

To SM021 Manual Users

Cc Head of Procurement; National Manager Portfolio and Standards

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Date 22 November 2024

Subject Contract Procedures Manual SM021 - Summary of Amendments November 2024

Purpose

To present the amendments made in the December 2024 Fourth edition publication of *Contract Procedures Manual (SM021)* which has been updated where required from the September 2020 issue (Third edition, amendment 2). The updates align to changes in NZ Transport Agency's procurement and contracting delegations, business rules, terminology, and procedural changes.

Table of Amendments

Note: Minor amendments are not always identified.

Section	Clause	Requested Change
General Feedback		
page 2 copyright info	Copyright information	<ul style="list-style-type: none">• AMENDED wording to reflect current NZTA wording
page 2 Publish date	Publish Date	<ul style="list-style-type: none">• AMENDED to publish date
page 6 - contents	Contents - Part A Infrastructure Procurement Procedures	<ul style="list-style-type: none">• ADDED 'Civil' to now read Civil Infrastructure Procurement

Section	Clause	Requested Change
page 6 - contents	Contents - Part B Corporate Procurement Procedures	<ul style="list-style-type: none"> • CHANGED replaced 'Corporate' with 'for other than Civil Infrastructure ...' • UPDATED table to align to sections in the manual
Document Management Plan		
page 3 - Document information	Document information table	<ul style="list-style-type: none"> • AMENDED Procurement Strategy and Methods to Procurement Policy, Process and Capability • AMENDED Senior Manager Procurement to Head of Procurement • DELETED Review team members Part and B
Record of Amendment		
Key considerations	Delegated authorities schedule – Part A & B	<ul style="list-style-type: none"> • REMOVED delegation's table. • INSERTED intranet link to delegations. schedules. Removed duplication of content by moving delegation information from Part A and Part B to earlier in the document. • MODIFIED wording to reflect the main delegation decisions and the removal of business rules
About this Manual		
page 10 - Selecting Part A or Part B	Selecting Part A or Part B	<ul style="list-style-type: none"> • CHANGED all references to NLTP/NLTF to Civil Infrastructure and 'all other non-civil infrastructure'
page 16 - Terminology Part A and Part B	Contractor	<ul style="list-style-type: none"> • AMENDED to Contract/contingent worker
All		<ul style="list-style-type: none"> • General proofread, editorial changes
Associated manuals and references – Part A		<ul style="list-style-type: none"> • ADDED 'as relevant' for clarity
Terminology	Insurance advisory committee	<ul style="list-style-type: none"> • CHANGE name to Commercial Advisory Committee
Terminology	NLTP and NLTF	<ul style="list-style-type: none"> • ADDED definition of NLTP and NLTF
Terminology	Procurement manual	<ul style="list-style-type: none"> • UPDATED definition
Terminology	Request for information	<ul style="list-style-type: none"> • UPDATED definition to align with Govt Procurement definition

Section	Clause	Requested Change
Terminology	Request for tender	<ul style="list-style-type: none"> UPDATED definition to align with GPR definition
Terminology	Senior Manager	<ul style="list-style-type: none"> CHANGED the definition to align with the delegation's definition except that they don't need to have responsibility/accountability for other employees.
Terminology	"Decision record	<ul style="list-style-type: none"> ADDED a definition for new procedures
Part A – Infrastructure Procurement Procedures		
Delegated authorities	Delegated authorities schedule – Part A	<ul style="list-style-type: none"> UPDATED and added an intranet link to the schedules. ADDED business rules that are no longer part of delegations to the key stages.
1.2	Approval to proceed with procurement	<ul style="list-style-type: none"> UPDATED link to Delegations schedule UPDATED wording to reflect Procurement Decision Records (new internal procedure)
1.2.1	Forms to be completed and responsibility for completing	<ul style="list-style-type: none"> DELETED links to these two templates replaced by the new Decision Record procedure. ADDED Hyperlink to the PDR intranet page.
1.3.4	Procurement planning PS & PW contacts >\$10m	<ul style="list-style-type: none"> AMENDED 'Stage 1 procurement plan' to 'Project procurement plan'; template updated. 'Stage 2 Procurement plan' changed to 'Procurement Plan'; template updated.
1.3.5	Procurement plans for state highway asset management	<ul style="list-style-type: none"> AMENDED wording to reduce content.
1.5.2	Direct appointment method	<ul style="list-style-type: none"> AMENDED last paragraph - removed references to templates I & II initiate a procurement and referenced necessary approvals as per clause 1.2.1
1.5.4	Exemption from direct appointment	<ul style="list-style-type: none"> CHANGED 'direct appointment' to 'direct source' CHANGED 'exemption workflow and flow chart' references to reflect the new process of including the exemption request in the procurement plan
1.5.8	Brooks law method	<ul style="list-style-type: none"> AMENDED to 'agreement from Procurement is required ...' to align to changes in delegations and business rules.

