# Sector Leadership Model for Government Procurement: Submission form

New Zealand Government Procurement (NZGP), a part of the Ministry of Business, Innovation and employment (MBIE), is seeking views on the proposed introduction of a new sector leadership approach to government procurement.

### WHY is this solution being proposed?

The government procurement system is delivering value to New Zealanders. However, aspects of the current system are not realising their full potential. Current accountabilities create silos between agencies, which prevent the government from ‘working together as one’ and acting as a smart, client of choice. This results in government competing against itself for the same suppliers, spreading specialist procurement expertise too thin, and limiting the impact public spending can have on delivery, developing market capabilities and resilience, and achieving government priorities.

### WHAT IS SECTOR LEADERSHIP

Sector Leadership is an approach to supporting agencies to work together across significant areas of common expenditure. A key feature will be the appointment of new Sector Leads to work alongside agencies within certain sectors to coordinate some procurement activity, provide a sector voice, and connect stakeholders with shared interests. Effective sector leadership would flow through to better operational delivery, innovation within sectors, risk management, and market capability and resilience.

A sector leadership model is intended to achieve the following objectives:

* strengthen collaboration between agencies that are procuring similar goods and services
* provide sector-specific accountability between agencies and the centre
* make better use of procurement expertise within sectors.

### This submission form

This submission form poses specific questions we seek your feedback on, covering the following:

* Sector Lead core functions
* six initial sectors which should have a Sector Lead
* sector leadership governance arrangements
* initial implementation approach.

Please see the related discussion document for more information on each proposal.

### How to have your say

Please make your submission before 05 May 2023 either by:

Emailing the completed form to [procurementforthefuture@mbie.govt.nz](mailto:procurementforthefuture@mbie.govt.nz) with ‘sector leadership submission’ in the subject line.

Mailing a written submission to:

Sector Leadership Project

Policy Team, New Zealand Government Procurement

Ministry of Business, Innovation and Employment

PO Box 1473 Wellington 6140 New Zealand

# Proposed Sector Lead functions

We suggest that the core functions of a Sector Lead should include the following:

* Strategy
* Coordination
* Advice
* Stakeholders
* Data and insights
* Practices and capability
* Government priorities.

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| **Q1: What do you think the core functions of a sector lead should be?** |
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| **Q2: Which functions do you think would be the most beneficial to the procurement system and sectors?** |
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# Proposed six initial sectors

We propose that six initial sectors be established in the following areas:

* Construction/infrastructure
* ICT
* Corporate goods and services
* Social services
* Health services
* Education services.

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| **Q1: Do you agree with the chosen six sectors? Why, or why not?** |
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| **Q2: If sector leadership is rolled out in a phased approach, do you have any suggestions for which sectors would benefit from being introduced earlier than others?** |
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# Proposed governance arrangements for sector leadership

We propose establishing a procurement board that is focused on improving procurement practice, implementing sector strategies, and resolving sector-related issues. It would also be tasked with providing procurement-related advice to the Procurement System Leader.

The procurement board would be chaired by the Procurement System Leader and comprise key agency senior leaders and Sector Leads as members. It would negate the need for sector leads to report to existing CE boards. Finally, the Procurement System Leader would retain the role of advising the Minister for Economic Development on procurement policy and practice matters more generally.

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| **Q1: What parts of the proposed governance structure do you support? Why?** |
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| **Q2: What changes or additions would you make to the proposed governance structure? Why?** |
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| **Q3: What suggestions do you have for how the proposed governance arrangements could be optimised?** |
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# Proposed initial implementation approach

We plan to focus on one sector initially and work with key stakeholders within that sector to develop the detailed operational design. We identified Construction/Infrastructure as our preferred candidate. It is a high spend sector with significant scope to drive greater efficiency through collaborative initiatives. It can also align with and leverage existing initiatives, such as the Construction Sector Accord.

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| **Q1: What comments do you have on the approach to develop the operational design?** |
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| **Q2: What further comments do you have on the proposed sector leadership model?** |
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