



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

Ministry of Education – Infrastructure

Project Management Panel Renewal: Strawperson

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1 Introduction

The Ministry of Education |Te Tāhuhu o te Mātauranga (the Ministry) provisions for and spends about \$1.5 billion annually on infrastructure projects nationally, spread across more than 5,000 projects. A key enabling feature of each project is the procurement of a project manager (PM) to plan, deliver, control and close the project.

The Ministry has multiple panels for various needs. Our aim is to bring these into one, fit-for-purpose and easy to use panel of pre-qualified suppliers that can service a diverse portfolio of works. This ranges from reasonably straight forward school-led projects through to large and complex major redevelopments or work programmes that support schools nationally or within a region.

The single panel will contain suppliers with local, regional and national capability as well as suppliers with different qualifications and experience to support low, medium or high complexity projects and work programmes. Suppliers who are experienced and qualified in delivering Kura Kaupapa Māori projects will also be indicated.

The new Project and Programme Management Panel will replace the Major and Minor Project Management panels and will be the single panel from which to engage project or programme managers. All works that require a building consent must use a project manager from the new panel.

2 Reasons for change

Engagement with a range of stakeholders during 2022 highlighted opportunities to improve our existing project management panels, which expire in 2024. There are clear benefits to schools, suppliers and the Ministry in changing how we engage with suppliers who provide project management services.

The Ministry spends a significant amount of public funds within New Zealand's construction sector and related services. We have a responsibility to ensure our practices deliver the best value for money.

From a Ministry and school perspective, we will have a panel of suppliers who have been verified as suitably qualified to deliver school-led projects. We can measure their performance, have single escalation points, ensure suppliers meet expectations and manage relationships appropriately.

From a supplier perspective, there will be a shift from tactical and ad-hoc engagement towards a partnering approach. This will improve visibility of pipeline and planning for future work as well as provide opportunities for suppliers to influence performance metrics and process improvement.

A summary of key opportunities and benefits is below:

Key Opportunity	Benefit to Schools	Benefit to Ministry	Benefit to PM Suppliers
Effective service delivery with clear accountabilities and responsibilities	✓	✓	✓
Transparent performance metrics	✓	✓	✓
Contribution to Broader Outcomes	✓	✓	✓
Enhanced value through application of project management principles	✓	✓	
Consistent and acceptable quality of outcomes across suppliers and regions	✓	✓	
Ability to bundle work and reduce property burden on schools	✓	✓	✓
Work pipeline clarity and work certainty			✓
National and regional alignment – opportunity to support a healthy, but limited, market of providers in all regions. Schools will still be able to choose their supplier, but the number of suppliers will be limited	✓	✓	✓
Consistent approach to project delivery	✓	✓	✓
Potential to bundle work across a school catchment area	✓	✓	✓

Higher level of project performance visibility and improved cashflow and funding allocation		✓	
Earlier engagement of PMs, where appropriate, to support more of the project lifecycle and deliver better outcomes	✓	✓	✓
Better relationships with suppliers, including developing a level of trust and respect to allow for co-design and development of process	✓	✓	✓
Ensure suppliers have a consistent and clear understanding of Ministry process and procedures	✓	✓	✓
Streamlined process to reduce the time and effort to bring a PM on board	✓	✓	✓

3 Way forward

Engagement with schools, suppliers and other key stakeholders will continue through early 2023 to discuss and refine this proposal.

The Ministry will release a notice mid-2023 that will be available to current and potential suppliers to officially start the process to establish a new panel. This will be released via GETS, the Government Electronic Transfer Service (<https://www.gets.govt.nz>).

Estimated timeframe to award contracts is late 2023, with the intent of establishing the new panel by early 2024.

4 Key principals of the future panel

The Ministry is seeking to achieve the following principles with a new mandatory panel:

Effective and high-quality service for schools and the Ministry. Project and programme managers can be relied on to ensure quality outcomes. Value for money is delivered by the service provider and the works they manage.

Access and equity that ensures unique requirements across regions are accounted for. There will be equitable outcomes for Māori, rural and isolated schools.

