

**MINISTRY OF FINANCE
INVESTMENTS DIVISION**



**STANDARD PROCUREMENT PROCEDURES
FOR
THE ACQUISITION OF GOODS, SERVICES TO BE
PROVIDED AND WORKS TO BE UNDERTAKEN
AND
FOR THE DISPOSAL OF UNSERVICEABLE ITEM
IN
STATE ENTERPRISES/STATUTORY BODIES
(STATE AGENCIES)**

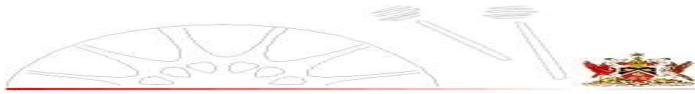
JUNE 2005



STANDARD PROCUREMENT PROCEDURES
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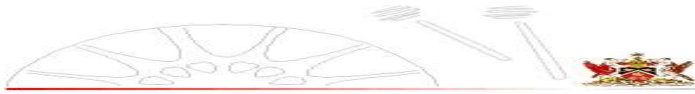
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STANDARD PROCUREMENT PROCEDURES

- “Board”* - Board means the Board of Directors/Commissioners of a State Agency.
- “Chairman”* - Chairman means the Chairman of the Tenders Committee unless otherwise stated.
- “Committee”* - Committee means the Tender Committee of the State Agency.
- “Emergency”* - Emergency means any unforeseen or sudden situation that meets the State Agency’s criteria for assistance and demands immediate or urgent action to minimize liability/loss.
- “Goods”* - Goods mean all goods, articles, materials, vehicles, machinery, equipment and things of all kind for capital or recurrent expenditure.
- “Minister”* - Minister means the Minister to whom the responsibility for the State Agency is assigned.
- “Offer/Tender”* - Offer/ Tender means an offer or quotation or group of offers or quotations made by a Contractor in response to a requirement by the State Agency to conduct specified work/services or to supply articles.
- “Open Tendering”* - Open Tendering means Tenders invited through advertisements or other forms of public notice from eligible parties.
- “Registered Contractors”* - Registered Contractors means a person, firm, or Company included on the entity list of Pre-qualified suppliers.
- “Relative”* - Relative means spouse (including Common-Law spouse), father, mother, brother, sister, son or daughter of a person.
- “Secretary”* - Secretary means Secretary to the Tenders Committee unless otherwise stated.
- “Selective”* - Selective means invitations issued only and directly to contractors from the entity’s list of Registered Contractors.
- “State Agency”* - State Agency means a State Enterprise owned/controlled by the State or a Statutory Board.
- “Works”* - Works means construction type tasks, electricity, water, engineering works, maintenance and works of all kinds.



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ADMINISTRATION

1. APPLICATION

- (i) These Procedures shall not apply to State Agencies which fall under the purview of the Central Tenders Board Ordinance.
- (ii) These Procedures shall apply to all State Agencies (except those referred to in 1 above) for the procurement of Goods and Services or the undertaking of Works of a Recurrent or Capital Nature.
- (iii) These Procedures shall be placed before the Board of Directors to be approved.

2. ORGANIZATION OF PROCUREMENT

- (i) Procurement in State Agencies is the responsibility of the Board of Directors. However the Board may delegate some of this responsibility to a Tenders Committee and the Chief Executive Officer/Executive Director.

3. COMPOSITION OF THE TENDERS COMMITTEE

3.01 The Committee shall comprise a minimum of five (5) members who shall be:

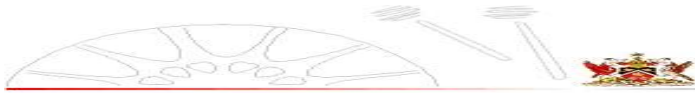
- (i) Two members of the Board, one of whom shall be elected as Chairman of the Committee;
- (ii) The Chief Executive Officer/ Executive Director of the State Agency.
- (iii) The Financial Comptroller
- (iv) The Legal Officer or functionary

A Senior Officer shall be appointed Secretary to attend all meetings but shall not be a Member nor entitled to vote.

