



PROCUREMENT POLICY

2022

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1.0 PURPOSE

The purpose of this Policy is to ensure that Waitomo District Council (WDC) has clear guidance on how its procurement activity should be undertaken at all levels. It provides the “rules” within which WDC will operate. WDC’s expectation is that anyone who is undertaking procurement activity on behalf of WDC will abide by the rules, and if they are unclear then guidance should be sought.

The Principles and Broader Outcomes will ensure that WDC upholds the integrity of its procurement and set a clear expectation of what is required when any person within WDC makes a financial commitment on behalf of WDC.

The Policy, Procurement Framework and any additional guidance documentation will assist to provide a consistent approach to all procurement within WDC. It is to support the end user to select the appropriate procurement process having regard to the level of spend, risk and the current environment and then to work through that process with confidence and consistency, regardless of whether the end user is a full-time procurement practitioner or not. In addition, this document sets out how to determine whether or not to utilise an All of Government, Regional or Syndicated contracts.

This document will make it clear for suppliers, WDC employees and authorised third parties on WDC’s expectations when procuring third party goods, services and/or works. It ensures that spend is planned out and creates well executed third party solutions that minimise risk and maximise value for all involved.

2.0 PROCUREMENT OBJECTIVES, CORE PRINCIPLES AND BROADER OUTCOMES

1. The objective of the Policy is to provide a clear direction to anyone involved or engaged in relation to the performance of WDC procurement activities that ensures:
 - a. **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy, the Procurement Framework and all other associated WDC Policies and Strategies;
 - b. **Openness** - all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers;
 - c. **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
 - d. **Integrity** - all WDC employees and / or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
 - e. **Value for Money** – all procurement works towards minimising procurement costs, relation costs and whole of life costs of the goods, services and / or works to deliver best value for money;
 - f. **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
 - g. **Reputation** – no procurement undertaken has an adverse impact on the reputation of WDC;
 - h. **Lawfulness** - all procurement is within the law and meets WDC’s legal and organisational obligations;
 - i. **Accountability** - employees and / or third parties and Suppliers are accountable for their performance and delivery of their procurement activities; and
 - j. **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.
2. To achieve these objectives the following Procurement Principles should be applied:
 - a. Plan and manage for great results;
 - b. Be fair to all suppliers;
 - c. Get the right supplier;
 - d. Get the best deal for everyone; and
 - e. Play by the rules.
3. Broader Outcomes which are the secondary benefits that are generated from procurement activity must also be considered, these may include:
 - a. Increasing access for New Zealand businesses;
 - b. Increasing the size and skills of the construction sector;
 - c. Lifting health and safety and employment standards; and
 - d. Transitioning to a net zero emissions economy.

A detailed breakdown of the Procurement Principles and Broader Outcomes is provided in Appendix 2.

3.0 POLICY

1. Overview

This Procurement Policy is designed to provide all employees and authorised third parties with clarity and guidance over the purchase of goods, services and/or works required to support business delivery. This Policy is designed to ensure that WDC obtains best whole-of-life value for the goods, services and/or works that it purchases, and to maintain the highest ethical standards in dealing with, its suppliers. Value includes but is not limited to price, quality, sustainability and service.

2. Application

This Policy applies to all employees and authorised third parties committing expenditure on behalf of WDC on In Scope spend.

3. In Scope

This Policy applies to the commitment of all funds by employees or authorised third parties on behalf of WDC with the exception of property-related expenditure, emission trading scheme and statutory appointments.

Examples of expenditure to which this Policy applies include:

1. Operational Expenditure – Goods, Services and/or Works required to support the day-to-day running of WDC.
2. Material Outsourcing Arrangements – involves WDC entering into an agreement with another party (supplier) to perform, on a continuing basis, a business activity which currently is, or could be, undertaken by WDC itself.
3. Supplier Panels – where employees can purchase against pre-agreed rates and conditions of contract.
4. Consultancy Expenditure – involves the use of professional service providers to obtain advice and/or support relating to an area of specific expertise.
5. Project and Capital Expenditure – involves WDC entering into an agreement on a one-off basis with another party (supplier) to provide an agreed specific set of outcomes aligned to a project or capital outlay.
6. NZTA Subsidised Arrangements – provides NZTA subsidised services obtained through the NZTA procurement process (NB: as documented, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if NZTA standards are higher than those set by WDC).
7. Subject to 6 above, 3rd Party Funding Procurement – Goods, Services and/or Works required to achieve projects supported by 3rd party funding, where Council has agreed to participate.

