

Review criteria for collaborative procurement – Part 1: Planning

Anticipated documentation:

Agencies can submit a procurement plan **or** other documentation for this part of the review process.

If you have any queries, contact us at procurementplanning@mbie.govt.nz

Note: the documentation should be proportionate to the value, risk and complexity of the procurement.

Review criteria	Guidance
<p>1. Business Objective:</p> <ul style="list-style-type: none"> • Key procurement objective • Outcomes/Planned benefits to be achieved • Strategic alignment with agency’s objectives/ goals • Public value, and a five-year or longer outlook • Alignment with Government Policy Objectives • Leverages Broader Outcomes where appropriate 	<p><i>What is the procurement attempting to achieve or overcome?</i></p> <p><i>What is the problem statement or case for change?</i></p> <p><i>Does documentation demonstrate consideration for agency goals, government priorities, specific Broader Outcomes and a longer-term view?</i></p>
<p>2. Scope statement:</p> <p>Clear in-scope and out-of-scope statements</p>	<p><i>Are in-scope and out-of-scope statements clearly defined to avoid unapproved incremental expansion of agreed scope?</i></p>
<p>3. Supply market analysis:</p> <ul style="list-style-type: none"> • Supply market status • Impact the procurement will have on the market • Number of suppliers, market share, size of and competition between suppliers • Opportunities for, and NZ businesses participation in, the supply market • Quality of the supply chain • Employment standards and health and safety practices of supply chain • Agency’s value as a customer to the supplier • Potential for market distortion and need for a capping mechanism (in respect to how much the contract is intended to be allowed to grow in participating agency numbers, spend or volume) 	<p><i>Domestic / international supply market?</i></p> <p><i>What direction is the market is headed (supply market trends, growth/decline/churn)?</i></p> <p><i>Size of market and sub-market, and capability and capacity to supply</i></p> <p><i>Solution maturity</i></p> <p><i>Degree of investment hurdle for suppliers</i></p> <p><i>Substitute or alternative goods / services / solutions</i></p> <p><i>What is the medium to long-term impact on the market and the NZ economy generally considering the nature of the procurement and potential outcomes? For example, will the initiative grow the NZ market for small-to-medium enterprises (SMEs), or shrink future supply options?</i></p> <p><i>Is there potential for the procurement to distort the market? If so, is a capping mechanism (e.g. placing a cap on the value of the solution or market share of a supplier) necessary?</i></p> <p><i>Will the proposed procurement approach impact the market?</i></p> <p><i>Has there been any communication with the relevant industry sector/bodies where practical to identify current practices/thinking in delivery of services?</i></p>

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	<p><i>How well can the supply chain deliver solutions (on premise, hosted, private/public cloud service; degree of customisation / redevelopment required; various service delivery models available (agency service provider, technology outsourcing, Business Process Outsourcing etc.)</i></p> <p><i>Panel opportunities to widen market capacity or to develop market capability</i></p> <p><i>Supplier Preferencing Matrix</i></p>
<p>4. Risk assessment:</p> <ul style="list-style-type: none"> • Has risk been assessed (technically, commercially, legally, financially and politically)? • Risk analysis conducted to identify mitigation and/or minimising actions to reduce risk • Are there any risks identified with implementation of the Broader Outcome initiatives? 	<p><i>Have the impacts of the risks on the procurement process, and its outcomes been adequately assessed?</i></p> <p><i>What is the likelihood of the risks occurring? Do these change the approach? Do risks differ for procurement process vs implementation vs contract management? Impact on supply market?</i></p> <p><i>Are there any risks associated with the collaborative aspects of this procurement?</i></p> <p><i>If ICT, consider also Cloud Information Security and Privacy requirements, and ICT System Assurance.</i></p>
<p>5. Demand analysis:</p> <ul style="list-style-type: none"> • Current and forecasted spend on procurement • Has spend increased or reduced over the duration of the contract? • Cost breakdown (e.g. implementation, purchase, holding, maintenance, delivery and disposal) • Key cost drivers • Supply positioning matrix • Future direction regarding demand 	<p><i>Spend breakdown - By category; by supplier; by agency; spend behaviour (e.g. BAU, one-off lump sum, project-based etc.)</i></p> <p><i>Cost breakdown - consider also implementation, upgrade and licensing costs etc. over whole of life</i></p> <p><i>What drives cost into the supply chain (for example, unique IP (limited supply), distribution, length of supply chain etc) and how does the procurement strategy address this? Consider aspects such as transitioning in, implementation, purchase, storage, delivery, disposal, and transitioning out.</i></p> <p><i>What is the procurement position when considering the risk and total dollar value?</i></p> <p><i>Do the Spend and Cost analyses support the procurement approach?</i></p>