4. AUTHORITY

4.01 The Committee shall act in the State Agency's name for and on behalf of the State Agency:

- (i) In inviting, considering accepting or rejecting offers for the supply of goods or any service or for the undertaking of works in connection therewith, necessary for carrying out the functions of the State Agency.
- (ii) In disposing of unserviceable goods belonging to the State Agency in accordance with procedures established for this purpose.



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4.02 The Committee shall have such procurement functions and duties as the Board may assign from time to time.

5. CONFLICT OF INTEREST

5.01 A member of the Committee shall disclose his interest and not take part in evaluating, considering or discussing an offer, nor furnish any recommendation or vote on any question where-

- (i) He is a member, director or shareholder of a company or other body corporate; or
- (ii) Is a proprietor of or partner in a firm, or partnership; or
- (iii) Is employed by or is otherwise a party to a contract for services; or
- (iv) Has a financial interest in or relationship or
- (v) Is a relative of someone

who submitted an offer for the consideration of the Committee.

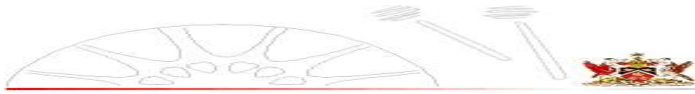
6. EMERGENCY PROCEDURES

6.01 In cases of emergency where the safety of people, property, plant and equipment is in jeopardy or where the continuity of the State Agency operations demand that contract(s) be awarded with urgency, the Chief Executive Officer, may award contracts as determined by the Board for goods or Services or works to be undertaken as necessary to avert the danger or to bring the situation under control and minimize the loss or liability.

6.02 Nevertheless, the following process shall be observed:

Within seventy-two (72) hours from the award of the contract, the Chairman of the State Agency or the Chairman of the Tenders Committee as appropriate must be advised of the action taken and a Report of the action taken must be submitted to the Chairman of the State Agency. Such report must include.

- (a) A Statement of the emergency circumstance that prevailed and the potential loss or liability
- (b) The State Agency's estimate of the scope and cost of the Works or Services
- (c) The Actual Cost
- (d) The Reasons why the particular Contractor was chosen



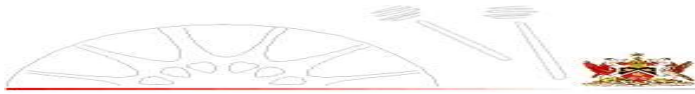
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EXEMPTIONS

- 7.01 On the recommendations of the Tenders Committee and with the approval of the Board of Directors the purchase of goods or services or works to be undertaken may be exempted from these rules where:
- (i) there is a limitation of sources of supply of the good or services or works to be undertaken;
 - (ii) the goods or services form part of a system already in use;
 - (iii) the goods were non interchangeable spares or replacement parts for goods already in use;
- 7.02 The Committee shall report any purchase made under this procedure to the Board of Directors.

8. APPEAL AGAINST TENDERING AND CONTRACT DECISION

- 8.01 Applicants, suppliers and contractors who have sound reason to believe that they have been unfairly treated by the Agency in respect of the application of these rules may appeal in writing to the Chairman of the Board outlining their complaint and provide reasons/ evidence.
- 8.02 The Chairman at the next Board Meeting shall inform the Board of the receipt of the complaint and the Board shall appoint a Sub-Committee to investigate same. The decision of the Sub-Committee shall be communicated to the Board for consideration.



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9. AMENDMENT TO RULES

- 9.01 These rules may be adopted, rescinded or amended by resolution of the Board upon the approval of the Minister of Finance.

10. GENERAL OR SPECIAL DIRECTIONS OF THE MINISTER

- 10.01 In the exercise of its powers and the performance of its duties, the Board shall conform with the general or special directions given to it by the Minister under the provisions of the Exchequer and Audit Act and the Corporation Sole Act No 5 of 1973.

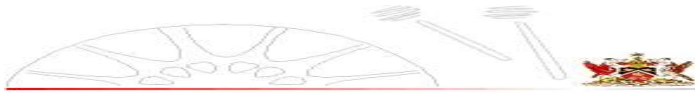
11. MONTHLY REPORTS

- 11.01 The State Agency shall submit monthly Reports to the Minister of Finance, of all contract awarded together with the following information for each contract awarded over \$5 Million.

