

# School Property Procurement Sponsor Guide

## Purpose

This document provides guidance to school boards of trustees members or Ministry of Education cost centre owners acting in the role of Procurement Sponsors for a school property procurement process.

This guide should be read in conjunction with the *Procurement Quick Guide* and the school property procurement framework (process, templates and guidance) available at: [Procurement for School Property Projects](#).

## Introduction

The Ministry requires that all Ministry-funded (including 5YA) school property procurement complies with the school property procurement framework. The purpose of the school property procurement framework is to ensure that:

- best value for money for all school property related expenditure is attained
- suppliers are treated fairly
- procurements are characterised by accountability, transparency and reasonable decision-making
- procurements are conducted impartially, lawfully, responsibly, and with integrity
- procurement outcomes are in the best interests of the school.

The school property procurement framework requires the assigning of the roles of Procurement Officer, Owner and Sponsor.

The Procurement Sponsor represents the Buyer's (the board of trustees' or Ministry's) interests by providing governance over the procurement. Because of the governance nature of the role, the Procurement Sponsor is not directly involved in the procurement. Instead the Procurement Sponsor exercises oversight by reviewing and approving decisions at various points during the procurement process.

## Abbreviations and terms

COI	Conflict of Interest	DFA	Delegated financial authority
EIS	Education Infrastructure Service (part of the Ministry)		
ET	Evaluation Team	GETS	Government Electronic Tender Service
RFP	Request for Proposals	RFQ	Request for Quotes
ROI	Registrations of Interest		
Approach to Market	advertising or inviting potential suppliers to bid for a contract opportunity (as expressed in an RFP/ROI/RFQ)		
The Buyer	the organisation that it is intended will contract with the supplier (either the board or the Ministry)		
Evaluation Team (ET)	the group of people responsible for evaluating responses and selecting a preferred respondent (normally 2-4 people including the Procurement Officer and Procurement Owner. The Procurement Sponsor <b>must not</b> be on the ET)		
Procurement	buying goods, services and/or works, including the process of selecting the most appropriate supplier		
Procurement Officer	manages and administers the procurement (usually the project manager)		

Procurement Owner	represents the Buyer for the procurement (eg the school principal, Ministry case manager). For procurements under \$100,000, the Procurement Officer and Procurement Owner may be the same person
Procurement Sponsor	provides governance over and has ultimate responsibility for the procurement. The Procurement Sponsor must not be directly involved in the procurement (eg cannot be the Procurement Officer, Procurement owner or an evaluator)
Procurement Leader	for board (5YA) procurement: the Ministry property advisor for the school for Ministry procurement: a member of the EIS Commercial Procurement Team
Respondent	a potential supplier that has responded to an Approach to Market (submitted a quote, registration or proposal)
Tender	a contract opportunity described in a RFQ/ROI/RFP
Works	construction, alteration, repair, refurbishment, restoration, maintenance, extension, demolition or dismantling of school property (normally undertaken by a building contractor)

## The role of the Procurement Sponsor

---

For Ministry procurement, the Procurement Sponsor is the delegated financial authority and/or appropriate cost centre owner.

For board procurement, the Procurement Sponsor is a board member with delegated authority from the board to act on its behalf (eg approve documents, sign the contract) for a school property procurement process. The delegation as a Project Sponsor must be formally agreed and minuted at a board meeting.

The role of Procurement Sponsor provides:

- the means for the board to exercise governance over the procurement process
- a means for the board to be kept informed of the progress of the procurement
- a mechanism for allowing the procurement to be conducted in a timely and efficient manner (precluding the need for board meetings at various stages during the procurement)
- assurance for the board that the procurement is being conducted appropriately
- independence and objectivity over decisions made during the procurement process.

In order to maintain independence and objectivity, the Procurement Sponsor **must not be** directly involved in conducting the procurement. The Procurement Sponsor must not be:

- the Procurement Officer
- the Procurement Owner
- an evaluator.

Specific duties of the Procurement Sponsor are to review and approve:

- COI Management Plans that specify how a COI declared by a participant in the procurement will be managed.
- The Procurement Plan that details how the procurement will be conducted, including how responses will be evaluated. The Procurement Plan must be approved prior to approaching the market.
- Excluding a Respondent from evaluation eg because of late response or non-compliance with the RFQ/ROI/RFP terms and conditions.

- Recommendation Report that details the evaluation and selection of a preferred respondent. The Recommendation Report must be approved prior to awarding a contract.
- Final form of contract - the final version of the contract following negotiations with the preferred respondent and before contract signing by the preferred respondent/supplier
- Contract signatory - check and sign the final form of the contract after it has been signed by the supplier, ensuring that no unauthorised amendments have been made to the document.

The Procurement Sponsor's review and approval function provides a "sense check" during the procurement process. The Procurement Sponsor is expected to exercise reasonable care and judgement in order to provide assurance that the procurement is being conducted appropriately and in the best interests of the school. The Procurement Sponsor is not expected to be a school property, construction industry or procurement expert and therefore will not be held personally liable for the outcome of the procurement.

