



Internal policy on procurement	
<b>Approved:</b>	26/03/2026
<b>Review by:</b>	26/03/2028
<b>Approved by:</b>	Organisational Health Committee
<b>Owner:</b>	General Manager, National Settings

## Purpose

The purpose of the procurement policy is to outline the approach that the Ministry of Housing and Urban Development (HUD) will take to planning, sourcing and managing procurement.

## Scope

The procurement policy must be followed by all our temporary and permanent employees, consultants and contractors.

Any departure from this approach must first be approved/endorsed by the Manager, Portfolio Investment.

This policy applies to all procurement (departmental and non-departmental funding) activity except for the following:

- Employing staff (excluding the engagement of contractors and consultants)
- Gifts, donations and any form of unconditional grants
- Statutory appointments
- Ministerial appointments
- Core Crown legal matters
- Public prosecutions as defined in section 5 of the Criminal Procedure Act 2011
- goods, services or refurbishment works that are purchased for commercial resale
- Disposals at the end of the useful life of an asset, including sale by tender

## Help

For more information on HUD's procurement, please contact the Procurement Team on [procurement@hud.govt.nz](mailto:procurement@hud.govt.nz).

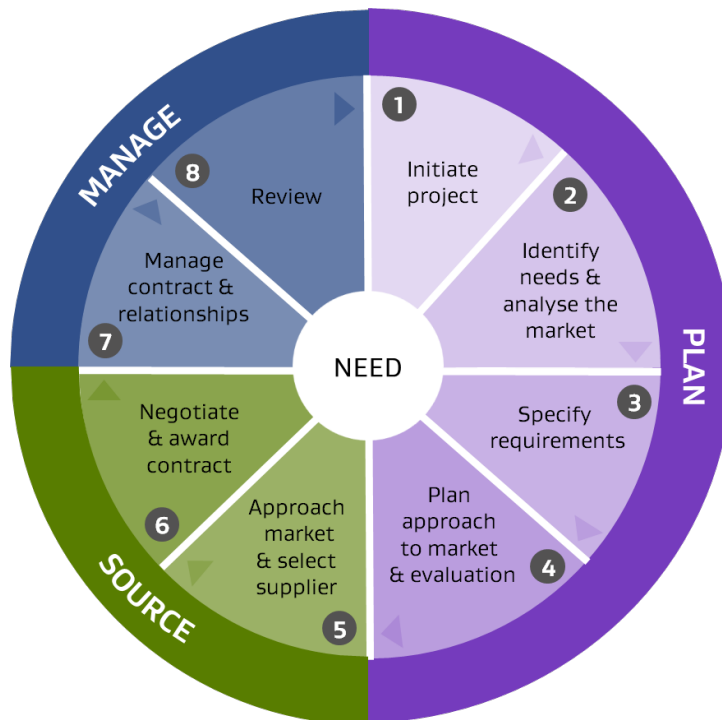
## Our Procurement

Effective procurement helps us deliver more projects on time and within budget. It means less cost of doing business for all involved and reduces our exposure to commercial risk. Effective procurement can improve productivity and support supplier innovation.

This policy provides a structure for how HUD procures goods and services and manages ongoing contracts. It reflects government guidance and the standards required by legislation, regulations and standards and follows the procurement life cycle.

Procurement covers all the processes around buying the goods, services, and works we use to run our organisation and deliver our public service objectives. It follows a cycle of:

- applying any lessons learned from the review of past procurements
- identifying our needs
- planning the best way to meet our needs
- sourcing the goods, services, or works
- managing the resulting contract, and
- after completion, reviewing the whole procurement for more lessons learned, before the cycle starts again.



Thriving communities where everyone has a place to call home is the purpose of HUD. This means that we:

- focus not solely on housing, but also on communities where people can live, work and play
- seek to achieve outcomes for everyone living in New Zealand, and recognise that everyone needs and deserves a home
- support iwi and Māori to find and keep safe, secure, healthy and affordable housing through our MAIHI Māori Housing Strategy
- recognise that a home is not just a house – it is a place that is suitable, stable, and secure. It provides a foundation for people to pursue their aspirations.

To support this, HUD is committed to an appropriate procurement policy, best practice guidelines and processes, to ensure fair, transparent, and efficient procurement practices.

