

Procurement Policy



Responsibility for policy: Chief Operating Officer

Approving authority: Vice-Chancellor

Last reviewed: December 2024

Next review: December 2029

Application

1. This policy applies to all staff of the University of Waikato and those who undertake any procurement activity on behalf of the University.

Scope

2. This policy applies to all University procurement activity, excluding:
 - a. property leases, and
 - b. property sales and purchase agreements.

Purpose

3. The purpose of this policy is to:
 - a. set out the principles that apply with respect to procurement by the University
 - b. ensure that the University's procurement functions are carried out within a clearly defined and transparent internal control framework
 - c. ensure that the University's procurement processes comply with relevant legislation, rules and accounting practices, and
 - d. ensure that procurement processes are conducted in a manner that maintains the University's reputation for being fair and unbiased when dealing with suppliers.

Related documents

4. The following documents set out further information relevant to this policy:

- [Capital Asset Policy](#)
- [Financial Authority Policy](#)
- [Financial Ethics Policy](#)
- [Gift Acceptance Policy](#)
- [Independent Contractor Policy](#)
- [Interests \(Conflicts of Interest\) Policy](#)
- [PCard Policy](#)
- [Procurement Tools](#)
- [Purchasing and Sensitive Expenditure Policy](#)
- [Safety and Wellness Policy](#)
- [Staff Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Sustainability Strategy](#)
- [Travel Policy](#)

5. This policy takes account of the following legislation:

- [Commerce Act 1986](#)
- [Consumer Guarantees Act 1993](#)
- [Fair Trading Act 1986](#)
- [Health and Safety at Work Act 2015](#)
- [Sale of Goods Act 1908](#)

6. This policy takes account of and reflects the following documents produced by the Office of the Auditor-General and the Ministry for Business, Innovation and Employment:

- [Controlling Sensitive Expenditure: Guide for Public Organisations](#)
- [Government Procurement Rules](#)
- [Procurement Guidance for Public Entities](#)

Definitions

7. In this policy:

additional goods, services and/or works include but are not limited to:

- in a construction contract, additional ground works, the need for which was only discovered on excavating the site
- supplying replacement parts
- additional consultancy services where an unexpected issue arises
- an enhancement or change to an integrated IT system

All-of-Government (AoG) means a panel, single sourcing option or competitive tender process established through central Government that the University has mandated or opted into

Broader Outcomes means secondary benefits that may be generated by the way goods, services and/or works are procured and delivered; such outcomes may be social, environmental, cultural or economic benefits and are expected to deliver long-term public value for New Zealand; current Government Broader Outcomes are set out in Appendix 3 of this policy

closed competitive, as it relates to a procurement exemption, means an RFQ or RFP restricted to a limited number of known suppliers. Using a closed competitive source process with limited known suppliers does not mean that one or more of the suppliers must be contracted; formal proposals must still be sought from suppliers, evaluated, and due diligence undertaken before deciding whether or not to negotiate a contract. All other Government Procurement Rules apply

closed tender means a tender process that has been advertised to a select group of suppliers and not usually advertised through the Government Electronic Tender Systems (GETS)

commodity market means a legally regulated exchange where raw goods or primary products such as agricultural produce, metals and electricity are bought and sold using standardised contracts

contract variation means a formal process used to vary contract terms as agreed by the parties involved

direct source, as it relates to a procurement exemption, means a closed RFQ or RFP restricted to a known supplier. Using a direct source process with one known supplier does not mean that the supplier must be contracted; a formal proposal must still be sought from the supplier, evaluated, and due diligence undertaken before deciding whether or not to negotiate a contract. All other Government Procurement Rules apply

emergency situations means genuinely unforeseen circumstances which could materially affect human wellbeing, the environment, or the reputation or financial wellbeing of the University, staff and/or students and/or suppliers

exceptionally advantageous conditions means a one-time event such as a sale by public auction or a sale resulting from liquidation, bankruptcy or receivership

independent contractor means a person or agency engaged by the University under a contract for service to undertake a specific activity

intellectual property, as it relates to a procurement exemption, includes but is not limited to situations:

- where the University is purchasing an online subscription to content or other services with unique characteristics
- where the University is purchasing software licences from a proprietary supplier for software that is embedded in its operating environment
- where the University is purchasing a unique piece of art that is protected by copyright and not available elsewhere

International Student Recruitment Agents means an agent appointed under contract to and acting on behalf of the University to recruit international students; only the International Office has the authority to appoint such agents

joint venture means an arrangement where the University has been awarded a contract by a third party, in which the University submitted a proposal to the third party that names one or more subcontractors who would assist the University deliver that contract. Alternatively, where the University has been awarded a contract by a third party and the University and the third party agree to vary that contract to allow a subcontractor that was not specified in the original proposal to assist the University deliver that contract. Joint venture proposals are often made for research projects but can also arise when the University and collaborating partners propose to work together to provide other types of services to a third party

Lite Procurement Plan means a simplified procurement document that details the processes that must be followed prior to commencing a procurement activity in accordance with the requirements set out in Appendix 1 of this policy

open tender means a tender process that has been advertised to the public, usually through the Government Electronic Tender Systems ([GETS](#))

preferred supplier means a supplier that has been awarded 'preferred supplier' status for the supply of specified goods, services and/or works following a competitive tender process which has resulted in a procurement contract; unless in an emergency situation or where a procurement exemption has been approved, where preferred suppliers for the provision of specific goods, services and/or works have been determined those suppliers must be used to purchase those goods, services and/or works

procurement means the identification of potential suppliers, the tender process, the selection of a preferred supplier, the contract negotiation, the management of the contract and the establishment of the subsequent purchasing process

