

# BROADER OUTCOMES GUIDANCE FOR THE CONSTRUCTION SECTOR

November 2021



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

MODULE ONE

MODULE TWO

MODULE THREE



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Delivering broader outcomes through procurement activity can deliver wide reaching cultural, social, economic, and environmental outcomes

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17-19

# BROADER OUTCOMES GUIDANCE OVERVIEW

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The Construction Sector Accord has identified an opportunity to develop 'broader outcomes Guidance' ('Guidance') to support government agencies to embed broader outcomes into their construction procurement activity.

## PURPOSE OF THE GUIDANCE:

- **For consistency** in interpretation of broader outcomes
- **Ease of use** for construction sector stakeholders
- **Improved transparency** on what government buyers are looking for
- **To make progress** by all moving in the same direction

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## THE GUIDANCE SHOULD BE REGARDED AS A LIVING DOCUMENT

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# GUIDANCE AND MODULE ORIENTATION

## WHO ARE YOU?

### BUYER



### SUPPLIER



## WHICH PARTS OF THE GUIDANCE SHOULD YOU LOOK AT?

As a government buyer you can grow you and your team's understanding on what broader outcomes are and get clear on where the priority broader outcomes fit in.

As a government buyer you can get clarity on 'the why' and what broader outcomes delivery may look to achieve.

As a government buyer, understand at a high level how you might embed broader outcomes throughout the procurement process.

As a government buyer, this Guidance may be helpful when drafting RFx, contract documentation, evaluation of tenders and inform negotiations and KPI management.



Grow your understanding around what broader outcomes are, de-jargon the procurement world and know what government buyers are looking for when they ask about broader outcomes.

Get clarity on 'the why' and what broader outcomes delivery may look to achieve.

As a supplier, you will have transparency on how government buyers are embedding broader outcomes.

As a supplier, you will have transparency on what broader outcomes questions government buyers may ask and how you will be evaluated.



# ENGAGING WITH MĀORI

Effective engagement with Māori is key to producing better quality outcomes and Māori Crown partnerships, as per our obligations under Te Tiriti O Waitangi (Treaty of Waitangi).

To achieve meaningful engagement it needs to be based on developing effective and enduring relationships with Māori.

## EFFECTIVE RELATIONSHIPS MUST BE BASED ON:

1. Trust
2. Integrity
3. Respect
4. Equality

In your local area you need to engage with mana whenua (iwi and/or hapū in your local area) as they need to participate in decisions that affect their people and rohe (area).

Depending on your construction project, the engagement might be required across local, regional or national levels.

By engaging early (at Business Case stage or earlier) government agencies can ensure that their construction projects deliver:

## STRONG CULTURAL, SOCIAL, ECONOMIC AND ENVIRONMENTAL OUTCOMES FOR MĀORI



Toiora Ahurea



Toiora Tāngata



Toiora Ōhanga



Toiora Taiao

The type of engagement will depend on the significance of the construction project for Māori.

For example, the spectrum of engagement methods can range from inform or consult, to co-design or empower.

*Te Arawhiti's resources regarding [Crown Engagement with Māori](#) and [Building Closer Partnerships](#) can help you through this process.*

# WHAT?

# HE AHA?

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What are broader outcomes?  
*He Aha Ngā Putanga Whānui?*



# WHAT ARE BROADER OUTCOMES?

Government procurement activities offer a unique opportunity to achieve broader cultural, social, economic, and environmental outcomes for Aotearoa. These are what we call broader outcomes which are defined in the [Government Procurement Rules \(Rule 16\)](#).

The Government Procurement Rules support sustainable and inclusive procurement through the promotion of good practice for procurement planning, approaching the supplier community and contracting



During the procurement process you must consider what provides the best Public Value. Value is more than just price and quality, it is also about the legacy and lasting benefits that can be created through how we deliver the work. The below diagram\* shows how delivering Good Outcomes (broader outcomes) sits alongside Good Quality and Good Price.



\*Note: Above diagram adapted from the New Zealand Government Procurement Rules.

# BROADER OUTCOMES CATEGORIES

All of the following are broader outcomes, and they have been organised by the cultural, social, economic and environmental categories. Broader outcomes are interconnected and can overlap between different categories.

On the following pages we define these further in terms of [designated contracts](#) and priority broader outcomes.



## Cultural Wellbeing *Toiora Ahurea*

Improved diversity and inclusion of all ethnicities and genders



## Social Wellbeing *Toiora Tāngata*

Improved conditions for workers

Quality employment outcomes for priority social groups\*

Empowered and connected local stakeholders



## Economic Wellbeing *Toiora Ōhanga*

Improved size and skill level of domestic construction sector workforce

Increased access for Aotearoa businesses (Supplier diversity/ Market accessibility)

More workers have the financial means to live well



## Environmental Wellbeing *Toiora Taiao*

Net zero emissions economy

Reduced waste from construction sector

Improved environmental guardianship

Improved water protection

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)

# PRIORITY BROADER OUTCOMES

Cabinet has taken a targeted approach to leveraging broader outcomes and is placing greater requirements on agencies to leverage a set of [priority broader outcomes](#). These may change or be added to over time.

It is also important to consider your own organisation's strategy and targets for broader outcomes.

GOVERNMENT PROCUREMENT RULES	DESCRIPTION
<a href="#">RULE 17</a>	<p><b>Increase New Zealand businesses' access to government procurement:</b> increasing the number of Aotearoa businesses contracting directly to government, and within the supply chain. This includes Māori businesses and Pasifika businesses.</p> <p>Consideration must be given to:</p> <p><b>Rule 3: Non-discrimination and offsets:</b> states that agencies must give all suppliers an equal opportunity to take part and explains that agencies must not have offsets at any stage in the procurement process.</p> <p><b>Te Kupenga Hao Pāuaua:</b> Progressive procurement policy (see additional requirements in the next page)</p>
<a href="#">RULE 18</a>	<p><b>Increase the size and skill level of the domestic construction sector workforce:</b> the Government is leveraging procurement through construction to encourage businesses to increase the size and skills of their workforces.</p>
<a href="#">RULE 19</a>	<p><b>Improve conditions for workers:</b> this priority protects workers from unfair and unsafe behaviour, and incentivises well-performing firms while ensuring they are not undercut by firms who have reduced costs through poor labour practices.</p> <p><b>Rule 18a: Quality employment outcomes:</b> particularly for displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika peoples, disabled people and youth).</p>
<a href="#">RULE 20</a>	<p><b>Support the transition to a net zero emissions economy and assist the Government to meet its goal of significant reduction in waste by 2020 and beyond.</b></p>

# ADDITIONAL REQUIREMENTS

It is important consider the additional requirements below that might be relevant for your organisation or project.

There may be further policy requirements and/or legislations you need to consider that are not mentioned in these Guidelines.

REQUIREMENTS	DESCRIPTION
<a href="#">Te Kupenga Hao Pāuaua (progressive procurement policy)</a>	<b>Increasing the diversity of suppliers that are aware of opportunities to contract for government business, and are capable of doing so.</b> The initial focus of the policy is on Māori businesses, with a target for 5% of contracts being awarded to Māori businesses.
<a href="#">Carbon Neutral Government Programme</a>	<b>Reducing carbon emissions:</b> The Government launched the Carbon Neutral Government Programme, aimed at accelerating the reduction of emissions within the public sector. It requires mandated agencies to measure and publicly report on their emissions, and to offset any emissions that they cannot cut by 2025.
<a href="#">Building for Climate Change</a>	<b>Proposes to set regulatory requirements to report and limit emissions from all new buildings across their lifetime.</b> This includes during construction and operation, as well as ensure buildings are resilient to expected changes in the climate. Requirements would apply to government buildings sooner than all buildings in the sector.

# WHAT ARE THE PRIORITY BROADER OUTCOMES IN CONSTRUCTION PROCUREMENT?

There are a lot of broader outcomes that can be delivered through construction procurement. This page outlines the priority broader outcomes. Check out **Module 2** for more support on prioritising broader outcomes.

## PRIORITY BROADER OUTCOMES:

There are many broader outcomes that can be delivered through construction procurement. Cabinet has identified four priority broader outcomes for agencies to start focusing on. These were explained on the previous page in more detail.

**Priority outcome 1:** Increasing access for New Zealand Businesses

With consideration to Rule 3: Non-discrimination and off-sets, and Te Kupenga Hao Pāuaua (progressive procurement policy)

**Priority outcome 2:** Construction Skills and Training

**Priority outcome 3:** Improve conditions for New Zealand Workers

**Priority outcome 4:** Reducing emissions and waste

## DESIGNATED CONTRACT AREAS

Each priority broader outcome has designated contract areas. The following priority broader outcomes have been designated to construction contracts:

**Priority outcome 2:** Construction Skills and Training when procuring construction works valued at \$9 million or more (excluding GST)

**Priority outcome 3:** Improve conditions for New Zealand Workers (Health and Safety)

## WHO NEEDS TO FOLLOW THE GOVERNMENT PROCUREMENT RULES?

Cabinet has directed around 140 government agencies ([see full list here](#)) to apply the Government Procurement Rules, and around 2,900 other entities are encouraged to apply them.

## THIS GUIDANCE SUGGESTS BROADER OUTCOMES SHOULD BE PRIORITISED BASED ON:

1. Priority broader outcomes
2. Designated contract areas
3. Other broader outcomes that are fit for purpose for your particular project or programme.

# WHERE DO BROADER OUTCOMES FIT IN THE PROCUREMENT PROCESS?

**BUYER**

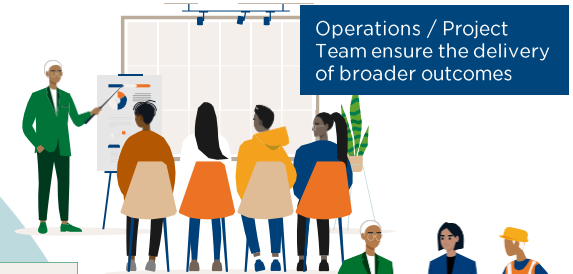


**PROCUREMENT FUNCTION**  
**OPERATIONS/PROJECT TEAM**

Ideally, the procurement function should be working with delivery / project teams at the Business Case stage to identify broader outcomes. Otherwise there are still opportunities to identify broader outcomes at the Procurement Plan stage



**OPERATIONS/PROJECT TEAM**



Operations / Project Team ensure the delivery of broader outcomes

## CORE PROCUREMENT PHASE

Search for suppliers who can deliver broader outcomes, a good quality solution and at a good price

Broader outcomes embedded in contracts



Collaborative working relationships with suppliers



### BUSINESS CASE STAGE

Planning for investment decision to go to market

MINISTERIAL DIRECTION

AGENCY BROADER OUTCOMES PROCUREMENT STRATEGY

PROJECT PROCUREMENT STRATEGY

PROCUREMENT PLAN

MARKET ENGAGEMENT

SOURCE

EVALUATE & NEGOTIATION

AWARD & DEBRIEF

MANAGE

MEASURE AND REPORT

**SUPPLIER**



MAIN CONTRACTORS

SUB-CONTRACTORS

CONSULTANTS

MATERIAL SUPPLIERS

### DEVELOPING GOOD PRACTICE (TRACK RECORD & EVIDENCE COME RFx TIME)

- Ensure your website and other marketing channels are up to date – consider including case studies related to broader outcomes
- You can shape/ inform what solutions could look like to deliver broader outcomes
- Proactively engage subcontractors and material suppliers, including Māori and Pasifika-owned businesses
- Do a carbon footprint assessment and look for opportunities to reduce carbon and waste
- Understand what your capacity is to deliver on commitments
- Use this Guidance to understand what broader outcomes are and how they are addressed by government buyers
- Consider investing in broader outcomes that both align with your company goals and are important to the tenders you will typically bid for



#### RFx response

Explore opportunities to embed broader outcomes:

- Track record
- New initiatives

Determine cost of broader outcomes and bid options e.g. cost paying usual rate vs the Living Wage

#### If unsuccessful:

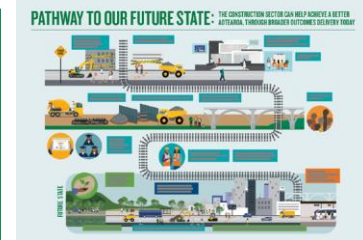
Request a debrief with the buyer to both receive feedback to learn for next time, and also give feedback to the buyer on how they can improve for future tenders

#### If successful:

Buyers and suppliers collaboratively agree contract terms

Also request a debrief if you're successful, so you can learn for next time and provide feedback to the buyer as well

