Social Investment Agency
Toi Hau Tāngata

PUBLIC VERSION

Procurement Policy

Date updated	August 2026
Version	1.0
Status	Approved
Policy owner	Risk, Assurance and Governance
Summary / purpose	This policy sets out the mandatory requirements for how SIA plans, conducts and manages procurement so that public funds are used responsibly, procurement decisions deliver public value, and procurement activity is lawful, fair, transparent, proportionate and accountable.
Who this applies to	This policy applies to all SIA permanent and fixed term employees, secondees, contractors and consultants.
Policy effective date	September 2026

About this Public Version: This is a public version of SIA's approved Procurement Policy, effective September 2026. Internal operational guidance, internal links, templates, administrative responsibilities and staff checklists have been removed for public publication. No substantive policy principles, procurement thresholds or requirements have been changed.

Summary Statement

1. SIA will undertake procurement in a way that is lawful, fair, transparent, proportionate, well planned and accountable. Procurement decisions must balance commercial risk, operational need, supplier capability, whole-of-life cost, quality, outcomes, economic benefit to New Zealand, stewardship of public funds, and the needs of people, whānau, communities and stakeholders where relevant. Decisions must be documented so SIA can demonstrate public value, integrity and compliance.
2. SIA will apply the Government's Principles of Procurement, the Government Procurement Charter and the Government Procurement Rules (the rules) to all procurement activities. The principles apply to all procurement activity, even where the Rules may not apply because the procurement is below threshold, an opt-out applies, or the activity is otherwise outside the Rules. Where flexibility is used, the rationale must be proportionate, evidence based and recorded.
3. Procurement judgement must be exercised proportionately and safely, with support from SIA's Procurement function where needed. Where the Rules allow discretion, staff must ensure the approach is evidence-based, documented, consistent with this policy, and able to withstand audit, supplier scrutiny and public accountability.

Section 1: Procurement Framework

4. Procurement at Social Investment Agency (SIA) covers all activities involved in acquiring and delivering goods, services, works and commissioned social services. It begins with identifying a business need and continues through planning, market engagement, sourcing, evaluation, negotiation, contract award, and ongoing contract and supplier relationship management. Procurement concludes with review of the contract and supplier performance, which may lead to contract closure, renewal, extension, variation or planning a new sourcing event.
5. Procurement includes both commercial purchasing and the commissioning of social, community-based and outcome-focused services. These activities are not separate regimes. The same core principles, governance requirements, approval controls and applicable Government Procurement Rules apply consistently across all procurement undertaken by SIA. Where commissioning contexts require flexibility, such as relational approaches, provider capability support, co-design, kanohi ki te kanohi (face-to-face) engagement, or simplified documentation, that flexibility must be applied within this policy and in accordance with the Government Procurement Rules.
6. SIA's procurement activities must support public value by enabling fair competition, encouraging innovation, strengthening supplier diversity, supporting economic benefits to New Zealand, and contributing to better social outcomes for New Zealanders.



Section 2: Introduction, Purpose, Principles

Purpose

7. This policy sets out how SIA plans, conducts and manages procurement so that public funds are used responsibly, procurement decisions deliver public value, and procurement activity is lawful, fair, transparent, proportionate and accountable.
8. The policy supports:
    - Compliance with the Government Procurement Rules, the Public Finance Act 1989 and other applicable legislation.
    - Transparent, fair and accountable stewardship of public funds.
    - Procurement decisions based on public value, whole-of-life cost, risk, quality and outcomes.
    - Culturally informed, evidence based and outcomes focused procurement practice.
    - Early planning, clear requirements, fair market engagement and effective contract management.
    - Appropriate flexibility for social commissioning while maintaining procurement integrity and compliance.
9. This policy sets mandatory requirements.

Scope

10. This policy applies to all SIA permanent and fixed term employees, secondees, contractors and consultants.
11. This policy applies to the procurement of goods and services, including but not limited to:
    - consultancy and professional services
    - works and refurbishment work
    - ICT and digital services
    - social sector commissioning and social investment outcome contracts where a third party delivers goods or services for SIA; and
    - contracts accessed through panels, marketplaces, syndicated agreements, common capability arrangement, brokers or third-party agents.
12. This policy does not apply to activities that are not considered to be procurement for the purposes of the Government Procurement Rules, including:
    - employment agreements, excluding contractors and consultants
    - investments, loans and guarantees
    - gifts, donations and unconditional grants
    - statutory appointments and Ministerial appointments
    - core Crown legal matters
    - public prosecutions; or
    - disposal of assets at the end of their useful life.

