

APPROACH MARKET & SELECT SUPPLIER



Probity and Ethics

58. The Approach Market and Select Supplier phase marks the beginning of formal market engagement where probity and ethics are critical.

59. Probity is critical to the proper conduct of tendering, source selection and contracting with suppliers. Probity relates to the fairness and correctness of process when dealing with potential suppliers and contractors - ethics is to do with personal behaviours.

Probity

60. Demonstrating the probity of the tendering and source selection processes is critical to avoiding unnecessary challenges to the evaluation outcomes. For complex projects, or projects which carry high public interest, independent oversight of the project's probity compliance should be considered.

A probity auditor can provide independent oversight and advice on probity matters relating to a project throughout the "seek Solution Proposals" and Identify Best Option" phases, and formally report back to the Acquisition Review Board the necessary assurance that probity standards have been complied with.

61. The project shall draft probity guidelines which outlines how probity will be managed on the project. These may be included as part of the Project Initiation Document (PID) and/or the Tender Evaluation Plan.

62. The Ministry of Business Innovation and Employment has issued some practical guidance on managing probity.



[Read MBIE probity checklist](#)

Ethics

63. Ethics are a set of principles against which a professional's actions may be judged good or bad. Ethics goes beyond just obeying the law and abiding by rules and regulations. Ethics includes the decisions you make and the actions you take when it is not completely clear what is the right or wrong thing to do.

64. Ethical behaviour is conduct that stands up to critical superior, peer, subordinate and public examination without adverse moral reaction. Due to the subjective assessment of ethical behaviour it is not possible to provide detailed rules

on specific do's and don'ts in any given situation, however some general guidelines are as follows:

- be strictly equitable in the treatment of all tenderers for the supply of goods and services;
- seek to minimise the costs to suppliers of participation in the procurement process;
- protect commercial in confidence information;
- deal honestly with suppliers;
- meet public interest and accountability standards;
- avoid situations where private interest conflicts with public duty;
- abstain from soliciting or accepting a benefit, whether or not in monetary terms, from a supplier for discharge of official duties;
- respond promptly to reasonable requests for advice and information;
- promote fair and open competition and seek value for money for the taxpayer; and
- acknowledge probity and ethical expectations

65. New Zealand Government Procurement has a comprehensive 'Conflict of Interest and Confidentiality Agreement' which all personnel involved during the acquisition phase of a project must sign. This includes:


- all members of the procurement team (staff, contractors and consultants);
- all members of the evaluation panel;
- any consultant asked to advise the team;
- anyone involved in making a recommendation;
- anyone involved in approving a recommendation or making an important decision; and
- anyone making a financial approval for the procurement.


66. The Conflict of interest and Confidentiality Agreement requires personnel to have read the 'Quick- Guide: Conflicts of interest'.




[Read the quick guide: Conflicts of interest](#)

67. In addition members of the Ministry of Defence and New Zealand Defence Force (NZDF) are bound by the Ministry of Defence Code of Conduct and the Armed Forces Discipline Act respectively. These obligate expected standards of personal behaviour.

 [Download the Conflict of Interest and Confidentiality Agreement](#)

 [Read the Ministry of Defence Code of Conduct](#)

 [Read the Armed Forces Discipline Act](#)

Out of scope

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