

Procurement Policy

1. What is this policy about?

- 1.1 The purpose of this policy is to ensure that a robust and consistent procurement practice is applied across all Auckland Transport (AT) procurement activities. This policy provides a set of guidelines and rules to achieve specific procurement goals and ensure consistent decision making. It supports Auckland Transport's (AT's) Procurement Strategy that provides the overall direction and plans that outline how we will reach our procurement objectives.
- 1.2 AT is a significant procurer in value, scale and complexity, and is ultimately accountable to the ratepayers of Auckland and taxpayers of New Zealand, through its funding arrangements with Auckland Council (AC) and New Zealand Transport Agency Waka Kotahi (NZTA).
- 1.3 Effective procurement helps us deliver better outcomes and less cost of doing business for all involved. Effective procurement can improve productivity and support supplier innovation.
- 1.4 The purpose of this policy is to:
 - Explain our approach to procuring assets, services and goods at AT;
 - Ensure a robust and consistent procurement practice is applied across all AT procurement activities, while effectively managing risk and complying with the rules set by our funders partner NZTA, in alignment with the New Zealand Government Procurement (NZGP) rules and Auckland Council Group Procurement Policy;
 - Commit to delivering a transparent and fair procurement process that ensures value for money for all stakeholders.

2. Who does it apply to?

- 2.1 This policy applies to all AT employees - permanent and temporary - and to all procurements carried out by or on behalf of AT. It also applies to representatives (such as contractors, secondees, agency temps, interns, and graduate trainees), as well as to the AT Board.
- 2.2 Where this policy uses pronouns like "you", "your", "we", or "us", it is referring to anyone who this policy applies to.

3. What principles do I need to follow?

- 3.1 Our key principles related to procurement are outlined below:



Our six key principles should be applied consistently across all phases of the procurement lifecycle to ensure effective and responsible procurement:

Plan and manage for great results

- Identify what you need and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early - let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Encourage e-business.

Be proportionate and right-size the procurement

- Make it easy to do business with Auckland Transport.
- Design and run an efficient end-to-end process that is proportional to the value, complexity and risk.
- Reduce the time, cost and complexity for suppliers participating in procurement processes.
- Make documentation and communication clear and concise to minimise impacts on resources and only ask for information from suppliers that is essential and relevant.

Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
- Seek opportunities to involve Auckland businesses including diverse suppliers.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

Get the right supplier

- Be clear about what you need and fair in how you assess suppliers – don't string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the AT Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

Get the best deal for everyone

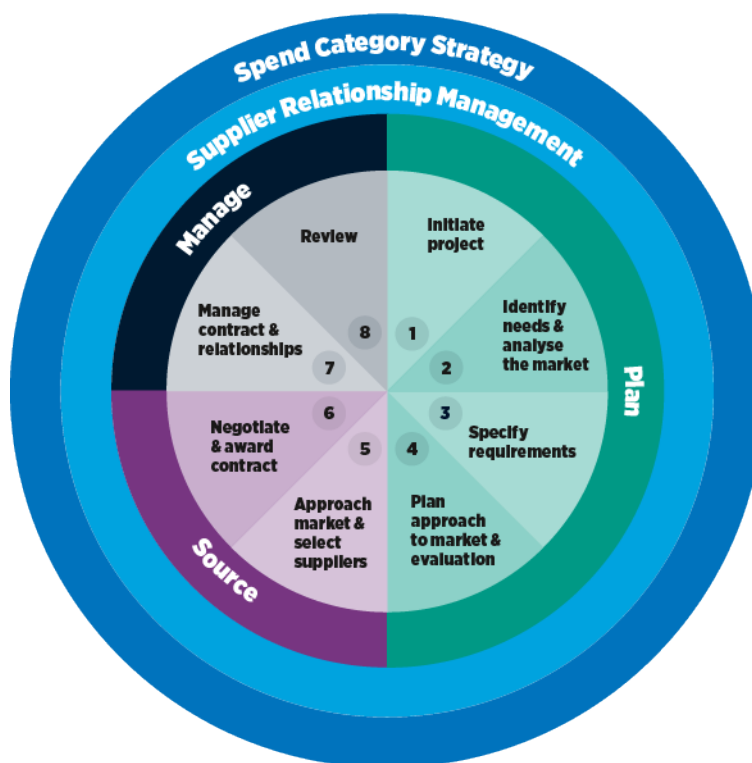
- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible economic benefits to Auckland.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing the deal – be accountable for the results.

