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ADVISORY SERVICE ON PROCUREMENT
AND INVENTORY CONTROL

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(R) BRITISH VIRGIN ISLANDS

Terminal report*

Prepared for the Government of British Virgin Islands
by the United Nations Industrial Development Organization,
acting as executing agency for the United Nations Development Programme

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1. INTRODUCTION

The purpose of the present mission was to advise the Government of the British Virgin Islands regarding the design and implementation of a Centralized Procurement Unit, aided by a computer-based information system. (Of special interest was the definition of procedures for the bid process and contract negotiation.)

The main goals stated for the mission were:

- (a) Definition of a Central Procurement and Contracting function;
- (b) Determination of the feasibility of using a microcomputer to prepare bid documents, purchase orders, monitor status and report progress;
- (c) Identification of training needs;
- (d) Elaboration of a broad management system plan.

This report is organized as follows: (a) a brief review of the nature and characteristics of the bidding process; (b) an assessment of current procurement function; (c) the feasibility of using a microcomputer; (d) the new procurement process; (e) the management system plan; (f) exhibits are included at the end of the report.

The process of public procurement is initiated at the request of the responsible unit which solicits offers from potential suppliers of the goods and services in question.

This process, although apparently simple, does involve a complex network of information, procedures, regulation and laws which must be carried out by a specialized organization. In many instances the central procurement unit must deal with a diversity of requests from a wide spectrum of agencies. (Allotted time frames and deadlines are set fourth by the requesting units.) All of these must be carried out in a highly efficient manner in order not to create bottlenecks.

Out of this involved process, perhaps the most conspicuous feature is that of tendering or bidding, since it consitutes the core of the procurement function.

Tendering or bidding is a formal procedure by which competing bids for particular contracts are invited, received and evaluated. The contract is then awarded to the tenderer who has submitted the most advantageous, and technically feasible bid.

Bidding can be either "public" or "selective". The procedure is called "public" when bidders are invited through advertisements or other forms of public notice. In the case of "selective", also called "close bidding", a limited number of firms are invited to submit offers.

The key features of bidding can be summarized as follows (Westring, 1985):

- (a) Suitable Package. It is required through procurement planning to design the project so as to attract maximum competition from large and small firms, domestic as well as foreign. This means that the level of complexity of the contracts should avoid as much as possible the leaving out of small and domestic tenderers, or large and international contractors.
- (b) Early Warning. Potential tenderers must be informed with sufficient anticipation of the characteristics and conditions of the bidding. This entails an adequate dissemination of the notice for bids through as many channels as possible.

Most international lending agencies as well as the United Nations (through the periodical "Development Business") have information services that help disseminate news in a very comprehensive way. Early warning also refers to the time stipulated to prepare and submit the bids. Most international lending organizations require at least 45 days to respond to bidding invitations, while the GATT requires a 30-day period for respond to a product bid invitation.

- (c) Accessibility. In order to allow for realistic competition tenderers must be given adequate time in which to prepare their bids. Also, the procurement entity must facilitate the work of bidders by making itself available to answer questions which may arise. Accessibility is affected by the use of tender guarantee bonds or performance bonds. The purpose of these bonds is to provide an assurance that the bidder is prepared to sign the contract if his bid is accepted.
- (d) Neutrality. According to the guidelines of the World Bank, the bidding invitation should avoid using a particular national standard and the specifications for equipment must be based on performance requirements rather than on design or brand name.
- (e) Formality. Bidding is a formal procedure, which implies that bids must be submitted in written form, this is normally done with sealed envelopes which must be delivered to a certain place before a time specified in the invitation to bid. If there is a query about the bidding documents from one firm and if the procurement entity wants to clarify any part of the bidding documents, it should communicate the same information to all prospective bidders.
- (f) Confidentiality. All envelopes must be checked to see if they are properly sealed, they must then be kept in a safe place until opened and recorded. Their contents should not be divulged to persons other than those officially responsible for their examination.
- (g) Consistency. All bids should be checked for possible errors, and adherence to stipulated requirements. If a bid is not "substantially responsive" to the bidding documents or contains inadmissible reservations, it should not be considered.

- (h) Objectivity. If one is considering all relevant factors the lowest bid is not necessarily the most advantageous one. Price is obviously the first - but rarely the only criterion used in the evaluation process. The procurement entity has to decide which factors, in addition to price, it is going to consider and to describe then to bidders in clear terms. It is clear that criterion such as reliability, reputation, etc., are a critical role in the selection process. Furthermore, they contribute to the complexity of the selection process.

The question then arises, under what conditions competitive bidding should be discarded in favour of negotiated procurement. This is a complex issue which has been a source of continuous controversy. The major difficulty lies in the alternative procedure which needs to be set up in a way that maintains fair competition, objectivity and non-discrimination. Of course, there are cases involving, for example, spare parts, repeat orders and proprietary articles, where no scope for competition exists.

In principle, there is no difficulty in insisting that bids carried out through a negotiated procurement be based on a uniform set of general conditions. The formality of competitive bidding regarding submission and opening of bids may be seen unwarranted with regard to the negotiated procurement.

If bids are invited under the expressed reservation that the agency may wish to negotiate with any bidder, then there is no need for the agency to reject bids that do not conform to the specifications. On the other hand, consistency requires that the procurement unit has the necessary authorizations and financial resources to proceed with the award of contract following an invitation to bid for a negotiated contract.

In general, the guidelines described above were used in the drafting of the Procurement Manual and the design of the Information System. It is specially important to the BVI Government to have a Public Bidding procedure that is as compatible as possible to that of international organizations (World Bank, GATT, etc.) since this could facilitate future project negotiations.

2. ASSESSMENT OF CURRENT PROCUREMENT FUNCTIONS

To initiate the assessment process, while attempting to clarify the scope of the mission, a series of interviews with key government officials was carried out. The officials interviewed were:

Mr. Cyril B. Romney, Chief Minister
Mr. Stanley Gordon, Permanent Secretary, Chief Minister's Office
Mr. Elton Georges, Deputy Governor
Mr. Robert Mathavious, Financial Secretary
Mr. Otto O'Neal, Planning Unit
Mr. Ephraim Penn, Trade and Commerce
Mr. Bennett Smith, Chief Engineer, Public Works Department
Mrs. Lorna Smith, Permanent Secretary, Natural Resources and Labour
Mrs. Ethlyn Smith, Permanent Secretary, Communications, Works and Public Utilities
Mr. Gary Penn, Water and Sewerage Department
Mr. Rudolph Shulterbrandt, Department of Agriculture

(See figure 1 for overall structure of government)

The week-long interviews produced several important, and often contradictory results. The results can be summarized as follows:

1. Consensus on the need to establish a computer-based information system that could help in instrumenting the procurement function;
2. Unfavorable response to the prospect of centralizing the procurement function in a single unit, while losing their current control on their own purchasing activities;
3. An evident lack of guidelines and procedures which promote clear articulation on the overall government procurement function;
4. The need and desire of the government to make more efficient use of resources currently allocated to units for procuring their stated needs.

