



Procurement Policy

Our Procurement

Procurement covers all the business processes associated with purchasing the goods, services and works we use to run our business and deliver our objectives to provide world class tertiary education to our learners and research that benefits our communities. It starts with identifying our needs, then planning the best way to meet them; continues through sourcing the goods/services/works then managing the contract; and ends with expiry of either the contract or the asset's useful life.

Purpose

This document sets out the procurement policy for Unitec New Zealand Limited (the Institute). The purpose of this policy is to ensure that the Institute's procurement practices are legal, fair and transparent; that procurement and purchasing decisions are properly considered and authorized; that procurement is carried out in line with the budgetary constraints of the Institute and that procurement activity aligns with the Institute's values.

This policy and the Institute's procurement procedures outline the approach to planning, sourcing and managing its procurement. Any departure from this policy must first be approved in writing by the Deputy Chief Executive Operations (DCE Ops) on recommendation by the Procurement Manager.

Scope

This policy applies to all procurement for goods, products, services and capital acquisitions undertaken by or on behalf of the Institute.

This policy does not apply to procurement processes relating to fixed-term and permanent employment contracts or independent contractors. For assistance with these, please contact the relevant People and Culture Business Partner.

Policy Statements

Principles and Expectations

The Institute is committed to making fair, ethical and defensible purchasing and procurement decisions. In doing so the Institute will adhere to the following principles:

- Procurement decisions and purchases must be legal, fair and transparent and in compliance with all applicable institute policies.
- Goods, works or services procured must be fit-for-purpose and of appropriate quality.
- Goods, works or services must provide good value for money to the Institute, and must be necessary to achieve the Institute's purpose and mission.

- All procurement and purchasing activities are undertaken in conformance with the Institute's payment terms and conditions unless otherwise authorized in writing by the DCE Ops or Head of Finance and Business Services.
- All purchases will be authorised in accordance with the Institute's policies with particular regard to the Delegated Authorities Policy.
- Where a contract is to be put in place, this contract must be reviewed, approved and signed in accordance with the Contract Approval and Management Policy and the Delegated Authorities Policy. For the avoidance of doubt, a contract is any written agreement other than a PO, including the acceptance of a written quote, order form or SoW.

In addition, the Institute will adhere to the following principles that govern all public spending:

- **Accountability** – The Institute must be accountable for its performance and be able to give complete and accurate accounts of the use of funds, including funds passed on to others for particular purposes. The Institute needs to maintain suitable governance and management in place to oversee the way contracts are awarded and purchases are made.
- **Openness** – The Institute must be transparent in the administration of its funds, both to support accountability and to promote clarity and shared understanding of the respective roles and obligations between entities and any external parties entering into arrangements with financial implications.
- **Lawfulness** – The Institute must act within the law and meet its legal obligations as an institution funded largely through public money.
- **Value for Money** – The Institute must use its resources effectively, economically and without waste; with due regard for the total costs and benefits of an arrangement and its contribution to the outcome the entity is trying to achieve. In particular, the principle of value for money for procuring goods or services does not necessarily mean selecting the lowest price but requires a more balanced approach achieving the best outcome for the total cost of ownership which considers the entire cost of a purchase over the whole life of the product or service bought and includes internal, administrative and maintenance costs associated with the purchase as well as consideration of the soft benefits that align with the Institute's strategy. Value for money is achieved by selecting the most appropriate procurement method for the risk, value and complexity of the procurement.
- **Fairness** – The Institute has a general public law obligation to act fairly and reasonably. Public entities must be, and must be seen to be, impartial in their decision making and to not favor particular suppliers. Conflicts of interest must be identified and appropriately managed. Notwithstanding this, public entities may at times need to consider an imbalance of power in some supplier relationships and may need to evaluate if the imbalance is significant enough to require a different approach to the way a relationship is conducted.
- **Integrity** – Anyone who is managing public resources must do so with the utmost integrity. The standards applied to public servants and other public employees are clear, and public entities need to make clear when engaging other organisations that they expect similar standards from them.
- **Segregation of Duties** – The duties of staff involved in the procurement and purchasing cycle should be separated wherever possible and practical.

