



**AGENDA FOR A
MEETING OF THE**

**FINANCE AND PERFORMANCE
COMMITTEE**

**TO BE HELD IN THE
COUNCIL CHAMBERS**

**SELWYN DISTRICT COUNCIL
ROLLESTON**

WEDNESDAY 20 NOVEMBER 2024

COMMENCING AT 9AM

Finance & Performance Committee - 20 November 2024 Public Agenda

Attendees: Councillors S N O H Epiha (Chair), G S F Miller (Deputy Chair), Mayor Sam Broughton, Councillors, P M Dean, L L Gliddon, D Hasson, M B Lyall, S G McInnes, R H Mugford, E S Mundt & N C Reid & Ms M McKay

20 November 2024 09:00 AM

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Public portions of this meeting are audio-recorded and livestreamed via the Council's YouTube channel.

Members attending by means of audio link or audiovisual link are able to be counted as present for the purposes of a quorum and able to vote. The recently enacted Local Government Electoral Legislation Act has made these emergency provisions permanent, and this came into effect in October 2024. Standing Orders have been amended to reflect any changes.

OPENING KARAKIA

Whakataka te hau ki
te uru

Cease the winds from
the west

Whakataka te hau ki
te tonga

Cease the winds from
the south

Kia mākinakina ki uta

Let the breeze blow over
the land

Kia mātaratara ki tai

Let the breeze blow over
the sea

E hī ake ana te
atakura

Let the red-tipped dawn
come with a sharpened
air

He tio, he huka, he
hau hū

A touch of frost, a
promise of a glorious
day

Tīhei mauri ora!

**MINUTES OF AN ORDINARY MEETING OF THE
FINANCE & PERFORMANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER
ON WEDNESDAY 18 SEPTEMBER 2024
COMMENCING AT 1PM**

PRESENT

Councillors M B Lyall (Chairperson), S N O H Epiha (Online), P M Dean, D Hasson (Online), S G McInnes, E S Mundt, R H Mugford and Ms M McKay.

IN ATTENDANCE

Mrs S Mason (Chief Executive); Messrs. S Gibling (Executive Director People, Culture and Capability), T Mason (Executive Director Infrastructure and Property), M McGrath (Chief Digital Officer), K Narang (Head of Capital Works); Mesdames A Sneddon (Chief Financial Officer), F Radcliffe (Financial Controller), M Scott (Finance Business Partner), J Nicholson (Head of Programme and Performance), S Carnoutsos (Head of Marketing and Communications), R Coulson (Project Practice Lead), T Van Der Velde (Assistant to the ED Enabling Services) and C Bennet (Governance Coordinator).

The meeting was livestreamed.

The Chairperson welcomed everyone to the meeting, also those listening online.

APOLOGIES

Apologies were received in respect of Mayor Broughton and Councillors Miller, Gliddon, and Reid.

Moved – Councillor Dean / **Seconded** – Councillor Mugford

‘That the Finance and Performance Committee receives the apologies from Mayor Broughton and Councillors Miller, Gliddon and Reid, as notified.’

CARRIED

IDENTIFICATION OF ANY EXTRAORDINARY BUSINESS

None.

CONFLICTS OF INTEREST

None.

PUBLIC FORUM

None.

CONFIRMATION OF MINUTES

1. Minutes of the ordinary meeting of the Finance and Performance Committee held in the Council Chamber on Wednesday 24 July 2024

Moved – Councillor Mugford / **Seconded** – Councillor Cr Dean

‘That the Finance and Performance Committee confirms the minutes of the ordinary meeting of the Committee held on Wednesday 24 July 2024, as circulated.’

CARRIED

REPORTS

1. Chairperson’s Report

Chairperson’s Report

Moved – Councillor McInnes / **Seconded** – Councillor Dean

‘That the Finance and Performance Committee receives the Chairperson’s report for information.’

CARRIED

‘Councillor Hasson joined online at 1.02pm’

2. Chief Financial Officer

Chief Financial Officer Report to July 2024

The Chief Financial Officer, commented that the June 24 year-end report is showing as a surplus but noted there are still some technical accounting adjustments to be considered.

For the July 24 report, overall it is reporting at a surplus, noting that key variances in the Development Contributions and Subsidies and Grants which are unfavourable to budget will be offset by favourable variances.

Audit New Zealand will be onsite in October for the audit of the Annual Report. Planning has been undertaken and no changes to accounting standards this year.

The Chief Financial Officer noted that later in the meeting both her and the Chief Digital Officer will talk to the Digital Strategy, Financial Hygiene Project presentation.

Two dashboards were circulated to Councillors this morning and added to Diligent titled June FY24 and July 2024.

These dashboards included a breakdown of the Development Contributions.

Moved – Councillor McInnes / **Seconded** – Councillor Dean

‘That the Finance and Performance Committee receives for information the report – CFO Report to July 2024.’

CARRIED

3. Chief Financial Officer

Finance and Performance Reports – June and July 2024

June:

Ms Firangiz Radcliffe, Financial Controller, spoke to the report, she explained that the dashboards were provided as supplementary information to the reports contained in the agenda and the dashboards are based on the traffic light system. Ms Radcliffe advised that there are still some adjustments to come through in the reporting as they finalise the Annual Report, therefore these numbers should be taken as a draft at the time of writing the report.

‘Councillor Epiha left the meeting 1.10pm’

Ms Radcliffe provided a high-level summary of the June report. The majority of items were favourable to the budget.

A Councillor queried rates penalties, by asking what they are, when Council is imposing them and how many ratepayers they affect.

Ms Radcliffe responded that penalties are enforced on any overdue rate instalments. Staff will investigate the number of ratepayers this applies to and will provide that information to Councillors at a later date.

July:

Ms Radcliffe provided a high-level summary of the July report.

The Chief Financial Officer noted that the consulting fees, there is an adverse variance, with \$92k attributed to digital. Some project costs will be reallocated, including items from the Digital Project approved in the Long Term Plan. Once these items currently coded to consultants are moved, the variance will be offset.

The Chief Financial Officer also noted that Council’s debt position has not moved, however, Council have a new Capital and Projects Accountant who has been hired and will work with project staff to make sure that the borrowing is in keeping with the capital programme.

Councillors thanked staff for the dashboards.

June

Moved – Councillor Dean / **Seconded** – Councillor Mugford

‘That the Finance and Performance Committee receives for information the report – Selwyn District Council Financials to 30 June 2024’

CARRIED

July

Moved – Councillor Dean / **Seconded** – Councillor Mundt

‘That the Finance and Performance Committee receives for information the report – Selwyn District Council Financials to 31 July 2024’

CARRIED

4. Head of Programme and Performance

Organisational Projects – FY 2023/24 and 31 July 2024

Ms Jennie Nicholson, Head of Programme and Performance and Mr Kamal Narang, Head of Capital Works provided a joint overview of the report.

It was noted there may have been some movements or progress since the report had been written and highlighted these.

The year-to-date actual for the month of July is \$4,548,611, accruals are anticipated for July therefore, the next time the report is produced in November, the figure for July is expected to be higher.

Staff spoke of the development of Apex, the project reporting platform, a platform that helps move away from a spreadsheet-based system which will facilitate improvements with transparency and performance.

The Executive Director for Infrastructure and Property, Tim Mason emphasised the importance of the master project programme, considering the project programme of work is super complex, the master project programme will enable staff to benchmark projects and cost load projects. This means governance can get a clear view of what the Council's forecast spend is over the next 12 months which allows drive for conversation.

Mr Narang provided a summary of the Infrastructure and Property projects in the table listed on page 37 of the agenda and noted some minor corrections that need to be considered these are as follows:

Line 1: The Pines WWTP, the budget shown is still the financial year of 26/27 and does not indicate the full budget that is indicated in the Long Term Plan but a schedule of works that is still happening, therefore it is approximately \$ 9 million that needs to be spent this year, this budget will continue to 26/27, therefore, the dates recorded should be June 27 for both planned and estimated completion.

Line 3: Prebbleton Reservoir and Pipework Waterworks, a correction in terms of estimated completion between April 25 and June 25, looking for an earlier completion.

Line 6: Ellesmere to Pines Wastewater Pipeline progressing well, and the date recorded should be December 2025 for both planned and estimated completion.

Mrs Nicholson discussed the project health checks, which are a point-in-time evaluation of the project against the Project Management Framework that has been designed based on best practice.

'Cr Dean left the Chambers at 1.53pm'

A Councillor questioned the overspend on the Tourism Infrastructure Funds (TIF) unplanned work. Staff explained that the TIF fund operates on a spend-and-reimbursement basis, covering half of the costs. The majority of the expenditures are

related to public toilets across the district. Staff noted that the TIF projects don't generally follow Councils financial year, which could explain the reported overspend. Staff will investigate this further and provide an update.

Moved – Councillor Mugford / **Seconded** – Councillor McInnes

'That the Finance and Performance Committee receive for information the report – Organisational Projects – FY 2023/24 and 31 July 2024'

CARRIED

5. Financial Hygiene Project Presentation

The Chief Digital Officer took his presentation as read and provided a summary.

The Chief Executive Officer noted that staff feedback from previous surveys has highlighted frustrations with the limited digital visibility of financial information. Councillors expressed their support for investing in digital solutions to enhance customer experience in the Long Term Plan. This initiative is now beginning to take shape, making it easier to access financial data. With the assistance of financial business partners, staff will have greater visibility of financial information at their fingertips.

There was a discussion about general ledger code numbers and the need to set parameters to ensure that permissions are correct and ensuring the right controls are in place.

'Councillor Mundt left the Chambers at 2.09pm'

The meeting adjourned between 2.10pm-2.20pm

The public meeting moved into public excluded at 2.19pm. The meeting resumed in open meeting at 3.30pm.

With no further business being discussed, the meeting closed at 3.30pm.

GENERAL BUSINESS

None noted.

MATTERS RAISED IN PUBLIC FORUM

No public forum at this meeting.

RESOLUTION TO EXCLUDE THE PUBLIC**Moved** – Councillor McInnes / **Seconded** – Councillor Mugford

'That the public be excluded from the following proceedings of this meeting. The general subject matter to be considered while the public is excluded, the reason of passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reasons for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Date information can be released
1.	Property Transaction Update	<i>Good reason to withhold exists under Section 7</i>	<i>Section 48(1)(a)</i>	At a date to be determined
2.	Lease Database Report			At a date to be determined

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1 & 2	Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or	Section 7(2)(h)
1 & 2	Enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 7(2)(i)

that appropriate officers remain to provide advice to the Committee.'

CARRIED

The public meeting moved into public excluded at 2.19pm. The meeting resumed in open meeting at 2.39pm.

With no further business being discussed, the meeting closed at 2.39pm.

DATED this day of 2024

CHAIRPERSON



**Council Committee
Terms of Reference**

For the 2022-2025 Triennium

Adopted by Selwyn District Council

14 December 2022

List of Committees

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INTRODUCTION

1. General Principles of Delegation

This document sets out the terms of reference and delegations for Selwyn District Council, and its committees and subcommittees. It also sets out the responsibilities of and delegations associated with certain roles, including the Mayor, Deputy Mayor, Chief Executive, Committee and Subcommittee Chairs and Deputy Chairs.

The Council's functions are wide-ranging, and it has obligations and powers under many statutes and regulations.

These terms of reference are intended to allow the Council to ensure that its powers and functions are exercised at a level commensurate with efficiency and effectiveness and the significance of the power or function.

2. Establishment of Committees

Procedures, responsibilities, and accountabilities

Subject to the following limitations, the committees of the whole shall have power to act in all matters concerning the functions listed in their respective delegations, provided they do not conflict with stated policy of Council. In respect of matters requiring financial input the committee's power is limited to the extent that provision has been made in the annual budgets and in the Long-Term Plan.

