

The background image shows a vibrant park scene with people, including children, walking on a paved path. In the background, a large bridge is visible across a body of water. The scene is bright and sunny, with lush greenery and a modern architectural structure on the right.

Auckland Transport Sustainable Procurement Action Plan

2021–2024

Let's go there





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Message from the Chief Executive

Auckland Transport (AT) spends over \$1 billion annually providing transport infrastructure and services to Aucklanders. The infrastructure that AT delivers and operates benefits the Auckland community through improved access and economic growth.

Using procurement as a lever, AT can make a real difference to Aucklanders, the environment and the communities we live in beyond the delivery and operation of our transport network. This is even more important in light of the socio-economic challenges and environmental opportunities presented because of the COVID-19 pandemic.

Whether it be creating job opportunities or enabling access to a diverse supply market, ensuring ethical supply of materials, using impactful businesses such as social enterprises, addressing structural and systemic social and economic inequalities, or through environmental stewardship, AT's procurement activities can be leveraged to help provide broader outcomes that all Aucklanders can benefit from.

Sustainable procurement is about delivering public value for Aucklanders beyond the goods and services that we buy.

We are proud of the work already undertaken by AT and the partnerships we have built with Auckland Council, Waka Kotahi NZ Transport Agency, The Southern Initiative, Amotai, The Ākina Foundation and industry partners. This action plan is our formal commitment to a sustainable procurement vision and delivery of priority outcomes for the next three years. It is our next step towards sustainable procurement becoming business as usual.



