Sustainable Procurement at Auckland Council
Supply chains, sourcing and strategy
Auckland Council Background

• Newly (2010) amalgamated city of 1.4 million
• Mayor, 21 City Councillors, 21 Local Boards with elected reps
• Largest council in Australasia and second largest NZ employer
• “Council Controlled Organisations” at arms-length from council to deliver water, transport, urban re-development, etc.
• Guided by Auckland Plan (2012), 30 year spatial plan
• Annual capex spend over $1.8 billion, opex over $3.2 billion
• Assets over $32 billion
## Auckland's Vision

### The World's Most Liveable City

#### Outcomes: What the Vision Means in 2040

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Description</th>
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<tbody>
<tr>
<td>A fair, safe and healthy Auckland</td>
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<tr>
<td>A green Auckland</td>
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<tr>
<td>An Auckland of prosperity and opportunity</td>
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<tr>
<td>A well connected and accessible Auckland</td>
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<td>A beautiful Auckland that is loved by its people</td>
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<tr>
<td>A culturally rich and creative Auckland</td>
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<tr>
<td>A Māori identity that is Auckland’s point of difference in the world</td>
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#### Transformational Shifts: To Achieve the Vision

<table>
<thead>
<tr>
<th>Shift</th>
<th>Description</th>
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<tr>
<td>Dramatically accelerate the prospects of Auckland’s children and young people</td>
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<td>Strongly commit to environmental action and green growth</td>
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<td>Move to outstanding public transport within one network</td>
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<td>Radically improve the quality of urban living</td>
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<td>Substantially raise living standards for all Aucklanders and focus on those most in need</td>
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<td>Significantly lift Māori social and economic well-being</td>
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Chief Sustainability Office

• New office and new Chief Sustainability Officer role as of December 2014
• Ten FTE, focusing on strategy and working within and beyond organisation
• Five main priority areas:
  1. Engage and Communicate Sustainability
  2. Implement Low Carbon Auckland
  3. Build Climate Resilience
  4. Lead in Organisational Sustainability
  5. Integrate Sustainability and Social Justice
Why Procurement?

- Auckland Plan
- Sustainable asset management
- Leadership by example
- Reporting and evaluation
- Sustainability strategies
- Sustainability in business case
- Individual project sustainability criteria

World’s most liveable city delivering Aucklander’s great value for money.
Auckland Council Procurement Spend

<table>
<thead>
<tr>
<th>Activity area</th>
<th>$000m 2014/15</th>
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<tbody>
<tr>
<td>Transport</td>
<td>$887 million</td>
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<tr>
<td>Water supply and sewerage</td>
<td>$345 million</td>
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<tr>
<td>Lifestyle and culture</td>
<td>$264 million</td>
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<tr>
<td>Community facilities</td>
<td>$101 million</td>
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<tr>
<td>Drainage and flood protection</td>
<td>$91 million</td>
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<tr>
<td>Economic development and growth</td>
<td>$95 million</td>
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<tr>
<td>Support and protection</td>
<td>$175 million</td>
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<tr>
<td>Total capital programme</td>
<td>$1.950 bilion</td>
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Auckland Council Procurement Overview

2 main areas of focus:

- Current spend
  - Current contracts
  - Current suppliers

- New spend
  - New contracts
  - New suppliers
Sustainable Procurement in Auckland

- Sustainable design
- Social innovation
- Supplier Relationship Management
- Reporting and analysis
- Greener Growth
- Find value
- Category Management
- Get value
- Sourcing
- Keep and grow value
- Resilience
- Low Pollution
- RE-use
- Kaitiakitanga
- Reducing greenhouse gases
- Low Carbon
- Biodiversity
- Clean Waters
- Youth Unemployment
- Community engagement
- Accessibility
- Waste reduction
- Living Wage
- Maori outcomes
- Infrastructure
Procurement at Auckland Council

• Using purchasing power to achieve multiple outcomes beyond required products and services
• Delivering economic, environmental and social benefits
• Aligning outcomes with Auckland Plan aspirations, e.g.:
  • Environmental action and green growth
  • Low carbon living
  • Zero waste
  • Improved living standards for Aucklanders, especially disadvantaged
  • Rise of Maori social and economic well-being
What does this look like in practice?

Sustainability and the Supply Chain

- High-level Procurement Strategy
- Inclusion of sustainability criteria in procurement of key services/suppliers, setting high performance outcomes (e.g., Greenstar 5/6, 90% diversion, NABERSNZ, FSC timber, community group participation)
- Specify EMS/ ISO14001 outcomes for project
- Worked with contractor to implement ISO14001 EMS
- Implementing ISO14001 system for actual operations of occupied building
- Collaboration: Fletchers, International Certifications, Creative Spaces all working on sustainability, and partnering with us on the journey
Where Next: A 3-Pronged Approach
Sustainability and the Supply Chain

• Specifying EMS/ISO14001 in sourcing (new contracts)

• Inclusion of sustainability criteria in procurement of key areas; workshops to upskill supply chain (supplier relationship management)

• Sustainability as tool to deliver savings, value, efficiencies (category management)
3-Pronged Approach

**Sustainable Supplier Relationship**
- ISO14001 EMS workshop approach
- Joint learning options
- Strategic workshops
- Supplier collaboration/involvement
- Growing sustainability value

**Sustainable Procurement Pgms**
- Tiered approach based on value or strategic imperative
  - **Stage 1** Core criteria self-assessment tool (SBN Model)
  - **Stage 2** Assisted Advice Model
  - **Stage 3** High value/strategic spend partnership support model
- ISO14001 or other EMS as a criteria/tool

**Sustainable Category Management**
- Key strategic sustainability interventions
- Transformational sustainability
- Sustainability partnership
- ISO14001, EMS, workshops
- Leadership by example
- Creating value through sustainability
Questions and Discussion

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