

# **TRINIDAD AND TOBAGO ELECTRICITY COMMISSION**



## **GENERAL INSTRUCTION NO: A12/1309**

**(THIS REVISED INSTRUCTION SUPERSEDES INSTRUCTION NO: A12/1112)**

### **PROCUREMENT PROCEDURES**

#### **1.0 OBJECTIVES**

- 1.1 To ensure that the procurement process facilitates the Commission's accomplishment of its overall goals and strategic objectives.
- 1.2 To ensure there is transparency, openness, fairness, consistency, efficiency, probity and accountability in the procurement of plant, equipment, materials, goods and services and these tenets are adhered to throughout the organisation.
- 1.3 To ensure that procurement of plant, equipment, materials, goods and services are conducted within the applicable Laws and meets the Commission's legal obligations.
- 1.4 To ensure that in the procurement of all required plant, equipment, materials, goods and services adequate standards are met and prices are the best that can be obtained, all things being considered.
- 1.5 To ensure that locally made or processed items and locally offered services are given preference within the limits of reasonable economic operations.
- 1.6 To ensure best value for money is obtained and there is effective competition and full and fair opportunity for all eligible suppliers.

#### **2.0 PROCUREMENT STRATEGY**

The procurement strategy will be dependent on: -

- Type of goods and services
- Value and associated risk
- Suppliers' profile
- Timing and availability

### **3.0 TENDERS AND CONTRACTS AND MANAGEMENT COMMITTEES**

#### **OPEN TENDER**

This method is used where the value of materials, goods and services is TT\$30,000 and over, the potential suppliers are two (2) or more and should not be used for emergency procurement.

#### **3.1 Constitution and Powers**

3.1.1 The composition and rules of operation of the Tenders and Contracts Committee (which is a Sub-Committee of the Board) shall be determined by the Board from time to time.

3.1.2 The Management Committee shall comprise a group of officers as listed in 12.2.1 or 12.2.2 and shall be constituted for the purpose of opening tenders in accordance with 12.2 - "Opening of Tenders" - as applicable.

### **4.0 ADVERTISING OF TENDERS**

4.1 Whenever invitations to tender are advertised or selectively issued the requirements regarding the adequate and timely submission of documents as stated in the "Instructions to Tenderers" shall be included in the tender documents furnished to prospective Tenderers.

4.2 The advertised closing dates should coincide, in so far as is possible, with the scheduled dates of the Management Committee Meetings convened from time to time for the purpose of opening tenders.

### **5.0 PREQUALIFICATION**

Where tenders are invited other than by public advertisements, tenderers shall be prequalified and the list of Tenderers must be approved by the General Manager before business is conducted with the Trinidad and Tobago Electricity Commission (T&TEC).

### **6.0 TENDERS IN EXCESS OF TT \$5 Million**

Where the estimated cost of a tender is in excess of TT\$5 million, tenderers shall be required to submit their most recent Audited Financial Statements, which shall not be more than 18 months prior to the closing date of the tender.

## **7.0 PUBLIC OPENING**

Tenders for non-stock items valued at TT\$2,000,000 and over and stock items valued at TT\$4,000,000 and over are to be opened by Public Opening.

The following conditions will apply: -

- The rules governing the public opening shall be explained.
- Only bid prices will be announced.
- No discussion/explanations on the bid will be entertained.

## **8.0 TENDER DOCUMENTS PACKAGE**

8.1 The “Instructions to Tenderers” should form part of the package of tender documents to be collected by the Tenderers.

8.2 A non-refundable fee shall be charged for all tender document packages. The method of payment shall be in cash or bank draft. The fee shall be determined by the Supplies Manager or the Head of Department as applicable, but in any event shall not be less than TT\$50.00.

8.3 It is critical for purposes of identification of bona fide tender applicants that a record is kept by the Supplies Department or the relevant department with respect to payment for tender documents. Only one (1) tender submission will be permitted for each paid package.

