

Council Meeting

PUBLIC BUSINESS AGENDA

A Council Meeting
will be held in the Council Chamber,
Torphin Crescent, Tokoroa
on Wednesday 19 July 2023
Commencing at 9.30am

OUR VISION

“Healthy people thriving in a safe, vibrant and sustainable community.”

Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	B Machen
Councillors		H Daine
		M Farrell
		R Garner
		T Lee
		H Nelis
		K Purdy
		M Te Kanawa
		J Teokotai
		S Wallace
	Staff	Chief Executive
Interim Executive Manager (IEM) Business Support		M Booth
Interim Executive Manager (IEM) Strategy and Transformation		D Lascelles
Interim Executive Manager (IEM) Delivery		J Hassall
Project Management Office Manager		N Murphy
Chief Financial Officer		W Cortesi
Property Services Manager		B Williams
Kaitohutohu Matua – Matauranga Maori		M Armstrong
Marketing and Communications Manager		K Fabrie
Corporate Strategy Manager		C Litchfield
Executive Officer		J Anderson

Agenda Confirmed by:

S Law
Chief Executive

*RECOMMENDATIONS contained in reports are NOT to be construed as COUNCIL DECISIONS.
Refer to Council minutes for RESOLUTIONS.*

Order of Business

1.	Welcome / Karakia	4
2.	Apologies / Leave of Absences	4
3.	Public Forum	4
4.	Declaration of Conflicts of Interest	4
5.	Confirmation of Agenda	4
6.	Confirmation of Minutes	5
6.1	Confirmation of Council Public Minutes	5
7.	Reports for Information	13
7.1	Mayoral Report – 30 May 2023 to 13 July 2023	13
7.2	Financial Services Report – May 2023	15
8.	Reports for Decisions	25
8.1	Funding Proposal – Pirates Building – Changing Rooms and Ablution Facilities	25
8.2	Adoption of Draft Procurement Policy 2023	28
9.	Confidential Business	48

1. Welcome / Karakia

Meeting will open with a Karakia.

2. Apologies / Leave of Absences

Members are requested to provide their apology or leave of absence to the Chair prior to the meeting.

3. Public Forum

As per South Waikato District Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for up to five minutes or longer at the discretion of the Mayor. As many speakers as possible will be heard within the allocated time.

4. Declaration of Conflicts of Interest

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.

5. Confirmation of Agenda

Recommendation:

That the Agenda, as circulated be confirmed.

6. Confirmation of Minutes

6.1 Confirmation of Council Public Minutes

Document Information

Report To:	Council
Meeting Date:	Wednesday, 19 July 2023
Author:	G Petley
Author Title:	Chairperson
Report Date:	Friday, 30 June 2023

Purpose

1. To present past minutes.

Recommendation

2. That Council:
 - a) Confirms the minutes of the public business of the Ordinary Council meeting held on Wednesday 7 June 2023 as a true and accurate record.
 - b) Confirms the minutes of the public business of the Extra Ordinary Council meeting held on Thursday 29 June 2023 as a true and accurate record.

Attachments

Attachment 1: Unconfirmed Ordinary Council Public minutes – 7 June 2023

Attachment 2: Unconfirmed Extra Ordinary Council Public Minutes – 29 June 2023

Council Meeting

PUBLIC BUSINESS MINUTES

9.30am
Wednesday, 7 June 2023
Council Chambers
Torphin Crescent, Tokoroa

Attendees

Members	Mayor (Chairperson)	G Petley		
	Councillors	H Daine		
		M Farrell		
		T Lee		
		K Purdy		
		M Te Kanawa		
		J Teokotai		
		S Wallace		
		Staff	Chief Executive	S Law
			Interim Executive Manager (IEM) Business Support	M Booth
Interim Executive Manager (IEM) Delivery	J Hassall			
Project Management Office Manager	N Murphy			
Chief Financial Officer	W Cortesi			
Principal Engagement Advisor	M Tahapehi			
Kaitohutou Matua - Matauranga Maori	M Armstrong			
Corporate Strategy Manager	C Litchfield			
Marketing and Communications Manager	K Fabrie			
Executive Officer	J Anderson			
Guest Presenter	Pou Taki Iwi /Cultural Education Lead – Marae	C Tepana		

1. Welcome / Blessing

Mahu Armstrong opened the meeting at 9.30am with a karakia.

2. Apologies / Leave of Absences

23/52 Resolved

Cr Lee / Cr Te Kanawa

That a leave of absence be granted for Cr Garner and Cr Nelis and an apology from Cr Machen be received.

Carried

3. Public Forum

Mayor Petley thanked Mr Campbell and Mr Wadey.

4. Conflicts of Interest

Matters of fact

Cr Daine asked if Cr Farrell's position has changed from when she declared her conflict of interest for Item 5.1 Annual Plan 2023-24 at the Extra Ordinary meeting held 5 May 2023.

Cr Farrell advised that she had sought clarification on whether she had a conflict of interest and was advised that she did not.

Cr Daine stated that Cr Farrell's conflict has not been removed from Council records and sought clarification from the CE on the process for Councillors to have their conflicts of interest removed.

CE Susan Law advised that Council had sought legal advice that declared conflicts of interest continue inside and outside of the chambers until that conflict is formally removed.

Cr Farrell formally advised that she no longer has a conflict of interest as declared at the Extra Ordinary meeting held 5 May 2023.

Cr Te Kanawa confirmed her continuing conflict of interest for Agenda Item 8.1 Aotearoa Reorua Bilingual New Zealand 2023 Report.

5. Confirmation of Agenda

6. Confirmation of Council Public Minutes

23/53 Resolved

Cr Wallace / Cr Farrell

That Council:

- a. Confirms the minutes of the public business of the Council meeting held on Wednesday 26 April as a true and accurate record.
- b. Confirms the corrected minutes to include Cr Purdy as an attendee of the public business of the Extra Ordinary Council meeting held on Friday 5 May 2023 as a true and accurate record.
- c. Confirms the minutes of the public business of the Extra Ordinary Council meeting held on Tuesday 30 May 2023 as a true and accurate record.

Carried

Update requested by Cr Farrell on the reason the LGNZ President and Vice President Nominations report is not included in this agenda as per the minutes from the meeting held 26 April 2023. CE Susan Law advised that an updated report will be provided at the July 2023 meeting.

7. Reports for Information

7.1. Mayoral Report – 14 April 2023 to 29 May 2023

23/54 Resolved

Cr Wallace / Cr Farrell

That Council:

- a. Receives Report No 2023-621437, Mayoral Report – 14 April to 29 May 2023 with changes to indicate that the Annual Plan Community Meeting on 25 May 2023 was in Arapuni not Putaruru.

Carried

7.2. Financial Services Report – April 2023

IEM Business Support, Michael Booth provided an overview of the Financial Services Report. The report was taken as read.

23/55 Resolved

Cr Daine / Cr Te Kanawa

That Council:

- a. Receives and notes the Report 2023-629016, Financial Services Report – April 2023.

Carried

7.3. Capital Portfolio Monitoring Report

CE Susan Law advised that IEM Strategy and Transformation, Deb Lascelles was unwell and unable to present this report and invited Project Management Officer, Nick Murphy to present the report and address any queries from the Councillors.

The report was taken as read.

23/56 Resolved

Cr Teokotai / Cr Wallace

That Council:

- a. Receives Report No 2023-630075, Capital Portfolio Monitoring Report.

Carried

8. Reports for Decisions

Having declared a conflict of interest for Item 8.1 Aotearoa Reorua Bilingual New Zealand 2023 Report, Cr Te Kanawa moved to the public gallery for discussion of the report.

8.1 Aotearoa Reorua Bilingual New Zealand 2023 Report

Marama Tahapehi, Mahu Armstrong and Charlie Tepana were invited to present the report and address questions from the Councillors.

The report was taken as read.

23/57 Resolved

Cr Wallace / Cr Teokotai

That Council:

- a. Receives this Report Docset 620976, Aotearoa Reorua Bilingual New Zealand 2023.
- b. Receives the draft The Raukawa Charitable Trust and South Waikato District Council Aotearoa Reorua Bilingual Strategy Docset 620832.
- c. Approves the development of workstreams within Council to support Aotearoa Reorua Bilingual Strategy.

Carried

Cr Te Kanawa rejoined the meeting for the remaining Council meeting.

8.2 Significance and Engagement Policy 2023 Report

CE Susan Law spoke to the report which was taken as read.

23/58 Resolved

Cr Daine / Cr Te Kawana

That Council:

- a. Receives the Report Significance and Engagement Policy 2023 – Docset 630191.
- b. Directs staff to review the Significance and Engagement Policy as part of the 2024-34 Long Term Plan review.

Carried

8.3 2022-2025 Waikato Triennial Agreement Report

IEM Business Support, Michael Booth spoke to the report.

Cr Farrell requested deferring voting on the report and the agreement.

CE Susan Law advised that it is a statutory requirement to join the triennial agreement. Only regional issues are covered by the triennial agreement with items approved being brought back to Council for Councillors to approve and does not affect local decision making. Entering into the triennial agreement is at no cost to Council. There is a cost to be a member of CoLab.

Motion

Cr Farrell / Cr Purdy

That Council:

- a. Defer discussion on the 2022-2025 Waikato Triennial Agreement.

A division was called.

For: Cr Wallace, Cr Lee, Cr Teokotai, Cr Daine, Cr Te Kanawa

Abstained: Cr Purdy

Against: Cr Farrell

The original motion lapsed. The amendment became the motion.

Cr Lee moved a motion to adjourn for lunch and move into a closed session 12.20pm

Meeting adjourned at 11.55am

G Petley
MAYOR

Extra Ordinary Council Meeting

PUBLIC BUSINESS MINUTES

9.30am

Thursday, 29 June 2023

Council Chambers

Torphin Crescent, Tokoroa

Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	W Machen
	Councillors	H Daine
		M Farrell
T Lee		
H Nelis		
K Purdy		
M Te Kanawa		
	J Teokotai (via teams)	
	S Wallace	
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Business Support	M Booth
	Interim Executive Manager (IEM) Delivery	J Hassall
	Interim Executive Manager (IEM) Strategy & Transformation	D Lascelle
	Chief Financial Officer	W Cortesi
	Revenue Manager	M Warren
	Kaitohutou Matua - Matauranga Maori	M Armstrong
	Corporate Strategy Manager	C Litchfield
	Marketing and Communications Manager	K Fabrie
	Executive Officer	J Anderson

1. Welcome / Blessing

Mahu Armstrong opened the meeting at 9.30am with a karakia.