Play by the rules

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

4. What is our approach and the procurement lifecycle?

- 4.1 AT's procurement approach is summarised in the model below. It ensures that all aspects of the procurement lifecycle are appropriately managed, from spend category strategy and supplier relationship management, through to the planning, sourcing and management of individual procurement needs.



AT's Procurement Lifecycle

Spend Category Strategy

- 4.2 A Spend Category Strategy is a structured approach to managing procurement by grouping similar goods or services into categories and developing tailored procurement strategies for each. This helps organisations optimise value, reduce costs, and improve supplier relationships by aligning purchasing decisions with market dynamics and business needs.
- 4.3 [AT's Spend Category Strategies](#) align expenditures with business requirements and risk mitigation. Category Plans will link to broader business strategies, directing procurement requirements, supplier relationship arrangements, appropriate resource allocation, measures and the reporting requirements throughout the Plan, Source and Manage phases.

Supplier Relationship Management (SRM)

- 4.4 Supplier Relationship Management (SRM) focuses on building strong, collaborative partnerships with key suppliers to improve performance, reduce risk, and create long-term value for both parties.
- 4.5 [SRM](#) is essential for fostering strong, mutually beneficial relationships with suppliers who have the capability to provide and maintain strategic value for stakeholders. Through the development of an SRM framework, AT aims to cultivate strong relationships with suppliers built on trust, open communication, and shared success.

Plan, Source and Manage

- 4.6 The content below highlights key considerations across the steps in the procurement lifecycle phases: Plan, Source, and Manage. Following these helps to ensure that the principles in this policy are applied consistently to all procurements.

Plan	1. Initiate project	Align with strategic and compliance requirements, including the AT Māori Outcomes Plan, property, resource consents, and health and safety. Establish project team, set up accountability and governance measures and engage with key stakeholders.
	2. Identify needs & analyse the market	Assess community impact and engage early with suppliers to understand market capabilities and potential innovations. Analyse the market and maintain awareness to support value for money outcomes and long-term supplier relationships.
	3. Specify requirements	Clearly define requirements considering the total cost of ownership, expected outcomes, and sustainability goals and describe how to achieve best value for money. Ensure the approach reflects the project's scope and identifies any subcontracting or SME involvement opportunities.
	4. Plan approach to market & evaluation	Select a procurement model proportionate to the project's size, complexity, and risk. For emergency procurement, see the Definitions section of this document and follow the procurement guidelines. Develop and document a clear evaluation methodology and prepare to engage suppliers transparently and fairly.
Source	5. Approach market & select suppliers	Apply suitable delivery models and supplier selection methods, considering existing government or Council Group contracts where appropriate. Ensure fair and competitive processes, giving all suppliers equal opportunity and conduct a detailed evaluation of financial, social, and environmental costs across the full lifecycle of goods, services, or works.
	6. Negotiate & award contract	Use approved procurement templates, negotiate fair pricing and contract terms, and establish clear deliverables. Ensure regulatory compliance by securing purchase orders before commencement.

Manage

7. Manage contract & relationships

Apply a standardised contract management approach (using the **Contract Lifecycle Framework**) to streamline processes, minimise risks, and ensure strong governance, support compliance & risk mitigation by aligning contracts with business needs and clarifying staff responsibilities.

Establish performance measures to monitor compliance and ensure suppliers meet expectations.

Foster collaborative relationships by recognising supplier contribution and working together on continuous improvement.

8. Review

Conduct value and benefit tracking to assess contract performance and supplier impact.

Use review insights to inform future procurement decisions and strengthen sustainable supplier relationships.

How we procure at AT?

