



When replying please quote: 8800053

5 August 2022

Peter Hardgrave

fyi-request-19870-b14a532f@requests.fyi.org.nz

Dear Mr Hardgrave

LGOIMA RESPONSE - NPDC STANDARDS OF INTEGRITY, CONDUCT AND CONFLICT OF INTEREST POLICY

Please find below New Plymouth District Council's response to your LGOIMA request of 10 July 2022.

1. Please provide copies of NPDC's policy documentation regards integrity and conduct.

[Councillors Code of Conduct](#)

Staff Code of Conduct (Attachment 1)

Internal Staff Policy – Sensitive Expenditure (Attachment 2)

Internal Staff Policy – Fraud or Corruption (Attachment 3)

Internal Staff Policy – Protected Disclosures Policy (Attachment 4)

Internal Staff Policy – Respect in the Workplace Policy (Attachment 5)

2. Please provide copies of NPDC's policy documentation for managing conflicts of interest – a declaration. This would be the essential documentation that shows all NPDC staff involved in a procurement activity complete and sign a Conflict of Interest. This Declaration and a Confidentiality Agreement. Would include.

2a. all members of the procurement team (staff, contractors and consultants)

2b. all members of the evaluation panel

2c. any consultant asked to advise the team

2d. anyone involved in making a recommendation

2e. anyone involved in approving a recommendation or making an important decision

2f. anyone making a financial approval for the procurement.

The Declaration would require the person to identify any actual, perceived or potential conflicts of interest.

Conflict of Interest, confidentiality agreement and management plan form (Attachment 6)

Annual declaration by ELT and Mayor and Councillors template (Attachment 7)

3. Please provide proof that the declarations register is revisited regularly and checked once a supplier has been chosen. Everyone who has signed one needs to check whether they have a conflict of interest in relation to the supplier or any of the named personnel in the supplier's tender.

Annual declaration by ELT and Mayor and Councillors (see template in question 2) and provided to AuditNZ.

The Elected Members Register of Interests is included on the agenda for every Ordinary Council meeting (for example pages 6 - 12 of this [agenda](#)).

4. Please provide copies of NPDC's policy documentation regards managing an identified conflict of interest.

[NPDC Procurement Policy](#)

Internal Procurement Manual (Attachment 8)

Internal Procurement Process Map (Attachment 9)

[Government Procurement Rules](#)

NZ Government: Quick Guide: Conflicts of Interest (Attachment 10)

New Supplier Pack (Attachment 11)

Staff Code of Conduct (Attachment 1)

The staff terms and conditions of employment state that employees:

- Must not undertake any secondary employment or otherwise be employed, engaged or concerned in the conduct of any business without first discussing this with the employee's manager and obtaining the manager's written approval. The reasons for this restriction are so that NPDC can mitigate risks (including risks to health and safety and risks to NPDC's commercially sensitive information and intellectual property) and manage or prevent any real or perceived conflict of interest. The employee agrees that these are genuine reasons based on reasonable grounds for the purposes of section 67H of the Employment Relations Act 2000.
- Must not represent, or claim authority to represent, NPDC unless authorised to do so.
- Must comply with all lawful and reasonable instructions and all house rules, policies and procedures including NPDC's Code of Conduct.

5. A list of all current disclosed and undisclosed conflicts of interests.

Elected Members Register of Interest (as at 4 August 2022) (Attachment 12)

Conflict of Interest forms and management plans sit alongside all the contract documentation (and not in a register). Compilation of this data is likely to require a significant amount of time, please advise if you would like us to prepare an estimate of time and cost (if any) to compile the data. It is possible that some of the data would be withheld to protect the privacy of individuals.

Each Annual Report provides a note regarding any related party transactions for the period (for example page 128 in [Annual Report 2020/21](#)).

6. A list of all the companies, individuals and organisations that the mayor, Councillors and chief executive work for or contract to as consultants or advisors or in any role other than Mayor, Councillor or chief executive either as a sole trader, a company, for a company, or as an individual.

Please refer to the Elected Members Register of Interests (question 5).

7. The number of hours/days per week the Mayor, Councillors or Chief Executive generally work or have planned to work, or have disclosed that they work or will work, as an advisor or consultant or in any capacity other than as their local government position, as disclosed to colleagues and council staff, and/or recorded via meetings schedule or weekly calendar, and/or by any other statement or admission.

The Council does not hold this information.

8. Details (times, dates, duration, attendees) of any meetings the Mayor, Councillors or Chief Executive have held or planned to hold for non-council business, for personal use, as a consultant or an advisor, and in any capacity other than their local government position in their council offices or on council premises, or organised by or via council personal assistants or secretaries (or any other NPDC staff member).

The Council does not hold this information. Executive assistants are not involved in arranging non-council meetings for the Mayor, Councillors or Chief Executive.

9. Please provide details of any National Audit Office (NAO) inspections, reviews, assessments or investigations between 1st January 2016 and 10th July 2022.

The National Audit Office is United Kingdom organisation and has no involvement with New Plymouth District Council.

Council's Long-Term Plan and Annual Reports are audited by Audit New Zealand who report to the Office of the Auditor General. Copies of those documents are available on the Council's website.

10. Please provide details of any Serious Fraud Office (SFO) inspections, reviews, assessments or investigations between 1st January 2016 and 10th July 2022.

Nil.

11. Please provide details of any Police inspection, reviews, assessments or investigations between 1st January 2016 and 10th July 2022.

The matter relates to a potential issue under the Council's Fraud Policy, involves a former contractor and is understood to be of a relatively minor financial sum. The matter was lodged with Police in October 2020 and is currently under investigation.

Details of the individual(s) involved are withheld under section(s) 7(2)(a) (to protect the privacy of natural persons) and 6(a) (providing the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial).

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours faithfully



Julie Straka
GOVERNANCE LEAD



NPDC Code of Conduct

Last updated: August 2020

Date effective: November 2020

Approved by: Chief Executive

Contents

Introduction	3
Responsibilities	4
Employees.....	4
Leaders.....	4
Our Values.....	5
Alleged Breach Process	6
What triggers an investigation into an alleged breach?.....	6
Investigation process.....	6
Stand-down	6
Possible outcomes	7
Disciplinary Action	8
1. Written warning.....	8
2. Final written warning.....	8
3. Dismissal.....	8
Examples of Misconduct and Serious Misconduct	9
1. Working at NPDC.....	10
1.1 Political Environment	10
1.2 Health, Safety and the Environment.....	10
1.3 Performance and Employment Obligations.....	11
2. Our People.....	12
3. Our Assets	13
Relevant Documents.....	14

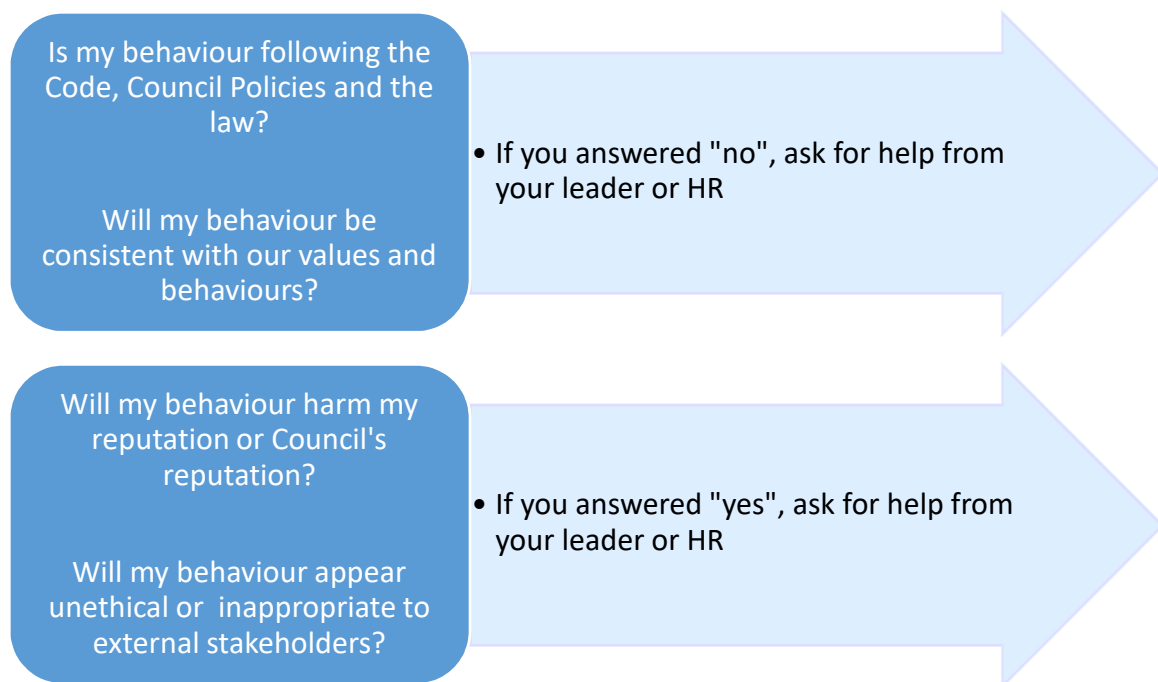
Introduction

The Code of Conduct outlines what's expected of us while carrying out our work, and is supported by our values. It provides clarity about what you should and shouldn't do at work, and provides a baseline to keep each other accountable as well as to ensure fair and consistent treatment.

For clarity, "at work" includes remote working.

By choosing to work in local government, we are held to a particularly high standard, not only through legislation, but by our local community and each other. This is because the Council makes decisions for and on behalf of the local community and sets the district's overall strategic direction. We must also be careful to ensure there are clear boundaries in the relationship between staff and elected members.

In the course of your employment, you will often have to make judgements and decisions, sometimes in difficult or complex situations. In those situations you should ask yourself:



Responsibilities

The Code of Conduct provides clear expectations of what you should and shouldn't do at work. To support this, all employees have responsibilities to ensure a positive work culture and legal obligations are met.

Employees

- Act in good faith towards NPDC
- Comply with all lawful and reasonable instructions provided by NPDC
- Adhere to NPDC's policies and Code of Conduct

Leaders

- Role model behaviour consistent with the Code of Conduct and NPDC values
- Identify issues with behaviour or performance early and address them promptly
- Ensure staff understand the Code of Conduct and NPDC policies
- Create an environment where employees are comfortable to speak up without fear of retaliation
- Take seriously any concern or breach allegation and follow the correct process
- Provide regular and appropriate communication and feedback about expectations and work performance
- Demonstrate good employer principles and act in good faith towards our employees
- Ensure safe working conditions

In addition to our Code of Conduct, all employees are expected to comply with the laws and regulations of New Zealand at all times and work within the policies and procedures of NPDC. Any alleged breach may be investigated as per the investigation process outlined in this Code of Conduct.

Our Values

Our values and behaviours underpin our Code of Conduct, making it clear what behaviour is appropriate to guide our judgement, choices and actions. If in doubt, ask yourself if what you are thinking of doing is consistent with our values and behaviours.



Our Behaviours



Mana Tangata

Respecting Each Other

We will...	We won't...
Communicate openly and actively listen	Be disrespectful to each other
Be bold and challenge the status quo	Hold back
Acknowledge mistakes happen	Miss an opportunity to learn from mistakes
Have courage to raise concerns	Tolerate bullying
Respect and follow policies, procedures and legislation	Deliberately ignore or take shortcuts



Oranga Tangata

Achieving Wellness

We will...	We won't...
Make sure workloads are managed and sustainable	Overload people
Take responsibility for our own wellness and balance	Neglect our own wellbeing
Connect and look out for each other	Exclude others or create cliques
Celebrate and take pride in our work	Put down each other or NPDC
Consider how our actions affect others' safety and the environment	Turn a blind eye to our responsibilities



Kotahitanga

Working Together

We will...	We won't...
Collaborate across teams	Work in isolation
Have fun	Take ourselves too seriously
Effectively plan and embed change	Rush
Be aware of our impact on others	Let our egos get in the way
Provide equal opportunities for people	Act with bias



Hāpaitanga

Making a Difference

We will...	We won't...
Focus on doing things better and be open to change	Be afraid to try new things
Take responsibility and deliver what we say we will	Shift blame or hide behind others
Work efficiently	Waste time or resources
All walk the talk	Have double standards
Consider the impact on our community, iwi and others	Forget about the bigger picture

Alleged Breach Process

If NPDC is concerned that you may have breached the Code of Conduct or another of NPDC's policies or procedures, NPDC may investigate its concerns in accordance with principles of good faith and natural justice.

The Leader, with the support of their HR Business Partner, will decide whether or not a formal approach is required. An informal approach should be used if it has not been tried before and could resolve the issue, or where the alleged behaviour or action does not appear to be significant.

If a formal approach is deemed appropriate, you will be given the opportunity to discuss and respond to the allegation as explained in the disciplinary process below.

A breach means that either misconduct or serious misconduct has occurred:

- **Misconduct** – when something is done that may justify disciplinary action less than dismissal (however, repeated misconduct could result in dismissal)
- **Serious Misconduct** – serious enough to jeopardise the employment relationship (loss of trust and confidence) and could result in dismissal

What triggers an investigation into an alleged breach?

An alleged breach could be raised by anyone, and there are a variety of possible triggers, such as:

- Internal complaint
- External complaint
- Concern raised
- Unsatisfactory performance improvement following a performance management process
- Behaviour issue
- Incident recorded

NPDC supports open and honest communication and encourages its people to ask questions and report concerns to their leader. NPDC will support anyone who, in good faith, discloses actual or suspected breaches or participates in an investigation subject to natural justice.

If staff are unsure about whether or not something meets the misconduct or serious misconduct definition, they should talk to their leader in the first instance. HR are also available to explain and interpret the Code of Conduct and answer any questions.

Investigation process

Before taking any action, the leader should thoroughly examine the case and determine if the Code of Conduct or a NPDC policy has likely been breached and whether or not a formal process is required. The leader should consult with their HR Business Partner to ensure a fair, prompt, and consistent process is followed.

All meetings that are part of the investigation process will have minutes taken. The employee subject to the allegation will also have an opportunity to have a support person present, and provide an explanation.

Stand-down

In some circumstances, management may need to consider temporarily suspending the employee from their duties while a full investigation is carried out on the grounds of safety, to facilitate an investigation, or to allow everyone concerned time to carefully consider their respective positions. A period of stand down should be the minimum duration necessary for a proper investigation.

Any such period of stand down will be on full pay, unless the period becomes protracted as a result of undue delay caused by the employee. Prior to suspension, the employee will be informed of the alleged misconduct and be given an opportunity to comment on the matter of the suspension before a decision is made on suspension. A stand down is not to be regarded as disciplinary measure in itself – it is merely a step in the investigation process.

Possible outcomes

The investigation process will result in either the alleged breach being unsubstantiated or substantiated.

If the alleged breach was unsubstantiated, no disciplinary action will be taken, however depending on the circumstances, it may be appropriate to look at learnings from the situation and consider other action e.g. training, change in process, setting clear expectations, turn-around plan, holistic wellbeing plan etc.

If the alleged breach is substantiated, before deciding on the appropriate disciplinary action, it will be considered whether any mitigating factors are present to ensure the penalty is fair, such as:

- Knowledge (did he/she know rules and requirements?)
- Seriousness (how bad is the problem?)
- Implications (importance of action or inaction on this matter)
- Past practice (history in these cases)
- Consistency (how have others been handled?)
- Employee work history (good or bad?)
- Frequency (how often has he/she infringed?)
- Time span (how long since last incident?)
- Personal circumstances (how would various penalties impact the employee?)

Disciplinary Action

1. Written warning

A written warning may be issued in cases:

- Of persistent poor performance
- Where an instance of misconduct has occurred which is sufficiently serious to warrant disciplinary action

A copy of the written warning will be given to the employee, with a copy placed on his/her personal file. Should no behaviour or performance problem occur within the following 12 months, the written warning will be deemed to have expired.

2. Final written warning

A final written warning will be issued in cases:

- Where persistent poor performance continues following a written warning, or
- Where another instance of misconduct occurs when the employee is already on a written warning
- Where the misconduct is sufficiently serious to warrant going straight to a final written warning

A copy of the final written warning will be given to the employee, with another copy placed on his/her personal file. Should no further behaviour or performance problem occur within the following 12 months, the final written warning will be deemed to have expired.

3. Dismissal

Dismissal will be considered:

- Should written warning(s) have no effect, and the misconduct or substandard work performance continues, after following due process, a decision on whether or not to terminate the employee's employment may have to be made
- If misconduct or continued substandard work performance has occurred, following the issuing of an earlier final written warning, then the action is likely to be termination by notice
- If serious misconduct has occurred the appropriate outcome is dismissal or dismissal without notice

Examples of Misconduct and Serious Misconduct

The following section provides examples of misconduct and serious misconduct, and is split into three categories:

1. Working at NPDC
 - 1.1 Political environment
 - 1.2 Health, Safety and the Environment
 - 1.3 Performance and employment obligations
2. Our People
3. Our Assets

The examples given are not an exhaustive list of what might be considered misconduct or serious misconduct. Therefore, an investigation can consider whether the action, by its nature and in the light of reasonable community standards, can be regarded as misconduct or serious misconduct.

1. Working at NPDC

NPDC is part of the local government sector which has substantial powers and is responsible for spending public money. Therefore, public scrutiny is high, so we need high standards of professional behaviour. We also need to ensure the relationship between employees and elected members is clear and appropriate.

1.1 Political Environment

Examples of misconduct:

- Giving the impression that personal views are Council views
- Making unauthorised statements to the media or public about work related matters
- Give open support to, or criticism of, a political party whilst engaged on Council business
- Private communication with any Councillor about employment or work-related issues
- Using a Councillor or the lobbying of Councillors to influence managers or management decisions
- Public criticism of, or unauthorised comment, regarding a policy or decision that the employee was professionally involved in

Examples of serious misconduct:

- Behaving disrespectfully to NPDC customers and demonstrating behaviours that may negatively affect the reputation of the Council
- Misuse, abuse or improper use of position or any delegated statutory powers or acting in excess of a delegated authority
- Accessing personal or confidential information without authorisation or good cause
- Posting disparaging statements about the Council, its employees, stakeholders on social media or otherwise publishing such statements
- Refusal to follow a lawful and reasonable instruction
- Withholding relevant information from Councillors, or obstructing or delaying a decision, or attempting to undermine or improperly influence Council policy
- Using or disclosing commercially valuable information or knowledge outside of Council, whether or not personal gain is involved
- Stating a personal opinion in a media comment or a comment that negatively compromises the Council
- Any action that brings the Council into disrepute, including private activities
- Any action that jeopardises the Council relationship with Councillors, residents or the public, including private activities

1.2 Health, Safety and the Environment

Examples of misconduct:

- Failure to observe safety rules/procedures or working/acting in an unsafe manner (this includes failing to report an incident or known hazard)

Examples of serious misconduct:

- Action causing injury to any other person(s), including, without limitation, violence/assault and also including threats or intimidation towards any other person(s)

- Taking, selling, transferring or being in possession or under the influence of drugs on Council premises or at work during work hours (for definitions, please see the Drug and Alcohol Policy)
- Consuming or having a level of drug or alcohol in your system which exceeds the risk level in the Drug and Alcohol Policy at work during work hours (other than during authorised social occasions)
- Unsafe behaviour causing risk to yourself or any other person
- Unauthorised carrying or possession of a firearm or weapon on Council premises or during working hours
- Negligence, incompetence or disobedience, which seriously jeopardises safety, property or the good conduct of Council operations

1.3 Performance and Employment Obligations

Examples of misconduct:

- Repeated failure to achieve stated objectives or required work standards
- Deliberate avoidance of duties
- Persistent absenteeism, lateness or poor timekeeping
- Failure to complete stipulated hours of work or leaving the assigned place of work without permission or without good cause
- Non-compliance to perform normal duties or to comply with the employers lawful and reasonable instruction(s) and policies as directed
- Waste of time or material, lack of application to an assigned task, interfering with or preventing another employee from carrying out his/her work
- Unauthorised personal recreational activity on the Council premises or during work hours
- Accepting gifts for services rendered without the prior, express written permission of the relevant leader
- Failure to report privacy breaches or complaints
- Deliberately sharing, or using personal information for another purpose than what it was collected for, without appropriate authority, or any violation of the Privacy Act 1993

Examples of serious misconduct:

- Persistent refusal to perform normal duties or persistent refusal to comply with the lawful and reasonable instruction(s) of the employer
- Unauthorised disclosure of confidential information or allowing or assisting unauthorised access to confidential information (either Council information or personal information), or any other violation of the Local Government Official Information and Meetings Act 1987
- Misrepresenting Council for personal gain or seeking bribes or inducements
- Falsification of Council documents or records, making false claims, declarations or reports
- Failure to declare conflicts of interest or a relevant personal relationship
- Fraud

2. Our People

We continuously strive for a work environment in which our people are treated with respect and dignity, and this is free of harassment, bullying and discrimination.

Examples of misconduct:

- Interfering with, obstructing, or hindering the work performance of another staff member
- Disparaging comments, slurs, jokes
- Irresponsible or unauthorised use of the property of any other person
- Using abusive language or behaving in an offensive discourteous manner towards any other person on the Council premises while engaged on Council business (this includes, without limitation, the circulation of offensive notices, posters, graffiti, email, social media or text messages).

Examples of serious misconduct:

- Discrimination against any person on the grounds of gender, marital status, religion, race, colour, ethnic or national origin, disability, age, political opinion, employment status, family status or sexual orientation
- Harassment or bullying
- Unwelcome sexual advances or remarks
- Violence or threats to other employees, customers, clients or suppliers
- Making malicious or unfounded allegations against other employees, customers or others in the workplace
- Any action that is in contrast to the Treaty of Waitangi principles – ‘partnership, protection and participation’.

3. Our Assets

The council's assets are all the resources we use to deliver the Council's plans and policies. Everyone has a responsibility to protect the Council's assets. It's also important we are financially prudent and careful not to waste ratepayers' money. Assets can include (but are not limited to) physical, information, intellectual and financial assets.

Examples of misconduct:

- Irresponsible or unauthorised use of Council assets
- Using Council resources or equipment for personal benefit
- Breaching copyright
- Sharing your user name and passwords with other people
- Using Council equipment for online gambling or games

Examples of serious misconduct:

- Being in unauthorised possession of, or wilfully damaging Council property
- Being in unauthorised possession of, or wilfully damaging the property of any other person(s)
- Unauthorised copying of Council software for private purposes
- A breach of the Council's policies on email or internet systems, or the introduction of any software data into the Council's computer network without prior permission from the CIO
- Illegal file sharing and downloading using the Council's internet or email systems
- Committing or participating in dishonesty against the Council, including (but not limited to) misappropriation of funds, submission of false expense claims, invoices or alteration or falsification of Council records
- Obtaining personal benefit from using Council resources
- Using Council equipment and systems to view or distribute pornographic, obscene, offensive, defamatory, harassing or discriminatory content
- Assisting any person to gain unauthorised access to Council assets

Relevant Documents

- [Respect in The Workplace Policy http://npdm.co/?1602754](http://npdm.co/?1602754)
- [IS user agreement http://npdm.co/?995494](http://npdm.co/?995494)
- [Problem Resolution Process http://npdm.co/?901936](http://npdm.co/?901936)
- [Drug and Alcohol Policy http://npdm.co/?1331870](http://npdm.co/?1331870)
- [Motor Vehicle Usage Policy http://npdm.co/?1355243](http://npdm.co/?1355243)
- [Leave Policy http://npdm.co?1364132](http://npdm.co?1364132)
- [Fraud or Corruption Policy http://npdm.co/?1328715](http://npdm.co/?1328715)

NEW PLYMOUTH DISTRICT COUNCIL

ALL STAFF

POLICY MANUAL

SUBJECT : Sensitive Expenditure

Date Effective: July 2005

Date Revised: Oct 2018

Approved By: ELT

STATEMENT OF POLICY:

The Council spends public money and all such expenditure must meet standards of probity and financial prudence that will enable the Council to withstand public scrutiny.

For the purposes of this Policy **sensitive expenditure** is defined as that portion of total expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual staff member that is additional to the business benefit to the Council of the expenditure. It also includes expenditure that could be considered unusual for the Council's purpose and/or functions. All amounts stated in this policy are GST inclusive.

The quantity of money spent on an item of sensitive expenditure may be small in the context of the Council's total expenditure. However, each sensitive expenditure decision is important, because improper expenditure could harm the reputation of and trust in the Council as well as the public sector generally. Although such expenditure may be perfectly justified its potential sensitivity means that careful decision-making is needed.

The purpose of this policy is to:

- Set out the principles and decision guidelines for sensitive expenditure
- Set out clearly defined parameters for sensitive expenditure
- Ensure that sensitive expenditure is assessed, authorised and reviewed consistently

The policy has been divided into two parts:

Part 1 outlines the broad principles and controls associated with sensitive expenditure.

Part 2 covers the specific areas where sensitive expenditure may be incurred:

- Council Credit Cards
- Travel and Accommodation
- Entertainment and Hospitality
- Goods and Services
- Staff Support
- Other.

This policy applies to all staff and contractors of the New Plymouth District Council. Elected members are covered under the Policy of Elected Members' Allowances and Recovery of Expenses.

1. Principles and Controls

a. Principles applicable to sensitive expenditure

The standards of prudence and probity apply the following key principles, that expenditure decisions:

- Have a justifiable business purpose.
- Preserve impartiality.
- Are made with integrity.
- Are moderate and conservative, having regard to the circumstances.
- Are made transparently.
- Are appropriate in all respects.

In practice, an authorised staff member will make the decision on and/or payment for each item of sensitive expenditure. They will need to exercise careful judgement in accordance with these principles and this policy. This will always be about balance in the particular context. The principles must also be applied as a set as all are equally important.

b. The amounts may be small but the impact can be significant

In deciding what appropriate sensitive expenditure is, all staff need to take account of both individual transactions and the total amount of sensitive expenditure.

Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, the entity could be criticised for extravagance and waste.

c. Leadership and Self-discipline

To be truly effective, this sensitive expenditure policy, procedures and other controls must be embedded in the Council's values, philosophy, practices and business processes. When this occurs all staff become involved in the proper and prudent management of sensitive expenditure.

Overall responsibility for this policy rests with the Wider Leadership Group. This policy makes it clear to staff what is and is not acceptable sensitive expenditure. All staff must model those behaviours to the highest standard but it is particularly important for those in leadership roles to set the example for this policy.

d. Good controls and judgement

The responsibilities of all staff include being accountable for properly and prudently spending the public money under their control. This includes sensitive expenditure and the internal controls that support this.

