



**NATIONAL FISHERIES AUTHORITY**

**PROCUREMENT POLICY**

# NATIONAL FISHERIES AUTHORITY PROCUREMENT POLICY

## **ESTABLISHMENT OF THE NATIONAL FISHERIES AUTHORITY SPECIAL PROCUREMENT COMMITTEE (NFA SPC).**

The NFA SPC was certified on the 03<sup>rd</sup> day of October 2022, by the Authority to Pre-commit Committee (APC Committee), pursuant to Section 27(2) of the *National Procurement Act 2018* (as amended) as having the capacity to undertake procurements.

In accordance with this certification, the National Fisheries Authority Special Procurement Committee is now established.

This Policy document will guide all procurement matters of the National Fisheries Authority within their specific financial thresholds.

The Policy document will be used by NFA for internal procurement process within the Managing Director's financial threshold. The processes will also be utilised for all procurements beyond the Managing Director's financial threshold but within the NFA SPC's financial threshold.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

# NATIONAL FISHERIES AUTHORITY PROCUREMENT POLICY

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# NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES

## INTERPRETATION AND APPLICATION

### INTERPRETATION:

The procedure for the procurement or sale of assets and the supply of goods or services are to be read in conjunction with the *National Procurement Act 2018* and the *Fisheries Management Act 1998*.

### Definitions:

Wherever they apply in these procedures, the following words and phrases shall have the meanings given below:

“Secretary”	The Secretary of the National Fisheries Authority Internal Procurement Committee, and shall include his or her alternate.
“Business Unit Executive Manager”	A Manager of the following Business Units: <ul style="list-style-type: none"><li>• Corporate Services</li><li>• Fisheries Management</li><li>• Provincial Support and Industry Development</li><li>• Licensing &amp; Data Management</li><li>• Monitoring, Control &amp; Surveillance</li><li>• Finance</li><li>• Policy &amp; Projects Management</li><li>• Aquaculture &amp; Inland Fisheries</li><li>• Directorate</li><li>• Strategic Planning, Economic Research and International Fisheries</li><li>• Audit Certification Catch Documentation</li></ul>
“Chairman”	The Chairman of the National Fisheries Authority Internal Procurement Committee
“Deputy Chairman”	The Deputy Chairman of the National Fisheries Authority Internal Procurement Committee
“Member”	A member of the National Fisheries Authority Internal Procurement Committee.
“Minor Procurements”	Any procurements valued up to K50,000.00
“National Fisheries Authority Procurement Committee”	The Internal Procurement Committee of the NFA
“NPC”	National Procurement Commission
“Procurement”	Procurement includes sale or disposal of assets.

“Procurement Committee”	The National Fisheries Authority Procurement Committee
“Register”	Registers kept in which all relevant information appertaining to the procurement of works, supplies and service are recorded.
“Special Committee”	Special Committee of the NPC Board established for NFA.

## APPLICATION:

The following amounts and procedure are adopted for the procurement of all works, supplies and services, or sale or disposal of assets required by or to be performed by the National Fisheries Authority.

### **Procurement Not Exceeding 1,000 Kina**

The Business Unit Manager may procure any work, supply or any service, the estimated value of which does not exceed 1,000 Kina directly from any supplier without first obtaining any quotations and without inviting tenders.

### **Procurement Exceeding 1,000 Kina and up to 5,000 Kina**

The Business Unit Manager shall, prior to procuring any works, supplies or services, the estimated value of which exceeds 1,000 Kina but is not more than 5,000 Kina obtain at least **three verbal quotations** from available suppliers. Authority to procure must be endorsed by the Managing Director.

All verbal quotations are to be entered into a separate register of verbal quotations to be maintained by each Business Unit, and shall include details of the suppliers from whom quotations were received, the works, supplies or service quoted for and the supplier from whom procurement was made.

Where the supplier from whom procurement was made did not furnish the lowest verbal quotation, the reasons for not accepting the lowest verbal quotation must also be recorded in full in the register.

### **Procurement Exceeding 5,000 Kina and up to 50,000 Kina**

The Business Unit Manager shall prior to procurement of any works, supplies or services or sale or disposal of assets, the estimated value of which exceeds 5,000 Kina, but is not more than 50,000 Kina, Obtain at least **three written quotations** from available suppliers. Authority to procure must be given by the Managing Director.