### SEE PAGE 14 FOR WHAT BROADER OUTCOMES DELIVERY CAN ACHIEVE





# WHY? HE AHA AI?

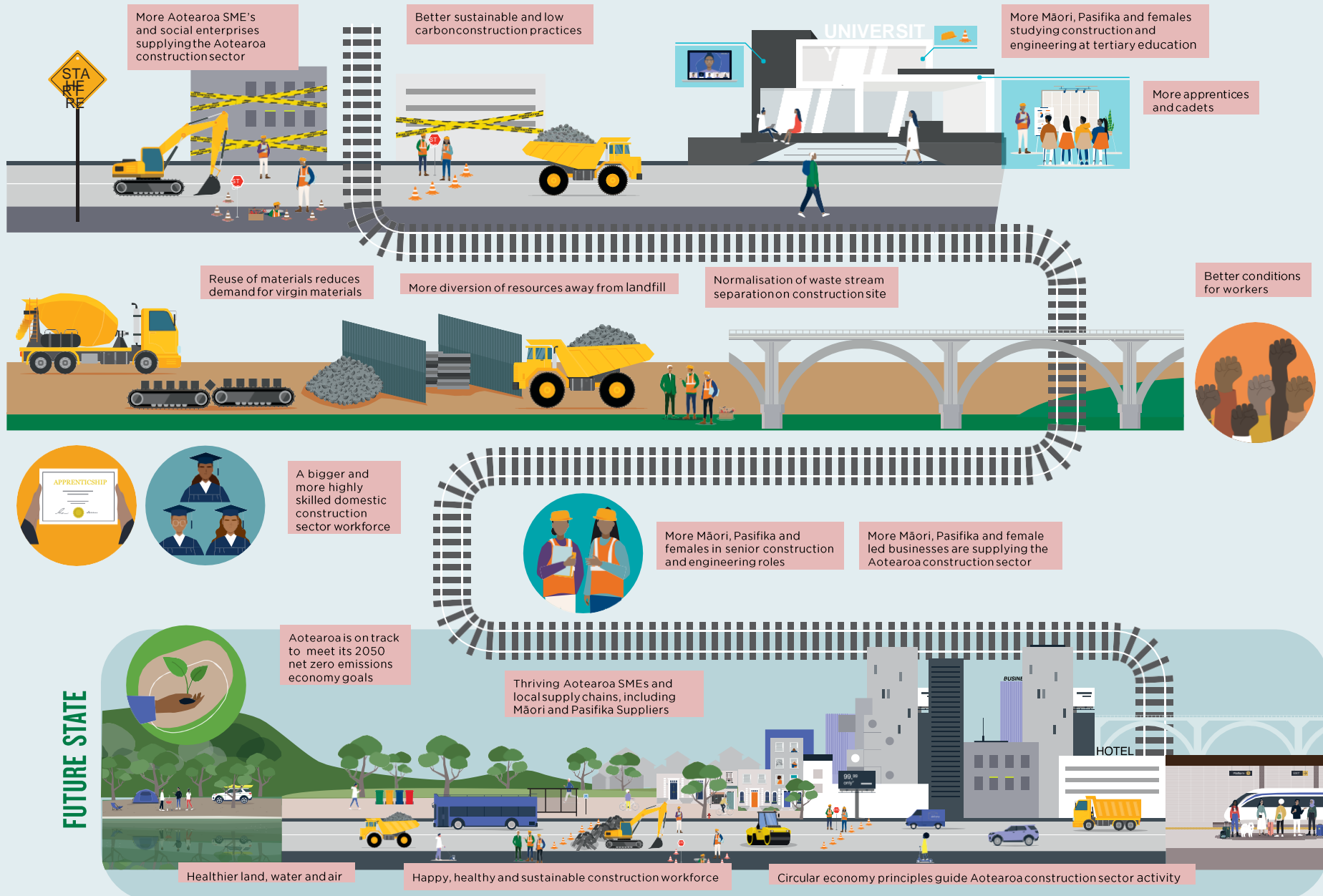
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The Construction  
Sector's Responsibilities  
*Ngā Haepapa O Te Ahumahi Whaihanga*



# PATHWAY TO OUR FUTURE STATE:

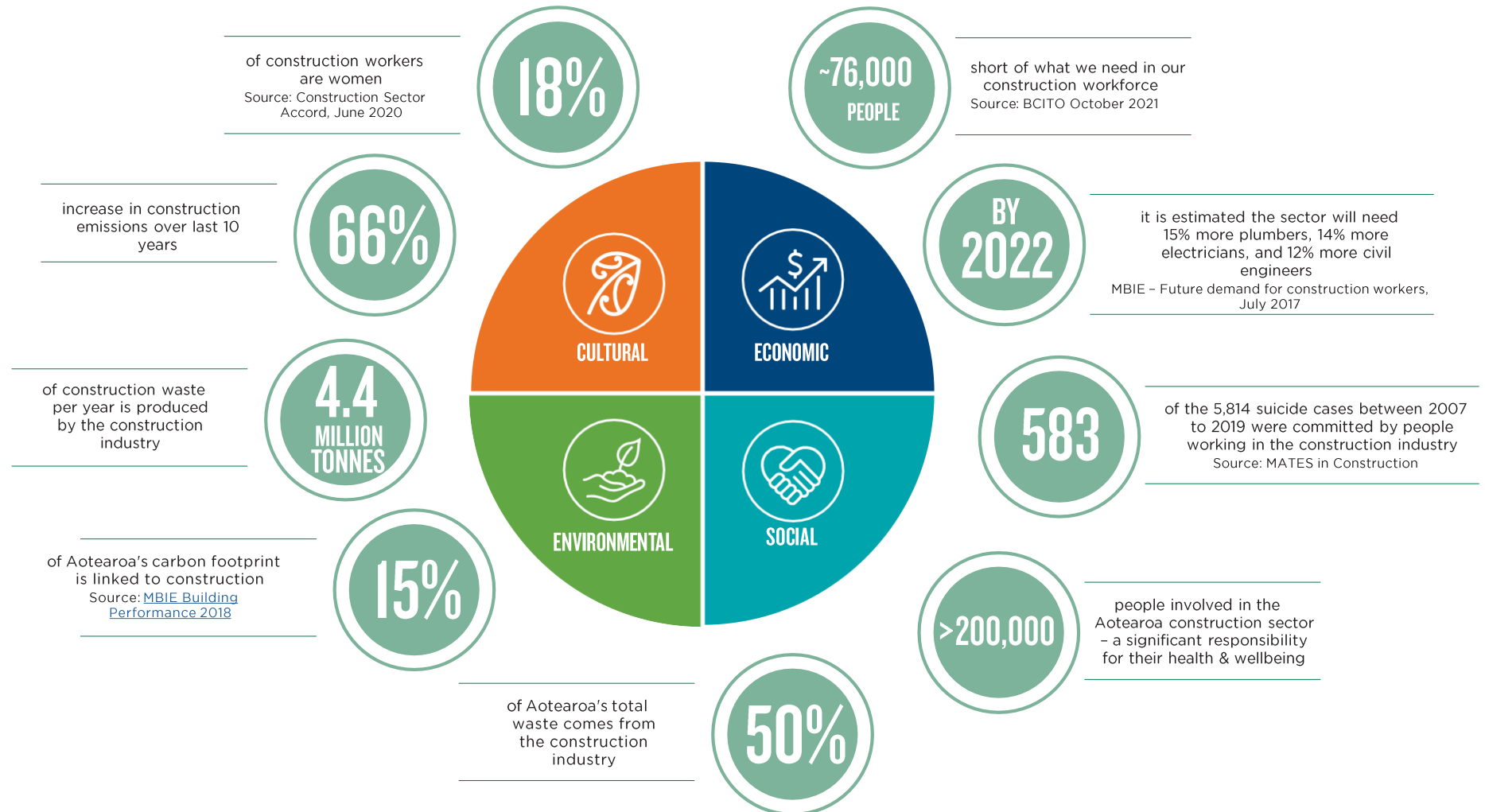
## THE CONSTRUCTION SECTOR CAN HELP ACHIEVE A BETTER AOTEAROA, THROUGH BROADER OUTCOMES DELIVERY TODAY



# THE AOTEAROA CONSTRUCTION SECTOR HAS A NUMBER OF CHALLENGES

The construction sector contributed ~\$17 billion to the national GDP in 2020 (6.7% of total GDP).

There is a significant opportunity to use that buying power to positively support local communities, wider society and the environment as well as the goods, services or works being procured.



**APPENDIX**

**ĀPITIHANGA**

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# DELIVERING BROADER OUTCOMES THROUGH PROCUREMENT ACTIVITY, CAN ACHIEVE SIGNIFICANT AND WIDE REACHING CULTURAL, SOCIAL, ECONOMIC AND ENVIRONMENTAL OUTCOMES



## CULTURAL

### IMPROVED DIVERSITY AND INCLUSION OF ALL ETHNICITIES AND GENDERS:

The term diversity encompasses the dimensions of race, culture, gender, age, national origin, religion, cognitive diversity and gender diversity. Diversity in the workplace can provide a competitive advantage and organisations with a diverse workplace are more likely to outperform competitors with less diversity – if the culture is inclusive. Aotearoa as a population is incredibly diverse in all aspects of the word and our infrastructure and built environment should stand to serve those diverse needs. We can achieve this, if decision-makers at every level can leverage diverse perspectives to better problem-solve, innovate, and ultimately deliver better outcomes for all.



## SOCIAL

### IMPROVED CONDITIONS FOR WORKERS

Government procurement can help protect workers from unfair and unsafe behaviours by ensuring suppliers, and the suppliers in their domestic supply chains, comply with employment standards. The Aotearoa construction sector employs more than 225,000 people, and all employers have a responsibility to comply with employment standards.

### EMPOWERED AND CONNECTED LOCAL STAKEHOLDERS:

Meaningful engagement with local communities can lead to stronger connections, safer environments and a greater sense of inclusion for community members. These factors can reduce incidences of crime and avoid public costs triggered by crime such as public health and police support. Positive stakeholder engagement that fosters buy-in, understanding and support can also provide benefits such as reduced constraints and risks on the project. Open communication with local stakeholders can help identify problems early and save time, money and resources in the long-term. Additionally, supporting organisations such as charities and social enterprises that deliver cultural, social, economic and environmental outcomes can build social license and local community buy-in and provide indirect benefits back to the community.

### QUALITY EMPLOYMENT OUTCOMES FOR PRIORITY SOCIAL GROUPS\*:

A prosperous Aotearoa is one where all inhabitants can contribute to society in meaningful ways. Wellbeing and quality-of-life is often directly impacted by the level of opportunity available to them. Disengagement of society members has a number of side-effects, not limited to, increased demand for support benefits, increased public service costs and crime rates, and reduction in community safety and wellbeing.

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)

# DELIVERING BROADER OUTCOMES THROUGH PROCUREMENT ACTIVITY, CAN ACHIEVE SIGNIFICANT AND WIDE REACHING CULTURAL, SOCIAL, ECONOMIC AND ENVIRONMENTAL OUTCOMES



## ECONOMIC

### INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION

#### SECTOR WORKFORCE:

As our economy grows, so too does the need to create strong foundations to support it. These foundations are established through investing in the training and up skilling of our current workforce, career pathway development for future generations and supporting the success of vulnerable society members from priority social groups\*. There is a critical national shortage of capability and capacity in the Aotearoa construction sector, and addressing this is a priority for the Government and industry in order to deliver Aotearoa's growing pipeline of construction projects. In general, upskilling more members of our community will support the following outcomes:

- ✓ Improved job prospects – for society members who would otherwise be unemployed due to lack of skills.
- ✓ Improved health benefits – improved skills leads to better employment opportunities and financial wellbeing
- ✓ Better education outcomes for future generations – supports a continuation of upskilling and value of education within families.
- ✓ Reduced reliance on the overseas labour workforce - and increased resilience for the Aotearoa construction sector

#### MORE PEOPLE HAVE THE FINANCIAL MEANS TO LIVE WELL:

This broader outcome refers primarily to employers paying employees fairly and at a rate that enables basic levels of nutrition, healthcare and overall wellbeing to be achieved within regular working hours (often referred to as the Living Wage). Workers that receive a Living Wage are:

- ✓ More likely to stay with their employer (leading to employer savings in recruitment and associated training costs).
- ✓ More likely to be healthier (less need to work overtime to account for pay deficit or to go without basic health needs) and consequently put less burden on public healthcare systems.
- ✓ More likely to support employer and customers through less sick days taken.
- ✓ Less likely to require government benefit payments to supplement living.
- ✓ Less likely to encourage their children out of school prematurely and into the workforce (positive lifecycle benefits to support future prosperity of economy and its people).

