

ORDER PAPER

POLICY/PLANNING COMMITTEE MEETING

Date: Thursday, 13 June 2024
Time: 1.00pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Cr Piki Te Ora Hiroa

Deputy Chair: Cr Gill Duncan

Membership: Cr Richard Lambert
Cr Dave Wilson
Cr Greg Maughan
Mr Chris Shenton (TRAK representative)
HWTM Andy Watson

For any enquiries regarding this agenda, please contact:

Kezia Spence, Governance Advisor, 0800 422 522 (ext. 917), or via email

kezia.spence@rangitikei.govt.nz

Contact:	0800 422 522 info@rangitikei.govt.nz www.rangitikei.govt.nz (06) 327 0099				
Locations:	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <u>Marton</u> Head Office 46 High Street Marton </td> <td style="width: 50%; vertical-align: top;"> <u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls </td> </tr> <tr> <td style="vertical-align: top;"> <u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape </td> <td></td> </tr> </table>	<u>Marton</u> Head Office 46 High Street Marton	<u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls	<u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape	
<u>Marton</u> Head Office 46 High Street Marton	<u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls				
<u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape					
Postal Address:	Private Bag 1102, Marton 4741				
Fax:	(06) 327 6970				

Notice is hereby given that a Policy/Planning Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Thursday, 13 June 2024 at 1.00pm.

Order Of Business

1	Welcome / Prayer	4
2	Apologies	4
3	Public Forum	4
4	Conflict of Interest Declarations	4
5	Confirmation of Order of Business	4
6	Confirmation of Minutes	5
	6.1 Confirmation of Minutes	5
7	Chair's Report	13
	7.1 Chair's Report - June.....	13
8	Reports for Decision	14
	8.1 Draft Terms of Reference	14
	8.2 Policy/Bylaw Work Programme and Drone Policy Review	20
	8.3 Section 17A Review - Camping Grounds	30
9	Reports for Information	33
	9.1 Strategy/Plan Development and Review Update	33
	9.2 Economic Wellbeing Update	38
	9.3 Regulatory Statistics - June 2024	41
	9.4 Draft Procurement and Contract Management Policy	42
10	Meeting Closed.	114

AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt as a late item at this meeting.

6 Confirmation of Minutes

6.1 Confirmation of Minutes

Author: Kezia Spence, Governance Advisor

1. Reason for Report

- 1.1 The minutes from **Policy/Planning Committee Meeting held on 11 April 2024** are attached.

Attachments

1. **Policy/Planning Committee Meeting - 11 April 2024**

Recommendation

That the minutes of Policy/Planning Committee Meeting held on 11 April 2024 [**as amended/without amendment**] be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

MINUTES



UNCONFIRMED: POLICY/PLANNING COMMITTEE MEETING

Date: Thursday, 11 April 2024
Time: 1.30pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present
Cr Piki Te Ora Hiroa
Cr Gill Duncan
Cr Richard Lambert
Cr Dave Wilson
Cr Greg Maughan

In attendance
Cr Jeff Wong
Cr Fi Dalgety
Ms Gaylene Prince, Group Manager-Community
Mr Johan Cullis, Group Manager- Regulatory Services
Ms Katrina Gray, Manager Strategy and Development
Mrs Tiffany Gower, Senior Policy Planner
Ms Janna Isles, Corporate Planner
Mr Jarrod Calkin, Economic Wellbeing Lead
Ms Kezia Spence, Governance Advisor

Order of Business

1 **Welcome / Prayer** 3

2 **Apologies** 3

3 **Public Forum** 3

4 **Conflict of Interest Declarations**..... 3

5 **Confirmation of Order of Business** 3

6 **Confirmation of Minutes** 3

7 **Reports for Information**..... 3

 7.1 Chair's Report 3

 7.2 Urban Growth Plan Change - Efficiency and Effectiveness Monitoring Update 4

 7.3 Policy/Bylaw Work Programme Update..... 4

 7.4 Economic Wellbeing Update 5

 7.5 Strategy/Plan Development and Review Update 5

 7.6 Coalition Government Action Plan 1 April - 30 June 2024..... 5

8 **Discussion Items**..... 6

 8.1 Submission to the Horizons Regional Council 2024-34 Long Term Plan..... 6

Unconfirmed

1 Welcome / Prayer

Cr Hiroa opened the meeting at 1.35pm with karakia.

2 Apologies

Resolved minute number **24/PPL/013**

Apologies received from HWTM Andy Watson and Chris Shenton.

Cr Hiroa/Cr G Maughan. Carried

3 Public Forum

There was no public forum.

4 Conflict of Interest Declarations

There were no conflicts of interest.

5 Confirmation of Order of Business

There was no change to the order of business.

6 Confirmation of Minutes

That the Chair read her report via zoom.

Resolved minute number **24/PPL/014**

That the minutes of Policy/Planning Committee Meeting held on 15 February 2024 **as amended** be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

Cr D Wilson/Cr R Lambert. Carried

7 Reports for Information

7.1 Chair's Report

The Chair read her report.

Resolved minute number 24/PPL/015

That the Chair's Report be received.

Cr Hiroa/Cr G Duncan. Carried

7.2 Urban Growth Plan Change - Efficiency and Effectiveness Monitoring Update

Ms Gower took councillors through this item and presented on this.

Ms Gower spoke of the consenting and new builds within the district and showed that the 2021 and 2022 years were high.

The committee questioned the process for undersized lots. Ms Gower responded that this more difficult, but the District Plan does provide a process.

Ms Gower answered that council does have a height restriction in the residential zone and that this is two storeys and two-three storeys for commercial.

Councillors noted frustration that council has missed the opportunity for the rural subdivision due to restrictions on one and two soils.

Resolved minute number 24/PPL/016

That the report 'Urban Growth Plan Change - Efficiency and Effectiveness Monitoring Update' be received

Cr G Maughan/Cr R Lambert. Carried

7.3 Policy/Bylaw Work Programme UpdateFlying Drones Policy

Ms Isles responded to questions that the CCA rules outlines how people can use drones, but the policy provides permission for council land without having to seek permission every time.

Policy Schedule

The Procurement Policy is due for review in 2024 and given the number of capital works and the build programme the committee requested that this come forward and that there be urgency on this. Ms Gray responded that this is currently under active review.

Bylaw Register

Ms Gray responded that the reason for letting the Bylaw for Bungy Jumping to lapse is that this is bylaw is no longer required.

Resolved minute number 24/PPL/017

That the report 'Policy/Bylaw Work Programme update' be received.

Cr G Duncan/Cr R Lambert. Carried

ITEM 6.1

ATTACHMENT 1

7.4 Economic Wellbeing Update

Town Centre Revitalisation Better off Funding

Mr Calkin spoke of the work being on pause for the Marton library due to the services being moved and would like endorsement from the committee to continue work in Bulls and Taihape.

The committee noted there was confusion between the Better off Funding for Marton and the Long-Term Plan decision on the Marton Main Street Upgrade.

Ms Gray responded that there are number of plans that will feed into this work, but the focus will be looking at small scale projects, signage, and storytelling.

Mayor's Taskforce for Jobs

Mr Calkin responded to questions regarding the economic downturn and the impact this might have on the programme. The contractor has not reported on anything explicit in relation to this. This can be raised at the next catch-up with the contractor.

Mr Calkin noted that staff and council continue to advocate for this programme.

Resolved minute number 24/PPL/018

That the report "Economic Wellbeing Update" be received

Cr D Wilson/Cr R Lambert. Carried

Resolved minute number 24/PPL/019

That the Policy/Planning Committee endorse the amendments to the Town Centre Revitalisation project with Marton delayed until 2025/2026 and Taihape and Bulls to be completed concurrently in 2024/2025.

Cr D Wilson/Cr R Lambert. Carried

7.5 Strategy/Plan Development and Review Update

Ms Gray responded to questions that the Economic Strategy will be reviewed by the end of 2024 and that the Heritage Strategy review will start late 2024.

Resolved minute number 24/PPL/020

That the report 'Strategy/Plan Development and Review Update' be received

Cr R Lambert/Cr G Duncan. Carried

7.6 Coalition Government Action Plan 1 April - 30 June 2024

The report was taken as read.

Resolved minute number 24/PPL/021

That the report 'Coalition Government Action Plan 1 April - 30 June 2024' be received.

Cr G Maughan/Cr D Wilson. Carried

8 Discussion Items

8.1 Submission to the Horizons Regional Council 2024-34 Long Term Plan

Highly Productive Land

Horizons do have guidance for what is considered Highly Productive Land (NPS-HPL) and that this aligns with the soil and versatility of the soil for food production.

Public Transport

Cr Wong spoke on this item that there will be increased links for Marton and that Marton will be well serviced in this plan.

Cr Wong responded to a question that there is consideration of a shuttle type service.

Natural Hazard Data

Ms Gray noted that some areas in the region have good flood model data but one of the recommendations from Council is that Horizons complete other natural hazard data for the district. There was support from the committee regarding this.

National Policy Statement for Freshwater Management

The committee was concerned that when Horizons went to the community that there had been no economic study undertaken. The committee was concerned about the regulations imposed on sheep and beef farming and therefore would encourage a delay.

Cr Wong noted an email circulated from Cr Loudon on air quality and whether this should be included in council's submission. Cr Wong noted that there were some concerns in the northern ward regarding fireplaces and the air quality.

Ms Gray will circulate the dates when feedback is required back alongside the draft submission.

Resolved minute number 24/PPL/022

That the report 'Submission to the Horizons Regional Council 2024-34 Long Term Plan' be received.

Cr D Wilson/Cr G Maughan. Carried

The meeting closed at 3.29pm.

ITEM 6.1

ATTACHMENT 1

The minutes of this meeting were confirmed at the Policy/Planning Committee held on 13 June 2024.

.....

Chairperson

Unconfirmed

7 Chair's Report

7.1 Chair's Report - June

Author: Piki Te Ora Hiroa, Chair

Morena koutou

And welcome to our June Policy & Planning Hui.

Firstly, an acknowledgement to our newest councillor, Paul Sharland for winning the recent Southern ward by-election in April. Paul brings his extensive knowledge and wisdom as a long time resident in the Southern Rangitikei. Naumai haere mai e te rangatira!

Over the last two months our staff continue to work diligently in the background ensuring that we are being kept up to date and on point with the raft of government policy amendments that have influence and an effect on our communities.

Today's agenda sees us looking at our Policy /Bylaw Work Programme and Drone Policy Review, Review of the Strategy/Plan Development and also section 17A Review – Camping Grounds.

Just to also remind our community we are currently going through a consultation process for the Draft Smokefree and Vape Policy and the Draft Signs and Public Places Bylaw. This consultation process finishes on Monday 1 July so we would appreciate community feedback on this kaupapa.

Piki Te Ora

Tiamana

Recommendation

That the Chair's Report - June be received.

8 Reports for Decision

8.1 Draft Terms of Reference

Author: Katrina Gray, Manager Strategy and Development

Authoriser: Carol Gordon, Group Manager - Democracy & Planning

1. Reason for Report

- 1.1 For the Policy/Planning Committee to review proposed changes to the Committee's terms of reference.

2. Background

- 2.1 Council has historically established several standing committees, even though there is no statutory requirement to do so, and decided to continue this approach for the 2022-25 triennium. The Mayor has the power to establish committees and appoint the chair.
- 2.2 The Policy/Planning Committee was re-established in 2022 with the following purpose:
"To ensure the Council has a comprehensive planning, policy and regulatory framework which reflects legislative requirements and builds resilient communities."
- 2.3 At the time of re-establishment, it was noted that the Committee may be re-focused and that a review of the Terms of Reference is needed.
- 2.4 The current Terms of Reference are attached (**Attachment 1**), these have been in place since 2013.

3. Discussion

- 3.1 The Policy/Planning Committee discussed options for revised terms of reference as part of a workshop held on 11 April 2024. It is proposed to focus the Committee on:
 - Developing, monitoring, and reviewing strategic documents such as Council's strategic framework, strategies, plans, policies and bylaws.
 - Receiving updates on community partnerships.
 - Understanding the implications of legislative change and developing policy positions.
 - Understanding the strategic environment.

- 3.2 The revised Terms of Reference are attached (**Attachment 2**).

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Impact on Strategic Risks

- 5.1 There are no directly relevant strategic risks associated with this report.

6. Mana Whenua Implications

- 6.1 Te Roopuu Ahi Kaa have a member as part of the Policy/Planning Committee.

7. Statutory Implications

- 7.1 The Mayor has the power to establish Council committees and appoint their chair under section 41A(3)(b) and (c) of the Local Government Act 2002.

8. Decision Making Process

- 8.1 This item is considered to have low significance. The Policy/Planning Committee will need to confirm their Terms of Reference.

Attachments:

1. **Previous Terms of Reference** [↓](#)
2. **Draft Terms of Reference** [↓](#)

Recommendation 1

That the report 'Draft Terms of Reference' be received.

Recommendation 2

That the Policy/Planning Committee confirms with / without amendment [delete one] its Terms of Reference – June 2024.

Previous Terms of Reference (2018)

Policy / Planning Committee ¹

Establishment	Terms of Reference
<p><i>Purpose</i>²:</p> <p>To ensure the Council has a comprehensive planning, policy and regulatory framework which reflects legislative requirements and builds resilient communities</p> <p><i>Field of Activity</i>:</p> <p>Outcomes</p> <p>The Council and the community are confident that.....</p> <ul style="list-style-type: none"> • the Council’s plans are developed openly with the District’s communities, reflect agreed priorities and are effectively implemented. • the Council’s policies and bylaws recognise and support the priorities of the District. • the Council’s engagement with communities – <ul style="list-style-type: none"> (i) is robust, (ii) occurs collaboratively, (iii) secures support from external agencies including central government, and (iv) builds resilience. • Council is well informed of all relevant government legislation and policies, and endeavours to influence proposed changes to these 	<ol style="list-style-type: none"> 1. *Annual Plan/Long Term Plan 2. Legislation and governance issues 3. *Statutory non-financial policies and statements 4. Consultation processes⁶ 5. Governance-level policies (non-statutory) 6. Path to Well-being Initiative and other community development programmes 7. District Plan monitoring 8. *Bylaw development and review 9. Emergency management planning <p>*Up to adoption</p> <p><i>Exclusions</i></p> <p>Matters prohibited under clause 32(1) Schedule 7 of the Local Government Act 2002 from being delegated:</p> <ul style="list-style-type: none"> • the power to make a rate, • the power to make a bylaw, • the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan, • the power to adopt a long-term plan, annual plan or annual report, • the power to appoint a chief executive, • the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement, or • the power to adopt a remuneration and employment policy. <p>Other matters to be dealt with directly by Council</p> <ul style="list-style-type: none"> • Council’s governance structure, standing orders etc., • Council representation on external bodies,

¹ Resolved Minute Number 13/RDC/260, Thursday 31 October 2013

² Resolved Minute Number 13/RDC/307, Tuesday 26 November 2013

⁶ Clause 76AA of the Local Government Act 2002 Amendment Bill 2013 provides for a Significance and engagement policy.

<p>where the interests of the District are significantly affected.</p> <p><i>Membership</i>³:</p> <p><i>Current membership</i>:</p> <p>Cr His Worship the Mayor, Andy Watson – <i>ex-officio</i></p> <p><i>Chair</i> Cr Angus Gordon⁴</p> <p><i>Meeting Frequency</i>⁵:</p> <p>Meets on the 2nd Thursday of the month and other times as business requires.</p>	<ul style="list-style-type: none"> • Remuneration to Elected Members (including allowances and reimbursement of expenses), • Delegations to the Chief Executive and other staff, • Submissions (and deliberation on submissions), • Petitions and Public Forum, • Recommendations from the Community Boards or any Council committee (including Te Roopu Ahi Kaa, the community committees and the rural water supply management sub-committees), • Reports from the Chief Executive on staffing, internal capability, process and system improvements, and other operational matters, and • Any matter deemed necessary to be considered in a ‘public excluded’ meeting. <p>Any resolution at any Committee which three or more Elected Members vote against and ask for their votes to be recorded or which the Chair rules (on the basis of advice from the Chief Executive) as being substantially different from any option presented in the officer’s report – such resolutions to be recast as recommendations to the Council.</p> <p><i>Delegations</i> Each Committee has the power to delegate to a sub-committee any authority or power to determine matters within its field of activity or responsibility, as covered by Section 32(3) of Schedule 7 of the Local Government Act 2002</p>
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³ Resolved Minute Number 13/RDC/308, Tuesday 26 November 2013

⁴ Resolved Minutes Number 16/RDC/287, 3 November 2016

⁵ Resolved Minute Number 13/RDC/324, Tuesday 26 November 2013

Policy/Planning Committee

Draft Terms of Reference

June 2024

Purpose

To develop, monitor and review Council's strategic frameworks and policy documents.

Membership

- A minimum of five elected members.
- One member from Te Roopuu Ahi Kaa.
- His Worship the Mayor (ex-officio).

The Chair will be appointed by either full Council or directly by His Worship the Mayor.

Outcomes

The community and Council are confident that:

- Council has a clear strategic framework that is being implemented consistently across the organisation.
- Strategies, plans, bylaws and policies are developed in accordance with legislative requirements and are aligned with Council's strategic framework.
- The Committee has a clear understanding of the impact of legislative changes on Council.
- The Committee has an understanding of Council's community partnerships and programmes.

Terms of Reference

The Policy/Planning Committee has responsibility and authority to:

1. Develop, monitor and review Council's:
 - Strategic framework
 - Strategies
 - Plans
 - Bylaws
 - Policies (excluding financial policies which will be reviewed by the Finance/Performance Committee).

Note: This does not include the decision to adopt documents for consultation which should be done by Council.

2. Undertake the hearing of submissions and deliberations on strategies, plans, bylaws and policies that were developed by the Policy/Planning Committee (excluding the district plan, long term or annual plans).

Note: This does not include delegation to adopt any strategies, plans, bylaws or policies which should be done by Council.

3. Receive updates on community partnerships and programmes.
4. Receive updates on the strategic environment / context.
5. Provide oversight over legislative changes, including developing and approving policy positions and submissions on behalf of Council and advocacy as required.

DRAFT

8.2 Policy/Bylaw Work Programme and Drone Policy Review

Author: Janna Harris, Corporate Planner

Authoriser: Katrina Gray, Manager Strategy and Development

1. Reason for Report

- 1.1 The purpose of this report is to update the Policy/Planning Committee on the status of Council bylaws and policies and present the Draft Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024.

2. Bylaw Work Programme

- 2.1 The Bylaw Register and Policy Register are attached (Attachment 1 & 2).
- 2.2 An audit of the review dates of the bylaws has been completed. This resulted in the review date of a number of bylaws being amended.
- 2.3 The Draft Signs and Public Places Bylaw 2024, to replace the Trading in Public Places Bylaw 2013, Public Places Bylaw 2013, and Control of Advertising Signage Bylaw 2013 continues to be the bylaw with the highest priority. The Draft Signs and Public Places Bylaw 2024 is currently open for consultation (opened on 31 May 2024). The Policy/Planning Committee has been delegated the responsibility of hearing and deliberating on submissions.
- 2.4 The next bylaw to be reviewed is the Water Related Services Bylaw 2020, which is required to be reviewed by 30 April 2025.

3. Policy Work Programme

- 3.1 The Draft Smokefree and Vapefree Policy 2024, the Draft Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024, the Draft Procurement Policy 2024, and the Draft Community Housing Policy 2024 are all in various stages of development.
- 3.2 The next policies to be reviewed are the TAB Venues Policy and the Gambling Venue (Class 4) Policy. These policies were due for review in 2022, however they will stay in effect until Council adopts new policies. The Policy on Disposal of Surplus Lands and Buildings is also categorised as high priority.
- 3.3 Consultation on the Smokefree and Vapefree Policy 2024 began on 31 May 2024 alongside the Draft Signs and Public Places Bylaw. Submissions will close on 1 July 2024. The Policy/Planning Committee has been delegated the responsibility of hearing any oral submissions on 25 July 2024 at an additional Policy/Planning Committee meeting.
- 3.4 An additional paper in this agenda will provide an update on the Procurement Policy.
- 3.5 A review of the Community Housing Policy is also underway. An update on this policy review will be provided at the next Policy/Planning Committee meeting.

4. Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024

4.1 Background

- 4.1.1 The Civil Aviation Authority of New Zealand (CAA) introduced rules on 1 August 2015 to prohibit the flying of unmanned aerial systems commonly referred to as drones, without the permission of the land owner, this includes Council owned and operated land.
- 4.1.2 On 1 October 2015 Council adopted the Flying Drones on Council Parks - Interim Guideline. This guideline was intended to be an interim measure while a Policy was developed. The Guideline provides blanket permission for drones to be operated on Council parks provided that operators comply with the Privacy Commissioners guidance on preserving personal privacy by not flying over people or private property, and the code specified in the guideline.
- 4.1.3 This guideline was developed to allow Council to gain a better understanding of how the CAA rules will work in practice before a policy was developed.
- 4.1.4 The Policy/Planning Committee was previously provided the opportunity to guide the development of this policy at the Policy/Planning Committee Meeting on 11 April 2024.
- 4.1.5 The interim guideline states that Council will develop the policy in conjunction with RNZAF Ohakea, along with developing a Memorandum of Understanding with Ohakea Air Traffic Control to aid in the facilitation of authorising drone flights within Ohakea Air Traffic Control Area.
- 4.1.6 Officers have met with a representative from RNZAF Ohakea and have come to the understanding that a Memorandum of Understanding is not required due to the ability for drone operators to use AirShare to easily gain permission for drone operations to occur in the Military Operating Area around Ohakea.
- 4.1.7 The key topic that arose during the meeting with Ohakea is that many drone operators are not aware of the CAA rules, and that permission is needed to operate drones within the Military Operating Area Airspace. In their experience, many drone operators are not aware that there are rules enforced by the CAA, especially as drones can now be purchased as toys. This is not a policy issue, but rather an education issue.

4.2 The Policy

- 4.2.1 The Draft Rangitikei District Council Operating Unmanned Aerial Systems (Drones) on Council Owned and Administered Land Policy 2024 has been drafted to provide permission for drone operators to fly drones over Council land without needing to seek permission from Council prior to the operation.
- 4.2.2 There are a number of exceptions to this permission identified due to safety and privacy concerns including:
 - Over Council cemeteries, playgrounds, and the Tutaenui Reservoir;
 - Over Council land that contains buildings and facilities, including office buildings, libraries, pools, transfer stations, water and wastewater treatment plants, and community housing;

- Over roads, including roads in parks and reserves.
- 4.2.3 Drone operators will be able to seek permission from Council to operate a drone at these exempt locations. It will be up to Officers to consider the application to decide if it is appropriate for the drone operator to be flying a drone at that location.
- 4.2.4 A code of conduct has also been included in the policy to ensure drones are operated in a safe manner and the privacy of others using Council owned land is maintained. The code of conduct states:
- Do not operate a drone over a sports field if it is in use by others, or within 50 meters of any organised activity taking place on Council owned or controlled land,
 - Do not operate a drone within 50 metres of other users of the area,
 - Do not operate a drone within 50 metres of livestock, wildlife or domestic animals,
 - Do not operate over dry flammable vegetation,
 - Be courteous of other users of the area,
 - Cease operation of the drone if requested by a Council Officer.
- 4.2.5 The policy also provides a summary of the CAA rules and provides information on how drone operators can log their flights and seek permission to operate drones in controlled air space.
- 4.2.6 The policy also provides Council with the ability to terminate an individual permission to operate a drone on Council owned or administrated land if they do not comply with the code of conduct or breach the CAA rules.

4.3 Options

- 4.3.1 Option 1: Recommend to Council that the Draft Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024.

Officers recommend this option.

This option is appropriate if the Committee is satisfied that no additional work needs to be completed on this policy. There is no requirement to consult on this policy.

- 4.3.2 Option 2: Recommend to Council that the Draft Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024 is adopted for consultation.

There is no requirement for Council to consult on this policy. This option is appropriate if the committee is satisfied that no additional work needs to be completed on this policy, but they consider there could be benefits from consulting on this policy.

- 4.3.3 Option 3: Direct Officers to undertake further work on the Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024 before reconsidering the policy at the August 2024 Policy/Planning Committee meeting.

- 4.3.4 This option is appropriate if there is additional work that the Committee would like to occur on the policy before the policy is presented to Council. If this option is preferred, Officers request that direction is provided on the changes sought.

5. Mokai Bridge Bungy Jumping Bylaw 2013

5.1 Background

- 5.1.1 The Mokai Bridge Bungy Jumping Bylaw was last reviewed on 30 April 2013. This bylaw was due to be reviewed by 30 April 2023. The review of this bylaw was delayed until the future of the site and buildings previously associated with the adventure activity operation was better understood.
- 5.1.2 Due to the Mokai Bridge Bungy Jumping Bylaw having passed the 10 year review deadline, this bylaw is no longer able to be reviewed. This means that if Council considers it to be necessary to continue to have a bylaw to regulate bungy jumping activities on this site, Council will need to create and adopt a new bylaw.
- 5.1.3 Officers are not aware of any organisations or companies seeking to operate a bungy jumping operation at this location. If Council chooses to retain the bylaw and received a request to operate a bungy jumping business from this location, a new bylaw would need to be adopted if the operation was going to continue past 30 April 2025. As Officers are not aware of any desire to operate a bungy jumping business from this location a bylaw is not considered to be needed.

5.2 Options

5.2.1 Option 1: Let the Mokai Bridge Bungy Jumping Bylaw 2013 lapse on 30 April 2025.

This option is recommended by Officers.

If a bylaw is not revoked by Council prior to the date that is 2 years after the date that the bylaw should have been reviewed, therefore, it will be automatically revoked under section 160A of the Local Government Act 2002 (LGA).

5.2.2 Option 2: Consult on revoking the Mokai Bridge Bungy Jumping Bylaw 2013.

If Council deems the Mokai Bridge Bungy Jumping Bylaw 2013 to no longer be required, Council can consult on revoking the bylaw as specified in section 156 of the LGA. A bylaw cannot be revoked without consultation. Consultation on revoking a bylaw must include a statement that Council is seeking to revoke the bylaw, the reasons for proposing to revoke the bylaw, and a section 155 analysis of the bylaw (LGA).

5.2.3 Option 3: Request that staff develop a new bylaw to replace the Mokai Bridge Bungy Jumping Bylaw 2013.

The Mokai Bridge Bungy Jumping Bylaw 2013 was due to be reviewed by 30 April 2023. Due to the bylaw not being reviewed within this timeframe, the bylaw can no longer be reviewed. This means that if Council deems it to be necessary to have a bylaw, a new bylaw will need to be drafted and consulted on.

6. Financial Implications

- 6.1 There are no financial implications associated with this report. The costs associated with developing and enforcing bylaws and policies are already accounted for in exiting budgets.

7. Impact on Strategic Risks

- 7.1 The strategic risk *regulatory effectiveness is questioned* continues to be associated with this report. If a Bylaw is not reviewed within the legislated timeframe, it becomes unenforceable. While these bylaws currently remain in force, there may also be a reputational risk letting a bylaw or policy pass the deadline for review.

8. Mana Whenua Implications

- 8.1 The Draft Signs and Public Places Bylaw 2024 and the Draft Smokefree and Vapefree Policy 2024 was on the agenda of the Te Roopuu Ahi Kaa Komiti hui on 9 April 2024. The draft policy and draft bylaw have been distributed to Te Roopuu Ahi Kaa Komiti and iwi health providers encouraging submissions to be made.

9. Statutory Implications

- 9.1 Statutory implications are explained above.

10. Decision Making Process

- 10.1 The Policy/Planning Committee has the ability to recommend to Council that the Draft Rangitikei District Council Operating Unmanned Aerial Systems (Drones) on Council Owned and Administered Land Policy 2024 is adopted as there is no requirement for Council to consult on this policy. This item is considered to have low significance. The approach to giving permission for drones on Council land is remaining relatively unchanged and there are limited instances of people flying drones on Council land.
- 10.2 The Committee may wish to recommend that the policy is adopted for consultation if the committee believes that there will be benefits from consulting on this policy, such as the opportunity to educate the community on the policy and the requirements for flying drones. However, Officers do not believe that it is necessary, recognising that there are other methods to educate the community on operating drones such as the use of social media and other media avenues. The community will also be informed of the adoption of the policy, to ensure the community is aware that Council has a policy on operating drones on Council land in place.
- 10.3 The decision-making process for the Mokai Bridge Bungy Jumping Bylaw 2013 is explained above. This item is considered to have low significance in accordance with Council's Significance and Engagement Policy.

Attachments:

1. **Bylaw Register** [↓](#)
2. **Policy Register** [↓](#)
3. **Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024** [↓](#)

Recommendation 1

That the report 'Policy/Bylaw Work Programme and Drone Policy Review' is received.

Recommendation 2

EITHER

That the Policy/Planning Committee recommends to Council that the Draft Flying Drones on Council Owned and Administrated Land Policy is adopted [with/without amendment].

OR

That the Policy/Planning Committee recommends to Council that the Draft Flying Drones on Council Owned and Administrated Land Policy is adopted [with/without amendment] for consultation.

OR

That the Policy/Planning Committee direct Officers to undertake further work on the Draft Flying Drones on Council Owned and Administrated Land Policy before reconsidering the policy at the August 2024 Policy/Planning Committee meeting.

Recommendation 3

EITHER

That the Policy/Planning Committee resolve to let the Mokai Bridge Bungy Jumping Bylaw 2013 lapse on 30 April 2025.

OR

That the Policy/Planning Committee request that Officers develop the material needed to consult on revoking the Mokai Bridge Bungy Jumping Bylaw 2013 and present it to the Committee at the August Policy/Planning Committee meeting.

OR

That the Policy/Planning Committee request that Officers develop a new bylaw to replace the Mokai Bridge Bungy Jumping Bylaw 2013.

Bylaw Register						
Document	Requirement/Enabling Legislation	Last reviewed	Old Review Date	New Review due	Responsible	Comment / Update
Trading in Public Places Bylaw	Local Government Act 2002	31/01/2013	31/01/2023	26/07/2022	Regulatory Democracy & Planning	Under review.
Public Places Bylaw	Local Government Act 2002	31/01/2013	31/01/2023	16/07/2022	Regulatory Democracy & Planning	Under review.
Control of Advertising Signage Bylaw	Local Government Act 2002	31/01/2013	31/01/2023	16/07/2022	Regulatory Democracy & Planning	Under review.
Mokai Bridge Bungy Jumping Bylaw	Local Government Act 2002	3/10/2013	30/06/2023	30/04/2023	Democracy & Planning	Not proposed for review at this stage.
Control of Dogs Bylaw	Dog Control Act 1996 Local Government Act 2002	26/05/2016	27/11/2026	17/03/2026	Regulatory Democracy & Planning	Not due for review.
Traffic and Parking Bylaw	Land Transport Act 1998	15/03/2023	15/03/2028	15/03/2028	Regulatory Democracy & Planning	Not due for review.
Liquor Control Bylaw	Local Government Act 2002	30/11/2018	29/11/2028	13/09/2028	Regulatory Democracy & Planning	Not due for review.
Animal Control Bylaw	Local Government Act 2002	31/01/2019	31/01/2029	12/07/2028	Regulatory Democracy & Planning	Not due for review.
Stock Droving and Grazing Bylaw	Land Transport Act 1998 Local Government Act 2002	26/09/2019	26/09/2029	22/08/2029	Assets & Infrastructure Regulatory Democracy & Planning	Not due for review.
Water Related Services Bylaw	Local Government Act 2002	30/04/2020	8/05/2030	30/04/2025	Assets and Infrastructure, Democracy and Planning	Not due for review.
Food Business Grading Bylaw	Food Act 2014 Local Government Act 2002	28/10/2021	28/10/2031	28/10/2026	Regulatory Democracy & Planning	Not due for review.

Policy Register						
Document	Requirement/Enabling Legislation	Last reviewed	Review due	Priority	Responsible	Comment / Update
TAB Venues Policy	Racing Industry Act 2020	26/09/2019	26/09/2022	High	Regulatory Democracy & Planning	To be reviewed 2024.
Gambling Venue (Class 4) Policy	Gambling Act 2003	12/12/2019	12/12/2022	High	Regulatory Democracy & Planning	To be reviewed 2024.
Flying Drones in Council Parks - interim guideline	Civil Aviation Authority Part 101	1/10/2015	No requirement	High	Regulatory Democracy & Planning	Under review, update provided in report.
Disposal of Surplus Lands and Buildings		26/02/2015	N/A	High	Assets & Infrastructure	To be reviewed 2024/25
Social Media Policy		1/08/2021	No requirement	Medium	Democracy & Planning	Review on hold due to staff vacancy.
Treasury Management Policy	Local Government Act 2002 S102, 104, 105	30/09/2023	No requirement	Medium	Corporate Services	Review date September 2026
Statement on Development of Māori Capacity to Contribute to Decision Making	Local Government Act 2002 S81, Sch10 clause 8	28/06/2018	No requirement	Medium	Democracy & Planning	To be adopted alongside the 2024-34 LTP.
Significance and Engagment Policy	Local Government Act 2002 S76AA	9/06/2021	No requirement	Medium	Democracy & Planning Assets & Infrastructure	Adopted 16 May 2024.
Development Contributions Policy	Local Government Act 2002 S102, 106	9/06/2021	9/06/2024	Medium	Corporate Services	Adopted 16 May 2024.
Revenue and Finance Policy	Local Government Act 2002 S102, 103	9/06/2021	No requirement	Medium	Corporate Services	Adpoted 16 May 2024.
Community Housing Policy		9/08/2018	9/08/2024	Medium	Community Services	Under review, draft policy to be provided at the August Policy/Planning Committee meeting.
Procurement Policy		27/03/2014	No requirement	Medium	Corporate Services	Under review, update provided in agenda.
Smoking (and Vaping) Policy		N/A	N/A	Medium	Democracy & Planning Community Services	Consultation began 31 May 2024.
LGOIMA Requests Policy		1/05/2023	No requirement	Low	Democracy & Planning	ELT set review date of May 2025.
Dangerous and Insanitary Buildings Policy	Building Act 2004 S131	25/06/2020	25/06/2025	Low	Regulatory Democracy & Planning	Not due for review.
Delegations to Positions Policy		24/05/2023	20/11/2025	Low	Democracy & Planning	Adopted May 2023, with a review of delegations to follow. Council set review date for policy of November 2025.
Local Governance Statement	Local Government Act 2002	31/03/2023	31/03/2026	Low	Democracy & Planning	Reviewed following the 2022 triennial election.
Dog Control and Ownership Responsibility Policy	Dog Control Act 1996 S10	26/05/2016	17/03/2026	Low	Regulatory Democracy & Planning	Not due for review. To be reviewed alongside the Control of Dogs Bylaw.
Rates Postponement Policy	Local Government Act 2002 S102	25/06/2020	25/06/2026	Low	Corporate Services	Not due for review.
Local Easter Sunday Trading Policy	Shop Trading Hours Act 1990 P2 S5a	16/12/2021	16/12/2026	Low	Regulatory	Not due for review.
Rates Remission Policy	Local Government Act 2002 S102, 109	9/06/2022	9/06/2028	Low	Corporate Services	Not due for review.
Rates Remission Policy for Māori Freehold Land	Local Government Act 2002 S102, 108	9/06/2022	9/06/2028	Low	Corporate Services	Not due for review.
Standing Orders	Local Government Act 2002 Sch7 27	23/11/2023	No requirement	Low	Democracy & Planning	Reviewed following the 2022 triennial election.
Code of Conduct	Local Government Act Sch7 15	23/11/2022	No requirement	Low	Democracy & Planning	Reviewed following the 2022 triennial election.
MOU: Tūtohinga		17/12/2019	No requirement	Low	Democracy & Planning	No review planned.
External Grant Applications		11/05/2017	No requirement	Low	Community Services	No review planned.
Rural Water Supply Policy		1/12/2017	No requirement	Low	Assets & Infrastructure	No review planned.
Reducing or Waiving Fees for Use of Council Facilities		1/10/2015	No requirement	Low	Community Services Democracy & Planning	No review planned.
Reducing or Waiving Fees for internal consenting costs		1/10/2015	No requirement	Low	Regulatory Democracy & Planning	No review planned.
Sector		14/11/2014	No requirement	Low	Community Services	No review planned.
Appointment of Directors	Local Government Act 2002 s57	21/07/2008	No requirement	Low	Democracy & Planning	No review planned.
Road Naming Policy		N/A	N/A	Low	Regulatory Democracy & Planning	Development commenced.

Rangitikei District Council Operating Unmanned Aerial Systems (drones) on Council Owned and Administrated Land Policy 2024

Background

Anyone operating an Unmanned Aerial Systems (UAS), also known as, Remotely Piloted Aircraft System (RPAS), Unmanned Aerial Vehicle (UAV), model aircraft, or drone, must abide by the New Zealand Civil Aviation Authority (CAA) rules to keep people and property safe.

Drones are an aircraft so can be hazardous to people, property, and other aircraft.

Before flying a drone, permission must be provided by the following:

- By the administering authority of a restricted airspace, such as Military Operating Areas and Aerodromes;
- By the owner of the land, this includes Council owned and administrated land;
- By any people that you intend to fly over.

Flying Drones over Council land

Provided that drone operators comply with the CAA (Civil Aviation Authority of New Zealand) Part 101 and 102 rules, Rangitikei District Council gives permission for drone operators to fly drones over Council owned or administrated land, except the following locations:

- Over Council cemeteries, playgrounds, and the Tutaenui Reservoir;
- Over Council land that contains buildings and facilities, including office buildings, libraries, pools, transfer stations, water and wastewater treatment plants, and community housing;
- Over roads, including roads in parks and reserves.

Council may consider specific requests to fly over Council land precluded from the permission granted above. Council will consider the request and respond within 10 working days unless the request is considered to be urgent. When considering requests Council will take into consideration a number of factors including, but not limited to; privacy of others, safety of people and property, and nuisances. Conditions may be imposed on the approval if they are deemed to be appropriate to manage risks.

Note: The sports field at Ratana Pa is not owned or administrated by Council, permission needs to be sought from Ratana Pa Communal Trustees.

Making your flights known to others

Rangitikei District Council encourages all flights to be logged with AirShare, which also holds information on who to gain permission from for flying in controlled air spaces such as the Military Operating Areas around Ohakea and Waiouru, or other Aerodromes across the district. To be able to fly in controlled airspace air traffic control authorisation must be obtained from Airways. This authorisation can be requested through AirShare using the My Flights tool.

Outside of controlled airspace, flight(s) can be made known to other manned and unmanned aircraft by registering to use Flight Advisor and submitting an Advisory. Doing so provides other aviators notification of flight(s). It also sends notification (SMS or email) of any other traffic that may be in the area. Registration is free but a form of identification will be required depending on the level of access applied for.

Complying with Civil Aviation Authority rules

The CAA regulates civil aviation in New Zealand and sets the rules around the use of drones. To operate a drone, the CAA rules must be fully complied with. Council is not responsible for setting or monitoring these rules.

For the latest CAA rules please view their website.

Summary of CAA rules for Drones:

- Fly no higher than 120m (400 ft) above ground,
- Stay a safe and considerate distance away from people and buildings, do not fly directly over people without their permission,
- Do not fly over private land unless the owner provides permission,
- Keep the drone within sight at all times (i.e. not through binoculars, a monitor or smartphone),
- Only fly during daylight hours (unless using a shielded operation),
- Stay clear of fog and clouds,
- Stay well clear of and land immediately if any other aircraft are in the area,
- Stay 4km away from anywhere aircraft could land or take off, this includes helipads at hospitals and sightseeing aircraft. Be aware that controlled airspace extends well beyond the 4km limit, clearance from air traffic control is needed to operate in that area,
- Fly the drone using a shielded operation (i.e. within 100m, and below the top of a natural manmade object such as a building, group of trees or a hedge, not a narrow object such as a pole) if flying a drone in a controlled airspace without clearance from air traffic control. The barrier must be between the drone and the landing area and must be capable for stopping the drone if it loses control.

Code of Conduct

In addition to the CAA rules, drone operators must also comply with the following code of conduct:

- Do not operate a drone over a sports field if it is in use by others, or within 50 meters of any organised activity taking place on Council owned or controlled land,
- Do not operate a drone within 50 metres of other users of the area,
- Do not operate a drone within 50 metres of livestock, wildlife or domestic animals,
- Do not operate over dry flammable vegetation,
- Be courteous of other users of the area,
- Cease operation of the drone if requested by a Council Officer.

Any breach of the CAA rules or the Code of Conduct may result in Council terminating permission for the operator to fly a drone on Council owned and administrated land.

Breaches of the rules

Concerns about a drone being operated above Council owned or administrated land should be reported to Council.

Safety concerns about the use of a drone above any land, in breach of the CAA rules, should be reported to the CAA.

Privacy concerns resulting from the operation of a drone, including the use of a drone over private property without permission, should be reported to the Privacy Commissioner.

If a drone presents an immediate danger to public safety, contact the police.

8.3 Section 17A Review - Camping Grounds**Author: Sheryl Srhoj, Manager - Community Property****Authoriser: Gaylene Prince, Group Manager - Community****1. Reason for Report**

- 1.1 The purpose of this report is for the Policy/Planning Committee to decide if a Section 17A Review is required for Council's campgrounds.
- 1.2 Section 17A (1) of the Local Government Act 2002 requires a local authority to review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.
- 1.3 The prescribed frequency is at least every six years (but within two years before expiry of any contract). A Section 17A Review of our campgrounds was last done in 2018.
- 1.4 The review is required to consider (at least) the following options:
- The local authority exercising responsibility over governance, funding, and delivery, and
 - The local authority exercising responsibility over governance and funding with responsibility for delivery being delegated to a council-controlled organisation, and other local authority, or another person or agency.
 - Passive delivery- unstaffed sites.
 - Sale of land.
- 1.5 A Section 17A review is not required where a local authority is satisfied that the costs of conducting a review outweigh the potential benefits of the review. This exclusion is designed for where the service is small, or where significant savings are unlikely.

