

Procurement

Introduction

When to use

Fire and Emergency New Zealand is an All-of-Government (AoG) mandated agency and we are therefore required to apply the [Government Procurement Rules](#) (GPR).

This policy follows the New Zealand Government's definition of 'procurement' as set out in the GPR:

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.

Source: Government Procurement Rules > [Definitions](#)

Follow this policy whenever you procure goods or services, including planning, sourcing, management and review.

Contents

This policy contains the following content:

[About this policy](#)

[Definitions](#)

[Policy statements](#)

[Key accountabilities and responsibilities](#)

[Measures of success](#)

[Compliance management](#)

[Related Fire and Emergency policies and other documents](#)

[Relevant legislation and regulations](#)

About this policy

Purpose

This policy sets out the expected behaviours and rules for procurement at Fire and Emergency New Zealand.

Who it applies to

This policy applies to all personnel, secondees, Board members and contractors, employed or engaged on any basis by Fire and Emergency, whether they are casual, temporary or permanent, whether full time or part time and whether they are in New Zealand or in any other country.

Scope

This policy applies to all procurement activities except those listed in 'Out of scope' below.

Out of scope	<p>This policy does not apply to:</p> <ul style="list-style-type: none"> • recruiting permanent or fixed-term staff • disposals and sales by tender • investments, loans and guarantees • gifts, donations and any form of unconditional grants • statutory and Ministerial appointments, e.g. Board appointments • core Crown legal matters • public prosecutions as defined under section 5 of the Criminal Procedure Act 2011 • the acquisition of office accommodation on behalf of the Crown (whether owned or leased) by New Zealand Government Property as part of their functional leadership role for property across government. (For more information, refer to New Zealand Government Property.) This could include the purchasing or renting of land, existing buildings or other immovable property, as well as refurbishment works, or new construction works – noting that the procurement of refurbishment works, and new construction works are covered by Rules 6 and 7 of the Government Procurement Rules).
Gifts, donations and grants	<p>For guidance on gifts, donations and unconditional grants, refer to Public sector purchases, grants, and gifts: Managing funding arrangements with external parties and Principles to underpin management by public entities of funding to non-government organisations, which are guides published by the Office of the Auditor-General.</p>
Help or enquiries	<p>For any queries related to the Procurement Policy, please contact the Procurement Team at NHQ.procurement@fireandemergency.nz</p>

Definitions

Australian and New Zealand National Council for fire and emergency services (AFAC) syndicated clause	<p>A clause added to New Zealand and Australian Fire jurisdiction contracts allowing all other Australasian Fire jurisdictions to purchase off existing contracts.</p>
All of Government (AoG)	<p>The mechanism used for combining the collective purchasing power of all government agencies as a single customer. AoG contracts are managed by the Ministry of Business, Innovation & Employment.</p>
AoG Contracts and Panel Agreements	<p>This includes all AoG Contracts and Panels, Common Capability Contracts, Contracting and Consultancy panels, ICT panels, Master Agreements and Syndicated Agreements. Refer to procurement.govt.nz > Contracts > Types of contracts.</p>