Procurement Plan means a procurement document that details the processes that must be followed prior to commencing procurement activity in accordance with the requirements set out in Appendix 1 of this policy

Procurement Principles means the ethical practices that underpin all procurement undertaken by the University; current Government Procurement Principles are set out in Appendix 2 of this policy

prototype means a pilot for a new product or system for a new way of delivering goods, services and/or works

purchase means the transactional process used to enable the buying and selling of goods, services and/or works following a procurement process

purchase order means the approved University process undertaken through [Unimarket](#) by which goods, services and/or works are purchased and supplied

RFx means a 'request for' any of the following procurement processes:

- Request for Information (RFI) – is used to identify the number and type of suppliers who are active in the area of interest. It is a formal request to the market for information about the type of goods and services currently available for a possible procurement. This is a market research tool only and must not be used to shortlist or select suppliers
- Request for Quote (RFQ) – is used when the goods, services and/or works are known and cost is the most important factor. It is a formal request asking potential suppliers to quote prices for 'stock standard' or 'off-the-shelf' goods, services and/or works. It is aimed at low to medium value/risk procurement
- Request for Proposal (RFP) – is a formal request asking suppliers to propose how their goods, services and/or works could achieve a specific outcome, and includes their prices. The University may be open to innovative ways of achieving any requested outcomes/s
- Registration of Interest (ROI) – is used when anticipating a large number of responses to a procurement tender. It is a formal request asking potential suppliers to register their interest in an opportunity to supply specific goods, services and/or works. This is the first step in a multi-step procurement process. Only respondents who are shortlisted after the ROI has closed will be invited to continue in the procurement process. An ROI is followed by an RFP allowing shortlisted suppliers to respond

right of renewal means the additional term or terms that a contract can be extended for

syndicated contract means a collaborative contract between agencies, such as a collective of universities, that aggregates their respective needs and goes to market collectively for goods, services and/or works

technical reason, as it relates to a procurement exemption, includes but is not limited to situations:

- where there is a need to match with existing equipment, software or services
- where the University has a bespoke IT system that was custom designed for it and only the supplier that designed it fully understands to code base
- where one supplier has, over a period of time, developed such an intimate knowledge of an outdated or complex system that the University can reasonably claim that other suppliers would not have a similar level of readily available knowledge
- where a spare part of component is only available from one supplier
- where only one supplier has essential, highly specialised expertise, technology, qualifications or skills
- where a construction company has already been contracted to do the base build of a building and there would be no real competition in bidding for the fit-out due to the efficiencies gained from them being established on site

Total Procurement Value means the collective costs associated with a procurement activity; this includes other associated projects and any future planned supply of goods, services and/or works

unsolicited proposal means an approach initiated by a supplier proposing a unique solution that is not available in the marketplace

whole-of-life cost means the total cost, including purchase cost, operating cost and maintenance cost for the life of a contractual term.

Principles

8. The University recognises that it is a significant user of public money and that its use of this money impacts the local and domestic economy.
9. The University seeks to maximise the benefits that can be delivered through its procurement activity, enabling it to achieve value for money as well as advancing the social, environmental and economic wellbeing of the University, its students and the wider community.
10. The University aims to ensure that:
 - a. its procurement processes are fair, transparent, compliant with all applicable legislation and rules and auditable
 - b. its procurement function acts as an effective and efficient enabler in obtaining a wide range of goods, services and/or works from third party suppliers
 - c. the value of the goods, services and/or works procured align with the requirements of the University; value includes but is not limited to whole-of-life cost, quality, level of service, relationships, minimisation of risk and sustainability, and
 - d. the highest ethical standards in its relationships with its suppliers are maintained.
11. To achieve the aims set out in clause 10 of this policy, the University will follow the Procurement Principles set out in Appendix 2 of this policy and consider the Broader Outcomes set out in Appendix 3 of this policy to ensure that it can demonstrate:
 - a. **Compliance** – all procurement activity is undertaken in accordance with this policy, the [Procurement Tools](#) and all applicable legal obligations and accounting practices
 - b. **Openness** - all procurement activity is undertaken in an open and transparent manner (unless approval has been granted under a procurement exemption)
 - c. **Fairness** - all competitive procurement activity is carried out in a fair manner and decisions made with impartiality and without bias
 - d. **Integrity** - all University staff and/or third parties undertaking procurement activity do so ethically, equitably and with behavioural standards of a high standard
 - e. **Value for money** – all procurement activity aims to minimise the whole-of-life cost of goods, services and/or works to deliver best value for money
 - f. **Management of risk** – risks (commercial, reputational, supply chain and otherwise) associated with procurement activity are considered and managed appropriately
 - g. **Accountability** – staff, suppliers and/or third parties are accountable for the performance and delivery of procurement activity, and
 - h. **Sustainability** - all procurement activity is environmentally and socially sustainable wherever possible, having regard to economic, environmental and social impacts over its lifecycle.