2. Context

- 2.1 Council has four owned campgrounds with various types of management as noted in the table below.

Mangaweka	Dudding Lake	Scott's Ferry	Koitiata
Lease Agreement	Management Agreement	Service Agreement	Service Agreement
The Lessee is responsible for maintenance, mowing, cleaning, custodian duties	The Manager is responsible for maintenance, mowing, cleaning, custodian duties, including care of Lake and onsite managers residence	The Custodian is responsible for maintenance, mowing, cleaning, custodian duties	The Custodian is responsible for maintenance, cleaning, custodian duties. Mowing included in Koitiata Township Contract.
Pays rental; keeps all income	Receives yearly grant; keeps all income	Keeps 90% of income	Keeps 90% of income except for showers and Gas BBQ of which Council receives 100%

Sets own camp fees	Sets own camp fees	Sets own camp fees	Sets own camp fees
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- 2.2 All campsites have powered sites, showers, and toilets. Mangaweka and Dudding Lake each have one cabin (sleeping facility only) and Dudding Lake has a small event building/outside deck available to hire for functions. There is also a manager’s residence and office at Dudding Lake, along with boat ramp to access the lake. Managers for the other three sites live close by.
- 2.3 Access to the campgrounds is not restricted with all four campgrounds accessible and open for day visitors who are visiting the river, lake or beach environments that are within or adjacent to the properties. These visitors are able to use the public facilities and for this reason Council contributes to the financial costs of the buildings, roads, water and wastewater systems, etc.
- 2.4 Current income to Council in 2023/24 is \$7,564.00. Outgoings in 2023/24 are approximately: \$35,000 (plus operating grant of \$22,000).
- 2.5 In 2023, Council completed a Property Review and Property Asset assessment of all Council owned properties. The review determined that Councils campgrounds are retained.
- 2.6 The Service Contract/Management Agreements for the Koitiata, Scotts Ferry and Dudding Lake campgrounds are now due for renewal. Staff will review the current conditions of all agreements as part of the renewal process.

3. Discussion

- 3.1 If Council engages another entity to deliver the service, the Act requires a contract or other binding agreement to be in place which clearly specifies:
 - (a) the required service levels,
 - (b) the performance measures and targets to be used to assess compliance with the required service levels,
 - (c) how performance is to be assessed and reported
 - (d) how the costs of delivery are to be met
 - (e) how any risks are to be managed
 - (f) what penalties for non-performance may be applied, and
 - (g) how accountability is to be enforced.
- 3.2 This criteria is currently covered in our various agreements and will be reviewed as part of the renewal process if the current delivery method continues.
- 3.3 Note: Council may relax these requirements if satisfied that the entity for delivery is a community group or a not-for-profit organisation and the arrangement does not involve significant cost or risk to the Council. This discretion could not be used for any of the current providers.

4. Financial Implications

- 4.1 The cost to Council for running the campgrounds for the 2023/24 year is approximately \$49,000. Assuming the current delivery method is continued, and as the various agreements fall due, the criteria will be reviewed with a view to reducing costs paid by Council where possible.

5. Impact on Strategic Risks

- 5.1 If we do not meet our legal obligations, although there is no explicit penalty in the legislation, there is reputational risk to Council.

6. Mana Whenua Implications

- 6.1 There are no known mana whenua implications associated with this report.

7. Statutory Implications

- 7.1 Council is required to follow the provisions of s.17A LGA. Staff consider that the processes we are undertaking during our assessments meet the legislative requirements.

8. Decision Making Process

- 8.1 Section 17A(3)(b) of the Act identifies that a review is not needed if the benefits of a review do not justify the costs of undertaking a review. This section is relevant in the case of the campgrounds for the following reasons:

- The Property review and Property assessment documentation identifies that the campgrounds are retained.
- There are limited alternative options for the delivery of the service. It is not considered practical or cost effective to manage/operate the campgrounds by in-house staff, or to leave the sites un-staffed.
- The purpose of the review is about achieving cost-effectiveness of arrangements and given the low contract value for four campgrounds there is limited ability to achieve significant gains.
- A review was conducted in 2018. It is not believed that there have been any changes since 2018 which would change the outcome of the review.
- Income cost/benefits and current conditions of service agreements, etc, will be reviewed prior to any renewals or new agreements or leases being entered into.

Recommendation 1

That the report 'Section 17A Review – Camping Grounds' to the Policy/Planning Committee on the 13 June 2024 be received.

Recommendation 2

That the Policy/Planning Committee recommends that a Section 17A Review is / is not (delete one) required for Council's Camping Grounds.

9 Reports for Information

9.1 Strategy/Plan Development and Review Update

Author: Katrina Gray, Manager Strategy and Development

Authoriser: Carol Gordon, Group Manager - Democracy & Planning

1. Reason for Report

- 1.1 To provide the Policy/Planning Committee with an overview of Council's strategies and plans.

2. Strategic Framework

- 2.1 Council's Strategic Framework (Kowhai) was reviewed as part of the development of the 2024-34 Long Term Plan. It sets out Council's vision, community outcomes, priorities, strategies, and plans. A review of Council's strategies and plans in the Strategic Framework will occur in late 2024.

3. Strategy/Plan Reviews

- 3.1 A list of Council's strategies and plans is attached (**Attachment 1**).
- 3.2 The following strategies/plans have been completed, are under development, or due to commence in 2023/24.
 - **Waste Strategy/Waste Management and Minimisation Plan** (in progress, phase 2 due for completion in June 2024). A workshop was held on 23 May 2024 and a report will be provided to Council requesting approval of the Waste Strategy in June 2024.
 - **Long Term Plan 2024-34** (including activity management plans - in progress). Council has undertaken deliberations on submissions and the Long Term Plan is due to be adopted in June 2024.
 - **Urban Growth Plan Change** (in progress). Officers have recently completed efficiency and effectiveness monitoring for the Residential and Rural Living zones. This was undertaken in accordance with section 35(2)(b) of the Resource Management Act 1991 (RMA) and will aid the development of Council's Proposed Plan Change 3 - Urban Growth (PPC3). The purpose of this efficiency and effectiveness monitoring was to help Council to better understand whether:
 - The current District Plan provisions for the Residential and Rural Living zones achieving the objectives and policies of the District Plan?
 - The provisions are still the most appropriate for achieving Council's desired environmental outcomes for our urban communities?
 - The provisions still cover the most important things? Or whether there are emerging issues that are not being addressed?

This monitoring focused on the last five years (January 2019 to December 2023). Officers presented the key findings from the efficiency and effectiveness monitoring to the Policy/Planning Committee in April. The findings have now been

ITEM 9.1

compiled into a report which shall be made available to the public in accordance with section 35(2A) of the RMA (**Attachment 2 – under separate cover**).

- **National Planning Standards implementation** (in progress). The operative Rangitikei District Plan is in the process of being transitioned to comply with the National Planning Standards for format, spatial layers, mapping, zone framework, structure, designations, noise and vibration metrics, and definitions.
- Most of these changes were required to be implemented by April 2024, with the definitions required by April 2026. Council is required to implement an e-plan by April 2029. However, to provide a significantly improved user experience as part of transitioning the Rangitikei District Plan to the National Planning Standards, Officers have also procured an e-plan provider and are working towards launching the national planning standards version of the District Plan as part of an e-plan.
- **Economic Development Strategy** (review to commence in June 2024). Officers are in the process of procuring a contractor for this work.
- **Heritage Strategy** (review to commence in late 2024). Work will commence on the review of the Heritage Strategy (including consideration of whether a stand-alone heritage strategy is required) in the second half of 2024 once internal resourcing is available.
- **Climate Change Strategy and Action Plan** (complete - adopted February 2024).
- **Pae Tawhiti Rangitikei Beyond – Community Spatial Plan** (complete - adopted September 2023).
- **Parks, Open Spaces and Sporting Facilities Strategy** (complete).

4. Financial Implications

4.1 There are no direct financial implications. Any strategies/plans are developed within budget.

5. Impact on Strategic Risks

5.1 There is no direct impact on Council's strategic risks associated with this report.

6. Mana Whenua Implications

6.1 There are no direct mana whenua implications associated with this report. Strategy/plan development occurs alongside Council's Te Roopuu Ahi Kaa Komiti and directly with iwi and hapū where relevant.

7. Statutory Implications

7.1 There are no direct statutory implications.

8. Decision Making Process

8.1 This item considered to have low significance.

Attachments:

1. **Strategy/Plan Register - June 2024** [↓](#)
2. **Efficiency and Effectiveness Report - Residential and Rural Living (under separate cover)**

Recommendation 1

That the report 'Strategy/Plan Development and Review Update' be received.

Recommendation 2

That the Policy/Planning Committee receive the efficiency and effectiveness monitoring for the Residential and Rural Living zones and note it will be made available on Council's website as part of meeting requirements under section 35(2A) of the Resource Management Act 1991.

Strategy / Plan Register					
	Summary	Status	Legislation	Responsible Department	Comment / Update
Strategies					
Waste Strategy	Provides a medium to long term direction and vision of what we want to achieve in this activity over the next 30 years.	In development	Non-statutory	Assets & Infrastructure	Phase 1 of this work is complete - a roadmap of how RDC will set direction based on industry best practice and potential central government goals. Stage 2 - developing the strategy is phase 2. A workshop was held on 23 May 2024 and a report will be provided to Council's June 2024 meeting.
Pae Tawhiti Rangitikei Beyond - Community Spatial Plan	Provides the blueprint for how we want the Rangitikei district to develop over the next 30 years.	Adopted September 2023	Non-statutory	Democracy & Planning	The Community Spatial Plan was adopted by Council on 28 September 2023. An implementation plan has been developed and implementation is underway.
Parks, Open Spaces and Sporting Facilities Strategy	To provide a framework to underpin Council decision-making on investment in parks and reserves.	Complete	Non-statutory	Assets & Infrastructure	Strategy has been completed. An implementation plan is being developed and will be completed by June 2024. Funding was received from the Better Off fund to outsource the development of a Climate Strategy and Action Plan. The Strategy and Action Plan has been adopted by Council an implementation plan is being prepared.
Climate Impact Strategy and Action Plan	Set's out Council's direction and actions in responding to climate impacts.	Adopted February 2024	Non-statutory	Democracy & Planning	Council have given direction that Officer focus should be limited to the business case for 22 Tui Street, Taihape. The need for this strategy should be reviewed alongside a review of the strategies/plans section of the strategic framework.
Housing Strategy 2021 - 31	Provides a 10-year Council strategy to consider housing needs and potential solutions in eight sectors in the District.	Adopted as supporting information to the 2021-32 LTP	Non-statutory	Community Services	Consultant procurement has commenced. Work is due to begin in June 2024.
Economic Development Strategy 2021 - 31	Provides a 10 year Council strategy for economic development which outlines 10 priorities and 4 enablers.	Adopted as supporting information to the 2021-32 LTP	Non-statutory	Community Services	Consultant procurement has commenced. Work is due to begin in June 2024.
Enforcement (Regulatory) Strategy and Prosecution Policy	Sets out the principles and processes which Council uses to achieve regulatory compliance in a fair and consistent way	Adopted 26 April 2018	Non-statutory	Regulatory	N/A
Heritage Strategy	Provisions a long term vision to guide Council's management of heritage resources throughout the Rangitikei District	Adopted 31 March 2016	Non-statutory	Community Services	Review to commence in late 2024 (subject to internal resourcing) .
Property Strategy	Development of a strategy that identifies which properties Council should retain or dispose.	Complete	Non-statutory	Assets & Infrastructure	Complete.
Plans					
Long Term Plan 2024-34	Set's out the activities Council plans to undertake and how it will be funded for 2024-34.	To be developed during 2023/24.	Local Government Act 2002	Democracy & Planning	On track. Deliberations have occurred and Council is on track to adopt in June.
Long Term Plan 2021-31	Set's out the activities Council plans to undertake and how it will be funded for 2021-31.	Adopted June 2021.	Local Government Act 2002	Democracy & Planning	Complete.
Annual Plan 2023/24	Set's out the activities Council plans to undertake and how it will be funded for 2022/24. Updated year from the LTP.	To be adopted June 2023.	Local Government Act 2002	Democracy & Planning	Complete.
Roading Activity Management Plan	Comprehensive plan on how Council's assets should be maintained and renewed.	To be developed during 2023.	Non-statutory	Assets & Infrastructure	Reviewed and updated for the 2024 LTP.
3 Waters Activity Management Plan	Comprehensive plan on how Council's assets should be maintained and renewed.	To be developed during 2023.	Non-statutory	Assets & Infrastructure	Reviewed and updated for the 2024 LTP.
Social Infrastructure Asset Management Plan	Comprehensive plan on how Council's assets should be maintained and renewed.	To be developed during 2023.	Non-statutory	Assets & Infrastructure / Community Services	Reviewed and updated for the 2024 LTP.
Destination Management Plan	Provides the plan for growing the visitor economy. Sets out how Council intends to promote efficient and effective waste management and minimisation within its district.	Adopted March 2022	Non-statutory Required under the Waste Minimisation Act 2008	Community Services	<ul style="list-style-type: none"> "There needs to be more things to do to give people a reason to stay in the Rangitikei Region"; "Unlocking the potential of natural assets". Completed printed promotional material for golf courses, and back country cycle loops, linking them to nearby accommodation options. Creating printed promotional material for rafting/kayaking, fishing and walkways/reserves. These will be linked to the Visit Rangitikei website via QR codes and are promoted via social media for a wider and more targeted reach.
Waste Management and Minimisation Plan 2018 - 2024	Provides guidelines for tree management throughout the District.	Adopted 28 June 2018	Non-statutory	Assets & Infrastructure	The review has commenced and is aligned with the Waste Strategy. The WMMP will be developed from the priorities in the Waste Strategy.
Urban Tree Plan	Provides guidelines for tree management throughout the District.	Adopted in 2017	Non-statutory	Assets & Infrastructure	No review scheduled.
Turakina Town Centre Plan	Sets out a plan for the Turakina Town Centre.	February 2016	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document.
Mangaweka Town Centre Plan	Sets out a plan for the Mangaweka Town Centre.	February 2016	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document.
Marston Town Centre Plan	Sets out a framework for the future management of the Marston Town Centre.	December 2014	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document. Parts of the Town Centre Plan will be implemented through use of Better Off funding for town centre revitalisation.

	Summary	Status	Legislation	Responsible Department	Comment / Update
Hunterville Town Centre Plan	Sets out a plan for the Hunterville Town Centre.	August 2014	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document.
Bulls Town Centre Plan	Sets out a framework for the future management of the Bulls Town Centre.	June 2014	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document. Parts of the Town Centre Plan will be implemented through use of Better Off funding for town centre revitalisation.
Taihape Town Centre Plan	Sets out a framework for the future management of the Taihape Town Centre.	January 2014	Non-statutory	Democracy & Planning	Key aspects incorporated into the Community Spatial Plan. However, plan retains value as a stand alone document. Parts of the Town Centre Plan will be implemented through use of Better Off funding for town centre revitalisation.
Rangitikei District Plan	Sets out the objectives, policies and rules for land use in the District.	Operative - October 2013	Resource Management Act 1991	Democracy & Planning	Phase 1 of the review has commenced - Plan Change 3 Urban Growth. The acceleration of this phase has been funded through the Better Off fund. Officers have started the implementation of the national planning standards - structure and format standard.
Recreational Parks and Reserves Management Plan - Part One	Sets out the management objectives and policies for recreational reserves Council administers under the Reserves Act 1977.	Adopted 1 May 2014	Reserves Act 1977	Assets & Infrastructure	Subject to "continuous review" under the Reserves Act. Not scheduled for specific review.
Marton Park Management Plan (Part Two)	A management plan for Marton Park.	Adopted 3 November 2016	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Bulls Domain Management Plan (Part Two)	A management plan for the Bulls Domain.	Adopted 1 May 2014	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Centennial Park Management Plan (Part Two)	A management plan for Centennial Park.	Adopted 1 May 2014	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Taihape Memorial Park Management Plan (Part Two)	A management plan for Memorial Park.	Adopted 25 March 2010	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Wilson Park Management Plan (Part Two)	A management plan for Wilson Park.	Adopted 30 July 2009	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Dudding Lake Management Plan (Part Two)	A management plan for Dudding Lake.	Adopted 26 November 2009	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Bulls Old Courthouse and Goal Management Plan (Part Two)	Historic reserve management plan for the Old Courthouse and Goal	Adopted 25 March 2010	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Historic Reserves Management Plan	Sets out the management objectives and policies for historic reserves Council administers under the Reserves Act 1977.	Adopted 25 March 2010	Reserves Act 1977	Assets & Infrastructure	Not scheduled for review.
Taihape Domain Master Plan	An integrated masterplan for the development, use and upgrade of Taihape Domain.	Endorsed 25 July 2023	Non-statutory	Assets & Infrastructure	Complete.
Welcoming Communities Plan	A community-owned plan to be more open and accepting and build our cultural diversity and inclusion.	Complete	Non-statutory	Community Services	Welcoming Communities program is no longer being Government funded or delivered by Immigration New Zealand beyond June 2024 due to the new government priorities. The final phase of our Community Action Plan is implementing the Welcoming Communities website (funding was received for this) into daily operation, capturing and updating links from Welcoming Communities government departments. Our Welcoming Community principles will continue to be delivered from our Information Centres, and those staff will continue to update and add website information for newly arrived individuals and families to our district

9.2 Economic Wellbeing Update

Author: Jarrod Calkin, Economic Wellbeing Lead

Authoriser: Katrina Gray, Manager Strategy and Development

1. Reason for Report

- 1.1 The purpose of the report is to provide the Committee with an update regarding the Economic Wellbeing of the District and the key actions Officers are taking to support business and the district.

2. Economic Update

- 2.1 There have been no updates to regional reporting update since the last Economic Wellbeing Update. The data is expected to be available for the August report.
- 2.2 The outlook for interest rates has changed with the recent Official Cash Rate (“OCR”) announcement from the Reserve Bank on Wednesday 22 May 2024. While the OCR was held at 5.50% the Reserve Bank has expressed concern about the slow reduction in household inflation. This has led to the Monetary Policy Committee (“MPC”) making the comment that interest rates will have to remain *“at a restrictive level for longer than anticipated in the February Monetary Policy Statement to ensure the inflation target is met”*. This is now the 7th consecutive ‘hold’ decision from the Reserve Bank since the last rate-hike in May 2023 and the outlook from the MPC suggests a 60% chance of an increase to the OCR before dropping under the current rate of 5.50% by the 2nd half of 2025.
- 2.3 Inflation continues to be outside of the Reserve Bank target range of 1% - 3% although has fallen to 4.0%. National GDP data indicates New Zealand is technically in a ‘double-dip’ recession. The Reserve Bank anticipates inflation to be back within its target range by Q4 2024 which is 3 months later than the previous statement.
- 2.4 On Thursday 30 May 2024 the Government announced their budget. There were few surprises with majority of the pre-budget announcements coming through in the final budget including the high publicised ‘tax cuts’. The Government has delivered the promised tax cuts by increasing the income tax brackets by which tax rates are set.
- 2.5 Council Officers have taken note of the \$1.2b regional infrastructure fund which is intended to invest in regional resilience projects to support economic growth. Of particular note is the \$200m to rail network infrastructure projects although where this investment will go is not yet known.

3. Local Insights

- 3.1 Council Officers continue to work in partnership with Business Rangitikei who are delivering the Business After 5 (“BA5’s”) programme. The BA5 continues to be well supported by the business sector, Council and Elected Members.
- 3.2 In collaboration with Business Rangitikei, Officers are working on a project to assist property owners in Marton to wash and paint their commercial buildings in the CBD.
 - 3.2.1 The project will make use of Officer’s time to engage with commercial property owners, contractors, traffic management, scaffolding providers, and various interested parties to enable economies of scale for the painting of the buildings.

3.2.2 Once the details of the project are confirmed, engagement with property owners will occur to seek participation in the project.

3.2.3 The target date for the painting project to be completed is Market Day which is currently set for November 30 2024.

3.3 The first tranche of 2023 census data has been released. Initial insights are provided below:

	Rangitikei	Manawatu - Whanganui	New Zealand
Population Change	4.20%	5.30%	6.30%
Total population	15,663	251,412	4,993,923
Ethnicity - European	79.6%	78.1%	67.8%
Ethnicity - Maori	28.2%	25.1%	17.8%
Ethnicity - Pacific peoples	5.5%	5.0%	8.9%
Ethnicity - Asian	2.9%	7.7%	17.3%

4. Sector spotlight - Housing

4.1 In the 6 months to end of April there have been 108 property sales in the Rangitikei District which is up 12.5% on the same period last year*.

4.2 In the 6 months to the end of April the average sale price in the Rangitikei District was \$440,553 which is up 10% on the same period last year*.