### INCREASED ACCESS FOR NEW ZEALAND BUSINESSES

#### SUPPLIER DIVERSITY

Supplier diversity is part of an international movement to improve the economic development of indigenous people and minorities through business growth. Te Kupenga Hao Pāuaua (progressive procurement policy) intends to increase the diversity of suppliers that are aware of opportunities to contract for government business, and are capable of doing so. The initial focus of the policy is on Māori businesses, with a target for 5% of contracts being awarded to Māori businesses. Progressive procurement increases participation in the economy, and has a positive effect on economic and social outcomes – including education, employment, health and wellbeing. This benefits Aotearoa as a whole, supporting a more cohesive society.

#### MARKET ACCESSIBILITY

A local supply chain model delivers a number of benefits to the local economy including:

- ✓ Employment for locals, consequently driving local spending and the local economy.
- ✓ Supporting the reduction of carbon emissions (reducing transport emissions)
- ✓ Supporting the reduction of congestion on transport networks
- ✓ Enabling buying organisations to have greater oversight of business deliverables
- ✓ Ease of communication
- ✓ Speed of delivery

Using businesses that fit into the 'small to medium enterprise' category (SME) can help support market resilience, and fair market competitiveness through the vendor having multiple options to source goods and services from.

# DELIVERING BROADER OUTCOMES THROUGH PROCUREMENT ACTIVITY, CAN ACHIEVE SIGNIFICANT AND WIDE REACHING CULTURAL, SOCIAL, ECONOMIC AND ENVIRONMENTAL OUTCOMES



## ENVIRONMENTAL

### NET ZERO EMISSIONS ECONOMY:

Climate change is a global issue and disproportionately impacts the most vulnerable. Aotearoa is already experiencing the effects, including sea level rise and flooding impacts. The anticipated sea-level rise, variation in rainfall patterns and more frequent extreme weather events pose risks to our economy, people and the natural environment.

Climate change is largely attributable to emissions of carbon dioxide (CO<sub>2</sub>) as it is long-lived in the atmosphere. Consequently, there is significant focus on reducing CO<sub>2</sub> emissions across all sectors in Aotearoa and globally. The purpose of reducing CO<sub>2</sub> emissions is to mitigate the risks of climate change. Reducing carbon emissions (mainly operational emissions) will also improve energy equity (more affordable to keep homes healthy and comfortable) and improve health and wellbeing outcomes for people.

Central government has signalled its intention for Aotearoa to transition to a low-emissions economy and achieve net zero emissions by 2050.

### REDUCED WASTE FROM CONSTRUCTION SECTOR:

Waste contributes directly and indirectly to greenhouse gas emissions, causes pollution to land, air and water and affects land use. The majority of 'waste' the construction sector sends to landfill could have been diverted for use in more productive ways, creating jobs and boosting the economy while allowing better care of the environment. The true and complete cost of waste on our society, economy and environment can be avoided e.g. large disposal costs, lost material, continuation of demand for virgin materials and non-renewable resources, labour and the liabilities and risks associated with waste.

### IMPROVED WATER PROTECTION:

Water supply is already under pressure in some parts of Aotearoa and increasing water scarcity is predicted due to impacts from a changing climate. Water is an important issue for the construction sector because of how construction and building use may impact water availability and affect water quality.

Improving water protection efforts will help secure water availability and quality for future generations.

### IMPROVED ENVIRONMENTAL GUARDIANSHIP:

Pressures including population growth, pollution, changes in land use, and proliferation of pest species have caused significant decline to our environment. We must all play a role in ensuring that our natural environment is valued and cared for. We all have a responsibility to ensure that our many interactions with the natural environment are sustainable and to act as stewards or kaitiaki.

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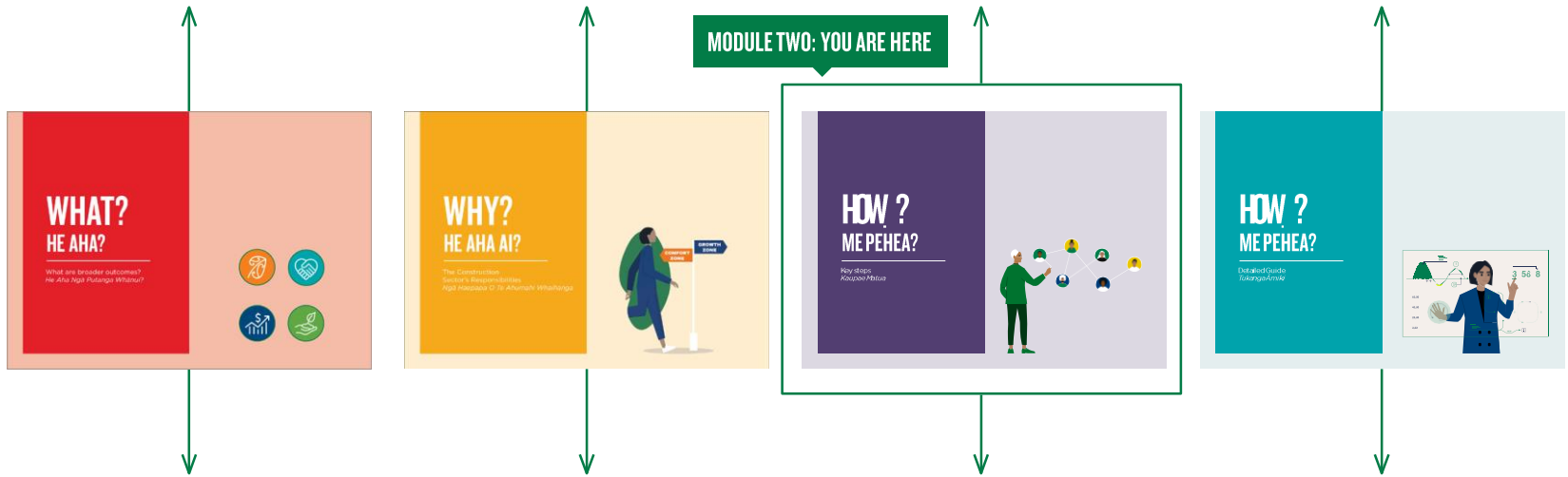
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# HOW? ME PĒHEA?

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Key steps  
*Kaupae Matua*



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The type of engagement will depend on the significance of the construction project for Māori.

For example, the spectrum of engagement methods can range from inform or consult, to co-design or empower.

*Te Arawhiti's resources regarding [Crown Engagement with Māori](#) and [Building Closer Partnerships](#) can help you through this process.*

# PRIORITISING BROADER OUTCOMES

It is important that broader outcomes are considered and planned for at the Business Case stage. It is still possible to consider broader outcomes at the Procurement Plan stage but make sure the allowed budget is considered when creating expectations for broader outcomes.

## WHO NEEDS TO BE INVOLVED?

It is important to have the right people involved in the planning for broader outcomes. Throughout this Guidance we recommend collaboration between the procurement function and project delivery team. Additional support could also be sought from sustainability managers, Treasury specialists, health and safety specialists and consultants depending on the broader outcome. Engagement with Māori is required to ensure that construction projects deliver strong cultural, social, economic and environmental outcomes for Māori.

## TIPS FOR PRIORITISING BROADER OUTCOMES:

- 1. Focus:** Prioritise 3-5 broader outcomes to focus on during the project or programme. Depending on the scale of your project you may choose to focus on more or fewer broader outcomes.
- 2. Alignment with organisation:** Start with your organisational objectives and map those (where applicable) to the broader outcomes
- 3. Alignment to Government priorities:** Look to Government's priority broader outcomes and see what is applicable. Construction procurement is a designated contract area for two priority broader outcomes. These include priority outcome 2: Construction Skills and Training and priority outcome 3: Health and Safety.
- 4. Early market engagement:** Engage with industry to get their feedback and to build knowledge and understanding of the goods and services available. Also consider how your agency could help develop supplier capability.
- 5. Best for project:** Make sure the broader outcomes are fit for purpose for the programme and/or project.
- 6. Best for community:** An important question to ask is 'What does the local community see as important?'

Use Step 1: Opportunity Map to work out where the best opportunities are to deliver broader outcomes in your construction programme or project.



BUSINESS CASE

## WHY BUSINESS CASE STAGE?

The Business Case is where a project is first formally scoped and costed. The Business Case process should formulate approximate costs and value (private or government savings/benefits) of broader outcomes. Targets for agencies should also be considered, if appropriate.

## THE CASE FOR EARLY ACTION:

### INCREASE SIZE AND SKILL OF CONSTRUCTION SECTOR WORKFORCE

Building a highly skilled and diverse construction workforce has to factor in a 5-10 year pipeline which includes University study and post-graduate programmes. Partnerships and collaborative initiatives will be critical.

[Procurement Guide](#)

### NET ZERO EMISSIONS ECONOMY

The biggest opportunity for reducing carbon emissions from a building across its whole-of-life is before construction starts. A Carbon Brief is recommended.

[Procurement Guide](#)

### IMPROVING CONDITIONS FOR WORKERS

Considerations need to be made in scoping and costing a project which allows supply chains to comply with employment standards, health and safety requirements, and create quality employment opportunities.

[Procurement guide.](#)

### REDUCED WASTE FROM CONSTRUCTION SECTOR

Greater reductions in waste to landfill will be achieved by being efficient with materials and thinking about how building products and components can be reused at their end-of-life (reducing demolition waste).

### INCREASING SUPPLIER DIVERSITY, INCLUDING MĀORI SUPPLIERS

Early market engagement can enable an increase of the diversity of suppliers that submit tender bids. Early identification of Māori suppliers will ensure there is time for capacity and capability building, and increase the likelihood of achieving 5% Māori contract target.

Te Puni Kōkiri has [guidance](#) on how to improve buyer practices for progressive procurement.

# KEY STEPS TO IMPLEMENT BROADER OUTCOMES

This Guidance should be used as early as the Business Case planning phase, particularly Step 1: Opportunity Map.

This Guidance supports:

- Drafting of the associated RFI/ROI or RFT/RFP (jointly referred to as 'RFx')
- Supplier responses
- Evaluations
- Contract negotiations and KPI management.

The key steps are broken down as follows:



## STEP 1: OPPORTUNITY MAP (EXCEL SPREADSHEET)

The procurement function facilitates this process with project/delivery teams

### STEP 1A: EXPLORE IDEAS/INITIATIVES

Review Guidance on how current priority broader outcomes can be achieved. These can be found in the Appendix.

### STEP 1B: DEFINE KEY PROJECT ACTIVITIES

Outline the various stages of the project and the activities to be delivered upon within each phase (already completed in the Business Case).

### STEP 1C: IDENTIFY BROADER OUTCOMES OPPORTUNITIES

Identify where cultural, social, economic and environmental broader outcomes could be incorporated into the project by testing the opportunities against project activities. Prioritise the most important priorities. These will become the focus for the project and will direct RFx question selection.

## STEP 2: QUESTION GUIDE

### RFx QUESTIONS

Using the opportunities identified in 'STEP 1', use the Guidance 'STEP 2 - QUESTION GUIDE' to select and tailor as required RFx questions. Note, that it is recommended only 3- 5 questions from the question guide are used in total.

## STEP 3: RESPONSE AND EVALUATION GUIDE

### CHECK HOW TO RESPOND/ EVALUATE RESPONSES

Evaluate the supplier responses using the Guidance 'STEP 3 - RESPONSE AND EVALUATION GUIDE'. *Suppliers can reference this guide as they write their responses.*

## STEP 4: KPIS MEASUREMENT GUIDE

### MEASURE OUTCOMES

Key Performance Indicators (KPIs) should be tailored to suit specific contract needs and moderated with successful suppliers during negotiation and clarification discussions.





# STEP 2: SELECTING RFX QUESTIONS

RFX questions should be written in a way that is transparent and fair to all suppliers. Agencies should also clearly articulate what they need so that it is obvious to suppliers what they will be evaluated on. Once a buyer has identified the broader outcomes areas they want to include in the contract, they can select RFX questions from this Guidance.

A 'question bank' of example questions have been provided to encourage consistency in how broader outcomes questions are included in construction tenders. We've indicated where a question is best used for a particular stage (design or construction) and whether performance is best assessed at organisation or project level.



## DESIGN

**When to use:** At design/engineering stage when consultants have the most influence over these broader outcomes.

**Example question:** *Detail how operational and whole-of-life embodied carbon will be reduced on this project.*

OR



## CONSTRUCTION

**When to use:** At the physical works stage when the main contractor will have the most influence over these broader outcomes.

**Example question:** *Detail how you will separate waste streams on the construction sites.*



## ORGANISATIONAL

**When to use:** When a buyer wants to assess how a supplier is already adopting broader outcomes principles through its organisation. This will also incentivise long term outcomes that won't start/end during the project.

**Example question:** *What does your organisation do to make people with disabilities feel welcome and valued at work.*

OR



## PROJECT

**When to use:** When a buyer wants to assess how a supplier proposes delivering this broader outcome on the project that is being tendered for. Use when outcomes are reasonably able to start and finish within the project time period.