The procurement process

12. The following is the sequential process for the delivery of procurement activity; the requirements underpinning each step are set out in the subsequent sections of this policy:

- a. **Needs establishment** - establish the need, budget and approval process to be followed for the procurement activity prior to commencement
- b. **Procurement process selection** - determine the correct procurement process to follow – AOG, syndicated or University specific
- c. **Procurement planning** - ensure that the selected procurement process is appropriate to the planned spend and risk profile
- d. **Preferred suppliers** - ensure due consideration is given to existing preferred supplier relationships
- e. **Exemptions** - ensure that approval has been obtained if the procurement activity will go outside of the requirements of this policy
- f. **Sourcing** - ensure the correct sourcing methodology is applied and executed, taking into account:
 - i. **Promoting local benefit** – ensure benefits to the local community, supplier base and environment are considered
 - ii. **Ethical conduct and sourcing** – ensure that all parties maintain an ethical approach throughout the procurement process and in their approach to their supply chains
 - iii. **Health and safety** – ensure that all health and safety requirements are covered in the procurement process
 - iv. **Insurance** – ensure suppliers are suitably insured to undertake the activities scoped
 - v. **Confidentiality** - ensure that confidential information is not disclosed to any third party
 - vi. **Risk management** – ensure the procurement activity takes account of all identified risks
- g. **Evaluation and award** – ensure the appropriate decision-making process is undertaken to choose a successful supplier, approval is obtained from the appropriate Approval Authority and the supplier is awarded the work via either a contract or Purchase Order
- h. **Contract Management** – undertake ongoing management of the supplier to ensure the University receives the goods, services and/or works as contracted.

Needs establishment

- 13. Prior to undertaking any procurement activity, a needs assessment must be undertaken and an appropriate budget established and approved; the needs assessment must include the consideration of opportunity costs associated with proceeding and/or not proceeding with the procurement activity.
- 14. All needs established as an outcome of assessment must be reviewed against other current procurement activities to identify and take account of any overlap or duplication with existing procurement arrangements.
- 15. With respect to the establishment and approval of an appropriate budget, procurement activity is permitted only within the Total Procurement Value of the relevant Approval Authority set out in Appendix 1 of this policy.
- 16. A staff member initiating a procurement activity on behalf of the University must meet the Procurement Requirements and provide the Documents Required as set out in the relevant contract type set out in Appendix 1 of this policy based on the Total Procurement Value.

17. In all cases, when determining the correct procurement process, the Total Procurement Value to be considered is the whole-of-life cost of the goods, services and/or works and relates to the total spend.

Procurement process selection

18. In selecting a procurement option, the University will:
- a. seek to ensure it obtains best value for money, including the whole-of-life cost of the goods, services and/or works, and the cost of undertaking the procurement process itself
 - b. follow the Procurement Principles set out in Appendix 2 of this policy and consider the Broader Outcomes set out in Appendix 3 of this policy
 - c. select the most appropriate procurement process to suit the circumstances of the procurement as set out in Appendix 1 of this policy; in determining the most appropriate process, the University will consider:
 - i. the level of risk that the procurement poses
 - ii. the value of the proposed procurement
 - iii. the involvement of, or investment by, other public, private or not-for-profit organisations in the procurement decision, and
 - iv. any other matters relevant to the proposed procurement.
19. Where an AoG or syndicated contract exists for the procurement of particular goods, services and/or works that meets the University's requirements and does not inhibit any other procurement activity, the University should first consider entering into the relevant contract rather than pursuing an independent procurement process.
20. Where it has been determined that an AoG or syndicated contract does not exist or is not appropriate to the circumstances, staff must consider the University's aims under clauses 10 to 11 of this policy, the Procurement Principles set out in Appendix 2 of this policy and the Broader Outcomes set out in Appendix 3 of this policy to identify an appropriate procurement process, including the consideration of the establishment of preferred suppliers.
21. Where preferred suppliers are not in place for the relevant goods, services and/or works and it has been determined that such a contract is not required, staff who wish to procure goods, services and/or works must follow the appropriate procurement process identified in Appendix 1 of this policy utilising the [Procurement Tools](#).
22. Where only one or two suppliers of ICT license or subscription renewals exist, staff are required to obtain quotes only from those suppliers; where three or more suppliers exist the usual procurement processes must be followed as set out in Appendix 1 of this policy.
23. The appointment of International Student Recruitment Agents must follow the direct source process set out in Appendix 1 of this policy.

Procurement planning

24. When planning a procurement activity, staff must:
- a. use the procurement process that is appropriate for the scale, complexity and risk involved in the procurement activity, as set out in Appendix 1 of this policy
 - b. ensure that they and all other staff involved in the procurement process have up-to-date knowledge about the market and the effect that the University's procurement activity may have on it

- c. ensure that stakeholders are engaged commensurate to the risks associated with the procurement activity; stakeholders may include but are not limited to:
 - Finance
 - Legal
 - Information and Technology Services
 - Property Services
 - Communications
 - Marketing
 - The Office of the Vice-Chancellor
 - Government Departments
 - Government Ministers
 - Government Procurement (MBIE)
 - Other tertiary education providers
 - Consultants
- d. identify and disclose any actual or potential conflict of interest that may affect, or may be seen to affect, their impartiality when acting on behalf of the University in accordance with clause 41 of this policy
- e. involve suppliers early in the process to explain the University's needs, learn about the supplier and explore opportunities for solutions before going to market
- f. ensure that appropriate financial approval aligned with those set out in Appendix 1 of this policy and, where relevant, the [Financial Authority Policy](#), have been obtained before going to market, and
- g. ensure that an appropriate procurement plan is developed and/or written quotations are obtained as required.

Preferred suppliers

25. For some categories of purchase, the University maintains panels or lists of preferred suppliers, particularly where:
 - a. suppliers provide goods, services and/or works of low or medium cost and risk on an 'as required' basis
 - b. suppliers provide goods, services and/or works on a continual basis (such as maintenance services), and/or
 - c. suppliers provide niche goods, services and/or works and the University is not easily able to procure the specific goods, services and/or works elsewhere.
26. Unless where an exemption has been approved under clauses 30 to 33 of this policy or in an emergency situation under clauses 64 to 68 of this policy, where preferred suppliers for the provision of specific goods, services and/or works have been determined those suppliers should be used to purchase those goods, services and/or works.
27. Preferred supplier contracts may only be entered into after a procurement process has been followed that aligns with the Procurement Principles set out in Appendix 1 of this policy and the Broader Outcomes set out in Appendix 2 of this policy.
28. Preferred supplier contracts must contain terms and conditions that permit regular reviews within the contract term; a new procurement process (including any rights of renewal) will be undertaken at the end of each term.
29. For high-value and/or high-risk procurement activities, unless an exemption has been granted to allow for a closed tender process in accordance with clauses 30 to 33 of this policy, the University will utilise an open tender process.

