

15 October 2024

[REDACTED]
[REDACTED]

By email: [REDACTED]

Tēnā koe [REDACTED]

Thank you for your Official Information Act request to the Department of Conservation, received on Wednesday September 25, in which you asked a range of questions relating to:

As part on New Zealand Government Procurement (NZGP) Rules 16-20 and other stipulated points in many of NZGP Rules on Broader Outcomes, I am seeking clarification on the procurement process.

Your questions and our responses are listed below:

1. *Was the procurement process run through the Syndicated Cleaning Contracts with the Lead Agencies and the decision made to appoint a Lead Agency Syndicated cleaning supplier?*
 - Yes. There are two such syndicated contracts for cleaning services that agencies can join. One of these is led by NZ Police, and the other is led by the Ministry of Justice.
 - There was no decision made to appoint a lead agency, as these arrangements already exist, and the lead agencies for these contracts have been in place for some time.
2. *Was the DOC National Contract advertised in GETs, as we have seen no evidence of this?*
 - No, joining a syndicated contract isn't an open tender, and as such it was not required to be advertised on GETS.
3. *Was any of the Broader Outcomes Rules followed that considered, (as DOC is a Mandated Government Agency)?*
 - Yes. We identified opportunities to both improve conditions for NZ workers (broader outcome 3) and to reduce emissions and waste (broader outcome 4) through this procurement.

- When evaluating the syndicated contracts for cleaning, we requested information on waste disposal and any requirements around recycling, plus use of ecofriendly and sustainable products.
 - We requested information on payment of a fair wage provision of acceptable working conditions to those staff involved in delivery of the contracts.
4. *Was the Priority Outcomes to increase NZ Business Access to Government Contracts and increase the number of NZ Businesses contracting directly to NZ Government considered?*
- Agencies are directed to target specific contract types for the four priority broader procurement outcomes (increasing access for NZ businesses is broader outcome 1). For this outcome, the designated contract areas that apply are ICT services and computer software. While increasing access for NZ businesses is something that DOC addresses through many procurement activities, in this procurement we focussed on broader outcomes 3 and 4.
 - For outcome 3 referenced above (improving conditions for NZ workers), the designated contract areas are catering services, cleaning services, security services, and forestry contracts. We can confirm that this outcome was addressed directly with the contracts that were evaluated.
5. *As a designated government contracts DOC must consider how they can create opportunities for NZ Businesses, did this occur during the entire process?*
- See the response to question 4 above. More information on this is available from NZ Government Procurement here - [Designated contract areas | New Zealand Government Procurement](#).
6. *As a Designated Contract when DOC awarded a National Cleaning contract to OCS, did DOC consider how they can create opportunities for NZ Businesses?*
- See the response to 4 and 5 above.
7. *Was OCS defined by DOC as a business that originated in Aotearoa-NZ and is not a subsidiary of an Offshore majority owned, or controlled by new Zealanders and has its principal place of business in Aotearoa-NZ – As OCS principal place of Business in New York, not New Zealand?*
- DOC is not the lead agency for the NZ Police syndicated cleaning contract. The lead agency is the key point of contact for the contract and responsible for the development, negotiation, supplier performance, and on-going contract management. Detailed queries about the status of the supplier for this syndicated cleaning contract are best directed to the lead agency.
8. *Did DOC conduct reasonable due diligence and manage the contract to ensure incorporated Priority Outcomes are delivered, as a Mandated Government Agency?*
- Yes.
9. *Did DOC apply all NZGP Procurement Rules and NZ Government procurement Principles provide in their decision the governments overarching values to make their decision to appoint OCS, and did the five principals that need to apply and include:*



- *Identify what you need, including what Broader Outcomes should be achieved, and plan how to get there?*

Yes

- *Seek opportunities to involve NZ Businesses, including Māori, Pacifica and Regional businesses and social enterprises?*

See the responses to 4, 5, and 6 above for more information.

- *Choose the right supplier who can deliver what you need, at a fair price and on time – Was any other suppliers involved?*

Yes. Per the responses above, DOC evaluated the two syndicated cleaning contracts offered by NZ Police and the Ministry of Justice.

- *Get the best public value – was other competitive cleaning businesses involved, and was a NZ Business involved?*

DOC adhered to the procurement rules and to the broader outcomes expectations and evaluated the existing syndicated contracts available to qualifying agencies. When we reviewed DOC's options, including approaching the market by ourselves, extending existing contracts, or joining the existing syndicated contracts, it was decided that the appropriate solution was to join an existing agency's syndicated agreement.

- *Was MBIE involved in any part of the decision, or was the complete decision made internally by DOC management?*

MBIE wasn't directly involved in this procurement, but they administer the procurement framework within which we work.

- *PLAY BY THE RULES, be accountable, transparent, and reasonable, stay impartial-identify and manage conflict of interest – this has the meaning to what NZCC sees is a conflict of interest by confirming all NZGP Rules were adhered to?*

DOC is satisfied that this principle has been adhered to, and that any conflicts of interest, actual and perceived, have been managed appropriately.

10. Was the Supplier Code of Conduct fully achieved, and how was the consideration to appoint OCS conducted and was it fair and reasonable to NZ Cleaning Businesses in the final decision to overlook any NZ Business that had the same capacity and capability?

- DOC conducted appropriate due diligence before joining the NZ Police syndicated contract and was mindful of the government procurement principles throughout.
- Given that NZ Police is the lead agency for the syndicated contract, and that this opportunity is open to any qualifying agency, questions about the reasonableness of appointing specific suppliers to the contract are best directed to them.

11. Did DOC achieve the NZ Governments Charter expectations and identify the key priorities that NZ Government directs agencies numbers 1-7 and if so, what was the result?



- The charter (Government Procurement Charter | New Zealand Government Procurement) says that agencies should identify their key priorities and seek to meet as many of these expectations as practical.
- DOC has considered these expectations and is satisfied that they've been appropriately addressed through this procurement.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Department's website.

Nāku noa, nā



Simon James
National Procurement Manager
Department of Conservation
Te Papa Atawhai