PRE-QUALIFICATION

12. REGISTRATION/DE-REGISTRATION OF CONTRACTORS

- 12.01 There shall be established a Pre-qualification Registration Committee. The Pre-qualification Registration Committee shall comprise of:
- (i) The Manager of Finance as Chairman and three other Line Managers one of whom shall be Secretary.
 - (ii) 12.02 The Secretary and any two (2) members shall form a quorum. In the absence of the Chairman of this committee; the members present shall elect one of their members to be chairman for the meeting.



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12.04 Registration

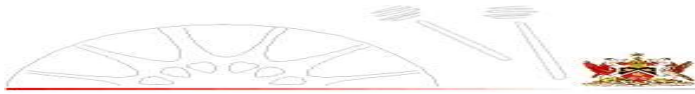
- (i) All applications for registration as a Contractor shall be submitted to the Secretary of the Pre-qualification Committee.
- (ii) The Secretary shall issue a registration form to the applicant for completion and return to the Pre-qualification Registration Committee.
- (iii) An acknowledgement shall be issued to the applicant.
- (iv) Upon satisfying the pre-qualification requirements, the applicant shall be informed accordingly by the Committee.

12.06 Additional Works or Services

- (i) Applications for an increase in scope of work capability by a Contractor must be submitted on a prescribed form and considered by the Committee.
- (ii) Such an increase in scope of work may address either:
 - An increase in the type of service(s) being offered by the Contractor.
 - An increase in the range of tenders for which the Contractor may be invited to bid as determined by the dollar value.

12.07 Change of Name and Updated Information

- (i) Applications for a change of name shall be scrutinized for any changes in the Contractor's technical and financial capabilities and must be accompanied by a Certificate of Registration from the Registrar of Companies in the case of limited liability companies.
- (ii) The advice of the Legal Division/ Officer must be obtained before submission to the Pre-qualification Registration Committee for approval.
- (iii) Registered Contractors shall be required on an annual basis to submit updated relevant information including but not limited to technical and financial capabilities.



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12.08 De-Registration.

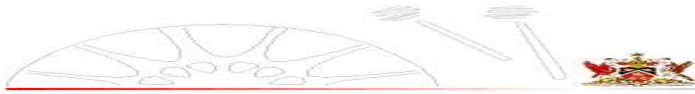
The Pre-qualification Registration Committee may de-register contractors based on its deliberations in respect of Registered Contractors:

- (i) Continual failure to respond to tender invitation.
- (ii) Unsatisfactory work.
- (iii) Poor conduct of the Contractor and/or his employees on the job.
- (iv) Non-adherence to safety regulations.
- (v) History of unsuccessful Tenders due to high quotations.
- (vi) Refusing to execute work at tendered prices.
- (vii) Failure to observe the terms and conditions of the Contract.
- (viii) Evidence of collusion between the Contractor(s) and/or Entity's employee(s).
- (ix) Notification of the Contractor's bankruptcy by the Registrar of Companies.
- (x) Failure to immediately notify the Entity of any change in the data supplied by the Contractor upon which his registration was based, e.g. receivership.
- (xi) At the request of the Contractor.
- (xii) Any other reason which may adversely affect the Entity's interest.

The Pre-qualification Registration Committee shall afford the Contractor an opportunity to be heard.

13. DISQUALIFICATION FOR AWARD OF CONTRACT

- 13.01 Any person who, with the intention of gaining any advantage for himself or herself or any other person whether he has made an offer or not, offers any member of the Committee or officer of the State Agency a gift or money or other consideration or approaches any member of the State Agency in respect to any matter that is before the Committee or that is expected to come before the Committee shall be disqualified from being awarded a contract. This should be stated in the invitation to Tender.
- 13.02 The person or firm on whose behalf the representation was made will also be disqualified.
- 13.03 A Member of the Board of the Supplier, a member of the staff of the Supplier shall not enter into any Contract for the supply of goods or services to the State Agency while a Contract exists between the Supplier and the State Agency.