Shane Ellison
AT CHIEF EXECUTIVE OFFICER

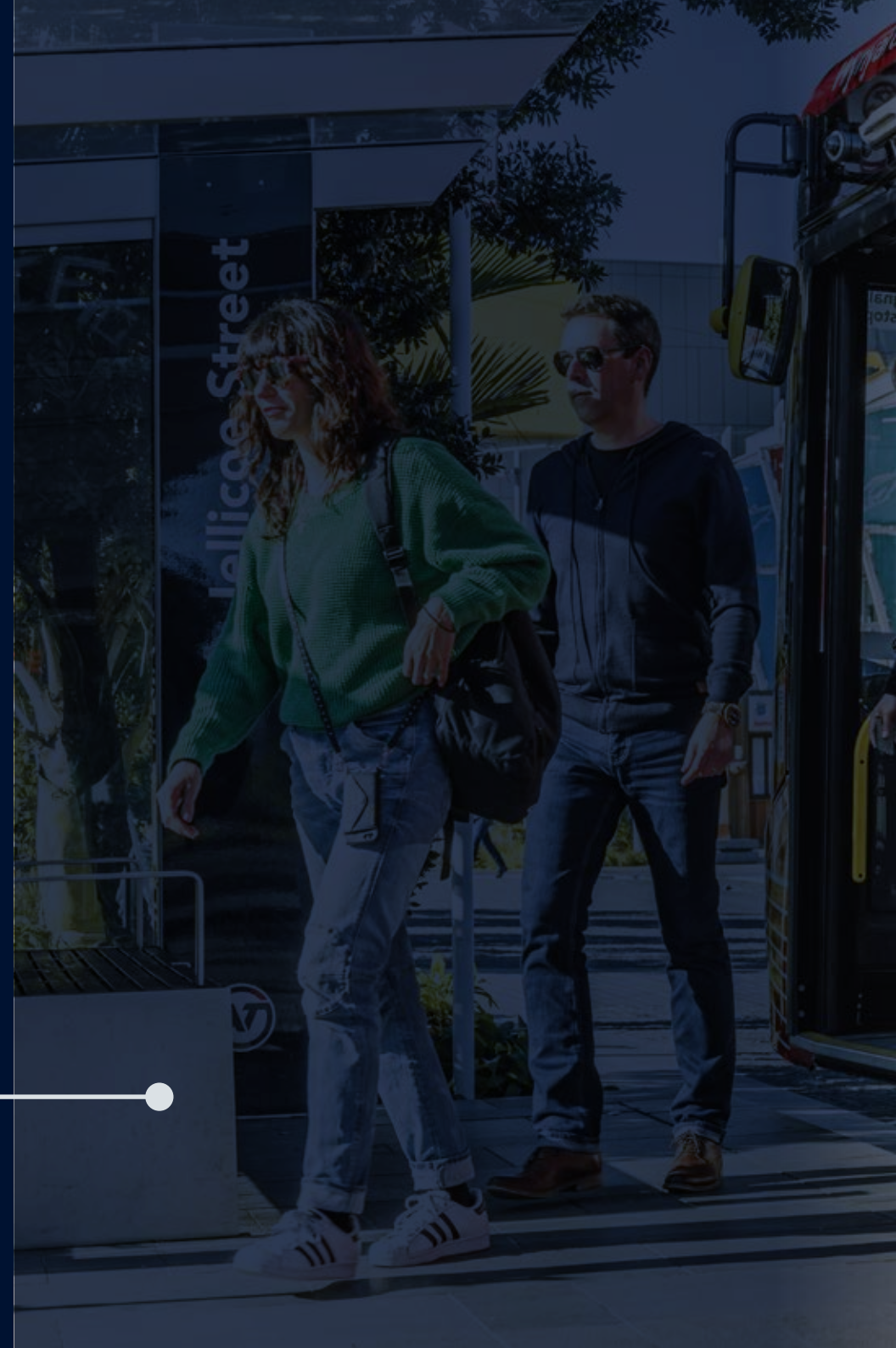


Introduction

As a major public procurer delivering the high-quality transport infrastructure and services needed for Auckland's growing population, one of AT's priorities is delivering public value, through good quality, good price and good outcomes. But this doesn't necessarily mean buying at the lowest price. Through sustainable procurement we can create greater value by ensuring that all Aucklanders participate and share in our city's growing economy, and that we have a positive impact on the environment.

" Government procurement can and should be used to support wider social, economic, cultural and environmental outcomes that go beyond the immediate purchase of goods and services."

Government Rules of Procurement 4th Edition, Broader Outcomes





AT's commitment to sustainable procurement reflects growing national and international focus on the strategic use of procurement to drive social, economic, cultural and environmental outcomes. Recent activity includes:

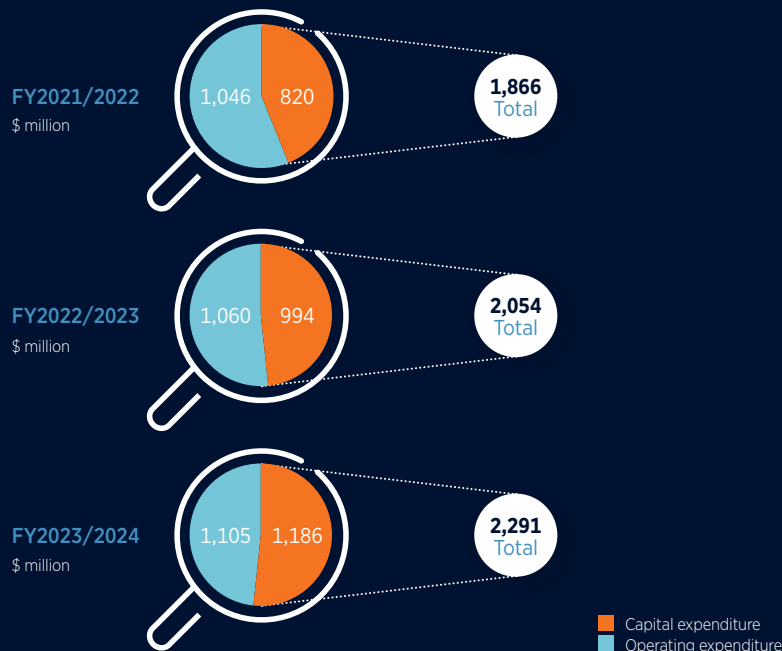
- The **2017 ISO: 20400 Sustainable Procurement Standard** which has created a global framework to stimulate the integration of social, economic, and environmental objectives into strategic procurement practice
- The Ministry of Business, Innovation and Employment (MBIE)'s 2019 Government Procurement Rules, Waka Kotahi's **Broader Outcomes Strategy**, Auckland Council's **Sustainable Procurement Framework**, and Auckland Council's Healthy Water's Sustainable Outcomes Toolkit
- The Infrastructure Sustainability Council of Australia (ISCA) Rating Scheme which is a tool for assessing sustainability in major infrastructure projects
- Growing international awareness and action addressing modern slavery in supply chains
- Overseas leadership and support to drive strategic sustainable procurement such as Victoria's **Social Procurement Framework**
- Growing support to deliver sustainable outcomes such as **Amotai** and The Ākina Foundation's **Fwd platform**.

This action plan is AT's commitment to ensure sustainable procurement is applied across all our procurement activities consistently, to a high quality, and with measureable positive outcomes.

PART A: WHERE ARE WE NOW

Auckland Transport's value chain

AT has an annual spend of over \$1 billion. This covers both capital and operational expenditure and over the next three years we expect to spend over \$6 billion.






AT partners directly with around 2,000 suppliers to deliver its annual transport programme. The sub-contract supply chain is even larger and spans domestic and global markets. Procurement activities are broad, covering several sectors including construction, public transport operations, business technology, professional services, corporate goods and services. The table below indicates the current spend profile by category.