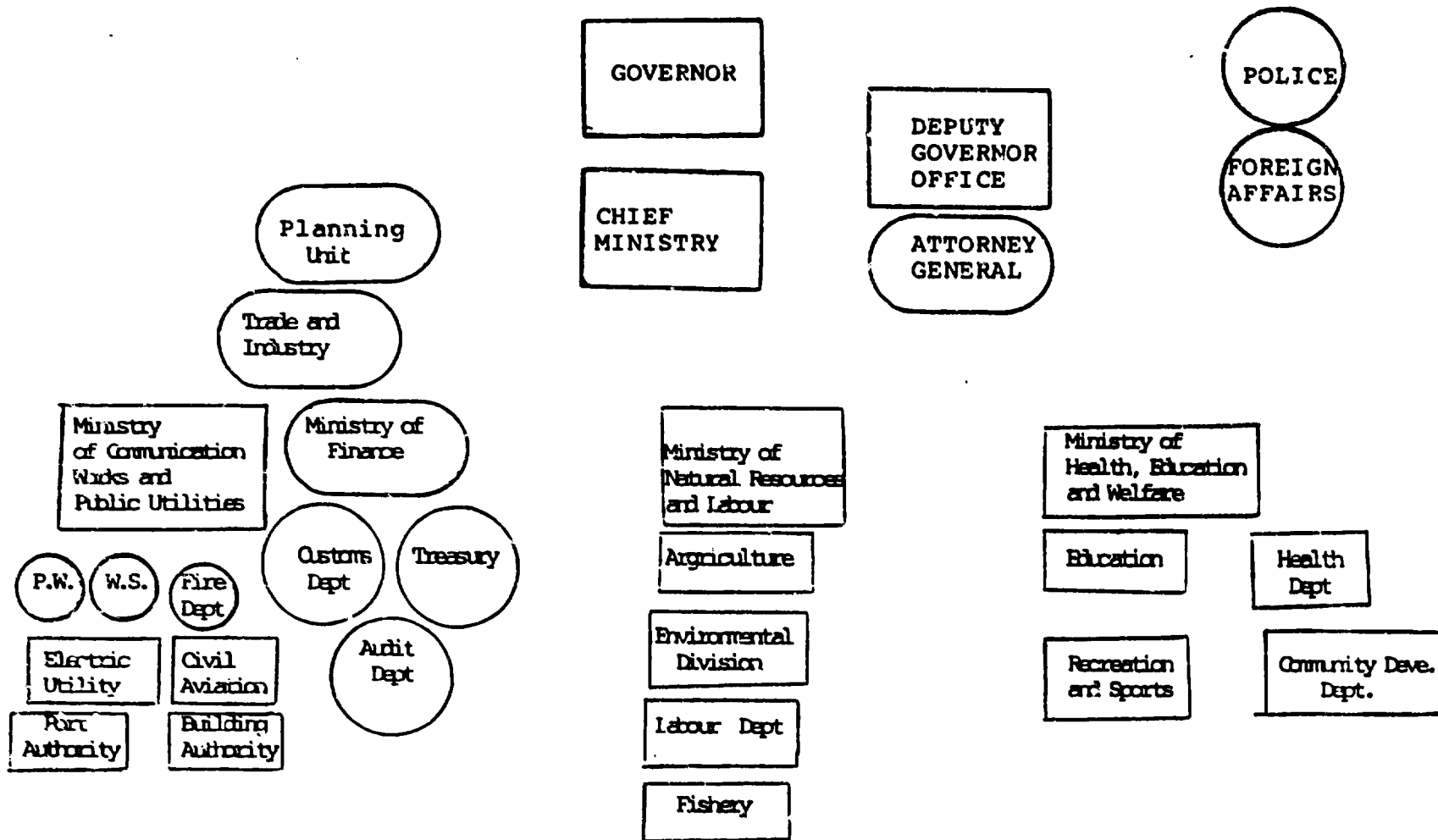


Figure 1. Main Government Units of the British Virgin Islands

The dichotomy between a centralized unit versus a decentralized one became apparent. Hence, it was viewed pertinent at this point to pause and consider in some detail the basic options available. The options which were considered are:

OPTION 1. A Centralized Procurement Unit

This unit will be in charge of buying all the goods that the government needs. All other governmental bodies will send a procurement requirement specifying the type of goods to buy and the necessary information to expedite matters, such as:

- (a) suppliers of the goods (potential);
- (b) budget compliance (funds approved for this);
- (c) justification of their use (if not explicitly mentioned in budget);
- (d) time frame to accomplish the acquisition;
- (e) other.

Advantages:

- (a) specialize people on the purchasing function;
- (b) centralized information system which is much simpler to design and operate;
- (c) builds upon the government buying capability to generate interest in becoming a government supplier;
- (d) keep track of suppliers performance.

Disadvantages:

- (a) will not be viewed favourably by other ministries/departments who currently do their own purchasing;
- (b) could lead to a bureaucratic inertia which can retard the operation of other activities;
- (c) would require extremely good people (few but good) since they will have continuous pressure to perform;
- (d) the cost is greater due to need for specialized facilities and personnel.

OPTION 2. A Centralized Information and Coordination System -
Decentralized Procurement Function.

A reduced staff is responsible to undertake the following procedure:

- (1) review requests;
- (2) loading information into the computer system;
- (3) looking for potential bulk buying for pooling other requests;
- (4) obtaining price quotations from dealers;
- (5) selecting dealer and making necessary arrangements;
- (6) informing interested parties, by sending the processed request to units;
- (7) proceeding to close the deal.

Advantages:

- (a) centralized information system;
- (b) takes advantage of volume buying when possible;
- (c) allows the decentralized units to continue performing their procurement function but with a direct control over it;
- (d) can provide help by buying units in terms of advising the names of "better" dealers, selection of competing items through computer-based techniques, etc.

Disadvantages:

- (a) It still requires specialized personnel but not to the extent as in the centralized alternative;
- (b) In theory, the review process is simple enough, but in practice, it may be a bottleneck;
- (c) The information system is more complex since it has to be provided with additional support like alternative ranking, monitoring procurement status, etc

OPTION 3. Decentralized Procurement Function

Under this scheme there is a master data file which records all the processes that independent procurement units undertake. This is exclusively for information purposes. There is no direct control over the transactions undertaken by each unit.

Each unit in turn, has its own procurement information system, which helps them in their procurement activities. Each system is designed and geared exclusively for their purposes, thus the procurement system for the Ministry of Health, Education and Welfare is different from the one operated by the Public Works Department.

After a specified period of time, each procurement unit will send a consolidated report to the central unit (S36) following a given format which will be the same for all units. This may be transmitted via telephone to the S36 computer or brought in to be inputted directly into the system.

Advantages:

- (a) Improves the decision making level of each unit;
- (b) Does not break with current decentralization scheme;
- (c) Can be built upon to produce a complete network of systems for the government;
- (d) There is available information at the central level, without interference with operational units.

Disadvantages:

- (a) Requires more capital expenditure for equipment and software development;
- (b) Is more complex, many things can go wrong (Murphy,s Law);
- (c) Does not centralize buying power, hence the potential for focus negotiation is lost.

Based on the views of the Government official present, option 2 was viewed more favourably, thus considered the orientation and main goal of the mission.

Review of existing procurement and contracting functions

A summary of the basic features of current procurement procedures follows:

Planning Activity

At present, an explicit and well defined procedure to determine future procurement needs in accordance to a development plan or strategic planning instrument does not exist.

The Government does not have a general inventory of property to keep track of what is available in terms of vehicles, machinery, office equipment, land, buildings etc. In many cases the Finance Ministry responsible for allocating the financial resources, does not have the information to determine if the requested items are justified or not, or if there is already an overstock of some goods in other units.

The Procurement Information System will be able to furnish valuable information and be able to support the planning activity in more than one way. Also it will provide critical information to the budgeting process which represents the basic planning instrument in small island economies.

It is worth mentioning the BVI does not have a coherent and up-to-date body of laws to support and regulate the procurement contracting function. This has been one of the major reasons that made it difficult to review current procedures. (When there is no framework to work with, progress comes slowly.)

Request for Quotations

In general there are no established procedures or guidelines to undertake a bidding process, neither public or closed. Although there is a Public Tenders Committee set up to deal with construction projects, their work is ad hoc and without a clear and written procedure.

The Public Works Department, as well as other units, conduct an informal review process, which is initiated by soliciting price quotations for specific items and materials. Through an internal decision mechanism usually via a departmental meeting the selected vendor is determined. In each unit the procedure followed differs, and in some, the unit makes a direct assignment to a specific vendor.

Existing Documents and Control Process

Documentation pertaining to Bid Invitation, and Evaluation Procedures does not exist. The most conspicuous documents are purchase orders for local vendors and the Indent Forms, for Indenting Agencies in the UK (Appendix 1 page 49-54).

A vote book is kept in every budgeting unit. This is a means by which a control is kept of all the purchases and use of allocated funds. No periodic reports are emitted by the units, thus, there is no mechanism to evaluate what has been purchased and what is still pending.

Commitment and Payment

Since there are no set procedures, most units comply with the vendor's stated payment requirements. In spite of having a fairly good treasury and accounting procedures, the Government does not obtain all the benefits of a volume purchaser.

Material Reception and Inspection

There are no criteria or formal process used to evaluate the compliance of the purchased goods and services to the stated requirements. In the case of vehicles or industrial machinery, the Department of Public Works acts as inspector of the items received and gives its recommendation of acceptance or rejection.

Since the determination of the items to buy is made by the unit, it is not compulsory to require the presence of the specialized personnel from Public Works.

Monitor and Report

In general there are no clear and well defined procedures on reporting to the Financial Secretary the status of a ministry or department with respect to their procurement activities. This has been one of the major incentives for undertaking the current work and developing an information system capable of dealing with the current situation.

In order to get a more precise idea of the procedures involved under the current procurement conditions, a questionnaire was devised and administered to all government units with significant purchasing power (Appendix 2, page 55-57). The Planning Unit will be in charge of analysing the questionnaire and generate recommendations to incorporate in the procurement system.

