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| Mana Whakaae Approval Authority | Kaihautū Matua Kōahu Executive Director – Planning, Finance & Digital Services |
| Āpiha Whakapā Contact Officer | Kaiwhakahaere Whiwhinga Strategic Procurement Manager, Financial Services – Planning, Finance & Digital Services |

Kupu Whakataki | Introduction

The University is committed to upholding the principles of fairness, integrity, transparency, and value for money in all its procurement activities. This policy serves as a framework to guide the procurement processes and promote responsible and ethical behaviour of University staff and students when engaging and dealing with third parties.

Procurement at the University covers the business processes and activities associated with:

- purchasing goods (including property) and services from third parties; and
- leasing goods (including property) from third parties to facilitate UC's operations and to deliver our strategies and objectives.

Key Procurement Principles at the University

- **Value for Money:** The University is committed to obtaining the best value for money in all procurement activities, considering quality, cost, timeliness, and sustainability.
- **Openness and Transparency:** All procurement processes will be open, transparent to ensure fair competition among suppliers.
- **Fairness and Ethical Behaviour:** The University will conduct its procurement activities in a fair and ethical manner, adhering to health and safety, ethical, legal, and professional standards.
- **Accountability:** The University's stakeholders will be accountable for their procurement decisions and actions.

- **Sustainability:** Sustainability considerations will be integrated into procurement decisions, with a focus on minimising environmental impacts. The University and supplier relationships will also seek to promote cultural, economic, and social responsibility.

Procurement is a broad and multifaceted process that covers a range of activities related to acquiring goods, services, and works for an organisation. It encompasses various stages and functions, and its primary objectives are to obtain the necessary resources efficiently, effectively, and in a manner that provides value for money.

Key Requirements

Needs Identification: Identifying and defining UC's needs and requirements. This involves determining what goods, services, or works are necessary to support your goals and operations.

Planning: Developing a procurement plan that outlines the approach, timeline, and budget for acquiring the needed resources. This includes considering factors like market research, risk assessment, and broader outcomes.

Market Research: Analysing the market to identify potential suppliers, assess market conditions, and understand pricing trends. This step helps in making informed procurement decisions.

Supplier Selection: Evaluating and selecting suppliers through a competitive processes, proposals, or negotiations. Or attaining services under a secondary procurement process where the supplier and agreed rate card can be used.

Contracting: Drafting and negotiating contracts with selected suppliers. Contracts specify the terms and conditions of the agreement, including pricing, delivery schedules, quality standards, KPI's. SLA's and other relevant terms.

Ordering: Placing orders with suppliers based on the terms and conditions established in the contract. This step involves the formal issuance of purchase orders or service orders. This must be done prior to work commencing.

Receipt and Inspection: Receiving the goods or services and inspecting them to ensure they meet the agreed-upon quality and quantity standards. Any discrepancies or issues are addressed during this phase.

Invoice Verification and Payment: Verifying supplier invoices against the purchase order and contract to ensure accuracy and compliance. Once verified, payments are made to suppliers in accordance with agreed-upon terms.

Supplier Relationship Management (SRM): Managing ongoing relationships with suppliers to ensure they continue to meet performance expectations, maintain quality standards, and contribute positively to the organization's goals.

Performance Evaluation: Continuously monitoring and evaluating supplier performance against key performance indicators (KPIs) and contractual obligations. Feedback and improvements are discussed with suppliers as needed.

Compliance and Documentation: Ensuring that all procurement activities are conducted in compliance with relevant laws, regulations, and organizational policies. Maintaining proper records and documentation for audit and reporting purposes.

Sustainability and Ethics: Integrating sustainability and ethical considerations into procurement decisions. This includes evaluating suppliers for their environmental, cultural, economic and social responsibility practices.

Risk Management: Identifying and mitigating risks associated with procurement, including supply chain disruptions, quality issues, and legal or regulatory compliance.

Health and Safety: Ensuring that the supplier meets the minimum health and safety requirements of the University and that there are clear mechanisms in the contract for reporting breaches.

Cost Management: Managing procurement costs, including negotiation for favourable pricing and terms, and controlling expenses throughout the procurement process.

Reporting and Accountability: Providing regular reports on procurement activities, outcomes, and compliance to internal stakeholders, management, and external regulatory bodies as required.

