

Risk-Based Procurement

Smarter Procurement for Auckland

7 November 2013

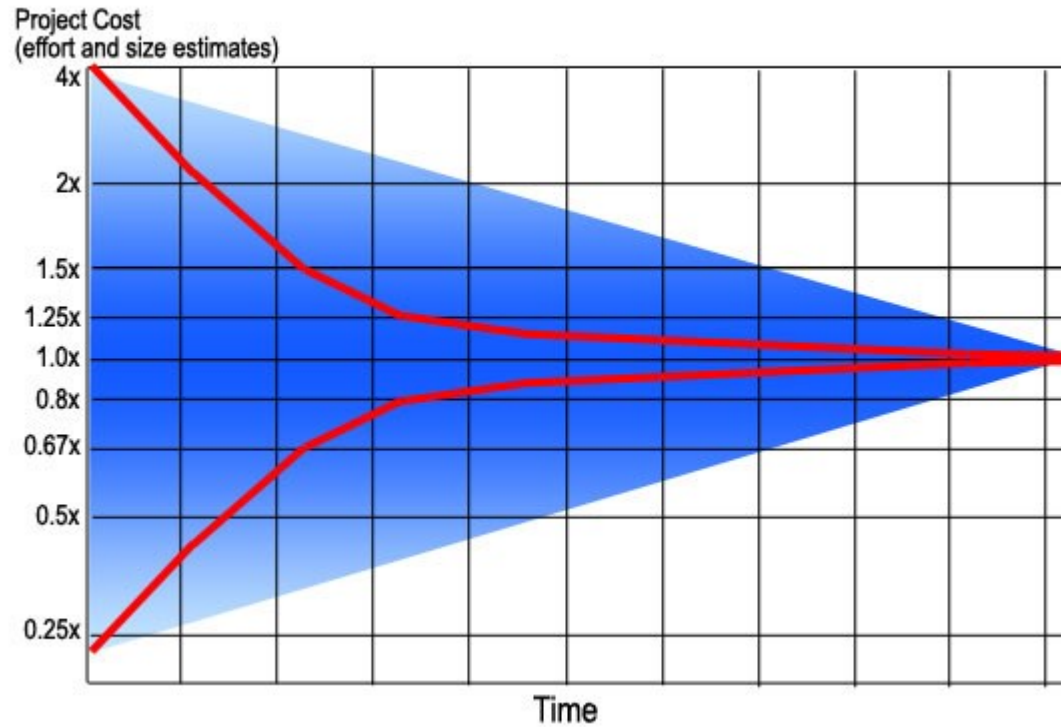


Definitions

- Risk - 'effect of uncertainty on objectives' ISO 31000
- Procurement - 'is the acquisition of goods, services or works from an external source.'



