
Monday, 17 April 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Risk and Assurance Committee Meeting

Kaupapataka

Attachment Document

Volume 2

Te Rā Hui:
Meeting date: **Monday, 17 April 2023**

Te Wā:
Time: **1.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

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ITEM	SUBJECT	PAGE
4.	PROCUREMENT STRATEGY	
	Attachment 1: Procurement Strategy 2023 Waka Kotahi Approved	3



Procurement Strategy

Strategy Expert	Procurement Partnerships Manager
Strategy Owner	GM: Corporate
Owner Department	Procurement
Approval Date	28 March 2023
Version	3.0
Review Date	March 2026

Change History

Amendment (s)	Date	Updated by and authority
Complete review to incorporate broader outcomes and public value to align with Government Rules of Procurement (4 th Ed).	December 2019	Angela Hirst Procurement Partnerships Manager
Complete review and updated Procurement programme, Procurement environment, Approach to delivering the procurement programme and Implementing the strategy	December 2022	Angela Hirst Procurement Partnerships Manager

Contents

1	Introduction	5
2	Policy context.....	7
2.1	Council’s strategic objectives and outcomes	7
2.2	Infrastructure Strategy.....	11
2.3	Strategic procurement framework	12
2.3.1	Procurement Principles	12
2.4	Procurement Strategy.....	13
2.4.1	Objectives and outcomes	13
2.4.2	Strategic procurement approach.....	15
2.4.3	Waka Kotahi procurement outcomes	15
2.4.4	HDC Buyers Guide and Smart Home of Procurement (SHOP).....	16
2.5	Legislative and regulatory framework	16
2.5.1	Government procurement Principle, charter and rules	16
2.5.2	Office of the Auditor General (OAG).....	16
2.5.3	Local Government Act 2002 (LGA).....	16
2.5.4	Land Transport Management Act 2003 (LTMA)	16
2.5.5	National Land Transport Programme (NLTP)	17
2.5.6	Te Tiriti o Waitangi/Treaty of Waitangi	17
2.5.7	Other legislation.....	17
2.6	Health and safety	17
2.7	Risk management framework	18
2.7.1	Risk assessment – procurement failure	19
2.7.2	Risk assurance.....	20
2.8	Progressive procurement.,	20
2.8.1	Māori, mana whenua, mātaawaka	21
2.9	Application to Council Controlled Organisations.....	21
3	Procurement programme	22
3.1	Planned major projects.....	22
3.1.1	Indicative annual spend by category	23
3.2	Procurement programme overview	25
3.2.1	Procurement positioning.....	25
3.2.2	Category analysis	26
3.3	Planned high risk or unusual procurement activities	37

4	Procurement environment.....	38
4.1	Analysis of supplier market	38
4.1.1	Market challenges.....	38
4.1.2	The local market	39
4.2	Analysis of current procurement spend and profile.....	40
4.3	Analysis of procurement programme impact on other entities	42
5	Approach to delivering the procurement programme	43
5.1	Delivery models	43
5.2	Term contracts	45
5.3	Approaching the market.....	46
5.3.1	Competitive Approaches	47
5.3.2	Direct Approaches.....	48
5.4	Supplier selection	48
5.4.1	Evaluation methods	49
5.4.2	Tender pre-conditions.....	49
5.4.3	Non-price attribute evaluation.....	50
5.4.4	Non-price weighting.....	50
5.4.5	Alternative responses.....	50
5.4.6	Tender Evaluation Team (TET).....	51
5.4.7	Negotiation with suppliers	51
5.4.8	Due diligence	51
5.4.9	Notification of tender results and contract awards	51
5.5	Supplier selection systems	51
5.5.1	Prequalification and performance management for civil construction	51
5.6	Approach to contract management	52
5.6.1	Relationship management	53
5.6.2	Service delivery management	54
5.6.3	Contract administration	54
6	Implementing the strategy.....	55
6.1	Capability and capacity	55
6.1.1	Assessment and implementation	55
6.2	Internal procurement processes.....	58
6.3	Performance measurement and monitoring	58
6.3.1	Gathering and analysing data on procurement activities.....	58
6.4	Communication plan.....	59
6.5	Corporate ownership and endorsement	60
7	Appendices	61
7.1	HDC maintenance and long term contracts over \$100k.....	61

1 Introduction

This Procurement Strategy provides direction on the procurement of goods, works and services for Hastings District Council (HDC) in a way that is consistent with legislation governing Local Authorities and the requirements of Waka Kotahi New Zealand Transport Agency.

