

Nausori Town Council

Specific Comments – Line Wise

5.1.1.4 Head of Health and Engineering

a. Council has had a Head of Health, Building and Environment and Head of Engineering in existence. Both the positions were there during the Performance Audit.

During the end of the Service Contracts relevant departments would review the contract scope as per Council resolution and evaluate during the Tender Process. Evaluation includes technical persons from the Council. Council has an established Health, Building and Environment section and an Engineering department in place from 2012. From 2015 it has on board a qualified Engineer through grant assistance from the people of Japan.

5.2.2.4 Evidence of Documented Tender Evaluation Criteria

Council has in place written tender evaluation criteria which was in practice during audit. [Appendix One]

5.2.2.5 Evidence of tender Evaluation

Council has in place evaluation minutes and resolution of Council on the subject in files. Different files are maintained. [Appendix One]

5.2.3.4 Council Contracts

All contractual agreements entered into are in conformity to written laws. All agreements effective 2015 are vetted by legal practitioners. Contracts specifications and format differ based on the type of service. For instance, Grass Cutting contract has a different format to that of Engineering consultancy where Council would likely adapt to International Professional Engineers New Zealand Agreement.

1. Nausori Town Council has been drawing contracts through input from respective technical areas having appropriate experience and basic knowledge to provide relevant expertise. We have on board two staff with Diploma in Civil Engineering (structural and civil) with experience who would provide relevant expertise in technical area to draft contracts. For some contract we use standard agreements and where specifically new contracts are to be designed we would get a solicitor to design a contract.

2. Contract performance and payment recommendation would be by technical officers (assigned responsibility) and relevant reports on the same would be tabled at council sector committee meeting by relevant supervising officer.

3. For Nausori town council performance and appraisal of contracts reports would be maintained by relevant technical section such as financial matters relevant to the contracts with finance department, supervision and performance with technical department and administration matters with the administration department.

4. Tender opening, analysis and recommendation would be through special tender committee established. Tenders committee recommendation would be then evaluated and recommended by Chief Executive Officer to full council. Currently under the review of Local Government period all tender committee recommendations would directly be placed to full council. Please note that Local Government Act – Cap 125 Section 27 (2) restricts ordinary citizens and rate payers to sit in committees to decide on financial matters. Finance committee members are strictly to Council members. In addition, Council holds annual citizen budget consultation exercise where citizens are given a chance to speak on service delivery programs.

5. For all contracts, tender and specifications form part of the contract which would very much established key result and required output areas. The tender and specification documents would describe the work, resources required, supervision methodology and person supervising.

6. All contractual agreements entered into are to national standard and quality to be competent under law. All agreements effective 2015 are vetted by legal practitioners. Contracts specifications and format differ based on the type of service. For instance Grass Cutting contract has a different format to that of Engineering consultancy where Council would likely adapt to International Professional Engineers New Zealand Agreement.

5.2.3.13- 5.2.3.15

a. All contract entered into by Nausori Town Council are properly signed by the service provider and council. In reference to Ravindra Singh and

Nausori town council, the agreement was signed by both parties and before this an offer letter was sent to Ravindra which was accepted.

The contract agreement was based on:

- Tender design and specification drawn by Engineering Designs- Consulting Engineers who are members of Fiji Institute of Engineers
- Expression of interest called through media advertisement
- Interested bidders evaluated and short listed by engineered designs based on criteria established - Short listed bidders given tenders, specifications and designs
- Contractors placing tenders before closing date at Tender Box located at Council main office
- Tender box opened by consultants and council.
- Tenders evaluated by Project Management Team and report given to Council.
- Approval by Council.
- The contractor was the lowest and had the capacity to perform. At all payment intervals Engineered Designs specified including soil tests as required.
- The Contractor is a Nausori Civil Works Company a Branch of Amras Civil Works. The company was carrying out Civil Works in Taveuni and had decided to establish its office for a while at Taveuni. The Company has been carrying out works for a number of corporate agencies and Government department as per profile. In general, the contract was awarded through a general tender system. Auditor General office was provided with all the documents.

5.3.1.4 Inter Transport Project Finance files are maintained with the Finance, minutes with the Administration including all administration files. Only copies of the documents are maintained with the Project Manager. A total of 26 Arc administration files are maintained in the Council Chambers relating to the Project.

