

Procurement Policy

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**Policy owner
and approval**

- The Owner of this Policy is the Chief Executive
- This Policy has been approved by the Southern Response Board.
- The Committee responsible is the Audit and Risk Committee.

**Next review
date**

December 2027

Effective date

1 March 2013

Introduction

**Purpose &
Scope**

This Policy outlines the approach Southern Response Earthquake Services Ltd (**Southern Response**) takes to procuring goods and services and managing procurement contracts.

It incorporates:

- the principles that apply to all Southern Response procurement; and
- the rules that apply to some Southern Response procurement.

Southern Response's procurement processes are detailed in a separate *Procurement Procedure Guidelines* document (**Procedures**).

This Policy does not apply to Southern Response's staffing arrangements with Personnel under employment or independent contractor agreements (**Personnel**).

Responsibilities

This Policy must be followed by Personnel and directors.

Chief Executive approval is required to take a different approach to this Policy or the Procedures.

Unapproved departures from this Policy or the Procedures may be a disciplinary matter.

Government Procurement Framework

Public Sector Expectations

Southern Response is a Crown-owned entity that applies the *Principles of Government Procurement* (**Principles**) and the *Government Procurement Charter* (**Charter**).

The Principles apply to all government procurement activity and provide the foundations of good procurement practice.

The Charter sets out Government's expectations for how agencies should conduct procurement activity to achieve public value.

This Policy incorporates the Principles and the Charter.

Procurement Principles

The Principles are:

1. plan and manage for great results;
2. be proportionate and right-size the procurement;
3. be fair to all suppliers;
4. get the right supplier;
5. get the best deal for everyone; and
6. play by the rules.

Procurement Rules

Southern Response follows the *Government Procurement Rules* (Fifth Edition, December 2025) (**Rules**) when they apply.

NZGP Guidance

Southern Response has regard to relevant good practice guidance issued by NZ Government Procurement (**NZGP**) when applicable.

Approved Government Model Templates

Rule 47 requires agencies to use Approved Government Model Templates (A-GMTs) for their procurement activities, regardless of whether the Rules apply to the procurement.

Transparency

The Rules require agencies to make procurement policies publicly available. This Policy is published on Southern Response's website.

Economic Benefits to NZ

The Rules require agencies to consider economic benefits to New Zealand that can be achieved through procurement (Rule 8).

Southern Response has incorporated the need to consider economic benefits in this Policy and the Procedures.

Southern Response's procurement objectives that contribute to achieving these benefits include:

- getting the best results from spending;
- using New Zealand businesses (including small and regional businesses) whenever possible; and
- raising performance standards through fair and effective management of suppliers and service providers.

Our Approach

Flexible & Proportionate

Southern Response takes a flexible, proportionate, and common-sense approach to procurement, and uses the procurement methods and processes that are best suited to each individual procurement, having regard to the type of procurement and the value, complexity and risk involved.

Southern Response's preference, and starting point for any procurement, is to purchase from existing All of Government contracts (**AoG Contracts**) or Southern Response's existing procurement contracts, whenever they meet Southern Response's needs.

Value-for-Money

Southern Response also takes a commercial value-for-money approach to procurement.

"Value-for-Money" means getting the best possible outcome from the procurement, using resources effectively, economically, and without waste, and having regard to the total costs and benefits of the procurement. It does not mean selecting the lowest price but seeking the best overall outcome having regard to suitability, quality, quantity, timeliness, and price.

Total Cost of Ownership

Southern Response uses the Total Cost of Ownership (**TCO**) to:

- estimate the monetary value of a procurement;
- assess Value-for-Money; and
- apply value thresholds in the Rules.

"TCO" means all foreseeable costs over the life of a procurement. These may include, for example: the purchase price; the cost of the purchase process (e.g. running a tender process); the cost of installing, housing, operating, maintaining, upgrading and/or disposing of goods; the cost of any required training or related service contracts; and any other consequential or ongoing costs involved with the procurement.

Playing by the Rules

Southern Response demonstrates high standards of probity throughout its procurement activities by:

- clearly recording procurement planning, processes and decisions (so they can easily be audited);
- retaining procurement records for at least three years (as required under Rule 46);
- documenting and managing any actual or perceived conflicts of interest;
- identify risks and getting the right Personnel to manage them; and
- acting lawfully, ethically and responsibly.