Many suppliers and sub-contractors within these categories are at the forefront of helping plan, design, construct, operate and maintain Auckland's transport network and associated services.

INDICATIVE ANNUAL AT CATEGORY SPEND PROFILE

Infrastructure (60%)	Asset construction (10%)
	Road corridor maintenance (35%)
	Facilities maintenance (3%)
	Transport professional services (12%)
Transport services (30%)	Public transport service delivery (PTOM) (27%)
	Transport operations (3%)
Technology (5%)	Business technology (5%)
Corporate (5%)	Corporate goods and services (5%)



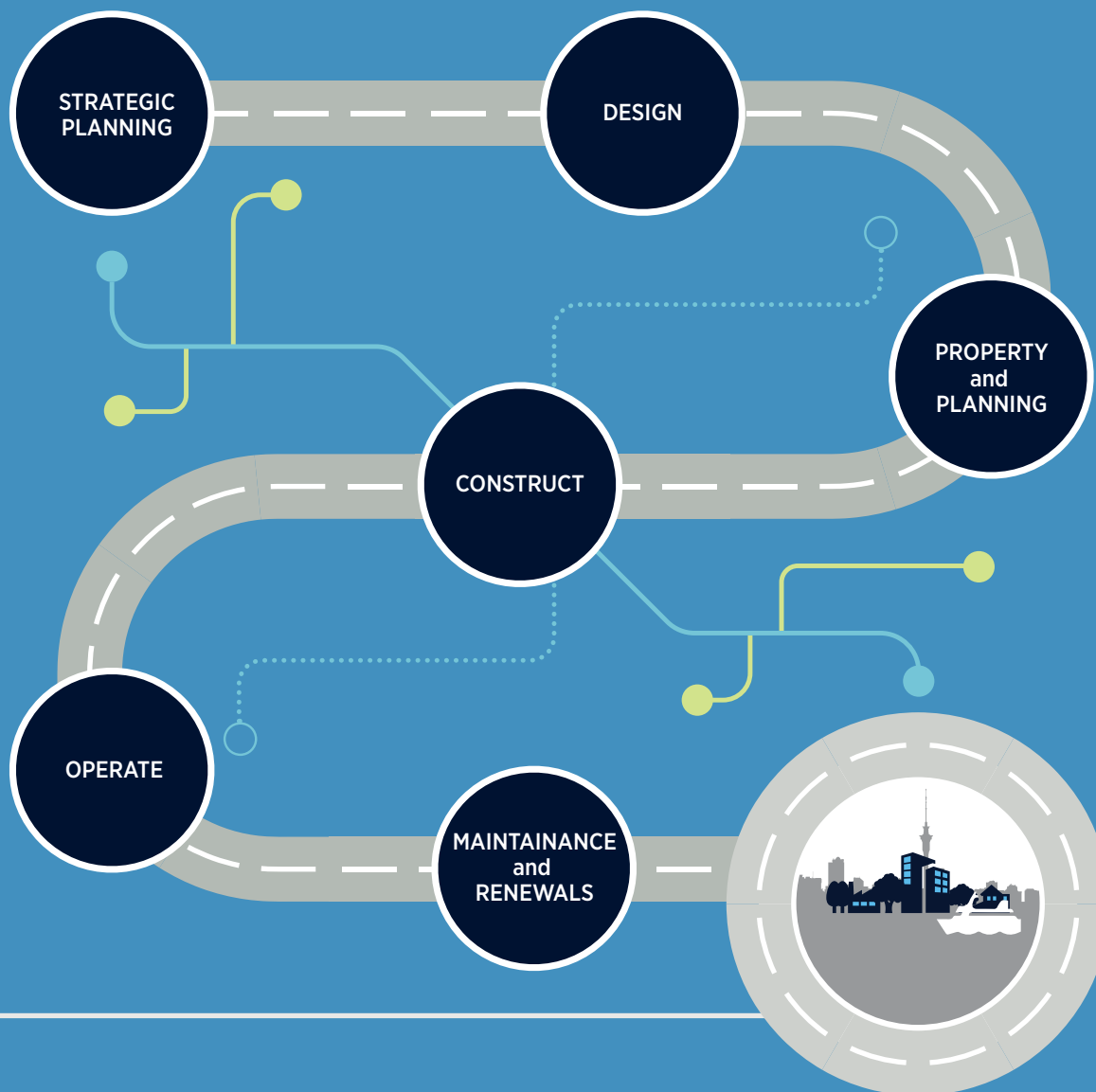
This scale and range of public spending gives AT the ability to create and shape markets and impact the lives of citizens across Auckland, wider New Zealand and visitors to our city. This can foster positive sustainable outcomes in terms of environmental protection, public health, and economic equality. Local and Central Government spending will play an even more significant role in economic recovery in a COVID-19 world. It is vital that the decisions we make in our procurement activities consider the impact on our entire value chain.

