

Procurement Policy

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Version	1	Policy Section	Governance
Approved by	NZIST Council	Policy review frequency	Annually
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Purpose

The purpose of this policy is to set out the principles of best practice and minimum standards for the purchase and procurement of goods, services and works by NZIST.

Scope

This policy applies to all purchasing and procurement undertaken by or on behalf of the NZIST, including procurement undertaken by contractors or consultants.

Our Objective

Our purchasing and procurement decisions will be based on our guiding principles which provide a broad framework that supports accountability, sound practice and successful procurement results.

Principles and Expectations

NZIST is committed to making fair, ethical and defensible purchasing and procurement decisions. To help guide those decisions, there are Five Principles of Government Procurement set out in the Government Procurement Rules that we must follow:

1. Plan and manage for great results

- Identify what you need, including what Broader Outcomes should be achieved, and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business (for example, tenders sent by email).

2. Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.

- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

- Be clear about what you need, and fair in how you assess suppliers – don't string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

4. Get the best deal for everyone

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing the deal – be accountable for the results.

5. Play by the rules

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

The Government Procurement Charter sets out Government's expectations of how agencies should conduct their procurement activity to achieve public value.

The New Zealand Government directs agencies to:

Seek opportunities to include New Zealand businesses

Openly work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes.

Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility

Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.

Look for new and innovative solutions

Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.

Engage with businesses with good employment practices

Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.

Promote inclusive economic development within New Zealand

Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.

Manage risk appropriately

Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.

Encourage collaboration for collective impact

Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within your procurement opportunities.

NZIST is not required to comply with the Government Procurement Rules, but will endeavour to conduct procurement activities in a manner that is consistent with the Government Procurement Rules and the Controller and Auditor General's Procurement Guidance for Public Entities, as statements of good practice.

If there is an existing supply arrangement or contract (such as a panel agreement or government collaborative contract) that meets the requirements, it must be used – person responsible for procurement will advise on available contracts and how to access them.

If there is no suitable supply arrangement or contract available, the following table applies:

Contract value	Minimum Requirement
Up to \$100,000	A single written quote
\$100k to \$250k	At least three written quotes
Over \$250,000 (other than construction)	Openly advertised procurement process
Over \$9 million (construction projects)	Openly advertised procurement process

For procurements over \$250,000 a procurement plan must be prepared and approved by a delegate with the relevant level of authority in accordance with the Delegations Policy before NZIST approaches the market.

Flexibility to respond

In a genuine emergency, NZIST will need to be flexible in how they procure the goods and services that are required for their response. In these circumstances it is permitted to forgo routine procurement procedures. In adopting a more flexible procurement process NZIST will consider what is reasonable and justifiable given all of the facts and circumstances they have to hand. NZIST may be permitted to purchase direct from a supplier if the delay involved in conducting a routine procurement (i.e., which involves advertising and competitive tendering) will prevent them delivering the goods or services in time to bring effective relief.

Examples of emergency are:

- natural or manmade disasters: such as earthquakes, cyclones, tsunamis, volcanic eruptions, flooding, fires or contamination
- failures of critical infrastructure or equipment: such as failure of a prison security system or critical hospital infrastructure
- critical health or environmental emergencies: such as a pandemic or food safety incident
- political emergencies: such as a war, coup, or civil insurrection in New Zealand or countries where the New Zealand government offers support
- critical security emergencies: such as a terrorist attack, serious crime or major cyber security emergency
- unanticipated events that make it impossible for an agency to perform a statutory or critical function in the necessary timeframe: for example, the destruction of critical election supplies immediately prior to an election would be an emergency for the Electoral Commission.

Accountabilities and Responsibilities

Employees and contractors undertaking procurement	<ul style="list-style-type: none">• make sure that all purchasing has appropriate prior approval.• apply this policy and related policies and guidelines during purchasing and procurement activities.• understand and apply the Government Procurement Rules and the Controller and Auditor General’s Procurement Guidance for Public Entities (good practice guide).• report any policy breaches.• complete appropriate training before participating in any purchasing and procurement activities.
Approver / Financial Delegation Holder	<ul style="list-style-type: none">• apply this policy when conducting purchasing and procurement activities.• operate within your financial delegation in accordance with the Delegations Policy when approving purchasing and procurement activities.• authorise purchasing appropriately, using good judgement and in line with the purchasing and procurement principles.

Finance Manager or delegate	<ul style="list-style-type: none"> • apply this policy and related policies and guidelines during procurement activities. • understand and apply the Government Procurement Rules and the Controller and Auditor General’s Procurement Guidance for Public Entities (good practice guide). • make sure that all purchasing has appropriate prior approval. • proactively manage responsibilities within NZIST finance systems. • monitor purchasing and procurement activities, including for compliance with this policy, report policy breaches, and identify opportunities for new supply arrangements.
Legal Support	<ul style="list-style-type: none"> • provide assistance with contracts that are large, complex and/or significantly different to any standard terms we may have.
Chief Operations Officer (or delegate)	<ul style="list-style-type: none"> • update, publish and communicate the procurement and purchasing policy and related guidelines. • provide leadership and development of NZIST procurement capability.

Recordkeeping

Staff undertaking procurement must maintain records documenting the procurement process, including all recommendations and decisions and the contract as awarded. Records must be kept for at least seven (7) years.

Policy Breaches

If the standards set out in this policy are not met, it may be considered a breach of the policy and disciplinary action may be taken.

If you are aware of a breach or possible breach of this policy you must raise it with a manager.