All written quotations are to be entered into a separate register of written quotations, to be maintained by each Business Unit, and shall include the original written quotations received together with details of the works, supplies or services quoted for and the supplier from whom procurement was made. Where the supplier from whom procurement was made did not furnish the lowest written quotation, the reasons for not accepting the lowest quotation must also be recorded in the register in full.

### **Procurement in Excess of 50, 000 Kina**

In accordance with the *National Procurement Act 2018* and the National Fisheries Authority Procurement Policy, the National Fisheries Authority Procurement Committee will seek tenders by the open tender process for any procurements the estimated value of which exceeds 50,000 Kina but is not more than 1,000,000 Kina.

## **Financial Limitations**

- i. The Financial Limit of the National Fisheries Authority Procurement Committee is *unlimited* for the *INVITATION* of Tenders for and on behalf of the National Fisheries Authority.
- ii. The Financial Limit of the National Fisheries Authority for the *AWARD* of Contract is **limited to One Million Kina** (K1,000,000) only.
- iii. The Chairman or the Deputy Chairman shall execute Contracts and Agreements for and on behalf of the National Fisheries Authority Procurement Committee up to the Financial Limit in (ii) above.

The NFA Procurement Committee shall comply with the requirement of the National Procurement Act 2018 for the following;

- i. for Contracts and Agreements up to the *Financial Limit* of the National Fisheries Authority Procurement Committee, the Legal Officer of the National Fisheries Authority shall draw up the contracts, and
- ii. for all Contracts in excess of the value of the delegated Financial Limit of One Million Kina (K1,000,000), shall be referred to the *Special Committee of the NPC Board* for consideration and for the issue of a Decision.

# **NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES**

## **GENERAL GUIDELINES**

### **OBJECTIVE:**

To obtain the best possible quality and standard of supply and services at the most economic rates, and where appropriate to obtain the highest proceeds for the disposal of National Fisheries Authority stores and property. To achieve this, competitive tenders, both local and if, the NFAPC deems appropriate, International tenders must be obtained subject to financial delegation under the NPA and this policy.

### **ADVERTISING:**

Invitations to bid should be transmitted in the case of international tenders to local representatives of all appropriate countries and advertised where appropriate through Papua New Guinea purchasing offices and agents, and if necessary in foreign newspapers. Trade journals and technical magazines should be used in the case of large and important contracts. For all contracts (local or international) local newspapers and other media should also be used. The Managing Director or his delegate must approve all tenders and/or agreements before any Business Unit Manager proceeds with advertising in the print media or electronically where appropriately approved.

### **PROSPECTIVE TENDERS:**

List of prospective tenderers should be built up and maintained by the National Fisheries Authority Procurement Committee administration.

### **PRE-QUALIFICATION OF TENDERERS:**

For large value or important (sensitive) contracts pre-qualification list should be based upon ability of the supplier to perform satisfactorily and experience and capability with regard to personnel, equipment, plant and financial position.

### **DISQUALIFICATION OF TENDERERS:**

Contractors who fail to perform or complete contracts may be delegated to a disqualification list and be excluded for a suitable period. This period to be for a minimum of six (6) months and possibly longer dependent upon the cost and disruption arising from their failure. The National Fisheries Authority Procurement Committee will regulate this list.

### **SIZE OF CONTRACTS:**

Wherever possible Contracts should be of a size sufficient to attract bidders and to take advantage of economies of scale but not too excessive to tie up capital unnecessarily.

### **PENALTY CLAUSES:**



Provision for penalties or liquidated damages will be contained in contracts where delay or non-performance or non-completion will result in loss or extra cause of damage or loss of benefits or revenue.

**LANGUAGE:**

English will be the governing language in all contracts entered into by the National Fisheries Authority.

**HIGHEST/LOWEST BID:**

A tender maybe accepted other than the highest tender for disposal of property or more than the lowest tender in the case of purchase of supplies and services, provided that this is in the best interest of the National Fisheries Authority and the state of Papua New Guinea. The reasons for such recommendations shall be recorded in the Minutes of the National Fisheries Authority Procurement Committee Meetings.

Where all other considerations are equal, the highest bid in the case of disposal of assets and the lowest bid in the case of purchase of supplies and services will normally be accepted.

**CLARITY OF SPECIFICATIONS:**

Specifications must be as clear and precise as possible. Drawings must be consistent with the text which will however prevail.

