

NEW PLYMOUTH DISTRICT COUNCIL

S25-002 PROCUREMENT STRATEGY

June 2025

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1. Introduction

Procurement is a critical function of the New Plymouth District Council (Council) enabling the delivery of essential services while fostering economic and social benefits. This Procurement Strategy (Strategy) outlines our approach, goals and actions focusing on achieving value-for-money and efficient resource use while also contributing to broader outcomes for our community.

It is more important than ever that Council has the best arrangements in place to deliver innovative solutions that help us reduce costs and improve the services that we deliver to our community. Public procurement represents a powerful tool to stimulate local economies, support small and minority businesses, and contribute to broader societal objectives such as environmental sustainability and social inclusion.

The purpose of this strategy is to create a cohesive framework that aligns procurement activities with the Council's overarching vision. Through our Strategy, we will leverage procurement activities to positively impact on New Plymouth District's economy and communities in delivering social, economic, environmental and cultural well-beings benefits.

Through clear priorities and actionable plans, our Strategy seeks to achieve transformative outcomes that enhance Council's ability to deliver value-for-money, community resilience, and prosperity. By understanding and effectively using the procurement process, we will make sure our investments benefit the community in the long run.

2. Vision

Our vision is to create value for the community through a procurement framework that ensures informed and ethical decision making and value-for-money outcomes, while also promoting local economic growth, environmental sustainability, and alignment with the cultural values of the region, including Te Tiriti principles.

3. Strategic Approach

The New Plymouth District Council's strategic vision is "Sustainable Lifestyle Capital" and the Mission is. "Ensuring Taranaki is a place of opportunity where people want to live, learn, work, play and invest now and into the future with a focus on kaitiakitanga (guardianship). Our Procurement Strategy plays a critical role in achieving this vision and mission by ensuring that procurement activities are aligned with the Council's strategic pillars of trusted, thriving culture and communities, prosperity and environmental excellence

The Council takes a unified and collaborative approach to procurement. This ensures that our sourcing and contracting methods are efficient, effective, and aligned with the needs of the district. By fostering collaboration across teams, stakeholders, and suppliers, we not only support the financial sustainability of the Council but also contribute to our vision of creating a Sustainable Lifestyle Capital. This vision ensures that residents enjoy a high quality of life today without compromising the needs of future generations.

Our Procurement Strategy drives us to make a meaningful difference in everything we do. We consider the broader impact of our procurement decisions on the community, all stakeholders, taking responsibility for our actions and striving for continuous improvement. By incorporating broader outcomes such as sustainability, social equity, and cultural considerations into our procurement processes, we create opportunities that uplift the entire community. This includes prioritising suppliers who demonstrate fair labour

practices, as well as supporting locally owned businesses to ensure economic benefits are shared equitably.

By aligning procurement activities with the Council's strategic vision, goals, sustainability strategy and broader outcomes, we ensure that every decision contributes to the long-term prosperity and resilience of the New Plymouth District. We will deliver procurement outcomes that are not only financially beneficial but also socially, culturally, and environmentally sound. Together, these efforts will help us create a sustainable, inclusive, and prosperous future for all.

4. Strategic Themes

The following are the strategic themes of our planned approach to procurement and contracting activities:

a. Managing Spend Effectively

Efficient and effective spending is critical to maximising the value derived from public funds. We will apply the principles of kaitiakitanga to ensure public funds are utilised responsibly, minimising environmental impact and maximising community benefits. We will consider Value-for-Money as the optimum combination of whole-of-life costs in terms of not only generating efficiencies, savings and good quality, but also delivering benefits to society and the economy, whilst minimising damage to the environment. By maintaining a structured approach to procurement, we strive to ensure maximum cost-efficiency while achieving strategic goals.

b. Local Prosperity

The Council is dedicated to fostering a strong local economy. Through good procurement practices, we will create opportunities for local businesses, including small and minority-owned enterprises, to participate in Council contracts. A local business is defined as an enterprise that:

- Has a physical presence within the geographical boundaries of the Council's jurisdiction.
- Employs local residents, contributing to local job creation and economic stability.
- Pays local taxes and rates, supporting the community's infrastructure and services.

