

## PROCUREMENT POLICY

|                       |                     |
|-----------------------|---------------------|
| <b>Section</b>        | Finance             |
| <b>Contact</b>        | Procurement Manager |
| <b>Last Review</b>    | January 2026        |
| <b>Next Review</b>    | January 2029        |
| <b>Approval</b>       | SLT 26/01/04        |
| <b>Effective Date</b> | January 2029        |

### Purpose:

The purpose of this policy is to ensure that, Massey revenue that includes Government funding, student fees and research funding used in the procurement of all goods, services or works is conducted in an ethical, fair, and transparent manner with consideration of quality, service, value-for-money, and broader social and environmental outcomes.

### Policy:

This policy applies to all University procurement and covers all aspects of the Procurement Life Cycle, including the acquisition and delivery of goods, services, works, refurbishment, and new construction. It applies to funds administered by the University or its controlled entities, regardless of the source of funding.

This policy does not cover:

- **Real Estate** - property disposals (offer-backs, right of first refusal (RFR) or transfers) covered under the Public Works Act 1981.
- **Employment Agreements** - For staff and employment contracts managed by People and Culture/Human Resources.
- **Public sector agreements** - Payments to other institutions, colleges, schools, governmental or regulatory agencies, unless they involve the purchase of commercial goods or services.
- **Research Projects** - where the research-related contract states the use of a specific supplier for a named product and or service.

### Procurement Principles

All procurement must consider the following key principles:

- **Value for Money:** Balance price, quality, lifetime costs, and overall benefits, not just the lowest cost.
- **Fairness and Transparency:** Conduct procurement decisions openly, without bias, and maintain supplier confidentiality.
- **Secure and Compliant:** Ensure all goods and services, particularly IT-related, are secure and compliant (including data privacy).

- Ethical and Sustainable: Support social, economic, and environmental sustainability, including local, Māori, Pasifika, and small enterprises where possible.
- Accountability and Integrity: Act ethically, declare conflicts of interest, and maintain detailed documentation for audit purposes.
- Fit for Purpose: Select the right process proportional to the size, complexity, and risks involved.

## Governance and Thresholds

### Governance

The Procurement and Contracts Governance Board (PCGB) is established to oversee the governance and probity of commercial procurement and contracting practices. The PCGB ensures that Massey University engages effectively with supply markets and achieves sound spending and investment outcomes. The Board is responsible for the governance and probity of procurement and contracting practices as defined in this policy.

### Conflict of Interest Declaration

All individuals involved in procurement activities are required to:

1. Identify and declare any actual, potential, or perceived Conflicts of Interest (Col) at the commencement of the procurement process.
2. Conflict of Interest management plans can be put in place and signed off by the person with Conflict of Interest, their direct manager and reviewed and approved by the Procurement Manager.
3. Update declarations immediately if new conflicts arise during the process, have it signed by your direct manager and forward to the Procurement Manager to review and approve.
4. Refrain from participating in decision-making (including procuring or recommending the procurement of goods and services) where a conflict cannot be appropriately managed.
5. Complete a Col declaration form for each Competitive Procurement Process or for any Exemption from a Competitive Procurement Process activity.

### System Requirement

All procurement activities with a Whole of Life Contract Cost (WoLC) of \$50,000 or greater must be processed through Massey University's Procurement and Contracts Platform ("the Platform") provided by VendorPanel.

### Process Thresholds

- Budget approval is required before any procurement can be released to the market.
- Approvals are based on WoLC and must be obtained from the relevant budget owner prior to release
- The Procurement Manager may authorise the release of a procurement to the market prior to budget approval where a justified commercial reason exists.

#### Competitive Procurement Process

A structured process that encourages competition to achieve lower costs, better quality, innovation and reduced risks while ensuring transparency, accountability and fairness.

| WoLC                                | Process  | Approval Required             |
|-------------------------------------|--|-------------------------------|
| \$250k and over                     | Procurement Plan and Recommendation report via the Platform.                       | PCGB via SPCO                 |
| \$50k and over but less than \$250k | Procurement Plan via the Platform.   | Contract Sponsor              |
| Less Than \$50k                     | Procurement Plan via the Platform or Purchase Order (multiple quotes recommended). | Delegated Financial Authority |

| Exemption from a Competitive Procurement Process  |  |                               |
|---|--|-------------------------------|
| An exemption from a competitive procurement process, supported by a documented rationale as outlined in the Procurement Policy. |  |                               |
| WoLC  | Process  | Approval Required             |
| \$100k and over   | Exemption must be supported by documented rationale. | PCGB via SPCO                 |
| \$50k and over but less than \$100k   | Exemption must be supported by documented rationale. | Procurement Manager via SPCO  |
| Less than \$50k   | Purchase Order.                                      | Delegated Financial Authority |

