

Procurement policy

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Department:	Corporate Services
Document ID:	ID 501574
Approved by:	Council – 26 August 2020
Effective date:	26 August 2020
Next review:	August 2021

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Introduction



Central Otago District Council (CODC) spent around \$49 million on goods, services and construction in 2018-19, with spend increasing by an average \$4.75 million per annum over the past five years. Alongside this increasing procurement expenditure, CODC has committed nearly \$25 million over the next ten years for critical infrastructure.

To ensure this money is spent fairly and efficiently, and for the long-term benefit of everyone in Central Otago, CODC officers must comply with a range of legislative and policy requirements.

About this policy

This policy provides a consolidated view of CODC procurement objectives and the Council's requirements as they apply to each step of the procurement process.

The New Zealand Government Procurement Rules released by MBIE in October 2019 have been used to guide this policy as they provide a new paradigm for sustainable and inclusive procurement.

Additional Information		Additional Information	
	<p>The term 'must' denotes mandatory rules based on requirements embedded in legislation and Council directions and policies</p>		<p>The terms 'should', 'may' and 'recommended' indicate good practice with supporting documents categorised as guidance.</p>

The flexible framework is designed to be used for a range of procurement activity from simple and low risk to complex and high risk. It aims to drive consistent and balanced procurement decisions that create public value.

All dollar values and thresholds are exclusive of GST and MTEV means the maximum total estimated value that CODC will spend over the life of the contract, unless otherwise specified.

Scope

Procurement covers the end-to-end process from 'needs identification' to 'contracting and placing orders' to managing contracts and supplier relationships during delivery, completion or termination of an awarded contract and disposal of assets or products.

This policy applies to the procurement of:

- ✓ goods and services of any kind including refurbishment & new construction works
- ✓ goods or services supplied by non-commercial entities such as Iwi, volunteer and other community organisations.

This policy does not apply to:

- ✗ the employment of staff (excluding the engagement of contractors and consultants to supply services)
- ✗ the acquisition or lease of land or buildings (excluding their design, construction or refurbishment)
- ✗ disposals and sales of Council assets
- ✗ investments, loans, guarantees, or other financial instruments
- ✗ koha, gifts, donations and grants
- ✗ licences and agreements regarding commercial operations of third parties (traders) on Council property
- ✗ non-contractual agreements between public sector agencies, such as memorandums of understanding
- ✗ statutory or ministerial appointments.

Who is this document for and how should it be used?

This document is for Central Otago District Council employees. It includes both policy and procedural information as described below.

Section 1 Objectives sets out:

- the policy principles of CODC that inform procurement decisions
- how policy is applied using procurement plans and evaluation methods

Section 2 Plan, Source, Manage sets out:

- policy requirements for each step of procurement

Section 3 Governance sets out:






- the responsibilities of the Executive Team at CODC
- the annual procurement planning process including Section 17A requirements
- relevant council documents, government legislation and guidelines
- how CODC deals with complaints and feedback

The Appendices contain a procurement flow chart with detailed notes to advise buyers of the procedures they need to follow including approvals. CODC procurement tools to use at the operational level are described.

Oversight by elected members of council

This policy and its principles and guidance has been approved by Councillors for three years with an internal review of its effectiveness to be undertaken by the Audit and Risk Committee after one year. Councillors approve budgets annually which include planned procurement spend and council officers will inform Councillors of the outcome of their annual procurement planning including all procurements in the high spend or significant category.

Key to icons

The following icons are used to identify different content types				
				
Mandatory items – you must comply with these requirements	Recommended items – you are encouraged to apply these provisions	Applies to new construction procurement	Applies to goods and services (non-construction) procurement, including ICT	Additional information

Terms in italics are defined in the Glossary at the end of the policy

Section 1 – Objectives

The following principles will guide the procurement processes of CODC. The processes can be adapted to the changing needs of Central Otago and New Zealand society over time. Reference to Broader Outcomes is consistent with the New Zealand Government Procurement Rules and means the environmental, social, economic or cultural benefits of the procurement.

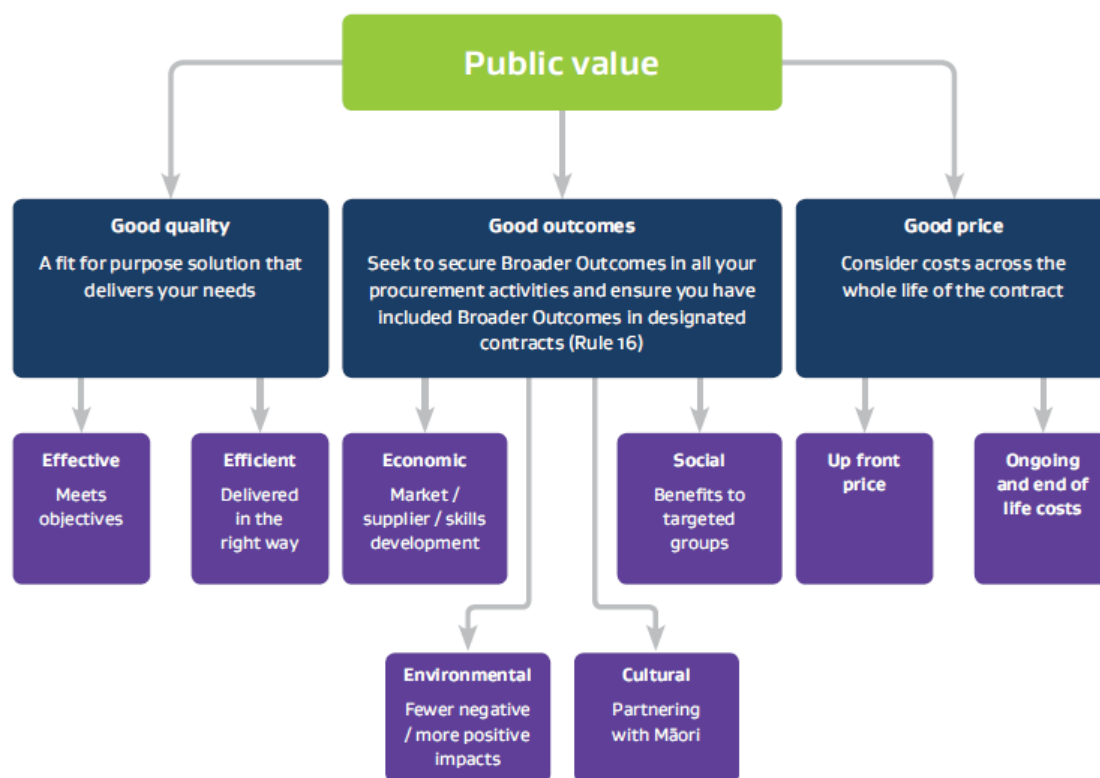


Value for money

The overarching consideration for CODC procurement is ensuring best value for money in the procurement of goods, services and construction.

The Local Government Act (2002) (the Act) requires CODC to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a safe manner that promotes the current and future interests of the community. CODC will satisfy itself that value for money is being sought and achieved and will do so via the annual reports of the Audit and Risk Committee and the Internal Auditor. Service delivery reviews are now a legislative requirement under Section 17A of the Act. Refer to Section 3: Strategy.

Value for money is not necessarily the lowest price, nor the highest quality good or service. It requires a balanced assessment of a range of financial and nonfinancial factors, such as: quality, cost, fitness for purpose, capability, capacity, risk, *total cost of ownership* or other relevant factors. The following diagram from the New Zealand Government Procurement Rules illustrates how this balance works to create public value:



CODC’s strategic goals and objectives guide the delivery of its activities in the context of sustainability (efforts to spend less and utilise fewer resources), efficiency (efforts to spend well) and effectiveness (efforts to optimize the impact of spending). Best value for investment by CODC and ratepayers is achieved by optimising the whole-of-life costs of the good and/or service.

Calculation of whole-of-life costs should include assessment of environmental and sustainability considerations in conjunction with:

- Initial purchase costs
- Implementation or transition requirements
- Operating costs
- Support and maintenance costs
- End-of-life/disposal.

The Value for Money principle balances quality with cost and affordability whilst:

- Considering long-term outcomes, not just short-term results;
- Delivering a fit for purpose level of service for users;
- Supporting efficient and effective work practices;
- Considering the impact on current and future customers and the environment.



Fair and open competition

CODC is committed to a transparent, accountable procurement process. Fair and open competition improves outcomes for Central Otago by broadening access to CODC procurement, particularly for Small and Medium Enterprises (SMEs) and businesses within the district.

Transparent, competitive processes build trust in CODC procurement practices and decisions, drive fair and ethical behaviour, safeguard probity and foster healthy working relationships between CODC procurers and suppliers. Competition produces tangible outcomes such as cost savings, increased quality and innovation and supports market sustainability.

Strong collaborative working relationships between CODC and suppliers are important, however they must be able to withstand scrutiny. Application of the following probity principles will ensure that relationships are appropriate, ethical and balanced:

- Undertake due process
- Maintain confidentiality
- Obtain relevant approvals
- Document decisions

A Probity Auditor may be utilised in instances of high value and/or high-risk projects to ensure the procurement process is being run effectively from a probity perspective. For significant contracts, particularly multi-year contracts of three or more years, CODC considers it essential to involve a suitably experienced and skilled probity auditor, or specialist advisor for tender evaluations and/or negotiations.



Easy to do business

Central Otago aims to be the district of choice to start and stay in business. Procurement should enhance the CODC's reputation and brand.

Making CODC procurement simpler, easier and more efficient saves time and money for CODC and businesses. Streamlined and accessible processes lower barriers to participation and expand opportunities to a broad supply base, particularly small and medium businesses.

A well-managed and clear procurement process with dedicated project management by CODC will build confidence in the market.

This policy outlines considerations to guide CODC procurers to select appropriate procurement and market engagement methods as well as contracting models. Allocating work effectively to suppliers using a well understood process significantly enhances efficiency.

