

Marae upgrades by Māori businesses

Marae Infrastructure Programme intentionally engages Māori businesses

"If we didn't try something different and give new suppliers a go, we wouldn't have been able to engage so many Māori business, we are so happy we did."

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

42%

of Marae Infrastructure contracts were spent with Māori businesses in financial year 21/22

\$4mil

Just under \$4million has been spent with Māori and Pasifika businesses through the project since its inception in 2018

10+

Māori businesses engaged on Marae through this project



Figure1 - Hoani Waititi Marae, one of the Marae supported through the Marae Infrastructure Programme

The Story

Auckland Council's Marae Infrastructure Programme supports the improvement of marae across Tāmaki Makaurau. It is a **\$60m** programme dedicated to improving the condition of **32 marae** across the region over **10 years**.

As part of delivery the programme team had a procurement strategy to enable a **set-aside**. This meant all works under \$300k were to be tendered or direct awarded to Māori businesses first (this has now increased to \$500k).

Set-aside definition:

A set aside is removing some procurements from usual procurement processes and setting them aside specifically for small and medium-sized enterprises or diverse suppliers so they are competing amongst their peers rather than with large businesses. Set asides work well when there is a strong source of supply, clear rationale and the project is considered low risk.

Technical Insight

The Marae Infrastructure team wanted to use Māori contractors to undertake work on Marae to maximise the investment from council in Māori communities.

The Marae Infrastructure Programme had a total budget value of \$60m and was a clear programme of work to trial a different approach to attract and engage Māori businesses.

They engaged with He Waka Eke Noa (now Amotai) early on to find suppliers that may be able to do the work. Additionally, they sought the support of Auckland Councils procurement team and had endorsement from the GM to take a different approach.

This meant they had a permissive environment, a pool of potential suppliers, internal supplier diversity champions and ideas of approaches they could take. They developed a procurement strategy that supported this goal. The plan was for all works under \$300k to be tendered or direct awarded to Māori businesses in the first instance.



Figure 2 - Reretewhioi Marae, one of the Marae supported through the Marae Infrastructure Programme

If no suitable businesses were found, then other contractors (already engaged by Auckland Council) would be offered to tender for the work. This approach meant that closed tenders could be run just to Māori businesses. They had to compete against each other to win the work but were no longer competing with organisations much larger than them.

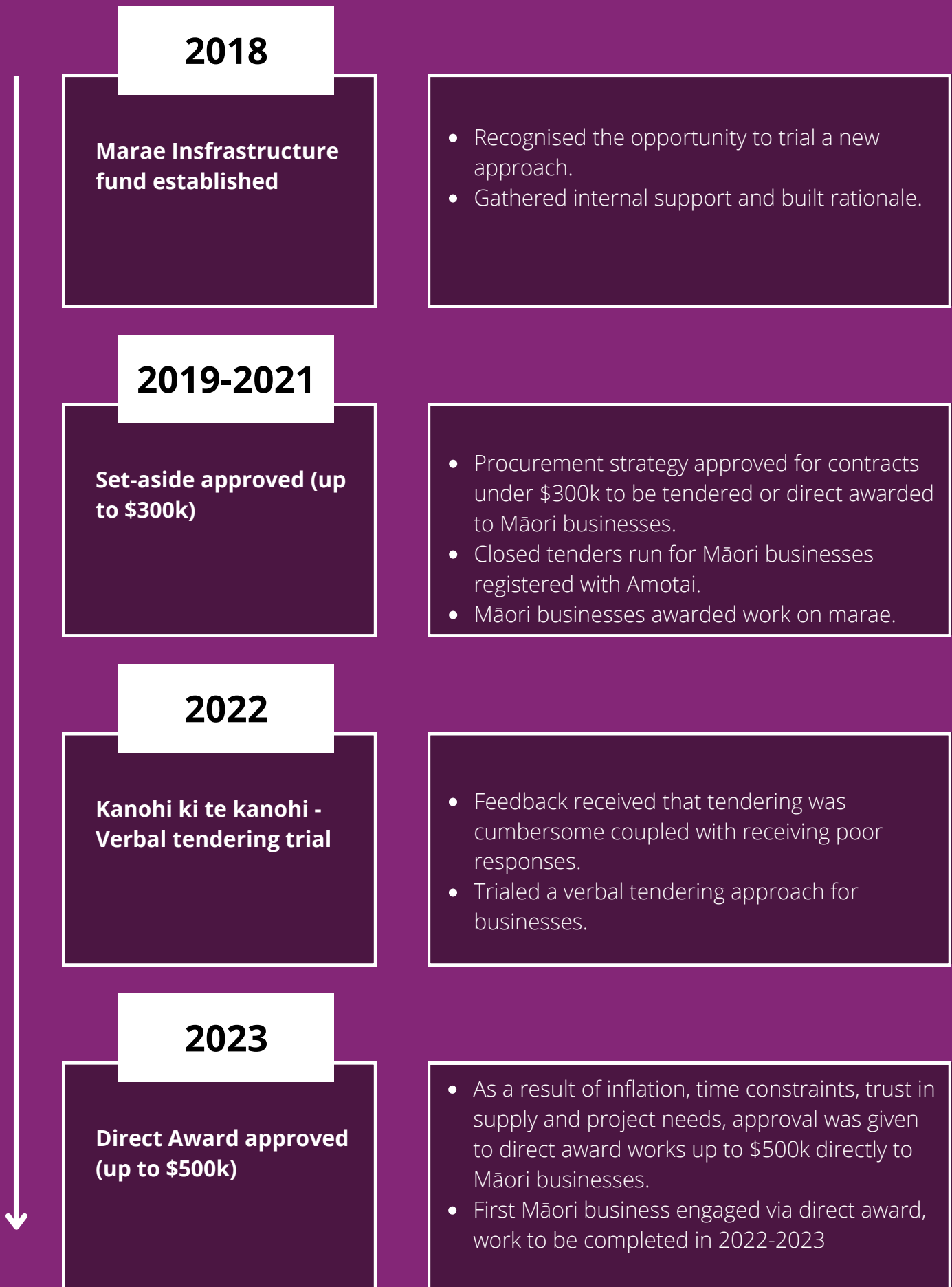
This approach was trialled and tested on multiple Marae through the Marae Infrastructure Programme and has provided numerous Māori businesses with the opportunity to bid and win work. Without this intervention and innovation, Māori businesses would not have known about these projects or had the opportunity to bid for and win work on Marae.

