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# Procurement Policy

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**Updated:** November 2025

**Next Review:** November 2026

**Number:** 3.1

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## Purpose

1. REA's purpose is to promote and protect consumer interests in respect of real estate transactions and to promote public confidence in the performance of real estate agency work in New Zealand<sup>1</sup>.
2. Effective procurement helps REA deliver required projects and meet its operational needs on time and within budget. It means less cost of doing business for all involved and reduces REA's exposure to commercial risk. Effective procurement can improve productivity and secure better public value.
3. The purpose of this policy is to provide a high-level framework to guide REA's approach to planning, sourcing and managing procurement. This framework enables REA to deliver on its mandate and strategic objectives.

## Scope

4. This policy encompasses all procurement of goods, services or works, from all individuals and organisations. The term *procurement* is used throughout this policy; however, the term *purchasing* is equally applicable and is interchangeable.
5. This policy applies to all REA Board and staff, including contract and temporary staff. This policy also applies to third parties that are engaged by REA to conduct or assist with procurement.
6. Procurement covers all aspects of acquiring and delivering goods, services and works, which includes:
  - a. *Planning* – recognising that a need or needs must be met; identifying what those needs are; planning the best way to meet those needs while considering and applying any lessons learned from the review of past procurements.
  - b. *Sourcing* – approaching the market; evaluating and selecting the best supplier; negotiating and awarding a contract.
  - c. *Managing* – handling productive supplier relationships; managing the contract, through to its expiry or renewal, **or** the asset until its end of useful life and subsequent disposal; reviewing the entirety of the procurement process for more lessons learned.

## Background

7. As a Crown entity, REA is required to apply the Government Procurement Rules (**Rules**) to its procurement activities<sup>2</sup>.
8. The Rules represent the government's standards of good practice during the procurement process. Through the Rules, government seeks to achieve *public value*<sup>3</sup> from procurement activities while also ensuring integrity, transparency and

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<sup>1</sup> Real Estate Agents Act 2008, s 3.

<sup>2</sup> New Zealand Government Procurement Rules 5<sup>th</sup> Edition, available at: <https://www.procurement.govt.nz/government-procurement-framework/government-procurement-rules/>

<sup>3</sup> Public value means getting the best possible result from the procurement, using resources effectively, economically and without waste, taking into account: the total cost of ownership; the procurement's contribution to the result trying to achieve; and securing economic benefits to New Zealand.

accountability for the use of public funds.

9. The Rules are to be read alongside the Principles of Government Procurement (**Principles**) and the Government Procurement Charter (**Charter**).
10. The six Principles are:
  - a. Plan and manage for great results.
  - b. Be proportionate and right-size the procurement.
  - c. Be fair to all suppliers.
  - d. Get the right supplier.
  - e. Get the best deal for everyone.
  - f. Play by the rules.
11. The Charter sets out Government's expectations of how agencies should conduct their procurement activities to achieve public value. The Charter directs agencies to:
  - a. Deliver economic benefits to New Zealand.
  - b. Look for new and innovative solutions.
  - c. Engage with businesses with good employment practices.
  - d. Promote inclusive economic development within New Zealand.
  - e. Manage risk appropriately.
  - f. Encourage collaboration for collective impact (across-agency and across-businesses).
12. A full list of the Rules, as well as further information on the Principles and Charter can be found [here](#).

## Policy statement and ways of working

13. REA is committed to undertaking all procurement activities in accordance with the Procurement Rules which are structured around the three stages of the procurement lifecycle: Plan, Source and Manage. REA's approach to each stage will be guided by the Rules and relevant Ministry for Business, Innovation and Employment (**MBIE**) guidance<sup>4</sup>. REA's overall procurement approach will be proportionate to the value, complexity and risk involved.
14. REA's procurement decisions and practices must be able to withstand public scrutiny. All REA procurement activities must meet the requirements of this policy and associated procedures.
15. Where Government-approved collaborative contracts and supplier panels are in place, REA must purchase from All-of-Government contracts, unless there is a good reason not to.
16. All decisions and authorisations must be made by a person holding the appropriate financial delegation, in accordance with REA's financial delegations (refer to REA's **Delegated Authority Policy**). Irrespective of the type of procurement being made,

<sup>4</sup> MBIE guidance on each procurement lifecycle stage is available at:  
<https://www.procurement.govt.nz/guides/guide-to-procurement/>

purchasing decisions and authorisations must be in accordance with the delegated authority of the person making the decision.