For example, using a two-stage approach when engaging with the market can be more efficient and effective than a single stage approach. Stage 1 is a Registration of Interest (ROI) and stage 2 is a Request for Price (RFP). Benefits of this approach are:

- the ROI can be a simple document with limited questions saving effort and cost for suppliers as well as CODC evaluators. It enables CODC to select a targeted short list which is attractive to suppliers and reduces administration for CODC.
- CODC can then discuss the RFP documents with the shortlisted suppliers in more detail. This provides greater clarity to suppliers and the CODC can ensure the RFP documents lead to well informed bids or proposals from suppliers.
- More targeted engagement and an improved process will lead to better understanding between CODC and suppliers and consequently, improved outcomes.

Contracting models may include:

- Early contractor involvement (ECI)
- Alliance Delivery Model (Shared risk)
- Cost reimbursable contract
- Contracts via a third-party agent
- Pre-qualified Suppliers List
- Panel of Suppliers
- All of Government contracts (AOG)
- Syndicated contracts (i.e. with other councils)
- Common Capability Contracts (CCs)



Innovation

The marketplace can be a great source of innovation, assisting CODC to work smarter and deliver better services.

Industry engagement and flexible procurement practices will assist CODC to adopt innovative services and solutions and support supplier innovation in CODC's supply chains.

Innovation is encouraged at three levels of market engagement:

- at the district economic level – through effective, early, structured, and open communication of needs to the market
- at the sourcing level – by adapting sourcing methods to facilitate innovation and collaboration
(e.g. improve speed to market while maintaining *competition* by utilising modern procurement methods such as sharing risk, *Pre-qualified* or *panel suppliers*, *RFI* or introducing *Competitive Dialogue* or use of a *prototype*)
- at the contract management level – by focusing on outcomes and developing supplier relationships that deliver value beyond the contract.

For example, innovation can lead to:

- significant reduction in emissions and the waste impacts from goods and services.
- more efficient design and delivery of better solutions

CODC encourages active management of all contracts in a manner that fosters collaborative, productive relationships with suppliers and contractors to maximise value for money and support continuous innovation and improvement. CODC supports a risk management culture in procurement that is receptive to new ideas and ways of operating. Taking calculated risks can lead to better rewards and enhanced outcomes.



Local economic development

By building a diverse supply base, CODC can support businesses of all types to grow and encourage economic development across the district. Procurement can be used to support SMEs, Māori-owned businesses and local businesses.

CODC is committed to the wellbeing of its local community. CODC aims to capture, and direct procurement impacts to contribute toward the local economy and achieve positive outcomes for the community as a whole.

The integration of *Broader Outcomes* into long-term planning is currently being undertaken and CODC intends to progress this integration as part of the 2021-31 Long-term Plan.

CODC will ensure that local suppliers are provided with a fair opportunity to compete for all CODC business. CODC will promote the inclusion of the achievement of local value benefits through its procurement activities and will preference suppliers that can demonstrate that all else being equal, they have a positive economic footprint in the district; This includes contributing to the vibrancy and sustainability of the local economy, supporting job or market growth, as well as fostering opportunities for SMEs.

Local outcomes may be achieved through:

- Creating opportunities for local businesses to participate. However, these opportunities will not preclude other suppliers
- Considering potential commercial and practical advantages in purchasing locally produced products and services
- Considering local outcomes when planning major procurement activities, packaging work for contracts, developing specifications and defining selection criteria.
- Requiring, where feasible, CODC officers to obtain at least one quote from a local supplier for all written quotes, and *closed competitive* processes, when there is at least one known local supplier who offers the good or service required.



Sustainability

This Sustainability principle outlines CODC's intention that its procurement and contract management practices should enhance value for money and quality

service delivery, as well as deliver tangible benefits for the local community, economy and environment.

Sustainable procurement focuses on spending public money efficiently, economically and ethically to deliver value for money on a whole of life basis. It extends the assessment of value for money beyond the sourcing process, considering benefits and risks to the organisation, the community, the economy and impacts on the environment.

Sustainable procurement:

- is a more integrated, strategic approach to procurement. Procurement practices account for risks, impacts and value within and beyond the organisation.
- analyses all procurement costs, including benefits for society, environment and the economy
- provides all suppliers with full and fair opportunities to compete
- respects stakeholders' interests, the rule of law and human rights
- seeks innovative solutions to address sustainability throughout the supply chain
- reduces waste and seeks sustainable alternatives

CODC adopted a Sustainability Strategy in 2018, which recognises that CODC influences sustainability, both in the manner that services are provided to the community and through the regulatory processes it applies.

CODC encourages procurement decisions that have a positive impact on the natural environment and biodiversity, use energy and natural resources prudently, minimise waste and hazardous substances, prevent pollution and reduce carbon impacts. Embedding sustainability principles into CODC's procurement framework will assist CODC to procure goods, services and works that provide social, economic, and cultural benefits, and minimise negative impacts to the environment. The weight given to the sustainability criterion will be assessed on the needs of the individual project.



Social outcomes

CODC procurement can help to support economic participation, social outcomes, create jobs and opportunities and develop skills for the people of Central Otago.

CODC's substantial infrastructure investments can support jobs and skills development for a range of workers, including tangata whenua. CODC procurement activity has the potential to reinvigorate communities and drive better business outcomes.

CODC aims to strengthen its supplier networks over time, make its procurement activity more accessible and increasingly promote social procurement and its benefits. Shared value arrangements can capture the delivery of social benefits to communities as well as financial benefits to CODC and its suppliers. As local spend increases, so do the positive effects felt within the community, the economy, and small and medium enterprises within the district. Central Otago SMEs play a critical role in the sustainability of economies and communities.

CODC intends to use its buying power to generate social value above and beyond the value of the goods, services or works being procured. CODC wants to maintain its reputation within the local community as a 'good employer' that provides equal opportunity and considers the needs of future generations while staying focused on developing the district.

CODC encourages procurement decisions that maximise community benefits in terms of personal health, safety and wellbeing, social cohesion, inclusion, equal opportunity and participation.

Social procurement can also play a key role in improving CODC staff engagement, building brand equity, enabling businesses to honour diversity commitments, and allowing them to do something that is socially good without compromising financial return to shareholders.

Applying policy using procurement plans

CODC requires all buyers to complete a procurement plan for purchases over \$10,000. Templates are available that increase in complexity as the maximum total estimated value of the procurement increases.

A procurement plan analyses the need for specific goods, services or works and the outcome CODC wants to achieve. It identifies an appropriate strategy to approach the market, based on market research and analysis, and summarises the proposed procurement process. Typically includes the indicative costs (budget), specification of requirements, indicative timeline, evaluation criteria and weightings and an explanation of the Broader Outcomes CODC will seek to achieve through the procurement.

Evaluation methods

The procurement plan will also set out the evaluation method to be used. The evaluation method determines how each evaluation criteria or attribute will be weighted. There are five main ways to do this:

- Lowest price – very simple procurement and price is the most important factor.
- Simple score – if all the criteria have roughly the same degree of importance.
- Weighted Attribute – if the criteria have different levels of importance.
(The two variants are standard Weighted Attributes and Price Quality Method).
- Target price – if the scope of work is hard to define, or the budget is the main constraint.
- Brook's Law or Quality Based – if quality is the most important factor and price is not a key driver.

For more information, refer to Appendix D.

CODC attributes

Depending on the type of procurement and evaluation method selected, attributes will be selected from the following list and weighted in the ranges set out in Appendix D.

Attribute	Description
Technical merit (fit for purpose)	<ul style="list-style-type: none"> • degree to which goods/services meet or exceed requirements • quality of good/services • degree of innovation • level of risk
Capability of the supplier to deliver	<ul style="list-style-type: none"> • supplier's size, structure and annual turnover • experience and track record in delivering similar goods/services • skills and resources • understanding of requirements • operational and financial systems
Methodology and Programme	<ul style="list-style-type: none"> • supplier's proposed approach and milestones
Price/value for money (based on whole-of-life cost)	<ul style="list-style-type: none"> • price/total costs over whole of life of contract
Broader Outcomes (secondary benefits which are generated due to the way goods, services or works are produced or delivered.)	<ul style="list-style-type: none"> • local economic development • sustainability (including environmental) • social outcomes • cultural



Section 2 – Plan, Source, Manage






The three stage Plan, Source, Manage process described in this section is the best practice approach to procurement. Key requirements and considerations in the procurement process are set out as a practical reference for CODC procurers to be read in conjunction with the procedures and CODC procurement flow chart in Appendix A. It is not intended as a prescriptive process for all procurement. The importance of each stage depends on the size, priorities, required outcomes, risk profile and type of procurement.

The Plan and Manage stages are the most critical to creating and delivering value, and appropriate time and resources should be allocated to these activities. This policy is aligned with New Zealand Government procurement, which is shaped by the five principles below, the Government Procurement Charter and supported by the Government Procurement Rules released by MBIE in October 2019. Relevant notes related to the five principles are:

- 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.

The Charter sets out government’s expectations of how agencies should conduct their procurement activity to achieve public value while supporting the delivery of better public services throughout New Zealand. Agencies are advised to identify their key priorities and seek to meet as many of these expectations as practical. The table below shows how the intent of these seven government expectations are covered in section 2.


Expectation		Location		
1	Seek opportunities to include New Zealand businesses.		Plan	
2	Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility.			
3	Look for new and innovative solutions.		Plan	

4	Engage with businesses with good employment practices.		Source		
5	Promote inclusive economic development within New Zealand.		Plan		Source
6	Manage risk appropriately.		Source		Manage
7	Encourage collaboration for collective impact.				



Plan

Good practice requires a strong understanding of the aspects of the procurement lifecycle, and how to skilfully apply them to deliver the best results. Whilst you need to comply with this policy, you should design your process proportionate to the value, risk and complexity of the procurement. Applying sound commercial judgement achieves the best public value and drives innovation and performance.

