



s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 28 July 2022 requesting the following under the Official Information Act 1982 (the Act):

... information held by MFE relating to the voluntary carbon credits market.

Specifically, we request any information on:

- the Ministry's work programme, including objectives and outcomes sought, relating to the voluntary market*
- any design process that has been undertaken for the voluntary market*
- any reports and briefings to Ministers, and any Cabinet Papers*
- the timeline for any market design process*
- any tenders that have been conducted for market design*
- the names of any external parties working with the Ministry on the voluntary market*
- the expected volume of credits to be traded through the voluntary market*

On 16 August 2022, the Ministry for the Environment (the Ministry) sought clarification on the timeframe of the information in scope, in response to which you requested a timeframe of February 2021 onwards.

On 18 August 2022, you were notified that an extension of 20 working days was required as the consultations necessary to make a decision on your request were such that a proper response could not reasonably be made within the original timeframe.

There are 16 documents in scope of your request. Two documents are being released to you in full and 14 documents are being withheld in full under the following sections of the Act:

- 9(2)(f)(iv), to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials; and
- 9(2)(j), to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at:

www.ombudsman.parliament.nz.

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly

after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: ministerials@mfe.govt.nz.

Yours sincerely



Hemi Smiler
Director – Climate Mitigation

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Document schedule

Document no.	Document date	Content	Decisions	OIA sections applied
1	July 2022	Questions and Answers (1173-01-RFQ) - Framework for NZ VCM	Released in full	N/A
2	12 July 2022	1173-01-RFQ Developing a framework for a NZ Voluntary Carbon Market	Released in full	N/A

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Questions and Answers

Tender Ref#: 1173-01-RFQ
Project Title: Voluntary Carbon Market

#	Questions	Answers
1	Do you expect that the output of this work would be solely the advice of the provider, or do you think that part of the job for the provider is to ensure that the views and opinions of officials are reflected in the final report?	Officials' input, feedback and comments will need to be addressed but the report should be the provider's best advice, based on factual evidence and analysis as far as possible.
2	How should the interim VCM guidance document for VCM be treated by this project? Does MfE anticipate that one of the outputs of this programme of work (but not this RFQ) would be to update this guidance document?	The interim VCM guidance document will be a source of information that can be used for this project. MfE expects the guidance to be updated to align with international best practice. No timeframe has been set at this stage. The work from this RFQ may inform the need to update the guidance at a later date.
3	We note that there has been a great deal of discussion and policy research in this space over recent years and this has struggled to provide a clear pathway forward. Does MfE have a view on what the next steps would be if this project does not provide any viable options?	In Budget 22, the Government provided funding for this work to go ahead. Developing a framework for a VCM is necessary for the purposes of the Carbon Neutral Government Programme (CNGP), and we anticipate this to be successfully in place well in advance of December 2025 when CNGP agencies are expected to start offsetting their emissions.
4	RE: Our Requirements - Throughout Section 2, the terms "voluntary carbon market" and "voluntary carbon markets" (so singular and plural) are used. Would you please clarify whether it is anticipated that there be one voluntary market in Aotearoa New Zealand (NZ), but that the supplier should just have experience across different markets. In respect of experience in different markets, do you have any particular markets in mind?	We are expecting essentially one voluntary carbon market in Aotearoa New Zealand, meeting broadly similar standards aligned to international practice and specific requirements set by the CNGP. We are looking for a supplier with an understanding of best practice and how voluntary carbon markets work in general and do not have particular markets in mind. This understanding may, but does not necessarily, come from participation in these markets.
5	RE: The Opportunity - In this opening section there is reference to government and business. Would you please clarify that "government" means the organisations captured under the CNGP? Can we assume that it does not include local governments? Should councils also be considered?	In the opening section we just meant 'businesses and government' generally as indicating that a broad range of entities may use a VCM. That does include local governments. However, the CNGP gives this work programme a specific mandate that is not relevant for local governments, and local governments will not be considered in the context of meeting CNGP requirements.
6	RE: The Opportunity - With respect to "solid policy experience and an understanding of government policy on climate change and carbon markets", would you please clarify whether this experience and understanding applies only to NZ or is other national policy experience relevant?	Any relevant experience on government policy on climate change and carbon markets would be relevant. An understanding of the NZ context more specifically would be a plus.
7	RE: The Opportunity - Would you also please clarify which areas of policy experience and understanding are relevant eg, ETS, NDC, ERP, HWEN report, MfE Interim guidance for voluntary offsetting, other?	In addition, an understanding of international practice for VCMs is relevant. This may include standards and guidelines such as ISO and the Voluntary Carbon Markets Integrity Initiative draft code of practice.
8	RE: The Opportunity - Will the results of the work on governance of the ETS be available before this work is undertaken?	The timeframes for the work on market governance are subject to Cabinet decisions. We do not anticipate the outcome of this work to be available before this work begins
9	RE: What We Require - With respect to "considerations ... to ensure credibility of offsets", does MfE have scope in mind for consideration of social, environmental, and economic impacts: eg, principles of Te Tiriti o Waitangi and obligations, human rights, labour standards, energy poverty, minimise perverse environmental impacts, maximise co-benefits, fraud, AML/CFT?	These are clearly all important for VCMs and we expect the work to give them some high-level consideration. However, this work should have a much greater focus on credibility in the narrower sense of achieving real, permanent, and additional climate change benefits.
10	RE: What We Require - In respect of Te Tiriti o Waitangi, does MfE have "approved" experts who are regularly consulted on the application of the principles of Te Tiriti o Waitangi to significant developments in climate change policy and regulations?	We are not anticipating the supplier to engage with specific experts with regards to the application of the principles of Te Tiriti o Waitangi. We would however expect the supplier to be cognisant of the Crown's Treaty obligations and if/when appropriate recognise and/or provide for a te ao Māori worldview in the report.