* It should be noted that for the purposes of aligning with Waka Kotahi guidelines, “services” includes ‘professional services’ and ‘works’ includes, ‘physical works’.

The procurement environment within which Hastings District Council operates presents a range of challenges and opportunities including:

- relative geographical isolation of Hawke’s Bay limiting the range of suppliers with the resources and expertise to handle large programmes of work
- the global COVID-19 pandemic impacting material supply shortages and delays, with significant cost increases
- the impact of the 3 Waters legislative changes on what and how Council procures in the future
- responding to Government’s expectations on how Hastings District Council should conduct its procurement activities to achieve public value and broader outcomes
- competing demands for contractors and suppliers by the four other local government authorities and Waka Kotahi in the region
- Continued large public and private sector infrastructure programmes combined with local contractor resource shortages
- increasing skill shortages in procurement and contract management (impacting on both capability and capacity)
- encouraging the local supply chain to increase participation with Council.

The purpose of this Strategy is to demonstrate how Council will:

- support the delivery of Council’s strategic priorities
- increase public value
- address the challenges and opportunities identified
- improve the efficiency and effectiveness of procurement procedures, including increasing capability
- develop effective relationships with suppliers
- manage procurement risk and reputation
- improve project procurement planning.

This Strategy sits alongside the various strategies, plans and policies of Council to assist with the delivery of the Long Term Plan.

The latest Annual Plan (2022/23) forecast Council Expenditure of \$126.5 million (exclusive of staff costs), increasing to \$144.1 million in the 2030/2031 financial year of the current Long Term Plan (exclusive of staff costs). Council’s investment is aimed at promoting community wellbeing, with particular focus on the eight pillars within Council’s Strategic Framework, as outlined in section 2.1.

In particular, this Strategy shows how Council intends to procure the work identified in the Long Term Plan, providing information on:

- the importance of procurement to achieving its overall goals and business strategy
- delivering economic, social, cultural and environmental outcomes through procurement
- the policy context within which this strategy exists
- the types of procurement Council undertakes

- the value and risk associated with procurement
- the procurement environment
- Council's approach to delivering the procurement programme
- the implementation of this Strategy.

Updates from the previous strategy

This Strategy documents the progress made over the last three years in Section 6 and identifies the priorities for the next three years.

Key achievements include the development and publishing of the:

- Procurement Buyers Guide replacing the Procurement Procedures Manual
- Progressive Procurement Toolkit and Suppliers Guide.

Other changes include the:

- updating of the Contract Management Manual
- implementation of on-line procurement training modules
- updating procurement templates
- the development of a Procurement and Contract Management System which will go live in 2023.

This Procurement Strategy reflects Council's commitment to maximising public value through the delivery of Hastings District Council's strategic objectives, and to the continuous improvement of procurement capacity and capability.

Review cycle

The Strategy will be reviewed three yearly, or whenever a material change to Council's procurement programme, policies, or environment occurs, or there are changes in legislative requirements set by Government.

Bruce Allan
Deputy Chief Executive

Approvals

This Procurement Strategy was reviewed and approved by the Hastings District Council Deputy Chief Executive on 28 March 2023.

Waka Kotahi requires Council to have a procurement strategy that documents its long term integrated approach to the procurement of transport sector activities funded under section 25 of the Land Transport Management Act 2003 and its amendments. To develop a consistent and coherent strategy covering all Council activities, Council's approach has been to develop a Procurement Strategy and Policy for all of Council's Groups (business units). This Procurement Strategy was submitted to Waka Kotahi on Friday 3 February 2023 for endorsement.

