



Submission template: Consultation on proposed Government Procurement Rules 4th Edition

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Use and release of information

MBIE intends to use the submissions it receives to inform decision-making regarding the proposed Government Procurement Rules 4th Edition and other related government policy.

MBIE may attribute submissions to particular organisations in Cabinet papers, but will not attribute submissions to any individuals without their prior written consent in accordance with the *Privacy Act 1993*.

MBIE does not intend to publish submissions but does have obligations under the *Official Information Act 1982* and to Parliament, which may require it to disclose submissions.

Responses

If you have feedback on any of the new Rules that have been drafted we suggest you use this [online form](#). If you have any other feedback on changes to existing Rules or more general feedback please detail this below.

1. Feedback on specific Rule changes

Rule #	Feedback on changes to the existing Rules (<i>please insert a new comment row for each Rule you are commenting on</i>)
Application to Agencies (Page 6)	Application to Agencies. "Rules are mandatory". No statement on how they are policed / enforced / reviewed other than Rule 50 Supplier Complaints (page 55). Any violation of the rules is to be picked up by the Supplier and referred to the Agency and then any of a minimum of seven 'redress' options. Where is the function of Government Procurement Lead to review Agency compliance? The Rules are in effect loading the cost of monitoring compliance onto the supplier community that is already wearing the cost of responding to procurement activity that they may not win.
How to use the Rules (Page 6)	How to use the Rules. Earlier section states ' <i>must</i> '. This section states ' <i>..are a flexible framework...</i> '. The two statements are inconsistent as presented in the document. Are they rules or are they a guide?

Rule #	Feedback on changes to the existing Rules (<i>please insert a new comment row for each Rule you are commenting on</i>)
'To promote our Values' (Page 9)	To promote our values. Requirement that New Zealand does not discriminate against suppliers (whether domestic or international) vs. the stated aim of allowing greater numbers of New Zealand suppliers access to Government Procurement. Looks like the aim is to have more New Zealand organisations enter the bidding process but no real commitment to buy from New Zealand over International companies. Is likely to increase bid cost to NZ Inc. with no real return on investment. This makes the next bulleted list (under 'To support economic development') an aim, not a directive.
Policy Framework (Page 10)	Is the 'robust business case' publicly available to assist suppliers in creating a more relevant response? Government is not operating in a competitive market. What are the barriers to making this information public to potential suppliers?
Public Values (Page 11)	Agree fully regarding Risk aware vs Risk Averse. Agencies should invite suppliers to advise how the risk can be managed – not push risk onto the supplier.
Five Principles (Page 13)	<p>Five Principles. <i>Treat all suppliers equally vs. seek opportunities to involve NZ businesses, including Maori, Pasifika and regional businesses.</i> Many comments here:</p> <ul style="list-style-type: none"> • Most multi-national companies with a presence in New Zealand are funded for and have set up bid teams to respond to Government tenders. They have an advantage that New Zealand (only) businesses don't have. Seeking an opportunity to be involved without a preference for New Zealand suppliers causes increased bid cost for New Zealand suppliers with little increase in the reward side of the exercise. This is likely to increase cost and risk for New Zealand suppliers and over the long term will remain a disincentive to participate. • While we fully support the Maori and Pasifika business focus, there are a number of New Zealand companies that are not Maori or Pasifika that have a significant number of Maori or Pasifika staff. These will also benefit from increased business through Government procurement. To ignore them will do damage to the Maori and Pasifika community. • Equally there are a number of businesses that are run by and employ women. This sector of the business community also needs focus, encouragement and investment. • 'Involvement' is nice. Revenue is what funds business, allows them to grow, allows them to take on more staff and allows them to train.
Draft Government Procurement Charter (Page 15)	<p>First point. Seeking an opportunity to be involved without a preference for New Zealand suppliers causes increased bid cost for New Zealand suppliers with little increase in the reward side of the exercise. This is likely to increase cost and risk for New Zealand suppliers and over the long term will remain a disincentive to participate.</p> <p>Second point. Agree with allowing the market to suggest ways of meeting the need rather than specifying requirements in a way that stifles the opportunity for innovation.</p> <p>4th point. There are a number of New Zealand companies that are not Maori or Pasifika that have a significant number of Maori or Pasifika staff. These will also benefit from increased business through Government procurement. To ignore</p>

