

MINISTRY OF FINANCE, STRATEGIC PLANNING, NATIONAL DEVELOPMENT AND STATISTICS

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20th March, 2023

To: The Permanent Secretaries and Heads of Department

Re: Information Circular - Whole of Government Contract

This circular is a reminder to all Ministries about the importance of following Standing Offer Contracts when making purchases (for relevant goods, services and works).

The Procurement Regulations allow the Fiji Procurement Office to call standing offer contracts for whole of Government for commonly used goods, services and works. Standing offer contracts allows us to:

- Consolidate government purchasing power so we can negotiate better prices, terms, and conditions with suppliers, which can result in significant cost savings for the government.
- provide a standardized and simplified procurement process for government Ministries with the availability of a pre-negotiated contract with pre-approved terms and conditions
- ensure that the procurement process is fair, transparent, and open to all potential suppliers. This helps to avoid any conflicts of interest or allegations of favoritism, and it increases the confidence of the public in the government's procurement practices.
- Mitigate risks associated with procurement activities by selecting pre-approved suppliers through a competitive bidding process, central public procurement agencies can ensure that suppliers meet certain quality standards and have a proven track record of delivering goods and services on time and within budget.
- Ensure compliance with regulations. Standing offer contracts can help to ensure that
 government entities comply with applicable laws and regulations related to procurement
 activities and supplies are FNPF and FRCS compliant

Non-compliance to Standing Offer Contracts

For good and services that have an existing standing offer contract, it has come to our attention that some Ministries have been purchasing goods and services from suppliers that were not approved. This is not in compliance with Regulation 35 (3) of the Procurement Regulations 2010. Ministries are urged to consult with the Fiji Procurement Office about their options if using the standing offer contract supplier is not feasible.

Price Increases

Due to volatility in the market, there is increased risk in price changes for goods and services. Ministries are reminded that they should not accept price increases from standing offer suppliers without prior approval. It is important to ensure that any price increases are justified and approved by the Government Tender Board (GTB). All purchase orders must be properly authorized and documented and based on current GTB approved rates. Please inform Fiji Procurement Office if an approved supplier has amended its contract price(s).

The only exception are prices regulated by the Fijian Competition & Commerce Commission (FCCC). Standing Offer contracts are set up to adjust automatically in response to price changes that the Fijian Competition & Commerce Commission announces.

The Fiji Procurement Office looks forward to your cooperation and compliance to standing offer contract.

Ministries and Departments seeking further clarification regarding the above may visit our FPO website www.fpo.gov.fj. Alternatively, you may contact us on fposupport@finance.gov.fj or call 3221248.

Saimoni Veramu (Mr.) (Head of Procurement)

for Permanent Secretary for Finance