Exemptions

30. In addition to circumstances set out for preferred suppliers under clauses 25 to 29 and emergency circumstances under clauses 64 to 68 of this policy, an exemption from the standard procurement processes set out in Appendix 1 of this policy, such as a closed tender, may be permitted where the activity involves:

- a. **Following an open competitive process:** The University may use a closed competitive process or direct source process to procure goods, services and/or works if:
 - i. it has openly advertised the contract opportunity in the last 12 months, and
 - ii. it has not substantially changed the core procurement requirements, and
 - iii. the first time the opportunity was advertised it:
 - (1) did not receive any responses, or
 - (2) did not receive any responses that complied with the pre-conditions (Government Procurement [Rule 28](#)) or conformed with or met the requirements (including quantity), or
 - (3) received responses from suppliers who it had reasonable grounds to believe had colluded, and this could be verified, and no other responses complied with the pre-conditions (Government Procurement [Rule 28](#)) or conformed with or met the requirements.
- b. **Only one supplier:** If the goods, services and/or works can be supplied by only one supplier and there is no reasonable alternative or substitute:
 - i. for a technical reason, or
 - ii. because the procurement relates to the acquisition of intellectual property or rights to intellectual property (including patents or copyrights), or other exclusive rights, or
 - iii. the procurement is for a work of art.
- c. **Additional goods, services and/or works:** Goods, services and/or works additional to the original requirements that are necessary for complete delivery. This applies where all three of the following conditions are met:
 - i. the original contract was openly advertised, and
 - ii. a change of supplier cannot be made for economic or technical reasons, and
 - iii. a change of supplier would cause significant inconvenience or substantial duplication of costs for the University.
- d. **Prototype:** Purchasing a prototype for research, experiment, study or original development. Original development may include a limited production or supply if this is necessary to:
 - i. carry out field tests and incorporate the findings, or
 - ii. prove that the goods, services and/or works can be produced or supplied in large numbers to an agreed quality standard. This exemption does not apply to quantity production or supply to establish commercial viability or to recover research and development costs. Once the contract for the prototype has been fulfilled, the University must openly advertise any subsequent procurement of the same goods, services and/or works.
- e. **Commodity market:** Goods purchased on a commodity market.
- f. **Exceptionally advantageous conditions:** For purchases made in exceptionally advantageous conditions that only arise in the very short term. This exemption does not cover routine purchases from regular suppliers.

- g. **Design contest:** Where a contract is awarded to the winner of a design contest. To meet this exemption:
 - i. the design contest must have been organised in a manner that is consistent with the Government Procurement Rules, and
 - ii. the contest must be judged by a panel whose members understand that the winner will be awarded a contract, and
 - iii. members of the panel do not have any conflict of interest in carrying out the judging of the contest.
 - h. **Secondary procurement:** Where the University has established a panel of suppliers (in accordance with Government Procurement [Rule 57](#)) or is purchasing under an AOG contract (Government Procurement [Rule 58](#)), syndicated contract (Government Procurement [Rule 59](#)) or Common Capability contract (Government Procurement [Rule 60](#)), it does not need to openly advertise individual contract opportunities that are awarded through that arrangement.
31. Exemptions for joint venture proposals will be approved when the University's original proposal or proposed contract variation:
- a. has named the subcontractor/s, and
 - b. declared any conflicts of interest between the University and the subcontractor/s or between the University's staff and the subcontractor/s, and
 - c. noted the technical capabilities that the subcontractor/s would bring to and/or the deliverables for which they would be responsible for in the contract
32. All decisions made under clause 29 of this policy to appoint suppliers in research related procurement must be documented and tested against the Government Procurement Rules.
33. Where a procurement exemption is required, an Exemption Form must be completed and submitted to the Procurement Manager prior to engaging with any supplier; the Procurement Manager will manage the request in accordance with the relevant procedure set out in Appendix 1 of this policy.

Sourcing

34. When sourcing goods, services and/or works other than through AOG contracts or syndicated contracts in accordance with clause 19 of this policy or preferred suppliers in accordance with clauses 25 to 29 of this policy, staff must:
- a. give all suppliers a full and fair opportunity to participate in an open tender process (unless an exemption has been granted to allow for a closed tender process in accordance with clauses 30 to 33 of this policy)
 - b. provide a transparent process that can be understood by all potential suppliers
 - c. use the relevant and appropriate quote, tender and/or contract templates as set out in Appendix 1 of this policy, and
 - d. choose potential suppliers that have demonstrated their ability to meet the University's requirements and that offer the best value for money, taking into account:
 - i. the likely whole-of-life cost of the goods, services and/or works
 - ii. the suppliers' ability to deliver what the University needs at a fair price and on time, and
 - iii. the Procurement Principles out in Appendix 2 of this policy and the Broader Outcomes set out in Appendix 3 of this policy, and

- e. have an approved purchase order or contract in place before the supplier starts to deliver the relevant goods, services and/or works; the principles set out in this policy and in the [PCard Policy](#) also apply when using a PCard for payment.

