

22 April 2024

Kia ora

Your Official Information Act request, reference: GOV-031306

Thank you for your email of 21 March 2024, asking for the following information under the Official Information Act 1982 (the Act):

1. *Please share your ACC procurement policy.*
2. *what is the annual spent on FTE, contractors as well as any consultants hired to run the Procurement department ove FY 22, FY 23, FY 24.*

Please find attached our Procurement Policy

As staff names were not requested, they have been deemed outside the scope of your request and removed from the document.

Corporate Procurement

The table provides the cost of ACC's Corporate Procurement team in the financial years' (FYs) requested.

Costs	FY 2021/22	FY 2022/23	FY 2023/24 Year to Date*
Salaries	\$1,238,390	\$2,033,786	\$1,747,680
Employer Super Contribution	\$109,200	\$182,160	\$156,270
Contract Personnel	\$0	\$113,800	\$59,550
Consulting Services	\$38,600	\$14,000	\$29,260
Total	\$1,386,180	\$2,343,710	\$1,992,750

*Up until 31 March 2024

Notes on this data

- We have interpreted your request as relating to ACC's Corporate Procurement team.
- The Corporate Procurement team at ACC is one of three procurement groups at ACC responsible for managing the process through which we acquire the goods and services necessary for ACC to function.
- The Corporate Procurement function includes: business needs analysis, stakeholder engagement (internal and external) managing the sourcing process, negotiating contractual arrangements and ensuring appropriate contract, relationship management and governance processes are in place.
- Corporate Procurement's remit covers: business services including consultancy, legal, communications and other specialist services; operational contracts including office supplies, travel, print and post/courier; banking and insurance; ACC work programmes including injury prevention initiatives; dispute resolution and client navigation services, physical and electronic security.
- ACC's client services and technology requirements are covered by separate procurement teams.
- Consulting Services provide an external review and assurance service of the Corporate Procurement team's work.
- A financial year is from 1 July to 30 June.

As this information may be of interest to other members of the public

ACC may decide to proactively release a copy of this response on ACC's website. All requester data, including your name and contact details, will be removed prior to release. The released response will be made available www.acc.co.nz/resources/#/category/12.

If you have any questions about this response, please get in touch

You can email me at GovernmentServices@acc.co.nz.

If you are not happy with this response, you can also contact the Ombudsman via info@ombudsman.parliament.nz or by phoning 0800 802 602. Information about how to make a complaint is available at www.ombudsman.parliament.nz.

Ngā mihi



Christopher Johnston
Manager Official Information Act Services
Government Engagement

Procurement Policy

POLICY NUMBER	4.2.0
TOPIC	Procurement Policy
OWNER	Outside of Head of Procurement and Properties Procurement Services
DATE APPROVED	
APPROVER	Outside of S Chief Finance Officer
DATE OF REVIEW	

1 Objective

The objective of this policy is to ensure that procurement activity at ACC is fair, transparent, effective and consistent with the [Government Procurement Rules](#) and achieves good outcomes for ACC and our clients.

2 Scope

This policy applies to our people who are involved in purchasing or approving the purchase of goods or services on behalf of ACC, or managing contracts or relationships with suppliers.

3 Policy statements

This policy outlines our position when undertaking purchasing and procurement activities. For a view of the “Procurement Policy Landscape” please see the Appendix.

Policy standards

3.1 Government requirements are incorporated into any procurement activity

As a Crown entity, we must comply with the Government Procurement Rules.

All-of-Government, Common Capability and Syndicated Contracts

3.2 We must purchase from the All-of-Government Contracts

We must purchase from the All-of-Government Contracts unless there is a good reason not to (Rule 58). If ACC wants to opt-out of purchasing from an All-of-Government Contract, our people must consult with the Head of Procurement and Properties and obtain approval from the Chief Executive (via the relevant Tier 2 Chief) and the relevant Functional Leader (the Department of Internal Affairs for ICT, the MBIE / Government Property Group for property, and MBIE for procurement).

