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Procurement Policy

Purpose

This policy provides a consistent approach to procurement that aligns with the Whaikaha Delegated Financial Authorities (DFA) and delivers the best outcomes and public value for Whaikaha and New Zealand. It describes expected behaviours and standards for procurement activities at Whaikaha. It sets out a framework within which we can:

- meet a justifiable and approved organisational need;
- maximise the efficiency of purchasing through the New Zealand Government Procurement (NZGP) online systems and standardised procurement processes;
- deal with suppliers in a fair, open, and transparent manner.

Policy statement

Whaikaha will conduct procurement activities consistent with:

- the Five Principles of Government Procurement [Government procurement principles | New Zealand Government Procurement](#),
- the [Government Procurement Charter | New Zealand Government Procurement](#),
- the Government Procurement Rules 5th Edition (Rules) [Government Procurement Rules | New Zealand Government Procurement](#),
- the Auditor General's [Procurement guidance for public entities](#) and
- the Auditor General's [Public sector purchases, grants, and gifts: Managing funding arrangements with external parties](#).

The Principles and the Charter apply to all procurements, even if the Rules do not apply (some activities are not considered to be procurement and there are limited circumstances where opt-out exemptions may apply – clauses 11 and 12 of the Rules provide detail) as these set the expected standard for good practice in the NZ public service.

The way we buy goods and/or services will vary depending on the whole of life cost (defined in the definitions section), complexity, and risk involved and type of services or goods being procured, or grants being distributed. We apply the approach best suited to the planned procurement, utilising purchasing technology available through the NZGP tools and templates.

Whaikaha must participate in All of Government (AoG), syndicated and Common Capability panel contracts that it has joined.

This policy is supported by the Whaikaha Grants Policy that sets out how Whaikaha operates its Grants Funding Programme.

Principles

We demonstrate high ethical standards based on honesty, integrity, probity and transparency in all our purchasing and procurement processes. Procurement activity is conducted in a manner that ensures we maintain a reputation of being fair, transparent, and unbiased towards suppliers, evidenced through sound and robust record keeping. All procurement activities must be able to withstand both parliamentary, court and public scrutiny.

We commit to our procurement processes being accessible and equitable, including advertising higher value procurements in alternate formats. We also enable reporting to be submitted in alternate formats.

Scope

This policy covers all Whaikaha procurement from discretionary spend such as catering and stationery to commercial requirements, conditional grants, funding agreements, funding of people on advisory groups or evaluation panels, and contractors and consultants.

This is a Whaikaha wide policy and applies to all employees procuring goods or services on our behalf with the following exclusions:

- employment of Whaikaha employees;
- donations, sponsorships, ex-gratia payments, and koha (covered under the Gifts, Donations and Koha policy - Gifts donations and koha policy.docx);
- disposals or sales by tender (covered under the Financial Delegations policy - Whaikaha Delegations Policy - Finance - Revision from 1 August 2025 Final.docx);
- statutory or ministerial appointments.

Our Commitment to Tāngata Whaikaha Māori and Disabled People

Whaikaha is committed to a range of outcomes which include:

- creating opportunities for New Zealand businesses, including Māori, Pacific, disabled led, and regional businesses, as well as social enterprises.

We recognise that it is an obligation under Te Tiriti o Waitangi/Treaty of Waitangi to ensure that Māori perspectives are considered across the design and implementation of our policies and service design decisions that will impact on tāngata whaikaha Māori and whānau. In our procurement work we will ensure we meet these obligations and those recorded in our organisational directions.

Our commitment to accessibility and equity will enable Māori, Pacific, and Disability led, governed, or managed organisations and regional

businesses to be involved in contract opportunities.

We support tāngata whaikaha Māori and disabled people being involved in our procurement through involvement on evaluation and selection panels where applicable – this is typically for higher value procurements. All people on such panels are required to complete conflict of interest declarations.

Table One - Procurement Approvals

*General Procurement Endorsement and Approval Levels (refer to DFA policy)

Spend levels (whole of life)	Documents	Endorse	Approve
\$1-9,999	Xtra-lite Procurement Plan		Level 3
\$10,000- 49,999	Short form Procurement Plan Government Model Contract		Level 3
\$50,000- 99,999	Short form Procurement Plan Evaluation/recommendation Report Government Model Contract Opt-out exemption (if needed)		Level 3
\$100,000 +	Long form Procurement Plan Exemptions/Opt-outs (from rules or policy) Evaluation/Recommendation Report Contract Award report Government Model Contract	ELT	Level 2

Approval of procurement plans by the delegated approval level (the table above refers) will only be granted if the approver is satisfied there is sound evidence and reasoning.

Opt-out and Exemptions

The Rules allow [Opt-out procurements \(Rule 11\)](#) and [Exemption from open advertising \(Rule 12\)](#) in certain circumstances where the whole of life cost is greater than \$100,000.

Opt-outs and exemptions will be well-reasoned, follow the advice of the Procurement Advisor, and should only be used as intended and applied by the Rules. The DCE responsible for the budget and the DCE, Strategy and Enablement must sign off all exemptions, and the ELT must endorse.