## **9.0 PREPARATION AND SUBMISSION OF TENDERS**

9.1 Tender documents and all correspondence relating to them shall be in English and contain one (1) original and one copy in a sealed envelope with the tender number boldly marked on the face of the envelope and addressed to: -

**The Secretary,  
Tenders and Contracts Committee,  
Trinidad and Tobago Electricity Commission,  
L.P. #846 Southern Main Road  
King Village, California  
Trinidad and Tobago, West Indies.**

9.2 The Tender must be placed in the Tenders Box at the address in Section 9.1 above not later than the stipulated closing date and time.

9.3 The information provided in the Tender shall be kept confidential.

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**Any tenders received by T&TEC after the deadline for receipt of tenders shall be rejected and returned to the Tenderer after the opening session.**

**Tenders submitted by facsimile or any other electronic means shall not be accepted.**

## **10.0 CONTENTS OF TENDERS**

- 10.1 The Tender to be prepared and submitted by the Tenderer shall, in accordance with the requirements stated in the documents, comprise: -
  - 10.1.1 The completed “Form of Tender”
  - 10.1.2 The tender guarantee or bond where applicable.
  - 10.1.3 The unit price schedule and Bill of Quantities.
  - 10.1.4 Schedules of supplementary information.
  - 10.1.5 If the tender document stipulates that an after sales service is required, confirmation of the means of providing such service.
  - 10.1.6 If applicable, the list of spare parts with unit prices.
  - 10.1.7 Where appropriate, additional guarantees proposed by the Tenderer concerning the period of performance or anticipated life span.
  - 10.1.8 The tender price, currency and terms of payment.
  - 10.1.9 Any other information, which will assist in the evaluation.
- 10.2 There should be no erasers or no “white off” used on the tender document, all changes shall be “crossed off”, corrected and initialled by the tenderer.
- 10.3 The tender shall be signed by the Tenderer or by his/her duly authorised agent.

## **11.0 PERIOD OF VALIDITY**

- 11.1 All bids shall be valid for at least ninety (90) days from the closing date of the tender.
- 11.2 In exceptional circumstances T&TEC may request from the Tenderers, a specified extension to the period of validity.

## **12.0 INVITING AND OPENING OF TENDERS**

### **12.1 INVITING TENDERS**

#### **12.1.1 Non stock Items and Contracts for Services**

- For values of up to TT\$30,000 shall be authorised by the Head of Department
- For values of up to TT\$200,000 shall be authorised by the Divisional Head
- For Values of up to TT\$2,000,000 shall be authorised by the General Manager
- For values up to TT\$25,000,000 shall authorised by Tenders and Contract Committee
- Values over TT\$25,000,000 shall be authorised by the Board

#### **12.1.2 Stock Items**

- Values up to TT\$30,000 shall be authorised by the Head of Department
- Values up to TT\$200,000 shall be authorised by the Divisional Head
- Values over TT\$200,000 shall be authorised by the General Manager

### **12.2 Opening of Tenders**

- 12.2.1 A Management Committee comprising any three (3) of the following officers, one of whom shall be an Assistant Area Manager, a Head of Department or above, shall be authorised to open tenders for stock items up to TT\$4,000,000 and non stock items and contracts for services up to TT\$2,000,000 in value: -

General Manager  
Assistant General Manager - Administration  
Divisional Head  
Head of Department  
Assistant Area Manager  
Senior Engineer  
Senior Accountant  
Senior Personnel Officer  
Senior Industrial Relations Officer  
Senior Analyst  
Assistant Corporate Communications Manager  
Senior Commercial Officer  
Technical Assistants I & II  
Commercial Officer

All Managerial staff with the exception of those assigned to Internal Audit and Legal Departments.

- 12.2.2 Tenders of estimated value more than TT\$4,000,000 for stock items and more than TT\$2,000,000 for non stock items and contracts for services, shall be opened publicly at 12:00 noon on the closing date by a Special Management Committee comprising the General Manager (Chairman), the Senior Executive Officers and a Legal Officer. Other Members includes the Area Managers, Assistant Area Manager, the Pension Fund Administrator and the Chief Accountant.

A quorum for the meeting shall comprise either: -

- The General Manager, two (2) Senior Executives and a Legal Officer

**or**

- Three (3) Senior Executives and a Legal Officer.

In the absence of the General Manager, the Chairman for the meeting shall be a Senior Executive Officer chosen by agreement from among the Senior Executive Officers present.

