



Ref: DOIA 2324-1679

7 March 2024

Charles Finley

Email: [fyi-request-25663-a3f2fbf2@requests.fyi.org.nz](mailto:fyi-request-25663-a3f2fbf2@requests.fyi.org.nz)

Tēnā koe Charles Finley

Thank you for your email of 8 February 2024 to the Ministry of Business, Innovation & Employment (the Ministry), requesting the following under the Official Information Act 1982 (the Act):

*I have recently heard that you are running a review in to the Government Procurement Rules and have asked for input.*

*Please can you publish the current assessments undertaken by MBIE in to the efficacy of the rules, any development / thinking / drafts concepts and ideas that have been produced or drafted internally, and any communications between government officials as to how the rules might be developed.*

*I am happy to receive draft documents as understand there may not be official documents. I am looking to understand the thinking from within procurement about how the rules might be able to change to have better or improved results, or where you think they are performing well.*

The Ministry has identified four documents in scope of your request, as detailed in the attached Document Schedule.

I have decided to release two of these documents to you, with some information withheld under section 9(2)(g)(i) of the Act: to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty.

I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

The remaining two documents are publicly available. Therefore, I am refusing your request for these documents under section 18(d) of the Act: that the information requested is or will soon be publicly available. I have provided links to these documents in the attached Document Schedule.

If you wish to discuss any aspect of your request or this response, or if you require any further assistance, please contact [OIA@mbie.govt.nz](mailto:OIA@mbie.govt.nz).

You have the right to seek an investigation and review by the Ombudsman of the Ministry's decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Nāku noa, nā

pp 

Richard Lee  
**Head of Strategy, Policy and Governance**  
New Zealand Government Procurement

## **Document Schedule**

### **Documents released**

<b>#</b>	<b>Date</b>	<b>Description</b>	<b>Grounds under which information has been withheld</b>
1	7 December 2023	A3 – Procurement for the Future – RUL1 Rules Review – Project Initiation Document	9(2)(g)(i)
2	8 August 2023	Slides – Government Procurement Rules Review: An overview of the potential areas to be in scope of the Rules Review project	9(2)(g)(i)

### **Documents refused**

<b>#</b>	<b>Date</b>	<b>Description</b>	<b>Refusal ground</b>	<b>Link to publicly available information</b>
1	December 2023 and February 2024	Newsletters – Focus on Procurement	18(d)	<a href="https://www.procurement.govt.nz/about-us/newsletters/">https://www.procurement.govt.nz/about-us/newsletters/</a>
2	November 2021	Cabinet paper – Government procurement: Refreshing strategic priorities and Annex One: Proposed work programme	18(d)	<a href="https://www.mbie.govt.nz/dmsdocument/18660-government-procurement-refreshing-strategic-priorities-proactiverelease-pdf">https://www.mbie.govt.nz/dmsdocument/18660-government-procurement-refreshing-strategic-priorities-proactiverelease-pdf</a>

# Procurement for the Future | RUL1 Rules Review | Project Initiation Document

Status | APPROVED Date | 07-Dec-2023

## PROJECT DETAILS

Programme/Strategy **Procurement for the Future**  
 Project **RUL1 Rules Review**  
 Sponsor **Matt Perkins**  
 Business Owner **Richard Lee**  
**Karen English (Lead)**  
 Project Manager **Tania Pasikale**  
 Baseline Start Date **Aug 2023**  
 Baseline End Date **January 2025 (Phase 1)**  
 Risk Profile Assessment **LOW**  
 Complexity Assessment **LOW**

## OBJECTIVES

Review the Government Procurement Rules (Rules) to ensure they are fit for purpose and support procurement for the future. The project aims to ensure that the Rules:

- are accessible, easy to understand, up to date, and encourage consistent application across government agencies.
- appropriately consider incorporating Te Tiriti o Waitangi/the Treaty of Waitangi and Te Ao Māori approaches in procurement.
- structure, presentation, branding and format guide good procurement practice and incentivise reasonable and defensible practices across the procurement life cycle.

## CRITICAL SUCCESS FACTORS

- Comprehensive engagement with stakeholders, including opportunities for stakeholder input through multiple channels and responding to feedback with rationale for decisions.
- Enhanced agency understanding and appropriate application of the Rules.
- Rules support/drive the value proposition of the procurement function.

## SCOPE

- Research on government procurement rules in other jurisdictions and understanding user experience.
- Review of the current Rules for currency, clarity and value, identifying gaps and removal of outdated and obsolete information.
- Consideration of Rules that cover the full procurement lifecycle; legal, policy and practice developments; matters arising from PftF projects/areas and System Leadership.
- Consider appropriate Rules to enable Te Tiriti/Treaty and Te Ao Māori approaches.
- Structure/architecture, format, presentation and branding of the Rules.
- Drafting, peer review, external engagement and consultation of the Rules.
- Engagement, communications, ministerial and Cabinet processes and publication of the Revised Rules.

## OUT OF SCOPE

- Change of regulatory framework or mandate.
- Development of new policies and/or legislation.
- Creating separate sector specific set of Rules.
- Addressing agency specific issues and responsibilities (agency in-house training, guidance and implementation, capability development).