Code of Ethics

A basic principle of all procurement and purchasing is that it must be, and must be seen to be, beyond reproach. To this end, each individual should perform their duties in a manner which ensures that they maintain a reputation for fair, unbiased dealing with all suppliers. This will require each individual to exercise a high degree of honesty and integrity and to be able to demonstrate transparency of process through appropriate recordkeeping.

How we Work

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

- **Seek opportunities to include New Zealand businesses** - Openly work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes.
- **Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility** - Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.
- **Look for new and innovative solutions** - Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.
- **Engage with businesses with good employment practices** - Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.
- **Promote inclusive economic development within New Zealand** - Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.
- **Manage risk appropriately** - Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.
- **Encourage collaboration for collective impact** - Look to support greater collaboration, both across-agency and across-businesses to give like-minded groups the opportunity to find common solutions within your procurement opportunities.

Being a Subsidiary of Te Pūkenga

The Institute is a subsidiary of Te Pūkenga and will have regard to any procurement instructions or directives issued by Te Pūkenga. The institute is encouraged to collaborate with other subsidiaries where this provides benefits for the procurement outcome.

Principles of Procurement

To help guide us through the process, there are Five Principles of Government Procurement set out in the Government Procurement Rules that the Institute is expected to follow:

1. Plan and manage for great results

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

2. Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our legal obligations).

- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

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

4. Get the best deal for everyone

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

5. Play by the rules

- Be accountable, transparent and reasonable. Clearly record our planning, processes and decisions so they can easily be audited.
- 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.

We will conduct our procurement activities in a manner that is consistent with the Government Procurement Rules and the Controller and Auditor General's Procurement Guidance for Public Entities, as statements of good practice. The Institute has its own Procurement Procedure Manual which outlines the process that needs to be followed to ensure conformity to relevant policy requirements. This Procurement Procedure Manual can be found here. [TO BE UPDATED]

If there is an existing government supply arrangement or contract such as All of Government or Panel Agreement that meets the requirements, it should be used. In addition, there may be other syndicated and/or collaborative contracts managed by other government departments or public sector organisations that the Institute may benefit from joining, and such options can be considered when making procurement decisions.

The Procurement Manager will advise on available contracts and how to access them. Information on these contracts is available at the Ministry of Business Innovation and Employment (**MBIE**) website <http://www.business.govt.nz/procurement>.

If there is no suitable supply arrangement or contract available, the procurement process and contract requirements set out in the following table (Table 1) apply:

Table 1

Procurement Value*	Minimum Requirement
Under \$2,000	• A single written Quote from an existing Tech1 or PeopleSoft supplier, and • Purchase Order
\$2,000 to \$100,000	• Minimum of three written quotes using RFx process and templates subject to the Institutes Terms and Conditions including payment terms • Approved Purchase Order • Approved Supplier Recommendation Report for all procurement over \$50,000; • A Contract/Agreement must be put in place where this is a requirement under the Contracts Policy;
Over \$100,000	• Full contestable procurement process using applicable RFx process and templates and subject to the Institute's terms and conditions including payment terms • Approved Supplier Recommendation Report • Approved Purchase Order and • Contract/Agreement
Exception – Contracted Suppliers	• When ordering under a Contracted Supplier Agreement as defined elsewhere in this policy, no quote is necessary under \$2,000 and a single written quote only is necessary beyond that, provided that: ○ The goods or services are covered under the existing contract; and ○ The contract is current; and ○ The contract was entered into as a result of an appropriate procurement process.

*** The procurement value is to be calculated over the committed term of the contract, not on a per annum basis.**

For **CAPEX** spend, the CAPEX must have been approved using the CAPEX approval process and approved in accordance with the Delegations Policy.

For **OPEX** spend over \$2,000 per requirement, the funds must be approved as a line item in the respective budget of the Business owner.

Contracts and Agreements

Any financial commitment made on behalf of the Institute must be subject to a written agreement/ contract. At a minimum, there must be a system generated PO issued subject to the Institute's General Terms and Conditions.

In accordance with the Institute's Contract Approval and Management Policy, all agreements or contracts other than a standard PO must be reviewed by the Senior Legal Counsel before signing by relevant parties to the agreement or contract.

In the event of any existing contractual arrangement being modified or extended beyond its current expiry, such modifications or extensions must be subject to the requirements of this version of the policy.