<p>11 RE: What We Require - If such experts are identified and asked to give input, will there be an allowance for koha to be paid separately as a direct project cost?</p>	<p>We are not anticipating the supplier to engage with external experts, and as such we do not envision the need for an allowance for koha to be paid.</p>
<p>12 RE: What We Require - There are a lot of developments and changes taking place in international best practice. There are also many international initiatives on best practice in voluntary carbon markets and polarised opinions. Would you please clarify which practice in international voluntary carbon markets should be incorporated or clarify how the international practice to be considered will be agreed?</p>	<p>We recognise that there is current uncertainty and developments occurring in this area. We expect the supplier to make the best assessment possible, given the current situation internationally, on how VCM practice in Aotearoa can be made effective in meeting the needs of the CNGP and government, and be aligned with evolving international best practice.</p>
<p>13 RE: Stated Deliverables in RFQ - We understand that the supplier is to deliver advice which ultimately contributes to delivering the following:</p> <ul style="list-style-type: none"> • “Policy to determine how a successful domestic VCM can work • Detailed guidance and standards for voluntary action to reduce emissions • Design of infrastructure for the VCM, including regulation of providers and formal processes to track and trade offsets.” <p>We understand the supplier input will inform advice to the Minister for Climate Change and will at a minimum:</p> <ul style="list-style-type: none"> • Identify and address the key policy questions affecting eligibility criteria, appropriate processes, and the overall scope of what is needed to develop a domestic VCM framework • Map out initial considerations to develop standards/guidelines in the VCM to ensure credibility of offsets. <p>We also understand that the Cabinet report that the supplier’s advice will inform, is required to address:</p> <ul style="list-style-type: none"> • The kind of offsets permissible. This includes forestry, both within and outside NZ’s existing policies and targets, as well as actions beyond forestry such as soil carbon, blue carbon, and emissions reduction actions in other sectors. • Options for claims, branding and terminology pending the outcome of ongoing international discussions relevant to mitigation and offsetting claims including carbon neutrality. • The role of the private sector in managing a voluntary carbon market framework and options for cost recovery. <p>In light of the above, we would like to obtain clarification (see below) on the deliverables and policy questions that the advice is to address.</p> <p>Would you please clarify what the phrase "voluntary action to reduce emissions" is referring to? For example, is it referring to what is achieved through offset projects? If so, would you please clarify whether removal enhancements and/or carbon capture methods are also to be considered?</p> <p>Is the supplier expected to identify/recommend the “types of projects [that] will be accepted” or will a list be provided?</p> <p>With respect to the "framework for standards for VCM participants”, would you please clarify who are the VCM participants (ie, offset buyers, carbon credit traders, project developers, or all of the above)?</p>	<p>In response to the five questions given:</p> <ol style="list-style-type: none"> 1. In context, ‘voluntary action to reduce emissions’ was intended as a general description and the inclusion of removals can be assumed. 2. There is a wide range of potential broad project types, including those mentioned in the RFQ. We expect the supplier will take a wide view of the possible project types and evaluate issues for their acceptability. These issues are likely to include viability, interaction with other policies, and contribution to New Zealand’s international commitments. We do not anticipate that this work will go down to the level of highly specific project types or technologies. 3. We would describe all these broadly as ‘participants’ but think of standards as requirements that offset buyers (particularly including CNGP agencies) would apply to their purchases and that project developers and carbon credit traders would therefore expect to comply with. 4. Indications of cost would be useful, but we expect this work to scope out the development and implementation of a framework only at a high level that would not allow for it to be fully costed. 5. We think that ‘key policy questions’ relating to ‘appropriate processes’ includes this kind of consideration at a high level.

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	<p>Would you please clarify the extent to which the supplier is expected, or not, to identify the costs of the future detailed design work required, eg, development of standards and procedures, development of infrastructure etc?</p> <p>There are parts of the information required for the Cabinet report that are not included in the MfE scope for this project, eg, “options for cost recovery”. Would you please clarify whether the supplier is expected to identify ways that costs can be recovered?</p>	
14	<p>Would you please clarify what is meant by “forestry, both within and outside New Zealand’s existing policies and targets”? For example, does “outside” include voluntary projects based on pre-1990 forest; in NZ; in NZ territories?</p>	<p>The main thing this refers to is the NZ ETS. Forestry activities outside the scope of the NZ ETS and permanent forestry policies may need to be treated differently in terms of VCM eligibility and rules depending on the interaction with these policies. Another consideration is that some forestry activities may sit outside the scope of New Zealand’s NDC so may achieve removals but these are not reflected in our achievement of targets.</p>
15	<p>Will there be a decision on the proposal that permanent forest in the ETS must be indigenous forestry before this work is undertaken?</p>	<p>We do not anticipate this to be clarified before this work is started, but it is possible that a decision is made during the course of this contract</p>
16	<p>Will there be clarification on whether permanent forestry in the ETS (ex-PFSI, future PP89) will be acceptable for voluntary cancellation before this work is undertaken?</p>	<p>Voluntary cancellation in the Register is currently available for all NZUs and any changes in the NZ ETS are unlikely to change that.</p>
17	<p>Considering the tight timeframes involved, what are MfE expectations with respect to report size and the amount of supporting detail required?</p>	<p>Our high-level expectations would be for a report of no more than 60 pages (20-40 pages), including a high-level summary, but we are happy to leave that judgement to the supplier. We are less worried about the length of the report as long as the information is complete and clearly communicated.</p>
18	<p>Does MfE expect the project to consult key stakeholders, eg, through a workshop (as has been done previously for the interim guidance on voluntary offsetting), or will the proposed framework go out to consultation after consideration by Cabinet?</p>	<p>No we do not expect the supplier to consult with stakeholders. We would expect this piece of work to give us material that we can be used as input for any future consultation</p>
19	<p>Would MfE provide us now with the reports from recent policy work on identifying portfolio opportunities for the CNGP, as well as feedback from some offset providers, and officials’ initial advice relating to claims?</p>	<p>This will be sent to the successful supplier early on in the contract</p>
20	<p>We understand what social, environmental and economic impacts are but what does MfE consider secondary broader outcomes to be, if not already included within the 3 wellbeings, e.g. cultural? And others?</p>	<p>We expect the work to give high-level consideration to broader outcomes including well-being. However, this work should have a much greater focus on achieving real, permanent, and additional climate change benefits.</p>
21	<p>Does this work need to take into account or address barriers to entry to the offsetting market? For example, other regulatory barriers (such as consenting constraints under the resource management system) and lack of available funding or government co-financing.</p>	<p>Yes please</p>
22	<p>Are entire responses/proposals, or any sections of responses/proposals, subject to a page limit? If so, how many pages and will MfE accept additional content as part of an appendix?</p>	<p>There are no page limits – we expect the supplier to decide what information is useful, and to share this in a manner that is easy to read and understand. The use of appendices is welcome for more detailed information</p>
23	<p>Would MfE be okay with us partnering with another supplier who perhaps wasn’t one of those invited to tender in this closed RFQ process? (We would be the lead consultant, and they would support.)</p>	<p>Yes, as long as the supplier does not have a vested financial or business interest in the development of the VCM</p>
24	<p>Do we need to use the RFQ response form exactly as it is? Or can we reformat it in our own professional template, provided we retain the structure and text from the response form?</p>	<p>A different template is acceptable as long as the information that we will be using to evaluate each bid is included</p>