## Exemptions

All exemptions from a Competitive Procurement Process must:

- Be supported by a documented rationale that clearly outlines the justification for the exemption approved in accordance with established thresholds as defined in this policy
- Be reported to the Procurement and Contracts Governance Board (PCGB) in line with the PCGB Terms of Reference)

**Valid exemptions from a Competitive Procurement Process may include:**

1. **Single Supplier:** When goods or services are only available from one supplier, with no reasonable alternative or substitute, due to technical reasons, lack of real competition, or exclusive rights such as patents or copyrights.
2. **No Suitable Proposals:** When a Competitive Procurement Process held within the prior 12 months did not result in any proposal meeting the pre-condition criteria.
3. **Additional Requirements:** When goods, services, or works necessary to complete delivery are identified as additional to the original requirements, and changing supplier cannot be made for economic or technical reasons or would cause significant inconvenience or substantial duplication of cost.
4. **Prototype Development:** When purchasing a prototype for research, experimentation, study, or original development.
5. **Exceptionally Advantageous Conditions:** When purchases are made under exceptionally advantageous conditions that arise only in the very short term. This exemption does not cover routine purchases from regular suppliers.

6. **Unsolicited Unique Proposal:** When a unique proposal aligns with Massey's objectives, the goods, services, or works are not otherwise readily available in the marketplace, and the proposal represents value to Massey.
7. **Genuine Emergency:** When a genuine emergency exists (refer to Definitions). Urgent situations created by lack of advance planning do not constitute an emergency.
8. **Disproportionate Cost:** When the cost of conducting a procurement process is likely to be disproportionate to the value or benefits to be gained

## Responsible Procurement

Our procurement decisions will be guided by the following responsible procurement principles:

- **Environmental Sustainability:** Preference for products and services that minimize environmental impact, including reduced carbon footprint, recyclable materials, and energy efficiency.
- **Social Responsibility:** Support local businesses, promote diversity, and encourage suppliers to contribute positively to communities.
- **Treaty of Waitangi/Te Tiriti o Waitangi obligations:** Actively seek and include Māori businesses in procurement activities.
- **Transparency & Compliance:** Maintain clear documentation, adhere to legal requirements, and ensure supplier accountability.
- **Ethical Sourcing:** Suppliers must comply with labour laws, human rights standards, and fair trade practices.

## Supplier Panels

Procurement will be based on a Category Management approach where purchases are grouped into categories. These categories will follow the Australian University Procurement Network (AUPN) taxonomy. Supplier panels will be established for key categories, consisting of pre-approved suppliers for a defined period. Supplier Panels are a strategic approach to procurement designed to streamline supplier selection, optimise resources, and foster long-term value.

Supplier panels will be set up under the following conditions:

- **Existing AOG Panel:** Where an All-of-Government (AOG) Supplier Panel exists and is fit for purpose.
- **New Massey Panel:** Where no suitable AOG Supplier Panel exists, a Massey Supplier Panel will be established with documented supplier pre-qualification requirements and clear rules on how the panel will operate.
- **Competitive Process:** Massey Supplier Panels will be established using an open-market Competitive Procurement Process, defining pre-qualification requirements and panel operating rules.
- **Mandatory Use:** Where a Supplier Panel exists, University staff must use suppliers from that panel (according to the panel's rules) for all procurement and purchases, regardless of value, unless an exemption is approved.
- **Governance:** The SPCO, with business unit support, is responsible for establishing and monitoring Supplier Panels.

Supplier Panel performance will be maintained and reported on a regular basis. A list of Supplier Panels and the details of the Panels will be available on the SPCO website.

Exemptions from this policy will be approved by the PCGB.

## Definitions:

**Category Management:** Category Management in procurement is the process of organizing spend into logical categories and managing them through dedicated strategies, market analysis, and supplier relationships to achieve efficiency, cost savings, and broader organizational outcomes.