54%
of AT spend operating
under the AT Supplier
Code of Conduct
(January 2021)

25
Approved Physical
Works contractors

11,500
of kilotonnes Co2e GHG
emissions in 2018

8
social enterprises procured
in AT's supply chain
(January 2021)



7,638 km
of arterial and local roads

348 km
of cycleways

7,431 km
of footpaths

33
electric buses in operation on
Auckland's road network, with
a commitment for all buses to
be low emission by 2040

35%
of material used in road corridor
maintenance contracts is recycled
(AT Sustainability Review 2018)

AT's sustainable procurement journey so far





90% of waste was diverted from landfill in AMETI Eastern Busway 1 demolition pre-works (2017)

Commitment to The Southern Initiative's **Amotai** Māori and Pasifika Business buyers' group (2018)



Foundation member of **The Ākina Foundation Fwd** Social Enterprise buyers' group (2018)

NZ's first contractual sustainability requirements included in AMETI Eastern Busway 1 (including employment, supplier diversity, waste reduction, GHG emissions)



AT launches its first **Supplier Code of Conduct** (October 2019)

Eastern Busway partnership with **Te Whangai Trust** for Panmure native plant nursery and employment for long-term unemployed (2020)



AT's first direct partnership with a **an Amotai Business** to deliver a carpark and accessway at Makaurau Marae, Mangere (2020)



PART B: WHERE WE WANT TO BE BY 2024

Our vision

All AT's procurement activities accelerate Auckland's transformation to a regenerative economy by creating shared socio-economic prosperity and enhancing the natural environment.

