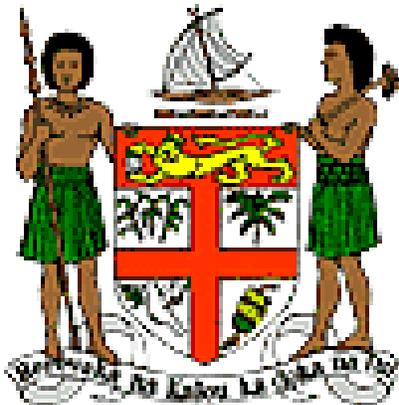


PROCUREMENT GUIDELINES

THE PROCUREMENT POLICY FRAMEWORK



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Preface

The Fiji Government has adopted a new procurement policy framework that focuses on five key procurement principles:-

- Value for money;
- Maximizing economy, efficiency and the ethical use of Government resources;
- Promoting open and fair competition amongst suppliers and contractors;
- Promoting the integrity of, fairness, and public confidence in the procurement process; and
- Achieving accountability and transparency in the public sector.

This Guide is part of a series of Guides prepared to assist government agencies in understanding the new procurement policies and processes brought about by the Procurement Regulations 2010. This Guide focuses on the legislative and policy framework governing procurement in the Fiji Government.

Acknowledgement

This Guide has been prepared after wide research on other countries best practices and experiences. We would like to acknowledge that some information has been adapted from the Australian Government (both federal and various states Guides on Procurement as well from the UNICTRAL Guidelines and best practices.

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Table of Contents

Section	Page
PART 1 INTRODUCTION	4
1.1 Purpose	4
1.2 Scope.....	4
1.3 What is Procurement?	4
1.4 What is Not Procurement?	5
PART 2 LEGISLATIVE ENVIRONMENT AND POLICY FRAMEWORK	5
2.1 Procurement Policy Framework	5
2.1.1 Financial Management Act.....	6
2.1.2 Procurement Regulations.....	6
2.1.3 Procurement Guidelines.....	7
2.2 Other Policies that Interact with Procurement.....	7
2.2.1 International Obligations	7
2.2.2 Outsourcing Policy.....	8
2.3.3 Supporting Small to Medium Enterprises (SMEs)	8
PART 3 PROCUREMENT PRINCIPLES	8
3.1 Value for Money	8
3.2 Encouraging Competition	9
3.2.1 Non-discrimination.....	9
3.2.2 Competitive Procurement Processes	9
3.3 Efficient, Effective and Ethical Use of Resources.....	9
3.3.1 Efficiency and Effectiveness	9
3.3.2 Ethics	10
3.3.3 Conflict of Interest.....	11
3.4 Accountability and Transparency.....	12
3.4.1 Documentation.....	13
3.4.2 Disclosure	14
3.4.3 Communications Process with Suppliers / Tenderers.....	14
3.4.4 Other Obligations	15
3.4.5 Treatment of Confidential Information.....	15
3.4.6 Dealing with Complaints	16
3.5 Integrity, Fairness and Public Confidence.....	16
PART 4 – PROCUREMENT COMPETENCIES.....	17
4.1 Core Competencies.....	17

PART 1 INTRODUCTION

The procurement of goods, services and infrastructural works by government agencies represents a major share of any Government's total expenditure. Public procurement expenditure accounts for almost 20-40% of GDP in developing countries like the Fiji Islands.

Effective and efficient procurement policies and practices by government agencies can have a significant impact on value for money and accountability aspects of expenditure as well as creating potential for real savings that can be diverted to the provision of services to the general public.

Recognizing this, the Fiji Government embarked on reforms in its procurement sector in an effort to modernize its procurement system and bring it into line with international best practices and standards. Over time, these changes should bring about efficiency gains and have an effective impact on the delivery of services to the general public.

1.1 Purpose

The Guide to the Procurement Policy Framework is issued by the Ministry of Finance under Section 25 of the Procurement Regulations 2010.

It establishes the core procurement policy framework and communicates the Government's expectations for all agencies and their officials¹ when performing duties in relation to procurement under the *Financial Management Act 2004* (FM Act) and the Procurement Regulations 2010.

Breaches of the financial management framework, including in relation to procurement, may attract a range of criminal, civil or administrative remedies (including under the *FM Act 2004*).

1.2 Scope

The Procurement Guidelines apply to procurement conducted by all officials in Government agencies and the Fiji Procurement Office.

1.3 What is Procurement?

Procurement includes the whole process of acquiring property and services by agencies for their own purposes.

Firstly, agencies would need to:

1. Identify their needs;
2. Identify their procurement requirements;
3. Prepare their procurement plans.

Procurement continues through the process of:

- Risk assessment of individual alternatives;
- Seeking and evaluating alternative solutions;

¹ *Official* means a person who is in an Agency or is part of an Agency.

- Contract award; and
- Delivery of and payment for the property or services.

Also in some cases:

- Ongoing management of the contract
- Consideration of options related to the contract.

In addition to the acquisition of property or services by an agency for its own use, *procurement* also encompasses a situation where an agency is responsible for the procurement of property or services for other agencies, or for third parties.

1.4 What is Not Procurement?

While procurement relates to the acquisition of goods, services and works, it does not include:

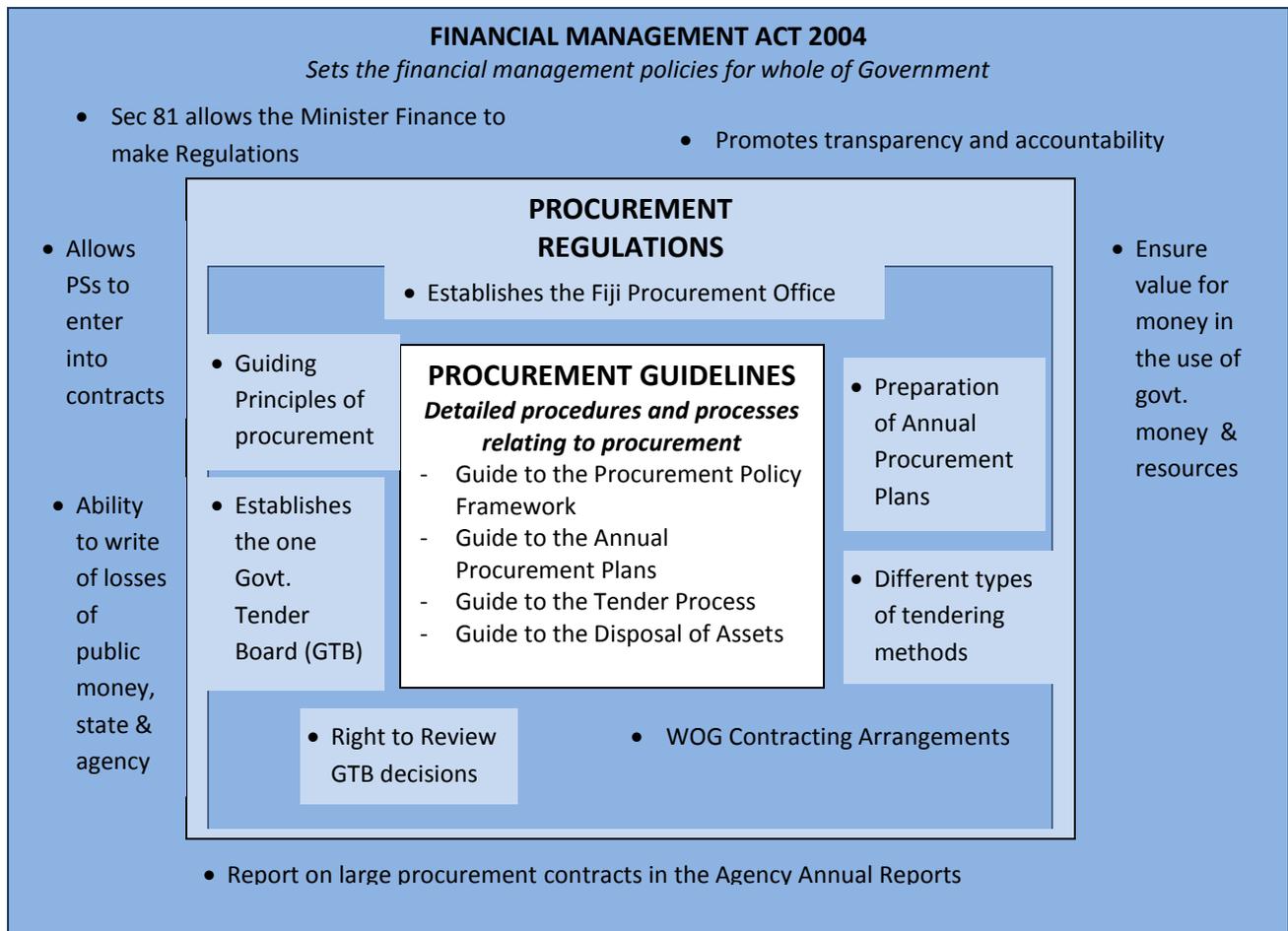
- a. grants (whether in the form of a contract or conditional gift);
- b. investment (or divestment);
- c. sales by tender;
- d. loans;
- e. purchases of property or services for resale or of property or services used in the production of goods for resale;
- f. any property right not acquired through the expenditure of public money - for example, a right to pursue a legal claim for negligence;
- g. statutory appointments;
- h. appointments made by a Minister using the executive power - for example, the appointment of a person to the Government Tenders Board; or
- i. the engagement of employees - such as under an agency's enabling legislation, or under the common law concept of employment.

PART 2 LEGISLATIVE ENVIRONMENT AND POLICY FRAMEWORK

2.1 Procurement Policy Framework

Government agencies and officials operate within an environment of legislation and relevant government policies. Figure 1 below sets out the broad legislative policy framework governing Government procurement.

Figure 1: Legislative Environment and Policies Governing Procurement



2.1.1 Financial Management Act

At the broad level, the Financial Management Act sets the financial management framework for all-of-Government. These procurement reforms are just a subset of the broad financial management framework aimed at enhancing performance and achieving transparency and accountability in the public sector.

The Act, amongst other things, also refers to certain policies relating to procurement such as ensuring value for money in the use of government money and resources, promoting accountability and transparency and the ability of Permanent Secretaries to enter into contracts involving the expenditure of appropriated monies.

2.1.2 Procurement Regulations

Section 81 of the Act allows the Minister for Finance to make Regulations to give effect to provisions of the Act. As such, the Procurement Regulations sets the procurement policy framework for Government. It establishes and specifies the functions of the Fiji Procurement Office and the one Government Tender Board (the Board) and also outlines procurement policies and practices that have been adopted from international best practices.

Of major importance are the Guiding Principles of procurement which set the foundation on which all government procurement must be undertaken. These include:-

- (i) Value for money;
- (ii) Maximizing economy and efficiency and the ethical use of Government resources;
- (iii) Promoting open and fair competition;
- (iv) Promoting integrity, fairness and public confidence in the procurement process; and
- (v) Achieving accountability and transparency in procurement procedures.

These guiding principles are discussed in more detail in a Section 3 of this Guide.

The Procurement Regulations also requires that agencies take a more proactive approach to procurement planning. Agencies will be required to submit Annual Procurement Plans summarizing the agency's expected procurement during the year, its estimated costs, timing and the proposed methods of procurement.

Other important policies specified in the Procurement Regulations include the right to review decisions of the Government Tender Board, the ability to use different tender methods and also provides for all-of-Government contracting arrangements.

All agencies must comply with the provisions in the Financial Management Act and the Procurement Regulations.

2.1.3 Procurement Guidelines

At a more detailed level than the Procurement Regulations are the Procurement Guidelines. These are a series of Guides issued by the Fiji Procurement Office specifying the detailed procedures and processes on the procurement of goods, services and works in Government. These are being issued to guide procurement officials on the various procurement procedures and processes and also to inform on procurement best practices.

The Procurement Guidelines are intended to be used as guides and if situations/circumstances warrant a deviation from the Guides, clarifications and assistance must be sought from the Fiji Procurement Office.

2.2 Other Policies that Interact with Procurement

As shown above, the Financial Management Act sets the foundation on which Government procurement policies are underpinned. However there are other Government policies that are regulated by different legislations and ministries that may have important implications on Government procurement policies.