Section	Clause	Requested Change
1.6.1	Price/non-price weighting selection	<ul style="list-style-type: none"> ADDED 'contact procurement@ntza.govt.nz for agreement'
1.8.2	Insurance advisory committee	<ul style="list-style-type: none"> AMENDED to Commercial Advisory Committee (CAC) and added 'agrees (endorses) departures ...'
1.8.3	IAC process	<ul style="list-style-type: none"> AMENDED clause – respond to delegation holder the submitter once CAC agreement received.
1.8.4	Liability and Insurances	<ul style="list-style-type: none"> CHANGED 'specific approval by the Senior Manager Procurement' to 'agreement by the CAC with approval from the appropriate delegation holder'
1.8.6	Decreasing or waiving insurance requirements	<ul style="list-style-type: none"> CHANGED 'The delegation holder (with endorsement agreement from the CAC) may approve'
1.9.4	Principal arranged insurance (PAI)	<ul style="list-style-type: none"> CHANGED from '...should contact the HoP ...' to 'should contact insurance@ntza.govt.nz' in accordance with 1.9.5' thereby REMOVING contacting Head of Procurement process
1.9.5	Approval for insurance levels (PW)	<ul style="list-style-type: none"> CHANGED 'Senior Manager Procurement' to 'Insurance team' as 'agree' role. REMOVED process for contacting Senior Manager Procurement
1.9.5 - template XIII	Approval for insurance levels (PW/PS)	<ul style="list-style-type: none"> DELETED template XXIII Request for approval of insurance amounts. ADDED insurance@ntza.govt.nz
1.9.6	Liability caps	<ul style="list-style-type: none"> CHANGED process - agreement from CAC before delegation holder approval.
1.9.7	Changed insurance requirements after award	<ul style="list-style-type: none"> CHANGED 'Senior Manager Procurement' to 'Insurance team for agreement and then to the Delegation holder for approval'. REMOVED process for contacting Senior Manager Procurement.
1.9.10	Contractor's bond - bonding policy	<ul style="list-style-type: none"> CHANGED bullet point 2 from ' ... are to be submitted to Head of Procurement for approval' to 'Transport Services Commercial for approval'.

Section	Clause	Requested Change
		<ul style="list-style-type: none"> • CHANGED bullet point 3 from ' ... considered by Head of Procurement for approval' to ' ... sent to Transport Services Commercial for approval'
1.9.11	Amendments to standard PW bond forms	<ul style="list-style-type: none"> • CHANGED process from '... advice from HoP' to 'advice should be sought from Transport Services Commercial ...'
1.9.15	Global bond procedures	<ul style="list-style-type: none"> • AMENDED Engineer to Contract to Independent Certifier
3.1.1	Issuing of tenders - Introduction	<ul style="list-style-type: none"> • AMENDED wording to reflect new decision record procedure.
3.1.2	Administrative procedure approval to advertise	<ul style="list-style-type: none"> • Bullet point 1 - CHANGED process to align to new decision record process. • REMOVED Templates I & II Request for approval to commence the procurement process. • Bullet point 2 - CHANGED process - requests go to Insurance and not Head of Procurement. • Bullet point 3 - CHANGED process - Tender secretary only needs to email consultant now once decision record approved.
3.1.3	Approvals to engage a contractor	<ul style="list-style-type: none"> • CHANGED process to reflect new decision record process. • REMOVED Template II Request for approval to commence the procurement process PW and replaced with 'Procurement Decision Record' must be submitted and approved
4.1.1	Register of tenders	<ul style="list-style-type: none"> • CHANGED process to reflect new decision record process. • REMOVED Template I & II Request for approval to commence the procurement process PW/PS and replaced with 'Procurement Decision Record'
4.4.3	Opening of Tenders – Procedure	<ul style="list-style-type: none"> • Alignment with 4.6 and 5.9 • REPLACED 'approval' with 'agreement'
4.5.3	Procedure	<ul style="list-style-type: none"> • DELETED Step 3 - save to contract folder as this is the same as Step 5; renumbered remaining steps.

