

# Memorandum / Manatu

Office of the Chief Operating Officer



To / Ki a Operations Group Senior Management Team  
cc / He kape mā  
From / Nā Stephen Willis, COO  
Date / Te rā 20<sup>th</sup> March 2017  
**Subject / Te kaupapa** Consultant Procurement and Appointments

Dear Colleagues

Consultancy costs are one of the identified costs in our targeted expense categories to review and identify savings opportunities.

I have requested the development of a specific policy and procedure relating to consultant engagements within the Operation Group of Divisions and will be seeking to extend this to encompass all consultant engagements across the University.

This will take some time to develop as part of the expense management project, however **in the interim and effective immediately the following will apply to the Operations Group of Divisions.**

- 1) All consultant engagements that are either (i) have a lump sum commission >\$30k (or has potential through ongoing engagement to be >\$30k) or (ii) hourly rate commissions likely to exceed \$30k due to the scope of work and length of time required and funded by operational budgets are to be approved by the Chief Operating Officer (COO) using the attached completed forms. Note this does not apply to consultant engagements funded by approved capital project budgets providing they remain within the parameters of the CAWSEP approval and follow the University Procurement Procedure.
- 2) Whilst not new practice this is a reminder that the University [Procurement Procedure](#) is **mandatory**.
- 3) As such any consultant engagement between \$5k-\$100k (or has potential through ongoing engagement to be) **must be** procured through either (1) an executed University Contracted Supplier Agreement, (2) a request for quote (RFQ) process with at least 3 written quotes obtained or (3) a formal tender)
- 4) As such any consultant engagement >\$100k **must be** procured through either (1) an executed University Contracted Supplier Agreement or (2) a formal tender.
- 5) Any consultant engagement with a value of >\$5k for which only one quote is available, or where a formal tender process is considered inappropriate, must be supported by a relevant Procurement Plan which provides a justification as to the method requested. For consultant engagements up to \$30k this alternative



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- purchase process **must be endorsed by the Director of the Division** and **if over \$30k by the Chief Operating Officer** (using the attached forms). Note for engagements of \$75k and above the University Policy currently also requires approval from Financial Services Division (Procurement Manager) and authorised by the relevant purchasing authority (as per the Financial Delegations Policy) prior to raising a purchase order.
- 6) Staff with delegation to appoint consultants based on hourly rate commissions **must ensure** there is an agreed process for regular verification of hours worked (e.g. time sheets) and that invoices and claims for approval correspond with the hours worked.
  - 7) Signed (by those with delegated authority) Engagement agreements and purchase orders are to exist for every commission.

Please ensure your staff are aware of these requirements and ensure compliance with this management direction.

Regards

*Stephen W. Willis*

Stephen Willis  
Chief Operating Officer