2. Apologies / Leave of Absences

23/83 Resolved

Cr Lee / Cr Te Kanawa

That an apology from Cr Garner and the request from Cr Teokotai to attend via teams are accepted.

Carried

3. Conflicts of Interest

No conflicts of interest were declared.

4. Confirmation of Agenda

23/84 Resolved

Cr Wallace / Cr Machen

That the Agenda, as circulated be confirmed.

Carried

5. Reports for Information

5.1 Adoption of the Annual Plan 2023-24

Chief Executive, Susan Law spoke to the Adoption of the Annual Plan 2023-24 report. The report was taken as read.

Cr Lee identified an error in the Clean Heat table on page 24 of the Annual Plan 2023-24. The final rating year should read 2031-32. This will be corrected in the final document.

23/85 Resolved

Cr Machen / Cr Nelis

That Council:

- a. Receives Report 2023-631855, Adoption of the Annual Plan 2023-24 ECM 631855.
- b. Adopts the Annual Plan 2023-24 pursuant to section 95 of the Local Government Act 2002.
- c. Authorises the Chief Executive to make any final editorial amendments to the Annual Plan 2023-24 document.

A division was called:

Against: Cr Wallace, Cr Purdy, Cr Farrell

For: Cr Nelis, Cr Lee, Cr Teokotai, Cr Daine, Cr Te Kanawa, Cr Machen

Carried

5.2 Adoption and Setting of Rates 2023-24

Interim Executive Manager, Michael Booth, spoke to Adoption and Setting of Rates 2023-24 report. The report was taken as read.

That Council:

- a. Receives the Adoption and Setting of Rates 2023-24 report ECM 631854.
- b. Sets the rates as described in the Funding Impact Statement for the financial year commencing 1 July 2023 and ending 30 June 2024 as provided for in section 23 of the Local Government (Rating) Act 2002 (LG(R)A); and as provided for in section 57 and 58 of the LG(R)A.
- c. Authorises penalties to be added to rates that are not paid by the due date as described in the Funding Impact Statement below. Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand Generally Accepted Accounting Practice and does not include depreciation and other items of a non-cash nature.
- d. Receives the Funding Impact Statement and has it form as part of this resolution and should be read in conjunction with the maps at the end of the statement. The maps also form part of this resolution.

A division was called:

Against: Cr Wallace, Cr Purdy, Cr Farrell, Cr Te Kanawa

For: Cr Nelis, Cr Lee, Cr Teokotai, Cr Daine, Cr Machen, Mayor Petley

Carried

Mahu Armstrong closed the meeting with a karakia at 11.00am

G Petley
MAYOR

7. Reports for Information

7.1 Mayoral Report – 30 May 2023 to 13 July 2023

Document Information

Report To:	Council
Meeting Date:	Wednesday, 19 July 2023
Author:	Gary Petley
Author Title:	His Worship the Mayor
Report Date:	Tuesday, 11 July 2023

Purpose

To provide an update and inform Councillors of appointments and activities undertaken by the Mayor during the month.

Recommendation

1. That the Council:
 - a) Receives the Mayoral Report – 30 May to 13 July 2023 (ECM # 633319).

Mayoral Update

Acting Deputy Mayor

Cr Machen has requested a leave of absence for the period of 22 July to 6 September. During this period Cr Daine will be Acting Deputy Mayor.

LGNZ Conference 2023

In the past the Mayor and Deputy Mayor have attended the LGNZ Conference. Council can nominate others to attend but it is my intention in view of costs, that only the Mayor, Deputy Mayor and a staff member attend the LGNZ conference being held in Christchurch from 25 to 28 July (inclusive). In 2023, that will be myself, the Acting Deputy Mayor, and the CE.

Councillor Workshops

To support the development of the LTP, David Wright, Managing Director, Wright Management Consultants will be facilitating workshops for Councillors. The first will be for us to understand the Environmental Scan and its implications for the District, and analysis on the options for us as a Council. This will take place on 20 July; After that workshop, and before convening workshops for the full Council, a steering group of the Mayor, Deputy Mayor (acting), Crs Nelis, Te Kanawa and Anthony Byett from our Audit, Risk and Improvement Committee will undertake some preliminary work for consideration by Councillors.

Community and Business Appointments

DATE	ATTENDANCE AT OFFICIAL MEETINGS
30 May 2023	Annual Plan Meeting – Rangiora Putāruru
31 May 2023	WORKit via Teams
	Annual Plan Meeting – South Waikato Businesses

1 June 2023	SWIFT Meeting
	Annual Plan Meeting – Iwi Māori
2 June 2023	End of Samoan Language Week celebration
7 June 2023	Annual Plan Hui – Pasifika Island Community
8 June 2023	LGNZ Leaders Zoom
9 June 2023	LG Future Hui
12 June 2023	Pellikan Place Hui
13 June 2023	Met with Fonterra Representative
15 June 2023	Pou blessing at the South Waikato Sports Grounds
19 June 2023	Zoom Meeting – LGNZ Presidential Candidate Debate
22 June 2023	Zoom Meeting – LGNZ Leaders
27 June 2023	Meeting with the Mayor – Putāruru office
29 June 2023	SW Civil Defence Local Welfare Hui
30 June 2023	SWDC Future for Local Government Hui (Via Teams)
3 July 2023	Waka Kotahi Waikato & Bay of Plenty Hui
6 July 2023	Zoom Meeting – LGNZ Leaders
11 July 2023	Community Hui at the South Waikato Event Centre
11 July 2023	Zoom Meeting – LGNZ Events
13 July 2023	Raukawa Event – He Taiaki Tahī
RESIDENT MEETINGS	
Met with Mr Campbell (Resident)	
Met with Mrs Brown (Resident)	
Met with Gallery 77 Co Ordinator (Business Owner)	
Hui at the Art Gallery (Business Owner)	
Sapphires Marching Team Event in Tokoroa (Local)	
Dairy Farmers Event in Putāruru (Local)	
Discussion with Constable Tausunga (Police)	
Met with Mr and Mrs Dravitzki (Residents)	
Met with Retox Bar Business Owner	
Met with Mr Ghent (Resident)	
Met with Rangiuira Rest Home Residents	

a 19 July 2023

7.2 Financial Services Report – May 2023

Document Information

Report To:	Council
Meeting Date:	Wednesday, 19 July 2023
Author:	Wiki Cortesi
Author Title:	Chief Financial Officer
Executive Lead:	Michael Booth, Business Support
Report Date:	Wednesday, 12 July 2023

Purpose

1. To inform Council on the financial performance to 31 May 2023.

Recommendation

2. That Council:
 - a) Receives and notes the Financial Services Report – May 2023 (ECM # 633037).

Executive Summary

3. The financial performance of Council is an indication of what the level of income and expenses are being received and spent in relation to budget estimates at any point in time and how that impacts on Council equity at the same point.
4. At 31 May 2023, there is a \$5m operating deficit when excluding \$2m of capital funding included in the subsidies and grants revenue.
5. At 31 May 2023, Council has \$98.7m more in net assets. The total assets of Council are \$97.6m higher than expected and total liabilities are \$1.1m lower than expected.
6. Council is not within policy for the minimum percentage of fixed rate debt maturities for the 2028 year. Staff have worked through a strategy with our advisors, Price Waterhouse Coopers (PwC), and are now waiting for interest rates to fall within the advised acceptable parameters to lock in fixed rates for future years and return to policy compliance. Significant uncertainties exist for our current debt projections. But the development of the next Long Term Plan (LTP) and clarity around the potential transfer of the three waters activities (including timing of transfer) will assist with managing compliance.
7. There is a higher number of accounts in arrears compared to this period last year which corresponds with a lower percentage of rates arrears collection in the same period.
8. The ratio measures indicate that we have a current ratio of 1.2 which means we have \$1.20 of current assets to every \$1 of current liabilities and that our net debt to revenue ratio is currently 38%.

There was a slight decrease (\$92K) in reserve balances since the April 2023 Financial Services Report.

Context

9. The detail discussed in this report is aligned with Council vision, community outcomes, policies and strategy. We want to keep Council informed and up to date with the relevant financial information through the financial services report.

Discussion

10. The Performance Report to 31 May 2023 (Attachment 1) has 4 main components. These are the:
 1. Financial statements comprised of the statement of comprehensive revenue and expenditure and statement of financial position.
 2. Treasury report.
 3. Rates overview.
 4. Council reserve balances.

Reference

11. Annual Plan 2022-23

Attachments

Attachment 1: Performance Report to 31 May 2023

PERFORMANCE REPORT

To 31 May 2023



1. Financial Statements

For the year ended 31 May 2023		YTD	Annual	Revised	YTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE		Actual	Budget	Budget	Budget Difference
REVENUE AND EXPENSE		2023	2023	2023	2023
		\$000s	\$000s	\$000s	\$000s
Revenue					
Rates, excluding targeted water supply rates	30,237	30,684	33,473	33,473	(447)
Fees, charges, and targeted rates for water supply	4,146	4,469	4,883	4,875	(323)
Development and financial contributions	725	208	227	227	517
Subsidies and grants	6,796	5,668	4,879	6,183	1,128
Finance income	253	339	370	370	(86)
Other revenue	2,103	1,983	2,155	2,163	120
Total revenue	44,260	43,351	45,987	47,292	910
Expenditure					
Employee benefits expense	12,228	11,437	12,476	12,476	792
Depreciation and amortisation expense	9,279	8,837	9,640	9,640	443
Finance costs	595	694	818	757	(99)
Other expenses	25,217	24,279	25,507	26,486	938
Total expenditure	47,319	45,246	48,441	49,359	2,073
Surplus/(Deficit)	(3,059)	(1,895)	(2,454)	(2,067)	(1,164)
Other comprehensive revenue and expense					
Gain/loss in Asset Revaluation Reserve	-	11,409	19,558	19,558	(11,409)
Gain/loss in Investment Revaluation Reserve	1,265	-	-	-	1,265
Total other comprehensive revenue and	1,265	11,409	19,558	19,558	(10,144)
Total comprehensive revenue and expense	(1,795)	9,514	17,104	17,491	(11,308)

Commentary

The statement above indicates that although the year-to-date total revenue is \$910k more than expected, \$2m of the revenue included in the subsidies and grants is capital funding. The statement shows that there has been \$2m more year to date total expenditure than expected. This has resulted in an actual operating deficit year-to-date of \$5m and a total deficit of \$3m.

