



PROCUREMENT POLICY

CONTENTS

Introduction.....	2
Related Documents	2
Overview.....	2
Purpose	2,3
Exclusions.....	3
Responsibilities	3,4
Government Policy Framework	4
Our Procurement Objectives	5
How we work.....	5,6
Thresholds	7
Probity, Transparency, Ethics and Integrity	7
Conflict of Interest	7
Confidentiality.....	8
Definitions	9
Legislation.....	10

Introduction

1. This policy provides an outline of how the New Zealand Customs Service (Customs) procures goods and services and manages ongoing contracts. It reflects government guidance and the standards required by law and follows the procurement life cycle.
2. It ensures Customs alignment with the Government Procurement Rules and Procurement Principles and supports the efficient and effective progress of all four of Customs' strategic objectives.

Related documents

3. Use this operational policy in conjunction with the following documents:

Document name	Document type
Commercial Practice Guide	Customs Commercial Guidance
Customs Code of Conduct	Customs integrity and conduct standards
Customs Risk, Security and Assurance: Integrity Policy	Customs integrity policy
Capital Expenditure Policy	Customs capital expenditure policy
Financial Delegation Policy	Customs financial delegation policy
Credit Card Policy	Customs credit card policy
Gift and Hospitality Policy	Customs gift and hospitality policy
Sensitive Expenditure Policy	Customs sensitive expenditure policy
Government Procurement Rules	Government procurement rules
Government Procurement Principles	Government procurement principles
Government Procurement Charter	Government procurement charter
Procurement Guidance for Public Entities	Government procurement guidance

Overview

4. The **Customs Procurement Policy** outlines the principles, processes, and expectations for how the New Zealand Customs Service plans, sources, and manages procurement activities. It ensures alignment with the **Government Procurement Rules and Principles**, and other relevant legislation, promoting transparency, integrity, and value for money in all procurement decisions.

Purpose

5. This policy outlines the approach that Customs will take to planning, sourcing and managing its procurement to ensure:

- Goods and services are obtained efficiently and deliver the best public value
- Staff are aware of their obligations when procuring goods and services
- Risk is managed by ensuring procurement decisions support both resilience and value
- Compliance with relevant requirements including the [Government Procurement Rules](#)

Exclusions

6. This policy does not apply to activity related to:
- Employing staff on a permanent or fixed term contract where they are paid through Customs payroll
 - Disposal and sales of goods by tender
 - Investments, loans or guarantees
 - Gifts, donations, koha and any form of unconditional grants
 - Statutory or Ministerial appointments
 - Core Crown legal matters and public prosecutions
 - Government inter-agency purchases

Responsibilities

7. The following people are responsible for ensuring that this policy is followed:

Role	Responsibility
Comptroller	Accountable for ensuring compliance with the Government Procurement Rules, as instructed by Cabinet through responsible Ministers.
Deputy Chief Executive, Enterprise Services	Sets and maintains Customs procurement policy, procedures and guidelines and reports to the Customs Executive Board (CEB) on procurement matters as necessary.
Contract Owners	Responsible for the procurement process, delivery of value from the contract, and for management of the supplier relationship.
Managers and others with budget management and Delegated Financial Authority (DFA)	Responsible for ensuring that their staff and any companies or consultants acting on behalf of Customs, comply with this policy and the Financial Delegations Policy
Customs staff (and any person or company contracted to work for or on behalf of Customs)	Responsible for conducting procurement activity in compliance with this policy.

Role	Responsibility
Corporate Services Procurement and Commercial	Responsible for providing procurement advice and support including: • assisting with planning and running the tendering process • assisting with negotiating, reviewing and maintaining contracts • developing and maintaining effective procurement procedures and templates • ensuring Customs can demonstrate compliance with Government policies, rules and guidelines • responsible for the Purchasing / Procurement module of Ahumoni • responsible for the Contract Management System (CMS) module of Ahumoni
Legal Services - Corporate	• responsible for undertaking legal risk assessment reviews. • responsible for drafting customised contracts or specific terms, or coordinating with external counsel on the same, where appropriate • should be consulted for all medium or high-risk contracts
Enterprise Portfolio Management Office (EPMO)	Responsible for ensuring that all projects/programmes undertaken by Customs are effectively assessed, approved and monitored to maximise informed decision making about projects, their performance and results (including return on investment)
Finance	Responsible for the Financial Management Information System (Ahumoni)

Government Policy Framework

8. Public sector procurement in New Zealand is governed by the following rules and directives:
 - Principles of Government Procurement.
 - Government Procurement Charter.
 - Government Procurement Rules (5th edition), issued by the Ministry of Business, Innovation and Employment (MBIE) and endorsed by Cabinet on 14 October 2025.
 - Procurement for Guidance for Public Entities, issued by the Office of the Controller and Auditor-General in June 2008.
9. There is a duty on all Customs staff to comply with these directives when sourcing goods and services from suppliers. Customs is spending Crown money, and this must be done with best practise.
10. The Principles of Government Procurement and the Government Procurement Rules apply to all government agencies and provide government's overarching values. They apply at all times and are designed to guide procurement decisions.