## BENEFITS

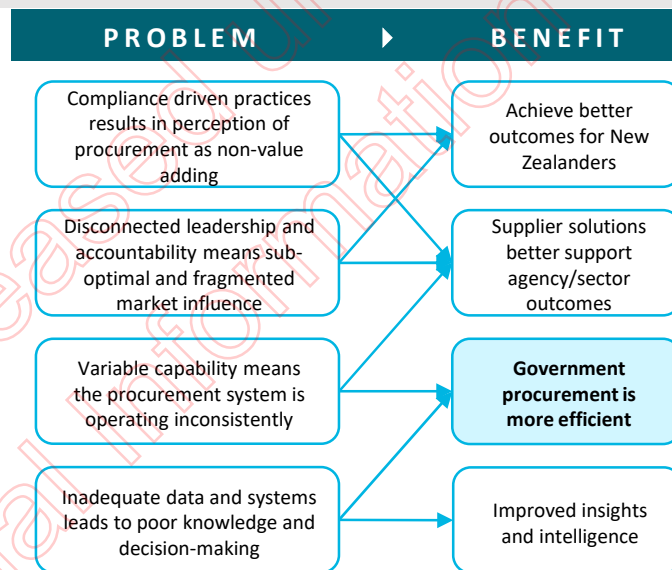
**Government procurement is more efficient**

### 3.1 Improvements to procurement processes (ways of working)

- Modern, accessible, world leading government procurement rules that drive good procurement practice.
- Support for the Procurement System Leader to drive system performance.
- Rules that can be relied on for currency without concern that they include outdated practices and regulations.
- Alignment with current global procurement practices.

### 3.2 Improved reputation with stakeholders

- Opportunities to engage extensively with agencies regarding procurement practices.
- Improved clarity of expectations on the decentralised procurement system.



## BUDGET

	FY2324	FY2425
<b>Capex</b>		
Project Costs	0	0
Contingency	0	0
<b>Opex</b>		
§ 9(2)(g)(i)		
Contingency	0	0
§ 9(2)(g)(i)		

Note: Detailed costs for Phase 2 Implementation will be determined as part of the Implementation Plan from (based on impact of changes and support required for the rollout).

## GOVERNANCE & REPORTING

The project is governed by the Procurement for the Future Steering Group (for escalation as per the tolerances and RASCI approval). The tolerances for the project are set out in the [MBIF Delivery Framework](#).

MEETING	FREQUENCY
NZGP Steering Group	Fortnightly

REPORTING	FREQUENCY
Project Dashboard Report	Monthly

## KEY RISKS

- **R004 | High |** IF BAU resource capacity is not sufficient to deliver to the agreed scope THEN there may be missed timelines or diminished quality of deliverables RESULTING IN reputational damage, reduced quality and delay/failure to realise benefits.
- **R001 | Medium |** IF there are § 9(2)(g)(i) [redacted] RESULTING IN either protracted or truncated timeframes in design and delivery of project.
- **R002 | Medium |** § 9(2)(g)(i) [redacted]

## KEY ASSUMPTIONS, CONSTRAINTS & DEPENDENCIES

### ASSUMPTIONS

- **A001 & 004 |** The Administration will be supportive of the review of the Rules (to be outlined in the Secondary BIM due Feb 24) and it will follow standard cabinet paper process (timeline due Jun 24).

### CONSTRAINTS

- **C001 |** Rules that implement international treaty commitments cannot be removed unless replaced by another implementing instrument..
- **C002 |** Rebranding Rules or creating standards under the Public Service Act will require a whole of government direction.

### DEPENDENCIES

- **D005-007 | EXT |** Administration support for overall process for review of Rules (Secondary BIM ~Feb 24 & Go/No Go Check ~Jun 24) and final approval of Rules by Cabinet (due Nov 24).
- **D009 | EXT |** Effective date of new/changed Rules up to 6 months following Cabinet approval (due Nov 24).

# PftF | RUL1 Rules Review | Project Initiation Document

Status | REVISED Date | 7-FEB-2024

## APPROACH & SCHEDULE

A key benefit of this project is engaging with the system on the Rules. This engagement will potentially enhance agency understanding of the Rules and NZGP understanding of barriers faced in applying the Rules. Therefore, the approach to the review will be to engage with agencies and suppliers grouping Rules discussions thematically so that there is ample opportunity to discuss issues and understand perspectives.