3.3 We must purchase from mandatory Common Capability Contracts

We must purchase from mandatory Common Capability Contracts where the contract reasonably meets ACC's needs (Rule 60). If ACC wants to opt-out of purchasing from a mandatory Common Capability Contract, our people must consult with the Head of Procurement and Properties and obtain approval from the Chief Executive (via the relevant Tier 2 Chief) and the relevant Functional Leader or the lead agency managing the contract. We should participate in non-mandatory Common Capability Contracts before approaching the market for the same or substantially similar goods or services.

3.4 We should purchase from Syndicated Contracts

We should participate in Syndicated Contracts before approaching the market for the same or substantially similar goods or services (Rule 59)

General

3.5 We will plan and manage procurement activities

We plan and manage procurement activities to realise the best outcomes. This includes involving suppliers early, taking the time to understand the market and our effect on it and choosing a process proportionate to the size, complexity and risk of the procurement.

3.6 We will be fair to all suppliers

We treat all suppliers equally and do not discriminate against any suppliers. We will make it easy for suppliers to do business with us. We will clearly explain how we will assess their proposals, and communicate with them so they know how to improve next time.

3.7 We will engage the appropriate supplier for our needs

We procure goods or services from the supplier who can deliver what we need, at a fair price, and on time. We will be clear about what we need and fair in how we assess the suppliers.

3.8 We will achieve the best result for everyone

We engage suppliers that deliver the best public value considering the social, environmental, economic and cultural outcomes and can account for all costs and benefits over the lifetime of the goods or services.

3.9 We will support the delivery of public value through our procurement activity

We will consider the priority broader outcomes when undertaking procurement at ACC, and will conduct our procurements in line with the Government Procurement Charter.

3.10 We will be good partners

We work together with suppliers to ensure, so far as reasonably practicable, that the work being done for, or on behalf of, ACC is healthy and safe as described in our Health and safety policy. This includes the health and safety of people on our premises and wherever the work is taking place.

3.11 We will make procurement decisions according to approved delegations

All procurement decisions must be approved in accordance with the corporate delegations such as procurement plans, go to market activity, selecting suppliers (including direct sourcing and closed competitive), approving contracts and variations to contract.

3.12 We will act lawfully and responsibly

Our actions in procuring goods or services follow the relevant legislation and Government Procurement Rules. Our people will be accountable for their actions and our process will be fair, transparent, and reasonable. **We will declare our conflicts of interest**

We must declare any actual, perceived, or potential conflicts of interest in accordance with the Conflicts of interest policy. We will manage the conflict of interest in line with our procurement manual. We must ensure adequate separation of responsibilities to avoid bias, or the perception of bias in relation to procurement decisions.

3.14 We must act with integrity

We must ensure that our actions throughout the procurement process are impartial and can withstand scrutiny from internal and external parties (for example, they must comply with the Code of Conduct).

3.15 We will only accept gifts in limited circumstances

We must only accept gifts and hospitality from a supplier in accordance with the Gifts and gratuities policy. We must never accept gifts or hospitality from a supplier who is participating in a current ACC procurement process. A procurement process is not complete until a contract has been executed, or the procurement has been cancelled.

3.16 We will keep and manage our documentation

We must retain all documents concerning any stage of a procurement process (including approval, go-to-market and the responses, evaluation, contract and variation documents), in

accordance with the Privacy policy and file and archive in accordance with the Information management policy and Rules 50 and 52 of the Government Procurement Rules.

3.17 We will manage our contracts and suppliers throughout the life cycle of the engagement

We will manage providers and suppliers and the contracts we have with them by implementing the ACC Provider Management Framework.

4 Accountabilities

The Head of Procurement and Properties has overall responsibility and accountability for the operation of this policy. In addition:

- the Manager Health Procurement & Contracting has responsibility and accountability for the operation of this policy concerning health-related procurement; and
- the Head of Partnerships has responsibility and accountability for the operation of this policy concerning IT-related procurement.