The main contributors to the increase in revenue over budget include:

- More development and financial contributions income received from more processed consents and subdivisions than expected.
- More Waka Kotahi operating subsidies than expected to date due to a larger amount of remedial/maintenance work undertaken to date.
- The increase noted above is offset by lower-than-expected finance income from the Wealthnet portfolio.

The main contributors to the increase in expenditure over budget include:

- An increase in power costs with the most significant changes identified at our three water services sites and at the Tokoroa indoor pools.
- An increase in insurance and depreciation costs mainly attributable to the revaluations on our three waters and roading infrastructure assets.
- An increase in repairs and maintenance requirements especially in wastewater reticulation, roading vegetation control and roading high shoulder (flanking) work.

The gain in the investment revaluation reserve is directly attributable to the unrealised gain received to date from the Wealthnet investment portfolio. This portfolio is managed by BNZ and is an investment fund specifically set up for asset replacement/renewal and should align with the asset replacement reserves.

As at 31 May 2023		YTD	Annual Plan	Revised	YTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		Actual	Budget	Budget	Difference
		2023	2023	2023	2023
		\$000s	\$000s	\$000s	\$000s
Equity					
Retained earnings		149,416	165,636	163,972	165,636
Other reserves		421,444	306,491	306,491	306,491
Total equity		570,860	472,127	470,463	472,127
Assets					
Current assets					
Cash and cash equivalents		5,942	2,803	2,803	2,803
Receivables		7,093	7,058	4,540	7,058
Inventories		105	171	171	171
Other financial assets		55	-	-	-
Non-current assets held for sale		1,760	-	-	-
Derivative Financial Instruments		534	-	-	-
Total current assets		15,489	10,032	7,514	10,032
Non-current assets					
Property, plant and equipment		585,081	493,303	493,303	493,303
Other financial assets		21,886	22,548	22,548	22,548
Derivative Financial Instruments		1,377	-	-	-
Intangible assets		7	328	328	328
Total non-current assets		608,351	516,179	516,179	516,179
Total assets		623,840	526,211	523,693	526,211
Liabilities					
Current liabilities					
Payables and deferred revenue		7,166	6,819	5,965	6,819
Employee benefit obligations		904	609	609	609
Borrowings		5,000	1,904	1,904	1,904
Provision for landfill closure		38	748	748	748
Trust accounts		-	-	-	-
Total current liabilities		13,108	10,080	9,226	10,080
Non-current liabilities					
Provision for landfill closure		649	873	873	873
Borrowings		39,000	42,883	42,883	42,883
Derivative Financial Instruments		-	-	-	-
Employee benefit obligations		223	248	248	248
Total non-current liabilities		39,872	44,004	44,004	44,004
Total liabilities		52,980	54,084	53,230	54,084
Net assets		570,860	472,127	470,463	472,127

Commentary

The statement above indicates that our net assets are \$98.7m more than expected.

The main reasons for the net asset movement includes:

- the increase in the expected non-current property, plant and equipment values. This is mainly due to the movement in the three water and roading infrastructure assets in 2021/2022 because of the revaluation undertaken in that year.
- There has only been \$11.4m of the expected \$33.6m capital expenditure undertaken to date. A full comprehensive capital expenditure report will be provided by the Project Management Officer at the next meeting
- Borrowing costs in total are almost at the point of where we expected to be due to borrowing to cover operational expenses.

Ratio Measures

South Waikato District Council's current ratio (current assets divided by current liabilities) is 1.2. This ratio identifies the ability to pay short term obligations. At present, we have \$1.2 of current assets to every \$1 of current liabilities which is good.

South Waikato District Council's net debt to revenue ratio (net debt divided by revenue) is 38%. This ratio evaluates the financial leverage of an entity. Our limit is 175%.

South Waikato District Council's Operating Surplus Ratio (operating result divided by total operating revenue) is - 12%. This indicates that Council's operating expenses exceed its revenue. Although an operating deficit in any one year is not a cause for concern, operating deficits over the long term can affect Council's financial sustainability.

2. Treasury Report

The table below shows our compliance in relation to our Treasury Policy limits and the chart below shows gross debt and liquid investments.

Compliance with Treasury Policy Limits

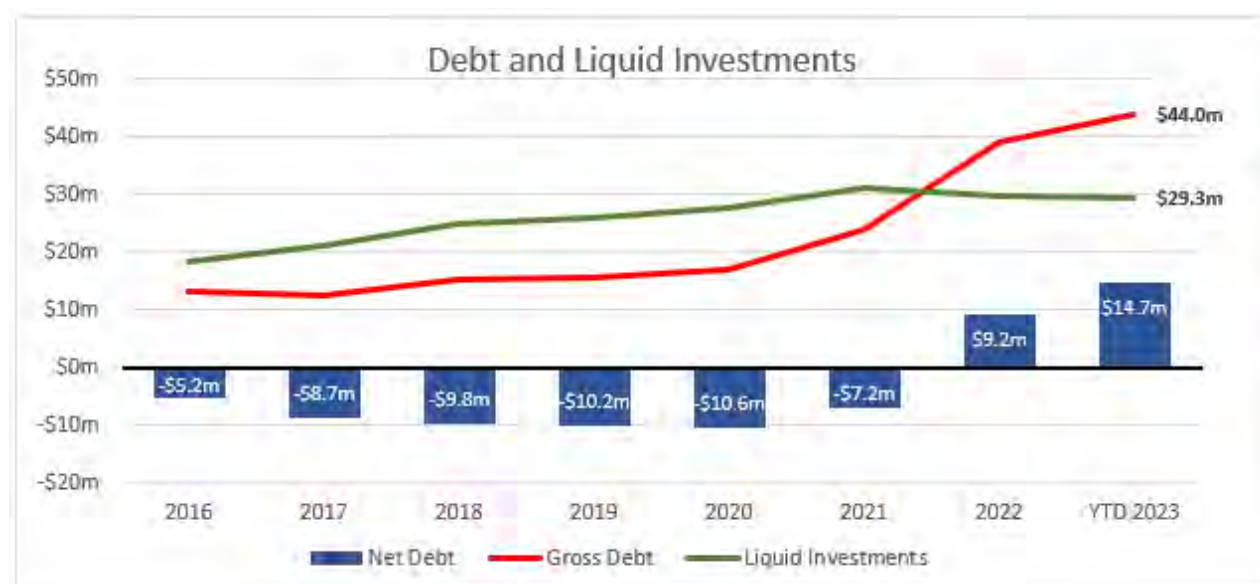
Policy Compliance	Measure	Policy	Result @ 31-May-23	Policy Compliance
Fixed rate debt maturity	all years	within annual parameters	not achieved for one year	✗
Funding maturity	0 - 3 years	15% - 60%	41%	✓
	3 - 7 years	25% - 85%	59%	✓
	7 - 10 years	0% - 60%	0%	✓
Liquidity ratio	minimum	110%	119%	✓
Counterparty credit risk	maximum	BNZ \$15m	achieved	✓

We are not within policy for the minimum percentage of fixed rate debt maturities for the 2028 year. Policy compliance for this measure is calculated based upon forecast debt over the current LTP period.

Significant uncertainties exist for our current debt projections. The development of the next LTP and clarity around the potential transfer of the three waters activities (including timing of transfer) will assist with managing compliance.

Staff have worked through a strategy with our advisors, PriceWaterhouseCoopers, and are now waiting for interest rates to fall within the advised acceptable parameters to lock in fixed rates for future years and return to policy compliance.

Debt



The chart above shows gross debt and liquid investments. The difference between the two is net debt (as measured by LGFA). Council is well within debt covenants, noting that from the 2022 year we have become a net borrower rather than a net investor.

The weighted average cost of funds over the past 12 months for gross debt is 3.2%.

3. Rates

Rates are the main source of income for Council. Collection of rates is an important task to ensure that Council can operate and provide services to meet the requirements of the community in which it serves.

The detail that follows provides some information on the outstanding rates in dollar terms, rates collection as a percentage compared to the same month in the prior year and examples of percentage collection and rates accounts arrears in a graph format that shows comparatives for the last four years in relation to this current financial year.