**Contract Sponsor:** The individual responsible for the high-level outcomes of a contract. The Contract Sponsor must hold senior-level authority to make major decisions on behalf of the University (e.g., Senior Leadership Team or Executive Director).

**Competitive Procurement Process:** A structured process to sourcing that promotes competition, resulting in lower costs, better quality, innovative solutions and risk reduction. This process ensures transparency, accountability and fairness.

**Delegated Financial Authority:** The financial delegations defined in the Delegations of Authority Policy.

**Emergency Procurement:** A sudden, unforeseen event causing potential injury, loss of life, or critical damage to property or infrastructure. Examples include natural disasters (e.g., earthquakes, floods, cyclones), failures of critical infrastructure (e.g., hospitals, prisons), health emergencies (e.g., pandemics, food contamination), political emergencies, or security threats such as terrorism. Emergency procurement may also be required for unanticipated events that prevent the University from performing a critical function within the necessary timeframe..

**PCGB:** Procurement and Contracts Governance Board.

**Procurement:** All activities involved in acquiring and delivering goods, services, and works, including refurbishment and new construction. Procurement begins with identifying the need and concludes with either the end of a service contract or the disposal of assets. It includes both low-risk, simple purchases (like office supplies or software) and complex, high-value procurements (e.g. Construction projects).

**Procurement and Contracts Platform (VendorPanel):** Massey's online system used for procurement planning, sourcing, approvals, and contract management ("the Platform").

**Procurement Life Cycle:** The end-to-end process of procurement, comprising

- Planning: Identifying needs, evaluating options, assessing risks, and establishing procurement plans.
- Sourcing: Approaching suppliers through methods such as open tenders, requests for proposals, and panel contracts, and selecting suppliers that deliver the best value.
- Management: Administering contracts, monitoring supplier performance, managing risks, and evaluating outcomes to inform future procurements.

**Procurement Plan:** A structured plan with a clear definition of requirements, roles and responsibilities, market approach, selection criteria, financials, timeline, risk assessment, contract terms and contract management plan.

**Recommendation Report:** A summary of procurement evaluation findings including bids received, conflict of interest declarations, deviations from the approved Procurement Plan, supplier due diligence, recommendations, contract details and next steps.

**Supplier Panel:** A pre-approved list of suppliers for a particular category who meet the University's requirements for quality, capability, and reliability.

**Whole of Life Cost (WoLC):** The genuine estimate of the total costs that Massey will pay over the lifespan of the contract, including all expenses. WoLC includes any rights of renewal available under the contract.

### **Audience:**

This policy applies to all University employees, contractors or consultants acting on behalf of the University in procuring goods or services (including consultant services).

### **Relevant legislation:**

**Education and Training Act 2020:** s281 – Duties of Councils: Requires the University Council to act in a manner that is consistent with the efficient use of resources, proper stewardship, and effective governance. Procurement must therefore demonstrate value for money, prudent financial management, and alignment with the university's statutory purpose.

**Public Finance Act 1989:** s45/s45A - Financial responsibility and internal controls: Requires public organisations to maintain effective internal financial control systems, including for procurement, expenditure approval, and asset management.

**Crown Entities Act 2004:** s51, s52s118-119: Crown entities must ensure expenditure is reasonable, economical, and efficient; Procurement must be conducted with fairness, impartiality, and transparency; There are strong obligations to manage conflicts in procurement decisions.

Construction procurement must comply with the Construction Contracts Act 2002 (CCA) and must adhere to any relevant standards listed below.

- NZS 3910:2013 Conditions of contract for building and civil engineering construction
- NZS 3915:2005 Conditions of contract for building and civil engineering construction (where no person is appointed to act as engineer to the contract)
- NZS 3916: Conditions of contract for building and civil engineering - Design and Construct
- NZS 3917:2013 Conditions of contract for building and civil engineering - Fixed Term

### **Related procedures / documents:**

- Contracts Procedure
- Conflicts of Interest Policy
- Procurement Procedure
- Delegations of Authority Policy
- Information and Records Management Policy
- Procurement and Contracts Governance Board Terms of Reference 2.0
- Risk Management Policy

### **Document Management Control:**

Prepared by: Procurement Manager  
Authorised by: DVC University Services  
Approved by: SLT 26/01/04  
Date issued: January 2026  
Last review: January 2026  
Next review: January 2029