

KANOHI KI TE KANOHI

Māori businesses thrive through verbal tendering approach

“The Kanohi ki te Kanohi verbal tendering process worked exceptionally well for our Māori contractors. The chance to interact face to face allowed knowledge and experience to be shared with passion and allowed for relationships to be formed at an early stage. Something you just don’t get through a written submission”

Roslyn Pere-Morriss,
Programme Principal, Marae Infrastructure Programme.

2

Māori businesses engaged in kanohi ki te kanohi process

\$492k

Awarded through kanohi ki te kanohi process

\$380k

Unsuccessful supplier engaged for work on another project worth over \$380k



Figure 1 - In person discussion between Māori businesses

The Story

Kanohi ki te Kanohi (face-to-face) process is a newly developed verbal tendering and evaluation method to make it easier for Māori businesses to bid for work with Auckland Council.

The kanohi ki te kanohi tender process is an alternative way of delivering a construction tender using a mix of written and verbal methods.

The Auckland Council Procurement Team worked closely with the Marae Infrastructure Programme Team to develop this pilot.

“It’s a hybrid approach between a traditional procurement methodology and a lean agile approach” – Ling Hsu, Strategic Procurement Specialist.

The pilot conducted in April 2022 was for a tender on the upgrade of Whiti Te Rā o Reweti marae in Waimauku. The marae is one of many throughout Tāmaki Makaurau being upgraded as part of a \$60 million, 10-year programme with the council, in partnership with each marae to improve the condition of 32 marae across the region.



Figure 2 – Marae whānau: Manu Stone, John Edwards, Bill Simons, Angela Perawiti, Joe Timoti, Linda Wickman.
Council whānau – Ros Pere-Morriss, Ani Makea, Riki Ward

Technical Insight

Auckland Council has a supplier diversity target where 5% of their total spend must be spent with Māori and/or Pasifika and/or social enterprises.

Feedback from Māori and Pasifika suppliers has been that the traditional tender documents put out by Auckland Council are overly cumbersome, time consuming and often don't result in winning work. This has led to low Māori and Pasifika engagement through tendering opportunities.

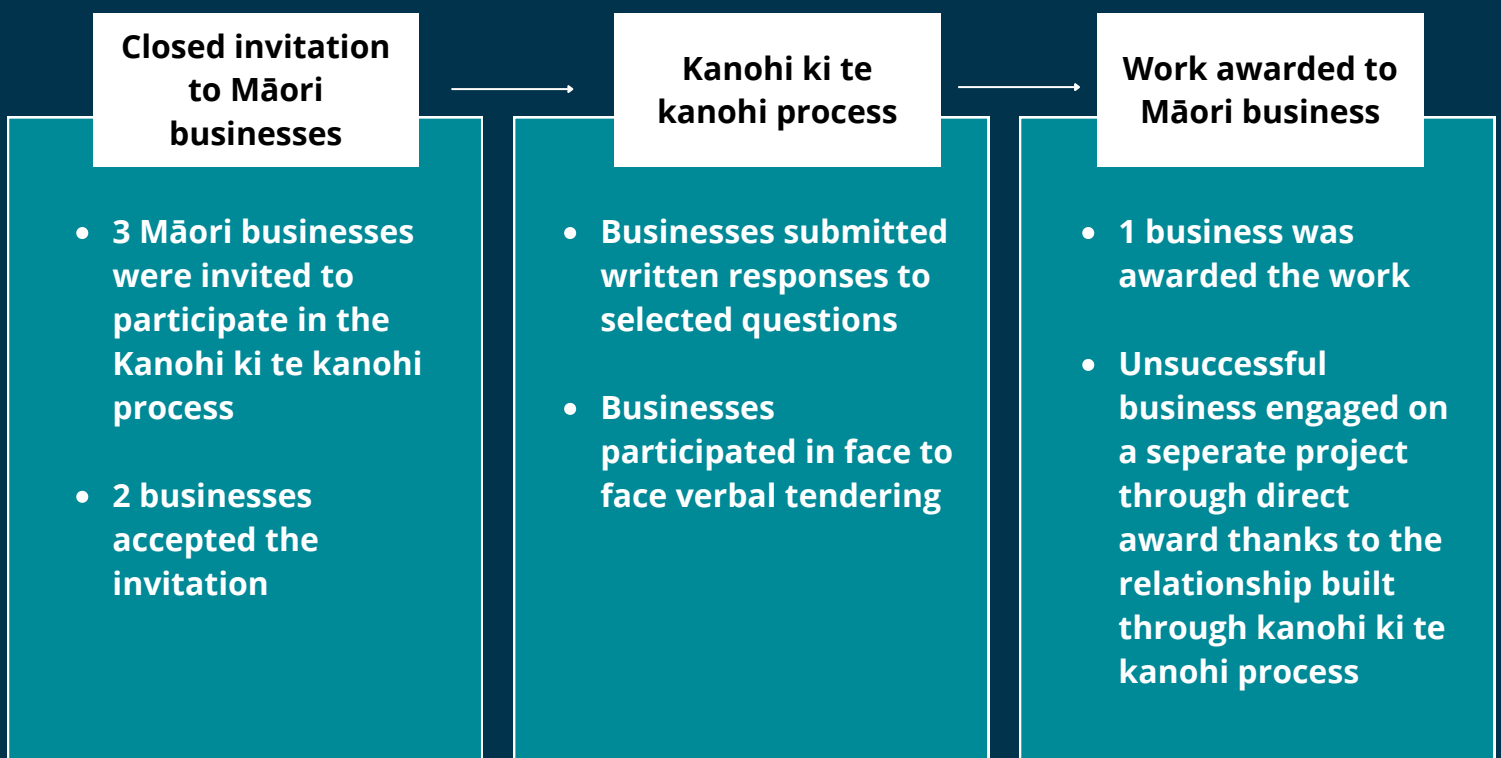
Many of the Māori and Pasifika businesses bidding for work with Auckland Council are owner operators and don't have bid writers or expertise in responding to Requests for Proposals.