17. The selection of the correct procurement method is a key decision in any procurement and must account for whether the **total value** of the procurement is above \$100,000. Procurement processes ought to follow the recommended procurement method selection, which should be discussed with Corporate Services during initial planning of the procurement. If exemptions from the process are to be taken, consultation with MBIE may be undertaken, by the Head of Corporate Services or Chief Executive, or relevant SLT member whose team will oversee the outcome of the services or goods to be procured. Generally, REA will use available secondary procurement methods for procurement under \$100,000 and assess whether GETS is appropriate for procurement over \$100,000 taking into account the nature and scale of the procurement.
18. All staff members (and third parties) involved in the procurement process must declare to their manager any personal interest that may affect, or could be perceived to affect, their impartiality in any aspect of their work. The principles in REA's **Disclosure of Interests and Managing Conflicts Policy** will apply.
19. All commercially sensitive information provided by existing and potential suppliers during the process (e.g. price information, intellectual property, etc.) must be treated appropriately, including not being disclosed to any third party, including other REA staff, who are not required to know unless required under legal obligations (e.g. Official Information Act).
20. Documentation appropriately tailored for the type and method of procurement must be retained and filed in REA's document management system. This documentation is required to provide an audit trail on the activity undertaken, including the independent review/sign off by the authoriser.

## Core procurement objective

21. REA's procurement objective is to get the best value from its spending, including sustainable value for money over the lifetime of the goods, services and/or works that are purchased, keeping in mind the overall objective of delivering better public value.
22. As part of delivering better public value, [Rule 8](#) requires REA to consider economic benefits to New Zealand in its procurement activity.
  - a. When engaging in procurement activity<sup>5</sup> where the total value of the contract for goods, services or refurbishment works is **above \$100,000** (including up-front and on-going costs), the procurement proposal **must** demonstrate how broader positive impacts to New Zealand's economic well-being will be achieved. These benefits to New Zealand's economy go beyond the benefits of the goods/services/works being procured for REA's use. REA will apply, at minimum, a weighting of 10% to economic benefits to New Zealand when evaluating submissions. More detail and guidance on economic benefits to New Zealand can be found [here](#).

- b. When engaging in procurement activity where the total value of the contract for goods, services or refurbishment works is **below \$100,000**, the procurement is **expected** to be awarded to New Zealand businesses<sup>6</sup>, where they have the capability and capacity to deliver to REA's requirements.
- 23. It is important to consult with Corporate Services early in the procurement lifecycle for any procurement (**primary** or **secondary**<sup>7</sup>) where the total value of the contract is **over \$100,000**, to ensure the relevant Rules and other requirements<sup>8</sup> are given due consideration.

## Delegated Authority and responsibilities regarding thresholds

- 24. All Board and staff are responsible for complying with REA's procurement policy and procedures.
- 25. All decisions and approvals during a procurement process **must** be made by a person holding an appropriate financial delegated authority, in accordance with REA's financial delegations (refer to REA's **Delegated Authority Policy**).
- 26. The key approval points during a procurement process are:
  - a. Authority to commence procurement (assurance that a budget is allocated)
  - b. Approval to release tender documentation (via a procurement plan)
  - c. Approval of evaluation recommendations
  - d. Authority to enter into contract
  - e. Authority to make payments on invoices
- 27. In addition to paragraph 17 above, for any procurement (primary or secondary) *above \$100,000* in total value, the person holding the delegated authority **must** consult with Corporate Services in the procurement planning stage, prior to the approval point at paragraph 26(b) above. This is to ensure all relevant Rules are complied with, including the requirement to open tender ([Rule 10](#)).
- 28. For any procurement (primary or secondary) *below \$100,000* in total value, the person holding the delegated authority may consult with Corporate Services on the way to approach the market, in a way that is proportionate and suited to the purchase.
- 29. Any proposed contract for the supply of goods, services or works must be reviewed by the Head of Corporate Services. If the contract is not a government-approved collaborative contract (e.g. All-of-Government, Common Capability or Syndicated Agreement) and the value exceeds the value of Senior Leadership Team delegated authority, legal advice must be obtained.
- 30. The supply of the goods or services **must not** commence until the contract has been approved and signed. Commencing supply of the goods or services prior to the contract being agreed may create a contractual situation even when a formal contract

<sup>6</sup> Under the Rules, an Australian business is included in the definition of a 'New Zealand business'. For the full definition, refer to MBIE guidance [here](#).

