
Procurement Policy

1. Purpose

This Policy sets out the high-level rules and mechanisms that safeguard the integrity of procurement operations at Te Herenga Waka – Victoria University of Wellington (the University).

2. Application of Policy

This Policy applies to all Members of the University Community who conduct procurement on behalf of the University. This includes any purchase of goods (including all Digital Technologies), services and works (such as refurbishment and new construction).

The Policy does not apply when recruiting or engaging new employees.

Note: For detailed information on specific expenditure categories, please refer to the [Travel and Expenses Policy](#), the [Gift and Koha Policy](#) and the [Sensitive Expenditure Policy](#).

Policy Content

3. Principles

3.1 Procurement at the University must be –

- (a) compliant with Aotearoa New Zealand legal requirements and [Government Procurement Rules](#), and maintained to applicable best practice standards;
- (b) consistent with all policies of the University, including the [Te Tiriti o Waitangi Statute](#), [Delegations Statute](#), [Health, Safety and Wellbeing Statute](#) and [Sustainability Policy](#);
- (c) carried out with honesty, impartiality, integrity, and transparency;
- (d) reflective of the University's values;
- (e) contribute positively to the University's [Sustainability Outcomes Framework](#);
- (f) supportive of New Zealand businesses, including Māori, Pasifika, and regional businesses and social enterprises;
- (g) considerate of the University's reputation for fair and unbiased procurement;
- (h) assessed for potential risks from tax, insurance, and health and safety standpoints as appropriate;
- (i) protective of suppliers' commercially sensitive information and intellectual property; and
- (j) run in a way that ensures maximum value, taking into account the Total Cost of Ownership, efficiency, and broader environmental, social, cultural, and economic outcomes.

3.2 Any actual, potential, or perceived Conflicts of Interest must be managed in accordance with the [Conflicts of Interest Statute](#) and its supporting [Procedure](#).

3.3 Any decision to procure goods or services (including construction contracts) must be based on a justifiable business purpose, made within an approved budget or Business Case, and follow an approval process that aligns with the Financial Delegated Authority (FDA) limits set out in the [Delegations Statute](#).

Note: A Business Case must be prepared for any Project and approved by a person holding the appropriate FDA in accordance with the [Delegations Statute](#).

- 3.4 Procurement of all Digital Technologies must be carried out in accordance with the Digital Procurement Procedure (under development).

4. Documentation

- 4.1 Members of the University Community conducting procurement must complete comprehensive documentation of decision processes (including tenders) and retain them in accordance with the [New Zealand Universities Disposal Schedule](#). The documentation must demonstrate that:

- (a) a fair and equitable process was followed;
- (b) due consideration was given to each offer;
- (c) there is a record of meetings and outcomes; and
- (d) they enable a response to any unsuccessful respondent.

- 4.2 As outlined in the [Investment Framework Guidelines](#), a Business Case must be prepared for all Projects. Procurement plans are an integral part of any Business Case.

- 4.3 Members of the University Community must:

- (a) adhere to procurement guidance regarding the use of templates and procedural requirements; and
- (b) seek procurement guidance to identify other University stakeholders who may be impacted or should be involved in the procurement (e.g., the Finance, Legal Services, or Digital Solutions teams) and engage with those teams in a timely and collegial manner.

- 4.4 All expenditures must be supported by original itemised invoices or receipts.

- 4.5 Where an itemised invoice or receipt is not available from the supplier, Members of the University Community conducting the procurement transaction must record the details, which may then be used as the supporting documentation and submitted to Finance via the process relevant to the procurement tool used.

- 4.6 Finance is responsible for centrally managing the storage of the documentation supporting expenditure for a minimum of 7 years.

5. Payment Terms

- 5.1 The University's standard payment terms are the 20th of the month following the invoice date. Unless required otherwise by law, the University may agree to alternative payment terms that benefit the University.

- 5.2 Any non-standard terms of trade must be approved by the Toi Tātai Pūtea – Chief Financial Officer or Associate Director, Financial Operations.

6. Preferred payment mechanisms

- 6.1 Procurement transactions may only be entered into using the University's approved payment mechanisms which, in order of preference, include –

- (a) a University-issued Purchasing Card (PCard) and Oracle Procurement;
- (b) an approved Contracted Supplier who invoices the University directly;
- (c) a staff reimbursement claim; and
- (d) a cash advance (subject to approval from Associate Director, Financial Operations in exceptional circumstances).

7. Foreign Exchange Purchases

- 7.1 The Group Financial Controller must be notified prior to any foreign currency purchase or commitments equivalent to or greater than \$50,000 being entered into so that appropriate forward cover can be arranged.

8. Supplier Selection

- 8.1 Certain procurement categories are specialised and require centralised management via consolidated procurement by a particular Central Service Unit (CSU). Appendix 1 includes a current list of centrally managed goods and services and the Contracted Suppliers who deliver those goods and services.
- 8.2 The Contracted Suppliers identified in Appendix 1 must be used for designated procurement categories unless an exemption is granted by the Procurement Manager.
- 8.3 If a Contracted Supplier is unable to meet the University's procurement needs, the University must procure through another supplier in accordance with this Policy.