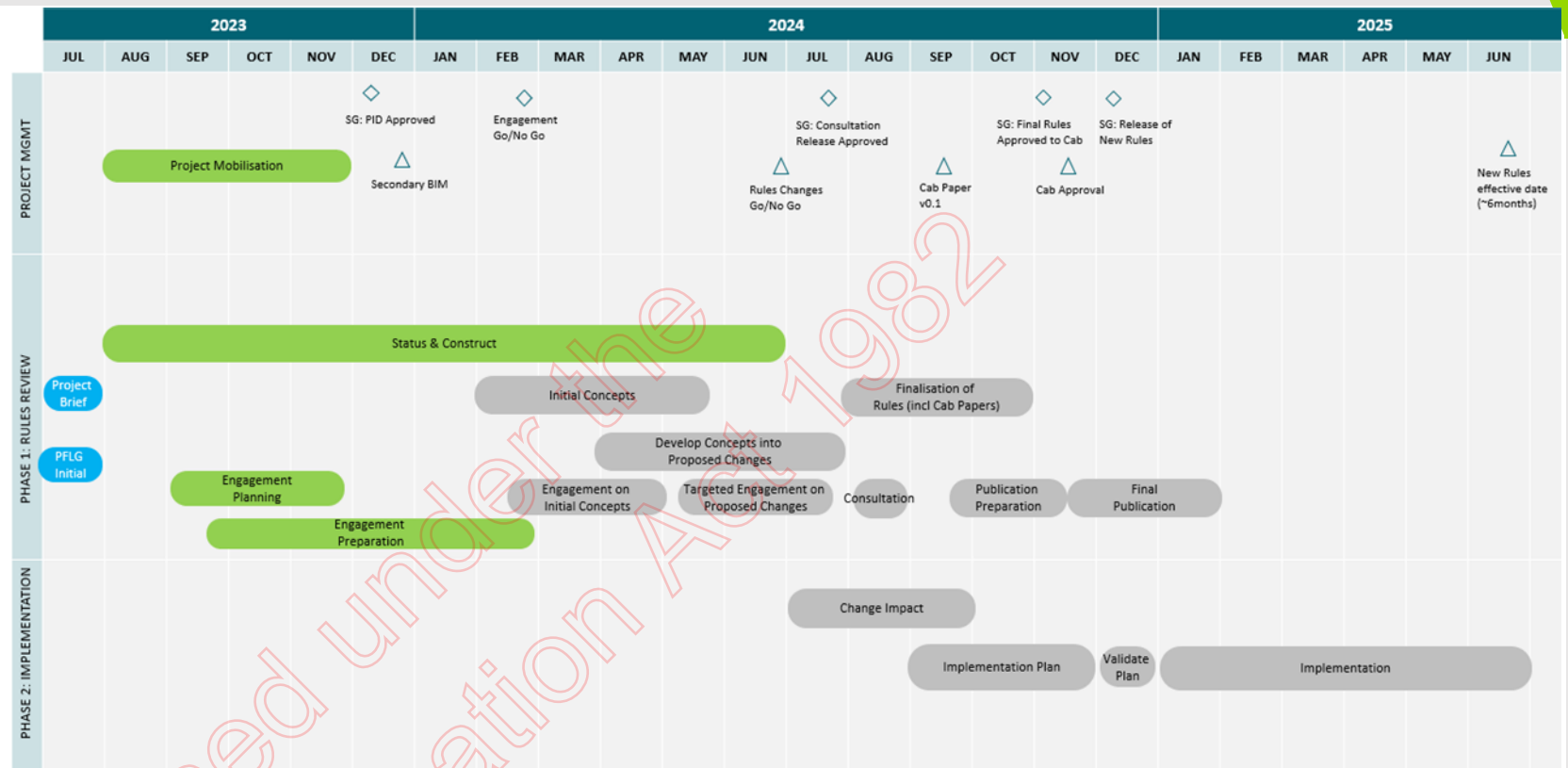
The project will be delivered over two phases.

### Phase 1: Review of the Rules (including final version of Rules)

During phase 1, there are likely to be a number of concept workshops, following which the project team will consider what was heard and propose changes to the Rules. There will be a number of workstreams (Policy-led) based on the Concepts as well as the overall Status & Construct of the Rules. The project is also looking at the potential to use digital methods of collaboration as part of a robust engagement plan.

### Phase 2: Implementation (including publication and launch)

Historically, changes to Government Procurement Rules can cause significant change management activities to gain the support of the system and to embed new ways of working. As such, the project will identify potential impacts of Rule changes and develop appropriate approach to delivery across the procurement system.



## CHANGE IMPACT

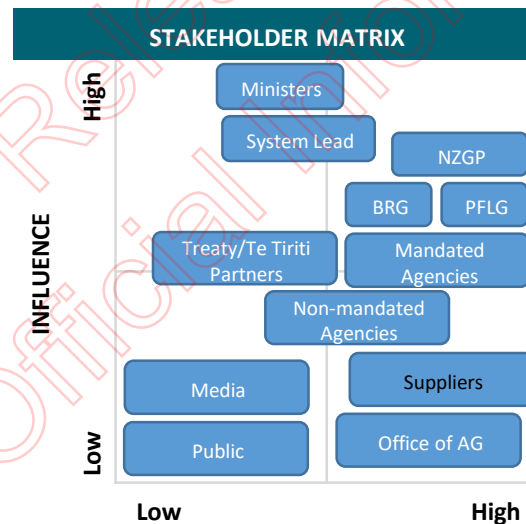
The impacts of this change will be informed by the detailed work that will be undertaken by the project team. A high-level impact assessment will be completed to confirm the change impacts our people and stakeholders should expect to see. From there a detailed assessment will be completed. We will engage with external stakeholders throughout the project lifecycle to inform the change, share information and ensure that the changes developed are fit for purpose, address the case for change and deliver to the benefits of the programme. Depending on the extent of changes to the Rules, implementing change across all agencies may be complex and require planning and a range of approaches/tactics.

### KEY MESSAGES

Rules are a fundamental instrument in New Zealand's government procurement policy framework. They are the Government's standards for good procurement practice. Under PftF, we're embarking on work to create a more balanced focus in the Rules to cover the full procurement lifecycle (i.e. include planning and contract management) and leveraging this as an opportunity to consider the operating environment holistically so that this Rules review make a significant contribution to overall procurement practice improvements.

### COMMS APPROACH

We will build the change story and communicate the right messages to the right group at the right time. Ensuring that stakeholders understand what is changing, why and they know what they need to do.



MILESTONES	TYPE	DATE
Project Initiation Document	Deliverable	Dec 2023
Initial Concepts Complete	Stage Gate	May 2024
Consultation Release Approved	Milestone	Jul 2024
Consultation complete	Stage Gate	Aug 2024
Final Rules approved (to go to Cabinet)	Milestone	Nov 2024
Cabinet Approval (of New Rules)	Dependency	Nov 2024
Release of New Rules	Milestone	Dec 2024
Final Publication	Milestone	Jan 2025
New Rules effective date	Dependency	Jun 2025

## QUALITY & ASSURANCE

The Procurement for the Future Programme Quality Plan outlines the quality framework that will be used by the project. This Quality Plan will support the project to identify quality activities (e.g. testing, sector engagement) to be added to the project schedule. The project will agree a RASCI to outline the quality criteria that applies to each of the project deliverable.