For the purchase of goods and consumer supplies, suitable alternative maybe accepted without retender, but only after review and pre-approval of the National Fisheries Authority Procurement Committee.

**AUDIT CLAUSE:**

Each request for tender will include an agreement by the successful tenderer to allow the National Fisheries Authority (at its own discretion) to review the contract terms and conditions and to audit any such records and transactions that relate to the terms of the contract. The contractor will be given ample notice and the National Fisheries Authority will perform this task at convenient times to the contractor.

**STANDARDS:**

Minimum applicable standards for all National Fisheries Authority Tenders shall be in accordance with the Terms and Conditions of the Tender.

**CURRENCY CLAUSES:**

Currencies adopted should be freely convertible for all except local contracts which should be expressed in the currency of Papua New Guinea.

**INDICATION OF CURRENCIES:**

When both local and foreign currencies are agreed, the amounts must be shown separately.

**USE OF CENTRAL BANK RATES FOR COMPARISON:**

Conversion into one currency for purposes of comparison should utilise Central Bank rates on one specific and specified day. Fixed exchange rates may be incorporated on the recommendation of the Financial Controller. For foreign currency contracts, forward exchange protection **MUST** be taken.

**GUARANTEES AND PERFORMANCE BONDS:**

Capital Works may require bank guarantees or performance bonds and should include and cover the guarantee period.

Normally, the General Conditions of Tender will guide a tender contract with particular reference to Security deposits. However, changes can be made as advised from time to time by the Chairman of the National Fisheries Authority Procurement Committee.

Deposits must be repaid as soon as possible to unsuccessful tenderers.

**FORCE MAJEURE:**

Failure due to force majeure should be defined in the contract where appropriate.

# **NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES**

## **MINIMUM TERMS AND CONDITIONS FOR TENDERERS**

### **1. QUALITY**

The supplier expressly warrants that all goods will be merchantable and fit and sufficient for the purpose ordered, and in either case, will be free from defect in material and workmanship. All warranties shall extend to National Fisheries Authority, its successors, assignees, and customers and to users of its products, and shall be construed as warranties and shall not be deemed to be exclusive.

### **2. INSPECTION**

All items should be in factory new condition unless otherwise specified on the order. National Fisheries Authority reserves the right to inspect any goods before the dispatch from supplier's premises, but such inspection shall not relieve the supplier from responsibility or liability nor be interpreted as to in any way imply acceptance.

### **3. PACKAGING AND CONTAINERS**

Unless the advice note specifies otherwise, it will be assumed that containers are non-chargeable and non-returnable.

Chargeable containers will be returned for full credit.

### **4. QUANTITY**

Quantities in excess of those shown on the order may be rejected, unless otherwise agreed.

### **5. CONDITIONS OF GOODS**

Goods must correspond in all respects with the order and where appropriate, with sample, and must be in good condition on receipt, otherwise they will be rejected.

### **6. DELIVERY**

Delivery must be effected by the delivery date stated on the face of the order, provided this date is within the agreed lead-time. If no date is stated, then acceptance of the order must indicate a delivery date which will be deemed acceptable to the National Fisheries Authority, unless informed to the contrary, promptly, after receipt of the acceptance. Time shall be of the essence

and the National Fisheries Authority shall be entitled to cancel the order without any liability on its part should delivery not be completed by the specified date.

## **7. PERFORMANCE OF WORK**

All work performed, and all materials used in connection therewith shall be at the supplier's risk and expense and shall be replaced in the event of any damage or destruction prior to delivery and acceptance. Whenever any property belonging to the National Fisheries Authority is in supplier's possession they will be deemed the insurer thereof and they will be responsible for its safe return to the National Fisheries Authority, showing that the supplier is complying with any such law. The supplier will also indemnify, save, and defend the National Fisheries Authority from all losses and expenses for any damage to property or injury to or death of persons in any manner arising out of or incident to the performance of the order.

## **8. SUB – CONTRACTORS**

The supplier may not transfer or assign directly or indirectly any portion of the order without prior consent, sub-letting other than letting such as is customary in the trade is prohibited.

## **9. TERMINATION**

The order may be terminated by the National Fisheries Authority by immediate notice and at supplier's expense should they fail to comply with any of these conditions.