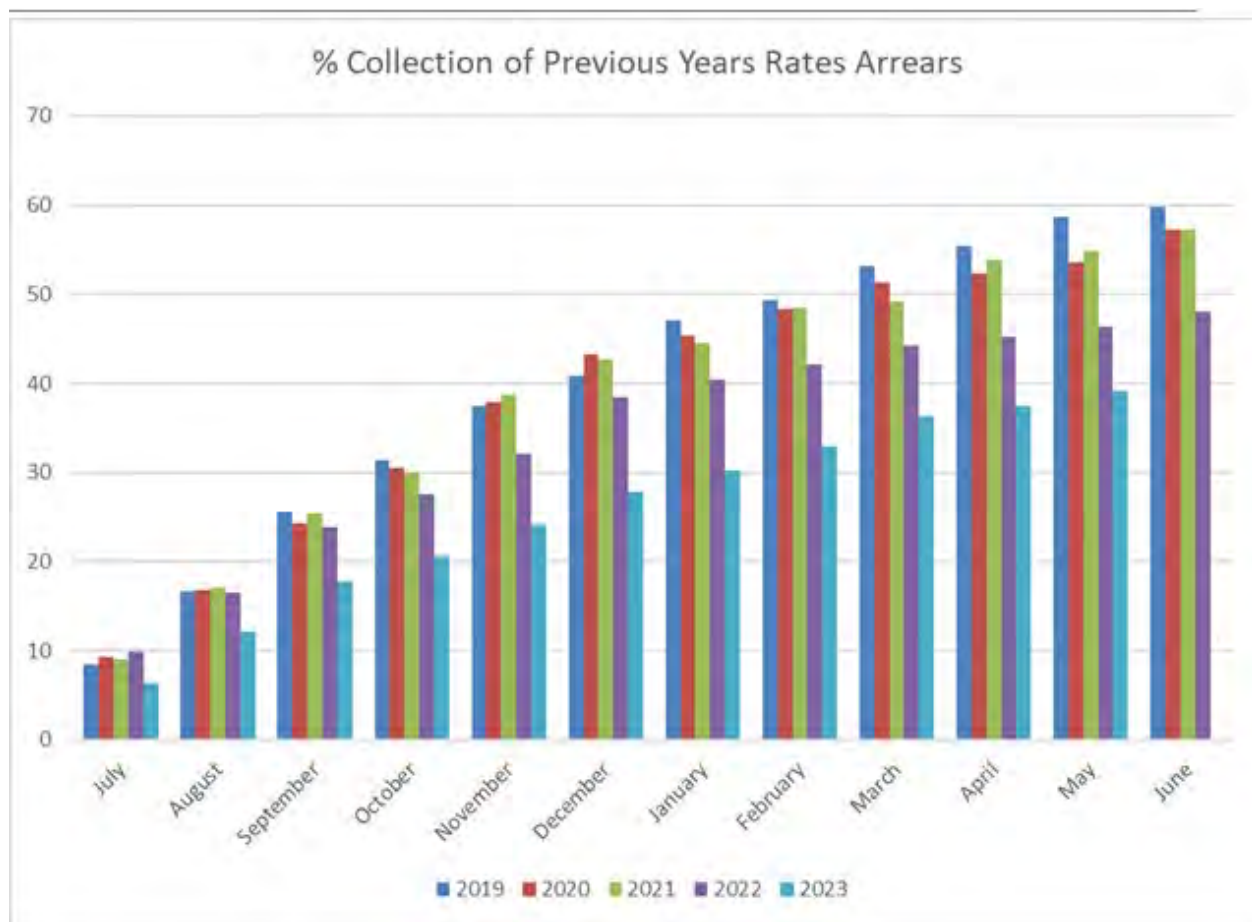
Rates outstanding as at 31 May 2023

Current instalment balance	\$ 5,146,361
Arrears relating to rates charged this year	\$ 783,461
Penalties balance	\$ 216,063
Arrears still outstanding from previous years	\$ 1,419,995
Court costs	\$ 0
Total	\$ 7,565,880

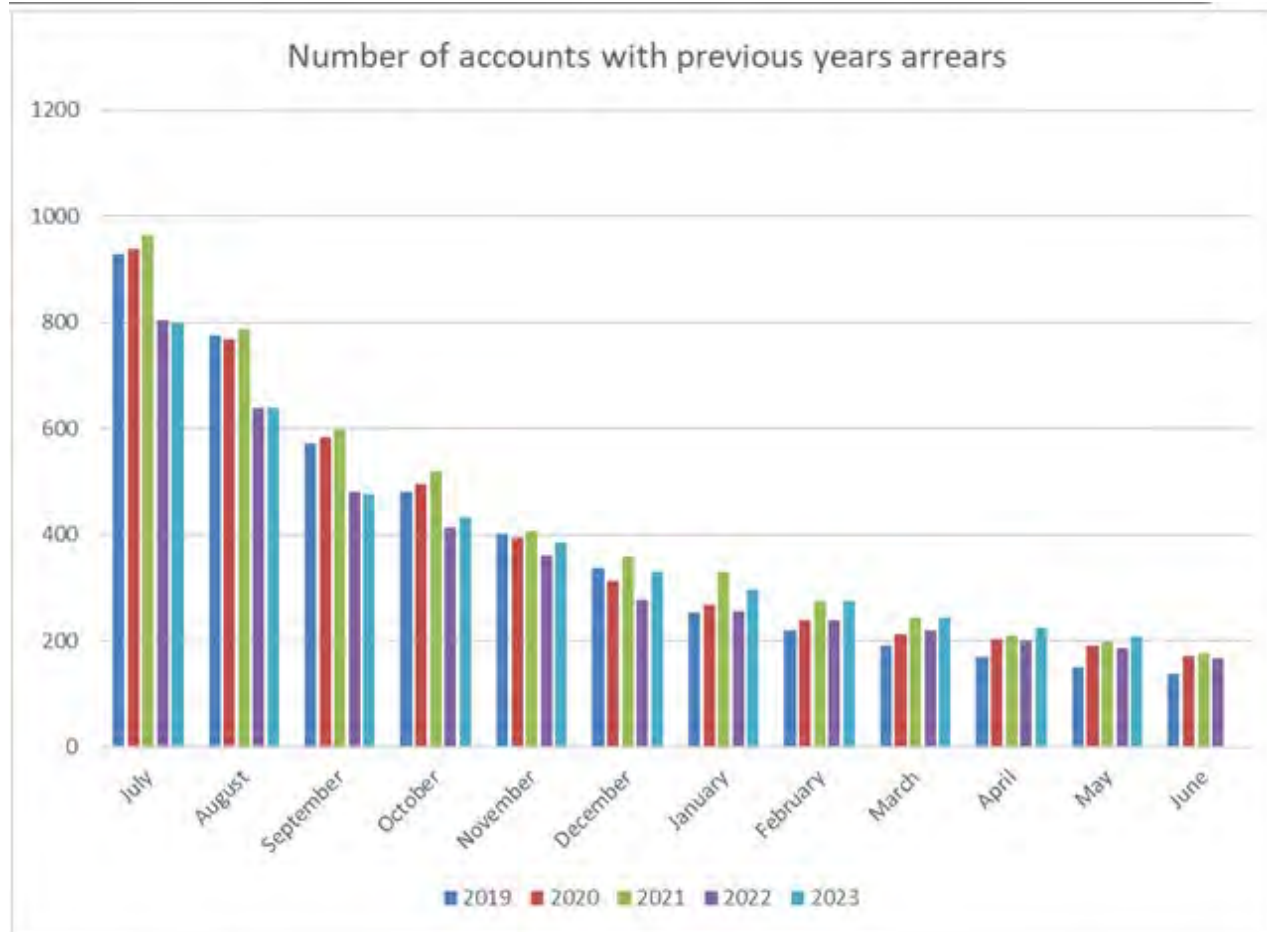
Rates Collection – shown as a percentage

		% Rates Collected YTD This Year	Comparison to same month last year
Arrears as at 1 July 2022	\$ 2,333,944	39.2%	46.4%
Current year levied	\$ 38,895,640	84.8%	84.7%
Penalties charged	\$ 355,673	39.3%	38.2%
Current year including penalties	\$ 39,251,313	84.3%	84.3%

Current Rates and Penalties Collection Percentage History



Rates Account Arrears History



4. Council reserves as at 31 May 2023

Asset replacement reserves

An amount of money equivalent to the current year's depreciation is transferred to these reserves during the year. These funds are then available to fund future capital expenditure and loan repayments.

Asset Replacement Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 May 2023 \$ (favourable)
TOTAL	(15,503,700)	(13,557,888)

Targeted rate reserves

Targeted rates are levied on specific properties for a specific purpose. The funds are kept in separate reserve accounts, so they are only used for that specific purpose.

Targeted Rate Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 May 2023 \$ (favourable)
TOTAL	(1,410,914)	(2,246,863)

Council created reserves

These reserves are created by Council for a specific purpose. The funds have been set aside and are able to be used at Council's discretion.

Council Created Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 May 2023 \$ (favourable)
TOTAL	959,735	1,803,890

Performance Report Explanatory Notes

1. The Financial Statement section in relation to financial performance is as follows:
 - a) The Statement of Comprehensive Revenue and Expenditure (also known as an income statement) looks at the overall income and expenses of the organisation.
 - b) The Statement of Financial Position (also known as the balance sheet) looks at the current and non-current assets and liabilities of the organisation.
2. The Treasury Report section in relation to treasury policy compliance and debt and liquid investments is as follows:
 - a) The Treasury Policy compliance

Measures are set with the intention to manage council's various risks associated with borrowing. When policy compliance is achieved, risk is at an acceptable level. If policy is breached it is an indicator that a risk is greater than a prudent level and we will work towards regaining compliance as soon as practicable.
 - b) Fixed rate debt maturity

This places an upper and lower limit on the percentage of debt that is able to be at fixed rates of interest per financial year to manage exposure to interest rate movements.
 - c) Funding Maturity

Ensures there is a spread of debt maturity dates so that Council's exposure to interest rates upon refinancing the debt is not concentrated.

d) Liquidity Ratio

Ensures there is access to liquid investments of at least 10% of debt to enable Council to meet cashflow requirements.

e) Counterparty credit risk

Limits any risk of losses arising from a counterparty defaulting on a financial instrument. Note that amounts contracted with the NZ Government and the LGFA are not limited.

3. The rates section provides information as follows:

a) Rates outstanding

Broken down into different line items to give the total value of rates outstanding at the time in which we are reporting

b) Rates collection

Provided on a rates percentage collection in comparison to the same month of the previous year.

c) Graph information

Five years of comparative information showing the rates and penalty collection history and the rates accounts arrears history.

4. The reserves section provides information as follows:

a) Asset replacement reserves

An amount of money equivalent to depreciation that can be used to fund future capital projects and loan repayments.

b) Targeted rate reserves

Levies on specific properties that are then utilised for specific purposes associated with those specific properties.

c) Council created reserves

Created by Council for a specific purpose. The funds are generally generated from a specific action or activity. Funds are then held to be used at the discretion of Council based on the specific purpose.

8. Reports for Decision

8.1 Funding Proposal – Pirates Building – Changing Rooms and Ablution Facilities

Document Information

Report To:	Council
Meeting Date:	Wednesday, 19 July 2023
Author:	Blaise Williams
Author Title:	Property Manager
Executive Lead:	Michael Booth, Business Support
Report Date:	Monday, 10 July 2023

Purpose

1. To seek approval to approach Pub Charity Limited for funding to undertake refurbishment of the Pirates Building changing rooms and ablution facilities.

Recommendation

2. That Council:
 - a) Receives report Funding Proposal – Pirates Building – Changing Rooms and Ablution Facilities (ECM # 633000).
 - b) Authorises the Chief Executive to apply to Pub Charity Limited for funding of up to \$120,000 for refurbishment of the Pirates changing rooms and ablution facilities.

