

GUIDE TO THE EXPRESSION OF INTEREST PROCESS



Ministry of Economy

FIJI PROCUREMENT OFFICE

RO LALABALAVU HOUSE

SUVA

2012

REVIEWED: FEBRUARY 2014

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.

Assistance

If you require any assistance or further clarifications on this Guide, please contact
Fiji Procurement Office
Level 4
Ro Lalabalavu House
Suva.

Phone: (679) 3221233
Fax: (679) 3313135
Website: www.fpo.gov.fj

Contents

- 1.0 Introduction 1
- 2.0 Purpose..... 1
- 3.0 Scope 1
- 4.0 Legislative Requirement 1
- 5.0 Reasons for calling an Expression of Interest 2
 - 5.1 Information Gathering 2
 - 5.2 Panel of Contractors for work below GTB approval 4
 - 5.3 Panel for selective tendering purposes 6
- 6.0 Conclusion 6

1.0 Introduction

1.1 This guide cover issues regarding the Expression of Interest (EOI) process used by ministries and departments as another form of procuring goods, services and works. Ministries and department must ensure that all statement of requirements is covered in the EOI before being advertised in the media. This will give a clear instruction to bidders as to which type of information's is required by ministries and departments needs in order to identify the best potential bidders to carry out works, services or supply of goods.

2.0 Purpose

2.1 These guidelines serve as a procedural guide to the process of Expression of Interest and the evaluation of EOIs.

3.0 Scope

3.1 These guidelines apply to all government agencies and officers who are involved in the advertisement of Expression of Interest and evaluation process and as well as the procurement process as a whole.

4.0 Legislative Requirement

4.1 Regulation 39 of the Fiji Procurement Regulation sets the legislative requirements for the Expression of Interest. It states that:

- a) a procuring ministry or department may advertise an expression of interest to request information from potential suppliers and may use the list of potential suppliers that have submitted compliant bids as the basis for seeking tenders or proposals;
- b) an expression of interest must contain adequate information to ensure potential suppliers understand the procuring ministry or department's requirements and are able to prepare submissions in response to these requirements and must include the evaluation criteria that will be used to asses submissions and other relevant information; and

- c) an expression of interest must be issued in accordance with the provisions of the Regulations in respect of requests to tender where applicable.

5.0 Reasons for calling an Expression of Interest

5.1 Information Gathering

- 5.1.1 An expression of interest shall be advertised by the procuring ministry or department or Fiji Procurement Office (FPO) if requested. It provides basic information about the procurement need and requests information on the capability of suppliers/contractors to satisfy the procurement need. The statements of requirements are likely to be brief with a focus on outcomes than those suitable for a RFT or RFP. It must also be made clear to suppliers that an EOI will not necessarily result in procurement.
- 5.1.2 There has been much confusion in government over the use of an expression of Interest (EOI). It must be noted that an EOI is not a tender and should not be used as a means of obtaining quotations or offers for the procurement of goods, service or work. An EOI is only a preliminary step to a tender and is used to gauge whether there are potential suppliers in the market that are interested in, and capable of satisfying the procurement needs. EOI can be used as a preliminary stage for selective and prequalified tendering processes, for selecting a Panel of Contractors or a supplier list, for identifying serious buyers in the sales of government assets (shares in government commercial companies or in TMA operations as in the case of Government Printing and Stationary department (GPSD)).
- 5.1.3 When a procuring ministry or department uses the expression of interest process the following steps should be followed:
 - i. Procuring ministry or department places an advertisement for an expression of interest. A copy of the advertisement should be sent to the Fiji Procurement Office for information. The advertisement should outline the procuring ministry or department's requirements based on the procurement need of the ministry or department. Period of advertisement should not be more than 30 working days and not less than 10 working days from the date of advertisement to allow reasonable time for potential suppliers to respond.
 - ii. Terms of reference must be clear and concise and should indicate the duration of the procurement being sought.

- iii. An evaluation committee is appointed to assess the initial submissions from those compliant bidders. The evaluation committee should comprise of members from the Ministry of Industry and Trade, Fiji Procurement Office as well as members from within the ministry of department or outside who have relevant expertise on the procurement need.
- iv. The evaluation committee will then meet to assess the bids submitted. They may also shortlist their preferred bidders. After the evaluation committee agrees to the list of bidders or suppliers, the request for tender (RFT) documents are then prepared.
- v. The RFT document are prepared in a more detailed manner outlining the specifications required and other important factors that were not included in the expression of interest.

Once prepared, finalized and cleared by the respective Permanent Secretary, the RFT documents including the specifications are sent to the Fiji Procurement Office for a selective tendering process. Ministries and departments should note that when sending these documents to FPO, the list of preferred bidders or suppliers should also be included along with their contact details.

- vi. FPO will contact these bidders directly via official letters and invite them to submit detailed bids as well as inform them of the closing dates. Here onwards the normal tender processing times applies. Depending on the urgency or need of the Ministry or department, the closing date may fall after 2 weeks or 4 weeks from the date of invitation to bid.
- vii. Bids are opened on the closing date. The Ministry or department will receive the bids from FPO. Evaluation of these bids will take place and again the membership of the evaluation committee should include FPO and the Ministry of Industry and Trade and relevant officers from other ministries or departments or within the procuring agency. During evaluation, the most responsive and compliant bidder is usually recommended for award. The agency writes back to FPO requesting that the recommended bidder be awarded the contract.
- viii. This request is processed by FPO and if more information is required, FPO will contact the relevant officers in such circumstances. Once the request is cleared it is then submitted to the Government Tender Board for consideration and approval for award.
- ix. The Ministry or department will then receive official notification from the Secretary of Government Tender Board (GTB).

