



**ORANGA  
TAMARIKI**  
Ministry for Children

New Zealand Government

# Social Service Procurement Policy

July 2020

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## Who is this document for?

This policy describes how Oranga Tamariki—Ministry for Children (Oranga Tamariki) undertakes social service procurement. It aims to:

- help our partners to understand how we work and the decisions we make
- challenge ourselves to live up to our values in our procurement work.

This policy applies to all social services procurement and sourcing activities undertaken by Oranga Tamariki, and excludes all commercial goods and services.

## Who are we?

Oranga Tamariki was established on April 1, 2017. We are a Ministry dedicated to supporting any child in New Zealand whose wellbeing is at significant risk of harm now, or in the future. We also work with young people who may have offended, or are likely to offend.

We support children, family and whānau to restore their mana, their sense of self, their important connections and relationships, their right to heal and recover, and reach their potential. To support this ambition, we fund many non-government organisations that provide social services to tamariki, rangatahi and whānau. The focus of our work means that the social services we fund are for tamariki and whānau that need considerable support to stay safe, and connect meaningfully with their whānau and wider community.

## What has changed?

Together, the following factors are transforming how we undertake procurement.

- Tamariki Māori make up a majority of the children we work with. From 1 July 2019, Oranga Tamariki has new legal obligations to recognise and provide a practical commitment to the principles of te Tiriti o Waitangi (the Treaty of Waitangi), including reducing disparities for tamariki Māori and their whānau.
- We are committed to a strategic commissioning approach. This means that we work with partners, providers and other stakeholders so, together, we can give considered thought on what we want to achieve and for who. This then enables us to focus on how we build our partnerships and invest our collective time, resources, and expertise. We are moving towards closer partnerships, particularly with iwi and Māori organisations to give effect to our Tiriti obligations, but also to empower local communities working with their tamariki and whānau.

Procurement activities are one part of our commissioning approach – starting with the point at which we engage our partners with a view to funding social services, and ending at the point where we reach a mutual agreement to fund a new or continued social service or other activity.

## Values-driven procurement

The purpose of our procurement activity is to make things happen for tamariki and whānau, in order to achieve our vision, purpose and desired outcomes.

- Our vision is that New Zealand values the wellbeing of tamariki above all else
- Our purpose is to ensure that all tamariki are living with loving whānau and in communities where oranga tamariki can be realised.
- Our published outcomes framework describes our end goals, our activities and what we expect to see.

Good procurement requires principled choices about the processes that are undertaken and the decisions that result. The way we procure and the decisions we take are guided:

- firstly by our values set out below
- then by the Government procurement principles, charter and rules, including Broader Outcomes, as applicable.

### WE PUT TAMARIKI FIRST

We will challenge when things aren't right for tamariki.

#### Statement

We will genuinely hear the voice of tamariki and whānau and make sure it guides our decisions and investments. We know we need to meet tamariki and whānau here they are at and be flexible to this. We will focus relentlessly on developing arrangements that support tamariki and whānau to achieve their goals their way. We recognise that the needs of each whānau, and their wider network of hapū and iwi, are different. Before commissioning a new service, we need to be confident that tamariki and whānau want and need the activity sought

#### What might this look like?

We will focus as much on how tamariki and whānau want to be supported (the experience), as well as any service 'model' or functional design. We will avoid a 'one-size-fits-all' approach in providing services to tamariki and their whānau. We will regularly check in to make sure we are meeting the needs of tamariki and whānau. Where things are not working for tamariki and whānau, we will work together to learn and grow from these experiences. We will ensure procurement plans, tender documentation, and requests for proposals give prominence to the voice of tamariki and whānau. Where we can, we will involve tamariki and whānau in the process

**WE WILL RESPECT THE MANA OF PEOPLE**

We listen, we don't assume, and we create solutions with others.

**Statement** We will create solutions by involving tamariki, iwi and Māori organisations, and other partners early in the process. We recognise that different people, organisations and communities will want to do things differently to achieve better outcomes for tamariki and whānau.

