



FIJI
PROCUREMENT
OFFICE

PUBLIC PROCUREMENT TIPS

Public Procurement Practice

APPRAISING SUPPLIERS

When tendering it is not only important to know what you are procuring but also to know WHO you are procuring from! All appraisals are situational. What to appraise is related to the needs of the procurement. A professional bid does not necessarily translate to a reliable supplier. **What should be appraised?**

FINANCE

1. The assessed turnover of the enterprise over at least three years.
2. The profitability and the relationship between gross and net profits of the enterprise over three years.
3. The value of capital assets and return on capital assets and return on capital employed.
4. Credit reference/bank references
5. The possibility of takeover or merger affecting ability to supply.
6. The scale of borrowings, and the ratio of debts to assets.

CAPACITY

Attention should be given to:

1. The maximum productive capacity in a working period.
2. The extent to which capacity is currently or over committed.
3. How existing capacity might be expanded to meet future increased demand
4. The percentage of available capacity utilized by existing major customers of the supplier.
5. What systems are used for capacity planning?

HUMAN RESOURCES

It's the people that we do business with! It is important to know the capability and capacity of the Human Resources for a supplier which are being procured for works such as Construction and Civil Works. Information should be obtained regarding:

1. Number of persons employed in the area of the business for those works being procured for
2. Qualification and experience of staff
3. Training schemes for staff
4. Turnover in respect of managerial and operative staff

Adapted from the Chartered Institute of Procurement Supply (CIPS)