Broader outcomes	<p>Achieving wider social, economic, cultural and environmental outcomes that go beyond the immediate purchase of the goods and services through Government Procurement. Fire and Emergency must consider the Government's four priority outcomes when buying from designated contract areas:</p> <ul style="list-style-type: none"> • increasing access for New Zealand businesses • improving conditions for New Zealand workers • reducing emissions and waste and • increasing the size and skill level of the domestic construction sector workforce.
Construction works	A generic term which covers new construction works for a new build or refurbishment works to an existing construction.
Contract Manager	The person who is responsible for managing the operational delivery of the contract who has been assigned this responsibility by the Business Owner.
Contract Management System (CMS)	The Contract Management System is the system for recording all Contracts. It is administered by the Fire and Emergency Procurement Team. The Procurement Team is responsible for the administration and updating of the CMS with executed contracts provided by the business.
Delegated Financial Authority	As outlined in the Authorisations and Statutory Delegations Policy, which sets out the rules for authorisation of persons to perform or exercise functions, duties and powers under the Fire and Emergency New Zealand Act 2017 and regulations made under it, and the delegation of statutory functions, duties and powers of Fire and Emergency New Zealand or the Board. Financial limits are set out in the Delegated Financial Authority Schedule .
Information, Communication and Telecommunication (ICT) Product and Services	ICT Products and Services refers to the infrastructure, networks (both telecommunications and data), hardware and software that enable users to communicate, gather, store data, create, secure and control access and transmission of electronic information. ICT professional services include those related to the design, development and support of ICT solutions.
Market approaches	Finding a supplier of goods, services or construction works, typically through requesting quotes or proposals from supplier(s) where the process does not rely on any AoG Contracts and Panel Agreements.
Procurement	The process of acquiring, delivering and disposal of goods, services and construction works. Procurement activity includes planning, sourcing, managing, disposal and review activities. This includes services ranging from engaging contractors and consultants, purchase of ICT products or services, sourcing external legal advice, establishing and purchasing from corporate shared services contracts, conditional grants, through to engaging building design and construction suppliers and disposal of assets.

Procurement plan	A plan to document the decision-making process for selecting the most appropriate procurement approach to meet the specific need for goods, services or construction works and the outcome that Fire and Emergency wants to achieve. It should include, an overview of the requirement, market analysis, confirmation of budget availability, indicative costs, specifications of requirement, indicative timeline, evaluation approach and an explanation of the Broader Outcomes we will seek to achieve through the procurement, along with internal approvals.
Procurement Team	The team responsible for guiding and managing the organisation in its procurement.
Public value	Achieving the best available result for the money spent. It includes using all our resources effectively, economically, and responsibly, and considering: <ul style="list-style-type: none"> the procurement's contribution to the outcomes and results we are trying to achieve delivery of any broader outcomes we are trying to achieve the total costs and benefits of a procurement.
RFx	A generic term to describe procurement methods and includes Request for quote (RFQ), Registration of interest (ROI), Request for proposal (RFP) or Request for tender (RFT), which are ways to seek information or bids from potential suppliers.
Secondary procurement process	A process used to select suppliers from existing agreements (i.e. AoG Contract or Panel) that have already been established through a market approach.
Whole-of-life cost (WoLC)	The value of a contract, or where relevant, a Statement of Work (SOW), including all costs associated to deliver the contract or SOW, over its entire life. Therefore, the Whole of Life Cost (WoLC) calculation would include purchase costs, one-off costs, disposal costs and should include the value of the full term of the contract or SOW including any renewal or extension periods.

Policy statements

Introduction	Fire and Emergency will conduct all procurement, commercial and supplier management activities in accordance with this policy including the Government Procurement Rules , the Five Principles and the Government Procurement Charter , and must consider Public Value and Broader Outcomes .
The Five Principles	The Five Principles must apply to all Fire and Emergency procurement activity no matter what the value of spend. The aim of applying these principles is to ensure that the delivery of Public Value is a primary focus in all our procurement activity. They are: <ol style="list-style-type: none"> Plan and manage for great results Be fair to all suppliers Get the right supplier Get the best deal for everyone Play by the rules.

Our values

This aligns to our values:

- We do the right thing – Kia Tika
- We serve and support – Manaakitanga
- We are better together – Whanaungatanga
- We strive to improve – Auahatanga

Public Value

Public Value is achieved by Fire and Emergency following the government's expectations of how we conduct our procurement activity by adhering to the [Government Procurement Charter](#). The Charter expects Fire and Emergency to, where practical:

- seek opportunities to include New Zealand businesses
- undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility
- look for new and innovative solutions
- engage with businesses with good employment practices
- promote inclusive economic development within New Zealand
- manage risk appropriately
- encourage collaboration for collective impact.

