




Procurement Policy

Original policy approved by:

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Amended policy approved by:

Version	10	Contact	Director Corporate Enablement
Amended version approved by	Deputy Chief Executive, Corporate	Name	Alan Cassidy
		Signature	
Date amended version approved	4/05/2026	Date for review	30/04/2028

Objective

1. This Policy sets out the approach, behaviours, and the individual and collective responsibilities to plan, source and manage procurement activities, to ensure we obtain best public value, whilst achieving operational objectives and ensuring our decisions can withstand Parliamentary and public scrutiny.

Policy Principles

2. The principles that underpin this Policy, and give effect to it, are that for all procurements:
 - a) We will ensure public value by getting the best possible results from using resources effectively, economically and without waste, over the lifetime of the goods and services purchased, and service broader outcomes for New Zealand
 - b) We enable informed decision-making by undertaking well-planned, ethical, sustainable, robust, transparent and fair procurement activities
 - c) We are guided by the Government Procurement [Principles](#), [Charter](#) and [Rules](#) to get the best results from well-conducted procurement and lawful practices, and
 - d) We are agile and responsive by taking a procurement approach that aligns to the level of value, complexity and risk, whilst keeping our deliverables in mind.

Policy Statement

3. All procurement activities at DPMC will adhere to the Auditor-General Principles for public spending and the Government Procurement Principles, Charter and Rules. This Policy and other good practice guidance, including our procurement processes (located on the Procurement pages on Kāinga) will also inform the approach. Collectively, these provide a

framework that supports accountability for spending, sound business practice and better results.

This Policy Applies to

4. This Policy applies to everyone in DPMC, including permanent, fixed-term, secondee, casual and agency temporary staff, self-employed and independent contractors (together referred to in this Policy as 'staff'), regardless of position or seniority.
5. This Policy applies to all procurements, regardless of the value, with the following exceptions that are out of scope to this Policy:
 - a) *Employment contracts* – The Policy does not apply to fixed term and permanent employment contracts or secondment agreements. For assistance with these, please contact your CASS Human Resources Business Partner.
 - b) *Credit Cards* – Goods and services can be purchased by DPMC Credit Card according to the provisions within the Card Procedural Guidance and roles, the Expenditure Policy and the applicable financial authorisations. This Policy does not apply if the DPMC Credit Card is being used for an appropriate purpose, which are:
 - Payment of actual and reasonable travel, accommodation, and meal expenses incurred on DPMC business (in accordance with the Travel Policy).
 - Purchase of goods, not including capital items, where there is prior approval for incurred costs.

Care must be taken to ensure a DPMC Credit Card is not being used for the purposes of avoiding this Policy.

Procurement Framework

6. Procurement covers all the business processes associated with sourcing and managing goods and services. It starts with identifying needs and planning the approach to market, continues through sourcing, contract negotiation, then managing the contract and supplier relationship, and ends with a review of the contract (which may result in contract expiry and/or planning a new sourcing event).
7. The way procurement is conducted is important to support DPMC in order to achieve our shared purpose: to advance an ambitious, resilient and well-governed Aotearoa/New Zealand.
8. Our procurement framework is guided by the Government Procurement Framework, as illustrated in Figure 1.

