

## Country case: Government Model Contracts in New Zealand

### Description

The New Zealand Ministry of Business, Innovation and Employment (MBIE) has developed a set of standard conditions of contract for routine government purchases. These conditions are called government model contracts (GMCs).

The 2nd Edition GMCs were launched by MBIE in October 2011, replacing the 1st Edition GMCs that were launched in July 2010.

The development and implementation of GMCs is part of the Government Procurement Reform Programme and has been mandated by a Cabinet Directive requiring MBIE to “... create a standard, simple, plain English set of conditions of contract for common goods and services to be used by all Public Service Departments and State Services.”

The GMCs are aimed at low-value, low-risk common goods and services. They have been designed as the default government contract. It is up to each agency using the GMCs to determine what constitutes low-value, low-risk common goods and services. This definition is subjective and will depend on the size of the agency and the scale and complexity of its procurement function.

Through the use of GMCs across the Public Service and State Services, Government aims to:

- provide simple, plain English contracts that are easy to use for both agencies and suppliers
- provide a fairer balance of risk between buyer and supplier
- standardise the treatment of legal risk in low-value, low-risk contracts
- reduce the need for negotiations and legal advice in routine purchases
- promote consistent practice across government
- promote process efficiencies in high-volume, low-value transactional contracting
- simplify doing business with government
- support improved procurement practice and align with international best practice.

Source: OECD (2016), [Towards Efficient Public Procurement in Colombia: Making the Difference](#), OECD Publishing, Paris.

Public Procurement

Principle: **Access**

Procurement Stage:

**Tendering**

Audience: **Policy Maker,**

**Procuring Entity**