- 4.7 AT procures a variety of goods, services and assets. How we procure them varies, depending on the value, complexity and risk involved.
- 4.8 AT has sourcing standards, procedures and guidelines (AT Procurement Framework) that must be followed, which are available on the [AT Procurement Hub](#). These support the application of the most appropriate approach for each procurement, promote fair and competitive processes wherever possible, and ensure we achieve the best Value for Money (VFM).
- 4.9 The purchase order cycle (ordering, obtaining and paying for the goods or services the business requires) is core part of the procurement lifecycle. Purchase Orders must be issued to the appointed vendor before any services commence, or goods are ordered. Failure to do this is a breach of this policy and will likely result in delayed payment to the vendor. Prompt payment is a fundamental commitment to the way we procure at AT and is consistent with guidance we have on the Engine Room here: [Purchase Order \(PO\)](#).
- 4.10 The [Auckland Transport Delegations Register](#) sets out principles and thresholds for the exercise of all delegations (financial & non-financial) by AT employees.
- 4.11 AT's practices and decisions must be able to withstand public scrutiny at all times. Throughout all phases of the procurement lifecycle (Plan / Source / Manage), AT should:
- Clearly record our planning, processes and decisions so they can be easily understood and audited;
 - Document and effectively manage conflicts of interest;
 - Identify risks and develop appropriate mitigation strategies to manage them;
 - Act lawfully, ethically and responsibly.
- 4.12 Our [AT Supplier Code of Conduct](#) also sets out minimum expectations applicable to all suppliers and contractors providing goods and services to AT. We all have a role in AT to ensure suppliers adhere to these principles.

Where can I get more information on procurement?

Procurement Hub

- 4.13 AT is committed to smart buying that delivers sustainable value for money spent. The [Procurement Hub](#) has been developed as a key resource to effectively support all stakeholders throughout the procurement lifecycle and process.
- 4.14 The Procurement Portal provides essential guidance and outlines the mandatory rules we must adhere to. It should be consulted for every procurement to ensure compliance, access to the latest templates and forms, and ensuring adherence to best practices.

Procurement Business Partner (PBP)

- 4.15 [Procurement Business Partners](#) are available to support and assist with AT's procurement needs. Alternatively, the business can reach out to procurement@at.govt.nz or ask [Presto](#), the online procurement 'chatbot'.

How does AT ensure its procurement approach is fair to suppliers?

- 4.16 The [AT Procurement Team](#) are committed to support and provide the best guidance aligned with the policy principles.
- 4.17 For procurements with more significant risks, additional oversight may be required, such as probity measures during procurement activities, to ensure fairness, integrity in procurement documents, processes, and arrangements, and transparency in outcomes and decisions.
- 4.18 For any procurement of significant risk and/or value, probity will provide the assurance as below:
- Ensure there is an independent or impartial Probity Auditor and/or Fairness Advisor;
 - Undertake inquiries where procurement concerns are raised by stakeholders, suppliers and participants, summarise results and recommend remedies if appropriate;
 - Maintain an independent hotline for staff, suppliers and the public to report issues or concerns with our procurement approach or processes;
 - Provide escalation processes to fairly investigate concerns and make recommendations to address issues or concerns.
- 4.19 AT has a zero tolerance for fraud and encourages everyone to report any complaints, concerns and allegations. There are various ways to do this included in [Section 7 Non-Compliance](#).
- 4.20 The Head of Risk & Assurance is also available to carry out an independent review and provide remedies if appropriate.
- 4.21 Make sure you keep the AT Procurement team involved and informed – they are there to support you and help ensure that the procurement approach taken is suitable for the type and risk of spend.

