

Procurement lifecycle

[00:09] – Jazz Singh

When we look at undertaking any procurement activity, so when we're looking to source goods or services, the first thing we do is think about the whole procurement lifecycle, which includes Planning, the Sourcing part and then the Managing the contracts at the end. And that's really important because when you look at the whole lifecycle, it allows you to really think about what's important and what the value of the procurement exercise is.

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When you're doing procurement, it's only because your own organisation can't actually deliver that good or service itself.

So it's really important to think about what it is that you need from the supplier, and that only comes from a good planning. So in the planning side of things, our team works with our business units and do a procurement plan, which is really important, that sets out: what is it that we're looking for; how much money we've got to spend; and, at the end of the day, what sort of contract we're going to enter?

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The sourcing part is the difficult part. That's where all the process is. So we like to be transparent, we like to advertise what we're doing to the markets. So all the suppliers know what we're doing, and that's really important. Then we receive the bids, and then eventually we'll get to a contract with the chosen supplier.

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Then comes the hard bit, and that's managing the contract. And that's not something that everybody is really good at. So here at Auckland Council, we're trying to get better. And that's important because once you're managing the contract well, you know that you're going to capture all of the benefits that you've achieved through the sourcing process, and those benefits might be savings against what you budgeted and also the delivery of the activity. It's important that the supplier does what they said they would. And for us, it's really important that we learn from what the suppliers delivering, for the next time that we go out and procure that activity.

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We value being transparent and acting fairly, and that means for us that people know what we are doing and that we don't have any secrets. We publish on our Auckland Council website, all of the contracts that we have ordered, and we also publish on our website all of the money that we're spending with the suppliers.

So it's really clear to our community and to our suppliers that when we need to undertake a procurement activity we have told the world where we're spending the money. Transparency is really important because there's often perceptions that we aren't spending the money fairly or wisely, and for our community, we really want them to understand that we do things really well here, and we do things with a very clean, ethical consideration.