Ministry for the
Environment
Manatū Mō Te Taiao

Request for Quotes (RFQ)

by: Ministry for the Environment
for: Developing a framework for a NZ Voluntary Carbon Market
ref: 1173-01-RFQ



RFQ released:	12 07 22
Deadline for Questions:	5pm 18 07 22
Deadline for Quotes:	12pm 05 08 22

Ministry for the Environment
<https://environment.govt.nz/>
8 Willis Street
Wellington

The opportunity

This RFQ is issued by The Ministry for the Environment, referred to below as “the Buyer”, “the Ministry”, “MfE”, “we” or “us”.

What we need

The Ministry wants to commission a supplier to assist in its policy work as the first stage in development of a comprehensive framework of policies, standards, and processes for voluntary carbon markets in New Zealand.

Why should you quote?

The voluntary carbon market has potential to make a much-increased contribution to Aotearoa’s efforts to reduce our greenhouse gas emissions and meet climate commitments. This work will be an opportunity to shape the future for the NZ voluntary carbon market and ensure that businesses and government can confidently invest in high-quality voluntary actions. The supplier should have solid policy experience and an understanding of government policy on climate change and carbon markets. They should also have an understanding of international best practice in voluntary carbon markets but avoid any potential conflicts of interest.

A bit about us

The Ministry for the Environment (‘MfE’) is the Government's principal adviser on the environment in New Zealand and on international environmental matters. Our mission is a flourishing environment for every generation. He taiao tōnui mō ngā reanga katoa. In this context we have certain expectations of our suppliers in regard to their commitment to environmentally sustainable practices and processes. We therefore require Respondents to submit information to assist MfE in understanding their capability and alignment to the Ministry’s objectives e.g. how and if you can offer a solution that considers social, environmental and economic impacts.

Our commitment to achieving Broader Outcomes

The Ministry for the Environment must consider how we create opportunities within its procurement practice to achieve broader outcomes. The Ministry for the Environment show our commitment to do this by considering opportunities within our procurement that not only achieve our direct outcome, but by also by considering any opportunity to also achieve a secondary broader outcome.

We encourage you to outline in the Response Form any solutions that you can offer as part of the tender process that support the Ministry to achieve a broader outcome as part of your answers to the questions.

Section 1: Key Information

1.1 Our timeline

Here is our timeline for this RFQ (all are New Zealand times and dates):

Deadline for Questions from Respondents:	5pm 18 07 2022
Deadline for Buyer to answer questions:	2pm 22 07 2022
Deadline for Quotes	12pm 05 08 2022
Expected start date of Contract:	29 08 2022

1.2 How to contact us

a. Contact us through our Point of Contact via email Our Point of Contact:

Name: MfE Procurement

Title/role: Procurement

Email address: procurement@mfe.govt.nz

1.3 Developing and submitting your Quote

- a. This is a closed competitive tender process.
- b. Take time to read and understand the RFQ.
- c. Take time to understand our Requirements. These are in Section 2 of this document.
- d. Take time to understand how your Quote will be evaluated. See Section 3 of this document.
- e. If you have any questions, ask our Point of Contact (see above) before the Deadline for Questions.
- f. Use the Response Form attached to submit your Quote.
- g. Complete and sign the declaration at the end of the Response Form.
- h. Check you have provided all the necessary information in the correct format and order
- i. Submit your Quote before the Deadline for Quotes.

1.4 Address for submitting your Quote

Submit your Quotes to the following address: procurement@mfe.govt.nz

We will not accept Quotes sent by post or delivered to our office.

Make sure you include all attachments and reference material.

Our RFQ Terms

- a. Offer Validity Period: by submitting a Quote, the Respondent agrees that their offer will remain open for **three** calendar months from the Deadline for Quotes.
- b. The RFQ is subject to the RFQ Terms.

1.5 Later changes to the RFQ or RFQ process

- a. After publishing the RFQ, if we need to change anything or provide additional information we will let all Respondents know by email.

1.6 Define terms

These are shown by the use of capitals. You can find all definitions at the back of the RFQ Terms.

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Section 2: Our Requirements

2.1 Background to the procurement

This procurement relates to assisting the Ministry in its work to develop a framework of policy and standards, for New Zealand's domestic voluntary carbon market, and contribute to ultimately delivering:

- Policy to determine how a successful domestic VCM can work
- Detailed guidance and standards for voluntary action to reduce emissions
- Design of infrastructure for the VCM, including regulation of providers and formal processes to track and trade offsets.

The purpose of this work is to ensure emission reductions in the voluntary carbon market are real, measurable, and verified. The standards that we develop will be mandatory for selling offsets to public agencies under the Carbon Neutral Government Programme and are expected to be used by private sector participants as well.

Standards will need to specify what types of projects will be accepted, and how they can show that they are achieving real, additional, and permanent reductions. This will give businesses the confidence to invest and enable the voluntary market to grow. Standards will also need to align with practice in international voluntary carbon markets.

The work delivered by the supplier will form the basis of a report back to Cabinet on progress on the development of a voluntary carbon market framework in November 2022. We do not anticipate to report back to Cabinet on a detailed design of the framework at this stage.

