

## **Annex 1: PROCUREMENT GUIDELINES**

The *Joint Partnership Arrangement* includes a number of clauses (Clauses 48 to 51) dealing with Procurement. In developing all its Procurement Plans, the Ministry of Education will follow the JPA guidance, which requires adherence to the Government of Vanuatu Guidelines set out in the Ministry of Finance and Economic Management publication *Guidelines for the Procurement of Goods and Services* (June 2005).

The *Guidelines for the Procurement of Goods and Services* describe two types of procurement: simple procurement and complex procurement. 'Simple procurement' generally means the process of purchasing standard services or "off the shelf" items such as stationery or petrol where there is minimal risk the purchase will be unsuitable. 'Simple procurement' is defined to mean the process of purchasing goods or services costing VUV 5 million or less. 'Complex procurement' generally means the process of purchasing higher-value goods or services where specification of the purchasing requirement is more complicated and the risks associated with the purchase are greater. 'Complex procurement' refers to the process of purchasing goods or services costing more than 5 million vatu. Procedures for these purchases (other than purchases funded by development aid) are governed by the Government Contracts and Tenders Act No.10 of 1998, the main provisions of which are summarised in Section 2 of the *Applications Guide*

The key principles for Government purchasing set out on page 2 of the *Guidelines for the Procurement of Goods and Services* will be observed. These are:

- **Principle 1:** All purchases of goods and services made by any government agency must be made in accordance with the law.
- **Principle 2:** Government agencies are to seek the best value for money from all purchases they make.
- **Principle 3:** In purchasing goods and services, government agencies must seek to promote open and effective competition between potential suppliers.
- **Principle 4:** Staff undertaking the purchasing of goods and services are to perform their purchasing duties ethically.
- **Principle 5:** Staff undertaking purchasing of goods and services are to be proactive in promoting improved opportunities for Ni Vanuatu enterprises.
- **Principle 6:** Heads of agencies are accountable to their respective Ministers for ensuring that the purchasing, contracting and tendering activities of their agencies are conducted in accordance with these principles and with the supporting Application Guidelines disseminated by the Ministry of Finance and Economic Management
- **Principle 7:** Sales of government assets are to be undertaken in accordance with the above principles and the relevant Financial Regulations.

Although the purchasing of education goods and services (such as the construction of primary school classrooms) will be funded by the "Pool Partners" (that is, by development aid funds), the Ministry of Education and Pool Partners have agreed to apply the procedures of the Government Contracts and Tenders Act in the same manner as for any other purchase costing more than 5 million vatu. The JPA Clause 43 (c) requires the MOE *Annual Work Plan* to include a procurement plan that includes for each procurement to be undertaken over VUV 500,000 (either by open tender or by quotations where permitted) the proposed procurement method, terms of reference or product specification, advertisement, and evaluation method.

**Process to be followed Ministry of Education for requesting quotes for purchases between 500,000 vatu and 5 million vatu.**

1. The requesting division must issue (by email) a purchase requisition to the Procurement Unit. This purchase requisition must indicate:
  - a detailed description of the goods and services to be procured (for example, in the case of printing, specify the dimensions, the type of paper, glossy or mat, black and white or color, etc.) *A specimen of the desired final product can be provided to the Procurement Unit if available*)
  - the exact quantity to be purchased
  - the requested date of delivery
2. All purchase requisitions above 500,000 vatu **MUST** be forwarded to the Procurement Unit.
3. The Procurement Unit will obtain confirmation that the funding is available.
4. The Procurement Unit will prepare a request for quotations to be issued electronically (wherever possible) to a minimum of 3 suppliers (more if possible) with the standard abbreviated terms and conditions, payment terms (which should aim at 100% payment upon delivery) and a timing for returning the quotes (as a general rule, a week will be sufficient).
5. The procurement unit will ensure that the requests for quotation have been received by all suppliers (an acknowledgment of receipt must be returned by all suppliers).
6. The quotes will be mailed back to the Ministry of Education in unmarked envelopes, and stored in a locked tender box. They will be locked in the tender box until the opening of the quotes.
7. The quotes will be opened by a panel consisting of a minimum of 3 persons, which must include the requester and a member of the procurement unit. The amount of each quote as well as the winning bid are to be noted on a one page evaluation report (pre-printed form), to be signed by each of the 3 members of the panel.
8. On the same day, the winner is to be notified and the order officially lodged to the supplier by the Procurement Unit.
9. The quotes, the specifications, the evaluation form and the minutes will be scanned and archived electronically by the Procurement Unit.
10. A copy of the evaluation report is to be attached to the LPO before signing. Payment will not be issued if the above process has not been followed, and if the goods/ services have not been delivered.