



Ministry for Pacific Peoples

Procurement Policy

Corporate Policy

Deputy Secretary - Corporate Services

September 2022

Document

This document contains policy relating to the approach to sourcing goods and services from providers at the Ministry for Pacific Peoples (the **Ministry**).

Version history

Version	Date	Author	Key changes
1.0	October 2017	Chief Legal Counsel	
2.0	September 2022	Procurement	Updated Pacific values

Note: Do not make unauthorised electronic copies or new versions (drafts) of this corporate policy. Contact the Deputy Secretary Corporate Services to have new drafts initiated and recorded in the appropriate manner.

Status

Contact	Deputy Secretary Corporate Services
Status	In effect from October 2017
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Business owner	Deputy Secretary Corporate Services
Revision cycle	Every two years or earlier as required
Next review	October 2024

Signoff

Name & Role	Signature	Date
Laulu Mac Leuanae Secretary for Pacific Peoples		14 September 2022

Introduction

1 Purpose

This policy will ensure all Ministry for Pacific Peoples (the Ministry) Procurement Activities are conducted in a consistent, efficient, partnership led, principles based, strategically aligned, equity, culturally centred, responsible manner and deliver value-based outcomes for the Ministry. It aims to:

- promote fairness and transparency through talanoa (dialogue) with our partners so they understand how we work and the decisions we make; and
- challenge ourselves to live up to our values in our procurement work.

2 Scope

Procurement covers all aspects of the organisation associated with purchasing the goods/ services/ works we use to run our Ministry and deliver our public service objectives. It starts with identifying needs, then planning the best way to meet them; continues through sourcing the goods/ services/ works then managing the contract; and ends with expiry of either the contract or the assets' useful life.

This Policy defines the principles and acceptable behaviours expected of all staff (including seconded and temporary) and any consultants or contractors when engaging in Procurement Activities on behalf of the Ministry regardless of position or seniority.

This Policy does not apply to hiring fixed-term staff and permanent employment contracts. For assistance with these, please contact the People and Culture team.

3 Pacific values-driven procurement

The purpose of our procurement activity is to generate opportunities for Pacific peoples in Aotearoa to prosper, in order to achieve our vision, purpose and desired outcomes.

- Our vision is that we are confident in our endeavours, we are a thriving, resilient and prosperous Pacific Aotearoa.
- Our purpose is to harness our relationships, knowledge, and expertise – to better connect Pacific peoples and Government.
- Lalanga Fou describes our goals, our activities and what we expect to see.

Mai na matua, mo ki tatou, ki na fanau – learning from yesterday, living today and hope for the future – this alagakupu Tokelau is our guiding statement from the Pacific Wellbeing Strategy.

- The Pacific Wellbeing Strategy supports the skilful weaving of Pacific values. Together with our commitment to embed them, we will provide opportunities that directly enhance Pacific wellbeing.

Good procurement for the Ministry requires principled choices about the processes that are undertaken and the decisions that enable progress to be achieved in a Pacific-centric way. The way we procure and the decisions we take are guided:

- firstly, by our values-based approach to support Pacific wellbeing set out below;
- then by the Government procurement principles, charter and rules, including broader outcomes, as applicable.

3.1 Lalanga Potu - Pacific cultural values and principles

'E sui faiga ae tumau fa'avae' Alaga'upu Samoa – Circumstances and the way things are done may change but the foundations and principles are grounded and remain unaltered.

Pacific cultural values¹ will be the foundations of the Ministry's strategic procurement— one focused on supporting Pacific wellbeing and improving outcomes and equity for Pacific communities. Our procurement will be dynamic, innovative and progressive, constantly learning and adapting to the needs of our Pacific peoples. Our processes will be transparent, enabling equitable and fair opportunities for those involved in the process.

What does this look like?

- Providing Pacific-centric channels for Pacific peoples to influence how we procure and deliver services that affect Pacific lives.
- Establishing and upholding the Vā² in our relationships with Pacific peoples, communities, and business to create accessible economic opportunities that build on the unique contribution and skills of Pacific peoples.
- Providing services which are locally led, regionally and nationally endorsed and supported and strategically aligned with the PWS.
- Progressive and proactive learning by staying connected with our Pacific communities.
- Enabling growth, innovation and equity for Pacific businesses and providers, and encouraging organisations that share our values to work with us.
- Recognising the value of relationships and obligations of care between our partners and Pacific communities.

3.2 Fale Fono – Partnership and Governance

Ko aalo auloa e vaka, to holo hako moe tonu, ati hoko mafiti ke he atu moana - Vagahau Niue - When we row together in unison, the vaka will stay true to the course to quickly reach the fishing ground, where will get the sustenance to thrive and prosper.