**Example question:** *Detail how you will help increase the capacity and capability of the workforce by taking on apprentices and cadets through the project.*

## HOW SPECIFIC SHOULD THE QUESTIONS BE?

Questions in the RFX question guide are across the spectrum from 'open' to more 'specific'.

A buyer might use an 'open' question when trying to encourage innovative solutions from the market, or if they do not yet know the local community context.

*'How will you reduce waste on this project?'*

*'What does your organisation do to support Māori/Pasifika/ females into leadership and management roles?'*

A buyer might use a more 'specific' question when they have a target they want to achieve, or a level of performance to assess:

*'How will you ensure xx% of materials come from recycled sources?'*

*'What percentage of your leadership/ management staff are Māori/Pasifika/ female?'*

# STEP 3: EVALUATION GUIDANCE

There are simple things buyers can do to support the delivery of broader outcomes. Below we have provided some general advice buyers should take into account in order to select the best evaluation model for the project and to ensure the evaluation process runs smoothly and successfully.

## EVALUATION MODEL:

- ✓ The selected evaluation model needs to consider broader outcomes in a meaningful way and to the extent that the result may be impacted.
  - For example, "lowest cost conforming" can not meaningfully consider broader outcomes in a way that will influence the result.
- ✓ Broader outcomes weighting can be between 10% - 30%, or more or less, This will depend entirely on the project size, scope and purpose.



## QUESTIONS AND CLARIFICATIONS:

- ✓ Where possible, avoid being too prescriptive in your questions so suppliers can respond with innovative solutions.
- ✓ Keep suppliers updated on the process and progress. Be sensible with clarification questions and keep it focused to respect a supplier's time.
- ✓ Include as part of questions, additional clarification or even suggestions on things to cover.
  - For example, To support question "Explain how you will reflect te ao Māori values and heritage in the design?" you could add underneath it "We are particularly focused on...."

## EVALUATORS:

- ✓ Select a panel with diverse perspectives and the skills to adequately evaluate broader outcomes.
- ✓ Brief evaluators on how to evaluate broader outcomes and give advice on what to focus on.



If you are looking for more detailed advice – [NZGP evaluation methodology guidance](#)

\*This doesn't mean you can not use "lowest cost conforming". It can be useful for low spend tenders.

# STEP 4: KPI MEASUREMENT GUIDE



## WHAT GETS MEASURED, GETS MANAGED.

**This Guidance includes potential Key Performance Indicators (KPIs) that can be incorporated into contracts. The intention is that they will be monitored, managed and reported on during the months and years of the project.**

Broader outcomes KPIs are used to measure an organisation's progress against cultural, social, economic and environmental broader outcomes within a specific time frame (the project) and to make more informed decisions as a result.

There is complexity and subjectivity around what exactly broader outcomes success looks like. However, tracking achievement and recognising the connections between tangible, reportable results and more difficult to measure goals will improve the chances of delivering broader outcomes when compared to not tracking at all.

## TIPS FOR DATA COLLECTION DURING THE PROJECT

- Understand supplier capability and capacity for collecting data
- Use a simple excel spreadsheet to break down the steps required to collect data. Example headings could include:
  - Broader outcome
  - KPI
  - How the data will be collected (survey, existing systems)
  - How often data will be collected (start and end of project)
- Consider what broader outcomes reporting your agency needs to do and be proactive in collecting the necessary data/information ahead of time.

Check out the [New Zealand Government Procurement's broader outcomes data collection template](#) for ideas.

## IMPORTANCE OF DEVELOPING SMART KPIs

The intention of this Guidance is to support Operations and Project Teams in the delivery of broader outcomes promises and measure supplier performance. KPIs should be tailored to suit specific contract requirements, therefore the intention of this guide is to provide indications on some of the types of performance metrics that could be considered.

Actual delivery of broader outcomes is essentially supplier-led, so final KPI targets must be realistic and data shouldn't just be collected for the sake of it.

**As a general rule, KPIs are most successful when they use the 'SMARTER' acronym:**



### SPECIFIC

Clear and concise to avoid any misinterpretation of goals with a focus on broader outcomes



### MEASURABLE

Quantifiable results



### ACHIEVABLE

Practical and reasonable given the resources available, timelines and conditions



### RELEVANT

Relevant to broader outcomes goals



### TIMED

Clear timelines to achieve and for measurement to take place



### ETHICAL

Principled, fair, transparent without harm to people or the environment



### RECORDED

Documented results

**APPENDIX**

**ĀPITI HANGA**

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# BROADER OUTCOMES SUCCESS PARTNERS (1/2)

The Construction Sector Accord believes that success in delivering broader outcomes requires strong partnerships and collaboration

Below are possible partners that both buyers and suppliers can engage with for specialist support, guidance and in some cases co-funding on projects/initiatives. We want to grow this list and it will be updated as opportunity for revision arises.



**Cultural consultants (various):** They can support and build cultural competency and capability building within project teams and the wider organisation

**Women in construction partners:** [National Association of Women in Construction Aotearoa](#); [BCITO](#); [Māori & Pasifika Trades Training](#).



**Ākina Foundation:** Ākina's [fwd](#) programme for social procurement support connection with certified social enterprise for delivery of indirect positive cultural, social, economic and environmental impact.

**Ministry of Health:** Could co-fund, co-deliver initiatives if wider health benefits are possible through inclusion of broader outcomes in a project.

**Health and Safety Pre-qualification service providers:** including [Sitewise](#), [Impac Prequal](#), [ISNet](#), [CHASNZ \(Tōtika\)](#)

**Mates in Construction:** Charitable organisation that engages with workers through on-site training and provides those identified as at risk with case management support that connects them to suitable professional support

**Employment New Zealand:** Access their '*Procurer's Approach to Ethical and Sustainable Work Practice*' resources. Buyers and suppliers can grow their understanding of processes they can put in place to support fair treatment of workers.

Continued on next page

# BROADER OUTCOMES SUCCESS PARTNERS (2/2)



**Ministry of Social Development:** Can co-fund and/or co-deliver employment opportunities on projects and initiatives. (Māori Trades and Training Fund, Apprenticeship Support Programme, Mana in Mahi, Regional Apprenticeships Initiatives, He Poutama Rangatahi (NEETs)).

**Department of Corrections:** Could co-fund and/or co-deliver when employment of those previously incarcerated and benefits lead to reduced recidivism rates.

**Targeted Training and Apprenticeship Fund:** Access to free Trades Training for any new workers that suppliers may take on.

**Amotai:** Enable accessibility, visibility and meaningful connections with Māori and Pasifika businesses.

**Toi Kai Rawa** - a regional Māori economic development Agency working across the wider Bay of Plenty.

**Kānoa - Regional Economic Development & Investment Unit:** Access Regional Apprenticeship Initiative funding

**Te Puni Kokiri:** Overseeing the [Te Kupenga Hao Pāuaua](#) (progressive procurement policy - 5% Māori contracts) and their regional managers can assist Māori businesses.

**Pacific Business Trust:** Could co-fund, co-deliver initiatives that support Pasific businesses.



**The Zero Waste Network:** Access their [Construction and Demolition toolkit](#). Suppliers can get inspired and be more connected to local Aotearoa businesses finding easy ways to reduce waste to landfill. Buyers can grow awareness of what is already taking place to include in the Business Case and support early market engagement.

**Toitū/ Enviro-care:** Can support certification programmes, and provide tools such as Carbon zero operational business rating tool (Toitū/NZGBC).

**Sustainable Business Network / Sustainable Business Council / Infrastructure Sustainability Council:** Professional service providers can join networks to support sustainable practices.

**New Zealand Green Building Council (NZGBC):** NZGBC operates a range of rating tools that provide guidance and best practice metrics that can support the measurement of environmental broader outcomes. They also offer training for engineers, architects, construction firms, builders and others on how to deliver on sustainability.

# STEP 1A: EXPLORE IDEAS / INITIATIVES

~76,000  
PEOPLE

short of what we need  
in our construction  
workforce  
Source: BCITO

## PRIORITY BROADER OUTCOME: INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION SECTOR WORKFORCE (RULE 18)

These are initiatives that suppliers can deliver to support this priority broader outcome. Buyers can also select initiatives and embed corresponding KPIs in contracts to increase the capacity and capability of Aotearoa's construction workforce. Ensuring the fair treatment of workers is fundamental to increasing the size of the construction workforce in that it ensures the retention of existing and attraction of new workers.

### NEW WORKERS

### EXISTING WORKERS

#### HIGHLY SPECIALISED/TECHNICAL

**FOCUS: INCREASE SIZE OF WORKFORCE**

**FOCUS: INCREASE SKILL OF WORKFORCE**

- Graduate and cadetship programmes
- Engagement with students direct with institutions or via partnerships

---

- Apprenticeship schemes

---

- Recruitment processes to target priority social groups\*

---

- Partnerships with industry training organisations

---

- Career pathway development

---

- Training programmes in-house

---

- Pastoral care and mentorship programmes

- Governance training
- Management training

---

- Targeted leadership programmes for Māori/Pasifika and other priority social groups\*

---

- Career pathway development

---

- Training programmes in-house

---

- Pastoral care and mentorship programmes

---

- Flexible working arrangements

---

- Drivers licenses
- Skill transfer and micro-credentialing

---

- Security of employment

---

- Literacy programmes
- Digital Literacy and Numeracy

**NOTE: Ideas and initiatives presented are indicative only and always under development.**

#### LOW ENTRY LEVEL

See [procurement guide "Construction skills and training"](#)

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)




# STEP 1A: EXPLORE IDEAS / INITIATIVES

4.4  
MILLION  
TONNES

of construction  
waste per year

## PRIORITY BROADER OUTCOME: REDUCED WASTE FROM CONSTRUCTION SECTOR (RULE 20)

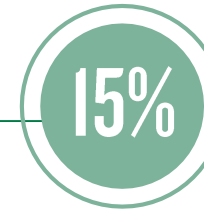
Below are some ideas around reducing waste on projects at different phases. We recommend you have these assessed at the Business Case stage so that suppliers can price these accurately in tenders.

	DESIGN	DEMOLITION / DECOMMISSION / RELOCATION	EARTHWORKS/ENABLING	CONSTRUCT
  	<p><b>Designing out waste:</b></p> <p>Specification for accurate quantities of materials. Target for Suppliers around avoidance of waste e.g. % utilisation of materials</p> <p>Off-site construction and prefabrication</p> <p>Design to standard material sizes to reduce waste and offcuts</p>			<p><b>Create space and storage on site for diversion activities:</b> require separation of waste streams [protected from weather, e.g. timber lengths]</p> <p>Engage subcontractors and material Suppliers early</p>
		<p><b>Deconstruct rather than demolish:</b></p> <p>Specify and pay/price for deconstruction including on-site sorting and reuse/recycling of minimum % of materials</p> <p>Reuse of residential homes. <a href="#">See case study here.</a></p> <p>Create a circular economy market for building materials</p>	<p>Establish % targets for reuse of spoil on site / other local sites [avoid landfill]</p> <p>Identify services that accept (and even pay) for unwanted materials</p>	<p>Buyers and main contractors identify innovative businesses to bring in to supply chain - provide more than one pricing option</p> <p>Build into bid the cost to do resource recovery and waste management (provide more than one pricing option)</p> <p>Aggregates in roading crushed and reused on other projects</p> <p>Timber, non-ferrous metals, plasterboards, steel - secondary markets</p>
	<p>Resource efficiency made part of design criteria, e.g. in roading projects specify use of recycled materials</p>	<p>Engage a commercial recycling company</p>		<p>Compactors on site to minimise materials such as soft plastic, polystyrene by 40:1 - producing bales for recycling and reuse (and minimising truck movements)</p> <p>Engage a commercial recycling company</p>
<p><b>Education/ Awareness/ Behaviour Change</b></p>	<p>Incentivise good waste management practices and resource recovery efforts</p>	<p>Use tools and resources to help support behaviour change on site</p>	<p>Grow awareness of how more recycled materials can be used in business-as-usual</p>	

