

Wellington City Council  
Me Heke Ki Poneke

**Operational  
Procurement Policy  
September 2022**

## Our Council Values

Our Council values underpin our internal policies



**He tangata, he tangata, he tangata**

We put people at the heart of what we do



**Whakapai ake**

We're always improving



**Mahi ngātahi**

We collaborate



**Mana tiaki**

We care for our places

## Purpose

This document outlines how procurement activities are undertaken at Wellington City Council (Council).

## Scope

The scope of this Operational Procurement Policy (Policy) includes all procurement activities that are undertaken at Council. This Policy is owned by Council's Chief Executive and Chief Financial Officer.

Responsibility for implementation and future review of the strategy lies with the Manager, Commercial Partnerships. The Policy is mandatory for all Council procurement and where appropriate may apply to Council Controlled Organisations (CCOs). The Policy has the capability to incorporate any future Councillor directives and priorities.

## How we deliver Procurement at Council

Every year Wellington City Council spends over \$500m on external suppliers to help the Council run its operations and deliver its projects. This includes a wide range of works, goods and services across all Council functions that together enable the delivery of community infrastructure, facilities, and services for the residents of Pōneke.

Commercial Partnerships work together with Business Units to enable Council to partner with organisations to deliver on commercial outcomes that align with our organisation's values, are guided by our vision, and upholds our commercial principals. Positive social, cultural, economic, and environmental outcomes for Pōneke are at the heart of our commercial decision making.

Kia mahi ngātahi mō Pōneke mō tōna āpōpō.  
Working together for Wellington's future.

Council's approach to procurement is informed by the Policy and Procedures which includes our commitment to the following principles:

Objectives	Description
<b>Best value</b> <b>Aroha</b> <b>We act with the best of intent</b>	Get the best possible outcomes over the whole of life of the asset, services or works, by striking the right balance of good outcomes, good quality and good price and good management.
<b>Fit for the future</b> Tika We do what is right	Tangible social, economic, cultural, environmental, and public wellbeing outcomes are achieved through procurement that go beyond the immediate purchase of goods, services, and infrastructure.
<b>Effective and efficient processes</b> Whakapai ake We are always improving	Processes are fit for purpose, user friendly and intuitive. They balance being effective and efficient with our responsibilities as prudent custodians of public money.
<b>Risks are identified and managed</b> Kaitiakitanga We are guardians	Appropriate controls are in place and adequate data is available to enable the Council to optimise spend and to meet our legislative obligations as a governing local authority. We are risk aware, not necessarily risk averse.
<b>Partnering for greater impact</b> Kotahitanga We are stronger when we work together	Suppliers choose to work with the Council as a preferred client and/or partner. Stakeholders seek out procurement and commercial involvement because it adds value. The Council is an employer of choice for staff.

## Our Commercial Values and Behaviours

All those undertaking commercial activities at Council will uphold and promote our Commercial Values and Behaviours of:

- Act with integrity and transparency, ensure our commercial decision making and processes are ethically sound.
- Use and promote te reo Māori, mātauranga Māori and te ao Māori in our everyday work and are proactively engaging in deepening our understanding of these too.
- Protect Council and its employees by ensuring robust and high-quality commercial processes and outcomes occur for Council, our iwi partners, our local economy, and our community.

## Our Commercial Function

The function of the Commercial Partnerships team is to ensure robust and high-quality commercial decision making occurs in partnership with Business Units. Together, we ensure that the best outcomes can be achieved by:

- Maintaining the trust of our business by providing efficient, high-quality, and outcomes-focused advice and guidance on commercial approaches to fulfil our requirements.
- Guaranteeing that all commercial approaches advised on by Commercial Partnerships and acted on by Business Units are ethical, equitable, fair, and transparent.
- Enabling value to be realised in our commercial arrangements by ensuring risks (including insurance), costs, relationships and the health of our local economy has been robustly considered in our processes.
- Pursue supply chain efficiency and cost-savings where it enables effective commercial outcomes to be achieved.
- Align commercial approaches with wider Council strategic directives focused on the prosperity and protection of our communities and environment delivered through tangible outcomes.