This involves understanding the unique Pacific cultural capital of who we are, where we come from, how we think and work – often through the art of 'talanoa'. Pacific peoples are the owners and leaders of their languages, cultures, and identities and their own wellbeing outcomes. Our role in All-of-Government is to deeply respect this and to partner in ways that enable Pacific leadership and ownership to thrive and sustain over time.

What does this look like?

- Partnership and co-create with Pacific communities and respect the diversity and intersectionality across and within Pacific communities.
- Ensure our procurement practices promote sustainability and co-create fit for purpose supports for Pacific provider capability and communities.
- Taking time to connect and establish a safe environment to have talanoa and understand their needs and issues, what's important, where experiences and aspirations can be shared.
- Treat everyone involved with dignity, respect and integrity – building trust, confidence and ensuring all relationships are affirming and mutually beneficial.
- Facilitate collective learning and sharing best practice and effective approaches to meet the needs and aspirations of Pacific people across Lalanga Fou agencies³.
- Improve and amplify current cross-agency arrangements to take collective action to improve wellbeing outcomes for Pacific communities.

¹ Pacific cultural values are defined in the Pacific Wellbeing Strategy, they are Love, Respect, Collectivism, Spirituality, Family, Reciprocity and Consensus.

² Teu le vā involves creating the place for meaningful engagement with Pacific peoples that acknowledges their 'whole self'.

³ Lalanga Fou Agencies: Ministries for/of Pacific Peoples; Business, Innovation and Employment; Culture and Heritage; Education; Health; Housing and Urban Development; Social Development; Kāinga Ora; Oranga Tamariki and the Treasury.

In addition to the Pacific values, we believe there are additional values to consider as part of progressive procurement and broader outcomes, these values are based in the Treaty of Waitangi (Te Tiriti o Waitangi) and Ola fetufaaki (reciprocity).

3.3 Upholding and honouring Te Tiriti o Waitangi

Māori/ Tangata Whenua and Pacific peoples/ Tangata Moana, share ancient whakapapa linkages that have existed for millennia before the signing of Te Tiriti o Waitangi. Māori graciously acknowledge Pacific peoples as ‘tuakana’ or the elder siblings in this ancient relationship and themselves as ‘teina/ taina’ the younger siblings. However, in the context of the Treaty, Pacific peoples are part of ‘Tangata Tiriti’ as the presence of Pacific peoples in Aotearoa in recent history, is due to the signing of Te Tiriti o Waitangi/ the Treaty. In the context of Aotearoa New Zealand, Māori are ‘Tangata Whenua’ or ‘tuakana’ and Pacific peoples are ‘teina’ or ‘Tangata Tiriti’.

Te Manatū o ngā Iwi o Te Moananui-ā-Kiwa/ MPP determines that Te Tiriti o Waitangi belongs to everyone in Aotearoa New Zealand and will embed the principles of the Treaty in its mahi.

What does this look like?

- Partnership – working together with Tangata Whenua: iwi, hapū, Māori organisations and mana whenua, seeking to connect, collaborate and engage meaningfully and at depth with Māori, especially on shared issues and initiatives of importance;
- Participation – ensuring that Māori have a say in decisions in MPP’s mahi that could impact and affect them, to also acknowledge the present and growing population of Pacific peoples who whakapapa; and
- Protection – utilising Te Reo, kawa, tikanga, taonga and Te Ao Māori knowledge and resources in the most acknowledging, respectful, relevant and appropriately fit-for-purpose ways.

Te Manatū o ngā Iwi o Te Moananui-ā-Kiwa aims to role model honouring Te Tiriti o Waitangi for Pacific communities, to acknowledge Tangata Whenua as tangata taketake, the indigenous peoples and to recognise their integral contribution to the building of Aotearoa New Zealand.

3.4 Ola fetufaaki – Gagana Tokelau - maintaining balance between peoples and the environment

This involves ensuring that the outcomes of a service will be sustainable and has the most positive environmental, social, economic and cultural impacts on a whole of life basis for the benefit of all New Zealanders. Our focus will be given to procurement practices which identify broader outcomes opportunities and ways to measure not only the economic impact of the service but its wider success against the outcomes.

What does this look like?

- During the early commissioning and design phases for the service, we will consider the outcomes that need to be achieved, and the most appropriate way to understand progress towards meeting those outcomes.
- Through the procurement planning, we will establish criteria to ensure that the providers who deliver the services are able to support us in meeting those outcomes.
- Make balanced decisions – consider the possible social, environmental, economic impact and cultural outcomes that should be achieved.

4 Principles, charter and rules

Our values will help us to determine the right approach to procuring new (or continued) social services for Pacific peoples. We will then test the preferred approach against the Government Procurement Rules (the Rules) and guidance, undertaking Procurement in line with the Principles.

4.1 Principles

The government procurement principles apply to all procurement and provide the foundations of good procurement practice. The five principles are:

Principle 1: Plan and manage for great results.

