

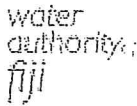
FLYING MINUTE

TO	Board of Directors
UFS	Chief Executive Officer, Water Authority of Fiji
FROM	A/Chief Finance Officer
DATE	Thursday, 5 September 2013
SUBJECT	Proposed amendments to procurement policies and procedures

No	Section Reference	Descriptions	Approved/ Not Approved	
1	1 (1.2)	The maximum time frame for a tender cycle [Tender advertising to Awarding] shall not exceed 38days. Advertising to evaluation 14- 21days, [Evaluation to subcommittee 7days, subcommittee to Tender committee 5days and tender committee to board 5days].		
	Requested Amendments	The maximum time frame for a tender cycle [Tender advertising to submission to Board] shall not exceed 38days. Advertising to evaluation 14- 21days, [Evaluation to Tender committee 7-12 days and tender committee/Management to Board 5 days].		
	Reason for amendments	The main amendments to this section is to: 1) Change tender advertising to awarding of 38day timeframe to tender advertising to submission to board within 38days as we have noted it takes additional time for full board to sign the tender. So thereby limiting the exposure of WAF managements to possible audit queries since most tender is not fully signed within 38days 2) Eliminate the tender subcommittee (options) and will be amended herein the whole procurement and purchasing policy	<input checked="" type="radio"/> Yes	<input type="radio"/> No
	Comment(if any)			
No	Section Reference	Descriptions	Approved/ Not Approved	
2	2 (2.2)	Upon completion of the evaluation of tenders received, the Tender Committee shall prepare and submit Board papers for Board approval.		
	Requested Amendments	Upon completion of the evaluation of tenders received, the evaluation committee will prepare and submit Board papers for Tender Committee, Management and Board approval.		
	Reason for amendments	As part of re-engineering the procurement process and to reduce the mistakes on double entry of information, the preparation of board papers by the evaluation committee reduces the mistakes and improves efficiency.	<input checked="" type="radio"/> Yes	<input type="radio"/> No
	Comment(if any)			
No	Section Reference	Descriptions	Approved/ Not Approved	
3	2 (2.3)	The Tender Committee will be made up as follows members, which shall be assisted by Tender Subcommittee and Evaluation Committee: Chairman: Manager Strategic Planning Secretary: Executive Support Officer		

		<p>Members: Management Accountant Team Leader Customer Care Engineer Projects In attendance: General Manager/Department Head requesting the purchase</p> <p>Subcommittee</p> <p>Chairman: Team Leader Mechanical and Electrical Secretary: Finance Officer Members: Team Leader Finance Team Leader Technical Service Team Leader Projects HR/OHS Officer</p> <p>Evaluation Committee:</p> <p>Chairman: Depending on the content of the tender Appointed by the Department Head Secretary: Depending on the content of the tender Members: 1 Finance Officer Depending on the content of the tender Depending on the content of the tender</p>		
	Requested Amendments	<p>The Tender Committee will be made up of following members, which shall be assisted by Evaluation Committee:</p> <p>Chairman: General Manager Production Secretary: Executive Support Officer/Manager Procurement Members: Chief Financial Officer / Team Leader Finance General Manager Customer Services General Manager Projects</p> <p>Evaluation Committee:</p> <p>Chairman: Depending on the content of the tender Appointed by the Department Head Secretary: Depending on the content of the tender Members: 1 Accountant / Senior Finance Officer Depending on the content of the tender Depending on the content of the tender</p>		
	Reason for amendments	This changes is to reduce the number of errors in tender documents due to lack of competency of the tender committee members and to elimination of subcommittee to reduce the delays and time take to by different committee	Yes	No
	Comment(if any)			
No	Section Reference	Descriptions	Approved/ Not Approved	
5				
	Additions	<p>20.0 Purchasing for and during Natural Disasters and Emergencies</p> <p>20.1 Urgent Purchase Orders to prepare for and in the aftermath of natural disasters should only be processed in exceptional circumstances where normal Purchase Order/Tender process procedure cannot be followed and has a genuine reason to ensure interests of the customers and government.</p> <p>20.2 To ensure that WAFs staff, customers and properties (water intakes, treatment, reticulation system and waste water system) are operational along with quick restoration of water and waste water services, purchasing will have to be done on using handpicked quotations for those items that is not on the preferred suppliers list.</p> <p>20.3 In circumstance where it is not feasible to obtain three quotations because only 1 or 2 vendors responded to the quotation request WAF will use the quotes that are provided.</p> <p>20.3 Urgent purchasing that is directly linked to the disaster and emergencies can be authorised by Chief Executive Officer and Chief Financial Officer.</p> <p>20.4 It is not possible during some natural disasters such as middle of a Hurricane or Flooding to wait for purchase order to come from HQ, it is therefore at the discretion of the Chief Executive Officer in consultation with the established WAF Disaster Response Committee to create a cash accountable advance of totalling up to \$10,000 or \$2,500 for each regions (Northern, Western,</p>		