To review existing regional experience in the implementation and operation of a Central Procurement Unit a visit was made to the US Virgin Islands Property and Procurement Department. After extensive interviews with the Commissioner, Mr. Lawrence J. Sibilly and the Director of Procurement and Supply, Mrs. Delma G. Hodge, the complexity involved in implementing a Central Procurement Unit became obvious.

Although the unit has been operating since 1969, with an adequate body of laws supporting the Central Procurement Function, they reported numerous problems and disfunctions in their overall operation. The most complex issue was perhaps the lack of compliance by many governmental bodies to the current laws and regulations, and the inability to coordinate the budgeting and procurement function.

Notwithstanding the procurement system of US Virgin Islands is a clear example of how a particular system - designed in the US - when implemented somewhere else does acquire the characteristics of the region and of the people operating it. One thing worth mentioning regarding this case is the fact that all the procurement procedures are done manually. At present

they are requesting funds to computerise their operations. Mrs. Hodge expressed her interest to exchange experiences regarding the computer implementation of the procurement systems, both in the BVI and the USVI.

3. FEASIBILITY OF USING A MICROCOMPUTER TO IMPLEMENT THE PROCUREMENT SYSTEM

In order to determine the feasibility of using a microcomputer to implement the procurement system, a preliminary design of the system was produced.

The proposed system has the following basic elements:

- (a) A Relational Data Base of Vendors which will be used to search for potential vendors, and send bid invitations, as well as to keep a record of vendor's performance;
- (b) A Relational Data Base for Central Procurement Control containing the data related to purchase items, per vendor, requesting unit, total cost, budget head and subhead, among others. This is the core of the MIS for Procurement Control;
- (c) An analytical multicriteria decision aid model to support the selection process for bids and projects. It plays a key role in the Evaluation Procedure set up for the Tendering Committee;
- (d) Word processing capabilities to expedite the generation of bid invitations and related material;
- (e) A user friendly interface directed to be appropriate to personnel not familiar with computers;
- (f) A security protocol that allows only the authorized personnel to use that portion of the system for which they are responsible.

Figure 2 depicts the basic structure of the system, while figure 3 contains a simplified flow diagram of its operation.

A preliminary estimation on the memory and storage requirements needed to accommodate the above design, yields a total storage area of 15-20mb and main memory of no less than 512kb.

For cost-effectiveness the system should operate on a computer that may allow two or three users with sufficient computing speed to accommodate their concurrent use.

Overall, it is feasible and highly desirable to install the system on a IBM-AT (or compatible) microcomputer, with a hard disk of 20mb, main memory of 1/2mb and two expansion port slots to accommodate additional terminals.

The advantages of installing and operating the system on a microcomputer are many, including:

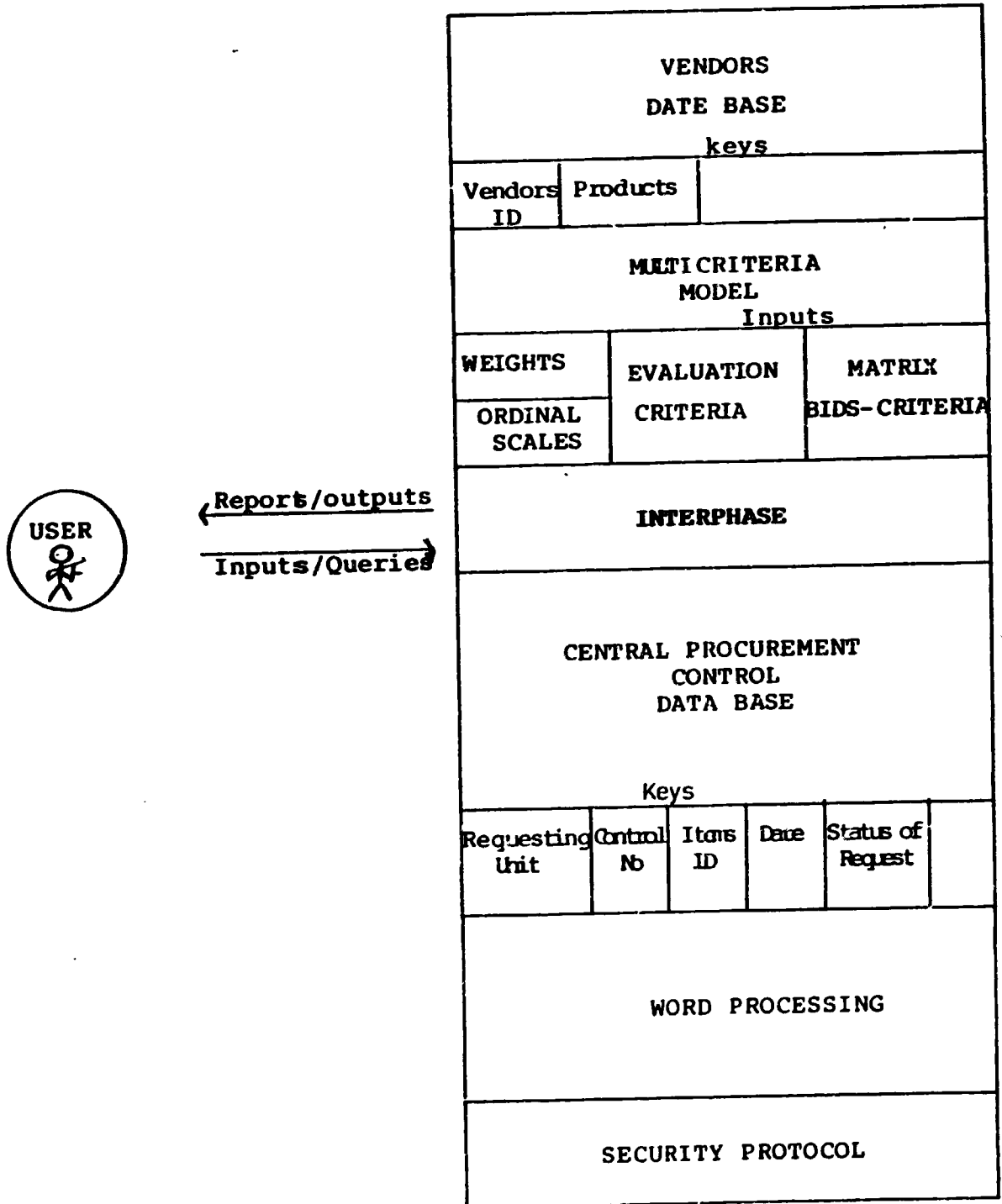


Figure 2. Basic structure of Proposed System

- (a) ease of use;
- (b) ease of servicing;
- (c) security features and privacy of use;
- (d) great variety of application software available;
- (e) powerful development software;
- (f) possibilities to connect other computer in a local area network and share resources;
- (g) flexibility to grow, both in CPU and in storage area.

It is also advisable to include a tape backup unit to insure proper maintenance of critical information stored in the hard disk.

The Government is currently renting a IBM 36 computer on which the two data bases are being implemented. The microcomputer version could not be produced due to lack of a microcomputer.

In our opinion, a highly attractive and cost-effective alternative to adopt in the computerization effort of the Government of the BVI, is to build a Local Area Network (LAN) using AT-type microcomputers.

The benefits which can be gained from such a scheme can be significant, specially to a Government which is constantly looking for alternative ways to make an efficient use of the taxpayer's money.

Under this scheme, the procurement system can be viewed as the initial step, followed by others like the Financial Planning System (for budgeting and financial related), the Payroll System and the Treasury Control System.

It is estimated that with three microcomputers, AT-type connected through a LAN, the basic needs of the following units could be fulfilled:

- (a) the Financial Secretary
- (b) the Planning Unit
- (c) the Chief Minister Office, and
- (d) the Training Division.

As complementary hardware it is suggested to acquire the next items:

- (a) an external removable hard disk (Bernoulli Box) with 10mb;
- (b) a moderately fast dot printer (Toshiba 315P.S);
- (c) a laser printer for quality printing and typesetting (KISS, HP or Cannon are excellent);
- (d) a tape backup unit (20mb);

- (e) three no-break systems (to guard against voltage fluctuations, and blackouts);
- (f) three (low cost) terminals;
- (g) two modems.

With the above configuration an extremely powerful computer capability can be achieved, with the added convenience that if one unit fails, the other will provide the required support while the other unit is serviced.

The maintenance and service of microcomputers is extremely simple, in comparison with minicomputers or main frames. Thus, the possibility of getting good maintenance service from the many dealers in the region is rather high. The estimated cost of the proposed configuration does not exceed US\$ 30,000.