Principle 2: Be fair to all providers

Principle 3: Get the right provider

Principle 4: Get the best deal for everyone

Principle 5: Play by the rules

4.2 The Rules

The Rules exist to support good market engagement, improve cost efficiencies and help drive better outcomes for agencies, businesses and New Zealand.

The Rules also align with the Government's expectations that procurement can be leveraged to achieve Broader Outcomes. They focus on promoting public value and include explicit requirements the Ministry to incorporate or consider the Priority Outcomes as part of our procurement opportunities.

5 Policy Statements

1. The Ministry will comply with the Rules for all procurement initiatives and will conduct open competitive sourcing as the default approach where the Whole of Life (WoL) value of the contract is above \$100,000 for goods, services or works, and where an opt-out or exemption does not apply.
2. The Ministry will use existing supply arrangements, including any Collaborative, Syndicated, or All-of-Government contract and any supply panel established by the Ministry that meets the requirements.
3. The Ministry will ensure that prior approval for any contract or expenditure is sought before funds are committed, in accordance with the Ministry's Financial Delegations Policy.
4. The Ministry will ensure that New Zealand government funding is managed efficiently and effectively to achieve Public Value.
5. The Ministry will maintain probity and integrity in all business relationships by identifying, declaring, and appropriately managing potential conflicts of interest at the outset and throughout the relationship.
6. The Ministry will consider the social, environmental, and economic impacts of our procurement activity and will, where possible, give preference to commercial decisions where a positive sustainable impact can be achieved.
7. The Ministry will develop new solutions and approaches to obtain the best outcome for the Ministry and the wider public sector, with consideration to total costs and risks.
8. The Ministry will actively manage risk across all Procurement Activities.
9. The Ministry will respond promptly and courteously to feedback, enquiries, or complaints from external stakeholders (providers and partners).
10. The Ministry will retain written or electronic records of procurement processes and decisions to enable appropriate scrutiny of procurement activity.

6 Opting Out and Exemptions

Under certain circumstances, the Rules allow opt-outs and exemptions for Procurement Activities with a WoL value of ≥\$100,000. See Rule 12: Opt-out procurements: 3(a) to 3(m)); and in certain circumstances Rule 14: Exemption from Open Advertising (selective criterion apply).

If a valid opt-out or exemption criterion applies, the Ministry may use either a Closed Competitive process (with a limited number of known providers) or a Direct Source process (with a known provider).

Rationale should be fully documented with evidence supporting the opt-out or exemption reason and must not be used to:

1. avoid competition; or
2. protect domestic providers; or
3. discriminate against any domestic or international provider.

In all cases an exemption request must be made and only becomes effective following the full endorsement by the Procurement Manager.

7 Further information

7.1 Further Guidance

- Procurement Guidance for Public Entities, Office of the Auditor General
- New Zealand Government Procurement – Principles, Charter and Rules
- All-of-Government Pacific Wellbeing Strategy
- Yavu – Foundations of Pacific Engagement
- State Services – Standards of Integrity and Conduct

7.2 Legislation

- Contract and Commercial Law Act 2017
- [Health and Safety at Work Act 2015](#)
- [Public Records Act 2005](#)
- Electronic Transactions Act 2002
- Public Audit Act 2001
- [Public Finance Act 1989](#)
- [Commerce Act 1986](#)
- [Crown Entities Act 2004](#)
- [Fair Trading Act 1986](#)
- [Official Information Act 1982](#)
- Sale of Goods Act 1908
- Land Transport Management Act 2003

7.3 Related Ministry Policies

- [Code of Conduct](#)
- [Conflict of Interest Guidelines](#)
- [Financial Delegations Policy](#)
- [Business Expenditure Policy](#)
- [Credit Card Policy](#)
- [Travel Policy](#)
- [Hospitality, Gifts and Entertainment Policy](#)
- [Fraud Policy](#)
- [Health and Safety Policy](#)
- [Information Management Policy](#)
- [Privacy Policy](#)