As the project has a risk rating of LOW, no project assurance plan will be developed. The project Steering Group may identify assurance activities to address emerging or escalating risks through the course of delivery.

# Government Procurement Rules Review

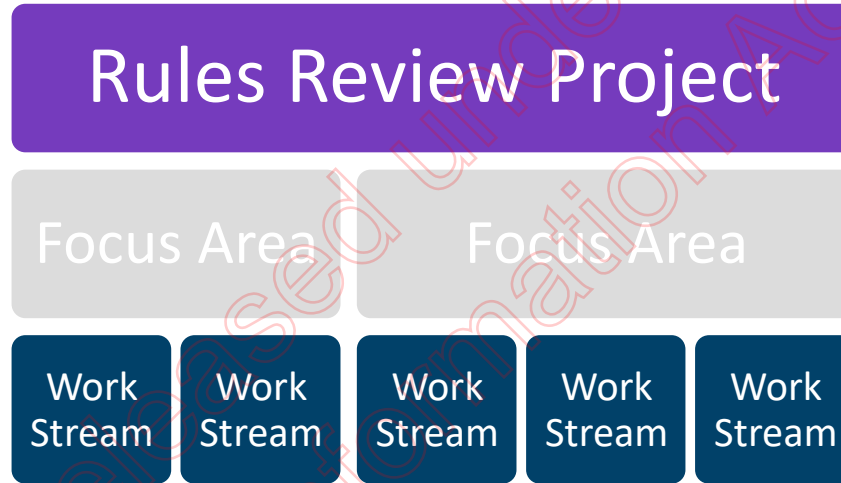
An overview of the potential areas to be in  
scope of the Rules Review project.

# Overview

- This pack breaks down DRAFT focus areas for the Rules Review project, focussing primarily on the technical content of changes.
- The “focus areas” are groupings of technical content which have been collected by NZGP as being in-scope of potential changes to the rules.
- These “focus areas” will consist of a series of “workstreams” to deliver them.
- It should be noted that things such as the presentation of the rules and engagement are not “focus areas” in this sense, but still required to complete the deliverable. [TBC – post discussion]



# Hierarchy of terms:





# Focus Areas

The DRAFT focus areas for the Rules Review are:

1. Te ao maori within the Rules.
2. Post contract award.
3. Panel contracts (Framework Agreements).
4. Modern procurement approaches.
5. Broader outcome reviews and updates.
6. System Leadership
7. [How the rules are presented]



# Workstream breakdown

#	Focus Area	Workstream
1	Te ao maori within the Rules	a) Te reo Māori b) Tikanga Māori c) Te tiriti
2	Post contract award	a) Contract management b) Supplier Relationship Management (agency lens) c) Strategic Supplier Relationship Management (system lens) d) Contract performance reporting e) Post-award intervention
3	Panels contracts (Framework Agreements)	a) Panel Management b) Secondary Procurement c) Next Generation Collaborative Contracts
4	Modern procurement approaches	a) Rapid methodology b) Collaborative / dialogue methodology
5	Broader outcome reviews and updates	a) Supplier diversity b) Carbon neutral / waste minimisation c) Job creation d) Skills in construction e) Worker exploitation / modern slavery f) Other broader outcome settings
6	System Leadership	a) Policy settings / framing the Rules b) System leadership powers c) Sector leadership and the rules d) Reporting and transparency e) Incentives and compliance management f) Complaints



# Other scope areas to (**maybe**) engage on

- Presentation / rule-user experience (how are the rules used)
  - Is the language plain enough... Is it sequenced well.
  - How are the rules used? Specific rules?
- Technical content – language, references





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# Focus Area 1: Te ao maori

This focus area will look at how to further embed and reflect te ao maori principles in to the government procurement rules

# Focus area overview

The 'te ao māori focus area' seeks to review and incorporate to what extent the following need to be further embedded in to the Government Procurement Rules:

- Te Reo Māori – to what extent language changes need to be incorporated.
- Tikanga Māori – where do the Rules need to better support of enable the Māori protocols and customs (inc. relationships).
- Te tirirti – to what extent the rules may need to change to better reflect support the obligations in the treaty (i.e. procurement planning).



<b>Title:</b>	Te reo Māori
<b>Description:</b>	This workstream will look at the extent to which te reo maori should be included within the government procurement rules
<b>Current State:</b>	The current state is that the Rules are all written in English and very European in style. There is an opportunity to utilise te reo maori within the rules to better represent New Zealanders.
<b>Desired future state / Impact:</b>	An appropriate an effective use of te reo within the rules to support the broader use and approach across the government procurement system.
s 9(2)(g)(i)	



<b>Title:</b>	Tikanga Māori
<b>Description:</b>	This workstream will support the identification of where the Rules can be changed to better support and enable the use of Māori protocols and customs in the government procurement system, as appropriate to do so.
<b>Current State:</b>	The rules are currently very European in style and process, and take a ‘traditional’ approach to business. This can create challenge when it comes to agencies engaging with Māori business, or communities, through their procurement activity where there are customs and protocols which should be upheld and encouraged to get the best public value result.
<b>Desired future state / Impact:</b>	The Rules are not seen as a barrier to good engagement with Māori by procuring agencies and enable the effective use of Māori customs and protocols where appropriate.

s 9(2)(g)(i)