The procurement categories and the respective thresholds for having an agreement (or contracts) are set out in Table 1, further details on contracts are in the Contract Approval and Management Policy.

Confidentiality and Conflict of Interest

Anyone involved in procurement, purchasing, and associated processes including authorizing any expenditure, processing payments and/or awarding a contract on behalf of the Institute will at times become aware of sensitive information including, but not limited to, contract details, pricing of specific contractual arrangements, product details etc. Any such information must be treated as confidential and must only be used as necessary for the fulfilment of the individual's role in the process.

While always maintaining confidentiality through any procurement, purchasing, and associated processes, relevant staff and contractors must declare any actual, potential or perceived conflict of interest relating to any potential supplier by completing the [Conflict of Interest and Confidentiality Agreement form](#).

Institute staff must not:

- be involved in a decision directly or indirectly when, appointing a relative to any position within the Institute;
- conduct business on behalf of the Institute with a relative's or a friend's/associate's company;
- own shares in, or be working for any organisation that has dealings with, or that is in competition, with the Institute;
- influence or make decisions to award grants or contracts, where the staff member is connected to a person or organisation that submitted the application or tender; and
- be present during the discussion of, or decision relating to, any matter in which they have an interest, or declared conflict of interest without written approval from the respective DCE obtained through their line manager.

Institute staff must also:

- arrange their personal affairs as far as reasonably possible to prevent conflicts of interest arising with activities of the Institute;
- declare any actual, potential or perceived conflict of interest which may arise through a private interest, pecuniary or non-pecuniary interest, or through conflicting duties;
- disclose in writing to appropriate DCE through their line manager, any interest related to any consulting work they undertake; and
- if involved in procurement, purchasing, and associated processes, ensure they provide updates for the Interests Register maintained by the Finance Section at least annually, in addition to completing a Conflict of Interest and Confidentiality Agreement form for each relevant procurement activity.

Exception to Standard Payment Terms

The Institute will only engage suppliers who accept payment on 20th of the month following supply/invoice. The Institute does not accept default interest or registration of security interests. Exceptions may be made only with the prior approval of the DCE Ops or Head of Finance.

On-line Electronic Purchasing

Some supplier contracts include the set-up of online purchasing options where buyer access, approvers and cost centers are configured in the suppliers' system allowing charges to an Institute credit account for all goods or services requested via this portal. Where such arrangements are in place they will be managed by the Finance team, and buyers will receive specific instructions for the use of the portal and will be expected to use this.

On-line electronic purchasing where there is no formal contract in place is not a preferred method of making purchases and is discouraged. On-line electronic purchasing poses potential risks that needs to be considered before undertaking on-line electronic purchasing. For example, New Zealand law typically does not apply to overseas purchases, and legal enforcement is difficult. In addition, for goods ordered from overseas there will be costs for freight, import clearance, duty and similar; and support or warranty may not be available in New Zealand.

On-line electronic purchasing must follow the policies and processes outlined in the Credit Card Policy. Any online purchase of \$2,500 and above must be approved by the appropriate Deputy Chief Executive.

Contracted Supplier Arrangements

These are suppliers with whom the Institute has entered into a formal contract having terms, conditions and/or price structures agreed. Staff must purchase the goods and/or services covered by the contract from these suppliers. In most cases a contractual obligation will exist and non-compliance will undermine the relationship and the Institute's negotiation strength, and may also expose the Institute to legal action, particularly if it is in violation of an exclusive contract. The list of such suppliers for Institute-wide use is available from procurement. Contact the Procurement Officer for guidance if you have any questions.

In addition to the Institute-wide Contracted Supplier Arrangements, there are some supplies which are managed by a particular Support Service within the Institute. It is essential that departments do not order the goods or services listed directly from any external supplier; they must be requested from the responsible Support Service. Below are the most important examples:

- **Building Maintenance and Repair** - Departments and schools must not directly buy building maintenance, repair or replacement services. These are managed by the appropriate service unit and all requests must be directed to Facilities Management.
- **Furniture** - Departments and schools must not directly buy any furniture. Furniture stock and purchases are managed by a particular service unit and all requests must be directed to Facilities Management.
- **IT Hardware and Software** - Departments and schools must not directly buy IT hardware (including mobile phones) or software, or services to have them repaired or maintained. These are managed exclusively by Technology Services and all such requests must be directed to Technology Services.
- **Marketing** - Departments and schools must not directly buy marketing materials or services. These are managed exclusively by Marketing and all such requests must be directed to Marketing.