Personnel Conduct

Personnel who manage Southern Response procurement are required to comply with the Standards of Integrity and Conduct: A code of conduct issued by the State Services Commissioner under the State Sector Act 1988, section 57 (June 2007).

Personnel are also required to comply with Southern Response's other policies that are relevant to procurement, including for example the:

- Delegated Authorities Policy;
- Contract Approval Policy;
- Conflict of Interest Policy; and
- Gifts and Koha Policy.

Supplier Conduct

Southern Response requires suppliers and their subcontractors to comply with the NZGP *Supplier Code of Conduct* (**Supplier Code**). The Supplier Code outlines the Government's expectations for sustainable and inclusive procurement.

Written Contracts

Arrangements with suppliers and contractors will be documented in written contracts whenever required by law, this Policy, the Procedures, or a written contract would be proportionate to the value, complexity and risk of the procurement.

Contract Terms for Suppliers

Southern Response's written contracts with suppliers include terms requiring suppliers to:

- comply with the Supplier Code and ensure all subcontractors are aware of and comply with the Supplier Code (and provide evidence of compliance with the Supplier Code to Southern Response on request);
- hold all qualifications and licences required to legally and competently do their work (and provide evidence of these to Southern Response on request);
- comply with the Privacy Act 2020 when handling the personal information of individuals; and
- retain and manage Southern Response information in a way that it can be readily retrieved if Southern Response receives a request for information under the Privacy Act 2020 or the Official Information Act 1982.

Engaging With Suppliers

To build effective commercial relationships with suppliers, Southern Response will:

- treat suppliers fairly and with respect;
- be consistent, transparent, fair and accountable;
- be clear about what Southern Response requires and how it will assess suppliers before going to market;
- give suppliers sufficient response time to respond to requests;
- protect suppliers' commercially sensitive information and intellectual property; and
- pay invoices promptly within the timeframes specified in Rule 36.

Low Value Procurement

Definition

“**Low Value Procurement**” means procurement below the Minimum Value Thresholds for the Rules to apply.

Minimum Value Thresholds

The Rules do not apply to procurement below the following “**Minimum Value Thresholds**”:

- goods, services and refurbishment works with an estimated TCO less than \$100,000 (GST exclusive); and
- new construction works with an estimated TCO less than \$9 million.

Principles & Procedures

Although the Rules do not apply to Low Value Procurement, Southern Response applies the Principles, this Policy, and the Procedures applicable to Low Value Procurement.

Awards to NZ Businesses

Although the Rules do not apply to Low Value Procurement, agencies are “expected” (under Rule 8) to award procurements below the Minimum Value Thresholds to New Zealand businesses, that are capable and have capacity to deliver on the contract, where this represents good public value, unless there is good reason not to.

When Quotes Required

Three quotes are required for Low Value Procurement where the estimated TCO is \$30,000 or more.

Requirements	TCO (GST exclusive)
Buy directly from suitable supplier	Below \$30,000
Three quotes required	\$30,000 to \$100,000

Written Contracts Not Always Necessary

A written contract is not required for Low Value Procurement if having a written contract would be disproportionate to the value, complexity and risk of the procurement.

Authority & Approval to Contract

Any written contract for Low Value Procurement should be reviewed, approved and executed in accordance with the *Contract Approval Policy* and *Delegated Authorities Policy*.

If no written contract is entered into for Low Value Procurement, confirmation that the *Delegated Authorities Policy* has been followed may be evidenced by the authorised Personnel approving invoices for payment.

Other Exemptions from the Rules

How Exemptions Work

Exemptions from the Rules apply regardless of whether the value of the procurement is above the Minimum Value Thresholds (**Exemptions**).

The Exemptions most relevant to Southern Response are:

- Secondary Procurement (which includes AoG Contracts);
- Canterbury Recovery Procurement; and
- Emergency Procurement.

Other Exemptions may apply for individual procurements.

When an Exemption applies, Southern Response will still follow the Principles, this Policy, and the Procedures.

