



Procurement

Procurement is much more than “buying something” – it includes all the processes involved in acquiring goods and services from a third party. Putting careful consideration into planning, sourcing, and managing a procurement will ensure that it is successful.

Public organisations need to consider each of the eight stages in the procurement life cycle. Our audit work has shown that many of the problems we see in procurement are caused by poor project initiation, poor contract management, and a failure to ensure the realisation of the intended benefits.





Read our report to see whether you have considered each stage of the life cycle for your own procurement practice.

Visit oag.govt.nz to find out more.

Introducing our work about procurement has been structured around the eight stages of the procurement life cycle. We encourage all public organisations to consider whether they understand their obligations and responsibilities at each stage of the life cycle and ensure that the processes they follow in procurement enable them to be held to account.

Planning

- Have you clarified roles, responsibilities, and processes for decision-making, ownership, and oversight?
- Have you identified your needs and analysed the supplier market?
- Do you have a clear understanding of what you want to purchase and a plan of how you will measure supplier performance?
- Do you have a plan for your procurement approach?

Sourcing

- What processes do you have to implement the procurement process, including evaluating tender responses and making decisions about suppliers?
- How will you negotiate a contract's terms and conditions?

Managing

- What processes do you have in place to monitor and manage supplier performance?
- Does your organisation assess whether the intended benefits from a procurement have been realised?
- What lessons can be learned from the procurement process?