All Committees of the Whole:

- a) Shall be responsible for planning, reviewing and implementation of functions, duties, and powers in respect of their delegations
- b) Shall be responsible for monitoring performance (including budget and performance targets) for their areas of responsibility
- c) Have delegated power to appoint subcommittees and to delegate their powers to that subcommittee.
- d) May delegate their powers to an officer of the Council
- e) Can delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002 (LGA)
- f) Any committee of the whole has the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction. (This allows for setting of fees and bylaw making processes up to but not including adoption)
- g) All committees of the whole shall undertake such other functions as may be delegated by Council from time to time and are able to provide recommendations to council where appropriate

- h) When an Act or Regulation empowers 'the Council' to carry out a decision-making function, that decision must be made by way of resolution of the full council unless the Act or Regulation permits delegation to a committee, subcommittee or officer
- i) Council cannot delegate any of the following matters to committees, subcommittees or any other subordinate decision-making body (Clause 32(1)(a)- (h) of Schedule 7 of the Act):
 - a) the power to make a rate
 - b) the power to make a bylaw
 - c) the power to borrow money, or purchase or dispose of assets, other than in
 - d) accordance with the long-term plan
 - e) the power to adopt a long-term plan, annual plan or annual report
 - f) the power to appoint a chief executive
 - g) the power to adopt policies required to be adopted and consulted on under the Local Government 2002 in association with the long-term plan or developed for the purpose of the local governance statement
 - h) the power to adopt a remuneration and employment policy.
- j) The power to make or alter any council policy is limited to those instances where that power has been specifically delegated to the committee
- k) Any committee of the whole can approve submissions on legislation
- l) All Council committees will follow Tikanga and will open and close with a karakia

3. Committees

Committee includes, in relation to the Council:

- a) A committee comprising all the members of the Council;
- b) A standing committee or special committee appointed by the Council;
- c) A standing committee or special committee appointed by the Mayor;
- d) A joint committee appointed under clause 30 of Schedule 7 of the Local Government Act 2002;
- e) Any subcommittee of a committee described in items (a) (b), (c) or (d) of this definition; or
- f) A subordinate decision-making body, including Subcommittees and Forums

The terms of reference and delegations to Committees and Subcommittees are set out in full in this document. In respect of committees and subcommittees:

- a) The committees have no decision making powers other than those set out in these terms of reference
- b) Any committee may request expert advice through the Chief Executive where necessary

- c) The committees may make recommendations to their governing committee or Council, or Chief Executive as appropriate

4. Working groups

Working groups may be recommended by committees and subcommittees for Council approval. Working groups are set up to investigate a specific issue within their area of focus and report back within a specific timeframe. Working groups are made up of members of the committee or subcommittee. Working groups do not have decision making power. Working groups enable Councillors to work constructively and collegially together to consider an issue and collectively work on solutions.

5. Quorum

Unless otherwise specified, a quorum is defined as a half, if the total number of members is even or a majority, if the total number of members is odd. The quorum for committees and subcommittees are stated in the relevant terms of reference. The Mayor is included in calculating the quorum and is counted towards the quorum when present. Appointed members are included in calculating the quorum and are counted towards the quorum when present.

6. Ambiguity and Conflict

In the event of ambiguity or conflict between any of the provisions contained in these terms of reference, the Chief Executive can provide advice. If the ambiguity or conflict results in uncertainty or dispute as to which chairperson, committee or subcommittee has the delegation to act in respect of a particular matter, then the Mayor will decide in consultation with the Deputy Mayor and having received advice from the Chief Executive. The decision of the Mayor will be final and binding.

In resolving ambiguity or conflict in the allocation of matters to committees, the guiding principle is that the primary outcome of the decision required should determine which committee deals with the matter.

FINANCE AND PERFORMANCE COMMITTEE - TERMS OF REFERENCE

The Finance and Performance Committee shall be a Committee of Council, established by Council and is a Committee of the whole. The existence of the Committee does not remove from council any of its legal obligations or responsibilities.

Chair:	Councillor Epiha
Deputy Chair:	Councillor Miller
Members:	All Councillors Ms Megan McKay (Te Taumutu Rūnanga) Representative from Te Ngāi Tūāhuriri Rūnanga
Quorum:	Six (being a majority of the members physically present where the numbers of members are uneven, as per S.O 11.1(b))
Meeting Cycle:	Eight weekly or as required
Delegations Powers:	The Committee has the powers necessary to perform its responsibilities within the approved Long Term Plan and Annual Budgets
Reporting Officer:	Executive Director Enabling Services

1 Purpose

The purpose of the Finance and Performance Committee is to:

- partner with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga
- enable, monitor, and review progress and performance of the Council in delivering its long-term and annual plans
- ensure risks are effectively identified and managed
- empower Council Officers to execute their responsibilities effectively, transparently and with integrity
- ensure compliance with applicable laws, regulations, and best practice

The Committee will request information and reports from staff on matters achieve its purpose.

The Council delegates to the Finance and Performance Committee authority to oversee and make decisions on:

2 Monitoring financial performance (capital programme, operational expenditure, and income)

- 2.1 Monitoring the Council's performance including inquiring into any material variations from budget, financial strategy parameters and other targets set out in the long-term plan and / or annual plan
- 2.2 Monitoring the Council's performance against any benchmarks set under relevant legislation
- 2.3 As may be required from time-to-time approving budget variations and any reprogramming of capex for a project or programme provided that:

- the overall budget for the Activity Group is met from savings and efficiencies within the Activity Group
- the overall budget for capex is not exceeded

Where this is not the case, the Committee must recommend to Council that additional funding is approved (outside the annual plan or long-term plan process)

- 2.4 Approve any capital or other carry forward requests, including the use of operating surpluses as the case may be

3 Capital programme and procurement

- 3.1 Approved capital programme business and investment cases and any associated operational expenditure in Council's long-term plan
- 3.2 Monitoring the delivery (cost, time, and quality) of significant capital projects.
- 3.3 Approve the procurement plans (where applicable), preferred supplier and contracts for all capital expenditure where the value of the contract exceeds \$1m (noting that the Committee may delegate authority for approval of the preferred supplier and / or contract to the Chief Executive provided the procurement policy is followed)

4 Property

- 4.1 Approve the purchase or dispose of property where required for the delivery of the capital programme in according with the Council's long-term plan and where those acquisitions or disposals have not been delegated to another decision-making body of the Council or staff
- 4.2 Approve new leases and lease renewals (of non-reserve land) in accordance with the annual plan or long-term plan
- 4.3 Ensure all leases are current and property is managed in accordance with party agreements

5 Development Contributions

- 5.1 Exercise all of the Council's powers in relation to development of contributions, other than those delegated to the Chief Executive and Council officers as set out in the Council's Delegations Manual

6 Insurance

- 6.1 All insurance matters including considering legal advice from the Council's Legal and other advisors, approving further actions in relation to the issues, and authorising the taking of formal actions (Sub-delegated to the Audit and Risk Subcommittee as per the Subcommittees Terms of Reference)

7 Loan and Debt Write-offs

- 7.1 Approving debt write-offs where those debt write-offs are not delegated to staff
- 7.2 Approving amendments to loans in accordance with Council's long-term plan

8 Non-Financial Performance (Section 17a)

- 8.1 Monitoring the Council's performance against long term plan and annual plan key performance indicators and inquiring into any material variations

- 8.2 Amending levels of service targets, unless the decision is precluded under s97 of the Local Government Act 2002 (LGA 2002)
- 8.3 Exercising all the Council's powers under section 17a of the Local Government Act 2002, relating to service delivery reviews and decisions not to undertake a review

9 Annual plan and long-term plan

- 9.1 Recommending service level changes and new initiatives to the long-term plans and annual plans processes within its core area of focus
- 9.2 Provides oversight and monitors the development of the long-term plan (including associated strategies and policies) and annual plan

10 Council Investments

- 10.1 Monitoring the financial and non-financial performance of the Council's investments and Council Controlled Organisations (CCO)
- 10.2 Ascertain and outline the Council's key priorities for each CCO to address in their Statement of Intent, in an annual Letters of Expectations and issue these letters
- 10.3 Make governance decisions related to the CCOs under sections 65 to 72 of the LGA 2002
- 10.4 Exercising the Council's powers shareholder in relation to:
 - 10.4.1 (Without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors and approving policies related to Council Controlled Organisations; and
 - 10.4.2 In relation to the approval of Statements of Intent and their modification (if any)
- 10.5 Recommending to Council the acquisition or disposal of assets
- 10.6 Monitoring the performance of the investment portfolio in relation to Council's expected rates of return, and market rate of return

11 Submissions

- 11.1 The Council delegates the Committee to consider and approve draft submissions on behalf of the Council on topics within its Terms of Reference.
- 11.2 Where the timing of the consultation does not allow for consideration of a draft submission by the Council or relevant Committee, the draft submission can be considered an approved-on behalf of the Council

12 Chairperson may refer urgent matters to the Council

- 12.1 As may be necessary from time to time, the Committee Chairperson is authorised to refer urgent matters to the Council for decision, where this Committee would ordinarily have considered the matter. To exercise this authority:
 - 12.1.1 the Committee Advisor must inform the Chairperson in writing of the reasons while this referral is necessary
 - 12.1.2 the Chairperson must then respond to the Committee Advisor in writing of their decision
- 12.2 If the Chairperson agrees to refer the report to the Council, then Council may then assume decision-making authority for that specific report

13 Urgent matters referred from the Council

13.1 As may be necessary from time to time, the Mayor is authorised to refer urgent matters to this Committee for decision, where the Council would ordinarily have considered the matter, except for those matters listed in the limitations below. To exercise this authority:

13.1.1 The Committee Advisor must inform the Mayor and Chief Executive in writing the reasons why the referral is necessary.

13.1.2 The Mayor and Chief Executive must respond in writing with their decision.

13.2 If the Mayor and Chief Executive agrees to refer the report to the Committee, the Committee may then assume decision-making authority for that specific report.

14 Limitations

14.1 The general delegations to this Committee exclude any decision-making powers that are delegated to a Community Board, another Committee of Council or joint Committee

14.2 The Council retains the authority to adopt policies, strategies and bylaws

14.3 Council cannot delegate any of the following matters to committees, subcommittees or any other subordinate decision-making body (Clause 32(1)(a)- (h) of Schedule 7 of the Act):

15 Compliance with Legislation, Standards and Best Practice Guidelines

15.1 Review the effectiveness of the system for monitoring Council's compliance with laws, Council's own standards and best practice guidelines

16 Terms of Reference Review Process

16.1 On an annual basis the Committee will review its terms of reference to ensure all relevant legislation is acknowledged and incorporated

16.2 At the commencement of each calendar year the Committee will develop its work programme for the year ahead. The work programme will include linkage to Council's Long-term Plan and Annual Plan key activities and projects, the CEO's agreed KPIs and to risk assessment

TERMS OF REFERENCE REVIEW TABLE

Date of review	Status / summary of changes made
November 2022	TOR established
14 December 2022	Adopted by Council
1 March 2023	Adopted by the Committee
11 October 2023	Amended and adopted by Council
	Adopted by the Committee

REPORT

TO: Finance and Performance Committee
FROM: Chief Financial Officer
DATE: 20 November 2024
SUBJECT: CFO Report to September 2024

RECOMMENDATIONS

'That the Finance and Performance Committee receives the CFO reports for the September 24 financials and other related information.'