Executive Summary

3. The Pirates building is scheduled for demolition. The changing and ablution facilities are capable of being refurbished to bring them up to standard. Requests have been received from rugby league and rugby union to retain the facilities to enable the Memorial Sports Grounds to be used by multiple teams at any time. Their request is supported by the Property and Parks Teams of Council. Pub Charity Limited has verbally stated they require a resolution of Council to apply for funding from them.
4. It is still proposed to demolish the remainder of the Pirates building which is in poor condition. The construction of the club rooms and changerooms/ablution facilities would allow this to occur.

Background/Context

5. The Pirates club rooms and facilities has been used by the rugby codes and other community groups for many years. In 2022 Council undertook a building rationalisation exercise, and the Pirates building was recommended for demolition. Indicative costs to bring the whole building up to standard, were of the order of \$500,000.

Community groups, and particularly the rugby codes have expressed concern at the possibility of losing change rooms and ablution facilities, given that during the rugby season the facilities are generally fully subscribed.

Minimal maintenance and a small amount of cleaning has been undertaken to allow the facilities to be used during the rugby season (ending 30 September 2023).

In discussion with the Mayor, a representative of Pub Charity indicated interest in funding refurbishment of the Pirates changerooms and ablution facilities, subject to Council agreeing to apply for funding for this purpose. We have spoken to Pub Charity Limited and have been advised that applications for funding close at the end of August 2023, although they have indicated that they are happy for Council to undertake the refurbishment within 12 months of any award. If Council approval for the application is given, application to Pub Charity Limited for the proposed funding will be made.

Discussion

6. If the recommendation is not approved, or funding is not received from Pub Charity Limited, the facility will have to be demolished due to its non-compliance with Health and Safety legislation, and because of the reputational damage Council will receive for operating a below standard facility.

This refurbishment work will support Council's community outcome of resilience by providing needed additional facilities at the Memorial Sports Ground.

It is anticipated that refurbishment works would commence in early 2024, and be completed over a 2-3 month, period.

Options

7. Council can choose to support the proposal to approach Pub Chairty for funding for the refurbishment work or choose not to approach them. It is considered that Council's inability to fund the proposed works will result in a drop in service provision to clubs using the Memorial Sports Grounds.
8. South Waikato District Council would have capacity in-house to oversee the project, which would be out-sourced.: -
That Council:-
 - a) Receives report Funding Proposal – Pirates Building – Changing Rooms and Ablution Facilities (ECM # 633000).
 - b) Authorises the Chief Executive to apply to Pub Charity Limited for funding of up to \$120,000 for refurbishment of the Pirates changing rooms and ablution facilities.

Consultation (Internal and External)

9. Consultation has been undertaken with SURF, representatives of League and Sport Waikato.
10. Internal consultation has been undertaken with Parks and Reserves and individual staff.

Financial Considerations

11. The project will only go ahead if funding from Pub Charities Limited is received.
12. Quotations received for stage one of the proposed refurbishment total \$56,150. The total cost for stage two of the refurbishment is expected to be of the order of \$60,000.

If the application to Pub Charity Limited is successful final quotations for the stage two works will be obtained. If the application is partially successful the extent of the refurbishment will be reduced to accommodate the funding received.

Significance & Engagement Policy

Significance

13. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report is not significant as the report does not breach Council's significance policy.

8.2 Adoption of Draft Procurement Policy 2023

Document Information

Report To:	Council
Meeting Date:	Wednesday, 19 July 2023
Author:	Nick Murphy
Author Title:	PMO Manager
Executive Lead:	Michael Booth, Business Support
Report Date:	Wednesday, 5 July 2023

Purpose

1. To present to Council the draft Procurement Policy 2023 for consideration and adoption.

Recommendation

2. That Council:
 - a) Receives the Adoption of Draft Procurement Policy 2023 report (ECM 633311).
 - b) Adopts the draft Procurement Policy 2023 (ECM 633320).

Executive Summary

3. In July 2020, Council adopted an updated Procurement Policy (Policy), the purpose of which was to document a clear and robust policy position on the numerous considerations and options that exist in and for procurement, and with the aim of providing a consistent approach to procurement aligning, where possible, with New Zealand Government procurement practices. A review date of June 2023 was set.
4. In June 2023, an external procurement consultant was engaged to review the policy and broader Procurement Framework to ensure it was fit for purpose and aligned with current best practice.
5. The external review highlighted a number of areas that could be further improved to assist South Waikato District Council streamline its procurement practices, while maintaining a robust framework.
6. Updates have been made to the existing Policy with Attachment 1: Procurement Policy v11 – Final Draft now being presented for adoption.

Context

7. Procurement and contract management plays an important role in the delivery of Council outcomes, with a wide variety of goods, services and works being purchased from third party suppliers to deliver the quality of product and the levels of service and capital projects in the Long Term Plan (LTP).
8. The Procurement Policy is designed to provide all employees and authorised third parties with clarity and guidance over the purchase of goods, services and/or works required to support

business delivery. It also articulates how Council seeks to maximise the overall benefits that can be delivered through its procurement activity, enabling the Council to deliver value for money as well as advancing the social, cultural, environmental, and economic wellbeing of South Waikato District residents.

9. The Policy ensures that Council has clear guidance on how its procurement activity should be undertaken at all levels. It provides the “rules” within which Council will operate. Council’s expectation is that anyone who is undertaking procurement activity on behalf of Council will abide by the rules and seek guidance where unclear.
10. In October 2018 the Government recognised that its procurement activities offer a unique opportunity to achieve broader cultural, economic, environmental, and social outcomes for New Zealand.
11. Of these broader outcomes, the Government identified four priority outcomes for organisations to focus on:
 - **Increasing access for New Zealand businesses:** considering how opportunities can be created for New Zealand businesses, including Māori, Pasifika, and regional businesses, as well as social enterprises.
 - **Increasing the size and skills of the domestic construction sector:** committing to find ways to partner more effectively with the local and domestic construction section to grow the size and skills of New Zealand’s construction workforce.
 - **Improving conditions for New Zealand workers:** improving conditions for New Zealand workers by ensuring suppliers and sub-contractors comply with employment standards and health and safety requirements.
 - **Reducing emissions and waste:** committing to achieving positive environmental outcomes through sustainable procurement by buying low emissions and low waste goods, services and works.
12. In July 2020, Council adopted the current Procurement Policy and set a review date of June 2023.

Discussion

12. In line with the required review period as outlined in the existing Policy, an external procurement consultant was engaged to review the Policy and broader framework and provide proposed changes that could further streamline procurement processes while maintaining a robust framework.
13. The draft Policy for adoption is substantially the same, with the proposed amendments relating to more streamlined procurement thresholds, processes, and documentation. There have also been some updates relating to the New Zealand Government Procurement Rules broader outcomes.
14. One of the main review points was in relation to the number of different contract types, processes and documents that are required for different procurement values. In the draft Policy, these thresholds, processes, and documents have been updated to focus on simplicity and ease of use while ensuring a robust framework is in place that follows the New Zealand Government Procurement Rules and aligns with other councils across the region.
15. The existing and updated policy thresholds and procurement requirements can be found in Attachment 2.
16. Local procurement will continue to be supported where possible, and processes and initiatives are being put in place to allow this to occur in a more structured manner through engagement with the local contractor industry.

17. Adopting the updated Policy will ensure that Council continues to create well executed outcomes for the community while minimising risk and maximising value for all involved.
18. Work is also underway on updating supporting policies, such as the Delegations Manual and Sensitive Expenditure Policy, and staff are currently looking at opportunities to engage with the wider local contractor market to present future opportunities to work with Council.

Risks

19. There are no risks identified in adopting the draft Procurement Policy 2023. The same processes and requirements remain in place, and Council have a range of methods in place to ensure a high level of probity exists with all procurement activities.


Significance & Engagement Policy

20. The matters and recommendation contained in this report do not trigger Council's Significance and Engagement Policy.

Attachments

Attachment 1: Procurement Policy v11 – Final Draft (ECM 633320)

Attachment 2: Existing and Updated Procurement Policy Thresholds and Requirements (ECM 633322)

<h1>Procurement Policy</h1>		
Record number	633320	
Version	11	
Approval Date/Resolution Number	TBC	TBC
Responsibility	Executive Manager, Business Support	
Next review date	June 2026	
Historic revision dates	2003 (68/03), 25 August 2005 (370/05), March 2006, September 2014, April 2016 (approved Leadership Team), 30 July 2020 (C20/78)	
Review frequency	Three yearly or as required	
Approval authority	Council	
Consultation required	No	
Associated documents	Waka Kotahi NZTA Procurement Manual (available online at NZTA.govt.nz) Waka Kotahi NZTA Contract Procedures Manual (available online at NZTA.govt.nz)	

1. Purpose

The purpose of this Policy is to ensure that Council has clear guidance on how its procurement activity should be undertaken at all levels. It provides the “rules” within which Council will operate. Council’s expectation is that anyone who is undertaking procurement activity on behalf of Council will abide by the rules, and if they are unclear then guidance should be sought.

The Principles and Broader Outcomes will ensure that Council upholds the integrity of its procurement and set a clear expectation of what is required when any person within Council makes a financial commitment on behalf of Council.

The Policy, Procurement Framework and any additional guidance documentation will assist to provide a consistent approach to all procurement within Council. It is to support the end user to select the appropriate procurement process having regard to the level of spend, risk and the current environment and then to work through that process with confidence and consistency, regardless of whether the end user is a full-time procurement practitioner or not. In addition, this document sets out how to determine whether to utilise an All of Government (AoG), Regional or Syndicated contracts.

This document will make it clear for suppliers, Council employees and authorised third parties on Council’s expectations when procuring third party goods, services and/or works. It ensures that spend is planned out and creates well executed third party solutions that minimise risk and maximise value for all involved.

2. Policy Objective and Principles

South Waikato District Council (Council) recognises that it is a significant user of public money, and that the expenditure of this money impacts the local and domestic economy and the overall performance of the Council. Council must demonstrate that its procurement and contract management processes from sourcing and selection through to payment are fair, transparent, compliant, and auditable, and that staff and suppliers are able to deliver services in a safe and efficient commercial environment.

Procurement and contract management plays an important role in the delivery of Council outcomes, with a wide variety of goods, services and works being procured from third party suppliers to deliver the quality of product and the levels of service and capital projects in the Long Term Plan (LTP).