Principles

13. SIA's procurement activity must be guided by the six principles of Government Procurement and the Government Procurement Charter. These principles should be used to make balanced decisions where the Rules allow discretion or where a procurement is below threshold. Each procurement activity must:

    - Plan and manage for great results.
    - Be proportionate and right-size the procurement.
    - Be fair to all suppliers.
    - Get the right supplier.
    - Get the best deal for everyone.
    - Play by the Rules.
    - Manage risk appropriately, including by allocating risks to the party best placed to manage them, avoiding unnecessary risk transfer to suppliers, and ensuring decisions remain commercially sensible and publicly defensible.

Section 3: Delegations, Probity and Conflicts

Delegations

14. No procurement may proceed, and no commitment may be made to a supplier or provider, until the required budget, procurement and contractual approvals have been obtained under SIA's Delegations Policy.
15. Delegated approval must cover the **whole-of-life** value of the procurement. Staff must not split purchases, shorten contract terms, use multiple suppliers, use credit cards, or otherwise structure work to avoid thresholds, approvals, the Rules or this policy.

Probity Requirements

16. Procurement decisions must uphold public service integrity. Staff must act lawfully, impartially, responsibly, transparently and in the interests of New Zealanders, not for personal gain or to favour a supplier or provider.
17. Staff must be able to demonstrate that decisions were fair, reasonable, evidence based and consistent with this policy and the Government Procurement Rules.
18. At a minimum, staff involved in procurement must:

    - treat suppliers and providers fairly and consistently
    - avoid giving any supplier or provider an unfair advantage
    - protect confidential and commercially sensitive information
    - use clear and proportionate requirements and evaluation criteria
    - keep records that explain the decision-making process; and
    - escalate actual, potential or perceived probity issues promptly.

Declarations of Interest

19. All staff involved in a procurement process, including planning, market engagement, evaluation, moderation, approval, negotiation, contract award or contract management, must complete a

procurement specific conflict of interest declaration before participating. This is in addition to any annual organisational declaration required under SIA's Interest and Conflicts of Interest Policy.

20. Whether interests are actual, potential or perceived, they must be identified, documented, assessed and managed. A person with an unmanaged interest must not participate in the procurement activity.

Gifts, Hospitality and Koha

21. Staff involved in procurement must not accept any gift, hospitality, koha or benefit that could reasonably be perceived to influence a procurement process. Offers must be declined and recorded in accordance with SIA's Gifts, Hospitality and Koha Policy.

Section 4: Procurement Thresholds and Approval Pathways

Whole-of-Life Cost

22. Procurement thresholds must be calculated using the total estimated whole-of-life cost of the procurement. This includes the initial contract term, all planned or potential extensions, renewals, variations, options, related revenue streams and associated costs. Procurement must not be split or structured to avoid the applicable threshold, approval requirement or Government Procurement Rules.

23. The Government Procurement Rules apply to goods and services where the maximum total estimated value meets or exceeds $100,000. SIA's internal thresholds below $100,000 are designed to provide proportionate control for lower-value procurement.

Summary of Thresholds		
Whole-of-life cost	**Usual approach**	**Procurement involvement**
Up to $49,999	Direct purchase is permitted where the purchase is low-risk, value for money can be demonstrated and the decision is documented. Staff should consider whether one or more quotes would provide better evidence of value for money.	Available on request
$50,000 to $99,999	Multiple written quotes are expected. Three quotes are recommended unless a different approach is justified, proportionate and documented.	Recommended for all procurements
$100,000 and above	The Government Procurement Rules apply. Open advertising is required unless an opt-out or exemption from open advertising applies, or a permitted secondary procurement process is used under a panel or other approved arrangement.	Procurement must be involved from the planning stage
***NOTE**: Procurement thresholds must be calculated based on the estimated whole-of-life cost of the contract/ procurement, inclusive of all planned or potential extensions, renewals, variations and any associated costs.*		