2.2.1 International Obligations

Fiji is party to a number of international obligations and trade agreements. Any future obligations arising from these agreements may have an impact on Government's procurement policies and these would be amended accordingly. For example, the move to include government procurement in the Pacific Island Countries Trade Agreement (PICTA) or Government's accession to the General Procurement Agreement under the World Trade Organization, etc.

2.2.2 Outsourcing Policy

The Fiji Government in July of this year endorsed a broad outsourcing policy with the main objectives of reducing government's operational expenses and improving efficiency in service delivery. Priorities identified are the infrastructural and works contracts as well as service delivery contracts. Any outsourcing undertaken must be done in accordance with Government's procurement policies. However, any changes to procurement policies brought about by adapting to different models of outsourcing must be thoroughly analyzed before changes are made.

2.3.3 Supporting Small to Medium Enterprises (SMEs)

The Fiji Government also supports the engagement of SMEs. Procurement officials in the respective agencies must ensure that SMEs have appropriate opportunities to compete for business and are not unfairly discriminated against. Officials would need to evaluate the benefits of doing business with SMEs, the capability of these SMEs to supply/deliver the goods, services or works required against the principles of value for money and encouraging competition and economic development.

PART 3 PROCUREMENT PRINCIPLES

Procurement principles underline the policy and process developments and provide general guidance. The overall principles are:

- Value for money
- Encouraging competition
- Efficient, effective and ethical use of resources
- Accountability and transparency
- Promoting integrity, fairness and public confidence in the procurement process

3.1 Value for Money

Value for money is the core principle underpinning Fiji Government procurement. The "best value for money" means the best available proposal when all relevant costs, benefits and options over the procurement cycle have been considered. In simple terms it means achieving the desired outcome with the best possible price.

Value for money is enhanced in Government procurement by:

- a. *encouraging competition* by ensuring non-discrimination in procurement and using competitive procurement processes;
- b. promoting the use of resources in an *efficient, effective and ethical* manner; and
- c. making decisions in an *accountable and transparent manner*.

Value for money can be best determined when the request documents are clear, standardized, and contains complete information. This will enable the evaluation of the request documents to be relevant and reliable.

Initial cost (or purchase price) is not the only determining factor in assessing value for money. Rather, a whole-of-life value for money assessment would include consideration of factors such as:

- a. fitness for purpose;
- b. the performance history of each prospective supplier;
- c. the relative risk of each proposal;
- d. the flexibility to adapt to possible change over the lifecycle of the property or service;
- e. financial considerations including all relevant direct and indirect benefits and costs over the whole procurement cycle; and
- f. the evaluation of contract options (for example, contract extension options).

3.2 Encouraging Competition

Competition is another key element of the Government's procurement framework. Effective competition requires non-discrimination in procurement and the use of competitive procurement processes.

3.2.1 Non-discrimination

The Government's procurement policy framework is non discriminatory implying that one rule applies to all. The policy encourages the most competitive and able suppliers to respond to the requirements.

3.2.2 Competitive Procurement Processes

The procurement process itself is an important consideration in achieving value for money. Participation in a procurement process imposes costs on agencies and potential suppliers and these costs should be considered when determining a process commensurate with the scale, scope and relative risk of the proposed procurement.

3.3 Efficient, Effective and Ethical Use of Resources

The Financial Management Act requires Permanent Secretaries to achieve an efficient, effective and ethical use of government's resources. In terms of procurement, Permanent Secretaries need to ensure that all the appropriate policies, procedures and guidelines are in place to achieve the best value for money.

3.3.1 Efficiency and Effectiveness

Efficiency relates to the productivity of the resources used to conduct an activity in order to achieve the maximum value from the resources used. In relation to procurement, efficiency is about applying procurement processes in the best way to achieve the operating objective under the prevailing circumstances while remaining consistent with government policy.

Efficiency in procurement is enhanced by conducting transparent, fair and appropriately competitive processes of a scale commensurate with the size and risk profile of each particular project.

Effectiveness relates to how well outcomes meet objectives. It concerns the immediate characteristics of an agency's outputs, especially in terms of price, quality and quantity, and the degree to which outputs contribute to specified outcomes.

Effectiveness of the desired results in terms of property and services can only be achieved if the agency has:

- Correctly identified their needs;
- The functional specifications are accurately drafted;
- Thoroughly assessed the responses;
- Negotiated the final contract; and
- Carefully managed the contracts.

Comprehensive monitoring and assessment at all stages of the procurement process further contributes to effectiveness.

3.3.2 Ethics

Ethics are the moral boundaries or values in which officials work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behavior identifies and avoids conflicts of interests and does not make improper use of an individual's position.

A procurement conducted in an ethical manner will enable purchasers and potential suppliers to deal with each other with mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity. A specific aspect of ethical behaviour relevant to procurement is an overarching obligation to treat potential suppliers as equitably as possible.

Agencies need to ensure that officials involved in procurement, particularly those dealing directly with suppliers and potential suppliers:

- a. recognize and deal with any conflicts of interest, including perceived conflicts of interest;
- b. deal with suppliers and potential suppliers even-handedly;
- c. consider seeking advice where probity issues arise;
- d. do not compromise the government's standing by accepting inappropriate gifts or hospitality;
- e. are scrupulous in their use of public property; and
- f. comply with all other duties and obligations including statutory requirements.

Agencies should include contract provisions requiring contractors to comply with materially relevant laws and should, as far as practicable, require suppliers to apply such a requirement to sub-contractors. Contractors must also be able to make available details of all sub-contractors engaged in respect of the procurement contract.

Agencies must not enter into contracts with suppliers who have had a judicial decision against them relating to employee entitlements and have not paid the claim. Agencies should seek to confirm a tenderer has no such unsettled judgments by seeking a declaration on the matter from all tenderers.

Agencies must not seek to benefit from supplier practices that may be dishonest, unethical or unsafe. Box 1 below specifies 10 practical rules for ethical government procurement.