Standard Procurement Approach

Fire and Emergency staff are required to follow this procurement policy unless you have approval to deviate from this as outlined in 'Deviation from this policy' below. Detailed procedures, guidelines and templates are on the Portal > How do I > Purchases, contracts and claims > [Procure goods and services](#). All procurement activities must:

1. be properly planned and approved by the Delegated Financial Authority
2. use the correct [Delegations](#) to approve any commitment to a contract or expenditure before funds are committed
3. complete a [Conflict of interest](#) form
4. consider and apply appropriate levels of risk management across the procurement including any safety, health and wellbeing, and security and privacy risks
5. where they exist, use AoG Contracts and Panel Agreements for the goods, services or construction works that they cover
6. where they exist, consider AFAC contracts
7. engage with the Fire and Emergency Procurement team early in the planning phase:
 - for all high-risk procurement activity regardless of value
If you are unsure whether the contract is high risk, talk to the Procurement team
 - where the WoLC is likely to be over \$50,000 for Market Approaches
8. when procuring contractors, temps and consultants, comply with the Contractor and temps hiring guidelines and Consultant engagement guidelines
9. have an executed contract (This could be a Purchase Order (PO) linked with our standard terms and conditions) approved in accordance with [Delegated Financial Authority Schedule](#)
10. if the contract is over \$25,000 WoLC, be registered in the Contract Management System before the supplier starts to deliver the goods, services or

construction works. This includes all secondary procurement process involving AoG Contracts and Panel Agreements.

Procurement thresholds for approaching the market

Where goods and services are not available on AoG Contracts and Panel Agreements, the procurement method for purchasing is as follows:

WOLC (NZ\$ excluding GST)	Procurement method	Contract
Up to \$4,999	Direct purchase from a supplier.	No contract required; refer to the Business expenditure policy and the Delegated Financial Authority Schedule for how to pay for the goods and services and who can approve. Note: You must consult the ICT procurement team before purchasing any ICT products or services on your P-Card.
\$5,000–\$49,999	Direct source	PO linked with our standard terms and conditions; or The Government Model Contract for Goods or Services
\$50,000–\$99,999	Obtain quotes from three or more suppliers (at the discretion of the DFA).	Government Model Contract for Goods or Services www.procurement.govt.nz/procurement/templates/ or Fire and Emergency contract suitable for Goods or Services and Deliverables tendered for.
\$100,000+	Open tender process by openly advertising on the Government Electronic Tendering Service (GETS) .	Government Model Contract for Goods or Services www.procurement.govt.nz/procurement/templates/ or Fire and Emergency contract suitable for the Goods/Services and Deliverables tendered for.
\$100,000+ for Construction Works	Competitive: open tender to market	CCCS for Professional Services (Procurement.govt.nz > Contracts > Construction consultancy services , NZS3910 (build only), NZS3916 (design and build) or NZS3917 (fixed term)

Secondary procurement approach using AoG Contracts and Panel Agreements

Fire and Emergency's expectations for secondary procurement are:

- Where goods and services and construction works are available on an existing agreement, the procurement approach must be a secondary procurement process outlined in the relevant Contract or Panel Agreement.
- If a secondary procurement process is **not** outlined within the relevant Contract or Panel Agreement, contact the Procurement team, who will advise you of possible options.

Variations and extensions

Fire and Emergency's expectations for variations and extensions are:

- When a Direct Source approach has been undertaken to engage the supplier and a contract variation or extension would cause the contract to cross the Market Approach threshold of a WoLC of over \$50,000, consult the Procurement Team for advice as typically this will require an open tender process for ongoing goods, services or construction works.

Contract management

Fire and Emergency's expectations for contract management are as follows:

- Business Owner is responsible to ensure all contracts are recorded in the Contract Management System.
- For high-risk/high-value contracts, a Contract Management Plan must be documented. You must engage with Procurement Team when determining the risk and value metrics.
- Contract managers are required to manage contracts and suppliers to ensure they deliver business benefits, efficiencies and Public Value.
- Contract managers are required to manage the operational delivery of the contract, including tracking and monitoring performance, spend and risks, identifying areas for improvement, and ensuring suppliers comply with the Government's [Supplier Code of Conduct](#).
- Contract managers must ensure that for any contracts that are due to expire, there is a strategy in place for any future or ongoing requirements for the goods, services or construction works covered. Contract Managers should manage this in consultation with the Procurement team.