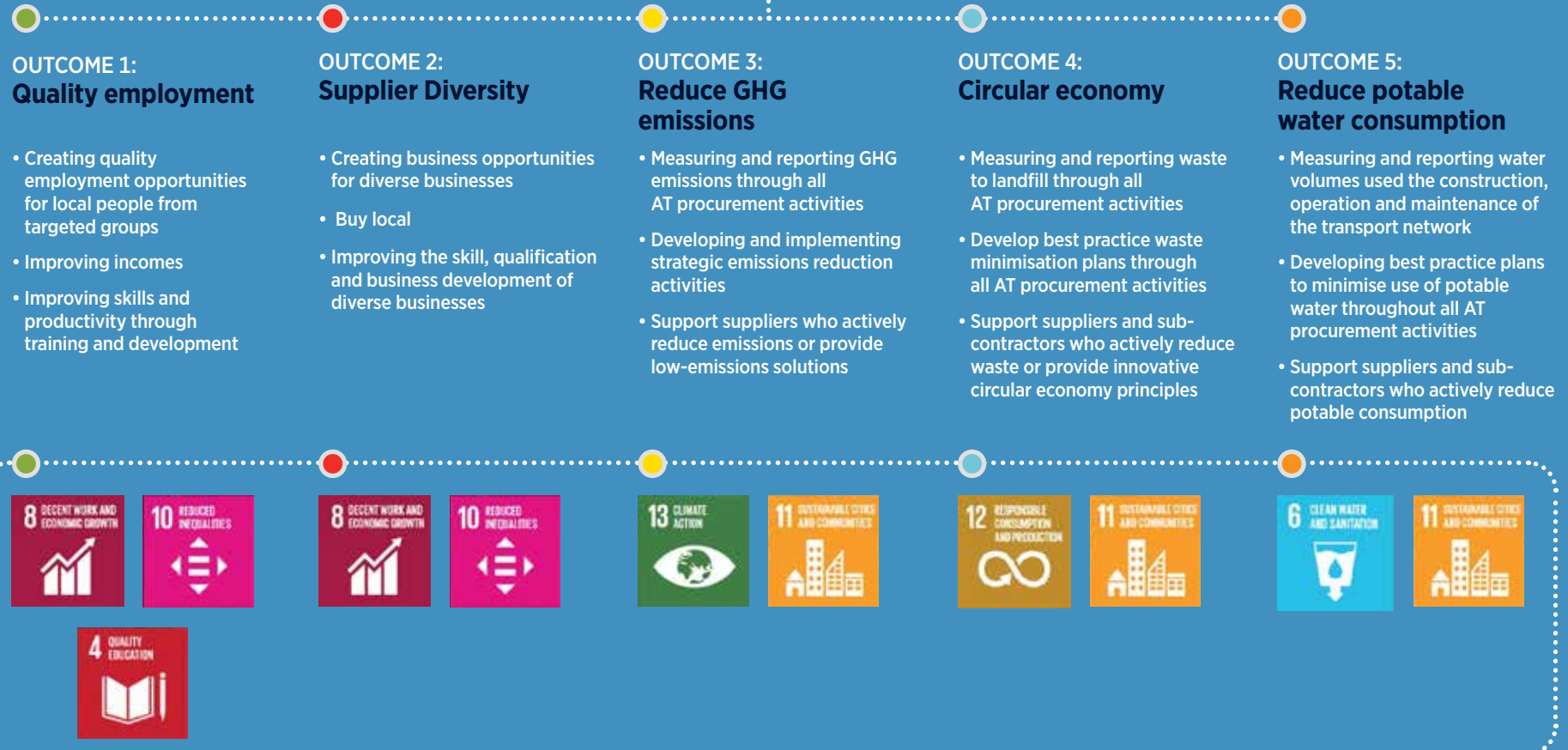
Strategic alignment



Sustainable procurement priority outcomes for 2021 – 2024

OUR VISION

All AT's procurement activities accelerate Auckland's transformation to a regenerative economy by creating shared socio-economic prosperity and enhancing the natural environment



Sustainable procurement approach

AT's approach to sustainable procurement is targeted at both direct and indirect/sub-contract spend categories.

Direct spend: Purchasing directly from businesses that will deliver sustainable outcomes including:

- Social enterprises
- Diverse suppliers
- Local suppliers.

Indirect/sub-contract spend: Using the procurement process, clauses in contracts, performance incentives and partnering with our head contractors to achieve sustainable outcomes for Aucklanders throughout the activity or through sub-contracts.



Supplier Code of Conduct

At a minimum, all suppliers will be expected to meet the principles of AT's Supplier Code of Conduct.

Key definitions

Social enterprises

Social enterprises are businesses that trade to intentionally tackle social problems, improve communities, provide people with access to employment and training, or help the environment. Social enterprises can be used strategically to address any one of our sustainable procurement outcome areas.

They derive most of their income from trade (not donations or grants) and use the majority of their profits (at least 50%) to contribute to their social mission.

Diverse suppliers

Supplier diversity is a strategic business activity to favour businesses that are owned by diverse, disadvantaged or minority groups. The specific goal of supplier diversity is to reduce inequality for those people by ensuring that prosperity and wealth is shared equally.

In the Auckland context diverse suppliers include Māori, women, disability and Pasifika-owned business.

Local suppliers

Given the impact of COVID-19 it is even more important that AT uses its procurement power to support local businesses and people. This is an important role as part of Auckland's economic recovery.

In the AT context "local" means Organisations that are run by people from a neighbourhood or local board area and deliver goods, services or works within that neighbourhood or local board area.

PART C: MAKING IT HAPPEN

Making it happen requires four strategic changes within AT. These changes set the critical path towards sustainable procurement becoming business as usual.



AT Partner Briefing October 2019



STRATEGIC CHANGE 1.

Update our procurement process

STRATEGIC CHANGE 2.

Deliver sustainable procurement training and development

STRATEGIC CHANGE 3.

Internal and external communication and engagement

STRATEGIC CHANGE 4.