Healthy and sustainable markets are developed and maintained across the nation, ensuring that project and programme managers with appropriate experience and qualifications are available to all schools for years to come.

Simple systems and process will make it easier to participate, procure and operate within the future panel structure.

Complaint and enforceable frameworks and agreements ensure the needs of schools and the Ministry are met and provide the clarity required to allow suppliers to thrive.

5 Panel design

There will be one panel called the Ministry Infrastructure Project Management Panel. It will include local, regional and national suppliers. The capability of suppliers on the panel will range from those able to deliver small school projects to those with the ability to manage large and complex work programmes. This panel will contain suppliers who can demonstrate:

- Ability to plan, manage and deliver capital projects within a school environment
- Capacity to manage multiple projects concurrently
- Experience delivering projects that occur within complex and live working environments
- Ability to meet reporting requirements
- A track record of adding value through the application of project management principles
- Suitable skills, experience and qualifications to manage projects

The number of suppliers appointed to the panel will be limited, with the maximum number of suppliers within a region based on the number of schools and anticipated volume of projects.

The scope of services expected by PMs will differ based on project cost and complexity, however they will all include accountability for the following:

- Cost
- Quality
- Time
- Stakeholder engagement and management
- Project reporting

Foundational skills we are seeking from PMs, irrespective of project size and complexity, will include the capability to deliver the above five points.

All suppliers appointed to the panel will enter into a Master Agreement with the Ministry. The term of the Master Agreement will be up to 10 years, with an initial term of three years and up to seven years of optional extensions.

The panel will be structured in a way that ensures suitable supplier capacity and capability across New Zealand, with the ability for the Ministry and schools to select project managers with appropriate qualifications and experience to support projects of differing complexities. Suppliers with cultural capability to support Kura Kaupapa Māori project requirements will also be indicated.

Existing contracts and working arrangements will remain in place until the new panel is established. Once the new panel is established, it will be mandatory to engage a panel provider for all Ministry funded projects or programmes.

6 How the panel will be managed

The panel will be regularly reviewed by the Ministry to ensure that it remains fit-for-purpose. This means that suppliers may be reclassified (for example, changing regions, capacity or capability) or removed (for example, ongoing performance issues). The Ministry may also add suppliers where necessary.

Suppliers appointed to the panel will be involved in the design of reporting metrics, service level targets and broader outcomes goals. They will be invited to participate in process improvement workshops during the term of the panel.

Suppliers will be segmented based on their geographic presence, capacity and capability, and experience delivering for Kura Kaupapa Māori.

Suppliers must demonstrate an ability to deliver within a region and to foster relationships with schools they are engaged to support.

Suppliers will be expected to ensure that PMs supporting school requirements have appropriate experience and qualifications to support Ministry and school projects. This may include number of years working as a PM, value of projects managed and qualifications.

Relationships with PMs will be a part of the Ministry's Commercial Management approach and will be subject to ongoing performance monitoring and reviews. This will include monitoring and reviewing the performance of PMs engaged for school-led projects.

During the contract term, PMs will be expected to meet suitable thresholds for performance criteria and be benchmarked against other PMs.

7 Engagement of project managers

All suppliers who wish to provide project management services for infrastructure projects to the Ministry or schools must be on the panel.

There will be flexibility on how work is awarded, ranging from direct award to panel providers through to running small tenders with pre-qualified suppliers. The below considerations will be made when seeking to award works or select suppliers to participate in a quoting process:

- Ability to operate within the region the works are required
- Available capacity to deliver the requirements
- Appropriate capability and experience to deliver the complexity of project
- Contractual and delivery performance on previous projects
- Price benchmarking

The below table describes a general segmentation of projects based on scale, who is likely to initiate the project and the level of project management support required.

Project Value	\$50k or less	\$50k - \$3M	More than \$3M
Project Lead	School or Ministry	School or Ministry	Ministry
Delivery Capability	Project Administrators or Project Managers	Project Managers or Senior Project Managers	Project Managers or Senior Project Managers

The Ministry will seek to identify opportunities to consolidate work programmes within school catchment areas and regions to help reduce the property burden for schools.