## Our Economy and Suppliers

In order for Council to effectively deliver we need healthy markets, sustainable supply chains, well-managed commercial arrangements and strong relationships with our suppliers and delivery partners. Commercial Partnerships, alongside other key business units and contract managers must:

- Proactively manage all contractual arrangements to prioritise risk management and the achievement of social, cultural, economic, and environmental outcomes as part of the delivery of requirements.
- Support the development of a healthy, diverse, and competitive market by ensuring sourcing documents and compliance requirements (standards, insurance, risk) are appropriate for market conditions, and that respondents have the tools to submit a meaningful response.
- Uphold our commitment to Pōneke being an inclusive, sustainable, and creative capital for people to live, work and play by prioritising commercial approaches that enhance the wellbeing of our local economy and people.
- Enhance the prosperity of the Māori economy through targeted initiatives and action that enables positive holistic outcomes for mana whenua and Māori in the capital city of Aotearoa.
- Contract with entities that promote and uphold our Supplier Code of Conduct.

## The Commercial Lifecycle

All commercial activities should follow the Commercial Lifecycle (Figure 1) to ensure value for money, alongside desired outcomes are delivered on.

The appropriate commercial approach and procurement methodology will be based on a number of factors in accordance with the Procedures and will include but is not limited to the risk profile of the commercial activities, the market, the cost and nature of the goods or services requiring to be delivered, and Broader Outcomes.

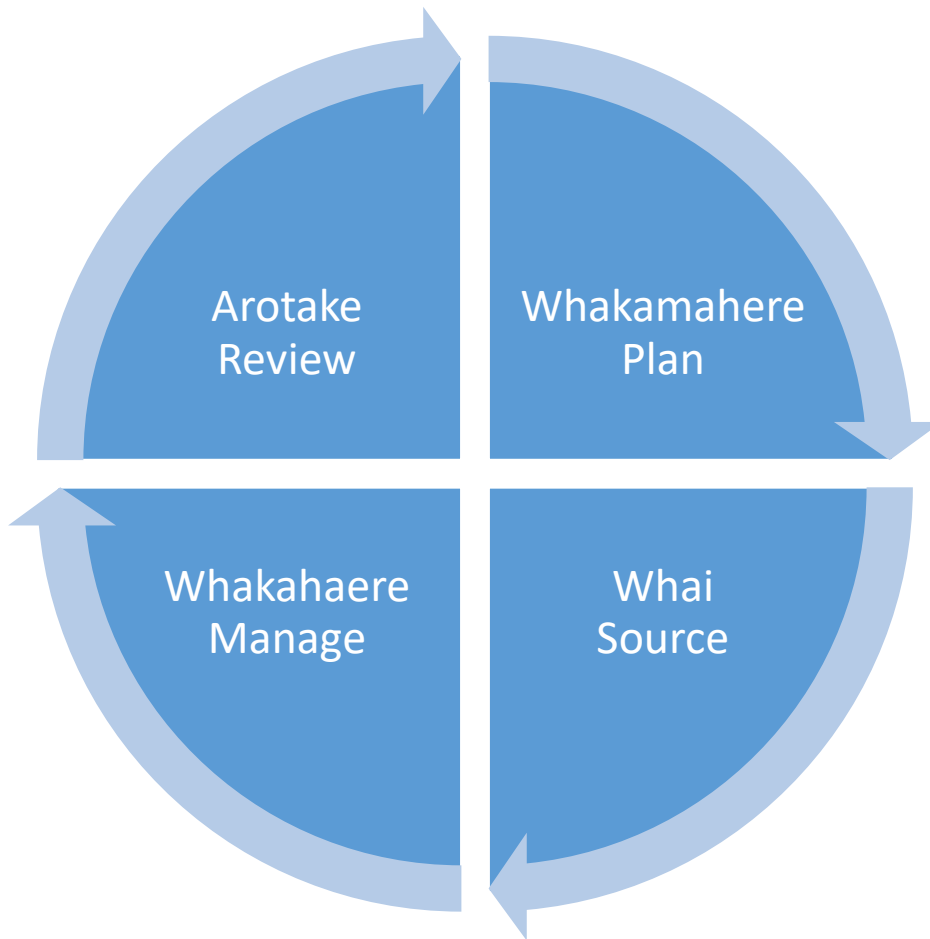


Figure 1 Council Commercial Lifecycle

## Roles and Responsibilities

Role	Description	Responsibility
All Staff	Any Council or CCO staff member.	Remain up to date with Council Procurement Policy and Procedures.
Business Unit(s)	General term for any individual or team who	Responsible for the provision of accurate and timely information required by