4.3 There are currently approximately 210 properties for sale in the Rangitikei District which is a slight increase on the same period last year.

4.4 Nationally, first home buyers remain a strong presence in the market with 26% share of purchases across the first quarter of 2024. This is primarily driven by the lenders increased risk allowances for low deposit lending, although high interest rates are limiting borrowing capacity*.

4.5 Recently released data at a national level show in February, 56% of new lending was on fixed rates 1 year or less – this is relatively new data but was a record high signalling borrowers are anticipating future rate reductions*.

**Note – Data sourced from Quotable Value sales reporting and Core Logic / Westpac housing update.*

4.6 Looking ahead, the upturn for housing is expected to be sluggish and variable compared to previous market upturns. The factors influencing this are higher interest rates, high migration rates, increasing unemployment rates, lenders policy and the recent changes to the debt-to-income ratios which will come into effect from 1 July 2024 although in the short term this is not expected to make an impact due to the lenders high servicing rates.

5. Mayor's Taskforce for Jobs

5.1 The April update from James Towers Consultants Limited showed a total of 110 placements (top in New Zealand) and sustainable placements above the target of 38. An end of financial year report on the programme will be shared in the August update.

- 5.2 The highlights from the April update include acknowledgment of a day spent in Taihape with Mayor Andy meeting with the team, employers and young people successfully placed in employment.
- 5.3 Council have been advised the funding for Year 2 (1 July 2024 – 30 June 2025) has been finalised and while there has been a shift in partnership priorities, there has been no change in the previously agreed funding arrangements. These shifts in priorities are not anticipated to change the delivery of the programme in our district.

6. Economic Wellbeing Strategy

- 6.1 Council Officers have started work on the review of the Economic Development Strategy 2021-2031. Officers are in the process of procuring a consultant to assist with the development of an Economic Wellbeing Strategy. The following objectives have been identified for the development of the Strategy:
 - 6.1.1 To gain a greater understanding of the economic environment Council is currently operating in, including key challenges and opportunities.
 - 6.1.2 To define what economic wellbeing means for the Rangitikei District.
 - 6.1.3 To set out an economic wellbeing strategy for Council that is aligned with and implements Council's strategic framework.
 - 6.1.4 To develop an economic wellbeing action plan that will guide Council work programmes.

7. Financial Implications

- 7.1 There are no financial implications.

8. Impact on Strategic Risks

- 8.1 There are no impacts on strategic risks.

9. Mana Whenua Implications

- 9.1 Officers are not aware of mana whenua implications associated with this report.

10. Statutory Implications

- 10.1 There are no statutory implications.

11. Decision Making Process

- 11.1 This item is not considered to be significant.

Recommendation

That the report "Economic Wellbeing Update" be received.

9.3 Regulatory Statistics - June 2024

Author: Johan Cullis, Group Manager - Regulatory Services

Authoriser: Kevin Ross, Chief Executive

1. Reason for Report

- 1.1 To provide the Policy/Planning Committee with an overview of data from the Regulatory Group.

2. Background

- 2.1 As part of the Terms of Reference discussion at the Policy/Planning Committee workshop on 11 April 2024, Officers sought feedback on a proposal to provide data to the Committee about the regulatory context (e.g. building consent and resource consent numbers). The purpose would be to ensure the Committee is aware of the regulatory context for the District.
- 2.2 The Committee requested a sample of the data be provided to the next meeting for feedback on whether the Committee considers there to be value in providing this data on a regular basis.
- 2.3 A presentation will be provided at the meeting.

3. Financial Implications

- 3.1 There are no financial implications.

4. Impact on Strategic Risks

- 4.1 The relevant strategic risk is: 'Regulatory effectiveness is questioned'. This risk considers reputational and legislative risk. This item reports on regulatory times which will enable this risk to be understood.

5. Mana Whenua Implications

- 5.1 There are no known mana whenua implications.

6. Statutory Implications

- 6.1 The presentation will show compliance with statutory deadlines.

7. Decision Making Process

- 7.1 This item provides the Committee with an overview of statistics from the Regulatory Group and does not require a decision.

Recommendation

That the report Regulatory Statistics – June 2024 be received.

9.4 Draft Procurement and Contract Management Policy**Author:** Dave Tombs, Group Manager - Corporate Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide Committee Members with an update regarding Council's new Procurement and Contract Management Policy (and related information).

2. Context

- 2.1 Council's current Procurement Policy was adopted by Council in 2014 and, although technically still 'fit for purposes', is due to be reviewed.

3. Discussion and Options Considered

- 3.1 Officers have referred to Procurement Policies developed by other Councils and developed the attached draft. This draft is subject to ongoing finalisation (including formatting) by Council's Executive Leadership Team.
- 3.2 Officers have also attached two supporting documents that are still being developed and expect to finalise these and introduce further supporting documents on an ongoing basis.
- 3.3 Officers will provide training to staff involved with procurement to ensure the Policy, once approved, is complied with.
- 3.4 Officers welcome the opportunity to discuss the draft Policy with Committee members.
- 3.5 Once finalised, the Policy will be presented to Council for approval.

4. Financial Implications

- 4.1 The financial implications of a poorly drafted, understood and/or monitored Procurement and Contract Management Policy are significant.

5. Impact on Strategic Risks

- 5.1 The negative impact on essentially all of Council's strategic risks of a poorly drafted, understood and/or monitored Procurement and Contract Management Policy are significant.

6. Mana Whenua Implications

- 6.1 Officers are not aware of any specific implications of a poorly drafted, understood and/or monitored Procurement and Contract Management Policy to Mana Whenua. Officers would welcome discussion with Committee Members on this point to further understand potential implications of this nature.

7. Statutory Implications

- 7.1 A poorly drafted, understood and/or monitored Procurement and Contract Management Policy could have significant statutory implications to Council.

Attachments:

1. **Procurement and Contract Management Policy (draft) - June 2024** [↓](#)
2. **Procurement Plan (draft)** [↓](#)
3. **Procurement Guideline - Insurance** [↓](#)
4. **Procurement Policy (current)** [↓](#)

Recommendation 1

That the Report 'Draft Procurement and Contract Management Policy' be received.

PROCUREMENT AND CONTRACT MANAGEMENT POLICY

Approved:	
Approved by:	Executive Leadership Team
Next review:	
Version number:	1.0
Who is responsible	Group Manager – Corporate Services

1 INTRODUCTION

- 1.1 The Rangitikei District Council ('RDC') is a territorial local authority with obligations to its ratepayers and the public, defined under the *Local Government Act 2002* as:

"14(1)(a) a local authority should—
(i) conduct its business in an open, transparent, and democratically accountable manner; and
(ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner."

- 1.2 Procurement plays a vital role in the delivery of RDC outcomes, with a significant variety of goods, services and works being purchased from third party suppliers.
- 1.3 RDC recognises that rigorous procurement and contract management practices:
- (a) Ensure that RDC delivers value for money, quality, and safety and wellbeing outcomes for all stakeholders.
 - (b) Underpin the performance and delivery of RDC's strategic and business objectives.
 - (c) Provide opportunities for business sustainability, strategic growth and improvement.
- 1.4 Further, RDC also recognises its primary responsibility to ensure probity and the prudent expenditure of rate payer funds.

2 PURPOSE

- 2.1 The purpose of the RDC Procurement and Contract Management Policy (the 'Policy') is to articulate RDC's commitment to the responsible, effective, and fit-for-purpose procurement of goods, services and contract management.
- 2.2 The Policy establishes the guiding principles for RDC's procurement and contract management practices, and seeks to ensure that:
- 2.2.1 A robust framework is adopted across the RDC for procurement and the subsequent management of goods and services contracts.
 - 2.2.2 RDC plans for, enters into, and manages all contracts in a manner that align to our obligations under Te Tiriti o Waitangi / the Treaty of Waitangi, pursues RDC strategic and business objectives, and minimises risk.
 - 2.2.3 RDC Staff understand their roles and responsibilities with regards to procurement and contract management and are appropriately skilled and trained to do so.
 - 2.2.4 RDC achieves quality performance and cost-effective service delivery.
- 2.3 This Policy identifies the authority, responsibilities and operational parameters for prudent procurement decision-making, and the effective management of contracts and associated legally-binding agreements. Guidance documents for this Policy are available for staff or under development.

3 ORGANISATIONAL SCOPE

- 3.1 This policy applies to:
- 3.1.1 All RDC staff, including temporary staff, contracted staff, contractors and subcontractors.
 - 3.1.2 Any person who is involved in the operation of RDC, including elected members, volunteers and those people with honorary or unpaid staff status.
 - 3.1.3 Every business, service or activity of RDC – with the exception of employment contracts.
- 3.2 This policy does not apply to:
- 3.2.1 The purchase or sale of land.
 - 3.2.2 Acquisition of art and similar unique items of interest; and
 - 3.2.3 Employment.

4 DEFINITIONS

- 4.1 **Approved Contractor:** prior to undertaking any work for RDC, all contractors must apply for, and be approved against a set of eligibility requirements, including insurance cover, Health, Safety & Wellbeing (HSW) and relevant codes of practice. (Note an 'Approved Contractor' is not the same as a 'HSW Pre-qualified Contractor' <see below>)
- 4.2 **Bribe or inducement:** the giving or receiving, whether directly or indirectly, of something of value to influence a (procurement or contract management) transaction.
- 4.3 **Contract:** a formal, documented agreement between RDC and a supplier or contractor that commits RDC in legal or financial terms to the acquisition of goods and services.
- 4.4 **Contract Manager:** a designated RDC staff member, appointed by a Contract Owner as necessary/required to assist with specific aspects of the management of a specific contract.
- 4.5 **Contract Owner:** a designated RDC staff member who is responsible for the ongoing oversight and management of a specific contract and is responsible for associated record-keeping.
- 4.6 **Contracted staff:** non-permanent employees of RDC, including consultants and contractors employed on fixed or short-term contracts who are undertaking business activities on behalf of RDC.
- 4.7 **Health, Safety & Wellbeing (HSW) Advisor:** To provide support in developing a safety culture across the RDC. They will provide advice and support to management, staff and contractors to enable them to meet their respective HSW obligations of this policy.
- 4.8 **HSW Pre-qualified Contractor:** A Contractor who has the necessary requirements to achieve a score of 75% or greater in the Site Wise HSW System, or equivalent (refer to Contractor HSW Handbook).
- 4.8 **Market:** all potential providers of a good or service that may be available to RDC.
- 4.9 **Probity Auditor:** a suitably qualified person who conducts an independent assessment to ensure integrity, fairness, and compliance with Policy and ethical standards in Council procurement,
- 4.9 **Procurement:** the process, and various stages, of securing goods and services, including but not limited to:
- planning

- determination of standards or specifications
- supplier and sector research
- supplier review and selection
- pricing negotiation (where applicable)
- making the purchase
- contract administration and
- other related functions.

- 4.10 **Sustainable Procurement:** securing goods and services in a way that recognises the whole of life costs and/or benefits of the goods or service, and delivers benefits for the local community, economy and environment. Climate change considerations are an essential component of this.
- 4.11 **Tenders Board:** a panel of RDC representatives appointed to each Tender that is responsible for ensuring that proper Tender process is conducted.
- 4.12 **Whole of Life:** an assessment of the total costs and/or benefits of purchasing goods or services – from concept to disposal. This includes purchase outcomes, operating costs spanning the useful life of the good or service, as well as any impacts associated with (product) manufacture, HSW in design, transport, delivery and disposal.

5 PRINCIPLES

- 5.1 RDC procurement and contract management practices shall ensure that RDC plans for, enters into and manages its procurement and contract management activities in a manner that is consistent with Council's Key Procurement Objectives as per this Policy.
- 5.2 RDC procurement and contract management will apply a strategic procurement process consistent with the Ministry of Business, Innovation and Employment (MBIE) procurement lifecycle consisting of planning, sourcing and managing.
- 5.3 The following ten principles shall be reflected in all procurement and contract management practices:
- 1 The purchasing power of RDC will be harnessed for the realisation of its strategic and business objectives, as well as the benefit of the local community.
 - 2 RDC will at all times act with integrity, impartiality and in a fair and reasonable manner in its dealings with other parties.
 - 3 RDC will ensure full probity in its procurement practices and decision-making processes. All procurement decisions will be appropriate and transparent, fair and equitable, and free from any real or perceived bias or conflict of interest.
 - 4 Open and effective competition will be encouraged – all eligible suppliers shall have full and fair opportunity to participate.
 - 5 RDC shall take into consideration the whole of life costs and/or benefits associated with procurement – spanning design, manufacture, delivery, HSW, operation and disposal.
 - 6 Consideration will be given to achieving the principles of Sustainable Procurement and climate change impacts.
 - 7 All contracts shall clearly identify the functional, performance and/or technical deliverables and key performance indicators, including Health, Safety and Wellbeing targets and responsibilities, that reflect RDC's expectations and quality standards, and establish effective means to measure, monitor and manage their delivery.

- 8 All contracts will be actively and appropriately managed in a manner that fosters collaboration with suppliers and contractors, maximises value for money as well as supports continuous innovation and improvement.
- 9 Procurement and contract management processes will comply with all applicable statutory obligations, recognise RDC's business, strategic and community expectations, and reflect relevant sector, central and local government good practice standards and guidelines.
- 10 All procurement and contract management risks will be identified and managed effectively throughout the life cycle of the goods or service.

6 POLICY

6.1 General Requirements

- 6.1.1 RDC procurement and contract management practices shall at all times be fair, equitable and transparent, and abide by the principles and requirements set out in this Policy.
- 6.1.2 Procurement decision-making practices shall ensure:
 - (a) Integrity, prudent decision-making and freedom from real or perceived bias or conflict of interest; and
 - (b) Open and effective competition, subject to appropriate due diligence and probity measures; and
 - (c) Value for money on a whole of life basis, including consideration of the principles of sustainable procurement whenever possible; and
 - (d) Effective identification, assessment and management of risk from the planning phase and throughout the life of the procurement or contracted activity including, but not limited to, safety in design and safe work planning followed by ongoing performance monitoring; and
 - (e) Recognition of, and compliance with all relevant statutory and regulatory obligations; and
 - (f) Collaboration, innovation and recognition of the collective purchasing power of RDC including the use of 'All of Government' contracts; and
 - (g) Consideration of performance and delivery outcomes from previous procurement with prospective suppliers.
- 6.1.3 RDC shall ensure that all staff involved in RDC procurement have access to appropriate procurement and contract management resources, skills, knowledge and expertise.
- 6.1.4 RDC shall ensure effective procurement and contract management process controls and monitoring mechanisms, including maintaining a standard suite of operational processes, guidelines, tools and templates.
- 6.1.5 The Contract Owner shall ensure all relevant documentation is complete, accurate, executed properly and filed appropriately.
- 6.1.6 A failure to adhere to the principles, obligations and requirements as outlined in this

Policy, and any associated RDC procurement and contract management procedures and guidelines, may result in an investigation into the failures.

6.2 Sustainable Procurement

6.2.1 RDC recognises that procurement and contract management practices provide a key opportunity to maximise value for money and quality service delivery, as well as deliver tangible benefits for the local community, economy and environment.

6.2.2 RDC's procurement activities will be consistent with, and support, RDC's Strategic Framework.

6.2.3 As such, the principles of sustainable procurement will be recognised whenever possible in the assessment of the costs and benefits of procurement including when undertaking cost-benefit analyses or weighted attributes assessments of potential goods and service suppliers, as follows:

- (a) *Think Local*: RDC shall preference those suppliers that can evidence a positive economic footprint in the region. This includes contributing to the vibrancy and sustainability of the local economy, supporting job or market growth, as well as fostering opportunities for small and medium-sized enterprises (SMEs).
- (b) *Think Environmental*: RDC shall be proactive in procurement decisions that support positive environmental impacts, design out adverse effects on the local environment and minimise any residual risks during project delivery. This may include minimising greenhouse gas emissions, increasing biodiversity, minimisation of waste and increased efficiency of materials.
- (c) *Think Social*: RDC shall encourage procurement decisions that maximise community benefits in terms of personal wellbeing, social cohesion, capital and inclusion, equal opportunities, and participation.

6.2.4 Whenever practicable, RDC shall give due consideration to sustainable procurement principles, including when undertaking cost-benefit analyses or weighted attributes assessments of potential goods and service suppliers.

6.2.5 Any consideration or weighted attribute assigned to sustainable procurement must be a minimum of 10%, unless specifically waived by Tenders Board.

6.2.6 ELT may issue a directive to provide greater emphasis on Sustainable Procurement overall, or relative weighting between different Sustainable Procurement criteria (for example, in response to COVID-19 the *Think Local* weighting could have been directed to be "between 25% and 40% unless impractical" in all weighted attribute procurement). Exceptions to these directives need to specifically be approved by the Tenders Board.

6.2.7 Where a lowest price conforming assessment methodology is utilised, Sustainable Procurement must be a pass/fail consideration.

6.3 Conflict of Interest

6.3.1 RDC shall ensure that procurement and contract management processes cannot be justifiably challenged on the basis of any real or perceived bias or conflict of interest.

- 6.3.2 All procurement and contract management decision-making processes shall include careful consideration of any actual, potential or perceived conflicts of interest.
- 6.3.3 Under no circumstances shall a staff member influence, advise or participate in a procurement or contract management activity where that employee has an actual, potential or perceived conflict of interest – subject to very limited circumstances (see point 6.3.6 below).
- 6.3.4 Every person involved in the decision-making process shall declare in writing that they have no real or potential for a perceived conflict of interest. This includes those involved directly in procurement and contract management activities, as well as anyone who has the ability to influence key decisions (e.g. those holding delegated financial authority or monitoring performance).
- 6.3.5 Where there is uncertainty about whether there is a conflict, employees should discuss the potential conflict with their Executive Manager or the Group Manager, Corporate Services in the first instance. If in doubt, employees should at all times fully disclose a potential conflict or bias. Refer also to the RDC Conflict of Interest Policy for further details.
- 6.3.6 Where a RDC staff member has a conflict of interest, but also possesses specific expertise that is deemed essential to the evaluation process and which is not available from any other source (including those external to the RDC), a member of ELT may approve that person being able to discuss the project with the evaluation panel.
- 6.3.7 Where the CEO is involved with procurement and/or contract management and identifies a potential conflict of interest, escalation shall be to elected members/the RDC Tenders Board.
- 6.3.8 It is never acceptable for a RDC staff member to be involved in sourcing or contract management activities where their direct family works for the supplier involved.
- 6.3.9 It is never acceptable for a RDC staff member to accept a bribe or inducement. Any such instances will be dealt with in strict accordance with the Staff Code of Conduct Policy and other applicable guidelines – see also the RDC Fraud Prevention Policy.
- 6.3.10 Anyone involved in a sourcing activity must formally declare all gifts and or hospitality offered to themselves and/ or direct family members in the past 15 months. Should these exceed a cumulative value of \$500, then specific approval from the CEO is required for the person to be allowed to take any part in the procurement process.
- 6.4 Contract Approval**
- 6.4.1 All staff involved in the procurement and contract management of goods and services must have appropriate knowledge of, and comply with all relevant RDC policies, procedures and guidelines, as well as applicable legislation and professional standards of practice with regards the procurement and contract management process.
- 6.4.2 Each Procurement needs to comply with the following approach (amounts are 'whole of contract' and exclude GST)
-
- (a) Sourcing with a cumulative value of more than \$5,000 and less than \$50,000 requires at least two written quotations to be sought and, where practical,

obtained. Approval to 'not comply' with this requirement requires written approval from at least two members of ELT. (Procurement with a value less than \$5,000 can be 'direct sourced' from any single supplier).

- (b) Sourcing with a cumulative value of more than \$50,000 and less than \$250,000 require at least three written quotations to be sought and, where practical, obtained. Approval to 'not comply' with this requirement requires written approval from at least two members of ELT and the CEO.
- (c) Sourcing with a cumulative value of more than \$250,000 requires an open and competitive Public Tender process, under the management of a Tenders Board. Approval to 'not comply' with this requirement requires formal Council approval, which may be sought on a case-by-case basis or as part of a structured Forward Procurement Strategy that may be periodically presented to Council.
- (d) Sourcing with a cumulative value of less than \$250,000 should be referred to the Tenders Board where the procurement facilitator considers that the level of risk (potential, perceived or actual) associated with the procurement requires Tenders Board review.

6.4.3 Further to S6.1.3 of this Policy, each Tenders Board must contain:

- Two members of ELT (Including Group Manager of Corporate Services where practicable, but not including the Group Manager relevant to the subject of the tender)
- Two elected members

The Group Manager who is relevant to the subject of the tender, together with any other staff who have some expertise in the subject) should be invited to assist the Tenders Board.

Further to S5.3 (3) and S6.3.1 of this Policy, the Tenders Board must consider (and document) whether sufficient actual or perceived conflict of interest exists, or may arise, and seek to replace RDC officers and elected members from the Tenders Board with independent contractor(s).

The Tenders Board has the ability to award Tenders without prior Council approval in times of urgency.

