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Tēnā koe ██████████

Final report on Whānau Ora Commissioning Agency Services procurement assurance

Attached is our final report for this engagement. If you wish to discuss this report, please contact me

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Nāku noa, nā



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Report to Te Puni Kōkiri
Assurance over Whānau Ora
Commissioning Agency
Services procurement process
- Final report

February 2025

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Conclusion

We reviewed the final stage of Te Puni Kōkiri procurement process to select Whānau Ora Commissioning Agency Services. This was a Request for Proposal (RFP).

We considered information provided by Te Puni Kōkiri. We also undertook our own review as set out in this report.

We considered whether this stage of the procurement process as a whole was conducted in accordance with Te Puni Kōkiri policy, planning, and published procurement documentation, applicable rules and good practice for public sector procurement, and probity principles.

Nothing has come to our attention to indicate this has not been achieved. We are not aware of any outstanding probity issues.

We have raised some points for Te Puni Kōkiri to consider for future procurement processes.

This report completes our work on this assurance engagement.

This is an independent assurance report. More information on Audit New Zealand's assurance services is provided in [Appendix 3](#).

If there are any aspects that you wish to discuss further, please contact Steven Heath on [REDACTED], or e-mail [REDACTED] [@auditnz.parliament.nz](mailto:[REDACTED]@auditnz.parliament.nz)

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Background



Since 2014, Te Puni Kōkiri has contracted three Whānau Ora commissioning agencies through separate Outcome Agreements. Te Puni Kōkiri administers funding and monitors commissioning agency performance under these Outcome Agreements, which have been extended multiple times and will expire on 30 Pipiri | June 2025. The total value of these agreements in 2023/24 was \$157M.

With a solid foundation in place, Te Puni Kōkiri now looks to further strengthen the role Whānau Ora plays in our communities while maintaining its principles.

Given the services that are being sought for the next iteration of Whānau Ora Commissioning, and in line with the Government Procurement Rules and good practice, it is timely and appropriate that this contract opportunity is openly advertised to the market.

Therefore, Te Puni Kōkiri is undertaking this competitive procurement process to identify, select and engage preferred Respondents for commissioning services for Whānau Ora.

Whānau Ora Commissioning Services are being procured for four regions. There will be two regions in Te Ika-a-Māui | North Island and one in Te Waipounamu | South Island. A fourth region will focus on delivery methodologies able to address the needs of Pacific peoples across Aotearoa New Zealand. Across the four regions, commissioning services will ensure that Whānau Ora service providers can continue to support the needs of whānau, now and into the future.

This report is the second assurance report and provides our findings and conclusions on Te Puni Kōkiri procurement process. This report covers the Request for Proposal (RFP) process and the conclusion of the procurement process. Our November 2024 report covered the earlier Registration of Interest (ROI) stage.

Summary of work completed

This report sets out our findings and conclusion on the procurement process to select the preferred respondents to deliver commissioning services for Whānau Ora. We provided assurance over the process in accordance with our proposal dated 7 October 2024.

Probity means honesty and doing the right thing. It is important in the public sector where significant processes need to be conducted with integrity and fairness. The public needs confidence that decisions are made impartially, for the right reasons, and are not influenced by personal interests or ulterior motives. Operating ethically means treating people as they expect. Probity is particularly important in a procurement process. Maintaining the trust and confidence of suppliers is key to generating competition and achieving best public value.

The following section provides a summary of the elements that we reviewed and the issues we considered in reaching our conclusion about the probity of Te Puni Kōkiri procurement processes. Our report identifies the aspects of good practice that we observed, and discusses probity risks that were avoided, mitigated or managed.

Concluding the ROI stage



Our interim report dated 25 November 2024 covered the ROI stage up to the recommendation for a shortlist of Respondents.

