

TEC's Managed Security Services Solution

Procurement Guidance for TEOs

Purpose

This document provides guidance to tertiary education organisations (TEOs) who may be considering adopting the managed security services solution procured by the Tertiary Education Commission (TEC). It explains how they may do so whilst giving due regard to the Government Procurement Rules (the Rules).

Context

In late 2022 TEC undertook an open procurement process to source an appropriately skilled and experienced supplier to provide ongoing Managed Security Services to TEC with an emphasis on a continuous security monitoring solution comprising of a Security Information and Event Management (SIEM) tool run by a Security Operations Centre (SOC). The service enables:

- a. visibility into security threats
- b. detection and response for security events
- c. ongoing assurance and improvement of implemented security controls.

The supplier is responsible for detecting and responding to security events within the organisation's environments including on-premises, cloud, and SaaS platforms, along with determining true security events from false positives and assisting with remediation and mitigation of true events.

TEC Procurement Process

TEC undertook an openly advertised procurement process over two stages (ROI followed by RFP) in 2022/23, selecting a preferred provider and entering into a Collaborative Marketplace Agreement¹ to govern the delivery of services.

The process undertaken by TEC was managed in accordance with the Rules, applying accepted good practice.

Procurement Guidance for TEOs

Tertiary education institutions (TEIs) are "Encouraged" to apply the Rules and are universally expected to apply the five Principles of Government Procurement. All other TEOs (eg, private training establishments) are not subject to the Rules.

The procurement process undertaken by TEC did not contemplate the solution being used by TEOs. However, TEOs can adopt the solution by applying the following rules:

¹ Pae Hokohoko | Marketplace — Collaborative Marketplace Agreement

- The supplier selected by TEC is a provider on the NZ Government Marketplace – a form of common capability contract which allows agencies to undertake a secondary procurement process to select a supplier (See Rule 14: Exemption from open advertising, Clause 9.i Secondary Procurement).
- Rule 57: Panel of suppliers (Clause 11) describes the accepted selection methods, which includes the ability to direct source, based on best fit for purpose.
- Use of a direct source process (with one known supplier), does not mean that you can instantly contract that supplier. Agencies should request a proposal from the supplier and evaluate the proposal, assess its public value, and undertake due diligence before deciding to enter into a contract.

Suggested Process for TEIs

1. Seek a proposal from the TEC provider, which sets out the solution and cost relevant to your organisation.
2. Undertake your own due diligence to satisfy yourself that the solution is fit for purpose.
3. Document the rationale, by way of a lite procurement plan. The rationale document should include:
 - a. the name of the agency
 - b. a description of the goods, services or works
 - c. the maximum total estimated value (Rule 8) of the goods, services or works
 - d. an exemption from open advertising (Rule 14.9(i)) to engage through a direct source (Rule 57.11(b)) under a secondary procurement process from the NZ Government Marketplace (a common capability contract (Rule 60)).
 - e. details of the facts and circumstances that justify the exemption, in this case reference to the open procurement process undertaken by TEC.

Have this approved by a senior manager with appropriate Delegated Financial Authority (DFA).

4. Once approved, enter into an Agency Purchase Agreement and Statement of Work with the TEC provider on the agreed scope and terms.

Suggested Process for all other TEOs

TEOs that are not subject to the Government Procurement Rules will of course follow their own policy and procedures. Notwithstanding, TEC encourages all TEOs to:

1. Seek a proposal from the TEC provider that sets out the solution and cost relevant to your organisation.
2. Undertake your own due diligence to satisfy yourself that the solution is fit for purpose.
3. Secure agreement to proceed as required by your organisation's policy.
4. Enter into contract with the TEC provider using either the supplier's or your own standard form of agreement.