



**National
Procurement
Commission**
Improving efficiency and transparency
in Public Procurement



Good Procurement Manual

Procurement of Works, Goods and Services

PART A – Principles and Practices

PART B – Procurement Procedures

The Central Supply and Tenders Board and all other supply and tenders' boards were replaced with a new entity the National Procurement Commission Board (NPCB) and its [Procurement Committees Boards](#).

The Good Procurement Manual (GPM) was **reissued without amendment** for 2019 under Procurement Instruction (PI) 07/2019. This was **used** only to support procurement during the transition period. This manual is reissued in line with the National Procurement (amendment) Act 2018.

There have been many changes since the publication of this manual and as a result there are a number of inconsistencies between this manual and the Procurement Act. For example, the abolishment of supply and tenders' boards to be replaced by [Procurement Committees](#) of the National Procurement Commission. It is important that you refer to the Procurement Act in the first instance.

Version 5.

Good Procurement Manual

This Manual has been redeveloped by the Procurement Commission to help National Departments, Provincial and District Administrations, Public Bodies and Special Procurement Committees achieve 'Value for Money' outcomes in the contracts that they establish.

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The NPC Board wish to acknowledge the detailed contribution and assistance from the Founding CEO of NPC Mr, Simon Bole and NPC officers for redeveloping this manual with comments and expect to input the requirements of Procurement Act.

Version 5 of the Good Procurement Manual (GPM) has been revised by the National Procurement Commission (NPC) and has been approved by the National Procurement Commission Board on *[Insert Date]*

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Good Procurement Manual

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REVISION STATUS

As necessary, authorised revisions will be issued to all holders of the document. Revisions shall take the form of replacement or additional pages. Upon receipt, revision pages are to be incorporated in this document and all superseded pages removed.

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NATIONAL PROCUREMENT ACT PROCUREMENT INSTRUCTION

07/2019

1st April 2019

SUBJECT: METHOD OF PROCUREMENT - TRANSITION FROM 1st APRIL 2019

1.0 INTRODUCTION

1.1 Authority

This Procurement Instruction (hereafter PI), is issued under Section 45(2) of the National Procurement Act (hereafter NPA) whereby the National Procurement Commission (hereafter NPC) or the APC Committee (APCC) may issue Procurement Instructions or Guidelines, not inconsistent with the Act, which are necessary or desirable for carrying out or giving effect to the Act and in general for the better control and management of procurement.

1.2 Legality & Enforcement

Pursuant to section 9 of the NPA, the NPC has control and direction of all matters relating to the management of the procurements of the State.

2.0 PURPOSE

2.1 Conduct of Procurements on and after 1st April 2019

As at the commencement of the NPA on 1st April 2019, all public and statutory bodies, shall comply with this PI as to the conduct of all procurements, irrespective of whether those procurements are for goods, works or services. The purpose of this PI is to control the conduct of all procurements. This PI applies to all procurements by any public or statutory body, irrespective of the value of those procurements.

2.2 Procurement Less than or Equal to K5,000 value

2.2.1 Subject to this PI, any procurement of less than or equal to K5,000 shall be procured by -

- (a) the public or statutory body producing a short specification detailing what it is seeing to procure;
- (b) at least a single written quotation from a provider based on that specification, which attaches the providers IRC Certification of Compliance;
- (c) Where the public or statutory body is using IFMS, recording details of the procurement as part of the requisition. Where IFMS is not used, recording in a book specially kept for that purpose: the specification under

(a) and all written quotations under (b) and the decision of the relevant Section 32 officer under the Public Finances (Management) Act (hereafter the PFMA) in respect of which of the quotations has been accepted; and (d) an ILPOC, within the meaning of the PFMA, generated under the Integrated Financial Management System (hereafter IFMS) if the public or statutory body has its operating account on IFMS, otherwise generated under the Public Government Accounting System (PGAS).

2.3 Procurement Greater than K5000 but Less than or Equal to K500,000 value

2.3.1 Subject to this PI, any procurement greater than K5,000 but less than or equal to K500,000 shall be procured by -

- (a) the public or statutory body producing a short specification detailing what it is seeing to procure;
- (b) at least three written quotations from providers based on that specification, which attaches the providers IRC Certificate of Compliance;
- (c) Where the public or statutory body is using IFMS, recording details of the procurement as part of the requisition. Where IFMS is not used, recording in a book specially kept for that purpose: the specification under (a) and all written quotations under (b) and the decision of the relevant Section 32 officer under the Public Finances (Management) Act (hereafter the PFMA) in respect of which of the quotations has been accepted; and
- (d) an ILPOC, within the meaning of the PFMA, generated under the Integrated Financial Management System (hereafter IFMS) if the public or statutory body has its operating account on IFMS, otherwise generated under the Public Government Accounting System (PGAS).

2.3.2 Subject to this PI, any procurement greater than K5,000 but less than or equal to K500,000 shall be supported by an executed Minor Contracts Agreement that complies with Financial Instruction No 2 of 2013.

2.4 Procurement Greater than K500,000 value

2.3.1 Subject to this PI, any procurement greater than K500,000 shall be procured only by the National Procurement Commission (including its Committees) in accordance with the NPA.

2.3.2 No public or statutory body may undertake any procurement that is within the jurisdiction of the NPC or its delegated Provincial, District or Special Committees.

2.3.2 For clarity -

- (a) the District Committees of the NPC have jurisdiction *over* procurements greater than K500,000 but equal to or less than K2,500,000 arising from a District Development Authority;
- (b) the Provincial Committees of the NPC have jurisdiction *over* procurements greater than K500,000 but equal to or less than K5,000,000 arising from a Provincial Government or District if the jurisdiction of the District Committee of the NPC is exceeded; and
- (c) the Special Committees of the NPC have jurisdiction *over* procurements greater than K500,000 but equal to or less than

K1,000,000 arising from a specified scope of jurisdiction of the Special Committee of the NPC
(d) in all other cases, jurisdiction lies with the NPC alone.