1. PURPOSE

The purpose of this report is to provide the Finance and Performance Committee with an overview of the financial position of Selwyn District Council and other key financial and performance reports relating to this Committee's Terms of Reference.

The summary here, within this report, and within the substantive agenda, contribute towards meeting the Finance and Performance Committees requirements of due diligence as stated in the Terms of Reference.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significance and Engagement Policy.

3. UPDATE TO SEPTEMBER

- **Financial Position**

September report. Overall, we are reporting a surplus of \$0.8m noting the key variances in Development Contributions and Subsidies and Grants (un-favourable to budget) offset by favourable variances to budget within expenditure.

- **Annual Report**

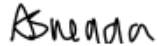
The audit of the Annual Report commenced mid-October; this is later than normal due to the extended timeframe for adopting our Long-Term Plan. Council adoption of the Annual Report will be December. We are working towards our Annual Report adoption date of December 11th.

- **Development Contributions**

As discussed at our last meeting work is ongoing to breakdown the reporting in this area thanking Cr Sophie McInnes and Cr Debra Hasson for their time and contribution. We are working towards bringing a report to the February meeting.

- **Projects Report**

We have taken the opportunity to look at how we present the information in this report with a move towards reporting on a key exception basis for projects. This, coupled with a vendor demonstration from Frequency to look at different ways of presenting the information to this Committee going forward.



Allison Sneddon
Chief Financial Officer

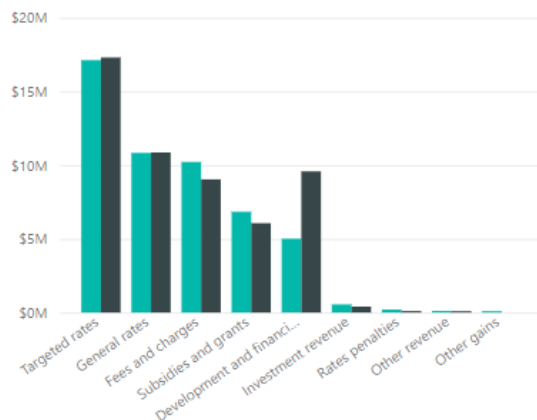
Overview

for the month ended 30 September 2024

Comparison of actuals to budgets

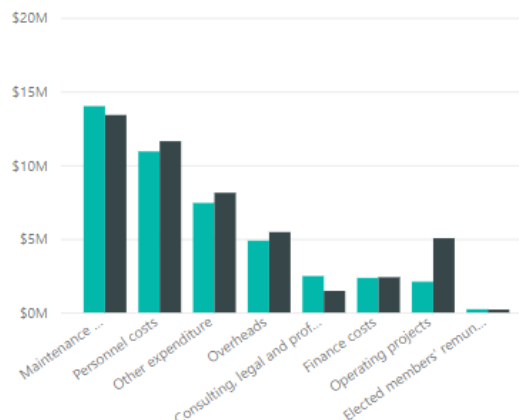
Revenue YTD Actual

● YTD Actuals ● YTD Budgets



Expenditure YTD Actual

● YTD Actuals ● YTD Budgets



Development Contributions 2024/25 Actual

Account	Malvern	Ellesmere	Springs	Rolleston	Total
Reserve	\$103,328	\$19,582	\$572,200	\$1,170,258	\$1,865,368
Sewerage	\$471,525	\$0	\$238,175	\$834,153	\$1,543,853
Water	\$455,401	\$0	\$166,479	\$351,391	\$973,271
Roading	\$110,597	\$415	\$132,217	\$219,645	\$462,874
Community	\$0	\$0	\$0	\$0	\$0
Storm water	\$0	\$0	\$162,260	\$0	\$162,260
Total	\$1,140,851	\$19,997	\$1,271,331	\$2,575,447	\$5,007,626

The dashboard displays the split by contribution types and wards. A separate paper covers the development contributions component.

Revenue

Month

Year to date

Full year (forecast)

\$16.2M

Revenue September 2024

\$50.9M

Revenue YTD

\$219.2M

Projected revenue 2024/25

\$17.8M

Budget September 2024

\$53.4M

Budget YTD

\$220.8M

Revenue budget 2024/25

(\$1.6M)

Variance September 2024

(\$2.6M)

Variance YTD

(\$1.6M)

Projected variance

Expenditure

\$14.8M

Expenditure September 2024

\$44.4M

Expenditure YTD

\$175.9M

Projected expend. 2024/25

\$15.3M

Budget September 2024

\$47.7M

Budget YTD

\$176.3M

Budget 2024/25

\$0.4M

Variance September 2024

\$3.3M

Variance YTD

\$0.4M

Projected variance

REPORT

TO: Chief Executive Officer

FOR: Finance and Performance Committee

FROM: Chief Financial Officer

DATE: 25 October 2024

SUBJECT: **Selwyn District Council Financials for the period to 30 September 2024**

RECOMMENDATION

'That the Finance and Performance Committee receives for information the report – Selwyn District Council Finance and Performance Report for the period 1 – 30 September 2024'.

1. PURPOSE

The purpose of this report is to provide the Finance and Performance Committee with a summary of the financial and operational performance against the planned performance highlighting any material variances.

This report covers the month of September and is based on the Council's monthly management accounting and performance information. It does not include technical accounting adjustments; these are made at the end of the year to comply with accounting standards. The expenditure information is accrual-based and does not include depreciation.

The Council's performance targets are assessed at different frequencies throughout the year. If a target is measured annually, the result will be included when measurement has been undertaken or when an estimate of current performance is made.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is not considered to be significant in the context of the Council's Significance Policy. As it is for the Council's information.

Report of:

Allison Sneddon
Chief Financial Officer

DASHBOARD (see separate handout preceding this paper)

FORECAST

Capex projects have been rephased for the remainder of the financial year to better reflect the timing of the expenditure on the projects. The above simple forecast uses Year To Date (YTD) actuals and October – June budgets to give a projected full year revenue and expenditure forecast.

DEVELOPMENT CONTRIBUTIONS

Development contributions of \$5m have been received YTD September. The dashboard displays the split by contribution types and wards. A separate paper included in today's meeting agenda covers the development contributions component.

Further comment has been included below the (surplus)/deficit before depreciation, amortisation & tax about development contributions received.

(SURPLUS) / DEFICIT BEFORE DEPRECIATION, AMORTISATION & TAX

	2024/25 YTD Actuals September	2024/25 YTD Budgets September	2024/25 YTD Variance September	2024/25 Full Year Budget	2023/24 Full Year Actuals
Revenue	(50,867,494)	(53,424,137)	(2,556,643)	(220,782,477)	(178,747,163)
General rates	(10,828,620)	(10,858,986)	(30,366)	(43,435,927)	(34,710,284)
Targeted rates	(17,119,415)	(17,303,280)	(183,865)	(71,159,214)	(60,898,216)
Rates penalties	(199,437)	(99,999)	99,438	(400,000)	(495,254)
Development and financial contributions	(5,007,626)	(9,577,869)	(4,570,243)	(38,311,497)	(14,959,443)
Subsidies and grants	(6,837,894)	(6,060,164)	777,730	(24,038,243)	(27,314,791)
Fees and charges	(10,216,213)	(9,033,090)	1,183,123	(34,117,210)	(34,273,067)
Investment revenue	(551,705)	(403,248)	148,457	(5,965,000)	(7,525,413)
Other revenue	(106,583)	(87,501)	19,082	(350,000)	(273,405)
Other gains	(1)	0	1	(3,005,386)	1,702,709
Expenditure	44,386,617	47,721,618	3,335,001	176,302,223	146,218,965
Personnel costs	10,930,605	11,624,475	693,870	46,791,655	41,657,326
Elected members' remuneration	222,991	202,512	(20,479)	810,055	838,473
Maintenance expenditure	14,002,178	13,403,364	(598,814)	53,354,131	47,437,791
Consulting, legal and professional services	2,477,370	1,467,611	(1,009,759)	6,172,444	8,166,507
Overheads	4,876,506	5,459,208	582,702	9,752,292	9,148,760
Other expenditure	7,431,947	8,125,412	693,465	28,767,259	18,258,251
Finance costs	2,350,579	2,396,238	45,659	8,566,460	5,099,480
Operating projects	2,094,441	5,042,798	2,948,357	22,087,927	15,612,376
Total	(6,480,877)	(5,702,519)	778,358	(44,480,254)	(32,528,197)

For the period ended 30 September 2024, the Council's YTD net operating surplus (excluding vested asset revenue and depreciation) is \$6.5m, favourable to budget by \$0.8m.

Total YTD revenue (excluding vested assets) for the period ended 30 September was \$51m, unfavourable to budget by \$2.5m. The key drivers were:

- Reduced receipts for development and financial contribution charges of \$4.6m due to the timing of when development contributions are received being difficult to predict.

Offset by:

- Increased receipts for fees and charges of \$1.2m due to increased resource consent fees, general receipts, registration fees and building consents.

For the period ended 30 September 2024, the Council's YTD operating expenses (excluding depreciation and amortisation) were \$44m, favourable to budget by \$3.3m.

The YTD favourable variances compared with the budget are:

- Operating projects are \$2.9m favourable to budget. This underspend spans the majority of the operating projects and is expected to catch up to budget in subsequent months.
- Personnel costs are \$0.7m favourable to budget YTD. This variance is expected to come in line after union remuneration negotiations are finalised and payments are made in October.
- Other expenditure is favourable to budget by \$583k. YTD favourable variances include monitoring of water quality of \$193k, general expenses of \$144k, conference and training of \$120k, and donations and grants of \$68k. It is expected that these expenditures will be incurred in the coming months.

The unfavourable variances compared with the budget are:

- Maintenance expenditure of YTD \$14m is unfavourable to budget by \$598k. Transportation maintenance costs are over budget by \$688k for the month, and traffic services maintenance is over budget by \$336k due seasonal costs of winter ice and snow clearing and road inspections as well as a high volume of drainage, sealed and unsealed road maintenance. The total for maintenance expenditure is partially offset by township maintenance costs which are underspent to budget by \$506k YTD.
- Consulting, legal and professional services fees are \$1m unfavourable for the month. Building and resource management teams fees are over budget by \$726k YTD, however these costs are directly recoverable through increased building and resource consents fees.

CAPITAL SUMMARY

	2024/25 MTD Actuals September	2024/25 MTD Budgets September	2024/25 MTD Variance September	2024/25 YTD Actuals September	2024/25 YTD Budgets September	2024/25 YTD Variance September	2024/25 Full Year Budget	2023/24 Full Year Actuals
Total Capital projects	10,607,706	10,096,632	(511,074)	27,125,136	26,337,627	(787,509)	159,400,546	95,605,329
Capital projects	8,122,541	7,611,464	(511,077)	22,847,590	22,060,078	(787,512)	134,798,783	71,239,742
431. Low cost low risk	0	0	0	8,662	0	(8,662)	0	574,681
900. Capital Projects	8,122,541	7,611,464	(511,077)	22,838,927	22,060,078	(778,849)	134,798,783	70,665,061
Renewal projects	2,485,165	2,485,168	3	4,277,547	4,277,549	2	24,601,763	24,365,587
423. Transportation renewals	1,181,990	1,181,992	2	2,201,331	2,201,332	1	12,109,120	15,122,632
905. Renewal Projects	1,303,175	1,303,176	1	2,076,216	2,076,217	2	12,492,643	9,242,955

The Council's capital investment in assets and infrastructure totals \$10.6m for the period ended 30 September 2024, \$0.5m more than the rephased budget. The capital projects report provides further details of the capital expenditure progress for the financial year.

