



te kaunihera ā-rohe o
matamata-piako
district council

Procurement Quarterly Report

QUARTERS ONE & TWO, 2025/26

CONFIDENTIAL



Table of Contents

Executive Summary	3
Section 1.0 – Procurement Compliance	4
Section 2.0 - Suppliers Review	5
Section 3.0 - Tenders	7
Section 4.0 - Supplier Contracts	8
Section 5.0 – Planned Procurement Priorities	11
Appendix 1: BCSP Panel Overview	12

Executive Summary

Procurement plays a critical role in ensuring the efficient acquisition of goods and services that align with Matamata-Piako District Council's (MPDC's) Long Term Plan and best practice. This report provides findings on procurement for the period – quarters one and two, 2025/26.

Summary of findings:

1. **Compliance** – Of the procurements reviewed, 82% complied with the requirements of MPDC's Procurement Manual. The non-compliance rate increased by 15% compared to the previous two quarters; however, this is not considered a major risk, as the issues identified were procedural in nature. These matters can be mitigated through enhanced communication and targeted training.
2. **Top 10 Suppliers** – analysis shows that MPDC has active contracts with the top ten suppliers with the highest number of transactions during the reporting period. Contracted suppliers often go through competitive processes, which means pricing and service terms are more likely to represent value for money.
3. **Tenders** –one tender was awarded within the period and complied with procurement requirements. The award was made to a contractor based within the Waikato region.
4. **The Tender Board Committee** began operating in November 2025, and has held two meetings, and endorsed five tenders. Following approval from the Chief Executive, the tenders were published on the Government Electronic Tendering Portal in December and closed in January for evaluation.
5. **Contracts Management in Authority** – the contracts register module in Authority has 100 active contracts, valued at \$110m. 52% of the contracts relate to Water and Wastewater.
6. **New Building Consenting Services Panel (BCSP)** – MPDC jointly with a number of other Waikato Councils (through Co-Lab) established a building consenting panel on the 1 December 2025 that covers all building functions undertaken by Council. This is a shared contract for an initial term of two years with two rights of renewal: a term for two years and final term for one year subject to performance.

Section 1.0 – Procurement Compliance

Any procurement activity is compliant when undertaken in accordance with:

- the **Procurement Policy**,
- the **Procurement Manual** – provides processes and guidance on how to undertake procurement,
- MPDC **financial delegations**,
- **Approved budgets** for goods and services.

These points establish the criteria for procurement audits. Any deviation from these established rules is marked as non-compliant, exposing the Council to potential risks.

Currently, audits are conducted monthly for purchase orders exceeding a spend value of \$20,000. Fifteen purchase orders are randomly sampled each month and any non-compliance issues identified during the audit are brought to the attention of the approvers, who are expected to address these with their teams and enforce compliance by enhancing due diligence in the approval process.

1.1 Compliance – Purchase Orders

The policy requires purchase orders for all low value and low risk transactions.

Seventy-two purchase orders were audited for quarters one and two of the 2025/26 financial year. While the audit scope initially included 90 purchase orders, some threshold categories had very low transactions during this period.

Table 1 - Audit results for Q1 and Q2, financial year 2025/26:

Classification	Number of orders	%	Comparison Q3&Q4 FY2024/25
Pass - procurement meets all the requirements	59	82%	97%
Minor Issues - procurement has moderate areas of non-compliance	8	11%	3%
Concerns - procurement has multiple areas of non-compliance or recurring non-compliance	5	7%	0%
Total	72	100%	100%

Source: Authority

Of the 72 purchase orders audited, 82% met procurement compliance requirements. Eight purchase orders recorded minor non-compliance; however, these did not impact the procurement outcome or justification, as only minor procedural requirements were not met.