Implement a measuring and reporting system

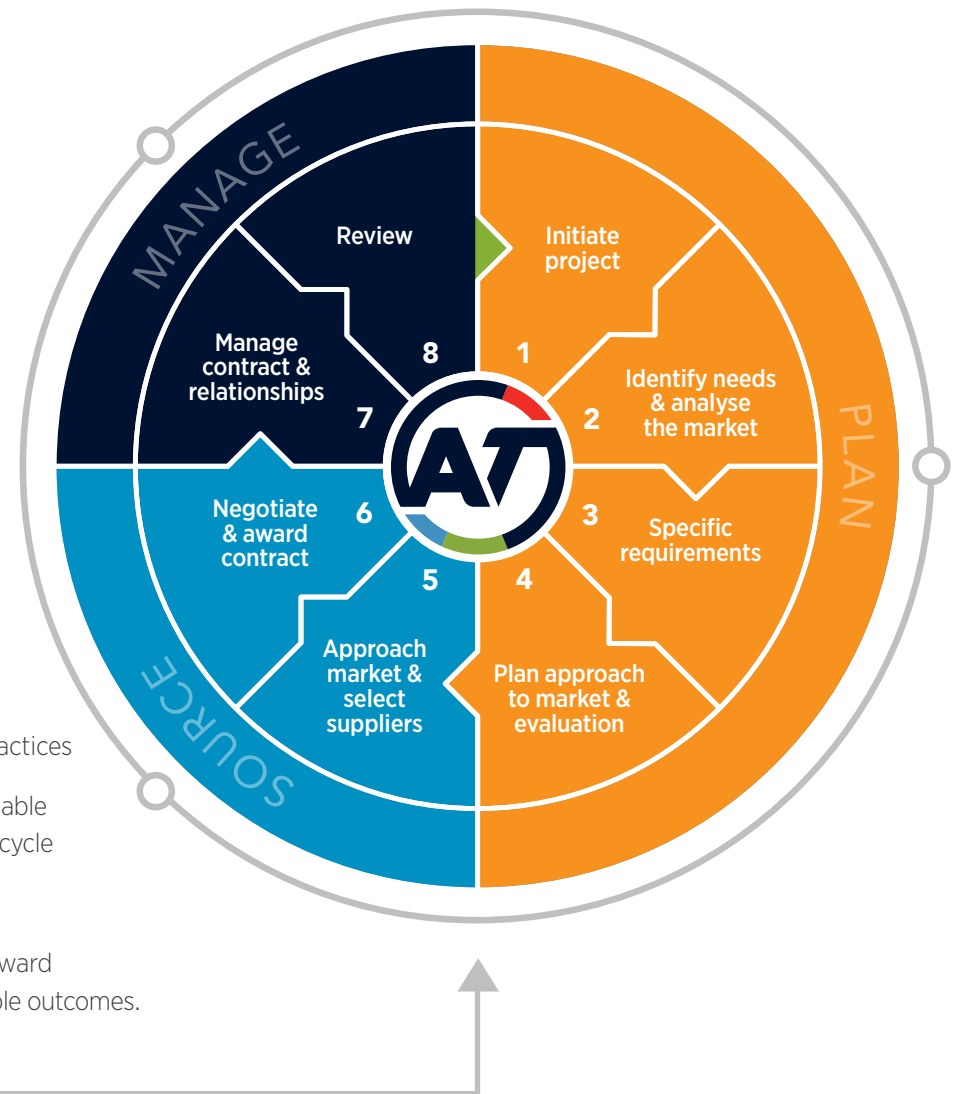
STRATEGIC CHANGE 1.

Our procurement process

AT's procurement professionals, project managers and buyers should consider sustainable outcomes at all stages of AT's procurement lifecycle (Plan, Source, Manage).

AT's procurement process must be enhanced so that everyone involved in the procurement process is supported and enabled to deliver sustainable procurement outcomes.

It is also important that suppliers understand the changes to our procurement process and, where they can, get support for outcome delivery.



STRATEGIC CHANGE 2.

Training and development

We want everybody to be able to procure sustainably. This means the AT organisation and supply chain needs upskilling. The following upskilling is required industry-wide for sustainable procurement to be successful.



- Develop a sustainable procurement training programme for AT people
- Deliver training for strategic suppliers on responding to sustainable procurement tenders and delivery of sustainable procurement outcomes
- Support social enterprises, diverse and locally owned business to increase ability to deliver AT service requirements.

STRATEGIC CHANGE 3.

Communications and engagement

Communication and engagement is important so that AT is accountable and transparent. We want others to be able to learn from our mistakes and be motivated by our successes. AT sees this as critical in order to achieve effective large-scale change.



- Release regular sustainable procurement communications and updates through a variety of channels, both internally and externally
- Include sustainability as a core component of supplier relationship meetings and performance discussions
- Increase recognition of suppliers who are helping AT deliver positive sustainable outcomes
- Increase the number of suppliers who have acknowledged and are operating in line with the principles of AT's Supplier Code of Conduct with an aim that 100% of suppliers will be operating under the Supplier Code of Conduct
- Continue to be spokespeople for sustainable procurement at industry events, seminars and conferences.

STRATEGIC CHANGE 4.

Measuring and reporting

Contract management, performance monitoring and transparent reporting is an important aspect of the procurement process. Setting a consistent, regular and clear monitoring and reporting process:

- Ensures that contracts deliver on sustainability requirements set
- Creates an incentive to deliver outcomes, through performance management
- Ensures that AT is being transparent with results and accountable to meeting our overall targets
- Clearly identifies and records the value being captured throughout the procurement process.

We need to measure and report at two levels.