Section	Clause	Requested Change
4.6.1	Approval to open price file	<ul style="list-style-type: none"> • CHANGED to reflect the 'agree' role procurement has. • AMENDED wording to 'Agreement required from Procurement to open a price file Contact procurement@nzta.govt.nz with the request for agreement to open price file in the subject line.'
4.6.2	For two-file tenders	<ul style="list-style-type: none"> • CHANGED - 'approval from Senior manager' to 'agreement from procurement' • DELETED 'refer to delegation's schedule'
5.3	Dealing with comments on the base estimate received from tenderers	<ul style="list-style-type: none"> • CHANGED The nominated authority ... Manager Procurement Services ...' to ' ...Manager Procurement Infrastructure Services ...'
5.7.3	Brooks law method	<ul style="list-style-type: none"> • CHANGED 'advice of Senior Manager/Head of Procurement' to 'advice of procurement'
5.7.4	PQM	<ul style="list-style-type: none"> • CHANGED process from 'Approval... head of procurement ..' to 'Agreement from Procurement ...'
5.9.1	Approval to open price files	<ul style="list-style-type: none"> • CHANGED to reflect the 'agree' role procurement has • AMENDED wording to 'Agreement required from Procurement to open a price file Contact procurement@nzta.govt.nz with the request for agreement to open price file in the subject line.'
5.10.1	When should preferred tenderer status be given	<ul style="list-style-type: none"> • CHANGED from '...approval from delegated authority ...' to 'agreement from Procurement ...'
5.12	Due diligence process	<ul style="list-style-type: none"> • ADDED Due diligence process
5.13.1 (was section 5.12)	Approval to award contract - Procedure	<ul style="list-style-type: none"> • CHANGED number 2 to reflect the contract decision record process (remove Senior Manager approval). • ADDED points 3 and 4 - send the final form of contract to the supplier for signing and NZTA execute the contract by signing the contract signed by the supplier.

Section	Clause	Requested Change
		<ul style="list-style-type: none"> DELETED 'refer to this flowchart to determine if you are required to post an award notice on GETS' (point 8).
6.1.3	Information in contract file	<ul style="list-style-type: none"> CHANGED template I & II approval to commence procurement to 'procurement and contract decision record numbers'
6.2.1	PS Contracts	<ul style="list-style-type: none"> AMENDED wording to reflect that contract signing sets are sent electronic so multiple sets not required
6.2.3	PW contracts	<ul style="list-style-type: none"> UPDATED 'Section 2.7 of NZS 3910' to 'Procedural requirements of the Principal and the Contractor in the execution of the contract agreement are detailed in NZS 3910, NZS 3916 and NZS 3917.' AMENDED 'three signing sets' to 'electronic signing set ...'
6.2.4	Procedure	<ul style="list-style-type: none"> ADDED additional step '5 - Ensure the Delegation holder has approved the contract decision record'
7.2.1	Liquidated damages (PW) - Introduction	<ul style="list-style-type: none"> AMENDED 'would result from the delay in completion (clause 10.5.1 of Schedule 1 of NZS 3910: 2013 and NZS 3916: 2013)'. To ' ...NZS 3910 and NZS3916' (removed the specific clause as this likely changed with the 2023 standard being adopted by NZTA in 2024).
8.1.2	PW contract closure	<ul style="list-style-type: none"> AMENDED 'Engineer to contract' to 'independent certifier'
7.4 (new clause)	Contract variation approval	<ul style="list-style-type: none"> ADDED new section on Variation to contract aligned to the new delegations and decision record process

Part A – Civil Infrastructure templates

Templates	All	<ul style="list-style-type: none"> UPDATING templates to align with current business rules, addition of major and minor versioning.
Templates	Template XXI - Notice to tenderers	<ul style="list-style-type: none"> UPDATED - added 'Appendix XXI(A)' to 'Notice to tenderers' document (consistency)

Section	Clause	Requested Change
Templates	Template XXI - Notice to specific tenderers	<ul style="list-style-type: none"> UPDATED - added 'Appendix XXI(B)' to 'Notice to specific tenderers' document (consistency)
Templates	GETS contract award notice guidance	<ul style="list-style-type: none"> UPDATED - Align to change in terminology – 'NLTP' to 'Civil infrastructure'.
Guidelines	GETS award notice flowchart	<ul style="list-style-type: none"> UPDATED to reflect change in terminology and procedure – 'NLTP' to 'Civil infrastructure'.
Guidelines	Flowchart for exemption requests	<ul style="list-style-type: none"> DELETED exemption flowchart - now part of Procurement Plan and decision record procedure.
Template	Exemption request form	<ul style="list-style-type: none"> DELETED - Exemption questions are part of the decision record and included in the Procurement Plan. (process refinement).

Part B – Non-Infrastructure Procurement Procedure

Annual Procurement Plans		<ul style="list-style-type: none"> CHANGED wording to reflect NZGP Rule 21 now being 'Future procurement opportunities' Moved it to the beginning of the document - 'Key considerations applying to Part A and B' as it applies to both parts
Significant service contract framework		<ul style="list-style-type: none"> AMENDED wording - removed 'twice annually on 1 March and 1 October each year'. MBIE has stopped requesting reporting. Moved it to the beginning of the document - 'Key considerations applying to Part A and B' as it applies to both parts
Procurement lifecycle		<ul style="list-style-type: none"> MOVED it to the beginning of the document - 'Key considerations applying to Part A and B' as it applies to both parts.
9.1.1	Established suppliers and panels	<ul style="list-style-type: none"> DELETED 'For more information about these established supplier panels and contracts, see the Procurement OnRamp page.' as we already have a link to the intranet page in the first sentence.
9.1.2	Direct appointment from established suppliers and panels	<ul style="list-style-type: none"> DELETED '...deemed to be of ...'
9.1.1	Established suppliers and panels	<ul style="list-style-type: none"> DELETED 'For more information about these established supplier panels and contracts, see

