

Sustainable Procurement at Auckland Council

Supply chains, sourcing and strategy

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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

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AUCKLAND'S VISION

THE WORLD'S MOST LIVEABLE CITY

OUTCOMES: WHAT THE VISION MEANS IN 2040

A fair, safe and healthy Auckland

A green Auckland

An Auckland of prosperity and opportunity

A well connected and accessible Auckland

A beautiful Auckland that is loved by its people

A culturally rich and creative Auckland

A Māori identity that is Auckland's point of difference in the world

TRANSFORMATIONAL SHIFTS: TO ACHIEVE THE VISION

Dramatically accelerate the prospects of Auckland's children and young people

Strongly commit to environmental action and green growth

Move to outstanding public transport within one network

Radically improve the quality of urban living

Substantially raise living standards for all Aucklanders and focus on those most in need

Significantly lift Māori social and economic well-being

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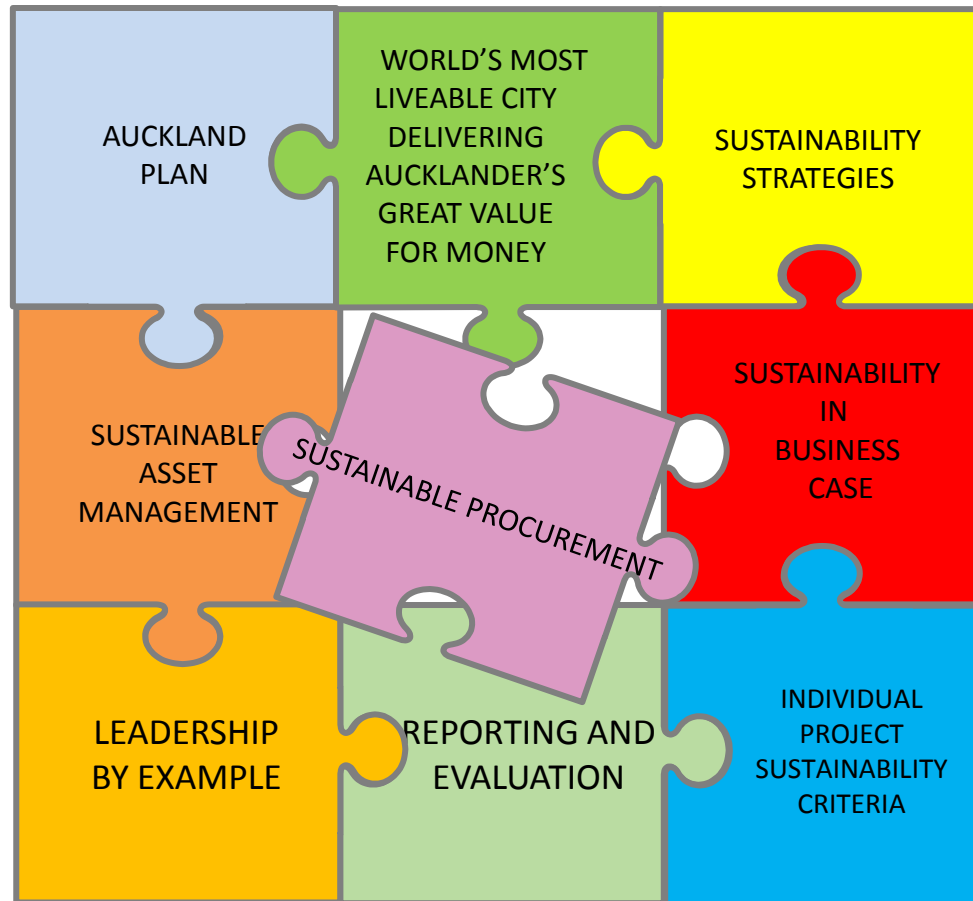
Chief Sustainability Office

- 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

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Why Procurement?



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Auckland Council Procurement Spend

Activity area	\$000m 2014/15
Transport	\$887 million
Water supply and sewerage	\$345 million
Lifestyle and culture	\$264 million
Community facilities	\$101 million
Drainage and flood protection	\$91 million
Economic development and growth	\$95 million
Support and protection	\$175 million
Total capital programme	\$1.950 bilion

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Auckland Council Procurement Overview

2 main areas of focus:



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Sustainable Procurement in Auckland



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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

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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

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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)

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3-Pronged Approach

Sustainable Supplier Relationship

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

Keep about
grow value



Sustainable Category Management

- Key strategic sustainability interventions
- Transformational sustainability
- Sustainability partnership
- ISO14001, EMS, workshops
- Leadership by example
- Creating value through sustainability

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

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Questions and Discussion

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