

Purpose:

1. This policy sets out the expectations on any person acting on behalf of the Department of Corrections | Ara Poutama Aotearoa ('Department') when planning for, sourcing, working relationally to achieve outcomes, commissioning and/or managing the needs of the Department through acquisition of goods or services from a third-party supplier.

Scope:

2. This policy covers all Procurement activities of the Department.
3. For the avoidance of doubt, out of scope of this policy are:
 - a) Employing staff (excluding the engagement of contractors and consultants)
 - b) Disposals and sales by tender
 - c) Investments, loans and guarantees
 - d) Gifts, donations, koha and any form of unconditional grant
 - e) Statutory appointments
 - f) Ministerial appointments
 - g) Core Crown legal matters (refer to relevant Cabinet Office Circulars)
 - h) Public prosecutions as defined in section 5 of the Criminal Procedure Act 2011.
 - i) Government inter-agency purchases

Policy Statements

4. When conducting Procurement activity for the Department, we align with Corrections' Hōkai Rangi strategy and we keep our values front of mind: Manaaki, Whānau, Kaitiaki, Rangatira and Wairua.
5. The way we procure goods and services will depend on the value (including Public Value and Whole of Life Costs), complexity and risk involved. The Procurement Thresholds Table (Appendix 1) sets the general procurement approach unless your Procurement Business Partner or the Legal Services Unit (e.g. in application of the thresholds) advises differently.
6. As a mandated agency under the Government Procurement Rules, the Department applies the six [Principles of Government Procurement](#) to all Procurement activities, regardless of whether the Government Procurement Rules apply or not. These principles are:
 - a) Plan and manage for great results
 - b) Be proportionate and right-size the procurement
 - c) Be fair to all suppliers
 - d) Get the right supplier
 - e) Get the best deal for everyone
 - f) Play by the rules.
7. The Department must apply the Government Procurement Rules (GPR) when conducting Procurement activities and applies this policy when the GPR do not apply. The Department applies the Government Procurement Charter when conducting procurement activities, even when the Government Procurement Rules do not apply. In summary the Charter asks us to:
 - a) Seek opportunities to include New Zealand businesses

- b) Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility
 - c) Look for new and innovative solutions
 - d) Engage with businesses with good employment practices
 - e) Promote inclusive economic development within New Zealand
 - f) Manage risk appropriately
 - g) Encourage collaboration for collective impact.
8. The Department is committed to delivering Economic Benefits for New Zealand, meaning positive cultural, environmental, social and economic outcomes generated through its Procurement activities, including better use of local resources, support for New Zealand businesses and contributions to broader community wellbeing.
The Department is equally committed to upholding Government policy aimed at increasing the diversity of government suppliers and taking an intentional, outcomes-focused approach to public spend to achieve wider economic and social benefits for New Zealand.
9. Broader economic and social outcomes and any other Government policy as mentioned above must be considered when planning any procurement and must be included in tender documentation and selection criteria where possible to encourage a positive, sustainable impact from our procurements.
10. In case of a procurement due to a genuine emergency, special consideration needs to be given to the way we purchase our requirements. In this context an emergency is a sudden, unforeseen event, which can result in injury, loss of life or critical damage to property or infrastructure. In an emergency paragraph 13.d) of this policy about record keeping and paragraph 11 about Conflict of Interest management still apply. A lack of advance planning does not constitute a genuine emergency. The Procurement Business Partner will assist whenever necessary.
11. When undertaking procurement activities for the Department relevant good practice guides issued by the Office of the Auditor General, Treasury, Te Kawa Mataaho | Public Service Commission and Ministry of Business Innovation and Employment (MBIE) will be reflected in any approach taken.
12. Everyone involved, or expected to be involved, in Procurement activity must provide conflict of interest and confidentiality declarations or acknowledgements from the outset of the procurement activity, and update these regularly.