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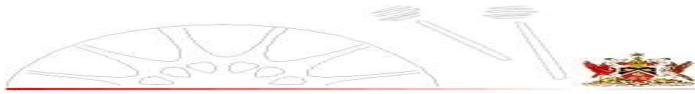
14. CONFIDENTIALITY OF INFORMATION

- 14.01 Every Person having an official duty or being employed as Committee members shall regard and deal with all documents and information relating to the function of the Committee as confidential.

THE AWARD PROCESS

15. FUNCTIONS OF TENDERS COMMITTEE

- 15.01 The Tenders Committee/Chief Executive Officer shall, in accordance with the levels of authority, invite and consider Tenders for the supply of goods or services or works to be undertaken which are necessary for carrying out the objectives of the State Agency and shall make decisions or recommendations on the acceptance or rejection of such Tenders.
- 15.02 The Tenders Committee/Chief Executive Officer shall not for the purpose of giving themselves authority to act, subdivide the quantity of goods or services or Works to be undertaken in portions which fall within their respective financial limits.
- 15.03 The Committee shall:
- (i) Act for the State Agency in inviting and considering offers and tenders for the supply of goods or services or works to be undertaken of all kinds necessary for carrying out the functions of the State Agency.
 - (ii) Make decisions on behalf of the State Agency on the acceptance or rejection of tenders.
 - (iii) Make recommendations to the Board on the disposal of obsolete or unserviceable items.
 - (iv) Implement the policy and procedures on Tendering, Procurement and Contracting.
 - (v) Ensure that procurement is geared to achieve the highest quality of goods, services and construction, commensurate with the objectives of the State Agency.
 - (vi) Ensure accountability and transparency in all matters pertaining to tendering, procurement and contracting.
 - (vii) Ensure the selection of all contractors and service providers is made on sound, transparent, fair and cost-effective bases.



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16. MEETINGS OF THE COMMITTEE

- 16.01 The Committee shall meet as often as may be necessary or expedient for the transaction of their business.
- 16.02 The Secretary of the Committee shall fix the date, time and place of the meeting.

17. MINUTES OF MEETINGS

- 17.01 (i) The Minutes of each Meeting of the Committee shall be prepared in proper form and kept at the State Agency's office.
- (ii) Copies of confirmed Minutes of the Committee shall be submitted for the information of the Board.

18. DECISIONS OF THE COMMITTEE

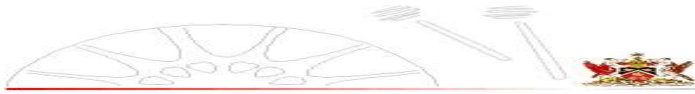
- 18.01 (i) Decisions shall be taken at Committee meetings or where the Chairman so directs by circulation of papers.
- (ii) Papers should not be circulated to any member who has declared an interest.
- (iii) Decisions shall be by majority vote and in the event of an equality of votes, the Chairman shall have an original and casting vote.
- (iv) Any member who dissents shall request for such dissent to be recorded.
- (v) Three (3) members including a Director shall constitute a quorum.

19. INVITATION TO TENDER

- 19.01 Whenever goods or Services are required or works are to be undertaken on behalf of the State Agency, the Secretary shall be responsible for all invitations to Tender.
- 19.02 The Secretary shall:
- (i) Invite members of the public in general to make offers for the supply of such goods or services by notice published in the daily newspapers or subject to the approval of the Chairman of the Committee invite such bodies or persons from a list of pre-qualified contractors, suppliers and consultants.

The Suppliers and contractors list should be approved by the Pre-qualification Registration Committee.

- 19.03 The notice referred to in 19.02 shall be signed by the Secretary of the Committee and shall contain:
- (i) Sufficient description of the goods and services required or scope of works to be undertaken and shall whenever necessary also indicate the place where and the time when additional information relating thereto can be obtained.
- (ii) The form in which an offer is to be made.



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- (iii) Date of completion for the supply of goods or services or works to be undertaken..
- (iv) The date and time within which the offer is to be submitted
- (v) The place where the offer is to be submitted.
- (vi) A request for the submission of clearance certificates issued by the Board of Inland Revenue certifying satisfaction of all obligations in respect of taxes and VAT where applicable and a request for the submission of certificates from the National Insurance Board (NIB) certifying satisfaction of the National Insurance Scheme (NIS) obligations.
- (vii) The State Agency may require any person who is desirous of making a Bid in response to a public notice to deposit with the Agency a Tender Deposit.
- (viii) The Secretary may also fix and request a non-refundable tender document deposit.