5. Definitions

Term	Definition
AT Procurement Framework	AT's Procurement Framework includes the procurement strategy, policy, standards, procedures, guidelines and templates.
Contract Management	Contract management is the process that enables AT and suppliers to meet their obligations to deliver the objectives required from a contract, on time, to quality and specification and within budget.
Emergency Procurement	<p>An emergency procurement may only be made when the existence of an emergency situation creates an immediate and serious need for goods/services/works that cannot be met through normal procurement methods. An 'emergency' is a sudden unforeseen event. It can result in injury, loss of life or critical damage to property or infrastructure. Emergency situations may include:</p> <ul style="list-style-type: none"> • Natural or manmade disasters, failures of critical infrastructure or equipment; • Critical health or environmental emergencies; • Political emergencies; • Critical security emergencies; • Unanticipated events that make it impossible for AT to perform a statutory or critical function in the necessary timeframe.
Probity	Probity oversight during procurement activities ensures the fairness and integrity of documents, processes and arrangements, and the transparency of procurement outcomes and decisions.
Procurement	All aspects of planning, acquiring and delivering goods, services and works. Beginning with identifying the need and finishing with either the end of a service contract or the end of the useful life and disposal of an asset.
Procurement Thresholds	AT's standard procurement processes are based on monetary thresholds and risk. The thresholds are detailed in the Plan set of procedures and guided by AT's DFA.
Value for Money (VFM)	<p>Value for money means getting the best possible result from our procurement, using resources effectively, economically and without waste, and taking into account:</p> <ul style="list-style-type: none"> • The total costs and benefits of a procurement (total cost of ownership), and; • Its contribution to the results AT is trying to achieve.

6. Roles and responsibilities

Role	Accountability & Responsibility
All employees and representatives	<ul style="list-style-type: none"> Adherence and compliance with the Procurement Policy and related systems, standards, procedures, guidelines and templates.
AT Board (Policy approver)	<ul style="list-style-type: none"> Approves the Procurement Policy. Promote the principles of the Procurement Policy.
Chief Executive (Policy Endorser)	<ul style="list-style-type: none"> Endorses the Procurement Policy. Promotes the principles of the Procurement Policy.
CFO and Director Corporate Services (Policy Owner)	<ul style="list-style-type: none"> Consult and seek approval of the Procurement Policy from the AT Board. Accountable for the efficient and effective implementation and compliance of the Procurement Policy. Ensuring accurate and reliable procurement performance information is provided to the Chief Executive (CE) and Executive Leadership Team (ELT). Promoting the principles of the Procurement Policy. Ensuring there are adequate and competent resources available for meeting procurement objectives and planned outcomes. Managing foreseeable procurement risks and ensuring adequate controls are in place. Approving or endorsing individual procurement strategies and plans, monitoring their results and outcomes, and providing direction when improvements are required.
Delegated Financial Authority (DFA)	<ul style="list-style-type: none"> Appropriate AT employee who has relevant delegated financial authority to approve a procurement activity.
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> Promoting the principles of the Procurement Policy. Adherence and compliance with the Procurement Policy and related strategy and systems within their respective Divisions.
Group Manager Procurement	<ul style="list-style-type: none"> Develop, consult, and seek approval of the Procurement Policy and Procurement Strategy. Responsible for the efficient and effective implementation, maintenance and compliance of the Procurement Policy and Procurement Strategy. Develop and embed an accountability framework and monitoring key risk, controls and performance indicators, and providing direction when improvements are required. Develop and implement an effective training and development programme to ensure sufficient resource capability and performance for procurement practitioners across the Procurement and business functions.