Figure 2: Ten Rules for Ethical Government Procurement

- a. *Be Independent* – Do not get involved emotionally while carrying out duties as a procurement official.
- b. *Act in the public interest* – The only party that needs to assume a profit making mindset is the potential supplier. The official needs to understand that his or her motive is to do the best for the public.
- c. *You are a trustee of public money* – in simple terms, *it's not your money*.
- d. *Follow the law* – The government has all the necessary resources to guide procurement officials to work in an ethical manner. The government also has all the necessary resources to prosecute those officials that do not work in an ethical manner.
- e. *Strive for efficiency* – Follow all the rules and comply with all policies, however, be proactive. Read, understand and identify the reasons for previous procurement inefficiencies.
- f. *Protect the economy* – Competition and innovation are good for the economy, while bid rigging is unhealthy. The procurement official needs to be aware of this.
- g. *Take nothing, EVER!* - Acceptance of anything from suppliers can be an indicator of possible collusion. Hence keep the suppliers at arms' length. This can also be seen as a conflict of interest.
- h. *Do not socialize with vendors* – this can again be seen as possible collusion.
- i. *Maintain confidentiality* – Do not talk about procurement details that are not made public.
- j. *Do not play favorites* – Favoritism resulting in the expenditure of wrong. It treats other suppliers unfairly and is unlikely to result in best value.

3.3.3 Conflict of Interest

A conflict of interest occurs arises when the personal or professional interest of an employee/board member are potentially at odds with the best interests of the organization. Not only real conflicts of interest should be avoided but also perceived conflict of interest.

Section 18 of the Procurement Regulations requires the members of the Government Tender Board to declare their interest as soon as practicable after relevant facts have come to their knowledge. This also applies to members of Evaluation Committees.

Individual public officials who are involved in the procurement process should behave ethically in order stop a conflict of roles arising. In turn they should report their interests to the appropriate officials.

Depending upon the law or rules related to a particular organization, the existence of a conflict of interest may not, in and of itself, be evidence of wrongdoing. In fact, for many professionals, it is virtually impossible to avoid having conflicts of interest from time to time. A conflict of interests can, however, become a legal matter for example when an individual tries (and/or succeeds in) influencing the outcome of a decision, for personal benefit. A director or executive of a corporation will be subject to legal liability if a conflict of interests breaches his or her duty of loyalty.

There often is confusion over these two situations. Someone accused of a conflict of interest may deny that a conflict exists because he/she did not act improperly. In fact, a conflict of interests can exist even if there are no improper acts as a result of it.

One way to understand this is to use the term "conflict of roles". A person with two roles – an individual who owns shares and is also a government official, for example – may experience situations where those two roles conflict. The conflict can be mitigated but it still exists. Having two roles is not illegal, but the differing roles will certainly provide an incentive for improper acts in some circumstances.

An organizational conflict of interest may exist in the same way as described above, for example, where a corporation provides two types of services to the Government that have conflicting interest or appear objectionable (i.e. manufacturing parts and then participating on a selection committee comparing parts manufacturers). Corporations and even some smaller businesses often develop systems to mitigate the risk or perceived risk of a conflict of interest. These risks are typically evaluated by a government agency to determine whether they pose a substantial advantage to the private organization over the competition or will decrease the overall competitiveness in the bidding process.

3.4 Accountability and Transparency

Accountability and transparency are primary considerations throughout the procurement process.

Accountability and transparency encourage the efficient, effective and ethical use of government resources. An agency and its officials have the responsibility of ensuring that any procurement process is open and transparent, that decisions are justified and that procurement related actions are documented, defensible and substantiated in accordance with legislation and government policy. This will ensure that procurement will withstand external scrutiny.

Accountability means that officials are responsible for the actions and decisions that they take in relation to procurement and for the resulting outcomes. Officials are answerable for such activity through established lines of accountability including the agency's Permanent Secretary and senior management.

Transparency provides assurance that procurement processes undertaken by agencies are appropriate and that policy and legislative obligations are being met. Transparency involves agencies taking steps to support appropriate scrutiny of their procurement activity.

The fundamental elements of accountability and transparency are policy and legislative obligations (as set out in the Procurement Regulations and Guidelines), documentation and disclosure. These are outlined below.

3.4.1 Documentation

Documentation is critical to accountability and transparency. It provides a record of procurement activities and how they have been conducted, and facilitate scrutiny of these activities.

Agencies must maintain appropriate documentation for every procurement made. The appropriate mix and level of documentation depends on the nature and risk profile of the procurement being undertaken.

Normally the users of the document would like to see

- The reasons for the procurement;
- The purchase processes adopted;
- The decision making process (who, when and why); and
- Relevant details of approval and authorization.

Documentation relating to procurement must be retained for a period of six (6) years or for a longer period if required by legislation or other reason for a specific procurement.

The Finance Instructions set out specific requirements for the preparation of documentation when making commitments to spend public money.

Agencies should ensure there is a written contract with the supplier in a procurement process. Where a written contract does not exist, agencies should ensure that sufficient written documentation or a written contract is formulated as soon as practicable. For low value, routine purchases a purchase order would be considered sufficient documentation.

Documentation requirements vary throughout the procurement cycle. Documentation that may be appropriate for each stage includes, but is not limited to, that shown in the following table.

Table 1: Examples of documentation requirements at different stages of the procurement process

Stage	Example of Documentation Requirements	Responsibility
Identify Need	<ul style="list-style-type: none">• annual procurement plan• budget papers• business case• risk assessment• legal advice	<i>Department or Agency</i>
Determine Suitable Process	<ul style="list-style-type: none">• procurement method decision• evaluation plan, including selection criteria• procurement budget• time limits and timetable	<i>Either FPO or Department/Agency</i>

Conduct Procurement Process	<ul style="list-style-type: none"> • approach to the market • request documentation (including draft contract) • due diligence process (if applicable) • tenders received and acknowledgements • value for money assessment • evaluation report and recommended decision • decisions (including relevant approvals/or authorisations) and their basis • contract negotiations and contract • advice to unsuccessful tenderers • reporting of contract 	<i>Either FPO for all purchases greater than \$30,000 plus all whole of government common goods or Department/Agency for purchases less than \$30,000</i>
Manage Contract/ Relationship	<ul style="list-style-type: none"> • contract management plan • performance indicators • milestones • performance reports • correspondence between the parties • variations of the contract • decisions regarding variation • records of the receipt of orders • evaluations of property and/or services • payment information 	<i>Either FPO for all purchases greater than \$30,000 plus all whole of government common goods or Department/Agency for purchases less than \$30,000</i>

3.4.2 Disclosure

Disclosure is the mechanism by which agencies make their procurement activities visible and transparent. The broad aim of disclosure is to provide confidence in the processes that an agency intends to undertake, or has undertaken, and reassurance that the Permanent Secretary is promoting the efficient, effective and ethical use of resources.