5.2 Panel of Contractors for work below GTB approval

5.2.1 In instances where a ministry or department wants to appoint a panel of contractors –or a list of suppliers who may be able to provide certain services or works, this list should then be submitted to the Fiji Procurement Office for consideration and approval by the Government Tender Board.

5.2.2 Bidders will be required to provide documents that will be mandatory as per the requirements of the agency; however the following is lists of documents that may be requested form the bidders;

- a) Copy of Business Registration Certificate
- b) Evidence of financial capabilities/ Bank letter
- c) Tax Identification Number(TIN) and Tax Compliance certificate
- d) Copy of Vat registration certificate
- e) Past performance/ Experience in doing similar work
- f) References
- g) Company Profile
- h) OHS Compliance certificate for works
- i) Qualifications (for services or works)
- j) Suppliers capacity and capability to meet the agencies specified requirement
- k) Product compatibility and availability.
- l) No pending legal action against the company and;
- m) Not insolvent or under bankruptcy proceedings.
- n) Insurance coverage for works and services.

5.2.3 Expression of Interest will undergo a preliminary checking and verification process to determine whether the claims made in submissions to response to EOI appear credible and legitimate. As part of this process, ministries and departments may contact people and organizations for references to justify their capabilities and past experiences. Companies will be contacted and requested to provide further information or documentations if necessary as agreed by the evaluation committee.

5.2.4 Apart from the criteria in the mandatory requirement above, respondents must provide sufficient information about their companies e.g. location & availability, resources (financial and human resources), track record and timeliness. This is done so that the evaluation committee can fairly assess all the attributes against each other. The information is to be concise and must be related directly to the services covered under EOI.

- 5.2.5 Companies must ensure that there is no pending legal action against them and they are not under bankruptcy. Respondents will be disqualified from being evaluated if found by the evaluation committee to be under bankruptcy.
- 5.2.6 The submissions must adhere to the closing date and time. Late submissions should not be received at all.
- 5.2.7 An advertisement for Panel list can only be placed by the Fiji Procurement Office and all the EOIs are to be received and opened at the FPO conference room on the closing date and time stated. Submissions are opened, and must be registered, stamped and signed by the Government Tender Board Secretary.
- 5.2.8 Upon the receipt and opening of bids, the offers are to be evaluated by an evaluation team appointed by the Permanent Secretary of that procuring ministry or department. The evaluation team should comprise of three (3) to five (5) officers who will provide objective and independent and knowledge or advice of the specific subject matter. The evaluation committee should be chaired by an officer from the ministry for which the EOI was advertised and must include a representative from the Ministry of Trade and Industry, Fiji Procurement Office and a Technical expert and the secretary should be from the same Ministry. All bids must be evaluated based on the specification, scope, statement of work and other requirements as stipulated in the terms of reference or mandatory requirements. The objective of the evaluation process will be to select contractors who are capable of and committed to the delivery of both the scope and quality of the service or works sought.
- 5.2.9 Any officer from the evaluation committee who has some interest in any company submitting EOI must declare his/her interest before the evaluation process takes place.
- 5.2.10 In the event of a conflict of interest being identified, the evaluation committee at its discretion shall exclude that particular member from the evaluation meeting.
- 5.2.11 The recommended list with justification than has to be forwarded to FPO and a submission is then made to the Government Tender Board for consideration and approval.
- 5.2.12 Once approved by the Government Tender Board, the ministry or department will then use this list to acquire quotations for the services or works required. Ministries or departments should note that quotations need to be sought from all bidders/suppliers on the list and a deadline should be given for bidders to submit quotes. Furthermore, there should be a quotation box provided at the ministry or department where bidders can drop their quotations.
- 5.2.13 The Ministry concerned should notify the companies that their bid was unsuccessful and late bidders will not be opened for evaluation.

5.2.14 It must be noted by agencies that for projects that are over \$50,000, an open tender must be called. Any bid for the supply of goods, services or works above this limit must be procured via the open tendering process to get a wider and competitive selection base. FPO will be informed to advertise the tender with all necessary specifications and other requirements in the newspaper. The normal tender process will take place thereafter which includes the evaluation process until a bidder is actually given the contract for the supply of goods, services or works.

5.2.15 For works or services that do not exceed \$50,000 in cost or value, the procuring ministry or department will be responsible for evaluating and selecting a bidder that best qualifies or is compliant with all requirements

5.2.16 Procuring ministries and departments who may want to utilize the services of another ministry or department in providing works or services may advise such agencies to provide quotations. Quotations received from these ministries and departments will be evaluated with the other shortlisted bidders.

The approved panel can also be utilized by other agencies with the approval requested from the Permanent Secretary or the delegated officer of the agency.

5.2.17 All information submitted by a respondent will be treated confidentially by ministries or departments or FPO whoever is in the evaluation committee.

5.3 Panel for selective tendering purposes

5.3.1 Selective tendering is a method that Ministries and Department can utilize to pursue procurement apart from the open tendering process. This method makes use of a prequalified list prepared after an Expression of Interest is advertised.

5.3.2 The processes of advertising and approving for this category is the same as procedures stated under section 5.2, however the difference is that for any procurement more than \$50,000 agencies shall use the selected list for selective tender process and not follow the open tender process.

6.0 Conclusion

6.1 This policy will be reviewed as and when changes are made to the mandatory requirement for EOI and any changes or amendment made to the legislations that govern EOI. This guide sets

the benchmark for ministries and departments to ensure that EOI is called for purposes of information gathering or determining a panel of contractors or suppliers.