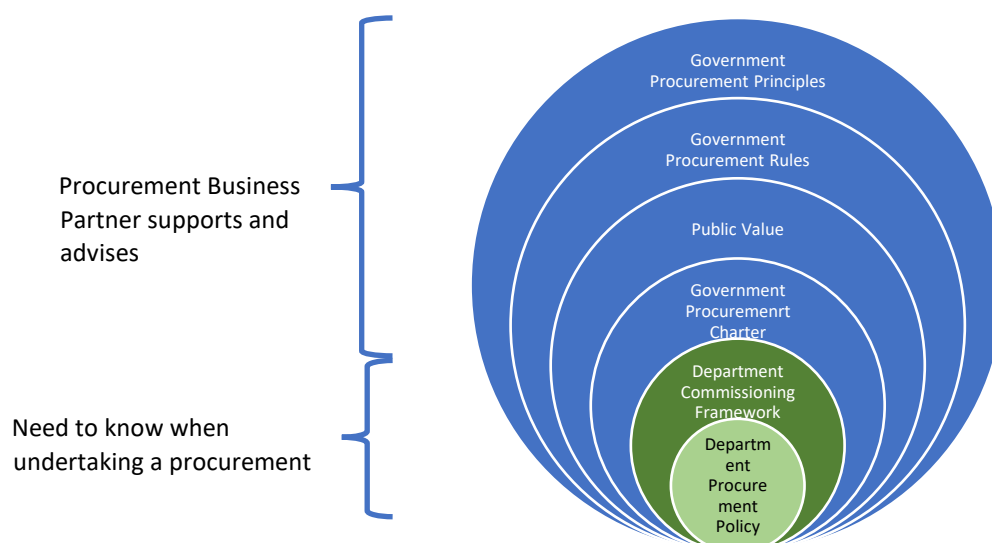


Figure 1: relationship between the Principles, Rules, Charter, Policies etc.

13. Failure to comply with this policy may be considered a breach of the Code of Conduct or a breach of your employment agreement and could result in disciplinary action including termination of

employment for serious misconduct. Managers are responsible for ensuring that all staff reporting directly to them are aware of this policy, including reporting and, subject to a Senior Manager's direction, investigating any known or suspected breach or alleged misconduct.

General Responsibilities

Director Procurement:

- a) Has sole discretion to approve deviations from this policy through a documented tender exemption process. This authorisation may be subject to special conditions.
- b) Is accountable for providing formal systems, tools, templates, guides, training, and other relevant material to support good procurement practice in the Department.

Business Owners:

- c) Are required, when they are conducting Procurement activities, to seek advice from appropriately experienced subject matter experts in the following areas (note this list is not intended to be exhaustive): Procurement, Commissioning, Legal, Finance, Custodial, Health, ICT, IT Security, Privacy, Safety & Wellbeing, Te Tiriti, etc.
- d) Are responsible for ensuring robust and contestable records are kept, appropriately classified, for at least 3 years from the date the contract was signed, in the ICT systems designated for these purposes (noting that there may be additional obligations in the Public Records Act 2005). The records must document the procurement process, all decisions, the contract awarded and include all recommendations and reports.

Delegated Financial Authority (DFA) Holder:

- e) Of the procurement is responsible to ensure they have sufficient confidence that due process has been followed, that the supplier is able to deliver the goods or services and that the purchase will deliver Public Value.

Policy detail

- 14. The government is committed to sustainable and inclusive government procurement that delivers for New Zealand and New Zealanders. For this reason, the Department strives for constructive relationships with all suppliers and will require them to act in line with the Supplier Code of Conduct.

Planning:

- 15. National Procurement is an enabler to the business, supporting the business to achieve their needs by providing early and ongoing advice and expertise to help get the best outcomes from suppliers to address business needs. This includes supporting the business to navigate the often-complex public sector procurement environment when spending public money and demonstrating public value expectations.
- 16. Engaging early with the Procurement Business Partner is required, especially where the whole of life cost (WOLC) of a procurement is likely to be \$100,000 or over (excluding GST) or the WOLC is unknown.
- 17. Business Owners must ensure appropriate funding is available before detailed pricing or formal responses from the market or a supplier are requested. Note that budget estimates and market information can be sought, prior to obtaining budget/funding approvals.
- 18. Everyone must use the Department's existing contract templates, including All of Government, Common Capability and Syndicated agreements that we have signed up to, unless otherwise agreed with National Procurement or as advised by the Legal Services Unit.

19. Approval from the Director Procurement must be obtained prior to joining any collaborative contract, AoG arrangement, Syndicated arrangement, Cloud Framework Agreement, Marketplace agreement or other cross-government arrangement or offering, that the Department is not currently signed up to.
20. The DFA holder is accountable for timely engagement with the Procurement Business Partner / Legal Services Unit in the case of variation, renewal, expiry, transition, novation, or termination of existing arrangements or contract issues.