Annual Procurement Plans

Agencies must prepare an Annual Procurement Plan (APP) to support their projected procurement requirements for the coming financial year. The APP is to contain a short strategic procurement outlook for the agency supported by details of any planned procurement. The detail should include the subject matter of any planned procurement and the estimated date of the publication of the approach to the market.

Notification

Agencies must publish all open approaches to the market in local newspapers and, where applicable, on the FPO and/or agency's website.

3.4.3 Communications Process with Suppliers / Tenderers

Agencies need to promptly provide, on request, to any potential supplier, documentation that includes all information necessary to permit potential suppliers to prepare and lodge submissions. Where an agency rejects a potential supplier's submission, the agency must promptly advise them and, on request, provide a written explanation for that rejection. Following the award of a contract, agencies must promptly inform all tenderers of the tender decision and on request provide an unsuccessful tenderer with the reasons its submission was not successful. On request, debriefings should also be provided to successful tenderers.

3.4.4 Other Obligations

To enhance transparency, agencies must make available on request, the names of any sub-contractor engaged by a contractor in respect of a contract for procurement.

- a. Agencies must require contractors to agree to the public disclosure of the names of any sub-contractors engaged to perform services in relation to a government contract for procurement.
- b. Contractors must be required to inform relevant sub-contractors that the sub-contractor's participation in fulfilling a government contract for procurement may be publicly disclosed.

Various other reporting and disclosure obligations may apply from time to time, including:

- a. disclosure of procurement information from the Annual Procurement Plan for agency annual reporting purposes; and
- b. disclosure to Ministers and/or Parliament and its committees, as appropriate.

3.4.5 Treatment of Confidential Information

When undertaking procurement and awarding contracts, agencies must take appropriate steps to protect confidential government information.

Agencies should therefore ensure that, where it is necessary for potential suppliers to have access to confidential information for the purpose of preparing a submission, appropriate steps are taken to ensure that potential suppliers maintain the confidentiality of that information.

Agencies should ensure that potential suppliers' submissions are treated as confidential prior to the award of a contract and that unsuccessful submissions are kept confidential after the award of the contract to the successful supplier. Once a contract has been awarded the terms of the contract and successful supplier's submission are not confidential unless the agency has determined that specific information is to be kept confidential.

The need to maintain the confidentiality of information should always be balanced against the public accountability requirements of the government. It is therefore important for officials to plan for and facilitate appropriate disclosure of procurement information. In particular, officials should:

- a. include provisions in request documentation and contracts that alert prospective suppliers to the public accountability requirements of the Government.
- b. where relevant, include a provision in contracts to enable the Auditor General's Office to access contractors' records and premises to carry out appropriate audits.
- c. consider, on a case by case basis, any request by a potential supplier for material to be treated confidentially after the award of a contract, only entering into commitments to maintain confidentiality where these are appropriate.

Where confidential information is required to be disclosed, for example, following a request from a Parliamentary committee, reasonable notice in writing must be given to the party from whom the information originated.

3.4.6 Dealing with Complaints

Procurement processes need to be based on clearly articulated and defensible evaluation criteria consistent with the procurement policy framework. The FPO and agencies' actions in undertaking procurement processes must be robust and defensible.

In the event that a complaint is received agencies should aim to manage this process internally, where possible, through communication and conciliation with the tenderer or supplier. Agencies must apply fair, equitable and non discriminatory complaint handling procedures. The procedures should take account of the following:

- a. the process needs to be systematic and well understood by the parties involved;
- b. senior management and officials independent of the process should be involved as appropriate;
- c. complaints should be dealt with in writing;
- d. each party must have sufficient time to appropriately respond to developments (no less than 10 days, unless urgent);
- e. if a matter has been referred to an external body for review, agencies may be required to provide all relevant documents to that body as required by law; and
- f. agencies must ensure that the initiation of a complaint process does not prejudice a supplier's or a potential supplier's participation in future procurement processes.

External options are available if independent review of a complaint is necessary. The primary external complaint mechanism is the civil legal system, which can be used to settle matters through a judicial process.

3.5 Integrity, Fairness and Public Confidence

Promoting integrity, fairness and public confidence in the Government procurement processes is an essential aspect for a Government procurement system.

The rules of conduct for procurement officials in Government must promote integrity and fairness. This involves ensuring that procurement decisions are made in an impartial, fair, and consistent manner and are therefore consistent, reliable and justifiable. Procurement officials must behave in an ethical manner and ensure fair treatment of all interested suppliers, contractors and consultants when making procurement decisions. The private sector expects fair evaluation of its proposals for government contracts and, in turn, government agencies expect contractors to compete solely upon the merits of their demonstrated capabilities and the quality and prices of their offers, rather than their influence of government officials. This mutual trust, bolstered by meaningful oversight, not only sustains but enhances the competitive environment and thereby directly expands Government's options and opportunities.

As such, a Procurement Code of Conduct will be issued which sets out the core values and behavior for all stakeholders in the government supply chain which includes Government procurement officials and potential suppliers, contractors and consultants. This aims to encourage all stakeholders to work in a cooperative and consultative manner and at the same time increase public confidence in the government procurement processes.

Enhancing public confidence in the procurement process would lead to better competition in the market and would encourage new suppliers and contractors to bid for government contracts.

PART 4 – PROCUREMENT COMPETENCIES

To have effective procurement for agencies and within the Fiji Procurement Office, the procurement teams need to have a mixture of skills and expertise.

No one person can have all the competencies outlined below. Therefore, a team structure needs to be established in such a way that procurement can be conducted in accordance with the policies.