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	<p>them will do damage to the Maori and Pasifika community. Equally there are a number of businesses that are run by and employ women. This sector of the business community also needs focus, encouragement and investment. As written in the document it comes across as tokenism.</p> <p>Seventh point. Agree fully regarding Risk aware vs Risk Averse. Agencies should invite suppliers to advise how the risk can be managed and mitigated – not push risk onto the supplier.</p>
Rule 1 (Page 16)	<p>In support of transparency, are these procurement policies for each agency available to potential suppliers? Government does not work in a competitive environment. What would be the reason for not making them publicly available? The rules should state that Agencies must publish their policies.</p>
Rule 2 (Page 17)	<p>This section is another reason that supports policies of each Agency being publicly available to potential suppliers.</p>
Rule 3 (Page 17)	<p>Most multi-national companies with a presence in New Zealand are funded for and have set up bid teams to respond to Government tenders. They have an advantage that New Zealand (only) businesses don't have. Seeking an opportunity to be involved without a preference for New Zealand suppliers causes increased bid cost for New Zealand suppliers with little increase in the reward side of the exercise. This is likely to increase cost and risk for New Zealand suppliers and over the long term will remain a disincentive to participate.</p>
Rule 12 (Page 26)	<p>For the avoidance of doubt, can the Rules confirm that purchasing a solution from a vendor or supplier via another Government Agency is not an opt-out procurement scenario? For example, supplier Acme provides system monitoring services to Government Agency X. Government Agency Y purchases those services from Government Agency X the net result being that supplier Acme services Government Agency Y also.</p>
Rule 14 (Page 29)	<p>Exemptions should be communicated to the market via GETS in the interests of transparency at the same time that the contract procurement opportunity is started. This informs the market of what is happening. The exemption should also state the reasons for the exemption. This should be in addition to the contract award notice in GETS.</p> <p>Valid Exemptions. 12 months is a long time in most industries – particularly ICT. Within three months of the first previous procurement close date would be sufficient.</p>
Rule 14 (Page 30)	<p>Commodity Market. Why is there an exemption for Commodity Markets? This is an area where price is not the only decision point. Sustainable supply, green disposal are often factors in commodity markets. Both are part of the Government's 'better outcomes' drive.</p> <p>Exceptionally advantageous conditions. Exceptionally advantageous conditions can be mis-used. A supplier or vendor for example that offers a 'one time only' price. This should be contestable to see what other suppliers can match the price / exceptionally advantageous conditions.</p>

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	<p>Unsolicited Unique Proposal. Is the Agency the best entity to define 'unique'? By opening the procurement to the market, the market will determine if the proposal is truly unique.</p>
<p>Rule 15 (Page 33)</p>	<p>Noting the difference between 'must' and 'should' in the introductory sections of the rules, the use of the word 'should' here dilute the value of this rule. Why is this not a 'must'?</p>
<p>Rule 16 (Page 34)</p>	<p>Broader outcomes statement is potentially contradicted by earlier statements on opt-out (Commodity Goods). Most multi-national companies with a presence in New Zealand are funded for and have set up bid teams to respond to Government tenders. They have an advantage that New Zealand (only) businesses don't have. Seeking an opportunity to be involved without a preference for New Zealand suppliers causes increased bid cost for New Zealand suppliers with little increase in the reward side of the exercise. This is likely to increase cost and risk for New Zealand suppliers and over the long term will remain a disincentive to participate. Effectively by not adjusting the playing field for New Zealand businesses Government is effectively discriminating against New Zealand businesses. Good practice in this area has included limiting the size of tender responses (to reduce supplier cost and effort, thereby levelling the playing field) and excluding vendor marketing material and has helped.</p>
<p>Rule 17 (Page 34)</p>	<p>Increased New Zealand business access. There are a number of New Zealand companies that are not Maori or Pasifika that have a significant number of Maori or Pasifika staff. These will also benefit from increased business through Government procurement. To ignore them will do damage to the Maori and Pasifika community. Equally there are a number of businesses that are run by and employ women. This sector of the business community also needs focus, encouragement and investment.</p> <p>Increase access for New Zealand business. Seeking an opportunity to be involved without a preference for New Zealand suppliers causes increased bid cost for New Zealand suppliers with little increase in the reward side of the exercise. This is likely to increase cost and risk for New Zealand suppliers and over the long term will remain a disincentive to participate.</p> <p>This section will need further review once the guidelines have been developed by MBIE.</p> <p>Please provide the list / link to the <i>designated contracts</i> list.</p>
<p>Rule 17 (Page 34)</p>	<p>Increased New Zealand business access. There are a number of New Zealand companies that are not Maori or Pasifika that have a significant number of Maori or Pasifika staff. These will also benefit from increased business through Government procurement. To ignore them will do damage to the Maori and Pasifika community. Equally there are a number of businesses that are run by and employ women. This sector of the business community also needs focus, encouragement and investment. As with earlier responses to the Rules, 'Involvement' is nice. Revenue is what funds business, allows them to grow, allows them to take on more staff and allows them to train.</p>