Role	Description	Responsibility
	have a commercial and/or procurement requirement.	Commercial Partnerships to develop tailored commercial approaches. Referred to as the <b>Business Owner</b> on procurement activities.
Commercial Partnerships Team	Function in Council responsible for commercial activities undertaken.	Responsible for designing, developing, and leading tailored commercial approaches for Business Units across the Commercial Lifecycle. Referred to as <b>Commercial Lead</b> on procurement activities.
Manager and Principal Advisor, Commercial Partnerships	Individual in the position of Manager, Commercial Partnerships at Council or Principal Advisor, Commercial Partnerships.	Responsible for approval of commercial approaches, including exemptions, in line with the Policy and Procedures.
Delegated Financial Authorities (DFA)	Individual with the required delegation for approval to incur expenditure at Council.	Responsible for the approval of expenditure related to a determined commercial approach.
Executive Leadership Team (ELT) member	Individual with the required delegation to approve commercial activities in accordance with the Delegations Policy.	Responsible for the approval of commercial activities in accordance with the Delegations Policy.
Contract Manager	Individual with responsibility for ensuring that the rights and obligations under their Contract are met.	Responsible for the day-to-day management of their contract as part of the Manage and Review components of the Commercial Lifecycle.
Legal Services	Function in Council responsible legal advice and associated activities.	Responsible for the day-to-day legal advice and guidance for Council, including contract advice and development, bespoke terms development, legal risk guidance and variations.
Risk & Assurance	Function in Council responsible for risk and assurance advice, guidance, and management related activities.	Responsible for the day-to-day operational and strategic risk and assurance advice for Council, including Operational Risk Register assessments.

Role	Description	Responsibility
Finance & Business	Function in Council responsible for financial support to help BUs deliver their strategic and business goals.	Responsible for the day-to-day financial, management accounting, insurance, business performance and reporting support and advice for Council.

## Monitoring

Commercial Partnerships, through the Contract Manager(s) or Business Owner(s), will monitor relevant spend, risk, performance and Broader Outcomes where required as part of contributing to Council strategic commitment.

For Council internal and external reporting or auditing requirements, commercial information must be made available by the relevant Business Units in order to provide full and complete information to the relevant parties.

Contract Management monitoring and reporting activities will be conducted in accordance with the Contract Management Framework and as documented in the Procurement Plan.

## Health, Safety and Wellbeing

Council is committed to reducing, and where possible, removing the risk of harm to its workers and the public. Our workers are our employees, contractors, and volunteer workers. In our workplace and that of our suppliers we want everyone to look after their own health and safety and that of other people.

Appropriate resources will be allocated to ensure that:

- Health and safety hazards and risks are managed
- Legislative requirements are complied with
- Effective health and safety management systems are maintained.

Commercial Partnerships will work with the relevant Business Units to ensure obligations are met, and health, safety and wellbeing is prioritised.

## Risk and Insurance

### Risk

All commercial activities hold some element of risk that should be first assessed, and then managed appropriately throughout the commercial lifecycle. Formal risk analysis and risk management enable Council to decide which commercial approach should be used to effectively manage risk. The Council approach to risk management as part of procurement activities is outlined in the Procedures.

## Insurance

Insurance is only one element of an overarching risk management strategy. It does not remove the liability of a party for their actions but instead provides financial protection for that party, as an insured, in the event of an insurable loss or liability. The three common types of insurance relevant to the purchase of goods and services are: Public liability; Product liability; Professional indemnity.

While standard levels of insurance are determined for Council, these need to be assessed against each procurement to ensure they are fit-for-purpose and do not provide unnecessary levels of compliance for Council or the market. The Finance & Business and Legal Services functions at Council can support this.

## Related Strategic Commitments

- [2021-2031 Long Term Plan](#)
- [Tūpiki Ora Māori Strategy](#)
- [Te Atakura First to Zero](#)
- [Broader Outcomes](#)
- Te Upoko o te Ika a Māui Commitment
- [Economic and Wellbeing Strategy](#)
- [Aho Tini 2030: Arts, Culture and Creativity Strategy](#)

## Related Council Policy and Procedures

- Procurement Strategy
- Procurement Procedures
- [Delegations Policy](#)
- [Insurance Policy](#)
- [Health, Safety and Wellbeing Resources](#)
- [Investment Development Framework \(IDF\)](#)



## Document control

Policy owner	Commercial Partnerships
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Approved by (ELT sponsor)	September 2022
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