4. Contract Hierarchy

Once the requirement to spend has been established, the first consideration should be whether or not there are All of Government (AOG) contracts, Regional or Syndicated contracts available for use.

If there are AOG, Regional or Syndicated contracts available, it is likely that the benefits from these will outweigh the potential local benefits due to the economies of scale “buying power” available.

A review of these options should be undertaken, and where the contract meets the requirements, it is advisable for WDC to sign up to these rather, than pursue a local procurement strategy, except in certain circumstances.

5. Spend Limits & Authorisations

Any employee wishing to make a purchase on behalf of WDC needs to be aware from whom within the organisation they must get approval, before making the commitment.

Appropriate authorisation must be obtained prior to ordering goods, services and/or works. The authorising signatory is certifying that they have reviewed the transaction

and all related documentation, and that it conforms to WDC policy and goals, as well as applicable laws.

An authorising signatory should not both initiate and approve the same transaction. In no circumstances will an authorising signatory approve payments of any kind to themselves.

Any employee purchasing on behalf of WDC must ensure that they follow the correct procurement process based on the spend level and risk threshold. In all cases, when determining the correct procurement process, the spend level to be considered is the aggregate (combined) spend over the life of the contract and relates to the total spend on a project.

For example:

1. for a maintenance agreement of \$50k per annum with a three-year term the total spend is \$150k, and the procurement process for spend of a level of \$150k should be applied;
2. the procurement planning for a project with multi-disciplines, such as refurbishment of a building, may require a builder - \$100k, electrical work - \$100k, HVAC work - \$75k and plumbing - \$50k: the procurement process for spend of a level of over \$150k should be applied for the aggregated spend, although it is accepted that as part of the procurement process WDC may decide to go out for individual tender processes for each of these services separately.

6. Preferred Suppliers

Wherever possible, employees should direct all goods, services and/or works purchases through these preferred supplier contracted arrangements. A list of all AOG, Regional, Syndicated and local preferred suppliers is available and should be reviewed before any commitment is made.

There may be occasions when employees will notice cheaper alternatives to these contracted arrangements. Employees should be aware that these contracts have been arranged with the overall benefit to WDC in mind. Overall quality, performance, and whole-of-life-cost have been considered when selecting the suppliers.

Note: Whether utilising preferred or non-preferred suppliers, the correct procurement process must be applied. As the contract and commercial negotiations have been completed in advance, the process for using preferred suppliers is far less time consuming. However, if there is a need to vary the existing terms or pricing (where there is an increase in cost) outside of the agreed contract, the supplier should then be treated as a non-preferred supplier and the non-preferred supplier process applied.

A supplier who has pre-qualified under WDC approved HSE system and/or process, is not automatically a preferred supplier. A preferred supplier will have also been through a commercial process and have a contract in place.

7. Procurement Processes

Where an employee or authorised third party is looking to make a purchase they need to follow the appropriate procurement process. The processes have been separated to take into consideration the potential costs and risks to WDC.

Cost – these are the total costs expected for the life of the contract and should include any contingencies or on-going costs. It is the aggregate of all the costs that should be used to determine the correct procurement process to follow.

Risk – these are the risks, their likelihood, the ability to mitigate the risks and the consequences to WDC should the risk occur. This should take into consideration all types of risk including, but not limited to, commercial, operational and reputational risk.

8. Value Thresholds and Requirements

The different levels and requirements that relate to the procurement process are

detailed in Appendix 1.

1. Where a contract is subject to a New Zealand Transport Authority (NZTA) subsidy, the relevant Land Transport Procurement Strategy, and the financial limits and procedures prescribed in the NZTA Procurement Manual will apply, if the standards are higher than those set by WDC.
2. Subject to clause 1, where Council agrees to participate in 3rd party funding arrangements, the financial limits, rules, requirements and procedures in this Policy apply, unless amended in accordance with a Council resolution (see the Procurement Framework).

Note: These are the minimum requirements pertaining to undertaking procurement activity for example, more suppliers than the minimum can participate. In addition, an alternative supplier selection method is the Invited RFX (closed tender) process which can be utilised, this will require Procurement Exemption approval.

9. Procurement Exemption

The process for the relevant level identified above should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. **Monopoly or limited supplier situation:** Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or
2. **Proprietary technology:** Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or
3. **High Risk Activities:** The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or
4. **Unique business proposition:** Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or
5. **Existing contract:** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.