4.1 Core Competencies

The core competencies comprise:

- | | |
|--|---|
| 1. Fiji Government procurement policy | 10. Construction procurement |
| 2. Strategic procurement | 11. IT procurement |
| 3. Market and product knowledge | 12. Knowledge of procurement and contract law |
| 4. Tendering processes | 14. Team management |
| 5. Contract management | 13. Self management |
| 6. Inventory management | 15. Finance |
| 7. Marketing, customer and supplier management | 16. Information technology |
| 8. Procurement strategies | 17. Information management |
| 9. Project planning skills | 18. Negotiation skills |

Attached as Appendix 1 is a competency table outlining the level of knowledge and skills of officers in these core competencies. This can be used as an assessment guide for agencies when determining the level of skills of officers involved in procurement and to tailor make their capacity building programs along these lines.

APPENDIX 1

Competency	Level 0	Level 1	Level 2	Level 3	Level 4
1.Fiji Government Procurement Policy <ul style="list-style-type: none"> Govt. Procurement policy Govt. Accounting rules Procurement directives Sustainable development Environmental issues Social issues Policies/procedures 	No knowledge of competence area	Limited awareness of public procurement policy and associated implications and requirements. Compliance with administrative and procedural needs through adherence to pre-defined rules and procedures, under close supervision.	Awareness of procurement policy and associated implications. Compliance with predetermined rules accompanied by an understanding of the risk of non-compliance. Through experience has the knowledge and understanding of when to seek advice.	Understands public procurement policy, able to comply with rules through knowledge and experience. Understands risks of non-compliance. Able to review compliance options and challenges, and to recommend the preferred approach. Has the knowledge and ability to provide sound advice.	Understands public procurement policy and the rationale that underpins it. Totally familiar with compliance rules, is seen as a valued source of advice on compliance options and risks of non-compliance. Has the ability to contribute to the development of policies and procedures.
2. Strategic Procurement <ul style="list-style-type: none"> Risk management Benefits Analysis Business cases Contracting strategies Cross Functional Teams Supplier Management Project Planning Supply chain management Procurement Excellence Model 	No knowledge of competence area	Limited awareness of strategic issues. Involvement in supporting or administrative only, under close supervision.	Awareness of strategic issues, and ability to identify circumstances where value and risk require a strategic approach to be taken. Enough experience of strategic procurement to know when to seek advice.	Experience of operating on strategic projects as part of cross-functional teams. Able to draw up business cases and project plans, able to manage risk. Able to identify differing contracting strategies and to recommend preferred option. Some experience of supplier management.	Thorough knowledge and skills is able to play a leading role in cross-functional teams handling strategic procurements. Able to manage all aspects of projects from business case through to delivery. Able to identify and implement appropriate contracting strategies. Actively manages relationships with key suppliers.

3. Markets <ul style="list-style-type: none"> • Market knowledge • Product knowledge • Commercial focus • Commodity knowledge 	No knowledge of competence area	Awareness of markets as a source of supply, but no detailed market/product knowledge, with limited commercial focus. Limited commodity knowledge. Administrative/supporting involvement only under close supervision.	Basic knowledge of markets, commodity and products, with ability to apply basic procurement processes in search of best value. Some commercial focus, with enough experience to know when to seek advice.	Thorough experience and knowledge of specific markets, and commodities with the ability to exploit them through application of well developed procurement skills. Commercially aware and credible externally.	Skilled and experienced in market exploitation. Able to identify appropriate tactics dependent on supplier position in the market. Complex commodity knowledge. Very focussed commercially, very credible externally.
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Competency	Level 0	Level 1	Level 2	Level 3	Level 4
4. Tendering Processes <ul style="list-style-type: none"> • Tendering Procedures • Specifications • Invitations to Tender • Terms & Conditions, law • Bid evaluation • Negotiation • Award of Contracts • De-briefing 	No knowledge of competence area	Limited awareness of procurement processes. Involvement in supporting/administrative capacity, in line with pre-determined rules and under close supervision.	Able to apply basic procurement processes to routine procurement situations. Understanding of the tendering procedures (Open, Restricted and Competitive Dialogue). Some experience of negotiation but requires support. Experienced enough to know when to seek help or advice.	Familiar and comfortable with all aspects of procurement processes/tendering procedures. Able to provide advice on specifications, and to take the lead on procurement aspects as part of a cross-functional team. Experienced in negotiating high value contracts, commanding credibility and respect externally.	Totally familiar with all aspects of procurement processes, through experience and knowledge. Able to apply judgement to determine how best to apply processes to secure best value in any particular set of circumstances. Able to direct and coach others, able to command credibility with the suppliers.
5. Contract Management <ul style="list-style-type: none"> • Performance indicators • Performance 	No knowledge of competence area	Limited awareness/appreciation of contract management issues. Involvement in supporting/administrative	Able to monitor contractor performance against pre-determined milestones, and to identify when corrective action needed. Requires	Understands when contractor performance requires corrective action, and is able to identify the appropriate action to be	Experienced in identifying and negotiating contractor performance milestones, and in monitoring performance. Ability to resolve difficulties

Review <ul style="list-style-type: none"> • Problem resolution 		capacity, under close supervision.	assistance to negotiate improvements.	taken. Experienced in negotiating to achieve and maintain the necessary level of improvement.	through negotiation, leading to improvement. Knowledge of how to terminate contracts appropriately and legally where necessary.
6. Inventory Management <ul style="list-style-type: none"> • Receipts • Storage • Stock Control • Distribution • Disposal 	No knowledge of competence area	Awareness of the fact that stocks are held at local level, but no detailed understanding of inventory management. Involved in administrative/support capacity, under close supervision.	Appreciation/familiarity with basic stock control. Able to operate stock control systems in line with pre-determined criteria e.g. re-order levels. Able to recognise where advice is required.	Basic skills and experience in all aspects of inventory management. Able to manage the balance between the need to provide high levels of customer service, and the need to minimise money tied up in stock.	Experienced in design, implementation and management of inventory control systems, so that money tied up in stock is minimised whilst optimum levels of customer service are maintained.