2.2 What we require

This procurement relates to the purchase of services.

This procurement is to kickstart the work on developing a domestic voluntary carbon market framework. It will include the policy questions that need to be addressed and initial steps on designing a framework for standards for VCM participants to comply with. It will feed into a report back to Cabinet in November 2022 on the VCM, as detailed above.

We are seeking input that will inform advice to the Minister of Climate Change for his report back to Cabinet in November 2022. At a minimum, the deliverables from this work will:

- Identify and address the key policy questions affecting eligibility criteria, appropriate processes, and the overall scope of what is needed to develop a domestic VCM framework
- Map out initial considerations to develop standards/guidelines in the VCM to ensure credibility of offsets.

The policy questions to be addressed in this work need to include issues relevant for the coverage that Cabinet has requested for the November 2022 Cabinet report. This report is required to address:

- The kind of offsets permissible. This includes forestry, both within and outside New Zealand’s existing policies and targets, as well as actions beyond forestry such as soil carbon, blue carbon, and emissions reduction actions in other sectors.
- Options for claims, branding and terminology pending the outcome of ongoing international discussions relevant to mitigation and offsetting claims including carbon neutrality.
- The role of the private sector in managing a voluntary carbon market framework and options for cost recovery.

We expect to provide the supplier with information, including the report from recent policy work on identifying portfolio opportunities for the CNGP, as well as feedback from some offset providers, and officials’ initial advice relating to claims.

2.3 What we require of a supplier

a. track record

We are seeking suppliers that have a proven track record of work on emissions and sustainability policy and international or domestic carbon markets

b. capability

We are seeking suppliers that have relevant qualifications and experience to deliver (must have expertise in land use and emissions abatement potential, emissions accounting)

c. timeframe

We are seeking suppliers that can deliver a report in 6-8 weeks and meet specified milestones

2.4 Key deliverables

Description	Indicative date for delivery
Progress update	13 September
Develop a first draft of advice	23 September 2022
Updated advice based on MfE feedback + agency comments + Ministerial direction	10 October 2022
Final advice presented – to MfE’s satisfaction	24 October 2022

2.5 Contract term

We expect that the Contract will commence on 29 08 2022. The anticipated Contract term and options to extend are:

Description	Years
Initial term of the Contract	3 months (until late November 2022)

2.6 Contract value

We estimate the value of this Contract to be between \$60,000-\$80,000 excluding GST.

2.7 Delivery locations

The Respondent will need to deliver via email and online, and be available for phone calls/Teams calls.

Section 3: Our Evaluation Approach

This section sets out the Evaluation Approach that will be used to assess Quotes.

3.1 Pre-conditions

(See [Rule 28: Pre-conditions](#) for more information)

Each Quote must meet the following pre-conditions. We will not consider Quotes which fail to meet these conditions.

#	Pre-conditions
1.	Supplier must read, understand and confirm they will comply with the Ministry for the Environment's Vaccination Policy , and ensure their nominated subcontractors are aware of, understand and comply with the Policy for the whole of life of the proposed engagement. This includes any updates to the Policy that may be published on the Ministry for the Environment website.
2.	Supplier must read and understand the New Zealand Government Supplier Code of Conduct, and ensure their nominated subcontractors are aware of the Code (Supplier Code of Conduct).

3.2 Evaluation model

The evaluation model that will be used is weighted attribute (weighted criteria). Price is a weighted criterion. The Quote that scores the highest will likely be selected as the Successful Respondent.

The Buyer reserves the right to undertake due diligence and use the results of due diligence to inform the evaluation of Quotes.

3.3 Evaluation criteria

Quotes which meet all pre-conditions will be evaluated on their merits according to the following evaluation criteria and weightings.

Criterion	Weighting
1. Proposed solution (fit for purpose) <ul style="list-style-type: none">• Explain your proposed approach to meeting the scope and depth of our requirements• Describe how you will measure quality internally to ensure that you meet or exceed our requirements• Describe all significant risks associated with your approach and how you propose to mitigate and manage them	30%

2.	<p>Capability of the Respondent to deliver</p> <ul style="list-style-type: none"> • Relevant qualifications and experience of named personnel to deliver (must have expertise in policy analysis, carbon markets and government policy in this area) • Understanding of offsetting and accreditation standards • Understanding of international best practice in the voluntary carbon market • Networks or knowledge of key stakeholders to be consulted in this work • Ability to provide a well structured report with sufficient detail and practical insights in plain English • Track record of the named personnel in delivering similar services 	30%
3.	<p>Capacity of the Respondent to deliver</p> <ul style="list-style-type: none"> • Organisation's track record in delivering similar services • Provide information about your operational and financial systems to track and manage delivery • A timeline and contingency for COVID 	20%
4.	<p>Price</p> <ul style="list-style-type: none"> • Total price and a breakdown of the total costs over whole-of-life of the Contract • Detail any other costs and benefits 	20%
Total weightings		100%

3.4 Scoring

Rating	Definition	Score
EXCELLENT	<p>Exceeds the criterion</p> <p>Respondent demonstrates exceptional ability, understanding, experience and skills. The Quote identifies factors that will offer potential added value, with supporting evidence.</p>	9-10
GOOD	<p>Fulfils the criterion</p> <p>Respondent demonstrates above average ability, understanding, experience and skills. The Quote identifies minor additional benefits, with supporting evidence.</p>	7-8
ACCEPTABLE	<p>Meets the criterion</p> <p>Respondent demonstrates the ability to meet the criteria, with supporting evidence.</p>	5-6
RESERVATIONS	<p>Partially meets the criterion</p> <p>Satisfies only a minimum of the criteria but not all. Reservations about the Respondent to adequately meet the criteria. Little supporting evidence.</p>	3-4

SERIOUS RESERVATIONS	<p>Limited demonstration to meet the criterion</p> <p>Extremely limited or no supporting evidence to meet the criteria. Minimum effort made to meet the criteria.</p>	1-2
UNACCEPTABLE	<p>Does not meet the criterion</p> <p>Does not comply or meet the criteria at all. Insufficient information to demonstrate the criteria.</p>	0

Scores by individual panel members may be modified through a moderation process. In noting the evaluation scoring scale, any scores that are 0-2 inclusive for any of the criteria may eliminate that submission from further consideration.