This approach not only supports economic growth but also ensures that the benefits of the Council's procurements are felt across the community.

c. Environmental Excellence

The Council is committed to protecting and enhancing our natural environment and in 2024 adopted an Environmental Sustainability Policy. Through procurement, we will prioritise sustainable practices to comply with and realise our Environmental Sustainability Policy, such as reducing whole-of-life energy, water and material requirements, favouring reuseable, recyclable, or low-emission products, and supporting suppliers who adopt circular economy principles and demonstrate a commitment to emission reduction. This will help us meet our climate action goals and contribute to a more resilient district in line with the Council's Environmental Sustainability Policy and broader outcome. Procurement decisions will consider the additional costs relative to the value delivered, ensuring a balanced and fiscally responsible approach that aligns with the Council's long-term financial sustainability objectives.

d. Social Impact, Cultural Identity and Inclusivity

We aim to embed social impact into procurement decisions. We will encourage business engagements with minority-owned enterprises to promote diversity and inclusion. We will also strive to work with organisations actively creating workforce development and training programmes which enhance skill sets, improve employability, and provide sustainable career pathways for people in our local community.

Social procurement will also be leveraged to deliver targeted benefits that strengthen iwi, hapū, and whānau capacity, create employment opportunities for Māori, and enhance cultural resilience. While striving to be fair to all suppliers, we will work to foster relationships with iwi and hapū enterprises through whanaungatanga (relationship), creating opportunities for collaboration and mutual benefit. Through these initiatives, we seek to address systemic inequities, promote intergenerational well-being, and honour Te Tiriti o Waitangi obligations through inclusive and meaningful economic partnerships.

e. Transparency and Accountability

Transparency fosters trust and ensures all stakeholders comprehend and endorse procurement decisions. The Council will manage procurement practices with strong governance and comprehensive reporting, maintaining the highest standards of ethics in procurement. This ethical approach not only enhances accountability but also reassures stakeholders that resources are being utilised responsibly and effectively for the community's benefit.

f. Delivering Compliant Processes and Procedures

It is critical Council runs effective tender processes that are transparent and compliant with current and emerging legislation and best public sector procurement practices. To ensure consistency and appropriate compliance in all procurement activities, the Council will continue to provide standardised frameworks, processes and templates for procurement and contracting activities. Regular audits of procurement practices will be conducted to identify and address any compliance gaps. Procurement practices will generally align with the current New Zealand Government Procurement Rules.

g. Supporting Collaborative Procurement efforts

We acknowledge the value that collaboration has within the public sector in order to maximise economies of scale and our buying power, and to drive efficiencies and innovative solutions. Collaborating with external partners boosts procurement efficiency and supports innovation. The Council aims to leverage shared frameworks for notable benefits by partnering with nearby councils, public and private agencies for joint procurement. Council will actively utilise collaborative frameworks such as All-of-Government (AoG) contracts and panels. Furthermore, Council staff will network with other local government entities for knowledge sharing.

h. Well-being and Health and Safety

The Council prioritises the well-being, health, and safety of our community and workforce. Through procurement, we will engage suppliers who demonstrate a strong commitment to health and safety standards, ensuring that their practices protect workers, residents, and the environment.

5. Implementation Framework

5.1. Governance

Governance is essential to maintaining oversight and ensuring the consistent application of procurement policies and principles. A well-structured procurement governance framework will provide clear roles and responsibilities, enabling efficient decision-making and risk management. These foundational elements ensure that the Council's goals are translated into tangible outcomes while maintaining accountability and transparency throughout the process. Our Strategy highlights key action items of the governance framework.