## **10. SAFETY**

Where hazard to safety or health of persons exist with the articles, services or substance covered by the order, the National Fisheries Authority must receive full details of any precautions to be taken before delivery of these goods or carrying out of the services. Packages should be marked accordingly.

## **11. LAW**

Any contract arising from this enquiry or subsequent order with the supplier's acceptance, shall be governed and construed in all respects in accordance with the laws of Papua New Guinea. (subject to the general Terms and Agreements quoted on the face of the order, or as otherwise agreed, between the National Fisheries Authority and the supplier).

## **12. DRAWINGS AND PLANS**

Any plans, drawings or designs supplied by the National Fisheries Authority and any information derived there from or otherwise communicate to the supplier, shall be regarded as secret and confidential. And shall not, without consent in writing of the National Fisheries Authority be disclosed or published to a third party, or made use of by the supplier except for the purpose of preparing their quotation and implementing any subsequent order. Unless otherwise agreed, the National Fisheries Authority undertakes not to disclose to a supplier or any potential supplier the plans, the drawings or specifications supplied by any other supplier.

### **13. PATENTS**

The supplier shall indemnify, protect and save harmless the National Fisheries Authority from and against all claims, demands and proceedings, actions, all liabilities and costs resulting from any actual or alleged infringements of any patents. This clause shall not apply to any actual or alleged infringement resulting solely from supplier's reliance on any plan, drawing, or design supplied by the National Fisheries Authority.

### **14. ADVERTISING**

The supplier will not without prior written consent, advertise or announce to be advertised or announce that they have received this enquiry, quoted against or supplied goods to a subsequent order.

### **15. BUYBACK**

If surpluses are not recognised after not less than one year from receipt and not longer than five (5) years, and the quantities provisioned have been within the recommendations of the supplier, or within the mutually agreed provisioning rules, the supplier is expected to buy back such new and unused parts.

### **16. INSURANCE**

The supplier and/or contractor will ensure that it has sufficient liability insurance to cover any damages that may occur as a direct result of the product/services provided.

### **17. FINANCIAL VIABILITY**

The supplier/contractor will provide assurance that it is financially viable prior to undertaking the contract and during the term of the contract.

# NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES

## TENDER PROCEDURE RULES

### 1. APPLICATIONS

These rules shall apply to all tenders invited by the National Fisheries Authority Procurement Committee.

### 2. APPROVAL OF THE NATIONAL FISHERIES AUTHORITY SUPPLY AND TENDERS BOARD – TENDERS

The Managing Director or his delegate *MUST* approve all tenders and/or agreements, and shall allocate tender numbers before any Business Unit Manager proceeds with advertising in the print media or electronically as appropriately required.

### 3. INVITATION BY NOTICE

A tender shall be invited by notice, which shall:

- i. Contain a description of the matter or item in respect of which the tender is invited; and
- ii. Require a tenderer to endorse the envelope containing his tender with the tender reference number; and
- iii. Fix a closing time and date for tenders; and
- iv. Be published;
  - a. Locally: in the local newspaper and other appropriate media.
  - b. Overseas: if the Procurement Committee think it necessary to bring it to the notice of likely tenderers.
- v. Tenderers will generally be given a minimum of 21 days from the date on which the tender were invited, in which to submit their tender bids to the National Fisheries Authority Procurement Committee.

### 4. SPECIFICATIONS

Where applicable, detailed specifications and plans of the matter or item, in respect of which the tender is invited, shall be made available on demand to a tenderer for a fee of K100.00.

### 5. DEPOSIT TENDERS

A successful tenderer shall, if so required by the NFA Procurement Committee, deposit with the NFA Procurement Committee **WITHIN TWO WEEKS** of the acceptance of the tender an

amount equal to two and one half percent (2.5%) of the estimated total value of the contract, which shall be held as a security for the satisfactory completion of the contract by the tenderer. The deposit may be paid in cash or by a bank cheque payable to the NFA Procurement Committee.

Instead of or in addition to a deposit, the NFA Procurement Committee may, at its discretion, accept a guarantee by a surety.

## **6. TENDER BOX POLICY**

A tender shall be lodged unopened in a Tender Box, which shall:

- i. Be, as far as practicable, immovable but may be removed from time to time and from place to place when tenders are to be opened in a place other than the National Fisheries Authority Headquarters.
- ii. Have two separate locks, the key to which shall be held by:

Lock 1 – The Chairman of the National Fisheries Authority Procurement Committee.

