



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Minister for Economic and Regional Development
Title of Cabinet paper	Government Procurement: Report back on progress towards implementing Strategic Priorities and Broader Outcomes	Date to be published	8 August 2022

List of documents that have been proactively released

Date	Title	Author
June 2022	Government Procurement: Report back on progress towards implementing Strategic Priorities and Broader Outcomes, and 'Procurement for the Future' New Zealand Government Procurement Strategy	Office of the Minister for Economic and Regional Development
22 June 2022	Government Procurement: Report on Progress Towards Implementing Strategic Priorities and Broader Outcomes DEV-22-MIN-0142 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Confidential advice to Government.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Government Procurement: Report on Progress Towards Implementing Strategic Priorities and Broader Outcomes

Portfolio **Economic and Regional Development**

On 22 June 2022, the Cabinet Economic Development Committee (DEV):

1 **noted** that in November 2021, DEV:

- 1.1 agreed to reset the government's procurement system with a view to achieving significantly more public value for New Zealand from \$51.5 billion that government agencies spend annually on purchasing goods and services;
- 1.2 agreed to a programme of work to improve the procurement system over the medium-long term through implementing strategic priorities around data and transparency, accountability and leadership across the system, and the practices and behaviours that underpin day-to-day activity;
- 1.3 invited the Minister for Economic and Regional Development to report back on the progress of the procurement work programme;

[DEV-21-MIN-0224]

2 **noted** that since November 2021:

- 2.1 formal programme management covering all aspects of the system change expected has been established, including prioritising and sequencing of actions, and the establishment of programme controls to drive and monitor progress;
- 2.2 significant initiatives across the programme have been delivered or are on-track for delivery in 2022, including:
 - 2.2.1 a draft strategy *Procurement For The Future*, attached to the paper under DEV-22-SUB-0142;
 - 2.2.2 a digital Document Builder platform that automates and simplifies an extensive range of procurement documents for agencies and suppliers;
 - 2.2.3 the first phase of procurement of a system-wide digital e-procurement platform;
 - 2.2.4 an interim dashboard providing an early view of procurement spend that will be widely accessible;

- 2.2.5 the development of options to establish procurement leadership at sector level;
- 2.2.6 arrangements for a procurement professional community of practice to leverage and support procurement skills across government and encourage a culture of collaboration;
- 3 **invited** the Minister for Economic and Regional Development to report to DEV with a further progress update in March 2023;
- 4 **noted** that since the introduction of the revised Government Procurement Rules in October 2019, government agencies have been required to include Broader Outcomes priorities in their procurement activities to achieve greater public value;
- 5 **noted** that since 2019, the government has introduced additional procurement initiatives aimed at achieving Broader Outcomes, including:
- 5.1 *Living Wage*: workers on government cleaning, catering and security contracts must be paid at least the Living Wage;
- 5.2 *quality employment opportunities*: agencies must seek to create employment opportunities for groups typically at risk of poor labour market outcomes;
- 5.3 *progressive procurement*: enabling and supporting more Māori businesses to engage in government procurement;
- 5.4 *electric vehicles*: optimising agencies' fleet sizes and transitioning them to electric vehicles;
- 5.5 *low-carbon construction*: agencies must choose the lowest-carbon option when planning and constructing new buildings;
- 5.6 Confidential advice to Government
- 5.7
- 5.8 *guidance to the construction sector on Broader Outcomes*: practical step-by-step guidance for implementing Broader Outcomes in construction projects;
- 5.9 *health and safety in construction*: New Zealand Government Procurement is working with WorkSafe New Zealand and the Construction Sector Accord on opportunities to improve health and safety outcomes;
- 5.10 *modern slavery*: changes to procurement practices anticipated to give effect to new legislation;
- 6 **noted** that further reporting on Broader Outcomes will be included in progress reports on the procurement programme.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon David Parker
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Michael Wood
Hon Meka Whaitiri
Hon Kieran McAnulty
Rino Tirikatene, MP
Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister
DPMC