- 12.2.3 The Secretary to the Tenders and Contracts Committee shall process all invitations and openings of tenders and proposals for more than TT\$30,000.

- 12.2.4 Secretary to the Committees: -

Any one of the following Officers could assume the role of Secretary: -

- Supplies Manager
- Inventory Coordinator
- Supplies Officer

12.3 **Procedure for Opening the Tender Box**

12.3.1 The Tender Box shall be opened immediately after the closing of the Tender, its contents taken out and the Tender Box closed immediately thereafter.

12.3.2 Any two (2) of the following Officers shall be present at the opening of the Tender Box: -

- Supplies Officer
- Inventory Coordinator
- Stock Control Officer

12.3.3 The number of envelopes received shall be recorded.

12.4 **Procedure for Opening Tender Documents**

12.4.1 Immediately after the Tender Box has been opened, the Management Committee shall meet and open tender documents.

12.4.2 At this opening, the relevant Management Committee shall ensure that the tender number is on the outside of the tender document. A Reference number is assigned to each quotation, the date of opening inserted and the documents signed by the relevant Committee members.

12.4.3 Late submissions shall be rejected.

12.4.4 After the opening of the tenders, information relating to the examination, clarification, evaluation and comparison of tenders shall not be disclosed to Tenderers or other persons not officially concerned with the process.

**13.0 EVALUATION OF TENDERS**

13.1 Tenders shall be evaluated by the appropriate officer(s). The tender documents are checked for compliance with the tender instructions and a decision taken to accept the tender for further evaluation or reject it for inadequate information.

13.2 The tenders are then evaluated for technical compliance. In general, proposals that meet the specifications shall be ranked equally and those that do not meet the same shall be rejected.

- 13.3 In certain cases, tenders may be given special consideration on the basis of the technical proposal but the reasons should be clearly detailed in the evaluation report.
- 13.4 Tenders meeting the requirements of Section 13.2 above shall be assessed and ranked on the basis of the financial proposals. This assessment shall include a comprehensive evaluation and comparison of the commercial and contractual terms proposed by the Tenderers.
- 13.5 Where applicable and in addition to determining the technical and financial merits of the tender, assessment will include evaluation of the experience and past performance of Tenderers.
- 13.6 In the circumstances where T&TEC finds it necessary to clarify the terms and conditions of the tender, all Tenderers, shall be informed in writing.
- 13.7 Where interviews with Tenderers are required for purpose of clarification, at least two (2) officers shall comprise the interview panel and the same panel shall interview all Tenderers from whom such clarification is needed.
- 13.8 The evaluation of tenders is confidential and T&TEC is under no obligation to divulge the results of its evaluation to any Tenderer or outside party.
- 13.9 Any attempt by a Tenderer to influence T&TEC in the process of examination, clarification, evaluation and comparison of tenders and in the decision concerning the award of the contract, shall result in the rejection of the tender.
- 13.10 The evaluation must include a clear recommendation as to the award of the tender and the reasons thereof.
- 13.11 Tender prices shall be quoted in TT\$ or US\$.

#### **14.0 AWARD OF TENDERS**

The Commission may or may not award a tender to the lowest or any other Tenderer. The Commission may award a tender as a whole, or in part, or not at all. When a decision is taken not to award a tender, the cancellation of the tender shall be submitted for approval in the same manner as the award of a tender on the standard Form A12/1309 – Tender Recommendation and Award Sheet (Form C). The same limits for the award of a tender shall apply to the cancellation of a tender and the estimated cost shall be used as a guide.