Key Actions:

- **Procurement oversight through a Governance Group:** Major procurement decision related to procurement planning or strategy, sole source procurement, probity concerns, tender recommendation and long-term contracts will endorse and approve through a Governance Group to ensure alignment with the Council's objectives.
- **Maintain management oversight:** The Procurement Management will oversee procurement activities, drive strategic initiatives, and ensure adherence to best practices.
- **Subject Matter Expert:** Subject Matter Expert specialised on technical, commercial, sustainability, innovation, and social value will provide targeted expertise and support to tender processes when needed.
- **Implement Risk Management Framework:** A Procurement Risk Management Framework will serve to identify, assess, and mitigate procurement risks, ensuring compliance and operational continuity.

5.2. Procurement Principles

New Zealand Government Procurement Principles apply to all government agencies and provide government's overarching values. Although the Council is not mandated to follow all Government Procurement Rules, the principles apply to our procurement practices.

These five New Zealand Government Procurement principles are:

1. Plan and manage for great results

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

2. Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.

- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

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

4. Get the best deal for everyone

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

5. Play by the rules

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

5.3. Resource Allocation and Prioritisation

Adequate resources—both financial and human—are critical to the successful execution of this strategy. This includes investments in technology, training, and infrastructure to enhance procurement efficiency and effectiveness.

Key Actions:

- **Invest in Digital Tools:** Leverage procurement software to streamline processes, improve data analytics, and enhance decision-making.
- **Provide Procurement Training for Staff:** Offer ongoing professional development programmes to procurement staff to ensure they are equipped with the latest knowledge and skills in procurement practices and able to share this knowledge with internal and external stakeholders.

- **Use Whole-of-Life Costing methodologies:** The Council intends to assess the long-term financial and operational impacts of procurement decisions. Costs related to the entire term of a contract will be taken into account during supplier selections and contract awards, ensuring a comprehensive evaluation that goes beyond initial expenses.
- **Enhance Contract Management:** Build capacity to manage contracts effectively, ensuring supplier performance aligns with agreed-upon terms and conditions, and delivers high levels of service, quality, and exemplary outcomes overall.

5.4. Stakeholder Engagement

Engaging with stakeholders, both internal and external, is vital for fostering collaboration, building trust, and ensuring the strategy reflects the needs of the community.

Key Actions:

- **Interdepartmental Collaboration:** Ensure alignment across Council departments by facilitating regular cross-functional meetings with Procurement staff embodying a spirit of teamwork, advisory support, and collaborative partnership.
- **Feedback Mechanisms:** Implement systems to collect and act on feedback from suppliers, community members, and Council staff to continuously improve procurement practices.
- **Regular Supplier Engagement:** Actively meet and connect with suppliers to maintain critical supplier relationships and provide guidance on Council procurement and contracting processes.

By prioritising strong governance, procurement principles, resource allocation and prioritisation, and stakeholder engagement, the Council will ensure that our Strategy is not only well-executed but also adaptable to evolving needs and challenges.

6. Supporting Local Businesses

The Council recognises the value of purchasing locally and aims to encourage businesses that contribute to the local community, economy, and the achievement of Council's strategic goals.

In alignment with Council's commitment to fostering economic growth and social equity, our Strategy prioritises equitable access to our contract opportunities and strives to increase contracting with local businesses, including minority-owned businesses and those affiliated with iwi and hapū. By actively engaging with these businesses, we aim to promote local economic development, create employment opportunities, and strengthen the cultural and economic fabric of our region. This approach supports our overarching goals of sustainability, resilience, and inclusivity in procurement practices.

To achieve this, we will establish clear mechanisms to identify and engage with local enterprises. These include maintaining a registry of local small businesses interested in working with Council, as well as a registry of iwi/hapū-affiliated suppliers. We will strive to conduct outreach to build relationships with local businesses and organise workshops to assist potential suppliers in navigating the procurement process. Additionally, when

relevant, weighted evaluation criteria will reflect the Council's commitment to working with suppliers who demonstrate evidence of making positive local impacts and contributing to the growth and development of the local economy.