20. FORM OF TENDER

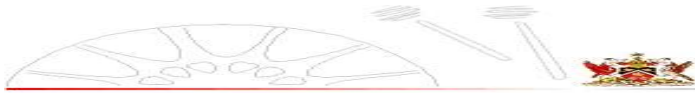
- 20.01 The State Agency may prepare and print such forms or documents as in its opinion are necessary and appropriate for the submission of Tenders for the supply of goods or services or works to be undertaken.
- 20.02 Offers for the supply of goods and services may be made on the appropriate form supplied by the State Agency and shall be signed by the person making the Bid and enclosed in a sealed envelope addressed to the Secretary.
- 20.03 Alterations or erasures in any Bid made to the State Agency shall be initialled by the person making the Bid or by whoever is authorized so to do.

21. COMPLIANCE WITH THE INVITATION TO TENDER

- 21.01 The Committee may reject any offer which does not comply with any significant provisions outlined in the Invitation to Tender.

22. TENDER BOXES

- 22.01 (i) The State Agency shall keep at its offices in accessible locations specially constructed boxes in which all tenders shall be placed.
- (ii) Each box shall be marked 'Tender Box' and shall be so built so as to ensure the security of the documents placed in it.
- (iii) Each box shall have two (2) independent locks. The key of one (1) lock shall be kept by the Secretary and the other shall be kept by any other member of the Committee as the Committee may decide.
- (iv) The Secretary shall assign a box for the receipt of tenders on any matter up to the date and time fixed in the relevant notice and shall cause the box to be marked so that it may be readily identified by persons delivering tenders.



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- (v) A register of tenders must be provided by the office of the State Agency to record the date, time and the name of the person who delivered the tender.
- (vi) Tenders which cannot be accommodated in the tender boxes provided must be lodged for safekeeping with the Secretary of the Committee or the Company Secretary. A written acknowledgement of all such Tenders will be issued by the designated State Agency official receiving same and shall include the name of the bidder, the name of the person delivering the Tender, the name of the person receiving the tender, the date and time of delivery and the signatures of both parties.

23. COMPANY'S ESTIMATE

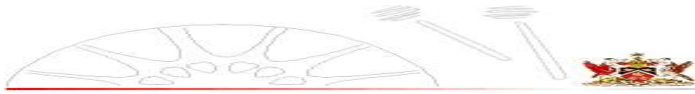
- 23.01 An estimate of the contract cost or State Agency's expectations in accordance with the Bid Documents should be prepared and approved

24. OPENING OF TENDERS

- 24.01 On the date and time fixed for the opening of tenders on any matter, the Secretary and the other holder of the key to of the locks shall unlock the tenders box and remove the tenders found therein.
- 24.02 The Secretary and the Member of the Committee/Chief Executive Officer shall open the sealed envelopes and shall cause entries of the following to be made in the Register:
- (i) The name of persons or firms making the tender.
 - (ii) The sums of money mentioned in the tender.
 - (iii) Certificates issued by the Board of Inland Revenue, VAT Office and National Insurance Board certifying satisfaction of all obligations.

The Secretary and the Member of the Committee shall sign each offer as it is opened and shall sign the register containing the information. The register shall be witnessed by those present.

- 24.03 Each person who made an offer shall be entitled to be present either personally or through a duly authorized representative at the opening of the Tenders Box.
- 24.04 If the time fixed for the opening of tenders is before the time fixed for a meeting of the Committee, then the offers, having been opened, noted and signed shall be placed in a safe place to the satisfaction of the Secretary until such time the Tenders Committee meets.



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25.0 TENDERS IN SEPARATE ENVELOPES

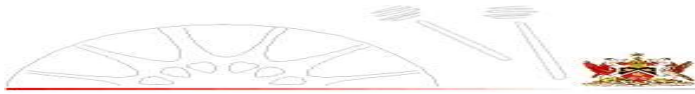
- 25.01 The Board may require an offer to comprise of a technical bid and a financial bid to be submitted in separate sealed envelopes.
- 25.02 Where both technical and financial bids have been received, the financial bids will remain sealed. The financial bids shall be opened sequentially in the order of the technical ranking until a suitable Bid is obtained. The unopened Bids will be returned to the tenderers.
- 25.03 In the case where both technical and financial bids are received, the tenderer shall be entitled to be present at the opening of the Financial Bid.