Staff Reimbursements

During approved business travel or as otherwise authorised by a line manager with the appropriate financial delegation, staff may pay for minor out of pocket and/or unexpected expenses and then seek reimbursement through the staff expense claim process, subject to the expense being in line with other relevant policies, processes and procedures. The Staff Expense Claim Policy and associated claims process define the method to request reimbursement, and supporting documentation including invoices must be provided as required.

Expenses that generally qualify under 'out of pocket and/or unexpected' expenses are:

- Certain expenses incurred while travelling on work related matters, such as reasonable taxi fares, meals, parking fees and mileage claims incurred during approved business travel; please refer to the Travel Policy and the Sensitive Expenditure Policy and associated procedures for detail.
- Certain expenses incurred due to an emergency or unexpected event while travelling on approved business travel; please refer to the Travel Policy and the Sensitive Expenditure Policy and associated procedures for detail.
- Purchasing minor items that may be required to undertake a particular job while off-site where it is not practical to return to base to source the item; please refer to the Expense Claim Policy for detail.

Where pre-approved, staff may also claim reimbursement for membership subscriptions, seminar or workshop fees, and related expenses; and as permitted under the Gifts and Sensitive Expenditure Policy.

For the avoidance of doubt, the following items should not be purchased via expense claim: Gift cards; PPE; IT equipment/peripherals; software subscriptions; airfares and travel insurance; hardware and parts; and all CAPEX.

Once the submitted expense claim has been approved, the money will be direct credited to the bank account normally used to pay the staff member's salary.

Emergency Procurement

A genuine emergency is a situation where there is a risk of serious harm to life, property or the environment. Usually this situation will have arisen suddenly and the emergency response process will have been triggered. In these circumstances, the Institute may need to be flexible in how goods and services are procured to mitigate the immediate risk and may adopt a more direct procurement process if the delay involved in conducting a routine procurement process will prevent suppliers delivering the goods or services in time to bring effective relief.

Where possible, standard delegations, suppliers and processes should be followed. However, if this is not possible, the Incident Controller may authorise time critical procurement and expenditure required to respond to the emergency. This must be documented, with reasons for the decision and action taken and where possible prior verbal approval should be sought from the CE, DCE Ops or appointed emergency response DCE on duty. If this is not possible, the emergency procurement decision should be escalated to these persons as soon as possible.

Examples of genuine emergencies are:

- natural or man-made disasters: such as earthquakes, cyclones, tsunamis, volcanic eruptions, flooding, fires or contamination
- failures of critical infrastructure or equipment such as failure of a building security system or a water main
- critical health or environmental emergencies: such as a pandemic or food safety incident
- political emergencies: such as a war, coup, or civil insurrection in New Zealand or countries where the New Zealand government offers support
- critical security emergencies: such as a terrorist attack, serious crime or major cyber security emergency
- unanticipated events that make it impossible for the Institute to perform a statutory or critical function in the necessary timeframe: for example, the accidental damage of the main data cable by a digger

For the avoidance of doubt, lack of planning, sudden decisions or adhoc requirements due to but not limited to poor stock control, deferred maintenance, lack of delivery management, or change of mind are not considered Emergency Procurement.

Accountabilities and Responsibilities

Table 2

Role	Responsibilities
All	- No member of staff may authorise reimbursement of their own expenses or payment of an invoice relating to them, or a company they have financial interest in - A system generated Purchase Order is the only means of committing the Institute to expenditure for the supply of goods or services. Suppliers must not be requested to provide goods and/or services until a Purchase Order is raised and approved. - Report any breaches of this policy
Employees and contractors undertaking procurement	- Make sure that all purchasing has appropriate prior approval and funding - Apply this policy and related policies and guidelines - Have a good understanding of the Government Procurement Rules and the Controller and Auditor General's Procurement Guidance for Public Entities (good practice guide)
Budget holder/department managers	Departmental Managers having the appropriate delegated authority must undertake a regular review of commitments for their Department/cost centre to ensure that all purchase orders are current and valid
Approver/holder of Financial Delegation	- Operate within financial delegation in accordance with the Delegated Authorities Policy when approving purchase and procurement decisions - Authorise purchasing appropriately, using good judgement and in line with the purchasing and procurement principles
Procurement Manager	- Apply this policy and related policies and guidelines during procurement activities - Understand and apply the Government Procurement Rules and the Controller and Auditor General's Procurement Guidance for Public Entities (good practice guide) to the extent expected - Make sure that all purchasing has appropriate prior approval, monitor procurement activities, including for compliance with this policy, report policy breaches, and identify opportunities for new supply arrangements - Update, publish and communicate the procurement and purchasing policy and related guidelines, provide leadership and development of Institute procurement capability
Legal Support	Help with contracts that are large, complex and/or significantly different to any standard terms the Institute may have