New Zealand Government Procurement Rules	
	<p>Play by the rules</p> <ul style="list-style-type: none"> • 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.

CODC forecast procurement activity plans

As part of annual business planning, expected procurement activity over the next one to three years should be identified in an *Annual Procurement Plan*, including the:

- types of goods and services that CODC expects to procure
- value
- expected timing
- contract types and terms

As well as providing a signal to suppliers in the market, this forecasting allows CODC to plan with sufficient time to engage the market and follow robust procurement processes.

Partnership with Ngāi Tahu iwi

In recognition of our sustainability, local economic development and social outcomes objectives CODC intend to manage procurement in a way that protects and enhances our culture, heritage and landscape. CODC is committed to strengthening our relationship with Ngāi Tahu. Their values of kaitiakitanga (stewardship), manaakitanga (looking after our people), tikanga (appropriate action) and rangatiratanga (leadership) align with CODC.


A partnership with Ngāi Tahu will allow each party to show the values of whanaungatanga (connection). CODC will promote close engagement and consultation with Ngāi Tahu when planning procurement into the future. This will enable Ngāi Tahu to be well prepared to demonstrate their tohungatanga (skills and expertise) and bid for a particular contract opportunity as well as join competitive processes to become a *pre-qualified* or *panel supplier* for relevant procurement.

For procurement that Ngāi Tahu has an interest in (e.g. due to its cultural significance or ownership), consideration will be given to how knowledge of the practices of the iwi can be included in the evaluation criteria used to evaluate *supplier responses*.

Risk

Procurement risk management requires you to balance the risks against the expected benefits and:

- identify risks in or around your procurement process (including reputational risk)
- assess the probability and severity of each risk
- plan how to mitigate or manage risks

Government Procurement Charter	
	<p>Manage risk appropriately</p> <p>Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.</p>

When completing a contract, carefully consider whether CODC or the supplier is the party that is best placed to manage particular risks and work together with suppliers to plan risk mitigation.

For more information, refer to CODC's Risk Management Policy.

Conflicts of interest

CODC's procurement decision-making processes need to withstand challenge on the basis of actual or perceived bias or conflicts of interest.

At all key decision points in the process, staff must comply with CODC's [Staff Interests Policy](#) and complete a conflict of interest declaration form which will be stored in the central register. Any perceived, potential or real conflicts must be managed.

Commercially sensitive information and Intellectual Property


The confidentiality of suppliers' information must be protected throughout the procurement process. Confidentiality obligations remain after contracts are terminated or expired.

Legal advice may be required in instances where CODC needs to balance confidentiality requirements with statutory requirements for disclosure and consultation under the Local Government Official Information and Meetings Act 1987.

Governance and Approvals

CODC has a Register of Delegations to regulate decision making and financial authority.


Early governance and approval allow the decision maker to review the direction and approach for the procurement before engaging with suppliers in the market. This means relevant changes can be made and discussed. Procurement plans and strategies should be presented in enough detail for approval to proceed. Depending on the complexity or risk of a procurement, the decision maker should stay involved as the procurement plan is developed.


Additional Information	
	<p>At this time in the process, the decision to use a Probity Auditor or specialist advisor should be made so they can be involved in the rest of the process.</p>


If a procurement is not allowed for in the existing annual budget, then a *business case* will need to be written to justify the expenditure. The level of detail will vary depending on the level of risk or value of the procurement. Refer to the table in Appendix B and the Register of Delegations to find the suitable level of governance and approval including circumstances where there is an *exemption from open advertising*.


Procurement Plans

Before approaching the market or provider community, a procurement plan must be produced describing what is being procured and why. CODC procurement objectives should be built into the plan. The extent of planning should be based on the size, risk and complexity of each procurement.

Additional Information	
	<p>CODC procurement plan templates for different value and category of goods and services can be found in the Procurement Tools Library on the intranet.</p>

New Zealand Government Procurement Rules	
	<p>Plan and manage for great results</p> <ul style="list-style-type: none"> Identify what you need, including what <i>Broader Outcomes</i> should be achieved, then plan how to get it. Set up a team with the right mix of skills and experience. <p>Procurement plan</p> <p>A procurement plan sets out what you intend to procure, how and why you intend to approach the market and why, how you will evaluate bids and how you intend to contract. This information could also be covered in another document, e.g. a <i>business case</i>. A typical procurement plan should include:</p> <ul style="list-style-type: none"> a clear business objective and benefits a scoping statement how you will engage with the market, and supply market analysis risk assessment demand analysis stakeholder engagement sourcing approach to market sufficient timelines evaluation methodology and criteria contractual arrangements, including management of the contract relevant funding and other approvals. <p>It is important that you consider the longer-term impacts of your procurement decisions and not just the immediate results (e.g. will the decision substantially reduce competition or create a monopoly in the future marketplace?).</p>

Additional Information	
	<p>Identifying key stakeholders at this stage is important so they can be involved in developing the procurement objectives, scope, market approach, evaluation criteria and relative weightings and later the contract requirements, including key performance indicators.</p>

Additional Information	
	<p>NZ government agencies that provide funding to CODC, sometimes have specific procurement requirements or policies that CODC need to comply with.</p> <p>CODC procurement plans must follow the requirements of CODC policy first, then apply any additional requirements that the funder (e.g. NZTA) has specified. Written confirmation approving the procurement plan must be received from the relevant agency prior to proceeding.</p>

Selecting the best procurement method and engaging the market


Early market engagement and continued open dialogue with suppliers is essential to achieving good results. There are sound commercial reasons why building stronger relationships with business is important such as finding new and innovative solutions. CODC values these relationships with suppliers.

Understanding both suppliers and the market is part of the careful planning essential to developing the right *approach to market*. Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will also help to achieve public value. Good procurement is about being risk aware, not risk averse.

New Zealand Government Procurement Rules	
	<p>Plan and manage for great results</p> <ul style="list-style-type: none"> • 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). <p>Be fair to all suppliers</p> <ul style="list-style-type: none"> • Create competition and encourage capable suppliers to respond. • Treat all suppliers equally – we don't discriminate (this is part of our international obligations). • Seek opportunities to involve New Zealand businesses, including Māori, Pasifika 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.



Source


New Zealand Government Procurement Rules	
	<p>Get the right supplier</p> <ul style="list-style-type: none"> • Be clear about what you need, and fair in how you assess suppliers – don't 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.

Extension of existing contracts

An extended contract approach can be used to reduce tendering, contract, administration and establishment costs for both CODC and suppliers.

CODC may request that current suppliers provide pricing for additional work as variations to existing contracts under the following conditions:

- the supplier has a track record of providing goods and services to a high quality and on time
- the existing contract was won through a competitive market tender process less than three years ago and the additional goods or services are of a similar nature to the work already contained within the contract
- the MTEV of the new work is less than \$100k and is a lower value than the existing contract
- market analysis shows that pricing for the goods and services provided is stable
- Pending regulatory change or significant change to a market structure

Government Procurement Charter	
	<p>If CODC cannot agree a reasonable price with the supplier during negotiation, then a market tender must be pursued. The Supplier's final pricing will then compete with the market pricing received.</p>

Market approaches

Government Procurement Charter	
	<p>Promote inclusive economic development within NZ</p> <p>Engage with Māori and Pasifika businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and social enterprises through procurement will promote both skills development and a diverse and inclusive workforce.</p>

Market tender

CODC will generally conduct competitive tendering using either a single stage or two stage procurement process.

Two-stage procurement process begins with a Registration of Interest (ROI) to shortlist potential suppliers before seeking detailed bids from the shortlisted suppliers. An ROI is generally used when the information required from suppliers is specific but CODC is unsure of the capability of suppliers to provide the required goods and services.

A Request for Proposal (RFP) may be used for a single or a two-staged process and is used when the project or requirement has been defined, but where an innovative or flexible solution is sought.

All of Government

The Ministry of Business, Innovation and Employment (MBIE) coordinates New Zealand Government procurement for public sector agencies. There are three types of contracts available:

- All of Government contracts (AoG)
- Syndicated contracts
- Common Capability contracts (CC)

These contracts allow eligible agencies (including councils) to purchase goods and services collectively.

Pre-qualified or panel suppliers

Aligning with the Easy to do business objective, CODC intends to utilise pre-qualified or panel suppliers in future procurement activity as soon as practically can be achieved.

New Zealand Government Procurement Rules	
	<p>Definitions</p> <p><i>Panel of Suppliers:</i> A list of suppliers an agency has pre-approved to supply particular goods or services and who have agreed to the agency's terms and conditions for supply.</p> <p><i>Pre-qualified Suppliers List:</i> A list of suppliers an agency has pre-approved as having the capability and capacity to deliver specific goods or services.</p> <p><i>Pre-conditions:</i> A condition that a supplier must meet to be considered for a particular contract opportunity.</p> <p><i>Panel Contract:</i> A type of framework agreement that governs the relationship between the agency and each Panel Supplier. It sets out the terms and conditions that the parties agree to contract on in the event that the Panel Supplier is allocated a contract to provide specific goods, services or works.</p>

Competitive secondary procurement processes will be developed and conducted in accordance with the New Zealand Government Procurement Rules and this policy. *Broader Outcomes* will be considered when preparing *pre-conditions* and/or *evaluation criteria* for the competitive processes. Further *evaluation criteria* and *pre-conditions* may be used later during allocation of work to panel members or pre-qualified suppliers depending on the specific goods or services required.

To establish a panel of *suppliers* and a *pre-qualified suppliers* list, CODC will conduct competitive processes and maintain records for audit and accountability purposes.

Suppliers will need to submit an *Application to Qualify* to be included on CODC's *Pre-qualified Suppliers List*. A *supplier* must prove it has the capability and capacity to deliver specific types of goods, services or works to be included in the list. They may also have to satisfy pre-conditions such as Health & Safety requirements and prove their financial viability.