### Key accountabilities and responsibilities

Role	Description of responsibility
<b>Chief executive</b>	<ul style="list-style-type: none"> <li>• Ensure procurement practices are open, fair, transparent and adhere to the Government Procurement Rules</li> </ul>
<b>Deputy chief executives</b>	<ul style="list-style-type: none"> <li>• Provide leadership to embed this policy within their business group</li> <li>• Identify and communicate procurement risks and obligations within their business group</li> <li>• Provide assurance to the Chief Executive that their business group is compliant within this policy and that any matters of noncompliance have been dealt with appropriately</li> </ul>
<b>Organisational Health Committee</b>	<ul style="list-style-type: none"> <li>• The Organisational Health Committee is responsible for approving this policy.</li> <li>• Receiving procurement reporting on active and future procurement initiatives</li> </ul>
<b>General Manager, National Settings</b>	<ul style="list-style-type: none"> <li>• Is the owner of this policy</li> <li>• Ensure this policy is working effectively through regular monitoring and reporting on compliance</li> <li>• Provide advice and support to business groups relating to this policy, including any breach management / mitigation activities as required</li> <li>• Ensure this policy is reviewed and updated by the agreed review date</li> </ul>

<p><b>Manager Portfolio Investment</b></p>	<ul style="list-style-type: none"> <li>• Ensure conformance to standards of good governance and accountability regarding procurement.</li> <li>• Provision of assurance that procurement activities are compliant with policy and the Government Procurement Rules.</li> <li>• When required, the manager may engage Governance to provide additional risk and assurance on activities and will provide independent and continuing assurance that our internal control systems are adequate and effective.</li> </ul>
<p><b>Procurement Team</b></p>	<ul style="list-style-type: none"> <li>• Provide procurement support and advice across HUD</li> <li>• Assist business areas with planning and sourcing activities</li> <li>• Offer guidance on policies, processes, and commercial matters</li> <li>• Support supplier and contract management activities</li> </ul>
<p><b>Financially Delegated Managers</b></p>	<ul style="list-style-type: none"> <li>• Implementation of the Rules, documenting decisions, and ensuring market engagement and contract management are proportionate to value, risk, and complexity</li> <li>• Ensure they, their staff, and all people working in their team, are familiar with the policy and the use of the associated standards and guidelines</li> <li>• Ensure that they, and their staff, apply the procurement principles and procedures when procuring goods or services in the course of their duties</li> </ul>
<p><b>All staff</b></p>	<ul style="list-style-type: none"> <li>• Comply with this policy and procedures as applicable to their role</li> <li>• Obtain support and advice early in the process from the Procurement Team and appropriate subject matter experts relevant to the activity, its value and associated risks</li> <li>• Consult with the Digital team when sourcing ICT products and services</li> <li>• Consult with the Legal Team in relation to any legal engagements or contracts that are otherwise high risk</li> <li>• Maintain accurate records, complete required training and follow approved procedures</li> <li>• Ensure they understand the responsibilities that this policy and its associated standards and guidelines place upon them</li> <li>• Apply the procurement principles and procedures when procuring goods or services in the course of their duties</li> <li>• Utilise existing commercial arrangements/all-of-government contracts to procure goods and services.</li> </ul>

*Assurance and continuous improvement.*

HUD will monitor compliance, address any non-compliance promptly, and support audits or reviews by oversight bodies. HUD will review this policy statement every two years or earlier if the Ministry of Business, Innovation, and Employment (MBIE) updates the Government Procurement Rules or guidance.

## **Related policies, procedures, legislation and documents**

### *Related HUD Policies*

- [Departmental financial delegations](#)
- [Non-departmental financial delegations](#)
- [Conflict of interest](#)
- [Sensitive expenditure](#)
- [Purchasing card](#)
- [Code of Conduct](#)
- [Manage recruitment, extension, status, status change or exit of contingent workers](#)

### *Related Legislation or standards*

- Commerce Act 1986
- [Government Procurement Rules.](#)
- Health and Safety at Work Act 2015
- Official Information Act 1982
- [Principles of Government Procurement.](#)
- Privacy Act 2020
- Public Finance Act 1989
- Public Records Act 2005

## **How we work**

We will apply the Principles of Government Procurement and Government Procurement Rules when planning, sourcing and managing our procurement, as these set the standard for good practice (including financial thresholds and procedures for advertising procurement opportunities).

The way we buy goods, services, and/or works will vary depending on the value, complexity and risk involved. We will apply the approach best suited to the individual purchase, within

the framework of the Principles and Rules – encouraging competitive tendering whenever possible.