Role	Accountability & Responsibility
	<ul style="list-style-type: none"> • Adopting a cross-functional view, and resolving differences between business units when necessary, and providing procurement leadership and support to achieve the benefits sought by AT. • Governance oversight and accountability for quality control, Procurement Governance Framework, and service delivery. • Approving updates or variations to, standards, procedures and guidelines. • Reporting procurement performance and taking remedial action where deficiencies are identified. • Ensuring ongoing policy compliance with all applicable legislation and guidance, including the NZTA Procurement Manual and Auckland Council Group Procurement Policy. • Ensuring all AT Procurement team are aware of and follow the requirements of the Procurement Policy.
Procurement Team	<ul style="list-style-type: none"> • The procurement function comprises distinct roles, such as senior procurement specialists and procurement advisors, each with responsibilities defined in their job descriptions to support the organisation's procurement objectives. Collectively, the procurement team is generally responsible for the activities outlined below; • Acquiring the competency to adequately undertake procurement responsibilities. • Providing specialist guidance and support, including strategic sourcing, facilitation of end-to-end procurement process. • Supporting contract development and management. • Owns and manages risks and controls and implements corrective actions to address process and control deficiencies. • Providing quality and compliance assurance with procurement business partners providing procurement service to the customers and the business, and management providing expertise and support, monitoring and challenge or risk-related matters. • Providing training to staff on good practice procurement. • Identifying and report on emerging procurement risks. • Providing periodic reporting on procurement process and initiatives. • Responsible for ensuring all public facing procurement documentation is fit for purpose, meets transparency, quality standards and probity requirements.
Probity Advisor	<ul style="list-style-type: none"> • Providing proactive advice during a process to help maintain fairness, transparency, and ethical compliance.
Probity Auditor	<ul style="list-style-type: none"> • Providing independent review after a process to confirm it was conducted according to ethical and legal standards.
Risk & Assurance	<ul style="list-style-type: none"> • Supports effective governance by identifying, assessing, and monitoring organisational risks while providing independent assurance that controls and processes are operating as intended.

7. Supporting information

Legislative compliance	<p>This policy supports AT's compliance with the following legislation:</p> <ul style="list-style-type: none"> • Commerce Act 1986 • Contract and Commercial Law Act 2017 • Electronic Transactions Act 2002 • Fair Trading Act 1986 • Health and Safety at Work Act 2015 • Land Transport Management Act 2003 • Local Authorities (Members' Interests) Act 1968 • Local Government Act 2002 • Local Government (Auckland Council) Act 2009 • Local Government Official Information and Meetings Act 1987 • Official Information Act 1982 • Public Records Act 2005
Supporting documents	<ul style="list-style-type: none"> • <u>Auckland Transport Procurement Framework</u> • <u>Auckland Transport Supplier Code of Conduct</u> • <u>Auckland Transport Sustainability Strategy</u>
Related documents	<ul style="list-style-type: none"> • <u>Auckland Council Group Procurement Policy</u> • <u>Capital Project Management Policy</u> • <u>Climate Change Technical Policy</u> • <u>Code of Conduct Policy</u> • <u>Conflicts of Interest Policy</u> • <u>Contract Lifecycle Framework</u> • <u>Delegations Register</u> • <u>Expenditure Policy</u> • <u>Fraud Policy</u> • <u>Gifts and Hospitality Policy</u> • <u>Information and Records Management Policy</u> • <u>NZ Government Procurement (NZGP) Rules</u> • <u>NZ Transport Agency Waka Kotahi Procurement Manual</u> • <u>Office of the Auditor General: Procurement Guidance for Public Entities</u> • <u>Protected Disclosures Policy</u> • <u>Purchasing Card Policy</u> • <u>Safety, Health and Wellbeing Policy</u> • <u>Sustainable Procurement Action Plan</u>

8. Non-Compliance

- 8.1 Non-compliance with this Policy may compromise AT's ability to achieve value for money or expose AT to financial and reputational risk. Failure to comply with this Policy is considered an act of misconduct and may lead to disciplinary action taken against employees, up to and including dismissal, or the termination of a representative's agreement with AT.
- 8.2 AT encourages anyone to raise any non-compliance or probity concerns relating to this policy. To enable this, AT:
- Encourages the use of AT's internal [Speak Up Hub](#) to find more information about areas of concern and how to raise concerns;
 - Maintains an independent hotline for staff, suppliers and the public to report issues or concerns with our procurement processes (0800 AT REPORT / at.report@pwc.com).

9. Approval & review

Policy Owner:

CFO and Director Corporate Services

Policy Contact:

Group Manager Procurement

Endorsed by:

Chief Executive

Approved by:

AT Board Chair

Approval date: 18/12/2025

Next Review date: 18/12/2028

Effective date: 20/01/2026

AT reserves the right to review, amend or add to this policy at any time upon reasonable notice to employees and representatives.