While good controls will assist good sensitive expenditure decisions, good judgement will also be required. This is because it is not possible or desirable to attempt to set rules for every possible situation that may arise. In the absence of a specific rule for a given situation staff are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation. If in doubt seek advice from your manager or err on the side of caution.

The Executive Leadership Team (the ELT) and Business Managers are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under

the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

e. General controls for claims for allowable sensitive expenditure

All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month of the expenditure being incurred.

Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to New Plymouth District Council business.

Valid original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.

All claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.

Wherever possible the Council's preferred suppliers are to be used.

f. Approval of sensitive expenditure:

Must only be given where the person approving the expenditure is satisfied that a justified business purpose exists and other principles have been adequately met.

To determine the appropriateness/reasonableness of sensitive expenditure the principles in section 1 of this policy must be applied. In addition the following questions should be considered:

- o Does the expenditure support the Council's Strategic Intent?
- o Could the expenditure be justified to a stakeholder, e.g. the public?
- o Could publicity about the expenditure or occasion adversely affect the Council (would it survive the "front page of the newspaper" test)?

Must be given before the expenditure is incurred, where practical.

Must be made strictly within their delegated authority in accordance with the delegations register and only where budgetary provision exists.

Must be given by a person senior to the person who will benefit or might be perceived to benefit from the expenditure.

In the case of the ELT the 'one-up' principle must be applied to the maximum extent possible. However in the case of the Chief Executive and the Mayor an alternative approach is required because there is a no more senior person. The Chief Executive's expenditure shall be approved by the Mayor. The Policy on Elected Members' Allowances and Recovery of Expenses (DM 1472485) applies to elected members. This policy sets out rules on the claiming of expenses by elected members and the resources that will be available to them during their term of office. It is based on guidance issued by the Remuneration Authority which has legal responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

2. Specific areas of expenditure

a. Credit cards

For the purposes of this policy, credit cards includes purchase cards and equivalent cards used to obtain goods and services before payment is made.

The use of credit cards is not in itself a form of sensitive expenditure. However, credit cards are a common method of payment for such expenditure. The principle and decision guidelines in this policy are applicable to transactions made on all credit cards. The Purchasing Card Policy (DM 1324461) sets out the specific rules of the use of purchase cards, including the monthly audit which will ensure compliance with this policy.

b. Travel and accommodation expenditure

Staff may need to incur travel and accommodation costs while conducting Council business elsewhere in New Zealand or overseas. The principles of a justified business purpose, moderate and conservative expenditure are particularly relevant for travel and accommodation expenditure.

Travel and accommodation expenditure should be economical and efficient, having regard to purpose, distance, time, urgency and personal health, security and safety considerations.

The NPDC Travel Policy applies to all Council staff travelling for council business. This policy sets out rules on requesting, approving and booking travel and travel-related costs and should be referred to by all staff undertaking travel.

c. Entertainment and hospitality expenditure

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol.

Expenditure on entertainment and hospitality is sensitive because of the range of purposes it can serve, the opportunities for private benefit and the wide range of opinions on what is appropriate. While there are genuine business needs that warrant such expenditure to be incurred from time to time, due care and moderation should be exercised and such costs should be minimised as far as possible.

Principles

Five potential business purposes for entertainment and hospitality have been identified:

- Building relationships.
- Representing the organisation.
- Reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality.
- Recognising significant business achievement.
- Building revenue.

Supporting the Council's internal organisational development may in occasional circumstances also be a legitimate business purpose for moderate expenditure.

Given the many non-commercial functions of the Council, there will only be limited justification for expenditure under some of the five purposes of entertainment and hospitality above and staff are expected to be particularly careful about incurring such expenditure unless there are clear and significant business purposes involved.

The principles of a justified business purpose, moderate and conservative expenditure are particularly relevant to the Council. The Council requires tight control of expenditure and transparent reporting.

General

As a general rule, the Council does not provide morning teas or lunches for staff unless for a special occasion or covered by another policy (e.g. Farewells for staff leaving or Recognition of service).

The following types of entertainment/hospitality expenditure must be within approved budgets and receive appropriate one-up approval, ensuring the principles applicable to sensitive expenditure set out in section 1a have been considered:

- staff-only entertainment/hospitality less than \$50.
- staff-only morning teas and lunches, held during normal business hours, which are within the following limits:
 - Morning tea – up to \$8/head plus GST.
 - Lunch – up to \$20/head plus GST.
 - If the total combined value is greater than \$200 plus GST, the expenditure must be approved by a member of ELT.

A pre-approval form is required to be completed for all other entertainment/hospitality expenditure. Any such expenditure must be within approved budgets and authorised in-line with the following limits:

- any entertainment/hospitality expenditure greater than \$200 plus GST must be approved by a member of the ELT; or
- entertainment/hospitality expenditure equal to or less than \$200 plus GST must be approved by a member of the Wider Leadership Group, one level above the person incurring the cost.

Approval must be given by a person senior to the person who will benefit or might be perceived to benefit from the expenditure.

The completed [pre-approval form](#) should be attached to either a purchase order/purchase card/credit card/petty cash/expense claim reimbursement transaction. This documentation must identify the date, venue, costs, recipients and benefits derived and/or reasons for the event.

NPDC Sensitive Expenditure Policy

Approval matrix for easy reference:

	Less than \$50+GST	Equal to and Less than \$200 +GST	Greater than \$200+GST
Staff-only entertainment/hospitality	One-up approval		
Staff-only morning tea held during normal business hours – up to \$8/head +GST		One-up approval	ELT approval
Staff only lunch held during normal business hours – up to \$20/head +GST		One-up approval	ELT approval
All other entertainment/hospitality		Pre-approval form; Wider Leadership Team approval	Pre-approval form; ELT approval

Cafe meetings

In most cases it would be inappropriate for a meeting in a cafe between staff to be funded by the Council. If staff choose to meet in a cafe the expense should be privately funded. Staff must err on the side of conservatism.

Cafe meetings with external guests for business purposes are only to be used in exceptional circumstances where no other option exists and may be paid by the Council, as long as it is approved and within budget. Where ever possible such meetings shall be held within Council facilities.

Christmas/Yearend Functions

The Chief Executive currently provides a Council wide Christmas function. All other team Christmas functions are to be funded by staff members personally unless approved by the Chief Executive.

d. Goods and services expenditure

Disposal of surplus assets

This section covers obtaining, disposing or using goods and services that are not covered by the terms and conditions of employment.

Sale of Surplus Assets – as part of normal business assets will from time to time be disposed of. Typically this is when the assets have become obsolete, worn out or surplus to requirements. It is not considered appropriate for staff to have the opportunity of obtaining such surplus assets. Where it is not cost-effective to tender such surplus assets on the open market, such assets are to be donated to worthy organisations as approved by the relevant member of the ELT.

Loyalty reward scheme benefits

Loyalty reward schemes provide a benefit to the customer for continuing to use a particular supplier of goods or services. Generally, the rewards tend to be given in the name of the individual who obtains the goods or service, regardless of who has paid for them. However in some cases there is also a benefit to whomever paid for those services for example, discounts at the supermarket when using a loyalty card, priority in seat bookings when using Air Points.

Provided the use of suppliers providing loyalty rewards does not result in Council incurring additional costs, loyalty rewards accruing to staff carrying out their official duties may be kept by the staff. Loyalty rewards may be used by individuals as quid pro quo (a favour or advantage granted in return for something i.e. for time of travel outside work hours) and in recognition that membership of loyalty rewards is an individual choice.

Prizes received from a free competition entry obtained while undertaking an entity's business are also considered a loyalty or reward scheme for the purposes of the Council policy. Any prizes won should be logged in the NPDC Gift Register (on the Intranet) and approved by the staff member's immediate manager if the gift is deemed appropriate (see section 2(f) gifts for guidance).

Private use of Council assets

Any physical item owned, leased or borrowed by the Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, means of accessing the internet and stationery.

The principles of transparency, moderate and conservative expenditure, are particularly relevant. Private use for personal purposes will only be permitted in defined limited circumstances.

The costs to the Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

The use of Council assets in any private business that any employee or elected official may operate is strictly prohibited.

Council use of private assets

There may be occasions where reimbursing staff for use of private assets is considered appropriate for reasons such as cost, convenience or availability. This may occur in circumstances where the Council would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

The main issue associated with Council's use of private assets is the risk of the Council paying or reimbursing amounts that inappropriately benefit the staff member. Therefore pre-approval by a member of the ELT is required. In assessing the request the ELT member will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

Private use of Council suppliers

The Council, in limited circumstances, enables staff to obtain goods or services from a supplier on the same or similar basis to the Council, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them. This is treated as the private use of official procurement processes but only on the basis that such accommodation is freely given by the supplier as opposed to negotiated by the Council as part of any procurement process. For further details refer to the [Staff Purchasing and Benefits Policy](#).

e. Staff support and welfare expenditure

Clothing and grooming

Clothing includes outerwear, footwear and other items worn while at work. It also includes uniforms that are worn in the workplace. Uniforms typically identify an employee and include the Council or business unit logo and name. "Grooming" includes dry cleaning of clothing, hairdressing and other personal appearance treatments. The main issue with paying for clothing or grooming is the risk of the resulting benefit to the staff member being disproportionately larger than that received by the Council. The principles of a justified business purpose, moderate and conservative expenditure, are particularly relevant for this expenditure type. Guidelines on the provision of and subsidy on Council branded clothing is contained in the Council's [Code of Dress Policy](#).

Care of dependants

The Chief Executive may authorise in exceptional circumstances the reimbursement of actual and reasonable costs in relation to the care of dependents. Some possible examples are when the staff member is unexpectedly required to perform additional duties at very short notice, or a dependant unexpectedly requires additional care that the staff member cannot provide because of the essential nature of their duties at the time. In all other instances care of dependents is to be treated as a personal and private expense of the staff member. These costs can be claimed using an appropriately approved expense claim reimbursement form and submitting to Payroll.

Financing Social Club Activities

Council may make a prudent and reasonable monetary contribution to the staff social club. The contribution may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event or item.

Farewells and retirements

Expenditure on farewells and retirements includes spending on functions, gifts and other items when staff are leaving or retiring. This type of expenditure should not be extravagant or inappropriate to the occasion. The principle of moderate and conservative expenditure is particularly relevant.

Expenditure on farewells or retirements is to be pre-approved by a member of the ELT. The express approval of the Chief Executive is required to step outside the monetary guidelines.

The detailed policy and monetary limits are included in the Council's [Farewells for Staff Leaving Policy](#).

Contribution to Team sports

The Council is committed to a healthy workplace and a team culture. To encourage these outcomes the Council will support a variety of sports teams. The detailed policy and monetary limits are included in the [Support and Contribution to Team Sports Policy](#).

Giving gifts to staff

A gift is usually given as a token of recognition of something provided by the recipient. Gifts given to staff for long service or on retirement are covered under the [Farewells for Staff Leaving Policy](#).

Flowers up to the value of \$70 (including GST & delivery) may be provided to staff in the case of births or bereavements.

Be aware that gifts may be subject to fringe benefit tax. If you are unsure, contact the Finance and Reporting Lead.

f. Other types of expenditure

Koha

Koha is an unconditional gift and given with the intention of aroha – kindness, goodwill, support and/or appreciation of the occasion.

The Council acknowledges the important practice of koha as a taonga and integral part of tikanga Maori, under the Treaty of Waitangi.

Any koha given on behalf of the Council would be reflective of the occasion and more importantly the prestige of the Council in its relations with Tangata Whenua.

If there is a group or collective of Council representatives, only one koha should be given which represents the entire group or organisation.

The amount of koha should reflect the occasion, the mana and prestige of Council representatives in attendance e.g. if Executive Leaders or Business Managers are attending a hui, then a koha which is befitting their status should be given.

Koha should not be confused with payments for services, i.e. when attending a marae or function the koha or gift is just that and for which no receipt is expected. Separate and in addition to koha there may be catering, accommodation and venue hireage costs, for which a (GST) invoice is required. These costs are to be confirmed and agreed on separately with the hosts prior to the event taking place, unless there is a specific request from the host that only a koha be given.

Generally money in the form of a cheque is provided as koha. Cash can only be given with the express prior approval of the Chief Executive. In some situations it is appropriate for koha to be in the form of gifts and taonga which is appropriate to the giver or the group being represented e.g. books or plants may be presented to Tangata Whenua as koha.

The ELT members have authority to authorise koha financial contributions from their respective budgets. All koha are to be approved in advance. The Manager Iwi

Relationships (or her nominated representative) is responsible for advice and support on the koha policy.

Communications technology

Communications technology – such as cell phones, telephones, email and internet access is widely used in the Council workplace. While some personal use of this technology may be unavoidable, excessive use incurs costs, including lost productivity to the Council.

The policies on general and personal use of communications equipment are contained within Council's Information and Communications Technology User Agreement ([ECM 995494](#)).

As per the agreement occasional and reasonable personal use is permitted provided that it does not interfere with business activity. Any personal use must comply with the ICT Agreement and associated policies. Costs associated with personal use should be reimbursed to the Council. Where it is administratively possible and cost effective the Council will require reimbursement of personal use.

Receiving gifts

As a general rule, third party and corporate gifts are to be discouraged and declined. This includes invitations to events and corporate functions.

The receiving of a gift, particularly an unexpected gift, is not strictly sensitive expenditure however it nevertheless is a sensitive issue. This policy below aims to ensure that Management and staff's impartiality or integrity cannot be called into question as a result of receiving a gift.

Council staff are permitted to accept gifts if they are infrequent and inexpensive and are openly distributed by suppliers and clients (e.g. pens, badges, calendars, lolly jars etc).

- Infrequent is defined as no more than three times in any 12 month period.
- Inexpensive is defined as having a monetary value of less than \$50.

In all instances staff must inform their manager or team leader that they have received a gift for service or appreciation. The gift must be recorded in a corporate gifts register by the manager or team leader concerned, including whether or not it is accepted as appropriate.

The acceptance of any gift with a monetary value exceeding \$50 must have the express approval of a member of the ELT for staff to retain it.

In considering the acceptance of any gift, particular attention should be given to the potential or perceived potential for a conflict of interest or bias to be created in that acceptance e.g. accepting a gift from a potential tenderer for a contract during a tender process. Where there is any doubt as to whether a conflict or potential conflict exists either with individual staff members or the Council generally, affected staff should not accept such gifts.

All invitations to events received from external parties are to be logged on the NPDC Gift Register (located on the intranet) and approved by the staff member's immediate manager.

Other relevant policies

Please refer also to the following policies:

- Study leave and contribution to costs of study.
- Attendance at conferences, seminars and external training courses.
- Farewells for staff leaving NPDC.
- Recognition of service.
- Staff purchasing and benefits.
- NPDC Support and contribution to Team sports.
- Code of Dress.

NEW PLYMOUTH DISTRICT COUNCIL

ALL STAFF

POLICY MANUAL

SUBJECT: Fraud or Corruption
(Unauthorised possession (theft),
fraud and corruption response)

Date Effective : August 2012
Date Revised : November 2020
Approved By : Chief Executive

POLICY PURPOSE

The purpose of this policy is to ensure that any cases of suspected fraud or corruption are dealt with appropriately in order to protect the assets, reputation and staff of New Plymouth District Council (NPDC).

DEFINITIONS

The External Reporting Board auditing standard ISA (NZ) 240 defines fraud as “an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.” Corruption is the lack of integrity or honesty, or use of a position of trust for personal gain or the advantage of others. Examples of fraud or corruption include the following:

- Unauthorised possession or use, or misappropriation of funds or other assets including Council-owned software.
- Impropriety in the handling or reporting of money or financial transactions.
- The destruction, removal or inappropriate use/disclosure of records, data, materials, intellectual property or assets.
- Forgery or unauthorised alteration of any document belonging to NPDC.
- Seeking, accepting or offering bribes or inducements from suppliers/vendors, consultants, contractors that result in the inappropriate exercise of regulatory or other statutory powers.
- Granting or influencing the granting of a contract to a particular third party.
- Knowingly approving for payment false or deliberately misleading invoices.
- Deliberately claiming payment for amounts outside the terms and conditions set out in a contract or purchase order, or for services claimed to be delivered when they have not been.
- Disclosing confidential information to third parties.
- Using an official position to secure unwarranted benefits, privileges or profit.
- Knowingly issuing false or deliberately misleading purchase orders.
- Presenting false credentials or qualifications.
- Knowingly submitting a false timesheet, leave form or reimbursement claim.

These actions are deliberate breaches of NPDC policy and breaches of public trust, rather than errors e.g. an unintentional misstatement of information including the omission of an amount or a disclosure.

POLICY STATEMENTS

1. Unauthorised possession (theft), unauthorised use, misappropriation, fraud, corruption, impropriety and dishonesty are unacceptable at NPDC.
2. NPDC treats this behaviour seriously and will investigate all suspected instances whether these involve NPDC employees or representatives, or external parties.

POLICY SCOPE

This policy applies to any actual, alleged or suspected fraud or corruption involving employees, representatives, vendors, outside agencies doing business with NPDC, and/or any other parties with a business relationship with NPDC.

For the purposes of this policy, a ‘representative’ of NPDC includes:

- Any contractor or consultant who agrees to be covered by this policy under the terms of their engagement agreement.
- Temporary staff supplied through an agency.
- Seconded personnel.
- Volunteers.

All agreements for/with all agency staff, seconded personnel, contractors or consultants should contain an express obligation on them to comply with this policy.

This policy does not apply to:

1. Minor fraud perpetrated by the public against NPDC. For example, providing wrong information on a licence application.
2. Councillors, who are subject to provisions with the Local Authorities (Members’ Interests) Act 1968, the Local Government Act 2002 and NPDC Code of Conduct for Elected Representatives.

POLICY PRINCIPLES

Employees and representatives of NPDC must have, and be seen to have, the highest standards of honesty, propriety and integrity in discharging their obligations to the community.

NPDC will treat all suspected instances of fraud or corruption by NPDC employees, representatives or external parties very seriously, and will take action including:

1. Investigating all suspected instances of fraud or corruption by NPDC employees, representatives or external parties. Any proven allegations of fraud or corruption will be treated as serious misconduct and/or a serious breach (as applicable), and may result in summary dismissal of an employee, or the immediate termination of a representative’s or external agency’s contract with NPDC.
2. Seeking the recovery of funds/assets lost through this behaviour wherever possible and practicable.

3. Where the behaviour could amount to an illegal activity, referring that behaviour to the Police during the investigation process and/or any subsequent disciplinary process, unless there are exceptional circumstances.
4. Developing and maintaining processes and procedures to prevent and detect fraud and corruption. This includes internal audit and review, access to an independent ‘whistleblowing’ service, and periodic training to increase staff awareness of what fraud and corruption looks like and Council’s processes for dealing with it.

The procedure for staff who suspect fraud or corruption has occurred is detailed below.

PROCEDURE FOR DEALING WITH FRAUD OR CORRUPTION BY AN EMPLOYEE

1. Any employee who suspects a fraud or corruption has been committed should report the incident to their immediate Manager, Lead, or Co-ordinator, or directly to the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability.
2. The Manager, Lead, or Co-ordinator must report the incident to the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability.
3. The Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability will then request a written summary of the event, detailing the nature of the suspected fraud or corruption, the person(s) involved and the amount of money, property or service fraudulently misused, and will report this to the Chief Executive.
4. The Chief Executive will decide within 48 hours of receiving the written summary whether to further investigate and how any investigation will be undertaken. This may include seeking independent expert advice.
5. If the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability is involved in suspected fraud or corruption, the Manager, Lead, or Co-ordinator will report this directly to the Chief Executive. If the Chief Executive is involved in suspected fraud or corruption, the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability will report directly to the Mayor, Deputy Mayor, the Chair of the Finance, Audit and Risk Committee, and the Council’s external auditor, who will provide direction to the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability in completing steps 6 to 9.
6. If the investigation substantiates the allegation of fraud or corruption, the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability will advise on the appropriate disciplinary action up to and including dismissal, and the procedure to be followed. The person(s) involved may be stood down from employment with pay while the matter is investigated.
7. If, after the investigation, there are reasonable grounds for suspecting that fraud or corruption has occurred, the Chief Executive will, unless there are exceptional circumstances, contact the Police and be involved in any investigation they undertake.

When necessary, appropriate action will be taken to secure and limit access to records by the person suspected of fraud or corruption.

8. The Chief Executive will disclose any actual or suspected fraud or corruption to the Mayor, Deputy Mayor, Chair of the Finance, Audit and Risk Committee, and the Council's external auditor.
9. Should the media ask for comment about the disclosure, no comment will be made until a full investigation has taken place. Once the investigation is complete any comments or reports to the media may only be provided by an authorised spokesperson after consultation with the Chief Executive.
10. At the conclusion of the investigation the events will be documented in a confidential report which will be provided to the Council and external auditor. If the investigation substantiates the claims disciplinary action will be taken. Recommendations may also be made to enhance internal control.

PROCEDURE FOR DEALING WITH FRAUD OR CORRUPTION BY A REPRESENTATIVE OF NPDC

1. Any employee who suspects fraud or corruption has been committed should report the incident to their immediate Manager, Lead, or Co-ordinator, or to the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability..
2. The Manager, Lead, or Co-ordinator must report the incident to the Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability..
3. The Group Manager Corporate Services (Chief Financial Officer) or Group Manager People and Capability will request a written summary of the event, detailing the nature of the suspected fraud or corruption, the person(s) involved and the amount of money, property or service fraudulently used, and will report this to the Chief Executive.
4. The Chief Executive will decide within 48 hours of receiving the written summary whether to further investigate and how any investigation will be undertaken. This may include seeking independent expert advice.
5. If there are reasonable grounds for suspecting that fraud or corruption has occurred, the Chief Executive will, unless there are exceptional circumstances, contact the Police and be involved in any investigation they undertake. When necessary, appropriate action will be taken to secure and limit access to records by the person suspected of fraud or corruption. The representative's arrangements with NPDC will be suspended.
6. The Chief Executive will disclose any actual or suspected fraud or corruption to the Mayor, Deputy Mayor, Chair of the Finance, Audit and Risk Committee, and the Council's external auditor.
7. Should the media ask for comment about the disclosure, no comment will be made until a full investigation has taken place. Once the investigation is complete any comments or reports to the media may only be provided by an authorised spokesperson after consultation with the Chief Executive.
8. At the conclusion of the investigation the events will be documented in a confidential report which will be provided to the Council and external auditor. If the investigation

substantiates the claims the representative's arrangements with NPDC will be terminated. Recommendations may also be made to enhance internal control procedures.

POLICY CONTACT

The policy holder is the Financial Services Team within the Corporate Services Group.

POLICY REVIEW

This policy shall be reviewed three-yearly from the date the policy is adopted or otherwise as needed in response to legislative or other environmental changes.

Other related documents:

[Protected Disclosures Policy](#)

[Local Government Act 2002](#)

[Local Authorities \(Members' Interests\) Act 1968](#)

[Delegations Register](#)

[Sensitive Expenditure Policy](#)

[Code of Conduct for Employees](#)

[Problem Resolution Process Guidelines](#)

NEW PLYMOUTH DISTRICT COUNCIL

ALL STAFF

POLICY MANUAL

SUBJECT : Protected Disclosures **Date Effective:** January 2001
Date Revised: July 2022
Approved By: Chief Executive

STATEMENT OF POLICY:

This Policy sets out New Plymouth District Council's internal procedures about protected disclosures. This Policy satisfies the requirements of the Protected Disclosures (Protection of Whistleblowers) Act 2022 (the Act).

The purpose of the Act is to promote the public interest by:

- a) facilitating the disclosure and timely investigation of matters of serious wrongdoing in or by an organisation, and
- b) protecting people who disclose in accordance with the Act.

A discloser is entitled to protection for a protected disclosure that is made to New Plymouth District Council in accordance with this Policy or to an Appropriate Authority.

APPLICATION:

This Policy applies to a discloser who makes a protected disclosure about serious wrongdoing in or by New Plymouth District Council.

This Policy also applies to an individual who discloses information in support of, or relating to, a protected disclosure in accordance with the Act.

DEFINITIONS:

Appropriate Authority means a person who can receive a protected disclosure under the Act. Examples of appropriate authorities are set out in Schedule 2 of the Act and include:

- a) the Ombudsman;
- b) the Commissioner of Police;
- c) the Controller and Auditor-General;
- d) the Director of the Serious Fraud Office;
- e) the State Services Commissioner;
- f) the head of any public sector organisation; and
- g) WorkSafe.

Discloser means an individual who is (or was):

- a) an employee of New Plymouth District Council;
- b) seconded to New Plymouth District Council;
- c) engaged or contracted under a contract for services to do work for New Plymouth District Council;
- d) concerned in the management of New Plymouth District Council; or
- e) a volunteer working for New Plymouth District Council without reward or expectation of reward for that work.

Protected Disclosure means a disclosure of information where the discloser:

- a) believes on reasonable grounds that there is, or has been, serious wrongdoing in or by New Plymouth District Council;
- b) discloses information about that in accordance with the Act; and
- c) does not disclose it in bad faith.

Receiver means a person who receives a protected disclosure.

Serious Wrongdoing includes any act, omission, or course of conduct, in or by New Plymouth District Council, that is:

- a) an offence;
- b) an unlawful, corrupt or irregular use of public funds or public resources;
- c) a serious risk to public health, public safety, the health and safety of any individual (which could include sexual harassment or bullying), or the environment;
- d) a serious risk to the maintenance of law, including the prevention, investigation and detection of offences, or the right to a fair trial; or
- e) oppressive, unlawfully discriminatory, or grossly negligent, or that constitutes gross mismanagement, done by:
 - i) an employee of New Plymouth District Council; or
 - ii) a person performing a function or duty or exercising a power on behalf of New Plymouth District Council.

PROCEDURE:

Making a disclosure within NPDC

To make a protected disclosure to New Plymouth District Council the discloser must:

- a) notify the relevant Group Manager or the Manager Human Resources in the first instance; or
- b) notify the Chief Executive.

Making a disclosure to an appropriate authority

A discloser may make a protected disclosure to an appropriate authority at any time.

