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

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| **import-info** | User instructionsAdapt 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 deliveryAnalysis 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)?
 | ⬜ |