CODC will clearly communicate:

- when the panel is open or closed to new suppliers
- how many suppliers are expected to be on the panel at a given time
- how suppliers are added or removed from the panel or list
- how work will be allocated to panel members (allocation must be fair and defensible.)
- the expected terms and conditions/contract requirements.

Direct source

Direct engagement of a supplier in the absence of *competition* should only be used in certain circumstances when:

- only a single supplier has the required goods or services available in the time required

- compatibility with existing equipment or services or standardisation is essential, and can only be achieved through one supplier
- continuity of professional advice is required
- there is a legislative requirement to use one supplier
- the cost associated with any other form of procurement would be out of proportion to the value or the expected benefits of the procurement

Emergency procurement


An ‘emergency’ is a sudden unforeseen event which may result in injury, loss of life or critical damage to property or infrastructure. In the event of a genuine emergency, flexibility is required by CODC to procure goods and services which may be required to manage the emergency response. A balance is required between the need to act without delay, against obligations to achieve value for money.

Appropriate authorisation should be gained from the relevant delegated authority before any emergency procurement is made.

During an emergency, all practical efforts should be made to document and account for all emergency procurement so as to mitigate potential wrongdoing occurrences and remain transparent.

Selection

Once the procurement has been evaluated, CODC will select a preferred respondent in accordance with the RFP.

New Zealand Government Procurement Rules	
	<p>Get the best deal for everyone</p> <ul style="list-style-type: none"> • 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 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’s more than just agreeing the deal – be accountable for the results.

Government Procurement Charter	
	<p>Engage with businesses with good employment practices</p> <p>Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.</p>

Negotiation


CODC can then confirm to the supplier that they are the preferred respondent and enter into detailed negotiations to agree the terms of the contract, including:

- scope including technical specifications and equipment
- roles and responsibilities
- methodology
- final pricing
- health and safety requirements
- key performance indicators

If terms cannot be agreed on, then CODC reserves the right to enter into discussions with the next best supplier or abandon the process altogether.

Award

When the outcome of the process is submitted for approval to enter into a commitment with the *supplier*, the approver should check that the procurement process has been run robustly and in line with the approved procurement plan. After reviewing the process and final documentation, the approver may either approve, seek further information or clarity, or decline approval.

Additional Information	
	<p>Executive Team members may be required to use their judgement as to whether a procurement decision needs to go to the CEO or Council for approval or discussion.</p> <p>For example, a low value procurement may be considered high risk due to the public interest in the outcome.</p>

If approval is declined, then the procurement process is likely to be terminated. The approver cannot override the recommendation and choose an alternative supplier. If the process ends this way, the decline must be documented with reasons.


Complete contract

Once the appropriate approvals are gained to enter a commitment, the contract documents can be finalised with the assistance of legal if required. Sign off will be in accordance with the Register of Delegations.

To assist contract management and review, it is useful to have a clear scope and specifications in the contract at the beginning, combined with an agreed performance regime such as key performance indicators for service contracts.



Manage

Additional Information	
	<p>CODC must keep adequate records of all procurement decisions for audit and accountability purposes. The Public Records Act 2005 requires public entities to maintain full and accurate records in keeping with normal, prudent business practice.</p>

The value, complexity and risk of the procurement will determine the nature and amount of documentation that is required. Records should clearly demonstrate due process was followed in compliance with this policy and contain information such as:

- identification and appropriate management of potential conflicts of interest issues
- tender documents that were published or sent to suppliers
- supplier responses
- evaluation outcomes
- governance decisions
- contract documents

Contracts register

The Contract Manager must ensure that all contracts are recorded on CODC's Contracts Register. The Contracts Register can be found in the Procurement Tools Library on the intranet.

Health and Safety

CODC has a primary duty of care to ensure, so far as reasonably practicable, the health and safety of workers for CODC while they are at work. Workers include CODC staff and the staff of suppliers.

Contractual arrangements often have a number of parties involved. The Health and Safety at Work Act 2015 refers to these parties as Persons Conducting a Business or Undertaking (PCBU). If more than one PCBU has a duty in relation to the same matter, each PCBU with the duty must, so far as reasonably practicable, consult, cooperate and coordinate activities.

CODC contract managers must ensure that where possible, health and safety legislation and practice is being adhered to by all persons / contractors undertaking the work or present at the site. Refer to the [CODC Health and Safety](#) page on the staff intranet for further guidance.

Contract Management and Review

Contract management ensures that the supplier delivers per the contract on time, with the appropriate quality and for the agreed price. It requires active monitoring of delivery and costs, managing risks and managing the supplier relationship throughout the contract.

Regular contract reviews and/or meetings with suppliers can be used to assess how well the objectives have been met and where any improvements can be made in future.

Section 3 – Governance



Governance

The Executive Team are responsible for developing and implementing this policy and ensuring minimum standards are met in managing procurement activities. They are accountable for:

- effectively managing risk
- promoting the delivery of outcomes towards strategic objectives and priorities
- driving continuous improvement and capability development across CODC
- ensuring best value for money in the procurement of goods and services by and for CODC
- improving competition and facilitating access to CODC procurement business by the private sector, especially by small and medium enterprises within the district
- reducing administrative costs for CODC associated with procurement
- simplifying procurement processes while ensuring probity and fairness
- monitoring compliance with this policy
- investigating and dealing with complaints about CODC procurement activity



Strategy

Annual Procurement Planning

The Executive Team will meet annually to agree the rolling Annual Procurement Plan which will cover at least the next 12 months of planned procurement. Progress against this plan can be reviewed quarterly and updated if necessary.

Section 17A

The Executive Team will meet and approve service delivery reviews required as part of their quarterly review.

Service delivery reviews are now a legislative requirement under Section 17A of the Local Government Act (2002) (the Act).

This states:

“A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services and performance of regulatory functions.”

The Act goes on to specify that a review must be undertaken in the following circumstances:

- When a significant change to the level of service is proposed
- Within two years of a contract or binding agreement expiring
- At any other time, but no less than six years following the last review

Where a review is required to be undertaken, as a minimum, the review must consider the following:

- Governance and funding by:
 - Council alone; or
 - In a shared governance arrangement with one or more councils.
- Service delivery by:
 - Council (i.e. in-house);
 - A Council Controlled Organisation owned by Council or jointly owned with another shareholder (e.g. another council or private party);
 - Another council (e.g. through a shared service arrangement); or
 - Another person or agency (e.g. out-sourced contract or by opting out).

Council documents

Relevant CODC documents and policies include:

- Register of Delegations
- Risk Management Policy
- Staff Interests Policy
- Significance and Engagement Policy
- Sustainability Strategy



Complaints and feedback

Complaints handling

An effective complaints management process is integral to the principles of probity and fairness. It demonstrates that CODC places a high level of importance on conducting procurement in an honest, fair, accountable and transparent manner. Complaints processes can also assist in diagnosing shortcomings in Council procurement and provide a means for continuous improvement of procurement systems and standards of service.



Government arrangements

Relevant legislation

Relevant legislation includes but is not limited to:

- Building Act 2004
- Construction Contracts Amendment Act 2015
- Consumer Guarantees Act 1993
- Commerce Act 1986
- Fair Trading Act 1986
- Contract and Commercial Law Act 2017
- Health and Safety at Work Act 2015
- Human Rights ACT 1993
- Public Finance Act 1989
- Financial Reporting Act 2013
- Privacy Act 1993
- Official Information Act 1982
- Land Transport Management Act 2005
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Resource Management Act 1991
- Public Audit Act 2001
- Public Records Act 2005

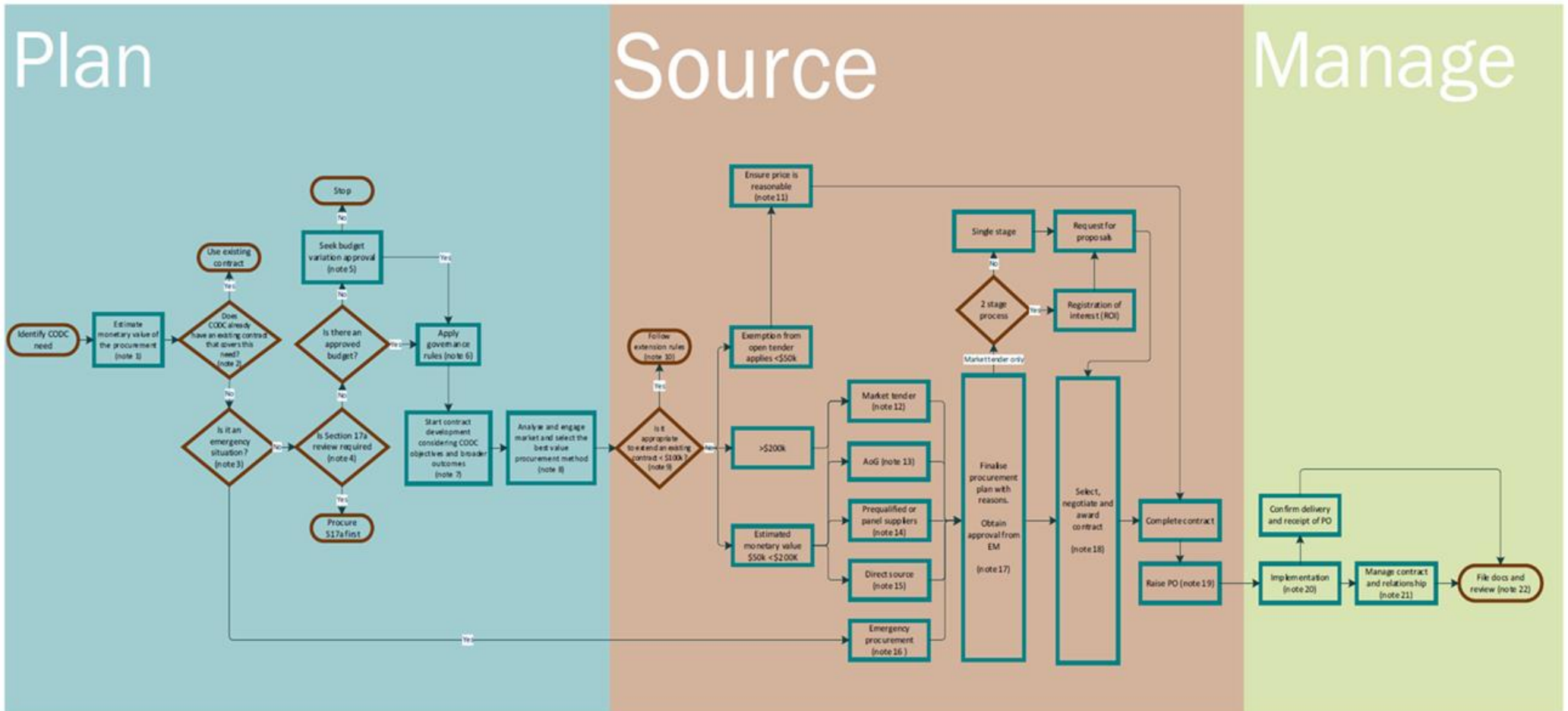
Central Government guidelines

Central Government guidelines, include but are not limited to:

- Ministry of Business, Innovation and Employment, Government Procurement Rules, 4th edition, June 2019
- Ministry of Economic Development, Guide 4 to Sustainable Procurement, July 2010
- Ministry of Economic Development, Mastering Procurement, March 2011
- Office of the Auditor General, June 2007, Managing Conflicts of Interest: Guidance for Public Entities
- Office of the Auditor General, June 2008, Procurement guidance for public entities
- Office of the Auditor General, October 2010, Guidance for members of local authorities about the local authorities (Members' Interests) Act 1968

Appendix A – Plan, source, manage procedures

CODC procurement flow chart





Plan

Note 1. Estimate monetary value of the procurement

You must estimate the total monetary value of a procurement to determine whether it meets or exceeds a relevant *value threshold* (see Note 6 & Note 11). You must act in good faith and use good judgement to estimate the monetary value of a procurement. You must include the estimated monetary value in your procurement plan. This estimate is referred to as the *maximum total estimated value* (MTEV).

- You must consider the total value over the whole-of-life of the contract/s when estimating the procurement's MTEV - including any costs associated with the disposal of goods. The estimate must include the value of all of the contracts that may result from the procurement.
- The value is the total amount excluding GST.
- When calculating the MTEV, you must include everything required for the full delivery of the goods, services or works including the value of:
 - options to purchase additional goods, services or works
 - options to extend the term of the contract
 - paying any premiums, fees or commissions to the supplier or a broker
 - any related revenue streams a supplier receives
 - any other form of remuneration or payment due to the supplier or to a third party or any interest payable.



Additional Information



It's better to be cautious. If your MTEV is getting close to a value threshold (e.g. services valued at \$48,000), always consider using an open competitive process. After all, your calculation is only an estimate.

Other inclusions to consider when calculating MTEV are noted in the table below:

	Goods or services or refurbishment works	New construction works
Related services examples	installation, training, servicing, and management consultancy services	design, architecture, engineering, quantity surveying, and management consultancy services
Types of goods examples	operating consumables	construction material, health and safety equipment
Subcontracting	subcontracted goods, services or works	subcontracted goods, services or works
Other	annual licence/subscription fees	phases of the construction through to completion

Additional Information	
	When planning new construction works, you may decide to 'structure work into subcategories and award these to separate suppliers. Openly advertising smaller contracts can be helpful for SMEs that do not have the capacity to supply all the components of a large project.
	If you decide to structure work into subcategories, each of the packages of work will count towards the MTEV of your procurement. You must not split orders to avoid procurement value thresholds and their governance requirements.


Note 2. Does CODC already have an existing contract that covers this need?

Check CODC's contract register to ensure CODC doesn't already have an existing obligation to a supplier for the goods or services you require.

Note 3. Is it an emergency situation?

Emergency situations can include:


- Natural or manmade disasters
- Failure of critical infrastructure or service
- Critical health or environmental emergencies
- Political or civil emergencies
- Critical security emergencies
- Unanticipated events which impact upon CODC's ability to fulfil statutory or critical obligations within the necessary timeframes.

Additional Information	
	See note 16

Note 4. Is Section 17A review required?

Service delivery reviews are now a legislative requirement under Section 17A of the Act. Refer to Strategy in Section 3 for more information on when a Section 17A review is required.


Note 5. Seek budget variation approval

Additional Information	
	<p>Executive Team members may be required to use their judgement as to whether a procurement decision needs to go to the CEO or Council for approval or discussion.</p> <p>For example, a low value procurement may be considered high risk due to the public interest in the outcome.</p>

If the procurement you need to do is not allowed for in the existing annual budget, then you will need to write a business case to justify the expenditure. The level of detail will vary depending on the level of risk or value of the procurement. Refer to the Register of Delegations for authority to sign off.

Note 6. Apply governance rules


CODC has a Register of Delegations to regulate decision making and financial authority. Refer to the Governance and Approvals in Section 2 for further information.

Additional Information	
	At this time in the process, the decision to use a Probity Auditor or specialist advisor should be made so they can be involved in the rest of the process.

Using the procurement’s MTEV that you have calculated, refer to the table in Appendix B and the Register of Delegations to find the suitable level of governance and approval including circumstances where there is an *exemption from open advertising*.

Note 7. Start contract development considering CODC objectives and Broader Outcomes

Planning is crucial for your procurement. Before you can approach the market or provider community, you will need to plan your procurement. Begin writing a procurement plan describing what you are trying to achieve and why. Think about the overarching CODC procurement objectives and how you can build these into your plan. The extent of your planning should be based on the size, risk and complexity of each procurement.

Additional Information	
	<p>CODC procurement plan templates for different value and category of goods and services can be found in the Procurement Tools Library on the intranet.</p>

Public value means getting the best possible result from your procurement, using resources effectively, economically and without waste, taking into account:

- the total costs and benefits of a procurement (total cost of ownership); and
- its contribution to the results you are trying to achieve.

For each procurement consider:

- how to achieve the CODC Objectives of value for money, fair and open competition, easy to do business and innovation and New Zealand Government priority outcomes;
- how other Broader Outcomes (social, environmental, cultural or economic) could be leveraged through the procurement;
- whether an existing All-of-Government, Syndicated or Common Capability contract could cover the need; and
- if you can engage with other councils to seek opportunities to collaborate.

Note 8. Analyse and engage market and select the best value procurement method

Early market engagement and continued open dialogue with suppliers is essential to achieving good results.

Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will also help to achieve public value.

Communications with suppliers should include:

- confirming the outcomes CODC is seeking
- providing a contact person for suppliers to talk to during the procurement process
- getting supplier input during development of RFP documents
- answering questions in a timely and clear manner
- allowing supplier feedback after each procurement process.



Source

New Zealand Government Procurement Rules	
	<p>Get the right supplier</p> <ul style="list-style-type: none"> • Be clear about what you need, and fair in how you assess suppliers – don't 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.

Note 9. Is it appropriate to extend an existing contract <\$100k?


An extended contract approach can be used to reduce tendering, contract, administration and establishment costs for both CODC and suppliers.

CODC may request that current suppliers provide pricing for additional work as variations to existing contracts under the conditions, as seen in Note 10 below.

Note 10. Follow extension rules

You may extend an existing contract under the following conditions:


- the supplier has a track record of providing goods and services to a high quality and on time
- the existing contract was won through a competitive market tender process less than three years ago and the additional goods or services are of a similar nature to the work already contained within the contract
- the MTEV of the new work is less than \$100k and is a lower value than the existing contract
- market analysis shows that pricing for the goods and services provided is stable
- Pending regulatory change or significant change to a market structure

Additional Information	
	<p>If CODC cannot agree a reasonable price with the supplier during negotiation, then a market tender must be pursued. The Supplier's final pricing will then compete with the market pricing received.</p>

Note 11. Ensure price is a reasonable

There are several techniques to check whether a price is reasonable:

- obtain quotes from various suppliers for the same goods or services
- compare the price with previous purchases or work completed
- check published or advertised market rates
- consult other councils or organisations who have undertaken similar work
- get benchmarking of market rates using independent professional advice (from an industry consultant, quantity surveyor, accountant or other appropriate professional)
- use a pre-qualified or panel supplier. See Note 13

Additional Information	
	<p>Using the procurement's MTEV that you have calculated, refer to the table in Appendix C for recommended actions to ensure a price is reasonable at different values.</p>

Note 12. Market tender

CODC will generally conduct competitive tendering using either a single stage or two stage procurement process. For further information about the benefits of a two-stage process, refer to the Easy to do Business explanation in Section 1 of this policy.

Two-stage procurement process begins with a Registration of Interest (ROI) to shortlist potential suppliers before seeking detailed bids from the shortlisted suppliers. An ROI is generally used when the information required from suppliers is specific but CODC is unsure of the capability of suppliers to provide the required goods and services.

A Request for Proposal (RFP) may be used for a single or a two-staged process and is used when the project or requirement has been defined, but where an innovative or flexible solution is sought.

Note 13. All of Government

The Ministry of Business, Innovation and Employment (MBIE) coordinates New Zealand Government procurement for public sector agencies. There are three types of contracts available:

- All of Government contracts (AoG)
- Syndicated contracts
- Common Capability contracts (CC)

These contracts allow eligible agencies (including councils) to purchase goods and services collectively. Each contract has a lead agency responsible for the procurement process and the resulting contract. You will need to evaluate the goods or services offered to ensure it is the best value for CODC.

A register of existing contracts is available on the New Zealand Government Procurement website listing current contracts by category.