9. Supplier Management

- 9.1 Contracted Suppliers will be managed by contract owners on behalf of the University. It is the responsibility of contract owners to monitor the terms of the contract and service level agreements. Contract owners must seek specialist advice, and support can be sought from relevant CSUs where necessary. Any deviations from the agreed terms that may negatively impact the University should be resolved with the Contracted Supplier in a timely manner. Each performance issue and resolution must be recorded for future reference. These records may be used for contract negotiations with suppliers.
- 9.2 Contract owners must monitor all contract deliverables and question any procurement which appears to contravene the contract.
- 9.3 Contract owners must ensure the contract renewal or retendering is carried out well in advance of the end of the contract term.
- 9.4 Third parties can authorise work to be undertaken on the University's behalf, as specified in the contract. However, all payments must be authorised by the University.

10. Tenders

- 10.1 A tender is a competitive process through which the University can select a supplier to procure goods or services, which may be either Operating Expenditure, Capital Expenditure, or a combination of both.
- 10.2 The University utilises three main categories of tendering as set out below. The tender process chart in Appendix 2 sets out further criteria (including financial thresholds) as to when each category applies.

(a) Category 1: Written or Verbal Quotation

When the University needs to procure simple goods or services with relatively low costs and risk, and there is no existing Contracted Supplier for the required item or service, the University must request written or verbal quotations from suppliers. This process will help identify a supplier who can provide the required quality specification at a competitive price.

(b) Category 2: Closed tender

When the University needs to procure more complex goods or services, or goods and services with higher costs or potential risks, a closed tender process needs to be followed.

However, an exception to this requirement can be made if an open tender process is executed. In the closed tender process, selected suppliers are invited to respond to a request for information, credentials, quotes, or proposals.

(c) Category 3: Open tender

When the University needs to procure very complex goods or services or goods and services with a total value over \$100,000, and it does not have a Contracted Supplier, an open tender process needs to be followed. This means Members of the University Community responsible for the process need to seek support and endorsement from a Tender Panel (the Panel) through the Procurement Manager. Where are Members of the University Community deem a closed tender process or alternative method to be more appropriate, they must submit a written request to the Procurement Manager. The University distributes open tenders via the [Government Electronic Tenders Service](#) (GETS) and invites potential suppliers to respond to a request for information, credentials, quotes, or proposals.

Note: An open tender process may not be suitable for construction and related professional service contracts. In such cases, the Director of Property Services will document the procurement processes and consult with the Associate Director of Financial Operations or Iho Tātai Pūtea – Chief Financial Officer to establish an overarching process for construction projects.

10.3 Documentation for a tender must be tailored to its specifics. Requests for assistance with tender documentation can be directed to the Procurement Manager.

10.4 Chaired by the Associate Director, Financial Operations (or delegate), the Panel is an ad hoc committee consisting of managers from across the University by invitation from Finance.

10.5 The Panel will review the tender process and outcomes to ensure consistency with this Policy. This review will include the following:

(a) Before the request to supplier(s)

- (i) the business purposes for the procurement and subsequent tender;
- (ii) the tender type and approach;
- (iii) the tender evaluation criteria; and
- (iv) sustainability considerations and broader outcomes.

(b) After the request to supplier(s)

- (i) the supplier responses to the tender and subsequent analysis and ranking of those responses;
- (ii) the link between the responses to the tender and the proposal to contract a supplier; and
- (iii) the draft contract terms between the University and the supplier.

10.6 The Panel will also review all requests to renew a contract with a Contracted Supplier with a total value greater than \$100,000 to endorse the recommendation.

10.7 The Panel decisions will be made unanimously.

11. Selective Procurement from Pre-Qualified Suppliers

11.1 There are circumstances where a tender is impractical, and it is sensible to make a selective purchase from a pre-qualified supplier. Selective procurement is justified when the good or service to be procured meets any of the following criteria:

- (a) has a total value of less than \$2,000 (less than \$10,000 for Property Services);
- (b) is a spare part or accessory required for existing plant and equipment;
- (c) is a repeat purchase in a timeframe of less than 3 months;
- (d) is specialised equipment available from only one or a few suppliers; or
- (e) there is only one supplier available within the timeframe.

11.2 Selective procurement requires the same level of approval as all other procurement.

12. Emergency Procurement

12.1 In case of an Emergency, parts of the procurement process may need to be bypassed to allow the University to respond quickly to unforeseen events. All measures of such nature must be approved in accordance with clause 12.1 of the [Delegations Statute](#).

12.2 Emergency procurement should be used only in genuinely unforeseen circumstances. Poor planning or organisation does not justify using an emergency process.