Making a disclosure to the Mayor

A discloser may make a protected disclosure to the Mayor, if the discloser believes on reasonable grounds that:

- a) the Chief Executive is or may be involved in the serious wrongdoing; or
- b) immediate reference to the Mayor is justified by the urgency of the matter or some other exceptional circumstance; or
- c) the discloser has already made a protected disclosure but the receiver did not acknowledge or consider the disclosure within 20 working days of receiving it; or
- d) the discloser has already made a protected disclosure but the receiver did not comply with this Policy or did not deal with the matter so as to address the serious wrongdoing.

Assistance

An individual who is considering making a protected disclosure may seek practical assistance or advice from the Manager Human Resources or the Ombudsman.

What the receiver should do

Within 20 working days of receiving a protected disclosure, the receiver:

- a) must acknowledge receipt of the disclosure;
- b) must consider the disclosure and whether it warrants investigation;
- c) must check with the discloser about whether the disclosure has been made elsewhere; and
- d) should deal with the disclosure by doing one or more of the following:
 - i) investigating the disclosure;
 - ii) addressing any serious wrongdoing by acting or recommending action;
 - iii) referring the disclosure another appropriate authority; or
 - iv) deciding that no action is required; and
- e) upon dealing with the disclosure, must inform the discloser (with reasons) about what the receiver has done or is doing to deal with the matter

If it is impractical to deal with the disclosure within 20 working days, the receiver should:

- f) inform the discloser how long the receiver expects to take to deal with the matter;
- g) appropriately update the discloser about progress;
- h) deal with the matter as set out in paragraph (d) above.

Investigating a protected disclosure

The receiver must use their best endeavours to keep confidential, information that might identify the discloser in accordance with the confidentiality provisions in the Act.

The receiver will take all relevant details of the disclosure including relevant names, times and dates and record the disclosure and the date notification was received.

Any employee(s) implicated by the disclosed information will be given with the details of the disclosure and be given the opportunity to reply to these details. If after further investigation of the disclosure disciplinary action is considered appropriate, this will be undertaken in accordance with the Council's procedures.

New Plymouth District Council cannot give the discloser information about any disciplinary action that is taken against an employee as a result of their protected disclosure.

Referring a protected disclosure

A receiver of a protected disclosure may refer that disclosure to an appropriate authority. Before referring a protected disclosure to an appropriate authority, the receiver must consult with discloser and the intended recipient of the referral. The appropriate authority to whom the protected disclosure is referred then becomes the receiver of the protected disclosure. To avoid doubt, a protected disclosure may be referred more than once.

Deciding that no action is required

A receiver of a protected disclosure may decide that no action is required in respect of that disclosure. Appropriate reasons for deciding that no action is required include that:

- a) the person who made the disclosure:
 - i) is not a discloser as that term is defined in this Policy and the Act; or
 - ii) did not believe on reasonable grounds that there is, or has been, serious wrongdoing within New Plymouth District Council; or
 - iii) disclosed it in bad faith;
- b) the disclosure does not relate to serious wrongdoing;
- c) the length of time between the disclosure and the alleged serious wrongdoing makes an investigation impracticable or undesirable; or
- d) the matter is better addressed by other means.

EXCEPTIONS:

Nothing in the Act or this Policy authorises a person to disclose information that is protected by legal professional privilege. A disclosure of such information is not a protected disclosure.

Disclosures to the media are not protected under the Act or this Policy.

PROTECTIONS:

Confidentiality

The receiver must use their best endeavours to keep confidential any information that might identify the discloser.

The exceptions to this obligation are if:

- a) the discloser consents to the release of the identifying information; or
- b) there are reasonable grounds to believe that the release of the identifying information is essential:
 - i) for the effective investigation of the disclosure; or
 - ii) to prevent a serious risk to public health, public safety, the health and safety of any individual, or the environment; or
 - iii) to comply with the principles of natural justice; or
 - iv) to an investigation by a law enforcement or regulatory agency for the purpose of law enforcement.

Before releasing identifying information for a reason described in paragraph (b)(i) or (b)(iii) above, the receiver must consult the discloser about the release.

Before releasing identifying information for a reason described in paragraph (b)(ii) or (b)(iv) above, the receiver must, if practicable, consult the discloser about the release.

After releasing identifying information for a reason described in paragraph (b) above, the receiver must inform the discloser.

Any release of information that might identify the disclosure that does not comply with the requirements above is an interference with the privacy of an individual under the Privacy Act 2020.

New Plymouth District Council must refuse a request for information under the Official Information Act 1982 or the Local Government Official Information and Meetings Act 1987 as contractor to the Act if the information might identify the discloser of a protected disclosure.

Any person may seek information and guidance from an Ombudsman about the duty of confidentiality under the Act.

No retaliation

An employer must not retaliate or threaten to retaliate against an employee because the employee intends to make or has made a protected disclosure.

Retaliation includes:

- a) dismissing the employee
- b) refusing or omitting the same terms of employment, conditions of work, or opportunities for training, promotion,

and transfer, as are made available to other employees of the same or substantially similar qualification, experience or skills employed in the same or substantially similar circumstances;

- c) subjecting the employee to any detriment or disadvantage in circumstances where employees employed by the employer in work of that description are not or would not be subject to such detriment or disadvantage; or
- d) retiring the employee, or requiring or causing the employee to retire or resign.

If an employer retaliates or threatens to retaliate against an employee because the employee intends to make or has made a protected disclosure, the employee has a personal grievance under the Employment Relations Act 2000.

No victimisation

A person (and that person's relatives) cannot be treated less favourably or threatened with less favourable treatment than others in the same or similar circumstances because the person:
has made or intends to make a protected disclosure; or
has encouraged another person to make a protected disclosure, or
has given information in support of, or relating to, a protected disclosure.

A person who is victimised in this way may have legal remedies under the Human Rights Act.

Immunity from civil, criminal, and disciplinary proceedings

No civil, criminal, or disciplinary proceedings can be taken against you for making a protected disclosure or for referring one to an appropriate authority.

To avoid doubt

A discloser is entitled to the protection even if:

- a) they are mistaken and there is no serious wrongdoing
- b) they do not refer to the Act or this Policy when making the disclosure
- c) they technically fail to comply with this Policy or the relevant provisions of the Act (as long as they have substantially complied)
- d) they also made the disclosure to another person, as long as they did so on a confidential basis for the purpose of seeking advice about whether or how to make a protected disclosure under the Act.

To access the Protected Disclosures (Protection of Whistleblowers) Act 2022 [click here](#)

NEW PLYMOUTH DISTRICT COUNCIL

ALL STAFF

POLICY MANUAL

SUBJECT: Respect in the Workplace Policy **Date Effective :** January 2007
Date Revised : August 2020
Approved By : Chief Executive

STATEMENT OF POLICY

New Plymouth District Council (NPDC) recognises the right of all employees, contractors and service providers to enjoy a workplace that is free from bullying, harassment and discrimination. Bullying, harassment and discrimination are recognised workplace hazards that can seriously affect a person's physical and mental wellbeing. Such behaviour is unacceptable and will not be tolerated by NPDC.

NPDC's value of Mana Tangata – respecting each other, is one of the key foundations of expected behaviour by NPDC employees. The expectation is that we trust and are honest with each other and act with integrity. This behaviour supports employees raising matter where they don't feel respected.

DEFINITIONS

Bullying

Bullying means repeated and unreasonable behaviour directed towards a person or group of people that creates a risk to health and safety. Repeated behaviour is persistent and can involve a range of actions over time. Unreasonable behaviour means actions that a reasonable person in the same circumstances would see as unreasonable.

Bullying can comprise behaviours such as withholding resources needed for work, unreasonable demands, unreasonable criticism, social exclusion or ignoring, insults and put downs, shouting and verbal aggression and spreading rumours.

Bullying does not include reasonable and constructive criticism, firm management, or justified performance management or disciplinary processes.

A single incident of unreasonable behaviour is not bullying, but depending on the seriousness of the incident may still constitute misconduct or serious misconduct.

Harassment

Harassment includes unjustified behaviour which another person finds unwelcome or offensive and is either repeated, or of such a significant nature, that it has a negative effect on their employment, job performance or job satisfaction.

A person is **sexually harassed** if another person:

- directly or indirectly asks for sex, sexual contact or other sexual activity and the request contains an implied or overt promise of preferential treatment or threat of detrimental treatment, or
- by words of a sexual nature, visual materials of a sexual nature, or physical behaviour of a sexual nature, subjects them to behaviour that is:
 - unwelcome or offensive to that person (whether or not they convey this); and
 - is either repeated, or of such a significant nature, that it has a negative effect on their employment, job performance or job satisfaction.

A person is **racially harassed** if another person:

- expresses hostility against them, or ridicules them, because of their colour, race, or ethnic or national origin, and
- this is hurtful or offensive to that person (whether or not they convey this), and
- this is either repeated, or of such a significant nature, that it has a negative effect on their employment, job performance or job satisfaction.

Discrimination

When someone is treated either favourably or unfavourably, compared to others in the same situation, because of their sex, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status, or sexual orientation.

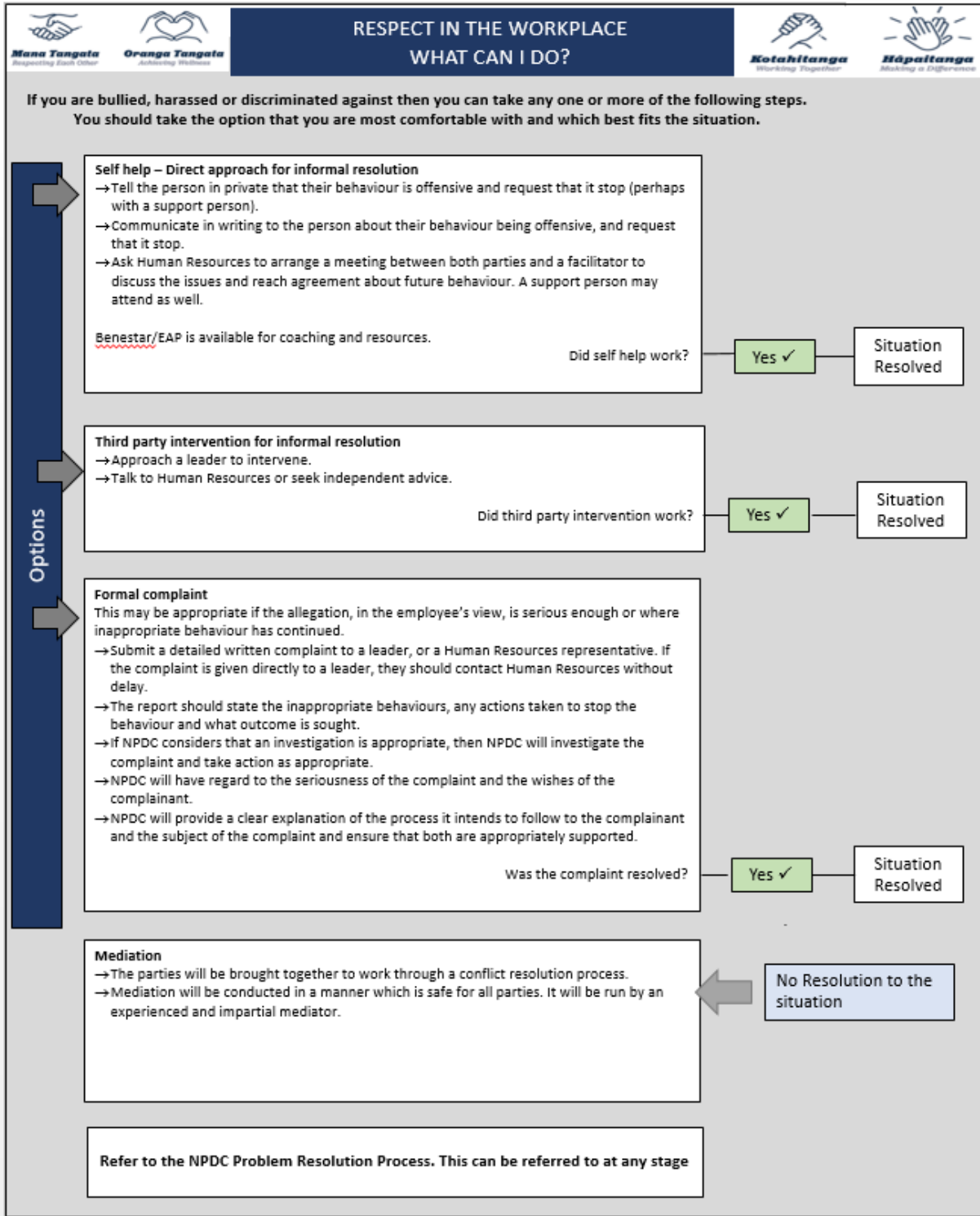
PROCEDURE

A person who feels they have been bullied, harassed or discriminated against (the “**complainant**”) can take one or more of the following steps (refer page 3). The complainant should take the option which they are most comfortable with and which best fits the situation.

In all cases it is preferable that an incident be raised as soon as possible, as recollection is clearer, witnesses are more likely to be available, and further occurrences need to be prevented.

To avoid doubt, these steps can be applied to situations where:

- an employee experiences bullying, harassment or discrimination from another employee;
- an employee experiences bullying, harassment or discrimination from an external party (such as a customer, client, Elected Member, contractor, service provider or supplier); or
- an external party complains to NPDC about bullying, harassment or discrimination from an employee.



1. Self Help - Direct Approach

If the complainant feels able to deal with the problem themselves (with appropriate support) they can deal with it informally. Informal resolution allows the complainant to control the process, keeps the problem at a low level and gives the person the complaint is about an opportunity to correct their behaviour.

This looks like:

- telling the person that their behaviour is offensive and asking them to stop (perhaps with a support person); or
- writing to the person about their behaviour and asking them to stop; or
- asking a Human Resources Business Partner to arrange a meeting between both parties and a facilitator to discuss the issues and reach agreement about future behaviour.

2. Third party intervention

If the complainant wishes, the complaint could be informally raised with the person the complaint is about by a manager or a Human Resources Business Partner (with or without the complainant present). This is an informal option which does not impose a disciplinary outcome.

3. Formal complaint

If the complainant wishes to have their complaint investigated formally (or if an informal resolution is inappropriate given the seriousness of the complaint) then they need to:

- approach their manager or a Human Resources Business Partner about making a formal complaint; and
- provide a detailed written complaint describing the behaviour (who, when, where, what) and how they would like the situation to be resolved.

NPDC will ensure that all complaints are taken seriously and, if NPDC considers appropriate, promptly and fairly investigated.

An investigation must be conducted in a manner that is procedurally fair and consistent with natural justice. NPDC will determine the process that will be followed having regard to the seriousness and complexity of the complaint, and the wishes of the complainant.

NPDC will provide a clear explanation of the process that it intends to follow to the complainant and the subject of the complaint, and ensure that both are appropriately supported.

4. Complaint to outside agencies

Depending on the seriousness of the complaint the complainant may first seek help from an outside organisation (for example the Police for physical assaults and criminal harassment).

To avoid doubt, any person may activate NPDC's Problem Resolution Process at any time.

Fairness

Fairness requires that:

- The process must be free from bias or pre-determination
- The process must ensure that the subject of the complaint is fully informed about the complaint and provided with all relevant information that is gathered (this will normally include the names of the person making the complaint, and any witnesses that have been spoken to, unless NPDC has good reason to withhold the names of the complainant and witnesses spoken to), before a response to the allegation is sought;
- Any person involved in an investigation has a right to seek independent advice and have a support person or representative attend any meetings about the investigation; and
- The subject of the complaint must be given an opportunity to respond to the complaint before a decision about whether the complaint is established is made.

Privacy

A complainant is entitled to know whether their complaint has been established or not. However, a complainant is not entitled to know whether any disciplinary action was taken, or the outcome of any disciplinary process, in relation to the complaint subject person.

Responsibilities of managers and team leaders

All managers or team leaders are required to maintain a safe and respectful environment, free from harassment, bullying, and discrimination. They must ensure that employees for whom they are responsible understand what is expected of them in terms of workplace behaviour and that those employees are familiar with this policy.

SERIOUS MISCONDUCT

Bullying, harassment, and discrimination each constitute serious misconduct which, if established, may result in disciplinary action up to and including dismissal without notice in accordance with NPDC's Code of Conduct.

Victimisation

Victimisation means treating a person less favourably than they would otherwise be treated because they have made a bullying, harassment or discrimination complaint, assisted another person to make a complaint, or given information in relation to a complaint.

Victimisation constitutes serious misconduct which, if established, may result in disciplinary action up to and including dismissal without notice in accordance with NPDC's Code of Conduct

False or Malicious Allegations

Making a false or malicious complaint against another person is serious misconduct which, if established, may result in disciplinary action up to and including dismissal without notice.

Relevant Legislation

Employment Relations Act 2000
Health and Safety at Work Act 2015
Human Rights Act 1993
Harassment Act 1997
Harmful Digital Communications Act 2015
Privacy Act 1993

Other Related Policies

Code of Conduct
Problem Resolution Process



Te Kaunihera-ā-Rohe o Ngāmotu

New Plymouth District Council



FOR NPDC INTERNAL USE ONLY

Conflict of interest, confidentiality agreement and management plan

Conflict of interest and confidentiality agreement

Who and when

Anyone involved in a procurement activity must complete this agreement before developing tender documents, joining an evaluation panel or making a decision.

Before you complete this form, refer to the Procurement Manual under 'Stage 1 - Initiate the Project - (2.1.5 Establish a Project Team)'

Name	
Position	
Department	
Project name	
Contract number	
Role in the procurement activity	

"In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully." Controller & Auditor-General

Actual, potential or perceived conflict of interest

Do you have any personal interest in the purchasing decision?
(e.g. you own shares in a supplier or related company)

Yes No Potentially
(tick 'potentially' if others could perceive you have a conflict)

Are you a relative or close friend of someone with a personal interest in the goods or services being purchased or who could be personally affected by the purchasing decision?
(e.g. a family member is an employee or shareholder of a supplier)

Yes No Potentially
(tick 'potentially' if others could perceive you have a conflict)

Do you have any personal obligations, loyalties or bias that could influence the way you evaluate offers and recommend purchases?
(e.g. a close friendship with an employee of a supplier)

Yes No Potentially
(tick 'potentially' if others could perceive you have a conflict)

Have you recently been offered any special discounts, gifts, trips, hospitality, rewards or favours by suppliers of the goods or services being purchased?
(e.g. free travel, free samples for your own use)

Yes No Potentially
(tick 'potentially' if others could perceive you have a conflict)

Are you aware of anything that could give the appearance that you might be biased towards or against a particular supplier?
(e.g. you have expressed strong views about a supplier; you worked for a supplier; you use a supplier's corporate box at a sports event)

Yes No Potentially
(tick 'potentially' if others could perceive you have a conflict)

Please turn over

Liardet Street, Private Bag 2025, New Plymouth 4340, New Zealand. Telephone 06-759 6060, Fax 06-759 6072, Email enquiries@npdc.govt.nz, Website www.npdc.govt.nz

Confidentiality responsibilities

All of the procurement project's discussions, meetings and material (written and electronic) are confidential and I agree to keep this information safe. I will not give this information to anyone outside the immediate tender team without prior approval from the Project Manager.

Restrictions on contact with suppliers

I agree that my contact with potential suppliers is restricted during the period of the tender. I understand that until the successful supplier has been announced I will not:

- pass information or make comments to them about the tender
- receive any gift, gratuity, hospitality or any inducement from them
- meet them or have any discussion about the tender.

I will pass any requests for information and meetings from potential suppliers to the Project Manager.

Conflict of interest

Actual conflict of interest is where you already have a conflict.

Potential conflict of interest is where the conflict is about to happen or could happen.

Perceived conflict of interest is where other people might reasonably think you are not being objective.

If you have answered 'Yes' or 'Potentially' to any of the above questions, please provide details here. Otherwise sign the declaration below.

Declaration and Review

I confirm that the above details are correct to the best of my knowledge and I make this declaration in good faith.

Signature: _____ Date: _____

Conflict of interest management plan

Who and when

The Project Manager must complete this Plan when you declare a conflict of interest. Decide how to manage the conflict and give details below.

Contract Name/Number:

How the conflict of interest will be managed

There are five options for managing or resolving your conflict of interest:

Restrict your involvement in the process.

Recruit an independent third party to oversee part or all of the process

Remove yourself from the process

Relinquish your private interest that causes the conflict

Resign from the agency

The following plan has been agreed to manage your declared conflict of interest. This takes into account the conflict's likely effect on your role and responsibilities in the procurement activity, as well as the risks to the process and the agency's reputation.

Approval - I approve the above Conflict of Interest Management Plan

Signature: _____ Date: _____
Independent One-Level Up

Declaration - I agree to the above Conflict of Interest Management Plan

Signature: _____ Date: _____
Person making the declaration

Resolved - the conflict of interest has now been resolved and no further action is required

Signature: _____ Date: _____
Independent One-Level Up

Approved by Procurement

Name _____

Signature _____ Date _____

Conflict of Interest Questionnaire

1. WHY WE NEED THIS QUESTIONNAIRE

While related party relationships are a normal feature of commerce and business, we are required to gather information to meet the International Public Sector Accounting Standards (IPSAS) - PBE IPSAS 20 Related Party Disclosures.

There are two sets of information which IPSAS requires to be included in Council's Annual Report:

- 1.1 **Total compensation paid (salaries)** - this is prepared by the Financial Accountant.
- 1.2 **Other transactions between you* and Council** –The transaction (other than rates) and the relationship involved must be disclosed by you in this form. The transactions are further verified by the Finance Team as part of the Annual Report preparation.

(**) you mean any people/entities over which you have influence. The definition is explained in the table below.*

We are only required to report on non-arms lengths transactions. However, all transactions must be listed in this form to support the general disclosure. The disclosure will read:

"No disclosures have been made for related party transactions that are within the normal terms and conditions applied by Council to any supplier or client/recipient relationship. i.e. no more or less favourable than those that is it reasonable to expect the Council and Group would have applied in dealing with the party at arms-length in the same circumstances."

2. WHAT YOU NEED TO DO

- 2.1 In the **Questionnaire table** you need to **list the people/entities over which you have influence**. You also need to define the specific relationship between you, the members listed in A and the entities listed in B.

This means applying the specific definitions as set out under IPSAS as follows:

List A - You and your close family members.	Close family members include: <ul style="list-style-type: none">• your spouse, domestic partner or children;• children of your spouse or domestic partner;• other dependants of you and/or your spouse or domestic partner;• any other family members, e.g. parents, who may be expected to:<ul style="list-style-type: none">○ influence you in your dealings with Council; or○ be influenced by you in their dealings with Council.
List B - Any entity which any person in List A directly or indirectly controls or jointly controls .	<ul style="list-style-type: none">• Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.• Joint control is the contractually agreed sharing of control over any economic activity.

You may **exclude** from the list any people or entities who you know have had no transactions with Council since **1 July 2021** or whose only transactions have been minor transactions at a pre-set price (such as payment of rates, purchase of rubbish bags, etc).

Please **do not exclude** anyone employed by Council or one of our Subsidiaries.

NPDC subsidiaries

- New Plymouth PIF Guardians Limited
- Venture Taranaki Trust
- Tasmanian Land Company Limited (and subsidiaries)
- McKay Joint Venture
- Duthie Joint Venture
- Papa Rererangi i Puketapu Ltd

If you are unsure put the person or entity on the list and we will check for transactions.

- 2.2 **Sign, date and return** the form to Loren.Moore@npdc.govt.nz - even if the list is blank – **by Friday 29th July 2022.**

If you have any questions please contact Loren Moore or Helen Barnes.

Thank you for your co-operation.

CONFLICT OF INTEREST QUESTIONNAIRE

List A – you and your close family members	List B - any entity which the person in List A directly or indirectly controls or jointly controls	Relationship between you, the members listed in A and the entities listed in B.

Any comments you want to make:

I affirm that, to the best of my knowledge, the information provided is true and complete.

If I have left the above list blank I affirm that to the best of my knowledge none of my close family members nor any entities directly or indirectly controlled or jointly controlled by myself or any of my close family members has transacted with NPDC **since 1 July 2021**, other than for minor transactions at a pre-set price.

Date:	Name:
-------	-------

	Signature:
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PROCUREMENT MANUAL

Version 1.4

Location of Controlled Copies:	Electronic version is the only Controlled copy (DM1443475)
Document Reviewer:	Richard Gater
Approved By:	Executive Leadership Team

Disclaimer

This Manual is intended to provide the policies, processes and guidance to assist New Plymouth District Council employees in conducting procurement activities in accordance with good practice.

All reasonable measures have been taken to ensure the quality and accuracy of the information contained in the Procurement Manual. However, content may be from time to time, deleted, added to or amended in order to better achieve the goals of the organisation.

For the avoidance of doubt, the most recent release of this Manual will be located on the New Plymouth District Council Intranet.