BALANCE SHEET

	2024/25 YTD Actuals September	Movement to 30 June 2024	2023/24 Full Year Actuals	2024/25 Full Year Budget
Current Assets	51,206,963	(14,734,726)	65,941,689	48,606,266
Cash and cash equivalents	16,125,840	(11,272,986)	27,398,826	21,925,918
Receivables	21,100,465	(3,476,236)	24,576,701	14,000,000
Inventory and work in progress	35,659	14,496	21,163	30,348
Financial Assets	13,945,000	0	13,945,000	12,650,000
Non Current Assets	2,988,505,670	9,782,711	2,978,722,959	3,256,841,155
Investment in ccos and other similar entities	202,756,615	0	202,756,615	195,604,615
Property plant and equipment	2,785,262,086	9,782,711	2,775,479,375	3,061,111,265
Forestry assets	486,969	0	486,969	125,275
Current Liabilities	(46,694,292)	(5,538,623)	(41,155,669)	(31,000,000)
Payables and deferred revenue	(44,345,949)	(4,513,848)	(39,832,101)	(29,734,671)
Employee benefit liabilities	(2,348,343)	(1,024,774)	(1,323,568)	(1,265,329)
Non Current Liabilities	(179,560,627)	2,200	(179,562,827)	(258,854,792)
Borrowings	(179,560,627)		(179,562,827)	(258,854,792)
Equity	(2,813,457,714)	10,488,438	(2,823,946,152)	(3,015,592,629)
Accumulated Funds	(1,241,974,920)	10,082,394	(1,252,057,314)	(1,316,441,579)
Revaluation reserves	(1,532,368,185)	399,044	(1,532,767,228)	(1,674,699,213)
Restricted reserves	(39,114,610)	7,000	(39,121,610)	(24,451,837)

Cash and cash equivalents of \$16.1m have decreased by \$11.3m since year end 30 June 2024 with cashflow used to fund the capital programme and operational expenditure.

Receivables of \$21.1m have decreased by \$3.5m since year end 30 June 2024. This is in line with expectations as the Council's receivables fluctuate with rates instalments.

Payables of \$44.4m have increased by \$5.5m since year end 30 June. This mostly relates to trade payables.

Debt Position Council's external borrowing position has remained unchanged since last month at \$179.6m. External borrowings are \$185m, offset by interest rate swaps of \$5.4m. The headroom to limit remains at \$118.6m.

Property, plant and equipment of \$2.8b has increased by \$9.8m since year end 30 June 2024. Projects include Sewerage \$2m (mainly Ellesmere to Pines pipeline), \$1.5m roading, \$1.2m urban water projects, \$1m Resource Recovery Park enhancements and \$1m Darfield swimming pool build.

REPORT

TO: Chief Executive

FOR: Finance and Performance Committee Meeting

FROM: Kamal Narang – Head of Capital Works
Peter Edghill – Capital & Projects Accountant

DATE: 01 November 2024

SUBJECT: **ORGANISATIONAL PROJECTS AND PERFORMANCE 01 JULY 2024 TO 30 SEPTEMBER 2024 (Q1 2024/25).**

RECOMMENDATION

'That the Finance and Performance Committee receive for information the Organisational Projects and Performance Report for the reporting period 01 July 2024 to 30 September 2024 (Q1 2024/25).'

1. PURPOSE

The purpose of this report is to provide the Committee with an update on the status of the Council's capital project expenditure and Major Project Portfolio across council.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is for information only and is therefore considered to be of low significance in the context of the Council's Significance and Engagement Policy.

3. ORGANISATIONAL PROJECTS

The Council projects plan total for FY 2024/25 is \$181,488,473 with a capital programme consisting of approximately 650 GL codes and 278 GL codes have incurred some level costs in the first quarter. 85% of spend in the first quarter can be found amongst 31 GL codes. Figure 1 below represents the phased budget by quarters of FY 2024/25.

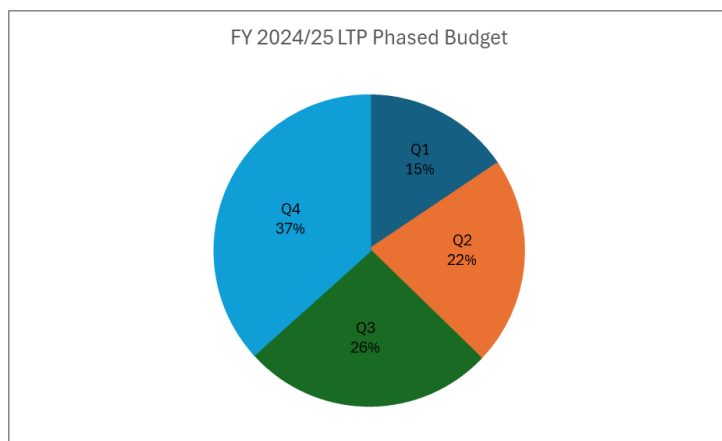


Figure 1. FY2024/25 Phased budget spend

Best practise is for project reporting to be planned over three (3) financial years, as the Long-Term Plan (LTP) represents a significant approved work programme extending over the next ten (10) years. As per table below, the Total budget for the next 3 financial years is approximately \$551M. Focusing on

capital delivery within a three-year timeframe allows the Council to phase the work in a way that considers constraints, and the capacity and capability of infrastructure delivery systems. This approach ensures project optimisation, alignment with the budgeting LTP cycle, enhances transparency, supports long-term planning, and facilitates effective risk management. Additionally, this framework provides flexibility for mid-course adjustments, ongoing evaluation, and continuous improvement in the management and delivery of public services.

	Year 1	Year 2	Year 3
	FY 2024/25	FY 2025/26	FY 2026/27
Annual Budget	\$181,488,473	\$173,542,220	\$196,004,801
Total Budget for 3 years	\$551,035,494		

Q1 2024-25 Progress and Expenditure

Q1 Budget	Q1 Actuals	Total Annual Budget	% Budget complete	Forecast Carry Forward
\$28,308,969	\$29,219,577	\$181,488,473	16%	\$14,392,289

Note:

- \$181,488,473 FY 2024/25 budget is expected to change noting the National Land Transport Programme (NLTP) changes.
- Carry forwards includes projects that have been value engineered and provide an opportunity to Selwyn District. The forecast carry forward comprises approximately \$4M of transport projects, \$2M Stormwater, \$2M of Wastewater, \$1.7M of Facility builds, \$1.4M of Reserves and \$1M of Emergency management. These figures are approximate and other capital delivery work is being brought forward to balance the Total Annual Budget (or revised).

Q1 Budget spend is in line with Q1 Forecast following recent project rephasing. This now optimises project delivery and forms the baseline to evaluate portfolio progress to the end of the financial year.

The current phased programme as evident in Figure 2 below now reflects a more realistic expenditure curve, though further work is required to refine this initial piece of work. Going forward we will also include a forecast line that will show the current forecasted spend to the end of the year compared to the phased budget. Forecasts will be reviewed and updated monthly in line with project progress.

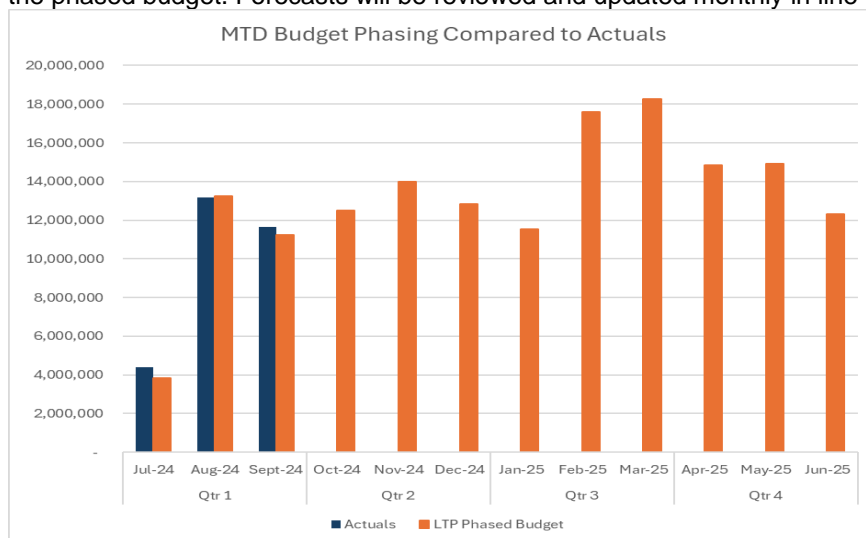


Figure 2. Phasing of capital spend over the different quarters

Water and roading projects continue to feature as Council's larger portfolios for our delivery programme. This aligns with Figure 3 where we can see that the majority of our budget and spend sits with the Infrastructure & Property team.

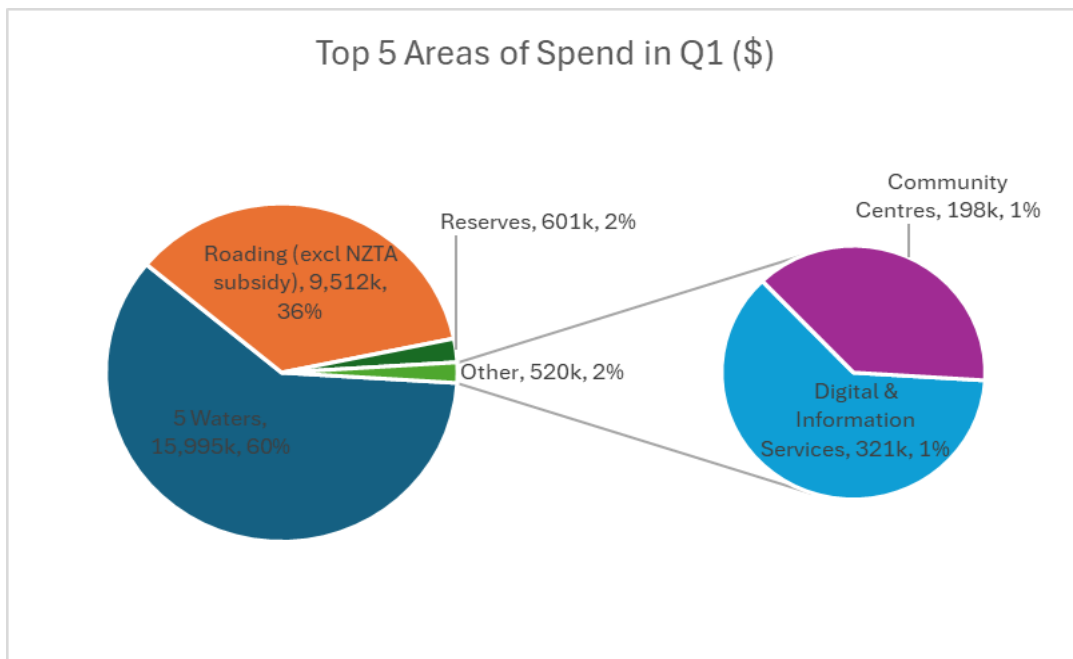


Figure 3. Top 5 Areas of Spend in 1st Quarter

Exception based Project Report

The exception-based project report tabled below, currently highlights projects that indicate a cost and or time status variance based on 2024-34 Long-Term Plan delivery. If projects are currently ontrack with project delivery, they are not being presented below. The previous project portfolio issues and risks can be found in the Appendix to the report.