4. PREPARATION OF NEW PROCUREMENT FUNCTIONS

As stated previously, the procurement process currently operating in the Government of the BVI is quite fragmented. The few regulations in force date back to the 1940's and beyond (The Store Rules, Procurement of Stationery and Government Supplies, etc.). In general, the prevailing attitude towards existing regulations is that they are obsolete and should have been abandoned many years ago. Under this setting, the formulation of a new procurement procedure was undertaken.

It is important to point out that without a coherent body of laws behind these regulations, they could easily be dismissed as inconsequential. Hence, it has been our attitude since the inception of this project, that the most that can be done at this stage is to formulate a preliminary document which can be used to clarify the issues at hand and address them in a focused manner.

With this in mind a draft of a Procurement Manual has been produced, based primarily on the procedures used in the neighboring US Virgin Islands.

The appropriateness of the regulations to the BVI can only be ascertained through a detailed analysis of the current bodies of Law, and through their practical operation.

In the section of recommendations the organization of a Procurement Review Committee is suggested, as well as the persons who should be involved.

5. MANAGEMENT SYSTEM PLAN AND RECOMMENDATION

A system with the inherent complexity of a central Procurement Function requires a great deal of time spent on the design stages to insure the subsequent proper operation and best use of the system. Also great care has to be given to the implementation - operation maintenance cycle to keep the system working in accordance with new demands and requirements.

A Management System Plan basically ensures that all the actions are identified and put into a proper sequence in time, and within a coherent framework.

The following activities have been identified as necessary and should be carried out as part of a proposed Management System Plan.

A. System Design

1. Conceptual Design Detailed Design

2. Design of Vendors Data Base

- 2.1 Input Formats
- 2.2 Directories
- 2.3 Keys of Data Base
- 2.4 Reports

3. Design of Central Procurement Control Data Base

- 3.1 Input Formats
- 3.2 Directories
- 3.3 Keys of Data Base
- 3.4 Normalization
- 3.5 Reports

4. Security Protocol

- 4.1 Accessing Modules
- 4.2 Encryption of Files

5. Interface

6. Multicriteria Model

- 6.1 Input Data
- 6.2 Display of Results

7. Inventory Control of Capital Assets DB

B. Implementation

1. Vendors' Data Base

- 1.1 Input Screens
- 1.2 Reports

2. Central Procurement Control Data Base

- 2.1 Input Screens
- 2.2 Reports

3. Security Protocol

- 3.1 System access
- 3.2 Files access

4. Multicriteria Model

5. Interface

- 5.1 Menus
- 5.2 On line help
- 5.3 Backup
- 5.4 Operating System Shell

6. Word Processing

- 6.1 General Word Processing Functions
- 6.2 Formats of Pre-defined Documents
(Bid Invitations, etc.)

7. Inventory Control of Capital Assets

C. Operation and Maintenance

- 1. Test of Data Base for Vendors
- 2. Test of Data Base for Central Procurement Control
- 3. Updating of Directories
- 4. Updating of Interface (Menus, on line help)
- 5. Manuals of System

D. Management Concerns

- 1. Implementation of Operating Unit for Central Procurement
 - 1.1 Organizational structure
 - 1.2 Personnel Selection

2. Training

- 2.1 Operation of Data Base
- 2.2 Operation of Security Protocol
- 2.3 Operation of Multicriteria Model
- 2.4 Word Processing
- 2.5 Bid Preparation
- 2.6 Contract negotiation
- 2.7 Overall Procurement Procedure

3. Options for Operating the System

- 3.1 Evaluation of current operation
- 3.2 Local Area Network Concept

4. Body of Laws and Regulations

- 4.1 Organization of a Procurement Committee
- 4.2 Analysis of Existing Laws and Regulations
- 4.3 Analysis of Procurement Manual
- 4.4 Laws and Regulations Recommended
- 4.5 Manual for Procurement

At the conclusion of this mission, the following activities based on the above have been undertaken:

	<u>Activity</u>	<u>Progress level (%)</u>	<u>Remark</u>
A1	Conceptual Design	100	completed
A2	Design of Vendors DB	80	needs directory
A3	Design of Procurement	85	needs all directories
A6	Multicriteria Model	100	completed
A7	Design of Inventory Control DB	50	needs reports, and directories
B1	Input Screen of Vendors DB	100	completed and operating
B2	Input Screen of Procurement DB	100	" " "
B3	Reports for Procurement DB	80	in operation two reports
B5	Menus	50	need to include model and security protocol
D3	Local Area Network	75	needs detailed layout
D4	Procurement Manual Draft	100	needs to be evaluated

Outputs

Basically the concrete outputs of the mission were:

1. A Management System Plan (already in operation)
2. Two Data Bases ready to be used
3. A Procurement Manual
4. A Design of a Procurement Information System to be implemented on a Microcomputer for ease of use.

Table 1 and 2 contain the layout of the reports which the Procurement Control data base is able to generate. Figures 4, 5 and 6 contain the screens to input information and query the system for specific information.

Recommendation

According to the Programme of activities shown in figure 8, a total of twenty-four weeks are required to put into operation a Central Procurement Coordinating Unit supported by a micro computer-based information system. Out of the twenty-four weeks, an equivalent of four have already been undertaken in this mission, while the remainder twenty weeks should be the subject of a specific project.

An estimated effort of ten-man-months are required to complete the computer system, write the operation manuals, and conduct a series of training courses in accordance with the outlined activities.

The Government of BVI should make available for the sole use of the project a microcomputer IBM AT with a basic configuration (512 Kb central and 20Mb storage) and a printer.

There are several immediate follow-up activities which are crucial to the continuation of this effort, and UNIDO's input is fundamental.

They are:

1. Modify and install in a micro computer the preliminary version of the system including the procurement control data base, the vendors data base, the multicriteria model and word processing capabilities. This is a one-man-month effort.
2. Design and implement an Inventory Control System for the warehouse of unallocated items at the Department of Public Works. This System plays a key role on the overall procurement planning process.

Another one-man-month effort is estimated.

Table 1.

REPORTS FROM CENTRAL PROCUREMENT CONTROL D.B.

PURCHASES REPORT

PERIOD: _____ TO _____ (Date of Report)
 (month) (month)

<u>REQUESTING UNIT</u>	<u>ITEMS BOUGHT</u>	<u>TOTAL VALUE</u>	<u>STATUS OF PURCHASE</u>
PUBLIC WORK	FUEL	10,000.00	PAID
	CONSTRUCTION MATERIAL	25,000.00	ON REQUEST
	TRACTOR	22,700.00	ON PORT/INSPECTION
WATER AND SEWER	PIPES	15,730.00	DELIVERED
	ELECT MAY	16,420.00	BID SELECTION

BALANCE REPORT

PERIOD: _____ TO _____ (Date of Report)

<u>REQUESTING UNIT</u>	<u>ITEMS BOUGHT</u>	<u>TOTAL VALUE</u>	<u>BALANCE</u>		
			<u>HEAD</u>	<u>SUBHEAD</u>	<u>AMOUNT</u>
PUBLIC WORKS	FUEL	10,000.00	E37	M&F	120,000.00
	CONSTRUCTION MATERIAL	25,000.00	E--	---	65,000.00

Table 2.

STATUS REPORT

PERIOD: _____ TO _____ (Date of Report)

REQUESTING <u>UNIT</u>	ITEMS _____	DATE <u>REQUESTED</u>	REQUIRED <u>DATE</u>	STATUS <u>OF PURCHASE</u>
MINSITRY OF HE&W	MILK	04-20-86	05-25-86	DELIVERED
	VACCINES	05-15-86	06-15-86	ON REQUEST

PAYMENT OF PURCHASED GOODS AND SERVICES

PERIOD: _____ TO _____

ORDER <u>NO</u>	PAYMENT <u>CHECK NO</u>	DATE <u>ISSUED</u>	AMOUNT _____	TO THE ORDER OF _____	DATE <u>COLLECTED</u>
--------------------	----------------------------	-----------------------	-----------------	--------------------------	--------------------------

Figure 4

Screen Inputs

VENDOR'S DIRECTORY File name: DEALERS Mode: ENTRY
Record type: 01 Last record type: Auto-dup: OFF
VENDOR'S ID

NAME
ADDRESS (OFFICE)
YEAR ESTABLISHED
TOTAL EMPLOYEES
NO. PROD. EMP.
NO. CLER. EMP.
NO. MANAG. EMP.
SALES 1984
SALES 1985
CAPITAL & ASSETS
THOMAS BOOK?
PAGE NUMBER
VOLUME
HEADING
SALES REP.
REP. TEL. #
PRODUCT NO.
DESCRIPTION/USE
YRS. IN MARKET