While all care has been taken to provide accurate and reliable information, this Procurement Manual is not a substitute for legal or other professional advice relating to specific situations. Where there is a specific query concerning any of the content of this manual as it relates to a specific procurement or legal issue, advice must be sought from the Business Services Lead in the first instance.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 2 of 43
-------------------------	--	---------	------------------------------------

Table of Contents

PROCUREMENT MANUAL	1
VERSION 1.4	1
DISCLAIMER	2
1.0 INTRODUCTION	5
1.0.1 Purpose	5
1.0.2 Supporting Documents	5
1.0.3 Scope & Compliance	6
1.0.4 Emergency Procurement	6
1.0.5 Relative Legislation & Other Documents	7
1.0.6 Probity	7
2.0 THE PROCUREMENT LIFECYCLE	8
2.0.1 Procurement Methodology	8
2.1 Stage 1 – Initiate the Project (Plan)	9
2.1.1 Justification for Renew, Extension or Variation of Contract	9
2.1.2 Under \$1000.00 or Purchase Card	9
2.1.3 Consolidating or Existing Contracts	10
2.1.4 Council Vision	10
2.1.5 Stakeholder Engagement	10
2.1.6 Establishing a Project Team	10
2.1.7 Project Budget	11
2.1.8 Probity	11
2.1.9 Procurement Plans & Business Case	11
2.2 Stage 2 – Identify Needs & Analyse the Market (Plan)	12
2.2.1 Statement of Needs	12
2.2.2 Internal Market Analysis	13
2.2.3 External Market Analysis	13
2.2.4 Supplier Chain Dynamics	15
2.2.5 Risk Assessments - PESTEL	15
2.2.6 SWOT Assessment	16
2.3 Stage 3 – Specify Requirements (Plan)	17
2.3.1 Specifications	17
2.3.2 Contract Deliverables	18
2.3.3 Sustainability	19
2.4 Stage 4 – Plan Approach to Market and Evaluation (Plan)	19
2.4.1 The Approach to Market Processes	19
2.4.2 Process Levels	20
2.4.3 Justification for Renewal, Extension or Variation of Contract	20
2.4.4 \$0 - \$1000.00	20
2.4.5 \$1000.00 - \$75,000.00	20
2.4.6 Over \$75,000.00	22
2.4.7 RFT – Request for Tender (full procurement plan)	23
2.4.8 RFP – Request for Proposal (full procurement plan)	23
2.4.9 ROI, RFT & RFP Eliminators	23
2.4.10 ROI, RFT & RFP Differentiators	24
2.4.11 RFP/RFT Evaluation Methodology	25
2.5 Evaluations	26

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 3 of 43
-------------------------	---	---------	------------------------------------

2.5.1	Lowest Price Conforming (always an RFT document)	26
2.5.2	Weighted Attributes (RFT or RFP)	26
2.5.3	Price Quality Method (RFP or RFT)	27
2.5.4	Target Price (Purchaser Nominated Price) (RFP)	27
2.5.5	Qualification Based Selection (Brook’s Law)	28
2.6	Stage 5 - Approach to Market & Selecting the Supplier (Source)	28
2.6.1	Supplier Selection	28
2.6.2	Supplier Questions	29
2.6.3	Notice to Tenderers (NTT)	29
2.6.4	Site Visits, Clarification Meetings and Briefings	29
2.6.5	Receipt of Late Tenders	30
2.6.6	Opening of Tenders	30
2.6.7	Evaluate Offers	30
2.6.8	Presentations by Shortlisted Tenderers	30
2.6.9	Due Diligence	30
2.6.10	Tender Evaluation Records	31
2.7	Stage 6 - Negotiate and Award Contract (Source)	31
2.7.1	Post-Evaluation Negotiation	31
2.7.2	Probity - Contact with Potential Suppliers	32
2.7.3	Appoint a Contract Manager	32
2.7.4	Appoint a Negotiation Team	32
2.7.5	Negotiation Plan	32
2.7.6	Negotiation	32
2.7.7	Completion of Negotiations	33
2.7.8	Approved Legal Services	33
2.7.9	Approving the Award of Contract	33
2.7.10	Signing the Contract	33
2.7.11	Debriefing Unsuccessful Participants	34
2.8	Stage 7 – Manage Contracts and Relationships (Manage)	34
2.8.1	Managing the Transition	34
2.8.2	Contract Management Plan	35
2.8.3	Contract Management	36
2.8.3.1	Contract Performance	36
2.8.3.2	Records of Contract Management	36
2.9	Stage 8 – Contract Review (Manage)	36
2.9.1	Purpose	36
2.9.2	Notification of Expiry	37
2.9.3	Review of the Contract Performance	37
2.9.4	Analyse the Market	37
2.9.5	Contract Renewal or Go to Market Decision	38
2.9.6	Contract Completion	38
GLOSSARY		40
APPENDIX		42
Equifax Service Levels		42
Procurement Lifecycle (PLAN)		1
Procurement Lifecycle (SOURCE)		1
Procurement Lifecycle (MANAGE)		1

1.0 Introduction

1.0.1 Purpose

This manual provides the procedures and processes that assist New Plymouth District Council (NPDC) with their procurement operations. This manual is a set guidance on how each procurement activity should be approached and what is expected of the Council's staff engaging on procurement activities.

Rather than focus on the traditional definition of procurement; the purchase and supply of goods, works and services and the disposal of surplus Council assets, our strategic approach to procurement will be based on the concepts of procurement; procurement refers to the whole process of evaluating the needs for goods, works and services, and is an activity that consumes millions of dollars of ratepayers money each year. Therefore, it is the procurement department's responsibility to support and deliver objectives in the most efficient and cost effective way.

New Plymouth District Council procurement also have the objective and ambition to help build local economies and ensure we are taking into account social, environmental and sustainable procurement factors. Procurement actions are obligated to apply principles and practicable considerations from the Auditor General's procurement guidance and the Ministry of Business, Innovation and Employment.

1.0.2 Supporting Documents

NPDC have a number of supporting documents that have all contributed to this manual and the Councils procurement approach. The Council's procurement policy and strategy in particular provide the procurement department's objectives and the actions taken in this manual.

- [New Plymouth District Council's Schedule of Financial Delegations Register, February 2017](#)
- [Procurement guidance for public entities](#)
- [Procurement policy](#)
- [Procurement manual](#)
- [Mastering procurement](#)
- [NPDC infrastructure procurement strategy](#)
- NPDC procurement strategy (link to be added)
- [Government rules of sourcing](#)
- [Procurement Intranet link](#)

Together these documents detail the significant factors that have been reviewed to create this manual. This manual is designed for ease of use and to offer a simple and efficient process to providing leading procurement operations.

1.0.3 Scope & Compliance

Procurement activity must be conducted in a manner which ensures the Council maintains a reputation of being fair, transparent and equitable towards suppliers, and evidence through ethical and robust record keeping. Representatives of the Council undertaking procurement activities must declare any perceived or actual conflicts of interests to the procurement, before entering into agreements or being selected on procurement projects as soon as practicable.

Prior to any procurement activity being undertaken, internal processes must be followed and should be completed. The budget must be identified and approved, procurement plans must be

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 5 of 43
-------------------------	---	---------	------------------------------------

prepared for purchases over \$25,000.00 (including two levels of sign off, procurement lead and either functional manager or Executive Leadership Team member). The Council's delegation list must also be adhered to, to ensure levels of financial authority are not exceeded.

Compliance with this manual and procurement policy is required for all procurement activity undertaken by the Council's temporary and permanent employees, consultants and contractors. Any departure from this approach must be approved by the Chief Financial Officer.

This manual is to be used in conjunction with the understanding of the Councils relevant procurement policies, strategies and procedures.

1.0.4 Emergency Procurement

In the event of a genuine emergency the council will need to be flexible in how they procure goods and services that are required for their response. In these situations, rapid procurement may mean it is not possible or prudent to satisfy all requirements of this policy.

When making emergency procurement decisions the Council will act lawfully and with integrity. Once the situation is stabilised and there is no risk to human life, the environment or critical infrastructure, a recovery plan will be established to authorise necessary procurement activity.

The Council will endeavour to document and account for all emergency procurement activity to safeguard against the high risk of corruption. Emergency situation can include but are not limited to-

- Natural or manmade disasters; such as earthquakes, cyclones, tsunamis, volcanic eruptions, flooding, fires or contamination.
- Failures of critical infrastructures or equipment; such as failure to prison security service or critical hospital infrastructure.
- Critical health or environment emergencies; such as pandemic or food safety incident.
- Political emergencies; such as war, coup, or civil insurrection in New Zealand or countries where the New Zealand Government offers support.
- Critical security emergencies; such as terrorist attacks, serious crime or major cyber security emergency.
- Unanticipated events that make it impossible for an agency to perform a statutory or critical function in the necessary timeframe; such as the destruction of critical election supplies immediately prior to an election would be an emergency for the electoral commission.

1.0.5 Relative Legislation & Other Documents

- [Commerce Act 1986](#)
- [Contract and Commercial Law Act 2017](#)
- [Fair Trading Act 1986](#)
- [Health and Safety at Work Act 2015](#)
- [Local Authorities \(Members' Interests\) Act 1968](#)
- [Local Government Official Information and Meetings Act 1987](#)
- [Local Government Act 2002](#)
- [Official Information Act 1982](#)
- [Public Records Act 2005](#)
- [Civil Defence Emergency Management Act 2002](#)
- [Goods and Services Tax Act 1985](#)
- [Land Transport Management Act 2003](#)

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 6 of 43
-------------------------	---	---------	------------------------------------



- [Resource Management Act 1991](#)
- [Construction Contracts Act 2002](#)
- [Public Works Act 1981](#)
- [Principles of Government Procurement](#)
- [Government Rules of Sourcing](#)
- [Purchasing Card Policy](#)

1.0.6 Probity

Probity in relation to procurement means that all transactions must be underpinned by the Council's principle of fair and open competition. The full process of procurement must be recorded, notes and evidence supporting decisions must be retained.

As a Council we must be aware that the procurement activities of a public sector organisation are heavily regulated and we must be mindful of laws and legislation. This manual details the expectations of the procurement operations and where suitable these operations are applied. We are also mindful that not all procurement activities require a similar approach. In these cases the procurement team are available to provide guidance and advice to ensure all procurement activities are effective and efficient.

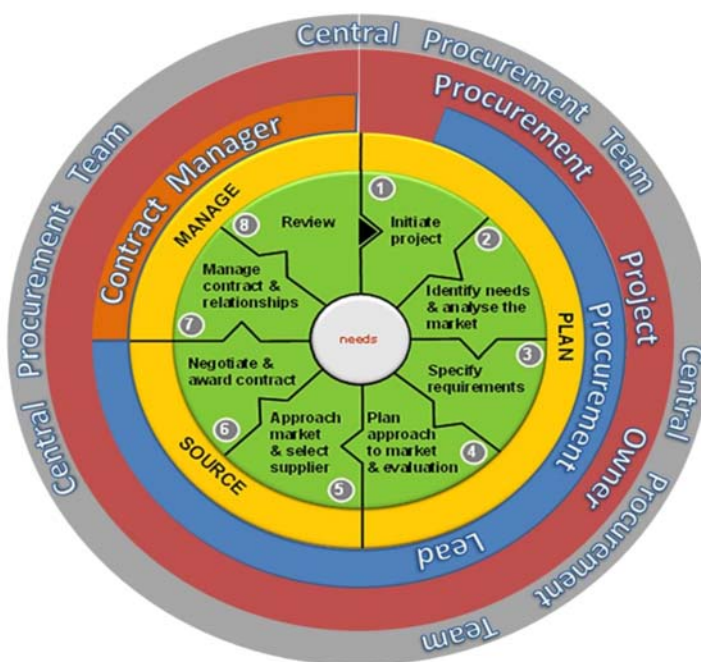
Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 7 of 43
-------------------------	--	---------	------------------------------------

2.0 The Procurement Lifecycle

2.0.1 Procurement Methodology

The following section will provide details of the procurement approaches considered suitable to all types of Council procurement. Throughout this section the overriding guidance will be formed by the procurement lifecycle, this is accompanied by a process flowchart which relates NPDC methods to the lifecycle.

Each step of the [Procurement Lifecycle \(process\)](#) will be appropriate to the value and risk of the procurement projects. This approach is in alignment with the Procurement Lifecycle as published by MED within their March 2011 publication, [Mastering Procurement. A structured approach to strategic procurement. A guide for government agencies.](#)



The procurement lifecycle relies heavily on the planning of each procurement project. A summary of the benefits of the lifecycle are identified in New Plymouth District Councils Procurement Strategy.

The procurement process map will help establish what is required by the Council through each stage of your procurement actions. These detailed steps are to be used as guidance through the entire procurement lifecycle.

2.1 Stage 1 – Initiate the Project (Plan)

The Outcome –

- The right people, do the right things, at the right time to ensure the procurement activity achieves optimal outcomes.

[Procurement Lifecycle \(PLAN\)](#)

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 8 of 43
-------------------------	---	---------	------------------------------------

When starting out on the procurement lifecycle we should already have an understanding of what we are trying to achieve. Through the lifecycle there are options and flexibility enabling us to develop our understanding into an effective and efficient procurement operation that adds value to the Council.

The important part of initiating the project is engaging with procurement to start the journey on the right path. At this point regardless of budget, resource and the market we are approaching, it is important to gather a full understanding of the options and strategies available. The procurement team can guide you through this to ensure all requirements are being met.

The review of this manual has also led to some changes in the process to meet the standards of MBIE and the NZ Auditor General. There are also a number of changes to ensure we are efficient and not using unnecessary resources for simple contract information. In these instances we again insist that seeking procurement guidance is essential. Improvements to note at this stage are -

2.1.1 Justification for Renew, Extension or Variation of Contract

Is the procurement action a simple renewal, extension or variation of an existing contract? In many cases the supplier's performance is sufficient that a change of supplier is not necessary and would create unnecessary cost to change, or there is a need to extend a contract due to the timeframes of current projects, or, we have a variation in terms, requirements or services. In all these cases, in the interest of fairness and transparency a justification form will need to be completed. It is important to highlight that this would only be prevalent for contracts under \$75,000.00 and must be accompanied by a justification statement and cost breakdown.

[Click for link to justification document](#)

2.1.2 Under \$1000.00 or Purchase Card

Is the value of your procurement less than \$1000.00? In this instance we have a number of options to perform procurement operations. Purchases can be done by purchase orders with sufficient delegation sign off, or through the utilisation of a Council purchasing card. It is again important to note that Council holds a number of contracts that provide the best pricing the market has to offer. Please check with the procurement team before proceeding.

Procurementadmin@npdc.govt.nz

One off supplier are sometimes used but this is only with the sign off of your delegated authority and the procurement team. In the interest of transparency and visibility one off suppliers will be limited to unique cases! Please contact the procurement team for further guidance.

2.1.3 Consolidating or Existing Contracts

In some cases the procurement department or another department may already have an existing contract for the goods, works or services you are looking to procure. This creates an opportunity to consolidate into an existing contract. This will put the Council in a stronger position with the current supplier but also in the market for future procurements. Please contact procurement for further guidance.

2.1.4 Council Vision

Through all our procurement actions we are aiming to provide value for our ratepayer's money, the Council's vision is also aligned to the same purpose. Therefore, it is apparent that all our

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 9 of 43
-------------------------	---	---------	------------------------------------

procurement actions must be also in line with the Council’s values, long term plan and the best outcomes for our community. In the larger contracts that Council agree, it is important that each contract takes into account the social, economic and environmental impacts it may have on our people and our district.

2.1.5 Stakeholder Engagement

To ensure we are aligned with the Council in our procurement actions we are encouraging early stakeholder engagement. This provides an opportunity to consider both internal and external stakeholders and what interests and influences on the project they may have. Conducting a simple RASCI analysis is the most effective way to identify key stakeholders, by asking the following –

- **Responsibility** - Who is the person ultimately responsible for delivering the project and/or task successfully.
- **Accountability** - Who is the person ultimately accountable for authority of the project; they are the person to whom ‘R’ is accountable.
- **Supportive** - The person or team of individuals who are needed to do the ‘real work’.
- **Consulted** - Someone whose input adds value and is essential for successful implementation or from whom you need ‘buy in’.
- **Informed** - The person or group who need to be notified of actions taken or results achieved but do not need to be involved in the decision making or delivery.

From your analysis the key stakeholder will have been identified and recorded with the appropriate action for their involvement.

2.1.6 Establishing a Project Team

From your RASCI analysis it will begin to come clear the experience and expertise you will need on your project team. This is essentially a team of stakeholder representation who will devote enough time and be prepared to think openly and creatively about solutions. During this stage take time to assemble a cross-disciplinary project team, the size and composition will depend on the nature, scope, value, level of risk and complexity of each procurement.

A team that possess an appropriate mix of skills and experience is recommended, it is important to consider technical, financial, policy and market knowledge to gather multiple perspectives from the business when building a project team. Ideas for team members maybe subject experts, procurement specialist, commercial/finance expert, legal advisor or project sponsor.

It is also important to consider a member of the procurement team in any procurement activity to ensure an open, fair and transparent approach. The procurement team is trained to be able to guide operations so the project is efficient and effective, a procurement officer would be typically appointed chair of the evaluation panel to ensure consistency.

Once a team is established it is then advantageous to complete each procurement stage as a team so the quality and consistency of the project is not compromised. However, before any activity can commence the project team individually must complete a [Conflict of Interest Declaration](#). This obligation extends to any other persons involved in the procurement that maybe engaged in financial approvals or accepting an evaluation panel’s recommendation.

2.1.7 Project Budget

Throughout initiating the project there will be a number of discussions surrounding the financial budget for the project. This may have been highlighted originally through the Council’s long term plan or through your departmental goals, or through an emergency review of a critical

Document No. 1443475	Approved By: Executive Leadership Team <i>‘Uncontrolled’ copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 10 of 43
-------------------------	--	---------	-------------------------------------

project. It is important to remember at this stage the whole of life cost is not visible due to market and requirements knowledge. The budget for the project will need to be maintained, and on occasion adjusted. Seek further budget information from your management team. [Link to Schedule of Financial Delegations Register](#) (click on Schedule of Financial Delegations for breakdown).

2.1.8 Probity

As public servants we must comply with 5 interrelated principles of the probity in procurement, as per governments commitments to –

1. Act fairly, impartially and with integrity.
2. Being accountable and transparent.
3. Being trustworthy and acting lawfully.
4. Managing conflicts of interest.
5. Securing commercially sensitive and confidential information.

Procurement must be conducted with probity in mind to enable purchases and suppliers to deal with each other on the basis of mutual trust, respect and enable business to be conducted with integrity. We must ensure our actions establish accountability and are able to withstand public scrutiny, which preserve private sector confidence in our process.

For major, complex and high risk projects you may consider appointing an independent probity auditor at the outset of the procurement project.

2.1.9 Procurement Plans & Business Case

For high risk or high value procurement projects the Council may require a separate business case. It would be good practice here to engage with the Executive Leadership Team in order to establish the need for a business case if the value is high. It is also good practice to commence your procurement plan to begin recording all the information you are gathering together. This will help you develop the business case if necessary.

A procurement plan will help develop the justification for the project and goods, works and services that are needed. A simple guide to follow in order to establish which procurement plan is suitable would be –

- | | |
|--|---|
| • Contract renewal, extension or variation | No plan required |
| • \$0 - \$1000 | No plan required |
| • \$1000 - \$25,000 | X-lite procurement plan |
| • \$25,000 - \$75,000 | Lite procurement plan |
| • \$75,000 onwards | Full procurement plan |

These plans are a general guide and template to aid your approach to market. A procurement plan provides the methodology, process and project management structure for implementation of the activity. The purpose of the plan is to –

- Provide detailed plans for the approach to market, evaluation of offers and identification of the preferred supplier.
- Ensure the best supplier is selected for the right reasons and at a price that represents value for money over the life of the contract.
- Assign roles and responsibilities in the cross functional team.
- Set a realistic timeframe.

2.2 Stage 2 – Identify Needs & Analyse the Market (Plan)

The Outcome –

- Analytical strategic thinking leads to smarter procurement and better results.
- Informed decision making optimises outcomes, the Council should not be disadvantaged through lack of knowledge.

[Procurement Lifecycle \(PLAN\)](#)

2.2.1 Statement of Needs

At this stage it is now established that a procurement plan needs to be completed for full visibility of the requirements, the best approach to market and justification. In this are the quality of the research and analysis to identify the public policy/business needs will seriously impact upon the quality of the solutions and results you achieve. With that in mind we need to develop a statement of needs with stakeholder consultation. Keys areas to address are –

- What is the purpose of the procurement?
- Who will be impacted by the procurement?
- What are the stakeholder’s expectations?
- Who are the major internal clients and what are their highest needs?
- Who are the major external clients and what are their highest needs?

You should ensure –

- Stakeholder’s constructively engage and have ‘buy in’.
- Stakeholder’s are able to self-identify their current, predicted and emerging needs.

It is important to –

- Distinguish ‘needs’ from ‘wants’ and ‘desires’.
- Remove ambiguity, achieve clarity and obtain consensus.
- Bundle needs into related groups.
- Develop an articulate, clear and comprehensive high level statement of needs.

Once there is an agreed suitable statement of needs in the procurement plan this can be used to later inform –

- Type and extent of market research and analysis.
- Sustainability, opportunities, issues, risks – linking social, economic and environmental goals better.
- Identification of a range of solutions.
- Development of specification of requirements detailing the nature and scope of the goods, works and services that will be required to satisfy the need.
- Development of evaluation criteria and key attributes.

2.2.2 Internal Market Analysis

It is important to acknowledge any existing information within the Council, this can be from previous procurements or similar projects. This utilises the knowledge and information the Council records and underpins the need to record all procurement movement. This effortless exercise allows the user to review previous supplier performance feedback, results and lessons learned.

Document No. 1443475	Approved By: Executive Leadership Team <i>‘Uncontrolled’ copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 12 of 43
-------------------------	--	---------	-------------------------------------

There is also an opportunity to actively seek feedback from anyone involved in the previous procurements to again identify lessons learned. It is then down to the project team to see how these lessons can inform and add value to the procurement going forward.

It is also considered good practice to review the spending from previous contracts on similar procurement projects. Annual costs can be reviewed from the previous contracts to quantify the whole of life costs, spends and trends. These costs can be compared to the forecasted budget of the project. If they do not collate the budget may need to be reviewed or reconsider the level of needs that can be met.

2.2.3 External Market Analysis

The need to research the external market is so we develop a thorough understanding of the nature of the relevant market, how it works and how this impacts upon our approach to market and overall procurement strategy. A thorough analysis supports strategic thinking, informed decision making and adds value to the process and outcomes.

Request of Information

On occasion the council may not be able to gather the information required to fully understand the market and options available when procuring goods, works and services. In this instance we have the option to approach the market with a request for information. An ROI is a very useful approach that can be utilised by going to market to alert suppliers of an opportunity and possibly prepare their bid in advance. With early supplier contact we create the opportunity for new players and new solutions in the market to be recognised.

Market Analysis

There are other methods to consider when analysing the markets.



The market analysis approach depends on the level of risk and procurement value to proportion the scale of the analysis needed.

Market structure

To establish the market structure the following should be considered.

- Define the relevant market segment.
- Define market size.
- Identify key suppliers and market share.
- Identify any supplier dominance.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 13 of 43
-------------------------	---	---------	-------------------------------------

- Determine the supplier ownership structures.
- Assess supplier profitability.

Nature of competition

Is the competition based on price, quality, level of support/service, product types / range, distribution, delivery time, brand image, barriers to entry?

Supply chain dynamics

An understanding of the supply chain will enable the following questions to be answered:

- Are there any interdependencies in the supply chain?
- Is the supply chain sustainable?
- Where is the best place to buy in the supply chain?

Availability of substitute goods and services

Are there alternative markets that can supply the business needs?

Industry impact assessment

Council spend may have an important impact on the market. The consequences of moving that spend should be considered in terms of the potential effect on competition or viability of the market.

Spend Analysis

The purpose of a spend analysis is to understand the total spend in a particular category so that an appropriate procurement strategy can be formulated. This should reflect the true importance of the category to the council.

Supply Risk Analysis

An analysis of the risk to supply shall be undertaken. See section 2.2.5

Competition

A sound understanding of how suppliers compete in the market provides essential information about market dynamics, including the availability and pricing of goods, works and services now and in the future. The common ways most competitors compete are price, quality, and level of service, product types and range, distribution, delivery time and brand image.

Market competition can depend on the type of barriers that effect the market i.e. expensive manufacturing costs, long lead times, limited resources or expertise. Those areas can make the barriers high, meaning fewer suppliers, less competition and higher costs. Where barriers are low there will be more suppliers and reduction in costs.

Market changes also alter the dynamics of competition. For instance, technology is rapidly changing and alternative suppliers are faced with opportunities of new solutions or more reliable, and in some cases cheaper product. This is beneficial to consider when future proofing long term contracts.

2.2.4 Supplier Chain Dynamics

Our supply chain includes the movement of materials or services as they flow from the source to the end customer. It is made up of the people, activities, information and resources involved in maintaining goods/services from their supplier to customer. Through our procurement plan we are examining our supply chain environment. This is to ensure each area of the procurement is adding value and is worth the related cost.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 14 of 43
-------------------------	---	---------	-------------------------------------

Sustainability impacts of goods, works and services occur throughout the procurement lifecycle. Development of the procurement plan identifies the relevant players and sustainability risks as well as the opportunities.

2.2.5 Risk Assessments - PESTEL

A risk assessment is a vital part of procurement, we need to identify and appropriately manage any risk to our procurement activity. A simple and relevant method to adopt is a PESTEL analysis, this takes a simple scan of the market environment and will help with our approach. Here are some potential factors of PESTEL -

- Political - Policies and strategies.
- Economic - renewable energy, carbon reduction or local growth.
- Social - Local transport, roadworks or sustainability.
- Technological - lack or extensive knowledge or lack of data.
- Environmental - Promotion of green working or recycling demands.
- Legal - Laws and legislation.

This is a brainstorming exercise where each element of the PESTEL is considered and recorded. After the brainstorming the project team should consider the findings and what they mean to the procurement activity. Identify the positive and negative factors.

Note: At this point it would be good practice to confirm the budget available for the project, the outcomes from a market analysis also need to reflect the budget that is available. The financials could have a negative or positive impact on the procurement project. It is important to work with the shareholders to detail the budget and obtain the correct approval identified in the [Schedule of Financial Delegations Register](#).

2.2.6 SWOT Assessment

Once the PESTEL analysis has been completed, we can move on to a SWOT analysis which will help us continue to move forward and identify the real risk. Again a SWOT analysis keeps things simple and easy to follow, while achieving effective results.

	Helpful	Harmful
INTERNAL	<p>S Strengths</p> <ul style="list-style-type: none"> • Growing Tourism • Local reputation 	<p>W Weaknesses</p> <ul style="list-style-type: none"> • Lack of strategy • Stakeholder relationships
EXTERNAL	<p>O Opportunities</p> <ul style="list-style-type: none"> • Expand supplier search • Sustainable products 	<p>T Threats</p> <ul style="list-style-type: none"> • Conflict of Interest • Community reaction

The identification of weaknesses and threats will help assess the risks involved. Strengths and opportunities will inform the project team of the solutions and approach to manage the risk.

Once the specific threats and risks have been recognised a rating of the risk can be assigned to highlight the probability and severity of the impact. A common and effective risk assessment framework is set in the following guidance –

- Step 1: What is the likelihood of this risk happening?
- Step 2: Apply the consequence agreed rating of the risk materialising?
- Step 3: Use these ratings to plot the risk, each risk receives an overall rating ranging from green to red. Focus should be given to any risk rated red!