Project	Practical Completion		Project Budget \$M			Project Progress	
	Plan	Forecast Final	Plan	Actual to date	EAC	Stage	Status
Prebbleton Roundabouts (x4)	Jun-25	Dec-24	\$31.53	\$27.80	\$33.03	Construction	Moderate
Prebbleton Reservoir and pipework	Mar-25	April-25	\$5.71	\$5.14	\$5.71	Construction	Minor
Ellesmere to Pines WW Pipeline	Dec-25	Jun-25	\$35.61	\$13.23	\$34.61	Construction	On track

Legend:

On Track	The project is tracking to plan
Minor	Minor issues or risks have been identified and are being managed
Moderate	Issues have been identified that could impact the project outcomes, programme and/or budget
Significant	Issues have had a material impact on programme, budget, scope, and/or reputation

Master Project Programme (MPP)

The new portfolio capital expenditure repository & tracking system (Apex2) is now active as planned. To compliment this, the development of a Master Project Programme (MPP) is advancing and is essential for understanding the impact and demands of our programmes to better inform delivery strategies, resource management, risks management and overall sequencing of activity. This will provide build better insight into the work that is planned and completed for the reporting period as well as expenditure. The MPP will be developed over time to incorporate other planning dimensions.

4. FUNDING IMPLICATIONS

Further adjustments to the funding and project timing can be considered through future Annual Plan and Long-Term Plan processes, should this be required.



Kamal Narang
HEAD OF CAPITAL WORKS

(as approved)
Peter Edghill

CAPITAL AND PROJECTS ACCOUNTANT

Endorsed For Agenda



Tim Harris
EXECUTIVE DIRECTOR ENABLING SERVICES



Tim Mason
EXECUTIVE DIRECTOR INFRASTRUCTURE AND PROPERTY

APPENDIX & GLOSSARY

PROJECT

A project is temporary endeavour with a finite start and end, dedicated resources, and a specific and measurable outcome.

Typically projects at SDC relate to new assets or major renewals, where the cost of the renewals can be capitalised. Maintenance functions are typically considered as business as usual (BAU), except where the nature of the work in respect of scale, budget or risk is beyond the capacity of BAU team, and the renewal extends the life of the asset and impacts valuation. In this case, the maintenance work is treated as a project.

PROGRAMME

A programme is a group of dependency related projects which together generate a specific and measurable outcome. Typically programmes at SDC are geographically co-located (e.g. Rolleston Town Centre, Foster Park).

PORTFOLIO

A portfolio consists of multiple unrelated projects and programmes which together generate a specific and measurable outcome for an organisation at a strategic level.

LOW RISK / HIGH RISK PROJECTS / PROGRAMMES:

	Low Risk	High Risk
Property, infrastructure, or IT project classification	Renewal of existing asset	New / expansion of an existing asset
Business change project classification	Minimal disruption to operations; minimal risk of failure	Change, or risk of failure will impact operations
Local community interests	Minimal impact on community, iwi, local businesses	Project will impact, or will be impacted by, stakeholders beyond the control of SDC.
Project risks	Project risks are easily managed and within the capability and control of the project manager and project sponsor.	Project risks may be beyond the control of the project manager and the project sponsor, or there are risks that are unknown at this stage.
Reputation other	Minimal risk to reputation	Risk of reputation damage that needs to be carefully managed.
Budget	<\$1,000,000 for P&I Projects	>\$1,000,000 for P&I Projects
Measures	Cost, programme, scope, risk	Cost, programme, scope, risk, quality, benefits

PROJECT PORTFOLIO ISSUES AND RISKS

Issues

The following issues previously identified have been successfully managed and closed since the May Report:

Issue	Status	Commentary
Ongoing issues with misalignment between budget planning and project delivery.	Monitor	This was addressed through the Capex do-ability work undertaken with the Long-Term Plan. Continuously improving budgeting and planning processes remains a focus with a number of initiatives underway.
Large scale projects delayed by stakeholders and consenting partners. These are issues beyond the control of SDC, but improved risk and issue identification and management is being implemented to anticipate and plan for these events.	Monitor	There is an increased attention and focus on to risk and issue management. This work will be ongoing. Relationship building with ECAN and Rūnanga continues.
Procurement and approval delays. A procurement strategy is being undertaken to streamline and advance procurement activities earlier in the project to reduce unnecessary delays.	Monitor	There are a number of initiatives in progress; A more streamlined process for tenders that comply with procurement policy. Procurement papers have recently been presented to Council. Master Project Programme will better informing planning processes
Timeliness and accuracy of project reporting	Under Action	There are a number of initiatives underway that will build better efficiency and accuracy into our reporting and project finance practices. These include: The recently completed Apex project reporting platform. The Finance Hygiene project will help to remedy/improve project accounting practices within MAGIQ as well as supporting practices and process. Design and delivery of a Master project programme

Risks

The following risks are current and are updated during the financial year:

'If'	'Then'	Risk Treatment	Action
Supplier constraints on imported goods (especially war impacted countries) continue	Project costs could escalate and/ or <u>delays</u> may occur	Accept	Improved risk management at a project level, particularly through planning phases

Increases in the cost of materials	Project costs could escalate	Mitigate	Improvement in regular cost estimating practice to anticipate fluctuations
Exchange rate fluctuations	Project costs could escalate	Mitigate	Increase focus on commercial acumen
Legislation changes	Changes to LTP programme of work and associated budgets maybe necessary (LTP Amendment)	Accept	Careful monitoring of the legislative landscape. Early impact analysis and reporting proposed reforms on legal advisory services to keep decision makers informed
Consenting delays	Project costs could escalate and/ or delays may occur	Mitigate	Improved risk management and planning at a project level
Capex do-ability plans and forecasts are compromised	Debt levels could be impacted Ability to support growth initiatives could be delayed Reputational damage	Mitigate	Continue strengthening capability and performance initiatives through Financial and Reporting Systems, Procurement efficiency gains, Developing staff capability, Supply chain relationships Close cycle monitoring and reporting
Anticipated funding from external providers does not materialise	Change will be required to the work programme and potentially some projects will not progress	Accept	Alternative options will be evaluated and provided to council for decision making

REPORT

TO: Chief Executive Officer

FOR: Finance and Performance Committee – 20 November 2024

FROM: Nick Hallett, Procurement Practice Lead

DATE: 30 October 2024

SUBJECT: **PROCUREMENT POLICY REFRESH**

RECOMMENDATION

*'That the Finance and Performance Committee **receives** for information the Procurement Policy Refresh Report.'*

1. PURPOSE

The purpose of this report is to provide the Finance and Performance Committee with an update on the development of the Council's new procurement policy and a final policy draft prior to formal submission to the Council meeting on 11 December 2024 for adoption.

This report covers the background and goals of our new procurement policy which will be public facing once adopted.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

This report is for information only and is therefore considered to be of low significance in the context of the Council's Significance and Engagement Policy.

3. HISTORY/BACKGROUND

3.1 The policy we have today

SDC's Procurement capability has generally been siloed within the Infrastructure and Property (I&P) functions of Council. Procurement maturity across the remainder of SDC's functional areas has been ad hoc with little uniformity. Policies, guidelines and resources have been mostly limited to project-based horizontal and vertical build and maintenance initiatives. The current policy was created within I&P and last adopted in 2018.

3.2 Our current environment

With the rapid growth of staff and our expanding population in the region, the need for a Council wide procurement policy and supporting standards to extract the best public value is required. We also need to take a more holistic approach in using procurement as a lever to achieve broader outcomes across the region and create a more circular life-cycle approach in what we do to limit impacts down stream.

3.3 Direction of travel

The new policy is designed to align with Waikirikiri Ki Tua Future Selwyn and the Kai Aku Rika Economic Development Strategy

- Be ethical in how we procure our goods and services (probity, fairness and transparency)
- Minimise and mitigate our risks (financial, health safety & wellbeing, and reputational)
- Reassess and implement a strategic procurement model that unlocks additional secondary benefits, not just best price and quality as our main focuses
- Ensure our thresholds are fit for purpose and appropriate governance to balance pace and flexibility without compromising ethical risks and our team's performance
- Moving towards a stronger social procurement practice
- Deliver the best public value to our residents and our environment.

4. PROPOSAL

4.1 Progressively working towards broader outcomes

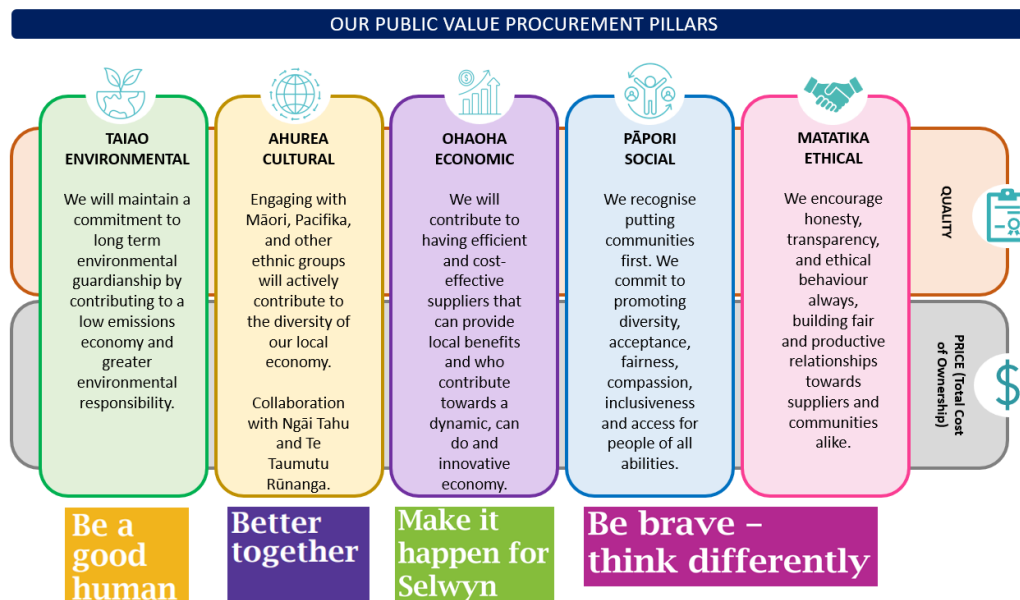
Delivering better value through procurement should include aligning our thinking with the broader outcomes for the region. We can use procurement as a lever to create positive cultural and environmental impacts, develop suppliers, and promote regional and economic outcomes.

When understanding procurement options, SDC may use a range of commercial criteria, to determine the best procurement tools to use to achieve its required procurement outcomes.

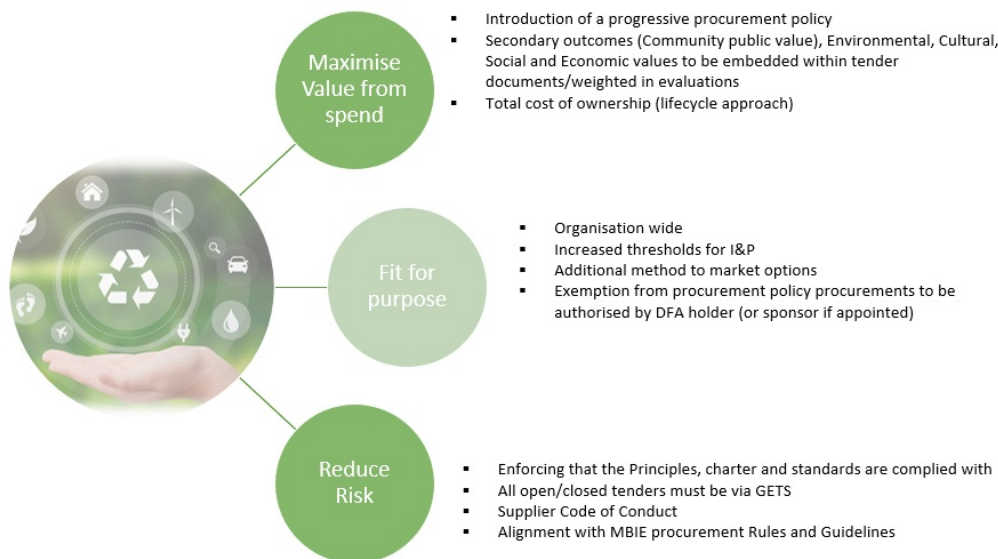
Criteria not directly linked to **price** or **quality** that may be selected for application to a decision are also: **environmental, cultural, economic, and social**, outcomes and re-enforce an ethical approach through our procurement activities.

