



Increasing access for New Zealand businesses to ICT contract opportunities

The Government has made it a priority to increase New Zealand businesses' access to information and communications technology (ICT) contract opportunities.

Boosting growth and innovation through government ICT contracts

Government procurement can influence economic growth by creating opportunities for New Zealand ICT businesses and innovators to bid for, and win, government contracts. This helps drive innovation, create jobs and develop New Zealand business so they can become more competitive in international markets.

The ICT industry is a leader of new technologies and trends. It must be innovative to keep up with the relentless pace of change and to stay relevant. Being innovative can mean:

- inventing new ICT products and services
- improving existing products and services
- using existing technology in new ways.

By being open to innovation your agency can help stimulate the economy and encourage suppliers to develop solutions that better meet the public's needs. This can provide businesses with an opportunity to develop new solutions before launching their products and services to a wider market. However, it's still important to make sure that any new and innovative solutions are appropriate for the risk profile of your projects.

As a starting point, your agency can encourage innovation by approaching the market with tenders that focus on the outcomes rather than specific requirements and building innovation into your contracts. The checklists below can help you to do this.

The Government Procurement Rules provide a flexible framework for government agencies to support new or innovative solutions, including:

- providing exemptions from open advertising when purchasing prototypes
- using annual procurement plans to give suppliers advance notice of future contract opportunities
- providing feedback on unsuccessful tenders, and
- encouraging fair procurement practices.

[Government Procurement Rules](#)

GCDO's role in simplifying ICT procurement

The Government Chief Digital Officer (GCDO) is working to make it simpler and easier for government agencies to buy ICT services. There are a number of ICT common capability contracts you can use for your procurement needs.

[ICT common capabilities and buying ICT products and services](#)

Marketplace

The GCDO has launched the Marketplace, which is a website that lets agencies view, compare and buy digital services. The Marketplace makes it easier, quicker and more cost-effective for local ICT businesses to make their ICT products and services available to government.

[Marketplace](#)

Agency-specific or custom ICT projects

Some ICT projects are agency-specific or need customised solutions, and require specialised ICT procurement. The following checklists are designed to help you with this procurement.

Business-friendly ICT procurement

The following checklists offer some ideas to help you create opportunities for New Zealand businesses to access government ICT contracting opportunities throughout each stage of the procurement lifecycle.

Plan

Engaging with the market during the planning phase helps you to understand the size, composition and nature of your supply market, and keep up-to-date with new ideas and emerging technologies. This can help achieve better results for New Zealand. These are some of the actions you can take during the planning phase:

- Identify and engage regularly with innovative businesses by attending technology events, conferences and expos. This helps you stay up-to-date with technological advances.
- Use [early market engagement](#) to get an idea of the different possible solutions. Organise open days, meet the buyer events or innovation labs where suppliers can show you their new products and services. Don't rely on a Request for Information on GETS to get a full picture.
- Before the tender process, you can talk to suppliers at any time as long as you remain fair, open and transparent.
- Sometimes businesses have ideas that are unique, innovative and may be valuable to government. Be open to, and have a process for, considering them. For advice on how to do this, see our guide - [unsolicited unique proposals](#).
- Use events to tell the market your long-term plans. Publishing your [Annual Procurement Plans](#) will also give suppliers an idea of your future needs and give them more time to think about possible solutions.

Source

There are a number of different ways you can approach the market. By using different competitive procurement processes, you can make it easier to work with suppliers to refine your requirements, and encourage innovative solutions.

- Instead of going to the market with complex tender requirements, frame your requirements in terms of the problem or the outcome you are trying to achieve. This could be through a two stage process of a Registration of Interest (RoI) and closed Request for Proposals (RFP).

- Avoid over-specifying requirements. If your requirements are too descriptive and technical, you run the risk that there will be fewer responses from the market and less room for innovative solutions.
- Once you have short-listed your suppliers, consider which tools you can use to enable innovation and allow bidders to work with you to develop proposals. These include design competitions, dialogue sessions and hackathons.
- You might like to consider paying several short-listed suppliers for their involvement in developing a prototype or proof of concept. This can help you identify and define your requirements and encourages innovative solutions.
- Procuring prototypes, testing them and evaluating their performance before selecting the best option to purchase, is one way to achieve an innovative solution. Your agency and your short-listed suppliers can engage with each other to fine tune the requirements for the prototype. Under [Rule 14](#), you don't have to openly advertise a contract opportunity on GETS when purchasing a prototype for research, experiment, study or original development. However, openly advertising at the start can save you time later and is more transparent. A project involving prototypes requires strong managerial commitment.
- Give suppliers plenty of time to prepare responses, especially when you are expecting suppliers to submit joint bids. If a formal tender process is the first indication that a supplier gets of a complex requirement, the timescale may be too short for innovative solutions to be developed, particularly for small suppliers without dedicated sales teams.
- Reduce the administrative burden. Keep supplier tender documentation short, and easy to read and understand.
- Include clear requirements to encourage appropriately qualified suppliers to submit responses. Make sure these include minimum security requirements so potential suppliers know what they need to do to make sure government information is appropriately protected. See www.digital.govt.nz for information on [Security](#).
- Make sure pre-conditions and mandatory requirements are proportionate to the size and complexity of the contract, and do not unintentionally discriminate against New Zealand businesses. Excessive financial turnover requirements, for example, can exclude smaller businesses that may not have the cash flow, but have the capacity and capability to provide a good solution.
- Provide the market with an opportunity to take part by openly advertising on GETS, even for ICT procurement that is below the value threshold, or is exempt from open advertising.
- Take a look at [Marketplace](#) or www.digital.govt.nz to see if a solution already exists. The Marketplace makes it easier and quicker for government to access digital capabilities and for suppliers to deliver them.
- Consider which party is best placed to commercialise any [intellectual property](#), and include your intentions in your Notice of Procurement.
- Remember to ensure your tenders are structured in a way that remains fair, open and transparent. Any information given to suppliers has to be made equally available to all interested parties.
- Provide good feedback to unsuccessful tenderers to help them learn and know how to improve next time. [Debriefing suppliers](#) is a requirement under the Rules.

Manage

- Set up contracts that allow for new developments, or new evolution, so services can improve during the contract. Work together with contracted suppliers to continuously develop new solutions or improve contracted outcomes. But be careful not to widen the scope so much that there is no consistency with your original RFP, or you inadvertently add services without treating them as a separate contract opportunity.
- Understand and manage risks appropriately, taking into account who is best placed to manage them. Recognise that overburdening suppliers with risk may increase prices, reduce innovation, and exclude small New Zealand businesses from taking part.

For more information, see:

[Increasing access for New Zealand businesses](#)