<b>Title:</b>	Te tiriti
<b>Description:</b>	This workstream will look at whether, and if so, to what extent, the rules may need to be adapted to reflect the obligations under te tiriti.
<b>Current State:</b>	Currently, there is reference to and some consideration to the treaty in the rules, however it is noted that this was a number of years ago and that understanding and action around te tiriti have changed, so it is prudent and timely to review this commitment. General reference is that agencies are responsible for their own obligations under the treaty.
<b>Desired future state / Impact:</b>	The rules will appropriately reflect the obligations of te tiriti for the government procurement system

s 9(2)(g)(i)







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## Focus Area 2: Post Contract Award Rules

This focus area will look at whether a range of rules are required for 'post contract award' activities in the Government Procurement System

# Focus Area: Post Award Rules

- The topic areas within “Post Contract Award” rules are as follows:
  - Contract Management
  - Supplier Relationship Management (SRM)
  - Strategic Supplier Relationship Management (SSRM)
  - Performance reporting
  - Post award review powers



<b>Title:</b>	Contract Management
<b>Description:</b>	There is an opportunity to drive an uptake in contract management practices across the government procurement system, through additional rules / policy settings.
<b>Current State:</b>	Currently, there is no specific rules for post-contact award management activities stated in the rules. Additionally, and unclear if related, there are mixed levels of contract management, and mixed contract management results across agencies. It is seen generally as an area of weakness across the procurement system. "Procurement" focus is often on the sourcing phase.
<b>Desired future state / Impact:</b>	A desired future state would be that contracts are managed well and appropriately for the size and risk across agencies, and that there is a strong focus on agencies managing contracts to ensure obligations are met, and risks managed well. This may include a broader focus of procurement teams, or a greater level of focus across parts of agencies that manage contracts. In addition, 'strategic' contracts should be effectively reported on in terms of progress, performance and risk, and agencies should be able to demonstrate how these contracts are being governed.

s 9(2)(g)(i)

<b>Title:</b>	Supplier Relationship Management
<b>Description:</b>	There is an opportunity to use this review to drive an improvement and consistency in expectation on agencies relating to how they map and manage their supplier relationships.
<b>Current State:</b>	Currently there are no rules relating to managing supplier relationships. There is some expectation based on web-content and good practice that agencies will undertake SRM, but this lacks 'mandate' and 'top-down' drive in changing behaviours.
<b>Desired future state / Impact:</b>	Agency key supplier relationships are mapped, monitored and managed effectively and with consistency across the system, leading to better agency outcomes (better risk and opportunity management through the supply chain to the organisation)

s 9(2)(g)(i)



<b>Title:</b>	Strategic Supplier Relationship Management
<b>Description:</b>	Strategic suppliers across government should be monitored centrally to ensure risks and opportunities are considered. This is in addition to agency level SRM, but requires input from agencies.
<b>Current State:</b>	Agencies manage their own contracts and relationships, with little obligation to manage more broadly (some may out of good-will). No reference, minimal is any information provided in policy settings. Current most comparable rule related to SSCF reporting.
<b>Desired future state / Impact:</b>	Rule set out the powers of the system and sector leads in this space and the roles of agencies in supporting or leading relationships with strategic suppliers. Agencies who hold a sizable contractual relationships with a “Strategic Supplier” will be required to support and engage in the System Leads management of that strategic relationship, whereby better overall commercial outcomes are achieved and greater public value across the system.

s 9(2)(g)(i)



<b>Title:</b>	Supplier performance monitoring
<b>Description:</b>	There is an opportunity to improve the reporting requirements on agencies of their contract performance.
<b>Current State:</b>	There is minimal requirement to report on the performance of contracts to the system lead or publicly. The closest comparator would be the SSCF, but this is a high level snapshot of how an agency views a contract. A risk here is what will be done with the information, it cant go in to a black hole.
<b>Desired future state / Impact:</b>	The performance of suppliers (and key contracts) is open and transparent across the system and public, leading to a desire from agencies and the market to drive improvement (sunlight is the best disinfectant).

s 9(2)(g)(i)



<b>Title:</b>	Post award review powers
<b>Description:</b>	There is an opportunity to provide the System Leader with the authority to review contracts after they have been awarded in order to learn from, as well as assess whether they are meeting their objectives.
<b>Current State:</b>	There are no post award review powers held by the system leader, but the OAG has a right to review.
<b>Desired future state / Impact:</b>	This is about learning as well as proving objectives are being met. It encourages agencies to share and learn from each other (collaboration) as well as an ability to show where improvements to contracts could be made for agencies.

s 9(2)(g)(i)



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Official Information Act 1982







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# Focus Area 3: Secondary Procurement and Panel Management

This focus area will look at whether the current rules around secondary procurement enable the effective use of panel contracts and whether greater rule based intervention is required for the management of panel contracts

NOTE: Aligns with 'post award'

# Overview

This focus area will look at how the Rules support the effective use of panel contract (framework agreements) through the secondary procurement methodology and the management of panels. It will cover:

- Panel management – looking at responsibilities of contract owners.
- Secondary procurement – looking at obligations on contract owners and participants in relation to the secondary processes.
- NGCC – ensuring the next generation of collaborative contracts are enabled through the rules



<b>Title:</b>	Panel Management (management of framework agreements)
<b>Description:</b>	There is an opportunity to set some policies / standards in the Rules for those agencies who manage framework agreements / panel contracts to ensure a good outcomes are delivered.
<b>Current State:</b>	Currently there are minimal standards set on agencies who manage panel agreements.
<b>Desired future state / Impact:</b>	Obligations on owners of panel contracts are to be clearly articulated, this includes but is not limited to monitoring spend, utilisation / allocation of work to suppliers, panel supplier performance, achievement of objectives in order to ensure effective oversight and delivery is achieved.