These outcomes can have a positive effect on the local economy and the well-being of our communities while delivering efficient and effective procurements for SDC as an organisation.

4.2 Proposal aligned with our values



4.3 Key Changes



4.4 Introduction of Procurement Standards

The policy sets our direction of travel and key requirements for all procurement activity across Council.

The procurement standards, which are a stand alone internal document, provides best practice, rules, guidelines, processes, and methodologies to procure goods, services and works.

The standards are in line with NZ Government Procurement Rules and the NZTA Procurement Manual.

The standards are a living document so may be updated as and when required.

A key focus of the standards is the importance of open competition – giving all businesses the chance to participate and giving them enough time to respond to opportunities properly.

They also help to:

- align Selwyn District Council procurement practice with New Zealand and International best practices
- encourage more strategic progressive procurement approaches
- foster competition and innovation, resulting in better solutions
- promote broader environmental, social, cultural, and economic outcomes.

The standards focus mainly on the process of sourcing.

Sourcing covers:

- planning procurement
- market research
- approaching the market
- evaluating responses
- negotiating and awarding the contract.



Nick Hallett
PROCUREMENT PRACTICE LEAD

Endorsed For Agenda



Tim Harris
EXECUTIVE DIRECTOR ENABLING SERVICES

SELWYN DISTRICT COUNCIL POLICY

P301- Procurement Policy



Effective Date: xx December 2024

Policy Owner: Executive Director Enabling Services

1. POLICY STATEMENT

Procurement covers all the business processes associated with purchasing the goods/services/works we use to run our business and deliver our public service objectives. It starts with identifying our needs, then planning the best way to meet them, continues through sourcing the goods/services/works, then managing the contract and ends with expiry of either the contract or the asset's useful life.

Our purpose at Waikirikir Selwyn is to improve the social, economic, environmental and cultural well-being of our residents and communities. In delivering our purpose we aim to achieve best value in our purchases. Our community has overwhelmingly highlighted the importance of a 'sustainable Selwyn', where the district is self-sufficient with services and facilities that cater to people at all stages of life and ensures the environment is cared for.

Further, as a territorial authority, we have obligations to our residents and the public, as defined under the Local Government Act 2002. We will work strategically with our partners, Te Taumutu Rūnanga and mana whenua Ngāi Tūāhuriri Rūnanga and seek to embrace the wider principles of Ngā Pou E Whā, (the four Pou principles) within this policy.

2. POLICY PURPOSE

The purpose of this policy is to provide clear direction and principles to support the application of a consistent and progressive procurement practice across all our procurement activities. It unlocks community value outcomes and aligns with our vision, our [Future Selwyn Strategy](#) (Waikirikir Ki Tua Future Selwyn is a long-term future-focused strategy that shapes the strategic direction for our communities over the next 50 years), and our long term and annual plans.

This policy aims to:

- Encourage purchasers to incorporate Ngā Pou E Whā (the four Pou Principles of Pāpori Social, Taiao Environmental, Ahurea Cultural and Ohaoa Economic) value adds for our residents;
- Broaden our procurement benefit outcomes;
- Define our Public Value Pillars (refer to Section 8);
- Align our approach with our vision and values;
- Align procurement frameworks to our Future Selwyn Strategy and [Economic Development Strategy](#) that will inform our long term and annual plans into the future; and
- Highlight legislation and policies that effect our procurement activity.

This policy sets the direction and should be read alongside our Internal procurement standards which outlines related rules, processes and methodologies. The procurement standards are a stand-alone document that will define the relevant processes. Templates and additional guides/processes can be found in the [Procurement](#) and [Contracts](#) sites in PORT.

3. POLICY SCOPE

This policy applies to all procurement activity undertaken by Council, except for:

- Employment arrangements;
- Payments to government, regulatory bodies, treasury, tax, and financial instruments;
- Variations to existing approved contracts which have been active no more than 7 years, unless the variations exceed the monetary threshold for competitive procurement; [refer to section 9, paragraph 17]

- Fully funded or co-funded projects (e.g. NZ Transport Agency Waka Kotahi, local water done well or other local authorities whereby procurements must comply with partner or funder policy frameworks of the lead authority);
- Purchases and procurement of services required for Civil Defence emergencies (declared or significant) response phases, in which case, the emergency procurement shall be carried out in accordance with our [Emergency Procurement guidelines](#);
- Sponsorships and grants provided that procurement must not be structured as a sponsorship or grant to avoid applying this policy; and
- Purchases of land, buildings and investments which will follow an approval process outlined by the relevant council's policy, such as Treasury Commercial Property Policy, or any other asset acquisition policy.

4. ROLES & RESPONSIBILITIES

ELT: Champion a wide and progressive community outcome driven approach to our procurement activities.

Heads of/leaders/project Sponsors: Ensure staff apply this procurement policy and the procurement standards to plan and implement appropriate procurement approaches for the purchase of infrastructure, products and services required to support our work within and for the community whilst complying with expenditure delegations.

Ensure that internal collaboration has taken place with any impacted teams (e.g. Digital/facilities etc) which may be supporting purchased goods/services/works. It is the manager's and/or sponsor's (if assigned) responsibility to ensure there is a pre-approved budget available prior to commencing any procurement activity.

Purchasers/managers: Understand the wider value of procurement as a tool to benefit our community and enable this policy across the procurement lifecycle, from planning through to the end of the contract. Purchasers are to apply this policy, the procurement standards, and associated requirements (including initiation/accurate coding and financial management of electronic purchase orders within delegated authority).

Procurement practice: To Provide advice on how to apply this procurement policy and the procurement standards throughout the procurement life-cycle.

5. KAUPAPA – PRINCIPLES, CHARTER

All procurements must follow the procurement principles and the procurement charter as set out below, and must comply with the procurement standards. For procurements which are co-funded by NZTA Waka Kotahi, follow the guidance of the NZTA [Procurement manual | NZ Transport Agency Waka Kotahi \(nzta.govt.nz\)](#)

The procurement principles provide our overarching values. All should use the principles for guidance and to help make good procurement decisions.

The procurement principles are to:

- Plan and manage for great results;
- Be fair to all suppliers (be they sole traders or large companies) and act reasonably and impartially to all parties involved in the procurement process;
- Ensure purchasing is transparent, fair, consistent and lawful;
- Get the right supplier;
- Get the best deal for everyone (to provide Public Value, as set out in sections 7 and 8);
- Play by the rules set out in the procurement standards;
- Be accountable (have the ability to provide complete and accurate records of the use of public funds);
- Minimise financial and reputational risk and to ensure health, safety and wellbeing is always managed;
- Achieve value for money, quality outcomes and provide social benefit in our procurement activities;
- Ensure the quality and delivery meets the desired outcomes; and
- Review and provide feedback which will inform future procurement decisions.

The procurement charter sets out our expectations of how we should conduct our procurement activity to achieve public value.

1. Our expectations are to: Seek opportunities to include New Zealand businesses and openly work to create opportunities for local (Canterbury) businesses and small-to-medium enterprises to participate in our procurement processes.
2. Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility.
3. Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment and reducing waste, carbon emissions and pollution.
4. Look for new and innovative solutions. Make sure you do not overprescribe the technical requirements of a procurement, and give businesses the opportunity to demonstrate their expertise.
5. Engage with businesses with good employment practices. Ensure that the businesses you contract with operate with integrity, transparency, accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.
6. Promote inclusive economic development within New Zealand. Engage with Māori, Pasifika, and regional businesses and social enterprises to actively contribute to our local Canterbury economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.
7. Manage risk appropriately. Responsibility for managing risks should be with both Selwyn District Council and the supplier. We and our suppliers should work together on risk mitigation strategies.
8. Encourage collaboration for collective impact. Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within our procurement opportunities.

6. DELEGATED AUTHORITY

Approvals for purchases, procurement plans, awards, and contract signatories must be in line with the Councils Expenditure Delegations, Section MD102 [Delegations Register](#) or as delegated to a project sponsor, if appointed.

7. ENHANCING THE PUBLIC VALUE OF PROCUREMENT ACROSS THE REGION

Public value helps us to achieve the best possible results from our procurement through using resources effectively, economically and minimising waste. We intend to enhance public value by considering and/or co-designing Community lead delivery models whilst considering:

1. The total costs and benefits of a procurement (total cost of ownership);
2. Its contribution to the outcomes we are trying to achieve;
3. Internal collaboration prior to any procurement with internal teams impacted or supporting the procurement (goods/services/works) post-delivery (e.g. planning/building (for infrastructure), digital support, facilities, reserves, maintenance, assets team etc); and
4. Use of our internal contract management framework for managing contracts throughout the delivery lifecycle.

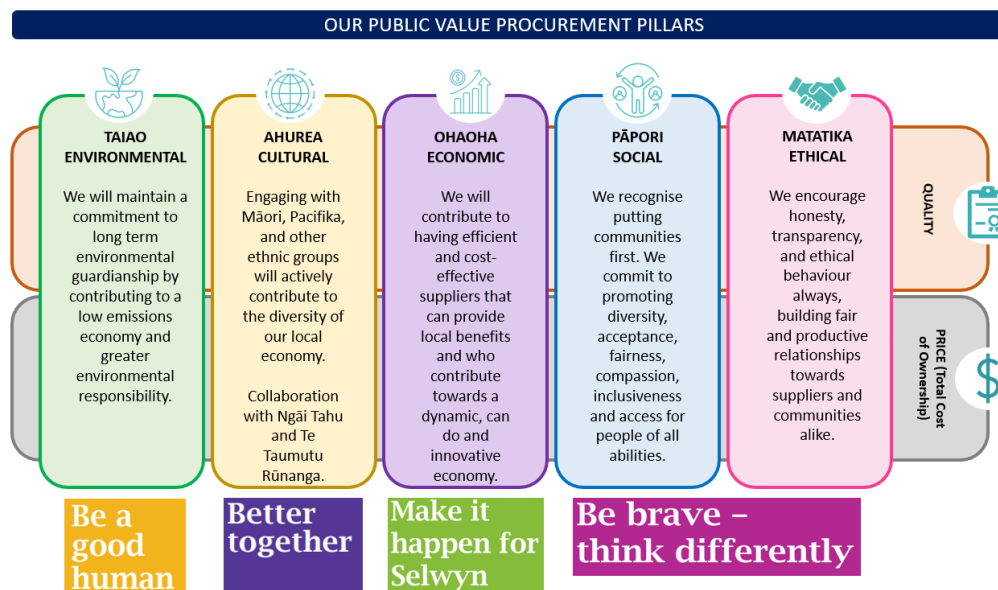
Delivering better public value through procurement includes measuring and the broader outcomes for the region. We should strive to use procurement as a lever to avoid negative environmental impacts, develop the local supplier market, and promote regional and economic community outcomes.

Public value is more than just the price, time and quality of our activities. We must factor in Pāpori, Taiao, Ahurea and Ohaoa and ensure Matatika Ethical outcomes. These outcomes can have a positive and far-reaching effect on the local economy and the well-being of our communities and are elements to actively promote within our procurement practice.