12.3 All emergency procurement processes must be notified to the Procurement Manager.

13. Breaches

13.1 Any alleged breach of this Policy will be handled in accordance with the [Staff Conduct Policy](#).

13.2 Where a breach is established, the University may seek direct reimbursement of associated costs from the responsible Member(s) of the University Community.

13.3 Members of the University Community who suspect that a fraudulent act may be occurring or may have occurred at the University must report this immediately in accordance with the [Fraud Policy](#).

13.4 Members of the University Community may prefer to make a protected disclosure under the Protected Disclosures (Protection of Whistleblowers) Act 2022. Please refer to the University's [Whistleblower Policy](#) for guidance on how to make protected disclosure

13.5 The University may refer allegations of fraud to the relevant New Zealand law enforcement agencies for investigation and possible prosecution. Nothing in this Policy prevents any individual from reporting a suspected crime to law enforcement agencies where they consider it appropriate.

14. Definitions

In this Policy, unless the context otherwise requires:

Business Case	means a business case prepared in accordance with the Investment Framework Guidelines .
Capital Expenditure	means the procurement of an item of property, plant or equipment, or the subsequent development or improvement of an existing asset at a cost exceeding the minimum capitalisation threshold.
Conflict of Interest	has the meaning given in the Conflicts of Interest Statute .
Contracted Supplier	means a supplier awarded a contract with the University after a competitive tender process.

Digital Technologies	refers to the definitions of Information System and Internet Facilities provided in the Acceptable Use of Information Systems Statute .
Emergency	means an event which – <ul style="list-style-type: none"> ▪ puts life, property, or equipment at immediate risk; ▪ requires public health, welfare, or safety standards to be re-established without delay, such as in the case of disaster relief; or ▪ significantly impair the University's service delivery capacity if not responded to promptly.
Members of the University Community	means Staff Members and other persons conducting procurement on behalf of the University.
Operating Expenditure	means expenditure incurred in the course of day-to-day University operations.
Procurement	means acquiring goods (including all Digital Technologies), services and works (such as refurbishment and new construction).
Project	means any project as defined in the Investment Framework Guidelines .
Staff Member	means an employee of the University.
Total Cost of Ownership (TCO)	refers to the financial costs incurred while purchasing and using a product or service. In addition to the purchase price, TCO also considers associated costs such as ordering, delivery, and subsequent maintenance.

Related Documents and Information

15. Related Documents

[Education and Training Act 2020](#)
[Victoria University of Wellington Act 1961](#)

[Acceptable Use of Information Systems Statute](#)
[Conflicts of Interest Statute](#)
[Delegations Statute](#)
[Digital Procurement Procedure \(under development\)](#)
[Environmentally Sustainable Procurement Guidelines](#)
[Fraud Policy](#)
[Gift and Koha Policy](#)
[Health, Safety and Wellbeing Statute](#)
[Procedures for Managing Conflicts of Interest](#)
[Privacy Policy](#)
[Privacy Impact Assessment Guidelines](#)
[Sensitive Expenditure Policy](#)
[Software Licencing Policy](#)
[Staff Conduct Policy](#)
[Sustainability Policy](#)
[Travel and Expenses Policy](#)
[Te Tiriti o Waitangi Statute](#)
[Whistleblower Policy](#)

[Investment Framework Guidelines](#)
[New Zealand Universities Disposal Schedule](#)
[Te Parahia: Sustainability Outcomes Framework](#)

[Office of the Controller and Auditor-General - Controlling Sensitive Expenditure: Guidelines for Public Entities](#)
[Office of the Controller and Auditor-General - Procurement Guidance for Public Entities](#)

16. Document Management and Control

Essential Record

Approver	Tumu Whakarae – Vice-Chancellor
Approval Date	26 November 2024
Effective Date	26 November 2024
Next Review Date	26 November 2027
Policy Sponsor	Iho Tātai Pūtea – Chief Financial Officer
Policy Owner	Associate Director, Financial Operations
Policy Contact	Procurement Manager

Modification History

Date	Approval Agency	Details
26 November 2024	Tumu Whakarae – Vice-Chancellor	Full review

Appendix 1: Procurement Categories and Contracted Suppliers

Records of current contracted suppliers for various procurement categories are available at <https://intranet.wgtn.ac.nz/services-resources/finance/suppliers>.

Appendix 2: Tender Process Chart

Type	Value Range	Criteria	Process	Note
Category 1	\$2,000 - \$50,000	Where no Contracted Suppliers are available.	Request written or verbal quotations from suppliers.	Seek guidance from Procurement Manager where necessary.
Category 2	\$50,000 - \$100,000	Where no Contracted Suppliers are available.	Request selected suppliers to participate in closed tender process.	Seek approval from Procurement Manager if an open tender or another method might be more suitable.
Category 3	Over \$100,000	Where no Contracted Suppliers are available.	Distribute open tender via GETS to invite potential suppliers subject to endorsement from the Tender Panel.	Seek approval from Procurement Manager when a closed tender or alternative method might be more suitable.