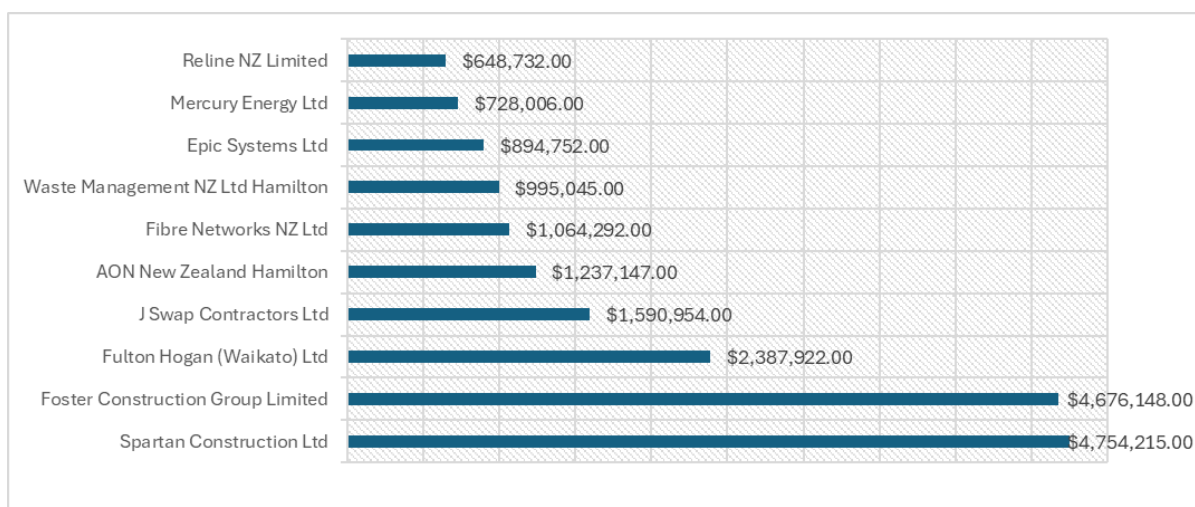
Five purchase orders were identified with recurring non-compliance. While the purchases were appropriately justified, approval for specialised procurement was not obtained. To mitigate future occurrences, this issue has been raised with the requisitioner, the Managers, and approver. Training has also been provided to the requisitioner.

A marginal increase in non-compliance was noted compared to the previous two quarters. The issues identified were procedural in nature and have been addressed through targeted training and communication. As part of the remediation approach, the affected requisitioners will be identified as a target group for future audits to address procedural non-compliance and prevent recurrence.

Section 2.0 - Suppliers Review

2.1 Top 10 Suppliers by highest value

Graph 1 illustrates the top 10 suppliers by highest value within the reporting period, all of which are under contract with MPDC.



Source: Arcblue, figures include GST

Table 2: Outlines the contracts associated with the payments above:

Supplier	Value	Contract Details	Local Presence
Spartan Construction Ltd	4,754,215.00	C2378 MM WWTP - Main Civils 2025-2027	Hamilton
Foster Construction Group Limited	4,676,148.00	C2371 Matamata Indoor Sports Facility	Hamilton
Fulton Hogan (Waikato) Ltd	2,387,922.00	C2309 Rooding Contract	Hamilton
J Swap Contractors Ltd	1,590,954.00	Four Rooding and one MM Indoor Sporting Contracts	Matamata
AON New Zealand Hamilton	1,237,147.00	WLASS Joint Contract	Hamilton
Fibre Networks NZ Ltd	1,064,292.00	C2269 Water Mains Renewals Contract	Morrinsville
Waste Management NZ Ltd Hamilton	995,045.00	C2400 Shared Contract Waste Management	Hamilton
Epic Systems Ltd	894,752.00	C2311 - Electrical Maintenance Water and Waste Water	Morrinsville
Mercury Energy Ltd	728,006.00	Electricity - All of Government Contract	Hamilton
Reline NZ Limited	648,732.00	C2245 - Sewer Reticulation Renewals	Hamilton
	18,977,213.00		

Procurement policy supports use of local providers within the district. Local is defined firstly as within the Matamata-Piako district and secondly within the Waikato Region. An audit confirmed that 19% of the spend with the top 10 suppliers was within the Matamata-Piako district and 81% of the spend was with suppliers within the Waikato Region. The above contracts were established through an open tendering process at some stage.

2.2 Payments

Arcblue reports total payments of \$33 million for quarters one and two, FY2025/26.

Table 3: Breakdown of payments by Procurement Type:

Contracts (\$000)	Purchase Orders (\$000)	Electricity (\$000)	Others (\$000)
21,599	9,675	1,175	581

MPDC through All of Government has contracts with Mercury, Meridian and Genesis for electricity supply.

“Others” include all legislated payments, staff reimbursements and refunds (rates/dogs and events bookings, etc).

Engagements through the following contracts require purchase orders for payment purposes:

- All Contracts for Service.
- WLASS Joint contracts - Professional Services Panel, Building Consenting Services Panel, Insurance Brokerage, Print, Mail House and E-Services, Health and Safety Prequalification contractor, RATA, Postal & Courier Services, SVDS Data Supply Agreement, n3 membership agreement.
- All of Government Contracts – Office Supplies, Motor Vehicle, IT Hardware, Print Technology and Associated Services, External Legal Services Panel, Microsoft cloud, software and service agreement.
- All Software Subscriptions.