Recordkeeping

Staff undertaking procurement must maintain records documenting the procurement process, including all recommendations and decisions and the contract as awarded. Records must be kept in accordance with the Institute's Records Management Policy and for at least seven (7) years.

Breaches of this Policy

Staff who breach this policy will be subject to disciplinary action. Any intentional breach may also lead to criminal charges.

Definitions

Term	Means
AoG	All of Government – a reference to Procurement contracts struck by MBIE on behalf of all government agencies which are available to Unitec to use
CAPEX	Capital Expenditure
Conflict of Interest	A situation where a staff member's duties or responsibilities to the Institute could be affected by some other interest or duty that the staff member may have. The interest could be financial, professional or personal and involve a "conflict of duty" or "conflict of role", but for the purposes of this policy the Institute uses the term "conflict of interest" to cover these situations. We also use the term to cover circumstances that include or appear to include "bias" or "predetermination".
Contracted Supplier	A supplier we have a contract with for the supply of particular goods or services
MBIE	Ministry of Business Innovation and Employment
New Supplier Form	A Form to be completed to request the set-up of a new supplier in PeopleSoft or to request changes to existing suppliers
OPEX	Operational Expenditure
PO	Purchase Order
RFQ	Request for Quote
RFT	Request for Tender
RFP	Request for Proposal
RFX	A RFQ, RFP, RFT or similar process
Supplier Recommendation Form	A form designed to summarise the supplier selection process and the reason for selecting a particular supplier

Related Documents and Legislation

Procedures, policies and guidance

- Institute Procurement Procedures Manual
- Institute Credit Card Policy
- Institute Gifts and Sensitive Expenditure Policy
- Institute Contract Approval and Management policy
- Institute Records Management Policy

- Government Rules of Sourcing
- Principles of Government Procurement
- Procurement Guidance for Public Entities, Office of the Auditor General.

Delegations

- Board Register of Permanent Delegations and Authorisations
- Statute 2: The Delegations and Authorisations Statute
- Delegated Authorities Policy

Legislation

- Public Finance Act 1989
- Commerce Act 1986
- Sales of Goods Act 1908
- Public Records Act 2005
- Education and Training Act 2020
- Public Bodies Contracts Act 1959
- Fair Trading Act 1986
- Companies Act 1993

Further Information

For more information on the Institute's procurement, please contact the Procurement Manager.

Approval Details

Version number (this version)	Version 2	Issue Date (this version)	11/7/2022
Version History (Amendments made to this version)	Date of amendment/s: 4/4/2022	Amendment/s: • Simplification of Policy • Alignment to Policies of Te Pūkenga and MIT	
Consultation Scope (if appropriate)	Key stakeholders consulted in the review of this policy: ELT		
Approval authority	Unitec Board	Date of Approval	30/6/2022
Policy Sponsor (Has authority to approve minor amendments)	Procurement Manager	Policy Owner	DCE Operations
Contact Person	Procurement Manager	Date of Next Review	June 2023

Version	Issue Date	Reason for Revision	Approved by
VO	2003	Original Version of the Policy	Commercial & Procurement Manager
VO.1	2007	Review with some changes	Commercial & Procurement Manager
VO.2	2010	Minor adjustment after audit	Commercial & Procurement Manager
V1	06/07/2015	New policy	Council
V1.1	03/10/2016	Revision inclusion of Probity requirements and All of Government reference	Council
V2	4/4/2022	Complete renewal of policy and alignment with the policies of Te Pūkenga and MIT	Board