Rationale for set-aside approach:

- Auckland Council had a supplier diversity target to spend 5% of their addressable spend with diverse suppliers including Māori businesses.
- Historically poor engagement with Māori businesses using a traditional Request for Proposal (RFP) approach where they must compete with large companies.
- Projects were on sites of cultural significance for Māori.
- Māori businesses are typically small and medium sized businesses and don't have the resource and capability to respond to large RFP documents.

Timeline

The timeline below shows the iteration over 5 years to trial and test different approaches to engage Māori businesses:





Lessons learnt

Set asides are an effective tool to create opportunities for Māori businesses.

Having a set aside has enabled the team to justify engaging 'new' suppliers. It is a tactic that has been effective in engaging with Māori businesses.

Māori businesses have great rapport with whānau at Marae

Māori businesses that were engaged through this project demonstrated their expertise in whanaungatanga (building relationships). Whanau of the marae had great relationships with the suppliers, many of whom were local to the area. There is no doubt, that understanding the importance of Marae and how Marae function would have also supported in the delivery of works.

Team that understands the kaupapa (project and its intentions)

You need a team that can carry the kaupapa even when things get tough. Like doing anything new, there were hiccups along the way in the implementation of this project. The process, the contractors, the projects were all new territory for Auckland Council.

Most contractors that came into the project were new to the council and were all small and medium sized enterprises. There were suppliers that did fantastic work, and others that didn't meet the standards required. Engagement with council could have stopped there but the team were patient, leaned in to support when needed and pivoted when required as well.

Others within the organisation leaned in

The Marae Infrastructure team found that although some businesses had the capability, they often needed extra support to meet Council standards around insurance or health & safety.

The team were able to ask others within council for support to help develop these suppliers rather than take a traditional approach of just saying they don't meet the standard. Having support from colleagues across the organisation ensured that businesses were meeting the prerequisites by the time the contract started. They ensured there was time prior to contract start to enable their internal staff to support the businesses development requirements.

Ongoing review and iteration

This project demonstrates what ongoing iteration looks like taking on direct feedback of suppliers and adjusting to better engage Māori and Pasifika businesses.

Impact

- Nearly \$4mil spent with Māori businesses to date (who would not have normally had the opportunity to bid).
- Direct award limit has been raised to \$500k enabling higher value works to be awarded directly to Māori businesses (they must still meet all pre-requisites).
- Marae have been refurbished by Māori businesses across Tāmaki Makaurau enabling more whānau to return and use their Marae.

Figure 3 - Māori business, Lite Civil. One of the businesses contracted through the Marae Infrastructure Programme.

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



AMOTAI
SUPPLIER DIVERSITY AOTEAROA



PUNA AWARAU