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Rule 18 (Page 36)	There is a fair bit referenced in this section that is still under development. Can the review of the Rules period be extended until these referenced items have been developed and made available for review also.
Rule 19 (page 37)	Can the link to the list of designated contracts be included in the Rules please?
Rule 21 (Page 38)	There is no statement here on the publishing of the Annual Procurement Plans so the market can see what the Agencies are looking to go to the market for. These should be published. Also where the actual procurement plan differs to the Annual Procurement Plan that was published the Agency should explain to MBIE and the market why. Ideally changes to the Annual Procurement Plan should be notified to the market and MBIE as they happen.
Rule 24 (Page 39)	Procurement advice conflicts with exemption listed in Rule 14 (page 29), particularly in the areas of prototyping, exceptionally advantageous conditions and unsolicited unique proposal. In those situations an Agency would be taking procurement advice from a supplier that has a commercial interest in the contract opportunity. Understand and agree that where the supplier writes the RFX terms that they cannot bid for the RFX work. Equally, what about the scenario where a third party (i.e. procurement consultant) writes or contracts on the RFX process / deliverables and also contracts to potential suppliers advising them how best to respond to the RFX?
Rule 27 (Page 40)	Technical Specifications. Does this also include the specification of proposed contract terms that may have the effect of limiting who from the supplier community can respond? A recent example of this is the need for a parent company to underwrite or provide an extremely high financial guarantee for the services being sought.
Rule 28 (Page 41)	What is the reasonable test for the pre-conditions? These can be used to limit the number (and variety) of potential suppliers. For example, the need for a parent company to underwrite or provide a financial guarantee for the services being sought.
Rule 29 (Page 41)	Should also add expectations of supplier personnel leave. For example, January is a traditional time for family holidays. Depending on the dates and occurrence of public holidays, these may also trigger annual leave events (for example where Waitangi Day falls on a Tuesday or Thursday, the intervening Monday or Friday will often be taken off as annual leave).
Rule 40 (Page 49)	<i>'should consider extending the deadline for responses'</i> . If answers to questions are not being provided within five business days of the response due date, then the deadline for responses should be extended. Equally the deadline for questions should be set so that Agencies are able to collect questions and respond within enough time for suppliers to adjust their response based on the supplied answers.
Rule 41. (Page 49)	If additional information is not provided within five business days of the response due date, then the deadline for responses should be extended. Additional information should be provided within enough time for suppliers to adjust their response.

