

**To** SM021 Manual Users

**Cc** Senior Manager Procurement

**From** SM021 Steering Group

**Date** 1 March 2020

**Subject** Contract procedures manual (SM021) – Summary of amendments March 2020 – Third edition

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**Purpose**

To present the amendments made in the March 2020 Third edition publication of *Contract Procedures Manual (SM021)* which has been updated where required from the March 2017 issue (Second edition, amendment 4).

**Table of Amendments**

Note: minor amendments are not always identified.

General		
Clauses	Subject	Comment
Entire document		RE-STRUCTURED to Plan, Source, Manage sections
Entire document		CLARIFIED infrastructure v non-infrastructure procurement
Entire document		CHANGED references to “NZ Transport Agency” to read “Waka Kotahi NZ Transport Agency”
Entire document		REPLACED various uses of “project” and “contract” with “procurement.”
Entire document		REPLACED “SD&D” with “Transport Services”
Entire document		AMENDED references to appendices to be consistent throughout the entire document
Entire document		REPLACED “Government Rules of Sourcing” with “Government Procurement Rules”
Entire document		DELETED all references to Risk & Insurance Sub-Vac and REPLACED with Senior Manager Procurement
Document management plan	Document information	CHANGED manual sponsor to Procurement Strategy and Methods CHANGED review team members
Document management plan	Amendment and review strategy	CHANGED notification method. Users can opt to be notified via TAN ADDED link to enable users to opt in to TAN notification
Document management plan	Amendment and review strategy	REMOVED table regarding frequency of notification of changes to the manual – users can opt to be notified via TAN

Document management plan	Other Information (at Manual Owner's discretion)	REMOVED this section
Document management plan	Feedback	AMENDED the process for feedback and comments to direct feedback to procurement@nzta.govt.nz inbox
Record of Amendment		AMENDED process for notification be notified via TAN
Preamble		REMOVED preamble to reduce repetition

## Part A – Infrastructure Procurement Procedures

Clauses	Subject	Comment
About this manual	Overview	AMENDED wording to clarify the scope of the manual
About this manual	Associated manuals and references	REPLACED State Highway Procurement Strategy with Infrastructure procurement strategy
About this manual	Privacy	ADDED privacy requirements
About this manual	Broader outcomes	ADDED broader outcomes section ADDED Construction Sector Accord section
About this manual	Contacts	REMOVED this section as no longer relevant
Terminology		INCLUDED Abbreviations in Terminology table ADDED Government Procurement Rules REMOVED Limited invitation to tender – covered by Closed contest ADDED descriptions for suite of RfX documents REMOVED Supplier selection method definition AMENDED definition of target price to be a definition of purchaser nominated price
Abbreviations		REMOVED stand-alone abbreviations section (consolidated into terminology section)
Delegated authorities schedule		AMENDED to reflect updated Business Rules Delegations UPDATED title to be consistent with the terminology section
1.1.1	Authority to contract	MOVED clause (was 1.1.2)
1.1.3	Contracts approved for use for NLTP funded procurement	ADDED that other contracts may be considered by use as approved by Manager Procurement Services

1.2.2	Allocation of a contract number	AMENDED generation of contract numbers ADDED hyperlink to the Contract Register OnRamp page
1.3	Procurement planning	AMENDED terminology from “procurement strategy” to “procurement” AMENDED title to “procurement planning” AMENDED structure of section
1.3.5	Procurement plans for state highway improvement projects (PW)	NEW paragraph outlining procurement plan requirements for professional services
1.4–1.9 inclusive		MOVED these sections (was 2.2–2.7 inclusive) to sit prior to preparing RFT
1.4.2	Selection of delivery model	ADDED reference to delivery model matrix tool
1.5.2	Direct appointment method	REMOVED references to the national register of consultants
1.5.3	Closed contest	AMENDED the clause to clearly outline the process to be followed when using the Closed contest method
1.5.5	Lowest price conforming tender method	CLARIFIED where prequalification is mandatory
1.5.6	Purchaser nominated price (target price) method	AMENDED title to include target price in brackets
1.5.8	Price quality method (PQM)	ADDED reference to price weight attribute setting tool REMOVED reference to simplified procedure
1.6.1	Price/ non-price weighting selection	AMENDED clause – must undertake a sensitivity analysis
1.6	Price/ non-price attributes selection	REMOVED reference to resources NPA as not used REMOVED reference to financial viability NPA as not used
1.6.3	Prequalification supplier selection	MOVED prequalification supplier selection to sit under 1.6 Price/ non-price attributes selection
1.7.1	Registration of contractors for prequalification	ADDED reference to mutual recognition arrangement CLARIFIED where prequalification is mandatory
1.7.2	Work categories and classification levels	AMENDED table to include criteria for levels UPDATED criteria in line with Prequalification information pack
	Classification levels	DELETED clause – content moved to clause 1.7.2 above
1.8.1	General	ADDED hyperlink to S&P rating information