Subsequent to the issue of this report, Te Puni Kōkiri:

- Sought and received approval of the Respondents to be invited to the RFP;
- Notified the successful and unsuccessful Respondents of the results of the ROI stage via email;
- Consistent with good practice conducted feedback meetings for all the unsuccessful Respondents that requested feedback; and
- Met with each of the shortlisted Respondents to provide feedback on their ROI response (to provide them with an understanding of where they could improve for the RFP stage).

Planning the RFP stage



Our expectations

To achieve the desired outcomes without unfairly disadvantaging any prospective supplier the design of the procurement process must be appropriate to the size, nature and risk of the goods/services being procured.

We expect procurement planning to be carried out consistent with good practice, taking into consideration the Government Procurement Rules (4th edition October 2019) (GPR), policy, guidance and other initiatives. We also expect planning to meet the requirements of your own policy and procedures.

Our findings

We had reviewed the procurement plan at the ROI stage.

We reviewed the draft evaluation plan for the RFP stage of the procurement process. We provided feedback which was addressed in the final version of the document.

Evaluation planning was consistent with good practice and appropriately considered probity matters.

Managing risks from conflicts of interest



Our expectations

All those with influence over a procurement process should act with integrity, free from conflicts of interest and bias. Procurement decisions, including those at the planning stage, should be made impartially.

We expect a well-structured and timely approach to identify and manage risks from actual, potential, or perceived conflicts of interest and bias. We also expect you to meet the requirements of your own policy and procedures. We expect any declared issues to be considered and conflict management plans to be reviewed and approved by a manager with authority to accept any residual risk. This ensures you do not take risks outside of your organisation's risk appetite. Managing risks related to conflicts of interest is an essential element of planning and is a common area where probity risks arise.

Our findings

We reviewed all conflict of interest declarations provided since the ROI phase, including any mitigation strategies proposed for the disclosures made.

One conflict of interest and confidentiality declaration was completed by an evaluator well after the start of their involvement. While no conflicts were declared by this evaluator in their declaration it is

good practice for COI declarations to be completed as soon as someone is identified to be part of a competitive process like this one. On that basis, the declaration should have been completed before this person was provided any submissions for their evaluation. However, as the person had no conflicts to declare any potential risk from the timing of the declaration did not manifest in practice.

Consistent with good practice, Te Puni Kōkiri required staff and advisers to update their conflict of interest declarations at any time they became aware of changes requiring disclosure. No new risks were identified from this requirement.

In our view the processes for managing the risks from conflicts of interest was acceptable.

We recommend for future procurement activities that all those involved in the procurement process complete their declaration as soon as practical and no later than the start of their involvement in the procurement process.

Tender documentation



Our expectations

Documents inviting or encouraging suppliers to participate in a procurement must be consistent with the procurement planning. These documents give effect to the procurement design decisions, putting the plan into practice. Together, planning and procurement documentation helps ensure the process is fair to all prospective suppliers.

We expect good quality, clear procurement documentation that sets out the requirements, the procurement process, the conditions of responding, and any reserved rights. It should be clear how prospective suppliers should respond. We expect the good practice templates provided by the Ministry of Business Innovation and Employment (MBIE) to be used or a clear rationale for any variation. We also expect Te Puni Kōkiri to meet the requirements of your Procurement Policy.

We expect a procurement opportunity to be advertised widely and the procurement documents made accessible to all interested parties in an equitable manner.

Our findings

We retrospectively reviewed the RFP documentation after the RFP was provided to short listed Respondents via email.

We provided the following feedback:

- Per comments on the ROI the timeline for responses to the RFP was limited (17 clear business days). The Rules require a tender process to allow sufficient time (Rule 29) and set minimum timeframes (Rules 30 and 34) that must be provided. Whilst this process could have allowed more time for responses to the RFP, the time provided exceeded minimum requirements (15 business days).