The Procurement Sponsor should seek the advice of their professional project manager, the Ministry property advisor for the school and/or a Ministry Procurement Leader as appropriate. ([eis.procurement@education.govt.nz](mailto:eis.procurement@education.govt.nz)).

## Approval of Conflict of Interest Management Plans

---

A COI occurs where an individual has a personal interest, obligation or relationship that may influence the individual's willingness or ability to fulfil their role properly in the best interests of the school.

A COI may result in a person's independence, objectivity or impartiality being called into question and may result in the procurement being delayed or legally challenged if the COI is discovered later.

COIs may be:

- actual; the conflict currently exists
- potential; the conflict is about to happen, or could happen
- perceived; another party may reasonably believe that a conflict exists
- positive or negative (eg result un-due bias for or against a particular Respondent)

Everyone involved in a procurement with a value of \$50,000 or more must complete and sign a COI Form and provide it to the Procurement Officer at the start of their involvement in a procurement. Everyone involved in a procurement regardless of value must immediately report any COI they become aware of by submitting a COI Form to the Procurement Officer. Failure to declare a COI or making a false COI declaration may be regarded as serious misconduct.

For each COI identified, a Conflict Management Plan (last section of the COI Form) must be approved by the Project Sponsor (or the Project Sponsor's manager for any COI relating to the Project Sponsor). The COI Management Plan must include regular review to ensure that the COI is being managed appropriately. Treatments for managing a COI may include:

- Report - advise the ET and request that any perceived undue bias is reported
- Restrict - limit the person's involvement in the procurement.
- Recruit - engage an independent probity advisor (eg the property advisor) to observe the process.
- Remove - remove the person completely from the procurement.
- Relinquish - the person gives up their private interest (sells their shares in a respondent company).
- Resign - the person resigns from their position (eg resigns from the board).

Considerations for approving COI Management Plans include:

- Is the proposed treatment appropriate?
- Does the plan include periodic review to ensure that the treatment is still appropriate?

For board procurement where a contract with a value of \$25,000 or more is to be awarded to a board member (or a company controlled by a board member), approval of the Ministry's EIS Procurement Director is required. Approval is requested by submitting a COI Form to the school's property advisor for endorsement. The property advisor will then forward the COI Form to the Ministry's EIS Procurement Director for approval.

## Approval of Procurement Plan

---

The Procurement Plan describes how the procurement is to be undertaken including how responses will be evaluated. The Procurement Plan must be approved by the Procurement Sponsor before approaching the market. Considerations for approving a Procurement Plan include:

- Does the Statement of Requirements adequately describe the need including the outcome sought?
- Does the Procurement Value include all spend that may be reasonably be expected to result from the procurement (including potential for variations, contingency and follow-on engagements)
- Is the approach to market method appropriate?
- Are the main risks identified and being appropriately treated?
- Does the overall approach appear reasonable?

## Approval to Exclude of a Response from Evaluation

---

A response may be excluded from evaluation if it:

- is received after the tender deadline for the submission of responses
- does not comply with the tender terms and conditions (including not conforming to the tender Response Form format)
- does not meet a pre-condition as listed in the tender document
- does not pass initial due diligence (e.g. does not meet insurance requirements).

## Approval of the Procurement Recommendation Report

---

The Procurement Recommendation Report describes the evaluation of responses, recommends a preferred Respondent and documents the rationale for their selection. The Procurement Recommendation Report must be approved by the Procurement Sponsor following the evaluation and before awarding a contract. Considerations for approving a Procurement recommendation Report include:

- Are COIs listed and have they been managed appropriately?
- Was the evaluation conducted in line with the evaluation plan described in the Procurement Plan?
- Were late tenders appropriately managed (excluded from evaluation or accepted if no material disadvantage to other Respondents)?
- Is the evaluation adequately described including the rationale for selection of the preferred respondent?

## Approval of the final form of the contract

---

Following contract negotiations with the preferred respondent, the final form of the contract must be approved by the Procurement Sponsor before contract signing (the supplier signs before the Procurement Sponsor). Considerations for approving the final form of the contract include:

- Does the contract align with the requirement and delivery of the desired outcome?
- Is the contract value within budget?

- Do the terms of the contract align with the decisions and instructions of the Buyer (eg for a board, as reflected in the meeting minutes)?

## What happens next?

---

Once the procurement is complete, the project will be handed over to the project manager to arrange for the supplier(s) to deliver the goods, services or works.

For board procurement, It is good practice for the Procurement Sponsor to provide a brief written report to the board at this point summarising:

- the key tasks that they have undertaken, with completion dates
- what went well
- what didn't go well
- where the documentation is filed (including any that has been passed on to the project manager)
- what we've learned from this experience.
- recommendations (if any) to help improve future procurements.