<https://www.procurement.govt.nz/contracts/types-of-contracts/>

Note 14. Pre-qualified or panel suppliers

Set out any *Pre-conditions* that a supplier must meet to be considered for a particular contract opportunity.

Select *Suppliers* from CODC's *Panel of Suppliers* or *Pre-qualified Suppliers List*.

Approvals will be in accordance with Note 5.

Note 15. Direct source

Direct engagement of a supplier in the absence of *competition* should only be used in certain circumstances when:

- only a single supplier has the required goods or services available in the time required
- compatibility with existing equipment or services or standardisation is essential, and can only be achieved through one supplier
- continuity of professional advice is required
- there is a legislative requirement to use one supplier
- the cost associated with any other form of procurement would be out of proportion to the value or the expected benefits of the procurement

The final procurement plan should explain the reason for direct engagement prior to approval by the relevant authoriser. Repeated use of the same *supplier* for small amounts using this method should be carefully reviewed.

Note 16. Emergency procurement

An 'emergency' is a sudden unforeseen event which may result in injury, loss of life or critical damage to property or infrastructure. Further information regarding emergency procurement may be found in this pdf on the New Zealand Government's procurement website:

<https://www.procurement.govt.nz/assets/procurement-property/documents/guide-emergency-procurement.pdf>

Note 17. Finalise procurement plan with reasons. Obtain approval from relevant authoriser

Complete procurement plan before *approach to market* and obtain relevant approval. See Notes 5 and 6.

If the *response* from the market is higher than the MTEV that was previously approved then you will need to go back to Note 4 Seek budget variation approval.

Note 18. Select, negotiate and award contract

New Zealand Government Procurement Rules	
	<p>Get the best deal for everyone</p> <ul style="list-style-type: none"> • 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 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's more than just agreeing the deal – be accountable for the results.

Select

Once the procurement has been evaluated, CODC will select a preferred respondent in accordance with the RFP.

Government Procurement Charter	
	<p>Engage with businesses with good employment practices</p> <p>Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.</p>

Negotiate

CODC can then confirm to the supplier that they are the preferred respondent and enter into detailed negotiations to agree the terms of the contract, including:


- scope including technical specifications and equipment
- roles and responsibilities
- methodology
- final pricing
- health and safety requirements
- key performance indicators

If terms cannot be agreed on, then CODC reserves the right to enter into discussions with the next best supplier or abandon the process altogether.


When completing the contract, carefully consider whether CODC or the supplier is the party that is best placed to manage particular risks and work together with suppliers to plan risk mitigation.

Award

When the outcome of the process is submitted for approval to enter into a commitment with the *supplier*, the approver should check that the procurement process has been run robustly and in line with the approved procurement plan. After reviewing the process and final documentation, the approver may either approve, seek further information or clarity, or decline approval.

Additional Information	
	Executive Team members may be required to use their judgement as to whether a procurement decision needs to go to the CEO or Council for approval or discussion.


If approval is declined, then the procurement process is likely to be terminated. The approver cannot override the recommendation and choose an alternative supplier. If the process ends this way, the decline must be documented with reasons.

Additional Information	
	At the end of a procurement process, it is good practice to offer unsuccessful suppliers a supplier debrief to allow them an opportunity to learn and make improvements to their next bid. The procurement plan should set out how and when this will likely be conducted.

Complete contract

Once you have gained the appropriate approvals to enter a commitment. Finalise the contract documents with the assistance of legal if required. To assist contract management and review. it is useful to have a clear scope and specifications in the contract at the beginning, combined with an agreed performance regime such as key performance indicators for service contracts.

Note 19. Raise purchase order

Additional Information	
	<p>Once approved by an authorised delegate, purchase orders must be raised for the full amount of all procurement and the purchase order number should be quoted on the supplier's invoice for it to be paid. Purchase orders must never be used to make private purchases.</p>



Manage

The value, complexity and risk of the procurement will determine the nature and amount of documentation that is required. Records should clearly demonstrate due process was followed in compliance with this policy and contain information such as:

- identification and appropriate management of potential conflicts of interest issues
- tender documents that were published or sent to suppliers
- supplier responses
- evaluation outcomes
- governance decisions
- contract documents

Contracts register

All contracts must be recorded on CODC's Contracts Register. The Contracts Register can be found in the Procurement Tools Library (linked to be inserted).

Note 20. Implementation

Depending on the size and complexity of the procurement, it is useful to have an initiation meeting with new suppliers to confirm expectations and timelines.

Note 21. Manage contract & relationship

Procurement also covers proactively managing supplier and other key stakeholder relationships throughout the sourcing process and for the duration of the contract. This


continues to develop the supplier and drives public value through ongoing efficiency and effectiveness gains.

Contract management and review

Contract management ensures that the supplier delivers per the contract on time, with the appropriate quality for the agreed price. It requires active monitoring of delivery and costs, managing risks and managing the supplier relationship throughout the contract.

Regular contract reviews and/or meetings with suppliers can be used to assess how well the objectives have been met and where any improvements can be made in future.

Note 22. File docs and review

Additional Information	
	<p>All procurement records must be filed appropriately in electronic format.</p> <p>Periodic review of the procurement process both internally and with suppliers is required.</p> <p>CODC must keep adequate records of all procurement decisions for audit and accountability purposes. The Public Records Act 2005 requires public entities to maintain full and accurate records in keeping with normal, prudent business practice.</p>

Appendix B – Governance and approvals

The table below sets out the delegated authority for each procurement value threshold in accordance with the delegated authority in the Register of Delegations:

Spend category	Value threshold	Governance and approval	Suggested procurement type
Minor (see also table below)	Less than \$50,000	Team Leader or Manager in accordance with their financial delegation	<ul style="list-style-type: none"> Petty cash can be used for incidental purchases Written quotes Use AoG, Pre-qualified supplier or panel or Direct source as appropriate
Moderate	\$50,000 - \$199,999	Executive Manager per approved budgets	<ul style="list-style-type: none"> Market Tender Use AoG, Pre-qualified supplier or panel or Direct source as appropriate
High	\$200k - \$500k	Executive Manager per approved budgets	<ul style="list-style-type: none"> Market Tender Closed competitive process in certain circumstances
	\$500k - \$1m	CEO	<ul style="list-style-type: none"> Market Tender Closed competitive process in certain circumstances
	\$1m +	Council	<ul style="list-style-type: none"> Market Tender Closed competitive process in certain circumstances
Emergency procurement	\$1m	CEO	<ul style="list-style-type: none"> Closed competitive process or alternative methods Direct source in certain circumstances

Minor expenditure – less than \$50,000

You may use a minimum of 1 written quote or estimate when MTEV is less than \$10,000. You may purchase directly from a supplier for minor expenditure when the cost of seeking quotes or conducting a tender would be impractical, or disproportionate to the benefits obtained.

At least three written quotes or estimates must be obtained for MTEVs greater than \$10,000 but below \$50,000. The quotes will be sourced with identical specifications and work scope.

AoG, pre-qualified supplier or panel or direct source may also be appropriate.

Moderate expenditure - \$50,000 - \$199,999

Use either a Market Tender, AoG, pre-qualified supplier or panel or direct source method as appropriate. Selection must be justified in a procurement plan and approved by an Executive Manager before proceeding.

High expenditure – \$200k or above or deemed ‘significant’ or ‘high risk’

This category relates to procurements with either an MTEV greater than \$200k, or where the procurement of goods, service or works is deemed ‘significant’ under CODC’s [Significance and Engagement Policy](#) or ‘high risk’ in accordance with CODC’s Risk Management Policy (linked to be inserted).

A market tender will be issued (unless the exceptions set out in this policy apply), which contains all of the information that suppliers need to prepare and submit a tender.


A detailed description of the goods or services being procured, key timeframes, required service levels, the procurement method and evaluation process will be available. If *evaluation criteria* are being used, an indication of the relative importance of each criterion will also be provided.

Exemption from open advertising

In some circumstances the conditions in this policy may not be able to be met. Subject to approval, alternative procurement methods may be used for all levels of expenditure including in situations when:

- The services required are specialist technical or professional services;
- Council is part of a joint procurement process;
- No acceptable responses were received through open competition for the same core requirements, carried out within the last 12 months;
- The products, services or works are an addition to, and necessary for the complete delivery of an existing supply arrangement, provided that the original supply arrangement was openly advertised, and a change of supplier cannot be made for economic, technical or practical reasons;
- The overall rates offered are the same or lower than that received through open competition for the same core requirements, carried out within the last 12 months.
- Additional circumstances for moderate expenditure:
 - The required goods or services are available from only one supplier;
 - Standardisation or compatibility with existing equipment or services is necessary or desirable.

- Additional circumstances for high expenditure:
- The goods or services are only available from a few suppliers;
- It is not practical or cost-effective to conduct an open tender or proposal;
- There is limited time for the procurement process.

Additional Information	
	<p>All situations when <i>exemption from open advertising</i> is recommended must be approved by one level of delegated authority higher than usual for the value thresholds in the table above.</p>

Appendix C – Ensuring a price is reasonable

The following table sets out necessary actions to ensure a price is reasonable at different values:

Spend category	Value threshold	CODC Actions
Minor	Less than \$500	Use petty cash for purchases under \$50. Use a purchase order number. No recording is required as the invoice will be listed with the purchase order.
	>\$500 & <\$10,000	Prior to approval, obtain a minimum of one written quote.
	>\$10,000 to \$50,000	Prior to approval, written evidence is available to demonstrate to the approving delegated authority that the price is reasonable and due diligence has been completed. Obtain a minimum of 3 written quotes if possible. Procurement plan showing reasons for spend is signed off.

Appendix D

Evaluation methods

1. Lowest price - very simple procurement and price is the most important factor

Method	Situation
<ol style="list-style-type: none"> 1. Determine which offers meet the requirements. 2. Look at the total price for each eligible offer. 3. The lowest priced eligible offer is ranked first. 	<p>Procuring goods rather than services</p> <p>The strongest emphasis is on price and all of the criteria have the same importance.</p>

This method is not recommended for complex procurements as it doesn't consider the relative importance of the criteria or judge value for money.