The key requirement is the Procurement Exemption represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the Policy. In all instances a procurement exemption must be signed off by the Chief Executive.

10. Emergency Procurement

Where a declared or undeclared response to an 'emergency', as defined in the Civil Defence and Emergency Management Act 2002 (CDEMA), occurs, this Procurement Policy does not apply to procurement of goods and/or services required for that emergency. Procurements required under this category will be pursuant to the CDEMA.

In any other crisis or emergency, it may be necessary to dispense with parts of the procurement process so that WDC can react quickly to unforeseen events. WDC will need to be flexible in how it procures goods and services that are required for its response.

Emergency procurement should be used only in genuinely unforeseen circumstances.

Poor planning or organisation of a procurement does not justify dispensing with parts of this Policy.

In the context of this Policy an emergency is defined as an event which results in:

1. Employees, public, supplier, property or equipment being placed in immediate

- risk;
2. Standards of health, welfare or safety having to be re-established without delay;
 3. The significant impairment of WDC's delivery if WDC failed to respond promptly;
 4. Critical health or environmental emergencies, such as a pandemic; or
 5. An unanticipated event that makes it impossible for an agency to perform a statutory or critical function.

Emergency procurement should be limited to what is required to cope with the emergency. Once the emergency event is stabilised a recovery plan may be established, and approved by Council, to authorise necessary procurement activity.

Emergency procurement must be authorised by employees with the appropriate financial delegation as soon as practicable following the purchase.

11. Roles and Responsibilities

Employees and authorised third parties are responsible for ensuring the purchasing, tendering and contract process is carried out in line with the Procurement Policy (and any other Council policies and procedures), by those who have the authority to make procurement decisions and by those who have the delegated authority to approve them.

All Contracts and Purchase Orders are to be authorised by the appropriate delegated authority prior to the placing the order with the supplier and committing the funds.

Employees and/or authorised third parties are responsible for ensuring all contract information is uploaded on the WDC Electronic Document Management System, including all quotes or full RFX information. In addition, approval documentation is required to be held in the appropriate and required digital form, prior to authorising payment to the supplier.

12. Contract Management

Whenever WDC awards a contract, a suitably skilled employee or authorised third party must be appointed to manage the contract. The person identified to manage the contract is responsible for ensuring that what has been agreed in the contract is delivered, on time, to the appropriate quality standards, and within the agreed price. It requires the employee to actively track and monitor delivery and costs, manage risks and manage the supplier relationship throughout the contract.

13. Corporate Purchasing Card Policy

Where it is established that there is a regular requirement to purchase items for a cost centre to carry out their normal functions, WDC should consider arranging a preferred supplier contract. For more information regards eligibility, use, and reconciliation of expenditure please refer to the Credit Card Policy and Fuel Card Policy (or similar policy) and Procurement Card Guide.

14. Conflicts of Interest

Conflicts of interest are circumstances where the exercise of an employee's duties or responsibilities to WDC with regards to their dealings with suppliers, could be, or might be perceived to be, influenced by some other interest that the employee may have. The other interest might exist because of:

- the employee's own financial affairs;
- a relationship or other role that the employee has (or has had); or
- something that the employee has said or done.

Employees and/or authorised third parties who believe they may have a potential conflict must disclose the potential conflict to the appropriate person(s) in a timely manner. For more information on identifying and managing conflicts of interest, employees should refer to WDC's Conflicts of Interest and Declarations Policy (or similar policy).

15. Confidentiality

WDC is committed to fair and ethical business practices that encourage competition and enhances our supplier relationships. A cornerstone of this Policy is maintaining the confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials by all employees and authorised third parties. Confidential information is not to be disclosed in any way to other suppliers, outside organisations, or to any unauthorised persons, subject to the provisions of LGOIMA (Local Government Official Information and Meetings Act, 1987) and the Disclosure of Contract Award Details below.

Disclosure of confidential information is not only professionally unethical and damaging to WDC's negotiations with suppliers, it also exposes WDC to possible reputational risk or legal action.

Disclosure of Contract Award Details

Subject to the WDC Procurement Policy and where appropriate, the NZTA Procurement Manual, any specific obligations pursuant to other 3rd party funding requirements or any other agreement, where a contract* has been awarded to a supplier **and** the total value of the procurement is greater than \$200,000 + GST, the following details may be publicly released:

- a. The name and price of the successful supplier; and
- b. The range of scores (if a closed or open tender process is utilised to select a supplier **and** three or more conforming tenders were received); and
- c. the price range of quotes received (if the quote method is utilised to select a supplier); or
- d. the range of tender prices (if a closed or open tender process is utilised to select a supplier); and
- e. the number of quotes sought and received; or
- f. the number of conforming tenders received; and
- g. contract term.