- 6.4.4 Procurement of goods and/or services over the \$50,000 threshold requires a formal contract to be put in place. All contracts must be approved and signed by a RDC staff member with appropriate delegated authority. No external parties are authorised to sign contracts on behalf of RDC.
- 6.4.5 The RDC Contract Owner shall maintain a full (physical and/or electronic) record of all procurement preparation, negotiation and award activities, in accordance with this Policy and all RDC records management practices.
- 6.4.6 All contracts entered into by the RDC must be in writing, signed by all relevant parties, and held securely on file in accordance with RDC document management practices.
- 6.4.7 All contracts prepared by RDC shall utilise approved and standardised contract templates whenever possible. If no applicable template exists, the Contract Owner and/or Manager shall seek assistance from the RDC Legal team or Group Manager of Corporate Services to prepare a contract.
- 6.4.8 No contractual arrangement entered into by the RDC shall be greater than 10 years in its entirety, including rights of renewal, unless approved by ELT or by Council Resolution. RDC shall not enter into contracts that are "evergreen" (i.e. of indefinite length).

6.5 Probity

6.5.1 It is essential that Probity is evident throughout procurement activities.

6.5.2 Probity:

- i. Requires equity within procurement processes and controls.
- ii. Provides fairness and transparency in our procurement

decisions

6.5.3 To ensure Probity the Contract Owner shall appoint an external independent Probity Auditor for all procurement activities that:

- i. are above \$5m (Whole of Life) or
- ii. are considered high risk.

6.6 Contract Management

6.6.1 RDC shall maintain a central database of all approved and/or active contracts, and ensure comprehensive records are held, including all third-party vetting; HSW approval; insurance coverage; contract review, renewal or expiration dates; deviations and variations.

6.6.2 All RDC contracts shall have a delegated RDC Contract Owner, who acts as the dedicated single point of contact and is responsible for the effective management and delivery of the contract in line with this Policy and all associated processes or guidelines. Duties include, but are not limited to:

(a) Contract Negotiation

- i. All contracts shall include measurable, relevant and robust key deliverables, measures and performance indicators (i.e. 'SMART' key performance indicators that are Specific, Measurable, Achievable, Relevant and Time-bound).
- ii. All contracts shall establish effective and robust monitoring and reporting activities that ensure delivery of pre-determined deliverables and levels of performance.
- iii. All contracts shall comply with RDC, professional regulatory body and statutory obligations, as required.
- iv. RDC Contract Owners shall be alert to, and address any provisions, in contracts that expose the RDC to unsuitable or unacceptable risk. This includes a review of prior service delivery or performance by potential third party suppliers.
- v. All contracts shall fully comply with RDC's HSW Policy requirements and include an appropriate documented HSW plan that identifies all HSW risks and their associated controls.

(b) Contract Delivery

- i. RDC Contract Owners shall regularly monitor, audit and review contractor delivery against agreed milestones, deliverables or performance expectations over the life of the contract, including maintaining a regular audit programme, as required.
- ii. All contractor payments, performance bonds and other financial transactions shall be made in accordance with the terms of the contract and

appropriate assurance of agreed performance delivery, in accordance with relevant RDC financial delegations and authority.

- iii. RDC Contract Owners shall engage relevant parties and establish variations or renegotiate contract terms where appropriate.
- iv. Full records of all contract evaluations and performance monitoring activities (including any variations, renewals and cancellations) shall be held in accordance with the RDC document management guidelines and practices.

(c) Contract Review

- i. The RDC Contract Owner must review each 'live' contract on its anniversary. This review must include consideration of whether the terms of the contract are still current, whether the scope of the contract is still valid, whether the risks of the contracts (with specific reference to any HSW risks and associated controls) are properly identified and managed and all other relevant matters.

(d) Escalation and Exit

- i. RDC shall ensure appropriate and effective processes and mechanisms are in place for the reporting, escalation and resolution of performance issues or contract delivery failure.
- ii. RDC Contract Owners shall monitor contract schedules for renewal or expiry, and effectively manage the business impacts arising from exiting the agreement, including ensuring all relevant Intellectual Property, data or property is returned to RDC.

6.6.3 A Contract Owners may appoint a Contract Manager to assist with the management of any Contract. The appointed Contract Manager will ordinarily be a direct report of the Contract Owner. All Contract Manager appointments should be in writing and clearly identify the specific responsibilities of the Contract Owner and the Contract Manager.

6.6.4 Notwithstanding S6.6.3, the Contract Owner has overall responsibility for the performance of the contract.

6.7 Risk Management

6.7.1 All Procurement and Contract Management activities must follow RDC risk management practices in line with the RDC Risk Management Framework.

6.7.2 RDC shall ensure that the costs, benefits and risk presented by procurement are identified, and appropriately reflected in the procurement and contract management methodology utilised.

6.7.3 RDC Contract Owners shall work collaboratively with engaged providers to identify, assess, manage and review all risks associated with the goods or service procured, throughout the length of the contracted period.

6.7.4 All critical issues must be escalated and resolved appropriately to ensure the continued quality delivery of service expectations.

6.7.5 All risk management and mitigation strategies must be clearly documented as part of the procurement and contract management process.

6.8 Health, Safety and Wellbeing (HSW)

6.8.1 The Contract Owner must ensure that the requirements of the Health and Safety at Work Act 2015 are satisfied and that all parties are aware of their associated responsibilities and the manner in which they are to be discharged and as such, is expected to:

- (a) be a HSW leader by driving excellence in performance and behaviour
- (b) Ensure that the contractor is listed in the Site Wise System as a HSW Pre-approved Contractor, or take steps to ensure the pre-approval occurs prior to engaging the Contractor.
- (c) confirm that Critical Risks associated with the contract are clearly identified (inclusive of foreseeable risks), manage them using the hierarchy of controls, maintain effective control measures, and review and revise control measures to ensure they are effective. ensure that all parties to a contract communicate, cooperate and co-ordinate their work plans to effectively manage overlapping HSW risks. The Contract Owner and Contract Manager must work with all parties to reduce risk to 'As Low As Reasonably Practicable' (ALARP).
- (d) verify that HSW in Design is considered in the process of managing health and safety risks throughout the lifecycle of structures, plant, substance or other products. Designers must ensure that they make work healthy and safe from the start of the design process.
- (e) set clear HSW responsibilities and expectations of the Contract Manager and regularly monitor to ensure expectations are being met.
- (f) check that HSW events of significance are appropriately reviewed to identify additional preventative measures that may be required and ensure proper communication and documentation is recorded in the RDC's HSW management system (VAULT).

6.8.1 All staff involved with any contract must report all HSW risks they identify to the Contract Owner and assist the Contract Owner with the above requirements.

6.8.2 The RDC HSW Advisor shall provide policy, procedure and guidance to enable Contract Owners and relevant staff and contractors to meet these obligations. Detailed Health and Safety guidance and the Contractors HSW Handbook can be found in the HSW section of Kapua ('Contractor Management' page).

6.9 Other Risks

6.9.1 The relevant 'one up supervisor' is responsible for making sure, where there is a change of Contract Owner, that the incoming Contract Owner is aware of the contracts he/she has ownership responsibility of.

6.10 Deviations

6.10.1 Deviation from RDC's procurement and contract management processes may be necessary due to circumstances beyond the control of RDC. Such instances include:

- (a) A limited number of suppliers available in the market
- (b) A different procurement methodology or process is stipulated by legislation or a professional/regulatory body

- (c) An exceptional, urgent or emergency situation where immediate RDC decision-making is required and is in the best interests of ratepayers.
- (d) Whilst undertaking a properly procured contract for RDC it becomes apparent that an extension/variation to the scope of contract would provide significant economic, logistical and/or timing benefits.

In such instances the deviation needs to be authorised by the Tenders Board. In urgent or emergency situations this authorisation can be sought retrospectively and/or from the CEO or Deputy CEO.

6.11 Record Keeping

- 6.11.1 All procurement and contract document management processes shall adhere to relevant statutory and regulatory obligations, including the Public Records Act 2005.
- 6.11.2 Clear and comprehensive written records of all procurement and contract management activity shall be retained in accordance with RDC document management policies and protocols. This includes market, tender and evaluation material, contracts and variations, performance reporting, correspondence and associated service delivery records
- 6.11.3 Procurement and contract management records shall provide a clear, transparent and accessible audit trail so that RDC staff, auditors and/or legal advisors may readily establish the process and rationale for any procurement decisions made and actions taken.
- 6.11.4 At a minimum, records shall be retained that demonstrate:
 - (a) RDC procurement and contract management processes have been followed, as outlined in this Policy and all associated procedures and practice guidelines.
 - (b) Procurement adheres to appropriate budget allocations through the Long Term Plan, the Annual Plan, or an approved Business Case.
 - (c) Approval for procurement has been obtained from the relevant holder of delegated financial authority.
 - (d) RDC has identified key contract performance expectations and deliverables and undertaken appropriate measures and audit/monitoring activities that provide assurance of performance.
 - (e) All risks are identified, assessed and effectively managed in collaboration with the contractor, including HSW assessments, mitigation controls, site planning and maintaining appropriate insurance cover. Critical risks (those that could cause serious harm) shall be identified separately and effective controls shall be implemented and reviewed periodically.
 - (f) All employees involved in decision-making have affirmed that they are free from any real or perceived conflicts of interest.

6.12 Confidentiality

- 6.12.1 Employees involved in procurement and contract management activities shall take all due precautions when handling commercially sensitive information. This includes ensuring information is not passed between parties entering into a tender or other competitive procurement process, as well as maintaining the rights of RDC and third-party intellectual property.

ITEM 9.4

ATTACHMENT 1

6.12.2 Confidentiality obligations continue throughout the procurement and contract management process, as well as after the contract has terminated or expired.

7 RELATED POLICIES, PROCEDURES AND REFERENCE MATERIAL

7.1.1 RDC Procurement Toolbox (Connect)

- 7.1.2 Art and Creativity in Infrastructure Policy
- 7.1.3 Accounting Transactional Process and Procedures Manual
- 7.1.4 Committee Structure and Delegations Manual
- 7.1.5 RDC HSW Policy and Manual
- 7.1.6 RDC HSW Toolbox
- 7.1.7 Significance and Engagement Policy
- 7.1.8 Conflict of Interest Policy
- 7.1.9 Fraud, Bribery and Corruption Prevention Policy
- 7.1.10 Gifts and Hospitality Policy
- 7.1.11 Carbon Management Policy
- 7.1.12 Human Resources Manual
- 7.1.13 Staff Delegations Manual
- 7.1.14 Protected Disclosure - Whistleblower Policy
- 7.1.15 The Waste Minimisation and Management Plan 2020
- 7.1.16 Procurement and Contract Management Guidance documents (under development)
- 7.1.17 Risk Management Policy and Guidelines
- 7.1.18 Information Management Policy and Guidelines

ITEM 9.4
ATTACHMENT 1

RDC Procurement Guidelines
Procurement Summary

Procurement For (what is being procured):	
Summary of Goods/Services to be procured	
Expected timeframe for delivery of goods/services	
Procurement value (ex GST)	
Ongoing costs associated with the procurement	
Budget Comments	
Key WHS Risks associated with the procurement :	
Key Financial Risks associated with the procurement (what is Council's potential exposure):	

ITEM 9.4 ATTACHMENT 2

Key Reputational Risks associated with the procurement :
Key Other Risks associated with the procurement :
Key Risk Mitigation Measures Planned (incl Consultant/Contractor insurance requirements)

Planned Procurement Approach (include Evaluation Criteria and weightings for each)
Does the Contract require ongoing oversight once the Procurement has been made (eg Terms to be renewed, KPIS to be monitored, annual CPI to be applied)

ITEM 9.4 ATTACHMENT 2

Does the Contracts Register need to be updated for this? Provide comments
Who is responsible for central filing of the Contract and associated paperwork

Completed By

Reviewed By

(ELT Member)

RDC Procurement Guidelines**Insurance****Introduction**

Insurance needs to be considered whenever Consultancy and/or Contractor services are procured.

Background - Consultants

Consultants are often engaged to provide Council with specialist services. Council generally uses the recommendations made by Consultants to provide specialist advice or plan/scope/design some sort of 'end-result'. Where Council relies on the Consultant's advice and ends up with a defective end-result Council will seek to recover damages from the Consultant.

The level of damages sought could be substantial so Council should require the Consultant to hold a suitable level of Professional Indemnity insurance.

Background - Contractor

Contractors are often engaged to 'do something specific' for Council. Council generally uses the 'personal efforts' of the Contractor to create/build some sort of 'end-result'. Where the Contractor fails to do the job properly Council will seek to recover damages from the Contractor.

The level of damages sought could be substantial so Council should require the Contractor to hold a suitable level of Public Liability insurance.

Council may also require a Consultant and/or Contractor to hold Statutory Liability Insurance. Statutory Liability Insurance provides cover for insurable fines, defence and reparation costs should a business (or its employees) be prosecuted for unintentionally breaching New Zealand statutes such as the Health and Safety in Employment Act, the Resource Management Act, the Consumer Guarantees Act, the Building Act, the Privacy Act and the Fair Trading Act.

Where a contractor is engaged essentially to provide the services of an employee (ie BAU duties) they are not ordinarily required to have these insurances.

Considerations

When procuring Contracting and/or Consulting services staff must consider what Insurance they require the Contractor/Consultant to hold.

There are two main issues with this:

1. What level of insurance to request
2. How to ensure that the Contractor/Consultant maintains the required level of insurance once the term of the engagement has finished (claims for damages arising from their services may take several years to become evident)

Level of Insurance

There are 2 aspects to this:

1. The level of risk the Procurement Team identify as relating to the engagement
2. The Terms and Conditions of the contract used to engage the Contractor/Consultant

A Contractor/Consultant may have standard Terms and Conditions in their Contract that include a Limitation of Indemnity clause. These clauses often limit the extent of any possible future claim to, for example, '5 times the fee' (note different Contractors/Consultants use different multipliers). In such cases, unless Council renegotiates such clause, this clause limits the extent of the supplier's liability.

Regardless, the Procurement Team should consider, and document, the level of risk they assess that relates to the procurement.

Default limits are:

- Professional Indemnity:
 - Where advice is being provided to Council - Initially ask for \$5m, but recognise that \$2m is often viewed as 'the norm'
 - Where no advice is being provided to Council – nil PI insurance required
- Public Liability: request \$5m
- Statutory Liability : request \$2m

Officers should seek higher levels of insurance from Contractors/Consultants where the level of perceived is high (eg Engineers on a large project). Staff should consult with their Group Manager if unsure about this.

How To Ensure the Supplier maintains The Required Insurance Cover

<To be finalised>

ITEM 9.4
ATTACHMENT 4



Procurement Policy

The RDC rules for planning procurement,
approaching the market and contracting

Introduction

The Rangitikei District Council (RDC) Procurement Policy was developed from the Ministry of Business Innovation and Employment – Government Rules of Sourcing and the Office of the Auditor General’s Procurement Guidelines for Public Entities.

RDC rules for planning procurement, approaching the market and contracting, represent the Council’s standards of good practice for the procurement of goods and services.

Council spends millions of dollars every year buying a wide range of things, from lawn mowing services to public convenience upgrades, stationary and IT services to roading maintenance works. Public services are widely delivered by private businesses as suppliers, so choosing and managing these relationships well is critical to achieving the best results.

Council needs to attract creative, clever and commercial suppliers to help deliver innovative and effective solutions to get the best value for the ratepayers of the Rangitikei District - which isn’t always the cheapest price. To be an attractive customer, it is essential that Council fosters productive relationships with suppliers.

The RDC rules for planning procurement, approaching the market and contracting, provide the foundation of best practice procurement and will demonstrate that Council is open, transparent and accountable. The rules help to design processes that are robust, and build confidence in Council procurement practices. This will build greater public trust and confidence that Council spending is well-planned and well-executed.

Smart public procurement will deliver better public services and provide value for money to the ratepayers of the Rangitikei District.

Context

What are the Rules?

Rangitikei District Council (RDC) Procurement Policy 2013 replaces the RDC Procurement Policy 20/05/2010. This policy was adopted by Council resolution at the Council meeting 27 March 2014.

Focus on procurement

The term ‘procurement’ covers all aspects of acquiring and delivering goods, services and works (eg renewal and new construction). It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of the asset.

These Rules focus mainly on the process of procurement which covers planning the procurement, market research, approaching the market, evaluating responses, negotiating and awarding the contract.

Changes

The purpose of the rules is to:

- Provide a plain English format that is easy for RDC and suppliers to use
- Modernise the RDC’s approach to procurement to align with good national practice and provide better value for the ratepayers of the Rangitikei District
- Ensure RDC uses more strategic approaches and commercial expertise when procuring
- Encourage RDC to engage early with the market to stimulate competition and innovation, and work with suppliers to develop better solutions

Application to Council

RDC is required to apply the Rules and will be audited for its compliance with them. Suppliers have a right to complain if they think Council has not complied with them.


The Rules are a compulsory requirement for Council when procuring goods or services unless varied by formal Council resolution.


How to use the Rules


The Rules contain headers and boxes with more information, definitions, links to guides tools and templates and examples. Information in these boxes does not form part of the Rules. It is there to assist with interpretation and to give greater context for the reader.


Icons

The following icons are used to show supplementary information


Example


Definition


More Information


Guides, tools and templates

For more information

You can read more about Rangitikei District Council’s Procurement Policy and practice at RDCs website: www.RDC.govt.nz

Table of Contents

Chapter 1 Getting started	1	Chapter 3 Approaching the market	23
Why have rules?	2	How do I openly advertise?	24
What's good procurement?	4	Rule 23 Open advertising	24
The five Principles of Rangitikei District Council procurement	5	Rule 24 Tenderlink listing	24
What values underpin the Rules?	6	Rule 25 Notice of Procurement	24
Rule 1 Principles	6	Rule 26 Content of Notice of Procurement	25
Rule 2 Integrity	7	Rule 27 Other tender documents	27
Rule 3 No offsets	7	Managing the procurement process	28
Rule 4 Non-discrimination	7	Rule 28 Responding to queries	28
Rule 5 Protection of suppliers' information	8	Rule 29 Additional information	28
Who do the Rules apply	9	Rule 30 Changes to process or requirements	29
Rule 6 When the Rules apply - goods or services	9	Evaluating responses	30
Rule 7 When the Rules apply - new construction works	9	Rule 31 Treatment of responses	30
How to estimate the value of a procurement	10	Rule 32 Reasons to exclude a supplier	30
Rule 8 Estimating value	10	Chapter 4 Awarding the contract	31
Rule 9 Non-avoidance	11	Awarding the contract	32
Rule 10 Types of contract	11	Rule 33 Awarding the contract	32
Rule 11 Opt-out procurements	12	Rule 34 Informing suppliers of the decision	33
Do I have to openly advertise?	13	Chapter 5 Types of supply lists	35
Rule 12 Requirement to openly advertise	13	Rule 35 Types of Supplier Lists	36
Rule 13 Exemption from open advertising	14	Rule 36 Registered Suppliers List	37
Chapter 2 Planning your procurement	17	Rule 37 Pre-qualified Suppliers List	38
Preparing to approach the market	18	Chapter 6 Other Rules you need to know	41
Rule 14 Third-party agents	18	Rule 38 All-of-Government Contracts (AoGs)	42
Rule 15 Procurement advice	18	Rule 39 Syndicated Contracts	42
Rule 16 Subcontracting	18	Rule 40 Intellectual Property	42
Rule 17 Delivery date	19		
Rule 18 Technical specifications	19		
Rule 19 Pre-conditions	19		
How much time should I give suppliers to respond?	20		
Rule 20 Sufficient time	20		
Rule 21 Business day	21		
Rule 22 Fair application of time	28		

ITEM 9.4
ATTACHMENT 4

Chapter 1

Getting Started

What's so special about RDC procurement?

Delivering good public services to the Rangitikei District starts with good procurement.

How well money is spent has a direct impact on the quality of services ratepayers' experience. It also reflects the district council's efficiency and effectiveness. It can provide opportunities to increase competition and productivity that lead to innovation and contribute to greater economic growth.

Why have rules?

To strengthen accountability

Local authorities must account for how they spend ratepayers' money. The rules, along with the Office of the Auditor-General's (AOG's) Procurement Guidelines for Public Entities, provide a framework that promotes responsible spending when purchasing goods, services, and works. This framework supports proactively managing procurement process and delivery risks.

The rules also establish processes that are consistent and predictable, making it easier for the Council and suppliers to engage with each other.

The Council must also be aware of, and comply with the common law of contract, public law and, where appropriate, commercial law obligations.