Kaupapa Here | Policy Objectives

The University procures a wide variety of goods, services and works from both national and international suppliers. The University's requirements are diverse and complex, ranging from major and minor contracts with long term partnerships to one-off purchases. The way the University plans, sources and manages its procurement will vary depending on the level of value, complexity, and risk involved.

The University has an obligation under the Government Procurement Rules to deliver broader outcomes through its procurement function, i.e., secondary benefits generated from the procurement activity that could be environmental, social, and economic sustainability and cultural benefits. Therefore, the University will determine and apply the best approach suited to the individual procurement, within the framework of the Government Procurement Principles and the Government Procurement Charter and the University's Strategic Vision 2020-2030 (University Plans, Policies and Regulations Website)

All involved in procurement activities are responsible for applying and adhering to this policy, delegated authority and information available via [UC Procurement site \(Financial Services Intranet\)](#).

Scope

This Policy applies to all acquisitions of goods and/or services by the University (including its controlled entities) from the market or third parties. including capital works. With respect to funded research or commercialisation projects, this Policy applies the procurement of goods and/or services from suppliers other than from those specifically named on the relevant funding application (e.g. named subcontractors and service providers).

This Policy does not apply to transactions between University faculties, service units or departments or between the University and its controlled entities, and it does not apply to payroll expenses, financing expenses including interest on debt, taxes and any regulatory payments such as electricity, land and water rates.

All stakeholders (including Staff, Students and contractors) who can affect or are affected by procurement decisions at the University are required to comply with this Policy.

Expectations and Standards

The University will apply the [Government Procurement Principles](#) and the [Government Procurement Charter](#) when planning, sourcing, and managing its procurement, as these set the standard for good practice.

In applying the [Government Procurement Principles](#) and the [Government Procurement Charter](#), consideration will be given to the strategic principles outlined in the [University's Strategic Vision 2020 to 2030 \(University Plan, Policies and Regulations website\)](#). The strategic principles that will be considered are:

1.1 *Local Engagement*

Leverage the University's spend to increase the positive impact on economic sustainability for Otago | Christchurch and Waitaha | Canterbury by:

- (a) supporting and fostering local business, and
- (b) encouraging growth and development of the local workforce, and
- (c) increasing access and opportunities for local suppliers wishing to do business with the University.

1.2 *Environmental Sustainability*

Leverage the University's spend to increase the positive impact on environmental sustainability by increasing access and opportunities for suppliers that

- (a) offer long term environmental initiatives that improve the University, Otago | Christchurch and Waitaha's | Canterbury's ecological environments;
- (b) contribute towards the University's carbon net neutral 2030 initiative;
- (c) minimise waste, such as elimination of single use plastic, packaging, and disposable items; and
- (d) protect human health and enhance environmental quality and safety.

1.3 *Social Sustainability*

Leverage the University's spend to increase the positive impact on people and contribute to equitable outcomes by

- (a) encouraging the procurement of all goods, services and works at the University to be reflective of our commitment to Te Tiriti o Waitangi (Treaty of Waitangi), a partnership model evident across procurement processes;
- (b) increasing access and opportunities for suppliers that promote socially responsible practices (diversity, acceptance, fairness and inclusiveness, access for people of all abilities) including compliance with legislative obligations to its employees;
- (c) partnering with businesses that give back to their staff by way of wellness initiatives, promotion and paying fairly. This will build good ongoing relationships, negating intellectual property being lost with attrition.
- (d) increasing access and opportunities for suppliers that favour ethical sourcing to ensure
 - products are being sourced in a fair, responsible and sustainable way,
 - workers involved in making them are safe and treated fairly, specifically, the University will make every effort to ensure that modern slavery is eliminated from our supply chain, and
 - that environmental and social impacts are taken into consideration.
- (e) supporting and fostering businesses that are owned and operated by Māori and Pacific communities and organisations; and
- (f) increasing access and opportunities for suppliers that create a positive social impact for Māori and Pacific people and communities.

1.4 *Operational Efficacy*

1.4.1 Obtain best public value while ensuring procurement decisions and practices can always withstand public scrutiny.

1.4.2 Always act with integrity and ensure third party interactions and contractual arrangements are fair, effective, and transparent. This includes acting impartially and documenting, identifying and managing conflicts of interest in accordance with the University's [Conflict of Interest Policy \(PDF, 263KB\)](#).