We will respect the diversity of the purpose iwi and Māori organisations, and other partners, we work with. That is, we will acknowledge the pūtake, or reason for being, of a partner may be across multiple goals or purposes and that this will form part of their approach to working with tamariki and whānau.

**What might this look like?** We will be open-minded. Wherever possible, we will ask potential partners to tell us their ideas for how they will achieve given outcomes – providing guidance on any 'lines in the sand' we have and what our initial thinking is on any hallmarks for success. We will recognise the expertise of our partners and their commitment to the mahi. We will manage any disagreements, conflicts and challenges with respect and openness. We will respect and have regard for our partner's tikanga or traditions when we work together to deliver a service.

**WE BELIEVE AROHA IS VITAL**

It keeps us focused on what is right.

**Statement** We recognise that a stable, loving environment is vital for our tamariki. Empathy, strong relationships, and connections are fundamental. We seek to empower tamariki and whānau to nurture aroha. We will do our best to encourage aroha across organisations and people – supporting collaborative efforts for tamariki and whānau.

**What might this look like** We will commission services that recognise the importance of aroha. Where possible, we will move away from service specifications that are highly prescriptive, towards service specifications that are driven by tamariki and whānau centred outcomes.



**WE VALUE WHAKAPAPA**

Tamariki are part of a whānau and a community.

**Statement** We want to commission services that partner with and support existing whānau, hapū, iwi and community support networks. We recognise the importance of supporting tamariki to understand where they are from and the community they belong to. We will seek to maximise direct and indirect positive impacts of our commissioning on iwi, hapū, whānau and communities. This includes supporting whānau, hapū and iwi to exercise their whanaungatanga responsibilities. By supporting whakapapa and whanaungatanga we will support tamariki to realise their mana tamaiti.

**What might this look like?** When making decisions, we recognise the importance of supporting tamariki to understand where they are from and the community, they are part of, shown by the different procurement strategies we take for commissioning services. For tamariki, knowledge of their identity and connections within iwi, hapū and whānau are essential to their wellbeing. Oranga Tamariki also recognises that the money we spend on support services for tamariki and whānau can have an indirect, positive social impact on iwi, hapū and communities. For example, the fostering or support of collective unity, or kotahitanga, between iwi and Māori organisations or within whakapapa groupings themselves (through exercising whanaungatanga).

**WE ARE TIKA AND PONO**

We do what we say we will do.

**Statement** We will strive to be open, fair, and transparent and to make sure that there are opportunities for organisations that share our kaupapa to work with us. We recognise that opening up opportunities will sometime mean creating competition between organisations. When we engage with specific organisations (and not others), we will explain our choices clearly and openly.

**What might this look like?** We will implement procurement approaches that are appropriate for the situation. Whichever approach we use, we will act fairly, follow the relevant rules, conduct due diligence and manage any conflicts. We will focus our commissioning on achieving outcomes, providing clear evaluation criteria for any procurement activity. We will give clear, constructive feedback on procurement decisions.

**WE RECOGNISE THAT ORANGA IS A JOURNEY**

We understand the long-term impact of our actions today

**Statement** Our partners are key to supporting tamariki and whānau on the journey towards wellbeing; we are committed to their success. We will partner with those who are able to work with tamariki and whānau in ways that empower and heal. We acknowledge the work we do with our partners has responsibilities and accountabilities to current and future generations of tamariki, whānau, hapū, iwi and other groups (the principle of pūrotu).

**What might this look like?** We will work to ensure our procurement practices promote sustainability and help to build the capability and capacity of our partners to support tamariki and whānau. We will build trust with iwi and Māori organisations, and other partners by showing long term commitment and respect.

In addition to the Oranga Tamariki values, we believe there are additional values to consider as part of procurement. These values are based in the Treaty of Waitangi (Te Tiriti o Waitangi), whanaungatanga responsibilities and Māori business concepts. As above, as part of our commitment to whakapapa, whānau must be considered in the wider context of hapū and iwi.

