## New tender requirements for suppliers

## Broader outcomes and the Construction Sector Accord

| Suppliers bidding for construction-related government contracts are now required to demonstrate how their services will support the broader outcomes sought by the new Government Procurement Rules and the objectives of the Construction Sector Accord. This document gives an overview of these two initiatives and what they mean for the tendering process for all parties working on government construction projects — including for designers, contractors, product suppliers and sub-contractors. |
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## Broader outcomes from government procurement

The rules government agencies must follow when procuring for large projects have a new additional focus on ‘broader outcomes’. These are the wider social, economic, cultural and environmental outcomes that government procurement should seek to achieve beyond the final building or infrastructure produced. This means that tenders will be evaluated on a wider range of factors than price, and these include how the contract will:

* help to grow small and medium-sized business in New Zealand and generate positive economic outcomes for the community or region
* help grow the size and skills of the construction workforce
* support good working conditions for workers in New Zealand through compliance with employment standards, and health and safety requirements
* achieve positive environmental outcomes through sustainable practices and the supply of low-emission and low-waste goods, services and works.

You can find out more about broader outcomes from procurement at [www.procurement.govt.nz/broader-outcomes/](http://www.procurement.govt.nz/broader-outcomes/)

| **Action:** Construction suppliers should ensure their bids consider and demonstrate how they plan to support the broader outcomes. |
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## The Construction Sector Accord and Transformation Plan

Suppliers bidding for government tender opportunities in the construction sector need to also be aware of the Construction Sector Accord.

The Accord is a joint commitment by industry and government to work together to create a high performing construction sector. It aims to meet some of the key challenges the sector is facing such as skills and labour shortages and limited diversity, unfair and unclear contracts, a culture of shifting risk, poor business performance and complacency in health and safety and wellbeing. The overall goals of the Accord are to increase productivity, raise capability, improve resilience, and restore the industry’s confidence, pride and reputation.

To put the Accord into action, a Construction Sector Transformation Plan was launched in January 2020.

The actions of individual suppliers can make an important contribution to creating change for better in the sector.

| **Action:** In bidding for and delivering government contracts, suppliers need to consider and demonstrate how they will support and contribute to the Accord principles and outcomes. |
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## Accord principles

The Accord is working to change cultures in the sector by defining a set of principles for everyone to work by and hold each other to account against. These define a new way of working for both government agencies and industry partners, and both are expected to model this behaviour at all phases of a project lifecycle.

| **Build trusting relationships**   * Being accountable * Acting with empathy and respect * Focusing on delivering quality * Being transparent on the value and allocation of risk * Working in a collaborative and inclusive way. | **Value our people**   * Fostering careers to nurture the industry’s future * Recognising and rewarding effort and success * Embracing diversity and inclusion * Supporting better outcomes for Māori * Prioritising health, safety and mental wellbeing. |
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| **Be bold**   * Fostering innovation, and research and development * Not accepting conduct and culture contrary to the principles of the Accord * Sharing success and learning from failure * Focusing on whole-of-life value when buying and building. | **Act with collective responsibility**   * Planning for the long term * Acting as a custodian for the sector’s future * Sharing knowledge and lessons learnt * Prioritising environmental sustainability. |

## Accord outcomes

The Accord identifies specific outcomes for workers, customers, businesses, the government and for all New Zealanders. These outcomes include:

* Increased productivity
* greater workforce capacity and capability
* Clear career pathways and opportunities to upskill
* Greater workforce diversity
* An environment that supports thriving mental health and wellbeing
* All our people home safe every day
* Consistent, reliable and timely project delivery
* A collaborative industry
* More transparent and fairer risk allocation in contracts
* Sustainable buildings and infrastructure created with minimal environmental impact

You can find out more about the Accord and sign up for updates on the Accord website <https://www.constructionaccord.nz/>