

Social Services Sourcing – approaches to the provider community

6th December 2016

Approximately one fifth of government's external spend is spent in delivering social services to New Zealanders. Procurement provides tools and skills to commission and achieve better outcomes in the social sector.

New Zealand Government Procurement hosted a social sector focused breakfast event in October to discuss how agencies can determine the best approach to identify the right provider to deliver the required services. It is not a question of whether an open competitive process or another process is appropriate, you need to decide the 'best approach' to get the outcome you are after.

Step One: Determine whether you fall in scope of the opt-out in Rule 13.3(k) by considering the purpose of the Rule and the definitions of public services.

Just because you can opt out, doesn't mean you should.

Step Two: Determine the best approach to the provider community by considering:

- The best means of achieving the right outcomes
- The best means of adhering to the Principles
- What your agency's procurement policy states
- The features of the relevant provider community
- The potential impact for providers
- If there is a commercial market operating
- If you are looking for competition on price or service options
- If this is a new service or whether you are looking for innovation
- Whether you need to develop the provider community
- The risks of your proposed approach

In conclusion:

- You can't make this decision without researching your provider community
- It is about the best way to achieve the desired outcomes
- Document your rationale on how you will best engage with the provider community and how this approach will meet the outcome you are seeking
- Have the decision signed off in accordance with your agency's procurement policy