<sup>7</sup> [MBIE defines](#) secondary procurement as: "Where an agency purchases goods, services or works from a panel of suppliers, an All-of-Government Contract, Common Capabilities Contract or Syndicated Contract."

<sup>8</sup> REA is mandated to comply with the requirements of the Carbon Neutral Government Programme to measure and report on, and **reduce**, its carbon emissions. Supplier selection gives important effect in meeting REA's emissions targets.

has not been signed.

31. Where procurement costs exceed approved business plan budgets, additional approval **must** be obtained by a person with the appropriate delegated financial authority, as soon as the likely cost overrun is identified and before any activities are undertaken outside of the originally approved budget. If the budget overrun means the total value of the procurement will exceed the original approving person's financial delegation, then approval for the revised costs and the associated contract variation must be obtained from a person with sufficient financial authority for the entire amount (i.e. original budget plus additional cost overruns). If the budget overrun means that the total value of the procurement will exceed the \$100,000 threshold, Corporate Services **must** be consulted for a review and to document future improvements to the procurement process.

### **Exclusions, exceptions and exemptions to this policy**

32. The following exceptions and exemptions apply to this policy as they are deemed not to be procurement activities:
  - a. Employing staff (excluding the engagement of contractors or consultants).
  - b. Gifts, donations, and unconditional grants.
  - c. Investments, loans and guarantees.
33. Where it is considered that an exception or exemption to this policy applies to a specific procurement, the reasons and supporting information must be documented in detail and approved by the Chief Executive. This approval must be granted *before* the procurement activity commences.

### **Emergency procurement**

34. REA recognises that in emergency situations, such as during a pandemic or natural disaster, there may be departures from usual procurement processes in order to respond effectively. It is important to still follow best practices for emergency situations, including:
  - a. Documenting all emergency procurements during the event or as soon as possible afterwards.
  - b. Acting within existing delegated authority, or *at minimum* obtaining verbal approval for a major expense from someone with sufficient delegated financial authority, to be followed up in writing, **before** making a commitment.
  - c. Always acting with good judgement and being prepared to provide rationale for procurements.

### **Breaches of this Policy**

35. If a breach of this policy occurs, the manager and/or Chief Executive must be notified immediately. The manager and Chief Executive will take the necessary action to mitigate risk to REA, external organisations, and/or to individuals. If the breach is deemed serious, the matter will be escalated to the Chair of REA's Audit and Risk Committee, who will take appropriate action.

36. If a user is found to have breached this policy, either intentionally or unintentionally, action appropriate to the seriousness of the breach will be taken. Action may range from censure through to dismissal and criminal prosecution.

### **Accountability, monitoring and review**

37. This policy will be made publicly available on REA's website.
38. The Head of Corporate Services is responsible for maintaining this policy and implementing it at a high level.
39. The policy will be formally reviewed by the Head of Corporate Services for approval by the Board at least every three years, with interim revisions as required to meet operational, organisational, and legislative needs.

#### Authorisation

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Date: 16 December 2025

Denese Bates KC

Board Chair

Related policies that may impact on, or be impacted by this policy:

- Delegated Authority Policy
- 2.1 Sensitive Expenditure Policy
- 2.7 Capital Expenditure Policy
- 7.21 REA Disclosure of Interests and Managing Conflicts of Interest Policy
- [Government Procurement Principles](#)
- [Government Procurement Charter](#)
- [Government Procurement Rules](#)

Legislation:

- Public Finance Act 1989
- Commerce Act 1986

- Public Records Act 2005
- Crown Entities Act 2004
- Real Estate Agents Act 2008