1.9	Insurance, bonds and retentions for PW contracts	AMENDED Principal's arranged insurance (PAI) limit to \$200m
1.9.4	Principal's arranged insurance	AMENDED clause to note that contracts must meet the PAI policy requirements to be eligible for cover under PAI
1.9.5	Approval for insurance levels	AMENDED reference to \$100 mil to be \$200 mil to align with rest of document ADDED reference to PAI portal
1.9.6	Liability caps	ADDED clause on liability caps
	Performance bonds	REMOVED ability to ask for a performance bond
1.9.8	Retentions	ADDED clause relating to retentions
1.9.9	Bond in lieu of retentions	ADDED requirement for bond to be call on demand AMENDED the NOC requirements
1.9.10	Bonding policy	AMENDED reference to \$100 mil to be \$200 mil
1.10	Conflict of interest	ADDED new clauses on conflict of interest generally ADDED information on the forms to be completed ADDED examples of the types of conflicts of interest ADDED information on determining an appropriate resolution
2.2.2	Checking	ADDED "Transport Agency" to clarify who is responsible to ensure checks and approvals have been undertaken
2.2.3	Tendering period	AMENDED clause to align with the Government Procurement Rules
2.3	Shortlisting procedures	AMENDED shortlisting terminology (ROI instead of SIA) DELETED reference to SIA process
2.3.2	Shortlisting	AMENDED title and clause to clarify the purpose of shortlisting
2.3.3	Tendering process	AMENDED clause regarding shortlisting mechanisms
2.4	Interactive meetings	AMENDED title from interactive tender process
2.4.1	Benefits and use of interactive meetings	AMENDED title from benefits and use of the interactive process AMENDED all references from "interactive tender process" to "interactive meetings" AMENDED wording of requirement to "offer" rather than "give" interactive meetings
3.1.1	Introduction	ADDED information about Notice of intention
3.1.2	Administrative procedure approval to advertise	AMENDED step 5 to require the report from GETS saved to the contract file
3.3.1	Process for communicating	AMENDED clause to require all communications on Transport Agency branded templates

	during the tender process	
4.2.1	Introduction	AMENDED clause to include tenders submitted by mail, courier or in person
4.3.1	Introduction	AMENDED to include a requirement to consider whether accepting a late tender will disadvantage tenderers who submitted on time
4.3.2	Procedure	AMENDED to include a requirement to consider whether accepting a late tender will disadvantage tenderers who submitted on time
4.5.3	Procedure	AMENDED the list to separate the requirement to check that tenders conform with both font size and page limit REPLACED reference to Potential conflict of interest/ bias declaration with Conflict of interest and confidentiality agreement
4.6.5	UTC flowchart	AMENDED unsustainable tender flow chart
5.1.6	Managing conflict of interest on the TET	AMENDED to specify this relates to conflict of interest on the TET
	Types of conflict of interest	REMOVED this clause as replaced by clause 1.10.1, 1.10.2, 1.10.3, 5.1.6
5.1.9	Reference checks	ADDED requirement to try referees more than once
5.1.10	During the tender evaluation process	ADDED clauses relating to tender evaluation process
5.2.3	Clarification	AMENDED clause regarding request for clarification
5.3	Dealing with comments on the base estimate received from tenderers	ADDED contact details for Manager Procurement Services ( <a href="mailto:procurement@nzta.govt.nz">procurement@nzta.govt.nz</a> ) ADDED requirement to notify Probity Auditor if instructions are issued to tenderers
5.6.4	Non-price attribute definitions, comments and descriptions	AMENDED to require approval of alternative attribute descriptions as outlined in procurement or sourcing plan
	Resources (PW only)	DELETED clause as not used
5.7	Evaluating supplier selection methods	AMENDED title of section to distinguish from similar title above
5.7.4	PQM	ADDED "written and well-documented" justification
5.11	Consider commercial issues prior to contract award	ADDED reference to TET report 2
6.3.1	Introduction	ADDED consortium
6.3.4	Joint ventures/ consortia	AMENDED title and content to include consortia

6.3.5	If joint venture/ consortium is a company	AMENDED title and content to include consortium
6.3.6	If joint venture/ consortium is not a limited liability company	AMENDED title and content to include consortium
6.4	Who may sign the bond (PW only)	ADDED reference to consortia/ consortium wherever references to joint venture(s) existed
7.1	Contract payments	ADDED hyperlink to Construction Contracts Act 2002, s 21
7.3	Performance evaluation	ADDED clause relating to performance evaluation
	Release of a performance bond (if specified)	REMOVED this clause as no longer allowing performance bonds
Placeholder	Placeholder	ADDED placeholder for Part B

<b>Appendices</b>		
<b>Clauses</b>	<b>Subject</b>	<b>Comment</b>
Appendix I		AMENDED reference from \$5 mil to \$10 mil
Appendix II		AMENDED reference from \$5 mil to \$10 mil
Appendix IX		DELETED as superseded
Appendix XII		AMENDED guidance note to >\$200 mil & reference to PAI portal
Appendix XIV		AMENDED guidance note to >\$200 mil & reference to PAI portal
Appendix XVII		AMENDED reference from “Highway Manager” to Senior Manager
Appendices XXIII		AMENDED guidance note to >\$200 mil & reference to PAI portal UPDATED clause references
Appendix XXVI(A) & (B)		RE-PURPOSED appendix into two smaller appendices for PS and PW contracts UPDATED sign-off requirements
Appendix XXVIII		UPDATED sign-off requirements

### **Queries/feedback**

Any queries/feedback on this edition should be sent to [procurement@nzta.govt.nz](mailto:procurement@nzta.govt.nz).