Figure 5

Screen inputs

INVENTORY CONTROL D.B. Filename: CONTROL Mode: ENTRY
Record type: 01 Last record type: Auto-dup: OFF
DEPT. OR UNIT

MINISTRY
SERIAL NO.
DESCRIPTION
MODEL
CONDITION
DATE IN
PHYS. LOCATION
RESPONSIBLE
VENDOR'S ID.
MANUFACTURER
TOTAL COST
EST. LIFE/YEARS
LAST INSPECTED
DISCHARGE DATE

Figure 6
Screen Inputs

REQUEST FOR PURCHASE.....File name: REQUEST Mode: ENTRY
Record type: 01 Last record type: Auto-dup: OFF
REQUESTING UNIT

ORDER NO.
RESPONSIBLE
DATE
METHOD OF PUR.
DEADLINE
BUDGET CODE
ITEM NO.
DESCRIPTION
UNIT
PRICE/UNIT
QUANTITY ORDERED
AMOUNT
SHIPPING/HANDLE
AMT. OF PURCHASE
DATE OF APPROVAL
CONTRACT/OFFICER
VENDOR'S NAME
VENDOR'S ADDRESS
RECEIVED BY
RECEPTION DATE

Figure 7
Screen Inputs

INVOICE-VOUCHER File name: INVOICE Mode: ENTRY
Record type: 01 Last record type: Auto-dup: OFF
REQUESTING UNIT

ORDER NUMBER
TRFASURY NO.
ITEM
QUANTITY
UNITS
FREIGHT
PACKING COST
INSURANCE
ARRIVAL DATE
PORT OF ENTRY
CERTIFY OFFICER
VENDOR'S NAME
ADDRESS
INCOME TAX
SOCIAL SECURITY
PENALTIES
OTHER
DATE
RECEIVED BY

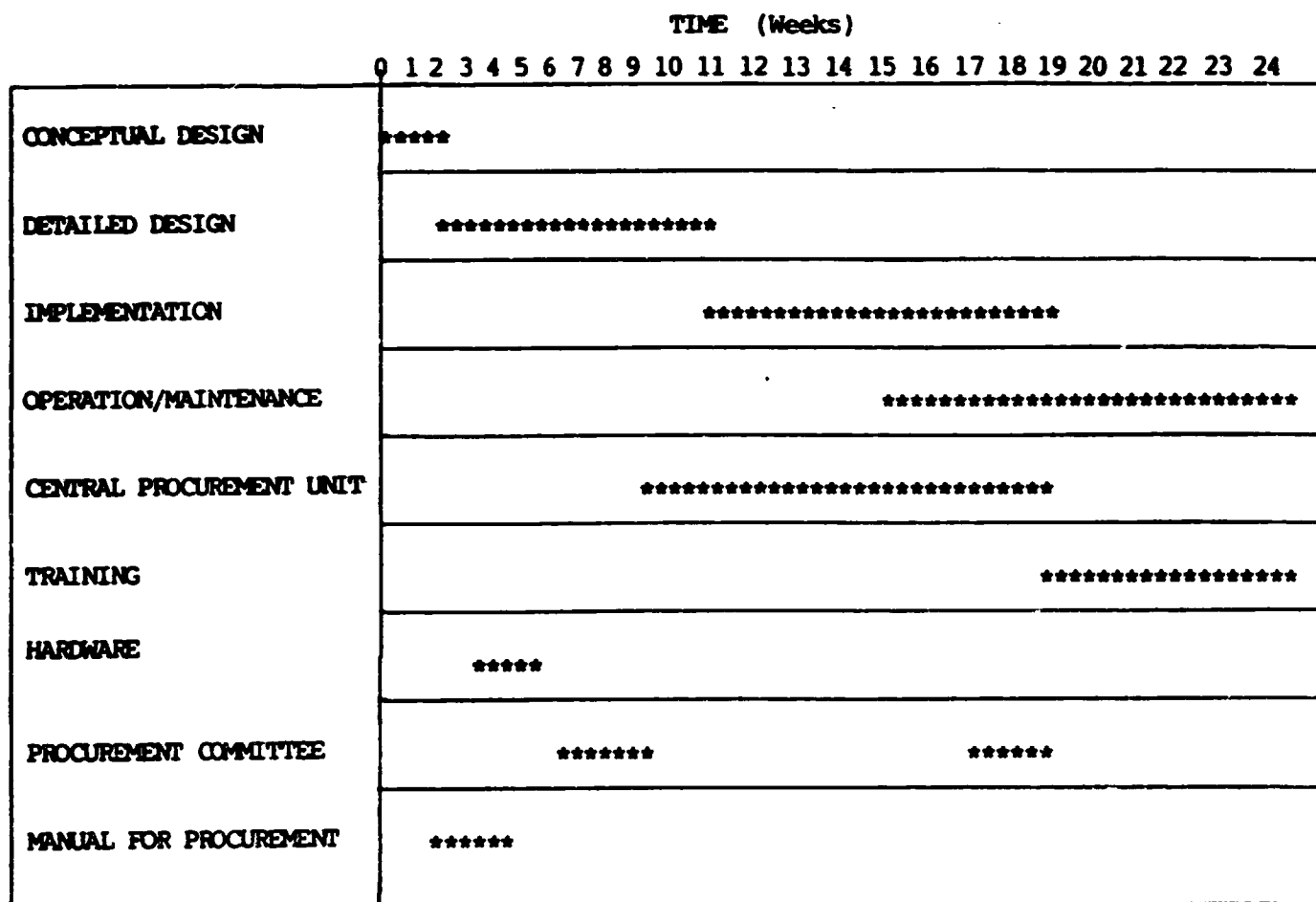


Figure 8. Management System Programme

6. DRAFT PROUCEMENT MANUAL

I. DEFINITIONS

For the purpose of this manual and unless otherwise specified the following terms will be used in accordance with the meanings set forth herein:

Procuring activity

The organizational element of an executive agency which has the responsibility for the procurement of goods and non personal services including construction and property.

Procurement

The acquisition - and directly related matters - of goods, non personal services, (including construction), and property by such means as purchasing, renting, leasing, contracting or bartering, but not by seizure, condemnation, donation or requisition.

Negotiation

The process of soliciting proposals and bids without formal and public advertising; the name of close bid is also used.

Procurement Item

Any goods, property, non personal service including construction, alteration, repair or installation, which is the object of procurement.

Contracting Officer

The Head of the Procurement Unit and or his duly authorized designee (including the Procurement Officers).

Contract

Establishing a legally binding agreement between the seller or vendor to furnish with goods, non personal services, and property and the buyer to pay therefore. It includes all types of commitments which obligates the Government to an expenditure of funds and which, except otherwise authorized, are in writing form.

Contract Modification

Any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provision of an existing contract. It includes bilateral actions, such as supplemental agreements and amendments, and unilateral actions, such as change orders, notices of termination, and notice of the exercise of an option.

Equipment

This is defined to include items which have the following characteristics:

- A. Long life and durability. In general a normal life or more than two years is considered a long life;
- B. Permanent character. When the item can be used repeatedly over an extended period of time without materially changing its character or without appreciably impairing its condition;
- C. Unit cost. Generally, a unit cost above the twenty US dollars (\$20.00) will justify a classification of equipment. There are, however, some items in which some judgement must be exercised to determine if it is classified as equipment or supply;
- D. Subject to control as a fixed asset. This should be done in accordance with the regulations and laws regulating Government properties.

Materials, Supplies and Parts

They are defined as commodities which ordinarily have:

- a) a short life and durability.
A short life means generally a normal life of less than two years - due to a one-time use under circumstances that will destroy the future usefulness of the item; regular replacement by reason of rapid wear and frequent unavoidable loss;
- b) lost their characteristic identify in the process of use.
(Temporary character or identify by reason of use or conversion due to the process of transformation. These items do not retain a permanent character. An example of this are building materials which loose their identify in use by becoming part of the structure itself;
- c) only nominal value and are subject to local inventory control.
Nominal value usually refers to small items purchased at unit cost of less than twenty US dollars (\$20.00) and are readily replaceable for the same amounts.

Tendering Committee

Group of people responsible for the selection of bids and awarding contracts. The committee is made up of three persons from the requesting unit and the representative of the Procurement Unit. The representative of the Procurement Unit would also act as Chairman of the Committee, and sign as Contracting Officer.