- Government Electronic Tendering Service (GETS) was not used to issue and to receive submissions. GETS provides an excellent audit log of all activity. By deciding not to use GETS Te Puni Kōkiri needed to ensure that all activity was clearly documented and suitable controls were in place for both Q&A and the submission receipting process.
- The tender documentation had some incorrect referencing. This is not a probity issue but incorrect references can cause uncertainty to those planning to provide a submission.
- As a Te Puni Kōkiri email address was used for Q&A and receiving submissions Te Puni Kōkiri needed to document the controls and safeguards used on this email address (secure access and receipt; timely response; safeguard emails sent to incorrect respondents etc.). We confirmed with TPK staff that this was done and that reasonable controls were in place (interactions logged, formal review and sign off of responses to queries, restrictions on mailbox access).
- RFP stated that presentations may be required, however no detail was provided on how these would be evaluated or form part of the evaluation process. If the Evaluation Panel decided, subsequent to the RFP being published, that presentations were required as part of the evaluation process, it would be important for this to be well planned and consistent with the details that were publicised about the evaluation.

The RFP documents appropriately considered probity matters.

The scope, evaluation criteria and weightings were clearly documented in the RFP.

While we provided some feedback on the RFP documentation our comments were not significant nor material to the integrity of the procurement process.

We recommend for future procurement activities that GETS, or a similar service, is used for the Q&A process and receiving responses. This will ensure the integrity of the process and will provide a clear independent audit trail for the RFP, who responded, and when, together with a record of the receipt of the responses.

Managing communications



Our expectations

Prospective suppliers should be treated equitably. They should receive all relevant information about the procurement concurrently and have the same opportunity to clarify the procurement process or requirements.

We expect there to be a clear process to issue updates to the market, and for prospective suppliers to raise questions to clarify your requirements or aspects of the procurement process. We expect this process to be well controlled through a single point of contact. We expect any verbal communication (such as meetings with prospective suppliers) to be equitable and appropriately

documented. We expect confidentiality to be maintained and individual suppliers' intellectual property to be protected.

Our findings

All communications to Respondents were managed via a Te Puni Kōkiri email address. We retrospectively reviewed all the correspondence provided to us and all issued clarifications on the RFP.

No probity issues were noted on the correspondence we reviewed.

We were satisfied that the management of communications was acceptable.

Closing of submissions



Our expectations

Prospective suppliers should have the same opportunity to respond to the procurement and be treated equitably. Submission requirements should be consistently applied.

We expect a formal submission close with a record kept of those responses received by the deadline. We expect a robust process to check that deadlines were met, and any conditions of submission have been complied with before responses are accepted for evaluation.

Our findings

All the submissions were receipted and assessed for compliance after the closing time for submissions. All responses were accepted by the procurement team as meeting the RFP terms and conditions, and as a result all progressed to evaluation.

We retrospectively reviewed the processes for the opening of the submissions, and the initial checking of each submission for compliance with the RFP requirements. No probity issues were noted.

We were satisfied that the process for the closing of submissions was consistent with good practice.

Evaluation of submissions



Our expectations

The evaluation process must be undertaken impartially and fairly, in a manner consistent with the procurement planning and the information provided to prospective suppliers.

We expect there to be a planned approach to evaluating submissions that is followed in practice. We expect evaluators to be briefed on their roles and responsibilities (including making sure judgements are evidence based, confining evaluation to the submitted responses, acting impartially and with integrity). We expect clarification to be sought where it is needed to ensure a fully informed evaluation process. This might include presentations, demonstrations, or a site visit.

We expect the results of the evaluation to be documented in a timely manner and approved by the evaluation team.

Our findings

We attended two RFP evaluation briefing meetings which included all members of the evaluation panel. The briefings covered the scope of the RFP and the evaluation process with the evaluation panel members working through the plan to ensure they understood their roles and responsibilities, the criteria they were to be evaluating against, and the scoring mechanism to be used.

Holding briefings for the evaluation team is consistent with good practice as it enables the evaluators to clarify their responsibilities and the evaluation methodology.

