



New Zealand's Procurement Capability Index



Public Procurement Principle: **Capacity**



Procurement Stage: **All stages**



Audience: **Policy maker, Procuring entity**

Description

New Zealand's Procurement Capability Index (PCI) is a self-assessment tool that enables contracting authorities to find out how well they are performing against "best in class" expectations, as well as other contracting authorities. The PCI also allows authorities to identify areas where additional focus may be required to either reach an acceptable level of performance, or to take a high-performing agency to the next level. By using the PCI tool to identify strengths and weaknesses, an agency can develop and implement strategies that result in actual measurable and worthwhile improvements.

At the central level, New Zealand's central procurement body New Zealand Government Procurement (NZGP) has further use for the PCI results. By reviewing the results from different agencies, NZGP can offer tailored support programmes to certain agencies. NZGP also offers to partner agencies that are particularly strong in certain areas with weaker agencies.

The analysis using the PCI tool is based on the contracting authority's own view of its procurement capability, and has to be representative of the entire contracting authority beyond the procurement function. For the self-assessment to be relevant and accurate, it requires a range of people in the agency to be involved (e.g. the procurement team, senior managers, agency buyers and other stakeholders with a view of procurement activity within the agency).

The PCI process, while self assessed, includes evidenced-based external moderation and review. The PCI tool covers the complete cycle of good procurement practice from

strategic planning practice to leadership, policy, supplier and people management. It ultimately concludes with technology and systems.

Once results from the Procurement Capability Index have been developed following the year's results, NZGP will be able to measure the impact of capability-building work by measuring changes in agency capability scores over time.

Source: OECD (2019), [Public Procurement in Germany: Strategic Dimensions for Well-being and Growth](#), OECD Publishing, Paris

