



## COVERSHEET

<b>Minister</b>	Hon Barbara Edmonds	<b>Portfolio</b>	Economic Development
<b>Title of Cabinet paper</b>	Report back on the Mandate of the Procurement System Leader	<b>Date to be published</b>	9 October 2023

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
July 2023	Report back on the Mandate of the Procurement System Leader	Office of the Minister for Economic Development
27 July 2023	Mandate of the Procurement System Leader Report back GOV-23-MIN-0025 Minute	Cabinet Office

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Government Administration and Expenditure Review Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Mandate of the Procurement System Leader: Report Back

**Portfolio**                      **Economic Development**

On 27 July 2023, the Cabinet Government Administration and Expenditure Review Committee:

#### Previous decisions

- 1        **noted** that in April 2022, GOV:
  - 1.1      agreed in principle, subject to a May 2022 report back, to strengthen leadership of the government procurement system through greater centralisation, co-ordination, and assurance of government procurement functions;
  - 1.2      agreed that the System Leader for Procurement will be mandated to coordinate investment across the public service relevant to their function, be consulted on significant proposals (eg: Cabinet and Budget decisions) and given the opportunity to insert separate advice into relevant Cabinet papers;
  - 1.3      noted that the Public Service Commissioner intended to designate the Secretary for Business, Innovation and Employment as System Leader for Procurement;

[GOV-22-MIN-0003]

#### Mandate of the Procurement System Leader

- 2        **agreed** that the Procurement System Leader has the following functions and mandate:

<b>Functions:</b>	<b>Mandate: The Procurement System leader <u>can</u>:</b>
<b>System outcomes</b>	<ul style="list-style-type: none"> <li>• Propose overall outcomes for the procurement system, for Cabinet approval</li> </ul>
<b>System settings and strategy</b>	<ul style="list-style-type: none"> <li>• Develop, set, and direct agencies to use system-wide frameworks and arrangements that deliver on the outcomes approved by Cabinet, including collaborative contracts, systems, processes, practices and procedures</li> </ul>

<b>Workforce</b>	<ul style="list-style-type: none"> <li>• Lift the capability and capacity of the government procurement profession, which may include setting core competencies</li> <li>• Provide specialist procurement resources, where it makes sense and is efficient for them to be provided centrally and may do so on a cost recovery basis where appropriate</li> </ul>
<b>Collaboration</b>	<ul style="list-style-type: none"> <li>• Facilitate opportunities for cross-agency collaboration across the government procurement system</li> </ul>
<b>Functions:</b>	<b>Mandate: The Procurement System leader <u>can</u>:</b>
<b>System performance</b>	<ul style="list-style-type: none"> <li>• Require agencies to report and provide data and information necessary as needed in order to monitor system performance and support system-level decision making</li> <li>• Publish data and information that is in the public interest<sup>11</sup></li> <li>• Identify areas of agency underperformance or non-compliance (if any), and require the relevant agency to confirm remedial actions</li> </ul>
<b>System risk and assurance, including critical issues</b>	<ul style="list-style-type: none"> <li>• Monitor for system, sector and agency risks and critical issues that may undermine the integrity of the system</li> <li>• If significant or increasing risks are identified, advise relevant agencies and others what actions are required to mitigate them</li> </ul>
<b>Cross-cutting</b>	<ul style="list-style-type: none"> <li>• inform and advise the Minister about procurement system performance and any areas of systemic underperformance</li> <li>• coordinate specified procurement activities across the system</li> <li>• influence market capacity and resilience</li> <li>• <u>and must</u> be consulted on and agree proposals from agencies to leverage government procurement system-wide as a way of meeting their objectives</li> </ul>

3 **agreed** that the mandate of the Procurement System Leader will immediately apply to Public Service Departments, Departmental Agencies (specified in Schedule 2 of the Public Service Act 2020) and Non-Public Service Departments, excluding the Office of the Clerk of the House of Representatives and Parliamentary Service;

**Whole of government direction under section 107 of the Crown Entities Act 2004**

4 **noted** that there would be benefits to using a whole of government direction, issued under section 107 of the Crown Entities Act 2004, to take a whole of government approach to procurement system leadership;

5 **agreed** that the mandate of the Procurement System Leader will in future apply to Crown entities and Public Finance Act Schedule 4A companies, subject to a whole of government direction being issued under section 107 of the Crown Entities Act 2004;

6 **directed** the Ministry of Business, Innovation and Employment to develop a proposal for a section 107 direction and a draft direction in consultation with Treasury and the Public Service Commission;

**Implementation**

- 7 **agreed** that mandate of the procurement system leader outlined above will have effect from the date of Cabinet's final decisions;
- 8 **agreed** that all directions, guidance, tools, templates, instruments, and any other artefacts created by or issued by the Procurement Functional Leader, continue to apply, until procurement functional leadership is disestablished by Cabinet;
- 9 **agreed** that in the event of any inconsistencies between standards and guidance issued by the Procurement System Leader under the Act and guidance, tools, templates, instruments and other artefacts already issued by the Procurement Functional Leader, those issued by the Procurement System Leader will have precedence.

Vivien Meek  
Committee Secretary

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**Present:**

Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Andrew Little  
Hon Barbara Edmonds  
Hon Dr Deborah Russell

**Officials present from:**

Office of the Prime Minister  
Officials Committee for GOV