Promoting local benefit

- 35. Where feasible and appropriate, the University will seek opportunities to generate local value benefits to the Waikato and Bay of Plenty regions through its procurement processes over and above the normal considerations set out in clause 18b of this policy.
- 36. Local value benefits may accrue through:
 - a. social procurement requirements such as the employment of disadvantaged sectors of the local community or the introduction of apprenticeships, internships, training and/or minimum or living wage opportunities, and/or
 - b. sustainable procurement requirements where local environmental and economic benefits are factored into the procurement decision.
- 37. The University will be transparent regarding any local value benefit component to its competitive procurement processes; where local value benefits are included in a competitive tender process they will be made clear in the information that the University provides to potential suppliers regarding its requirements, including clear information on any local value benefit weighting to be applied.
- 38. Local value benefits must not be used to exclude potential suppliers from outside the Waikato and Bay of Plenty regions from participating in a procurement process.

Ethical conduct and sourcing

- 39. The University is committed to procuring goods, services and/or works in an ethical and responsible manner in accordance with the [Financial Ethics Policy](#), protecting the health, safety and welfare of workers and minimising potential environmental impacts associated with its business.
- 40. No procurement activity may be undertaken with any supplier unless they and/or their extended supply chain can demonstrate that they comply with the [Supplier Code of Conduct](#) set out within the [Procurement Tools](#).
- 41. In accordance with the [Interests \(Conflicts of Interest\) Policy](#), staff members must:
 - a. be seen at all times to behave in an impartial and transparent manner, and
 - b. identify and disclose any actual or potential conflict of interest that may affect, or may be seen to affect, their impartiality when acting on behalf of the University and ensure that it is recorded in the central Interest Register through [Kuhukuhu](#) (choose 'Financial Services: Interest Declaration).
- 42. All potential suppliers participating in a procurement process must identify and disclose any actual or potential conflict of interest that may affect, or may be seen to affect, their impartiality; any undeclared conflicts of interest may result in a supplier's exclusion from further participation in the procurement process.
- 43. Any attempt made by a potential supplier, staff member or third party to influence the outcome of a procurement process by canvassing, lobbying or otherwise seeking support of staff or third parties may be deemed valid grounds for the exclusion of that supplier, staff member or third party from the procurement process and, potentially, from any future procurement activity; a breach of this clause by staff may result in disciplinary action under the [Staff Code of Conduct](#).
- 44. Staff who are involved either directly or indirectly in a competitive tender process must not accept a gift of any type from a supplier of goods, services and/or works

where those goods, services and/or works are the same as, or similar to, goods, services and/or works that are currently the subject of the procurement process; information about current competitive tender processes may be obtained from the Procurement Manager.

Health and safety

45. The University's health and safety expectations must be clearly communicated to suppliers as part of the procurement process and be appropriate for the type of goods, services and/or works procured in accordance with the [Safety and Wellness Policy](#) and the [Health and Safety at Work Act 2015](#).
46. The University may address health and safety through procurement by:
 - a. approving and inducting suppliers into the University's health and safety regime prior to the provision of goods, services and/or works
 - b. undertaking all checks and assessments for specific health and safety requirements related to a particular procurement activity
 - c. requiring suppliers to provide health and safety plans, where appropriate, and/or
 - d. including the monitoring and/or auditing of health and safety practices as a condition of a procurement contract.
47. Where health and safety requirements are identified as a condition of a procurement contract, no procurement activity may be undertaken until the requirements have been met.

Insurance

48. Suppliers must provide evidence of all insurances required by the University.
49. Suppliers must provide copies of all insurance policies required by the University prior to commencing high value and/or high-risk procurement process as set out in Appendix 1 of this policy.

Confidentiality

50. All staff involved in procurement activities on behalf of the University must ensure that confidentiality is maintained with respect to all supplier proposals, quotations, prices, contracts and other proprietary materials; confidential information is not to be disclosed in any way to any other supplier, potential supplier or other third party.

Risk management

51. In accordance with Appendix 1 of this policy, a risk assessment must be completed prior to commencing a high-value or high-risk procurement process and a project specific risk register recording all risks associated with the procurement process prepared showing the steps to be undertaken to eliminate, mitigate or manage the risks; at all other levels set out in Appendix 1 of this policy a general risk assessment should be undertaken as standard good practice.

Evaluation and award

52. All procurement activity must be fully evaluated before any financial commitment is made.
53. Where an RFX process is used, the RFX must detail the methodology, criteria and weightings to be used in the evaluation process.

54. For any procurement activity over \$100,000 the documentation must be in accordance with Appendix 1 of this policy. Evaluation reports must be developed and a formal recommendation made.
55. For any procurement activity over \$500,000 or as requested by the Procurement Governance Group, these activities must be approved by the Procurement Governance Group as set out in clauses 72 to 74 of this policy.
56. In approving a procurement activity, the relevant Approval Authority is certifying that they have reviewed the process and all related documentation and that it conforms to University aims under clauses 10 to 11 of this policy as well as all applicable laws, and aligns with the Procurement Principles set out in Appendix 2 of this policy and that the Broader Outcomes set out in Appendix 3 of this policy have been considered.
57. With the exception of exemptions given under clauses 30 to 33 of this policy and emergency procurement under clauses 64 to 68 of this policy, all procurement activity must have been approved by the relevant Approval Authority prior to or at the point of order of the goods, services and/or works.
58. Under no circumstances may any Approving Authority both initiate and approve the same transaction.
59. Under no circumstances may any Approving Authority approve a payment of any kind to themselves.