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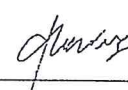


		Central and Eastern) to be kept with the Finance department or distribute to respective General Managers and/or Regional Managers to use these funds to prepare for immediate response to ration up on urgent stock supplies and safeguard WAF properties and to ensure continuous operations.		
		20.5 These Accountable Advance must be acquitted to the Finance Section within 20 working days of receipt or the responsible General Manager or Regional Manager will be surcharged the same for any difference, irrelevant purchases or abnormalities and if not acquitted within 20 working days.		
		20.6 The Chief Financial Officer through progress report will update the Board (Finance and Audit Subcommittee) on the monetary value of expenditures incurred on the preparation and immediate restoration of works.		
Reason for addition		During natural disasters preferred suppliers are not available and competitive quote could not be obtained as major retail and hardware shops are closed hence purchasing will be done with whoever or whatever is close by. This clause is important to safeguard against audit queries which are procedural based.	Yes	No
Comment(if any)				
No	Section Reference	Descriptions	Approved/ Not Approved	
1				
	Requested additions	<p>20.0 Hiring of Plant and Machinery for and during Natural Disasters and Emergencies Definition: Emergencies events are defined as those events such as attending to burst water/waste water mains that will affect a major town, populations, environment, hospitals and schools on the assessment of CEO, COO and GMP.</p> <p>20.1 Preparing for natural disasters or restoration of water and waste water services after disaster needs to be done immediately [this is due to critical nature of water services and overcoming waste water spillage which is health hazard to the general public]</p> <p>20.2 In circumstance where system generated Purchase Order from Head Office or Regional Office cannot be processed due to electricity/power outage or communication breakdown then the Chief Executive Officer can authorise the General Managers and Regional Managers to use Manual Purchase Order Books at their discretion to immediately hire plant, equipment or machinery from the preferred suppliers list and if not accessible whichever contractors are available at the time. The use of manual purchase order books should not exceed 10 working days after/during the disaster unless the Chief Executive Officer is satisfied that hiring should continue until restoration or circumstances normalise.</p> <p>20.3 Where possible handpicked quotations must be obtained for those items that is not on the preferred suppliers list.</p> <p>20.4 The Regional Managers must certify all these payments and shall keep a record of all purchase or hiring on manual purchase order book and produce this record where explanation is needed.</p> <p>20.5 The Regional Managers must be able to explain to Chief Executive Officer and Chief Financial Officer with evidence for expenditures that are incurred on the manual purchase order book.</p>		
Reason for addition		To ensure that immediate restoration is started at regional office during or after disasters.	Yes	No
Comment(if any)				
No	Section Reference	Descriptions	Approved/ Not Approved	
1	Amendment	<p>3.0 Purchases below \$50,000</p> <p>3.1 The authority of approving the purchase of items costing below \$5,000 lies with the Team Leader Finance and Manager Procurement.</p> <p>3.2 The authority of approving the purchase of items costing above \$5,000 and below \$20,000 lies with the Chief Financial Officer and or Chief Operating Officer</p> <p>3.3 The authority of approving the purchase of items costing above \$20,000 and below \$50,000 lies with the Chief Executive Officer.</p>		
	Requested	4.0 Purchases above \$50,000 but below \$500,000		