When a decision is made to award a tender the following applies: -



14.1 **Stock Items**

- 14.1.1 Stock items are all items of plant, equipment and materials, which are included in the Stores Catalogue maintained by the Supplies Department.
- 14.1.2 Items shall be added to or excluded from the Stores Catalogue on the authority of the Assistant General Managers - Transmission, Distribution and Engineering as appropriate and the General Manager in writing, who shall consider recommendations from the Standards Committee in this regard. (Refer to General Instruction GM18/1303)
- 14.1.3 The Supplies Manager shall award tenders up to TT\$30,000 in value and forward a weekly, monthly and quarterly summary to the Assistant General Manager – Administration.
- 14.1.4 Tenders up to TT\$200,000 in value shall be awarded by the relevant Divisional Head and a weekly, monthly and quarterly summary forwarded to the General Manager.
- 14.1.5 Tenders up to TT\$1,000,000 in value shall be awarded by the General Manager and a monthly summary forwarded to the Tenders and Contracts Committee at a subsequent meeting.
- 14.1.6 Tenders up to TT\$25M in value shall be awarded by the Tenders and Contracts Committee and a summary forwarded to the Board at a subsequent Board Meeting.
- 14.1.7 Tenders more than TT\$25M in value shall be awarded by the Board.
- 14.1.8 A report of all tenders awarded for values over TT\$5M, shall be submitted for the information of the Minister no later than seven (7) days following the end of each month.
- 14.1.9 Statistics of awards for similar items as well as the performance of Tenderers must be kept by the Supplies Manager.

14.2 **Non-Stock Items and Contracts for Services**

- 14.2.1 Heads of Departments shall award tenders up to TT\$30,000 in value and forward a weekly, monthly and quarterly summary to their respective Divisional Head and Supplies Manager.
- 14.2.2 Divisional Heads shall award tenders up to TT\$200,000 in value and forward a monthly and quarterly summary to the General Manager.

- 14.2.3 The General Manager shall award tenders up to TT\$1,000,000 in value and forward a monthly summary to the Tenders and Contracts Committee at a subsequent meeting.
- 14.2.4 Tenders of up to TT\$25,000,000 in value shall be awarded by the Tenders and Contracts Committee and a monthly summary forwarded to the Board at a subsequent meeting.
- 14.2.5 Tenders more than TT\$25,000,000 in value shall be awarded by the Board.
- 14.2.6 A report of all tenders awarded for values over TT\$5M shall be submitted for the information of the Minister no later than seven (7) days following the end of each month.
- 14.2.7 Statistics of awards for similar items, as well as the performance of Tenderers, must be kept by the Supplies Manager.

**15.0 COMMUNICATION AND NOTIFICATION OF AWARD OR CANCELLATION**

- 15.1 Unless otherwise specified in the tender dossier, communication between T&TEC and Tenderers shall be sent by post, email, facsimile transmission, courier service or personal delivery, to the appropriate addresses designated by these parties for the purpose.
- 15.2 Prior to the expiry of the three (3) months period of tender validity, T&TEC shall notify the successful Tenderer in writing that his tender has been accepted.
- 15.3 T&TEC shall not be obligated to state the reasons for its choice nor to enter into any discussion or correspondence with any Tenderer on the results of the invitation to tender.
- 15.4 Unless otherwise provided in the tender dossier, within 15 days of the notification of award, the successful Tenderer shall sign and return to T&TEC the letter of acceptance together with his performance bond/guarantee as applicable.

**16.0 PERFORMANCE BOND/GUARANTEE (RE DELIVERY) AWARDS  
MORE THAN US\$50,000**

- 16.1 For tenders where values exceed US\$50,000 a performance bond may be requested at the discretion of the Management.
- 16.2 If a bond is required, the successful Tenderer shall, within 15 days, after receipt of the notification of the award of the tender, furnish to T&TEC a performance bond/guarantee for delivery of goods and services. The amount of the bond/guarantee shall be as specified in the tender documents and shall be 10% of the tender price. The form of bond/guarantee shall be outlined or alternately a standby Letter of Credit or Certified Cheque.
- 16.3 Upon successful performance of the contract, the Bond will be released or monies refunded as applicable, but will be forfeited in the event of withdrawal or poor performance.
- 16.4 With respect to delays in performance, liquidated damages will be deducted at a rate of 1% of the value of the contract for every week or part thereof to the maximum amount of 10% of the Contract/Purchase Order value.
- 16.5 Tenderers are required to disclose separately in their quotations any charges associated with the establishment of Performance Bonds. If the Commission decides to waive this requirement the tender would then be amended exclusive of these charges.
- 16.6 The General Manager shall approve all requests to waive the bond requirements.