Contract management

60. Where a contract is negotiated between the University and a supplier, the University will:
 - a. set clear performance measures and monitor the contract against them
 - b. ensure that relevant regulatory and best practice requirements are met
 - c. encourage and recognise suppliers for delivering great results, and
 - d. work with suppliers to make on-going savings and improvements for the benefit of both entities.
61. All contract targets should be achievable, drive good performance and meet desired outcomes for both parties.
62. The relevant Business Owner is responsible for assigning a Contract Owner to manage any contract negotiated and approved under this policy.
63. Contract Owners are responsible for:
 - a. uploading an electronic copy of the contract, signed by both parties, to the relevant Contract Register. A register of joint venture and research related contracts is maintained by the Research Office; all other contracts must be loaded to the Contract Register in [Unimarket](#).
 - b. collaborating with the supplier to ensure that all appropriate associated documentation is maintained that enables adequate reporting to ensure that the University receives regular reports that provide a clear and demonstrable view of the goods, services and/or works provided
 - c. ensuring that the University receives the relevant goods, services and/or works at the agreed price and service levels
 - d. managing risks as set out in clause 51 of this policy and
 - e. ensuring that the Procurement Manager is notified not less than three months prior to the end date of the contract, so that they can report to and/or receive guidance from the Procurement Governance Group, review the contract and

provide any advice about its re-negotiation, if appropriate, to the Contract Owner.

Emergency procurement

64. Specific financial delegations and processes established for procurement in emergency situations must be followed as a priority.
65. In emergency situations staff may circumvent the requirement for the prior approval of purchase orders established under clause 57 of this policy and/or a quote and/or a tender process.
66. Emergency procurement should be via either an existing contract or preferred supplier in the first instance and followed up retrospectively with a purchase order through [Unimarket](#).
67. Retrospective approval for emergency procurement must be sought from the relevant Approval Authority set out in Appendix 1 of this policy as soon as practicable.
68. Staff must report all emergency procurement to the Procurement Manager as soon as practicable; reports must include justification for the emergency procurement undertaken.

Unsolicited procurement proposals

69. The University will treat unsolicited procurement proposals in a fair and transparent manner that respects the intellectual property rights of the proposer.
70. Any procurement activity undertaken in response to an unsolicited procurement proposal will be considered in accordance with the Procurement Principles set out in Appendix 2 of this policy and the Broader Outcomes set out in Appendix 3 of this policy.
71. For an unsolicited procurement proposal to be considered by the University it must:
 - a. provide solutions to a problem or need that is not currently able to be met by the market
 - b. be truly innovative and unique
 - c. demonstrate how the solution provides the University with the best possible value; value includes but is not limited to whole-of-life cost, quality, level of service, relationships, minimisation of risk and sustainability, and
 - d. align with the University's strategic priorities.

Procurement Governance Group

72. The role of the Procurement Governance Group is to ensure that Procurement Plans developed for high-value and medium to high-risk procurement in accordance with Appendix 1 of this policy comply fully with this policy prior to going to market and at award of a contract, AoG or syndicated contracts for the procurement of particular goods, services and/or works meet the University's requirements and do not inhibit any other procurement activity, and to review any trends in exemptions permitted under clauses 30 to 33 of this policy; the terms of reference and constitution of the Procurement Governance Group are set out in the [Committee Directory](#).
73. The Procurement Governance Group may review the commercial outcomes of a procurement process in the event that it has exceeded its budget, there has been a significant departure from the agreed scope of services and/or or additional goods, services and/or works are requested.

74. The Procurement Governance Group may request information on any procurement activity at any time to ensure compliance with this policy.

Reporting and records

75. All staff responsible for procurement activities must be trained in the correct processes for managing and reporting procurement documentation; at a minimum this should include:

- a. quotes and contracts
- b. contract variations
- c. contract management, including performance and legally required documentation, and
- d. dispute resolution.

76. Records must be maintained for each contract that document:

- a. that this policy and any associated procurement processes have been followed
- b. that sufficient budget has been allocated for the procurement activity
- c. that appropriate approval has been given for the procurement activity by the relevant Approval Authority in accordance with Appendix 1 of this policy
- d. that all identified interests have been identified and managed in accordance with the [Interests \(Conflicts of Interest\) Policy](#)
- e. that all associated risks have been identified and mitigated, and
- f. the final supplier contract/s entered into.

77. Procurement documentation and supplier contracts must be registered in a central Tender Register through [Kuhukuhu](#) (choose Financial Services: Tender Registration) and/or a central Contract Register through [Unimarket](#).

78. All contracts should be set up in the central Contract Register by the relevant Contract Owner following the allocation of a contract number by the Procurement Manager.

79. The Procurement Manager is responsible for maintaining a central Tender Register of all competitive tender processes through [Kuhukuhu](#) (choose Financial Services: Tender Registration).

80. All reporting should be fed into the procurement planning and review process to ensure effective decision making is achieved on an ongoing basis.

Disputes

81. Any contractual dispute between the University and a supplier will, in the first instance, be managed by the relevant University Business Owner, Contract Owner and/or, depending on the nature of the dispute, the Procurement Manager or Chief Operating Officer in accordance with the dispute resolution process set out in the relevant contract.

82. In the event that a dispute constitutes a significant breach of this policy or poses a materially high risk to the University, it should be directed to the Procurement Governance Group or delegated authority.

83. Any person who believes that this policy has been breached is encouraged to advise the Chief Operating Officer who will investigate the matter; alternatively, staff may follow the procedures set out in the [Fraud and Corruption Policy](#) and/or [Protected Disclosures Policy](#).

Responsibility for monitoring compliance

84. The Procurement Manager is responsible for monitoring compliance with this policy and reporting any breaches to the Chief Operating Officer.
85. Breaches of this policy may result in disciplinary action under the [Staff Code of Conduct](#).

