
PROCUREMENT RECOVERY PLAN (COVID-19)

Purpose

1. The purpose of this document is to outline the New Plymouth District Council's procurement activity in response to the Covid-19 Pandemic
2. This document has been prepared in line with the Emergency Procurement section of the Council's Procurement Policy (P19-001).
3. The purpose of the Proposed Procurement Recovery Plan (Covid-19) is to aid the effectiveness of Taranaki's economic recovery from the Covid-19 pandemic. The plan is intended to facilitate the planning and execution of procurement actions needed during the recovery phase of the pandemic.
4. To aid the effectiveness of Taranaki's economic recovery the plan aims to remove time constraints for decision making and result in greater speed, simplicity and flexibility in procurement processes. In addition, a ten per cent evaluation discount on price would favour a supplier who can demonstrate their impact on the local supply chain and employment of local resources.
5. To expedite Taranaki's and New Plymouth District's economic recovery, Council officers recommend that the existing two-stage tendering process be suspended. In addition, other methods of accelerating procurement (such as sole sourcing) should be considered.

Proposed Procurement Recovery Plan (Covid-19) methods

Suspension of two-stage tendering process

6. To expedite Taranaki's and New Plymouth District's economic recovery, the existing two-stage tendering process be suspended.

Multi-sourcing procurement strategies

7. To expedite the procurement process and reduce tender application costs for suppliers, Supplier Category Panels will be established. Category panels will be comprised of pre-approved suppliers of goods and/or services. Once established the Council can source goods and services directly from the panel without openly advertising.
 8. Before inviting a supplier to be included in a panel, Council officers will
 - i) Consider the supplier's
 - Current financial status,
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- Available resources and
 - Ability to complete work
- ii) Review previous project evaluations that have taken place over the past 24 months and review existing contracts with the Council.

Apply Local Supply Chain Evaluation Discount

9. Where feasible, Council officers will seek quotes for goods, works or services from local suppliers. Local is defined as suppliers that use Taranaki's supply chain and employ regional resources which impact on the New Plymouth District and Taranaki's Regional economy.
10. Supplier evaluation criteria for projects will have a focus on the number of employees, coupled with how the supplier's proposal identifies further employment opportunities. The opportunities include such initiatives as retraining resources from other sectors, utilising apprenticeships and/or employing staff with less experience, different ethnicities or lower socio-economic background.
11. A ten per cent evaluation discount on price will be given to a supplier who can demonstrate their impact on the local supply chain and employment of local resources.
12. To ensure that the Council is placing value on the benefits that a local supplier creates socially, economically, environmentally and culturally, the discount is applied for evaluations purposes only.
13. The complex projects that hold significant value will favour the local supply chain through non-price evaluation criteria.
14. Suppliers are still required to provide goods and services at an appropriate level of quality and experience. This requirement will not be compromised by the Local Supply Chain Discount.

Note: Using local evaluation criteria is out of scope for roading projects due to the need to comply with the New Zealand Transport Authority's Procurement Policy.

Sole sourcing

15. To assist with boosting and stimulating the region's economy efficiently, Council will utilise sole sourcing for critical and urgent goods, works or services.
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Extending existing contracts

16. Critical contracts which are due to expire within the next 12 months may be extended outside of the term agreements. Short term extensions require approval of the Council's Executive Leadership Team.
17. Short term extensions are limited to a maximum of 12 months.

Project Fluctuations

18. To protect against project price fluctuations the use of fixed-price contracts or target pricing approaches will be used along with retentions if appropriate.

Advertising

19. The Council will provide suppliers with advance notice of future projects to enable more visibility for planning and forecasting to enable maintenance of appropriate levels of resources to target future opportunities.
20. Advertising periods for live tenders will be reduced to 15 working days with prior advanced notice to the market having been implemented.