Lock 2 – The Board Secretary.

Duplicate keys must be lodged for safe custody with the Business Unit Executive Manager, Corporate Services.

## **7. OPENING OF TENDERS**

On the day and at the time fixed for the closing of tenders, the two (2) key holders shall:

- i. Open the tender box;
- ii. Remove all envelopes endorsed with the reference number of the closed tender;
- iii. Re-lock the tender box;
- iv. As tenders are opened, each envelope and each page of each tender shall be numbered by Managing Director, consecutively, dated and initialled by the key holder and the Secretary of the NFA Procurement Committee.
- v. Where payments are enclosed in a tender by way of deposit, the Secretary of the NFA Procurement Committee shall cause the Finance Business Unit to issue a receipt and have the receipt attached to the tender documents.
- vi. Replace the tender box when applicable to its usual fixed place at the National Fisheries Authority Headquarters.

## **8. RECORDING OF TENDERS**

As tenders are opened, the Secretary of the NFA Procurement Committee shall record the details in the “Tenders Register”, including:

- i. Name of the tenderer
- ii. The price tendered
- iii. The details of delivery or performance
- iv. The deposit accompanying the tender
- v. The receipt number of deposit
- vi. Details of any informality in the tender
- vii. Any other matters pertinent to the tender.

## **9. TENDERS REGISTER**

When details of the tenderers have been recorded in the Tenders Register, the key holder and the Secretary of the NFA Procurement Committee shall:

- i. Check the details against the original tenders
- ii. Make any necessary amendments
- iii. Sign the Tenders Register as correct and
- iv. Mark the Tenders Register with the date of the signature
- v. The register then must be reviewed regularly by the Internal Auditor to ensure that it is complete and accurate.

## **10. NOTIFICATION OF ACCEPTANCE**

A Notification of Acceptance of tender by the relevant delegate to execute the related contract will be sent by registered post or delivered to the successful tenderer who may acknowledge receipt. The tender shall then be deemed to have been accepted even if an acknowledgement of the Notice of acceptance is not received from the tenderer.

## **11. ISSUANCE OF LETTERS OF ACCEPTANCE**

Where a public tender procedure has been followed, the chairperson of the NFA Procurement Committee will issue the letter of acceptance on the basis of the NFA Procurement Committee decision, for consideration up to the limit of the Procurement Committee, pending execution of a formal contract.

## **12. ACCEPTANCE OF TENDER**

National Fisheries Authority is not obliged to accept the lowest or any tender.

National Fisheries Authority may accept: -

- Tenders which do not comply strictly with other specification; and
- Separate tenders for each one or more than one, or any portion or portions, of the supply, works or services; and
- Tenders for the supply of goods which in the opinion of the National Fisheries Authority are equal or similar in quality to any brand type or model quoted in the specification.

## **13. WHERE NO TENDERS ARE RECEIVED**

Where no tenders are received, the Secretary of the Procurement Committee shall:

- i. Cause the Tender Register to be endorsed accordingly
- ii. Sign and date the Tender Register

## **14. TENDER REGISTER AND RULES OF PAPUA NEW GUINEA**

Tenders are subject to the Tender Procedures and the Rules of Papua New Guinea.

- (a) A tender must state the full name, business and postal address of the tenderer, irrespective of whether the tender is an individual person or company; in the case of two or more partners, the full name and postal address of each partner must be shown.
- (b) A tenderer who claims eligibility for margin of preference under the Government's policy of giving preference to National Contractors shall furnish full details of the nature and extent of National Equity in his business.



(c) A tender: -

- Containing alterations or erasures;
- Which is not legible; or
- In which prices are not clearly shown; or
- Which is not properly completed and signed; or
- Which is not completed in accordance with procedures; or
- By the time fixed for the closing of the tenders; or
- Which is irregular in any other respect; maybe rejected.

Any alteration or erasure must be signed by the person signing the tender.

## **15. INFORMAL TENDERS**

Where a tender does not comply with the terms of the tender notice, or the conditions of tender, the tender shall be treated as informal and referred to the NFA Procurement Committee with details of the informality. Where the Procurement Committee is satisfied that an informal tender complies in all material respects with the terms of tender notice and the conditions of tender, it shall be endorsed on the tender documents that the tender be considered with all other tenders.