Appendix 1: Contract Type, Value, Approval and Requirements Summary

Contract Type	Total Procurement Value and Risk Threshold	Approval Authority	Procurement Process and Associated Requirements	Documents Required	Owner/Lead and Support
Supply of goods, services and/or works	Under \$10,000 and low or medium risk	Budget Holder	<p>One or more written quotes prior to commencement</p> <p>Follows the Procurement Principles set out in Appendix 2 of this policy and considers the Broader Outcomes set out in Appendix 3 of this policy.</p>	<p>Written quote</p> <p>HSE Policy / check</p> <p>Risk assessment</p>	<p>Business Owner</p> <p>Procurement Manager can provide advice and support on request</p>
	\$10,000 - \$99,999 and low or medium risk	Budget Holder and Procurement Manager	<p>Unless otherwise applicable (i.e. suppliers who are on a preferred supplier panel will be selected in line with the specific panel rules or there is only one preferred supplier), two or more preferred supplier quotes must be obtained. Where no preferred suppliers exist, three quotes must be obtained.</p> <p>Follows the Procurement Principles set out in Appendix 2 of this policy and considers the Broader Outcomes set out in Appendix 3 of this policy.</p>	<p>Written quotes</p> <p>HSE Policy / Plan</p> <p>Risk assessment</p> <p>Exemption Form if necessary</p>	<p>Business Owner</p> <p>Procurement Manager can provide advice and support on request</p>

			Note: It is acceptable to get more than the minimum number of quotes and advisable to do so in competitive markets		
	\$100,000 - \$499,999 and low or medium risk	Budget Holder following review by the Procurement Governance Group	<p>A competitive process, RFx (RFx is the generic term for an RFQ, RFP or ROI).</p> <p>A Lite Procurement Plan will need to be completed at the commencement of the project and signed off prior to any RFx activity.</p> <p>A closed tender process may be run only in exceptional circumstances where a procurement exemption has been approved prior to engaging a supplier, in accordance with clause 32 of this policy.</p>	<p>Lite Procurement Plan</p> <p>Confidentiality Agreement</p> <p>Conflicts of Interest Form</p> <p>RFx</p> <p>RFx Opening sheet</p> <p>Evaluation Plan and Template</p> <p>Contract</p> <p>Non-successful letters</p> <p>HSE Policy / Plan</p> <p>Risk assessment</p>	<p>Business Owner and Procurement Manager</p> <p>Procurement will provide support, guidance and sign off in planning phase</p> <p>Business Owner and Procurement Manager will decide who runs the RFx process and the evaluation team</p> <p>Procurement Manager will represent the Business Owner should the Procurement Governance Group require further information</p>

				Exemption Form if necessary	
	Over \$500,000 and low or medium risk or any spend with high risk	Procurement Governance Group	<p>A competitive process, RFx (RFx is the generic term for an RFI, RFQ, RFP or ROI).</p> <p>A Full Procurement Plan will need to be completed at the commencement of the project and signed off prior to any RFx activity.</p> <p>A closed tender process may be run only in exceptional circumstances where a procurement exemption has been approved prior to engaging a supplier, in accordance with clause 32 of this policy.</p>	<p>Full Procurement Plan</p> <p>Confidentiality Agreement</p> <p>Conflicts of Interest Form</p> <p>RFx</p> <p>RFx Opening sheet</p> <p>Evaluation Plan and Template</p> <p>Detailed Recommendation Report</p> <p>Insurance policies</p> <p>Contract</p> <p>Non-successful letters</p>	<p>Procurement Manager will lead the process with support from the Business Owner</p> <p>All sign offs must go through the Procurement Governance Group</p>

				<p>HSE Plan or Policy</p> <p>Risk assessment</p> <p>Exemption Form if necessary</p>	
Independent Contractor - Agency	Any spend value	Budget Holder	<p>The standard procurement process for supply of goods, services and/or works detailed above based on spend and risk.</p> <p>The Procurement Principles set out in Appendix 2 of this policy should be adhered to by both the Business Owner and the Agency; Broader Outcomes which may be generated from procurement activity, set out in Appendix 3 of this policy, should also be considered. For example, the Agency should be able to demonstrate and the Business Owner analyse that any rates represent both value for money and market rate</p> <p>Consideration should be given as to whether this should be an outsource arrangement through a procurement process or an Independent Contractor Agreement</p>	<p>As per the procurement process for development of the Agency Contract</p> <p>Evaluation assessment (if an outsource arrangement is chosen as the preferred option documents must align with the correct procurement process)</p> <p>Procurement Plan</p>	<p>Business Owner for assessment process</p> <p>Business Owner or People and Capability for contracting of Independent Contractor</p>

Independent Contractor - Direct	Any spend value	Budget Holder	<p>The relevant procurement process should be applied dependent on the level of spend expected</p> <p>The Procurement Principles set out in Appendix 2 of this policy should be adhered to by the Business Owner; Broader Outcomes which may be generated from procurement activity, set out in Appendix 3 of this policy, should also be considered. For example, the Business Owner should be able to demonstrate that any rates represent both value for money and market rate.</p> <p>Consideration should be given as to whether this should be an outsource arrangement through a procurement process or an Independent Contractor Agreement</p>	Evaluation assessment (if an outsource arrangement is chosen as the preferred option documents must align with the correct procurement process)	Business Owner for assessment process Business Owner or People and Capability for contracting of Independent Contractor
International Student Recruitment Agents	Any spend value	Deputy Director International	<p>Potential agents are invited to apply and are assessed based on specific criteria.</p> <p>The relevant Regional Manager or Regional Lead makes a recommendation to the Deputy Director International who determines whether an appointment is to be made.</p>	References are required International Student Recruitment Contract	Assistant Vice-Chancellor International Engagement and Partnerships