### *Principles of Government Procurement and Government Procurement Rules*

The principles are:

1. Plan and manage for great results
2. Be proportionate and right-size the procurement
3. Be fair to all suppliers
4. Get the right supplier
5. Get the best deal for everyone
6. Play by the rules

The rules are available at [Government Procurement Rules | New Zealand Government Procurement](#).

### *Before we start*

The person or team requesting the procurement needs to provide a detailed scope of work with defined requirements. It should describe the required outcomes, rather than specifying any particular solutions. If a solution is defined too early, we could miss out on better, more effective options. The detailed scope of work will be used for writing procurement RFX documents.

### *Planning*

When planning procurement projects, we will:

- use processes proportionate to the value, risk and complexity involved in the contract
- make sure we have up-to-date knowledge about the market and the effect our procurement has on it
- publish future procurement opportunities and/or advance notices, to help increase access for New Zealand businesses
- involve suppliers early in the process, fairly and transparently, to explain our needs, learn about them and explore opportunities for new solutions before going to market. This helps us save costs to suppliers, if it turns out they are not well placed to bid, and can reduce risk of later complaints
- consider subcontracting opportunities in big projects, so small and medium enterprises can grow their business capability

- include requirements for how our procurement will integrate economic benefits to New Zealand
- write tender documents clearly, without unnecessary questions or jargon, to make it easier for New Zealand businesses to bid for our opportunities
- ensure we have a plan to appropriately manage the resulting contract given value, risk and complexity
- ensure we have financial approval aligned with HUD Financial Delegations Policies (Departmental or Non-Departmental) before going to market.

## **Sourcing**

When we buy goods/services/works, we will:

- purchase from government collaborative contracts, or HUD's existing supply contracts if they can meet our requirements
- give all suppliers a full and fair opportunity to compete – we will not discriminate on the basis of where suppliers come from or whether they have prior experience of working with government
- be open to involving New Zealand businesses as sub-contractors
- choose suppliers that have demonstrated their ability to meet our requirements and offer the best value-for-money over the lifetime of the goods/services/works, taking into account:
  - all the costs of ownership over that lifetime
  - suppliers' ability to deliver what we need at a fair price and on time
  - the economic benefits to New Zealand
- use approved government model templates as our default tender and contract documents
- have an approved purchase order/agreement in place before the supplier starts delivering goods/services/works – except when using a purchasing card
- keep MBIE and the public appropriately informed about contracts HUD has awarded to suppliers

For details on existing supplier arrangements at HUD, contact the Procurement Team via [procurement@hud.govt.nz](mailto:procurement@hud.govt.nz).

## *Managing the contract*

To get the best from our suppliers, we will:

- have a systematic approach for identifying and managing the contracts that we have

- set clear performance measures, including for the delivery of any economic benefits, then monitor and manage the contract against them
- encourage and recognise suppliers for delivering great results
- actively work with suppliers to make ongoing savings and improvements for both entities. This will help to avoid 'value erosion' and encourage suppliers to maintain innovation at the same pace over the life of the contract.

### *Meeting expectations*

To build effective relationships with suppliers, we will:

- treat them all fairly and with respect
- be consistent, transparent, fair and accountable in the way we work
- be clear about what we require and how we will assess them before going to market
- give sufficient response time for our requests
- protect their commercially sensitive information and intellectual property
- offer a debrief to unsuccessful bidders
- pay invoices within the timeframes set out in the Government Procurement Rules.

### [Rule 36: Prompt payment times](#)

### *Playing by the rules*

Our decisions and practices must be able to withstand public scrutiny at all times. Demonstrating high standards of probity is essential to public confidence in our public services. Throughout our procurement activities, we will:

- clearly record our planning, processes and decisions so they can easily be audited
- document and manage conflicts of interest, including perceived conflicts of interest
- identify risks and get the right person to manage them
- act lawfully, ethically and responsibly

### *Exemptions to policy*

There will be occasions where a justifiable reason exists to grant an exemption to HUD's policy and/or the Government Procurement Rules. In these instances:

- A Tender Exemption Request (TER) should be completed and endorsed by the relevant budget holder

- The TER must then be either endorsed (if you are seeking an exemption from the Government Procurement Rules) or approved (if you are seeking an exemption from the procurement policy) by the Manager, Portfolio Investment, prior to the engagement taking place
- All TERs that seek an exemption from the Government Procurement Rules will require Chief Executive approval and must be publicly awarded through the Government Electronic Tendering Service (GETS)

### *Thresholds*

For goods, services and refurbishment works, the Government Procurement Rules require procurements over \$100,000 to go to open tender. For construction works, the threshold is \$9 million. Below these thresholds you are expected to award procurements to New Zealand businesses that are capable and have capacity to deliver the contract, unless there is good reason not to. You should always consider public value. For procurements over these thresholds, Economic Benefits must carry a minimum 10% weighting (including opt-out procurement activity).