Where the NFA Procurement Committee is satisfied that an informal tender does not comply in all material respects with the terms of the tender notice and the conditions of tender, it shall, by endorsement on the tender document, that the tender be rejected.

## **16. LATE TENDERS**

- i. A tender or an amendment of a tender that is received otherwise than through the post after the closing time for tenders shall:
  - Be marked as a late tender by endorsement to that effect.
  - Signed and marked with the date and time of receipt by the key holder and the Secretary of the NFA Procurement Committee.
  - Be opened and recorded in the Tender Register.
  - Not receive consideration.
- ii. A tender or an amendment of a tender received through the post after the closing time for tenders shall be marked as late and recorded in the Procurement Committee Register and considered by the Procurement Committee with all other tenders.
- iii. Where the NFA Procurement Committee is satisfied that:
  - A tender or an amendment or a tender posted in time for delivery into the Tender Box, before the closing time for tenders in the ordinary course of post: and
  - Through circumstances beyond the control of the tenderer, the receipt of the tender or amendment was delayed beyond the closing time for tenders.

It shall be subject to the rules under “INFORMAL TENDERS”

## **17. CONSIDERATION OF TENDERS**

- i. The Secretary of the NFA Procurement Committee shall prepare details in Schedule form of tenders received for presentation to the Procurement Committee at the date of the meeting for consideration of tenders.
- ii. The Procurement Committee may co-opt or seek the advice of persons with specialised knowledge to assist the Procurement Committee in its deliberations on the tenders.
- iii. The Procurement Committee shall consider a tender in the light of the conditions of tender and specifications or plans (if any) of the matter in respect of *which* tenders are invited.

## **18. AMENDMENTS**

Any representation by the tenderer, to amend his tender after the closing time for tenders shall not be considered unless it is additional information specifically requested by the NFA Procurement Committee.

# NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES

## TENDERING PROCEDURES

### 1. INTRODUCTION

The National Fisheries Authority Procurement Committee has a responsibility to the National Fisheries Authority to ensure that works, supplies and services are properly delivered.

The Procurement Committee;

- will offer the same tender documents to all those who respond to their invitation to tender.
- will establish a tender evaluation panel. No member of the panel will be involved in preparing the tender specification, be responsible for direct supervision of the tender if it is successful, or have any pecuniary interest in the tender bid. The panel will evaluate tenders strictly in accordance with the tender evaluation criteria outlined below.
- will not trade the price of one tenderer against that of another tenderer. The Procurement Committee will award the contract on the basis of best quality and value for money for the National Fisheries Authority, and where applicable, the community.
- will notify unsuccessful tenderers promptly in writing and it will advise them of the reasons for the award off the contract.

The General Guidelines relating to Tenders must be adhered to at all times. The Tender (Procedures) Rules outlines the requirements to be followed when calling for tenders. The following procedures must also be adhered to at all times.

The NFA Procurement Committee shall comply with the requirement of the National Procurement Act 2018 as amended including any Procurement Instructions emanating therefrom made by the NPC, including:

- (i) For Contracts and Agreements up to the **Financial Limit** of the NFA Procurement Committee, the Legal Officer of the National Fisheries Authority shall draw up contracts, and

- (ii) All Contracts in excess of the value of the delegated financial limit of One Million Kina (K1, 000,000) shall be referred to the Special Committee of the NPC Board for consideration and for the issue of a Decision.

## 2. NFA PROCUREMENT COMMITTEE

- (a) The purpose of these procedures is to define the National Fisheries Authority Procurement Policy with regard to:
- the purchase and disposal of assets and
  - the supply of goods and services
- (b) The Objective is to obtain the best possible quality and standard of supply and services at the most economical rates, and where appropriate to obtain the highest proceeds for the disposal of National Fisheries Authority stores and property. To achieve this, competitive tenders, both local and, if the NFA Procurement Committee deems appropriate, International must be obtained subject to financial delegation and policy.
- (c) The NFA Procurement Committee shall consist of:
- i. The Managing Director, – Chairman**
  - ii. Financial Controller**
  - iii. Executive Manager Corporate Services**
  - iv. Executive Manager MCS**
  - v. Principal Legal Officer**
  - vi. Committee Secretary nominated by the Managing Director to provide secretariat services and who does not have voting powers.**