II. PROCUREMENT GUIDELINES

A. General

1. Before taking procurement action, and in accordance with these procedures, the Contracting Officer shall have complied with the laws pertaining to the obtaining of supplies from surplus stock which might be in the hands of other Governmental bodies. This step should be cleared by the Financial Secretary.

2. The items of equipment and construction contained in the Budget presented by the Chief Minister to the Legislature will, to the extent of funds actually appropriated, be considered the items intended for purchase. No deviation or substitutions will be made unless and until the Ministry of Finance is requested to reduce or delete items previously scheduled and approved for purchase.

B. Competition

All purchases and contracts and all sales of unusable or obsolete personal property, whether by formal advertising or by negotiation, shall be made on a competitive basis to the maximum extent practicable.

C. Formal advertising

Contracts for goods, services, and property, and the sale of usable and obsolete personal property (equipment, etc.), shall be made by formal advertising in adherence to the provisions set forth elsewhere herein, in all cases in which the use of such a method is feasible and practicable under the existing conditions.

D. Negotiation

If the use of formal advertising is not feasible and practicable, the purchases and contracts of property and the sale of unusable and obsolete personal property, may be negotiated in accordance with the procedures set forth elsewhere herein.

E. Purchase Description

1. Purchase descriptions used in competitive procurement shall not specify a product having features which are peculiar to the product of one manufacturer, producer, or distributor, unless it has been determined that those particular features are essential to the Government's requirements.

2. In addition, purchase descriptions shall clearly and accurately describe the technical requirements or desired performance characteristics of the supplies or services to be procured, and, when appropriate, the testing procedures which would be used in determining whether such requirements are met. When necessary preservation, packaging, and packing requirements should be included.

3. Purchase descriptions may include or consist of references to specifications and standards issued or adopted by technical societies, associations, or governments if such specifications and standards are widely recognized, confirm to the requirements of the using Ministry, and are readily available.

4. Purchase descriptions which contain references to one or more brand name products followed by the words "or equal" may be used only as hereinafter provided. Where a brand name or equal or equal purchase description is used, prospective contractors must be given the opportunity to offer products other than those specifically referenced by the brand name if such other products will meet the needs of the Government in essentially the same manner as those referenced.

5. Brand name or equal purchase descriptions should set forth those salient features which characterizes the product and if available provide information regarding:

- model, make or catalogue number for each brand name product referenced and identify of the commercial catalogue in which it appears.
- name of manufacturers, producer or distributor of each brand name product referenced.

III PROCUREMENT PROCESS

1. Incorporate all identified needs into the appropriate budget head and subhead and submit it for approval. Once approved the procedure is as follows.

2. Fill in form CPO1-RP and send it to the Procurement Unit. If the amount or estimated amount is greater than US\$40,000.00 then Public Bidding is necessary. If the amount fluctuates between US\$4,000.00 and US\$40,000.00 a closed bidding must be undertaken. If the amount is less than US\$4,000.00, but greater than US\$1,000.00 then, depending on the opinion of the Financial Secretary or the Procurement Unit, a closed bid can be undertaken; or an open market purchase can be authorized. For amounts of less than US\$1,000.00 and for local purchases, there is no need to initiate any tendering procedure.

3. If the Procurement requires a public bidding, fill in the form CPO2-PB and send it along with the CPO1-RP form.

4. If the Procurement is subject to closed bidding fill for CPO2-CB and send it along with CPO1-RP.

5. If the purchase is local and within the range authorized for individual purchasing units, fill in completely the form CPO1-RP and send a copy to the Procurement Unit in order to register the purchase in the Central Information System (this also updates your account balance). Note that form CPO1-RP substitutes the local purchase order form.

6. When a Public or Closed Bidding process has been initiated, a Tendering Committee will be set up - consisting of two technical people from the requesting unit and one from the Central Procurement Unit along with CPO1-PB or CB send the names of the persons which are going to participate in the Tendering Committee. (Refer to section IV of this manual for further information regarding the overall procedure.

7. When a negotiated process has been initiated be sure to include all the necessary information regarding the product characteristics in order to extract the most bounded price quotation from the potential vendors. Include all the names and addresses of firms that you estimate can supply the required items, since this will facilitate matters while assuring the product that you need is at the most reasonable price. The Central Procurement Office will incorporate the names of vendors that you are providing into a Data Base for future reference and use.

8. Once the CPU has received all the necessary information from the potential vendors, it will proceed to select one. The procedure will be aided by a multicriteria ranking technique that enables them to take into account all the different points of view in the selection process. A formal notification of the selected vendor will be given to both parties that issued the form CPO1-IV.

9. At the notification of arrival of the purchased goods and when inspection procedure has been finalized proceed to notify CPU that officially the goods has been accepted and then sign CPO-IV in order to proceed with the payment as agreed.

10. In relation to procurement of vehicles, machinery and industrial equipment, the Department of Public Works will be an additional member of the Tendering Committee. They will then be responsible for the inspection of the purchased goods to certify that it conforms with the requested specifications and it is operating properly.

IV TENDERING OR BIDDING

The underlying purpose for requiring competitive bidding is to promote and encourage competition and to guard against favouritism, improvidence, extravagance, fraud and corruption. Furthermore, it is important to secure the best work or product possible at a cost advantageous to the Government. (The quality offered, delivery terms and service reputation are also to be taken into account.)

Competitive bidding is for the benefit of the taxpayers and not for the benefit or enrichment of bidders. Therefore, the procedures described here are directed towards this goal.

1. Preparation of Invitation for Bids

Invitation for bids shall contain the applicable information required for a particular procurement, and specifically must contain:

- (a) Invitation number;
- (b) Name and address of issuing activity;
- (c) Date of issuance;
- (d) Description of supplies or services to be furnished in sufficient detail to permit full and free competition;
- (e) The deadline for receiving bids;
- (f) Permission, if any, to submit telegraphic bids;
- (g) Bid guarantee, performance and payment bond requirements, if any;
- (h) Any authorized special provisions relating to the project, goods or services;
- (i) Any additional contract provisions or conditions required by law and or regulation issued thereunder.

2. For supply and services contracts (excluding construction), the bids shall contain, in addition to the information required by the foregoing if applicable, the following:

- (a) Discount provisions;
- (b) The quantity of supplies or services to be furnished under each item;
- (c) Any requirement for prior testing and qualification of a product when the item to be purchased is on a qualified products list;
- (d) Place and method of delivery;
- (e) Preservation, packaging, if any;
- (f) Place, method and conditions of inspection;
- (g) If no award will be made for less than full quantities advertised, a statement to that effect;
- (h) If award is to be made by specified groups of items or in the aggregate, a statement to that effect;
- (i) Any applicable requirements for samples or descriptive literature.

3. Bidding Time

Consistent with the needs of the Government for obtaining the supplies or services, all invitations for bids shall allow sufficient bidding time to permit prospective bidders to prepare and to submit their bids. (Undue limitation of bidding time tends to restrict competition.) As a general rule bidding time shall not be less than fifteen (15) calendar days when procuring standard commercial articles and services obtainable and available within the territory of the BVI and its adjacent territories (USVI, Puerto Rico, etc.).

4. Telegraphic Bids

As a general rule, telegraphic bids will not be authorized. However, with the approval of the contracting officer telegraphic bids may be authorized. When such bids are authorized the invitation for bids shall require the bidder to include in the telegraphic bid, specific reference to the invitation, the items quantities, unit prices, the time and place of delivery and a statement that the bidder agrees to all the terms, conditions and provisions of the invitation.

5. Place and Method of Delivery

Invitations for bids soliciting f.o.b. destination shall state that the bids will be evaluated on the basis of bid price plus transportation cost to the Government from point or origin to designated destination.

Invitations for bids soliciting f.o.b. destination shall include as much of the following information pertinent to the particular procurement as possible and shall require bidders to furnish the Government the following information as appropriated:

- (a) Method of shipment, such as water or air or mail;
- (b) Guaranteed shipping weight; and
- (c) Packing, crating and other information.

6. Amendment of Invitations for Bids

If after issuance of the invitations for bids but before the time set for opening bids, it becomes necessary to make changes in quantities, specifications, delivery schedules, opening dates, etc. or to correct an ambiguous or defective invitation, such changes shall be accomplished by issuance of an amendment to the invitation for bids. (This amendment shall be sent to those parties that submitted invitation for bids.)

All amendments shall:

- (a) Serially be numbered, using a separate series of numbers for each invitation for bids concerned;
- (b) Include the number of the invitation for bid concerned;

- (c) Clearly state the changes made in the invitation for bids and the extension, if any, on the opening day;
- (d) Include instructions to bidders for acknowledging receipt of the amendment and information concerning the effect of failure to acknowledge or return the amendment.