**17.0 SELECTIVE TENDERING**

This method is used where the value of goods and services is TT\$30,000 and over, the potential suppliers' profiles are well known and the time span for delivery is relatively short. However it should not be used for emergency procurement.

- 17.1. Heads of Departments may request the Supplies Manager to invite tenders for the procurement of plant, equipment, material, goods and services for individual jobs of values more than TT\$30,000.
- 17.2 In such cases, all necessary documents including approximate prices, delivery period and the names of at least six (6) proposed Tenderers shall be submitted on the appropriate Form B to enable tenders to be obtained.
- 17.3 In cases where less than six (6) proposed Tenderers are submitted an explanation shall be given.

- 17.4 The Supplies Manager shall request recommendations from the appropriate Divisional Head and obtain the approval to invite tenders.
- 17.5 Approval for requests of values up to TT\$200,000 shall be given by the Divisional Head and by the General Manager for values up to TT\$2,000,000.
- 17.6 The Tenders and Contracts Committee through the General Manager shall give approval for all requests of values up to TT\$10,000,000.

## **18.0 PROCUREMENT WITHOUT TENDER**

This method is used where: -

- Contracts have been awarded
- Services have been retained by the Board
- It is not cost effective to tendered
- Required delivery times are relatively short.

### **18.1 Procurement with Quotations**

18.1.1 Heads of Department are authorised to invite quotations and award contracts for equipment, materials, goods and services for individual jobs up to the value of TT\$30,000. The authorization limits for Divisional Heads shall be TT\$200,000; the General Manager TT\$1,000,000. The Tender and Contracts Committee TT\$5,000,000 and the Board, values over TT\$5,000,000. In general, at least three (3) quotations in writing shall be obtained. In addition, Officers as listed in 12.2.1 with the exception of officers who do not report directly to a Head of Department, shall approve the associated Purchase Requisitions.

18.1.2 The Area Administrative Officer/ Senior Engineer/ Assistant Area Manager and another officer as applicable should endorse the Purchase Requisition to comply with the relevant procedures.

#### **18.1.3 Services and Supplies retained on Contracts**

Heads of Departments may approve Purchase Requisitions and Purchase Orders for materials, goods and services of values less than TT\$30,000, and Divisional Heads for values up to TT\$1,000,000 where services have been retained by the Board or contracts have been awarded through tendering or otherwise. Such commitments shall be confined to transactions such as: -

**Fuel**  
**Bulk Power**  
**Leases, rents, rates and taxes**  
**Legal fees**  
**Medical fees**  
**Telephone bills**  
**Advertising**  
**Transport services for clearing goods from Ports**  
**Gasoline for and servicing of vehicles**  
**Cleaning offices**  
**Employees' Benefits and Loans**

All other similar transactions of values more than TT\$1,000,000 shall be referred to the General Manager for direction.

**18.1.4 Single Supplier; Contractor and/or Original Manufacturers**

Heads of Department are authorised to approve Purchase Requisitions and Purchase Orders for materials, goods and services to a sole supplier; contractor and or original manufacturer for values up to TT\$30,000. However, it must be clearly demonstrated in the case of the sole supplier that there are no other supplier of the materials, goods or service locally and will be impractical to source the materials, goods and services from overseas.

Similarly materials, goods and services procured from original Manufacturer must be in relation to the servicing and upkeep of machinery and equipment acquired from the original manufacturer.

**19.0 DIRECT PROCUREMENT WITHOUT QUOTATIONS**

**MULTIPLE SUPPLIERS AND GENERIC GOODS AND SERVICES**

This should be used only where the following three (3) conditions are met:-

- 19.1 The value of the materials, goods or services is under TT\$5,000.
- 19.2 The purchase of the materials, goods and service on an as required basis and is not practical to aggregate separated orders, and
- 19.3 The cost of obtaining quotes or tenders would be out of proportion to the value of the benefits to be determined and is it is impractical in the given circumstances.

## **20.0 EMERGENCY PROCUREMENT**

Heads of Department are authorised to approve Purchase Orders for emergency procurement of materials, goods and services for values of up to TT\$30,000.

This should be used only in genuinely unforeseen urgent situations where the following conditions are present.