Examples of opting out of where the rules apply include: a memorandum of understanding between government departments,

conditional grants, and purchasing certain types of health or welfare services. Agencies must not structure a procurement as a conditional grant as a way of avoiding the Rules. Exemption examples include only one supplier, emergency procurement or secondary procurement (accessing suppliers from an AoG panel).

In these situations, Whaikaha may use either a closed competitive process with a limited number of known suppliers/providers, or a direct source process with a known supplier.

Rationale will be documented with evidence supporting the reason and must not be used to:

- a. avoid competition,
- b. protect domestic suppliers/providers, or
- c. discriminate against any domestic or international supplier.

Emergency procurement

In a genuine emergency Whaikaha may forego routine procurement procedures for goods or services that are urgently required to provide emergency assistance or relief (such as in the event of a major catastrophe).

Emergency procurement cannot be used in the case of poor planning or to avoid policy or guidelines. Emergency procurement will usually be signaled by the Whaikaha CE. [Refer to Guidance: Emergency Procurement](#)

In an emergency, procurement will be limited to what is required to cope with the emergency. All approvals, notes and engagement records must be saved. Contracts should be designed to cover the period of the emergency only. The procurement advisor should be contacted for assistance.

Managing Risk

Risks relating to each procurement activity will be identified prior to its commencement. Steps to eliminate or mitigate risks should be documented in the procurement plan (and risk register if the risk is rated as moderate or above) and actioned.

Documentation and approvals of all procurement must be kept and stored in accordance with Whaikaha policies, the Privacy Act 2020, and the Public Records Act 2005.

Health and Safety

Procurement decisions must consider and identify health and safety requirements. Under the Health and Safety at Work Act 2015, Whaikaha and certain employees have a statutory requirement to:

- a. eliminate or minimise risk to health and safety, so far as is reasonably practicable,

- b. ensure so far as is reasonably practicable, the health and safety of Whaikaha employees and the workers of suppliers/providers whose activities in carrying out work are influenced or directed by Whaikaha.

Capability Building

Whaikaha is committed to strengthening procurement capability and all employees engaged in procurement will be upskilled in the five principles of procurement and will demonstrate practicable knowledge and its application.

Compliance

Full compliance with this policy is required. A breach of this policy may constitute misconduct, or, depending on the circumstances, serious misconduct (refer to the Code of Conduct).

Any concerns about procurement activity that is inconsistent with the Rules will be reported to the Deputy Chief Executive, Strategy and Enablement. Actions will be taken to ensure that any breaches are corrected.

Responsibilities

Specific and general responsibilities of employees to ensure compliance with the policy:

Person / Party	Responsibilities
ELT	<ul style="list-style-type: none"> • Approve the Procurement Policy and any new content or major amendments to the Procurement Policy. • Endorse activities as shown in Table One. • ELT provides strategic oversight to ensure Whaikaha procurement practices are fair, transparent and represent Public Value. This includes approving contracts in accordance with financial delegations.
Chief Executive (CE) / Deputy Chief Executives (DCEs) and Kaihautū	<ul style="list-style-type: none"> • The CE is accountable for ensuring Whaikaha applies the NZ Government’s Principles, Charter and Rules. • DCEs and the Kaihautū must be familiar with the Procurement Policy and are responsible for ensuring there are adequate systems and processes in place to enable compliance. These responsibilities include: <ul style="list-style-type: none"> ○ approving contracts in accordance with financial delegations, ensuring that procurement processes with whole of life costs over \$100k fully comply with Whaikaha policies and guidelines; ○ ensuring appropriate approvals align with the Delegations policy and ensuring all relevant parts of Whaikaha are consulted.
Procurement Advisor	<ul style="list-style-type: none"> • Provides guidance and support to employees undertaking procurement activities, including leading activities greater than \$100K. • Advises and coordinates input from specialist teams where indicated (for example MSD IT when a procurement involves a technology product that needs to link with the IT system). • Supports Whaikaha to comply with all applicable procurement rules.
Senior Advisors, Advisors, Senior Executive Assistants and Executive	<ul style="list-style-type: none"> • Ensure compliance with this policy and related policies and guidelines during purchasing activities. • Proactively manage requisitions, purchase orders and non-catalogue requests. • Monitor procurement activities, reporting breaches, and identifying opportunities for new supply arrangements.

Person / Party	Responsibilities
Assistants, Business Coordinator	
Budget Managers	<ul style="list-style-type: none"> • Ensure that procurement activities within their area of responsibility are conducted consistent with the Rules.
All employees	<ul style="list-style-type: none"> • All employees must be familiar with the Procurement Policy and comply with its requirements when procuring goods or services. • Subject matter experts are involved in the tender evaluation process (e.g.: IT or security to ensure aligns with NZISM).
Legal	<ul style="list-style-type: none"> • Advice and support of procurement activities.
Finance	<ul style="list-style-type: none"> • Provide related procurement budget advice, review whole-of-life costings, provide input on appropriateness of public value.
HR	<ul style="list-style-type: none"> • Ensure that roles deemed contractors and consultants are appropriately categorized and deemed suitable for fixed positions.