2.3.2 Subject to this PI, any procurement greater than K5,000 but less than or equal to K500,000 shall be supported by an executed Minor Contracts Agreement that complies with Financial Instruction No 2 of 2013.

3.0 Avoidance of Contract Splitting

3.1 All procurements, of a value of less than or equal to K500,000, shall not be executed without the prior written approval of the NPC Board if-

- (a) the recipient of the contract has a concurrent or back-to-back contract where the substance of this contract is for similar goods or services where the total of multiple contracts exceeds K500,000; or
- (b) this applies to all goods, works and services including consultancy agreement regardless of whether the work performed under the consultancy agreement is different.

5.0 FORMER GOOD PROCUREMENT MANUAL

Until advised, the Good Procurement Manual for the conduct and approach for procurements will continue to apply

6.0 ENFORCEMENT

6.1 Non-compliance with this and other Pis issued under the National Procurement Act, will invoke appropriate sanctions and/or penalties prescribed under the Act and/or under other relevant laws.

6.0 EFFECTIVE DATES OF PROCUREMENT INSTRUCTION

This Procurement Instruction is effective as of the date of signing by the Chairman of the Board of the NPC.

7.0 HELP DESK

Should you require further information the following should be contacted:

helpdesk@procurement.gov.pg



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Glossary	v
Abbreviations	v
Important Terms	vi

PARTA-Principles and Practices

Foreword	A-1
Purpose of the Good Procurement Manual	A - 1
Important!	A - 1
Scope of this Manual	A - 2
What is a “Major” Contract?	A - 3
How to Use this Manual	A - 4
Read the Law	A - 4
NPC Policies	A - 6
Levels of Delegation	A - 6
Other References	A - 6
Further Development of the Good Procurement Manual	A - 7
Issuing of Amendments to the Good Procurement Manual	A - 7
Roles, Responsibility and Timings	A-8
Relationships and Thresholds	A - 8
Roles of Entities Involved in Procurement	A - 10
Roles of Individuals Involved in Procurement	A - 12
Timings	A - 13
Key Principles	A-20
Introduction	A - 20
Non discrimination	A - 20
Transparency, accountability and fairness	A - 21
Maximization of Competition and ensuring Value for Money	
Confidentiality	
Economy and Efficiency	A - 21
Promotion of Ethics - Fair and Ethical Dealing	A - 21
	A - 22
Illegal and Inappropriate Practices	A-23
Introduction	A - 23
Corruption	A - 23
Fraudulent Activities	A - 24
Conflict of Interest	A - 24

PARTB- Procurement Procedures

1. Procurement Planning & Design	1-1
Contracting Processes	1-1
Procurement Planning Process	1-2
Determine the Need for Works, Goods and Services	1-3
Annual Procurement Plans	1-4
National Budget	1-5
Market Analysis	1-6
Acquisition Plans	1-7
Project Design and Cost Estimate	1-7
Approval by Head of Agency	1-8
2. Certificate of Inexpediency	2-1
Process	2-1
Relevant Law	2-1
Effect on Attaining “Value for Money”	2-2
Details of Certificates of Inexpediency	2-2
Contract Document Preparation	2-3
Documentation Required for Approval	2-4
Justification Required	2-4
Contract Execution	2-4
Contract Implementation	2-4
3. Bidding Documents	3-1
Documents Required	3-1
Standardised Bidding Documents	3-2
Prepare Documents	3-2
Creating Specifications	3-6
Procurement Committee Board Approval	3-7
4. Advertisement	4-1
Providing Information for an Advertisement	4-1
Issuing Bidding Documents	4-3
Pre-tender Meeting	4-3
5. Receipt and Opening of Tenders	5-1
Receipt of Tenders	5-1
Opening Procedure	5-1

6. Evaluation of Tenders and Award	6-1
Evaluation Forms and Processes	6-1
Selection of TFEC	6-2
Principles of Evaluation	6-4
Identification and Tender Information	6-4
Tender Validity	6-4
Preliminary Evaluation	6-5
Detailed Evaluation	6-7
Determination of Award	6-9
Recommendation	6-10
Disagreement of TFEC's Recommendation	6-12
Contract Award	6-12
7. Contract Execution	7-1
Contract Documents	7-1
Execution Process	7-2
8. Contract Administration	8-1
Contract Implementation	8-1
Variations to Price, Scope and Time	8-1
Termination	8-3
Contract Completion	8-3
9. Complaint Handling	9-1
Purpose of Complaint Handling Process	9-1
What is a "Complaint"	9-2
General Principles to be Applied	9-2
Applicable Law	9-3
Complaint of NEC Decision	9-3
Responsibility	9-3
Process to be Applied	9-5
10. Compliance and Enforcement	10-1
Responsibility and Accountability	10-1
Compliance	10-2
Enforcement	10-3
Breaches by a Contractor	10-3
Breaches by an Agency or Public Officers	10-4

Annexes:

- A. Annual Procurement Plan**
- B. Acquisition Plan**
- C. Certificate of Inexpediency**
- D. Sample Advertisement**
- E. Tender Opening Checklist, Register and Sheet, Tender Recommendation Report Forms**
- F. Sample Tender Recommendation Report**
- G. Supplemental Tables for Multiple Currencies, Adjustments and Priced Deviations**
- H. Tender Evaluation Summary Checklist**
- I. Whole of Life Costs Framework for Evaluation**
- J. Sample Contract Completion Certificate and Contractor Performance Report**
- K. Sample Completion Report for Works Contracts**