- 20.1 Life, property or equipment is immediately at risk and the condition needs to be corrected or averted without delay.
- 20.2 The Commission's other procurement methods cannot be effectively utilised.
- 20.3 Where practicable the Head of Department or the next in command should be informed and verbal approval given before any expenditure is incurred possible.
- 20.4 The expenditure must be ratified as soon as possible in less than three (3) working days.

A Monthly report of all Emergencies procurements should be sent to the respective Divisional Heads/ General Manager by the end of the second (2<sup>nd</sup>) week, following the month in which the procurements were made. The report should include inter alia, the value and the justification for the procurement.

The authority for approval for such requests shall be as follows: -

- Values of up to TT\$30,000 – Head of Department
- Values of up to TT\$200,000 – Divisional Heads
- Values of up to TT\$1 Million – The General Manager

## **21.0 AUTHORITY OF THE SUPPLIES MANAGER**

### **21.1 Stock Items**

- 21.1.1 For requests of values up to TT\$30,000 the Supplies Manager shall initiate requests to invite tenders, proposals or quotations for stock items and shall follow the procedure outlined in 16.0 above.

21.1.2 For estimated values more than TT\$30,000 the Supplies Manager shall obtain specifications and final lists on the appropriate Form A for public advertisement or for selective tendering, with the names of at least six (6) proposed suppliers for each item, where practicable.

The Assistant General Managers - Transmission, Distribution or Engineering as appropriate shall review the final lists and specifications and shall make recommendations before sending the documents to the Assistant General Manager - (Administration) or the General Manager for approval/non approval to invite tenders.

21.1.3 The Supplies Manager shall arrange for tenders to be invited. Tenders shall be evaluated and recommendations made on the appropriate Form C as well as on the attached Appendix I or II as appropriate. After awards have been made, the Supplies Manager shall raise the required Purchase Requisitions.

21.1.4 For estimated values more than TT\$30,000 the Supplies Manager may request approval to place Purchase Requisitions for certain categories of stock items, without the necessity for comparative tenders or quotations.

All such requests shall be made on the appropriate Form D giving reasons for not inviting tenders and details of expenditures. These requests shall be processed in the same manner as that outlined in Section 18.1.3. These requests may include: -

- Emergency purchases
- Spares for plant and equipment
- Materials and services where only one (1) Supplier or contractor is available

A monthly summary with appropriate details of all approved Form D's should be submitted to the General Manager.

## 21.2 **General**

21.2.1 The Supplies Manager shall arrange for tenders more than TT\$30,000 in value to be opened and awarded as outlined in Section 12 and 14 of this Instruction.

21.2.2 The Supplies Manager shall prepare a report for the Board giving details of all tenders processed for more than TT\$30,000 in value.

- 21.2.3 The Supplies Manager shall inform the appropriate Head of Department concerning the award of tender(s) to enable the preparation of the necessary Purchase Order(s).
- 21.2.4 All Tenders shall be returned to the Supplies Department for safekeeping. In cases where the original proposal of the successful tender is required for inclusion with the contract document, the originals of the unsuccessful proposal together with a copy of the successful proposal shall be returned to the Supplies Department and the original of the successful proposal shall be forwarded to the Legal Department for inclusion with the contract in keeping with the latter's role as custodian of all contracts.

## **22.0 PROCUREMENT**

### **22.1 Purchase Requisitions**

Purchase Requisitions shall be prepared online only after the tendering procedure has been followed and shall be approved by any of the Officers listed below: -

- 22.1.1 For values up to TT\$30,000 all Officers listed under Section 12.2.1 of this Instruction and officers in Grade 9 and above.
- 22.1.2 For values more than TT\$30,000 all Officers at the level of Head of Department and above, listed under Section 12.2.1 of this General Instruction.
- 22.1.3 For stock items awarded through Section 18.0 of this General Instruction and for the operations of the Tenders and Contracts Committee- the Supplies Manager.
- 22.1.4 Requisitioning Officers shall enter justifications for all expenditures on Purchase Requisitions and shall follow the tendering procedure outlined in this General Instruction.
- 22.1.5 No Purchase Requisition shall be raised for purchasing goods and/or services for Capital Works until a Works Order has been issued.
- 22.1.6 Purchase Requisitions shall be sent with appropriate Purchase Orders to the Supplies Manager.