**NOTE: Ideas and initiatives presented are Indicative only and always under development**



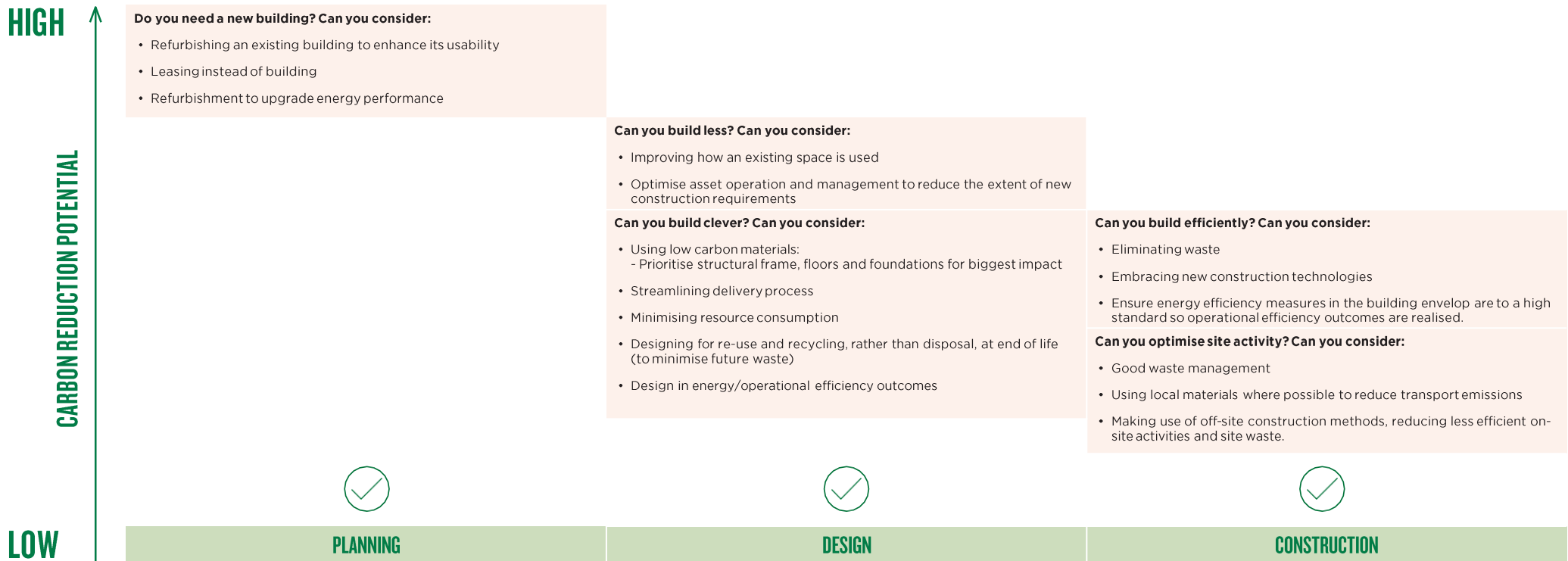
# STEP 1 A: EXPLORE IDEAS / INITIATIVES



of Aotearoa's carbon footprint is linked to construction  
Source: Building for the Future

## PRIORITY BROADER OUTCOME: NET ZERO EMISSIONS ECONOMY (RULE 20)

Below are some ideas around reducing carbon on projects at different phases. The biggest carbon reduction potential is during the planning and design phase, however there are still some things that can be done during the construction phase. Ideas have been adapted from the [procurement guide to "Reducing carbon emissions in building and construction"](#)



The Government has made a commitment to show leadership on climate change and transitioning New Zealand to a low-emissions economy and has put in place a number of programmes of work to support this objective. This includes the [Carbon Neutral Government Programme](#) which aims to accelerate the reduction of emissions across the public sector. It requires mandated agencies to measure and publicly report on their emissions and to offset any they can't cut by 2025.

[The Building for Climate Change programme](#) has developed two frameworks for reducing embodied and operational carbon emissions from buildings. These include regulatory requirements to report and limit emissions from all new buildings across their lifetime, including from the manufacture of materials used in construction, the construction process, construction waste, building operation and maintenance and the disposal of a building at the end of its life.

**NOTE: Ideas and initiatives presented are indicative only and always under development.**

# STEP 1A: EXPLORE IDEAS / INITIATIVES

## PRIORITY BROADER OUTCOME: INCREASED ACCESS FOR NEW ZEALAND BUSINESSES (RULE 17)

Below are tips on relational and contractual things that buyers and main contractors can do to help achieve this priority broader outcome.

### RELATIONSHIP BUILDING

As early as possible when you know you are working in a particular region, establish links with local community business networks

Think about work that could be fulfilled by local suppliers - be careful not to make assumptions about their capability and capacity

Look at the goods and services that you already buy from New Zealand based suppliers. Could they do more?

Attend networking events through SME networks, or host your own workshops/webinars

Work with the businesses to understand how they can become part of your supply chain, either as a primary supplier or a subcontractor

You could also consider holding cultural training/workshops for your procurement/contract team to help give them a better understanding of supplier diversity

Agencies can work with main contractors to help them to engage with Māori and Pasifika businesses as subcontractors

Experiment with agile and innovative ways to engage with SMEs that reduce the resources required to respond to opportunities

### CONTRACTUAL

For tips on how to procure in a way that effectively involves Aotearoa businesses while still being fair to all suppliers: [Removing barriers for New Zealand businesses](#)

Reduce amount of tender documentation especially for lower value and lower risk contracts

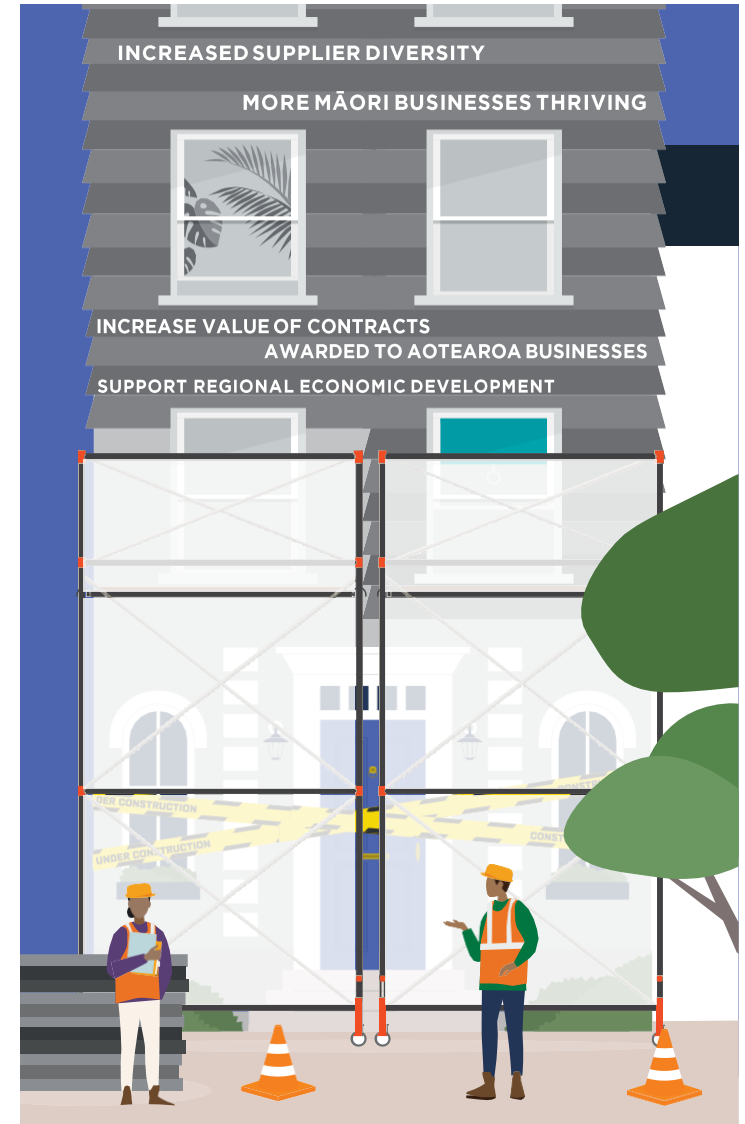
Consider reducing the value of liability insurance required for small businesses

For large construction projects or programmes, consider unbundling procurement contracts to increase bids from small businesses

#### Contracting with Māori businesses:

- Be open to joint ventures. You can support Māori suppliers to do this by:
  - building in more time to your procurement process
  - indicating you are open to joint proposals, and
  - providing opportunities for suppliers to engage with each other, for example through joint briefings
- Once engaged, manage the contract and relationship with the Māori business to ensure successful delivery of the contract. This includes providing feedback for supplier growth and receiving feedback from your supplier

There are some simple things that you can do to improve access for Māori, Pasifika, and regional businesses: [Supporting Māori, Pasifika, and regional businesses](#)



# BROADER OUTCOMES GUIDANCE FOR THE CONSTRUCTION SECTOR

November 2021



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

MODULE ONE

MODULE TWO

MODULE THREE



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# BROADER OUTCOMES GUIDANCE OVERVIEW

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The Construction Sector Accord has identified an opportunity to develop 'broader outcomes Guidance' ('Guidance') to support government agencies to embed broader outcomes into their construction procurement activity.

## PURPOSE OF THE GUIDANCE:

- **For consistency** in interpretation of broader outcomes
- **Ease of use** for construction sector stakeholders
- **Improved transparency** on what government buyers are looking for
- **To make progress** by all moving in the same direction

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**THE GUIDANCE SHOULD BE REGARDED AS A LIVING DOCUMENT**

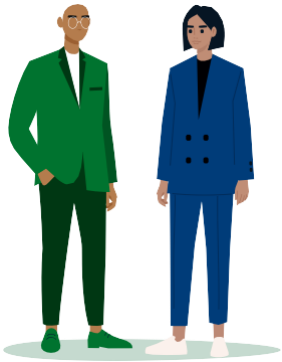
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# GUIDANCE AND MODULE ORIENTATION

## WHO ARE YOU?

### BUYER



### SUPPLIER



## WHICH PARTS OF THE GUIDANCE SHOULD YOU LOOK AT?

As a government buyer you can grow you and your team's understanding on what broader outcomes are and get clear on where the priority broader outcomes fit in.



Grow your understanding around what broader outcomes are, de-jargon the procurement world and know what government buyers are looking for when they ask about broader outcomes.

As a government buyer you can get clarity on 'the why' and what broader outcomes delivery may look to achieve.



Get clarity on 'the why' and what broader outcomes delivery may look to achieve.

As a government buyer, understand at a high level how you might embed broader outcomes throughout the procurement process.



As a supplier, you will have transparency on how government buyers are embedding broader outcomes.

As a government buyer, this Guidance may be helpful when drafting RFx, contract documentation, evaluation of tenders and inform negotiations and KPI management.



As a supplier, you will have transparency on what broader outcomes questions government buyers may ask and how you will be evaluated.

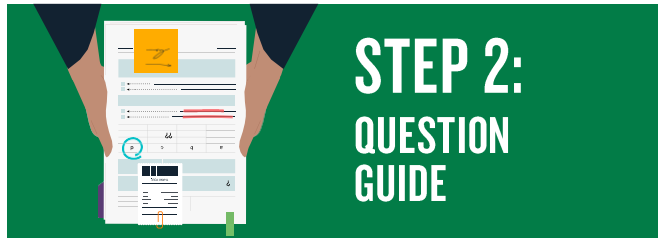
# HOW? ME PĒHEA?

Detailed Guide  
*Tukanga Arataki*



# HOW TO READ THIS NEXT SECTION:

Step 2, Step 3 and Step 4 are presented together for each of the broader outcomes. See Module 2 for high level supporting Guidance for each step. Note: Step 1 is to be completed in the provided excel spreadsheet (see Module 2).



The 'Question Guide' features a question bank related to the broader outcome category. These are not an extensive list to copy and paste, but are there to provide ideas and likely questions to use. These will be built on and added to over time.

#### How a buyer and supplier can use this part:

##### Buyer:

Buyers should select questions under each broader outcome category (recommend 3-5 questions) to go into the RFx document or use these questions to help generate ideas of what to ask for their specific project.

##### Supplier:

Suppliers can review to understand potential questions that a buyer may ask.



The 'Response and Evaluation Guide' has advice on what good responses could include in this category

#### How a buyer and supplier can use this part:

##### Buyer:

Buyers should refer to this guide during their evaluation of responses.

##### Supplier:

Suppliers could refer to this guide as they write their responses. This is the same guide that evaluators will review.



The 'KPI Measurement Guide' has a range of example KPIs that can be selected from and included in contracts. These will be built on and added to over time.

#### How a buyer and supplier can use this part:

##### Buyer:

Buyers should consider and select the best KPIs for the project.

##### Supplier:

KPI's may be selected from this guide to be included in the proposed contract as part of the tender process.

## WE HAVE ORDERED THE BROADER OUTCOMES IN PRIORITY ORDER OF:

1. Priority broader outcomes
2. Designated contract areas
3. Other broader outcomes

Priority broader outcome

Designated Contract





# INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION SECTOR WORKFORCE (1/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 18: INCREASE THE SIZE AND SKILL OF THE DOMESTIC CONSTRUCTION SECTOR WORKFORCE**



## STEP 2: QUESTION GUIDE

### INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION SECTOR WORKFORCE

#### QUESTION TYPE

Provide details on your organisation's upskilling and career development for **existing workers**. Include whether in-house programmes/initiatives, upskilling and training is part of the National Qualifications Framework (including micro-credentials) and what supervisory support is available to workers. And what will you do in the project?



