

RBNZ procurement | hokonga

Policy statement | Te ito o te kaupapa-here

This policy sets out our principles for managing the procurement of goods and services to ensure the Reserve Bank - Te Pūtea Matua meets its legislative and government obligations, and supports the requirement to provide good value for our use of public money. It also outlines our commitment to the broader social, economic, cultural and environmental outcomes of our procurement.

Objectives | Te whāinga

This policy assists RBNZ to meet the New Zealand government's expectations to manage our use of public money.

Application | Te whakamahinga

This policy applies to:

- all employees, or people who we engage to work with us, including contractors and consultants, who are involved in the procurement of goods, services or works on behalf of RBNZ.
- all spend which includes capital (Capex) and operating (Opex) expenditure.
- the entire lifecycle of the procurement process including Contract Management.

Contents | Te kiko

1. Definitions
2. Procurement principles
3. Procurement governance

1. Definitions | Tautuhi

Broader outcomes – are the secondary benefits from the way a good, service or works is produced or delivered. These outcomes can be social, environmental, cultural or economic benefits, and generally will deliver longer term public value.

Probity - is the 'confirmed integrity' including, prudence, integrity, honesty, trustworthiness, law-abiding, reliable, professional competence, due care and professional behaviour relating to procurement.

Procurement - all the business processes associated with purchasing goods, services, or works, throughout the purchasing lifecycle.

Public value – is the best available result for RBNZ for the money spent. It includes:

- good value: fit-for-purpose solutions that deliver the needs of RBNZ
- good outcomes: where possible, includes broader outcomes in all procurement activities, including in designated contracts
- good process: selection of the appropriate procurement process with respect to government best practice.

Whole-of-life costs – accounting for all costs associated with a procurement across the 'lifetime' of the goods, service or works, from the initial purchase to subsequent disposal.

2. Procurement principles

2.1. We are expected to follow Government's procurement rules and guidance

RBNZ are expected to follow Government procurement rules, how we apply these is detailed in our procurement procedures.

The government procurement rules and guidance are:

| | |
|--|--|
| New Zealand Government Procurement and Property (NZPP) | <ul style="list-style-type: none">• Government procurement rules 2019 (4th edition)• Procurement principles• Procurement charter• Supplier code of conduct |
| Office of the Auditor-General (OAG) | <ul style="list-style-type: none">• Procurement guidance for public entities• Managing conflicts of interest in procurement |

2.2. RBNZ Procurement

We use our specialist procurement team to provide support and advice, so we make the best use of public money, aligning our approach with RBNZ's values.

2.3. Wānanga/Innovation

- We support an efficient and effective procurement process that is proportionate to the value, risk and complexity of the procurement and achieves good public value.
- We do not necessarily select the lowest price to achieve good public value, but rather the best possible outcome for the total cost of ownership, i.e. over the whole-of-life of the goods, services or works.

2.4. Taura/Integrity

We endeavour to:

- Use a strategic approach to procurement and ensure there is an approved and justified business purpose.
- Maintain robust procurement records to justify our procurement decisions and processes and to support our accountability to the public.
- Use suppliers who meet the requirements of the Government's Suppliers Code of Conduct.
- Ensure supplier selection is done in a transparent, fair and unbiased way.
- Consider the 'whole-of-life' costs and benefits of goods, services or works to ensure we get the best public value.
- Ensure our procurement meets the requirements of our corporate delegated authorities and Board decision making framework and is approved prior to any commitment to purchase goods, services or works.
- Ensure that all people engaged in procurement activities meet the expectations of our Te Pūtea Matua Code of Conduct and Conflict of Interest policy with respect to an individual procurement activity, and the Public Service Commission code of conduct.
- Audit our procurement processes to ensure we meet external and internal procurement requirements, and take action if required.
- Ensure that our procurement processes and procedures ensure our decisions can withstand public scrutiny.
- Maintain the highest standard of probity and integrity with our supplier relationships.
- Ensure that our contracts are legally robust and fit for purpose, taking into account the size and risk of the procurement and the nature of our counterparty
- Improve broader outcomes by seeking to include suppliers who demonstrate commitments to supporting Māori and Pasifika businesses and the environmental, social and economic wellbeing of New Zealand
- Treat all people fairly and with dignity ensuring that vulnerable workers are paid the living wage as a minimum.
- Recognise the risks of modern slavery participation in the supply chain and, where appropriate, require major suppliers to evaluate their extended supply chain based on risk assessments and seek audits for additional assurance.

2.5. Taura/Inclusion

- We endeavour to eliminate barriers and actively seek opportunities to increase access for Māori, Pasifika and regional businesses and social enterprises to our procurement opportunities. We consider opportunities to achieve broader procurement outcomes, including supporting those suppliers who:

UNCLASSIFIED

- can demonstrate environmentally sustainable business practices
- show regard for economic, social, cultural and environmental impacts of their business.
- We provide education for people involved in procurement to ensure their practices are robust.

3. Procurement governance

Key procurement governance activities are set out in this table.

| Role | Accountabilities/responsibilities |
|--|---|
| Assistant Governor Finance and Commercial Operations | Ensuring we have the necessary processes and resources in place to meet the Government’s rules for best practice procurement. |
| Director of Commercial Operations | Responsible for setting the strategic direction for procurement at Te Pūtea Matua. Accountable for all procurement at Te Pūtea Matua. |
| Procurement | Responsible for managing the end-to-end procurement process. |
| Legal | Responsible for legal review of procurement contracts where the Total Contract Value is \$50,000 or more, and legal advice in relation to the contract is required. |
| Risk | Advising on high-risk procurement activities as required |
| Finance | Accountable for the Financial delegations and thresholds |