3.5 Price

- a. The price is to show a breakdown of all costs, fees, expenses and charges associated with the full delivery of the Requirements over the whole-of-life of the Contract. It must also clearly state the total Contract price inclusive of any applicable fees (e.g. All of Government and Lead Agency Fees) and exclusive of GST.
- b. Where the price, or part of the price, is based on fee rates, all rates are to be specified, either hourly or daily or both as required.
- c. Respondents are to document in their Quote all assumptions and qualifications made about the delivery of the Requirements, including in the financial pricing information. Any assumption that the Buyer or a third party will incur any cost related to the delivery of the Requirements is to be stated, and the cost estimated if possible.
- d. Prices should be tendered in NZ\$. Unless otherwise agreed, the Buyer will arrange contractual payments in NZ\$.
- e. Where two or more Respondents intend to lodge a joint or consortium Quote the pricing schedule is to include all costs, fees, expenses and charges chargeable by all Respondents.
- f. If a Respondent offers a substantially lower price than other Quotes, we may make enquiries or require additional evidence to verify that the Respondent is capable of meeting all the Requirements and conditions of the Proposed Contract for the price quoted.

Section 4: Our Proposed Contract

4.1 Proposed Contract

The Proposed Contract that we intend to use for the purchase and delivery of the services is attached to this RFQ

Please note, if you have an existing Head Agreement with the Ministry that covers the scope of the Requirements, then that form of contract should be considered the Proposed Contract for the purposes of your Quotation unless advised otherwise by the Ministry.

In submitting your Quote you must let us know if you wish to question and/or negotiate any of the terms or conditions in the Proposed Contract, or wish to negotiate new terms and/or conditions.

Please note: The Ministry's preference is that invoices are sent to the Ministry as an einvoice.

The RFQ Response Form contains a section for you to state your position. If you do not state your position you will be deemed to have accepted the terms and conditions in the Proposed Contract in full.

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Section 5: RFQ Terms

View the [RFQ Terms](#) dated July 2022

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SECTION 5: RFQ Terms

Defined terms are shown using capitals. You can find definitions at the end of this Section.

Preparing and submitting a Quote

5.1 Preparing a Quote

a. Respondent obligations

The Respondent must:

- i. read the complete RFQ and any additional information provided and referred to by the Buyer
- ii. respond using the RFQ Response Form provided and include all information the Buyer requests
- iii. consider the risks and contingencies relating to the delivery of the RFQ requirements and outline how it will manage those risks and contingencies
- iv. include any assumptions, dependencies and/or qualifications in the Quote, including anything that may limit its obligations or increase its quoted pricing or cost estimates
- v. quote prices in NZ\$, exclusive of GST
- vi. obtain independent advice before submitting a Quote (if necessary)
- vii. make sure the Quote is correct and the Quote pricing is sustainable, i.e. covers the Whole-of-Life of the Contract, not just the initial term.

b. Process acceptance

By submitting a Quote, the Respondent accepts the RFQ-Terms.

c. No obligation, no penalty

Suppliers are not expected or required to submit a Quote in order to remain on any prequalified or registered supplier list.

5.2 Offer Validity Period

The Quote must remain open for the Offer Validity Period stated in Section 1 of the RFQ.

5.3 Respondent questions

- a. The Respondent must make sure they understand the RFQ.
- b. If the Respondent has any questions or needs clarification, they:
 - i. must submit questions before the Deadline for Questions (Section 1 of the RFQ)
 - ii. must clearly indicate any commercially sensitive information in their questions

- iii. may withdraw their questions at any time.
- c. When the Buyer receives questions before the Deadline for Questions:
 - i. The Buyer will respond on or before the Deadline for Answers.
 - ii. The Buyer may provide details of both the questions and the answers to other Respondents. In these circumstances the Buyer will summarise the questions and will not disclose the Respondent's identity.
 - iii. Unless stated otherwise in the RFQ, the Buyer will post both the questions and answers on GETS.
 - iv. The Buyer will not publish the Respondent's commercially sensitive information. However, if the Buyer considers the information to be significant for all Respondents, the Buyer may modify the question and publish both this and the answer. In that case the Buyer will first give the Respondent the opportunity to withdraw the question or remove any of their own commercially sensitive information.

5.4 Submitting a Quote

- a. The Respondent must ensure the Buyer receives the Quote at the correct address on or before the Deadline for Quotes.
- b. Where the RFQ stipulates a 'two-envelope' process, the Respondent must ensure that all financial information and pricing components of the Quote are contained either:
 - i. in a sealed envelope, separate from the rest of the Quote and clearly marked 'Financial and Pricing Information', or
 - ii. in a separate digital file from the rest of the Quote, clearly marked 'Financial and Pricing Information'.
- c. After the Deadline for Quotes, the Buyer will acknowledge receipt of the Quote.
- d. The Respondent must ensure that all information they provide to the Buyer:
 - i. is true, accurate and complete
 - ii. is not misleading in any material respect
 - iii. does not contain material that infringes a third party's intellectual property rights
 - iv. is identical, if they supply both hard and soft copy Quotes.
- e. The Buyer may rely on the Quote and all information provided by the Respondent during the RFQ process (e.g. correspondence and negotiations).

Assessing Quotes

5.5 Evaluation panel

The Buyer's evaluation panel will evaluate the Quote. The Buyer may have different evaluation panel members for evaluating different aspects of the Quote. The Buyer include independent advisors as evaluation panel members to evaluate some or all aspects of the Quote.

5.6 Third party information

- a. The Buyer may request information from a third party where the Buyer considers the information may be relevant to the RFQ process, excluding commercially sensitive information about pricing or contract terms.
- b. If this occurs, the Respondent:
 - i. authorises the Buyer to collect that information from the relevant third party (e.g. a referee or client), and authorises the third party to release it to the Buyer
 - ii. agrees the Buyer may use that information in its evaluation of the Quote
 - iii. must ensure that all referees listed in the Quote agree to provide a reference.