LIKELIHOOD of risk happening	CONSEQUENCE if the risk happens					Likelihood	Consequence	Risk Rating
	Almost certain	Amber	Amber	Red	Red	Red	Rare	Negligible
Likely	Yellow	Amber	Amber	Red	Red	Rare	Low	Green
Possible	Yellow	Yellow	Amber	Amber	Red	Unlikely	Negligible	Green
Unlikely	Green	Yellow	Yellow	Amber	Amber	Unlikely	Low	Yellow
Rare	Green	Green	Yellow	Yellow	Amber	Rare	Moderate	Yellow
	Negligible	Low	Moderate	High	Extreme	Rare	High	Yellow
						Unlikely	Moderate	Yellow
						Possible	Negligible	Yellow
						Possible	Low	Yellow
						Likely	Negligible	Yellow
						Likely	Extreme	Amber
						Almost certain	High	Amber
						Almost certain	Moderate	Amber
						Almost certain	High	Amber
						Almost certain	Low	Amber
						Unlikely	Extreme	Amber
						Possible	Extreme	Red
						Likely	High	Red
						Likely	Extreme	Red
						Almost certain	Moderate	Red
						Almost certain	High	Red
						Almost certain	Extreme	Red

The task is now to identify measures to mitigate the likelihood and minimise the consequence if the risk eventuates. There may be a number of solutions that are recognised, but these approaches are subject to budgets and approvals. The key to risk management is continually reviewing the risk by evaluating the management of them on a regularly basis unless, you have been able to remove the risk completely.

2.3 Stage 3 – Specify Requirements (Plan)

The Outcome –

- Buying the right quality, quantity to be delivered at the right time and place, at the right price.
- The results satisfy the needs, with the right solutions, policies and strategies clearly articulated and detailed.

[Procurement Lifecycle \(PLAN\)](#)

Using the statement of needs and with the knowledge gained from the market analysis and procurement strategy the requirements specification can be written.

2.3.1 Specifications

At this stage, having defined the needs and researched suppliers and the market, it is now appropriate to clearly, concisely and articulately state the requirements. Requirements can be written in various formats, often the nature of the format will depend upon the type of procurement and the NPDC's own practice.

Examples of specification formats include:

- Terms of reference.
- Scope of work.
- Technical specifications, drawings and diagrams, test conditions, standards.
- Description of services.
- Service specification.
- Statement of work.
- Functional specification.

The following questions may help in developing the specification of requirements –

- **Why** are we doing this?
- **What** results do we need to achieve?
- **How** will the goods/services be delivered?
- **How well** what quality or volume is required?
- **Where** will the goods/services be delivered?
- **When** will the goods/services be delivered – terms of contract?
- **Who** will be involved in the delivery supplier/contract manager etc.?

Some key characteristics of a good statement of requirements are complete, unambiguous, consistent, current, feasible, traceable and verifiable. To underpin a good statement we can also test this against the 5 rights –

- Right Quality.
- Right Quantity.
- Right Place.
- Right Time.
- Right Price.

Technical Specifications

Where technical specifications are prescribed they must:

- Be specific in terms of performance and functional requirements, rather than design or descriptive characteristics.
- Be based on international standards, where applicable, or national technical regulations recognised by national standards or building codes.
- Not refer to a particular trademark, trade name, patent, design or brand. If there is no other way of describing the requirements and you refer to a trademark then you must include the words 'or equivalent'
- Be prepared without seeking or accepting advice from someone who may have an interest in the procurement concerned.

The Specification should be peer reviewed by suitably qualified person/s not involved in the preparation of the specification. The name of the person/s performing the peer review is to be recorded on the document.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 17 of 43
-------------------------	---	---------	-------------------------------------

2.3.2 Contract Deliverables

The specification will lead to the identification of a deliverable or set of deliverables. A deliverable is a tangible output. One, or several, deliverables may result in an outcome. Examples of deliverables include: a provision of a specified product, delivery of a report, delivery of a training session, the installation of software or the completion of some specified work.

Milestone completion dates may be incorporated into the contract and payment to the Supplier can be tied to the successful completion of each milestone. This allows for implementation to be tracked and monitored against budget.

2.3.3 Sustainability

Sustainability considerations should be addressed as an important component of the overall procurement strategy and where appropriate, detailed in the specification and as deliverables. The sustainability impacts will have been identified during the business needs analysis.

2.4 Stage 4 – Plan Approach to Market and Evaluation (Plan)

The Outcome –

- Right methodology informs optimal choices.
- Probity assurance manages the risks.

[Procurement Lifecycle \(PLAN\)](#)

There should now be a clear expectation of requirements that are essential to delivering the project. This next stage involves deciding upon an appropriate approach to the market, evaluating the responses from the market, a process plan and realistic timeframes, taking into account the information formed from the market analysis and risk assessment. This will result in a completed procurement plan.

There are several processes to procuring the right goods and finding the right supplier, this is dependent on the level of budget for the project. In this stage we will identify these methods and help simplify the process.

All processes should be agreed upon and require the appropriate sign off, as per the [Schedule of Financial Delegations Register](#).

Procurement is Simple...

Introducing the **3,2,1** and **A,B, C, E, D** of Procurement.

There are **3** kinds of suppliers....
 ... **2** kinds of information needed....
 to select **1** best-value supplier.



Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 18 of 43
-------------------------	---	---------	-------------------------------------

2.4.1 The Approach to Market Processes

- Justification for Renewal, Extension or Variation of Contract
- New Plymouth District Council purchase card
- Purchase Order
- Direct Supplier Engagement
- Preferred Supplier List
- 3 Emailed Quotes
- AOG Contract
- RFX Documents (ROI, EOI, RFT or RFT)

2.4.2 Process Levels

Next we will determine the levels of cost at which these processes should be applied. An exception to the rule is the Justification for Renewal, Extension or Variation of Contract form, this can be used at the procuring officer's discretion. It is advised this should only be used for contracts not exceeding \$50,000.00.

2.4.3 Justification for Renewal, Extension or Variation of Contract

The Justification form is used when there is fair and present reason to make variations, extensions or renew a supplier's contract. Full justification must be giving for the reasons of the decision which must be authorised by the budget owner, contract owner, delegated financial authority and the procurement department. (Where applicable a member of the ELT may be needed for authorisation). Link to [Justification Form](#).

2.4.4 \$0.00 - \$1000.00

Purchasing Card (No Procurement plan needed)

Purchasing cards are issued for use in retail stores or service suppliers and are issued or held by functional managers. The Council are aligned with a number of preferred local suppliers who have agreed to supply the Council at a discount rate. It is regarded as a necessity to prioritise the use of these suppliers where possible, please contact procurement if you are unsure on our agreed preferred suppliers.

When using a purchase card please ensure you have read and fully understand the Council's [purchasing card policy](#).

Purchase Order (No Procurement plan needed)

Where a credit agreement exist with a preferred supplier, a purchase order can be created by the delegated authority for the supplier to be paid for goods, works or services. [Link to TechOne Finance Purchasing User Guide](#).

Note – All purchase orders require an appropriate one level up authorisation for payments to be processed. One level up authorisation is standard business and accounting practice and is considered a must by auditors everywhere.

2.4.5 \$1000.00 - \$75,000.00

In many cases your analysis of the supplier market will have identified some already suitable suppliers. There are some cases when it is clear there is only one suitable supplier capable of meeting needs and completing the project. There are a number of processes and approaches we can employ to ensure we are using the right supplier.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 19 of 43
-------------------------	---	---------	-------------------------------------

Note – We are not restricted to these approaches, if we still do not have a full understanding of the market or suppliers available we can use the option of an ROI, RFP or RFT.

Direct Supplier Engagement (Xlite procurement plan)

Direct supplier engagement means that we are certain that there is only one viable supplier option in the market for the procurement project.

Sufficient evidence for this must be recorded in an evaluation statement formed from the supplier market analysis in the procurement plan. Review your procurement plan and seek guidance from the procurement department.

Furthermore, CV's and references should be considered as part of an evaluation for the direct supplier approach. A health and safety and financial questionnaire will need completing before acceptance of the supplier.

Preferred Supplier (X-lite procurement plan)

Council currently holds a list of existing preferred suppliers where competitive pricing has been agreed for Council officers to use. These suppliers are already prequalified and ready for use in your procurement projects. Please seek advice from the procurement department for existing supplier list.

Any new suppliers that need adding to the list are required to follow the permanent supplier request form found on Pinnacle. [Link to Pinnacle](#).

For this approach a statement is required to support and evidence the rationale for taking this procurement approach.

3 Emailed Quotes/Request for Quote

In this approach the market analysis may have provided us with significant evidence that there are only a short number of suppliers able to meet our project needs. Other eventualities such as time restrictions, emergencies or available information may also indicate the 3 emailed quotes approach is acceptable.

In this process we email a minimum of 3 suppliers to request quotes for the projects goods, works or services that are required. This is a common approach where technical and strategic skills are not relevant.

In this approach the cheapest price is most relevant, so we simply accept the cheapest quote and award the contract to the lowest conforming supplier. A statement detailing the evidence for this approach will be needed to rationalise our findings and decision making process.

AOG Contracts

Local authority have an option to sign up to national agreements created by New Zealand's Central Government and managed by the Ministry of Business Innovation and Employment. These contracts represent best pricing options in a number of defined areas and in many cases require no obligation to enter into long term contracts. This allows Council to be flexible in the approach to procuring goods, works and services when facing tight deadlines or specific needs for the project.

A list of contracts available can be found at <https://www.procurement.govt.nz/contracts/types-of-contracts/>.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 20 of 43
-------------------------	---	---------	-------------------------------------

Single Stage, Lowest Price and Closed Market

These process and approaches are considered as single stage or lowest price conforming approaches performed inside a closed market.

- Single Stage – When there are limited or few suppliers available suitable for the project.
- Lowest Price Conforming – When the most relevant method of evaluation is the cheapest price that conforms to the requirements to complete the project.
- Closed Market – A closed market is where the contract is offered to pre-selected potential suppliers only. Closed tenders or private are to be used only where:
 - A prequalified supplier panel has been established either previously, via a separate open tender process or as part of an open prequalification.
 - For practical purposes all of the Suppliers capable of undertaking the work are known.
 - Where the time required for an open tender would restrict the ability to meet the required delivery or completion date.

2.4.6 Over \$75,000.00

High value or high risk projects should be dealt with a RFT or RFP and result in a signed contract (with the exception of the AOG contract approach). Contracts over \$75,000.00 are subject to a full evaluation and contract management plan.

Open tenders/proposals

An open tender is where the tender is openly advertised and where any prospective supplier may submit a tender. Open tenders are the preferred tender method. Open tenders are to be used in all cases except where:

- A prequalified Supplier panel has been established for practical purposes and all of the Suppliers capable of undertaking the work are known
- Where the time required for an open tender would restrict the ability to meet the required delivery or completion date
- Where the value of the contract is less than \$75,000.00 and the risk low and the cost of going to open tender would be less than potential benefits.

Single or Multi-stage tender process

There are two situations where a multistage tender is to be used:

1. Where the number of Suppliers responding is likely to be large, a multi-stage tender process should be used to prequalify Suppliers. This reduces the time required for evaluation and saves Suppliers that do not have the credentials to be considered the time involved in preparing proposals. In general, where there are more than six likely respondents to an RFP or RFT, a two stage tender process should be used and a Registration of Interest (ROI) advertised.
2. Where the requirements for goods or services are not well defined and a Request for Proposal is used, it may be desirable to prequalify Suppliers on the basis of the their proposals and then more precisely define the requirements in a Request for Tender (RFT) issued to some or all of the respondents to the RFP. To protect a Supplier's intellectual property, care must be taken not to include information that might be considered proprietary in the RFT.

In all other cases a single stage tender process shall be used. Where there is doubt on the approach to market process to used, discuss with the Procurement Lead.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 21 of 43
-------------------------	---	---------	-------------------------------------

RFX Definitions

There are a number of documents that are used for the approach to market these are collectively known as RFX documents. They define the process and are used as follows:

- **A registration of interest (ROI)** is generally used to request information from suppliers that may be used to identify potential suppliers before seeking tenders or proposals. Usually the information sought is high level and specific.
- **A request for proposal (RFP)** is a formal means of seeking proposals for goods or services where the public entity is open to innovation on the part of a supplier – that is, where the outputs and outcomes are important, not the process the supplier follows to deliver them. The RFP therefore, normally invites suppliers to make a proposal based on specifications, with scope for variety and innovation. This method is usually used to seek a solution to a problem or process.
- **A request for tender (RFT)** is a formal means of seeking tenders to provide goods or services. It is used where the public entity’s specification or requirements are clearly defined and there is little room for flexibility or innovation. An RFT is often based on technical, highly prescribed specifications. This method is often used in the construction industry.

2.4.7 RFT – Request for Tender (full procurement plan)

An RFT is used when you wish to receive tenders for the goods, works and services being procured for the project. RFT’s are commonly used when the requirements, solutions and methodology for the project are clear and fully understood.

In this process the Council invites interested suppliers to submit their bids (tenders), giving evidence to the requested details of how they are able to meet the Councils requirements, along with price proposals.

An RFT can be completed from your procurement plan and agreed upon with the project team. It is important to add detail and illustrate in the RFT clearly the requirements and expectations. If the RFT lacks quality and clarity the chances of getting a suitable response is reduced. An RFT always end with a signed contract.

Rubbish *in* = Rubbish *out*



2.4.8 RFP – Request for Proposal (full procurement plan)

An RFP is used if you wish to receive proposals for the goods, works or services identified in the procurement plan. Typically an RFP is used when; the Council is open to innovation in the types of product or alternative solution or methodology’s to how the services are delivered. In this process the outputs and outcomes are the most important factors rather than price or the processes that the supplier follows to deliver requirements.

Interested suppliers are invited to submit proposals giving details of how their goods, works and services will deliver the outputs or outcomes the project requires, along with the price proposal. (A significant difference to an RFT is that a proposal does not always end in a signed contract if no supplier is able to satisfy the needs of the project).

Document No. 1443475	Approved By: Executive Leadership Team <i>‘Uncontrolled’ copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 22 of 43
-------------------------	--	---------	-------------------------------------

2.4.9 ROI, RFT & RFP Eliminators

In the open, tender RFX documents we have the option to apply a pass and fail criteria to be able to eliminate unsuitable suppliers early, allowing the use of resources effectively. This may also include some ‘must have’ essential characteristics.

Non-conformance must be easily definable, here are a few example, –

- Relevant up to date health and safety certificates.
- Individual or business qualifications.
- Available resource i.e. experience or plant equipment.
- Credit checks

2.4.10 ROI, RFT & RFP Differentiators

Equally as important as being able to eliminate unsuitable suppliers, we also want to identify what sets each supplier apart and what will add value to the Councils business. This is done by identifying the project risks and opportunities. The following are simple rules to implement:

Project Risks

Prompt questions: What could go wrong? What could cause the project to fail? For example:

- Lengthening the project
- Over-extending the budget
- Endangering people, property or the environment
- Negatively impacting the stakeholders
- Adverse social or economic effects short or long term

Consider only the significant factors that will differentiate the bidders on their ability to deliver the project successfully.

Project Opportunities

Prompt Questions – What aspects of the project could bring extraordinary results or add value to the project?

Are there opportunities for potential suppliers to drive additional value (reduced costs, increased value, downstream financial benefits, shorter project, etc.) through this contract? Consider sustainability: Are social/environmental or wider economic benefits available.

Identifying these areas help manage risk and recognise and reward outcomes. The risk and opportunities are the basic framework for the questions you will ask and score in the RFT to differentiate the bidders.

Being able to differentiate the bidders response is key to ensuring we get the right supplier, the differentiators can be used to form an anchored scale that provides a guideline at which point each answer can be scored.

For example if our key differentiator was relevant experience for security of Council sites and the characteristics of the differentiator were lone working, security planning for large events and arenas, interaction with stakeholders groups, the anchored scoring framework would look like this –

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 23 of 43
-------------------------	--	---------	-------------------------------------

Score between	Requirements for Evaluation
70 - 100	Major stakeholder engagement experience (including taxpayers, contract managers, Council, iwi), 3+ projects of security planning for large local events, day to day security lone worker experience (with measures to ensure safety)
60 - 70	Some stakeholder engagement experience (including taxpayers, Council), 2 projects of security planning for large local events, day to day security lone worker experience
30 - 60	Minimal stakeholder engagement experience (Council), 1 project of security planning for small local events, occasional security lone worker requirements
<30 (fail)	No stakeholder experience No large event and arena security experience No lone worker experience

Advertising of open tenders

All open tenders are to be advertised on the Tender Link website by the procurement department, unless other methods are authorised by the Project Owner.

The tender must be accessible on the Tender Link website during the entire period for tendering and submission of an application. The time provided between the date of publication of the notice of tender and the final date for submission of tenders must comply with the following minimums. (Changes and alterations to the RFX documents must result in all suppliers being notified)

Minimum Time Required for Single Stage Tender	RFT/RFP
	Business days
Days with procurement department before advertisement	5
Advertised for a minimum of	25

Minimum Time Required for Multi Stage Tender	Business days
Days with procurement department before advertisement	5
Minimum time required for First stage ROI	20
Minimum time required for second stage RFT/RFP	25

2.4.11 RFP/RFT Evaluation Methodology

All RFT and RFP documents will heavily rely on the evaluation method to ensure the right supplier is chosen. It is important that suppliers are chosen for the right reason and that the suppliers understand the requirements set out in the RFP/RFT to be able to complete a project successfully. In this section we investigate the evaluation approaches for all eventualities.

The evaluation method should be discussed and agreed upon with the project team, an evaluation team should also be appointed. This can consist of as many people as you like with a

minimum of 3. Commonly, the whole project team will be on the evaluation panel to ensure consistency.

Note – The information provided in an RFP/RFT must be clear and concise to be able to evaluate the responses. The information provided will be key for making the procurement valuable and determining if the project will be successful or not.

2.5 Evaluations

2.5.1 Lowest Price Conforming (always an RFT document)

This method is purely based on accepting the cheapest price that conforms to the requirements of the project. This is common where the project is simple, with a well specified output, low risk, and low value or where the quality is not important.

The process follows a 2 envelope method, the first envelope of the suppliers bid contains the quoted price and the second envelope identifies the answers for the criteria set in the RFT.

The evaluation process is done in 5 simple steps once the bids have been received and the tender response closing date has passed –

1. Open all the price envelopes – envelope 1.
2. List prices in ascending order and chose the cheapest.
3. Check the attributes of the lowest price bidder – envelope 2.
4. Check they conform to requirements.
5. Award contract or move to next best price if attributes are non-conforming.

This is a simple process that looks to illuminate waste from evaluating all offers, all we are interested in is the price and bidders should be made aware of this.

2.5.2 Weighted Attributes (RFT or RFP)

This methods takes into account 2 different types of criteria for evaluation, Price and Quality.

The process starts by identifying the weight of each evaluation criteria set, the more important the criteria, the heavier the weight should be. This is done in percentage form with the total weightings of the criteria adding to 100%. When we are evaluating the bids we are scaling and rating each offer against the criteria and requirements. A good way to do this is by identifying the differentiators ([ROI, RFT & RFP Differentiators](#)). Once we have the raw scores we can apply the scores to the weights to obtain the weighted scores, add the total weighted scores to each offer. The offer with the highest score is identified as the right supplier.

Criteria (Attribute)	Weighting	Raw Score out of 10	Weighted Score
Technical merit	30%	6	2
Sustainability	25%	7	1.75
Quality	45%	6	2.7
Total	100		6.45

Price can also be a weighted attribute but a price weighting of 40% or over will commonly go to the lowest price. If your pricing is weighted 40% or over, then you should consider a lowest price conforming approach.

Note: The Council's procurement team have the knowledge and resources to help you determine the weightings of your criteria. Please seek procurement advice on this as this will add value to your evaluation.

2.5.3 Price Quality Method (RFP or RFT)

PQM is a variation on the weighted attributes which provides for transparent trade-offs to assess the effects of the weights, before the RFP/RFT is finalised. Used correctly, this method achieves the same results as weighted attributes, but with a much higher level of transparency. It also provides the evaluators with the tools for a robust analysis before RFT's/RFP's go out, so we can tailor the process to deliver appropriate financial recognition for better quality solutions on a project.

Price Quality is the most useful and effective method in many procurement situations. It's most suitable where there is a degree of risk and complexity or innovation potential, and the potential effect of that warrants care in setting the weights for the attributes to deliver best value for money.

Price Quality is a new process to some areas of the Council, please seek guidance from the procurement team when setting the evaluation method and weightings.

Price Quality Process

1. Like weighted attributes, Price Quality method starts by setting weights for the attributes and the price. At that point, before the RFT/RFP is released, it is possible to review the Supplier Quality Premium (SQP) that is assigned to each attribute point. The SQP is a dollar value that corresponds to the amount that the Council is prepared to pay for each attribute point that one bidder scores higher than another. It's a perfect 'reality check' for the Council to consider, alongside the potential material impact of risk on the project and/or the value that innovation might deliver to the project or the asset in the future.
2. It is good practice to test several scenarios for the attribute weights, until you are satisfied that the SQP is appropriate for the project.
3. At that point, the RFT goes to market and subsequently responses are received. Once we are ready to evaluate, the non-price attributes are then scored (ideally on the basis of an objective and anchored scoring system - anchored scoring)
4. Scores are entered in to the PQM/SQP template which calculates the SQP for each bidder (Please seek procurement advice). The lowest quality bidder receives zero, as their attributes are the baseline and the Council would not want to pay any extra for the quality of their solution.
5. The bidder's price is then recorded and the SQP of each bidder is deducted from the overall price. The lowest adjusted represents the winning bidder = the optimal weighted combination of highest quality attributes and the lowest price.

Please see the procurement department for further guidance and resources.

NOTE: As a general rule, the greater the level of risk, complexity, uncertainty or potential for innovation, the higher the attribute weightings should be.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 26 of 43
-------------------------	---	---------	-------------------------------------

2.5.4 Target Price (Purchaser Nominated Price) RFP

This is a highly useful method when budgets are fixed, and the quality of the solution is the primary determinant in assessing the value you will receive for your spend. It's especially useful where a Request for Proposal is sought (in other words, the client knows the outcome they need, but they're relying on their suppliers to describe the best way to get there).

Here's how it works:

1. The budget is set by the Council and made clear in the RFP. The outcomes sought are also described in appropriate detail.
2. Set weight criteria on what the project is trying to achieve i.e. Innovative solutions.
3. Suppliers are then asked to describe their proposed solution in relation to a list of weighted evaluation criteria.
4. The bids are then scored and the winner is assessed using the weighted attributes method (but with no need for a price score).

This is a simple and powerful method to achieve best value for a fixed budget. Within a wider context, this is probably the method you chose when you bought your last house, car or significant asset – you knew your budget cap, and went all-out to get the best possible value for that amount.

2.5.5 Qualification Based Selection (Brook's Law)

Qualification Based Selection is useful where the non-price attributes are important and where the Council is in a strong negotiating position.

Offers are evaluated on their merits without price being disclosed to the evaluation team. Those suppliers who are clearly able to fully deliver against the non-price requirements are short listed.

The highest ranked supplier is invited to negotiate the price. All other prices remain undisclosed to the negotiating team. The negotiation team negotiate the best price that they can. If the negotiated price is acceptable to the business and negotiation is successful the supplier is awarded the contract.

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 undisclosed. The process continues until a satisfactory agreement is negotiated. A supplier, once rejected, should not be recalled for further negotiations.

2.6 Stage 5 - Approach to Market & Selecting the Supplier (Source)

The Outcome –

- Right suppliers submit quality offers.
- Best supplier selected for the right reasons.

[Procurement Lifecycle \(SOURCE\)](#)

2.6.1 Supplier Selection

Suppliers must be treated fairly, impartially and equitably at all stages in the procurement lifecycle. This means that ethical standards of behaviour must be demonstrated by all people involved in the procurement at all stages in the procurement.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 27 of 43
-------------------------	---	---------	-------------------------------------

Supplier selection must be based on the process and methodology set out in the procurement plan. You should not deviate from the plan as this can affect integrity of your process and may result in a legal challenge. If you must change any aspect of the process or methodology you are obliged to notify all potential suppliers and give them sufficient time to respond to the change being made. What is sufficient will depend on the nature of the change.

When implementing the procurement plan here are some key points to remember:

- Each offer must be carefully considered, on an equal basis, against the published evaluation criteria. Your process must follow the approach and methodology set out in the procurement plan and reflected in the RFX documents.
- The evaluation panel must determine the best supplier based on the information provided by suppliers in their offer. The evaluation should take into account capability, capacity and value for money over the lifecycle of the procurement. Due diligence should be used to verify that the preferred supplier has the capacity and capability to successfully deliver against the specified requirements.
- Clear, succinct and comprehensive notes are to be taken of all evaluation panel discussions and findings. You should keep a full record of how each offer was assessed against the criteria and demonstrate that each received due and fair consideration. Where an offer is rejected the reasons for the rejection must relate to the criteria, be justifiable, clearly explained and recorded in writing.
- The panel recommendation must be documented with sufficient information to support the scores awarded and the ranking of offers. The rationale for the evaluation panel's recommendation must be based on the findings of the evaluation panel. The recommendation must be supported by clear, transparent and justifiable reasoning.

2.6.2 Supplier Questions

Always provide prompt responses to questions from suppliers. Where the answer provides more information than is published in the RFX, and the information is material and of value to other suppliers, this should be made available to all suppliers so that no supplier gains an unfair advantage. Usually the information relating to a listed tender.

If the nature of the suppliers query relates to information that is commercially sensitive the onus is on the supplier to make this clear. Any information that is commercially sensitive must be protected.

2.6.3 Insurance Levels

For **non-physical works** (this includes consultant contracts):

- Public Liability Insurance, minimum limit of indemnity \$5,000,000
- Professional Indemnity Insurance, minimum limit of indemnity \$2,000,000, including continuation of Coverage undertaking for up to (6) years.

For **physical works** (this includes consultant contracts):

- Public Liability Insurance, minimum limit of indemnity \$5,000,000
- Motor Vehicle Third Party Liability Insurance, minimum limit of indemnity \$2,000,000, including Principals Liability.
- Professional Indemnity Insurance, minimum limit of indemnity \$2,000,000, including continuation of Coverage undertaking for up to (6) years.
- Contract Works Insurance, including Council as an Insured.
- Contractors Plant and Equipment Insurance.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 28 of 43
-------------------------	---	---------	-------------------------------------

Any and ALL deviation from the above requires approval from NPDC's Chief Financial Officer and are to be managed as part of this procurement planning.

2.6.4 Notice to Tenderers (NTT)

Notices to tenderers must:

- Be consecutively numbered
- Be issued to all tenderers and the distribution of the notice recorded.
- Use the [Notice to Tenderers Template](#).

2.6.5 Site Visits, Clarification Meetings and Briefings

Site visits, clarification meetings and briefings are to be held in accordance with the requirements of the procurement plan and communicated to tenderers in the tender documents. Note that clarification meetings, site visits and briefings should be held only when absolutely essential, when other written ways of communicating the requirements are impracticable.