2. Simple score – if all the criteria have roughly the same degree of importance

Method	Situation
<ol style="list-style-type: none"> 1. Score each offer against the criteria according to your rating scale 2. Add the total scores for each offer. 3. The highest scored offer is ranked first on the merits 	<p>The procurement is relatively simple</p> <p>All of the criteria have roughly the same degree of importance</p> <p>When evaluating Registrations of Interest to select a shortlist as the first stage of a multi-stage process.</p>

3. Weighted-attribute – if the criteria have different levels of importance

This is the most common methodology used in public sector procurement. Price can be a weighted criterion, or you can evaluate price separately.

Price is a weighted criterion	Price is not a weighted criterion
<ul style="list-style-type: none"> • Two variants are Standard Weighted Attributes or Price Quality Method • Price should be in a second envelope and not disclosed until the non-priced evaluation is completed. • Carry out some level of sensitivity analysis to ensure that the level of weighting is appropriate. • Consider the risk of unreasonable and unrealistically low-priced offers achieving the highest overall weighted score where it is clear that the goods/services cannot be delivered within the quoted price. 	<ul style="list-style-type: none"> • price information is usually kept from the evaluation panel until after the evaluation on the merits and scoring is finalised. • Price is often not included as a weighted criterion in the procurement of social services.

Method	Situation
<ol style="list-style-type: none"> 1. Start by ranking the criteria in order of importance. 2. Decide a weighting for each — this is usually a percentage, with the total weightings for all criteria adding to 100%. 3. Score each offer against the criteria and rating scale to obtain raw scores. 4. Apply the weightings to the raw scores to obtain the weighted scores. 5. Add the total weighted scores for each offer. <p>For the Price Quality Method the total weighted scores are converted into a Price Quality Premium.</p> <ol style="list-style-type: none"> 6. The price envelope is opened. 7. For the Standard Weighted Attribute the Price is converted into a Price score attribute. This is added to the total non-price attribute score and the highest overall score is the recommended tenderer <p>For the Price Quality Method the Price Quality Premium is subtracted from the Price and the lowest price is the recommended tenderer</p>	<p>Criteria have different levels of importance. Procuring goods or services.</p>

4. Target price – if the scope of work is hard to define, or the budget is the main constraint

Method	Situation
1. Include the available budget (the 'target price') in the RFP as a guide for defining the scope of the services, and then invite suppliers to specify what they can do for that price.	It is genuinely difficult to define the scope of the requirements, and there is a fixed budget.
2. Focus the evaluation on the quality, quantity and outcomes of the services to be provided rather than price.	CODC is likely to receive a range of offers with prices that are hard to compare and might exceed the available budget.

5. Brook's Law or Quality Based – if quality is the most important factor and price is not a key driver.

Method	
1	Offers are evaluated on the merits without price being disclosed to the panel.
2	Only those suppliers who are clearly able to fully deliver against the requirements are shortlisted.
3	The highest-ranked supplier is invited to negotiate. At this point the price for this supplier is disclosed. All other prices remain unopened.
4	If the negotiation is successful, the supplier is awarded the contract.
5	If no agreement is reached, the second ranked supplier is invited to negotiate. At this point the price for that supplier is disclosed. All other prices remain unopened. The process continues until a satisfactory agreement is negotiated.

Evaluation method attribute guidelines

The following table compares the evaluation methods and indicates how attributes should be allocated. The total score should add to 100%.

Evaluation method	Typical value threshold	Price	Technical merit (fit for purpose)	Capability of the supplier to deliver	Methodology and Programme	Price / Value for money (based on whole-of-life cost)	Broader Outcomes
Lowest price (goods)	Minor Moderate Emergency	100%	✓	✓	n/a	n/a	n/a
Simple score	Minor Moderate	n/a	20%	20%	20%	20%	20%
Weighted attribute	Moderate High	Price is a weighted criterion	25 -35%	15-20%	15-20%	15-40%	5-10%
	Moderate	Price is not a weighted criterion	30-35%	20-25%	25-30%	n/a	5-10%
Target price	Moderate High Emergency	Specified	30-35%	25-30%	25-30%	n/a	5-10%
Brook's Law or Quality Based	Moderate High	Separate negotiation	30-35%	25-30%	25-30%	n/a	5-10%

Glossary

The definitions in this glossary are generally consistent with those used in the New Zealand Government Procurement Rules.

Word or phrase	Reference	Definition
Agency	All Notes	A generic term used in the New Zealand Government Procurement Rules to refer to New Zealand government entities across the Public Sector.
Alliance delivery model (shared risk)	Section 1 Easy to do business	The alliance delivery model is a relationship-style contract arrangement, that brings together the client and one or more parties to work together to deliver the project, sharing project risks and rewards. Collaborative procurement methods are usually used for highly complex or large infrastructure projects that would be difficult to effectively scope, price and deliver under a more traditional delivery model. For more information see the Guide to Alliance delivery model at: www.procurement.govt.nz .
All-of-Government Contracts (AoG)	Section 1 Easy to do Business Note 12 Appendix B	A type of collaborative contract. AoGs are usually Panel Contracts established by MBIE or other agencies that are approved Centres of Expertise for common goods or services (e.g. vehicles, laptops, and recruitment services).
Application to Qualify (ATQ)	Note 13	An application by a supplier to be included in CODC's Pre-qualified Suppliers List. A supplier must prove it has the capability and capacity to deliver specific types of goods, services or works to be included in the list.
Approach to market	Note 6 Note 7	The formal process of giving notice of a contract opportunity to potential suppliers and inviting them to respond. An example of an approach to the market is a Request for Tender published on Government Electronic Tenders Service (GETS).
Broader Outcomes	Section 1 Note 6 Note 13	Broader Outcomes are the secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social, and cultural outcomes.
Brook's Law or Quality Based		Procurement evaluation method used when quality is the most important factor and price is not a key driver.
Business case	Note 4 Note 6	A management tool that supports decision-making for an investment. It sets out the reasons for a specific project, considers alternative solutions and identifies assumptions, constraints, benefits, costs, and risks.

Word or phrase	Reference	Definition
Closed competitive process	Section 1 Local economic development Appendix B	A tender process where CODC asks a limited number of known suppliers to tender for a contract opportunity. The contract opportunity is not openly advertised.
Commercially sensitive information	Plan	Information that, if disclosed, could prejudice a supplier's commercial interests (e.g. trade secret, profit margin or new ideas).
Common Capability Contracts (CCs)	Section 1 Easy to do Business Note 6 Note 12	A type of collaborative contract. CCs establish various supply agreements (e.g. for ICT goods or services purchased across government with approved suppliers). CCs differ from All-of-Government and Syndicated Contracts because, in a CC: in some instances, a private sector supplier may be authorised to purchase from a CC when it is acting on behalf of an agency (authorised agent) and in some CCs, the lead agency may charge a participating agency an admin fee or levy.
Competition		Rivalry between suppliers for sales, profits and market share. Competitive tension in the market and can produce innovation, better-quality goods or services, better value and better pricing.
Competitive Dialogue	Innovation	A type of open procurement process often used where there is no known solution in the marketplace. It involves a structured dialogue phase with each shortlisted supplier, who invents a possible solution to meet the CODC's needs. Shortlisted suppliers are often paid for their participation in the dialogue phase. All shortlisted suppliers are invited to respond to a Request for Proposal or Request for Tender. For more information see the Guide to competitive dialogue at: www.procurement.govt.nz
Conflict of interest	Plan	A conflict of interest is where someone's personal interests or obligations conflict, or have the potential to conflict, with the responsibilities of their job or position or with their commercial interests. It means that their independence, objectivity or impartiality can be called into question. For more information see www.procurement.govt.nz
Contract opportunity		An opportunity for suppliers to bid for a contract for goods, services or works.

Word or phrase	Reference	Definition
Cost reimbursable contract	Section 1 Easy to do Business	Under a cost reimbursable contract, the contractor is paid its actual costs for the work completed. This places significant financial risk on the client and so these approaches tend to be used where the nature or scope of the work can't be adequately defined, either due to time constraints or the fact that the work is of an urgent nature, e.g. where there is a need to carry out critical emergency or repair work. The final cost of the project won't be known during award of contract and therefore this approach has a high degree of financial risk for the client. For more information see the Guide to Cost reimbursable contract at: www.procurement.govt.nz
Direct source	Appendix B	A tender process where the agency asks a single supplier to tender for a contract opportunity, and the contract opportunity is not openly advertised.
Early contractor involvement (ECI)	Section 1 Easy to do Business	Early contractor involvement (ECI) is an approach to contracting that can be used to gain early advice and involvement from a contractor into the buildability and optimisation of designs. It's suited to large, complex or high-risk projects because it affords an integrated team time to gain an early understanding of requirements, enabling robust risk management, innovation and public value. For more information see the Guide to ECI at: www.procurement.govt.nz
Evaluation criteria		The criteria that are used to evaluate responses. These include measures to assess the extent to which competing responses meet requirements and expectations (e.g. criteria to shortlist suppliers following a Registration of Interest or criteria to rank responses in awarding the contract).
Exemption from open advertising		The recognised circumstances (e.g. a procurement in response to an emergency) where CODC does not need to openly advertise the contract opportunity.
Framework agreement		Usually used in relation to Panel Contracts. It is the umbrella agreement that governs the relationship between the agency and the supplier(s). It sets out the terms and conditions (including pricing) that the parties agree to contract on in the event that the supplier is allocated a contract for supplying the covered goods, services or works. When CODC wants to buy something under the framework agreement, the parties then enter into a separate contract that refers to the terms and conditions contained in the framework agreement.
GETS		An acronym for Government Electronic Tenders Service. GETS is a website managed by New Zealand Government Procurement. It is a free service that advertises New Zealand Government contract opportunities and is open to both domestic and international suppliers. All tender information and documents are made freely available through GETS.