What upskilling and career development opportunities can you make available to existing workers in the **construction sector** as part of this project? Please provide any associated costings.



Provide details on what your organisation is doing currently to increase the capacity of the construction workforce through the training and development of **new workers** (e.g. trainees and apprentices who have limited experience).



How many roles are included in your project team for trainees and/or cadets and/or apprentices?



## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate the supplier based on the the size and value of the project and the local context (if project is in regions where skills resources are scarce) to understand whether the opportunity to increase the size and skill of the domestic construction sector workforce has been properly leveraged.

Suppliers that invest in developing either their own or the construction sector's future workforce will have an advantage over those that do not.

#### Further considerations for evaluators:

#### PAST PERFORMANCE

Existing practices showing commitment to worker development, skills training, and development programmes.

#### SUPPLY CHAIN

Supplier engagement with their supply chain, including subcontractors, and have their buy-in and support to meet objectives.

#### LEVEL OF COMMITMENT

Supplier commitment to deliver outcomes and if they are realistic.

## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Number of employees who were provided with and attended training opportunities during the project.
- Number of employees who were provided and attended training opportunities during the project that fall into a priority social group\*, specifically:
  - Apprentices/Cadets/Graduates
  - Long-term unemployed
  - Māori
  - Pasifika
  - Criminal history
  - On disability allowance
- Number of project employees and contractors provided with each of the following:
  - General upskilling (NVQ 1-4)
  - Trades specific upskilling (Levels 4-6)
  - Tertiary or higher

Continued on next page

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)



# INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION SECTOR WORKFORCE (2/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 18: INCREASE THE SIZE AND SKILL OF THE DOMESTIC CONSTRUCTION SECTOR WORKFORCE**



## STEP 2: QUESTION GUIDE

### INCREASED SIZE AND SKILL LEVEL OF DOMESTIC CONSTRUCTION SECTOR WORKFORCE

QUESTION TYPE

What training and development opportunities can you make available to **new workers** to the construction sector during this project?

Provide details on any partnerships, initiatives or programmes your organisation has to up skill workers. Include whether any partners are co-funding training or employment.

Provide details on how you intend to work with subcontractors to make sure skills and training requirements are delivered on this project.

How do you incentivise employees to train and increase their skills? Responses may reference pay increases, pay progression policies or other benefits.

## STEP 3: RESPONSE & EVALUATION GUIDE

**ROBUST PLANS**  
Robust explanation of how they will meet objectives and demonstrate understanding of the extra support certain target groups and trainees may require.

**ASKING FOR HELP**  
Clear understanding of specific challenges and support needed from relevant government agencies and training organisations.

**Further considerations for evaluators:**

- Consider whether people from priority social groups\* are positively impacted.
- Consider whether the upskilling and training would contribute towards a recognised formal qualification.
- The length of time that the supplier will be providing these upskilling and training opportunities within project and beyond.
- Consider how much the supplier will fund/subsidise the cost of upskilling/training.

## STEP 4: KPI MEASUREMENT GUIDE

**Qualitative broader outcome KPIs:**

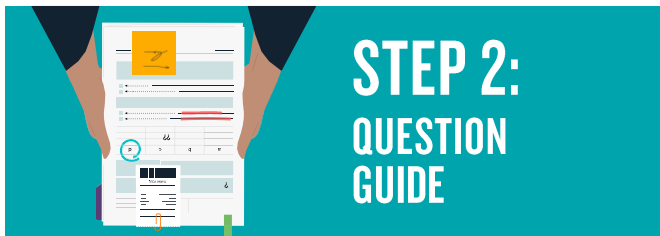
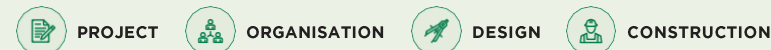
- Confirmation of mentors/pastoral care provided to support worker success during project.
- Impact stories from people who have graduated with qualifications as a consequence of the project.

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)



# IMPROVED CONDITIONS FOR WORKERS (1/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 19: IMPROVE CONDITIONS FOR WORKERS**



IMPROVED CONDITIONS FOR WORKERS	QUESTION TYPE
Does your company agree to comply with the <a href="#">Supplier Code of Conduct</a> and make your sub-contractors aware of the code?	
Are all your employees being paid correctly for annual leave, and receiving the bereavement leave, alternate holidays, public holidays, sick leave, and domestic violence leave they are entitled to?	
How will you ensure compliance with legislation around working conditions, employment and health and safety across your supply chain (including subcontractors) for this project?	
Describe the fair work practices you have in place in your organisation, including your domestic supply chain, and how these will be applied to this project. These practises could include setting up a group to focus on labour market issues, creating channels for workers to raise issues about employment rights, providing vocational training, making buildings easier for all workers to access, or paying a living wage.	



**EVALUATION**

Buyer will evaluate whether the organisation has systems and processes in place to ensure the fair treatment of workers. At a minimum compliance to employment standards, examples include, but are not limited to: audits and spot checks (including how regularly they are conducted); worker voice tools that qualify audit findings; whistleblower or worker complaint channels; and risk assessments of business and wider supply chain.

**Further considerations for evaluators:**

- Consider whether the supplier refers to initiatives broadly within the organisation and if any will specifically apply to the project.
- Evaluate how suppliers ensure compliance to Employment Standards through their supply chains, including subcontractors and third tier subcontractors.



Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

**Quantitative broader outcome KPIs:**

- Number of employees on living wage in the project
- Average number of paid sick days, annual leave, or other leave types per employee (full time equivalent) taken during project.

**Qualitative broader outcome KPIs:**

- Evidence of how the programmes or initiatives were made known to employees during project and evidence of employment standards compliance throughout supply chain during project (main contractors to provide evidence from subcontractors).
- Evidence the organisation has systems and processes in place to ensure the fair treatment of workers.
- Evidence of ethical labour and human rights practices across project supply chain.
- Evidence of audits conducted with overseas suppliers used in the project.

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# IMPROVED CONDITIONS FOR WORKERS (2/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 19: IMPROVE CONDITIONS FOR WORKERS**



## STEP 2: QUESTION GUIDE

IMPROVED CONDITIONS FOR WORKERS	QUESTION TYPE
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- How will you ensure visa conditions and working hours are adhered to for employees on this project?
- How will you ensure visa conditions and working hours are adhered to for those employed by subcontractors on this project?
- Provide details on any initiatives/policies that ensure suppliers within your organisation's supply chain do not have any forced labour and other forms of modern slavery and how you will apply these to the project.

## STEP 3: RESPONSE & EVALUATION GUIDE

## STEP 4: KPI MEASUREMENT GUIDE



# QUALITY EMPLOYMENT OUTCOMES (1/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN RULE 18A: QUALITY EMPLOYMENT OPPORTUNITIES**



## STEP 2: QUESTION GUIDE

QUALITY EMPLOYMENT OUTCOMES	QUESTION TYPE
Describe the recruitment process you will use to target and connect with a diverse range of people, including priority social groups* for this <b>project</b> ? Provide details about any particular channels or networks you will use, and how you will remove barriers to recruitment for priority social groups*.	
Describe the existing practises your <b>organisation</b> has in place to create quality employment opportunities for a diverse range of employees and contractors. Provide detail on the recruitment process, and any programmes/initiatives in place to retain, support and upskill these individuals.	
What career progression and/or training opportunities will you provide to attract interest from a wider range of people, including priority social groups*? Provide details on any support you will seek from relevant government agencies and/or training organisations.	 

## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate the supplier based on the supplier's commitment to delivering quality employment opportunities, in the context of their means, relative to others. Suppliers will have differing means (based on their size, balance sheet etc) and abilities, and not all suppliers will be able to grow their business by taking on new recruits. While this is particularly true for smaller companies, they may be able to invest in upskilling their existing workforce to be more productive.

Consider how the supplier will retain and upskill/promote a more diverse range of employees. This could include ongoing mentorship, training, or support. Arrangements with government groups or training organisations may show that suppliers have asked for support to understand their challenges and create a robust plan.

#### Further considerations for evaluators:

- Consider how the recruitment processes for the project and/or organisation open up work opportunities to a more diverse range of employees and contractors than suppliers would normally engage. For example, how the supplier intends to market opportunities; consider whether the approach lends itself to a high success rate in targeting a priority social group\*. A good approach could outline specific channels and networks used to engage potential candidates, and the suppliers understanding of barriers to recruitment for their target groups.

## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Number of employees from priority social groups\* that applied for employment opportunities
- Number of full-time or contract employees on the project or organisation who fall within a priority social group\*
- Number of employees who were provided and attended training opportunities during the project that fall into a priority social group\*

#### Qualitative broader outcomes KPIs:

- Evidence of mentoring/pastoral care provided to people from priority social groups\* during the project.
- Impact stories from people who have experienced a welcoming and inclusive workplace
- Evidence of recruitment processes that target and connect with priority social groups\*
- Evidence of mentoring/pastoral care or training opportunities provided to people from priority social groups\* during the project.

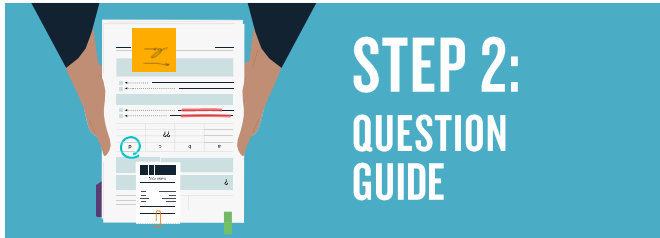
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\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)



# QUALITY EMPLOYMENT OUTCOMES \* (2/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN RULE 18A: QUALITY EMPLOYMENT OPPORTUNITIES**



QUALITY EMPLOYMENT OUTCOMES	QUESTION TYPE
What training will you provide to new suppliers or staff who are unfamiliar with your activities to help familiarise them and safeguard them from work-related health and safety risks?	
Explain how your organisation (and subcontractors as applicable) will create a welcoming and inclusive workplace culture for a diverse range of people, including priority social groups*.	



**EVALUATION**

**Further considerations for evaluators:**

- Consider how the supplier will create a welcoming and inclusive workplace to a diverse range of employees, in particular priority social groups\*. This could include an understanding of the barriers faced with their target groups, and arrangements/facilities/programmes/initiatives designed to remove barriers.

**ROBUST PLANS**  
Suppliers provide a robust explanation of how they will meet objectives, including showing an understanding of the extra support certain target groups and trainees may require.

**ASK FOR HELP**  
Suppliers show a clear understanding of specific challenges, and request support from relevant government agencies and training organisations.

**SUPPLY CHAIN**  
Suppliers show they have engaged with their supply chain, including sub-contractors, and have their buy-in and support to meet your expectations (such as a diverse workforce).



\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)





# INCREASED ACCESS FOR AOTEAROA BUSINESSES (1/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 17: INCREASE AOTEAROA BUSINESSES ACCESS TO GOVERNMENT PROCUREMENT**



## STEP 2: QUESTION GUIDE

**INCREASED ACCESS FOR AOTEAROA BUSINESSES (SUPPLIER DIVERSITY / MARKET ACCESSIBILITY)**      **QUESTION TYPE**

Explain how your organisation (and main contractors/subcontractors, as applicable) will support market accessibility to enable more small-medium businesses to participate in the project with greater ease and fewer barriers to entry.

Provide details of how you will engage with Māori and/or Pasifika-owned businesses to raise awareness of the tender opportunities relevant to their businesses

How will your organisation help to build the capacity or capability of SMEs on this project?

Explain how your organisation (and main contractors/subcontractors, as applicable) will support **local supply chains for key material requirements** on this project.

Provide information on how your organisation validates that goods and services are ethically sourced throughout the supply chain.

## STEP 3: RESPONSE & EVALUATION GUIDE

**EVALUATION**

Buyers will evaluate the supplier based on whether they:

- Engage Māori and/or Pasifika-owned businesses.
- Support SMEs with capability development.
- Use local industry for key material requirements or services.
- Engage a diverse range of business sizes within their supply-chain (e.g. small- medium businesses).
- Improve market accessibility to support supplier diversity (per point above) for:
  - Social enterprises
  - Māori or Pasifika-owned businesses

## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

**SUPPLIER DIVERSITY**

**Quantitative broader outcome KPIs:**

- Number of Māori owned businesses engaged and NZD value of work during project.
- Number of small businesses engaged and NZD value of work during project.
- Number of social enterprises engaged and NZD value of work during project.
- Number of Pasifika owned businesses engaged and NZD value of work during project.