Competency	Level 0	Level 1	Level 2	Level 3	Level 4
7. Marketing/ Customer/Supplier Management <ul style="list-style-type: none"> • Promotion, selling procurement • Customer awareness • Customer relationships • Customer care • Understanding business needs • Identifying stakeholders 	No knowledge of competence area	<p>Limited awareness/understanding of a customer focused approach. Supportive/administrative involvement only, under close supervision.</p> <p>Understands the business requirements of internal customers. Identifies and clearly documents business needs for all significant purchases.</p>	<p>Understands and commits to a positive, helpful customer focussed approach. Knows when to seek support.</p> <p>Through establishing effective communication and working relationships with internal customers and stakeholders is able to identify real business needs. Uses the identified business needs to develop supplier evaluation criteria and drive the development of the procurement strategy.</p>	<p>Experienced and skilled in dealing with customers at all levels, so that they feel both valued and satisfied. Commands customer respect and creates confidence that excellent service will occur.</p> <p>Through establishing effective communication and working relationships with internal customers and stakeholders is able to identify, agree and</p>	<p>Experienced and skilled in all aspects of pro-active management of customer relationships. Effective in promoting procurement influence.</p> <p>Through establishing effective communications and working relationships with internal customer and key stakeholders, is able to identify, prioritise, agree and document real business needs. Uses the identified</p>

				document real business needs. Uses the identified business needs to develop forward plans and priorities for self and team.	business needs to develop forward plans, priorities and deliverables.
8. Procurement Strategies <ul style="list-style-type: none"> • PFI/PPP and Others and attendant processes • Competition processes • Service pricing mechanisms • Benchmarking techniques • Strategic Partnering • Collaboration with other Public Bodies 	No knowledge of competence area	Basic knowledge of PFI/PPP policy and practice. Administrative/supporting involvement in PF/PPP processes under close supervision	Basic knowledge of PFI/PPP policy and practice. Able to follow pre-determined procedures. Understands risks of non-compliance. Sufficiently knowledgeable to recognise when to seek advice and other support.	Understands PFFI/PPP policy and practice. Awareness of attendant risks and able to contribute to their management. Commercial awareness and experience of high value contract negotiation in this arena.	Understands PFI/PPP policy and practice, and arguments for and against. Thorough knowledge and practical experience. Has proper understanding of commercial partnering and able to play a leading role in it. Able to contribute to continuous improvement in PFI/PPP policy and practice.

Competency	Level 0	Level 1	Level 2	Level 3	Level 4
9. Project planning skills <ul style="list-style-type: none"> • Project cycle • Project execution plan • Critical path analysis • Project evaluation 	No knowledge of competence area	Limited awareness of project planning	Basic understanding of the formulation, key components and use of the project execution plan.	Competent to oversee all facets of the project cycle, ensuring proposals are realistic and manage processes to accomplish full completion of the project. Be able to understand the formulation, key	Suitably qualified and experienced to act as a single focus point and manage the department's interest in the project. Ability to assess performance costs and outputs independently against project

				components and use of the project execution plan. Establish the minimum time necessary to complete a project by calculating the longest sequence of activities.	plan and take necessary measures to improve future outcomes.
<p>10. Construction</p> <ul style="list-style-type: none"> • Construction process • Knowing the construction industry • Contract Strategies • Costing systems in industry • Design – quality /environmental issues • Forms of contracts • Space Management • Claims • Health and safety regulations • Achieving Excellence • Key Performance Indicators 	No knowledge of competence area	<p>Limited awareness and understanding of the key issues of each subject heading and their implications for the client department.</p> <p>Basic understanding of the current Health & Safety Legislation and its effects on projects.</p>	<p>Able to understand the key issues of each subject heading and their implications for the client department.</p> <p>Understand the current Health & Safety Legislation and its effects on projects.</p>	<p>Able to understand the key issues of each subject heading and their implications for the client department and able to ask relevant questions on the subject.</p> <p>Have the technical ability to do what is required at each stage of the project or able to direct someone to perform detailed requirement. Knowledge and understanding of the Construction including Health, Safety & Welfare Legislation and Regulations</p>	<p>Able to understand the key issues of each subject heading and their implications for the client department and able to ask relevant questions on the subject.</p> <p>Have the technical ability to do what is required at each stage of the project or able to direct someone to perform detailed requirement. Knowledge and understanding of the Construction including Health, Safety & Welfare Legislation and Regulations.</p>

Competency	Level 0	Level 1	Level 2	Level 3	Level 4
11. IT Procurement <ul style="list-style-type: none"> • Information management • Advice and guidance • Business strategy and planning • Technical strategy and planning • Supply management • Project management • Quality management • Resource management • Systems development • Human resources • Ergonomics • Service delivery 	No knowledge of competence area	<p>Basic awareness of the importance of Information & Communications Technologies and the need for procurement to be involved at an early stage.</p> <p>Possible involvement in assisting the various stages of the procurement lifecycle in an administrative capacity.</p> <p>Limited involvement in system testing, project office support, application and system support.</p>	<p>Communicate ideas and work within multi-functional teams with minimum supervision and infrequent reference to others.</p> <p>Have a methodical and organised approach to work and demonstrate ability to learn new skills and apply newly acquired knowledge.</p> <p>Basic awareness of the importance of Information & Communications Technologies, the role that procurement should play and the need for procurement to be involved at an early stage.</p>	<p>Knowledge/experience of strategy and planning, management and administration, development and implementation and service delivery for Information and Communications Technologies processes.</p> <p>Ability to work effectively within multi-functional team environment.</p> <p>Ability to quickly absorb complex issues/data and communicate this at all levels.</p> <p>Conversant in the following areas; business risk management; contract management; project office; quality management/assurance; asset management; systems development management.</p>	<p>Experience in procurement strategies and planning for development, implementation and service delivery of Information and Communication Technologies projects.</p> <p>Ability to team lead, influence and negotiate.</p> <p>Understands, explains and presents complex ideas to both technical and non-technical audiences.</p> <p>Able to understand and communicate the potential impact of emerging technologies on the organisation and individuals.</p>
12. Knowledge of Procurement/Contract Law	No knowledge of competence area	A limited knowledge of the basics of contract law, but is able to recognise when experts need to be consulted	Has a sound knowledge of the basics of contract law, and understands when to seek advice from other sources.	Has a sound knowledge of the nature, application and implications of contract law	Understands fully the nature, application and implications of contract, in particular complexities in contract law.