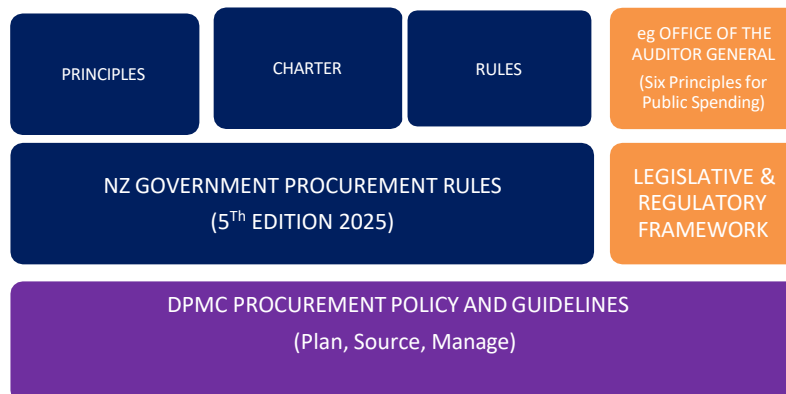


Figure 1: Procurement Framework

Principles, Charter, and Rules

9. All procurement activities will follow the procurement framework that supports good practice and includes:
- a) [Six Principles](#) of Government Procurement and the [Six Principles set out by the Auditor-General for public spending](#) – they provide the overarching values and foundations of good procurement practice and apply to all procurement at DPMC, regardless of the value.
 - b) Government Procurement [Charter](#) – the Charter sets out Government’s expectations of how agencies should conduct their procurement activity to achieve public value and better public services for New Zealand. DPMC is obliged to meet as many of the expectations as practical.
 - c) Government Procurement [Rules](#) (the Rules) – encourage a better commercial approach by directing the right types of behaviours and the promotion of best practice for procurement planning, approaching the supplier community and contracting to achieve greater public value.

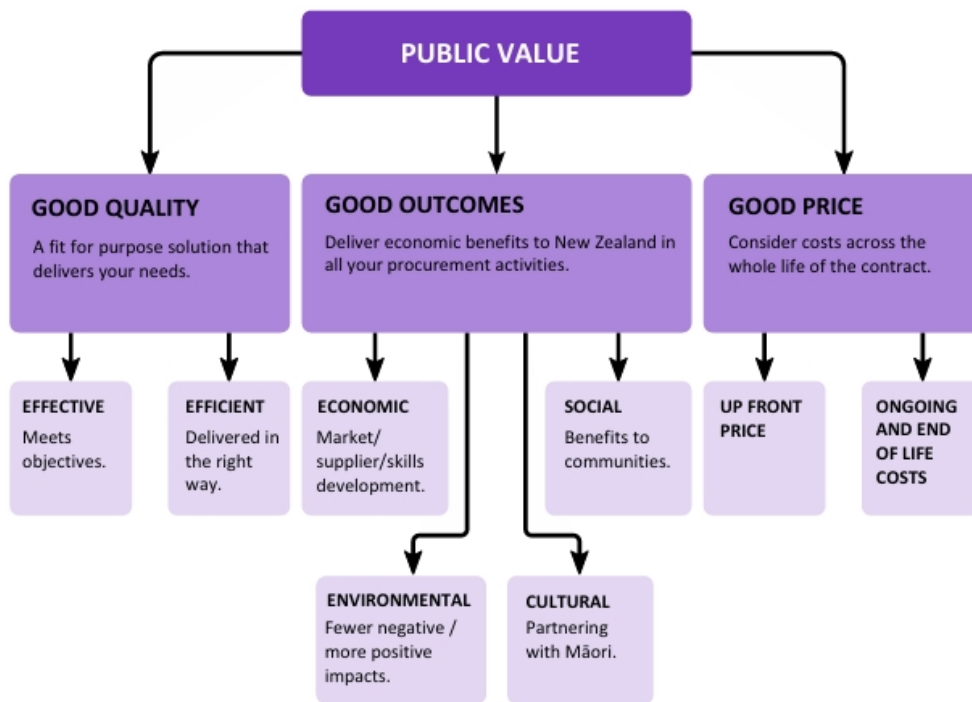
The Rules must be followed if the procurement exceeds the estimated whole of life value of the procurement (WoLC)¹ threshold of \$100,000 (ex. GST) for goods services and refurbishment works, and \$9 million for new construction works but can also be used as guidance for lower- value procurement.

The [Rules](#) reflect the values and standards contained within the [Six Principles](#) and [Charter](#), as well as focusing on promoting public value to achieve Economic Benefit. So, even when the [Rules](#) do not apply, DPMC is still obligated to procure in accordance with the [Six Principles](#) of Government Procurement and the Government Procurement [Charter](#).