If you have any questions about any request to provide information concerning contracts, pricing, supplier proposals or other internal information, please discuss with your Manager in the first instance.

*This does not include contracts awarded pursuant to 3rd party funding arrangements or recovery plans following an emergency event.

16. Monitoring of compliance with this Policy

The prime responsibility for the on-going monitoring of compliance with this Policy rests with the General Manager – Business Support. When there is evidence of a breach of this Policy, WDC will investigate to determine the circumstances and extent of the breach.

17. Breaches of Policy

Any breaches of this Policy must be notified to the relevant WDC Manager and appropriate WDC personnel will manage the incident and take action (which may include escalation).

18. Related Policies

All related policies can be found in the Relevant Policies and Legislation Guide.

19. Further information

For further information please contact the Procurement Officer.

4.0 DEFINITIONS

Definition	Detail
Approved Contract Sum	is the sum total, exclusive of GST, of any individual agreement, purchase requisition, purchase order, disbursement, payment authorisation certificate, or payment made to a Supplier over the full term of the contract, including rights of renewal.
Approved Supplier	is a supplier set up and approved for use in WDC's financial system.
Confidentiality Agreement	is an Agreement between the parties and their employees to keep confidential all information pertaining to the Contract, except where required to divulge by law.
Conflict of Interest	where an employee or an elected member's duties or responsibilities to WDC could be affected, or perceived to be, by some other interest or duty that an employee or an elected member may have.
Contingency	is an amount allowed for in the Approved Contract Sum to take into account either foreseen but unquantifiable requirements or unforeseen circumstances. Sum of money to be spent only as a Variation or site instruction on approval by WDC.
Contract	as used in this Policy shall mean any and all contracts, agreements, memoranda of understanding (or agreement), letters of agreement, or any other document which purports to be binding upon WDC as generally defined in the Property Law Act 2007- Including any subsequent extensions, renewals, or modifications to a Contract.
Delegated Authority	The person with the authority to approve the total Contract commitment over its entire term. The entire term includes the initial term plus any renewal periods contemplated at the commencement of the contract. Delegated Authority is completed by signature or electronic signoff within WDC's finance systems. All non-electronic signatures must be accompanied by the printed name, position of the Delegated Authority as well as the date of signatory.
Direct Appointment	is a supplier selection method that involves the negotiation of a contract with a single Supplier.
Invited RFX (or Closed Tender)	Limited numbers of Tenderers' are invited to submit a tender without public advertisement of Contract. Selected Suppliers who satisfy the required criteria are invited to put forward a submission. It is recommended a minimum of three (3) Suppliers should be invited.
LGOIMA	The Local Government Official Information and Meetings Act, 1987 to which the WDC must adhere.
NZTA	New Zealand Transport Authority/Waka Kotahi
P-Card / Procurement Card	A Purchasing Card, for example a WDC credit card or fuel card used as required and in accordance with the appropriate Financial Delegation.
Preferred Supplier	are suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time (i.e Supplier Panel Agreement). This is not a guarantee of work to the Supplier.
Procurement Exemption	is an exemption to the prescribed supplier selection method as determined by this Policy. The approved exemption authorises the continuation of a procurement activity outside of the Procurement Policy.
Procurement Plan	is the detailed plan outlining how the procurement activity will be carried out.
Procurement Policy	is the Policy which provides guidance on how WDC procurement activity is to be conducted.
Purchase Order	is a legal document for the purchase of goods, services or works issued from WDC following approval by the relevant Delegated Financial Authority. Terms and conditions are governed by WDC's Purchase Order terms and conditions.
Public RFX (or Open Tender)	is a publicly advertised RFX (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender) that any party may respond to.
RFX	is a generic abbreviation that covers all 'Request for' "processes" (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender). Specifies what WDC wishes to purchase, the terms and conditions plus instructions on how to bid and respond.
Supplier	is the person or organisation responsible for providing the supply of goods, services or works as required by WDC. Also known as vendor, contractor, consultant or service provider.
Syndicated Procurement Contract	Syndicated procurement is when a Government agency or local authority contracts with a Supplier on behalf of other entities. This can lead to economy of scale advantages for WDC.
Variation	are written changes to the scope, price or term of a Contract.