Tendering

21. Through the duration of the plan, there will be increased efficiency of tender processes through:
 - a) Using simple documentation i.e. existing light procurement plan
 - b) Using closed tender processes
 - c) Raising staff purchasing (P-card) limits
 - d) Pre-approving contracts (contract approved before procurement appointment)
 - e) Accelerating lean procurement process review

Reusing historic evaluation information

22. For identified projects, and where similar to those used in past evaluations, the Council will reuse work scopes to determine suitable suppliers. Evaluations from the last 24 months are deemed as suitable to award contracts. This approach will be most suitable for high volume renewals projects where the expertise needed is limited and work scopes are generic. A suppliers' financial position and available resource will be considered.
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Amendments to the financial delegated procurement approach

23. For the duration of the Procurement Recovery Plan (Covid-19) the following approach will be taken to procurement.

Current	Proposed	Approach
	Critical/urgent essential contracts *	Sole Sourcing, where feasible
	Over \$500,000	Open or closed Request for Proposal process
	\$100,000 to \$500,000	Open or closed Request for Quotes (Dependent on the complexity of the project)
\$100,000 plus		Open market request for tenders or proposals
\$25,000 to \$100,000		Three written quotes are required
\$0 to \$25,000	\$0 to \$100,000	Direct purchase

- * Critical/urgent contracts are defined as projects that hold significant value for the community and the economic recovery of the District)

24. Where an Expression of Interest or Request for Information approach has been applied, a Sole Sourcing approach can be executed.

Financial delegations

25. To remove time constraints for decision making and result in greater speed, simplicity and flexibility in procurement processes, temporary amendments will be made to the Council's Delegations Register to empower Council Management to make higher level financial decisions. These amendments will be by separate Council resolution.
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Timeframes

26. The active timeframe of the Proposed Procurement Recovery Plan (Covid-19) is estimated to be up to 12 months, dependant on the recovery model applied to Taranaki.

Level 4 Lockdown

Advance preparedness for procurement activities. Adoption of policy changes. Identification of critical/essential projects.

Level 1

Continue with accelerated procurement policy, while reverting to normal processes for non-essential projects.



Level 3 and 2

Procurement prepared for immediate response. Identify projects for special procurement procedures to be shovel ready.

Post Covid-19 Levels

Phase-out accelerated procurement, revert to best practice, taking into consideration lessons learned.

Procurement Recovery Plan



Month	May 20	June20	July 20	Feb 21	March 21	Apr 21
	Stakeholder and Local Business Engagement		Support Business Change & Risk Management		Market Feedback	
Process	Adoption of recovery plan Identify Key Stakeholders	Work with Stakeholders to ensure compliance with procurement recovery plan Work with Stakeholders to implement the Social, Economic and Environmental Values		Measure impact of recovery plan		
Delegations	Business communications Development of supporting documents	Deliver supporting documents for Council officer guidance Analysis of present and emerging risks	Review of DA levels and effectiveness		Review overall efficiency and recommendations	
Advertising	Identify projects for advertisement to open market (first 12 months)	Support reduction in open tender advertisement period through supplier communications, tender evaluation and contract negotiations		Release of supplier survey on Council procurement process	Review long term advertisement opportunities	
Local	Local business engagement Define evaluation method	Ensure compliance of local supplier focus Support officers with local evaluation methodologies	Support officers with supplier on boarding and background checks		Review recovery plan impact and plan for BAU	
Panels	Develop category panels Identify potential suppliers	Panel contract development Complete panel agreements and define work distribution methods	Review panel effectiveness and further opportunities			
Contracts	Identify critical contracts for extension	Support Council officers with historical evaluations review Support Council officers with short term contract extensions and variations	Support Council officers through contract management and future open tenders of short term extensions			
Tendering	Review of tender template Adopt local focus into criteria	Delivery and support of lite procurement documents Ensure all documentation is complete to ensure fairness and transparency	Plan for BAU			
Resource	Identify potential redeployment candidates Continue to implement Business Partnership	Support business through procurement planning, sourcing and management cycle. Maintain auditable records with administration of procurement document approvals, tenders, contract compiling, contract payments and contract retentions			Plan for BAU	