<b>THE PRINCIPLES OF THE TREATY OF WAITANGI (TE TIRITI O WAITANGI)</b>	
We honour these principles through our work with whānau, hapū and iwi	
<b>Statement</b>	The principles of the Treaty of Waitangi (Te Tiriti o Waitangi) (the Treaty) will be central to the work we do. This includes ensuring that principles such as partnership and reciprocity, active protection and kāwanatanga, and equity are the building blocks for our relationships with whānau, hapū and iwi. In the spirit of the Treaty, when we work with iwi and Māori partners we will ensure Māori ways of being and doing are recognised and supported.
<b>What might this look like?</b>	As a Crown agency, Oranga Tamariki will be guided by the principles of the Treaty when working with Māori. The same applies to organisations who carry out services on our behalf.  Section 7AA sets out the Ministry’s additional practical commitments to the Treaty. This includes the commitments under s7AA(2)(b) that Oranga Tamariki services must have regard to the mana tamaiti and whakapapa of tamariki Māori and the whanaungatanga responsibilities of whānau, hapū and iwi. The commitment for Oranga Tamariki to reduce disparities by setting measurable S7AA(2)(a) also applies to this policy. Meeting these



	<p>commitments will be measured through the mana tamaiti objectives.</p> <p>Our procurement processes will include evidence of how the service, commissioning process and procurement process intend to meet and support the Ministry’s obligations, including the section 7AA commitments, to the principles of the Treaty.</p> <p>Oranga Tamariki’s approach to quality assurance aims to ensure we meet our obligations under section 7AA (2)(a) and (b) of the Oranga Tamariki Act 1989 and standard Treaty of Waitangi principles (applicable to all Crown agencies) in the development of our policies, practices and services.</p> <p>Our procurement processes will include evidence of how the service, commissioning process and procurement process are meeting the appropriate Quality Assurance Standards and, in particular, which of the mana tamaiti objectives the service will meet, and the indicators or measures of success that are expected to be seen.</p>
<p><b>PUAWAITANGA</b> We seek the best possible outcome in procurement<sup>1</sup></p>	
<p><b>Statement</b></p>	<p>We will strive to make sure that the outcomes of a service will be reflected in several aspects: social, cultural, environmental and economic. Attention will be given to ways to measure not only the economic impact of the service but its social, environmental and cultural impacts for whānau, hapū and iwi, and all New Zealand. We will support puawaitanga by ensuring different outcomes are balanced in a way that provides for sustainability of the service for all parties. (the principle of tuhono).</p>
<p><b>What might this look like?</b></p>	<p>During the early commissioning and design phases for the service, we will consider the outcomes that need to be achieved, and the most appropriate way to understand progress towards meeting those outcomes.</p> <p>Through the procurement planning, we will establish criteria to ensure that the providers who deliver the services are able to support us in meeting those outcomes.</p>

The government procurement principles apply to all procurement and provide the foundations of good procurement practice. The five principles are:

- Plan and manage for great results
- Be fair to all suppliers
- Get the right supplier
- Get the best deal for everyone
- Play by the rules.

<sup>1</sup> Adapted from Durie, M. H. (2002). The Business Ethic and Maori Development. Maunga Tu Maunga Ora: Economic Summit 2002, 21 March 2002. School of Maori Studies, Massey University Auckland, New Zealand.





Our values will help us to determine the right approach to procuring new (or continued) social services for tamariki and whānau. We will then test the preferred approach against the rules and guidance, undertaking procurement in line with the principles.

## Improving outcomes for tamariki Māori, whānau, hapū and iwi

Oranga Tamariki is committed to improving outcomes for tamariki Māori and their whānau. This will be achieved through meeting the principles of te Tiriti o Waitangi (the Treaty of Waitangi) and our new legislative obligations under [section 7AA](#). Section 7AA commits the Ministry to ensure that:

- policies and practices that impact on the wellbeing of tamariki have the objective of reducing disparities by setting measurable outcomes for tamariki Māori;
- our policies, practices and services have regard to mana tamaiti and whakapapa of tamariki Māori and the whanaungatanga responsibilities of whānau, hapū and iwi;
- we seek to develop strategic partnerships with iwi and Māori organisations
- we report annually on how we are carrying out our obligations under section 7AA.