		in relation to contractual issues.			
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Competency	Level 0	Level 1	Level 2	Level 3	Level 4
13. Management - self <ul style="list-style-type: none"> • Business ethics • Time management, flexibility • Planning • Creativity • Risk awareness • Numeracy/analysis • Communications • Influencing • Teamwork • Improvement • Presentations • Relationship management 	No knowledge of Competence area	Aware of the need to support others in a helpful, flexible way. Able to adopt a polite, positive attitude, working under close supervision and in accordance with pre-determined rules/procedures.	Makes good use of time, if flexible. Aware of the need to plan. Limited ability to be creative, limited awareness of risk and its implications. Possesses basic numeracy and communicates well. Limited influencing skills, but able to be a good team player.	<p>Able to plan use of time, and to react to change in a flexible way.</p> <p>Limited creativity, but very comfortable with managing high value procurement processes. Able to manage risk.</p> <p>Comfortable with numbers, able to communicate well both orally and in writing. Good influencing/management skills, and a good team player. Aware of the need for continuous improvement.</p>	<p>Ability to provide direction and leadership. Able to agree plans and ensure performance against milestones is managed pro-actively. Able to manage risk.</p> <p>Flexible, comfortable with change – constantly seeking improvements to existing practice.</p> <p>Creative, numerate and able to communicate effectively. Strong influencing/negotiating skills.</p>
14. Management - team <ul style="list-style-type: none"> • Performance management of staff • Recruitment/select ion • Budgets • Workload 	No knowledge of Competence area	Aware of the need to support others in a helpful, flexible way. Aware of the roles of others and how they interact. Able to work with others as part of a team.	Aware of the need to support others in a helpful, flexible way. A good team player who can effectively manage staff. Aware of the need to support management in ensuring that an effective team is developed to deliver the needs of the business	Able to plan use of time, and to react to change in a flexible way. A good team player that can effectively prioritise workload and identify the skills required within the team to deliver to the needs of the business plan.	Ability to provide direction and leadership. Able to agree plans and ensure performance against milestones is managed pro-actively. Able to recognise the skills required for a team and through recruitment and development ensure that an

<p>prioritisation</p> <ul style="list-style-type: none"> • Management of staff • Handle staff conflict • Team building • Organisational skills • Relationship management • Leadership skills 			<p>plan.</p> <p>Able to identify staff conflicts and work with management to resolve.</p>	<p>Able to effectively manage a team, whilst being able to identify any staff conflicts and work with management to resolve.</p>	<p>appropriate team is built to meet the business objectives.</p> <p>Ability to effectively manage a team(s) as necessary, handling conflict effectively, as appropriate.</p>
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Competency	Level 0	Level 1	Level 2	Level 3	Level 4
15. Finance <ul style="list-style-type: none"> Financial accounts Financial appraisal Supplier cost base 	No knowledge of Competence area	No real understanding of financial management issues, no involvement in appraisal of suppliers' accounts/cost bases.	Limited appreciation of financial accounts/appraisal, and of supplier cost bases. Enough knowledge to know when further advice may be necessary.	Enough knowledge of financial accounts to be able to identify companies which are at risk. Sufficiently aware of cost bases to be able to negotiate cost reductions. Able to identify when specialist financial advice may be needed.	Understands profit and loss accounts and balance sheets. Able to calculate key financial ratios, to provide evidence as to companies that are at risk. Detailed understanding of suppliers cost bases and cost drivers. Aware of boundaries of own knowledge, able to judge when specialist financial advice is necessary.
16. Information Technology <ul style="list-style-type: none"> Management information systems Tools – spreadsheets, word processing, other E-commerce 	No knowledge of Competence area	Able to operate basic IT tools in a supporting/administrative capacity, under close supervision.	Ability to operate basic IT tools, coupled with an appreciation of how to exploit them to support procurement processes.	Familiar and comfortable with basic IT tools. Working knowledge as to how IT can support procurement systems. Appreciation of the potential for IT systems to produce management information.	Experienced in design, implementation and management of procurement systems, which interface with financial systems, reduce manual effort and facilitate provision of meaningful procurement management information. Working to exploit opportunities offered by e-commerce.
17. Information Management <ul style="list-style-type: none"> Identifying sources of management information Developing 	No knowledge of Competence area	Awareness of the importance and usefulness of accurate information in procurement. Ability to collect basic information on procurement expenditure and supplier performance.	Ability to develop processes for collecting accurate data on procurement expenditure, supplier performance etc. Ability to interpret data and prepare management information reports. Ability to	Experienced and skilled in using management information to develop procurement strategies, carry out market analysis and inform key decision making processes. Experienced in	Experienced and skilled in the strategic use of management information tools available. Uses data to improve the strategic effectiveness of the supply chain and manage risk. Uses data to forecast demand

<p>processes for data collection</p> <ul style="list-style-type: none"> • Analysing and interpreting data • Using management information to inform decision making 			<p>benchmark supplier prices for key items and assist in identifying potential areas where VFM gains can be achieved. Ability to use data to manage stockholdings and economic ordering quantities.</p>	<p>supplier management and uses management information to improve the effectiveness of supplier relationships.</p>	<p>and supply characteristics to target specific areas where VFM gains can be generated.</p>
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Competency	Level 0	Level 1	Level 2	Level 3	Level 4
18. Negotiation Skills	No knowledge of Competence area	Understands the principles, tools and techniques of basic negotiation. May get involved in basic negotiations under close supervision.	Develops well-thought through and documented negotiation plans and targets. Involves internal customers in the planning and execution of the negotiation ensuring that they understand their role and contribution throughout the negotiation process. Results consistently deliver against negotiation targets.	Develops well-thought through and documented negotiation plans and targets. Involves internal customers in the planning and execution of the negotiation ensuring that they understand their role and contribution throughout the negotiation process. Results consistently deliver at the upper end of expectations.	Develops well-thought through and documented negotiation strategies, plans and targets. Involves internal customers in the planning and execution of the negotiation ensuring that they understand their role and contribution throughout the negotiation process. Able to lead on the most complex/difficult negotiations. Able to effectively coach and develop others in the negotiation process.