## 22.2 Purchase Orders

- 22.2.1 All purchases (except those which may be obtained through Petty Cash) shall be made on and by the presentation of the Commission's prescribed Purchase Order.
- 22.2.2 Purchase Orders shall be raised only on submission of properly approved Purchase Requisitions and shall include on all copies of Purchase Orders (except the original) the justification for the expenditure.
- 22.2.3 All Purchase Orders up to TT\$1,000,000 in value shall be approved and signed on behalf of the General Manager by the appropriate Head of Department. However, all Purchase Orders valued more than TT\$30,000 shall have attached the relevant prior approved Form D or Form C before they are approved and signed on behalf of the General Manager by the appropriate Head of Department.
- 22.2.4 All Purchase Orders over TT\$1,000,000 in value shall be approved and signed on behalf of the General Manager by the appropriate Divisional Head. However, the relevant prior approved Form D or Form C must be attached before the Purchase Order is approved and signed on behalf of the General Manager by the appropriate Divisional Head.
- 22.2.5 The Supplies Manager/Head of Department shall process Purchase Orders as follows: -
  - 22.2.5.1 Check Purchase Order for correct procedure.
  - 22.2.5.2 Approve Purchase Order up to TT\$30,000 and obtain approval of all Purchase Orders more than TT\$30,000.
  - 22.2.5.3 Despatch the original of Purchase Order to the Supplier or to Head of Department as necessary.
  - 22.2.5.4 Despatch the duplicate of Purchase Order to the Officer responsible for taking delivery of goods or services in the case of local purchases and to the Customs Officer in respect of foreign purchases. A Photocopy of the duplicate of the Purchase Order for overseas purchases shall be forwarded to the Officer who raised the Purchase Requisition.

22.2.5.5 Despatch the triplicate of the Purchase Order with the Purchase Requisition, to the Supplies Department for input of the Purchase Order information into the Accounts Payable System.

22.2.5.6 Return the Purchase Requisition to its originator and file the triplicate of the Purchase Order.

22.2.5.7 Forward a copy of confirmation of the Purchase Order from the Supplier to the Officer who raised the Purchase Requisition.

22.2.6 All officers authorised to issue Purchase Orders on behalf of the General Manager shall be provided by the Supplies Manager with a stamp, which shall be affixed to the original and duplicate of the Purchase Order prior to signing. The Officer shall be responsible for the safekeeping of the stamp and shall report any loss **immediately** to the Supplies Manager and the Chief Security Officer.

### 22.3 **Approval of variations to Tenders/ Contracts**

Tenders and or contractors that were originally approved by the Tenders and Contract Committee and or the Board and subject to the following conditionalities:-

22.3.1 Subject to adjustments in the London Metal Exchange (LME) Index and other indices, **e.g.** tenders for conductors and cables.

22.3.2 Subject to other escalation clauses, **e.g.** the tenders awarded to Pres-t-Con Limited for concrete poles subject to escalation in the prices of steel, cement, aggregate and sand.

22.3.3 Subject to tolerances on the quantity supplied, **e.g.** tenders for conductors and cables.

The General Manager is authorised to approve variations to a limit of TT\$500,000 cumulatively. Variations in excess of TT\$500,000 shall be approved by the Tenders and Contract Committee. Variations to tenders that were originally approved by the Tenders and Contracts Committee and or the Board that were not subject to the above identified conditionalities shall be accordingly approved by the Tenders and Contracts Committee and or the Board accordingly.

Where there are several variations on one (1) order, the accumulated value of the variations shall be used to determine the level of authority to approve the variation, **e.g.** if a first variation falls within five hundred thousand dollars (TT\$500,000), then the General Manager could approve. If, however, there are subsequent variations that would result in the accumulated variation exceeding the five hundred thousand dollar (TT\$500,000) limit, then the Tenders and Contracts Committee shall approve the subsequent variations.

In addition Management shall submit to the Tenders and Contract Committee and the Board a comprehensive report authorising the justifications and cogent reasons for all such variations approved by the General Manager. This report shall be submitted to the meetings of the Tender and Contract Committee and the Board immediately following the date the variations were approved.