Auckland Council's Procurement team took on the direct feedback and worked collaboratively to form a new method of procuring services.

The kanohi ki te kanohi tender process was created which is an alternative way of delivering a construction tender using a mix of written and verbal proposal.

This process meets the legal, risk, probity and procurement rules and doesn't do away with all the normal procurement requirements (Procurement plan, tender package & evaluation, supplier recommendation, contract award, supplier debriefs, benefits validation). Instead having a verbal component makes it less cumbersome on the supplier and enables them to speak more in depth about their business, expertise, and passion.

It demonstrates the flexibility within the procurement process and the ability to iterate and innovate when given the permissible environment.



Technical Insight cont.

A pilot was conducted to test the process on the upgrade of Whiti Te Rā o Reweti marae in Waimauku. Three Māori businesses from the Amotai database were approached to participate in the kanohi ki te kanohi process.

Amotai is the supplier diversity intermediary in Aotearoa and have the largest database of verified Māori and Pasifika businesses.

The verbal tender component of the kanohi ki te kanohi process was conducted at Auckland Council offices in the city centre. On reflection it would have been much better conducted at the marae.

Despite this, feedback from the suppliers was positive.

As a result of the process a Māori business won the work, and the unsuccessful supplier has since been engaged on a different Auckland Council marae project.

“For the unsuccessful supplier, it opened the door for other work, which they would not have got the opportunity for if they didn’t participate in the kanohi ki te kanohi process” - Ling Hsu, Strategic Procurement Specialist.

Having the in person verbal tender allowed Auckland Council to build a relationship with the suppliers and understand more about the business than they normally would through a purely written response.

This set an example for a process that can be used outside of Marae infrastructure work and across the organisation to engage Māori and Pasifika businesses. It would be beneficial for small businesses as well.



Figure 2 - Kōrero about the upgrade of Whiti Te Ra O Reweti marae in Waimauku

“We felt this gave the council team more of an opportunity to understand who we are as an organisation and some perspective of our business culture and acumen. This process allowed us to share more of our values and strengths that is often lost in translation in a paper-based procurement process.” – Māori business tenderer

Lessons Learnt

Verbal tendering helps build stronger relationships.

A common challenge organisations face when implementing supplier diversity is that project managers are reluctant to use suppliers they don't know. A verbal tender process is a great way to get businesses in front of project managers and build those relationships. It allows for quality information sharing, demonstrating capability and track record whilst building rapport.

Passionate procurement people with the ability to create change was instrumental in implementing this approach.

This wouldn't have happened without leadership from procurement taking on the direct feedback of what wasn't working for Māori and Pasifika businesses and challenging the status quo to develop something new. It required a mindset shift and the development of a new process that still followed the procurement rules, but delivered in a way that is quite different for procurement.

Māori businesses are far better at demonstrating their talents in person than through written responses.

Through the kanohi ki te kanohi process, it was clear that both the Māori businesses who participated were very capable businesses with a passion for what they do. The evaluation team were impressed and felt confident in both businesses, more so than through written responses.

Benefits

- Build early relationships with suppliers.
- Understand the capability of the businesses and passion for what they do.
- Reduce the effort required by suppliers to respond to tenders.
- Create a more culturally responsive way of tendering.
- Ability to do evaluations on site and show suppliers the areas of works.
- Ability to ask questions specifically about materials and pricing.

Challenges

- Cultural awareness and understanding ranged across the team.
- Difficult to create a warm inviting environment within the procurement process when questioning is so rigid.
- Challenging coming together in person with covid and climate uncertainty.

Impact

- A Māori business won work on Whiti Te Rā o Reweti marae as a result of the kanohi ki te kanohi process.
- The unsuccessful Māori supplier built a strong relationship and demonstrated their capability to deliver through the kanohi ki te kanohi evaluation and was subsequently awarded another piece of work.
- Over \$800k allocated to 2 Māori businesses as a result of the kanohi ki te kanohi process.

Figure 3 - Reretewhioi Marae, one of the Marae supported through the Marae Infrastructure Programme



This case study is authored by Puna Awarau Limited on behalf of Amotai.



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