**Qualitative broader outcome KPIs:**

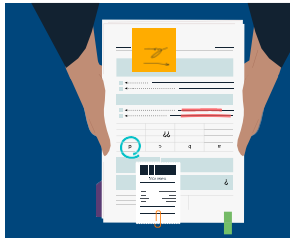
- Partnerships initiated with Māori and/or Pasifika-owned businesses to support project.
- Support provided to SMEs in capability development during project.

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# INCREASED ACCESS FOR AOTEAROA BUSINESSES (2/2)

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 17: INCREASE AOTEAROA BUSINESSES ACCESS TO GOVERNMENT PROCUREMENT**

## STEP 2: QUESTION GUIDE



## STEP 3: RESPONSE & EVALUATION GUIDE



## STEP 4: KPI MEASUREMENT GUIDE

**Further considerations for evaluators:**

- Consider whether local industries supported are Māori and/or locally owned, support local employment, and have ethical values.
- Consider whether the supplier suggests options that will provide greater ease and fewer barriers to entry for small-medium businesses, e.g. providing manageable scale and term considerations for smaller businesses to realistically achieve.

**MARKET ACCESSIBILITY**  
**Quantitative broader outcome KPIs:**

- Number of small-medium businesses on supplier's preferred supplier list.
- Total number of local businesses supported during project for key materials or services:
  - Number of businesses that are New Zealand owned.
  - Number of businesses that are owned within the region of the project.
  - Number of people locally employed.
- List of key material requirements and volumes sourced locally.

**Qualitative broader outcome KPIs:**

- Evidence of specific mechanisms to support small-medium businesses participating in project.

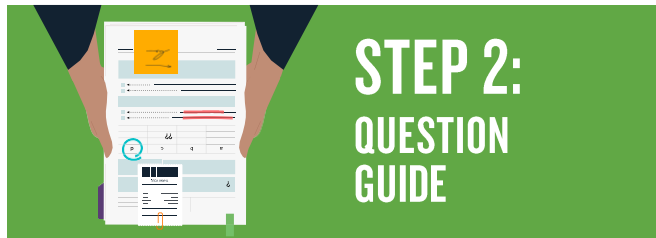




# NET ZERO EMISSIONS ECONOMY (1/2)



**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 20: SUPPORT THE TRANSITION TO A NEW ZERO EMISSIONS ECONOMY AND ASSIST THE GOVERNMENT TO MEET ITS GOAL OF SIGNIFICANT REDUCTION IN WASTE BY 2020 AND BEYOND**



## STEP 2: QUESTION GUIDE



## STEP 3: RESPONSE & EVALUATION GUIDE



## STEP 4: KPI MEASUREMENT GUIDE

NET ZERO EMISSIONS ECONOMY	QUESTION TYPE
Detail what your organisation is doing as part of business-as-usual to reduce fuel consumption, CO <sub>2</sub> emissions and overall carbon footprint.	
Explain the measures your organisation (and main contractor/subcontractors) will take to reduce fuel consumption, CO <sub>2</sub> emissions and limit the project's carbon footprint.	
Provide details on how your organisation plans to achieve energy efficiencies on this project and whether these efficiencies can be measured throughout the life-span of the construction work.	
Detail what carbon tools, approaches and processes your organisation will use to calculate, measure and monitor carbon emissions throughout the project. E.g. Energy modeling tools and Life Cycle Assessment tools. Do you have the capability and capacity to do this?	 

### EVALUATION

Buyers will evaluate the supplier (main/subcontractors as applicable) based on the initiatives the supplier will undertake to reduce their carbon footprint.

#### Further considerations for evaluators:

- Evaluate how the supplier intends to measure their efficiencies achieved and whether afforestation or other carbon offsetting initiatives will be used.
- Confirm whether this project has a completed Carbon Brief. Does the approach make sense and are the targets for reducing whole-of-life embodied carbon and operational carbon reasonable?
- Has the supplier given consideration to effective management and monitoring of energy and water use? Has the supplier adopted proposed caps set out in the [Building for Climate Change "Transforming Operational Efficiency"](#) framework?
- Whilst the biggest opportunities for savings lie in the design phase, whole-of-life embodied carbon can be lowered through good waste management, using local materials where possible to reduce transport emissions, and making use of off-site construction methods, reducing less efficient on-site activities and site waste.

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Calculation of total greenhouse gas emissions (CO<sub>2</sub>, methane and others, measured in carbon dioxide equivalent or CO<sub>2</sub>-e) up to the end of construction.
- Assessment of future emissions over the life of the building (operational and embodied), measured in kg CO<sub>2</sub>-e/m<sup>2</sup>.
- Total supplier energy consumption during contract (MWh), and
  - % of total made up of electricity (MWh) per annum.
  - % of total made up of natural gas consumption (MWh) per annum.
  - % renewable energy sources.
- Number of whole-of-life carbon assessments of buildings carried out during the design process.
- Reduction in project carbon emissions released – [Year 1] versus [Year 2]. Metric tCO<sub>2</sub>e (MfE guidelines).
- Carbon emissions offset via high quality carbon offsets plan
- Number of vehicles in supplier transport fleet **supporting project**, including:
  - Supplier transport fleet total CO<sub>2</sub> emissions.
  - Breakdown of distance driven by supplier transport fleet and contractor transport fleet.

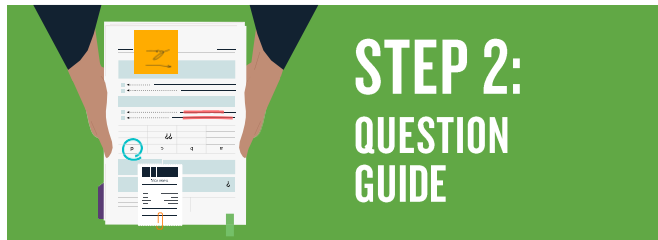
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# NET ZERO EMISSIONS ECONOMY (2/2)



**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 20: SUPPORT THE TRANSITION TO A NEW ZERO EMISSIONS ECONOMY AND ASSIST THE GOVERNMENT TO MEET ITS GOAL OF SIGNIFICANT REDUCTION IN WASTE BY 2020 AND BEYOND**



NET ZERO EMISSIONS ECONOMY	QUESTION TYPE
Where do you see the biggest opportunities are for reducing whole-of-life embodied carbon and operational carbon in this project?	
Detail how your organisation will leverage the latest thinking and innovation on whole-of-life embodied carbon?	
Explain how the whole-of-life embodied carbon will be reduced. Consideration should be given to the following as applicable: <ul style="list-style-type: none"> <li>• Production of construction materials</li> <li>• Construction process</li> <li>• Construction waste disposal</li> <li>• Disposal at the end of a building's life</li> </ul>	
Detail how you will lower the whole-of-life embodied carbon from on-site construction activities through the project	

- Is the supplier familiar with life cycle assessment, and putting it into practice through use of tools to assess the impacts of their projects?
- Is there evidence the supplier can deliver low carbon buildings and has experience of overcoming barriers, and making most of opportunities?
- How has the supplier evaluated whole-of-life impacts of design decisions, such as building resilience, future flexibility, reuse and recycling of components at end-of-life?
- Does the supplier demonstrate experience in contributing to reporting emissions for the Carbon Neutral Government programme?

- Distance traveled of suppliers of goods, services or products to project site.
  - Number of electric vehicles in supplier fleet.
  - Volume of afforestation achieved (number of trees) during project.
- Employee commutes**
- Average daily distance traveled by employees and/or average daily distance traveled by employees dedicated to project.
  - Mode of transport for each employee and/or dedicated to project.
  - Employee commute data:
    - Mode of transport for each employee, e.g. public transport, carpooling.
    - Average CO<sub>2</sub> emissions per supplier employee and/or dedicated to project.
    - Flight calculator data, including carbon offset purchases.
- Qualitative broader outcome KPIs:**
- Policies or internal documents that support the supplier contributing to reduced carbon footprint.
  - Names of production sites where environmental audits have been conducted (per annum).
  - Evidence of renewable energy sources installed for the project/contract or as business as usual for the organisation. (Evidence may include photographs, procurement documentation.)



# REDUCED WASTE FROM CONSTRUCTION SECTOR (1/2)



PROJECT



ORGANISATION

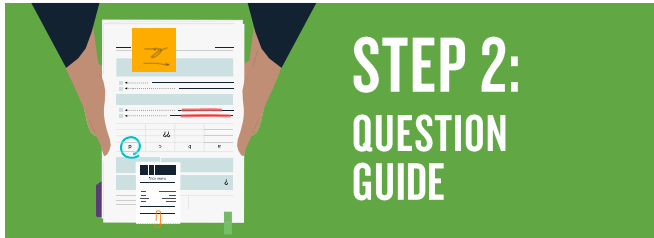


DESIGN



CONSTRUCTION

**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 20: SUPPORT THE TRANSITION TO A NEW ZERO EMISSIONS ECONOMY AND ASSIST THE GOVERNMENT TO MEET ITS GOAL OF SIGNIFICANT REDUCTION IN WASTE BY 2020 AND BEYOND**



## STEP 2: QUESTION GUIDE

REDUCED WASTE FROM CONSTRUCTION SECTOR	QUESTION TYPE
Provide details on how your organisation will minimise waste to landfill and reduce or eliminate the impacts of hazardous waste on the environment during this project.	
What on-site/ in-house policies and practices do you have to minimise, reduce and divert waste during construction/manufacturing/ service delivery and how will these be applied to this project?	 
How will you measure, monitor and report on waste diversion? What capability and capacity do you have to do this during the project?	
Does your organisation have an environmental policy statement committing to waste reduction and landfill diversion?	



## STEP 3: RESPONSE & EVALUATION GUIDE

EVALUATION
Buyers will evaluate based on the measures the supplier (and main contractors/subcontractors, as applicable) will take to ensure waste to landfill is minimised and the impacts of hazardous waste on the environment are reduced.
<b>Further considerations for evaluators:</b>
<ul style="list-style-type: none"> <li>Consider how the supplier will communicate the importance of responsible waste management to all involved in the project.</li> <li>Consider the type of waste management systems the supplier will be using and their likely effectiveness.</li> <li>Consider the suppliers estimated reduced tonnage to landfill as a result of the recycling, up-cycling or similar.</li> <li>Evaluate whether any waste management suppliers to be used are locally sourced, ethical and support any sustainable outcome values.</li> </ul>



## STEP 4: KPI MEASUREMENT GUIDE

<p>Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.</p> <p><b>Quantitative broader outcome KPIs:</b></p> <ul style="list-style-type: none"> <li>The quantities and types of recycling services used during project.</li> <li>Total waste (thousand tonnes) during project.</li> <li>The reduced tonnage to landfill through diversion during project.</li> <li>Percentage reduction in waste packaging or single use items for office consumables during project.</li> </ul> <p><b>Qualitative broader outcome KPIs:</b></p> <ul style="list-style-type: none"> <li>A list of recycled materials procured and volumes during project.</li> <li>List of the categories of materials recycled throughout the project.</li> <li>Evidence of procurement of waste management services and the specifics on what and how much spent on each during project.</li> <li>List of suppliers that removed waste during project.</li> <li>Confirmation of eco-friendly methods used to remove waste during project.</li> <li>Evidence of supplier ensuring all in the project are aware of waste management guidelines.</li> </ul>
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# REDUCED WASTE FROM CONSTRUCTION SECTOR (1/2)



**NOTE: THIS IS A PRIORITY BROADER OUTCOME COVERED IN GOVERNMENT PROCUREMENT RULE 20: SUPPORT THE TRANSITION TO A NEW ZERO EMISSIONS ECONOMY AND ASSIST THE GOVERNMENT TO MEET ITS GOAL OF SIGNIFICANT REDUCTION IN WASTE BY 2020 AND BEYOND**

## STEP 2: QUESTION GUIDE

## STEP 3: RESPONSE & EVALUATION GUIDE

## STEP 4: KPI MEASUREMENT GUIDE

REDUCED WASTE FROM CONSTRUCTION SECTOR	QUESTION TYPE
Provide details on the measures your organisation takes to minimise waste to landfill in your business-as-usual. Detail how your employees and subcontractors (where applicable) are made aware of organisation-wide waste management guidelines?	
How will you ensure that every effort is made to use accurate levels of materials? E.g. use of standard sizes, accurate planning to reduce risk of over-ordering.	
Detail how will you deliver on-site waste separation for diversion activity during project? Do you have partnerships to divert waste on to?	
How will you reuse materials to reduce reliance on virgin materials, reducing overall project carbon?	
What percentage of spoil can you re-purpose?	

