

Questions and Answers

Pūroro Tahua | Finance and Performance Committee

17 February 2022

2.1 Procurement Strategy Update

Please remind me of the reason the Procurement Strategy is reporting to the Audit and Risk subcommittee?

This is a follow on from the 2020 report prepared by Audit NZ that identified the need for a Council wide procurement strategy. A brief update was provided to the Audit and Risk subcommittee to close out this action point. This main update is provided to Pūroro Tahua | Finance and Performance Committee

Is the procurement sub-working group planned to continue?

Officers would be happy for the sub-working group to continue, at your preferred frequency. This will ensure that Councillors are aware early of the planned initiatives and able to provide their support or guidance.

Can you please explain better how the supplier panels will work for the benefit of broader outcomes etc?

Supplier panels are an effective way to activate Broader Outcomes as, with the right focus, they allow for a diverse set of suppliers to access an opportunity collectively. This can then achieve additional benefits such as:

- the opportunity does not permit only one supplier to be successful if it is of particular benefit to smaller/local/diverse suppliers
- cross-panel learning opportunities where larger suppliers may take on a mentoring or coaching role for smaller suppliers
- consistent spend with a panel of suppliers meaning guarantee of work creates stronger cashflow, again of particular benefit to smaller/local/diverse suppliers.

How are we working with Council-controlled Organisations on Procurement frameworks and aggregated purchasing?

This is something Commercial Partnerships will work on once the appropriate procurement policy and associated frameworks are co-developed and embedded within Council.

Aggregating volume to enhance our negotiation position is a key element of our contract management analysis and procurement function going forward.

We are working on making the connections with the CCO's to understand their requirements and how we can align with other Business Groups to ensure consistent and efficient procurement.

How are/will we measure impact and report on this - ie changing to the electric fleet will reduce xxx emissions.

WCC's newly purchased carbon accounting software (currently in the process of being implemented) is designed to track and report on WCC's carbon emissions in support of Te Atakura. Within the scope of this accounting platform is the tracking of vehicle emissions. As WCC transition from ICE to EV, the intent is to capture and track these emissions reductions via this platform. This platform will also enable WCC to track other emissions such as air travel, waste and electricity.

Until this implementation is complete, reductions in fleet fuel usage (and associated carbon emissions) are able to be reported on by the Climate Change Response team through existing data sources.

With regards to Broader Outcome reporting, this depends on the nature of the outcomes sought with different impact measurements or reporting mechanisms utilised. Sound contract management will be applied to all contracts, in particular where bespoke reporting arrangements are needed to monitor and manage social impact assessments or long-term case studies. As part of Councils Contract Management Framework there will be an investigation into what digital tools might best suit Broader Outcomes, as part of good contract management we intend to digitise our approach to measurements and reporting where possible. At present, there is a Broader Outcomes reporting template that will be employed, alongside written and video case studies that will be requested to highlight particular successes and learnings as they develop.

Are we working with any independent organisations to help us record and communicate these impacts?

Not at present through Commercial Partnerships, with the exception of fuel as noted above. This will be considered as part of our digital tool exploration. Sharing success stories and learnings both at Council, with our wider local government partnerships and across the public sector procurement community are key to our wider activation of Broader Outcomes at Council. This is also a topic of interest for the Broader Outcomes Hapori (working-group) so we will ensure Council is involved in any discussions the sector are having on this – as of yet there is no consistent approach across public sector procurement teams, nor a defined approach given by New Zealand Government Procurement Group.

Have we made out the new Procurement Framework strategy public on our website? It looks like our procurement policy is the only thing that's available for the public. Do we have a plan for this?

The plan is to update the information available on our website once we also have a finalised Procurement Policy /procedures and Contract Management Framework. This update will also include the Broader Outcomes approach and toolkit. We are looking to develop an interactive set of documents to better enable engagement both internally and with the market.

Paragraph 29 - what is the timeline for the procurement policy to come to the council for review?

The procurement policy is an operational tool – it is not envisaged to have Council approval. The Council sets the strategic direction via the Procurement Strategy. Happy to discuss this further though.

In the purchase of electric vehicles, have we considered the use of car share services with a view to reducing the need for vehicle purchase?

In short yes, however, with the current COVID protocols in place (in particular the need for cleaning and sanitisation after use) car sharing is not practical. This will be re-addressed in the future. We have undertaken an optimisation study and this data has demonstrated that Council will be able to rationalise its light passenger vehicle fleet. We are working through the replacement plan, taking this data into account along with other available options such as Mevo, Uber, E-bikes and other mobility-as-a-service options.

How does a typical council team member work with the new frameworks and report on the impact on the four well beings?

The new frameworks (Contract Management Framework, Broader Outcomes Strategy) being embedded in Council procurement led by the Commercial Partnerships team will allow council staff the opportunity to use the commercial lever that is our procurement function to achieve the four well-beings. The Local Government (Community Well-being) Amendment Act 2019 is a foundation for local government to ensure social, cultural, economic and environmental outcomes are prioritised in short and long-term plans, and our four Broader Outcomes target outcome areas – Māori, Taiao (environment), Pāpori (social/community), and Ōhanga (economy) - directly supports this to be achieved through our day-to-day commercial activities. It is the evolution of our commercial function from cost-driven mentality to a more value for money plus outcomes based approach, making it easier for Council to pursue, monitor and report on our progress on the four well-beings.

How does working with broader outcomes working group working beneficially - could you provide an example please?

Because Broader Outcomes is a new practice for the government procurement sector, and a growing area of development for the international procurement community – especially in Aotearoa – participating in the Broader Outcomes Hapori means we can be part of sector-wide learnings as they happen, share and receive resources with the sector, and be closer to opportunities to collaborate with our local and central government partners. A key feature of the Hapori is having national and international best practice examples be presented to the group, which provide Council with invaluable learnings to bring back to our own commercial activities. A recent example is in the infrastructure sector where there is a drive to create more opportunities to collaborate on Broader Outcomes with central government agencies like Waka Kotahi and Kāinga Ora – we want Council to be involved in those discussions so we can make the most of opportunities for our region and communities.

Please confirm that the Te Upoko o te Ika policy has already been signed off by the Mayor. We will follow up with the Mayors office and circulate the signed copy to all Councillors.

Would it be possible to develop a dashboard-type reporting diagram to show projects, progress and impact?

This is currently being scoped in conjunction with the Project Management Office.

2.2 Water Activity Rates Setting

Is there any way to have the users repay over a long period of time or as part of their next years' water bill?

Not directly as a repayment. However, the recommended debt funding is proposed to be repaid via the Water Activity over time.

What % were commercial/private water rates?

There are 3151 commercial water meters around the city, and 630 residential water meters. However, some residential water meters service an individual property and others service an entire apartment building.

What will the impact be on rates for the coming year?

As we do not yet know what the year-end position will be, due to both the volumetric nature of the error and whether there will be any other underlying surpluses that may fund the lost revenue it is not possible to calculate the rates impact on 2022/23. Once the exact amount is known, any debt repayments could begin the following financial year 2023/24 (if needed).

Has this been added to the rates increase that was discussed at the last committee?

No – as above