



# Progressive Procurement - Buyers' FAQs

## What is the “progressive procurement policy”?

It is an intentional approach to increase the diversity of suppliers engaging with government procurement opportunities, starting with Māori businesses.

## What are the primary features of the progressive procurement policy?

They are:

- the definition of a Māori business (Māori Authority as classified by IRD or a minimum of 50 percent Māori ownership)
- a target of 5 percent of the total number of buyer (mandated government agencies) procurement contracts are awarded to Māori businesses
- intermediary organisations to act as a broker, matching, and connecting buyers and suppliers to realise procurement opportunities
- supporting sustainable, long term behavioural change of government agencies and businesses.

## Who is delivering the initiative?

Te Kupenga Hao Pāuaua is a partnership project between Te Puni Kōkiri and Ministry of Business, Innovation and Employment (MBIE) to lead the progressive government procurement policy. The aim is to prototype approaches to reducing barriers to Māori business engagement in government procurement processes and to assist government agencies implementation of the progressive procurement policy.

To get in touch email [supplierdiversity@tpk.govt.nz](mailto:supplierdiversity@tpk.govt.nz).

## Who are the buyers and suppliers?

**Buyers** are mandated government agencies who are required to apply the procurement rules. See the list here // [www.procurement.govt.nz/about-us/mandate-and-eligibility/eligible-agencies-procurement/](http://www.procurement.govt.nz/about-us/mandate-and-eligibility/eligible-agencies-procurement/).

**Suppliers** are Māori businesses, Iwi, not-for-profit organisations, and Māori contractors/sole traders.

## Why is the initial focus on Māori businesses?

Māori businesses are more represented in areas of the economy most exposed to the economic impacts of COVID-19. We intend to target other areas as the policy is embedded.

## Why is the target only 5% and how was it decided?

The target is based on numerous factors including the Māori population and number of Māori businesses. It is a minimum target for government agencies, approved by Cabinet on 30 November 2020.

## How is the 5% target calculated for each mandated government organisation (buyer)?

The 5% target is calculated from the total number of contracts executed with Māori businesses by an agency within a financial year (1 July – 30 June). The 5% target includes current contracts and new contracts within the year being reported.

## When are agencies required to report on the 5% target?

Reporting will start from 1 July 2021 – 30 September 2021 to allow agencies to collect information on current contracts and update internal procurement policies to ensure compliance with the directive. Data will need to be collected and reported manually.

## Can a government agency opt out of the progressive procurement policy?

No, all mandated government agencies must comply with the Government Procurement Rules.

## Who is the intermediary organisation?

Amotai (formerly He Waka Eke Noa) is the prototype intermediary organisation. Amotai provides practical advice and support to their buyer members so they can successfully engage with more Māori and Pasifika-owned businesses. For more information and assistance email [kiaora@amotai.nz](mailto:kiaora@amotai.nz).

## Is there a database to identify Māori businesses?

There is no single database of Māori businesses. Te Kupenga Hao Pāuaua is working to identify what databases are available and what sector and/or regions they cover with a view to consolidating this information. Agencies can register with Amotai to connect with registered Māori businesses, see [amotai.nz](http://amotai.nz).

## Where do I find information on improving procurement processes to increase access opportunities for Māori businesses?

MBIE provides guidance and resources for buyers on ways to improve access for Māori via [procurement.govt.nz/broader-outcomes/](http://procurement.govt.nz/broader-outcomes/). Te Kupenga Hao Pāuaua Project team can also assist at [supplierdiversity@tpk.govt.nz](mailto:supplierdiversity@tpk.govt.nz).

## What is required to register with Amotai as a buyer?

Buyer members of Amotai need to be organisations that procure goods, services, or works. There is a monthly membership fee to access the register and support services from Amotai. For more information visit [amotai.nz](http://amotai.nz).

## Will buyer information be shared by becoming a member of Amotai?

Company details will be viewable by Amotai registered suppliers, including company name, contact details and procured services. Company details can be reviewed and edited during the membership application process.

## What is the role of Te Puni Kōkiri?

Te Puni Kōkiri is responsible for assisting agencies to implement the policy, engaging with suppliers, managing relationships and contracts with intermediaries, and working with MBIE on the reporting.

## What is the role of MBIE?

MBIE is responsible for the Government Procurement Rules. MBIE is the point of contact for questions regarding procurement capability; systems and frameworks that support quality decision making; and reporting in line with Government Procurement Rules.

# Government agency progressive procurement case studies

## Delivering more than just roads in Tairāwhiti



Boss Blackbee (far left) owner of Ruatoria based Blackbee Contractors with workers delivering the Tairāwhiti Rooding Package.

A shift by Waka Kotahi NZ Transport Agency (Waka Kotahi) to using a broader outcomes lens when deciding on contract spend is having a positive effect on Māori-owned businesses and the wider Tairāwhiti community.

On the east coast of New Zealand, a partnership between the Provincial Growth Fund, Waka Kotahi and Gisborne District Council to deliver a large-scale roading package is having much greater local benefits than just better roads.

Alongside important road improvements, the Tairāwhiti Rooding Package is retraining forestry workers to deliver the project, employing a higher percentage of Māori workforce and Māori owned businesses, and is in partnership with local schools to promote science, technology, engineering, and mathematics (STEM) and onsite days for workforce experience.

One of the Māori businesses contracted for the work is Blackbee Contracting, which has tripled in size since the initiative got underway.

Owner Boss Blackbee says providing quality work and training for people is the most important aspect of the extra investment.

“We want to show everyone that East Coast people are more than capable of providing this level of service. There needs to be more confidence in our people to step up and deliver in order for our communities to prosper,” he says.

Waka Kotahi says the Tairāwhiti Rooding Package is the start of a cultural change to their usual buyer practices. Through their new procurement strategy the transport agency is considering the social, economic, cultural, and environmental outcomes of all their contracts.

## Kāinga Ora builds village that supports wellbeing



The design of the complex aims to promote social connectedness and wellbeing through a community hub, shared cooking and eating areas, recreation and learning space and gardens.

Kāinga Ora is building an innovative 276-apartment complex in central Auckland that is committed to supporting Māori and Pasifika business growth alongside other social outcomes.

The Greys Avenue development is the most ambitious Kāinga Ora project to date, with a building cost of over \$100m. They anticipate at least 4-to-7 percent of the project sum will be spent with Māori and Pasifika businesses.

Many homes in the Greys Avenue complex will cater to residents with higher or complex needs, such as former homeless people. To that end, residents will have access to onsite medical facilities and 24/7 wrap around support services.

Ngāti Whātua Ōrākei has been involved in the design process and will be an integral partner throughout the project. The narrative for the building is based on the local taniwha named Horotiu, who wraps around the building. Iwi artists and designers have also been engaged in the project.

Kāinga Ora Manager Social Outcomes, Georgina Ellis says they are committed to elevating all New Zealand communities, and the Māori community is no exception.

“By partnering with Māori to create new business, employment and training opportunities, we add to the enrichment of New Zealand. We’ve been consistently impressed by the innovation, expertise and enthusiasm shown by the Māori business community,” she says.