Economic Benefit to New Zealand

24. For procurements at or above the Government Procurement Rules threshold, SIA must seek economic benefits to New Zealand and evaluate those benefits as part of the assessment of public value. Procurement documents must set clear and proportionate expectations for the economic benefits sought, apply the current minimum expectations for evaluating economic benefits, and include contract provisions and monitoring arrangements for any agreed commitments.
25. For procurements below the Rules threshold, SIA should generally award to capable New Zealand businesses with capacity to deliver unless there is good reason not to. Where SIA awards to a non-New Zealand business or does not test whether a capable New Zealand business is available, the reason should be recorded as part of the procurement decision.

Exemptions from Open Advertising

26. Exemptions from open advertising may only be used where a valid ground applies within current Government Procurement Rules, the rationale is documented before supplier engagement, and approval has been obtained in line with SIA's Delegations Policy.
27. Exemptions must not be used to avoid competition, discriminate against any domestic or international supplier, or avoid accountability. Where an exemption is used, SIA must still meet the Government Procurement Principles, act lawfully and with integrity, achieve public value, maintain appropriate records and publish a contract award notice on the Government Electronic Tenders Service (GETS).

Panels, AoG Marketplace and Syndicated Arrangements

28. Where an All-of-Government contract, syndicated contract, common capability arrangement, marketplace channel, panel or other approved government arrangement is available and fit-for-purpose, SIA should use that arrangement in accordance with the applicable rules, panel guidance, participating agency obligations and/or secondary procurement process.
29. Any decision not to use an available, mandated or expected government arrangement must be documented and approved in accordance with SIA's Delegations Policy and any applicable MBIE, lead agency or panel requirements.
30. Secondary procurement from a panel must follow the method specified for that panel. Competitive secondary procurement should be used unless there is a good reason not to. Secondary procurement processes are not considered exemptions from open advertising and do not require exemption approval under Rule 12 of the Government Procurement Rules. However, staff must comply with the applicable rules, obligations and supplier selection methods of the relevant arrangement.

Emergency Procurement

31. Emergency procurement may occur only where immediate action is required to protect life, property, essential services, public health, safety or significant public interests. Staff must seek approval from the appropriate delegated authority as soon as practicable, and a post-event record must be completed including the circumstances, decision-maker, supplier selection, value, conflicts, approvals and contract arrangements.
32. Before seeking to use emergency procurement provisions, refer to the Emergency Procurement Guidance by New Zealand Government Procurement and consult with SIA's Procurement Team.

Section 5: Applying this Policy to Social Commissioning

Social Commissioning

33. Social commissioning procurement may require approaches that are more relational, collaborative, culturally informed, adaptive and outcomes- focused than traditional commercial purchasing. These approaches are permitted and encouraged where they are planned, documented, fair, transparent, proportionate and consistent with the Government Procurement Rules.

34. When planning social commissioning, SIA should consider:

    - The needs, aspirations and experience of people, whānau and communities affected by the service or outcome.
    - Whether early engagement, co-design, workshops, hui, kanohi ki te kanohi (face to face) engagement, presentations or interviews would produce better outcomes than a written-only process.
    - The capability, capacity and accessibility needs of community based, kaupapa Māori, Pacific, regional, specialist or smaller providers.
    - How the process can reduce unnecessary participation costs for providers while remaining fair and transparent.
    - How shared goals, values, outcomes, responsibilities and relationship expectations will be reflected in evaluation and contracting.
    - Whether relational or outcomes-based contracting is appropriate.
    - How contract management will support learning, adaptation, partnership, accountability and continuous improvement.

35. Social commissioning flexibility may include simplified documentation, staged procurement, supplier briefings, provider capability support, alternative response formats, presentations, interviews, collaborative design phases, or relational contract management. These approaches must not provide unfair advantage, undermine competition, obscure decision making, or reduce SIA's ability to demonstrate public value and compliance.

36. Where social commissioning involves unconditional grants or donations, staff must seek advice from the Procurement Team to confirm whether the activity is procurement. Where SIA is purchasing or commissioning defined goods, services, deliverables or outcomes from a third party, this policy applies.