5 Responsibilities

ACC has the following roles and responsibilities embedded in the organisation:

Roles:	Responsibilities:
Our people	We all have individual responsibility to comply with the Procurement policy and Procedures manual, and Corporate delegations and to engage with Procurement and Legal in a timely manner when required. We are responsible for complying with the Procurement manual and <u>Government Procurement Rules</u> as well as ensuring approvals for procurement decisions are made in accordance with the Corporate delegations.
Cost Centre Managers	Our cost centre managers are responsible for operating within their budget and ensuring that budget has been approved, and engaging Procurement in a timely manner where required.
Contract managers / Relationship owners	Primary person who has overall management of the relationship and the performance of the supplier in line with the original engagement / contract and the Provider Management Framework.
Procurement Team	Procurement teams are responsible for following good procurement practice, and educating the business on good procurement and commercial practices and work collaboratively across Government when required.
Manager Business Improvement & Support	Responsible for keeping this policy current.
Head of Partnerships	Responsible for the operation of this policy concerning IT-related procurement.

Manager Health Procurement & Contracting	Responsible for the operation of this policy concerning health-related procurement
Head of Procurement and Properties	Head of Procurement and Properties is the functional lead for procurement and commercial activities for ACC; represents ACC across Government and has overall responsibility for the operation of this policy
Chief Financial Officer	Chief Financial Officer is responsible for ensuring that organisational controls are in place to support and raise awareness of this policy
Executive	The Executive ensures good procurement practices, ensure compliance with the Government Procurement Rules, and ACC procurement policy, the corporate delegations and the procurement procedures.
Board	The Board is responsible for approving Procurements in line with the corporate delegations.

6 Monitoring and oversight

Lines of Assurance:	Monitoring & Oversight
1st line: Our people People managers/ cost centre managers Relationship managers / contract managers	<ul style="list-style-type: none"> Ensure that procurement activities are carried out in accordance with the Government Procurement Rules, Procurement policy, and Procurement Manual, and Provider Management Framework. The Procurement newsletter and training are provided to the business to inform and educate on best practice procurement activities and process. Ensure that any conflicts of interest are declared in a timely manner and managed appropriately. Comply with the corporate and claims management delegations. <ul style="list-style-type: none"> Cost centre managers will work within their allocated budgets, ensuring that the budget has been agreed, and will engage Procurement in a timely manner where required. <ul style="list-style-type: none"> Update and maintain risk registers to capture risk arising from compliance with Government Procurement Rules, capability, capacity and legislative compliance. Review procurement procedures and templates that are used by Procurement, and provided, and used by the business for low value procurement. Ensure Government Procurement Rules exemptions and opt-outs are reviewed and approved by the relevant delegated authority and are recorded in a central register. Obtain

	<p>approval and report on non-compliant procurement exemptions and opt-outs.</p> <ul style="list-style-type: none"> • Ensure suppliers are managed in accordance with the Provider Management Framework
2nd line Procurement teams	<ul style="list-style-type: none"> • Monitor compliance with the Procurement policy and procedures. • Store declared conflict of interests and management plans in the procurement central folder. • Respond to Ministry of Business, Innovation and Employment (MBIE) requests within their timeframes. Periodic review and consultation with MBIE on procurement projects including reporting of annual procurement plan, significant services contracts and procurement capability index. MBIE assess our procurement projects when >\$5M. • Provide the Procurement dashboard to Executive. • The Provider Service Delivery governance model and steering committee will approve all health procurement projects. • The Chief Technology and Transformation Officer and Head of Partnerships approve all IT procurement projects. • Internal and external probity is considered for procurement projects and assessed according to the guidelines.
3rd line Assurance Services External audits	<ul style="list-style-type: none"> • Assurance Services independently audit procurement policy and procedures and activity. • Independent external auditors appointed on behalf of the Office of the Auditor General provide assurance on procurement policy and procedures.
4th line Executive	<ul style="list-style-type: none"> • The Executive and Heads of approve procurement projects in line with the Corporate Delegations • The Chief Executive and Chiefs have primary responsibility for our strategic objectives and reporting to the Board on the management of these objectives.
5th line Board	<ul style="list-style-type: none"> • The Board approve procurement projects in line with the Corporate Delegations. • The Board has overall responsibility for ensuring effective risk management is in place. Reviews and assesses the Chief Executive's and Chiefs reporting and management of objectives.

