

Summary of Standards of Good Practice

Construction Procurement Guidelines

June 2021

Planning for new construction works

The Construction Procurement Guidelines (the Guidelines) are intended to support government agencies to improve the quality and consistency of their construction procurement practices.

Rule 69 of the Government Procurement Rules (the Rules) require mandated agencies apply the standards of good practice set out in these guidelines, where appropriate, when procuring construction works. Agencies must be able to produce documented evidence of the rationale where the standards have not been followed.

Where an agency contracts another party (such as a consultant) to support them with a project's procurement, the agency must ensure the other party applies the guidelines on their behalf.

For more information, see:

- [Rule 69: Planning for new constructing works](#)
- [Rule 23: Third party agents](#)

Other rules also apply

For example, Rule 64 also requires that agencies considering the procurement of infrastructure with a total cost of ownership of more than \$50 million, engage with the [Infrastructure Transactions Unit](#).

For more information, see the [Government Procurement Rules](#).

Standards of good practice

To meet Rule 69, the [Construction Procurement Guidelines](#) identify specific standards of good practice which agencies must apply as part of their construction procurement processes.

The following table is a checklist of the standards of good practice taken from the twelve focus areas of the guidelines. For more information about each practice refer to the focus area to which it relates.

Standards of good practice

Matching Capability to Complexity

- Agencies must assess their delivery capability against the complexity of the project, and document their approach to closing any capability gaps.

Developing your Construction Procurement Strategy

- Agencies must document their rationale in their procurement strategy/plan for the selected delivery model and planned approach to market.
- Agencies must adopt a recognised standard form of contract where an appropriate one exists for their selected delivery model.
- Agencies must limit their use of special conditions in standard form contracts.
- Agencies must adopt the guidance of the construction tendering quick reference guide.
- Agencies must adopt the guidance of the contract clauses quick reference guide.

Standards of good practice

Construction Project Governance

- Agencies must have appropriate project governance arrangements in place with the authority to make timely and informed decisions.
- Agencies must establish clear governance roles and responsibilities that are communicated to everyone involved in the project, with clear communication lines.
- Agencies must appoint a project senior responsible owner with appropriate seniority.

Project Brief

- Agencies must produce a project brief to ensure that stakeholders and the project team understand what is required.
- Agencies must include the input of all relevant stakeholders when developing the project brief, eg end users, funders, operators and those tasked with maintaining the asset.

Whole-of-Life

- Agencies must describe, through their business case and project brief, how they will define whole-of-life outcomes for the project.
- Agencies must describe how whole-of-life outcomes will be delivered in their procurement strategy/plan.
- Agencies must ensure any design and cost consultant scopes of services incorporate whole-of-life outcomes.

Market Engagement

- Agencies must develop and document a market engagement strategy appropriate to the project in their procurement strategy/plan.

Risk Management

- Agencies must document how the risk management practices outlined in the guidelines will be implemented in their procurement strategy/plan.
- Agencies must use risk allocation tables to ensure transparency when communicating risk allocation between parties.

Construction Skills and Training

- Agencies must create a specific project skills and training development plan for significant construction contracts (over NZD \$50 million).
- Agencies must create a specific programme skills and training development strategy for construction programmes of three or more years.
- Agencies must ask questions about what more a supplier would do over the course of the contract to improve or build skills, including health and safety.
- Agencies must conduct sufficient monitoring of contracts to ensure that skills development and training commitments made in the tender process are delivered and reported on, in compliance with any reporting framework published by MBIE.

Health and Safety

- Agencies must document how the health and safety management practices outlined in the guidelines will be implemented in their procurement strategy/plan.

Standards of good practice

Sustainable Construction

- Agencies must document how the sustainable construction practices outlined in the guidelines will be implemented in their procurement strategy/plan.
- Agencies must consider and incorporate Broader Outcomes, where applicable, and document their approach to these in their procurement strategy/plan.

Building Information Modelling (BIM)

- Agencies must adopt Building Information Modelling (BIM) to aid the design, construction and maintenance of assets, in accordance with the New Zealand BIM Handbook.

Due Diligence

- Before awarding a contract, agencies must complete due diligence on their preferred supplier, appropriate to the scope, risk and value of the proposed contract.

Reducing Carbon Emissions in Building and Construction Projects

Agencies must adopt a three step approach throughout the design process:

- Step 1 – Carbon Brief:** agencies must develop a Carbon Brief that sets out how they intend to maximise opportunities to reduce carbon emissions generated through the project, as well as setting out the reporting requirements for the consultants during the design phase.
- Step 2 – Assess:** agencies must assess and document at each relevant stage of the design process through the consultant team the relative impacts of each design option on the total carbon emissions generated for the project. The aim should be to identify the lowest possible carbon option available that can meet the requirements of the Project Brief
- Step 3 – Report:** decisions made relating to selection of design options must be documented by the agency. Where an agency decides to proceed with an option that is not the lowest possible carbon option available to meet the Project Brief, the report must identify the rationale and be signed off by the Chief Executive.