Our Procurement Objectives

Value for money

11. Get the best results from our spending, including sustainable value for money over the lifetime of the goods/services/works we buy.

Efficiency

12. Reduce waste and deliver timely outcomes to ensure that Customs' strategic objectives are met.

Compliance

13. Ensure compliance with Government procurement rules and expectations, maintaining transparency, safeguarding trust and managing risk for Customs.

Economic benefits

14. Ensure that the [economic benefits to New Zealand](#) are considered within our procurement activities.

How we work

15. Procurement must be carried out in accordance with the Government Procurement Rules and the Customs Commercial Practice Guide. Procurement pathways are decided on the basis of:
 - The whole-of-life cost of the contract; and/or
 - Procurement risk.
16. The government is committed to sustainable and inclusive government procurement that delivers for New Zealand and New Zealanders. For this reason, Customs strives for constructive relationships with all suppliers and will require them to act in line with the Supplier Code of Conduct.

Before we start

17. A procurement needs to commence with a detailed scope of work with defined requirements. For significant procurements this may describe required outcomes, rather than specifying any solutions to ensure we do not miss out on a better, more innovative options. The scope of work will be used for writing market approach documents.

Planning

18. When planning procurement projects, we will:
 - Determine the procurement pathway based on whole of life cost and risk.
 - Develop a procurement plan lite for procurements between \$50-100K and a full procurement plan for over \$100,000 or higher than low risk.
 - Ensure we have up-to-date knowledge about the market. If not, conduct market research.
 - Involve suppliers early in the process, fairly and transparently, to explain our needs, learn about them and explore opportunities for new and innovative solutions.
 - Consider how the procurement will align with economic benefits to New Zealand.

- Write tender documents clearly, without unnecessary questions or jargon, to make it easier for New Zealand businesses to bid for our opportunities.
- Ensure there is a plan to appropriately manage the resulting contract given value, risk and complexity.
- Ensure we have financial approval aligned with Customs Financial Delegations Policy for all financial decisions.
- All goods and services regardless of value require a requisition to be raised in Ahumoni in order to generate a Purchase Order.

Sourcing

19. When we buy goods/services/works, we will:
- Conduct early market engagement as appropriate to ensure we are informed purchasers.
 - Purchase from government collaborative contracts if they can meet our requirements.
 - Give all suppliers a full and fair opportunity to compete – we will not discriminate on the basis of where suppliers come from or whether they have prior experience of working with government.
 - Choose suppliers that have demonstrated their ability to meet our requirements and offer the best value-for-money over the lifetime of the goods/services/works, taking into account:
 - all the costs of ownership over that lifetime
 - suppliers' ability to deliver what we need at a fair price and on time
 - the economic benefits to New Zealand
 - have an approved purchase order/agreement in place before the supplier starts delivering goods/services/works – except when using a purchasing card.

Managing the contract

20. To get the best from our suppliers, we will:
- Have a systematic approach for managing the contracts that we have.
 - Undertake contract management commensurate with the scale and risk of the procurement.
 - Create a Contract Management Plan for all contracts over \$100K.
 - Encourage and recognise suppliers for delivering great results.
 - Actively work with suppliers to make ongoing savings and improvements for both entities. This will help to avoid 'value erosion' and encourage suppliers to maintain innovation at the same pace over the life of the contract.

Meeting expectations

21. To build effective relationships with suppliers, we will:
- Treat them all fairly and with respect.
 - Be consistent, transparent, fair and accountable in the way we work.
 - Be clear about what we require and how we will assess them before going to market.
 - Give sufficient response time for our requests.
 - Protect their commercially sensitive information and intellectual property.
 - Offer a debrief to unsuccessful bidders.