The objectives of this Policy are to provide a clear direction to management and staff in relation to the performance of procurement activities in line with the Procurement Principles and Broader Outcomes defined in Appendix 2 and establishes a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy, the Procurement Framework and all other associated Council Policies and Strategies
- **Openness** - all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias
- **Integrity** - all Council employees and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels
- **Get best public value** – all procurement works towards minimising procurement costs, relation costs and whole of life costs of the goods, services and/or works to deliver best value for money and public value
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately
- **Lawfulness** - all procurement is within the law and meets Council's legal and organisational obligations including New Zealand Transport Agency (NZTA) rules as appropriate
- **Accountability** - employees and/or third parties and Suppliers are accountable for their performance
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, cultural, environmental, and social impacts over their lifecycle.

3. Our Legislative Obligations

Council is a local authority with obligations to its ratepayers and the public as defined under the Local Government Act 2002. The Local Government Act 2002 (section 14) details the principles relating to local authorities.

The principles most relevant to the Council's procurement activity are:

- 1) In performing its role, a local authority must act in accordance with the following principles:
 - 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;
 - b. a local authority should undertake any commercial transactions in accordance with sound business practices; and
 - c. a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and
 - d. in taking a sustainable development approach, a local authority should consider—
 - i. the social, economic, and cultural interests of people and communities; and
 - ii. the need to maintain and enhance the quality of the environment; and
 - iii. the reasonably foreseeable needs of future generations.

4. Strategy Alignment

This policy aligns with the South Waikato District Council Procurement Strategy for Land Transportation Activities Strategy.

5. Scope

This Policy applies to:

- All employees and third parties committing expenditure on behalf of the Council on in scope spend.
- The commitment of all funds by employees, community boards / committees or approved third parties on behalf of the Council except for property-related expenditure.

Examples of expenditure to which this policy applies include:

- Operational Expenditure – Goods, Services and/or Works required to support the day-to-day running of the Council and the delivery of the Long Term Plan (LTP).
- Material Outsourcing Arrangements – involves Council entering into an agreement with another party (Supplier) to perform, on a continuing basis, a business activity which currently is, or could be, undertaken by the Council itself.
- Panel Suppliers – where employees can procure against pre-agreed rates and conditions of contract.

- Consultancy Expenditure – involves the use of professional service providers to obtain advice and / or support relating to an area of specific expertise.
- Project and Capital Expenditure – involves the Council entering into an agreement on a one-off basis with another party (Supplier) to provide an agreed specific set of outcomes aligned to a project or capital outlay.
- NZTA Subsidised Arrangements – provides NZTA subsidised services obtained through the NZTA procurement process (NB as documented, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if NZTA standards are higher than those set by the Council).

6. Policy Statements (How we achieve our Policy Objectives and Principles)

Council will ensure all procurement activity within Council shall be undertaken in accordance with this Policy and Procurement Framework and any other relevant Council policies and procedures. All procurement of goods, services and/or works are selected via the appropriate procurement method, and approved within the appropriate delegations, as per the Delegations Manual.

6.1 Selecting a Procurement Option

The procurement of all goods, services and/or works are selected via the appropriate procurement method, once the requirement to spend has been established, the first consideration should be whether or not there are All of Government (AOG) contracts, Regional (e.g. Waikato Local Authority Shared Service or another Council contract) or Syndicated (e.g. another Government Agency contract with ability to offer to offer to others in the Public Sector) available for use.

A review of these options should be undertaken, and where the contract meets the requirements, it is advisable for Council to sign up to these rather, than pursue a local procurement strategy.

In selecting a procurement option, Council will:

- Seek to ensure it obtains best public value.
- Select the most appropriate procurement techniques to suit the circumstances of the procurement. In determining the most appropriate technique, Council will consider:
 - The level of risk that the procurement poses; and
 - The value of the proposed procurement; and
 - The involvement of, or investment by, other public, private, or not-for-profit organisations in the procurement decision; and
 - Any other aspects relevant to the proposed procurement.
- For roading or transportation contracts attracting NZTA subsidy, meet the requirements of S.5 (supplier selection process), S.6 - S.9 inclusive (procurement procedures), S.10 (the rules) and S.11 (performance measurement and monitoring) of the NZTA Procurement Manual.
- Recognise that there are costs and time associated with undertaking procurement and will select the procurement method that represents best value and lowest risk.
- Have regard for whole of life costs when considering procurement options.
- Ensure that the costs of the procurement process are commensurate with the value of the purchase
- Encourage local value benefits in the procurement.
- Consider partnering and collaboration to identify opportunities for working with others, both public and private sector, to widen the scope for maximising public value, identifying innovation and delivering value for money.

6.2 Spend Limits and Authorisations

Any person undertaking procurement activity on behalf of Council shall be aware from whom within the organisation they must get approval before making the commitment. Approval must be within delegated authority (i.e., approval by Budget Holder up to delegated authority, or escalated to appropriate approver with sufficient delegated authority).

Where a contract is subject to a Waka Kotahi NZTA (NZTA) subsidy, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by Council.

Appropriate authorisation must be obtained prior to ordering goods, services and/or works. The authorising signatory is certifying that they have reviewed the transaction and all related documentation and that it conforms to Council policy and goals, as well as applicable laws. An authorising signatory should not both initiate and approve the same transaction. In no circumstances shall an authorising signatory approve payments of any kind to themselves.

Any employee procuring on behalf of the Council must ensure that they follow the correct procurement process based on the spend level and risk threshold as detailed in Appendix One. In all cases, when determining the correct procurement process, the spend level to be considered is the aggregate spend over the life of the contract and relates to the total spend.

All procurement (except for Emergency Procurement) should be approved by at the appropriately delegated staff member at the point of order of the goods, services and/or works, and not after the event. Any exceptions to this must be approved via the delegated authority.

Purchase Order or Contract Payment Schedules

A written purchase order, or contract payment schedule is to be raised for all goods, services and/or works. All purchase orders shall be raised electronically.

When the total value of a contract or purchase is known, a purchase order should be raised for the full amount (including disbursements). The supplier/contractor shall be required to include the purchase order number or contract number on all invoices relating to that contract or purchase.

6.3 Procurement Planning

When planning procurement projects, Council will:

- use processes that are proportionate to the size, complexity and risks involved in the contract to get the best outcomes
- make sure we have up to date knowledge about the market and the effect our procurement has on it
- involve suppliers early in the process to explain our needs, learn about them and explore opportunities for new solutions before going to market
- consider subcontracting opportunities in big projects, so small and medium enterprises can grow their business capability
- ensure appropriate financial approval aligned with Council's Financial Delegation's Manual has been obtained and granted before going to market
- ensure an appropriate Procurement Plan is developed and approved.
- ensure a Procurement Exemption is completed and approved by the Chief Executive when going outside the approved processes within the Procurement Policy and Framework.

6.4 Sourcing

When procuring goods/services/works, Council will:

- accede to any all off government collaborative contracts, other government agencies or Co-Lab or other Councils existing supply contracts if they can meet our requirements and provide public value.
- give all suppliers a full and fair opportunity to compete.
- choose suppliers that have demonstrated their ability to meet our requirements and offer the best value-for-money over the lifetime of the goods/services/works, considering:
 - all the costs of ownership over that lifetime
 - suppliers' ability to deliver what we need at a fair price and on time
 - the social, environmental, and economic effects of the deal.
- use approved Council, civil engineering industry or government model templates as our default tender and contract documents.
- have an approved purchase order/agreement/Purchasing Card transaction in place before the supplier starts delivering goods/services/works.
- ensure that robust and transparent evaluation processes are developed and used.

6.5 Contract Management

To get the best from our suppliers, Council will:

- Ensure terms of contract scope clearly reflect goods/services/works to be provided with a reasonable assessment of time required to complete the program of work.
- set clear performance measures, then monitor and manage the contract against them.
- encourage and recognise suppliers for delivering great results.
- work with suppliers and conduct periodic reviews to identify on-going savings and improvements for both entities.

6.6 Promoting Local Benefit

Council continually seeks opportunity through procurement to include local value benefits into its procurement processes. Local value benefits in the procurement context are where there is a value in community wellbeing to the citizens of the South Waikato District over and above the normal best-value concepts of quality and price.

Local value benefits could accrue through:

- social procurement requirements such as employment of disadvantaged sectors of the local community to deliver on a procurement requirement or the introduction of apprenticeships, internships, training and/ or minimum wage “living wage” opportunities directly related to the goods, services and/or works being procured.
- sustainable procurement where local environmental and economic benefits are factored into the procurement decision.

When local value benefits are to be included in Council procurement processes these will be made clear in the information the Council provides regarding its requirements. This will include clear information on any weighting approach to be included. Council will always be transparent regarding its requirements and considerations associated with any local value component to its procurement processes.

6.7 Risk Management

Council recognises that early and systematic identification, analysis and assessment of risks and the development of plans for mitigating risk are necessary to achieve best value procurement practices.

Council’s procurement practices will look to establish the severity, potential and frequency of possible risks and will seek to allocate the risks of procurement to the party best placed to manage those risks. For major purchases of goods, services and/or works that are deemed to create significant risk, a project specific risk register shall be prepared, recording all risks associated with the procurement process for the project and showing the steps needed to eliminate, mitigate, or manage the risks.

Council may elect to employ an external Probity Officer dependant on the size, complexity and risks associated with large scale procurement activities.

6.8 Health and Safety

Health and safety is an important consideration for Council and its suppliers must meet health and safety requirements as a part of any procurement. Council’s health and safety expectations shall be clearly communicated to suppliers as part of the procurement process and be appropriate for the type of goods, works or services being procured comply with the Health and Safety at Work Act 2015.

Council will address health and safety through procurement by:

- Approving and inducting suppliers into Council’s health and safety regime prior to engagements.
- Requiring suppliers to provide health and safety plans, where appropriate.
- Include the monitoring and auditing of health and safety practices as conditions of contracts and agreements.

6.9 Insurance Requirements

All suppliers, contractors or consultants shall provide evidence of General or Public Liability insurance (or any other insurances required by the Council) as required.

Any contractors or consultant who provide professional advice or services to Council shall provide evidence of Professional Indemnity Insurance to Council satisfaction.

6.10 Emergency Procurement

Where a declared or undeclared response to an ‘emergency’, as defined in the Civil Defence and Emergency Management Act 2002 (CDEMA), occurs, this Procurement Policy does not apply to procurement of goods and/or services required for that emergency. Procurements required under this category will be pursuant to the CDEMA. Specific delegations and processes are in place for declared civil defence emergencies.