Appoint as alternate Members for each of the following Members of the Board: -

- (i) In the case of the Managing Director, National Fisheries Authority, (Chairman), Deputy Managing Director-Corporate Affairs, Deputy Chairman;
- (ii) In the case of Financial Controller, National Fisheries Authority, Executive Manager Policy and Projects – National Fisheries Authority;
- (iii) In the case of the Executive Manager Corporate Services, National Fisheries Authority, Executive Manager – Provincial Support & Industry Liaison, National Fisheries Authority;
- (iv) In the case of Executive Manager, MCS, National Fisheries Authority – Executive Manager, Audit Certification, Catch Documentation Unit, National Fisheries Authority;
- (v) In the case of the Principal Legal Officer, National Fisheries Authority, the Legal Manager, National Fisheries Authority

The NFA Procurement Committee Secretary will keep a complete transcript of formal meetings held by the Procurement Committee, including discussions, deliberations and decisions made by the Procurement Committee. Distributions of minutes to be made within five working days after meeting.

The Managing Director may from time to time appoint further officers to serve on the Procurement Committee or replace any officer by another officer or appoint any other members of the Procurement Committee to be Chairman or Secretary of the Procurement Committee.

- (d) The Regulations for the issue, advertisement, lodgement, receipt, opening and recording of tenders are laid down in the Tender Rules.
- (e) The quorum shall be three (3) members of the Procurement Committee – One of who shall be the Chairman or the Deputy Chairman.
- (f) The NFA Procurement Committee shall invite tenders for such things as: -
  - (i) Professional and Technical Consultancy Projects
  - (ii) Expenditure, including capital expenditure, and the supply of goods and services detailed in “Expenditure Subject to Tender”
  - (iii) The Financial Limit of the NFA Procurement Committee is **unlimited** for the **INVITATION** of tenders for and on behalf of the National Fisheries Authority
  - (iv) The Financial Limit for the **AWARD** of Contracts of the National Fisheries Authority is **limited to One Million Kina** (K1,000,000) only;
  - (v) The Chairman or the Deputy Chairman shall execute Contracts and Agreements for and on behalf of the NFA Procurement Committee up to the Financial Limit in (iv) above.
- (g) Proposed Project Expenditures with a total value exceeding K50,000 needs to be referred to the NFA Procurement Committee.

### 3. TENDERS FOR ASSETS, GOODS AND SERVICES

In accordance with this Procurement Policy, Tenders shall be publicly invited and contracts let for the purchase or disposal of assets, and the supply of goods and services and where it is inexpedient or impractical to go out to tender a certificate of inexpediency must be issued. These must be approved by the NFA Procurement Committee and then approved by the Managing Director (at least 3 members must authorise the Certificate of inexpediency).

### 4. CERTIFICATE OF INEXPEDIENCY

- (a) Normally the purchase of items or the procurement of services will be through public tender invitation but there are occasions when it is impractical or inexpedient to invite public tenders.
- (b) Where the NFA Procurement Committee finds that the invitation of tenders is impracticable or not justified or the purchase or procurement is necessary of an urgent nature, a certificate may be issued to this effect known as a Certificate of Inexpediency. This dispenses with the requirement to resort to tender procedures and procurement maybe undertaken direct with a supplier. However, the Procurement Committee will not issue a Certificate of Inexpediency retrospectively to cover a transaction already concluded.

### 5. FORM OF RECOMMENDATION BY NFA PROCUREMENT COMMITTEE

Where the tender price exceeds K50,000 the following procedures must be adopted to accompany a recommendation by the NFA Procurement Committee. A written submission containing the reasons for the recommendation and accompanied by: -

- i. The tender notice and tender specifications

- ii. Specifications and plans (if any) of the matter or items in respect of which tenders were invited.
- iii. The tenders received and considered.

## **6. NOTICE OF SUCCESSFUL TENDER**

After notice of the acceptance of the tender has been communicated to the successful tenderer, the Chairman of the nfa Procurement Committee shall cause notice of acceptance of the tender to be: -

- i. Sent to all tenderers
- ii. Published in the National Gazette
- iii. Published in the media where appropriate

## **7. NFA PROCUREMENT COMMITTEE MEMBER'S PECUNIARY INTERESTS**

The NFA Procurement Committee will require any member, who has a pecuniary interest in a matter being considered, or about to be considered by the Procurement Committee, to declare the nature of his/her interest to the Procurement Committee. He/she should abstain from taking part in the deliberation on that matter.

