

Key Initiatives

Initiative	Start Date	Completion Date	Flag	Work plan achievements
Quick Wins				
A. Complete a high level post-implementation review of SAP Ariba at the Council parent, including engagement with CCOs, prior to any further deployment or investment. All entities should be involved and a future Group technology road map developed.	March 2018	Dec 2018		AC, AT and Watercare Procurement General Managers have set-up a Procurement Digitisation Working Group with representatives from AC, AT and Watercare. The purpose of this working group is to create a Procurement Digital Roadmap across the group. A draft Roadmap has been completed and feedback is currently being incorporated.
B. Develop and implement a plan to proactively engage with Maori business and the Maori business community in procurement opportunities.	Dec 2017	Ongoing		<p>Te Toa Takitini: The Council Group and the Mana Whenua Kaitiaki Forum are working together to identify and maximise economic opportunities for Manu Whenua. A 3 phased approach has been agreed:</p> <ol style="list-style-type: none"> 1. Current state analysis to the CE to identify and advise on the current state activities and a set of priorities for Māori procurement opportunities; 2. Scope and implement relevant activities to inform the Māori Outcomes portfolio of work to support cross-council alignment in transitioning the council-family to consistent shared measurements/targets for Māori procurement. 3. A funded work programme to build Māori capability and capacity to meet the procurement opportunities identified across the group. <p>He Waka Eke Noa: The Southern Initiative, in partnership with a number of other organisations, has established He Waka Eke Noa; a facilitator for Maori and Pacific owned businesses to public and private sector supply chains. There are currently 44 businesses on the list, who primarily provide services in civils and construction. www.wen.org.nz</p> <p>On 25th October He Waka Eke Noa hosted the inaugural meet and greet session for Maori and Pacific businesses to meet with project managers, procurement teams and others from the Council Group.</p> <p>Supplier Code of Conduct The Council Group is currently working on a supplier code of conduct that will include an obligation on suppliers to consider opportunities for Manu Whenua and Pasifika in the supply of goods and services to the Council Group.</p> <p>Auckland Council Approach to Sustainable Procurement:</p> <ol style="list-style-type: none"> 1. Opt out approach to strategic procurements 2. Develop a set of tools for procurements 3. Plan to have Supplier Forum session on sustainable procurement 4. Sustainable procurement reporting to elected members.

C. Improve the reporting benefits realised to include year-end forecast position. When a metric is not on track (red), require a 'go to green' plan detailing the actions to be taken, by whom and when for the metric to return to green (on track).	Jul 2018	Sept 2018		Group Procurement teams are using PowerBI, which is a dynamic, live and specific tool allowing better forecasting. This allows us to identify any metrics which are not on target and agree a 'go to green' plan. We are now using this report on a weekly basis to track 'go to green'.
D. Implement customer and supplier surveys at Auckland Transport to understand performance and identify improvement opportunities.	Jul 2018	Feb 2018		AT is currently in the process of developing updated, external surveys which they will then distribute and analyse once completed. In future Group Procurement teams see an opportunity to align our surveys across the Group.
E. Standardise, where appropriate, data standards, templates, contracts, frameworks across the Group to avoid duplication and reduce supplier cost.	Sept 2015	Ongoing		Group Procurement have harmonised our category structures and supplier definitions. There is outstanding work to be done on contract and frameworks. As an example, AC now manages AT's fleet and one AT fleet administrator is currently transitioning over to AC.. Procurement is also working together in the Streetscape space where and this responsibility is being transferred from AT to AC.
Recommendations				
#1 Design and implement a Group procurement operating model to effectively enable the Group Procurement Policy and participation from the council and all its council-controlled organisations.	Sept 2015	Jun 2019		<p>The General Managers of Procurement (AC, AT and Watercare) have established a group operating model through the Group Source Programme. Group Procurement shares information, procurement activity pipelines and work programmes</p> <p>Group Procurement has actively worked together to consolidate spend categories and sub-categories across the group allowing us to get a better understanding of our supplier base and spend across the Group.</p> <p>The draft Group Procurement Strategy has been shared with the Local Board Procurement Working group. Based on feedback, Group Procurement is currently updating the strategy. It is expected this Group Procurement Strategy will be presented at the November Group Source Steering Committee meeting and subsequently to the Strategic Procurement Committee.</p> <p>The operationalisation of this strategy will further embed our strategic, collaborative approach across the group. This strategy is expected to be completed and implemented by the end of this financial year.</p>
#2 Design and implement a consistent, Group-wide Supplier Relationship Management framework for identifying and managing key strategic supplier relationships, and consider assigning ownership of these to the Group's executive teams	Jul 2018	March 2019		Category Leads across AC, AT and Watercare are currently developing a Supplier Relationship Management framework to be used across the Group. As part of this Group Procurement are sharing their existing SRM practices and then building on these as a group. This will also feed into the SRM module in Ariba. This will be designed by March 2019 with a staged implementation to follow.
#3 Design and implement a consistent, Group-wide procurement risk management framework for identifying, assessing and treating risks to allow the most appropriate procurement and financing approach to be adopted. This would acknowledge each entity's differing risk profiles and governance structures.	Jul 2018	Dec 2018		<p>General Managers across AC, AT and Watercare Procurement have shared their current procurement risk management frameworks. A draft Group Procurement Risk Matrix has been created and in the process of being tested.</p> <p>Group Procurement will also work with Treasury, Risk and Finance to align risk appetites.</p>

#4 Require all entities in the Group to establish an annual hard savings target for procurement and include this in the long-term plan budget, to be implemented by 30 June 2018	Jun 2018	End of Sept 2018		Hard Opex in year Savings targets have now been set by the CFOs. AC: \$5M AT: \$5M Watercare: \$2.5M
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Flag information

Green - Work will progress as planned, due date will be met or if the due date has been revised it will not affect the project critical path or a dependent project.

Amber - Due date has or will possibly be missed and this may affect the project critical path or a dependent project, or an issue has arisen that may affect this project or a dependent project.

Red - Due date has or will imminently be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.

Commentary:

Project comment is required that briefly describes progress made and any issues that have arisen.

All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen.

If the status is **Amber** or **Red** the comment must include a reason why and what action or suggested action is to be taken.

Risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

Issue

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.