Where such meetings are held the Procurement Lead must ensure that:

- All tenderers are allowed the same opportunity to clarify information
- An agenda is issued
- The meeting minutes note that the vendor decision has not yet been made
- Specific tenderers and their submissions are not discussed.

If prospective vendors request a site visit or clarification meeting, and this is not specified in the conditions of the tender documents and if consent is given, a notice must be issued to all prospective vendors inviting them to visit the site or participate in a clarification meeting or briefing.

2.6.6 Receipt of Late Tenders

Where a submission arrives after the closing time for submissions, the submission should not be opened but the time of receipt must be recorded. Late tenders may be accepted for evaluation only if allowed for in the terms and conditions of the RFX documentation and where both of the following have been considered:

- The possibility of unfair advantage to the late tender
- The likelihood of the late submitter having knowledge of other tenders or proposals.

The Project Owner is required to approve any late tender.

Where a late tender is accepted for evaluation, a record of the justifications upholding the above criteria shall be documented and attached to the evaluation records.

2.6.7 Opening of Tenders

Tenders from Tender Link are to be downloaded by the Procurement Administrator to a folder on the NPDC computer system where the access can be restricted (if requested) to only the Procurement Lead and those on the Tender Evaluation Team.

Where tenders are received in hard copy they are to be opened by the Procurement Administrator in the presence of one other member of the procurement project team

2.6.8 Evaluate Offers

Judge the financial, commercial and technical capacity of a supplier on the basis of both their global and New Zealand business activity.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 29 of 43
-------------------------	---	---------	-------------------------------------

Consider for award only those tenders which, at the time of opening, conform to the essential requirements of the RFX. Any tender failing to meet mandatory or prequalifying requirements must be eliminated from the process.

2.6.9 Presentations by Shortlisted Tenderers

If required by the Procurement Plan, presentations by shortlisted respondents shall take place so that shortlisted vendors have an equal opportunity to present their information. This is achieved by:

- Allocating the same amount of time (recorded to the minute)
- Providing the same agenda to all vendors
- Asking the same questions of vendors, prepared in advance
- Ensuring that the same audience attends the presentation
- Advising tenderers of the audience.

2.6.10 Due Diligence

Due diligence checks shall be carried out in accordance with the Procurement Plan. However the nature of the due diligence required may only become apparent during the tender process so a review of the due diligence requirement of the Procurement Plan should be done to ensure that any concerns are explored. Due diligence may include:

- Financial Sustainability of Supplier (e.g. financial, credit or company checks)
- Reference checks (internal and external)
- Quality and/or Safety Audit to ensure submitted quality / safety system matches reality
- Demonstration of Business Continuity Plan
- Site visits to check the adequacy of conditions and resources
- Qualifications or credentials of key personnel
- Demonstration or pilot to check the performance of the good or service

For supplier credit checks we currently engage with a preferred supplier. The preferred supplier the Council current use is Equifax, please contact procurement if credit checks are in your evaluation methodology. [Equifax Service Levels](#)

2.6.11 Tender Evaluation Records

Records shall be held of the evaluation, the scores awarded to each participant in the tender and the rationale behind the final decision.

It is the responsibility of the Evaluation team Chairperson to ensure that a record of the evaluation is made. Records shall be held in the procurement project folder. The record of the evaluation shall include and be limited to:

- The combined evaluation team scores of each criteria awarded to each participant in the tender
- The rationale behind the final decision.

The Procurement Project Owner may challenge the recommendation of the project team but cannot alter or challenge the criteria and the weighting of the criteria.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 30 of 43
-------------------------	---	---------	-------------------------------------

2.7 Stage 6 - Negotiate and Award Contract (Source)

The Outcome –

- Best deal (quality of goods/services represents value for money) agreed with supplier.
- Contract drives performance.
- Enhancement of Council reputation with organised, fair and ethical behaviour.

[Procurement Lifecycle \(SOURCE\)](#)

2.7.1 Post-evaluation negotiation

Where a Qualification Based Selection (Brook’s Law) or similar process is used as the tender evaluation method the negotiation is an integral part of the tender process. However, where other methods are used it may still be advantageous to enter post-evaluation negotiation with the favoured tenderer.

Post-evaluation negotiation can be used to:

- Test the understandings and underlying assumptions that have influenced a participant in preparing the costs
- Achieve a reduction in costs, where appropriate
- Achieve agreement on the detail of effective KPIs
- Achieve agreement on the detail of guarantees and warranties and penalties.

Note: Negotiation should proceed only after a preferred supplier is selected. Negotiation is not part of the evaluation process. If the outcome of the negotiation with the preferred tenderer is unsatisfactory, negotiation can take place with the next highest ranked tenderer but this should not occur until negotiations with the first ranked participant have been abandoned.

2.7.2 Probity - Contact with Potential Suppliers

The Negotiation Team must ensure that all communications with potential suppliers take place on a formal basis through the Contract Manager. Informal communication between other Negotiation Team members or any member of staff, and any vendor that was engaged in the tender process could prejudice the integrity of the negotiation.

No gifts, favours or gratuities either of a personal nature or to The Council shall be accepted from a participant in a tender process.

2.7.3 Appoint a Contract Manager

The Project Owner shall select and appoint a Contract Manager that will coordinate the contract negotiation and manage the contract during the life of the contract.

The Contract should be recorded with the procurement department and imputed into the central contract register. Procurementadmin@npdc.govt.nz

2.7.4 Appoint a Negotiation Team

The Project Owner may select and appoint a negotiation team. This team will include the Contract Manager and others, such that the makeup of the team is appropriate to the value and risk of the contract to New Plymouth District Council.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 31 of 43
-------------------------	--	---------	-------------------------------------

2.7.5 Negotiation Plan

In order to be effective, the negotiation team shall plan for the process and identify clear goals for the negotiation. Link to the plan to be added in the future. See the procurement team if you have any questions.

2.7.6 Negotiation

The negotiation will proceed with one or more meetings between the Negotiation Team and the supplier. Note that where physical meeting with the supplier is impractical the negotiation may be conducted by email, telephone or video conference.

The negotiation team will ensure that:

- It conducts all negotiations ethically, and does not use its position in a manner that might be considered unfair.
- It focuses on the best Total Cost of Ownership result for Council, with due regard to any strategic considerations outlined in the Procurement Plan.
- It does not attempt to negotiate an agreement that is materially different in scope from what was described in the tender or proposal documents.
- The negotiated agreement is sustainable.
- It is clear to the supplier that points negotiated by the Council negotiating team are subject to legal approval and ratification by the appropriate delegated authority.

It should be noted that a verbal agreement can be regarded as legally binding when the elements of a legally binding contract exist. It is therefore, very important that before all negotiation meetings it is made clear to the other party and recorded in the meeting minutes that any points negotiated by the negotiation team are subject to legal approval and ratification by the appropriate delegated authority, and that no contract will exist unless and until a written contract is executed by the Council and the relevant party.

Minutes shall be kept for all meetings with potential suppliers. During the course of the negotiation the Contract Manager shall amend and update the draft contract and schedules to reflect and define agreed negotiated points.

The draft contract and schedules should be used to ensure that there is clarity in the points being negotiated and the wording of the contract should be agreed during negotiations subject to legal scrutiny. During the course of the negotiation and where appropriate, legal opinion should be sought to ensure that changes or additions to the contract being negotiated meet with legal requirements. The Contract Manager is tasked with keeping key stakeholders informed.

2.7.7 Completion of Negotiations

When agreement has been reached by the negotiating teams and legal approval of the contract has been obtained by both parties the negotiation phase is complete.

At this time the Contract Manager is to complete a Contract Approval Checklist to ensure that all of the Council requirements for contract management are complete. Link to the checklist to be added in the future. See the procurement team if you have any questions.

2.7.8 Approved Legal Services

If at any point legal services are required during procurement actions, the following are the Council's preferred legal options. (Any deviation away from this has to be authorized by the Council's in-house legal services)

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 32 of 43
-------------------------	---	---------	-------------------------------------

- The Councils in-house Legal Services. [Link to in-house legal team](#) (click on instruction email to in-house legal team)
- Simpson Grierson. (Local Government Sector Provider)
- Auld Brewer Mazengarb & McEwan. (Operation Provider)

2.7.9 Approving the Award of Contract

The Supplier Recommendation should be noted in the procurement plan with justification of the recommendation and is amended to reflect any changes resulting from negotiations. This report together with the contract and supporting documents are recorded in ECM and retained by Procurement Admin or contract owner.

The recommendation should provide enough information to allow the Business to understand the evaluation process and the rationale for the recommendation. The recommendation of the preferred participant should reflect the outcome of the evaluation process and post evaluation negotiation. The recommendation may include:

- A background of the project for which the contract is associated.
- A summary of the evaluation of submissions.
- An analysis of price and Total Cost of Ownership against the approved capex or budget.
- An evaluation of the risks associated with the recommended contract.
- Justification of the preferred participant.
- Any exceptional details of the participant or contract.
- The contract award recommendation.

If the Project Owner rejects the recommendation, they should clearly document the reason for not accepting the recommendation. There must also be a consultation meeting with the evaluation team to ensure that the reason is legitimate. This meeting must be minuted.

If the Project Owner accepts the recommendation, then all documents must be signed by the Project Owner.

2.7.10 Signing the Contract

The timing for the preparation and signing of contract documents is, for those contracts based on NZS 3910.

The Contract Manager should ensure that insurance certificates / bonds and any other security conditions are obtained before proceeding to signing off the contract. All other contract documents should be prepared as soon as possible following contract award and within the timeframes detailed in the Procurement Plan.

Copies of the contract and supporting documents are made for each party to the contract. All copies of the contract and all drawings, schedules and other addendums should then be sent to the supplier where they are to be signed and each page initialled by their appropriate signatory. Then all copies of the contract are forwarded to the signing authority of The Council as stipulated in the [Schedule of Financial Delegations](#). Every page including drawings and schedules or other addendum should also be initialled.

The Contract Manager, supplier and the relevant member of the Council's Executive Leadership Team signs the original contract. Procurement Admin will then upload fully signed versions and all related documents in to the Council's document management (ECM) system. The Contract Manager will ensure that one set is retained and securely filed. The other set or sets are forwarded to the other parties either personally, by courier, or by registered mail.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 33 of 43
-------------------------	---	---------	-------------------------------------

2.7.11 Debriefing Unsuccessful Participants

If feedback is requested this may be given in writing, verbally or via a de-brief meeting. The feedback may include:

- Recap of the evaluation process and criteria (not results)
- Explain in broad terms why they were not successful (do not discuss specifics)
- Discuss their areas of strength/compliance
- Discuss their areas of weakness/non-compliance
- Provide feedback on how the vendor's response may have been improved.

The purpose of the feedback is to demonstrate The Council's commitment to open, transparent and competitive tending, and to enable unsuccessful tenderers to improve their business so as to increase competition.

Care should be taken that no information relating to other submissions is disclosed during this process, and that all feedback is consistent with the evaluation results. The Procurement Lead shall lead all debriefing meetings and must review all written feedback before it is sent to any unsuccessful tenderer.

2.8 Stage 7 – Manage Contracts and Relationships (Manage)

The Outcome –

- What was intended to meet the needs is delivered to specification.
- Issues do not become problems. Instead, Council, supplier and stakeholder's collaboration focuses on continuous improvements and efficiency gains.

[Procurement Lifecycle \(MANAGE\)](#)

2.8.1 Managing the Transition

The Contract Manager in consultation with stakeholders is to prepare a transition plan detailing all of the activities required before the commencement of the contract and during the transition from the existing contract to the new contract. The amount of detail needed in the plan will depend on the goods or services being procured, and the plan should be proportionate to the scale, complexity, and risk of the transition.

The Transition plan should cover:

- A timeline of activities and events
- Roles and responsibilities associated with the transition
- Potential risks and mitigation of those risks
- Additional resources required to mitigate risks during transition e.g. increasing stock levels in anticipation of the transition, extra staff to cope with unexpected complexity
- Training requirements (internal and supplier)
- Communications requirements (internal and external)
- Any special transitional arrangements or changes to procedure
- Preparation / installation of machinery or technology required to carry out the work
- The Provision of any information that may be required by the supplier or from the supplier
- Any transitional arrangements that may need to be negotiated with the incoming or outgoing supplier
- Management of the outgoing supplier's performance through to the conclusion of their contract
- The effect of the contract on land, facilities, equipment, or machinery

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 34 of 43
-------------------------	---	---------	-------------------------------------

- Identifying and assigning responsibilities such as ownership, insurance, access, usage, and transfer
- Induction of supplier's staff that will be required to perform work on New Plymouth District Council's premises
- The provision of Health and Safety documentation in accordance with the Health and Safety at Work Act 2015 and contract requirements
- The provision of Traffic Management Plans, if required
- The implementation of reporting, audit and performance appraisal requirements
- The setting up of the supplier as a creditor
- Any other specific requirement of the contract or Council policy that requires action before the contract commences.

The Contract Manager shall implement or delegate the tasks in the transition plan as required.

2.8.2 Contract Management Plan

The Contract Manager is to prepare a Contract Management Plan. The purpose of the contract management plan is to ensure that the administrative procedures are communicated and agreed, and ensure that all parties to the contract understand who does what, when, and how. A contract management plan is required for relational supply contracts and contracts associated with works projects.

The extent of the plan shall depend on the value, complexity and risk associated with the contract. However, the following should be considered as a minimum:

- Contact details, and responsibilities for all Supplier and Council key contacts
- Communication channels and protocols to be adhered to
- A timeline of deliverables and milestones
- Management reporting requirements and timing
- Quality issue reporting procedures
- Review meeting requirements and schedule
- Performance measures (from contract), how they will be measured and who will perform the measures
- Risk review and reporting procedures
- Invoicing and payment procedures
- Conflict resolution procedures
- Procedures for contract variations, including control of changes
- Procedures for charges and cost monitoring
- Business continuity/contingency plan testing time table and procedures
- Asset management procedures
- Health and safety hazard reporting procedures.

Refer: Template for a Contract Management Plan. Link to the plan to be added in the future. See the procurement team if you have any questions.

The Contract Management Plan shall be agreed with the supplier.

It should be noted that the frequency of performance review should reflect the nature and level of risk to the council.

2.8.3 Contract Management

Communication with the Supplier

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 35 of 43
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On a day-to-day operational basis the supplier will need to communicate in writing and verbally with operational staff. However, where there are performance or contractual issues, communication must be via the Contract Manager. The communication channels should be outlined in the contract management plan.

Variations

From time to time, it may be necessary to vary the scope, timing or value of the contract. These variations are, whenever possible, to be based on the scheduled rates in the contract, or at an agreed rate or price before the work is commenced. Contract variations must be in writing and the appropriate procurement delegations must be obtained before committing the Council to the variation. Note that the Financial Delegations expressly limit contract variations. Refer: [Schedule of Financial Delegations](#)

Disputes

Should a dispute arise during a contract, where agreement cannot be reached over a claim between the Supplier and the Council, dispute proceedings may result. In such cases, the process set out in the contract and contract management plan shall be followed. Refer also to General Delegations to Council Officers within the [Schedule of Financial Delegations](#).

2.8.3.1 Contract Performance

The Contract Manager or the procurement department shall ensure that the performance of the supplier is monitored and reported in accordance with the Contract Management Plan.

2.8.3.2 Records of Contract Management

The Contract Manager shall ensure that records of all aspects of contract management as outlined in the contract management plan shall be recorded.

2.9 Stage 8 – Contract Review (Manage)

The Outcome –

- The Council demonstrates that it is a learning organisation.
- Verification that good procurement delivers quality results.

[Procurement Lifecycle \(MANAGE\)](#)

2.9.1 Purpose

The contract shall be reviewed before it is due to expire or be renewed in accordance with the terms of the contract. The review shall be used to prepare and plan for a further procurement cycle. A contract review is required before the conclusion of both relational supply contracts and contracts associated with works projects.

The review also allows for planning the conclusion of the contract and to provide insight for improvement of similar contracts in the future. (Note that the contract review is distinct from Post Implementation reviews associated with the management of the project.)

2.9.2 Notification of Expiry

The Contracts Register is monitored by the Contract Manager / Procurement Administration periodically to identify contracts where the term is about to expire so as to initiate the contract review. The Contract Manager / Procurement Administration must allow enough time to enable the review to take place and actions, in preparation for going to market to take place.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 36 of 43
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2.9.3 Review of the Contract Performance

Review Requirements

During the course of the contract the requirements of the stakeholders may have changed. It is therefore necessary to review the requirements of the contract with the stakeholders.

The contract manager shall determine whether:

- There is an on-going need for the goods or services
- There are any change in requirements for the existing goods and services
- There are new goods or services that should be included or specified that would better match the requirements of the stakeholders.

Changes to requirements could involve the quantity, quality, specification or timing of what was delivered and the aim should be to raise standards rather than simply looking for continuation of the status quo.

Refer also to section 3.2.1 Identify the Needs for guidance on identifying needs and determining requirements.

Review Supplier Performance

The performance of the incumbent supplier shall be reviewed over the life of the contract.

The key questions to ask stakeholders include:

- Were the goods and services delivered of the required quality?
- Were the goods and services delivered in a timely manner?
- Were other terms of the Contract complied with?
- Were costs within budget?
- Was any corrective action needed, in order that the Supplier delivered what it was required to?
- Did the Supplier bring any improvements or innovation to their delivery over the course of the contract?
- Was the Supplier easy to work with?
- Should the Supplier's contract be renewed or extended?

Where regular performance reporting and reviews undertaken, performance detail will have been recorded during the course of the contract - this will provide a gauge of whether the Supplier met agreed delivery standards. Even with this detail though, key stakeholders should be contacted to confirm the assessment and get views on Supplier performance that the records don't necessarily reflect.

Where there has not been regular performance reviews, the assessment of Supplier performance may be totally dependent on stakeholder feedback.

2.9.4 Analyse the Market

The Category Owner is required to maintain and keep up to date the market analysis and procurement strategy for the category. When the contract is due for review the Contract Manager shall consult with the Category Owner in order to understand any changes that may have occurred in the market and determine what alternatives now exist to the current Supplier. Consideration should also be given as to what alternative technology may now be available.

The extent of market analysis required should be proportionate to the value, risk and complexity of the Contract.

Document No. 1443475	Approved By: Executive Leadership Team <i>'Uncontrolled' copy once printed</i>	Rev 1.4	Rev Date: 06/12/18 Page 37 of 43
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2.9.5 Contract Renewal or Go to Market Decision

The contract terms must be reviewed to establish whether there are contractual requirements to extend or renew the contract. If, and only if, all of the following can be established:

- The existing and future requirements can be met by the incumbent supplier
- Over the contract term the Supplier met the agreed performance standards and can continue to do so
- There are no other Suppliers or technologies capable of providing better goods or services.
- There are no other Suppliers or technologies capable of providing the goods or services at a reduced cost
- The costs of transitioning to a new Contract with the current supplier are not excessive
- There are no impediments to renewal or extension contractually
- Renewal will not infringe any Government Rules (refer to [Government Rules of Sourcing \(Ministry of Business Innovation and Employment 2013\)](#))
- There are no strategic reasons to change suppliers. (Refer section 3.2.3) (Category Strategy).

Then the contract manager may wish to consider renewal or extension of the contract rather than going to market. If this is the case the contract manager shall prepare a Justification for Contract Renewal (under development).

The Justification for Contract Renewal is to be sent to the Business Services Lead and the Business Unit Owner with the appropriate level of delegated authority.

If the Business Services Lead and the Business Unit Owner with appropriate delegated authority approve the Justification for Contract Renewal, a new contract (or contract extension) can be prepared. Refer Stage 6 - Negotiate and Award Contract.

Note that renewal of the contract is an opportunity to renegotiate and to obtain better commercial terms. Renewal of the contract is a powerful negotiation tactic.

Should the decision be made to not renew the contract and to go to market the process outlined in Section 3 of this manual shall be followed.

2.9.6 Contract Completion

The contract terminates at the end of the term of the contract or if terminated earlier in accordance with termination clauses in the contract.

The following steps are to be undertaken upon termination of the contract:

- Ensure all outstanding payments and credits have been made
- Comply with any Contract conditions relating to the expiry or termination of the agreement
- Ensure that any warranty or guarantee obligations that might survive the end of the Contract are documented and forwarded to the Business Unit Owner.
- Ensure that the relevant Council operations and the Supplier are aware of any warranty or guarantee obligations that might survive the end of the Contract and that the process to follow if a warranty or guarantee needs to be honoured is documented
- Ensure all loaned items are returned
- Ensure that any unused material is returned
- Amend Asset Management data and documentation as appropriate
- Prepare final performance reports
- Conduct a Contract debrief with the Supplier; and
- Issue formal notification of completion.

Document No. 1443475	Approved By: Executive Leadership Team 'Uncontrolled' copy once printed	Rev 1.4	Rev Date: 06/12/18 Page 38 of 43
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GLOSSARY

Closed Tender	Means a tender process that is not a publicly advertised competitive process. In a closed tender the number of participants in the tender is restricted in some way. Approval by the chief executive is required for values up to \$250,000 and by the standing committee of the council for values greater than \$250,000
Contract	Means an agreement (enforceable by the court) under which each party assumes obligations to the other for valuable consideration and that. To prove that a binding contract has been formed under New Zealand law, the parties must establish the following elements: <ul style="list-style-type: none"> – The parties intended to create legal relations when they entered into the agreement; – One party to the contract made an offer; – The other party or parties accepted that offer; – The promises contained in the contract were made for valuable consideration; and – The terms of the contract must be certain.
Contract Management Plan	Means the document outlining the administration and communication requirements and procedures, for the on-going relationship with the supplier.
Contract Manager	Means the staff member who is responsible for the contract management phase of the Procurement Lifecycle.
Contracts Register System	Means the database of contracts that lists key contract details such as Supplier name, contract value, expiry date etc.
Contract Transition Plan	Means the plan to manage the change from one contract to the next.
Delegated Authority	Means the staff member who is authorised to approve expenditure and contracts up to a specified financial limit as contained within the Financial Delegations.
The Council	Means New Plymouth District Council.
Cost Analysis	Means analysis of data held to obtain information such as: <ul style="list-style-type: none"> – What goods, service, works are bought? – Who purchases? – How many Suppliers does The Council purchase from?
OAG	Means Office of the Auditor General. The context of its use in the Procurement Manual is its reference to the OAG Procurement Guidance for Public Entities, dated June 2008.
Open Tender	Is a publicly advertised, competitive tender process
Preferred Supplier	Means a Supplier/s in a particular category from which all purchases must be made unless the Supplier is unable to provide the goods or services. A Preferred Supplier has been appointed as a result of an open, competitive process and for which a supply agreement has been negotiated.
Procurement Lead	Means the person appointed by the business unit owner who is responsible for the procurement planning and sourcing phases of the Procurement Lifecycle.
Procurement Project	A project relating to the procurement of goods or services and where it is necessary to go to market with a tender process.