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Rule 46 (Page 53)	<p>Award the contract to the supplier/s that has both:</p> <ul style="list-style-type: none"> a) demonstrated that it fully understands and has the capability to deliver the requirements and meet the contract conditions, without unduly penalising the New Zealand Small / Medium Enterprise organisations or creating tender conditions that New Zealand Small / Medium Enterprise organisations cannot match (for example a recent contract document issued in a RFP requiring New Zealand organisations to supply a parent company guarantee), and b) offered the best public value, including Broader Outcomes, over the whole life of the goods, services or works <p>Should delete the phrase lowest price, if price is the only criterion. (since if price is the only criterion, then it offers the best public value).</p>
Rule 47 (Page 54)	<p>Agree with notifying suppliers when a decision is made. This is often interpreted as 'when the agreement is signed'. This can introduce a sizeable delay in the notification. Suppliers should be told as soon as it is confirmed that they are not the first-choice supplier, even if subject to contracts being signed. Page 13 – 'don't string suppliers along'.</p>
Rule 48 (Page 54)	<p>Contract Award Notice Opt-out. Why should opt-out procurement or secondary procurement be excluded from notifications? This reduces transparency. What is the justification for this exclusion?</p>
Rule 51 (Page 56)	<p>Is worth noting here that the master services agreements issued by Government Agencies often have invoices being paid 20th of the month following the date that the invoice was received. The Agency master services agreement should be aligned to these rules.</p>
Rule 57 (Page 60)	<p>This is a significant statement and has a significant impact on the Rules and the market. There have been several discussions on the negative impact of panel supply arrangements on market growth, innovation and the quality of services and products supplied to Government Agencies. Additionally, costs to Government Agencies increase where those on the panel subcontract at a margin services from these not on the panel. Allowing Agencies to not advertise when there are extensive panels in place that cover all of Government (Web Services Panel, Recruitment and Contracting Panel) has a significant impact on the application of Rules. The Department of Internal Affairs Web Services Panel for example is very extensive in ICT coverage and would cover a significant number of ICT contracts awarded by Government – all of which would be outside of the Rules based on this statement. It can also be positioned that the Common Web Platform agreement has favoured a single supplier and stifled further innovation and investment in this part of ICT. Not publishing all of an Agency's intended procurement is limiting market transparency.</p>
Rule 58 (Page 63)	<p>Agency should check for an existing AoG. This is a significant statement which drives agencies to work on a basis that makes many of these Procurement Rules out of scope.</p>
Page 80	<p>New Zealand business. NZ Rise is working with MBIE on a statement that defines a New Zealand business.</p>

2. Feedback on the tip boxes related to the Rules.

Rule #	Feedback on tip boxes related to the Rules (<i>please insert a new comment row for each tip box you are commenting on</i>)
Rule 1 (Page 16)	Procurement Planning. Can the Rules provide some definition or examples of 'straightforward' otherwise the term is open to subjective definition.
Rule 6 (Page 21)	Value Threshold. In previous Government Procurement Workshops hosted by NZ Rise, NZ Rise members have petitioned for this threshold to be raised. The value of \$100,000 was set many years ago and has not been adjusted in line with inflation, salary increases, cost of living expenses etc.
Rule 6 (Page 21)	Below Threshold Procurement. There are a number of New Zealand companies that are not Maori or Pasifika that have a significant number of Maori or Pasifika staff. These will also benefit from increased business through Government procurement. To ignore them will do damage to the Maori and Pasifika community. Equally there are a number of businesses that are run by and employ women. This sector of the business community also needs focus, encouragement and investment. As written in the document it comes across as tokenism.
Rule 9 (Page 24)	Number of Contracts. Splitting large contracts into smaller lots is a good approach. There is risk is that this loads cost into the procurement for both the Agency and the supplier through more procurement processes to manage and fund, more suppliers to manage and more suppliers to co-ordinate with. It also increases the risk associated with delivery as the Government Agency can be placed in the position of acting as system / solution integrator. It's not always a viable approach. An upside may well be the lower supplier charges that New Zealand Small / Medium Enterprise organisations may apply to projects. Encouraging suppliers to partner, form consortia etc. are other valid forms of supporting smaller and local New Zealand businesses and should also be encouraged. Our experience is that most Government Agencies view such partnerships as risky and will actively steer away from them, rather than entering into a dialog on how the risk will be managed / mitigated.
Rule 12 (Page 27)	Opt-out Decisions. Can the opt-out procurement decisions also be made public and publicly contestable. These decisions ideally should be open to scrutiny and comment
Rule 14 (Page 32)	This is a significant statement and has a significant impact on the Rules and the market. There have been several discussions on the negative impact of panel supply arrangements on market growth, innovation and the quality of services and products supplied to Government Agencies. Additionally, costs to Government Agencies increase where those on the panel subcontract at a margin services from these not on the panel. Allowing Agencies to not advertise when there are extensive panels in place that cover all of Government (Web Services Panel, Recruitment and Contracting Panel) has a significant impact on the application of Rules. The Department of Internal Affairs Web Services Panel for example is very extensive in ICT coverage and would cover a significant number of ICT contracts awarded by Government – all of which would be outside of the Rules based on this statement. It can also be positioned that the Common Web Platform agreement has favoured a single supplier and stifled further innovation and investment in this part of ICT.