- d) Other good practice guidance, as can be found in the processes outlined in the *DPMC Procurement pages* on Kāinga.
10. **Public Value.** Delivering better public value through government procurement should include securing economic benefits to New Zealand (as illustrated in Figure 2).
- DPMC needs to consider the economic benefits to New Zealand in all procurements, including what is most appropriate for the procurement and likely to deliver the benefits sought. Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will also help achieve public value.

¹ WoLC means the estimated total cost of a contract over its entire life and is calculated by multiplying the annual costs by the term of the contract and adding any one-off costs under the contract and its /variations. The WoLC must also take into account the value of any existing or previous contract or variations with the same supplier for the same or substantially similar services that result from the same procurement. For example, if you procure a Supplier for one project (e.g., policy advice for a legislation reform project) all contracts with the same supplier for that project will be considered as part of the WoLC. However, if the Supplier is giving policy advice on a different project (eg, a cyber strategy) those contract costs would not be considered as part of the WoLC.

Figure 2: Public Value (Government Procurement Rules (5th Edition) 2025)



Procurement Life Cycle

Planning

11. Enough time and consideration will be given when initiating a procurement to develop an understanding of the desired results, the market, possible suppliers, and to plan the procurement.
12. All procurement activities will consider economic benefits to New Zealand, this Policy and expectations in the Government Charter and how these will be considered and measured in the planning of the procurement.
13. All procurement activities will be planned and documented, regardless of value.
14. Before the market is approached financial approval will be sought from the relevant budget holder.

Sourcing

15. All tender documents will include criteria addressing the Rules, this Policy and expectations in the Government [Charter](#).
16. DPMC expects suppliers we engage to meet the minimum standards set out in the Supplier [Code of Conduct](#) and comply with all applicable laws and regulations. This requirement applies to every procurement, even procurements where the Rules do not apply.
17. DPMC's standard procurement processes will be followed and are detailed in the Procurement pages on Kāinga. The preferred sourcing method depends on the value of the procurement (WoLC). A competitive process should be used wherever practicable.
18. The preferred sourcing methods for goods and services are set out below:

Estimated whole of Life Value (WoLC) of procurement (exc. GST)	Preferred sourcing methods
Less than \$50,000	Buying directly (Direct Sourcing) from a suitable supplier is acceptable (evidence of the facts and circumstances to justify a direct source needs to be documented). However, competitive quotes from three or more pre-selected suppliers are preferable to uphold the principles of fairness, value and transparency.
\$50,000 to less than \$100,000	<p>Three or more quotes from pre-selected suppliers.</p> <p>However, buying directly (Direct Sourcing) from a suitable supplier may be acceptable if justified*. When making an assessment of whether a direct source may be justified, you must take into account the value, risk and complexity of the procurement. Evidence of the facts and circumstances to justify a direct source must be clearly documented.</p> <p><i>* Justification includes, at least: you have a good understanding of the market and rates, <u>and</u> could include matters such as: -there is one supplier who could reasonably do the work; the procurement is for goods, services or works which are in additional to the original requirements that are necessary for complete delivery; a conditional grant; international funding or military and essential security interests (see for example, the exemption and opt-out grounds in Rule 11 and 12 of the Government Procurement Rules for ideas)</i></p>
\$100,000 and above	<p>Government Procurement Rules require an open competitive tender process. An alternative procurement method may be acceptable (e.g. closed tender, direct sourcing) if an exemption or opt-out of the Government Procurement Rules is granted by the Deputy Chief Executive, Corporate (DCE Corporate).</p> <p>For new construction works (as defined under the Rules)² with a WoLC less than \$9 million, the preferred method is an open competitive tender process. However, three or more quotes from pre-selected suppliers (closed tender) may be acceptable if you have a good understanding of the market. When making an assessment of whether a closed tender process may be acceptable, you must take into account the value, risk and complexity of the procurement. Evidence of the facts and circumstances to justify a closed tender process must be clearly documented.</p>