8 Definitions

Word or phrase	Definition
All of Government or AOG Contracts	A type of collaborative contract that has been approved by the Procurement Functional Leader (the Chief Executive of MBIE). AoGs are usually Panel Contracts established by MBIE or other agencies that are approved Centres of Expertise for common goods or services (e.g. vehicles, laptops, and recruitment services).
Broader Outcomes	Broader Outcomes are the secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social, and cultural outcomes.
Conflicts of Interest	A conflict of interest is where someone's personal interests or obligations conflict, or have the potential to conflict, with the responsibilities of their job or position or with their commercial interests. It means that their independence, objectivity or impartiality can be called into question.
Charter	The Charter sets out government's expectations of how agencies should conduct their procurement activity to achieve public value. The Ministry will seek to meet as many of the key priorities and expectations as practical. You can obtain more information on the Charter at: www.procurement.govt.nz
Closed Competitive	A tender process where the Ministry asks a limited number of known providers to tender for a contract opportunity. The contract opportunity is not openly advertised.
Direct Source	A tender process where the Ministry asks a single provider to tender for a contract opportunity, and the contract opportunity is not openly advertised.
Exemption from Open Advertising	The recognised circumstances (e.g. a procurement in response to an emergency) where an agency does not need to openly advertise the contract opportunity.
GETS	An acronym for Government Electronic Tenders Service. It is a free service that advertises New Zealand Government contract opportunities and is open to both domestic and international providers.
Goods	Items which are capable of being owned. This includes physical goods and personal property as well as intangible property such as Intellectual Property (e.g. a software product).
Grant	Financial assistance in the form of money paid by the Government to an eligible organisation with no expectation that the funds will be paid back. It can be either: <ul style="list-style-type: none"> • a conditional grant, where the recipient undertakes specific obligations in return for the money, or • an unconditional grant, where the recipient has no specific obligations to perform in return for the money.
Open Competitive	Publishing a contract opportunity on GETS and inviting all interested domestic and international providers to participate in the procurement.
Opt-out Procurements	Specific types of Procurement Activities where agencies can choose to opt out of applying most of the Rules.
Panel Agreement	A form of framework agreement that governs the relationship between the Ministry and a Panel Provider. Terms and conditions between the contracting parties are agreed to in the Master Panel Agreement and govern each contractual arrangement that arises from the panel where a Panel Provider is allocated a contract to provide specific goods, services, or works.
Priority Outcomes	The following four priority outcomes have been identified by Cabinet to be leveraged by government procurement: <ul style="list-style-type: none"> • Increase New Zealand businesses' access to government procurement • Increase the size and skill of the domestic construction sector workforce • Improve conditions for workers and future-proof the ability of New Zealand business to trade, & • Support the transition to a net zero emissions economy and design waste out of the system. Each priority outcome is targeted at specific focus areas. You can find these focus areas at: www.procurement.govt.nz
Principles	The Principles of Government Procurement applied when planning, sourcing and managing our procurement set the standard for good practice. For more information regarding the principles of procurement see www.procurement.govt.nz
Procurement or Procurement	Procurement covers all aspects of acquiring and delivering goods, services (including the sourcing of consultants, legal advice; financial services; the engagement of temporary staff or contractors; the purchase of travel or accommodation; corporate shared services contracts; and the provision of

Activities	<p>training, education and research) and works (refurbishment and new construction), this is not intended to be an exhaustive list.</p> <p>The procurement lifecycle begins with identifying a need and ends with either the end of a service contract or the end of the useful life and disposal of an asset. More information can be obtained on the eight stages of the procurement lifecycle at: www.procurement.govt.nz.</p> <p>The following activities are deemed NOT to be Procurement Activities:</p> <ul style="list-style-type: none"> • employing staff (excluding the engagement of contractors and consultants); • disposals and sales by tender; • investments, loans and guarantees; • gifts, donations and any form of unconditional grants; • statutory appointments; • Ministerial appointments; • core Crown legal matters; • public prosecutions as defined in section 5 of the Criminal Procedure Act 2011.
Provider	A person, business, company or organisation that provides or can provide goods or services or works to the Ministry. Also known as “Supplier”.
Public Value	<p>Public value refers to achieving the best possible result from a procurement for the money spent. It includes using resources effectively, economically, and responsibly, and considers the total costs and benefits of a procurement and its contribution to the results you are trying to achieve, including Broader Outcomes.</p> <p>The principle of public value when procuring goods, services or works does not mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value.</p>
Rules	<p>The Government Procurement Rules are the Government’s standards of good practice for government procurement. The Rules focus mainly on the process of sourcing — sourcing covers: planning your procurement; market research; approaching the market; evaluating responses; and negotiating and awarding the contract.</p> <p>You can obtain more information on the Rules at: www.procurement.govt.nz</p>
Services	<p>Acts or work performed for another party, e.g. accounting, legal services, cleaning, consultancy, training, community engagement, research and evaluation, medical treatment, or transportation.</p> <p>Sometimes services are difficult to identify because they are closely associated with a good (e.g. where a support service is provided with IT goods/devices). No transfer of possession or ownership takes place when services are sold, and they: cannot be stored or transported; are instantly perishable; only exist at the time they are provided.</p>
Sourcing	The parts of the procurement lifecycle that relate to planning, market research, approaching the market, evaluating responses, negotiating and contracting.
Whole of Life value (WoL)	<p>A genuine estimate of the total cost that the Ministry will pay over the whole-of-life of the contract. It covers the full contract cost of goods or services, and any other expenses such as maintenance and repairs, and the cost of disposing of the goods at the end of the contract.</p> <p>The WoL value does NOT include GST.</p>