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<p>6. Stakeholder engagement:</p> <ul style="list-style-type: none"> Stakeholder identification Communication plan with stakeholders (for example, using the RASCI model) Governance 	<p><i>Outline the agencies committed to or planning to purchase from this contract and/or those that have been consulted with.</i></p> <p><i>State the Lead Agency and their capacity / capability to oversee the management of the collaborative contract through its life</i></p> <p><i>Identify other key stakeholders – for procurement process, implementation, and end users. Use of stakeholder power and influence matrix</i></p> <p><i>Ensure supply market has access to GETS;</i></p> <p><i>Ensure communications suit the target audience (especially SMEs, if relevant); consider “customer” stakeholders as well as immediate project stakeholders.</i></p>
<p>7. Supply strategy/solution:</p> <ul style="list-style-type: none"> Proposed or preferred supply solution (e.g. single national provider, multi-supplier by region, supply panel, etc.) Justification for the supply strategy/solution 	<p><i>Is there a clear indication of a preferred or intended supply strategy or solution for this procurement?</i></p> <p><i>How does the supply strategy/solution support the procurement objectives and leverage the supply market and/or demand?</i></p> <p><i>Have service delivery models been considered to include Broader Outcomes where feasible?</i></p>
<p>8. Sourcing approach:</p> <ul style="list-style-type: none"> Sourcing approach needed to engage the market (e.g. pre-tender market briefings, one-step RFX) Justification for this approach Timeframes are practical for suppliers to respond and meets the rules 	<p><i>Is the sourcing approach tailored to the risk, size and nature of the procurement?</i></p> <p><i>An indicative procurement timeline for each stage of the procurement lifecycle is stated.</i></p> <p><i>Timeframes indicated meet the Government Rules of Sourcing, and will allow for meaningful responses from the market</i></p>
<p>9. Evaluation criteria:</p> <ul style="list-style-type: none"> Evaluation methodology to be used Quantitative and qualitative criteria used (technical competence) and relative importance of each criteria is identified Evaluation team identified, including job title and role in the evaluation (relevancy) 	<p><i>Evaluation criteria are relevant to the objectives being sought, and weightings reflect the relative importance of requirements being sought</i></p> <p><i>If Broader Outcomes are to be leveraged is this reflected in the evaluation criteria? For example a weighted criteria for upskilling the construction workforce.</i></p>

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<p>10. Contractual Arrangements:</p> <ul style="list-style-type: none"> Termination and Transition provisions Intended type of contractual arrangement to be put in place with the new supplier On-going contract, relationship and operational management with the new supplier has been considered 	<p><i>Is there consideration for how agencies will transition out of any existing contract (which may include collaborative agreements), and into the proposed contract?</i></p> <p><i>Is there consideration for termination arrangements including upskilling/training, change management of stakeholders, testing requirements etc.?</i></p> <p><i>Is there any impact of early termination?</i></p> <p><i>Will a Buyer's Guide or similar communications or training be required and/or put in place for users?</i></p> <p><i>What communications will be made to exiting suppliers, new suppliers, and new users/stakeholders?</i></p> <p><i>Outline the intended contract structure – term, secondary procurement processes if a panel, termination aspects (i.e. lead agency termination, participating agency termination, and contract termination), high level KPIs, legislative or standards requirements including health & safety etc.</i></p> <p><i>Describe the proposed Governance structure, and role of Lead Agency vis-à-vis Participating Agencies, particularly with respect to escalation of issues</i></p> <p><i>Consider additional aspects if relevant such as volume tier pricing, scope and scale aspects in terms of contract growth (limiting number of participating agencies, or setting contract value limits) so as to ensure manageability for the lead agency and fairness to the wider supply market etc.</i></p> <p><i>If there is the potential for market distortion, consider including a capping mechanism (in respect to how much the contract is intended to be allowed to grow in participating agency numbers, spend or volume).</i></p> <p><i>If ICT, has consideration been given to the requirements of the ICT System Assurance Framework and alignment with the ICT Strategy and Action Plan?</i></p> <p><i>If Broader Outcomes are to be leveraged does the proposed contract reflect this? Are appropriate measures included to monitor Broader Outcomes throughout the life of the contract?</i></p>

Note: The documents that you submit for this part of the review process will be reviewed by MBIE and the Collaborative Procurement Advisory Group (CPAG). CPAG endorse this procurement initiative before it can progress to the next part. Procurement initiatives for ICT or Office Accommodation and Public Interface-related goods and services will also be reviewed by the relevant Functional Leaders.