1.4.3 Risk and liability are managed prudently and in accordance with the [Risk Management Framework \(PDF, 1MB\)](#)

1.4.4 Ensuring that our [Health, Safety and Wellbeing policy](#) is adhered to and managed accordingly. [Health, Safety and Wellbeing Policy \(PDF 197KB\)](#) .

1.4.5 Ensure appropriate financial and contractual delegation approval prior to committing any funds on behalf of the University.

1.4.6 Ensure record-keeping practices reflect the University's [Information Records and Data Policy \(PDF, 286KB\)](#)

1.5 *Managing Supply Contracts and Supplier Relationships*

The University will manage contracts and third-party relationships in the following ways:

- (a) In accordance with the terms and conditions of the supply contract.
- (b) In a manner which ensures that the goods, services or works that have been purchased meet contracted expectations and requirements.
- (c) Through developing effective relationships with suppliers, ensuring effective service delivery, maximising value for money, and providing consistent quality for stakeholders and end users.
- (d) Regular meetings to discuss supplier performance, issues, wins, sustainable initiatives. This will be by way of allowing the supplier to measure monthly and report quarterly. Reports to be filed against the contract folder.
- (e) Through effectively and efficiently resolving and escalating issues that arise by using the contract mechanisms to undertake that action.

Thresholds and Preferred Suppliers

The University's procurement procedures are based on monetary, risk and category thresholds. There are two thresholds and approaches, being **Non-Strategic** and **Strategic**.

Non Strategic

Non strategic procurement activity is defined as all purchases between \$0-\$100k that are deemed to be:

- One off contracting
- Day to day purchasing
- More information can be found [here](#).

Strategic

All purchases of goods, services or works with a value of \$100,000 or more (being the total value of the purchase over the full term of commitment including any periods of renewal) are subject to a formal procurement process, as set out in the procedures detailed on the [UC Procurement site \(University Financial Services Intranet\) \(Staff Only\)](#).

Dividing the value of a procurement activity in two or more parts to avoid the \$100,000 threshold is prohibited and is a breach of this policy. A series of reasonably related procurement activities will be treated as a single transaction for the purposes of determining the \$100,000 threshold.

When procuring goods, services or works, the University will purchase off existing supply contracts with preferred suppliers if such contracts can meet the University's requirements. "Preferred suppliers" are strategic supply partners of the University, appointed by

Procurement, with whom a formal preferred supplier contract has been entered into. Purchasing thresholds may apply to preferred suppliers. Instructions relating to secondary procurement processes applicable under preferred supplier contracts are detailed in the [Preferred Supplier Directory \(University Financial Services Intranet\) \(Staff Only\)](#).

Where there is no existing formal preferred supplier contract, or where there is such a contract but it cannot meet the University's requirements, all procurement activity must be carried out in accordance with the procurement procedures detailed on the [UC Procurement site \(University Financial Services Intranet\) \(Staff Only\)](#).

Exemptions from the Procurement Process

The UC Procurement team must be advised of any strategic sourcing activities and other non strategic activity that is proposing to deviate from policy for advice.

Strategic

For any exemptions or departures from this Policy, contacting the University Procurement team is the first port of call. Under the Government Procurement rules, Rule 14 must be met in order to comply. Valid exemptions will not be granted until all procurement avenues are explored. Failure to notify the UC Procurement team before the undertaking of any direct departures from the procurement process is deemed serious misconduct. All requests for departures from the procurement process must have the endorsement of the Strategic Procurement Manager, then the Contract and Procurement Exceptions Working group (CPE) will make the final decision.

Non Strategic

For non strategic exemptions, all requests for departures must include an exemption justification with the PO requisition, for direct appointments of suppliers over \$10,000 when a UC preferred supplier/panel is not suitable for requirements. This form requires approval from the Procurement Business partner, Procurement Manager and Line Manager. This [form](#) must be attached into a requisition in Unimarket.

Emergency Procurement

Emergency procurement refers to the acquisition of goods, services, or works under urgent and critical circumstances, where delays in the procurement process could result in severe consequences. Emergencies may include natural disasters, public health crises, security threats, or other situations demanding immediate action to safeguard the continuity of operations.