Examples of **commercial law legislation**:

- Sale of Goods Act 1908
- Frustrated Contracts Act 1944
- Commerce Act 1986
- Fair Trading Act 1986
- Minors' Contracts Act 1969
- Illegal Contracts Act 1970
- Contracts (Privity) Act 1982
- Contractual Mistakes Act 1977
- Contractual Remedies Act 1979
- Construction Contracts Act 2002
- Sale of Goods (United Nations Convention) Act 1994

Example of **commercial law case**:

- Pratt Contractors Limited v Palmerston North City Council

Examples of **public law legislation**:

- Public Finance Act 1989
- Public Audit Act 2001
- Public Records Act 2005
- Official Information Act 1982
- State Sector Act 1988
- Ombudsmen Act 1975
- Public Bodies Contracts Act 1959

Example of **public law case**:

- Diagnostic MedLab Ltd v Auckland District Health Board

Council must comply with other relevant legislation and should make sure it covers all relevant risks when selecting and managing suppliers (eg health and safety). For more information see: A principal's guide to contracting to meet the Health and Safety in Employment Act 1992 at: www.osh.govt.nz

Why have rules?

To promote our values

Rangitikei District Council is committed to open, transparent and competitive procurement that:

- delivers best value for money (which isn't necessarily the cheapest price)
- Supports the local economy where appropriate while maintaining the need to deliver value for money to the ratepayers of the Rangitikei District
- meets agreed OAG standards.

The Rules reflect these values and standards

To encourage commercial practice

Early market engagement and continued open dialogue with suppliers are essential to the results that can be achieved. There are sound commercial reasons why building stronger relationships with business is important. The Rules aim to encourage better commercial practice by promoting these types of behaviours and achieving greater value for money.



Definition - Value for money

Value for money isn't always the cheapest price. Value for money means using resources effectively, economically, and without waste, and taking into account:

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

The principle of value for money is about getting the best possible outcome over the whole-of-life of the goods, services or works.

Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve value for money. Good procurement is about being risk aware, not necessarily risk averse.



Value for money over the whole-of-life

Council publishes a Request for Tender to supply steel mesh fencing for a new depot. It does not specify any quality standards and accepts the lowest price bid.

The fencing is installed. Within 1 year it begins to rust, within 3 years it is beginning to fail, and by 6 years it needs to be replaced.

Had Council specified quality standards, it could have assessed bids based on best value for money over the whole of the life of the product. There was another supplier whose price was slightly higher, but whose fencing carried a 15-year warranty. Despite the higher initial cost, this supplier's product would have represented the best value for money over the whole-of-life.

To ensure maximum value for money expenditure

As a medium sized, rural local authority, RDC needs to ensure the best spend of every ratepayer dollar it is entrusted with.

Following the Rules are essential:

- to provide open and fair competition that supports innovation and helps create a competitive, productive market place in the Rangitikei District.
- for Council to be valued as a desirable principle / client organisation – that demonstrates professional practice and has a reputation for integrity.



It is important that the longer-term impacts of procurement decisions are considered and not just the immediate results (eg will the decision substantially reduce competition or create a monopoly in the future market place?).

How do the rules fit with other guidance?

The Rules are only one part of what makes up good procurement practice. The framework that supports good practice consists of the Procurement Policy, the Rules contained therein and good practice Guidance.

Staff must also take into account the council Sensitive Expenditure Policy and act within the framework of the Delegations Manual at all times.

The council Fraud Policy sets a clear framework for staff to operate within to ensure the integrity of staff and the council when working within procurement activities.

What’s good procurement?

Public value

Councils that maximise their return on spending will achieve the best possible results for ratepayers. Good procurement means better public value.

Policy framework

Council procurement is based on Policy, Rules and good practice Guidance. Collectively, these provide a broad framework that supports accountability for spending, sound business practice and better results.


Good practice isn’t just mechanically applying the rules. It’s about developing a strong understanding of all of the aspects of the procurement lifecycle and skilfully applying these to deliver the best results. While compliance with the rules is still necessary, the process should be designed proportionate to the value, risk and complexity of the procurement. It’s about applying sound commercial judgement to achieve the best value for money, which isn’t always the cheapest price, and drive innovation and performance.

Understanding suppliers and the market is part of the careful planning essential to developing the right approach to market. All procurement covered by the rules should be for programmes of work and projects budgeted for in a Long Term Plan (LTP) or Annual Plan (AP). Unspecified or unbudgeted projects must be supported by a robust business case and procurement plan that’s level of detail reflects the size, value and complexity of the procurement.

Procurement also covers proactively managing supplier and other key stakeholder relationships throughout the sourcing process and for the duration of the contract. This embraces continuing to develop the supplier and driving value for money through on-going efficiency gains.

Principles

The principles of the OAG procurement guidelines apply to all local authorities and provide the overarching values. The Principles apply even if the rules do not. Council can use the principles for guidance and to help make good procurement decisions.



Examples of **guidance** on government procurement practice include:

- Office of the Auditor-General’s Procurement Guidance for Public Entities www.oag.govt.nz

The five principles of Rangitikei District Council procurement

The Council's five Principles are the foundations for good procurement. The Principles must be reflected in everyday practice. Everyone engaged in procurement must understand and know how to apply the Principles.

1) Plan and manage for great results

- Identify what is needed 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 Council wants and keep talking.
- Take the time to understand the market and Council's 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.
- Make it easy for all suppliers (small to large) to do business with Council. Be open to subcontracting opportunities in big projects.
- Clearly explain how Council will assess suppliers' proposals - so they 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 Council needs and how suppliers are assessed - don't string suppliers along. Choose the right supplier who can deliver what is needed, at a fair price and on time.
- 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.
- Ensure local suppliers are given the opportunity to tender for work, particularly where direct quotations are sought over open market tenders

4) Get the best deal for everyone

- Get best value for money - account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions - consider the social, environmental and economic effects of the deal. Encourage and be receptive to new ideas and ways of doing things - do not be too prescriptive. Take calculated risks and reward new ideas.
- Have clear performance measures - monitor and manage to make sure Council delivers great results. Work together with suppliers to make on-going savings and improvements.
- It is 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.

What values underpin the Rules?

The Council’s five Principles are the foundations for good procurement. The Principles must be reflected in everyday practice. Everyone engaged in procurement must understand and know how to apply the Principles.

Rule 1

Principles

1. Council **must** have policies in place that incorporate the five Principles of local authority procurement. The Principles apply to all procurement.
2. Council **must** make sure that:
 - a. all staff engaged in procurement have been trained in the five Principles of procurement
 - b. its procurement practices reflect the five Principles
 - c. it is able to show how it has used sound research to plan an appropriate approach to market strategy that is proportionate to the nature, risk, value and complexity of each procurement.



Procurement planning

Good procurement starts with good planning. Knowing what Council needs to buy and understanding the market makes Council a “smart buyer”.

Before choosing a procurement process, think about the nature of the goods, services or works needed, and assess the best way to approach the market. Ensure that:

- all suppliers get fair notice of the contract opportunity
- the process encourages competition
- suppliers have enough time to respond.

Decisions should be based on a clear understanding of Council’s needs and an appropriate level of market research. It’s important that the process chosen reflects the value and complexity of the procurement. Don’t overcomplicate a straightforward tender simply because the Rules apply.

What values underpin the Rules?

The local market must be given the opportunity to tender for work. When applying rule 13 and using a closed competitive procurement process or direct source procurement process, the local market must be given the first opportunity to price work and contracts.

Rule 2

Integrity

1. Council must have in place policies that safeguard the integrity of its procurement activities and processes. The policies must require that:
 - a. Council and all staff involved in procurement can justify their procurement decisions
 - b. those involved in procurement decisions stay impartial
 - c. procurement processes are fair, transparent and reasonable
 - d. all staff involved in procurement act responsibly, lawfully and with integrity.
 - e. The council Purchase Order Policy must be followed when ordering work from a successful contractor following a procurement process.
2. Council must have policies in place that help all staff involved in procurement to identify, notify and manage conflicts of interest. Council must be able to show how it uses sound judgement to manage conflicts of interest.

Rule 3

Offsets

1. Where Council asks for, takes account of, or imposes any offset at any stage in the procurement process, there must be sufficient justification to do so. Typically, this will fall within the financial limits referred to in Rule 13 i.e. up to a maximum contract value of \$250,000.

Rule 4

Non-discrimination

1. When approaching the market for a contract with a value greater than \$250,000, suppliers must be given an equal opportunity to bid for contracts. Council must treat suppliers from anywhere in the country no less favourably than local suppliers.
2. Procurement decisions must be based on the best value for money, which isn't always the cheapest price, over the whole-of-life of the goods, services or works.
3. Suppliers must not be discriminated against because of:
 - a. the region the goods, services or works come from
 - b. their degree of foreign ownership or foreign business affiliations.



Definition

Offset has a special meaning within the context of the Rules. An example of an offset is where, in order to be awarded a contract, a supplier is required to purchase in return local goods, services or works. The purpose of an offset is to impose a condition intended to subsidise the local economy and potentially restrict the achievement of best value. Examples of offsets include:

- requiring goods, services or works from a specific region
- applying weighted evaluation criteria that favour local content or give local suppliers a price preference.

Dealing with commercially sensitive information

Council often has access to sensitive information about a supplier's business. This could be new ideas or pricing structures. This information must be protected.

Rule 5

Protection of suppliers' information

1. Council must protect suppliers' confidential or commercially sensitive information. This includes information that could compromise fair competition between suppliers.
2. Council must not disclose confidential or commercially sensitive information unless:
 - a. the supplier has already agreed to it in writing, or
 - b. the disclosure is required by law (eg. under the Local Government Official Information and Meetings Act 1987), convention or Parliamentary or Cabinet Office practice, or
 - c. it is a limited disclosure expressly notified in a Notice of Procurement which suppliers have consented to by participating in the process.



Commercially sensitive information is information that, if disclosed, could prejudice a supplier's commercial interests. It includes:

- the design and content of a tender
- trade secrets and 'know how'
- new ideas
- innovative solutions
- intellectual property
- copyright
- pricing structures
- profit margins
- market strategies.

Council must understand what commercially sensitive information is and how to handle that information.

Examples of prohibited disclosure of information include:

- disclosing commercially sensitive information to a supplier's competitor
- using or adopting an idea or solution without the supplier's agreement.

It is good practice to include instructions to suppliers to mark their responses, or the relevant parts of their responses, 'commercial in confidence'.

If, as part of the evaluation process, there is a need to share responses with other Councils or advisors, seek permission for such disclosure by making this a condition of participation in the Notice of Procurement.

When do the Rules apply?

The Rules apply for all Council procurement

Rule 6

When the Rules apply - goods or services

- 1 The Rules apply:
 - a. to the procurement of all goods or services or renewal works, or a combination of goods or services or renewal works.
- 2 To estimate the maximum total estimated value (Rule 8) for goods or services or renewal works Council **must** take into account:
 - a. all related services (eg installation, training, servicing, management consultancy services)
 - b. all types of goods (eg operating consumables)
 - c. all subcontracted goods or services or works.
- 3 This Rule does not apply to goods, services or renewal works that are purchased for commercial resale



In the context of the Rules, **renewal works** relate to the refurbishment of an existing building, road, bridge or dam. It covers renovating, repairing or extending.

It does not include replacing an existing construction as this is deemed to be new construction works (Rule 8).



An example of **goods purchased for commercial resale** could be items that a library purchases for resale in its gift shop.



Disposals at the end of the useful life of a contract are not commercial goods, services or works purchased for resale. Disposals are not subject to these Rules.

Rule 7

When the Rules apply - new construction works

The Rules apply to the procurement of all goods or services or works for new construction works.

- 1 To estimate the maximum total estimated value (Rule 8) for new construction works Council must take into account:
 - a. all related services (eg design, architecture, engineering, quantity surveying, and management consultancy services)
 - b. all types of goods (eg construction material, health and safety equipment)
 - c. all phases of the construction through to completion
 - d. all subcontracted goods, services and works.



No 'salami slicing'

When dealing with new construction works, individual contracts for goods, services or works are deemed to be part of the whole and should be openly advertised unless there is good reason to separate parts of the contract/project. Where this occurs, the reasoning must be documented in advance of any procurement with segregation of components approved by the Chief Executive or relevant Group Manager.

How to estimate the value of a procurement?

The rules apply if the value of a procurement meets or exceeds a certain value threshold. There are several things you need to know when you estimate the value of your procurement.

Rule 8

Estimating value

- 1 Council must estimate the total value of a procurement to determine whether it meets or exceeds the relevant value threshold. Council must act in good faith and use good judgement to estimate the value of a procurement. Council must include the estimated value in its business case or procurement plan. This estimate is referred to as the maximum total estimated value.
- 2 Council must consider the total value over the whole-of-life of the contract/s when estimating the procurement's maximum total estimated value. The estimate must include the value of all of the contracts that may result from the procurement.
- 3 The value is the total amount excluding GST.
- 4 If Council cannot estimate the maximum total estimated value of a procurement it must apply the Rules.
- 5 When Council calculates the maximum total estimated value of a procurement, it must include everything required for the full delivery of the goods, services or works. This includes the value of:
 - a. options to purchase additional goods, services or works
 - b. options to extend the term of the contract
 - c. paying any premiums, fees or commissions to the supplier or a broker
 - d. any revenue streams a supplier receives
 - e. any other form of remuneration or payment due to the supplier or to a third party or any interest payable.



Estimating value

Even if the **value of a procurement** is less than the value threshold, Council is still expected to follow good procurement practice. This means applying the Principles and having regard to other good practice Guidance.

It is better to be cautious. If the **estimated value** is getting close to the value threshold (eg services valued at \$98,000), always consider using the next stage process i.e. three prices. After all, the calculation is only an estimate.



An example of revenue streams: a supplier receives tolls from a road built under a Public Private Partnership (PPP).

Non-avoidance

Council must not intentionally avoid applying the Rules.

Rule 9

Non-avoidance

- 1 Council must not intentionally avoid applying the Rules when planning for, valuing or undertaking a procurement.
- 2 When calculating a procurement's maximum total estimated value (Rule 8), Council must not intentionally avoid applying the Rules by either:
 - a. deliberately dividing a procurement into separate parts without good reason
 - b. using a non-standard or alternative valuation method to lower the estimated value.

Rule 10

Types of contract

- 1 The Rules apply to all contract types, including:
 - a. when purchasing outright
 - b. purchasing through hire-purchase
 - c. when renting or leasing
 - d. where there is an option to buy
 - e. 'build-operate-own' type contracts (eg Public Private Partnerships (PPP))
 - f. contracts accessed through a third- party commercial supplier or broker.



Third-party commercial supplier or broker

Council cannot avoid applying the Rules by purchasing through a third-party commercial supplier (eg GSB Supplycorp Ltd).

Number of contracts

Council cannot split a procurement into smaller contracts to avoid applying the Rules. However, it may indicate in its Notice of Procurement the possibility, or its intention, that the procurement maybe let in separate lots. For example, having undertaken the evaluation of responses, it could consider 'chunking' the work into separate parts and awarding these to more than one supplier.

Rule 11

Opt-out procurements

- 1 The following is the list of valid opt-out procurements:
 - a. Non-contractual arrangement: Any non-contractual arrangement (e.g. a Memorandum of Understanding between local authorities or with a government department) or any form of assistance including cooperative agreements.
 - b. Council to Council negotiated agreement: Any agreement negotiated directly with another local authority for the provision of goods or services. Where the agreement includes any component of externally sourced goods or services as part of the offering, Council must satisfy itself that the procurement policy, rules and principles of the partnering local authority are broadly in line with that of its own.
 - c. Technical / functional specialist: Where a supplier is deemed to provide a unique or specialist service that is specific to the needs of Council. This may include a service that is not available from any other supplier or a preferred service from a specific supplier based on Council's requirements e.g. a consultant to assist in a resource consent application process.
 - d. Proprietary technology: Where a supplier is the sole supplier and/or patent holder of a specific product that is required by Council. Council must be satisfied that the proprietary technology is the most appropriate for the needs of Council.
 - e. Land and buildings: Purchasing or renting land or existing buildings or other immovable property.
 - f. Conditional grant: Any form of conditional grant. However, Council must not design or structure a procurement as a form of conditional grant to avoid applying the Rules.
 - g. Internal business unit: Any form of internal business unit offering goods or services to another business unit. Notwithstanding this, each business unit must follow the rules for the procurement of externally sourced goods or services if it forms part of an internal offering i.e. consultancy services.

Does Council have to openly advertise?

The default position for Council procurement is to openly advertise all contract opportunities exceeding \$250,000 in value. This gives all suppliers a fair chance to bid for the contract. It also encourages competition, which leads to better value for money and stimulates innovative new ideas and solutions.

Rule 12

Requirement to openly advertise

- 1 Wherever possible Council should use open competitive procurement processes to give all suppliers the opportunity to compete.
- 2 Council must openly advertise on the Tenderlink service:
 - a. if the maximum total estimated value of the procurement meets or exceeds \$250,000 and
 - b. if there is no exemption from open advertising (Rule 13).
- 3 Council may advertise using other media, as well as Tenderlink.



Open competitive process

Good procurement is about good process and good results.

Open competitive processes that comply with the Rules include:

- a. one-step processes such as Requests for Quote or Requests for Tender
- b. multi-step processes such as a Registration of Interest followed by a shortlisting and then a Request for Proposal or Request for Tender.

Tenderlink is a nationally recognised tendering service that is available to all commercial suppliers. It supplies information about tender opportunities and ensures open, transparent and fair competition.

Tenderlink is accessible to all interested suppliers, both domestic and international.

When does Council not need to advertise?

There are some limited situations where the rules apply, but where Council does not need to openly advertise. These are called exemptions to open advertising.

Where one of these exemptions arises, Council may choose not to openly advertise the contract opportunity, other requirements of the Rules.

Rule 13

Exemption from open advertising

- 1 Council can exempt a contract from open advertisement if the following processes apply:
 - a. Contracts with a value of \$50,000 to \$250,000 may be procured using a closed competitive process (with a minimum of three known suppliers)
 - b. Contracts with a value up to \$50,000 may be procured via a direct source process (with a single known supplier).
- 2 Council **must not** exempt a procurement from open advertising to:
 - a. avoid competition
 - b. protect local suppliers
 - c. discriminate against any local or national supplier.

Document the rationale

- 3 If Council exempts a procurement from open advertising, it must:
 - a. document the rationale for the decision. This rationale may form part of the business case or procurement plan or may be a stand-alone document.
- 4 The rationale document must include:
 - a. the name of the supplier
 - b. a description of the goods, services or works
 - c. the maximum total estimated value (Rule 8) of the goods, services or works
 - d. the specific exemption/s that applies and an account of the facts and circumstances which justify the exemption.
- 5 The Chief Executive or a Group Manager must endorse the rationale before the procurement is undertaken.

Council must retain the documented rationale on the contract file for audit purposes.

Direct negotiation – subsequent stages of work

- 6 Council may negotiate a contract directly with a supplier provided that:
 - a. the supplier has won a Stage One contract via an openly advertised procurement or closed competitive process
 - b. the quoted price for the subsequent stage(s) of the project is reflective of the initial competitively tendered rates
 - c. the quality of the Stage One works was delivered at or above the required standard
 - d. the health and safety and environmental management of the Stage One works was delivered at or above the required standard.

Note: Council should declare its intention or willingness to negotiate a subsequent stage of works in the Notice of Procurement of the initial stage of the contract.



Closed competitive and direct source

Processes that comply with the Rules where there is a valid exemption from open advertising are:

- Closed competitive: a Request for Quote, Request for Tender or Request for Proposal restricted to a minimum of three known suppliers
- Direct source: a closed Request for Proposal or Request for Tender restricted to a single known supplier.

If an exemption from open advertising applies, Council must still comply with all the other Rules.

If Council uses a direct source process (with one known supplier) it does not necessarily mean that it can instantly contract that supplier. It should request a formal proposal from the supplier and evaluate the proposal, assess its value for money, which isn't always the cheapest price, and undertake due diligence before deciding to negotiate a contract. It must not simply approach one supplier and award a contract without proper evaluation of capacity, capability, risk, value for money and due diligence.

What happens when there is an exemption from open advertising?

Where one of the exemptions arises, Council may choose not to openly advertise the contract opportunity, but must still meet all of the other requirements of the Rules.

Exemption from open advertising

Valid exemptions

7 Valid exemptions from open advertising are:

- a. **Emergency:** A genuine emergency such as a civil defence declared emergency. Urgent situations that are created by Council, such as lack of advance planning, do not constitute an emergency.
- b. **Following an open tender:** Council may use a closed competitive process or direct source process to procure goods, services and works if:
 - I. it has openly advertised the contract opportunity in the last 12 months, and
 - II. it has not substantially changed the core procurement requirements, and
 - III. the first time the opportunity was advertised it:
 - a) did not receive any responses, or
 - b) did not receive any responses that conformed with or met the requirements (including quantity), or
 - c) received responses from suppliers who it has reasonable grounds to believe have colluded, and no other responses conformed with or met the requirements.



Guides, tools & templates

Read the Quick Guide to Emergency Procurement at: www.procurement.govt.nz

Read more about **collusion and bid rigging** in the Commerce Commission's Guidelines, How to recognise and deter bid rigging at: www.comcom.govt.nz

Collaboration is not necessarily unlawful. In certain types of procurement you may want suppliers to collaborate (eg to form a joint venture). This can be allowed for in the Notice of Procurement and include conditions that suppliers must be transparent about their collaboration (eg suppliers must state who they have collaborated with to prepare their response).