Appendix 1 – Procurement Thresholds

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$1 - \$4,999	Purchase	Purchase is likely to be either via a P-Card, direct purchase and receipt or PO (mainly at supplier's request)	Minimal paperwork, may be a direct purchase or utilise a purchase order.
\$5,000 - \$49,999	1 Quote or more; or Catalogue purchase (where price is documented and confirmed).	Written quote; Purchase Order or Contract	<ul style="list-style-type: none"> 1 quote is the minimum, if more can be obtained and add value these should be sought. Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes. Catalogue spend include retail establishments (e.g. Mitre store purchases which already have a RRP).
\$50,000 - \$199,999	2 quotes or more	Written quotes; Purchase Order or Contract	<ul style="list-style-type: none"> 2 quotes are the minimum if more can be obtained and add value these should be sought. Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.
\$200,000 - \$499,999	Open Tender Process; or 3 Quotes	<p>- An approved Lite Procurement Plan</p> <p>- If open tender:</p> <ul style="list-style-type: none"> RFx documents Tender responses Evaluation report(s) Contract <p>If Quotes requested:</p> <ul style="list-style-type: none"> Written quotes; Purchase Order or Contract 	<p>It is the responsibility of the procurer and the GM to determine the most appropriate process to be followed, it is expected that as the cost and complexity grows that a tender process will be more appropriate. This must be documented and approved within the Lite Procurement Plan.</p> <p>If an RFx process is to be used, ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.</p> <p>If Quotes sought</p> <ul style="list-style-type: none"> 3 quotes are the minimum, if more can be obtained and add value these should be sought. Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$500,000 + Or <u>high risk*</u> any value	Open Tender Process;	An approved Full Procurement Plan If open tender: <ul style="list-style-type: none"> • RFX documents • Tender responses • Evaluation report(s) • Contract 	An approved Full Procurement Plan is required, this will provide significantly more information and detail in line with the complexity and spend of the procurement activity. An RFX process is to be used ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.
NZTA/Waka Kotahi	Where any NZTA/Waka Kotahi funding is to be used in the procurement activity.	NZTA Approved Documents to be used and follow the NZTA process.	The NZTA process and documents should be used where NZTA are funding or part funding the project. In the event that the Waitomo District Council requirements are more robust these should be utilised to provide additional benefit.
Emergencies	Immediate response required, preferable to use a preferred supplier where possible. Likely to be verbal offer and acceptance and the costs may not be confirmed until after the event is dealt with.	Retrospective PO	Where a genuine emergency – this likely to have a potentially catastrophic impact financially, or on public, premises or reputation immediate action should be sought, it is likely that this will be a verbal acceptance in these situations. Where possible a preferred supplier should be utilised. A retrospective PO should be placed with the supplier to formalise the emergency activities undertaken.

Appendix 2 – Principles and Broader Outcomes

PROCUREMENT PRINCIPLES

Plan and manage for great results

- Identify what you need, including what broader outcomes should be achieved, and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business (for example, tenders sent by email).

Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we do not discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

Get the right supplier

- Be clear about what you need and fair in how you assess suppliers – do not string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

Get the best deal for everyone

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic effects and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It is more than just agreeing the deal – be accountable for the results.

Play by the rules

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

BROADER OUTCOMES

- Increasing access for New Zealand businesses - identify opportunities for New Zealand suppliers, including Māori, Pasifika, ICT and regional suppliers, to be involved.
- Increasing the size and skills of the construction sector – when your agency will be involved in significant construction works, think about how you can partner with suppliers and others to improve construction sector skills and training over the long term.
- Lifting health and safety and employment standards - identify contracts where vulnerable New Zealand workers may be involved in the supply chain, and develop a strategy to make sure that primary suppliers meet their health and safety obligations, and comply with employment standards. Agencies must do this for designated contracts, which for health and safety are forestry and construction, and for employment standards are cleaning, security and forestry.

But should also consider other areas where low-paid and vulnerable workers may be involved in your supply chain.

- Transitioning to a net zero emissions economy – consider the following elements:
 - Environmental impact – select those products and services that have a high impact on the environment over their life-cycle and address these first, for example fleet vehicles.
 - Check the market for environmentally-friendly alternatives – analyse the market to determine whether alternative options are available that produce lower emissions or less waste. Check for relevant environmental labels and certifications.
 - Whole-of-life cost – sustainable procurement can offer significant cost savings, for example through lower energy bills, and reduced spending on unnecessary goods and services. Where there are opportunities to make savings on strategic investments by using sustainable procurement practices, you should prioritise these.