Deviation from this policy

You must document any deviation from this policy, including:

- exemptions
- emergency procurement
- opt-outs from the Government Procurement Rules
- when requesting an alternative procurement approach to using an AoG Contracts and panel agreement

In addition, for all deviations, you must get approval from the National Manager Finance and Procurement or the Chief Executive if the procurement is deemed high value/high risk.

Key accountabilities and responsibilities**Governance and oversight****Chief Executive (CE)**

- Has overall responsibility for ensuring Fire and Emergency meets its obligations under this policy.

Deputy Chief Executive, Finance and Business Operations

- Maintains overall oversight of the status of this policy.
- Approves major amendments to this policy.

Business groups

Identify and manage risks in day-to-day operations (first line):

Deputy Chief Executives (DCEs)

- Ensures their business groups comply with this policy.

Managers (Business Owner)	<ul style="list-style-type: none"> • Ensure their staff are aware of and comply with this policy. • Ensure that they assign a Contract Manager to each of their contracts and that the Contract Manager understands and undertakes the contract management responsibilities.
All staff	<ul style="list-style-type: none"> • Comply with this policy and procedures as applicable to their role. • Obtain support and advice early in the process from the Procurement Team and appropriate subject matter experts, including legal, safety, health and wellbeing, security and privacy, as relevant to the activity, its value and its associated risk. You must get this advice before approaching the market for the provision of any services, including advisory services that relate to a procurement. • Consult with the Procurement team when sourcing goods, services or construction works if over \$50,000 WoLC. • Comply with this and all other relevant AoG policies and guidelines.
Delegated Financial Authority (DFA)	<ul style="list-style-type: none"> • Ensure they are familiar and comply with the policy and use the associated procedures and guidelines. • Approve Procurement Plans, exemptions and opt-outs for market approaches, AoG Contracts and Panel Agreements. • Approve contracts, variations and renewals.
Contract Manager	<ul style="list-style-type: none"> • Work with the Procurement team to create a Contract Management Plan. • Ensure the contract is registered, loaded and maintained on the Contract Management System. • Manage and monitor contract delivery, performance and costs. • Identify and manage risks and areas for improvement. • Develop and maintain robust relationships with suppliers, include conducting contract progress reviews, resolving problems, and recording overall performance and reporting on the Contract Management System. • Take responsibility for contract variations and renewals. • Ensure a strategy is in place for all contracts expiring where there is a requirement for any future or ongoing services.

Risk oversight functions

Set policies and monitor compliance (second line):

Manager Procurement Services	<ul style="list-style-type: none"> • Provide advice and support to business groups about the policy. • Endorse all exemptions or opt-outs including AoG Contracts and Panel Agreements. • Endorse all proposed Procurement Plans above the \$100,000 threshold. • Assist business groups with any breach management/mitigation activities as required. • Regularly monitor compliance with the policy. • Ensure the policy is reviewed and updated by the agreed review date. • Maintain and update associated procedures and templates so that they remain fit for purpose.
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Procurement team	<ul style="list-style-type: none"> • Ensure that any sourcing activity is conducted in accordance with the Government Procurement Rules and this policy. • Review and if is appropriate, endorse any valid exemption from open advertising (for any closed or direct source tender or contract extension). • Provide advice and guidance to personnel on the application of the Procurement policy and Government Procurement Rules. • Lead the procurement sourcing strategy and process for all high-risk procurement activity regardless of value and market approaches over \$100,000. • Provide professional, qualified procurement expertise, commercial advice and services. • Training staff on all procurement activity. • Monitor Fire and Emergency procurement activity and practices and recommend improvements. • Support the business with contract management of high-risk/high-value contracts.
Legal team	<ul style="list-style-type: none"> • Procurement will advise when Legal review is required.
ICT Procurement team	<ul style="list-style-type: none"> • Advise on all procurements that have an ICT component, regardless of value.

