



Invercargill City Council Procurement webinar

Invercargill City Council is engaging on its procurement policy. This proposed policy covers activities associated with the purchase of goods and services by or on behalf of Council and includes social procurement principles for Council to support community outcomes.

The procurement team held a webinar on Zoom on Tuesday 12 October 2021. This was an opportunity to provide details about the procurement policy and to answer to the questions from potential suppliers. Below is a summary of these questions and answers provided at that time, Council will appreciate any feedback or views you may have on this.

For further information on the proposed procurement policy, please see:

<https://icc.govt.nz/procurement-policy/>

Alternatively, please get in touch at policy@icc.govt.nz

Submissions close on 22 October at 5pm.

Q: What health and safety attributes need to be pre-qualified?

A: Council will retain contractors with the adequate health and safety qualifications, especially in the Infrastructure area. Registration with Sitewise can be a requirement to submit a tender.

Q: Is the new procurement policy going to be introduced into the existing three-water panel jointly runned with Southland District Council?

A: The existing contracts and any extensions allowed within will continue. The new procurement policy will apply to all new contracts to ensure best practices with all the involved parties. Council will take steps to ensure the procurement principals are followed when negotiating contracts with other parties.

Q: Can you please elaborate on where it states that the principal can accept non-conforming and late bids as appropriate? Don't really see how this is a fair approach for all tenderers who take the time to get their bid in on time as well as if the principal accepts a non-conforming tender?

A: The acceptance of late bids at the principals discretion is a common practice to allow tenders arriving late due to technology failures / delays (we expect a call) to be accepted. Late tenders have



been excluded. The reason behind the lateness influences late acceptance or not. We prefer bidders to ask for a time extension rather than submitting late. Bidders who are consistently late may be excluded for lateness.

Q: How would you want to deal with clarifications or tags? Do you want them to have estimated value ranges beside them or is this something the project team would value?

A: There is a question and answer period for tenders where ideally all clarifications are aimed to be dealt with. If after the clarification period closes then the more details provided with the tender submission the better with this including costs ranges. When bidders consider an alternative approach is preferable, Council recommends to place a compliant tender and an alternative proposal be separately submitted. Discussion of these issues can form part of the post tender discussions (or presentations if requested).

Q: How will you engage with contractors for the projects \$100 000 - \$200 000? This is a good area for SME to work with Council to grow a market? – Rogan McRandle

A: With the new procurement policy, any project above \$100 000 will go to our website GETS for Open Market Tender. Past contractors and local suppliers interested in the project will be invited to apply through the platform. The new procurement website will have information on what type of tenders are open for bids from the market.

Q: When successful suppliers are to be notified, how will this information be presented? Historically it has been presented as a lowest price, highest price, and the winning bid? Will this still be the case and would it be known how many tenderers placed a bid?

A: If there are three bidders or less we need to protect commercial confidence and we may only give specific scoring of your individuals bid. Where there are four or more bids the range of scores and prices can be provided. This is not an uncommon approach.

Q: Will Invercargill City Council mandate the living wage to their supplier chain?

A: Council has the ICC fair wage which applies to its employees. At that point, there is no intention to mandate the living wage to contractors although this may change in the future.



Q: What feedback will suppliers get if their bids are unsuccessful?

A: Informal feedback is the normal process, with the aim to help suppliers be more competitive in future tenders. The aim is to have an open and frank dialogue which will not include discussing other bidders responses.

Q: Would there be a thought around limiting the number of awarded contracts to a specific contractor, this could ensure not just one or two contractors win the majority of the work?

A: While this is not a part of the procurement policy at that point, Council is well aware of the importance to maintain a fair competition between the contractors to avoid any monopoly situations developing over successive tenders.

Q: What is the proposed weighting of attributes for tendered submissions? Or will this be tender specific dependant on complexity of the project?

A: Tender documents will include the relevant weighting attributes for each tender. Contractors will have to sign a conflict and confidentiality agreement to ensure fair and equitable competition. The scoring is discussed and agreed with the evaluation team prior to the tender being released to the market.

Q: Do the financial limits apply to repair and maintenance or just Capex or both?

A: The existing repair and maintenance contracts will not be impacted by the new procurement policy, however any new tender over the financial limits will be assessed in an Open Market Tender.

Q: Even major companies have local staff regionally based and wages remain in Invercargill and Southland. Hard to see the penalty on a national provider and subsequent that sometimes a local supplier gets acquired by an international provider.

A: Under the social procurement principles of the new policy, there are discussions around what would be considered as local supplier. In general terms the business should have an office in the local area and the workforce employed from the local area. Local is better considered on a tier system e.g.:

- Within Invercargill City
- Within Southland (regional development may benefit Invercargill City)
- Within the area the works will benefit (Three Waters may be an example)
- NZ



- Rest of the World.

This means Council has the option of working through a tier to define where the supplier of the goods and services should be based.

Q: I've had it in the past where a non conforming bid has been accepted over a conforming bid, with it still stating in this policy that non conforming bids can still be accepted as appropriate I'm assuming then this is still going to be the case?

A: Council may seek an expression of interest and a request for information or proposal in the early stages of the tender process. This would allow discussions with our procurement team that might seek information on the supply market to ensure fairness and equity for all suppliers. The original tender document will clarify if non conforming bids will be allowed or not.

Q: What are the estimated timeframes for getting this policy finalised?

A: Council will consider all the feedback received as part of the engagement process and will consider any advised changes as a result. Following adoption, the policy will be available online, along with a new procurement website including a range of other resources.