Authority:

The authority to initiate emergency procurement on behalf of the University rests with the appropriate delegated financial authority for that activity. The individual has the responsibility to assess the urgency and necessity of the procurement and to authorise expedited procurement processes in alignment with laws, regulations, and organisational policies.

Conditions for Emergency Procurement:

Imminent Threat: Emergency procurement may only be initiated when there is a clear and imminent threat to life, property, or the normal functioning of the organisation.

Official Authorisation: The decision to engage in emergency procurement must be officially authorised by the designated authority, who will document the justification for the emergency and the need for immediate procurement.

Expedited Process: Emergency procurement processes will be expedited to the maximum extent possible, ensuring a swift and efficient response to the emergency situation.

Transparency and Accountability: While expedited, emergency procurement activities must adhere to principles of transparency and accountability. Proper documentation, reporting, and audit trails will be maintained.

Procurement Methods: Depending on the urgency and circumstances of the emergency, different procurement methods may be employed, including but not limited to direct contracting, sole-source procurement, or utilising existing contracts with pre-approved emergency clauses.

Review and Reporting: All emergency procurements will be subject to post-event review and reporting. The designated authority will assess the appropriateness of the emergency procurement and make recommendations for improvement in future emergency response situations.

Compliance: Emergency procurements will be conducted in compliance with applicable laws, regulations, and organisational procurement policies. Any deviations from standard procurement procedures will be justified and documented.

Key Responsibilities and Functions

The Kaihautū Matua Kōahu | Executive Director, Planning Finance and ITS is responsible for ensuring that there are adequate controls over the University's procurement processes, including adequate financial controls to safeguard the financial resources of the University. Controls include financial delegations recorded in the [Financial Delegation of Authority Schedule \(Staff Only\) \(University Financial Services SharePoint site\)](#) which must be read in conjunction with the [UC Council Delegation Schedule \(University Governance website\)](#).

Senior Leadership Team (SLT) members are responsible for procurement and contract management activities within their portfolios (subject to the UC Procurement policies and procedures), including delegation of these activities and responsibility for supervision/accountability of their delegates in relation to these.

The Procurement Team (Procurement) has expertise in, and carries out a number of, procurement related activities and oversees related work streams.

The Procurement Team will:

- (a) Provide training, assistance, and guidance to staff members involved in procurement at the University and will develop and make available resources such as guidance documents, templates, and processes.
- (b) Report to SLT regarding adherence to this policy and information available on the [UC Procurement site \(University Financial Services Intranet\) \(Staff Only\)](#). If there are concerns regarding how goods, services or works are being procured, or whether this policy and information available on the [UC Procurement site \(University Financial Services Intranet\) \(Staff Only\)](#) is being adhered to, Procurement will advise the relevant manager in the first instance.

Breach

Breaches of this policy may result in reputational, financial, or other damage to the University. It may also constitute misconduct.

Where a breach occurs, the responsible SLT member and Procurement are to be notified immediately, or as soon as possible if the circumstances do not allow immediate notification.

Where a breach of this policy or information available on the [UC Procurement site \(University Financial Services Intranet\) \(Staff Only\)](#) has the potential to expose the University to legal action, escalation to the Pouroki / General Counsel | Registrar is to occur.

Tautuhinga | Definitions

Emergency – Any unplanned or unforeseen natural, or human-related event that disrupts normal business and may be a threat to life or property.

Staff member or Staff – for the purposes of this policy, this extends to cover all persons working at, for, or on behalf of, the University (whether paid or unpaid), including but not limited to contractors, subcontractors, and their employees, adjunct appointees, Erskine visitors, consultants, guest lecturers, interns, and volunteers.

Student – A person who is enrolled as a student at the University, either directly or through official arrangements with another organisation.

University – This means Te Whare Wānanga o Waitaha | University of Canterbury, the body corporate as defined by the University of Canterbury Act 1961.

