

Procurement policy

[00:14] – Jazz Singh

At Auckland Council, procurement starts with our group procurement policy. That allows us to tell the world why we procure goods and services in the way that we do.

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Our group procurement policy covers all of Council and our Council-controlled organisations. We have a principle-based policy, so we don't have rules as such, but it allows us to communicate clearly with our suppliers and our community about what principles are important to us, at Auckland Council, when we procure.

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Our principles are: firstly, Working together; Value te Ao Māori; Be sustainable; Act fairly; Deliver the best value for every dollar; and Safe with us.

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So working together for us at Auckland Council means that we combine our activities that we do in procurement with the activities of our Council-controlled organisations, so that when we go out to market, we do it with one voice and our suppliers are really clear about what they expect from us. It also allows us to get value for money by going out together and grouping our spend together. That gives us economies of scale, which then means we can get a better deal for our rate payers.

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Valuing te Ao Māori. What that means to us at Auckland Council is that we honour the Treaty of Waitangi and that we deliver great outcomes for Māori in our community. That includes working with Māori businesses and including quality employment outcomes for Māori in our community.

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Be sustainable. The Local Government Act in New Zealand requires local councils to do everything we do sustainably. That includes valuing our environment, our economic activity, our cultural activity, and our social outcomes. We have a social and sustainable procurement framework here at Auckland Council which allows us to measure those outcomes in our community, which we really value. So when we spend money, it's not about just the good or the service that we've procured, but it's actually about what are the impacts of that money that we spend in our community?

And are we doing good with that money in terms of our environmental outcomes, our social outcomes, and that money is being spent in our community to really uplift the economic prosperity and social good that we can do with that money.

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Acting fairly. What that means for us at Auckland Council is that we are transparent in what we do. We also take accountability and we have ethical considerations when we're dealing with our suppliers. What's really important to us is that when we do procurement activity that everyone knows exactly what we're doing and we're not trying to hide anything. We're really clear about what we expect and what we want to pay, delivering the best value for every dollar. So for us, what that means is we don't just look at procuring an activity for the here and now, we look at what the total lifecycle costs or the whole of life cost is for that activity.

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An example of that might be if we build a really cheap building, we might save money now, but it'll cost us a lot of money to repair and maintain in the future. So what we try to do is to look at all of the costs that might be associated with that activity over time and look at how we can incorporate that into procurement activity that we're doing here and now. That means that we sometimes pay more, but we get a better outcome for our community.

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And the last one is Safe with us. What's really important for us here at Auckland Council is that anybody who's doing work for us is safe and goes home safe. We value that in our employees, and we really value it in our contractors because we don't want them to be doing activity which puts them in an unsafe position and doesn't allow them to go home to their families at the end of the day.

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So when we think about applying the policy here at Council, all our staff understand what is in the policy and that's really clear. And our councillors and elected members all understand what's in the policy. In fact, they are the ones that have approved the policy, so they expect us to comply with it at all times. And that's really important for us because we want to hold ourselves up to be accountable and have the highest expectations set against our procurement team, and that's what I expect about all of our procurement team.