When to Procure

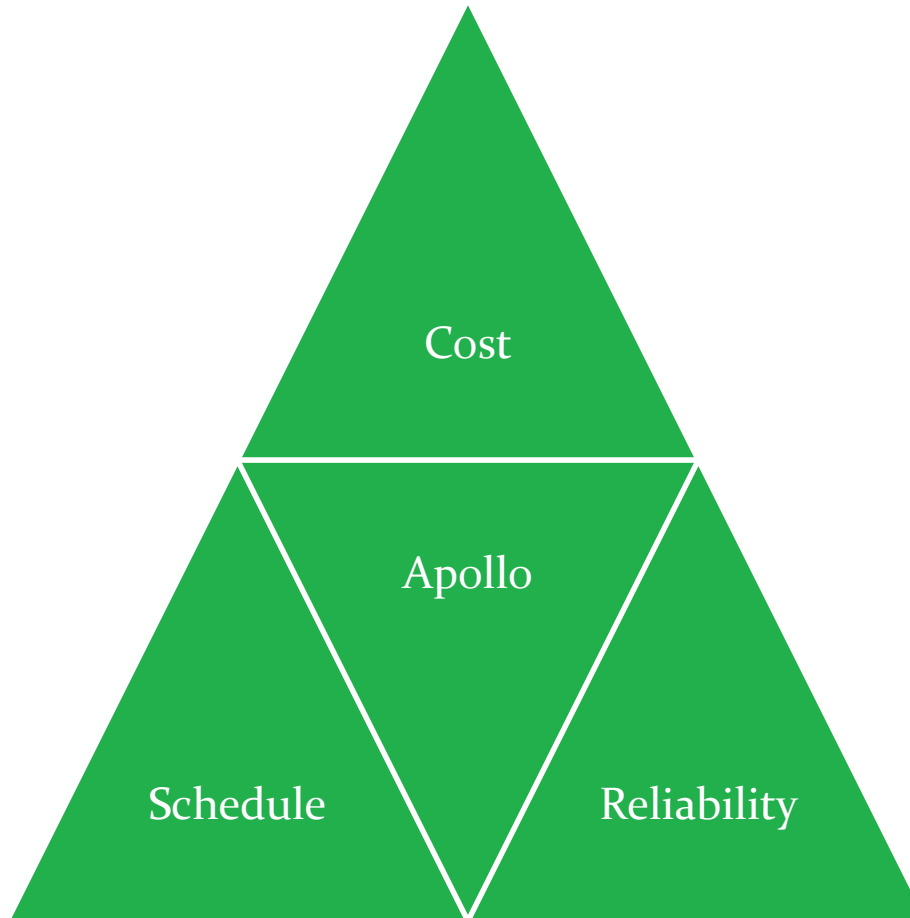


When to Procure

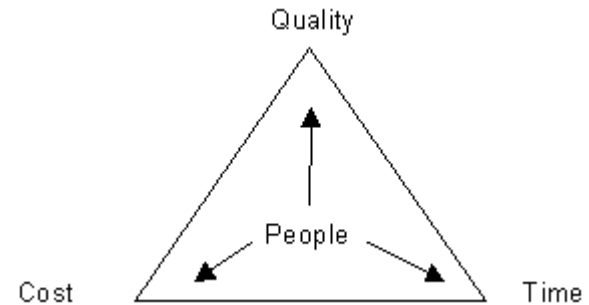
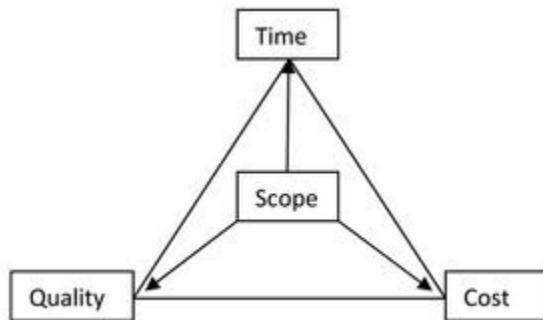
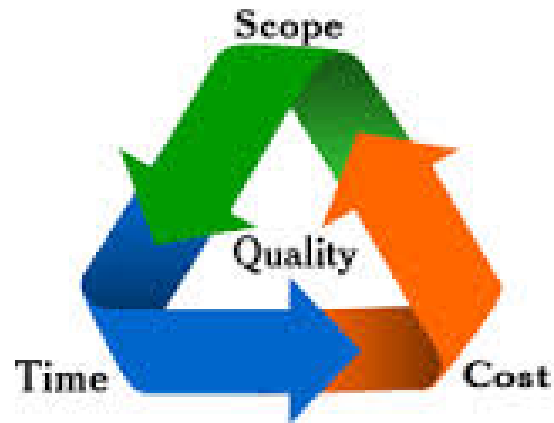
- ‘I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth.’ - JFK May 1961



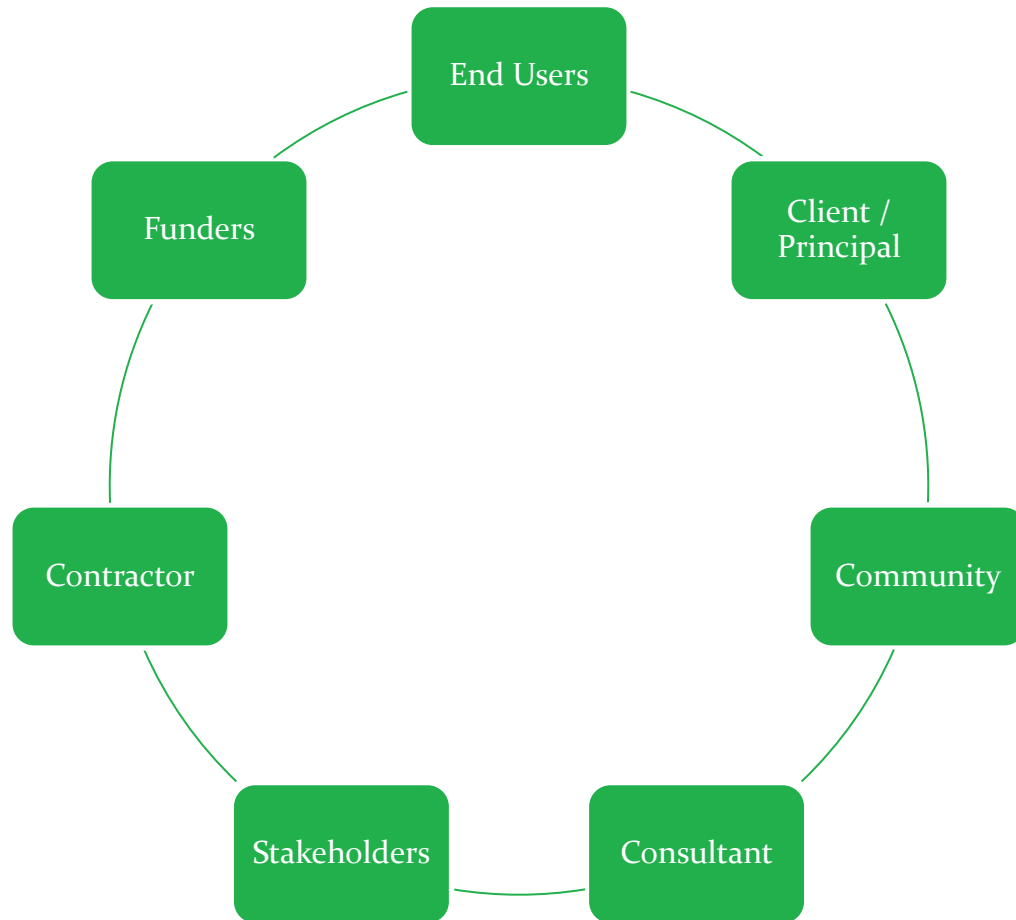
Critical Factors



Critical Factors



Objectives & Risks



Procurement Risks

- Issues to Consider:
 - Adequate time to respond
 - High & low complexity
 - Understanding the scope
 - Appropriate risk transfers
 - Stand vs bespoke of Conditions
 - Consistency of Specifications & Documentation



Procurement Risks

- Issues to Consider:
 - Bid cost in relation to opportunity
 - Efficiency of submissions
 - Waiting period for the result
 - Negotiating clarifications
 - Market conditions at tender and during delivery



Smarter Procurement