## **8. APPLICATION TO CALL PUBLIC TENDER**

A form namely "Application to Call Public Tender" is to be dully filled. It is important to ensure when calling for public tender that the advertisement carries the desired message to guarantee submission of an expected response. Information targeted from tender proposals should be in line with the criteria for appraising and reviewing tender submissions as outlined below.

### **(a) Background Information**

- (i) Legal status of the company;
- (ii) Operation objectives clearly defined;
- (iii) Compliance with National Fisheries Authority Procurement Committee Requirements;
- (iv) Proposed operational plan for achieving overall fisheries objectives;
- (v) Has organizational plan and job description for key staff; and
- (vi) Relationship with NFA, NFC & Managing Contractor

### **(b) Expertise, Skills and Capacity**

- (i) Experience and capability of staff adequate to reach project targets;
- (ii) Current involvement in fisheries (harvesting, processing and marketing); and
- (iii) Experience in running fishing operation.

### **(c) Working Capital and Methodology**

- (i) Timing for construction and phasing fishing business is realistic;
- (ii) Have sufficient working capital to support their operation;
- (iii) Proposed methods for landing/storing fish to the plant; and
- (iv) Proposed market and distribution plan

### **(d) Evaluation of Asset**

- (i) Condition of principal asset;
- (ii) Value of principal asset; and

- (iii) Value of additional items attached to principal asset

Clients are to be given correct advice on how to properly secure their tender documents including when and where they should have them lodged. This is to ensure the public understanding and appreciate the processes and procedures of the NFA Procurement Committee.

Following is a sample of the “Application to Call Public Tender”. These application forms can be obtained from NFA Procurement Committee Administration Office.

## NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES

### APPLICATION TO CALL PUBLIC TENDER

<b>1. TENDER DETAILS</b>		
Business Unit		
Reason for Tender		
Duration for Tender		
Terms of Reference		
Compliance with NFA Program		
Action Officer: .....	Signature: .....	Date: ...../...../.....

<b>2. FUNDING DETAILS</b>	
Business Unit	

Source of Funding		
Availability of Funds		
Total Cost	<b>K..... From ..... To .....</b>	
Action Officer: .....	Signature: .....	Date: ...../...../.....

<b>3. MANAGING DIRECTORS AUTHORIZATION</b>		
The request to place tender is <input type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Rejected</b> Approved for ..... days		
Reason (if rejected) ..... Tender No. ....		
Managing Director .....	Signature: .....	Date: ...../...../.....

**NATIONAL FISHERIES AUTHORITY  
PROCUREMENT PROCEDURES  
EXPENDITURE SUBJECT TO TENDER**

Tenders shall be publicly invited and contracts let for the purchase or disposal of assets or the supply of goods and services where the estimated cost of which exceeds K50, 000 after receiving National Fisheries Authority Board approval.

Annual Tenders should also be invited for but not limited to the following: -

- Annual Supply of White Goods



- Annual Supply of General Stationary Items
- Security Contracts
- Purchase and disposal of motor vehicles
- Supply of fuel
- Construction
- Annual Air Conditioning Contract
- Purchase of computer equipment
- Maintenance of National Fisheries Authority Properties
- Annual cleaning contract
- Purchase for photocopiers
- Insurance
- Car hire
- Other goods

# **NATIONAL FISHERIES AUTHORITY PROCUREMENT PROCEDURES**

## **CERTIFICATE OF INEXPEDIENCY**

Any application by a Business Unit of the National Fisheries Authority for the issue of a Certificate of Inexpediency must be fully documented.

A guide to requirements is detailed below:-

- (a) A complete list of materials, supplies or service required

- (b) Where and for what purpose supplies or services are required
- (c) Source of procurement
- (d) Comparison of prices quoted with those previously paid for such supplies or services
- (e) The degree of urgency for such supplies or services
- (f) Reasons for requesting a particular make or type of the goods or services
- (g) Certification that there is no comparable source of supply other than that named
- (h) Confirmation that the equipment/material/services are the most suitable for their intended usage
- (i) Advise on whether the item is “ ex bond” or “ex stock” and expected delivery date
- (j) Whether items are budgeted for in the current year or not. If not, Managing Director’s approval is necessary