

Policy on Use of External Suppliers – 5.1

Queenstown Lakes Community Housing Trust

June 2010

Updated July 2021

Background

The Queenstown Lakes District has a relatively small but thriving population with a high number of talented and entrepreneurial individuals and companies. Many of QLCHT's clients are employees of locally owned companies and some are self-employed themselves. The Trust acknowledges the importance to the regional economy of supporting local suppliers where possible for its own developments, as well as for financial, technological, administrative and other services which arise. However, QLCHT also recognises that there cannot be a blanket policy on the utilisation of local suppliers-only. Skills, expertise and financial advantages of non-local suppliers should not be sacrificed at the expense of the Trust.

This policy sets out QLCHT's approach to the procurement of goods and services, which includes contractor and consultant services.

Policy

Selecting and managing Approved Suppliers

1. QLCHT will seek to gain value for money by letting contracts to Approved Suppliers. The following criteria will be applied when assessing and determining Approved Suppliers;
 - a. Skills and Expertise – successful suppliers will be able to demonstrate a high level of skills relevant to their area of specialty, with proven examples to support.
 - b. Financially Competitive - chosen suppliers should not charge out at a significantly higher level than their competitors. Where possible a fixed price contract or quote is preferable to an hourly charge rate.
 - c. Sound Environmental Practices – where possible QLCHT should favour contractors who operate their company with high environmental and sustainability standards.
 - d. Concurrence with Existing QLCHT Framework – successful suppliers should be mindful of QLCHT's policies and practices and be able to fit in accordingly.
2. QLCHT will maintain a schedule of Approved Suppliers and will review and update this list every two years.
3. In selecting and managing Approved Suppliers QLCHT will operate in accordance with procedures that minimise the risk of fraud or collusion including the following of good practice measures:
 - a. Competence;
 - b. Capacity (resources and skills);
 - c. Quality and performance - the likely service delivery;

- d. Past performance;
 - e. Financial health and status;
 - f. Control - the amount of control the organisation can exert over the delivery of service;
 - g. Health, Safety and Wellbeing policies and processes;
 - h. Legal and regulatory requirements;
 - i. Adequacy of liability and other insurance;
 - j. Cost effectiveness;
 - k. Commitment to customer service.
4. QLCHT will enter into written agreements with Approved Suppliers which set out:
 - a. The services to be provided by all parties involved;
 - b. The standards to be achieved;
 - c. Timetables for regular reporting;
 - d. The basis on which any fees are to be charged;
 - e. The responsibility for financial and operational risk;
 - f. Mechanisms for annual monitoring and regular reviewing the arrangements;
 - g. Dispute resolution process.
 5. QLCHT will ensure that agents maintain financial records of transactions entered into on its behalf and submit regular reports.
 6. QLCHT will develop and put in place procedures to monitor the performance and cost-effectiveness of partners, agents, consultants and contractors and enforce contractual conditions.
 7. All expenditure on Approved Suppliers will be in accordance with QLCHT's Authorisation and Process of Expenditure Policy (6.1).

Selecting and managing non-Approved Suppliers

1. In the event an Approved Supplier is not available to carry out works valued at over \$50,000, the works will be tendered to a minimum of three contractors or consultants.
2. QLCHT will adopt the following process for letting contracts:
 - a. Compile the specification:
 - i) Resources needed to deliver the service;
 - ii) Processes involved in providing the service;
 - iii) Nature of the service/product;
 - iv) Quality standards;
 - v) Performance targets;
 - b. Decide on process - direct commission, competitive tender or negotiated contract;
 - c. Advertise the job/service and request tenders;
 - d. Supply specification and information to potential contractors: specify the time and date and address; specify that tenders are to be sealed;
 - e. Receive completed tenders - log time and date and maintain the seal;

- f. Tenders to be opened by at least two people and recorded in a Tender Log;
- g. Evaluate the tenders received against agreed criteria;
- h. Select a preferred contractor;
- i. Conduct pre-commission negotiation with the prospective contractor;
- j. Commission the contractor.