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Requested additions	4.0 Purchases above \$50,000 but below \$500,000 4.1 The authority of approving the purchase of items costing above \$50,000 and below \$500,000 lies with the WAF Audit and Finance Subcommittee. 5.0 Purchases above \$500,000 5.1 The authority of approving the purchase of items costing above \$500,000 lies with the WAF Board of Directors.		
Reason for amendments	The reason for amendment is to reduce the signing time taken when board decision papers are circulated. There are lots of tenders below \$500,000 which requires urgent purchasing and delays are noted which can be eliminated if the board of directors delegate signing below to \$500,000.00	Yes	No
Comment (if any)			
No	Section Reference	Descriptions	Approved/ Not Approved
		Purchase Order Signatory	
	Additions	Approval Limits for Processing/Signing after Procurement Decisions Financial Limits Value(VEP) The Purchase order must be signed by any 2 authorized officer as per the delegated limits stated below: Regional Office Up to \$5,000 – Regional Finance Officers/ Regional Managers Head Office: Up to \$5,000 Any two Accountant /Team Leader Fleet Up to \$10,000 Senior Accountant /Manager Procurement and General Managers Up to \$50,000 Team Leader Finance and or Chief Financial Officer and or Chief Operating Officer \$50,000 and above Chief Financial Officer and Chief Executive Officer	
Reason for amendments	The main reason for amendments is to: 1) To ensure that bottlenecks are removed	Yes	No
Comment (if any)			

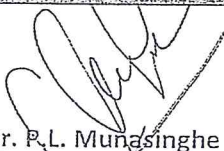

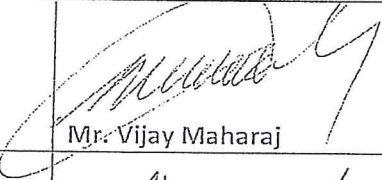
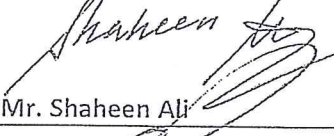
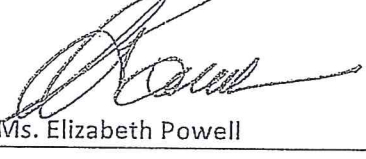
Management Endorsement

The Water Authority of Fiji Management recommends to the Board of Directors to amend the procurement and purchasing policy as stated above.

Management Endorsement	Signature	Date
Vinay Sharma Acting Chief Financial Officer		3/09/13
Laxman Attanayake Chief Operating Officer		5/09/13
Opetaiia Ravai Chief Executive Officer		9/9/13

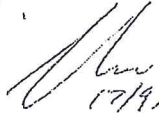
Board Approval

The Board of Directors hereby approves the amendments to the procurement and purchasing policy as stated above.

Decision	Director's Signature	Date
Approved / Not Approved	 Mr. P.L. Mungasinghe	13/9/13
Approved / Not Approved <i>See note below</i>	 Mr. Umarji Musa	17/9/13
Approved / Not Approved	 Mr. Vijay Maharaj	23/9/13
Approved / Not Approved	 Mr. Shaheen Ali	1/10/13
Approved / Not Approved	 Ms. Elizabeth Powell	7/10/13

CEO / GMF / COO

In section 5, 20.2 and 20.3 and Section 1, 20.2 a relevant form should be designed and put to use so that the process used for procurement at the best price is clearly recorded where preferred suppliers are ~~unavailable~~ unavailable, i.e. Record of contacts made, negotiations with other suppliers, conducted etc. This is to ensure abuse is eliminated.


17/9/13