



Procurement Policy

Te Kaupapahere mō te Hoko i te Ratonga me te Rawa

This policy outlines the principles and framework for procurement activities undertaken by the Guardians. Specific guidelines for conducting procurement activities in accordance with this policy are contained in a separate *Procurement Procedures* document.





1. Purpose

- 1.1. As a Crown Entity, we must be mindful of how we spend public money in procuring goods and services. We must act, and be seen to act, in a fair, open and transparent manner and observe ethical standards, principles and behaviour throughout the procurement process.
- 1.2. This policy sets out the principles to ensure that all **procurement** activities deliver value for money and uphold integrity and transparency.

2. Scope

- 2.1 This policy applies to the procurement of all goods and services, including the acquisition of software or licenses, renovation works, office equipment, and the engagement of third-party contractors or consultants, and all **outsourcing** activities, subject to exclusions in section 2.3 below.
- 2.2 This policy applies to all employees, contractors, consultants and members of the Board who undertake procurement activity on behalf of Guardians.
- 2.3 This policy does not cover:
 - Appointments of Investment Managers, which are covered by the *Direct and Externally Managed Investments Policy*.
 - Appointments of Counterparties, Portfolio Completion Agents, Clearers and Non-Master Custodians, all of which are governed by the *Portfolio Completion and Internally Managed Securities Policy*.
 - Employment contracts. For assistance with these arrangements, please contact the People and Culture Team.

3. Definitions

- 3.1 In the context of this policy:
 - **'Government Procurement Rules'** means the latest version of the New Zealand Government Procurement Rules available on the New Zealand Government Procurement webpage.
 - **'Material Outsourcing'** means **outsourcing** that is material by reason of complexity, size or strategic importance. Examples of **material outsourcing** are custody services by the master custodian, and payroll processing.
 - **'Material Supplier'** refers to a supplier whose relationship with Guardians, or any disruption to the goods or services it provides, could pose significant risks to Guardians' reputation, cybersecurity, data security, or business continuity. This includes all providers of **material outsourcing**.
 - **'Outsourcing'** means the transfer of core day-to-day business operations, that we might otherwise reasonably undertake, to an external service provider.
 - **'Procurement'** is the process of sourcing, negotiating and acquiring goods, services or works from external suppliers.
- 3.2 To further aid with interpretation of this policy we have a [Glossary of Terms](#) which defines investment and technical terms used in our policies. In this policy the first time a defined term is used it is highlighted in **bold**. References to other documents are *italicised*.



4. Procurement approach

- 4.1 The Guardians' procurement falls into two categories:
- Operational procurement relates to running the Guardians as a Crown entity.
 - Investment-related procurement relates to our role managing and administering the New Zealand Superannuation Fund and the Elevate Fund.
- 4.2 In practice, this means the procurement approach may vary depending on whether the purchase supports our operations or our investment activities. The principles set out in this policy apply to both categories of procurement. In addition, for operational procurement we must also follow the **Government Procurement Rules**, where applicable.
- 4.3 The appropriate procurement approach to follow and considerations for the different types of procurement are contained in the *Procurement Procedures*.

5. Principles

Procurement must be conducted in accordance with the following principles:

- 5.1 **Planning:** The person or team requesting the procurement needs to identify the required procurement outcomes, determine the appropriate procurement process, and secure any necessary approvals before undertaking the procurement.
- 5.2 **Proportionality:** Our procurement and monitoring processes are tailored to the value, risk and complexity of each procurement activity. We will apply the approach best suited to the individual purchase and make sure we conduct our procurement activities in a way that is effective, efficient, and responsible.
- 5.3 **Integrity:** Our procurement activities must be conducted fairly and transparently. All suppliers are to be assessed on their merits and given an equal opportunity to compete for new procurement contracts, taking into account economic benefits to New Zealand where applicable under the **Government Procurement Rules**.
- 5.4 **Supplier selection and value:** We select suppliers that have demonstrated their ability to meet our requirements and offer the best value-for-money. Best value-for-money does not necessarily mean the lowest cost. It is about achieving the best possible outcomes with the resources available, giving consideration to the overall value created over the lifetime of the goods or services and the supplier's ability to deliver what we need at the right quality and at the right price. Judgement is required, supported by clear evidence, analysis and documentation.
- 5.5 **Supplier monitoring:** We regularly check in on our suppliers to make sure they're delivering what we agreed, that they meet our expectations of suppliers, and that we are still getting best value-for-money.
- 5.6 **Play by the rules:** Our decisions and practices must be able to withstand public scrutiny at all times. We must act lawfully and responsibly and be prepared to justify our procurement decisions. Procurement activities must not be structured to circumvent the appropriate procurement approach under the *Procurement Procedures* and for operational procurement, activities must not be structured to avoid application of the **Government Procurement Rules**.
- 5.7 **Conflicts of interest:** Any employee involved in a procurement process must consider and disclose any actual or potential conflicts of interests. A conflict exists when decisions are or may be perceived to be influenced by factors other than the



Guardians' best interests (for instance, if you have a close personal relationship with a potential supplier).

6. Outsourcing

6.1 All **outsourcing** decisions involve procurement so they are governed by the same principles and rules that apply to procurement. There are additional factors and due diligence requirements that must be considered as part of the procurement process when **outsourcing** services. These are detailed in the *Procurement Procedures*.

6.2 The business case for any **material outsourcing** must be approved by the Board. All providers of **material outsourcing** are considered to be **material suppliers** and must be monitored in accordance with the *Procurement Procedures*.

7. Emergencies

7.1 In an emergency we may need to depart from usual procurement processes in order to respond effectively. The procurement considerations when undertaking emergency procurement are detailed in the *Procurement Procedures*.

8. Procedures and related policies

8.1 We will establish, maintain and adhere to Procurement Procedures that incorporate the principles set out in this Policy. The *Procurement Procedures* will set out the framework and processes for planning, sourcing, contracting, supplier onboarding and supplier monitoring.

8.2 For guidance on how to manage conflicts of interest refer to the conflicts section in the *People and Culture Policy*.

8.3 The *Delegations Policy* governs the delegation of authority for matters relevant to this policy.

9. Reporting

9.1 All reporting obligations under this policy are set out in the Reporting Framework (Schedule 1).

10. Policy approval and review

10.1 This policy was reviewed and approved by the Board on 22 April 2026.

10.2 The Chief Operating Officer will ensure that this policy is reviewed on a five (5) yearly cadence or sooner to reflect changes in legislation, best practice or organisational requirements. The next review will be in April 2031.

11. Further information

11.1 For more information about how to undertake procurement and **outsourcing** activities, or questions on any of the requirements set out in this policy or the Procurement Procedures, please contact [REDACTED]



Schedule 1: Reporting Framework

Report	Accountability	Reporting frequency and to whom	Minimum information required
Business cases for Material Outsourcing	Business owner responsible for the procurement	Reported to the Leadership Team prior to Board approval	Objectives Suppliers contacted Assessment criteria Timetable
Summary of Material Supplier monitoring	Chief Operating Officer / Head of Finance & Operations	Annually to the Board	Objectives Scope of review Key findings/exceptions
Required reporting to Ministry of Business, Innovation and Employment (MBIE)	Chief Operating Officer / Head of Finance & Operations	Where requested, to MBIE	Details of procurement activity, as required by MBIE.
Policy breaches	Head of Risk	All policy breaches are notified to the CEO and Board Chair, as soon as practicable. If the Board Chair determines the breach to be material, reported immediately to the Risk Committee and the Board. Otherwise reported to the subsequent Risk Committee and Audit & Risk Committee meetings.	Details of the breach, cause and remedial action taken