Payments for the above contracts were made via purchase orders totalling \$9.6 million.

Section 3.0 - Tenders

3.1 Tenders Awarded

One tender was awarded during the reporting period valuing \$912,961.40, excluding GST.

Table 4: Details of Awarded Tenders

RFx ID	Contract Number	Title	Status	Tender publication	Tender Award	Process duration	NTT Issued	Value	Procurement Estimate	Savings via competition
32462996	3/23/2401	Contract No. 2401 Works Programme 2025/2026	Awarded	11/09/2025	09/10/2025	31 Days	2	912,961.40	1,000,000	87,038.60

Analysis found that:

1. Two submissions were received for this tender.
2. The supplier with the lowest price, meeting all evaluation criteria was selected.
3. The cost estimate for the procurement was \$1 million; however, the tendered prices came in \$87,000 lower.
4. The supplier is based in Hamilton.
5. The procuring team complied with all the processes required at this spend level:
An audit of the tender process found:

- Procurement plan was approved
- Tender evaluation report was approved
- Conflicts of interest signed and managed
- Correct templates used
- Used NZS3910 contract
- Contracts updated in Authority
- Proper records management
- Planning – contingency \$91,296.00 made available

3.2 Tender Board Committee Approvals

The tender board endorsed the following procurement, which was then approved by the Chief Executive Officer:

Date	Project	Contract No.
12/12/2025	Morrinsville RTS upgrade – valued at \$1.53 million	
	Re-tender Matamata Domain Playground	
	Morrinsville Waterworks Road Water Treatment Plant UV Installation – valued at \$1 million, \$200,000 contingency	3/23/2405
	Roading Works Programme 2025/26 – Package 4 – Valued at \$1 million, includes 10% contingency	3/23/2402
17/11/2025	Roading Works Programme 2025/26 – Package 3, Contract 2407	3/23/2407

The following contracts have been published on Government Electronic Tendering Service (GETs) Portal and submissions are due by mid-January 2026:

- 3/23/2402 – RFX ID on GETs: 32690642 (Roading works package 4)
- 3/23/2405 - RFX ID on GETs: 33022164 (Treatment Plant UV installation)
- 3/23/2407 - RFX ID on GETs: 33022499 (Roading works package 3)

Observations made on Tender Board Committee Meetings:

- The two meetings were very successful, with the Committee observing notable improvements by the second meeting.
- There is increased awareness among departments regarding Tender Board meetings, leading to improved planning.
- A back up plan to provide resilience for the Procurement Specialist role was tested and functioned effectively to coordinate Tender Board meetings.
- The Chair has been very helpful in steering meetings and sharing knowledge on reviewing procurement plans.
- Other Group Managers are encouraged to observe meetings chaired by Fiona to learn best practice.
- Conflicts of interest are well managed; however, the process requires minor improvements.

Section 4.0 - Supplier Contracts

4.1 Contracts Register

It is mandatory for all contracts, regardless of value, to be recorded in the contracts register in the Authority system. The following provides an overview of the contracts as of quarter two 2025/26.

Number of active contracts: 100

Total value of contracts: \$110 million

Value includes whole life costing (projected costs over the full life of the contract).

Table 4: Breakdown of contracts (GST exclusive figures)

Category	(\$000)
Capital and Renewals	67,381
Consultancy Services	1,069
Contract for Services	5,203
Maintenance and Operations	33,609
PSP Tier 1	538
PSP Tier 2	162
Co-lab Building Consenting Services Panel	750
Supply of Plant and Materials	1,792
Grand Total	110,504

Above includes Water and Wastewater contracts valuing \$57m. Table 5 provides a breakdown of contracts.

Table 5: Water and Wastewater contracts:

Contract Type	Value
Capital and Renewals	53,864
Consultancy Services	494
Contract for Services	431
Maintenance and Operations	2,641
PSP Tier 1	314
Total	57,744

These contracts will be migrating to Waikato Waters Ltd (WWL).

Currently, 56% of Water and Wastewater contracts are scheduled to expire by 1 July 2026. Following consultation between the Waters department and WWL, it has been agreed that these contracts will be extended by an additional year. This will allow WWL sufficient time to undertake procurement processes that align with their preferred approach.