Procurement Involvement

37. All social commissioning procurement activities must involve procurement capability from the earliest planning stage.

38. This requirement ensures appropriate probity oversight, compliance with the Government Procurement Rules, management of conflicts of interest, and consistent, transparent and defensible decision-making.

Section 6: Record Keeping and Contract Management

Records and Transparency

39. SIA must keep records sufficient to explain what was procured, why the procurement approach was chosen, how public value was assessed, how conflicts and probity were managed, who approved the decision, and how the contract is managed.

Contract Management

40. Every procurement must have an identified contract owner before award. The contract owner is responsible for monitoring delivery, managing supplier or provider performance, approving invoices against deliverables, maintaining records, managing risks and issues, and considering lessons learned before renewal, extension, variation or close-out.

Section 7: Adherence to this Policy

41. All staff are responsible for complying with this policy. Non-compliance should be corrected as early as possible and may require additional assurance, retrospective documentation, escalation, process remediation or employment action, depending on seriousness.
42. Examples of non-compliance include:
    - Committing SIA to expenditure without delegated authority.
    - Splitting procurement to avoid thresholds or approvals.
    - Failing to declare or manage a conflict of interest.
    - Disclosing confidential supplier or provider information.
    - Using an exemption without valid grounds or approval.
    - Failing to keep procurement records.
    - Awarding a contract before the required approvals are obtained.

Appendices

Appendix 1: Definitions, Related Policies, Legislation and Guidance

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Definitions

Term	Definition
All of Government (AoG) Contract	A government contract arrangement established for use by eligible government agencies Some AoG contracts may be mandatory for mandated agencies.
Commissioning	An approach to achieving outcomes through the design, procurement, funding, delivery and management of services or interventions. Where a third party delivers goods or services for SIA, commissioning is procurement for the purposes of this policy.
Conflict of Interest	A situation where a person's duties or responsibilities to SIA could be affected, or perceived to be affected, by a personal, financial, professional or other interest.
Direct purchase or direct sourcing	Selecting and purchasing from one supplier or provider without seeking competitive quotes. Direct purchase must be justified, documented and approved in accordance with this policy.
Economic benefit to New Zealand	Economic benefits sought through procurement in accordance with Rule 8 of the Government Procurement Rules. This includes considering how a procurement can contribute to public value for New Zealand, including through New Zealand businesses, workforce participation, training or apprenticeships, domestic supply chains, industry capability, innovation, sustainability, and positive social or cultural outcomes for New Zealand communities. For procurements above the Rules thresholds, these benefits must be evaluated as part of public value in accordance with the current minimum expectations, reflected in procurement documents, built into contract provisions where relevant, and monitored during contract delivery. For procurements below the threshold, SIA is expected, unless there is good reason not to, to award contracts to capable New Zealand businesses with capacity to deliver.
Procurement	All aspects of acquiring and delivering goods, services, works and commissioned social services. Procurement starts with identifying the need and ends with contract review, closure, renewal, extension or disposal of an asset.

Public Value	The best possible result from procurement, taking into account whole-of-life cost, quality, risk, outcomes, supplier capability and economic, social and cultural benefits.
RFx	A general term for formal market approaches, including Request for Information, Registration of Interest, Request for Quote, Request for Proposal and Request for Tender.
Secondary Procurement	A procurement process used to select a supplier from an established panel, Marketplace, AoG or other approved arrangement.
Whole-of-life cost	The total estimated cost over the full life of a procurement, including the initial term, extensions, renewals, options, variations, transition costs, implementation, maintenance and other associated costs.

Related Policies, Legislation and Guidance

Relevant legislation and Government procurement guidance:

- Government Procurement Rules (the Rules)
- Government Procurement Principles
- Government Procurement Charter
- Quick guide to emergency management
- Public Service Commission's Standards of Integrity and Conduct
- Public Finance Act 1989
- Commerce Act 1986
- Public Records Act 2005

Other applicable legislation, government policies and functional requirements may apply depending on procurement type, including privacy, information management, security, digital, employment, health and safety and legal requirements.