If there are reasonable grounds to believe that suppliers have colluded, the Commerce Commission may be alerted given its role of investigating this kind of conduct. For more information: www.comcom.govt.nz.

8. Valid exemptions from open advertising continued:

- c. **Only one supplier:** If the goods, services or works can only be supplied by one supplier and there is no reasonable alternative or substitute because:
 - I. for technical reasons there is no real competition, or
 - II. the procurement relates to the acquisition of intellectual property or rights to intellectual property, (including patents or copyrights) or other exclusive rights, or
 - III. the procurement is for a work of public art.



A **technical reason** could be:

- a need to match with existing equipment, software or services
- where Council has a bespoke IT system that was custom designed for it and only the supplier that designed it fully understands the code base
- where one supplier has, over a period of time, developed such an intimate knowledge of an outdated or complex system that the Council can reasonably claim that other suppliers would not have a similar level of readily available knowledge
- where a spare part or component is only available from one supplier.

A procurement relating to intellectual property rights could be:

- where Council is purchasing an online subscription to content or other services with unique characteristics
- where Council is purchasing software licences from a proprietary supplier for software that is embedded in its operating environment
- a unique piece of art that is protected by copyright and not available elsewhere.

- d. **Additional goods, services or works:** Goods, services or works additional to the original requirements that are necessary for complete delivery of a project. This Rule applies where all three of the following conditions are met:
- I. the original contract was openly advertised, and
 - II. a change of supplier cannot be made for economic or technical reasons, and
 - III. a change of supplier would cause significant inconvenience or substantial duplication of costs for Council.



Examples of **additional goods, services or works** include:

- in a construction contract, additional ground works that were only discovered on excavating the site
- supplying replacement parts
- additional consultancy services where an unexpected issue arises
- an enhancement or change to an integrated IT system.

- e. **Exceptionally advantageous conditions:** For purchases made in exceptionally advantageous conditions that only arise in the very short term and at the discretion of the Chief Executive. This exemption does not cover routine purchases from regular suppliers.



Exceptionally advantageous conditions include a sale by public auction or a sale resulting from liquidation, bankruptcy or receivership.

ITEM 9.4

ATTACHMENT 4

Chapter 2

Planning your procurement

Preparing to approach the market

An external supplier may be engaged to manage a procurement process, but there are some Rules that must be taken into account.

Rule 14

Third-party agents

- 1 Council may purchase the services of a third-party agent, (e.g. All of Government Procurement), to advise, arrange or manage a procurement or part of a procurement on its behalf.
- 2 If Council uses a third-party agent to manage a procurement, Council, through the agent, must still comply with the Rules.

Rule 15

Procurement advice

- 1 Council should not purchase procurement advice from a supplier that has a commercial interest in the contract opportunity. To do so would prejudice fair competition (eg a supplier is asked to write the contract requirements and then bids for the contract opportunity).

Rule 16

Subcontracting

- 1 Once a supplier has been awarded the contract, any subsequent subcontracting that the supplier does is not subject to the Rules.
- 2 However, Council may ask that a main contractor meets certain procurement standards in its subcontracting at the time of tender. The standards should be consistent with good procurement practice, as outlined in the Principles, the Rules and other procurement Guidelines.



Procurement advice

Rule 15 does not prevent Council from using early market engagement to clarify needs or identify possible solutions.

What Rules apply to technical specifications?

If detailed technical specifications are included in a procurement process, there are some restrictions on how these may be written.

Rule 17

Delivery date

- 1 When identifying or estimating the delivery date for the goods, services or works, Council should take into account any of the following factors that apply:
 - a. the complexity of the procurement
 - b. how much subcontracting there might be
 - c. a realistic time to produce, stock and transport goods from the point of supply to the delivery address
 - d. a realistic time to deliver services given their nature and scope.

Rule 18


Technical specifications

- 1 Council must not apply technical specifications or prescribe conformance requirements in a way that creates unnecessary obstacles for suppliers.
- 2 Where appropriate, technical specifications must be based on:
 - a. performance and functional requirements, not on design or a prescribed licensing model or a description of their characteristics
 - b. international standards where they exist, or the appropriate New Zealand or Australian standards, technical regulations or building codes.
- 3 When Council describes technical specifications, it must not (except under Rule 18.4):
 - a. require or refer to a particular trademark or trade name, patent, design or type
 - b. refer to the specific origin of the goods, services or works or the name of the producer or supplier.
- 4 The exception to Rule 18.3 is when it is the only way to make the requirements understood. In this case, Council must include words like 'or equivalent' in the specification and make it clear that it will consider equivalent goods, services or works that can be demonstrated to fulfil the requirement.

Rule 19

Pre-conditions

- 1 Council may include essential conditions about capacity or capability in its Notice of Procurement. These are called pre- conditions.
- 2 Suppliers must meet all of the pre- conditions to be considered for the contract opportunity.
- 3 Council must limit pre-conditions to the following critical areas:
 - a. legal capacity financial capacity
 - b. commercial or operational capacity or capability to deliver
 - c. appropriate technical skills or expertise or relevant experience.
- 4 Council must not make it a pre- condition that a supplier has been previously awarded a contract by a named buyer or another New Zealand Local Authority.
- 5 To assess whether a supplier meets the pre-conditions, Council must:
 - a. evaluate responses against the pre-conditions that it published in its Notice of Procurement, and
 - b. take into account the supplier's business activities in New Zealand and overseas.



Pre-conditions

Pre-conditions allow Council to do a 'first cut' and eliminate suppliers who do not have the minimum capacity or capability to deliver the contract.

Pre-conditions are usually answered by 'yes' or 'no', or 'meets' or 'does not meet'.

Suppliers who meet all of the pre-conditions are then eligible to be assessed against the scored evaluation criteria.

How much time should suppliers be given to respond?

When going out to the market, it is essential to set a realistic time period for responses.

Unrealistic time periods introduce unnecessary risk. If insufficient time is allowed, it can impact on the quality of the results achieved, compromise the integrity of the process and affect Council's reputation as a credible buyer.

Rule 20

Sufficient time

- 1 Council must allow sufficient time for suppliers to respond to a Notice of Procurement. It must act in good faith and use sound judgement when calculating sufficient time.
- 2 The key factors to take into account when calculating sufficient time include:
 - a. the nature and complexity of the procurement
 - b. the type of information and level of detail suppliers need to provide in their responses
 - b. the nature of the goods, services or works
 - c. how simple or difficult it is to describe the deliverables
 - d. the level of risk
 - e. the extent of any anticipated subcontracting or the likelihood of any joint bids
 - f. how critical the procurement is to Council's success
 - g. the time it takes for domestic and foreign suppliers to submit tenders, particularly if Council asked suppliers to deliver hard copies.



Don't jeopardise the results that could be achieved with a rushed process. If insufficient time is allowed, it may limit the:

- number of suppliers that can respond and the quality of their responses
- level of competition and Council's ability to get the best value for money
- choice of solutions offered and Council's ability to purchase the right one.

Consider the suppliers' perspective and calculate how much time is sufficient time. How long will it take to:

- obtain, read and analyse all tender documents
- ask questions to clarify the requirements and get answers
- develop a meaningful response that includes accurate pricing information
- prepare, check and submit the response and deliver it on time, and...
- carry on with 'business as usual'!

To decide how much is sufficient time:

- Be realistic, set timelines that are fair to all suppliers and reflect the nature and complexity of the information you are seeking.
- Take weekends and national New Zealand statutory holidays into account.
- Avoid publishing contract opportunities on Tenderlink right before Christmas or in early January. Most of New Zealand is on holiday for a good part of January.
- Make sure your sufficient time is not less than the minimum time period set out in Rule 31.
- Where there is the possibility of joint bids, consortiums or subcontracting, allow at least 27 business days. This gives suppliers time to consult and collaborate. It means, for example, small and medium sized businesses (SMEs) have the opportunity to put together a joint bid, where one SME may not have the full capability to deliver on its own.

What is a business day?

When the sufficient time is calculated, business days must be used not calendar days.

Rule 21

Business day

1. Council must calculate time periods in 'clear' business days.
2. A business day is a day when the Council is normally open.
3. Business days exclude Saturdays and Sundays, New Zealand (national) public holidays and all days between Boxing Day and the day after New Year's Day.
4. A 'clear' business day is a full day from 8am to 5pm. The day a Notice of Procurement is submitted for publication on Tenderlink is not a clear business day. The time starts on the next business day at 8am.

Rule 22

Fair application of time

1. The time period Council sets for submitting responses must apply to all interested suppliers.
2. Other than in exceptional circumstances, no supplier can be given more or less time than any other supplier.
3. Council may reserve the right to accept a late response in exceptional circumstances if there is no material prejudice to any other interested supplier. Council must not accept a late response if:
 - a. there is any risk of collusion on the part of the supplier
 - b. the supplier may have knowledge of the content of any other response
 - c. it would be unfair to any other supplier to accept the late response because the late supplier is given additional time to prepare its response.



New Zealand national public holidays

New Zealand national public holidays are:

- New Year's Day and the day after New Year's Day (1 and 2 January)
- Waitangi Day (6 February)
- Good Friday, Easter Monday (dates vary)
- ANZAC Day (25 April)
- Queen's Birthday (the first Monday in June)
- Labour Day (the fourth Monday in October)
- Christmas Day and Boxing Day (25 and 26 December).



'Clear' business day

- A Notice of Procurement is published on Tenderlink at 11am on Friday, 1 July. The time period for submissions begins at 9am on Monday, 4 July.
- Suppliers have 20 clear business days to respond. This means the deadline for submissions is 5pm on Friday, 29 July.
- If Council wants the responses at noon and not the end of a business day, the deadline will be noon Monday, 1 August.



Competitive Dialogue is a technical term for a type of open procurement process often used where there is no known solution in the market place. It involves a structured dialogue phase with each shortlisted supplier who invents a possible solution to meet Council's needs. It is not the same as market engagement which is a generic term for any time you talk to suppliers.

Key features of Competitive Dialogue include:

- openly advertising an Invitation to Participate which states that it is a Competitive Dialogue process
- shortlisted suppliers are often paid for their participation in the dialogue phase
- Council writes its specification of requirements during or at the end of the dialogue phase
- Council then issues a Request for Tender or Request for Proposal to all shortlisted suppliers.

See the Guide to Competitive Dialogue at: www.procurement.govt.nz

ITEM 9.4

ATTACHMENT 4

Chapter 3

Approaching the market

How to openly advertise?

When Council is ready to approach the market, it must list the contract opportunity on Tenderlink.

Rule 23

Open advertising

- 1 Under Rule 12 an Council must openly advertise a contract opportunity unless an exemption under Rule 13 applies.
- 2 To openly advertise, Council must list the contract opportunity on Tenderlink.

Rule 24

Tenderlink listing

- 1 The listing **must** attach the Notice of Procurement and contain the following information:
 - a. the Council's name
 - b. the name of the contract opportunity
 - c. the type of procurement process (eg Request for Tender)
 - d. the deadline for responses from suppliers
 - e. the address for enquiries and the name of the contact person

Rule 25

Notice of Procurement

- 1 The Notice of Procurement must:
 - a. be published on Tenderlink
 - b. be available on Tenderlink until the deadline for supplier responses



Examples of a Notice of Procurement include:

- Request for Quote
- Registration of Interest
- Request for Tender
- Request for Proposal
- Invitation to Participate in a Competitive Dialogue process
- Invitation to Qualify for a Pre-qualified Supplier List.

A response from a supplier is a supplier's reply to a Notice of Procurement. Examples include:

- Registrations of Interest
- Quotes
- Tenders
- Proposals
- Applications to Participate in a Competitive Dialogue process
- Applications to Qualify for a Pre-qualified Supplier List.

What should be included in a Notice of Procurement?

Everything that suppliers need to know about the contract opportunity in order to prepare meaningful responses must be included.

Rule 26

Content of Notice of Procurement

- 1 Each Notice of Procurement must contain all of the information that suppliers need to prepare and submit meaningful responses.
- 2 Each Notice of Procurement must clearly identify which procurement process is being used (eg Request for Quote or Registration of Interest followed by a Request for Tender).
- 3 Each Notice of Procurement must contain the following information:
 - a. the Council's name and address
 - b. the name and contact details for the Council's contact person
 - c. a description of the goods, services or works and any technical specifications, plans, drawings or instructions, or a description of the outcomes the supplier is expected to deliver
 - d. the quantity (if known) or estimated quantity of the goods, services or works
 - e. the estimated timeframe for delivering the goods, services or works, or the estimated length of the contract and any options relating to the length of the contract (eg 3 + 2 + 1)
 - f. any service levels, response times or other performance measures suppliers will need to meet
 - g. any conditions for participating in the procurement process including any pre-conditions (Rule 25) or certificates or standards the supplier must meet
 - h. any limitations on the number of suppliers that may be shortlisted
 - i. all evaluation criteria Council will use to assess responses

- j. unless the price is the only criterion, an indication of the relative importance of each evaluation criterion
- k. the deadline and address for submitting responses
- l. any restrictions or instructions on how suppliers are to submit responses (eg faxes will not be accepted) or details of how responses are to be submitted through an e-procurement system
- m. any other terms or conditions relating to the procurement or the procurement process
- n. if the procurement will be conducted electronically (eg using e-tender software), all the information suppliers will need to participate electronically



Evaluation criteria

The form of the evaluation criteria (Rule 35.3.i.) that you include in the Notice of Procurement will depend on the type of process, eg:

- for a one-step Request for Tender, you would usually list the criteria you will use to award the contract
- for a multi-step process, you would usually list in the Registration of Interest the criteria you will use to shortlist suppliers. In the subsequent Request for Tender or Request for Proposal you would list the criteria that you will use to award the contract.

Relative importance

When listing the evaluation criteria (either in the Notice of Procurement or subsequent RFP or RFT), you must, unless price is the only criterion, indicate the relative importance of each criterion (Rule 35.3.j.). You can achieve this by ranking the criteria in priority order or adding individual weightings to each criterion.

Evaluation criteria

Types of scored evaluation criteria include:

- Lowest price confirming
- Weighted attributes
- Price quality method



It is **good practice** to include additional information in the Notice of Procurement, such as:

- details of how additional information will be communicated or changes to the process
- the contract terms and conditions that will apply
- the indicative timeframe for the procurement process, eg the:
 - deadline for suppliers' questions
 - date/s for shortlisted supplier presentations
 - date when suppliers will be notified if they have been successful or not
 - date/s debriefs will be held
 - anticipated contract start date.

Rule 35.4 recognises that sometimes in multi-step procurements detailed information can be made available only after shortlisting suppliers.

What does 'other tender documents' mean?

Other tender documents are normally attachments to the Notice of Procurement. They are usually standalone documents that provide additional information for suppliers.

Rule 27

Other tender documents

- 1 Other tender documents are documents that are relevant and essential to the procurement.
- 2 These documents may be included in the Notice of Procurement as annexes. If they are standalone documents, they may also be referred to in the Notice of Procurement.
- 3 Council **should** make other tender documents available to suppliers at the same time the Tenderlink listing and the Notice of Procurement are published. Where possible, they **should** be uploaded as attachments to the Tenderlink listing.
- 4 If other tender documents can't be made available on Tenderlink, Council **must** state in the Tenderlink listing how suppliers can obtain a copy (eg by requesting a hard copy or by referencing an e-procurement system where the document is freely available). Council **must** promptly provide a copy, to any supplier who requests one, or provide instructions on how to obtain one from an e-procurement system.



Examples of **other tender documents** include:

- architectural drawings
- engineering plans
- detailed technical specifications
- reports
- extensive specifications in an electronic file that is too large to upload to Tenderlink.

Managing the procurement process

The following rules help Council manage the procurement process fairly.

Rule 28

Responding to queries

- 1 Suppliers may ask questions about any Notice of Procurement.
- 2 Council **must** promptly reply to all questions and reasonable requests for information from suppliers. If Council is unable to promptly reply to a question, it **should** consider extending the deadline for responses.
- 3 When Council responds to a supplier's question, it **must not** give information that might give that supplier an unfair advantage over the other suppliers. If Council wishes to disclose advantageous information, it **must** make it available to all suppliers at the same time.
- 4 When Council responds to a supplier's question, it **must not** discuss or disclose another supplier's confidential or commercially sensitive information.

Rule 29

Additional information

- 1 Council may make additional information available to all participating suppliers after a Notice of Procurement is published on Tenderlink and before the deadline for responses closes.
- 2 Council may publish additional information on Tenderlink or, following a shortlisting, send copies to all participating suppliers.
- 3 Council must make additional information available to all participating suppliers at the same time.



An example of when **all participating suppliers** are known to Council could be the second stage of a multi-step tender.

This is where Council has published a Registration of Interest, and after receiving and evaluating the responses has shortlisted suppliers. Council then invites the shortlisted suppliers to submit full tenders. These suppliers are all participating suppliers known to Council.

What if more information needs to be given to suppliers or the requirements change?

It's possible to provide additional information and change requirements after a tender has been advertised. However, there are Rules that apply to these processes.

Rule 30

Changes to process or requirements

- 1 Council may make changes to its procurement process or its requirements after a Notice of Procurement has been published on Tenderlink and before the deadline for responses closes.
- 2 Council **must** notify all participating suppliers of any changes to the procurement process or requirements. Council **must** publish all changes on Tenderlink or, following a shortlisting, send them to all participating suppliers.
- 3 Council **must** make all changes available to all participating suppliers at the same time.
- 4 Council **must** give suppliers enough time to respond to the changes. This may mean extending the deadline for responses, or allowing suppliers who have already submitted their responses a fair opportunity to change their responses.



Changes to procurement processes or requirements may include changing:

- any essential aspect of the specification of requirements or technical specifications
- a pre-condition or evaluation criterion
- the ranking or weightings of the evaluation criteria
- the deadline for responses or critical dates in the procurement process
- the rules or conditions that apply to the procurement process.

Evaluating responses

Rule 31

Treatment of responses

- 1 Council **must** have in place procedures that guarantee all suppliers' responses are treated fairly. This includes receiving, opening and evaluating responses.
- 2 To be considered for an award of contract, a supplier **must**:
 - a. submit its response in writing (this can be through electronic means such as email if specifically allowed for in the Notice of Procurement)
 - b. comply with all pre-conditions if any, or other conditions for participating in the contract opportunity.
- 3 Council **must not** penalise a supplier who submits a late response, if the delay is solely the Council's fault.
- 4 If, after opening the responses but before evaluating them, Council offers a supplier the opportunity to correct unintentional errors, it **must** offer the same opportunity to all participating suppliers.

Rule 32

Reasons to exclude a supplier

- 1 Council may exclude a supplier from participating in a contract opportunity if there is a good reason for exclusion. Reasons for exclusion include:
 - a. bankruptcy, receivership or liquidation
 - b. making a false declaration
 - c. a serious performance issue in a previous contract
 - d. a conviction for a serious crime or offence
 - e. professional misconduct
 - f. an act or omission which adversely reflects on the commercial integrity of the supplier
- 2 Council **must not** exclude a supplier before it has evidence supporting the reason for the exclusion.



If it is discovered that the same errors appear in responses from different suppliers (eg misspelled words or the same mathematical mistakes), this may indicate that these suppliers have shared information (eg cut and paste from each other's responses) and may be acting anti-competitively.

For more examples, see the Commerce Commission fact sheet, How to recognise bid rigging, at: www.comcom.govt.nz

ITEM 9.4

ATTACHMENT 4

Chapter 4

Awarding the contract

Awarding the contract

Rule 33

Awarding the contract

- 1 Council must, unless there is a legitimate reason to cancel the procurement, award the contract to the supplier/s that has both:
 - a. demonstrated that it fully understands and has the capability to deliver the requirements and meet the contract conditions, and
 - b. offered either the:
 - i. best value for money over the whole of the life of the goods, services or works (which isn't always the cheapest price), or
 - ii. lowest price, if price is the only criterion.
- 2 If a supplier offers a price that is substantially lower than other responses (an abnormally low bid), Council may seek to verify with the supplier that the supplier is capable of both:
 - a. satisfying all of the conditions for participation, if any, and
 - b. fully delivering all of the contract requirements (eg quality, quantity, time and location) and meeting all of the contract conditions for the price quoted.