HUD's thresholds are listed in the Departmental Financial Delegations Policy and are outlined at Appendix A.

Note, in the event that a contract for services is required to be funded through Non-Departmental channels (e.g. property management services to support a development opportunity) the Departmental Financial Delegation thresholds will be used to determine the correct procurement approach and internal approval level (i.e. the Departmental thresholds will apply for approvals in relation to All of Government and non-All of Government contracts for services).

## **Emergencies**

You can't plan for everything you may need to procure in an emergency, but your policy can list the best practice actions you will still take, including documentation. For guidance on what to do at different levels of emergency, read the Guide to emergency procurement.

### [Guide to emergency procurement](#)

HUD recognises that in an emergency, we may need to depart from usual procurement processes in order to respond effectively. We will still follow best practices for emergency situations including:

- documenting our emergency procurements during the event, or as soon as possible afterwards
- acting within existing delegated authority, where possible
- if there is no existing delegated authority, and no time to obtain an approval, exercising good judgement and being prepared to provide a rationale for procurements

- if a procurement involves a major expense, obtaining verbal approval, at the very least, from an officer with sufficient delegated financial authority – followed up in writing – before making a commitment.

## **Appendixes**

Appendix A: Procurement Processes

Appendix B: Glossary of Terms

## Appendix A: Procurement Processes

HUD will conduct procurement in line with New Zealand's Government Procurement Rules. This means that:

- HUD will utilise All-of-Government contracts, or other collaborative arrangements, where these exist, for goods, services and works.
- Where no panel, or current arrangement, exists, all procurements over \$100,000 will be advertised openly on the Government Electronic Tender Service (GETS) unless a valid exemption or opt-out has been approved.
- Contract Award notices will be published via GETS for secondary procurement spend that exceeds \$100,000
- A set of procurement processes for different levels of expenditure is included below.

Value (based on Whole of Life Cost)	Process	Documents	Templates and guidance
<b>AoG Panels – to be sourced through Procure Connect</b>			
<b>0- \$100,000</b>	Three Quotes or Direct Source (if preferred supplier is known)	Consultancy Services Order (CSO) Talent Services Order (TSO) Design Services Order (DSO) Property Services Order (PSO) Legal Services Order (LSO)	<a href="#">Procurement templates</a>  Procure Connect must be used for all AoG engagements.
<b>\$100,000- \$250,000</b>	Three Quotes or Secondary Procurement (recommended)	CSO/TSO/PCO//DSO/LSO Procurement Plan Lite (competitive processes only)	
<b>\$250,000+</b>	Secondary Procurement Process	CSO/TSO/PCO/DSO/LSO Procurement Plan	
<b>Non-AoG</b>			
<b>0- \$25,000</b>	Direct Source using Terms & Conditions	Purchase Order with Terms & Conditions	Contact the Procurement Business Partner

	arrangement (subject to completion of Procurement Risk Assessment)	Procurement Risk Assessment	Must be delivered by AUS/NZ businesses
<b>\$25,000-\$100,000</b>	Three Quotes	RFQ	Contact the Procurement Business Partner Must be delivered by AUS/NZ businesses
<b>\$100,000-\$250,000</b>	Open Advertising using GETS Completion of a Procurement Plan Lite (dependent on risk)	RFx Procurement Plan/Procurement Plan Lite	Contact the Procurement Business Partner
<b>\$250,000+</b>	Open Advertising using GETS Completion of a Procurement Plan	RFx Procurement Plan	Contact the Procurement Business Partner

## Appendix B: Glossary of Terms

Term	Definition
<b>All-of-Government (AoG) arrangements /contracts</b>	A type of collaborative contract that has been approved by the Procurement Functional Leader (the Chief Executive of MBIE). AoGs are usually panel contracts established by MBIE or other agencies that are approved centres of expertise for common goods or services (e.g. vehicles, laptops, and recruitment services).
<b>Collaborative Arrangements</b>	Contracts and agreements developed by two or more government agencies for the same, or similar, goods and services. These contracts can be open for other agencies to join.