The more complex or significant a project is, the more rigour will go into selecting a project manager. The Ministry's Commercial and Procurement teams will be able to provide guidance and support when selecting or engaging PMs, particularly for large or complex projects.

Schools will be able to appoint their project management supplier from the panel. The supplier will provide services on similar contractual terms as if they were being engaged by the Ministry. This will help ensure that the project's financial management information, reporting requirements and performance expectations are maintained.

8 Delivery & Administration

Relationships and accountabilities between the school, project manager and the Ministry will be established and defined at the start of each project.

Suppliers will be required to provide project management reporting using Ministry templates for both Ministry-led and school-led projects. These reporting requirements may differ based on project value and complexity.

All suppliers will be graded upon completion of the project by both the Ministry and the school. This will feed into performance reporting and the relationship management approach.

9 Relationship & performance management

Relationships with project managers will be a part of the Ministry's Commercial Management approach and subject to ongoing performance monitoring and reviews. This will include monitoring and reviewing the performance of project managers engaged for school-led projects.

During the contract term, project managers will be expected to meet suitable thresholds for performance criteria and be benchmarked against other project managers.

Contractual and delivery performance will be managed at a project and programme level. Project performance will be captured using the Ministry's performance management framework and contract key performance indicators. The contract will contain programme Key Performance Indicators, which may include a mix of standard requirements and specific targets that are co-designed with the PMs.

Ongoing management will likely include:

- Regional supplier forums
- One-on-one performance and feedback meetings
- Training and development opportunities
- Co-design workshops on KPIs used for performance assessments
- Annual Systems Improvement workshops

The Ministry will conduct regular reviews of this panel to determine whether it is fit-for-purpose and reserves its right to add suppliers to the panel after performing such reviews. Factors that may result in suppliers being added to the panel may include but not be limited to:

- Additional permanent or temporary capacity is required to meet the Ministry's needs, either nationally or within a region
- To ensure that innovations within the market are leveraged by the Ministry
- To replace a supplier that may have been removed from the panel for ongoing and unresolved performance reasons
- To ensure any new or revised objectives of the Ministry are realised.

If a supplier isn't performing to the necessary standards, the Ministry and the supplier will develop a plan outlining what is needed to improve performance. If a supplier can't sufficiently improve performance to meet Ministry expectations, or there are significant issues, the Ministry may consider actions including reducing the work allocated to the supplier or removing them from the panel entirely.

10 Broader Outcomes

Broader Outcomes are the secondary benefits generated from government spending activity. Equity can come in the form of social, cultural, environmental or economic benefits. The Ministry has six priority Broader Outcomes which project management organisations can influence:

QUALITY OF LIFE

Support the health and wellbeing of employees by ensuring the work environment is healthy and safe.

EMPLOYMENT OPPORTUNITIES

Create pathways with a focus on shifting Māori and Pasifika from lower to higher paid employment. Create jobs for priority social groups.

TRAINING AND UPSKILLING

Support training and upskilling through apprenticeships, cadetships and mentoring programmes to attract, develop and maintain a skilled workforce.

MĀORI AND PASIFIKA BUSINESSES

Support growth in the number and capability of Māori and Pasifika businesses, especially those in the infrastructure and construction sector.

ENERGY AND EMISSIONS

Drive energy efficiency, low carbon and low emissions for the future through the promotion and implementation of sustainable and renewable energy sources.

WASTE REDUCTION

Drive responsible and innovative waste reduction through the minimisation of construction waste, packaging and e-waste.

The Ministry will continue to engage with schools and suppliers to provide more information on Broader Outcomes and identify opportunities within the project management sector to set more specific targets and objectives.

11 Summary of next steps

- March to May 2023 - Stakeholder engagement and feedback
- June to September 2023 – Formal engagement with suppliers via procurement process
- October 2023 - Award of new contracts
- January 2024 - Commencement of new panel arrangement

Note that these dates are subject to the impact of the Cyclone Gabrielle response and may be changed by the Ministry if necessary.



**Te Tāhuhu o
te Mātauranga**
Ministry of Education

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equitable and **excellent outcomes**

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kia **rangatira** ai, kia **mana taurite** ai ōna **huanga**

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