In any other crisis or emergency, it may be necessary to dispense with parts of the procurement process so that Council can react quickly to unforeseen events. Council will need to be flexible in how it procures goods and services that are required for its response.

Emergency procurement should be used only in genuinely unforeseen circumstances. Poor planning or organisation of a procurement does not justify dispensing with parts of this Policy.

In the context of this Policy an emergency is defined as an event which results in:

- Employees, public, supplier, property or equipment being placed in immediate risk;
- Standards of health, welfare or safety having to be re-established without delay.
- The significant impairment of WDC's delivery if WDC failed to respond promptly.
- Critical health or environmental emergencies, such as a pandemic; or
- An unanticipated event that makes it impossible for an agency to perform a statutory or critical function.

Emergency procurement should be limited to what is required to cope with the emergency. Once the emergency event is stabilised a recovery plan may be established, and approved by Council, to authorise necessary procurement activity. Procurement should be done via either an existing contract or a preferred supplier in the first instance and followed up retrospectively with an approved Purchase Order.

Written evidence should be prepared at the time of order for all emergency procurements. This will reduce disputes in case of compensation being sought by Council from other parties after the emergency event. Emergency procurement must be authorised by employees with the appropriate financial delegation as soon as practicable following the purchase.

In an emergency, employees may dispense with parts of the procurement process to react quickly to unforeseen events.

Emergency procurement should only be used in genuinely unforeseen circumstances. Poor planning or organisation does not justify using an emergency process.

6.11 Approval Process

When it is, appropriate or required as part of the process, Council will review the Approval Memo via the Executive Team or Chief Executive. All tenders or contracts over \$250,000 in value, or that are of a high risk or sensitive nature, are referred to the Chief Executive for review and approval.

The final recommendation on whether to proceed is given to the Chief Executive as part of the review process unless exceptional circumstances apply.

The role of the Executive Team and Chief Executive is to ensure that tenders have fully complied with Council Procurement Policy and Framework prior to award.

Tender reviews will ensure that members shall be selected to cover technical, financial, legal/risk and administrative interests in the process as described in Council Delegations Manual, the Executive Team or Chief Executive may also elect to include external subject matter expertise depending on the nature of the procurement.

6.12 Procurement Exemption

The process for the relevant level identified above should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

- a. **Monopoly or limited supplier situation:** Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g., engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or
- b. **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; or
- c. **High risk activities:** The risks of a competitive process outweigh the benefits of competition and would potentially create risk for Council; or
- d. **Unique business proposition:** Where a Supplier has a unique business proposition that can minimise risks or costs to Council. This could include existing knowledge relevant to a project; or
- e. **Existing contract:** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal, or practical reasons.

The key requirement is the Procurement Exemption represents best value for Council. Poor planning or organisation of procurement is not justification for deviation from the Policy. In all instances a procurement exemption must be authorised by the Chief Executive.

6.13 Conflict of Interest

The supplier (participant) in the procurement process shall be asked to declare whether there are any conflict(s) and/or any potential conflict(s) of interest that any person or branch of its organisation may have or exists with any part of Council. Any undeclared conflicts of interest may result in that supplier's immediate exclusion from participating in the procurement process.

All Council elected members and staff involved in procurement processes who have financial delegated authority or opportunity to influence the requirements, the evaluation criteria, or the way that the selection is made are required to declare in writing to an Executive Manager or direct Line Manager any personal interests that may affect, or could be perceived to affect, their impartiality and where required remove themselves from the decision making process. Council will maintain a Conflict of Interest Register within the procurement process that captures actions taken to mitigate conflicts of interest.

6.14 Confidentiality

Council is committed to fair and ethical business practices that encourage competition and enhances our supplier relationships. A cornerstone of this policy is maintaining the confidentiality of all supplier proposals, quotations, prices, contracts, and other proprietary materials by all employees and authorised third parties. Confidential information is not to be disclosed in any way to other suppliers, outside organisations, or to any unauthorised persons, subject to the provisions of LGOIMA (Local Government Official Information and Meetings Act, 1987).

6.15 Attempts to Influence Outcome

Any attempt made by a tenderer or potential supplier to influence the outcome of the procurement process by canvassing, lobbying or otherwise seeking support of staff or elected representatives of Council will be deemed valid grounds for the exclusion of that supplier from the procurement process.

Gifts, hospitality, or other incentives from suppliers shall be subject to Council's Gift and Prizes Policy and comply with the "Standards of Integrity and Conduct", published by the State Services Commission.

6.16 Panels or List of Preferred Suppliers

For some types of commercial activities, Council will engage suppliers on a panel or maintain a list of preferred suppliers. Council will favour this approach to help reduce the cost of procurement, particularly where:

- Suppliers provide goods, services and/or works of relatively small value on an 'as required' basis.
- Suppliers are Niche Suppliers and Council is not easily able to procure the specific goods, services and/or works elsewhere.
- Suppliers provide a technical competency that is not widely available in the marketplace.

Panel or Preferred Supplier Agreement's shall only be entered into after a procurement process has been followed to ensure fairness, best value for money and that all other Council principles, strategies, objectives, and policies have been considered.

Where Council has in place a panel or lists of preferred suppliers for the provision of a specific goods or service it will review that panel or list at least every three years, and in particular the prices and quality of the suppliers on the panel or list.

One of the primary objectives of these reviews will be for Council to consider the need for a fresh procurement process or price negotiation with suppliers. Supplier agreements with suppliers on panels or lists shall contain terms and conditions that permit regular reviews and allow the Council to modify the panel or list during the term.

6.17 Unsolicited Proposals

Council wants to encourage innovation and will treat all unsolicited proposals in a way that respects the intellectual property rights of the proponent and is fair to everyone. Unsolicited proposals can be unique or innovative proposals initiated by a supplier which may not be suitable to progress through this policy.

For an unsolicited proposal to be considered by Council it shall:

- Provide solutions to a need that is not able to be met currently by the market
- Be truly innovative and unique
- Demonstrate how the solution provides Council with best possible value
- Have an alignment with Council's vision, strategic priorities, and community needs.
- Have alignment with Council's Long Term Plan and Annual Plan.

6.18 Rental and Lease Agreements

Rental and lease agreements commit Council to a defined amount over a period. Approval must be gained from the appropriate delegated authority holder for the total amount over the term of the lease.

Renewals of leases require approval by an officer with the delegated authority for the total amount over the renewal period.

6.19 Disclosure of Contract Award Details

Subject to the Procurement Policy and where appropriate, the NZTA Procurement Manual, any specific obligations pursuant to other third party funding requirements or any other agreement, where a contract* has been awarded to a supplier and the total value of the procurement is greater than \$200,000 + GST, the following details may be publicly released:

- The name and price of the successful supplier; and
- The range of scores (if a closed or open tender process is utilised to select a supplier and three or more conforming tenders were received); and
- the price range of quotes received (if the quote method is utilised to select a supplier); or
- the range of tender prices (if a closed or open tender process is utilised to select a supplier); and
- the number of quotes sought and received; or
- the number of conforming tenders received; and
- contract term.

If you have any questions about any request to provide information concerning contracts, pricing, supplier proposals or other internal information, please discuss with your Direct Line Manager in the first instance.

* This does not include contracts awarded pursuant to 3rd party funding arrangements or recovery plans following an emergency event.

6.20 Audit and Risk Committee Reporting

Council shall provide a summary report to the Audit, Risk, and Improvement Committee of all publicly advertised tenders, all competitive procurement processes resulting from a formal contract, and for any cases when goods, services and/or works valued at \$100,000 or more are undertaken without being subject to public tender.

7. Record Keeping

Council shall be able to demonstrate that it has conducted procurement fairly and appropriately. It is essential that records are kept of procurement activities by describing the background and reasons for procurement decisions. Records shall be maintained for each procurement that document:

- That Councils' procurement processes have been followed
- That sufficient budget has been allocated for the procurement
- That approval has been given for the purchase from the relevant holder of delegated financial authority
- Any conflicts of interest have been identified and managed
- Any risks have been identified and managed
- The supplier agreement(s) that have been entered.

Council will maintain adequate systems and processes for managing its procurement documentation and supplier agreements. All employees responsible for procurement activities and contract management should be trained in the correct processes for managing documentation.

All contracts should be set up on the Contract Register for Council and in ECM under the contract subject index following the allocation of a specific contract number from the Knowledge and Technology team, which will enable the collation of all information under each contract.

8. Monitoring of compliance with this policy

The prime responsibility for the on-going monitoring of compliance with this policy rests with the Executive Manager, Business Support. An audit of Council procurement activities will be undertaken periodically as appropriate.

When there is evidence of a breach of this policy, Council will investigate to determine the circumstances and extent of the breach and actions to take (which may include escalation).

9. Breaches of Policy

Any breaches of this Policy must be notified to the relevant Executive Manager and appropriate Council personnel will manage the incident and act (which may include escalation).

10. Related Policies and Legislation

10.1 Related Policies

Policy	Doc Set ID
Delegations Manual	341556
Significance & Engagement Policy	322327
Sensitive Expenditure Policy	299528
Gift and Prizes Policy	335570
Staff Purchases Policy	267819

10.2 Relevant Legislation

All procurement must comply with relevant legislation and amendments.

The following references provide more detailed information that may be required for specific procurement activities:

- Sale of Goods Act 1908
- Fair Trading Act 1986
- Commerce Act 1986
- Consumers Guarantees Act 1993
- Health and Safety at Work Act 2015
- Privacy Act 1993
- Official Information Act 1982
- Land Transport Management Act 2003
- Local Government Act 2002
- Public Records Act

11. Annotations

Res. No.	Date	Subject / Description

Appendix One: Procurement Thresholds

Note: Where a contract is subject to a Waka Kotahi NZTA subsidy, the financial limits and procedures prescribed in the Waka Kotahi NZTA Procurement Manual will apply if the standards are higher than those set by the Council.