#### 22.4 **Tenders and or contracts that are not subject to prior variation clauses**

22.4.1 Where a variation (or accumulation of variations) would result in the value of the Purchase Order exceeding the original limit of authority, the variation shall be approved by the higher level authority, **e.g.** if a variation on an order that was originally approved by a Head of Department, **i.e.** for values below thirty thousand dollars (TT\$30,000), results in the value of the order exceeding thirty thousand dollars (TT\$30,000), then the Assistant General Manager shall approve the variation.

22.4.2 Similarly, if a variation (or accumulation of variations) on an order that was originally approved by an Assistant General Manager or the General Manager, **i.e.** for values less than two hundred thousand dollars (TT\$200,000) and one million dollars (TT\$1,000,000) respectively, results in the value of the order exceeding these limits; then the General Manager or the Tenders and Contracts Committee shall approve the variation accordingly. The limit of authority would be similarly applied if there are several variations as stated above.

#### 22.5 **Validity of Purchase Orders for Payment**

A payment validity date, which shall not exceed three (3) months following the delivery date, must be inserted on all Purchase Orders. It must be boldly marked on both the Purchase Requisition and the Purchase Order.

## 22.6 **Receipt of Goods and Services**

### 22.6.1 **Local Purchases**

- 22.6.1.1 On receipt of goods and services, the Receiving Officer shall sign the goods received section of the duplicate of the Purchase Order and shall forward it to the Head of Department for approval of payment.
- 22.6.1.2 The Head of Department shall sign the “Payment Approved” section of the duplicate of the Purchase Order and shall forward it together with the supplier’s Invoice (if received) to the Payments Officer.
- 22.6.1.3 Before making payment, the Payments Officer shall compare and verify prices and information on the duplicate of the Purchase Order with that on the Accounts Payable System and the Supplier’s Invoice.

### 22.6.2 **Foreign Purchases**

- 22.6.2.1 As soon as the shipping documents for goods have been received, the Customs Officer shall make arrangements to inspect the cargo as far as is practicable, before taking the Bill of Lading. He/she shall then make arrangements for the delivery and storage of the goods with the Officer who raised the Purchase Requisition.
- 22.6.2.2 After the goods have been cleared from the Port, the Customs Officer shall forward to the Supplies Manager the duplicate of the Purchase Order certified for receiving and delivering the goods, together with the relevant Delivery Notes, Invoice, Insurance Certificates and other shipping documents, entering all notations as to shortages, damages, etc.
- 22.6.2.3 The Supplies Manager shall sign the duplicate of the Purchase Order approving payment for the goods and forward it to the Chief Accountant for arranging settlement thereof.
- 22.6.2.4 In cases where goods are received damaged, the Supplies Manager shall process, without delay, Insurance claims and immediately notify the Risk & Insurance Administrator and the Officer who raised the Purchase Order, about the damaged condition of the goods.

22.6.3 **Part Delivery of Goods and Services**

The Receiving Officer shall raise a Part Shipment Order in respect of part delivery of goods or services and shall process the Part Shipment Order in the same manner as outline in sections 18 and 19 as applicable.

22.7 **General**

22.7.1 For contract services, Payment Certificates shall be raised and certified by Heads of Departments and forwarded with the Purchase Order or Part Shipment Order and other relevant documents to the appropriate Divisional Head for approval on behalf of the General Manager.

22.7.2 All documents shall then be processed as in Section 18 and 19 as applicable.

22.7.3 Where no price is shown on the duplicate of the Purchase Order or Part Shipment Order, or the Supplier's Invoice differs from that shown on the duplicate of the Purchase Order or the Part Shipment Order, the Head of Department shall determine and certify the prices that shall be paid. Where there are large variations, the Payments Officer shall inform the Chief Accountant.

23.0 **FORMS USED IN THE PROCUREMENT PROCEDURE**

- Form A - Replenishment of Standard Stock Item
- Form B - Request to invite Tenders for Non-Stock Item and/or Services
- Form C - Tender Recommendation and Award Sheet
- Form D - Request to make a Direct Purchase.

  
Kelvin Ramsook  
GENERAL MANAGER