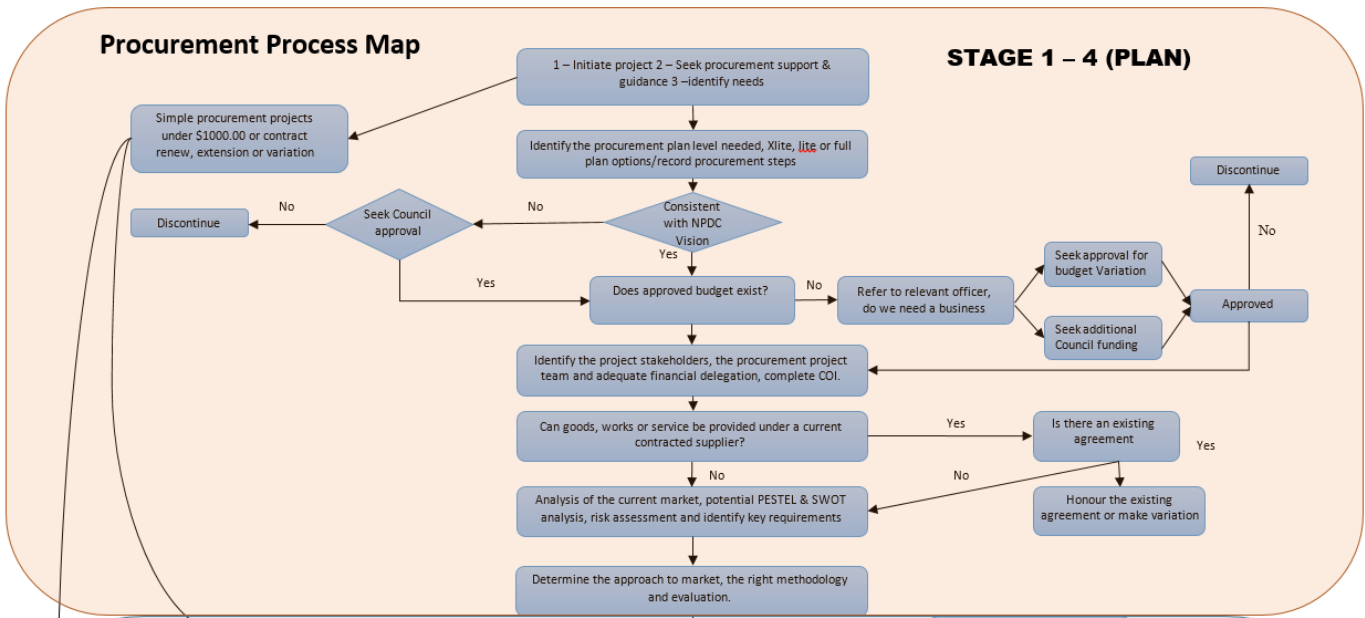
Preferred Supplier	Means a Supplier approved by the procurement team. All Suppliers on the Tech One ERP system are Registered Suppliers.
Request for Proposal (RFP)	A request for proposal (RFP) is a formal means of seeking proposals for goods or services where the public entity is open to innovation on the part of a supplier – that is, where the outputs and outcomes are important, not the process the supplier follows to deliver them. The RFP therefore normally invites suppliers to make a proposal based on specifications, with scope for variety and innovation. This method is usually used to seek a solution to a problem or process.
Request for Quotation (RFQ)	Is an invitation to a Supplier to submit an offer for goods, works or services. Used where the specification is precise and only price is required. May be used in a single or multi stage tender process
Request for Tender (RFT)	A request for tender (RFT) is a formal means of seeking tenders to provide goods or services. It is used where the public entity's specification or requirements are clearly defined and there is little room for flexibility or innovation. An RFT is often based on technical, highly prescribed specifications. This method is often used in the construction industry.
Request for X (RFX)	Means a generic abbreviation that covers the various Request For documents sent to Vendors and also used to refer to the various tender processes e.g. RFP(Request For Proposal), RFI(Request For Information),
Supplier	Means the person or organisation supplying of goods, services to the council. This may also be a contractor.
Stakeholder	Means those parties who are actively involved or whose interests may be positively or negatively affected.
Tender	Means a generic term used to describe making an approach to market ('going out to tender').
Tenderer	Means a potential supplier who provides a response to an RFX
TenderLink	Is a website that provides a tender management service.
Whole of Life Cost	Means the total lifetime cost elements and activities directly and indirectly associated with the provision of specific goods, services or works (Administration, Use, Disposal, Price etc.).
Vendor	Is a current or prospective supplier. (Refer Supplier)

APPENDIX

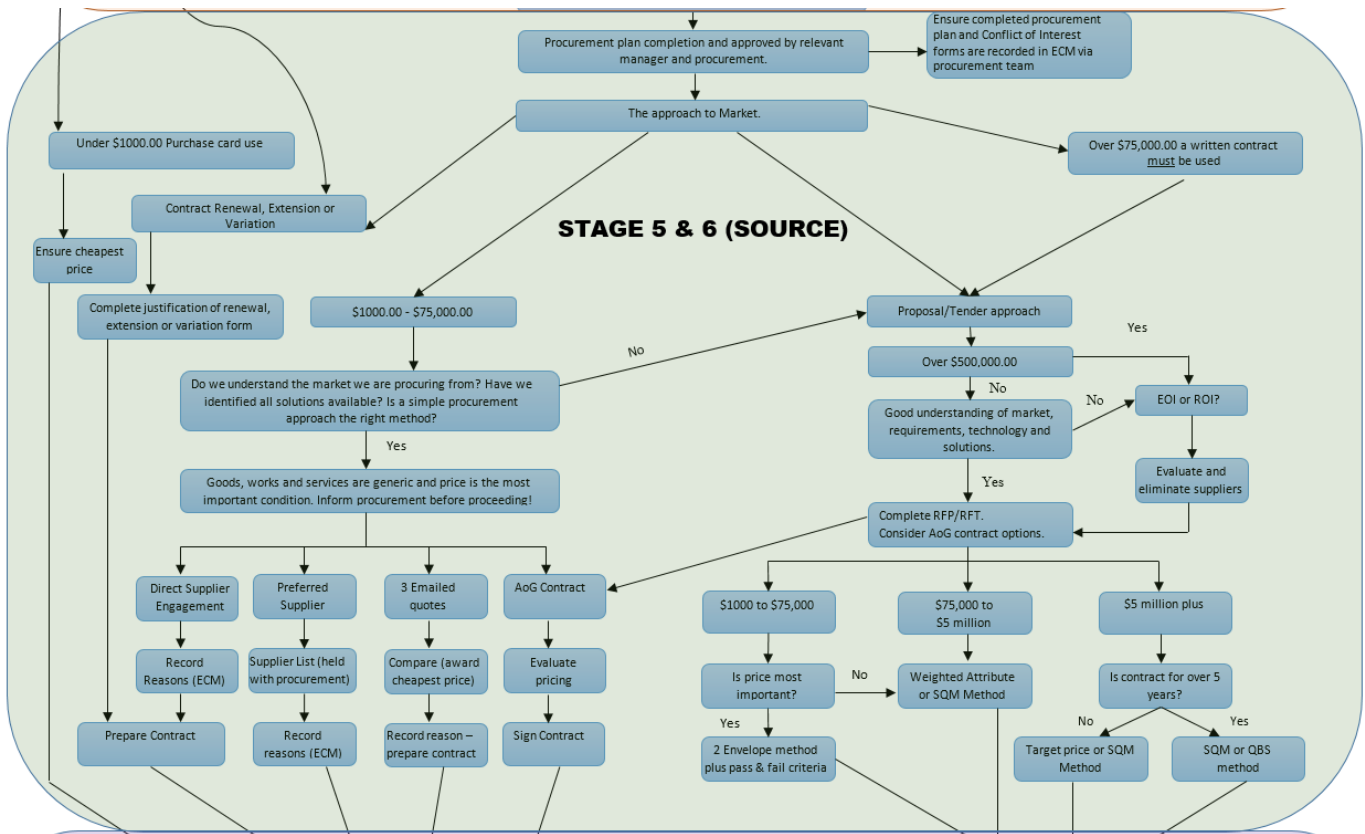
Equifax Service Levels

Equifax Service

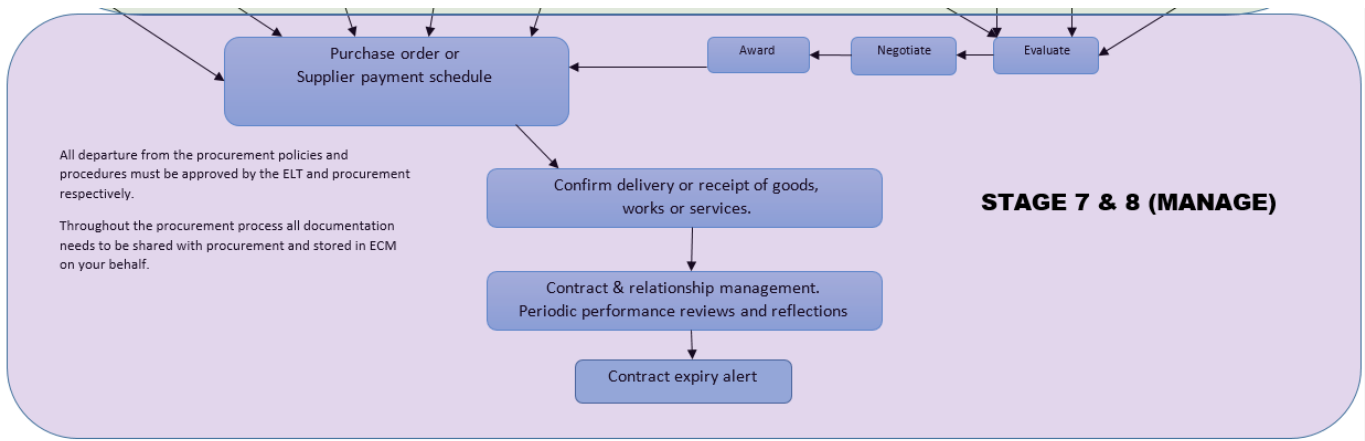
Report type	Service level	NZ fee
Concise Financial Assessment- Credit	standard	\$282
Concise Financial Assessment - Credit	priority	\$508
Concise Financial Assessment - Procurement	standard	\$282
Concise Financial Assessment - Procurement	priority	\$508
Standard Financial Assessment - Procurement	standard	\$415
Standard Financial Assessment - Procurement	priority	\$745
Standard Financial & Performance Assessment - Procurement	standard	\$576
Standard Financial & Performance Assessment - Procurement	priority	\$1,034
Detailed Financial Assessment - Procurement	Standard	\$737
Detailed Financial Assessment - Credit	standard	\$737
Detailed Financial Assessment - Procurement	priority	\$1,327
Detailed Financial Assessment - Credit	priority	\$1,327
Detailed Financial & Performance Assessment - Procurement	Standard	\$898
Detailed Financial & Performance Assessment - Procurement	Priority	\$1,617
Advanced Financial Assessment	standard	\$3,288
Advanced Financial	priority	\$4,899
Standard Credit Rating Report	standard	\$9,327
Standard Credit Rating Report	Priority	\$12,414
Comprehensive Credit Rating Report	standard	\$13,353
Comprehensive Credit Rating Report	priority	\$17,916



Procurement Lifecycle (SOURCE)

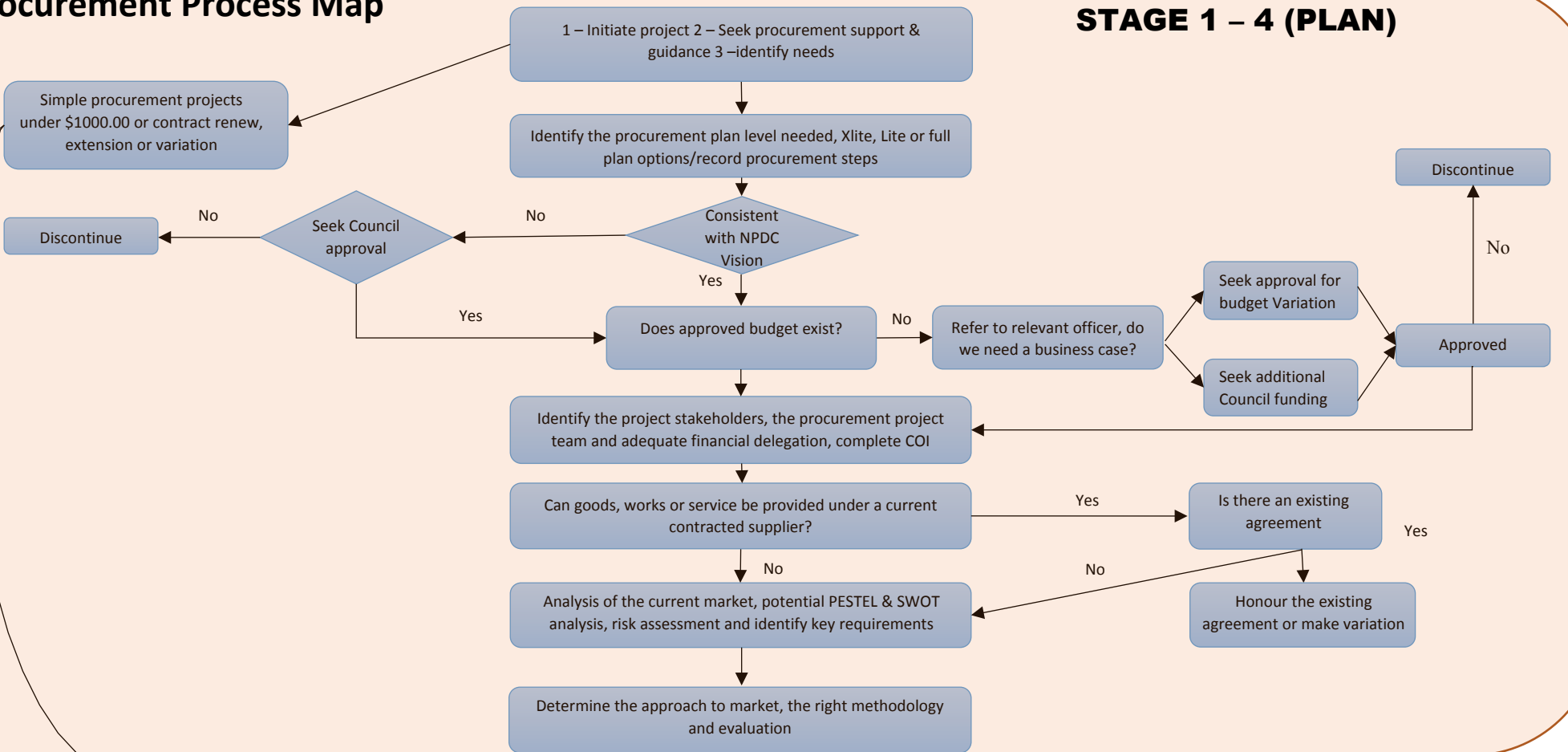


Procurement Lifecycle (MANAGE)

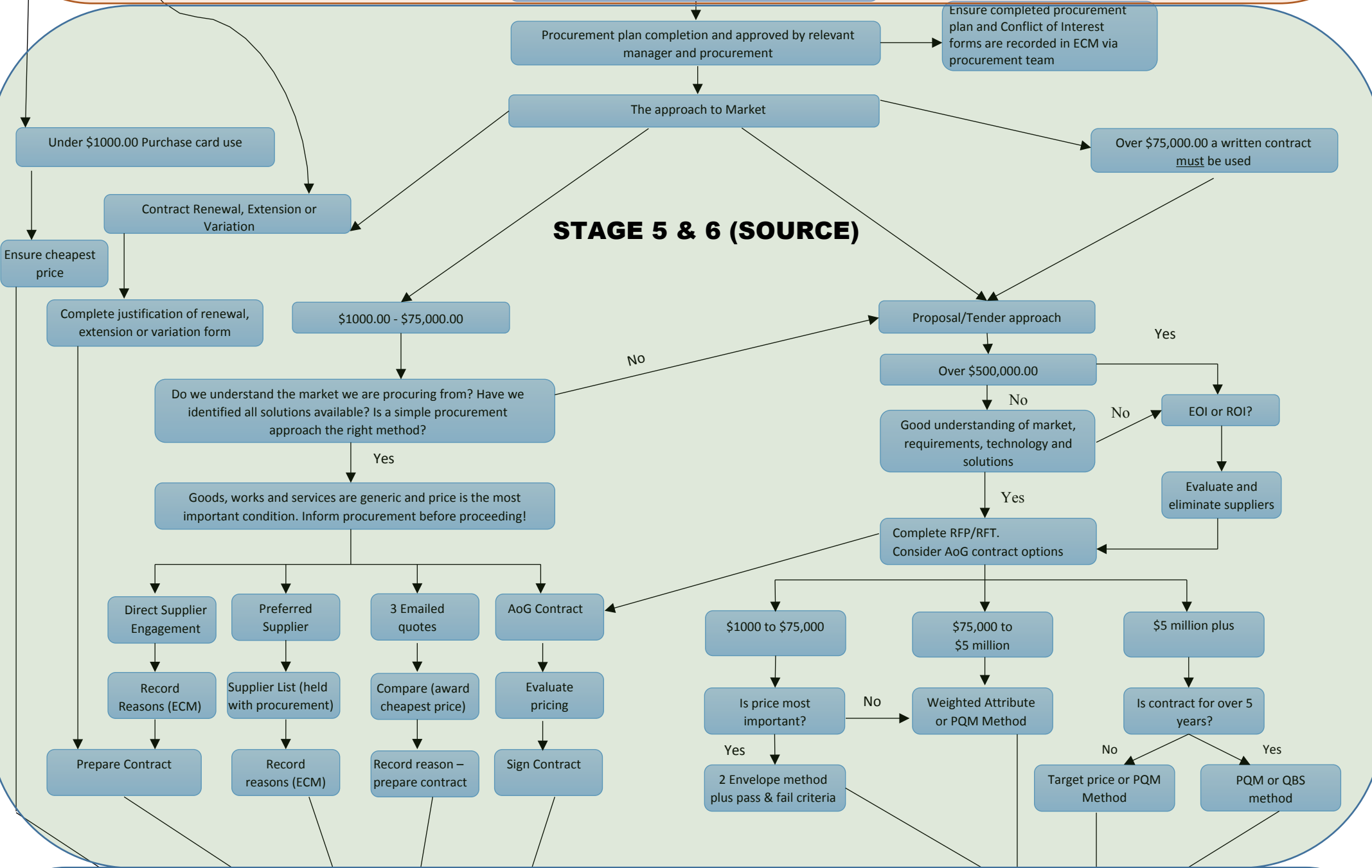


Procurement Process Map

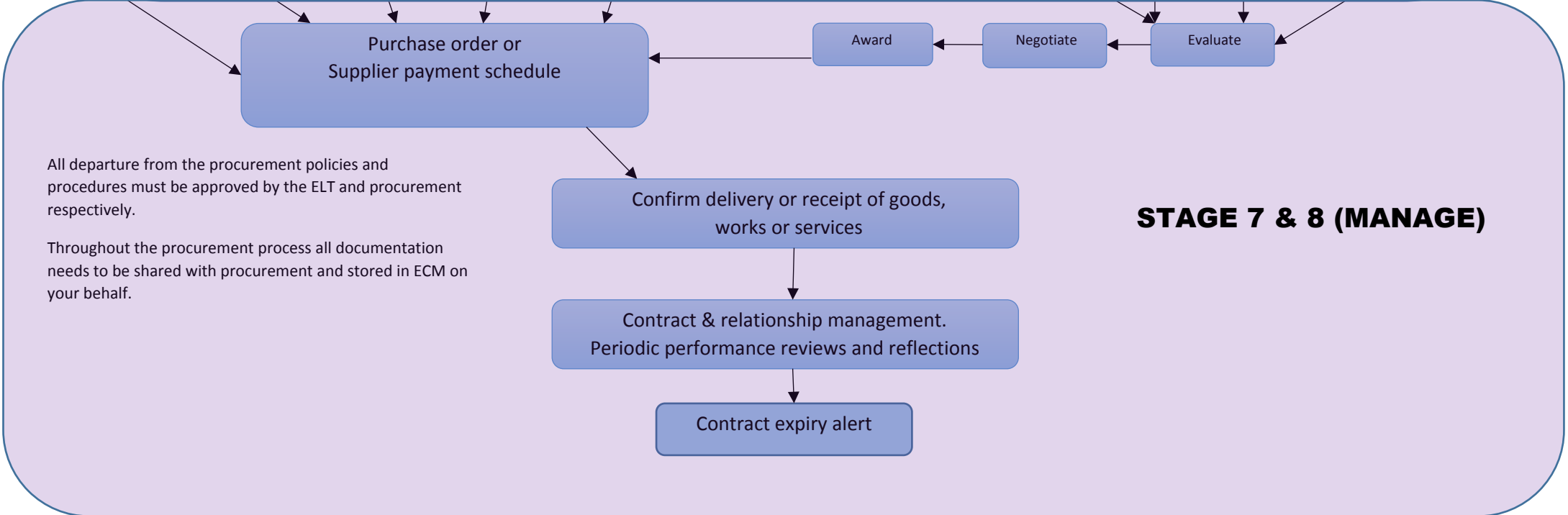
STAGE 1 - 4 (PLAN)



STAGE 5 & 6 (SOURCE)



STAGE 7 & 8 (MANAGE)



All departure from the procurement policies and procedures must be approved by the ELT and procurement respectively.

Throughout the procurement process all documentation needs to be shared with procurement and stored in ECM on your behalf.

Quick-Guide: Conflicts of interest



What does this cover?

This Quick-Guide supports agencies in identifying and managing conflicts of interest during a procurement activity. The main goal of managing conflicts of interest is to ensure that decisions are made – and are seen to be made – on proper grounds, for legitimate reasons and without bias.



Standards of integrity and conduct

This Quick-Guide aligns with:

- the State Services Commission's Standards of Integrity & Conduct, which require agency staff to be fair, impartial, responsible and trustworthy in carrying out their duties
- the Auditor-General's Managing Conflicts of Interest: Guidance for public entities.
- For more information, visit www.ssc.govt.nz and www.oag.govt.nz.

What is a conflict of interest?

A conflict of interest is where someone is compromised when their personal interests or obligations conflict with the responsibilities of their job or position. It means that their independence, objectivity or impartiality can be called into question.

A conflict of interest can be:

- actual: where the conflict already exists
- potential: where the conflict is about to happen, or could happen
- perceived: where other people might reasonably think that a person has been compromised.

A poorly managed 'perceived' conflict of interest can be just as damaging as a poorly managed 'actual' conflict of interest.

A conflict of interest can also be positive or negative. You could be seen to favour or benefit someone, or be against them and disadvantage them.

While conflicts of interest should be avoided wherever possible, they often happen innocently. It's how they're managed that counts. In the context of a procurement activity, a conflict of interest that's not properly managed could seriously undermine its integrity and lead to complaints, challenges and, in some cases, an agency's decision being overturned.

It's important that everyone in your agency not only behaves ethically, but is seen to behave ethically.

When can a conflict of interest happen?

A conflict of interest can arise in a number of ways: through a relationship, an activity or strong personal views. For example, a person could be compromised if, in carrying out their work duties, they're required to deal with:

- a relative or close personal friend
- an organisation, club, society or association of which they're a member
- a person who's their community or church leader.
- a person or organisation:
 - to which they have a professional or legal obligation
 - with which they have a business interest or own property
 - to whom they owe money
 - for whom they've previously worked, or currently work (secondary employment).

An agency employee could also be compromised if they're given something from a person who stands to benefit from their decision. They could, for example accept:

- a gift
- an invitation to lunch, dinner or a sporting event
- free or subsidised travel or accommodation
- any other sort of benefit, including money.

In addition, a conflict can arise if a person holds strong personal views on an issue their agency is considering, for example political views or religious or cultural beliefs.

Public duty to serve the public interest

The 'public interest' is the collective interest of the entire community. All agency staff have a public duty to put the public interest above their personal or private interests when carrying out their official duties.

This principle applies to anyone engaged to deliver government programmes and services, whether they are full-time, part-time or temporary employees, casual or contract staff, secondees, consultants, board members or volunteers.

When interests conflict

Conflicts of interest are not wrong in themselves, but they should be properly identified and effectively and transparently managed. When a conflict of interest has been ignored, improperly acted on or influenced actions or decision-making, the conduct (not the conflict itself) can be seen as misconduct, abuse of office or even corruption.

Managing conflicts of interest – a declaration

It's essential that all agency staff involved in a procurement activity complete and sign a Conflict of Interest Declaration and a Confidentiality Agreement. This includes.

- all members of the procurement team (staff, contractors and consultants)
- all members of the evaluation panel
- any consultant asked to advise the team
- anyone involved in making a recommendation
- anyone involved in approving a recommendation or making an important decision
- anyone making a financial approval for the procurement.

The Declaration requires the person to identify any actual, perceived or potential conflicts of interest. If they have none, they can take part in the project.

The Declaration also needs to be revisited regularly and checked once the supplier has been chosen. Everyone who has signed one needs to check whether they have a conflict of interest in relation to the supplier or any of the named personnel in the supplier's tender.

Managing an identified conflict of interest

Conflicts that are identified must be reported to the manager in charge of the activity. They – and the process for managing them – must then be recorded in writing.

The options for managing a conflict of interest include:

- **restricting:** imposing restrictions on the person's further involvement in the matter
- **recruiting:** engaging an independent third party to oversee all or part of the process and verify its integrity
- **removing:** where the person chooses, or is asked, to be removed completely from the matter
- **relinquishing:** where the person relinquishes the private interest that created the conflict
- **resigning:** where the person resigns from their position with the agency. (This should only be considered if the conflict of interest can't be resolved in any other workable way.)



Dear Sir/Madam

NEW SUPPLIER PACK

1. New Supplier Request Form – Permanent Supplier

Please ensure all relevant detail is provided, as this information will be entered into the New Plymouth District Council (NPDC) database. Include a bank deposit slip. *Please sign and return the *New Supplier Request Form for Permanent Supplier*.

2. NPDC Purchase Order Terms and Conditions

All invoices must display a valid Purchase Order Number. Failure to display this will result in the invoice being sent back to you unpaid. NPDC's standard payment terms are 20th of the following month, with all payments made via direct credit. Each purchase order raised will be subject to the terms and conditions attached. Any commencement of work or commencement of delivery and/or order acknowledgement sent by you shall be confirmation of receipt of the purchase order and constitute acceptance of the purchase order by you according to terms and conditions attached. NPDC will not enter into negotiations regarding these terms.

3. NPDC Contract Payment Terms and Conditions

Payment claims relating to contracts whereas number has been issued must quote the Contract Number on each claim/invoice. Failure to display this will result in the invoice being sent back to you unpaid.

4. Application for Credit

NPDC has completed and included their standard Application for Credit form. Standard & Poor's has confirmed NPDC's Credit Rating of AA and therefore no credit references or personal guarantees will be supplied.

NPDC looks forward to transacting business with your organisation.
Any enquiries should be made to:

Procurement Administration
New Plymouth District Council
Private Bag 2025
New Plymouth 4340

Attention: Procurement Administration
Email: procurementadmin@npdc.govt.nz
Phone: 06-759 6060
Fax: 06-759 6072

Yours faithfully

Richard Gater
Procurement Lead
Enc

NEW PLYMOUTH DISTRICT COUNCIL

Application for Credit



Te Kaunihera-ā-Rohe o Ngāmotu

New Plymouth
District Council

Due to the large number of requests we receive and for the reasons stated below we hereby supply you with our standard form duly signed.

Please Note:

Payment for authorised purchases is guaranteed through the security of rates (as the right to charge rates is provided under law) hence:

- NPDC will not accept any alternative supplier Application for Credit Form; and
- No credit references or personal guarantees will be supplied.

This Application of Credit is subject to the signed acceptance and return of New Plymouth District Council's New Supplier Request Form – Permanent Supplier.

DETAILS

Company Name : New Plymouth District Council

GST Number : 51-700-449

Postal Address : Private Bag 2025
New Plymouth 4340

Physical Address : 84 Liardet Street
New Plymouth

Delivery Address : As per order

Nature of Business : Local Authority

Bank : Westpac
2 Devon Street East
New Plymouth

Auditors : Audit New Zealand
Private Bag 99
Wellington

Procurement Contact : Procurement Administration

Telephone : 06-7596060

Fax : 06-7596072

Email : procurementadmin@npdc.govt.nz

Signed: Richard Gater
Procurement Lead Date: September 2021

Signed: Helen Barnes
Financial Services Manager Date: September 2021

ECM7149787



Te Kaunihera-ā-Rohe o Ngāmotu

New Plymouth District Council



New supplier request for a permanent supplier

NPDC Requester details

I have reviewed the list of current NPDC suppliers and could not find an appropriate supplier for the goods and/or services I require.

NPDC Officer name [input field]

Department [input field] Date [input field]

Has this supplier been H&S approved? Yes No

If you are unsure about HSE approval, please contact the HSE team to clarify.

Supplier details (completion of this section is mandatory)

Please provide the following details to enable future payment of your invoices.