7. Submission of Bids

To be considered for award a bid must comply with all of the requirements set forth in the invitation for bids. This compliance guarantees that all the bidders will submit uniform bids as to methodology, terms of references for contracts and submission time.

Bids shall be submitted in order to be received in the office of Central Procurement not later than the time set for opening of bids. Where telegraphic bids are authorized, they should arrive via telex at the specified time and shall be included with the rest of the bids to be read.

Late hand-carried bids, or any other late bid not submitted by mail or telegram, shall not be considered for award.

8. Modification or Withdrawal of Bids

Bids may be modified or withdrawn by written or telegraphic notice which should be received in the office of the Contracting Officer not later than the time set for opening the bids. A bid may also be withdrawn by a bidder or his authorized representative provided his identity is made known and he signs a receipt for the bid. This is possible only if the withdrawal is prior to the time set for opening the bid.

9. Opening of Bids

All bids (including modifications) received prior to the time set for opening shall be kept unopen, except as stated below:

- (a) The unidentified bids may be opened solely for the purpose of an identification and then only by an authorized official;
- (b) All bids received prior to the time set for opening shall be publicly opened and, when practical, read aloud to the persons present. It shall also be recorded;
- (c) The examination of bids by interested persons shall be permitted if it does not interfere with the conduct of Government business. Examination should be conducted under the immediate supervision of a Government official and under conditions that precludes the possibility of addition, deletion or alteration in the bids.

10 Recording of bids

The invitation number, bid opening date, general description of the procurement item, names of bidders, price bid, and any other information required for the bid evaluation, shall be entered in a record which shall be available for public inspection. When the items are too numerous to warrant recording, one entry shall be made with the invitation number, opening date, general description of procurement items, and the bid's price.

11. Rejection of Bids

Invitations for bids may be cancelled after opening but prior to award, for the following reasons:

- (a) Inadequate, ambiguous or otherwise deficient specification;
- (b) The supplies or services are no longer required;
- (c) The bids received indicate that the needs of the Government can be satisfied by a less expensive article differing from that one which the bids were originally invited;
- (d) All bids received which are at unreasonable price and exceed the funds available;
- (e) The bids received did not provide adequate competition to insure reasonable prices;
- (f) Bids which were not independently arrived at in open competition. Ordinarily a bid shall be rejected where the bidder imposes conditions which would modify requirements of the invitation for bids, among which the following are worth mentioning:
 - (i) Attempts to protect himself against future changes in conditions, such as increased cost;
 - (ii) Fails to state a price and, in lieu thereof, states that "price shall be price at time of delivery";
 - (iii) Conditions or qualifies his bid by stipulating that bid is to be considered only if, prior to date of award, bidder receives (or does not receive) award under a separate procurement;
 - (iv) Limits rights of Government under any contract clause;
 - (v) Where a bid guarantee is required and a bidder fails to furnish it in accordance with the requirements of the invitation for bids.

When it is determined to reject all bids, the contracting officer shall notify each bidder that all bids have been rejected, stating the reason for such action.

12. Mistakes in Bids

After the opening of bids the contracting officer shall examine all bids for mistakes. In cases of apparent mistakes, and when the bidder alleges a mistake and if called upon to clarify it, the matter shall be processed in accordance with the following provision.

Any clerical mistake, apparent on the face of a bid, may be corrected by the contracting officer prior to award, if the officer has first obtained from the bidder verification of the bid actually intended. Examples of such apparent mistakes are: misplacement of decimal point, obvious reversal of the price f.o.b destination and the price f.o.b. origin, obvious mistake in designation of unit, etc.

13. Awards

Unless all bids are rejected, award shall be made by the contracting officer by written notice, within the time of acceptance, to that responsible bidder whose bid, confirming to the invitation for bids, will be most advantageous to the Government, taking into consideration the price and all other factors. The specific procedure to follow to evaluate and proceed to grant an award is detailed in Section V of this document.

The factors set forth in the following paragraphs, among others, may be for consideration in evaluating bids for awards:

- (a) The foreseeable costs or delays resulting from differences in inspection, location of supplies, transportation, insurance, and so forth;
- (b) The advantages or disadvantages to the Government that might result from making more than one award;
- (c) The reputation of the firms submitting the bids, quality of the product or service being offered, timeliness of delivery, warranty conditions and years of experience providing the service or producing the goods.

14. Protest Against Award

The Contracting Officer shall consider all protest or objections to the award of a contract, whether submitted before or after the award. If the protest is oral and the matter cannot otherwise be resolved, written confirmation of the protest shall be requested. The protestor shall be notified in writing of the final decision on the written protest.

15. Use of Negotiation or Closed Bidding

Whenever property or services are to be procured by negotiation, proposals shall be solicited from the maximum number of qualified sources, consistent with the nature of the requirements for the supplies or services to be procured.

Proposals shall be supported by statements and analysis of estimated costs or other evidence of reasonable prices. During the course of negotiation, due attention shall be given to the following and other appropriate factors:

- (a) Comparison of prices quoted with other prices for the same or similar property or services;
- (b) Comparison of the business reputation, capacity and responsibility of the respective persons or firms who submit proposals with other firms;
- (c) Consideration of the quality of the property or services offered, including the same or similar property or services previously furnished, with regard to conformance with specification requirements;
- (d) Consideration of delivery requirements;
- (e) Other performance criteria that may promote the identification of the proposal most favourable to the Government.

V. SELECTION PROCEDURE FOR BIDS

The Tendering Committee shall be the body responsible for evaluating and selecting the bid which is considered most advantageous to the Government. This bid will be awarded the contract.

The representative from the Central Procurement Unit will act as Chairman of the Committee and his signature will be required on all official documents. It is the responsibility of the Chairman to be sure that all the bidding process has been followed in accordance to the aforementioned procedures.

As much as possible the Committee shall adhere to the following steps in the evaluation process.

1. Explicit identification of a set of evaluation case at hand. Among others, the evaluated criteria shall include:
 - (a) Total cost; including freight, transportation, etc. and excluding discounts offered;
 - (b) Delivery time: measured in days including Sundays and holidays;

(c) Quality of Product or Service; measured in an ordinal scale;

(d) Reputation of Vendor; measured in an ordinal scale.

2. Assignment of a weight of importance to each of the evaluation criteria defined above. The weights should be assessed from all the members of the Committee using a nominal median measured to avoid extreme positions. It is recommended to use a scale from 0 to 10 as follows:

<u>RANGE</u>	<u>DESCRIPTION</u>
0-3	Very low importance
4-5	Low importance
6-7	Moderate importance
8-9	Important
10	Very important

3. Evaluation of all bids using the evaluation criteria previously identified. Form CPO3-MTX, should be completed once all the information has been collected, discussed and agreed upon. The Chairman of the Committee should initial the form and include at the space provided the names of all the members of the Committee.

4. In order to insure strict objectivity and provide support to the Selection Process, an analytical technique should be employed in the final selection of the bids. A specific tool has been designed to meet this need as it is available for use to all Tendering Committees. The aforementioned technique has been implemented on a microcomputer and accepts as input the data contained in form CPO3-MTX.

5. As an additional guideline in using the technique it is suggested that a parametric run be selected (option 5 in Main Menu) and the value of p is varied from 1.0 to .4 holding q constant at .2. If there is an alternative which dominated the rest it will show up as the "selected" alternatives will drop from the selected set until no further reduction is possible. In this case and if the number of alternatives are still large, the value of q should be increased to 13 and p varied from .9 until .4. If the set is still greater than two, then it is necessary to readjust the weights of the evaluation criteria to discriminate better between the remaining alternatives. If on the other hand two alternatives have been left as selected, the Committee should proceed to vote or select their most preferred alternative. When one is left, then this is the "best" choice according to the overall evaluation performed by the model. Note that the larger the p value is and the lower the q value is, then if there is one alternative selected the better it is.

6. Once a choice has been made the Committee proceeds to notify the successful bidder through an official letter (issued by the Central Procurement Unit and signed by the Contracting Officer) and advise the requesting unit on the outcome of the process. Form CPO1-IV should be issued and employed both as an invoice and as a voucher.