Word or phrase	Reference	Definition
Goods	Throughout	Items which are capable of being owned. This includes physical goods and personal property as well as intangible property such as Intellectual Property (e.g. a software product).
Government Procurement Charter		The Charter sets out Government's expectations of how agencies should conduct their procurement activity to achieve public value.
Guidance		A generic name for a range of New Zealand Government good procurement practice guides, tools and templates. These can be found at: www.procurement.govt.nz
Lowest price		Procurement evaluation method used for very simple procurement (typically goods) where price is the most important factor
Market engagement		Market engagement is a process that allows you, at all stages of procurement, to: <ul style="list-style-type: none"> • communicate your needs or requirements to suppliers • openly and transparently discuss possible solutions • stimulate innovation in the design and delivery of the solution • understand market capacity, capability and trends.
Maximum total estimated value (MTEV)	Note 1	A genuine estimate of the total cost that CODC will pay over the whole-of-life of the contract. It covers the full contract cost of goods or services, and any other expenses such as maintenance and repairs, and the cost of disposing of the goods at the end of the contract.

<p>New construction works</p>		<ul style="list-style-type: none"> • This term relates to goods and services associated with developing new civil or building construction works including buildings, roads, rails, bridges and dams. It covers new builds and replacement of an existing construction. This also includes related services such as design, architecture, engineering, quantity surveying, and management consultancy services. • It includes various stages in the project such as: <ul style="list-style-type: none"> • demolition of previous structure • pre-erection works at construction sites, including site investigation work • construction work for buildings, residential and non-residential • construction work for civil engineering • assembly and erection of prefabricated constructions, i.e. installation on site of complete prefabricated buildings or other constructions, i.e. installation on site of complete prefabricated buildings or other constructions, or the assembly and erection on site of prefabricated sections of buildings or other constructions • special trade construction work such as foundation work, including pile driving, water well drilling, roofing and water proofing, concrete work, steel bending and erection, erection work from purchased or self-manufactured structural steel components for buildings or other structures such as bridges, overhead cranes or electricity transmission towers, steel reinforcing work and welding work • masonry work • installation work such as heating, ventilation and air-conditioning work, water plumbing and drain-laying work, gas-fitting construction work, electrical work, insulation work (e.g. electrical wiring, water, heat, sound), fencing and railing construction work, other installation work (e.g. installation of lifts and escalators and moving sidewalk), fire escape equipment and construction work (e.g. staircases) • building completion and finishing such as glazing work and window-glass installation work, plastering work, painting work, floor and wall-tiling work, floor-laying, wall-covering and wall papering work, wood and metal joinery and carpentry work, interior fitting decoration work, ornamentation fitting work, other building completion and finishing work (e.g. special trade building acoustical work involving the application of acoustical panels, tiles and other material to interior walls and ceilings), and steam or sand cleaning work of building exteriors • renting services related to equipment for construction or demolition of buildings or civil engineering works.
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Word or phrase	Reference	Definition
New Zealand business		A business that originated in New Zealand (not being a New Zealand subsidiary of an offshore business), is majority owned or controlled by New Zealanders, and has its principal place of business in New Zealand.
Open advertising		Publishing a contract opportunity on GETS and inviting all interested domestic and international suppliers to participate in the procurement.
Panel Contract		A type of framework agreement that governs the relationship between CODC and each Panel Supplier. It sets out the terms and conditions that the parties agree to contract on in the event that the Panel Supplier is allocated a contract to provide specific goods, services or works.
Panel of Suppliers		A list of suppliers CODC has pre-approved to supply particular goods or services and who have agreed to CODC's terms and conditions for supply.
Panel Supplier		A supplier included in a Panel of Suppliers.
Pre-conditions		A condition that a supplier must meet to be considered for a particular contract opportunity.
Pre-qualified supplier		A supplier included in a Pre-qualified Suppliers List.
Pre-qualified Suppliers List		A list of suppliers CODC has pre-approved as having the capability and capacity to deliver specific goods or services.
Priority outcomes	Note 6	<p>The following four priority outcomes have been identified by Cabinet to be leveraged by government procurement:</p> <ul style="list-style-type: none"> • Increase New Zealand businesses' access to government procurement • Increase the size and skill of the domestic construction sector workforce • Improve conditions for workers and future-proof the ability of New Zealand business to trade, and • Support the transition to a net zero emissions economy and design waste out of the system. <p>Each priority outcome is targeted at specific focus areas. You can find these focus areas at: www.procurement.govt.nz</p>
Procurement	Throughout	All aspects of acquiring and delivering goods, services and works. It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of an asset.

Word or phrase	Reference	Definition
Procurement plan	Throughout	A plan to analyse the need for specific goods, services or works and the outcome CODC wants to achieve. It identifies an appropriate strategy to approach the market, based on market research and analysis, and summarises the proposed procurement process. It usually includes the indicative costs (budget), specification of requirements, indicative timeline, evaluation criteria and weightings and an explanation of the Broader Outcomes CODC will seek to achieve through the procurement.
Prototype	Innovation	An early sample, model or pilot study used to test a concept or process.
Public Sector		<p>This includes agencies in:</p> <ul style="list-style-type: none"> • the Public Service (departments and ministries) • the wider State Services (e.g. Crown Entities, Crown Research Institutes, entities listed in Schedules 4 and 4A of the Public Finance Act 1989, and School Boards of Trustees) and • the wider State Sector (e.g. Offices of Parliament, Tertiary Education Institutes and State Owned Enterprises) and • Regional Councils and Territorial Authorities (as defined in s5 of the Local Government Act 2002). <p>A list of these agencies is available at: www.ssc.govt.nz</p>
Refurbishment works		<p>This term relates to goods or services or works associated with delivery of refurbishment works in relation to an existing construction. Construction means buildings, roads, bridges and dams. Refurbishment works cover renovating, repairing or extending an existing construction.</p> <p>Refurbishment works does not include replacing a construction. That is deemed to be new construction works.</p>
Registration of Interest (ROI)		<p>Also known as an Expression of Interest. A formal request from CODC asking potential suppliers to:</p> <ul style="list-style-type: none"> • register their interest in an opportunity to supply specific goods, services or works • provide information that supports their capability and capacity to deliver the goods, services or works. <p>It's usually the first formal stage of a two-step tender process.</p>
Request for Information (RFI)	Innovation	<p>A market research tool. A formal request from CODC to the market, for information that helps identify the number and type of suppliers and the range of solutions, technologies and products or services they can provide.</p> <p>It is not a type of Notice of Procurement. It must not be used to select or shortlist suppliers.</p>

Word or phrase	Reference	Definition
Request for Proposal (RFP)		A formal request from CODC asking suppliers to propose how their goods or services or works can achieve a specific outcome, and their prices. CODC may be open to innovative ways of achieving the outcome.
Request for Quote (RFQ)		A formal request from CODC asking potential suppliers to quote prices for 'stock standard' or 'off-the-shelf' goods or services or works, where price is the most important factor.
Request for tender (RFT)		A formal request from CODC asking for offers from potential suppliers to supply clearly defined goods or services or works. Often there are highly technical requirements and a prescriptive solution.
Response		A supplier's reply to a Notice of Procurement. Examples include: <ul style="list-style-type: none"> • registering of interest in an opportunity • submitting a proposal • submitting a tender • applying to qualify as a pre-qualified supplier.
Secondary procurement		Where CODC purchases goods, services or works from a Panel of Suppliers, an All-of-Government Contract, Common Capabilities Contract or Syndicated Contract.
Services		Acts or work performed for another party, e.g. accounting, legal services, cleaning, consultancy, training, medical treatment, or transportation. Sometimes services are difficult to identify because they are closely associated with a good. No transfer of possession or ownership takes place when services are sold, and they: <ul style="list-style-type: none"> • cannot be stored or transported • are instantly perishable • only exist at the time they are provided.
Simple score		Procurement evaluation method used if all the criteria have roughly the same degree of importance
Supplier	Throughout	A person, business, company or organisation that supplies or can supply goods or services or works to CODC.
Supplier debrief		Information CODC provides to a supplier who has been unsuccessful in a particular contract opportunity, that explains: <ul style="list-style-type: none"> • the strengths and weaknesses of the supplier's proposal against the tender evaluation criteria and any pre-conditions • the reasons the successful proposal won the contract • anything else the supplier has questioned.

Word or phrase	Reference	Definition
Syndicated Contracts		<p>A type of collaborative contract that typically involves a group of agencies aggregating their needs and collectively going to market for common goods, services or works.</p> <p>If the contract is limited to a group of named agencies, it is a Closed Syndicated Contract.</p>
Target price		Procurement evaluation method used if the scope of work is hard to define, or the budget is the main constraint
Technical specifications		<p>A tendering requirement that either:</p> <ul style="list-style-type: none"> lays down the characteristics of goods, services or works to be procured, including quality, performance, safety and dimensions, or the processes & methods for their production or provision, or addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a goods, service or works.
Third party agent		A party who is contracted to manage a procurement process on behalf of CODC. CODC agency remains responsible and accountable for ensuring that the procurement complies with this policy.
Total cost of ownership (TCO)	Section 1 Value for money and Note 6	An estimate of the total cost of the goods, services or works over the whole of their life. It is the combination of the purchase price and all other expenses and benefits that the agency will incur (e.g. installation and training, operating and maintenance costs, repairs, decommissioning, cost associated with disposal and residual value on disposal). It is a tool often used to assess the costs, benefits and risks associated with the investment at the business case stage of a procurement.
Value threshold	Note 1 and Appendix B	The minimum New Zealand Dollar value at which the governance and approval levels change for CODC. It excludes GST.
Weighted Attribute		<p>Procurement evaluation method used if the criteria have different levels of importance.</p> <p>The two variants are standard Weighted Attributes and Price Quality Method</p>