A **legitimate reason** to cancel a procurement could include a:

- Change of policy
- Change to an appropriation that affects funding for the initiative
- Council direction

Look out for **abnormally low bids**. An abnormally low bid may reflect a more efficient supplier or one that is willing to make an investment in the relationship by taking a lower margin on the contract. Such competitive responses should be encouraged but ensure a robust evaluation process to ensure that a low bid will not impact negatively on service delivery? Council should check an abnormally low bid with the supplier to make sure that the price is realistic and that the supplier can fully deliver the contract for that amount. If the supplier is unable to demonstrate this, Council may consider rejecting the bid. First, make sure the conditions have stated that the lowest price bid will not necessarily be accepted. An abnormally low bid could also be the result of the supplier taking advantage of its market power in breach of section 36 of the Commerce Act 1986. Report any such concerns to the Commerce Commission at: www.comcom.govt.nz

A bid that is substantially lower than other bids can sometimes be a sign that a cartel may be operating in the market. For examples see the Commerce Commission's fact sheet, How to recognise bid rigging, at: www.comcom.govt.nz

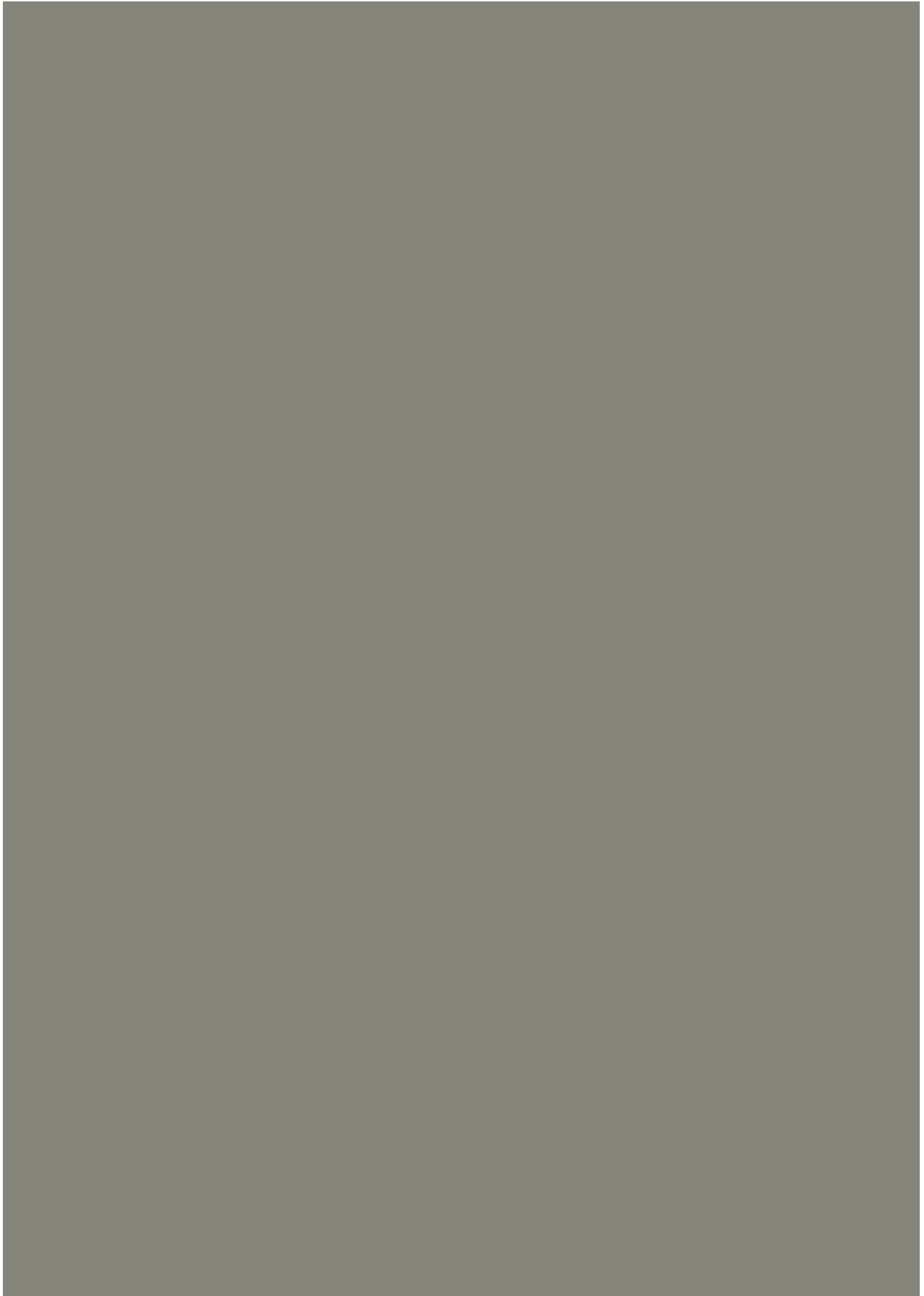
How are suppliers informed of procurement outcomes?

It's good practice to set out an indicative timeline for the procurement process in the Notice of Procurement. This should include the date that the evaluation process is expected to be completed. Suppliers then know when to expect to be notified of the outcome. Suppliers must be kept informed of any changes to key dates. When the successful supplier is selected, the unsuccessful suppliers must be informed.

Rule 34

Informing suppliers of the decision

- 1 After evaluating the responses and making the decision to award the contract to a particular supplier/s Council must promptly inform all of the unsuccessful suppliers in writing of this decision.



ITEM 9.4

ATTACHMENT 4

Chapter 5

Types of supply lists

Supplier lists

There are a number of different types of supplier lists.

Rule 35

Types of supplier lists

- 1 If Council regularly purchases a specific type of good, service or works, it may establish a list of suppliers. Common types of lists include:
 - a. Registered Suppliers List (Rule 36)
 - b. Pre-qualified Suppliers List (Rule 37)



Where a **supplier list** has been established, do individual contract opportunities still need to be openly advertised?

Where Council establishes a **Registered Suppliers List** or **Pre-qualified Suppliers List**, it must still openly advertise (Rules 14 and 32) individual contract opportunities that meet or exceed the appropriate value threshold.

What is a Registered Suppliers List?

A Registered Suppliers List is a list of suppliers who have registered an interest in supplying specific goods, services or works. When buying from a Registered Suppliers List where the estimated value of the contract meets or exceeds the relevant value threshold the contract opportunity must still be openly advertised on Tenderlink.

Rule 36

Registered Suppliers List

- 1 A Registered Suppliers List is a list of suppliers who have registered an interest in supplying specific types of goods, services or works.
- 2 A Registered Suppliers List is appropriate where Council wants to know which suppliers are active in the market supplying the specific type of good or service.
- 3 Where Council establishes a Registered Suppliers List it is not exempt from open advertising where a contract opportunity meets or exceeds the relevant value threshold (Rules 12 and 13). Council must openly advertise each such contract opportunity on Tenderlink.

Establishing a Registered Suppliers List

- 4 To establish a Registered Suppliers List, Council must:
 - a. publish an Invitation to Register on Tenderlink (this is a type of Notice of Procurement)
 - b. clearly describe the specific type of goods, services or works Council is interested in procuring
 - c. make the Invitation to Register available on Tenderlink and allow suppliers to respond at specific deadline/s – typically annually.
 - d. notify unsuccessful applicants promptly and, if requested, provide the reason/s why.

Operating a Registered Suppliers List

- 5 To operate a Registered Suppliers List Council must:
 - a. keep an updated list of Registered Suppliers and make this publicly available on request, and
 - b. notify Registered Suppliers if the list is terminated or they are removed from the list. If Council removes a supplier from a list, it must explain why.



When a supplier is added to a **Registered Suppliers List** it does not result in a contractual or legal relationship between Council and the Registered Supplier.

Registered Suppliers have the potential to win contracts over time, but they are not guaranteed any work.

Registered List of Local Suppliers

- 6 Council may operate a list of registered local suppliers including the functional areas of each party. To establish a Registered Local Supplier list, Council must:
 - a. publish an Invitation to Register on Tenderlink (this is a type of Notice of Procurement)
 - b. Clearly describe the specific type of goods, services or works Council is interested in procuring
 - c. make the Invitation to Register available on Tenderlink and allow suppliers to respond at specific deadline/s – typically annually
 - d. notify unsuccessful applicants promptly and, if requested, provide the reason/s why

What is a Pre-qualified Suppliers List?

A Pre-qualified Suppliers List is a list of suppliers that Council agrees have the capacity to deliver specific goods, services or works. When procuring from a Pre-qualified Suppliers List, where the estimated value of the contract meets or exceeds the value threshold, the contract opportunity must still be openly advertised on Tenderlink. However, Pre-qualified Suppliers do not need to provide their non-price and non-contract specific attribute information for each new contract opportunity.

Rule 37

Pre-qualified Suppliers List

- 1 A Pre-qualified Suppliers List is a list of suppliers who Council has pre-approved as capable of delivering specific types of goods, services or works.
- 2 A Pre-qualified Suppliers List is appropriate if Council wants to:
 - a. verify which suppliers can deliver specific goods, services or works
 - b. make it easier for suppliers to respond to contract opportunities by only asking for qualifying information once.
- 3 Where Council establishes a Pre-qualified Suppliers List it is not exempt from open advertising where a contract opportunity meets or exceeds the relevant value threshold (Rules 12 and 13). Council must openly advertise each contract opportunity on Tenderlink. Pre-qualified Suppliers should make sure that they are listed on Tenderlink under the correct Tender

Establishing a Pre-qualified Suppliers List

- 4 To establish a Pre-qualified Suppliers List Council must:
 - a. publish an Invitation to Qualify on Tenderlink and make it available for suppliers to respond by specific annual deadline/s. The Invitation to Qualify must include:
 - i. Council's name and address and contact details for the person managing the process

- ii. a clear description of the specific goods, services or works potential suppliers must be capable of delivering
- iii. a list of any conditions and attributes that each supplier must meet to participate and explain how Council will check each supplier meets the conditions
- iv. state how long the list will be active for and how it will be refreshed or terminated
- b. assess applicants within a reasonable timeframe and add qualifying suppliers at the end of each annual cycle
- c. notify unsuccessful applicants promptly and, if requested, provide the reason/s why.

Operating a Pre-qualified Suppliers List

- 5 To operate a Pre-qualified Suppliers List Council must:
 - a. keep an updated list and make this publicly available on request
 - b. notify Pre-qualified Suppliers if the list is terminated or they are removed from the list. If Council removes a supplier from a list it must explain why.



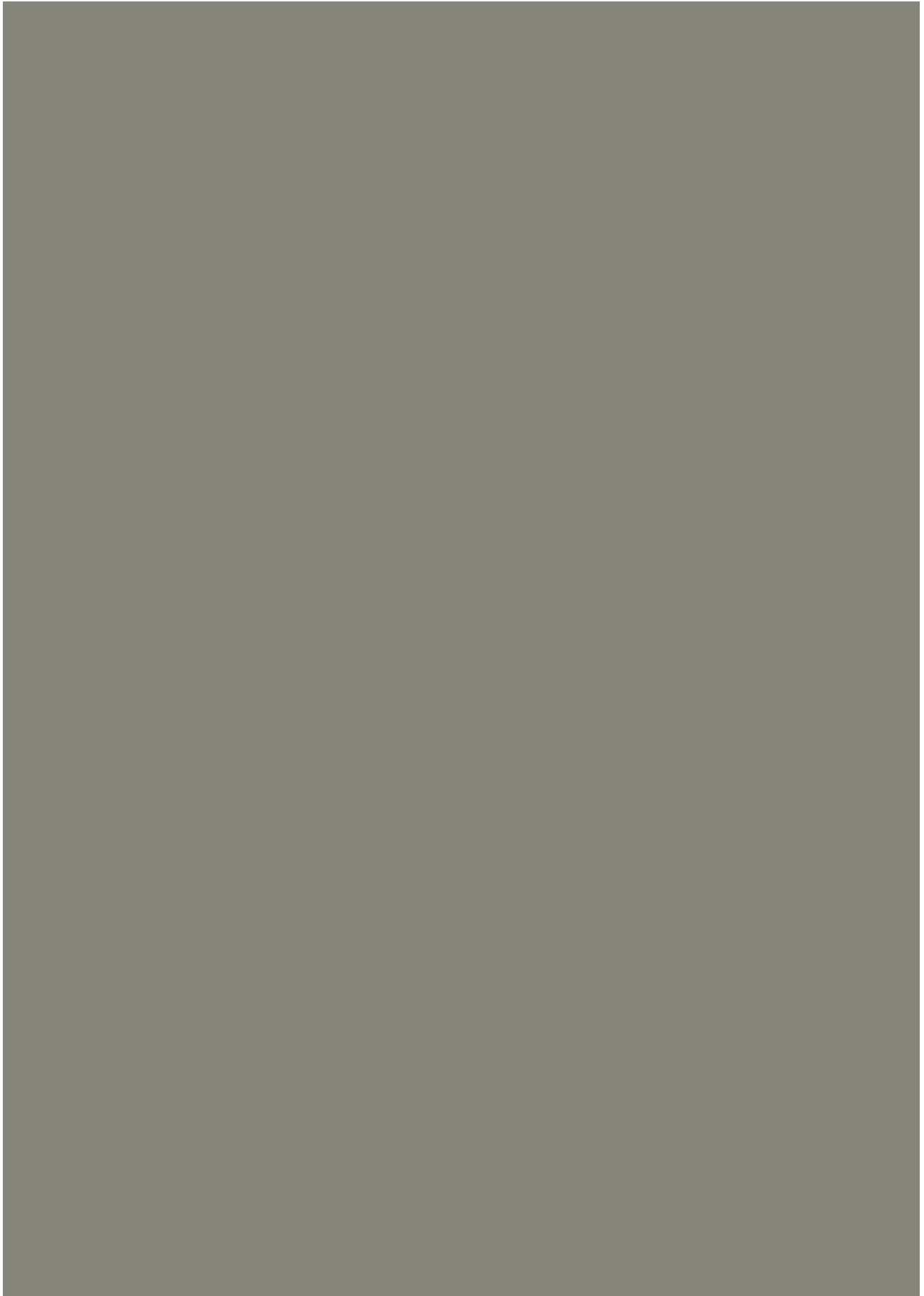
When a supplier is added to a Pre-qualified Suppliers List it does not result in a contractual or legal relationship between Council and the Pre-qualified Supplier.

To qualify as Pre-qualified Supplier, the supplier must demonstrate that it can meet the criteria for delivering the goods, services or works. A Pre-qualified Supplier may still need to meet other evaluation criteria each time Council wishes to purchase goods, services or works the supplier has qualified to deliver.

Pre-qualification is not the same as multi-step procurement (eg Registration of Interest followed by a Request for Proposal). There is no specific contract in mind when suppliers pre-qualify. Pre-qualified Suppliers have the potential to win contracts over time, but are not guaranteed any work.

Method of allocation of contracts

- 6 The Notice of Procurement must outline the method/s that Council will use to select suppliers when a contract opportunity arises. The method/s should be appropriate for the nature of the goods, services or works and the anticipated volume of work.
- 7 Accepted selection methods for secondary procurement processes include:
 - a. **Lowest Price Conforming** Ask for quotes from suppliers and award the opportunity to the supplier who offers the lowest price
 - b. **competitive quotes based on the supplier's expertise's, proposed solution and best value for money.** Ask for quotes from some or all Panel Suppliers and award the opportunity to the supplier who has the right level of expertise, can offer the best value for money, which isn't always the cheapest price, and deliver on time
 - c. **Direct source, based on the best fit for purpose**
Fair evaluation of all Suppliers and selection of the supplier who has the right capacity and capability to fulfill the contract opportunity and offers the best value for money, which isn't always the cheapest price, at the time of the purchase



ITEM 9.4

ATTACHMENT 4

Chapter 6

Other Rules you need to know

There are other requirements that Council should consider.

Rule 38

All-of-Government Contracts (AoGs)

- 1 An All-of-Government contract (AoG) is a type of approved collaborative contract. AoGs establish supply agreements with approved suppliers for selected common goods or services purchased across a wide range of government and quasi government agencies. AoGs are developed under the oversight of the Procurement Functional Leader (Chief Executive of MBIE) and managed by appointed procurement Centres of Expertise.
- 2 Council may purchase from the AoGs, if it is commercial advantageous to do so.
- 3 Before approaching the market, Council should check if there is an existing AoG which is available.



For more information on the categories of goods and services available and how to buy from AoG contracts, see: www.procurement.govt.nz

Rule 39

Syndicated Contracts

- 1 A Syndicated Contract (SC) is a type of approved collaborative contract. SCs typically involve a cluster of Councils aggregating their respective needs and collectively going to market for common goods, services or works. It may involve Councils anticipating collaboration and including a Common Use Provision (CUP) clause within the resulting contract, that allows other Councils to contract with the supplier on the same terms later.

The Manawatu-Wanganui Local Authority Shared Service (MW LASS) is one local example of a cluster of Councils which is active in seeking opportunities for collaborative procurement. The purchase of goods and services that have been negotiated by the MW LASS are treated in the same way as an All of Government Contract and Council may purchase through an MWLASS procurement opportunity if it is commercially advantageous to do so.



For more information about Syndicated Contracts and the process of obtaining approval, see MBIE's Guide to Syndicated Procurement, at: www.procurement.govt.nz

Rule 40

Intellectual Property

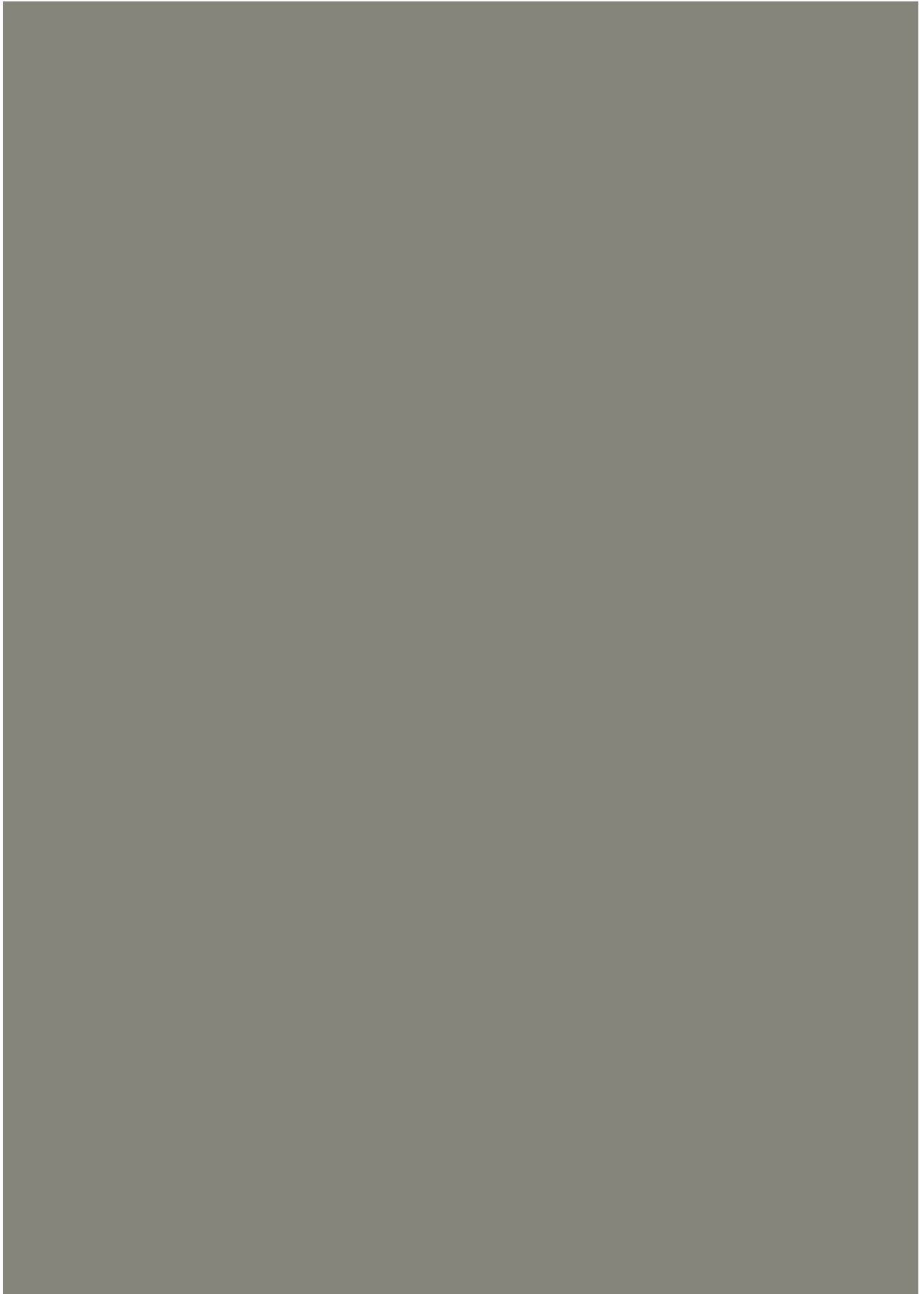
- 1 If Council's procurement of goods, services or works involves the supplier creating new Intellectual Property, Council must set out, in its Notice of Procurement, its intentions regarding ownership, licensing, and future commercialisation of that Intellectual Property.



It's important to consider if new Intellectual Property will arise in a contract and to explicitly set out Council's expectations about ownership and licensing in your Notice of Procurement. This provides clarity for suppliers at an early stage and potentially reduces expense and time later on negotiating ownership and licensing.

Alternatively, suppliers can be asked to state in their responses their assumptions about any anticipate new IP.

ITEM 9.4
ATTACHMENT 4



10 Meeting Closed.