We reviewed the draft evaluation plan and provided feedback which was addressed in the final version of the document. The final evaluation plan was consistent with the RFP document and was approved on 12 December 2024.

All submissions were provided to the evaluation panel and the non-scoring specialist advisors.

The non-scoring specialist advisers were provided the responses to allow them to review the relevant sections of the responses. Their role was to provide a summary of analysis to the evaluators so that the evaluators could use this analysis to assist them with their own individual evaluations.

The reports from the expert advisors were provided to the evaluation panel before the completion of their individual scoring.

Once individual evaluation was complete, the panel met to bring their individual assessments together. We attended the evaluation sessions on 28 & 29 January 2025 to observe the application of the evaluation methodology, as documented in the evaluation plan and the RFP.

The panel determined that presentations would not be required, which avoided an issue that we noted above. The moderated results of the evaluation were confirmed by all members of the evaluation panel.

No probity issues were observed during the evaluation process.

We were satisfied there was appropriate and consistent application of the evaluation methodology.

The evaluation process was consistent with good practice.

Reporting and contracting



Our expectations

We expect you to be open and accountable for your procurement decisions. We expect all key decisions made during the procurement process to be appropriately justified and documented.

We expect a written report supporting the recommendations arising from a procurement process. This report should provide sufficient detail for the reader to understand all material considerations. We expect the recommendation to award the contract to be in line with the result of the evaluation process or a clearly articulated explanation for any change.

We expect approvals to be in line with delegated financial authorities. We expect clear and timely communication with successful and unsuccessful Respondents. We expect unsuccessful Respondents to be offered a debrief opportunity so that they can learn from the experience.

Our findings

We reviewed the draft of the RFP recommendation report. The report was an accurate high level summary of the procurement process that we observed. We suggested some minor changes to the draft report for clarity, which were included in the subsequent version of the document.

The panel meet on 11 February 2025 to discuss and review the draft recommendation report which we attended. The panel requested a number of further changes which were included in the next version of the report.

We reviewed the recommendation report that was approved by the evaluators on 24 February. This report was exemplar in the level of documentation provided to support the panel's recommendations.

We are satisfied that the Recommendation Report was consistent with our observations of the evaluation processes.

We are satisfied that the Recommendation Report provided to us accurately reflects the results of the evaluation undertaken.

Queries



Our expectations

We expect you to have appropriate processes in place to receive and investigate any complaints about the procurement, independently of the procurement team. We expect any investigation to be appropriately documented and the results communicated in a timely manner to the complainant.

Our findings

We are not aware of any complaints about this procurement, however we are aware an entity has made an Official Information Act (OIA) request relating to meetings and correspondence between Te Puni Kōkiri and the participants in the ROI and RFP process.

Te Puni Kōkiri has acknowledged this request and the request is being reviewed by the ministerial services group within Te Puni Kōkiri. We have had no involvement in the OIA process.

Appendix 1: Scope and expectations



The scope and approach to our review was set out in our Consultancy Services Order dated 7 October 2024.

Our interim report (dated 25 November 2024) covered the Registration of Interest stage of the procurement process. This report covers the Request for Proposals (RFP) stage and concludes on the procurement process as a whole.

Our services were designed to provide assurance over the key probity and process risks for the procurement. We also considered compliance with the Government Procurement Rules and Te Puni Kōkiri policies and processes, including the probity plan.

Audit New Zealand is a business unit of the Controller and Auditor-General. This assurance is provided in accordance with Section 17 of the Public Audit Act 2001. It complies with the Auditor-General's Standard 7: Other Auditing Services (AG-7).

What our work did not include

Our assurance review did not include:

- assurance over the outcome of the procurement process (this is the role of the evaluation team and Te Puni Kōkiri approving authority).
- assurance over risks from conflicts of interest at senior executive/approving authority level. However we did review all declarations provided to us regardless of their role in the process.