Section	Clause	Requested Change
		the Procurement OnRamp page.'; Intranet link is in the first sentence.
9.1.2	Direct appointment from established suppliers and panels	<ul style="list-style-type: none"> DELETED '...deemed to be of ...'
9.1.4	Consultants and contractors	<ul style="list-style-type: none"> CHANGED to 'AoG Consultancy Services Order'.
9.2.4	Direct appointment and closed contests over \$100,000 threshold	<ul style="list-style-type: none"> ADDED '... and provide justification for your request. ADDED 'Check with the procurement team if you are considering adopting a procurement plan that proposes direct appointment or closed contest over the \$100,000 threshold.' REPLACED exemption workflow tool and flow chart with 'To request an exemption include the exemption from rule 14.9 you are relying on and give justification in the procurement plan. This will be reviewed by procurement before the decision to approve is made by the delegation holder'
9.4.1	Procurement planning - Introduction	<ul style="list-style-type: none"> CHANGED wording to reflect decision record process and that all procurements should have a procurement plan
9.4.3	Market analysis	<ul style="list-style-type: none"> ADDED link to completing market analysis guidance. ADDED market analysis procedure for NLTP activity under LTMA25.
9.4.4	Procurement planning for contracts with an estimate of <\$100,000	<ul style="list-style-type: none"> REMOVED reference to contract completion checklist. ADDED new decision record procedure.
9.4.5	Procurement planning for contracts with an estimate of <\$300,000	<ul style="list-style-type: none"> ADDED new decision record procedure
9.4.6	Procurement planning when selecting from pre-approved suppliers and panels	
9.4.7	Procurement planning for contracts with an estimate of >\$300,000	
9.4.9	Allocation of a contract number	<ul style="list-style-type: none"> REMOVED Further information about the contract register can be found on OnRamp.

Section	Clause	Requested Change
9.7.1	Insurance advisory committee	<ul style="list-style-type: none"> • CHANGED Insurance advisory committee to Commercial Advisory Committee (CAC). • ADDED 'including contracts related to Part A professional services and all Part B contracts'.
9.7.2	CAC process	<ul style="list-style-type: none"> • CHANGED - align to current process being 'an email' rather than 'workflow'
9.7.3	Liability and insurances general	<ul style="list-style-type: none"> • AMENDED name of Insurance Advisory Committee (IAC) to Commercial Advisory Committee (CAC)
9.7.4	Changed insurance requirements after award	<ul style="list-style-type: none"> • AMENDED name of Insurance Advisory Committee (IAC) to Commercial Advisory Committee (CAC) • AMENDED 'endorsement' to 'agreement' (alignment to RAPID decision-making framework)
12.4.4	Two envelope approach	<ul style="list-style-type: none"> • AMENDED to align with the change in delegations • For clarity, ADDED 'It is recommended that the price envelope analysis is completed by a non-scoring evaluation panel member.'
12.6.1	Opening the price file	<ul style="list-style-type: none"> • CHANGED to reflect the 'agree' role Procurement has. • AMENDED wording to 'Agreement required from Procurement to open a price file. Contact procurement@nzta.govt.nz with the request for agreement to open price file in the subject line.'
13.9.1	Approval to award contract - procedure	<ul style="list-style-type: none"> • CHANGED number 2 to reflect the decision record process (remove Senior Manager approval) • ADDED points 3 and 4 - send the final form of contract to the supplier for signing and NZTA execute the contract by signing the contract signed by the supplier. • DELETED 'refer to this flow chart to determine whether you are required to post and award notice on GETS' (in point 8).
14.4.2	Technology-related contracts	<ul style="list-style-type: none"> • AMENDED clause to 'appropriate delegation holder within the Digital business group.'

Section	Clause	Requested Change
15.2	Contract variations	<ul style="list-style-type: none"> ADDED new variation decision record information and link to align with new delegations and updated procedure
Part B - Templates		
Templates	Notice of outcome letters - successful / shortlisted / unsuccessful	UPDATED NZTA name, address and logo
Templates	Procurement plan - small and procurement plan	<ul style="list-style-type: none"> INCLUDED new process - exemption from open advertising reason and justification. CHANGED names to Lite and Full procurement plans
Templates	Ultra lite procurement plan for direct source under \$100k	<ul style="list-style-type: none"> ADDED new template replacing email template.

Queries/feedback

Any queries/feedback on this edition should be sent to procurement@nzta.govt.nz.