Secondary Procurement

“Secondary Procurement” means purchases of goods, services, or works from a Panel of Suppliers, under an AoG Contract, Common Capabilities Contract, or Syndicated Contract.

Secondary Procurement is exempt from the Rules.

AoG Contracts

AoG Contracts are a type of Secondary Procurement and are exempt from the Rules.

Canterbury Recovery Procurement

“Canterbury Recovery Procurement” means procurement of goods, services or works that is required to resolve claims under AMI insurance policies for earthquake damage to residential properties during the Canterbury Earthquake Sequence. This includes but is not limited to individual repair or rebuild projects to discharge Southern Response’s legal obligations under AMI insurance policies.

Southern Response has necessarily taken a tailored approach to Canterbury Recovery Procurement. Process detail is provided in the Procedures.

Emergency Procurement

“Emergency” means a sudden unforeseen situation which could result in loss of life or critical damage to property or infrastructure. Such a situation can arise from natural disasters, failures of critical infrastructure, critical health emergencies, political emergencies or critical security emergencies.

In an Emergency, Southern Response may need to depart from the Rules and the Procedures to respond effectively.

If so, Southern Response will continue to follow best practice by:

- documenting Emergency Procurement during the event, or as soon as possible after;
- acting within existing delegated authorities, where possible;
- if there is no existing delegated authority, and no time to obtain approval, exercising good judgement and being prepared to provide a rationale for procurement decisions; and
- if a procurement involves a major expense, obtaining oral approval (at least) from Personnel with appropriate delegated authority before making a commitment, and following up in writing later.

Southern Response will also have regard to the NZGP [*Guide to Emergency Procurement*](#).

When the Rules Apply

Procurement Above Minimum Value Thresholds

The Rules will generally apply to a procurement if:

- the TCO is above the Minimum Value Thresholds for the Rules to apply; and
- no Exemptions apply.

Open Competitive Process Wherever Possible

When the Rules apply, Rule 10 states that “wherever possible, agencies must use open competitive procurement processes to give all interested suppliers the opportunity to compete.”

An “**Open Competitive Process**” is one where the procurement opportunity is advertised openly on the Government Electronic Tenders Service (**GETS**) and any supplier can submit a proposal. Open Competitive Processes can be:

- one-step procurement processes (such as a Request for Quote or Request for Tender); or
- multi-step procurement processes (such as a Registration of Interest followed by a shortlisting then a Request for Proposal or Request for Tender).

When the Rules apply and an Open Competitive Process is required, Southern Response will use an Open Competitive Process that is appropriate to the circumstances, proportionate to the value, risk and complexity of the procurement, and will achieve public value.

When Not Required

An Open Competitive Process is not required if the Rules would otherwise apply but:

- an Opt-Out Procurement is available (under [Rule 11](#)); or
- a limited exemption from the open advertising rule (under [Rule 12](#)) is available. (This is an exemption from advertising the opportunity but a contract award notice must still be published on GETS within 30 business days of all parties signing the procurement contract.)

In these situations, Southern Response will use a procurement process that is appropriate to the circumstances, proportionate to the value, risk and complexity of the procurement, and will achieve public value.

Opt-Out Procurement

Under Rule 11 agencies may opt-out of applying some of the Rules if the facts meet one or more of the circumstances listed in Appendix 1 of the Rules. Examples of those circumstances relevant to Southern Response include:

- government agencies purchasing goods, services, or works from each other;
- non-contractual arrangements like Agreements in Principle or a Memorandum of Understanding between government agencies; and
- purchasing or renting land or existing buildings.

If opting-out of the Rules, Southern Response will follow best practice for Opt-Out Procurement and be able to demonstrate that the Principles, this Policy, the Procedures, and any applicable NZGP Guidance have been applied.

Processes & Procedures

More information about procurement processes and procedures is provided in the Rules, NZGP Guidance, and the Procedures.