We recognise that Oranga Tamariki will have a special relationship with iwi and Māori organisations. Oranga Tamariki will engage directly with iwi and Māori organisations to:

- recognise the unique role that they can play in supporting tamariki and whānau to achieve their goals;
- support tamariki Māori to be connected to their culture and whakapapa, including their whanaungatanga obligations towards their whānau, hapū and iwi
- seek their specific views on how we can support tamariki Māori to achieve their goals.

### **The mana tamaiti objectives are critical for ensuring our procurement supports Treaty commitments**

To support our commitments under section 7AA, Oranga Tamariki has set five mana tamaiti objectives:

1. Ensure the participation of tamariki, whānau, hapū and iwi in decisions affecting them at the earliest opportunity to enhance their wellbeing and safety.
2. Support, strengthen and assist whānau Māori to care for their tamaiti or tamariki to prevent the need for their removal from home into care or a Youth Justice response.
3. If removal from home is necessary, Oranga Tamariki will preference placements for tamariki Māori (including their siblings) with members of their wider whānau, hapū, iwi or family group who are able to meet their needs, including for a safe, stable and loving home.

4. Support tamariki Māori in the custody of the Chief Executive to establish, maintain or strengthen their sense of belonging through cultural identity and connections to whānau, hapū and iwi.
5. Support, strengthen and assist tamariki Māori and their whānau to prepare for their return home or transition into the community.

These objectives guide the development of policies, practices and services across Oranga Tamariki.

The Ministry has developed, and will continue to develop, measures that sit under the mana tamaiti objectives (the mana tamaiti objectives). Broadly, the mana tamaiti measures will show the results of the work Oranga Tamariki is doing, including with partners/providers, to improve outcomes for tamariki and rangatahi Māori.

Specific to procurement, the measures will indicate the success of this policy<sup>2</sup>, and the services it procures, by showing how the procured service is supporting:

- the achievement of the mana tamaiti objectives
- outcomes that have the aim of reducing disparities for tamariki and rangatahi Māori, based on the achievement of the mana tamaiti objectives
- the mana tamaiti and whakapapa of tamariki Māori and the whanaungatanga responsibilities of their whānau, hapū and iwi.

We will be placing value on partners who can help us to achieve these objectives.

### **Oranga Tamariki has other mechanisms to support our Treaty obligations**

Our [Māori Cultural Framework](#) recognises that working in partnership with Māori will be inherent throughout all of the social service procurements undertaken by Oranga Tamariki.

To ensure that we meet our commitments under section 7AA (2)(a) and (b) of the Oranga Tamariki Act 1989, and our broader Treaty obligations as a Crown agency, in the development of our policies, practices and services, Oranga Tamariki has set five quality assurance standards:

1. We uphold and protect Māori rights and interests
2. We hear and act on the voices of Māori
3. We ensure equity by reducing disparities for tamariki Māori and their whānau
4. We have regard to mana tamaiti, whakapapa and whanaungatanga
5. We value the Māori evidence base.

### **Reporting how procured services are supporting Oranga Tamariki Treaty obligations**

In support of our legislative responsibilities under section 7AA(5) to report annually and publicly on the impacts and measures associated with section 7AA(2)(a) and (b), our procurement documents will include information on how the procurement and

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<sup>2</sup> The support of the mana tamaiti objectives will be measured against all Oranga Tamariki policies.

subsequent contracts will meet the mana tamaiti objectives and the quality assurance standards.