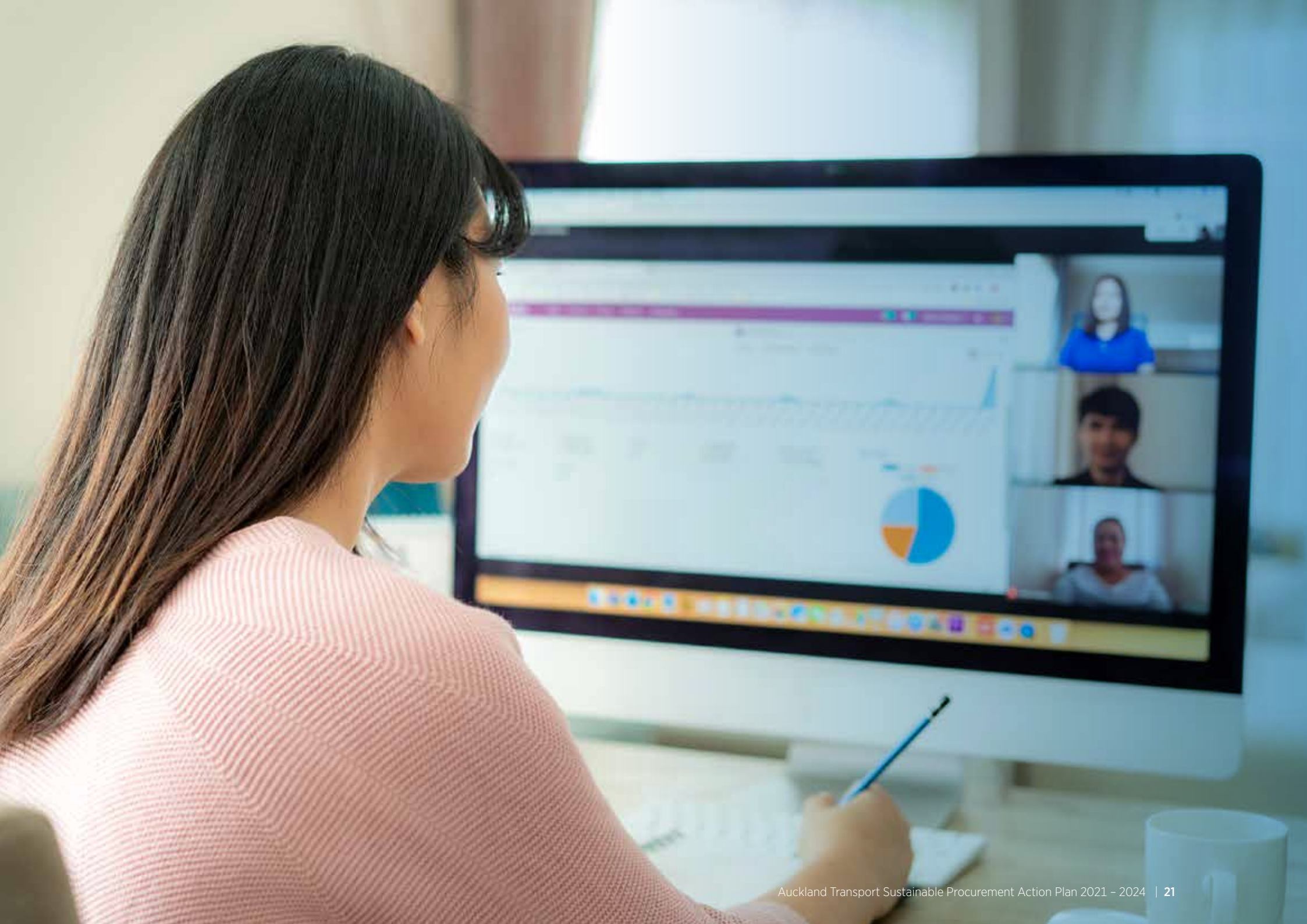
Individual project reporting

Suppliers can expect to see sustainable outcomes monitoring and reporting requirements reflected in contracts. We will also start to assess overall supplier performance against sustainable outcomes on top of traditional time, quality, price and risk requirements.

Impact reporting

This is how AT and our suppliers are performing overall across all contracts and collectively what impact we are delivering for Aucklanders. The focus of impact reporting is not only on quantitative sustainability data, but also on stories and case studies provided by suppliers and participants in our value chain who have benefited from our activities.





PART D: THREE YEAR ACTION PLAN

In this first Sustainability Procurement Action Plan AT will build on the successes already achieved in sustainable procurement. We will focus on adapting our procurement system and process so that everyone is enabled to procure sustainability.