Relevant Links

Policies

- 3. Conflicts of Interest Policy
- 7. Sensitive Expenditure Policy
- 8. Delegated Authorities Policy
- 12. Gifts and Koha Policy
- 13. Use of Company Credit Cards
- 18. Code of Conduct
- 38. Contract Approval Policy
- 42. Information Gathering Policy

References and Resources

- [Government Procurement Rules – \(5th edition, December 2025\)](#)
– includes Principles and Charter
- [Guides | New Zealand Government Procurement](#)

Legislation

Southern Response Personnel must comply with all applicable legislation throughout the procurement process. The legislation includes, but is not limited to, the:

- Public Finance Act 1989;
- Crown Entities Act 2004;
- Privacy Act 2020; and
- Official Information Act 1982.

Version Control

Version	Date	Author	Description
0.1	2/11/12	Contractor	Policy Created
0.2	14/11/12	CCO	Review
0.3	19/11/12	Contractor	Review
0.4	01/02/13	Legal Counsel	Review
0.5	12/02/13	Bell Gully	Review
0.6	06/03/2013	A&R Committee Chair	Review
1.0	22/03/2013	Change Mgr & System Dev Mgr	Approved by Board
1.1	19/07/2013	Change Mgr & System Dev Mgr	Daily escalation figure updated per Finity valuation, approved by Peter Rose
1.2	02/08/2013	CEO	A&R Committee approved, subject to alignment with Policy Development Policy.
1.3	19/08/2013	Governance Officer	Board Reviewed and approved.
2.0	14/10/2013	Support Services Manager	Policy owner revised from Chief Corporate Officer to Chief Financial Officer
3.0	2/4/2014	Earthquake Strategy Manager /CFO	Scheduled review in accordance with Policy Review Schedule and reference to Government Rules of Sourcing
3.1	11/04/2014	Governance Officer	Reviewed by Audit & Risk Committee; amendments agreed.
3.2	14/04/2014	Governance Officer	Board approved.
4.0	28/01/2015	CFO	Scheduled review in accordance with Policy Review Schedule and reference to Government Rules of Sourcing
4.1	03/02/2015	Governance Officer	Reviewed by Audit & Risk Committee.
4.2	16/02/2015	Governance Officer	Board approved.
5.0	10/09/2015	GM – Claims Settlement	Review and update to reflect current Canterbury Recovery Procurement environment
5.1	16/09/2015	Earthquake Strategy Manager	Review
5.2	29/09/2015	CFO	Review
5.3	15/10/2015	Governance Officer	Reviewed by Audit & Risk Committee; amendments approved for recommendation to the Board.
5.4	22/10/2015	Governance Officer	Board approved.

6.0	8/04/2016	CEO	Reviewed according to the policy review cycle, recommend amendments to A&R Committee.
6.1	14/04/2016	Governance Officer	Reviewed by Audit and Risk Committee and approved for recommendation to the Board.
6.2	15/04/2016	Governance Officer	Board approved.
7.0	29/06/2017	GM- Legal & Strategy / CFO	Scheduled review in accordance with Policy Review Schedule.
7.1	05/07/2017	CEO	CE approved for recommendation to the A&R Committee
7.2	14/07/2017	Governance Officer	Audit & Risk Committee reviewed and recommended to the Board, subject to amendments agreed.
7.3	21/07/2017	Governance Officer	Board approved.
8.0	22/03/2019	Company Secretary/ GM- Legal & Strategy	Scheduled review
8.1	18/04/2019	Company Secretary	Board approved subject to minor amendments.
8.2	26/06/2019	Company Secretary	Minor amendments as a result of NZ Government Supplier Code of Conduct
	12/07/2019	GM – Legal & Strategy, CEO	Reviewed
	19/07/2019	Company Secretary	Board approved.
9.0	10/04/2021	Company Secretary	Scheduled review – policy restructure
9.1	11/05/2021	General Manager	Reviewed
9.2	24/05/2021	Company Secretary	Board approved subject to minor changes
9.3	24/06/2021	Company Secretary	Change GM title to Chief Executive
9.4	25/08/2021	Company Secretary	Board approved minor amendment regarding evidence of licences to align with other policies.
9.5	19/04/2023	CEO	Minor updates during scheduled review. Board approved 27 April 2023.
10.0	18/11/2025	General Counsel	Major rewrite and update for new Rules (5 th Ed, 01/12/25). Length and complexity reduced with internal process detail moved to separate document. Board approved 24.11.25.