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Rule 14 (Page 33) Secondary Procurement. Allowing Agencies to not advertise when there are extensive panels in place that cover all of Government (Web Services Panel, Recruitment and Contracting Panel) has a significant impact on the application of Rules. The Department of Internal Affairs Web Services Panel for example is very extensive in ICT coverage and would cover a significant number of ICT contracts awarded by Government – all of which would be outside of the Rules based on this statement.

Rule 17 (Page 35) Breaking larger contracts up into smaller parts is not always an option. The risk is that this loads cost into the procurement for both the Agency and the supplier through more procurement processes to manage and fund, more suppliers to manage and more suppliers to co-ordinate with. It also increases the risk associated with delivery as the Government Agency can be placed in the position of acting as system / solution integrator. It's not always a viable approach. An upside may well be the lower supplier charges that New Zealand Small / Medium Enterprise organisations may apply to projects. Encouraging suppliers to partner, form consortia etc. are other valid forms of supporting smaller and local New Zealand businesses and should also be encouraged. Our experience is that most Government Agencies view such partnerships as risky and will actively steer away from them, rather than entering into a dialog on how the risk will be managed / mitigated.

Rule 19 (Page 37) Employment standards. A number of suppliers' source labour and products from overseas where New Zealand labour laws don't have jurisdiction. For example, New Zealand Government agencies are currently sourcing software development work from Indian based developers at rates which if there were paid to New Zealand based workers would result in salaries at close to the New Zealand minimum wage. This alone seems to be at odds with the current New Zealand Government's objective of investing in and having the New Zealand ICT sector the second largest contributor to GDP by 2025. In overseas terms, local employment laws and awards are not being broken. In comparison to New Zealand employment laws and awards there is a significant difference. Would this count as an 'unfair' undercutting? And if not, what is the impact on broader outcomes if all New Zealand ICT companies outsourced their skilled labour?

Rule 21 (Page 38) Opt-out on Annual Procurement Plans. This is a significant statement and has a significant impact on the Rules and the market. There have been several discussions on the negative impact of panel supply arrangements on market growth, innovation and the quality of services and products supplied to Government Agencies. Additionally, costs to Government Agencies increase where those on the panel subcontract at a margin services from these not on the panel. Allowing Agencies to not advertise when there are extensive panels in place that cover all of Government (Web Services Panel, Recruitment and Contracting Panel) has a significant impact on the application of Rules. The Department of Internal Affairs Web Services Panel for example is very extensive in ICT coverage and would cover a significant number of ICT contracts awarded by Government – all of which would be outside of the Rules based on this statement. It can also be positioned that the Common Web Platform agreement has favoured a single supplier and stifled further innovation and investment in this part of ICT. Not publishing all of an Agencies intended procurement is limiting market transparency.