7 Breaches of Policy

The Code of Conduct requires all of our people to comply with all policies and procedures. Behaviour or actions that are investigated and found to be in breach of the Code of Conduct may result in disciplinary action.

The rationale for any non-compliance of the [Government Procurement Rules](#) must be documented, and made available to MBIE if requested.

8 Contacts

For issues of interpretation or management of the policy or updates you should contact:

- [Health Procurement](#) for health-related procurement
- [T&T Strategic Partners](#) for IT-related procurement
- [Procurement Services](#) for all other procurement matters.

9 Definitions

All-of-Government Contract	A type of approved collaborative contract. Supply agreements are established with approved suppliers for selected common goods or services purchased across government. They are developed under the oversight of the Procurement Functional Leader (Chief Executive of MBIE) and managed by appointed procurement Centres of Expertise.
Broader Outcomes	Broader outcomes are the secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social and cultural outcomes.
Closed Competitive process	Also known as selective procurement, this is where ACC invites a limited number of known suppliers to respond to a contract opportunity (and the contract opportunity is not openly advertised).
Common Capability Contract	A type of approved collaborative contract. Various supply agreements are established with approved suppliers for selected common goods or services or works purchased across government.
Direct Source process	Also known as direct procurement, this is where ACC contracts directly with a selected supplier/s for the required goods or services.

Government Procurement Charter	The Charter contained in the Rules which sets out the Government's expectations of how agencies should conduct their procurement activity to achieve public value.
Government Procurement Rules (Rules)	<p>The Rules represent the government's standards of good practice for procurement planning, approaching the market and contracting.</p> <p>Cabinet has endorsed the Rules (CAB-18-MIN-0516.01) effective 1 October 2019. The Rules replaced the 2013 Government Rules of Sourcing.</p>
MBIE	The Ministry of Business, Innovation and Employment.
Public value	<p>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:</p> <ul style="list-style-type: none"> • 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). <p>The principle of public value when procuring goods, services or works does not mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value.</p>
Syndicated Contract	A type of approved collaborative contract. They typically involve a cluster of agencies aggregating their respective needs and collectively going to market for common goods or services. It may also involve an agency or agencies anticipating collaboration and including a Common Use Provision (CUP) clause within the resulting contract, which allows other agencies to contract with the supplier on the same terms later.
Tender	A process to seek responses from the market regarding the purchase of goods or services, such as a Request for proposal, Request for tender or Request for quote. See the Procurement Manual for more information.

10 References

This policy is supported by, and must be read in conjunction with, the Delegations Manual, ACC's Procurement Manual and ACC's Procurement Method Guidelines.

In the event of any inconsistency, the following hierarchy of precedence will apply:

- [Government Procurement Rules](#)
- [Delegations manual](#)
- this policy
- [Procurement Method Guidelines](#)
- [Procurement manual](#).
- [Provider Management Framework](#)

11 Version Control

Version	Date	Change reason	Who
1.0	Jun 2011	Various	Outside of Scope
1.1	Feb 2012	Various	
1.2	Nov 2013	Various	
1.3	Mar 2014	Various	
2.0	Feb 2015	Amended to incorporate the Government Rules of Sourcing	
3.0	Jul 2016	Updated for health and safety	
3..1	Aug 2016	Updated following ERCC meeting 2 August	
4.0	August 2018	Update for closed competitive or direct source	
5.0	September 2019	Updated for renamed Government Procurement Rules, incorporating broader outcomes concepts and Provider Management Framework.	

Appendix:

PROCUREMENT POLICY LANDSCAPE