s 9(2)(g)(i)



<b>Title:</b>	Secondary Procurement
<b>Description:</b>	An opportunity to review the current obligations on buyers through a secondary procurement process (including award notices)
<b>Current State:</b>	Current rules allow for panel owners to set the procedures for secondary procurement, and don't always require competition.
<b>Desired future state / Impact:</b>	Clear and updated rules on secondary procurement, including obligations around reporting the allocation of work <sup>s 9(2)(g)(i)</sup>

s 9(2)(g)(i)



<b>Title:</b>	Next generation collaborative contracting
<b>Description:</b>	This work would enable the NGCC work programme to be reflected in the rules.
<b>Current State:</b>	Current state reflects historical approach to collaborative contracts (AoG, open and closed syndication).
<b>Desired future state / Impact:</b>	If there is a change being sought through the PftF programme, then the rules should reflect these procedural changes, including the accountability / governance arrangements across them.

s 9(2)(g)(i)





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## Focus Area 4: Modern approaches to procurement

This focus area will look at embedding modern approaches to procurement in to the Government Procurement Rules and ensuring that the Rules enable the effective procurement procedures to be utilised.

# Overview

The procedures outlined in the procurement rules are generally focussed on more traditional approached to market, following an RFX structure (call and response) approach to market. In more recent years, there have been various types of approach to sourcing which although generally are considered compliant with the rules, sometimes require justification. Therefore, this section seeks to ensure that the Rules enable good practice modern approaches and clearly outline these potential procedures, such as:

- Rapid Approaches – such as procurement in a day (PIAD) and lean procurement
- Collaborative / commercial dialogue – clarifying the ability to engage and discuss options with potential providers



<b>Title:</b>	Rapid procurement approaches
<b>Description:</b>	Opportunity to look at the 'standard' procedures within the rules (set as open-competitive) to ensure agencies are able to run rapid processes.
<b>Current State:</b>	Current state is that the rules are often seen as a barrier to moving quickly, and can slow the procurement process down (note minimal timeframes set out in the rules).
<b>Desired future state / Impact:</b>	Agencies are able to see within the rules methods for procuring rapidly, be it Procurement in a Day or ensuring procurements are Lean in the way they make decisions. This will speed up approaches to market, enable procurement team to support their agencies in a more effective way (Enable not Block)

s 9(2)(g)(i)





<b>Title:</b>	Collaborating with the market in procurement
<b>Description:</b>	There is an opportunity ensure that the rules enable effective collaboration with the market and are not seen as blockers.
<b>Current State:</b>	Practitioners / agencies often see the rules as a putting probity at the forefront. This focus on probity often limits the ability (or is seen as limiting) to collaborate with the market, and blocks practice.
<b>Desired future state / Impact:</b>	Ability to ensure the rules reflect the ability to collaborate with the market effectively. Probity is important, but shouldn't be the driving force and prevent the ability to engage and talk effectively with the market. Collaborative dialogue is a method often used, but is currently in a grey area.

s 9(2)(g)(i)





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# Focus Area 5: Broader Outcomes

This focus area will look at whether the current scope and definition of the Broader Outcomes of Government Procurement reflect the current and future desired areas of focus, with a view to updating these rules / mechanisms.

# Overview

s 9(2)(g)(i)

This focus area will look at whether the current scope and definition of the Broader Outcomes of Government Procurement reflect the current and future desired areas of focus, with a view to updating these rules / mechanisms to expand or refine the policies.

This should include both the structure of the rules, and the designated contract areas.

It will include a review of the following subjects to test whether they currently meet the desired policy and practice outcomes:

- Supplier diversity (Rule 17 – Increasing access for NZ business)
- Skills and training (in construction) (Rule 18 – Construction skills and training)
- Job creation (Rule 18A – Quality employment outcomes)
- Worker exploitation / modern slavery (Rule 19 – improving conditions for NZ workers)
- Carbon neutral / waste minimisation (Rule 20 – transition to net zero)
- Other broader outcome settings (those which aren't currently reflected in the rules)



<b>Title:</b>	Supplier Diversity
<b>Description:</b>	Opportunity to ensure current intentions and practices around supplier diversity is reflected in the rules above and beyond “increasing access”
<b>Current State:</b>	The current rule (Rule 17) focusses on ‘increasing access’ and removing barriers, it was a good first step but falls short of some of the current intentions. Current designated area for application is limited to ICT contracts.
<b>Desired future state / Impact:</b>	Supplier diversity is fully enabled in the rules, allowing agencies to proactively use techniques to increase diversity, and allows for future growth / adaptation of the policy area. s 9(2)(g)(i)

s 9(2)(g)(i)



<b>Title:</b>	Skills and training (in Construction)
<b>Description:</b>	An opportunity to refresh or expand this rule, potentially beyond construction.
<b>Current State:</b>	Current rules focusses on construction.
<b>Desired future state / Impact:</b>	§ 9(2)(g)(i)

§ 9(2)(g)(i)



<b>Title:</b>	Job creation in NZ through government procurement
<b>Description:</b>	
<b>Current State:</b>	[Currently no designated contract area <sup>s 9(2)(g)(i)</sup> ]
<b>Desired future state / Impact:</b>	

s 9(2)(g)(i)



<b>Title:</b>	Worker rights
<b>Description:</b>	Opportunity to incorporate modern slavery requirements (or desires?)
<b>Current State:</b>	
<b>Desired future state / Impact:</b>	s 9(2)(g)(i)
s 9(2)(g)(i)	



**Title:** Waste minimisation / Carbon Neutral

**Description:**

**Current State:**

**Desired future state / Impact:**

s 9(2)(g)(i)

s 9(2)(g)(i)





<b>Title:</b>	Other broader outcomes
<b>Description:</b>	TBC
<b>Current State:</b>	
<b>Desired future state / Impact:</b>	

s 9(2)(g)(i)

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## Focus Area 6: System Leadership

This focus area will look at the changes from functional to system leadership and whether the change in policy setting needs to be reflected within the Government Procurement Rules.

