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| **Checklist – Due Diligence** | Tick |

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| **import-info** | User instructions  Adapt this checklist to suit the complexity of your procurement activity. |

| Options | Suggested checks | Tick |
| --- | --- | --- |
| Referee checks  (referees must be relevant to the goods/services you’re purchasing, and recent or current customers) | * What’s your relationship with the supplier? * What types of goods or services have you purchased? * Is the supplier currently providing you with the goods or services? * Has the supplier’s performance been:   + on time?   + to the required specifications?   + within budget? * How would you rate the quality of the goods or services delivered? * How accurate is/was the supplier’s reporting and invoicing? * Where has the supplier performed well? What could it improve? * How much contract management does/did the supplier require? * Have there been any issues? If yes, how well were they handled? * Have there been any concerns around honesty or trustworthiness? * Would you use this supplier again? | ⬜ |
| Qualifications | * Does the supplier legitimately hold the academic qualifications or professional status it claims in its CV? * Has the supplier held the job positions and completed the work experience it claims in its CV? | ⬜ |
| Analysis of ownership | * Check that the business is a legal entity. What sort? * Check who owns the business. Is there a parent company? * How long has it been in business? * Is it New Zealand based, offshore or part of a multinational? * How many staff does it have in total? How many staff will deliver against this contract? * Check there are no actual, potential or perceived conflicts of interest. | ⬜ |
| Analysis of delivery  Analysis of delivery (cont) | * Undertake a comprehensive check of the supplier’s delivery. * Can the supplier provide reliable referees for similar work? (They must be recent.) * Do the supplier’s staff have the capacity, capability and expertise to deliver? * Who is the contract manager/account manager? Ask for their CV. * Does the supplier have systems and processes to ensure delivery? * What are the supplier’s systems and processes for managing contract implementation/service-level agreements? * What processes and methodology does it use to check and maintain quality? * How is reporting managed – by whom? How are reports checked? * What risk management analysis has been done on the contract? * How comprehensive and effective is the risk management plan? * Does the supplier have a licence for all copyright in the deliverables? * How are confidential records stored? * What processes does the supplier use to stimulate innovation in delivery? * How does the supplier handle exceptions or variations? * Does the supplier comply with New Zealand product standards (if appropriate)? * Check the staff policies on code of conduct and confidential information. * If appropriate, can the supplier verify sustainably sourced goods? * Is there any industrial relations history or current issue/s? | ⬜ |
| Analysis of finances | * Check the supplier’s current and future financial viability (for the expected contract duration). * View copies of the provider’s annual reports for the past three years. * View a copy of the last independently audited accounts. Check profitability and liquidity. * Undertake a credit check e.g. with Baycorp/Veda Advantage. * Check evidence of insurance (if required). * Assess any material risks e.g. pending litigation. * Check whether there are any current or pending issues with Inland Revenue. Ask the supplier to confirm. * Are there any bank or third-party guarantees? | ⬜ |
| Site visit – supplier | * Visit the supplier’s premises – check operational conditions. * Witness a demonstration of its capabilities. * Talk to key staff. What works? Where are any problems? * Check regulatory compliance e.g. OSH certificates and procedures. | ⬜ |
| Site visits – customers | * Have the customers purchased the same types of goods or services that you are intending to purchase? * Has the supplier’s performance been:   - on time?  - to the required specifications?  - within budget?   * Verify the quality of the goods or services delivered. * Where has the supplier performed well? What could it improve? * Have there been any issues? If yes, how well were they handled? * Would you use the supplier again? | ⬜ |
| **Research** | * Do a media check on the supplier and its business. * Check its reputation for quality goods or services. * Check its reputation for innovation. * Check if its products have been independently tested. * Has the supplier won any industry/professional awards? | ⬜ |
| **Security checks** | * Does the supplier have any convictions that could compromise the contract? * Are there any pending criminal cases that could compromise the contract? * Can the supplier obtain and maintain security clearance (if required)? | ⬜ |