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$1 - \$4,999	Purchase	Purchase is likely to be either via a P-Card, direct purchase and receipt, or Purchase Order (PO), at the supplier's request	<ul style="list-style-type: none"> Minimal paperwork May be a direct purchase or use a call off purchase order (e.g., catering to draw down and allow for variance)
\$5,000 - \$99,999	Two (2) or more quotes OR catalogue purchase	<ul style="list-style-type: none"> Written quotes Purchase Order or Contract 	<ul style="list-style-type: none"> Two quotes are the minimum. If more can be obtained and add value these should be sought Make sure quotes are in writing or you confirm in writing back to the supplier to avoid future disputes
\$100,000 - \$249,999	Open Tender Process OR Three (3) Quotes	<ul style="list-style-type: none"> An approved Lite Procurement Plan If open tender: <ul style="list-style-type: none"> RFx documents Tender responses Evaluation report Contract If quotes requested: <ul style="list-style-type: none"> Written quotes Purchase Order or Contract 	<ul style="list-style-type: none"> It is the responsibility of the procurer, Direct Line Manager and/or the Executive Team to determine the most appropriate process to be followed It is expected that as the cost and complexity grows that a tender process will be more appropriate. This must be documented and approved within the Lite Procurement Plan If an RFx process is to be used ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers If quotes sought, three (3) quotes are the minimum and if more can be obtained and add value then these should be sought Make sure quotes are in writing or you confirm in writing back to the supplier to avoid future disputes

<p>\$250,000 + OR high risk any value</p>	<p>Open Tender Process</p>	<ul style="list-style-type: none"> • An approved Full Procurement Plan • RFx documents • Tender responses • Evaluation report • Contract 	<ul style="list-style-type: none"> • An approved Full Procurement Plan is required. This will provide significantly more information and detail in line with the complexity and spend of the procurement activity • An RFx process is to be used to ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers
<p>Waka Kotahi NZTA</p>	<p>Where any Waka Kotahi NZTA funding is to be used in the procurement activity</p>	<p>Waka Kotahi NZTA approved documents to be used and follow the Waka Kotahi NZTA process</p>	<ul style="list-style-type: none"> • The Waka Kotahi NZTA process and documents should be used where Waka Kotahi NZTA are funding or part funding the project. • If the South Waikato District Council requirements are more robust these should be used to provide additional benefit
<p>Emergencies</p>	<p>Immediate response required, preferable to use a preferred supplier where possible Likely to be verbal offer and acceptance and the costs may not be confirmed until after the event is dealt with</p>	<p>Retrospective PO</p>	<ul style="list-style-type: none"> • Where a genuine emergency – this likely to have a potentially catastrophic impact financially, or on public, premises or reputation immediate action should be sought, it is likely that this will be a verbal acceptance in these situations. Where possible a preferred supplier should be used • A retrospective PO should be placed with the supplier to formalise the emergency activities undertaken

Appendix 2: Principles and Broader Outcomes

Procurement Principles

1. Plan and manage for great results

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

2. Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we do not discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

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

4. Get the best deal for everyone

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

Broader Outcomes

1. Increasing access for New Zealand businesses

- Identify opportunities for New Zealand suppliers, including Māori, Pasifika, ICT, and regional suppliers, to be involved.

2. Increasing the size and skills of the construction sector

- When your agency will be involved in significant construction works, think about how you can partner with suppliers and others to improve construction sector skills and training over the long term.

3. Lifting health and safety and employment standards

- Identify contracts where vulnerable New Zealand workers may be involved in the supply chain and develop a strategy to make sure that primary suppliers meet their health and safety obligations and comply with employment standards.
- Agencies must do this for designated contracts, which for health and safety are forestry and construction, and for employment standards are cleaning, security, and forestry. But should also consider other areas where low-paid and vulnerable workers may be involved in your supply chain.

4. Transitioning to a net zero emissions economy

- Environmental impact: select those products and services that have a high impact on the environment over their life cycle and address these first, for example fleet vehicles.
- Check the market for environmentally friendly alternatives: analyse the market to determine whether alternative options are available that produce lower emissions or less waste. Check for relevant environmental labels and certifications.
- Whole-of-life cost: sustainable procurement can offer significant cost savings, for example through lower energy bills, and reduced spending on unnecessary goods and services. Where there are opportunities to make savings on strategic investments by using sustainable procurement practices, you should prioritise these.

Attachment 2: Existing and Updated Procurement Policy Thresholds and Requirements

Appendix One: Contract Type, Value, Approval and Requirements Summary

Note: Where a contract is subject to a New Zealand Transport Authority (NZTA) subsidy, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by the Council.

Contract Type	Total Procurement Value	Approval Required	Procurement framework Requirements
Supply of goods, services and/or works	\$0 - \$19,999	Approval by Budget holder as per delegations manual values	Procurement under \$50,000 and considered low or medium risk requires: <ul style="list-style-type: none"> a) 1 quote where a preferred supplier is utilised or spend is under \$20,000; or b) 2 quotes where a non-preferred supplier is utilised and spend is over \$20,000.
	\$20,000 - \$49,999	Approval by Budget holder as per delegations manual values	
	\$25,000 - \$49,999	Group Manager or as per delegations manual values	
	\$50,000 - \$99,999	Chief Executive	Procurement between \$50,000 and \$250,000 and considered either low or medium risk requires <ul style="list-style-type: none"> a) 3 quotes; or b) a Public or Invited RFX process to be used as signed off in the procurement plan. Note that if an approved Project Plan or Business Case has been completed which covers the information required within the Procurement Plan, completing a separate Procurement Plan is not required.
	\$100,000 - \$500,000	Chief Executive following Tenders Board recommendation	
	Over \$500,000	Chief Executive and a second signatory as outlined in delegations.	Procurement over \$250,000, or any high-risk procurement, regardless of dollar value requires: <ul style="list-style-type: none"> a) a Public or Invited RFX process, as signed off in the Procurement Plan. Note that if an approved Project Plan or Business Case has been completed which covers the information required within the Procurement Plan, completing a separate Procurement Plan is not required.
Professional Services	Up to \$50,000	Group Manager or Chief Executive	Procurement under \$50,000 and considered low or medium risk requires: <ul style="list-style-type: none"> a) 1 quote where a preferred supplier is utilised or spend is under \$20,000; or b) 2 quotes where a non-preferred supplier is utilised and spend is over \$20,000
	\$50,001 - \$500,000	Chief Executive	

	Over \$500,000	Chief Executive and a second signatory as outlined in delegations.	Note that if an approved Project Plan or Business Case has been completed which covers the information required within the Procurement Plan, completing a separate Procurement Plan is not required.
All contracts via Shared Services (eg LASS) or All Of Government processes (AOG)	\$0 - \$50,000	As per delegations	Where suppliers have been approved via AOG or LASS no subsequent tendering is required. Additional quotes can be sought if deemed necessary.
	\$50,001 - \$500,000	Chief Executive	
	Over \$500,000	Chief Executive and a second signatory as outlined in delegations.	
Service Delivery Agreements	Any value	Council	Negotiated with Community Service organisations.
Rental or Lease	Any value	GM Community and Corporate	Discuss requirements with GM Community and Corporate prior to any arrangements being made.
Petty Cash	Up to \$100	Budget Holder	Direct Purchase. GST Receipt required.

Appendix One: Procurement Thresholds

Note: Where a contract is subject to a Waka Kotahi NZTA subsidy, the financial limits and procedures prescribed in the Waka Kotahi NZTA Procurement Manual will apply if the standards are higher than those set by the Council.

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$1 - \$4,999	Purchase	Purchase is likely to be either via a P-Card, direct purchase and receipt, or Purchase Order (PO), at the supplier's request	<ul style="list-style-type: none"> Minimal paperwork May be a direct purchase or use a call off purchase order (e.g., catering to draw down and allow for variance)
\$5,000 - \$99,999	Two (2) or more quotes OR catalogue purchase	<ul style="list-style-type: none"> Written quotes Purchase Order or Contract 	<ul style="list-style-type: none"> TWO quotes are the minimum. If more can be obtained and add value these should be sought Make sure quotes are in writing or you confirm in writing back to the supplier to avoid future disputes
\$100,000 - \$249,999	Open Tender Process OR Three (3) Quotes	<ul style="list-style-type: none"> An approved Lite Procurement Plan If open tender: <ul style="list-style-type: none"> RFx documents Tender responses Evaluation report Contract If quotes requested: <ul style="list-style-type: none"> Written quotes Purchase Order or Contract 	<ul style="list-style-type: none"> It is the responsibility of the procurer, Direct Line Manager and/or the Executive Team to determine the most appropriate process to be followed It is expected that as the cost and complexity grows that a tender process will be more appropriate. This must be documented and approved within the Lite Procurement Plan If an RFx process is to be used ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers If quotes sought, three (3) quotes are the minimum and if more can be obtained and add value then these should be sought Make sure quotes are in writing or you confirm in writing back to the supplier to avoid future disputes

<p>\$250,000 + OR high risk any value</p>	<p>Open Tender Process</p>	<ul style="list-style-type: none"> • An approved Full Procurement Plan • RFx documents • Tender responses • Evaluation report • Contract 	<ul style="list-style-type: none"> • An approved Full Procurement Plan is required. This will provide significantly more information and detail in line with the complexity and spend of the procurement activity • An RFx process is to be used to ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers
<p>Waka Kotahi NZTA</p>	<p>Where any Waka Kotahi NZTA funding is to be used in the procurement activity</p>	<p>Waka Kotahi NZTA approved documents to be used and follow the Waka Kotahi NZTA process</p>	<ul style="list-style-type: none"> • The Waka Kotahi NZTA process and documents should be used where Waka Kotahi NZTA are funding or part funding the project. • If the South Waikato District Council requirements are more robust these should be used to provide additional benefit
<p>Emergencies</p>	<p>Immediate response required, preferable to use a preferred supplier where possible Likely to be verbal offer and acceptance and the costs may not be confirmed until after the event is dealt with</p>	<p>Retrospective PO</p>	<ul style="list-style-type: none"> • Where a genuine emergency – this likely to have a potentially catastrophic impact financially, or on public, premises or reputation immediate action should be sought, it is likely that this will be a verbal acceptance in these situations. Where possible a preferred supplier should be used • A retrospective PO should be placed with the supplier to formalise the emergency activities undertaken

9. Confidential Business

There are no confidential business reports.

Council Outcomes
Growth - Activities and strategies that facilitate sustainable economic growth and lift community pride.
Resilience - A resilient district with good infrastructure, services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.
Relationships - Strong relationships with Iwi and Māori, Pacific Peoples and community and business groups that can achieve growth and a resilient community.