An assurance review of this kind helps an entity understand the risks it faces and assists it to manage those risks, but it does not remove the responsibility of the entity itself for ensuring that its actions comply with all relevant legal and other standards.

Our expectations

This report is based on the expectation that Te Puni Kōkiri:

- provided all information that we requested;
- made available all information that was in its possession and relevant to our engagement; and
- advised us of any circumstances that may have been material and significant in relation to our work.

Appendix 2: Good practice guidance and policy



In addition to our internally developed methodologies for review of procurement, our primary references for good practice for this review were:

- Government Procurement Rules 4th edition (Ministry of Business Innovation and Employment, 2019).
- Procurement guidance for public entities (Office of the Auditor-General, 2008).
- Public sector purchases, grants, and gifts: Managing funding arrangements with external parties (Office of the Auditor-General, 2008).
- Managing conflicts of interest: A guide for the public sector (Office of the Auditor-General, 2020).

Appendix 3: Other assurance services

This is an independent assurance report.

Audit New Zealand's independent assurance services include:

Procurement

Procurement processes must be robust and fair to all the parties involved, such as contractors, consultants, and purchasers. They must meet the standards for good practice expected of public entities. Our team can provide an invaluable independent review of public entities' processes and procedures.

Contract management

Whether public entities are handling a major supply contract or a small professional services contract, good practice is essential. Our team can review contracting practices and provide independent insights.

Probity and integrity

Integrity is about honesty and adherence to strong ethical principles. Whenever a public entity spends money, this must meet standards of probity that will allow it to withstand parliamentary and public scrutiny. With extensive knowledge of the public sector, we are well positioned to provide assurance about probity risks, carry out integrity audits and conflict of interest inquiries.

Managing assets

Public services rely on a diverse portfolio of assets to support service delivery. Managing assets well will result in an organisation reducing risks and getting better value for money. Public entities will want effective plans for managing their assets effectively and efficiently. Our specialists have wide experience in reviewing asset management and can provide assurance on planning.

Portfolio, programme, and project management

Portfolio management is about delivering strategically important change. It balances investment in running the organisation (business as usual) with changing the organisation. Delivering programmes and projects paid for by the public carries risk. Public entities are responsible for outcomes, and that public funds are used effectively and efficiently. Our team can provide independent assurance that these entities are managing their portfolio, programmes, or projects to good practice standards.

Managing risks

Identifying, analysing, and managing or mitigating risk is integral to the reputation of a public entity and vital for ensuring objectives are met. All public entities need systems to avoid conflicts of interest and to adhere to professional accounting, legal, and financial standards. Public entities need to show that they have appropriate quality assurance, external review, and training for managing risks. Our specialists can provide assurance for public entities' that their risk management practices meet applicable standards.

Governance

Getting governance right is vital to protect and enhance the performance of a public entity. Good governance contributes to an open, fair, and transparent public sector. Effective governance of change programmes and projects is important for their success. Our team has wide experience identifying where governance works well and where improvements can be made.

Sensitive spending

Some spending of public money is particularly sensitive. An example is spending that provides some form of private benefit to an individual – for example, spending on travel, accommodation, and hospitality. A public entity might need to spend money on something considered unusual for that organisation's purpose and/or functions. A public entity's sensitive spending needs to stand up to the scrutiny of Parliament and the public. With extensive knowledge of the public sector, our team is well positioned to provide public entities with assurance about sensitive spending.

Managing performance

Managing performance effectively is critical to the success of a well-run public entity. Managing performance well should provide managers with the information that they need to make decisions, help to guide and manage staff, and provide information to stakeholders and the public about the services that a public entity provides. Our specialists' thorough understanding of best practice means that they can provide quality assurance for public entities' performance reporting.

Some useful resources

What good looks like:

Procurement

Contract management

Integrity

Probity

Managing conflicts of interest

Asset management

Project management

Portfolio, programme, and project management

Governance

Risk management

Other resources:

<https://auditnz.parliament.nz/resources>

Contact us:

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