Measures of success and compliance management

Measures of success	<p>The National Manager Finance and Procurement/Manager Procurement Services will assess the effectiveness of this policy. The following measures of success outline what we expect to see if the policy is working:</p> <ul style="list-style-type: none"> • Procurement Plans are documented and recorded. • Contract Management Plans and reporting are in place for all significant service contracts that are high-value or high-risk contracts. • Contract renewals or variations to contracts are actively managed and updated on the CMS. • Fire and Emergency uncontracted spend is limited to low-value, one-off purchases that are less than \$5,000.
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Compliance management

The National Manager Finance and Procurement/ Manager Procurement Services will monitor compliance with this policy as follows:

- Biannual monitoring and reporting on significant service contracts, including reporting overall performance and relationship status
- Quarterly monitoring and reporting trends on contracts that are due to expire within the next six months
- Quarterly monitoring and reporting of uncontracted spend, including any spend that should be contracted
- Monitoring of all known actual and potential breaches of this policy. (The National Manager Finance and Procurement and Manager Procurement Services will notify the relevant business group's DCE of an actual or potential breach)
- Significant breaches will be reported when they occur to the Executive Leadership Team and Chief Executive.

Compliance information

Compliance information regarding the performance of this policy will be provided to the relevant business group.

Non-compliance

Failure to comply with this policy may be considered a breach of the [Standards of conduct policy](#) and could result in disciplinary action. The manager is responsible for ensuring that all staff reporting directly or indirectly to them are aware of and abide by this policy and report and investigate any breach or alleged misconduct.

Related policies and other information**Policies**[Authorisations and statutory delegations policy](#)

Sets out the rules for authorising persons to perform or exercise functions, duties and powers under the [Fire and Emergency New Zealand Act 2017](#) and regulations made under it.

[Business expenditure policy](#)

Sets out the rules for claiming reimbursement of expenditure incurred on behalf of Fire and Emergency.

[Conflicts of interest, gifts and hospitality policy](#)

Sets out the expected behaviours and rules that apply when you identify a conflict of interest or receive an offer of a gift, prize or hospitality.

[Standards of conduct policy](#)

Sets out the minimum standards of behaviour expected of all personnel.

[Travel and accommodation policy](#)

Set out the rules for organising, undertaking, or authorising business-related travel on behalf of Fire and Emergency.

How do I

[Procure goods and services](#)

[Plan a procurement](#)

[Source a supplier](#)

[Manage a procurement and contract variations](#)

[Hire a contractor or temps](#)

[Report and manage conflict of interest](#)

[Report and manage gift, prize or hospitality](#)

Guidelines

[Managing probity during a procurement](#)

[Procurement quick reference guide](#)

Tool

[Delegated](#)

[Financial Authority](#)

[Schedule](#)

The standard delegated financial authority of personnel for operating and capital expenditure and monthly purchase card limits.

Relevant legislation and regulations

[Commerce Act](#)

[1986](#)

Relevant if Fire and Emergency represents a large proportion of purchases within a relevant market; Fire and Emergency must not abuse its market position.

[Health and Safety](#)

[at Work Act 2015](#)

Key consideration in procurement activity as a Person Conducting a Business Undertaking (PCBU). For more information, go to the WorkSafe page <https://www.worksafe.govt.nz/laws-and-regulations/acts/hswa/>

[Privacy Act 2020](#)

Relevant if the procurement involves the management or transfer of personal information (for example staff or clients).

[Public Finance Act](#)

[1989](#)

Underpins funding for procurement activities.

Document information

Owner	DCE Finance and Business Operations
Last reviewed	2 February 2022
Review period	Every second year

Record of amendments

Date	Brief description of amendment
May 2022	Added links to Related policies and other information section
February 2022	Updated as part of regular content review; updated content owner
July 2018	Updated content owner

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