19. Where DPMC enters into contracts with Preferred Suppliers, is signed up to an All of Government Panel or has a DPMC Panel contract, these suppliers must be used in the first instance. If the necessary requirements cannot be met, DPMC's preferred approach for procurements over \$100,000 is to undertake an Open Competitive Process that is openly advertised (on the Government Electronic Tender Service (GETS)).
20. DPMC will establish robust commercial contracts and relationships with suppliers that focus on the best possible outcomes (that include specified services and deliverables, performance management, risk mitigation, cost reduction, and public value). A Contract Assurance Form will be completed by the contract manager and approved by the person with the correct level of delegated financial authority (as part of the contract approval process) for all expenditure, irrespective of value (except where (a) an exemption to this requirement has been granted by the Deputy Chief Executive, Corporate, **and** (b) the expenditure is less than \$4,000).

² Noting, that when estimating the maximum value (Rule 7, 9 and General Information and Appendix 1) for new construction works, DPMC must take into account everything required for the full delivery of the goods, services or works. This includes all (a) related services (e.g. design, architecture, engineering, quantity survey, and management consultancy services); (b) types of goods (e.g. construction material, health and safety equipment); (c) phases of the construction through to completion; (d) subcontracted goods, services and works

Contract management

21. To get the best from suppliers, sound contract management practices will be used manage clear performance measures, develop good relationships and working practices to make ongoing improvements (and savings).
22. Under the Rules, agencies must have a contract management plan that is right-sized, taking into account the contract’s value, complexity, risk, and duration. Therefore, the contract manager must ensure there is sufficient contract management in place. DPMC will monitor how contract management under the Rules and expectations in the Government [Charter](#) have been met.

Responsibilities

Role	Responsibilities
<p>Deputy Chief Executive, Corporate</p>	<p>The Deputy Chief Executive, Corporate has the discretion to grant exceptions to this Policy (management override) only in exceptional circumstances and in line with the principles of the Delegations Policy. Where this occurs the principles of this Policy must be adhered to with adequate records kept of decisions.</p> <p>In particular, the Deputy Chief Executive, Corporate is responsible for:</p> <ul style="list-style-type: none"> • Approval of procurement plans \$100,000 or more³. • Granting opt-out or exemptions to openly advertising procurement opportunities under the Government Procurement Rules. • The review of this Policy • Approving any guidance on when contracts and/or contract assurance forms are not required for expenditure less than \$4,000.
<p>People Leaders</p>	<p>People leaders are expected to make themselves aware of and comply with this Policy and the Procurement Framework. People leaders will:</p> <ul style="list-style-type: none"> • Model the right behaviours to the highest standard and to exercise good judgement by applying the principles in this Policy in all situations. • Ensure staff comply with their responsibilities, and act in accordance with the procurement processes, policies and legislation outlined in this Policy. • Promulgate this Policy and the procurement policies on <i>Kainga</i>. • Escalate any requirements for exemptions/opt-outs through the required procurement guidance. • Ensure staff file all procurement documents in iManage to ensure DPMC meets the standards of the Public Records Act 2005. • Ensure that they, and all staff, with delegated financial authority are responsible for properly and prudently spending the public money under their control. • Ensure compliance issues identified are reported to the Director Corporate Enablement and followed up with their staff. • Support longer-term planning and strategic procurement planning within the business unit and DPMC as a whole.

³ Note, the Director Corporate Assurance and Chief Legal Advisor has authority from the Chief Executive to (1) approve procurement plans \$100,000 or more (2) opt-out or exemptions to openly advertising procurement opportunities under the Government Procurement Rules

All Staff	<p>All staff incurring expenditure are expected to make themselves aware of and comply with this Policy and the Procurement Framework. In particular, staff are expected to:</p> <ul style="list-style-type: none"> • Act ethically, honestly, and with integrity (refer to the DPMC Code of Conduct), exercising good judgement by applying the principles in this Policy. • File all procurement documents in iManage (and TechnologyOne) to ensure DPMC meets the standards of the Public Records Act 2005. • Follow the applicable financial delegations, to ensure professional and objective practices for all procurement activity. • Ensure compliance issues identified are reported to their people leader and the Director Corporate Enablement. • Ensure any compliance issues that are identified are corrected.
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Definitions

The table below is intended for use with this Policy.