# Overview

This focus area....

- Policy settings – this will look at the policy setting of the rules, compared with other potential policy tools such as ‘Government Procurement Policy Notes’ or ‘Government Procurement Guidance Notes’, issued by the System Leader and how they could align operationally and policy wise. (i.e. the ability to issue a policy on an operational matter such as risk transfer from client to supplier, use of certain providers over time, limitations of liability, contract forms, supplier type targets etc.)
- Reporting & transparency (system performance) - will look at the reporting rules and review whether they are fit for purpose to provide the system leader with the information required, and to incentivize performance of actors across the system.
- Compliance and incentives - This focus area will look at the compliance factors around the Government Procurement Rules and whether greater definition of how compliance will be ensured across the system is required.
- Complaints....
- System Leadership Powers
- Sector leadership model



<b>Title:</b>	Policy Settings
<b>Description:</b>	This will look at the policy setting of the rules, compared with other potential policy tools such as 'Government Procurement Policy Notes' or 'Government Procurement Guidance Notes', issued by the System Leader and how they could align operationally and policy wise. (i.e. the ability to issue a policy on an operational matter such as risk transfer from client to supplier, use of certain providers over time, limitations of liability, contract forms, supplier type targets etc.)
<b>Current State:</b>	The rules are the overarching policy setting document, with various other mechanisms used to guide agency behaviour, however this framework is not as clearly articulated as other jurisdictions and is often confused by agencies. (Note other jurisdictions have legislation and policy, vs NZ with is grades of policy)
<b>Desired future state / Impact:</b>	Clear articulation of policy tools in the Government Procurement Environment.

s 9(2)(g)(i)

<b>Title:</b>	Reporting and Transparency
<b>Description:</b>	This will look at the reporting rules and review whether they are fit for purpose to provide the system leader with the information required, and to incentivize performance of actors across the system.
<b>Current State:</b>	There are various reporting requirements in the Rules which provide some piecemeal information across the system
<b>Desired future state / Impact:</b>	Information requirements are clear and easy to comply with, and also demonstrate why they are required. In addition, the rules will enable the proper and effective use of data for the range of needs it will be collected for.

s 9(2)(g)(i)



<b>Title:</b>	Compliance and incentivisation
<b>Description:</b>	There is an opportunity to address the consequences for non-compliance with the rule and seek to incentivise agency adherence and compliance to the rules across the board.
<b>Current State:</b>	There are minimal consequences built in to the rules for non-compliance, generally the power comes from a 'name and shame' type approach which is not often used.
<b>Desired future state / Impact:</b>	The ability to demonstrate to Ministers and the public that the rules are complied with and are achieving the objectives set. It should also be that compliance with the rules is a carrot not a stick, ie that complying is seen as the best practice, not something that just has to be done.

s 9(2)(g)(i)



<b>Title:</b>	System leader powers
<b>Description:</b>	The change to system leadership from functional leadership brings about the opportunity for more policy settings / interventions to be adopted, as well as required some areas to be reflected in the Rules.
<b>Current State:</b>	Current state rules reflect functional leadership, not system leadership. Minimal powers of intervention for the functional lead (12a in times of crisis?).
<b>Desired future state / Impact:</b>	System leadership is defined and built in to the Rules. Appropriate interventions are outlined with detailed mechanisms for applying these interventions, these may include step-in, additional reporting, governance requirements, public reporting etc.

s 9(2)(g)(i)



<b>Title:</b>	Sector leadership (powers?)
<b>Description:</b>	The inclusion of sector leadership as a governance concept should be included in the next iteration of the rules.
<b>Current State:</b>	The current rules are a “one-size-fits-all” approach, regardless of sector (other than the construction sector rule 64, and some designated areas under the broader outcomes rules). This often means some markets feel the rules do not, or cannot be, applied.
<b>Desired future state / Impact:</b>	Each sector can clearly see their markets applied within the rules, i.e. the social sector mechanisms and procedures should be applied. Furthermore the governance models for sector leadership should be incorporated to ensure there is the mandate to enact change (similar to rule 64)

s 9(2)(g)(i)







NEW ZEALAND  
GOVERNMENT PROCUREMENT

# Focus Area 7: Presenting the rules

How the rules are presented, displayed and structured, will be in consideration of this review.

# Overview

This focus area...

TBC?

[DISCUSS AS A GROUP]

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s 9(2)(g)(i)

# Engaging with the System

Engaging with the system is critical to the success of the Rules Review Project.