Sourcing:

21. Documentation must be consistent with National Procurement guidance, either published or provided directly, before formally engaging the market.
22. National Procurement will support the market engagement process for requirements with a WOLC of \$100,000 or over (excluding GST).
23. For processes where the WOLC is less than \$100K, the market engagement process will follow the procurement guidance, either published or provided directly. In case of doubt about the correct process, please contact your Procurement Business Partner.
24. There may be instances where the Department is exempt from the requirement to openly advertise a contract opportunity. If that is the case, the rationale for the exemption from open advertising must be documented, must comply with any other applicable Government Procurement Rules requirements and must be approved through the use of a Tender Exemption Request (TER).
25. Final Award notifications (for all procurement activity of \$100,000 or over (excluding GST)) must be completed on the Government Electronic Tendering System (GETS)¹.
26. Debriefing respondents is best practice for every procurement process and is mandatory if the supplier asks for it. Any debriefing must be carried out in compliance with the Government Procurement Rules.

Contract management:

27. All contracts must have a contract management plan that is right sized based on the contract's value, complexity, risk, and duration.
28. All contracts, including Significant Service Contracts, must be assessed against the Department's Strategic Supplier Relationship Management Framework (SSRM) and managed accordingly.
29. The DFA holder is accountable for managing their contracts and suppliers. This includes ensuring that all relevant stakeholders are involved and updated on any changes and specific requirements of the contracts during its life e.g., operational delivery, risk management and monitoring performance.

¹ For exceptions see guidance on Tātou

Definitions

Term	Definition
All of Government contracts (AoG)	Contracts that have been established by New Zealand Government Procurement for use by government agencies and that are mandatory for the Department to use for purchasing certain goods or services.
Broader Outcomes	Secondary benefits that are generated from the sourcing and contract management activity. Broader Outcomes can be environmental, social, economic, or cultural benefits.
Business Owner	The person responsible for meeting the requirements, benefits and outcomes of the Procurement activity.
Commissioning	A set of interrelated activities, including but not limited to planning, engagement, funding, procurement, monitoring and evaluation, that need to be undertaken through third-party providers, to ensure people, whānau and communities who need support get the support they need.
Commissioning Framework	This Commissioning Framework provides the Department with an approach that is partnership led and principles based, strategically aligned, equity and culturally centred, and outcomes focused.
Delegated Financial Authority (DFA)	Is the delegation of responsibility and authority from the Chief Executive to Department staff. All purchases, purchasing and procurement activities are to be compliant with the Financial Delegation Policy and Authorities for the Department.
Economic Benefits	Economic Benefits, as defined in the New Zealand Government Procurement Rules, are the positive impacts a procurement activity or resulting contract delivers to New Zealand's overall economic wellbeing, including better use of local resources, support for New Zealand businesses, creation of jobs or training opportunities, development of industry capability, encouragement of innovation, and contribution to social, cultural, environmental and export outcomes, all of which form part of the public value assessment under Rule 8...
Government Model Contract (GMC)	MBIE has issued Government model contract templates and updated the guidance for users. These contract templates continue to offer a standard, simple, plain English set of conditions for common goods and services. They are for low value, low risk contracts. The contract templates save effort, improve consistency and reduce legal costs for government and contracting partners.
Government Procurement Rules (GPR)	The Department must follow the Government Procurement Rules. The Government Procurement Rules help to support good market engagement, which leads to better outcomes for agencies, suppliers and New Zealand taxpayers. A key focus of the Rules is the importance of open competition – giving all businesses the chance to participate and giving them enough time to respond to opportunities properly.
Legal Services Unit	The Legal Services Unit (LSU) is responsible for the delivery of timely and effective independent legal advice and the appropriate management of litigation.
Procurement	All aspects of acquiring, delivering and managing goods, services and works and their outcomes. 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.