Rule #	Feedback on tip boxes related to the Rules (<i>please insert a new comment row for each tip box you are commenting on</i>)
Rule 34 (Page 45)	Minimum Times and Allowable Reduction. These periods may work where organisations have a funded bid team and a bench of non-utilised personnel that can be committed quickly to forming the response. For most New Zealand businesses, particularly in the SME space, this is not the case. Suppliers will be asking personnel to respond in and around current work commitments. These minimum response times need to be calibrated to the level of detail being sought in the response and the likely response document size. A complex systems solution supply, install, configure and deploy RFQ for example may take 8 days to appropriately identify, form and brief the response team.
Rule 46 (Page 53)	Public Value. <i>'...one that is willing to make an investment in the relationship by taking a lower margin on the contract.'</i> Isn't this one of the reasons why the construction sector has had so many issues? Does this not cut across the Government aims of sustainability in the supplier community? What is being sacrificed to make the lower margin viable? Suggest removing this statement as an example and replacing it with a comment to test / ensure that the lower margins of the bid response are viable over the course of the engagement and what is being sacrificed in terms of broader outcomes as a result. For example, does the reduced margin come at the cost of further recruitment, staff training, disestablishing staff. That way it links back to <i>'What is good procurement'</i> (page 10).
Rule 48 (Page 54)	Inform Suppliers. Agree with notifying suppliers when a decision is made. This is often interpreted as <i>'when the agreement is signed'</i> . This can introduce a sizeable delay in the notification. Suppliers should be told as soon as it is confirmed that they are not the first-choice supplier, even if subject to contracts being signed. Page 13 – <i>'don't string suppliers along'</i> .
Rule 50 (Page 55)	Supplier Redress. No statement on how they are policed / enforced / reviewed other than this statement. The listing of seven options under the banner of <i>'..may include'</i> infers that it is up to the supplier to determine the best option to choose for redress, and is also up to the supplier to ensure that their chosen option actively engages on the issue. Where is the function of Government Procurement Lead to review Agency compliance? The Rules are in effect loading the cost of monitoring compliance onto the supplier community that is already wearing the cost of responding to procurement activity that they may not win.
Rule 51 (Page 56)	Prompt Payment. Is worth noting here that the master services agreements issued by Government Agencies often have invoices being paid 20 th of the month following the date that the invoice was received. The Agency master services agreement should be aligned to these rules.
Rule 55 (Page 58)	This is a significant statement and has a significant impact on the Rules and the market. There have been several discussions on the negative impact of panel supply arrangements on market growth, innovation and the quality of services and products supplied to Government Agencies. Additionally, costs to Government Agencies increase where those on the panel subcontract at a margin services from these not on the panel. Allowing Agencies to not advertise when there are extensive panels in place that cover all of Government (Web Services Panel, Recruitment and Contracting Panel) has a significant impact on the application of Rules. The Department of Internal Affairs Web Services Panel for example is very extensive in ICT coverage and would cover a significant number of ICT contracts awarded by Government – all of which would be outside of the Rules based on this statement. It can also be positioned that the Common Web Platform agreement has favoured a

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	single supplier and stifled further innovation and investment in this part of ICT. Not publishing all of an Agencies intended procurement is limiting market transparency.
Rule 57 (Page 61)	<i>'Ideally all suppliers should get some work while the Panel is in existence'</i> . If the reporting of procurement plans and the contract award notices is not required for panel agreements there is no transparency of how well panels are meeting this measure. In addition to greater transparency around listing of procurement plans and contract award notices, panels should be audited regularly to confirm the extent to which work is allocated to all panel suppliers.
Rule 57 (Page 62)	Contract Award Notice. These should be published regardless of panel arrangement or not. If the reporting of procurement plans and the contract award notices is not required for panel agreements there is no transparency of how well panels are meeting this measure. In addition to greater transparency around listing of procurement plans and contract award notices, panels should be audited regularly to confirm the extent to which work is allocated to all panel suppliers.