Auckland Transport Sustainable Procurement Action Plan 2021 – 2024

Strategic changes	FY2020/2021	FY2021/2022	FY2022/2023	FY2023/2024
STRATEGIC CHANGE 1: Our procurement process	<ul style="list-style-type: none"> • Publish Supplier Code of Conduct • Continue sustainable procurement pilot projects 	<ul style="list-style-type: none"> • Publish Sustainable Procurement Strategy • Publish Sustainable Procurement Toolkit for Buyers • Publish Sustainable Procurement Guidance for Suppliers • Continue sustainable procurement trials in major projects 	<ul style="list-style-type: none"> • Deliver supplier audit and compliance process against minimum standards set in the Supplier Code of Conduct • Develop templates for sustainable procurement plans 	<ul style="list-style-type: none"> • Review progress and update process with learnings
STRATEGIC CHANGE 2: Training and development		<ul style="list-style-type: none"> • Pilot Sustainable Procurement Training with procurement team • Develop supplier sustainable procurement training and pilot session 	<ul style="list-style-type: none"> • Refine sustainable procurement training and roll out across wider AT organisation including project managers • Roll-out supplier training 	
STRATEGIC CHANGE 3: Communications and engagement		<ul style="list-style-type: none"> • Develop and implement Communications Plan • Publish existing case studies • Sustainable procurement website published 	<ul style="list-style-type: none"> • Publish sustainable procurement case studies and videos • Sustainable procurement in AT Annual Report 	<ul style="list-style-type: none"> • First Sustainable Procurement Report
STRATEGIC CHANGE 4: Measuring and reporting		<ul style="list-style-type: none"> • Establish clear project reporting process • Define metrics for measuring sustainable impact and sustainable procurement success • Interim sharepoint portal for sustainability data developed and tested internally 	<ul style="list-style-type: none"> • Data capture tool developed and delivered • Set sustainable procurement targets against priority outcomes 	<ul style="list-style-type: none"> • Sustainability included in supplier relationship management practices



The aim of Auckland Transport's Sustainable Procurement Action Plan is to generate positive outcomes and improve quality of life, both now and in future generations. The outcomes set in this Action Plan support our existing work and will be reviewed on an annual basis.

For more information about AT's sustainable procurement activities visit **AT.govt.nz** or email **procurement@at.govt.nz**

Further resources will become available late 2021.



Glossary

TERM	DEFINITION
Circular economy	Making the best use of resources with products that are made to last and 'made to be made again' (as opposed to the linear process of Make, Use, Dispose).
Emissions	The production and discharge of something, e.g. the production and discharge of greenhouse gases into the atmosphere.
Greenhouse gas emissions (GHGs)	Gases emitted to the atmosphere which contribute to the greenhouse gas effect, where more than the normal amount of atmospheric heat is retained in the atmosphere. These emissions include water vapour, carbon dioxide, nitrous oxide, methane, ozone, halocarbons and other chlorine and bromine-containing substances.
Local	Defined as a supplier who is based within the local board area where the contract is to be delivered.
Māori-owned business	Businesses with a minimum 50% Māori ownership and which are undertaking commercial activity: <ul style="list-style-type: none">• Partnerships: At least 50% of each class of partnership interest is owned by a Māori person and such ownership must be reflected in the partnership agreement; or• Corporations/companies: Māori own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or• Trusts: At least 50% owner(s) of securities or assets held in trust are Māori person(s); or• Sole proprietorship/trader: 100% ownership by a person identifying as Māori. Proposed certification with Amotai.

TERM	DEFINITION
Pasifika-owned business	<p>Businesses with a minimum 50% Pasifika ownership and which are undertaking commercial activity:</p> <ul style="list-style-type: none"> Partnerships: at least 50% of each class of partnership interest is owned by a Pasifika person and such ownership must be reflected in the partnership agreement; or Corporations/companies: Pasifika person(s) own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or Trusts: At least 50% owner(s) of securities or assets held in trust are Pasifika person(s); or Sole proprietorship/trader: 100% ownership by a person identifying as Pasifika. Proposed certification with Amotai.
Quality employment	<p>Occupations and roles which:</p> <ul style="list-style-type: none"> Are foreseeably sustainable. In other words, offer as much resilience as possible to automation, globalisation, technical innovation and other factors affecting or changing the industry and labour market; Offer genuine career progression and ongoing development, such as an apprenticeship or equivalent (such as micro-accreditations); Provide workers with terms and conditions that enable employees to live a dignified life; and Enable employees to feel their contribution has value, meaning and purpose.

TERM	DEFINITION
Social enterprises	<p>Purpose driven organisations that meet the following:</p> <ul style="list-style-type: none"> Purpose : The social, cultural and environmental mission provides a public or community benefit and is the primary purpose of the organisation. Trading : The majority of income is from trading a good and/or service. Reinvestment: The majority of either expenditure or profit is spent in the fulfilment of the purpose of the organisation. Proposed certification with The Ākina Foundation.
Target Employment Groups	<p>Identified target groups include the following:</p> <ul style="list-style-type: none"> Māori Pasifika peoples Long-term unemployed People that are not in education, employment or training (NEET) People who have experienced long-term or cyclical joblessness particularly young people People with a disability Refugees People re-entering the workforce from childcare commitments, ill-health, injury or a correctional sentence Older workers transitioning from other sectors in the workforce People that are underemployed or under-utilised Women in male-dominated roles and/or industries.
Zero waste	<p>Making the most of resources by using them for their highest and best value and sending nothing to landfill or incinerators.</p>