## Collaborative commissioning approaches

Our strategic commissioning approach recognises that procuring social services is very different from sourcing commercial products or services on the open market. For much of our procurement we intend to work closely with tamariki, whānau, hapū, iwi, Māori organisations and local communities to collaboratively develop service approaches to meet their needs. When this work gets to the procurement phase, it will often be most appropriate to employ collaborative rather than competitive approaches. In some cases we will be making joint procurement decisions with strategic, local or agency partners.

In many localities, we recognise there are a limited number of suitable organisations with the capacity and capability required to provide a service. For example, there may be a limited number of organisations with the ability to meet our mana tamaiti objectives, and therefore support us to meet our obligations to have regard to mana tamaiti, whakapapa and whanaungatanga for tamariki Māori. In these cases we will work closely with interested stakeholders to find ways to procure the service, while ensuring there are clear processes in place to deliver due diligence, probity and accountability.

We have an interest in ensuring that there is sufficient local capacity to deliver high quality services sustainably. We will work as necessary with communities to grow the breadth, scale and capability of available services.

Where we are confident that there are a number of capable organisations, our preference will be to support collaborative proposals that build on existing networks and resources to meet the outcomes and legislative requirements we are seeking to address. Where a suitable market exists and a collaborative proposal is not feasible, open and closed competitive approaches may be appropriate<sup>3</sup>.

Historically, traditional procurement processes have given rise to inequitable results for Māori providers. We are therefore seeking to improve all forms of our procurement processes to reflect strengths based approaches which align with Te Ao Māori. This includes allowing for open dialogue and innovative proposals, through a mixture of written form, verbal presentation, discussion and face-to-face korero.

We will identify the approach that best supports our over-arching purpose in which we strive to ensure that all tamariki are in loving whānau and communities where oranga tamariki can be realised.

Appendix 1 describes procurement approaches we may typically use, with examples of when they are used. For each procurement process, we will plan for the result we are seeking by documenting the approach to be taken and the reasons for taking that approach. The appropriate decision makers will sign off on our procurement approach.

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<sup>3</sup> Refer Appendix 1 for common approaches to procurement

## Related documents

- Government Procurement Rules, Principles, Charter and Guidance
- State Services Commission Standards of Integrity & Conduct
- Oranga Tamariki Outcomes Framework
- Oranga Tamariki Māori Cultural Framework
- Oranga Tamariki Conflict of Interest and Risk Management Policies
- S7AA Quality Assurance Standards

Taking a values-driven approach to procurement is a new approach and we are constantly learning how to do this better. This policy will be regularly reviewed to ensure that we are incorporating improvements learned from our processes.

For more information, or to comment on the policy, please contact [procurement@ot.govt.nz](mailto:procurement@ot.govt.nz)

Policy owned by General Manager, National Operations, Partnering for Outcomes

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Due for review: 1 July 2021

## Appendix 1 – Our common approaches to procurement

Procurement model	Description
<b>Direct</b>	
<p><b>Opt-out procurement</b> (opt-out of applying most government procurement rules)</p>	<p>Under the Government Procurement Rules we can opt-out of applying most of the Rules when we are procuring certain public services, including health services, education services and welfare services.<sup>4</sup></p> <p>We use an Opt-out procurement to allow us to apply a flexible sourcing process that may not fit within the conventions of the Government Procurement Rules. This could include when we wish to change our procurement approaches around the country to meet the needs of a particular region or community, or when we want to work jointly with one or more partners in a community to design and deliver a solution that meets the needs of tamariki in that community.</p> <p>An Opt-out procurement may be directly with one supplier (if appropriate), or involve an element of competition between partners (e.g. where multiple partners have the capacity and capability to deliver the outcomes sought).</p> <p>When doing an opt-out procurement, we will still conduct our procurement according to the Principles and other procurement good practice guidance. We will also seek the best public value over the life of the contract, which may include the outcomes in the Government Procurement Charter.</p>
<p><b>Direct Source</b></p>	<p>Direct Source approaches are those where our procurement is restricted to a single partner. We still make an assessment of the partner's capacity and capability to perform the work, and perform due diligence, prior to formally entering into a contract.</p> <p>Unless we are conducting a Direct Source under an opt-out procurement, it can only be used for contracts over \$100,000 if a valid Exemption to the Government</p>

