



AIDE-MEMOIRE

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Information for the Living Wage Movement

Date: 20 December 2018

For: Hon Chris Hipkins, Minister of State Services

Copy to: Hon Grant Robertson, Minister of Finance
Hon David Parker, Minister of Economic Development
Hon Iain Lees-Galloway, Minister for Workplace Relations and Safety

Report No: SSC2018/1129

Information for the Living Wage Movement - Government Electronic Tenders Service Data

Purpose

On 14 December we indicated that we would provide Government Electronic Tenders Service (GETS) data to provide to the Living Wage Movement. We committed to providing this by the 21 December 2018.

An attached appendix has been included to be released to the Living Wage Movement.

Background

The Government Rules of Sourcing applies to approximately 135 agencies and requires them to advertise procurements over \$100,000 on the GETS.

GETS data could provide some insight into how much government spends on certain goods and services (e.g. cleaning and security services) but has limitations including that it does not capture information related to wages of contractors, and it is likely that some spending is left out, for example for lower value, more fragmented workforces. See the 14 December Aide-Memoire – 'Information for the Living Wage Movement' for further information.

The Ministry of Business, Innovation and Employment (MBIE) provided the information attached to this paper.

Proactive Release

We recommend that this aide-memoire be reviewed for release by MBIE following the information being shared with the Living Wage Movement.

Agree/disagree.

Hon Chris Hipkins
Minister of State Services

Author: Information provided by the Ministry of Business Innovation and Employment

Responsible Manager: Sarah Borrell, Manager, Workforce and Employment Relations

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Appendix A

Information for the Living Wage Movement on data held on contract spend by Public Service Agencies

December 2018

Below are the total figures on the spend on cleaning and security related contracts recorded in the Government Electronic Tenders Service (GETS) for the Calendar years 2016, 2017 and to-date 2018.

The data has the following limitations:

- Tenders will often contain multiple codes that are assigned by the agency conducting the procurement. See below for the list of UNSPSC codes that relate to cleaning and security services, codes that relate solely to cleaning or security products have been excluded from this information. We do not collect information on how much of the spend is attributed to each code. Therefore, we are unable to attribute specific values to individual UNSPSC codes.
- Agencies not covered by the Government Rules of Sourcing, such as those in the wider State Sector and local government, are not required to advertise on GETS or report on their contract awards.
- It is the responsibility of each individual government agency to provide the estimated contract award value in the contract award notice. When this has been filled in we have used this value. However, this data is not always provided; where this is the case we have used the mid-point of the value band provided when agencies first entered their tender into the GETS system.
- Two tenders included both cleaning and security services, they are represented by the "Both" column in the table.

	Cleaning		Security		Both	
	Number of Tenders	Estimated Award Amount	Number of Tenders	Estimated Award Amount	Number of Tenders	Estimated Award Amount
2016	9	\$11,600,000	17	\$36,425,000	1	\$3,000,000
2017	14	\$33,900,000	17	\$52,775,000	0	\$0
2018	10	\$107,755,002	10	\$36,438,118	1	\$375,000
Total	33	\$153,255,002	44	\$125,638,118	2	\$3,375,000

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The figures include the following United Nations Standard Products and Services (UNSPC) codes:

41103200	Laboratory washing and cleaning equipment
42281700	Disinfecting or pre-sterilization cleaning equipment and solutions
46182400	Decontamination aids and safety cleaning equipment
46200000	Defense and law enforcement and security and safety training equipment
47121500	Cleaning and janitorial carts and accessories
72153500	Structural exterior cleaning services
76000000	Industrial Cleaning Services
76110000	Cleaning and janitorial services
76111500	General building and office cleaning and maintenance services
76111600	Building component cleaning services
76111800	Transport vehicle cleaning
92000000	National Defense and Public Order and Security and Safety Services
92111500	Maintenance of international peace and security
92120000	Security and personal safety
92121700	Security systems services
92121900	Marine security services
72151700	Safety and security system installation services
46170000	Security surveillance and detection