Definitions

Word/ phrase	Definition
All of Government (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.
Commissioning	Commissioning is a change management process focused on outcome-based investment. The process involves analysis of needs, prioritisation, planning, co-design, procuring services for outcomes, monitoring and evaluation, impact analysis and dissemination of knowledge and translating results into practice.
Contract	A legally enforceable agreement.
Contractors and Consultants	Defined by Te Kawa Mataaho Public Service Commission: Contractors-and-Consultants-Guidance.pdf
DE	Departmental Expenditure

Direct Source	A tender process where the agency asks a single supplier to tender for a contract opportunity, and the contract opportunity is not openly advertised.
ELT	Executive Leadership Team (DFA Levels 1,2 and 3)
Exemptions	Explains the circumstances under which an agency may be exempt from the requirement to openly advertise tender values over \$100k.
GETS	Government Electronic Tenders Service.
GMC	Government Model Contract (lite or full)
NDE	Non-Departmental Expenditure
Open advertising	Publishing a contract opportunity on GETS and inviting all interested domestic and international suppliers/providers to participate in the procurement.
Opt-out procurements	Specific types of procurement activities where agencies can choose to opt out of applying certain Procurement Rules.
Panel of suppliers	A list of suppliers an agency has pre-approved to supply particular goods or services and who have agreed to the agency's terms and conditions for supply.
Procurement	All aspects of acquiring and delivering goods, services and works. It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of an asset. Procurement in this policy includes purchasing which is defined as the process of buying goods and services through established contractual arrangements.
Public Value	Public value means the best available result for New Zealand for the money spent. It includes using resources effectively, economically and responsibly, and taking into account: <ul style="list-style-type: none"> • the procurement's contribution to the results you are trying to achieve, including any Broader Outcomes you are trying to achieve and • the total costs and benefits of a procurement (total cost of ownership).
RFx	Request for Information (RFI), Request for Quote (RFQ), Request for Proposal (RFP), Request for Tender (RFT)
Secondary Procurement	Where an agency purchases goods, services or works from a panel of suppliers, an All-of-Government Contract, Common Capabilities Contract or Syndicated Contract.

Tenders	Covers a range of documents where an agency formally asks suppliers/providers to propose how their goods or services or works can achieve a specific outcome; price information; other information.
Tender evaluation	The process whereby criteria is used to evaluate suppliers/providers' responses to a tender. These include measures to assess the extent to which competing responses meet requirements and expectations (e.g., criteria to shortlist suppliers/providers following a Registration of Interest or criteria to rank responses in awarding the contract).
Threshold Value	The value for when to apply the Rules. As of 1 October 2019, the threshold value for goods or services or refurbishment works is \$100,000 (excluding GST). As the Rules represent good practice, agencies can apply the Rules for procurements under this threshold.
Whole of life cost	Total value over the whole-of-life of the contract/s when estimating the procurement's maximum total value over the full term of the contract, including any costs associated with the disposal of goods. Costs must include the value of all the contracts that may result from the procurement. https://www.procurement.govt.nz/assets/procurement-property/documents/guide-total-cost-ownership.pdf

Related Policies

This policy should be read in conjunction with:

Policy / Guidance	Definition
Financial delegations and probity policy	When spending Ministry money, Budget Managers need to act within the scope of their delegation, act with probity, and follow the Whaikaha and Government rules and policies. Whaikaha Delegations Policy - Finance - Revision from 1 August 2025 Final.docx
Business related and sensitive expenditure policy	Principles and policies that must be followed when claiming reimbursement of expenditure incurred on behalf of Whaikaha. Business related and sensitive expenditure 20250131.docx
Travel, Accommodation, and	Principles and policies that must be followed when organising, undertaking, or authorising business-related travel on behalf of Whaikaha.

Policy / Guidance	Definition
related expenses Policy	Travel accommodation and related expenses policy.docx
Gifts, Donations and Koha Policy	Principles and policies that must be followed when organising, accepting, or approving gifts, hospitality, or Koha on behalf of Whaikaha. Gifts donations and koha policy.docx
Code of Conduct	Provides clear expectations about behaviours and conduct of Whaikaha employees and how to best serve the Government of the day. Whaikaha Code of Conduct.docx
Government Procurement Rules, Principles and Charter	Government Procurement Rules New Zealand Government Procurement
Contractor and Consultant Policy	Contractors-and-Consultants-Guidance.pdf
Public Finance Act 1989	https://www.legislation.govt.nz/act/public/1989/0044/latest/DLM160809.html#DLM160811
Emergency procurement	https://www.procurement.govt.nz/guides/emergency-procurement/
OAG Procurement Guidance	The basics – Office of the Auditor-General New Zealand
Whaikaha Grants Policy	Grants policy.docx

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