7. Partnering with iwi, hapū, and Māori businesses

New Plymouth's procurement strategy is committed to fostering meaningful partnerships with iwi, hapū, and Māori businesses. This includes strengthening engagement with Māori and iwi-affiliated enterprises through targeted outreach, supplier workshops, and simplified bidding processes tailored to their unique needs. By integrating manaakitanga (hospitality and respect) into supplier interactions, we aim to create a welcoming and supportive environment for Māori businesses to thrive.

NPDC will engage in meaningful partnerships with Taranaki whānui ensuring that procurement practices are culturally respectful and contribute to the well-being of all communities. By prioritising these partnerships and fostering culturally respectful procurement practices, our Strategy supports celebrating the region's cultural heritage while addressing systemic inequities and promoting well-being.

We will strive to incorporate tikanga Māori (customs) into procurement processes and recognise the unique cultural values inherent in Māori business practices. Our strategy integrates Māori principles such as manaakitanga (hospitality), kaitiakitanga (guardianship), and whanaungatanga (relationships). We will ensure that procurement processes are respectful of tikanga Māori and provide flexibility where possible to accommodate culturally specific business practices.

This approach creates a strong foundation for increasing the participation of Māori businesses in Council's annual contracts. It also fosters new opportunities and establishes a structured framework for engagement in medium to large-scale projects in the near future. This goal reflects broader efforts by the New Zealand government to enhance support and achieve the target percentage of annual contracts awarded to Māori businesses. Ultimately, this approach demonstrates our commitment to cultivating partnerships that drive both economic growth and cultural enrichment, contributing to a shared vision of prosperity and well-being for all communities.

8. Contract Management

Contract management is a critical component of the procurement process, ensuring that the chosen contract type aligns with identified and assessed risks as well as client-specific constraints. Effective contract management supports the Council's strategic goals and delivers outcomes in an efficient and accountable manner.

This process includes several key elements:

- Selection of the appropriate contract type and standard conditions of contract to reflect the scope, complexity, and risk profile of procurement activities.
- Risk management, ensuring proactive identification, assessment, and mitigation of risks throughout the contract lifecycle.
- Contract administration, including performance monitoring, compliance verification, and issue resolution to maintain service standards and contractual obligations.

Contract management integrates seamlessly with the Council's existing frameworks, including the Health, Safety, and Environmental (HSE) policy, cost estimation and contingency planning framework, and the contractor performance evaluation framework.

Together, these elements provide a robust foundation for managing contracts, ensuring that expectations are met, and risks are effectively mitigated.

By adopting a structured approach to contract management, the Council can enhance transparency, achieve value for money, and uphold high standards of service delivery while fostering strong contractor relationships and continuous improvement in procurement practices.

9. Measuring Success

To ensure the success of our Strategy, the following Key Performance Indicator (KPI) parameters will be established and monitored. These parameters align with strategic goals and provide measurable benchmarks for progress:

Category	KPI Parameters to be Established
Thriving Culture and Communities	<ul style="list-style-type: none"> Percentage of Procurement Spend with Local Businesses Percentage contracts awarded to Māori/iwi-affiliated businesses Increase supplier diversity by onboarding new minority-owned businesses
Environmental Excellence	<ul style="list-style-type: none"> Measurement of carbon emission reductions from Tier 1 and Tier 2 procurement activities Number of projects incorporating sustainability in evaluation criteria Proportion of suppliers engaged in sustainability initiatives with the Council
Prosperity	<ul style="list-style-type: none"> Estimated cost savings and cost avoidance achieved through improved procurement and commercial practices Reduction in procurement cycle times through process efficiencies
Trusted	<ul style="list-style-type: none"> Conduct annual performance evaluation for major project contractors and consultant. Increase number of meetings held with key stakeholders to assess satisfaction