Business name [input field]

Physical address [input field]

Postal address - if different to above (include postcode and rural delivery details) [input field]

Contact details [input field] [input field] [input field] Work Home Mobile

Email address [input field]

GST number [input field] NZBN number [input field]

Account details (completion of this section is mandatory)

Our payment terms: 20th following month

Please attach a bank deposit slip to confirm your details and complete the section below (our only payment method is by direct credit):

Bank/Branch [input field]

Account name [input field]

Account number [input field] - [input field] - [input field]

Remittance advice email address [input field]

Website address [input field]

Description of products and/or services you supply [input field]

I agree to be bound by the attached Terms and Conditions of Purchase:

Supplier name [input field]

Supplier signature [input field]

NPDC USE ONLY

Checked by Procurement Signed [input field] Date [input field]

Checked by Support Services

Date received [input field] Date Database updated [input field] Creditor No. [input field]

Vendor [input field] Sub-Vendor [input field] Location [input field]

Liardet Street, Private Bag 2025, New Plymouth 4340, New Zealand. Telephone 06-759 6060, Fax 06-759 6072, Email enquiries@npdc.govt.nz, Website www.newplymouthfnz.com

General Terms and Conditions of Purchase

1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions:** For the purposes of these Terms:
- Acceptance** has the meaning set out in clause 5.4 and "Accept" shall be construed accordingly;
 - Agreement** means the Purchase Order and these General Terms and Conditions of Purchase (**Terms**);
 - Business Day** means any day other than a Saturday, Sunday or public holiday in New Plymouth, New Zealand;
 - Goods and/or Services** shall mean any goods, services and other items to be provided by the Supplier as detailed in a Purchase Order;
 - GST** means goods and services tax charged under the GST Act;
 - GST Act** means the Goods and Services Tax Act 1985;
 - Intellectual Property** means patents, registered designs, trademarks, domain names, copyright, rights in computer software and databases, confidential information, trade secrets and all other intellectual property, in each case whether registered or unregistered and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world;
 - Personnel** mean the person or persons to be provided by the Supplier and/or Sub-Contractor for the purposes of performing the Goods and/or Services;
 - Purchase Order** means an order for Goods and/or Services issued on the Council's standard computer-generated form and submitted to the Supplier;
 - Sub-Contractor** shall mean any party to whom the Supplier has sub-let the supply of Goods and/or Services or any portion thereof and each of their respective subcontractors;
 - Tax Invoice** means the definition given to that term in section 2 of the GST Act.

1.2 **Interpretation:**

Reference to statutory provisions includes any statutory provision that amends or replaces it and any subordinate legislation made under it.

2. AGREEMENT

- 2.1 **Appointment:** The Council agrees to purchase the Goods and/or Services from the Supplier and the Supplier agrees to supply the Goods and/or Services in accordance with the specifications set out in the Purchase Order and these Terms.
- 2.2 **Application:** Subject to clause 2.5, these Terms will apply to all Purchase Orders placed by the Council for the supply of Goods and/or Services from the Supplier.
- 2.3 **No Exclusivity:** The Supplier acknowledges that it is being engaged by the Council on a non-exclusive basis and that the Council may appoint one or more additional suppliers to provide Goods and/or Services that are the same, or similar to those being provided by the Supplier.
- 2.4 **No Minimum Order:** The Supplier acknowledges that nothing in these Terms commits the Council to purchase any minimum quantity of Goods and/or Services from the Supplier.
- 2.5 **Other Agreement:** To the extent that the parties have executed a separate agreement covering the subject matter of any Purchase Order, the terms of that agreement will supersede and prevail over these Terms and these Terms shall not apply to that Purchase Order.
- 2.6 **Priority of Terms:** No conditions or terms contained in any quotations, offers, acknowledgements, letters, advice notes, delivery notes, invoices or other communications of the Supplier shall annul or vary any of these Terms.
- 3. TERM**
- 3.1 **Term:** This Agreement will come into effect on the date the Council approves the Supplier as a New Supplier following receipt of a duly completed and signed *New Supplier Request Form – Permanent Supplier* showing acceptance of these Terms, and will continue in force until terminated under clause 16.

4. PRICE, INVOICING AND PAYMENT

- 4.1 **Consideration:** In full consideration of the satisfactory provision of the Goods and/or Services, the Council shall remunerate the Supplier in accordance with the rates and prices stipulated in the Purchase Order (Fee). The Council shall pay for the Fee upon receipt of an invoice in accordance with clause 4.4.
- 4.2 **Price:** The Fee shall include and itemise the costs of any GST, levies or tariffs, freight, delivery, packaging, handling, storage and insurance and any other expense relating to the Goods and/or Services.
- 4.3 **Taxes and other Charges:** With the exception of GST, all taxes, duties and charges (including fines, penalties and interest) that are or may be imposed or levied in New Zealand or overseas in connection with any Purchase Order will be borne by Supplier.
- 4.4 **Invoices:** The Supplier shall submit valid **Tax Invoices** in respect of the Goods and/or Services delivered following Acceptance of the Goods and/or Services. All Invoices submitted must:
- 4.4.1 show the relevant Purchase Order number and such other information as may reasonably be required, as notified by the Council from time to time;
 - 4.4.2 if the Supplier is GST registered, display the words "**Tax Invoice**", include the Supplier's GST number and show that the amount payable includes GST;
 - 4.4.3 be emailed to accounts payable@npdc.govt.nz or posted to NPDC, Private Bag 2025, New Plymouth 4342.
- 4.5 **Defective Invoices:** Invoices that do not comply with the requirements of clause 4.4 will be returned to the Supplier for amendment and return, and the Supplier acknowledges that payment may be delayed as a result.
- 4.6 **Payment:** Payment will be made by the Council on or before the **20th day of the month following** receipt of an invoice in accordance with clause 4.4. All payments will be made to the Supplier by electronic funds transfer into the bank account nominated by the Supplier.
- 4.7 **Disputed Invoice:** If the Council disputes any portion of any amount appearing as payable on any invoice issued by Supplier under this Agreement:
- 4.7.1 the Council will notify the Supplier of such dispute at the earliest reasonable opportunity;
 - 4.7.2 the undisputed portion of the invoice will remain payable on the due date for payment under clause 4.6;
 - 4.7.3 the Council will not be obliged to pay the disputed portion of the invoice until the parties' dispute has been resolved in accordance with clause 17.

5. DELIVERY AND ACCEPTANCE

- 5.1 **Delivery Requirement:** Unless otherwise agreed by the parties, the Supplier agrees to:
- 5.1.1 deliver the Goods to, or perform the Services at, the "Deliver To" address and in accordance with any other specific delivery instructions set out in the Purchase Order; and
 - 5.1.2 in the case of Goods, deliver the Goods on the "Date Required" stated in the Purchase Order; or
 - 5.1.3 in the case of Services, perform the Services on the "Date Required" in the Purchase Order.
- 5.2 **Packaging:** The Supplier shall be responsible for packaging the Goods so as to protect them during transportation and unloading at the Council's designated delivery address.
- 5.3 **Delay:** If the Goods are not received or the Services are not performed by the "Date Required" stated in the Purchase Order, the Council may cancel the Purchase Order in respect of all or part of the uncompleted work and make payment only for those Goods received and Services performed.
- 5.4 **Acceptance:** Goods and/or Services provided by the Supplier shall not be deemed to have been accepted by the Council until the Council has inspected the Goods and/or Services and confirmed that they are compliant with the requirements and specifications set out in the Purchase Order (**Acceptance**). Such inspection shall be made by the Council within a reasonable time after the "Date Required" in the Purchase Order. The signing of delivery dockets and/or similar on behalf of the Council shall not constitute Acceptance.
- 5.5 **Rejection:** Notwithstanding that ownership may have passed in accordance with clause 6.2, the Council may reject Goods and/or Services supplied if they are unmerchantable, unfit for the Council's purpose, defective or that do not comply with the requirements and specifications set out in the Purchase Order.

<p>9.1 Policies: The Supplier must, at its cost, have and maintain insurance cover in respect of the Supplier's obligations under this Agreement for so long as the Supplier supplies Goods and/or Services to the Council.</p>	
<p>9.2 Evidence: The Supplier will provide evidence of such insurance upon request by the Council from time to time.</p>	
<p>9.1 Maintenance: The Supplier undertakes to use all reasonable endeavours to maintain similar policies of insurance for six years after the date of the last Purchase Order.</p>	
<p>10. LIABILITY, INDEMNITY AND EXCLUSION</p>	
<p>10.1 Supplier Liability: The Supplier indemnifies and holds the Council harmless against any direct costs, losses, damages, expenses, liabilities or proceedings suffered or incurred at any time by the Council as a result of any breach of the Supplier's obligations or undertakings contained in this Agreement.</p>	
<p>10.2 Council Liability: The Council's liability, as a result of any breach of the Council's obligations or undertakings contained in this Agreement, will be limited to the Fee payable under this Agreement.</p>	
<p>10.3 Exclusion: Nothing in this Agreement will confer any liability on the First Party in respect of any indirect, consequential or special costs, losses, damages, or expenses suffered or incurred by the Second Party as a direct or indirect result of a breach by the First Party of any of its obligations under this Agreement</p>	
<p>11. RECORDS</p>	
<p>11.1 Purchase Order Records: The Supplier shall maintain complete and adequate records of each Purchase Order received under this Agreement and shall at all times supply such data and information as is necessary to keep the Council fully informed of the progress of Goods and/or Services to be provided under any Purchase Order.</p>	
<p>11.2 Written Reports: The Supplier shall from time to time when requested by the Council deliver written reports and data to the Council and the Council shall at all times have complete access to all records and such other data as may be compiled relating to any Goods and/or Services delivered under this Agreement and all such data and records shall be delivered by the Supplier to the Council and shall belong exclusively to the council.</p>	
<p>12. CONFIDENTIALITY</p>	
<p>12.1 Confidential Information: The Council and the Supplier undertake to treat as confidential and not misuse or disclose to any third person or entity any information belonging to the other party that could reasonably be expected to be proprietary, commercially sensitive or confidential, or that is not yet publicly known, and which comes to their knowledge during the term of, or in connection with, this Agreement, except to the extent as may be necessary for the performance of this Agreement or as required by law.</p>	
<p>12.2 Official Information: The Supplier acknowledges that the Council is subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA) and that under that Act the Council may be requested to release certain official information about the Goods and/or Services held by the Council and/or the Supplier under this Agreement. In the context of LGOIMA, the parties consider that any information that would be likely unreasonably to prejudice the commercial position of either or both parties should be kept confidential on the basis that, amongst other things, it is commercially sensitive and may affect their other commercial dealings (both present and future).</p>	
<p>13. INTELLECTUAL PROPERTY</p>	
<p>13.1 Council Ownership: The Supplier acknowledges and agrees that any Intellectual Property made or discovered by the Supplier during the term of any Purchase Order under this Agreement shall forthwith be disclosed to the Council and shall belong to and be at the absolute disposal of the Council even after termination of this Agreement.</p>	
<p>13.2 Supplier Obligations: The Supplier shall: 13.2.1 ensure, so far as is reasonably practicable, that no act is done that would or might breach the Council's rights under clause 13.1. 13.2.2 immediately notify the Council if it suspects or becomes aware of any infringement of the Council's rights under clause 13.1.</p>	
<p>14. ASSIGNMENT AND SUB-CONTRACTING</p>	
<p>14.1 No Assignment or Subcontracting: The Supplier shall not assign or subcontract any of its rights or obligations under this Agreement without the prior written consent of the Council, provided that such consent will not be to be unreasonably withheld.</p>	

<p>6. RISK AND TITLE</p>	
<p>6.1 Risk: Risk in Goods shall pass to the Council upon delivery into the Council's possession.</p>	
<p>6.2 Title: Without prejudice to the Council's rights of rejection, title to and ownership of any Goods (and materials in the case of the supply of Services) shall pass to the Council on delivery.</p>	
<p>7. WARRANTIES</p>	
<p>7.1 Supplier Warranties: The Supplier warrants that all Goods and/or Services shall be provided with reasonable care and skill and in accordance with generally recognised commercial practices and standards by appropriately trained, competent and qualified Personnel and shall:</p>	
<p>7.1.1 conform to any specifications in the relevant Purchase Order;</p>	
<p>7.1.2 be of satisfactory quality, free from defects and fit for their intended purposes (whether such purpose is implied or expressly stated in the Purchase Order);</p>	
<p>7.1.3 comply with all applicable statutes, regulations; and any internal policies of the Council notified to the Supplier from time to time;</p>	
<p>7.1.4 be free of any third party mortgage, lien, claim, title or interest such that the Supplier is able to provide good title to the Council;</p>	
<p>7.1.5 be provided to the Council at a price that is no less favourable than the price paid by any purchaser for the same Goods and/or Services, in substantially similar circumstances;</p>	
<p>7.1.6 be suitable for use by the Council; and</p>	
<p>7.1.7 not infringe any intellectual property rights of any third party.</p>	
<p>7.2 Duration: The Supplier warranties in clause 7.1 will continue in effect until the expiry of any warranty period normally provided by the Supplier for Goods and/or Services of the type supplied, or a twelve month period commencing on the date of Acceptance of the Goods and/or Services by the Council, whichever is later.</p>	
<p>7.3 Repair/Replace: The Council shall promptly inform the Supplier in writing of any Goods and/or Services that fail to meet the warranties set out in clause 7.1. The Supplier shall, with all possible speed and without cost to the Council, re-perform the Services and/or replace or repair the Goods or any part thereof if the Goods and/or Services fail to meet the warranties.</p>	
<p>7.4 Additional Warranties: The Council's rights under this clause 7 are in addition to and not in substitution of any express, implied statutory or other rights. Without limiting the above, if a manufacturer or importer provides additional warranties in respect of any Goods, the Supplier must pass on the benefit of those warranties and assist the Council in enforcing any rights it or the Supplier may have under those warranties for the benefit of the Council.</p>	
<p>8. HEALTH, SAFETY AND LEGAL COMPLIANCE</p>	
<p>8.1 Supplier Responsibility: The Supplier shall at all times perform, and shall ensure that its employees, sub-contractors and agents perform, its obligations under this Agreement and any Purchase Order in a safe and responsible manner and observe and comply with all applicable laws including, without limitation the Health and Safety at Work Act 2015 ("HSWA"), rules, regulations, codes, industry standards and the relevant Council health and safety requirements (as notified to the supplier from time to time).</p>	
<p>8.2 Council Responsibility: The Council shall at all time ensure that it complies with its obligations under all applicable laws, including without limitation, under the HSWA and all relevant rules, regulations and codes made thereunder.</p>	
<p>8.3 Co-operation: The parties agree to consult, co-operate and co-ordinate on health and safety matters (as applicable) to ensure they meet their respective obligations under the HSWA.</p>	
<p>8.4 Authorisations/Consents: The Supplier must obtain all necessary consents and/or authorisations in relation to any Services to be performed under this Agreement.</p>	
<p>8.5 Council as Regulatory Authority: The Supplier acknowledges that the Council has regulatory authority/powers (Regulatory Capacity) and that this Agreement does not bind or fetter the Council in its Regulatory Capacity.</p>	
<p>9. INSURANCE</p>	

17.4 Mediation: If the parties fail to resolve the dispute at the Dispute Resolution Meeting, or if a party fails or refuses to attend the Dispute Resolution Meeting, either party may give written notice to the other specifying its intention to refer such dispute or difference to mediation. If a request to mediate is made then the party making the request will invite the Chairperson for the time being of the New Zealand Chapter of LEADR to appoint a mediator to enable the parties to mediate and settle the dispute. All discussions in the mediation will be without prejudice and will not be referred to in any later proceedings. The parties will bear their own costs in the mediation and will equally share the mediator's costs. Nothing in this section applies to a dispute to which clause 12 (Confidentiality) applies.

18. NOTICES

18.1 Method of Delivery: Any written notice required under this agreement must be signed by a duly authorised senior representative of the party giving that notice and will be deemed validly given if:

- 18.1.1 delivered by hand to the intended recipient's address as set out below;
- 18.1.2 sent by facsimile to the intended recipient's facsimile number as set out below and if the sender's facsimile machine confirms transmission to the intended recipient; or
- 18.1.3 sent by email to the intended recipient's email address as set out below and if the recipient acknowledges receipt (whether by way of an automated message or otherwise).

18.2 Addresses: The addresses (including email address) and facsimile numbers to which notices are to be delivered or sent are as follows:

18.2.1 **Notices to the Council:** For the Council:

Contact: Accounts Payable
Phone Number: 06 759 6060
Fax Number: 06 759 6072
Email Address: accounts@pays@bc.govt.nz
Physical Address: Civic Centre, Lizardet Street, New Plymouth

18.2.2 **Notices to Supplier:** For the Supplier:

All details are as per the New Supplier Request Form

18.3 Time of Delivery: Any notice transmitted by facsimile or email or delivered after 5:00 pm on a Business Day, or at any time on a non Business Day, will be deemed received at 9:00 am on the next Business Day (being, in each case, the time of day at the intended place of receipt of that notice).

19. GENERAL

19.1 Waiver: No waiver by either party of any provision of this Agreement shall be binding unless made by formal amendment to this Agreement. Further, any such waiver shall relate only to such matter, non-compliance or breach as it expressly relates to and shall not apply to any subsequent or other matter, non-compliance or breach.

19.2 Variation: This Agreement may not be varied except by agreement in writing signed by the authorised representative of each party.

19.3 Severability: Should any part or portion of this Agreement be held invalid, the remainder of the Agreement shall continue in force and effect as if the invalid provision had been deleted provided however that the parties to this Agreement may negotiate a valid and enforceable provision in replacement of the invalid provision.

19.4 Entire Agreement: Other than in relation to any separate supply agreement (as specified in clause 2.5), this Agreement constitutes the entire agreement between the Council and the Supplier and supersedes any previous or existing negotiations, letters, offers, representations or agreements, either written or oral, between the parties in relation to the supply of Goods and/or Services.

19.5 Governing Law: This Agreement shall be governed by the laws of the New Zealand and the parties submit to the Courts of that jurisdiction.

14.2 Responsibility: The Supplier shall be responsible to the Council for the Services performed by any sub-contractor, and the sub-contracting of any of the Services will not relieve the Supplier from any liability or obligations under this Agreement.

15. CONFLICT OF INTEREST

15.1 Notice of Conflict: The Supplier will immediately disclose any potential conflict of interest to the Council which could or does arise in relation to the provision of the Services by the Council as a result of a present or future appointment, assignment, employment/engagement or any other interest of the Supplier.

16. TERMINATION

16.1 Termination by Notice: Despite any of the other terms and conditions of this Agreement, either party may at any time, without prejudice to any other rights and remedies it may have under this Agreement or otherwise at law, terminate this Agreement on giving 40 Business Days' written notice to the other party.

16.2 Insolvency Event: In the event that the Supplier becomes insolvent, is placed in receivership, has a winding up order issued against it or files a petition for proceeding in bankruptcy, this Agreement may be terminated immediately in writing by the Council.

16.3 Termination for Cause: Either party (**First Party**) may terminate this agreement at any time and with immediate effect by written notice to the other party (**Second Party**) if the Second Party:

16.3.1 has committed a material breach of this Agreement where that breach is reasonably capable of being remedied within 10 Business Days and where the Second Party has failed to comply with an earlier written notice given by the First Party;

16.3.1.1 specifying that breach; and

16.3.1.2 requiring that the Second Party remedy that breach within the period specified in the earlier notice;

16.3.2 has committed a material breach of this Agreement, where that breach is not reasonably capable of being remedied by the Second Party.

16.4 Payment: Subject to clause 16.5, where the Council terminates this Agreement under clause 16.1 and, as at the date of termination, the Supplier has carried out or performed work under a Purchase Order:

16.4.1 where the Purchase Order is for the supply of Goods, the Council will pay to the Supplier any actual out-of-pocket costs incurred by the Supplier as at the date of termination; or

16.4.2 where this Purchase Order is for the supply of Services, the Council will pay the Supplier the reasonable value of the work actually performed under the Purchase Order as at the date of termination, as agreed by the parties.

16.5 Limits on Payment: In any event, where the Council makes a payment to the Supplier pursuant to clause 16.4:

16.5.1 in no circumstances will that amount exceed the Purchase Order price; and

16.5.2 the Supplier will not be entitled to any further costs or damages howsoever arising.

17. DISPUTE RESOLUTION

17.1 Dispute Resolution Process: If any dispute or difference arises between the parties in relation to this Agreement, the parties will follow the dispute resolution process as set out in this clause.

17.2 Good Faith Obligation: The parties agree to act in good faith and use their best endeavours to cooperate with each other to promptly resolve any dispute or difference that may arise in relation to this Agreement.

17.3 Senior Management: If a dispute cannot be resolved in accordance with clause 17.2 either party may give written notice to the other at any time specifying the nature of the dispute (**Dispute Notice**) and requiring that the Supplier and the relevant general manager of the Council meet within 10 Business Days after delivery of the Dispute Notice, to attempt to resolve the Dispute (**Dispute Resolution Meeting**).

Elected Members Declaration of Interests (ECM8481389)

as at 4 August 2022

(please advise the Governance Team of any amendments)

Mayor and Councillors

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Tony Bedford	Taranaki Electricity Trust Waitara Services and Citizens Club Hurricanes Schools Council Residential Property Owner Family Trust Taranaki Electricity Trust Hurricanes Alumni Taranaki Elite Athletes Foundation	Trustee Member Life Member Trustee Council appointee
Sam Bennett	Speaking Made Easy Full Circle Bespoke Life Events Heart of Brooklands New Plymouth Operatic Society Celebrants Association of New Zealand Residential Property Owner APJ and DM Bennett and PJ Bennett Star Gym	Ownership of company and contract with NPDC Sponsorship Manager Family Trust Council representative

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Gordon Brown	Taranaki Chamber of Commerce New Plymouth Bowls Club Writing Services Ltd Sport Taranaki (Chair) Friends of Pukekura Park	Contracting work Member Director Council appointee Council appointee
David Bublitz	New Plymouth Boys' High School New Plymouth Golf Club Residential Property owner Bublitz Family Trust YMCA Taranaki Taranaki Elite Athletes Foundation Yarrow Stadium Joint Committee	Employee Member Board member Council appointee Council appointee
Anneka Carlson	Pride Taranaki Residential property owner Taranaki Elite Athletes Foundation	Chairperson Council appointee
Murray Chong	Not advised	
Amanda Clinton-Gohdes	Institute of Directors Residential Property Owner Family trust beneficiary District Licensing Committee Taranaki Biodiversity Trust (Wild for Taranaki)	Member Deputy Chairperson Board member

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Harry Duynhoven	NZ Civil Aviation Authority Taranaki Habitat for Humanity NZ Federation of Motoring Clubs Automobile Association (Taranaki) Council NZ Motor Trade Assn Guild Residential Property Air quality Asia (NGO based in New York) Private trustee TRC Regional Transport Committee	Member Board member President Member Member Trustee and beneficiary Secretary of Board Independent trustee of two private trusts for impaired individuals Council appointee
Richard Handley	Residential Property Owner Tainui Rest Home Handley Tarawera Ltd Taranaki Retreat YMCA Taranaki Taranaki RSA Vestry of St Mary's Cathedral TRC Solid Waste Working Party YMCA National Board St Mary's Parish Finance Committee Institute of Directors Taranaki Chamber of Commerce	Director Sole shareholder and director Board member Member Council appointee Member Member Chartered Member

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Stacey Hitchcock	Department of Conservation New Plymouth Mountain Bike Club Taranaki Alpine Club Residential Property Owner Christmas at the Bowl Taranaki Trails Trust Tim Hitchcock Residential Ltd Jobhop Limited L.A. Alexander Trust TRC Policy and Planning Committee Len Lye Committee Len Lye Foundation	Employee Member Member Trustee Trustee Shareholder Shareholder Contractor Council appointee Council appointee Council appointee
Neil Holdom	New Plymouth Mountain Bike Club Lifestyle Block Owner (Smallholding) TRC Civil Defence Emergency Management Committee	Member Council appointee
Colin Johnston	The Vintage Car Club of NZ Taranaki Branch Waitara Town and Country Club Waitara Town and Country Club Residential Property Owner Puke Ariki Trust Johnston Collections Friends of Pukekura Park Heritage Taranaki	Current Chairman / 50 year badge holder Life Member / Past President Debenture holder Member Private Museum owner Council appointee Council appointee

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Richard Jordan	Fun Ho! Toys Inglewood Development Trust Inglewood Club TRI Residential Property Owner Commercial Property Owner Rural Property Interests	Director Manager / Trustee Member Member
Dinnie Moeahu	Institute of Directors Little Fighters Trust Change is Coming Coaching Ngā Manu Reo Toastmasters TDHB Consumer Council Te Kotahitanga o Te Atiawa Te Korowai o Ngaruahine Te Kahui o Taranaki Puketapu Ngāti te Whiti Ngati Moeahu Ngati Manuhiakai	Member Ambassador Managing Director Member Affiliate Affiliate Affiliate Affiliate Affiliate Affiliate Affiliate
Marie Pearce	Rural Property Owner Wakefield Family Trust Inglewood First Trust Inglewood Mini Golf Trust Inglewood District Health Trust Taranaki Arts Festival Trust	Council appointee

Community Boards

as at 26 July 2022

(please advise the Governance Team of any amendments)

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Jono Burrows	Nil	
Graham Chard	New Plymouth and Districts Returned & Services Association NPRSA Support Trust NPRSA Poppy Trust North Taranaki Kings Empire Veterans Association Okato Community Trust Chardz Holdingz Ltd Chardz Investmentz Ltd Taranaki Iwi Trust	President Chairman, Trustee Chairman, Trustee Treasurer Vice Chairman, Trustee Managing Director Director Affiliate
Mel Cook	Nil	
Paul Coxhead	Ōākura Bowling and Social Club Ōākura Indoor Bowling Club Private Property Owner Central District Zephyr Club	Vice President Member Member
Trevor Dodunski	Not advised	
Christine Fabish	Dudley District Hall Committee Hudson Essex Terraplane Club	Member Member
Neville Hagenson	Not advised	

Name of Member	Interest Being Declared	Nature of Interest/Transaction (includes positional or transactional interests eg funding agreements, proposals and other relationships)
Renee Hohaia	Residential Property owner R & Co Skin and Beauty – Ōākura	Owner
Andrew Larsen	Not advised	
Jonathan Marshall	New Zealand Antique Arms Association The New Zealand Black Powder Shooters Federation Inc Residential Property Owner	
Tyla Nickson	Not advised	
Warren Petersen	Not advised	
Joe Rauner	Not advised	
Graeme Sykes	St Andrews Anglican Church, Inglewood Paraninihi Anglican Archdeconry QM Services Ltd Inglewood Golf Club Egmont Village Community House Taranaki Alpine Club	Vestry Secretary, Synod Rep Treasurer Director Member Committee member Member
Murray Seamark	Nil	
Paul Verić	Taranaki District Health Board Independent Management Consultant Ōākura School Board of Trustees Residential Property Owner BTE Consulting Ltd PASS Ltd Veric Family Trust iPromise Ltd	Member Director Director