5.7 Clarification of Quote

- a. The Buyer may ask the Respondent for more information or clarification on the Quote at any time during the RFQ process.
- b. The Buyer need not ask all Respondents for the same clarification.
- c. The Respondent agrees to provide the information or clarification as soon as possible, in the format requested by the Buyer.
- d. If the Respondent does not provide adequate information or clarification within a reasonable time (as determined by the Buyer), the Buyer may remove the Quote from its evaluation process.

5.8 Evaluation of Quote

- a. The Buyer will evaluate the Quote according to the Evaluation Approach (Section 3 of the RFQ).
- b. The Buyer may adjust its evaluation after considering additional information or clarification, as described in Sections 5.6 and 5.7 above.

5.9 Negotiations

- a. The Buyer may invite one or more Respondents to enter into negotiations with a view to forming a contract.

- b. During negotiations, the Buyer may:
 - i. discontinue negotiations with one Respondent and then initiate negotiations with another Respondent
 - ii. negotiate concurrently with more than one Respondent.
- c. If negotiating concurrently with more than one Respondent, the Buyer must:
 - i. treat each Respondent fairly
 - ii. prepare a separate plan for each negotiation
 - iii. hold a separate negotiation meeting with each Respondent
 - iv. advise each relevant Respondent that concurrent negotiations will be carried out.
- d. Unless the Buyer agrees otherwise, the Respondent agrees that any legally binding contract that may result from the negotiations will be essentially in the form in Section 4 of the RFQ (Proposed Contract).

5.10 Respondent debrief

- a. At the end of the RFQ process, the Buyer will offer to debrief the Respondent. This debrief may be by letter, email, phone or a meeting.
- b. The Respondent has 10 Business Days from the date of the Buyer's offer to accept a debrief.
- c. The Buyer will provide the debrief within 30 Business Days from either the date of the Respondent's acceptance of a debrief, or the date the Contract is signed, whichever is later.
- d. The debrief will:
 - i. explain why the Quote was successful or not successful
 - ii. explain how the Quote performed against the pre-conditions (if applicable) and the evaluation criteria
 - iii. indicate the Quote's relative strengths and weaknesses
 - iv. explain, in general terms, the relative advantages of the successful Quote
 - v. seek to address any concerns or questions from the Respondent
 - vi. seek feedback from the Respondent on the RFQ and RFQ process.

5.11 Notification of outcome

During the 30 Business Days after the Contract has been signed, the Buyer:

- a. will let all unsuccessful Respondents know the name of the Successful Respondents, if any
- b. may make public the name of the Successful Respondents (if any) and any unsuccessful Respondents
- c. will publish a Contract Award Notice on GETS, where applicable.

5.12 Issues and complaints

- a. The Respondent may, in good faith, raise with the Buyer any issue or complaint about the RFQ or RFQ process at any time.
- b. When this occurs:
 - i. the Buyer will consider and respond promptly and impartially to the Respondent's issue or complaint
 - ii. both the Respondent and the Buyer must do their best to resolve the issue or complaint
 - iii. the Buyer must not allow the issue or complaint to prejudice the Respondent's participation in the RFQ process, or limit or affect the Respondent's future procurement opportunities.

Standard RFQ conditions

5.13 Buyer's Point of Contact

- a. The Respondent must direct all RFQ enquiries to the Buyer's Point of Contact in Section 1 of the RFQ.
- b. The Respondent must not approach any other employee or other representative of the Buyer, directly or indirectly, for information on any aspect of the RFQ.
- c. Only the Point of Contact, or a person authorised by the Buyer, may communicate with the Respondent on any aspect of the RFQ. The Buyer will not be bound by any statement made by any other person.
- d. The Buyer may change its Point of Contact at any time. The Buyer will notify the Respondent of any change by email or posting a notification on GETS.
- e. If the Respondent has an existing contract with the Buyer, the Respondent must not use its business-as-usual communications to contact the Buyer regarding the RFQ.

5.14 Conflict of Interest

- a. The Respondent must complete the Conflict of Interest declaration in the RFQ Response Form. If a joint Quote is being submitted, each party must complete the Conflict of Interest declaration separately.
- b. If a Conflict of Interest arises during the RFQ process, the Respondent must inform the Buyer immediately.
- c. The Buyer may exclude a Respondent from the RFQ process if a material Conflict of Interest arises.

5.15 Ethics

- a. The Respondent must not attempt to influence, reward or benefit any representative of the Buyer, nor offer any form of personal inducement, in relation to the RFQ or the RFQ process.
- b. The Respondent must comply with the Supplier Code of Conduct issued by the Procurement Functional Leader, and any other relevant codes of conduct listed in the RFQ.

- c. The Buyer may exclude the Respondent from the RFQ process for a breach of paragraphs 5.13b, 5.13e, 5.15a or 5.15b.
- d. To maintain a fair and ethical RFQ process, the Buyer may require additional declarations or other evidence from the Respondent, or any other person, at any time.

5.16 Anti-collusion and bid rigging

- a. By submitting the Quote the Respondent warrants that:
 - i. the Quote has not been prepared in collusion with a Competitor
 - ii. it will not engage in deceptive or improper conduct during the RFQ process.
- b. The Buyer may exclude the Respondent from the RFQ process if a breach of these warranties occurs.
- c. The Buyer reserves the right to report suspected collusion or anti-competitive behaviour to the appropriate authority, and to give that authority all relevant information, including the Quote.