# Overview

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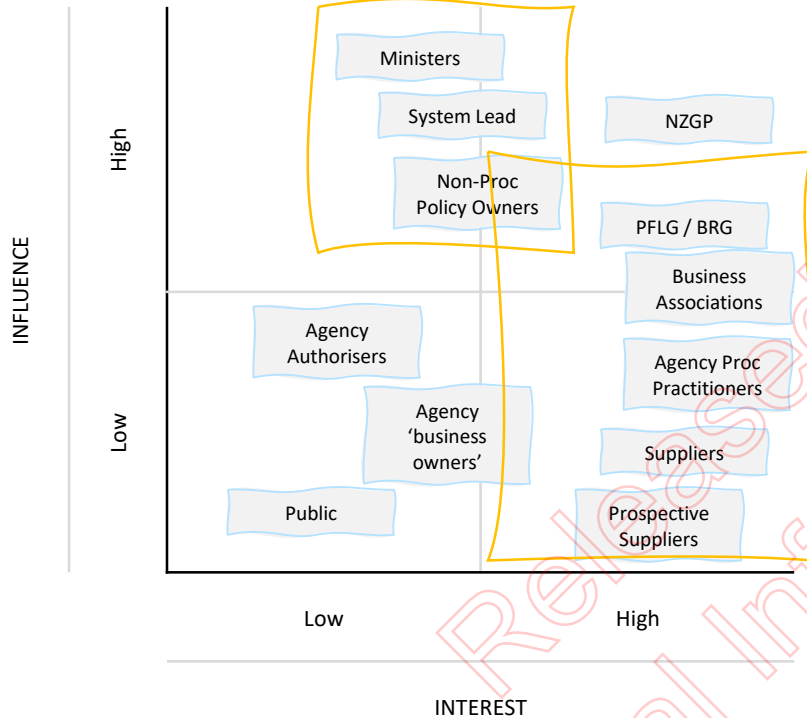
# Overall engagement process

#	Activity	Description
1	NZGP led assessment of current state	NZGP to lead an assessment of the current state of the rules, meaning, seeking indicative feedback on areas for improvement / change.
2	Engagement with 'the system' on concept changes	NZGP to seek input and engagement from the wider government procurement system to identify and develop changes. This will also be an opportunity to educate the system on the background / purpose of the rules (i.e. myth busting) and better inform NZGP on how the rules are practically utilised.
3	Development of concepts in to 'draft changes'	NZGP to hold the pen, with support from the government procurement system, to develop the concepts and findings from the engagement in to draft rules / rule changes.
4	Testing concepts with the system and refining	NZGP to engage with the government procurement system to test and further contribute to the development of the changes, with a view to refining these changes towards a final version.
5	Finalise changes	NZGP to finalise the changes and build in to the new structure / format, then seek approval on the changes.



Critical

# Stakeholders



In terms of influence over the direction and approvals of the Government Procurement Rules, the power generally lies with the System Leader and the Ministers, with some decision right being delegated to an operational level to NZGP. Given competing priorities, these senior level decision makers are likely to have a medium level interest.

In terms of high level interest however, agencies and suppliers will be very keen to engage and share views at multiple opportunities. In addition, NZGP as the 'writers' should utilise this interest to extract insight and test ideas / definition.

This creates a challenge in terms of how to engage with stakeholders, and a range of techniques will be required to get the best outcomes.

For ease, this can be considered as two main stakeholder groups – 'users' and 'approvers'. The approvers group should be engaged with to gain buy in and keep on the journey, as well as seek direction.

The 'users' groups (although not all users as such) should be engaged with to gather insight from in terms of good practice and need, to gain buy in from for any changes, and to educate on the purpose of the rules moving forward.

# Tools and Methods of engagement

#	Tool / Method	Description	Critical Success Factors
1	Web-based engagement	Create the ability to share information broadly, and seek direct feedback / input via email or submission. This poses a general risk of a free-for-all approach, but does create a broad base to seek information from. This may generate a large / overload of information on areas which NZGP are not seeking to change. Benefit of this is that buyers and suppliers and others can contribute.	<ul style="list-style-type: none"> <li>• Clear definitions of what is sought.</li> <li>• Resources to decipher, categorise, and follow up.</li> </ul>
2	Hikina forum / Community of Practice	Utilise Hikina as a platform for engaging with the procurement community in an open manner, where thoughts can be progressed / discussed. There is a 'social media' type risk here, but also a risk of closing the pool of those being engaged with if utilising Hikina (i.e. Only agency procurerers). A benefit however of passing traffic through that system.	<ul style="list-style-type: none"> <li>• Moderation of the platform.</li> <li>• Clarity on discussion requests.</li> <li>• Resources to sift and generate action.</li> </ul>
3	'Town-Hall' engagement	Use a set of town hall briefings to describe desired area of change and seek questions / feedback. Could develop in to workshops, noting that this messaging will primarily be one-way. Beneficial for educating, but risk of being seen to not listen / hear feedback.	<ul style="list-style-type: none"> <li>• Effective communicators with the mechanism to capture feedback, disseminate and action.</li> </ul>
4	COLAB / Workshops	Utilise the COLAB tool (open space facilitation methodology) to engage and workshop change concepts across the system. Wide range of participants. Suggestion of a minimum of three session, with circa 6-8 topics for discussion.	<ul style="list-style-type: none"> <li>• Effective and informed facilitators to get insight from discussions.</li> </ul>
5	Advisory groups (PFLG / CoP / BRG)	Utilise the forums in place to engage and discuss. Limited segment of 'the system' but should be able to represent a broader fora.	<ul style="list-style-type: none"> <li>• Openness to discuss, capture and action feedback.</li> </ul>
6	Specialised teams / Individual engagements	Engagement with specific groups, teams formed specifically for this purpose, or specialist individuals on detailed matters, which require greater input.	<ul style="list-style-type: none"> <li>• Identification and facilitation of the right resources.</li> </ul>