26. TENDERS DEPOSIT

- 26.01 The Committee may require any person who is desirous of making an offer to deposit with the company a sum in an amount to be fixed by the Secretary before any offer is made.
- 26.02 The Committee shall forfeit any sum so deposited if:
- (i) any person making the deposit fails to make an offer;
 - (ii) any person whose offer is accepted fails or refuses to enter into a formal contract;
 - (iii) any person to whom a contract is awarded fails to execute and fulfil the terms thereof;
- 26.03 After a contract is awarded the Board shall arrange for the refund of any deposits to persons whose offers have not been accepted.
- 26.04 The deposits may be refunded to anyone who withdraws an offer by writing to the Secretary or Secretary of the Tenders Committee before the closing date and time for receipt of tenders.

27. CONSIDERATION OF TENDER

- 27.01 After the tenders have been opened the Committee/Chief Executive Officer shall consider the offer made.
- 27.02 Where there is no significant difference, in the quality of items or in the capacity to undertake the required services, as between tenders, the lowest tender shall be accepted by the Committee.
- 27.03 Where the quality of the item differs between tenders, the Committee in determining which tender shall be accepted shall take cognisance of:-



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- (a) the price Tendered;
- (b) any evidence of reliability of performance;
- (c) any warranty or guarantee given;
- (d) the maintenance or repair services offered;
- (e) the adequacy of stocks or spare parts held in Trinidad and Tobago; and
- (f) the ability of the contractor to supply the goods or service.

27.04 where there is a significant difference in the capabilities of persons or bodies submitting tenders, the Committee in determining which offer shall be accepted shall take cognisance of:-

- (a) the price Tendered;
- (b) any evidence of previous supply of similar items or services;
- (c) any warranty or guarantee given;
- (d) technical skills, adequacy of support staff, supporting financial and contractual arrangements to the persons or bodies submitting tenders;
- (e) compatibility with other items and services used by the State Agency; and
- (f) any other matter relating to the quality or adequacy of performance of the items or services.

28. ACCEPTANCE OF TENDER

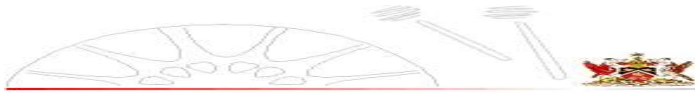
28.01 Where a tender has been accepted by the Committee/Chief Executive Officer the person or body who submitted the tender shall be notified by the Secretary/Chief Executive Officer of its acceptance.

28.02 A contract shall be in such form and contain such terms, conditions and provisions, as the State Agency may determine, and shall specify, inter alia, whenever applicable:-

- (i) a description of the goods and services to be provided or works to be undertaken;
- (ii) the price to be paid for the supply of such goods or services or works to be undertaken;
- (iii) the period within which the matters contemplated in the contract are to be performed;
- (iv) the amount of damages payable for delay or non-completion within the period stipulated; and
- (v) provisions for termination or breach of contract.

28.03 The Company may require a person to whom any contract is awarded to provide security in such form and to such extent as may be specified in the Invitation to Bid (ITB).

28.04 At least once a month the Tender Committee shall inform the Board of Directors of all contracts within their limits which were awarded for their information.



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DISPOSAL

29. DISPOSAL OF UNSERVICEABLE STOCKS

- 29.01 Whenever the Chief Executive Officer determines that any article which is the property of the State Agency and which was originally valued at more than one thousand dollars is unserviceable or is surplus to the requirements of the State Agency the Chief Executive Officer shall provide a Report to the Tenders Committee.
- 29.02 The report shall contain a full description of the articles, the quantity thereof and the places where the articles are stored, its physical state and reason for disposal.
- 29.03 The Board may determine the written down value of Assets that require its approval before disposal.
- 29.04 A Report on the goods sold/disposed of and its proceeds shall be provided to the Board of Directors.

Chairman

