifts or Rewards Policy</a> <a href="#">Delegations Manual</a> <a href="#">Government Procurement Rules, 4th Edition (1 October 2019)</a>
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<b>Legislation</b>	<a href="#">Local Authorities (Members' Interests) Act 1968</a> <a href="#">Local Government Act 2002</a> <a href="#">Local Government Official Information and Meetings Act 1987</a> <a href="#">Public Records Act 2005</a> <a href="#">Land Transport Management Act 2003</a> <a href="#">Waste Minimisation Act 2008</a> <a href="#">Construction Contracts Act 2002</a> <a href="#">Health &amp; Safety at Work Act 2015</a> <a href="#">Public Audit Act 2001</a> <a href="#">Commerce Act 1986</a> <a href="#">Fair Trading Act 1986</a> <a href="#">Contractual Remedies Act 1979</a> <a href="#">Official Information Act 1982</a>
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## Further Information

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For more information on Council's procurement, please contact the Project Management Office at <mailto:projectoffice@fndc.govt.nz>

WARNING: Printed versions may not be the latest version of this policy. Please refer to the electronic copy of the Procurement Policy for the latest version.