5.17 Confidential Information

- a. Without limiting any other confidentiality agreement between them, the Buyer and the Respondent will both take reasonable steps to protect the other party's Confidential Information.
- b. Except as permitted by the other provisions of this Section 5.17, neither party will disclose the other party's Confidential Information to a third party without that other party's prior written consent.
- c. Each party may each disclose the other party's Confidential Information to anyone who is directly involved in the RFQ process on that party's behalf, but only for the purpose of participating in the RFQ. This could include (but is not limited to) officers, employees, consultants, contractors, professional advisors, evaluation panel members, partners, principals or directors. Where this occurs, the disclosing party must take reasonable steps to ensure the third party does not disclose the information to anyone else, and does not use the information for any purpose other than participating in the RFQ process.
- d. The Respondent acknowledges that the Buyer's confidentiality obligations are subject to requirements imposed by the Official Information Act 1982 (OIA), the Privacy Act 2020, parliamentary and constitutional convention, and any other obligations imposed by law. Where the Buyer receives an OIA request that relates to a Respondent's Confidential Information, the Buyer will consult with the Respondent and may ask the Respondent to explain why the information is considered by the Respondent to be confidential or commercially sensitive.
- e. The Respondent may disclose the Buyer's Confidential Information to the extent strictly necessary to comply with law or the rules of any stock exchange on which the securities of the Respondent or any related entity are currently listed. Unless prohibited by law, the Respondent must consult with the Buyer before making such a disclosure.
- f. The Buyer will not be in breach of its obligations if it discloses Confidential Information to the appropriate authority because of suspected collusive or anti-competitive tendering behaviour.

5.18 Costs of participating in the RFQ process

Except as otherwise stated in the RFQ, the Respondent must meet their own costs associated with the preparation, presentation and negotiation of the Quote.

5.19 Ownership of documents

- a. The RFQ and its contents remain the property of the Buyer. All Intellectual Property rights in the RFQ remain the property of the Buyer or its licensors.
- b. The Buyer may request the immediate return or destruction of any RFQ documents and any copies, in which case the Respondent must comply in a timely manner.
- c. All documents forming part of the Quote will, once they are delivered to the Buyer, become the property of the Buyer. The Quote will not be returned to the Respondent.
- d. Intellectual Property rights in the Quote remain the property of the Respondent or its licensors.
- e. The Respondent grants to the Buyer a licence to retain, use, copy and disclose information contained in the Quote for any purpose related to the RFQ process, including keeping appropriate records.

5.20 Limited rights and obligations

- a. Except as stated otherwise in this Section 5.20, nothing in the RFQ, these RFQ Terms or the RFQ process creates a contract or any other legal relationship between the Buyer and Respondent, unless and until they enter into a Contract.
- b. The following are binding on the Respondent:
 - i. The Respondent's signed declaration (contained in the RFQ Response Form).
 - ii. The Respondent's obligation under Section 5.2 to ensure the Quote remains open for the Offer Validity Period.
 - iii. The Respondent's obligations under paragraphs 5.4d and 5.4e. Nothing in this Section 5.20 takes away from any rights or remedies the Buyer may have in relation to the Respondent's statements, representations or warranties in the Quote or in correspondence or negotiations with the Buyer.
 - iv. The standard RFQ conditions in Sections 5.13 to 5.25.
- c. Sections 5.17 and 5.19 are binding on the Buyer.
- d. Where applicable, the Buyer and each Respondent are bound by any other obligation expressly identified in Section 1 of the RFQ as being binding.
- e. All terms and other obligations that are binding on the Buyer are subject to the Buyer's additional rights in Section 5.22.

5.21 Exclusion from the RFQ process

- a. The Buyer may exclude the Respondent from the RFQ process if the Respondent:
 - i. has not provided requested information in the correct format
 - ii. has breached the RFQ-Terms and the Buyer considers the impact of the breach is more than trivial (this applies whether or not the provision in question is itself legally binding on the Recipient)
 - iii. included a material error, omission or inaccuracy in the Quote
 - iv. is in bankruptcy, receivership or liquidation
 - v. has made a false declaration
 - vi. has a conviction for a serious crime or offence
 - vii. has failed to pay taxes, duties or other levies
 - viii. represents a threat to national security or to confidentiality of government information, and/or
 - ix. is a person or organisation designated as a terrorist by New Zealand Police.
- b. The Buyer may exclude the Respondent from the RFQ process if:
 - i. there was a serious performance issue in a previous, or current, contract delivered by the Respondent
 - ii. the Buyer considers the integrity of the Respondent is in doubt due to the Respondent's professional misconduct or an act or omission contrary to the Supplier Code of Conduct, and/or
 - iii. the Buyer becomes aware of any other matter that materially diminishes the Buyer's trust in the Respondent.

5.22 Buyer's additional rights

- a. **Changes to the RFQ**
 - i. The Buyer may amend, suspend, cancel or re-issue the RFQ, or any part of it, so long as it notifies the Respondent.
 - ii. The Buyer may change material aspects of the RFQ, such as the timeline, Requirements or Evaluation Approach, provided it gives the Respondent time to respond to update its Quote in relation to the changes.
- b. **Timeline**
 - i. The Buyer may accept a late Quote if it is the Buyer's fault it is late, or if the Buyer considers there is no material prejudice to other Respondents in accepting a late Quote.
 - ii. The Buyer may answer a question submitted after the Deadline for Questions, and notify all Respondents about the submission of the question and the answer.

c. **The Quote**

- i. The Buyer may accept or reject any Quote, or part of a Quote. This includes any non-compliant, non-conforming or alternative Quote.
- ii. The Buyer may decide not to accept the lowest price conforming Quote, unless stated otherwise in the Evaluation Approach.

d. **RFQ Process**

- i. Subject to paragraph 5.9c, the Buyer may liaise or negotiate with any Respondent without informing, or doing the same, with any other Respondent.
- ii. The Buyer may provide Respondents with information arising from questions about the RFQ.
- iii. The Buyer may withhold information arising from questions about the RFQ. This may be the case if the information is unnecessary, is commercially sensitive, is inappropriate to supply at the time of the request or cannot be released for legal reasons.
- iv. The Buyer may waive requirements or irregularities around the RFQ process if the Buyer considers it appropriate or reasonable to do so.
- v. The Buyer may amend the Proposed Contract at any time, including during negotiations with a Respondent.
- vi. The Buyer may decide not to enter into a Contract with any Respondent.

e. **Unbundling**

The Buyer may make its selection conditional on the Respondent agreeing to the Buyer selecting individual elements of the Quote that can be delivered separately, unless the Quote specifically states that the Quote, or the relevant elements, must be taken collectively.