The remaining contracts are due to expire by the end of March 2027, providing WWL with further opportunity to plan and manage those procurements effectively.

4.2 Building Consenting Services Panel (BCSP)

Building regulations require all building officers that process and/or inspect building consents to hold technical qualifications and hold current competency assessments under Regulation 10 of the Building Consent Authority Accreditation Regulations.

While Council has an inhouse team that primarily deliver these services because the volume of applications is unknown and dependent on various external factors, the overflows are sourced out to accredited suppliers. It is noted that all MPDC's overflow consent for processing go to Co-lab Building Services (CBS processing hub) who also use BCSP for overflow consents. MPDC has a separate contract in place with Co-Lab for CBS. Through the BCSP, technical and peer reviews, competency assessments, and other specialised building services can also be procured.

BCSP was a joint procurement facilitated by Co-Lab. This was an opportunity discussed at the Procurement Managers Meeting to overcome the following challenges:

- Niche market of suppliers serving all the Councils
- Improve the quality of service
- Resource development
- Procurement efficiency
- Competitive pricing

The eight participating Councils: Hamilton City Council, Otorohanga, Thames Coromandel, Matamata-Piako, Hauraki, Waitomo, Western Bay of Plenty and Waikato District Council.

Procurement was led by Waikato District Council but had a member on the working Group from each participating Council, who equally contributed to all decision making. MPDC representatives were:

1. Governance Role - Group Manager Growth and Regulation, Ally van Kuijk
2. Working Group Member – Building Control Manager, Daniel Kruger
3. In support role – Procurement Specialist and MPDC Counsel.

Through an open tendering process on GETs, seven suppliers were appointed to provide services within five categories:

- i. **Category One: Processing of Building Consents (R1–C3)** - end-to-end assessment and processing of building consent applications for residential and commercial buildings (R1–C3) up to the recommending to grant stage. The scope includes reviewing applications for compliance with the Building Code and other statutory requirements.
- ii. **Category Two: Inspections for Building Work (R1–C3)** - inspection activities to ensure that construction work complies with the approved building consent and plans.
- iii. **Category Three: Peer Review and Technical Audit Services** - quality control activities; Peer Reviews and Technical Audits.
- iv. **Category Four: Competency Assessments** - performing competency assessments in line with regulation 10 – Establishing and assessing competence of employees to ensure confidence that all employees perform building control functions within their skill and competence.
- v. **Category Five: Specialised Services** - technical leadership, Territorial Authority Functions, Code Compliance Certificate and Supervision.

As noted above, Matamata-Piako and five other Councils are utilising Category One: Building Consent Processing through **CBS processing hub**, and Categories Two to Five direct via the panel.

Hamilton City Council & Otorohanga are utilising all five categories of the panel directly.

Procurement policy supports joining shared agreements.

Attached as Appendix one is the panel Overview.

Section 5.0 – Planned Procurement Priorities

1. Review of tendering processes.
2. Review of contracts Manual
3. Continuous improvement – templates (recent ones: procurement plan, specialised procurement form and Lite Procurement Plan), trainings/refreshers.
4. Automation – working with the Digital team to develop a portal that staff can use for procurement plans.
5. Exploring the use of Secure Signing for all high value procurement that's tendered.
6. Exploring use of Teams/SharePoint/CoPilot for capability building.
7. Concentrating on contracts register post WWL transition – cleaning the register and working with the Project Managers and Department heads to ensure all the contracts are captured and maintained on the Contracts register.
8. Publishing all planned high value procurement opportunities on GETs/MPDC website.
9. Develop a code of conduct for suppliers and establish terms and conditions for purchasing when using a Purchase Order.
10. Ongoing review of procurement efficiencies.

Appendix 1: BCSP Panel Overview

Supplier	Cat 1: Building Consent Processing	Cat 2: Inspections for Building Work	Cat 3: Peer Review and Technical Audits	Cat 4: Competency Assessments	Cat 5: Specialised Services	Rate Range per hour
Solutions Team	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • Technical leadership • TA services 	\$130 - \$160
National Processing Limited	R1 – C3					\$160
NZBTC	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • CCC • CoA • Supervision 	\$135 - \$150
C3 Building Compliance	R1 – R3					\$145
Comply NZ	R1 – C3		R1 – C3			\$165
Strategic Solutions Management	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • Technical leadership • TA services 	\$130 - \$160
Building Consent Consultants	R1 - R3, C1					\$142.50