5.4.1.3 The Council has entered into agreement with Consultants using the general construction standards in Fiji and guided by the Government Architect. The Project Manager of the job appointed, a registered local Architect Anare Gukilau was contract out on a lump sum base with monthly payments. The Project Manager reported directed to the Special

Administrator and the Government Architect and developed monthly reports. Contract document was similar to same size contracts in Fiji and was legal vetted. [Appendix Two]

Management Comments in General Based on Recommendation

1. A special monitoring policy has been established by council to ensure amongst other things requirements of documentation of monitoring activities. Monthly meeting discusses the same.
2. Council has established structure in place where overall evaluation of a contractual arrangement is undertaken following expiration of the contract.

5.4 Payments of contractors

Management Comments

Nausori Town Council comments with respect to all Councils

1. Nausori Town Council has been drawing contracts through input from respective technical areas having appropriate experience and basic knowledge to provide relevant expertise. We have on board two staff with Diploma in Civil Engineering (structural and civil) with experience who would provide relevant expertise in technical area to draft contracts. For some contract we use standard agreements and where specifically new contracts are to be designed we would get a solicitor to design a contract.
2. Contract performance and payment recommendation would be by technical officers (assigned responsibility) and relevant reports on the same would be tabled at council sector committee meeting by relevant supervising officer.
3. For Nausori town council performance and appraisal of contracts reports would be maintained by relevant technical section such as financial matters relevant to the contracts with finance department, supervision and performance with technical department and administration matters with the administration department.
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5. For all contracts, tender and specifications form part of the contract which would very much established key result and required output areas. The tender and specification documents would describe the work, resources required, supervision methodology and person supervising.

6. All contractual agreements entered into are to national standard and quality to be competent under law. Usually council would standard agreement to avoid reduce solicitors expenditure.

7. All contract entered into by Nausori Town Council are properly signed by the service provider and council. In reference to Ravindra Singh and Nausori town council, the agreement was signed by both parties and before this an offer letter was sent to Ravindra which was accepted.

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- Tender box opened by consultants and council, evaluated and awarded

5.4 Payments of contractors

Nausori Town Council comments

1. Council has employed from 2010 two (2) Senior Health/Building Inspectors and two Diploma in Civil Engineering (structure and civil) staffs with experience to guide on relevant key technical areas including contract awards and supervision.

2. For the Transport Project Council has outsourced technical services to a number of personals to assist council in various areas as follows:
 - a. Project management
 - b. Project architecture
 - c. Project engineering
 - d. Project quality surveying
 - e. Project services engineering
 - f. Project financial consultants
3. The consultants have designed and recommended all construction works to Council which had been tabled in twelve technical committee meetings having Council and relevant government agencies as members. Consultants have been engaged using various international professional standard agreements designed for eleven areas.
4. For all relevant works, council has established a benchmark for entry. Assessments would be carried out before work commences and qualified bidders will be evaluated based on tenders received and available internal pre assessment.
5. Council shall consistently review its Procurement Policy and work closely with the department of Local Government to review the existing Manual of Accounts. In 2012, a new procurement policy has been established with an improve procurements in totality.
6. Tender process, award and performance process have been consistently reviewed to ensure that contractual engagements are conducted in a proper and transparent manner. In 2012, council prepared and adapted to a Procurement Policy document.

6.2 MANAGING CONTRACTORS PERFORMANCE

Project Manager was a Consultant hired by the Council and not an employee. Council, for the project, had engaged one employee, Clerk of Works who would attend fortnightly meetings and prepare reports. The project management structure is similar to other Construction projects and here the Project Manager was reporting to the Council Special Administrator who was presenting reports in committee meetings and informing Ministry of Local Government, Housing and Environment on a monthly basis.

The Project Manager lead the Project Management Team. Other consultants' payment, unlike the Project Manager was based on construction cost and divided into stages. Agreements entered into with other consultants had agreements entered using:

1. Architect – Fiji Institute of Architects document.
2. Engineer – Institute Profession Engineers New Zealand [IPENZ]
3. Services Engineer – IPENZ
4. Bill of Quantity Surveyor – IPENZ

The main construction was supervised by the Project Management Team and all claims vetted by the Government Architect on the submission by the Project Management Team before being endorsed by the Council.
[Appendix Three – Monthly report & contracts]

Management Comments

Council has been upgrading its Complaints Register and the same on a weekly basis is being reviewed by the Chief Executive Officer. A special monitoring template has been developed to report on Contractors performance to Council.