5.23 New Zealand law

The laws of New Zealand govern the RFQ. Each Respondent agrees New Zealand courts have non-exclusive jurisdiction to rule in any dispute concerning the RFQ or the RFQ process. The Respondent agrees that it cannot bring any claim in relation to the RFQ except in a New Zealand court.

5.24 Disclaimer

- a. Nothing contained or implied in the RFQ, or RFQ process, or any other communication by the Buyer to the Respondent is to be construed as legal, financial or other advice.
- b. The Buyer will endeavour to provide accurate information in any communication, but the Respondent accepts this information is not independently verified and may not be up-to-date.
- c. The Buyer will not be liable in contract, tort, equity, or in any other way for any direct or indirect damage, loss or cost incurred by the Respondent or any other person in respect of the RFQ process, whether as a result of the Buyer exercising its rights under Section 5.22, the Buyer's negligence or breach of these RFQ Terms, the Buyer failing to select the Respondent as the Successful Respondent, or any other cause.

- d. To the extent that liability cannot be excluded, the maximum aggregate liability of the Buyer, its agents and advisors in connection with the RFQ process, to all Respondents combined, is NZ\$5,000 or (if known and greater than \$5,000) 5% of the estimated value of the proposed Contract as determined by the Buyer prior to the release of the RFQ.
- e. The limitations and exclusions in paragraphs c and d above do not apply to any liability the Buyer may have for breach of confidentiality or infringement of the Respondent's intellectual property rights.

5.25 Precedence

- a. Any conflict or inconsistency in the RFQ shall be resolved by giving precedence in the following descending order:
 - i. these RFQ-Terms
 - ii. all other Sections of the RFQ document
 - iii. any additional information or document provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
- b. If there is any conflict or inconsistency between information or documents having the same level of precedence the more recent information or document will prevail.

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Definitions

In relation to the RFQ the following words and expressions have the meanings described below.

Advance Notice	A notice published by the Buyer on GETS in advance of publishing the RFQ. An Advance Notice alerts the market to a contract opportunity. Where used, an Advance Notice forms part of the RFQ.
Business Day	Any week day in New Zealand, excluding Saturdays, Sundays, New Zealand (national) public holidays and all days from Boxing Day up to and including the day after New Year's Day.
Buyer	The government agency that has issued the RFQ with the intent of purchasing the goods or services described in the Requirements.
Competitors	Any other business that is in competition with a Respondent either in relation to the goods or services sought under the RFQ or in general.
Confidential Information	<p>Confidential Information of a party (Provider) means information acquired by the other party (Recipient) from the Provider in connection with the RFQ process, where that information:</p> <ol style="list-style-type: none">is by its nature confidentialis marked at the time of disclosure to the Recipient as 'confidential', 'in confidence', 'restricted', 'sensitive', 'secret' or 'top secret', and/orthe Recipient knows, or ought to know, is confidential to the Provider or a third party who supplied it to the Provider. <p>However, this does not include information that is publicly available through no fault of the Recipient, or that the Recipient acquired entirely independently of the Provider.</p>
Conflict of Interest	<p>A Conflict of Interest arises if personal or business interests, relationships or obligations of the Respondent or any of its personnel do, could, or could be perceived to:</p> <ol style="list-style-type: none">conflict with the Respondent's obligations to the Buyer under the RFQ or in the provision of the goods or services, and/orcall into question the independence, objectivity or impartiality of any person involved in the RFQ process on behalf of the Buyer. <p>A Conflict of Interest may be:</p> <ol style="list-style-type: none">actual: where the conflict currently existspotential: where the conflict is about to happen or could happen, orperceived: where other people may reasonably think that a person is compromised.
Contract	Any written Contract entered into by the Buyer and a Successful Respondent for the delivery of the Requirements.

Contract Award Notice	A notice on GETS which a Buyer is required to publish under Rule 48 of the Government Procurement Rules, when it has awarded a contract that is subject to those Procurement Rules.
Deadline for Answers	The deadline for the Buyer to respond to questions submitted by a Respondent stated in Section 1.2 of the RFQ.
Deadline for Quotes	The deadline for delivering or submitting Quotes to the Buyer as stated in Section 1 of the RFQ.
Deadline for Questions	The deadline for submitting questions to the Buyer as stated in Section 1 of the RFQ.
Evaluation Approach	The approach used by the Buyer to evaluate Quotes as described in Section 3 of the RFQ.
GETS	Government Electronic Tenders Service available at www.gets.govt.nz .
Intellectual Property	All industrial and intellectual property rights whether conferred by statute, at common law or in equity, including (but not limited to) copyright, trademarks, designs and patents.
Offer Validity Period	The period of time when a Quote is held open by the Respondent for acceptance by the Buyer as stated in Section 1 of the RFQ.
Point of Contact	The Buyer and each Respondent are required to appoint a Point of Contact. This is the channel to be used for all communications during the RFQ process. The Buyer's Point of Contact is identified in Section 1 of the RFQ. The Respondent's Point of Contact is identified in its Quote.
Proposed Contract	The contract terms and conditions proposed by the Buyer for the delivery of the Requirements as described in Section 4 of the RFQ.
Quote	The response a Respondent submits in reply to the RFQ. It comprises the RFQ Response Form, the Respondent's bid, financial and pricing information and all other information submitted by a Respondent.
Request for Quotes (RFQ)	The RFQ comprises the Advance Notice (where used), the Registration of Interest (where used), the RFQ document (including the RFQ-Terms) and any other schedule, appendix or document attached to the RFQ, and any subsequent information provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.
Requirements	The Buyer's requirements for goods and/or services as described in Section 2 of the RFQ.
Respondent	A person, company or organisation that submits a Quote in response to the RFQ. The term Respondent includes each member of any consortium.

RFQ Response Form	The form and declaration prescribed by the Buyer and used by a Respondent to respond to the RFQ, duly completed and submitted by a Respondent as part of the Quote.
RFQ-Terms	Means the RFQ Terms as set out in Section 5 of the RFQ.
Successful Respondent	Following the evaluation of Quotes and successful negotiations, any Respondent who is awarded a Contract to deliver all or part of the Requirements.

For more definitions, click [HERE](#).

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