3. General feedback and comments on the Rules

General feedback (<i>Do you have any general feedback or comment on the changes to the Rules</i>)
<p>The New Zealand government has the ambitious goal of growing ICT to become the second largest contributor to GDP by 2025. This has been coupled with a directive to increase New Zealand businesses' access to government procurement with a particular lens on ICT contracts and innovation. Our tech sector is already growing but we need do things differently if we are to achieve these ambitious goals while ensuring the well-being of our citizens is at the heart of this and everything we do. The NZ Rise position is that the Government Procurement Rules 4th edition do not contribute to his goal. They hinder achievement of this goal.</p> <p>The main points we want to make in our submission are:</p> <ol style="list-style-type: none"> 1. The requirement to increase access of NZ companies is a directive to officials from the Minister that is not met by these rules. 2. The rules fall well short of government's objective that more of its expenditure is made with NZ companies. 3. The Government panel supply agreements render the Rules irrelevant for most of ICT based procurement opportunities. 4. The rules offer way too many exemptions from publication (of Annual procurement plans, awards, panel contracts etc) and transparency. 5. The responsibility for policing compliance with the rules is placed on the supplier community. 6. The rules should be more explicit on how they will support better outcomes for Māori and Pasifika people as well as companies. <p>In terms of further comment:</p> <ul style="list-style-type: none"> • Typically, procurement functions in Agencies are directed by others in the organisation that direct procurement on how to transact. Procurement functions understand the Government rules and their intent. These may be over-ridden by directives from Agency Senior Management Team members. Publishing policies will support procurement functions in agencies in having more presence in the actual procurement process – the market will expect agencies to live up to their [published] procurement policies. • Ideally the Rules would set aside a list of qualifying questions aimed at testing for better outcomes for New Zealand as a result of the procurement activity. These could include:

General feedback (*Do you have any general feedback or comment on the changes to the Rules*)

- How will winning this work / deliver this outcome benefit New Zealand?
- What would be the impact on the New Zealand economy of your organisation delivering on this work?
- How will winning this tender further develop the skill base within New Zealand?
- Please show (in an appendix) the Percentage of contract price and other tender fees and charges you anticipate for the term of the contract (total revenue) * that are attributable to:
 - Employees and working directors who are permanently employed NZ residents
 - Fees paid to NZ resident consultants and NZ resident employees of NZ-based consultancy firms.
 - For software products, NZ Licence fees attributable to products where both the IP and ultimate ownership reside within a NZ Business, as defined in this tender document.
 - For SaaS services, where NZ Licence fees are bundled into the SaaS price, include that portion of the SaaS that is attributable to NZ content; this would include hosting, IaaS, etc fees if paid to a separate NZ Business where the cloud servers are located in NZ. You must exclude the costs of licences paid to overseas owners, even if paid via a NZ Business.

Ideally the percentages supplied would be subject to audit. If compliance costs were a potential issue, then independent organisations (such as NZ Rise) could pick up this work.

- Can MBIE explain why it is not looking to include the WellBeing indicators in the definition of 'Public Value'?
- What is the MBIE definition of Public Value beyond the four headings of better access for New Zealand business, increase size and skill of the construction workforce, improve conditions for workers and support the transition to a net zero emissions economy
 - What are the measurable definitions that MBIE is using to confirm that public value is being met?
- How does MBIE plan to bring the imperative of increasing access to NZ Owned companies to life?
- How is MBIE looking to embed the proposed rules (once revised to take into account feedback received) into the current Public Procurement training and certification regime? Our experience as an industry is that procurement people make decisions tender by tender and so are choosing the apparent low risk option vs. considering the impact on the NZ economy or wellbeing of citizens.
- Related to the above, the Government procurement function is heavily contractor based. What is MBIE doing to raise the capability of Government procurement within Agencies (outside of relying on the contractor market to supply the required skills)?
- Current tenders lack the intent of agencies - they never describe in terms of 'delivering better outcomes for NZ'. Supplying the intent in tenders would help New Zealand businesses describe better how they would meet the broader outcomes sought.

There are real and current examples of how once-small New Zealand ICT companies have grown and are now generating real export revenue for New Zealand, show-casing our innovation potential and hiring New Zealanders both locally and abroad. Aside from the well-knowns ([Datacom](#), [Xero](#)) there are significant others ([Provoke](#), [The Testing Consultancy](#), [RayGun](#)) as well as a [whole host of others just getting started](#). With our small population and small economy, New Zealand Government is a significant player in the local market and has the ability to make a real difference. This proposed revision to the Procurement Rules is missing a huge opportunity to make that real difference.