Term	Definition
Public Value	Public value means the best available result for New Zealand for the money spent. It includes using resources effectively, economically, and responsibly, and taking into account: - the procurement's contribution to the results you are trying to achieve, including any Broader Outcomes you are trying to achieve, and - the total costs and benefits of a procurement (total cost of ownership). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value.
Significant Service Contract	Significant Service contracts provide services that are critically important to the delivery of the business objectives of the Department.
Strategic Supplier Relationship Management Framework (SSRM)	SSRM is the strategic, systematic approach to evaluating suppliers of goods and services to the Department, to determine the type of working relationship that we should form with our suppliers, determining each supplier's contribution to success and developing strategies to improve their performance and ours.
Supplier Code of Conduct	The NZ Government Procurement Supplier Code of Conduct outlines the expectations on suppliers providing goods and services to the government.
Syndicated contract	A type of collaborative contract that has been approved by the Procurement Functional Leader. Syndicated contracts typically involve a group of agencies aggregating their needs and collectively going to market for common goods, services or works.
Whole of life cost (WOLC)	A way of estimating total maximum estimated value, taking into account the initial purchase price, and any renewals, extensions, upgrades, licensing, later stages, decommissioning or disposal costs.

Related Departmental Policies and other information

30. In addition to documents referenced throughout this policy, the following documents and policies (which are non-exhaustive) apply to this policy, and this policy shall (as far as reasonably practicable) be interpreted consistently with them. If in doubt, please consult your Procurement Business Partner.

- [Conflict of Interest Guidance](#)
- [Engaging External Contractors & Consultants Policy](#)
- [Enterprise Risk Management Policy](#)
- [Financial Delegations Policy](#)
- [Health & Safety Policy](#)
- [Information Gathering Policy](#)
- [Privacy and Security policy](#)
- [Procurement Guidance](#)
- [Spending My Budget](#)
- [Property, Plant and Equipment \(Fixed Assets\) Policy](#)
- [Purchasing Card and Staff Expense Reimbursement Policy](#)
- [Sensitive Expenditure Policy](#)
- [Standards of Integrity and Conduct \(Te Kawa Mataaho\)](#)
- [Travel Policy](#)

Document information

Responsible DCE	Alica Sciascia, DCE SCS
Owner	Tod Cooper, Director Procurement
Last approved	May 2026
Review period	Every second year

Revision History

Version, Date	Brief description of amendment
v1.035 September 2026	Fixed the links to policies and guidance
v1.03 July 2026	Updated paragraph formatting and spacing for readability
v1.02, June 2026	Updated of the Policy to reflect the new Government Procurement Rules 5th edition. Specifically, six principles, removal of Broader Outcomes, mandatory Contract Management Plan and introduction of Rule 8 Economic Benefits
v1.01, February 2025	In paragraph 11 and 12, replacement of references to the Progressive Procurement Policy to any government policy that seeks to enhance supplier diversity.
v1.0, September 2023	Full review of the Policy, including removing detailed guidance, using plain English, making it simple & easy to understand. Includes recommendations from various audits, such as on Broader Outcomes and progressive procurement; includes commissioning; includes clarity on GPR valid exemptions and possible consequences of non-compliance with policy.

Appendix 1 – The Procurement Thresholds Table

Threshold (WOLC)	< \$5,000	\$5K to \$25K	\$25K - \$50K	\$50K-\$100K	>\$100K
Procurement Plan	No	No	No	Only if considered high risk	Yes
Process	No	Procurement Risk Assessment	Minimum 2 written quotes	Minimum 3 written quotes	Open tender via GETS
Selection Type	No	No	No	Only if considered high risk	Recommendation to Select
Contract Type (see note 1)	Purchase Order Ts&Cs	Purchase Order Ts&Cs	GMC Lite, GMC Goods, GMC Services, Goods and Services Contract, or Outcome Agreement	GMC Goods, GMC Services, Goods and Services Contract or Outcome Agreement	GMC Goods, GMC Services, Goods and Services Contract or Outcome Agreement
Legal Review & Budget approval	Generally No (but see note 2)	Generally No (but see note 2)	Generally No (but see note 2)	Legal Review if considered high risk (but see note 2)	Yes
Commercial Clearance Certificate required	No	No	Yes	Yes	Yes

Note 1: Contract type will be a case-by-case consideration. The position above reflects the usual position, when a Departmental template will be suitable in most cases. On occasion, a different contract type will be required e.g., bespoke contract in higher value / risk purchases or an all of government contract type might apply. On rare occasions, a supplier template might be required e.g. IT services. Always seek early advice from the Legal Services Unit and National Procurement.

Note 2: Legal review **will be** required, regardless of value, if:

- a supplier wants changes to the terms and conditions of our standard contracts (including purchase order T&Cs); or
- a supplier wants to use their own T&Cs.

In any case, legal review is always available upon request.