### Qualitative broader outcome KPIs contd:

- Breakdown of all waste or recycled waste during project:
  - Non-hazardous waste
  - Hazardous waste
  - Recycled waste
  - Incineration waste
  - Landfill waste
  - Other disposal methods



# IMPROVED DIVERSITY AND INCLUSION OF ALL ETHNICITIES AND GENDERS



PROJECT



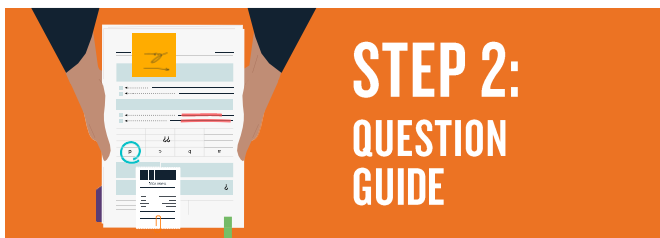
ORGANISATION



DESIGN



CONSTRUCTION



## STEP 2: QUESTION GUIDE

### IMPROVED DIVERSITY AND INCLUSION OF ALL ETHNICITIES AND GENDERS

#### QUESTION TYPE

Detail how your organisation demonstrates a commitment to diversity and inclusion, and what initiatives you will apply to this project. Responses may include reference to internal programmes, policies and/or recruitment processes.



If you are a main contractor detail how you support subcontractors to commit to diversity and inclusion.



Demonstrate how your organisation supports equitable gender employment practices and any initiatives in place to support or encourage women into senior leadership or 'non traditional' trades professions (e.g construction, engineering) within the organisation.



What percentage of your management / leadership staff are:

- Female and/or non-binary?
- Māori/ Pasifika?



## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate suppliers based on their commitment to valuing diversity and inclusion within their organisation and intended commitment during the project.

#### Further considerations for evaluators:

- Accreditations, programmes or memberships that the supplier has with formal bodies that support diversity and inclusion (for example, 'tick' Accreditations).
- Consider whether the supplier supports inclusion/equal opportunities as part of their recruitment advertising process, company website and/or organisation intranet.
- Consider the efforts the supplier has made to advertise itself as having an attractive, safe, inclusive and diverse environment and any repercussions for anti-inclusion behaviours to employees.
- Consider the percentage of females involved in the project and/or in senior positions.
- Evaluate whether there are any initiatives in place to support or encourage women into leadership roles and/or 'non-traditional' trades professions (e.g. construction or engineering).
- Evaluate whether there are any initiatives that support non-binary individuals.



## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Percentage of employees (organisation or dedicated to project) that identify as:
  - Female
  - Māori
  - Pasifika
- Number of female/Māori/Pasifika employees in:
  - Senior leadership positions
  - Executive Board positions
  - Non-traditional trades roles (as applicable)

#### Qualitative broader outcome KPIs:

- Proof of diversity and inclusion support, including:
  - Supplier website blurbs
  - Company intranet
  - Recruitment advertisements
  - Details of 'Tick' Accreditations the supplier supports
  - Evidence of standard diversity and inclusion phrases the supplier uses for recruitment advertising
  - Internal education measures
  - Details of any anti-inclusion behaviour repercussions within staff employment contracts/company policies



# EMPOWERED AND CONNECTED LOCAL STAKEHOLDERS



PROJECT



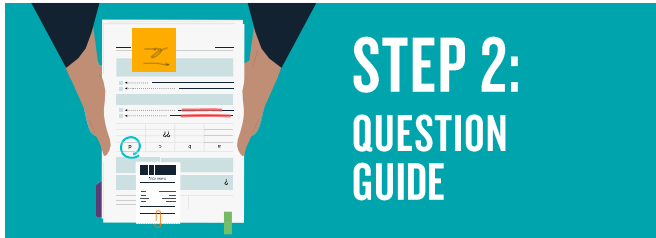
ORGANISATION



DESIGN



CONSTRUCTION



## STEP 2: QUESTION GUIDE

EMPOWERED AND CONNECTED LOCAL STAKEHOLDERS	QUESTION TYPE
Detail your organisation's proposed stakeholder engagement approach for this project.	
Detail your understanding of the key stakeholders and their potential issues and/or key risks. How will you mitigate these issues and/or risks?	
Are there any priority social groups* that should be engaged throughout this project?	
Detail any informal consultation and/or engagement plans that look at initiatives within the community over and above legislative requirements.	
Detail how your organisation will support broader outcomes within the community through such things as volunteering, charity support or support to social enterprises. Provide specific details.	



## STEP 3: RESPONSE & EVALUATION GUIDE

EVALUATION
Buyers will evaluate the supplier based on how the supplier will support, consult or engage with any local groups or stakeholders that have an interest in the project.
Examples of stakeholders may include, but are not limited to: Community groups, local boards, and local schools. Consider whether any stakeholders are in a priority social group*.
<b>Further considerations for evaluators:</b>
<ul style="list-style-type: none"> <li>Local stakeholders the supplier will engage with and the degree of positive social impact likely to occur from these stakeholders.</li> <li>The degree/level of engagement. For example, communication updates, one-off engagement, ongoing consultation, or opportunity to be involved in project.</li> <li>The likely impact of positive social outcomes to be achieved through the supplier's suggested support, consultation or engagement level.</li> <li>How effective the supplier is likely to be in engaging with local stakeholders based on their proposal and knowledge displayed.</li> </ul>



## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.
<b>Quantitative broader outcome KPIs:</b>
<ul style="list-style-type: none"> <li>Number and frequency of engagements with nominated stakeholder groups during project.</li> <li>Net Promoter Score (NPS) rating, feedback reports or similar on stakeholders engagement experience with supplier during project.</li> <li>NZD value given to charities / social enterprises during project.</li> <li>Number of community volunteer hours during project.</li> <li>Number of supplier employees engaged in voluntary work during project.</li> <li>Average number of paid volunteer hours used per employee during project.</li> </ul>
<b>Qualitative broader outcome KPIs:</b>
<ul style="list-style-type: none"> <li>Local stakeholder engagement register.</li> <li>Confirm high-level stakeholder engagement plan.</li> </ul>

\*Priority social groups are defined within the Government Procurement Rules as displaced workers and groups with traditionally high rates of unemployment or low labour force participation (specifically women, Māori, Pasifika, disabled people and youth)





# MORE PEOPLE HAVE THE FINANCIAL MEANS TO LIVE WELL



PROJECT



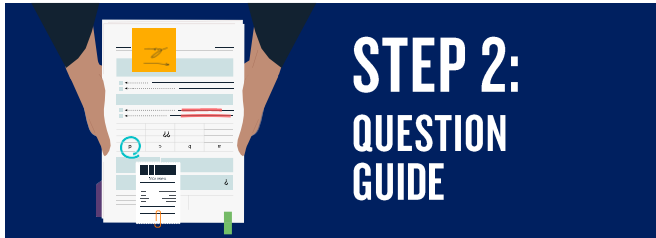
ORGANISATION



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CONSTRUCTION



## STEP 2: QUESTION GUIDE

### MORE PEOPLE HAVE THE FINANCIAL MEANS TO LIVE WELL

### QUESTION TYPE

Detail how many employees (and main contractor/subcontractors employees, as applicable) involved in the **project** will be paid the Living Wage or higher and any that will not.



Detail what percentage of your **organisation's** employees are paid the Living Wage or higher and any that are not.



If not all staff are paid the Living Wage, detail any strategies you have in place to achieve the Living Wage for all staff.



## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate the supplier based on the number of employees (and main/subcontractors employees, as applicable) involved in the project that will be paid the Living Wage or higher and the number that will not.

#### Further considerations for evaluators:

- Evaluate whether new recruits have a salary review plan which aims to bring their overall rate up to the minimum requirement by a set acceptable date.
- Evaluate whether the supplier encourages its main contractor and/or subcontractors to provide the Living Wage.



## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Percentage of project employees and contractors paid the Living Wage.



# IMPROVED WATER PROTECTION



PROJECT



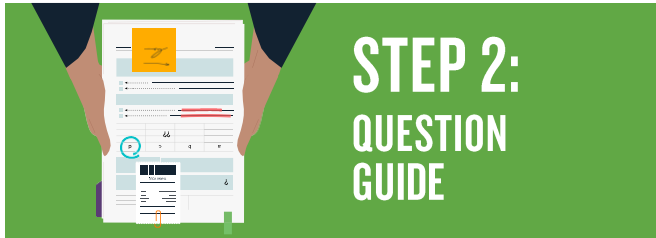
ORGANISATION



DESIGN



CONSTRUCTION



## STEP 2: QUESTION GUIDE

### IMPROVED WATER PROTECTION

### QUESTION TYPE

Explain your organisation's (and main contractors/subcontractors, as applicable) plan to ensure that waste water, storm-water and/or run-off has the least negative impact on the environment.



Explain any water related innovations that will be implemented to support protection of the natural environment and its resources during this project/contract.



Detail how you will monitor water quality and mitigation plans to ensure thresholds for water quality are not exceeded.



## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate the supplier based on how they will ensure that waste water, storm-water and/or run-off has the least negative impact on the environment and any water related innovations that will be implemented to support protection of the natural environment and its resources.

#### Further considerations for evaluators:

- Evaluate based on the measures the supplier will take to address:
  - waste water going straight out to sea or into the natural environment
  - whether waste water will be treated/filtered before disposal
  - water consumption and recycling measures the supplier will be using
  - including use of green-space infrastructure to reduce run-off
  - methods to recycle grey water
  - use of storm-water collection tanks and filtration
  - and/or any initiatives that support water resource or recycling



## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Water use during project (m3).
- Water resource management plan and specific outcomes achieved (volumes).
- Waste water during project (m3).

#### Qualitative broader outcome KPIs:

- Waste water management plan, evidence of execution (upon completion) and outcomes achieved.
- Evidence of water quality monitoring and mitigations to ensure thresholds for water quality are not exceeded (for example, Australian and New Zealand Environment and Conservation Council Guidelines).





# IMPROVED ENVIRONMENTAL GUARDIANSHIP



PROJECT



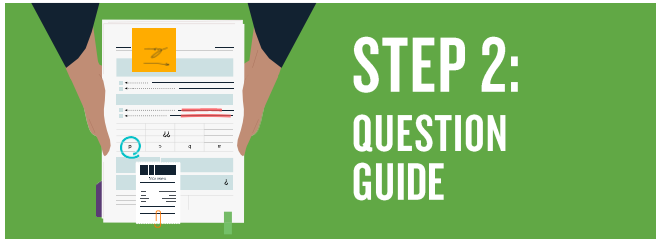
ORGANISATION



DESIGN



CONSTRUCTION



## STEP 2: QUESTION GUIDE

### IMPROVED ENVIRONMENTAL GUARDIANSHIP

### QUESTION TYPE

Provide details on how your organisation (and main contractors /subcontractors, as applicable) will support the protection and enhancement of the natural environment **during this project** (noting the natural environment includes wildlife, fauna and flora).



Provide details on how your organisation supports the protection and enhancement of the natural environment (noting the natural environment includes wildlife, fauna and flora) **on an ongoing basis**.



## STEP 3: RESPONSE & EVALUATION GUIDE

### EVALUATION

Buyers will evaluate the supplier based on the measures the supplier will take to retain, protect and/or enhance the natural environment during this project and specific details of how they intend to do this. (Note, the natural environment includes wildlife, fauna and flora.)

#### Examples include, but are not limited to:

- Environmental education/communication/programmes.
- Community driven environmental protection projects.
- Partnering with bodies that invest in and promote ecological conservation and natural heritage enhancements.
- Recycling or up-cycling /use of biodegradable products.
- Fundraising for environmental protection causes.
- Providing funding or volunteers to organisations that protect or enhance the natural environment (e.g. NZ Government Billion Trees project or similar, wildlife protection initiatives, supporting or contributing to a Predator Free 2050 for Aotearoa).



## STEP 4: KPI MEASUREMENT GUIDE

Provided below are example quantitative and qualitative KPIs. Selection of KPIs should be guided by the RFx question, supplier response and realistic reporting expectations.

#### Quantitative broader outcome KPIs:

- Number of environmental complaints received over course of contract or per annum as relevant.
- Number of volunteers provided to environmental guardianship causes and to which organisations.
- Percentage of the project budget allocated to environmental guardianship.
- Actual spend on environmental guardianship during project as a percentage of the project budget.
- Hours allocated to environmental guardianship and key achievements from this investment.

#### Qualitative broader outcome KPIs:

- Names of organisations supplier has supported that promote or protect the natural environment and value of funding.
- Supplier Environmental Sustainability Index.
- Details of any significant initiatives that protect the environment.
- Number of trees planted, location and species (note, native species preferred).
- Names of the organisations supported that promote or protect the natural environment.
- Details on the number of volunteers provided (if any) and to which organisations (per annum).