<sup>4</sup> There are additional circumstances where an opt-out may be appropriate. The full list is provided in [procurement rule 12](#). Some Rules still apply to opt-out procurements, particularly around protecting partners' confidential information, responding to complaints and maintaining records

	<p>Procurement Rules has been endorsed by the Procurement Board</p> <p>We may use a Direct Source approach when any of the below apply:<sup>5</sup></p> <ul style="list-style-type: none"> <li>– The contract is worth less than \$100,000 in total (however a closed competitive process should be considered, see below).</li> <li>– We have already run an Open procurement process in the past 12 months, and did not receive any responses that met our requirements.</li> <li>– Our pre-procurement planning and market analysis has conclusively demonstrated that there is only one partner who can deliver the services (this may be relevant to purchasing services for a particular geographic region or community).</li> <li>– We receive an unsolicited unique proposal which fulfils the definitions under the Government Procurement Rules and MBIE’s Guide to unsolicited unique proposals. This could include if we receive an innovative proposal under section 7AA of our Act.</li> </ul>
<p><b>Competitive</b></p>	
<p><b>Open</b> (the Rules apply)</p>	<p>Openly advertised on GETS (<a href="http://www.gets.govt.nz">www.gets.govt.nz</a>) to all interested partners. Contracts worth over \$100,000 over the whole of their life.</p> <p>We use an Open approach when our analysis suggests that there are a number of organisations with the capacity and capability required to provide the service within the given timeframe – including organisations that can demonstrate an ability to reduce disparities for tamariki Māori and work with existing whānau, hapū, iwi and other community support networks.</p> <p>Where we do not have confidence that organisations will be able to reduce disparities for tamariki Māori and work with existing whānau, hapū, iwi and other community support networks (eg Pacific), we will actively seek to develop the capacity and capability of organisations using an alternative approach.</p>

<sup>5</sup> There are additional exemptions for direct sourcing under the [procurement rules 14 and 57](#)

	<p>We will also use the Open approach if in consultation with our partners and local stakeholders we believe that an open and competitive approach is most appropriate in the circumstances.</p>
<p><b>Multi-step</b> (the Rules apply)</p>	<p>A Multi-step approach involves inviting responses to a Registration of Interest and then shortlisting a number of partners who will be invited to respond to a full proposal.</p> <p>The Multi-step approach is a variant of the Open approach and requires the same tests to be applied. The Multi-step approach is used when a significant number of organisations are expected to submit proposals. We use the Multi-step approach to reduce the burden of the procurement process on partners and other stakeholders.</p>
<p><b>Closed</b> (exempt from open advertising, all other Rules apply)</p>	<p>A Closed approach involves running a procurement exercise with a selected group of partners. Closed procurements are not advertised on GETS, but the general Rules of procurement do apply.</p> <p>We use a Closed approach when contracts are worth under \$100,000 over the whole of their life. This could be for a short term or localised contract. Consideration still needs to be given to the approvals process, which should reflect the total value. In most circumstances \$50,000 - \$100,000 purchasing should be competitive, seeking three written quotes. \$10,000 - \$50,000 purchasing should seek at least one written quote.</p> <p>We also use a Closed approach when we are testing an idea or concept prior to making a decision about a larger scale programme of work.</p>

All rationale for our chosen procurement method must be clearly and transparently documented. All of our key procurement documents are endorsed and approved by the Procurement Board<sup>6</sup> and senior managers. The Board's role is to endorse and/or approve certain approaches to sourcing services<sup>7</sup> and ensure our procurements comply with this policy and other applicable frameworks.

<sup>6</sup> The Procurement Board is a formal body which includes a broad representation of key decision makers to ensure procurement decisions are robust and well aligned with our strategic intent

<sup>7</sup> This includes the review and approval of all exemptions and opt-outs from open market processes where the whole-of-life cost is expected to exceed \$100,000