

# Far North District Council Procurement Policy

Adopted:

Next review: July 2020

## Background

As a spender of public money, the Far North District Council recognises its responsibility to ensure transparency and accountability in its spending.

The expenditure of public money has a significant impact on the local and domestic economy and the overall performance of Council. 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:

- 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

1. Any procurement project partially or fully funded by NZTA is subject to the requirements of the NZTA Procurement Manual. The NZTA Procurement Manual Amendment 4, March 2018 takes precedence over the Far North District Council Procurement Policy for NZTA funded procurements.

2. 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 Procurement Board. Further guidance on this is contained in the Procurement Manual.
3. On occasion, an exemption to this policy may be required to comply with regulatory obligations.
4. 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

### 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 Procurement Board are outlined in the Procurement Manual.

### Principles of Procurement

5. We will generally apply the *Principles of Procurement* and *Government Rules of Sourcing* 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 *Principles* and *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 where they offer best value for money. Council will seek to promote the Far North economy through providing full and fair opportunity to compete for Council business.
9. Council will buy from the best source available, based on its own analysis of all costs, benefits, and overall value for money.

## Local Economic Outcome

The Council will be a fair but demanding buyer who will purchase from competitive suppliers where they offer best value for money. The Council will seek to promote the Far North economy through providing full and fair opportunity to compete for Council business. This will be achieved by:

- Ensuring local suppliers are included within invitations to tender and quote whenever practical
- Publicly advertising tender opportunities when appropriate
- Considering potential commercial and practical advantages in purchasing locally produced goods and services.
- Considering local economic impact when planning major procurement activities and packaging work for contracts.
- Ensuring that all future tender documents be worded in such a way as to enable a comparison between New Zealand and overseas produced goods, where relevant.
- All open contestable procurement activity will be publicly notified so all potential suppliers have equal access. The procurement documentation that council provides the market will contain information which makes it clear what council is looking for by way of response, and evaluations will be undertaken in a manner that avoids bias.
- When suppliers are equal on price and quality attributes, preference may be given to the local supplier where appropriate.

## Thresholds

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

## Relevant Legislation, Policies and Procedures

### Council Policies and Procedures

Procurement Manual  
[Code of Conduct – Elected Members](#)  
[Code of Conduct – Employees](#)  
 Disposal of Property, Plant and Equipment Policy 2119  
 Gifts or Rewards Policy  
[Delegations Manual](#)

### Legislation

[Local Authorities \(Members' Interests\) Act 1968](#)  
[Local Government Act 2002](#)  
[Local Government Official Information and Meetings Act 1987](#)  
[Public Records Act 2005](#)

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Land Transport Management Act 2003  
Waste Minimisation Act 2008  
Construction Contracts Act 2002  
Health & Safety in Employment Act 1992  
Public Audit Act 2001  
Commerce Act 1986  
Fair Trading Act 1986  
Contractual Remedies Act 1979  
Official Information Act 1982

## Further Information

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.

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