VI. FORMS USED IN THE PROCUREMENT PROCESS

INSTRUCTIONS

- (1) Please consult your catalogue of codes contained in the Procurement Manual and identify the code for the item being requested. If there is not provision for a particular item please indicate NA in the respective column.
- (2) Make sure you are familiar with the guidelines issued for produce description and contained in your Procurement Manual
- (3) Consult your Procurement Manual as to the method of purchase better suited to your needs.
- (4) Specify the date in which you require the item, please make adequate provision to account for unforeseen delays.
- (5) This is a unique number which will be used to trace your request throughout the Procurement Process, the Procurement Unit will issue a number and return a copy to the requesting Unit.
- (6) This is the date on which you filed your request.
- (7) The Contracting Officer is the person responsible for assigning contracts under the guidelines described in the Procurement Manual.
- (8) The person who signs as receiving is accepting full responsibility for the compliance with specifications of the requested items.

REQUEST FOR PURCHASE

REQUESTING UNIT _____ ORDER NO _____
(MINISTRY, DEPT. ETC)

RESPONSIBLE _____ DATE _____
(NAME AND TITLE)

METHOD OF PURCHASE

- () PUBLIC BID
- () CLOSE BID
- () OPEN MARKET
- () OTHER (SPECIFY)

BUDGET CODE

HEAD _____
SUBHEAD _____

DEADLINE

ITEM NO.	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY ORDERED	AMOUNT \$	SHIPPING HANDLING	TOTAL COST

AMOUNT OF PURCHASE _____ ORDER NO _____

CONTRACTING OFFICER _____
(NAME AND SIGNATURE)

DATE OF APPROVAL _____

VENDOR'S NAME AND ADDRESS

RECEIVED BY _____

DATE OF RECEPTION _____

FOR INSTRUCTIONS SEE REVERSE SIDE

INVITATION FOR A CLOSED BID

INVITATION NO ()

REQUESTING UNIT _____

DATE _____

Pursuant to the procedures established by the Government of the British Virgin Islands regarding the procurement of goods and services (including construction projects) you are invited to participate in this Closed Bidding event for the goods or services described below:

Please return your Bid within the next _____ days after receiving this invitation. Make explicit reference to the Invitation Number otherwise your Bid will not be considered valid. A complete description of the basis upon which your Bid will be judged is contained in the attached document.

SIGNED

- 44 -
INVOICE - VOUCHER

ORDER NO _____

REQUESTING UNIT _____

TREASURY NO _____

DESCRIPTION OF PURCHASE

ITEM: _____	
QUANTITY: _____	UNITS: _____
COST	
FREIGHT: _____	
PACKING: _____	
INSURANCE: _____	
TOTAL: _____	_____
ARRIVAL DATE: _____	CERTIFYING OFFICER
PORT OF ENTRY: _____	I certify that the above item has been received and inspected to verify it conforms to specifications.

VENDORS

NAME: _____	
ADDRESS: _____ _____	
DEDUCTION:	TOTAL NET PAYMENT
Income Tax	\$ _____
Social Security	
Penalties	
Other	_____
	Received By
	DATE: _____

VENDOR'S DIRECTORY

NAME _____

ADDRESS (Main Office) _____

YEAR IN WHICH FIRM WAS ESTABLISHED _____

NUMBER OF EMPLOYEES: TOTAL _____

PRODUCTION _____ CLERICAL _____ MANAGEMENT _____

TOTAL SALES FOR LAST TWO YEARS (IN US DOLLARS)

1984: _____ 1985: _____

CAPITOL AND ASSETS (IN US DOLLARS) _____

ARE YOU LISTED IN THE THOMAS BOOK? IF YES PLEASE GIVE THE PAGE NUMBER AND HEADING UNDER WHICH YOU APPEAR.

PAGE NO. _____ VOLUME _____ HEADING _____

NAME AND TELEPHONES OF THE SALES REPRESENTATIVES NEAREST BVI

MAIN PRODUCTS /SERVICES (If you have a catalog please attach it to this questionnaire)

PRODUCT NO (CATALOG)	DESCRIPTION AND USE	YEARS IN THE MARKET

INVITATION TO VENDORS

The Government of the British Virgin Islands is compiling a Directory of Potential Vendors of goods and services that the Government usually requires.

If you are interested in being part of this Directory which will be used to send specific Bid notices and price quotations, please fill the attached form.

Robert Mathavious
Financial Secretary

VENDORS EVALUATION FORMAT

VENDOR						
EVALUATION CRITERION	1	2	3	4	5	6
a) TOTAL PRICE(S)						
b) DELIVERY TIME (DAYS)						
c) EXPERIENCE (YEARS)						
d) REPUTATION						
e) QUALITY OF PRODUCT						
f) WARRANTY CONDITIONS						
g)						
h)						
i)						
j)						
k)						

SCALES: REPUTATION

<u>VALUE</u>	<u>QUALIFICATION</u>	<u>MEANING</u>
(10)	HIGH	— Recognized in the field
(7)	ACCEPTABLE	— Standard Work
(4)	UNKNOWN	— No Information available
(0)	DOUBTFUL	— Negative report

QUALITY OF PRODUCT

(10)	EXCELLENT	—
(8)	GOOD	—
(6)	AVERAGE	—
(2)	BAD	—

WARRANTY OF CONDITIONS

(10)	FULL WARRANTY	> 1 year
(8)	FULL WARRANTY	< 1 year
(6)	PARTIAL WARRANTY	> 1 year
(4)	PARTIAL WARRANTY	< 1 year
(0)	NO WARRANTY	

7. APPENDICES

APPENDIX 1. FORMS CURRENTLY IN USE

BRITISH VIRGIN ISLANDS

Original
Duplicate
Indenting Officer
Accounting General
Chief Auditor

INDENT ON THE CROWN AGENTS

Indent No. _____ Date _____

Department (if any) _____

Materials _____ Crown Agents Group Number _____

Estimated Cost £ _____ (excluding packing and freight).

Confirmation (If this indent or any item conforms a previous letter or telegram state details).

ADDRESSES FOR PACKAGES

POSTAL

SHIPPING
(Abbreviated Mark)

Road Town,
Tortola,
British Virgin Islands,
West Indies.

Road Town,
Tortola.

Special Instructions

Space for local use only

Head _____

Sub-head _____

Date _____

Indenting Officer.

Authorization

Signature _____

Designation _____

Of proper officer authorizing the crown agents to execute this indent

Date _____

BRITISH VIRGIN ISLANDS.

Indent No. _____ • Date _____ •

*To correspond with No. and date at head of first sheet.

Indent to be confined to articles in one group.

C.A. GROUP No. _____

Item No.	Quantity	Description of articles	Estimated cost excluding packing, delivery, etc.			Remarks
			Rate	Total		
				£	P	
			Total			

The indent should be prepared in conformity with the Crown Agents' "Notes on the preparation of indents". The list of articles should be written on one side of the paper only. Specifications or explanatory notes which cannot be put in the margin should be written on separate sheets and referred to in the indent.

LOCAL PURCHASE ORDER

Date..... No. 42829.....

Department.....

To: Little Drive Bay

Please supply the undermentioned articles and charge to:

Head..... f.37.....

Subhead

Description	Quantity Requested	Quantity Supplied	Value		Stores Folio No.
			\$	¢	
Diesel	400 Gals.				

Signature

Designation

Requested by _____

Received by _____

Accepted on charge _____

Paid immediately by _____

Filled with stores by _____

APPENDIX 2.

QUESTIONNAIRE

DATE: _____

MINISTRY
(Department /Agency): _____

Filled by: _____

1. PURCHASING FUNCTION

A. How many people are involved, directly or indirectly in the purchasing of items related to your needs?

No. _____

B. Is there a purchasing unit, department, section in the Ministry?

Yes No

C. If there is not a permanent staff involved in the procurement of goods, what proportion of their time they dedicate to this function?

2. PROCEDURE

Please indicate the most common buying procedure that is followed by your unit.

- Direct local retailer
- Whole sale with local dealers
- Retail with external dealers (outside RVI)
- Wholesale with external dealers
- Price quotations and review by internal committee
- Tender bids and review committee
- Other (explain) _____

4. CONTROL

A. Do you keep track of the level of inventory -if any- of the items bought?

Yes No

B. If yes, please explain procedure.

C. Are you able to give the current inventory level for the items that you keep on stock? If so please use form 1 to do it indicating that it is current stock.

Yes No

APPENDIX 3

REFERENCES

1. Financial Instructions for the territory of the BVI.
2. Purchasing Manual of Procedure, Department of Property and Procurement Virgin Islands.
3. Personal Communication with Mrs. Lucia Lettsome, Senior Accountant - Financial Secretary's Office, "Procedure and Regulation for Public Tender in the BVI."
4. Store Rules, Regulations for the Territories of the British Crown.
5. "Essential Elements of International Tendering", by Gosta Westring-World Bank, International Trade. Forum October/December 1985.