Term	Definition
All of Government Panel	All-of-Government Contracts (AoG). A type of collaborative contract, 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).
Auditor-General Principles	Six basic principles for spending public money wisely.
Charter	Government Procurement Charter .
Contract	Any document that creates a legal obligation including contracts, statements of work, various contract templates stipulated in AoG arrangements and, in limited circumstances, some Memoranda of Understanding.
Contract Assurance Form (CAF)	A CAF is the internal document which records the required assurance checks (conflicts, health and safety, commercial risks, procurement method etc) undertaken to enable the contract signatory (being the person with financial authority) to make an informed decision on whether to sign the contract.
Direct Sourcing	Also known as Direct or Selective Procurement. A process giving only one supplier the opportunity to participate.
Exemption	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. The valid grounds for an exemption are set out in the Rules.
GETS	An acronym for Government Electronic Tenders Service. GETS is a website managed by New Zealand Government Procurement that advertises New Zealand government contract opportunities and is open to both domestic and international suppliers.
Kāinga	DPMC's intranet pages.
Open Competitive Process	An opportunity that is openly advertised on the GETS system. Other methods of advertising can be used in addition to GETS, but to be an open competitive process the GETS system must be used.

UNCLASSIFIED

Opt out	Opt out procurements. Specific types of procurement activities where agencies can choose to opt out of applying all of the Rules. The grounds for valid opt out procurements are set out in the Rules.
Procurement Plan	A plan to analyse the need for specific goods, services or works and the outcome the agency wants to achieve. It identifies an appropriate strategy to approach the market, based on market research and analysis, and summarises the proposed procurement process. It usually includes the indicative costs (budget), specification of requirements, indicative timeline, evaluation criteria and weightings and an explanation of the broader outcomes an agency will seek to achieve through the procurement.
Preferred Suppliers	A supplier included in a pre-qualified suppliers list.
Rules	Latest version of the Government Procurement Rules.
Supplier Code of Conduct	The Code of Conduct provides a minimum set of expectations that government expects of all its suppliers.
Tender	A generic term for the sourcing process by which suppliers are invited to submit bids and the bid (or bids) that represents the best value for money to DPMC is selected and awarded a contract.
Whole of Life Cost (WoLC)	WoLC means the estimated total cost of a contract over its entire life and is calculated by multiplying the annual costs by the term of the contract and adding any one-off costs payable under the contract or its variations. The WoLC must also include any existing or previous contract or variations with the same supplier for the same or substantially similar services that result from the same procurement. For example, if you procure a Supplier for one project (e.g., policy advice for a legislation reform project) all contracts with the same supplier for that project will be considered as part of the WoLC. However, if the Supplier is giving policy advice on a different project (e.g., a cyber strategy) the contract costs would not be considered as part of the WoLC.

Related policies, guidance and information

The following general policies, codes and practices are relevant to procurement. Other policies may also be relevant in the case of individual procurement processes. If in doubt about what policies apply, seek legal advice.

- [Code of Conduct for the Public Service](https://www.publicservice.govt.nz/guidance/the-code-of-conduct-for-the-public-sector) - <https://www.publicservice.govt.nz/guidance/the-code-of-conduct-for-the-public-sector>
- [Conflicts of Interest Policy \(3330082\)](#). This policy addresses real and perceived conflicts of interest. If there is a concern about a conflict of interest during a procurement activity refer to this policy.
- [Delegations Policy \(3022350\)](#) This policy addresses delegations and delegation holders should check it to ensure that they are familiar with the scope of their delegation.
- [Hospitality, Gifts, Koha and Entertainment Policy \(3995131\)](#). This policy addresses accepting and providing hospitality and specifically addresses procurement activities.
- [Fraud Policy \(4095740\)](#)
- [Protected Disclosures \(Whistleblowing\) Policy \(3083831\)](#)

DPMC staff must comply with all applicable legislation throughout the procurement process.

Other policies and legislation may also be relevant in the case of individual procurement processes. If in doubt about what policies apply to your procurement, seek legal advice.