Thresholds

22. Over \$100,000 (or \$9 million for new construction works) –
 - open tendering, using the Government Electronic Tender Service (GETS), or
 - at least three quotes from a Government collaborative contract if one exists, or
 - an exemption in accordance with the Government Procurement Rules.
23. \$50,000 to \$100,000 –
 - three quotes, or
 - an exemption in accordance with the Government Procurement Rules.
24. Under \$50,000 –
 - buy directly from a suitable supplier, quotes optional.
25. For procurements under \$100,000 we expect to procure from New Zealand companies that have the capability and capacity to deliver on the contract, where this also represents good public value.
26. Emergency or sensitive procurement will be treated as an exemption in accordance with the Government Procurement Rules and documented via an exemption request. The [Guide to emergency procurement](#) provides more information. In this context an emergency is a sudden, unforeseen event, which can result in injury, loss of life or critical damage to property or infrastructure. In an emergency Conflict of Interest management still applies.

Probity, Transparency, Ethics and Integrity

27. Customs is committed to transparent, accountable procurement processes that ensure all potential suppliers are given impartial and equitable treatment. Procurement must be conducted with probity in mind, to enable purchasers and suppliers to deal with each other based on mutual trust and respect, which enables business to be conducted with integrity.
28. Probity principles should be integrated into all procurement planning:
 - acting fairly, impartially and with integrity
 - being accountable and transparent
 - being trustworthy and acting lawfully
 - managing conflicts of interest
 - securing commercially sensitive and confidential information.
29. Customs must ensure that systems, policies and procedures are established that provide accountability, are able to withstand public scrutiny and preserve private sector confidence in the procurement process. This means undertaking due process, obtaining appropriate approvals within delegation, and documenting decisions.

Conflict of interest

30. [Conflict of Interest](#) forms must be completed by all Customs staff involved in the procurement.

31. Customs staff, companies, contractors or consultants acting on behalf of Customs must act and be seen to act at all times in a fair, open, lawful, responsible and unbiased manner when sourcing goods and/or services.
32. Customs staff must not use their position to influence the outcome of procurement in order to obtain either directly or indirectly, any personal benefit or advantage for themselves, or any friend or relative. Staff may not purchase goods and/or services for their private use through Customs agreements.
33. There is potential for conflicts of interest at all stages in the procurement process and the existence of a conflict of interest does not indicate that something is wrong. However, all conflicts of interest must be identified, disclosed and managed. The Procurement team can provide advice on what may constitute, and how to manage, potential conflicts of interest.
34. If a real, perceived or potential conflict of interest exists, it must be recorded along with the steps that will be taken to manage the conflict. Managers are responsible for determining if a declared conflict of interest is significant or remote, addressing the risk and recording the steps that will be taken to manage the conflict.

Confidentiality

35. Obligations of confidentiality, particularly when handling commercially sensitive information, apply throughout the procurement process, for the duration of a contract and after the contract has terminated or expired.
36. Customs must:
 - protect suppliers' confidential and commercially sensitive information
 - not use information obtained from a procurement process for personal gain
 - always communicate information accurately, impartially and in a way that does not deliberately mislead suppliers.
37. Customs may be required to disclose sensitive information if requested to under the provisions of the Official Information Act 1982 (OIA). Although there are relevant grounds for withholding information under the OIA, these can be overridden if there is a greater public interest in disclosing information.

Definitions

Ahumoni	Ahumoni is a browser-based application that Customs uses as our finance management system It is used to manage our Crown Revenue, to purchase and invoice our purchases for good and services, to manage our travel needs, help staff to claim and approve expenses, and to manage our budgets and forecasts.
Contract Owner	The person responsible for meeting the requirements, benefits and outcomes of the Procurement activity
Government Procurement Rules (GPR)	Customs must follow the Government Procurement Rules. The Government Procurement Rules help to support good market engagement, which leads to better outcomes for agencies, suppliers and New Zealand taxpayers. A key focus of the Rules is the importance of open competition – giving all businesses the chance to participate and giving them enough time to respond to opportunities properly
Procurement	All aspects of acquiring, delivering and managing goods, services and works and their outcomes. It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of an asset
Public Value	Public value means the best available result for New Zealand for the money spent. It includes using resources effectively, economically, and responsibly, and taking into account: • the procurement’s contribution to the results you are trying to achieve, including any Economic Benefits to New Zealand you are trying to achieve, and • the total costs and benefits of a procurement (total cost of ownership). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value
Supplier Code of Conduct	The NZ Government Procurement Supplier Code of Conduct outlines the expectations on suppliers providing goods and services to the government.
Whole of life cost (WOLC)	A way of estimating total maximum estimated value, taking into account the initial purchase price, and any renewals, extensions, upgrades, licensing, later stages, decommissioning or disposal costs.

Legislation

Public Finance Act 1989 and Regulations

Public Finance (Departmental Guarantees and Indemnities) Regulations 2007

Commerce Act 1986

Health and Safety at Work Act 2015

Public Records Act 2005

Official Information Act 1982

Privacy Act 2020

Customs and Excise Act 2018

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