



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# PROCUREMENT POLICY

Date adopted by Council:	18 December 2024	Date for Review:	18 December 2026
Policy Owner	Group Manager Corporate Services	Policy Authorised by:	Chief Executive Officer
Version:	1		
Also, Refer to:	<a href="#">Contractor Procurement and Management Manual</a> <a href="#">Minor Contractors Procurement and Management Manual</a>		

# 1. INTRODUCTION

## OVERVIEW

Buller District Council procures significant goods and services that impact on the local community from lawn mowing services to public convenience upgrades and IT services to roading maintenance works. Public services are widely delivered by private businesses as suppliers, so choosing and managing these relationships well is critical to achieving the best results.

The Council needs to be confident that staff, suppliers and contractors working on behalf of the Council are complying with the law and considering the NZ Government Procurement Charter, Principles and Rules during its procurement activities.

## PURPOSE AND SCOPE

The purpose of this Procurement Policy is to ensure the Council achieves optimal value through ethical, transparent, fair, and robust procurement practices. These activities support sound decision-making and are conducted efficiently and effectively across the Council.

## OBJECTIVES

Having and delivering a consistent procurement practice benefits the Council's long-term plan and wellbeing of its community. The procurement policy objectives of the Council are:

- **Achieve the Council's strategic vision:** Ensure procurement activities, principles and processes are in alignment with the Council's vision, community outcomes and strategic priorities.
- **Local recognition:** The Council recognises the capability and resourcefulness of local companies. The Council's procurement planning is fair and transparent to local suppliers and provides them with an opportunity to become a viable and cost-effective provider.
- **Ethical and fair dealing:** The Council are committed to applying ethical considerations and provide standards based on honesty, integrity and transparency.
- **Sustainability:** Procurement sustainability ensures today's needs are met without compromising future generations' ability to meet theirs.

## LOCAL GOVERNMENT ACT 2002

The [Local Government Act 2002](https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html)<sup>1</sup> outlines specific responsibilities for local authorities, which applies to the procurement of goods, services and works. Below are key provisions and principles related to procurement under the Act:

- Local authorities must act in ways that contribute to the social, economic, environmental, and cultural well-being of their communities. The Council will consider opportunities for local suppliers and encourage equitable access to contracts.

<sup>1</sup> <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html>

- Local authorities must take a sustainable approach when procuring goods and services. The Council will consider strategies to avoid unnecessary consumption, minimise environmental impacts and supplier's socially responsible practices.

## GOVERNMENT PROCUREMENT CHARTER, PRINCIPLES AND RULE

Although the Government Procurement Rules are not mandatory for local authorities, the Council has regard for these practices as a framework to ensure good procurement practices are adopted. This policy has regard for the following:

[Government Procurement Charter](#)<sup>2</sup> which directs agencies to:

- Seek opportunities to include New Zealand businesses
- Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility
- Look for new and innovative solutions
- Engage with businesses with good employment practices
- Promote inclusive economic development within New Zealand
- Manage risk appropriately
- Encourage collaboration for collective impact

[Government Procurement Principles](#)<sup>3</sup> which are the overarching values that apply to Government procurement:

- Plan and manage for great results
- Be fair to all suppliers
- Get the right supplier
- Get the best deal for everyone
- Play by the rules

[Government Procurement Rules](#)<sup>4</sup>. The Government Procurement Rules covers the following:

- Procurement planning
- Market research
- Approaching the market
- Evaluating responses
- Negotiating and awarding the contract

## POLICY

### PRINCIPLES

1. All procurement decisions **must** seek to obtain value for money, taking into account the Total Cost of Ownership (TCO), appropriate quality, fit for purpose and management of risk.

<sup>2</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-charter/>

<sup>3</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-principles/>

<sup>4</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-rules/>

2. Procurement **must** be conducted in an ethical and transparent manner, free from unmanaged conflicts of interest, to ensure the quality and integrity of the decision making process, and to meet the accountability requirements of public entities.
3. The procurement processes and methodologies applied **must** match the level of value, complexity and risk to the Council. Refer to the Council's [Contractor Procurement and Management Manual](#) for detailed guidance.
4. Where practicable, procurement activities **must** prioritise opportunities for local suppliers and Council Controlled Organisations, provided they meet the requirements of value for money, quality, and sustainability.
5. Procurement activities **must** consider the secondary benefits that are generated from the procurement activity, i.e. the [Broader Outcomes](#)<sup>5</sup> ([Rule 16](#)<sup>6</sup>). They can be environmental, social, economic or cultural benefits prioritise.

## OPERATIONAL REQUIREMENTS

6. All Procurement Activity **must** be authorised by a staff member with the appropriate financial delegation in accordance with the Financial Delegations Policy.
7. The following good practice principles **must** be adhered to throughout all stages of the procurement process, including the evaluation, negotiation, execution, and management of any associated contract. These are:
  - Use of a competitive process wherever possible
  - Transparency of the process
  - Identification and resolution of Conflicts of Interest
  - Fairness and impartiality
  - Privacy and confidentiality
8. Where the Council has entered into Contracts with Preferred Suppliers and/or Panel Agreements, these providers must be used in the first instance for all procurement within that category.
9. Where a Preferred Supplier or Panel Agreement cannot fulfil the necessary requirements, or where there is no Preferred Supplier or Panel Agreement in place for a particular category, steps outlined in Section 3 of the [Contractor Procurement and Management Manual](#) must be followed.
10. Exemptions from the requirement to openly advertise **must** be in accordance with Section 5 of the [Contractor Procurement and Management Manual](#) written approval **must** be obtained from the Chief Executive prior to any Procurement Activity commencing.
11. The Council's approved RFX templates **must** be used unless otherwise approved in the Procurement Plan.

<sup>5</sup> <https://www.procurement.govt.nz/guides/broader-outcomes/>

<sup>6</sup> <https://www.procurement.govt.nz/principles-charter-and-rules/government-procurement-rules/planning-your-procurement/broader-outcomes/>

12. The Council **must** keep records of each procurement for at least seven years from the date all parties signed the Contract. The records must document the procurement process (including all decisions); the Contract awarded and include all recommendations.

## **EMERGENCY PROCUREMENT**

13. An emergency is when there are genuine unforeseen and urgent circumstances. An urgent situation that has occurred because of a lack of planning, or a failure to mitigate a known risk, is not a genuine emergency. Emergency situations can include but are not limited to:
  - Natural disasters
  - Failure of critical infrastructure
  - Health emergencies
  - Security emergencies
14. In the event of a genuine emergency the Council will need to be flexible in how they procure goods and services that are required for their response. In these situations, rapid procurement may mean it is not possible or prudent to satisfy all requirements of this policy.
15. When making emergency procurement decisions the Council must act lawfully and with integrity.
16. Once the situation is stabilised and there is no risk to human life, the environment or critical infrastructure, a recovery plan must be established to authorise necessary procurement activity.
17. The Council must document and account for all emergency procurement activity, including decisions made, to safeguard against the high risk of corruption.

## **POLICY EXEMPTIONS**

18. Written approval must be obtained from the Chief Executive for any deviations from this policy.

## **POLICY REVIEW**

19. This policy will be reviewed every two years.

## **APPLICABLE TO:**

- ✓ All employees, suppliers and contractors of Buller District Council who undertake procurement and contract management activities on behalf of the Council and Council Controlled Organisations.