He Kōrero Anō | Related Documents and Information

- [Treaty of Waitangi \(New Zealand Legislation website\)](#)

Te Pātaka Kaupapa Here | UC Policy Library

- [Conflict of Interest Policy, Principles and Guidelines \(PDF, 605KB\)](#)
- [Delegations of Authority Policy \(PDF, 990KB\)](#)

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- [Gifts Policy \(PDF, 286KB\)](#)
- [Fraud Response Policy and Procedures \(PDF, 453KB\)](#)
- [Purchasing Card \(P-card\) Policy \(PDF, 797KB\)](#)
- [Records Management Policy \(PDF,574KB\)](#)
- [Risk Management Framework \(PDF,1MB\)](#)
- [Sensitive Expenditure Policy \(PDF, 266KB\)](#)
- [Sustainability Policy \(PDF,735KB\)](#)
- [Staff Code of Conduct \(PDF, 481KB\)](#)
- [Health, Safety and Wellbeing Policy \(PDF 197KB\)](#)

Te Pae Tukutuku me te Ipurangirotu o UC | UC Website and Intranet

- [Financial Delegations of Authority Schedule \(Staff only\) Financial Services SharePoint site](#)
- [Preferred Supplier Directory \(University Financial Services Intranet\) \(Staff Only\)](#)
- [Tangata Tū, Tangata Ora: Strategic Vision 2020 – 2030 \(University Governance website\)](#)
- [UC Council Delegation Schedule \(University Governance website\)](#)
- [UC Procurement site \(University Financial Services intranet\) \(Staff Only\)](#)

Mōwaho | External

- [Good Practice Guide, Procurement guidance for public entities. Office of the Auditor General, June 2008 \(Controller and Auditor General website\)](#)
- [Government Procurement Principles \(New Zealand Government Procurement website\)](#)
- [Government Procurement Charter \(New Zealand Government Procurement website\)](#)

Tāpiritanga | Appendices

- Appendix 1: [Applying the Government Procurement Principles](#)
- Appendix 2: [Applying the Government Procurement Charter](#)

| Document History and Version Control Table | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|
| Version | Action | Approval Authority | Action Date |
| <i>For document history and versioning prior to 2013 contact ucpolicy@canterbury.ac.nz</i> | | | |
| 1.00 | Document drafted by Strategic Procurement Manager; approved by CFO. | CFO | Oct 2015 |
| 1.01 | Minor formatting alterations and addition of Office of the Registrar information. | Policy Unit | Nov 2015 |
| 1.02 | Fair Trade section added by Contact Officer. | CFO | Sep 2016 |
| 2.00 | Scheduled review by Contact Officer, minor changes, definition added, extra content under "Purpose" section, minor content changes. | Policy Unit | Dec 2018 |
| 3.00 | Scheduled review by Contact Officer, major changes to incorporate contract management content and align with University's strategic vision 2020-2030 | Exec. Director, Planning Finance & Digital Services | Dec 2021 |
| 3.01 | Hyperlinks updated to locations on new procurement intranet site | Policy Unit | March 2023 |
| 4.00 | Policy revision in line with internal changes (CPE Committee formation) plus addition of clearer policy objectives and application. | Exec. Director, Planning Finance & Digital Services | March 2024 |

This policy remains in force until it is updated.

APPENDIX 1

Applying the Government Procurement Principles

The [Government Procurement Principles \(New Zealand Government Procurement website\)](#) apply to all government agencies and provide government's overarching values. Persons procuring goods, services or works on behalf of the University should use the principles for guidance and to help make good procurement decisions.

The five principles are:

1. Plan and manage for great results

- Identify what you need, including what broader outcomes should be achieved, and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business (for example, tenders sent by email).

2. Be fair to all suppliers

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we don't discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

3. Get the right supplier

- Be clear about what you need and fair in how you assess suppliers – don't string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

4. Get the best deal for everyone

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic effects and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It's more than just agreeing the deal – be accountable for the results.

5. Play by the rules

- Be accountable, transparent, and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

Appendix 2

Applying the [Government Procurement Charter \(New Zealand Government Procurement website\)](#)

1. Seek opportunities to include New Zealand businesses

- Openly work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes.

2. Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility

- Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.

3. Look for new and innovative solutions

- Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.

4. Engage with businesses with good employment practices

- Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights.
- For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.

5. Promote inclusive economic development within New Zealand

- Engage with Māori, Pasifika, and regional businesses and social enterprises to actively contribute to our local economy.
- Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.

6. Manage risk appropriately

- Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk.
- Agencies and suppliers should work together on risk mitigation strategies.

7. Encourage collaboration for collective impact

- Look to support greater collaboration, both across-agency and across-businesses to give like-minded groups the opportunity to find common solutions within your procurement opportunities.