<b>Conflict of Interest</b>	Where someone's personal interests or obligations conflict, or have the potential to conflict, with the responsibilities of their job or position or with their commercial interests. It means that their independence, objectivity, or impartiality can be called into question.
<b>Contract</b>	Legally binding agreement between two or more parties to provide goods or services or works for consideration (usually, but not always money).
<b>Economic Benefits</b>	The benefits to New Zealand which are generated through the procurement of goods, services, or works. Through creating opportunities for local businesses and small to medium enterprises. Seeking opportunities for delivering social, environmental and cultural outcomes.
<b>Goods</b>	Items which are capable of being owned. This includes physical goods and personal property as well as intangible property such as Intellectual Property (e.g. a software product).
<b>Government Electronic Tender Service (GETS)</b>	A website managed by New Zealand Government Procurement. It is a free service that advertises New Zealand government contract opportunities and is open to both domestic and international suppliers. All tender information and documents are made freely available through GETS.
<b>Government Procurement Charter</b>	The Charter sets out government's expectations of how agencies should conduct their procurement activity to achieve public value.
<b>Government Procurement Rules (the Rules)</b>	The Government Procurement Rules exist to support good market engagement, improve cost efficiencies, and help drive better outcomes for agencies, businesses, and New Zealand. Anyone can use the Rules to guide procurement best practice. Some agencies must use the Rules for certain projects. HUD is mandated to use the Rules.
<b>MAIHI</b>	Te Maihi o te Whare Māori – Māori and Iwi Housing Innovation (MAIHI) puts Māori at the heart of the Aotearoa New Zealand's housing narrative, acknowledges the history of Māori housing and responds to these needs through Kaupapa Māori approaches.

<b>Market engagement</b>	<p>A process that allows you, at all stages of procurement, to:</p> <ul style="list-style-type: none"> <li>• communicate your needs or requirements to suppliers,</li> <li>• openly and transparently discuss possible solutions,</li> <li>• stimulate innovation in the design and delivery of the solution, understand market capacity, capability, and trends.</li> </ul>
<b>New Zealand Business</b>	<p>A business that originated in New Zealand (not being a New Zealand subsidiary of an offshore business), is majority owned or controlled by New Zealanders, and has its principal place of business in New Zealand. For purposes of Rule 8, the reference to New Zealand business includes Australian business.</p>
<b>Performance measures</b>	<p>Means of measuring supplier performance against contract deliverables and outcomes.</p>
<b>Procure Connect</b>	<p>A website managed by New Zealand Government Procurement. It is a free service that advertises New Zealand government contract opportunities for All of Government panels. All tender information and documents are made freely available through Procure Connect.</p>
<b>Procurement</b>	<p>The process of acquiring and delivering goods, services and works. The process of procurement starts with identifying the need, planning, sourcing, managing, reviewing, and finishes with either the end of a service contract or the end of the useful life and disposal of an asset.</p>
<b>Procurement Plan (Lite)</b>	<p>Document which sets out the organisation’s needs, the outcome it is trying to achieve and the procurement approach. The “Lite” version is a scaled for smaller, low risk purchases.</p>
<b>Progressive Procurement</b>	<p>Progressive procurement is about buyers of goods and services looking beyond price to wider social and public value. It combines elements of social procurement, supplier diversity, indigenous procurement, and wellbeing measures.</p>
<b>Public value</b>	<p>Achieving the best available result for the money spent. It includes using all our resources effectively, economically, and responsibly, and considers:</p> <ul style="list-style-type: none"> <li>• the procurement’s contribution to the outcomes and results we are trying to achieve</li> <li>• delivery of any Economic Benefits we are trying to achieve</li> </ul>

	<ul style="list-style-type: none"><li>• the total costs and benefits of a procurement (total cost of ownership).</li></ul>
<b>Purchasing card</b>	Corporate credit card used for low value, one-off purchases.
<b>Services</b>	Acts or work performed for another party, e.g. accounting, legal, cleaning, consultancy, training, medical treatment, or transportation.
<b>Sourcing</b>	The parts of the procurement lifecycle that relate to planning, market research, approaching the market, evaluating responses, negotiating, and contracting.