			Agents are required to sign an International Student Recruitment Agent Contract.		
All contracts via shared services, e.g. AoG and syndicated contracts	Any spend value	Procurement Governance Group	<p>AoG or syndicated contracts must follow an appropriate accession process</p> <p>To accede to the contract the University will need to complete the prescribed process provided by the Contract Owner</p> <p>Consideration should be given to the requirements and scope of the AoG or syndicated contract and the Procurement Principles set out in Appendix 2 of this policy should be adhered to; Broader Outcomes, set out in Appendix 3 of this policy, which may be generated from procurement activity should also be considered</p>	<p>AoG or syndicated contract</p> <p>Review template used to assess compatibility with University needs</p> <p>The request to accede (internal document only)</p> <p>Accession document (including any further renewals)</p> <p>Formal joining letter from Contract Owner</p>	Business Owner or Procurement Manager dependant on category
Exemptions	<\$500,000	Chief Operating Officer or Director of Finance	Where a procurement exemption is required, an Exemption Form must be completed and submitted to the Procurement Manager prior to engaging	<p>Exemption Form</p> <p>Evidenced in Business Case or Capital Plan</p>	Budget Holder in conjunction with Procurement

			<p>with any supplier, in accordance with clause 32 of this policy.</p> <p>The Chief Operating Officer or delegated authority can consider circumstances for exemption to the procurement process and approve as required.</p> <p>Note: Exemptions requested by the Chief Operating Officer must be considered by the Vice-Chancellor.</p>	All approved exemptions must be reported to the Capital and Finance Committee	
\$500,000 or more	Chief Operating Officer, Procurement Governance Group or Vice-Chancellor	<p>Where a procurement exemption is required, an Exemption Form must be completed and submitted to the Procurement Manager prior to engaging with any supplier, in accordance with clause 32 of this policy.</p> <p>The Chief Operating Officer, Procurement Governance Group or Vice-Chancellor can consider circumstances for exemption to the procurement process and approve as required.</p> <p>Note: Exemptions requested by the Chief Operating Officer must be considered by the Vice-Chancellor. Exemptions requested by the Vice-Chancellor must be</p>	<p>Exemption Form</p> <p>Evidenced in Business Case or Capital Plan</p> <p>All approved exemptions must be reported to the Capital and Finance Committee</p>	Budget Holder in Conjunction with Procurement	

			considered by the Procurement Governance Group.		
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Expenditure Type	Total Procurement Value and Risk Threshold	Approval Authority	Process and Related Policy	Documents Required	Owner/Lead and Support
PCard	Up to authorised limit	Budget Holder	<p>Ensure spend follows the Purchasing and Sensitive Expenditure Policy and PCard Policy</p> <p>Follows the Procurement Principles set out in Appendix 2 of this policy.</p> <p>Any spend should be for a one-off purchase, if purchases will be ongoing a contractual solution should be considered.</p>	Receipt/invoice for reimbursement	PCard owner
Vouchers	Any Value	Finance then Budget Holder	<p>Vouchers may be purchased using a PCard or via on account payments.</p> <p>All voucher purchases must be pre-approved by Finance using a Voucher Approval Request form in Kuhukuhu.</p>	<p>Kuhukuhu Voucher Approval Request</p> <p>Individual Voucher Receipt</p> <p>Group Voucher Receipt</p>	Budget Holder

Staff Expense Claims	Any Value	Budget Holder	<p>Staff expense claims can only be made where a Purchase Order or PCard was not able to be used and a staff member needs to be reimbursed for legitimate work-related expenses. Mileage is reimbursed at IRD rates where a fleet vehicle was not available for use.</p> <p>The line manager must be satisfied that a claim is appropriate prior to approval.</p>	Receipts/invoice	Budget Holder
ICT Equipment			ICT Guidelines		
Hospitality and Venue Hire			Purchasing and Sensitive Expenditure Policy		
Staff Gifts and Functions			Purchasing and Sensitive Expenditure Policy		
Fleet Purchases			Capital Asset Policy		

Appendix 2: Procurement Principles¹

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).

Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we do not 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.

Get the right supplier

- Be clear about what you need and fair in how you assess suppliers – do not 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.

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 effects 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.

¹ <https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-principles/>

- Work together with suppliers to make ongoing savings and improvements.
- It is more than just agreeing the deal – be accountable for the results.

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.

Appendix 3: Broader Outcomes²

- Increasing access for New Zealand businesses - identify opportunities for New Zealand suppliers, including Māori, Pasifika, ICT and regional suppliers, to be involved.
- Increasing the size and skills of the construction sector – when your agency will be involved in significant construction works, think about how you can partner with suppliers and others to improve construction sector skills and training over the long term.
- Lifting health and safety and employment standards - identify contracts where vulnerable New Zealand workers may be involved in the supply chain, and develop a strategy to make sure that primary suppliers meet their health and safety obligations, and comply with employment standards. Agencies must do this for designated contracts, which for health and safety are forestry and construction, and for employment standards are cleaning, security and forestry. But should also consider other areas where low-paid and vulnerable workers may be involved in your supply chain.
- Transitioning to a net zero emissions economy – consider the following elements:
 - Environmental impact – select those products and services that have a high impact on the environment over their life-cycle and address these first, for example fleet vehicles.
 - Check the market for environmentally-friendly alternatives – analyse the market to determine whether alternative options are available that produce lower emissions or less waste. Check for relevant environmental labels and certifications.
 - Whole-of-life cost – sustainable procurement can offer significant cost savings, for example through lower energy bills, and reduced spending on unnecessary goods and services. Where there are opportunities to make savings on strategic investments by using sustainable procurement practices, you should prioritise these.

² <https://www.procurement.govt.nz/broader-outcomes/implementing-broader-outcomes/>