8. PUBLIC VALUE PILLARS

Our Public Value Pillars below are used to help us to define the areas that are most important to us, our suppliers, and our residents and communities. This helps us to identify, communicate and assess our performance, suppliers' performance across the value chain and provide better public value in the future to our region, customers, and communities.

These value pillars are:



In [Appendix A](#) we expand each pillar and explain how they must influence and direct our procurement activity.

9. REQUIREMENTS, THRESHOLDS & PROCUREMENT METHOD

This policy separates the procurement thresholds and method for Infrastructure & Property purchases, from the general goods/services/works procurements across all other Council teams, with the total value being based on the Total cost of ownership value [see appendix [A.7](#)].

The key requirements for all procurement activity are:

1. All procurements must have funding approved in the long-term plan or annual plan before any purchase and/or procurement activity can proceed, or a confirmed budget approved.
2. Any procurements/contract that spans a Council term that exceeds the CEO's Financial Delegation, shall be subject to Council approval.
3. Any deviation from the procurement method in [TABLE 1](#), must be approved, and signed by the delegated financial authority holder and/or sponsor responsible for the budget using the [Exemption from Procurement Policy Agreement](#) with a signed copy uploaded into the [Procurement Register](#).
4. Procurement plans (or project plans incorporating procurement plans) are required to be reviewed and approved by the relevant delegated financial authority holder and/or sponsor, and when

deviating from the procurement method within this policy [\[TABLE 1\]](#). This is in addition to the requirement for approval by the relevant delegation as referred to in section 6 "Delegated Authority".

5. All closed/invited and open competitive tenders must be managed through the Government Electronic Tender System (GETS).
6. All procurements must follow our Internal procurement standards and approved templates unless the activity is following NZ Transport Agency Waka Kotahi, external funder, or another local authority whereby procurements must comply with partner or funder policy frameworks, dependent on the lead agency.
7. A purchase order must be raised for all goods/services/works after award of contract. A purchase order should be raised for the total value of a contract (actual or estimate), including any contingencies.
8. Purchases shall not be split as a means of getting under the procurement methodology threshold bands, and the aggregated value of the procurement must be approved within the relevant delegation. For variations, please refer to requirement 17. Splitting contracts to avoid compliance with the procurement policy is a breach of this policy and in most cases a breach of financial delegation.
9. All procurements must include at least one outcome from each Pāpori, Taiao, Ahurea and Ohaoaha values that will be weighted within our evaluation and selection outcome.
10. We may participate in collective buying schemes that offer value for money, such as All of Government supply contracts or joint supply agreements with other territorial authorities, in which case competitive procurement will be undertaken by the group as a collective. It is appropriate for these joint procurement arrangements to be established outside the procurement standards, provided the approval of the relevant financial delegated authority is obtained.
11. Pre-qualified supplier lists are not exempt from open advertising where a contract opportunity meets or exceeds the relevant value threshold.
12. Supplier panels are to be openly advertised giving the opportunity for suppliers to be selected for the panel of suppliers in accordance with NZ Government Procurement Rules, with accepted selection methods for secondary procurement processes as detailed in the procurement standards.
13. The use of Council funds for the purchase of items for personal use by staff is prohibited unless authorised by the Chief Executive and reimbursed (other than the use of approved fuel cards or PPE). If staff purchase personal goods and services using discounts obtained through Council buying privileges schemes, the transaction must be paid for by the staff member personally.
14. Staff must not endorse any products or services. If an employee receives a request to endorse any product or service they must refer the request to the appropriate ELT member.
15. Conflicts of interest may arise at any time during the procurement process. All employees must act in accordance with the Conflicts of Interest Policy and complete conflicts of interest declarations for each procurement.
16. All staff and external subject matter experts must always maintain the appropriate confidentiality of a procurement process.
17. Contract extensions, variations, and renewals: subject to the subsequent paragraph, when the additional costs of a service or project are minor in comparison to the costs of undertaking a discrete

tender process, a contract extension or variation may be used. When estimating the total monetary value of a procurement, Council will need to take into account extensions, variations, and renewals.

When extensions, variations or renewals are not specifically provided for within an existing contract, the extension, variation, renewal, or re-definition of a contract that increases the originally approved contract value must be approved by the delegated authority holder. If the additional sum is beyond the delegated authority of the budget owner or Chief Executive, the contract must be presented to Council for approval.

The refining of service delivery contracts to more closely reflect the amount of work required to maintain services does not need to be openly tendered, but can be managed directly by the appropriate Council officer. If extensions, variations, and renewals exceed the monetary threshold for competitive procurement then Council should be considering undertaking a competitive procurement process unless there is a valid exemption.

18. Records management

Appropriate records of dealings with all suppliers should be kept and a recorded within the Contract Register. This should include details of:

- tender or other comparison processes and selection procedures;
- copies of all agreements entered into; and
- performance records, including any items under dispute; and, correspondence, including, but not limited to, notices, variations, time extensions, and price change documentation.

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PROCUREMENT METHOD AND THRESHOLDS

TABLE 1

		Procurement Lifecycle				
Procurement method	Total value	PLAN	SOURCE	GOODS & SERVICES	CONTRACT GUIDE CONSULTANTS	WORKS
PROPERTY & INFRASTRUCTURE						
Direct Procurement	\$0 to under \$100k	<ul style="list-style-type: none">▪ Direct source/seek quotes.▪ Confirm price in writing.	<ul style="list-style-type: none">▪ Use existing local suppliers.	Purchase Order T&C's	Consultant Short Form Agreement	Minor Works Contract
Selective Procurement	\$100k to under \$250k	<ul style="list-style-type: none">▪ Complete Request for Quote (RfQ) documentation.	<ul style="list-style-type: none">▪ Seek at least 3 written quotes from or;▪ Advertise for Quotes via GETS (RfQ)	Standard Goods & Services Contract		
Closed competitive tender (Invited tender) <small>For NZTA co-funded projects, closed contests can only be used if the value of works is under \$200k</small>	\$100k to under \$250k	<ul style="list-style-type: none">▪ Complete RfX documentation, specifications and evaluation criteria, tender evaluation panel.	<ul style="list-style-type: none">▪ Identify at least 3 capable known suppliers with experience and strong track record.▪ Tender through GETS.			
Competitive open tender	\$250k and above	<ul style="list-style-type: none">▪ Complete Project Plan and seek approval to proceed per delegated authority.▪ Complete RfX documentation, specifications and evaluation criteria, tender evaluation panel.	<ul style="list-style-type: none">▪ Open tender advertised on GETS.▪ Consider multistage tendering options.		CCCS Contract	3910/6/7 Contract
REST OF COUNCIL						
Direct Procurement	\$0 to under \$40k	<ul style="list-style-type: none">▪ Direct source/seek quotes.▪ Confirm price in writing.	<ul style="list-style-type: none">▪ Use existing local suppliers where practical.	Purchase Order T&C's	Contractor / Consultants Contract	N/A
Selective Procurement	\$40k to under \$100k	<ul style="list-style-type: none">▪ Complete RfQ documentation.	<ul style="list-style-type: none">▪ Seek at least 3 written quotes from suppliers or;▪ Advertise for Quotes via GETS (RfQ).			
Closed competitive tender (Invited tender)	\$40k to under \$100k	<ul style="list-style-type: none">▪ Complete RfX documentation, specifications and evaluation criteria, tender evaluation panel.	<ul style="list-style-type: none">▪ Identify at least 3 capable known suppliers with experience and strong track record.▪ Tender through GETS.			
Competitive open tender	\$100k and above	<ul style="list-style-type: none">▪ Complete RfX documentation, specifications and evaluation criteria, tender evaluation panel.	<ul style="list-style-type: none">▪ Open tender advertised on GETS.▪ Consider multistage tendering options.	Standard Goods & Services Contract		

Note: CONTRACT GUIDE is a guideline only, dependent on the nature of the goods/services/works being procured, it may be appropriate to confirm with Legal or Procurement on the most suitable Contract.

10. COUNCIL CONTROLLED ORGANISATIONS - CCOs

In all procurements, consideration should be made as to whether the work can be negotiated with our CCOs within any existing contracts or separate stand-alone contracts, and that we can demonstrate we are receiving public value outcomes/value for money. Considerations should be as to their capability and capacity to deliver the work and deliver high quality community outcomes.

11. ALTERNATIVE PROPOSALS

Alternative or unsolicited proposals are unique or innovative proposals initiated by suppliers which may not otherwise be part of an existing procurement process.

We want to encourage innovation and will treat all unsolicited proposals in a way that respects the intellectual property rights of the proponent and while fairly evaluating the benefits to Selwyn District Council.

For an unsolicited proposal to be considered by us it must:

- Provide a solution to a need that is not otherwise available in the market;
- Be truly innovative and unique;
- Demonstrate that the Council will receive the best possible value;
- Align with the Council's vision, strategic priorities, and community outcomes; and
- Align with the Council's long-term plan and annual plan.

Council staff should consult with other areas of Council as to who could benefit.

12. HEALTH & SAFETY

To ensure all responsible business practices are carried out and to meet legislative requirements under the Health and Safety at Work Act 2015, the health and safety implications of any proposed procurement must be assessed throughout the procurement and contracting lifecycle, including:

- Ensuring that the importance of workplace safety is considered in procurement and, where appropriate included in selection criteria and/or decisions; and
- Identifying hazards and risks associated with any new services or work processes being introduced into the workplace.

13. SUPPLIER CODE OF CONDUCT

Selwyn District Council is committed to sustainable and inclusive regional procurement that delivers optimal outcomes for our community. This Supplier Code of Conduct outlines the expectations we have of our suppliers.

Ethical behaviour

We require our suppliers to:

- manage their activities and affairs, and conduct themselves with integrity in accordance with applicable laws, regulations, and ethical standards;
- not engage in any form of corruption; and
- be transparent about their ethical policies and practices.

Labour and human rights

We require our suppliers to:

- adhere to international human rights standards in their workplace and monitor and address these standards within their supply chain; and
- comply with New Zealand employment standards and maintain a workplace that is free from unlawful discrimination.

Health, safety, and security

We require suppliers to:

- comply with workplace health and safety laws and regulations and maintain healthy and safe work environments;
- comply with any security requirements notified to them by Central Government; and
- adequately protect any information, assets, tools, and materials provided by Selwyn Council and return these promptly when requested.

Environmental sustainability

We require suppliers to establish environmentally responsible business practices and to proactively and continuously improve their environmental performance.

We require suppliers to:

- conduct their business in accordance with applicable laws, regulations and standards regarding the mitigation of impacts on, and protection of, the environment; and
- work to improve their environmental sustainability and reduce their environmental impacts.

Corporate social responsibility

We require our suppliers to be good corporate citizens and contribute positively to our community. Some positive things suppliers could do are to:

- pay their subcontractors promptly;
- encourage paying living wage; and
- consider including local, Māori, and Pasifika businesses to deliver the contract.

14. PROCUREMENT PORTAL & STANDARDS

[Link to our internal procurement site](#) containing standards, forms and templates.

The procurement standards will set out:

- the direction for the operation of procurement within Council;
- how the procurement lifecycle will be managed, including the requirements of each type of procurement type, and the available procurement methods
- how to assist staff to balance the various aims of this policy, including how they consider and measure our public value pillars with our wider social objectives; and
- procurement reporting and audit requirements.

Approver	Council
Owner	Executive Director Enabling Services
Contact	Procurement Practice Lead
Date adopted/approved	<i>[Insert the date the document was last adopted (used when Council is the approver) or approved (when a member of ELT is the approver)]</i>
Review date	<i>[Insert the date the policy will need to be reviewed by]</i>

APPENDIX A – PUBLIC VALUE PILLARS

A.1 TAIAO ENVIRONMENTAL

Waikirikiri Selwyn's whenua land, wai water, and kanorau koiora biodiversity are protected and enhanced. Our towns are cleaner and greener, and we address climate change.

We will contribute to a low emissions economy targeting Carbon Zero and promote greater environmental responsibility: Kaitiakitanga, through continual improvement that enables all people now and, in the future, to have quality of life, in ways that protect and enhance the earth's life supporting systems.

This should include:

- Following the principles of Kaitiakitanga
- Avoiding impact, and improving all environmental outcomes
- Suppliers demonstrating Carbon Emission reduction policies and initiatives to reduce Carbon Emissions by 30% by 2030 and to be Carbon Zero by 2050.
- Responsible water management and water efficiency
- Incorporating wildlife crossings (tunnels/bridges/humane deterrents) into our urbanization and roadbuilding activities
- Use of renewable and efficient energy sources
- Improving EV-charging infrastructure
- Accelerate the shift to low emissions buildings
- Reduce reliance on cars and support people to walk, cycle and use public transport
- Ensure buildings are designed, and retrofitted, to use less energy for heating and cooling efficiencies
- Minimising waste; reducing, repurposing, and recycling (circularity).

Benefits:

- Protecting human, wildlife, and environmental health
- Avoid negatively impacting on our water, air, and land, and improve environmental outcomes
- Conservation of our resources.

Related Links:

- [Canterbury Regional Policy Statement | Environment Canterbury \(ecan.govt.nz\)](https://ecan.govt.nz/)
- [Climate Change Response \(Zero Carbon\) Amendment Act 2019 No 61, Public Act Contents – New Zealand Legislation](#)
- [Home - Canterbury Mayoral Forum \(canterburymayors.org.nz\)](https://canterburymayors.org.nz/)

A.2 AHUREA CULTURAL

Waikirikiri Selwyn is a collection of connected multicultural and diverse communities. We have mana upholding partnerships which allows our takata people to thrive, and everyone has a place to call home.

Engaging with Māori, Pasifika, and other ethnic groups will actively contribute to the diversity of our local Canterbury economy. Openly working to include and support these businesses and enterprises to provide opportunities, promote skill development and create a diverse and inclusive workforce.

This may include:

- Partnering with iwi and hapū organisations, Māori and Pasifika businesses and other ethnic groups, or
- Commit to lifting Māori and Pasifika economic and social well-being and recognising Māori and Pasifika cultural values and perspectives in our activities
- Encourage the engagement of Māori and Pasifika in the design, identity and/or delivery of our projects, goods/services/works
- Respecting the heritage of our land.

Benefits:

- Providing employment opportunities and career pathways for Māori, Pasifika, and other ethnic groups

- Supporting a culturally inclusive and diverse district environment
- Promoting a greater understanding of Māori and Pasifika values

Related Links:

- [Te Ao Māori | Ministry for the Environment](#)
- [Canterbury Regional Policy Statement | Environment Canterbury \(ecan.govt.nz\)](#)
- [Home - Canterbury Mayoral Forum \(canterburymayors.org.nz\)](#)

A.3 OHAOHA ECONOMIC

Waikirikiri Selwyn is a prosperous diverse economy that employs and empowers our takata people and invests in our towns and communities.

We will contribute to having efficient and cost-effective local Canterbury suppliers where practical **and** support a dynamic and innovative economy for Selwyn. We will encourage a viable and competitive supplier market that is able to provide goods services/works now and in the future, ensuring the optimisation of 'public value' for ratepayers and customers.

This may include:

- Greater collaboration across likeminded groups to find common solutions and opportunities
- A culture of innovation - encourage and be receptive to new ideas and ways of doing things
- Supporting and encouraging suppliers to pay living wage
- Collaborate with other districts or councils on joint procurement activities if economically practical
- Utilise All of Government Contracts where possible and in line with our desired outcomes
- Supporting local supply chain and priority groups where appropriate.

Benefits:

- Developing regional economic growth through the sourcing of goods/services/works through local (Canterbury) suppliers where practicable
- Gaining the best public value - make balanced decisions, encourage and be receptive to new ideas
- Working together with suppliers to make ongoing savings and improvements.
- Creating a prosperous, diverse, and sustainable economy.

Related Links:

- [Living Wage Movement Aotearoa New Zealand](#)
- [Contracts | New Zealand Government Procurement](#)
- [Find Businesses by Category- Selwyn Connect...](#)

A.4 PĀPORI SOCIAL

Waikirikiri Selwyn is a resilient district and a great place to live, work, and play; where our takata people support each other, enjoy spending time together and feel a sense of honoka connection.

We have a commitment to promoting diversity, acceptance, fairness, compassion, inclusiveness, and access for people of all abilities. Our activities ensure our suppliers operate with integrity, transparency, accountability and comply with all NZ employment standards and health and safety requirements.

This may include:

- Engaging social enterprises (charities, not for private profit organisations and social purpose enterprises) to provide goods/services/works.
- Creating equal opportunities through employment of disadvantaged sectors
- Openly work to create opportunities for local benefit
- Actively contributing to international efforts towards the elimination of modern slavery, including forced labour, child labour, people smuggling and trafficking in our suppliers' supply chains (Modern slavery)
- Respect international standards relating to human and labour rights.

Benefits:

- Promoting quality of life, health, and wellbeing
- Building stronger and more resilient communities (social equity)
- Meeting the needs of future generations.

Related Links:

- [Health and Safety at Work Act 2015 No 70 \(as at 28 October 2021\), Public Act Contents – New Zealand Legislation](#)
- [Employment Relations Act 2000 No 24 \(as at 26 November 2021\), Public Act Contents – New Zealand Legislation](#)
- [Land Transport Act 1998 No 110 \(as at 23 February 2022\), Public Act Contents – New Zealand Legislation](#)

A.5 MATATIKA ETHICAL

Working together ethically and acting and behaving with integrity and trust is central to our values. We encourage honesty, transparency, and ethical behaviour always, building fair and productive relationships towards suppliers and communities alike.

This may include:

- Probity - be accountable, transparent, and reasonable – act with integrity
- Managing Conflict of Interest on a project-by-project basis
- Make sure everyone involved in the process acts responsibly and lawfully
- Stay impartial, identify, and manage conflicts of interest
- Protect suppliers' commercially sensitive information and intellectual property
- Get the best deal for everyone – best Public Value
- Encourage and be receptive to new ideas and ways of doing things
- Have clear performance measures, monitor, and manage
- Ensuring suppliers are compliant with our Supplier Code of Conduct (Section 13)

Benefits:

- Equity for all suppliers and communities
- Being open to feedback about our processes and services – getting the best public value
- Meeting legal obligations – playing by the rules and acting responsibly, lawfully and with integrity.

Related Links:

- [Selwyn District Council Conflict of Interest Policy](#)
- [Official Information Act 1982 No 156 \(as at 12 April 2022\), Public Act Contents – New Zealand Legislation](#)
- [Local Government Official Information and Meetings Act 1987 No 174 \(as at 12 April 2022\), Public Act Contents - New Zealand Legislation](#)
- [Fair Trading Act 1986 No 121 \(as at 05 May 2022\), Public Act 1A Purpose – New Zealand Legislation](#)
- [Contract procedures manual \(SM021\) | Waka Kotahi NZ Transport Agency \(nzta.govt.nz\)](#)
- [Procurement - Office of the Auditor-General New Zealand \(oag.parliament.nz\)](#)

A.6 QUALITY

The procurement policy defines quality as the principle that is designed to ensure the procurement process results in the selection of a supplier that has the required capability to supply the goods/services/works to the appropriate standard. Quality should be considered as part of the procurement planning process and involves decisions that impact throughout the procurement process and over the life of the contract. It is critical that quality is considered since the impacts can be high and can carry through the entire project or contract life cycle.

This may include:

- Current commitments and availability to deliver on time
- Capability and capacity (of the supplier to deliver)
- Technical experience, achievement, and willingness to innovate
- Appropriate qualifications, accreditations, and track record
- Cultural competency
- Quality of Health, Safety & Wellbeing policies, and practice

- Ensuring our Due Diligence checklist is used
- For Digital procurements ensuring Cyber Security frameworks are in place
- Growth mindset, co-operation, collaboration, and values alignment.

A.7 PRICE / Total Cost of Ownership (TCO)

Total Cost of Ownership (TCO) is an estimate of the total costs of goods/services/works over the whole of their life. It's the combination of the purchase price plus all other costs you will incur, less any income you receive. The procurement principles encourage us to make balanced procurement decisions. This includes getting the best value for money. It means accounting for all costs and benefits over the lifetime of the goods/services/works. The principle of value for money does not mean selecting the lowest price, but rather the best possible outcome for the total cost of the goods/services/works.

This may include:

- Evaluate the full impact of the services including costs over the lifetime of the purchase
- Ongoing consumables including fuel and energy costs
- Delivery, installation, and maintenance
- Decommissioning and disposal costs
- Total cost of goods/services/works
- Fixed or variable pricing
- The evaluation panel must determine the best provider or supplier based in the information provided in the responses. The panel may decide to separately analyse the price of all qualifying responses, to determine validity of pricing
- Be alert to any signs of bid-rigging or collusion amongst suppliers.

Related Links:

- [Total Cost of Ownership - An introduction to whole-of-life costing \(procurement.govt.nz\)](https://procurement.govt.nz/total-cost-of-ownership)

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APPENDIX B - RELATED INTERNAL & EXTERNAL POLICIES/REFERENCES

B.1 INTERNAL RESOURCES/POLICIES

[Procurement Standards](#)
[Contracts Register](#)
[Long term plan](#)
[Annual plan](#)
[Delegations Register](#)
[Significance and Engagement Policy](#)
[Future Selwyn](#)
[Digital Usage Policy](#)
[Sustainability](#)
[Conflicts of Interest Policy](#)
[Gifts and Hospitality Policy](#)
[Fraud Policy](#)
[Risk Policy](#)
[Health, Safety, and Wellbeing](#)
[Sensitive Expenditure Policy](#)
[Information Management Policy](#)
[Protected Disclosures Policy](#)

B.2 EXTERNAL RESOURCES

[Government Procurement Rules](#)
[New Zealand Transport Agency Procurement Manual](#)
[Procurement Guidance for Public Entities, Office of the Auditor General.](#)

B.3 ACTS/REGULATIONS

[Commerce Act 1986](#)
[Construction Contracts Act 2002](#)
[Contract and Commercial Law Act 2017](#)
[Fair Trading Act 1986](#)
[Health and Safety at Work Act 2015](#)
[Local Government Act 2002](#)
[Local Government Official Information and Meetings Act 1987](#)
[Ngāi Tahu Claims Settlement Act 1998 No 97](#)
[Privacy Act 2020](#)
[Public Records Act 2005](#)
[Treaty of Waitangi Act 1975.](#)

RESOLUTION TO EXCLUDE THE PUBLIC**Recommended:**

'That the public be excluded from the following proceedings of this meeting. The general subject matter to be considered while the public is excluded, the reason of passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reasons for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Date information can be released
1.	Minutes	<i>Good reason to withhold exists under Section 7</i>	<i>Section 48(1)(a)</i>	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1	Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or	Section 7(2)(h)
1	Enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 7(2)(i)

2 *that appropriate officers remain to provide advice to the Committee.'*

CLOSING KARAKIA

Unuhia, unuhia

Te pou, te pou

Kia wātea, kia
wātea

Āe, kua wātea

Remove, uplift

The posts

In order to be
free

Yes, it has been
cleared