



Fiji Roads Authority

OPERATIONS MANUAL

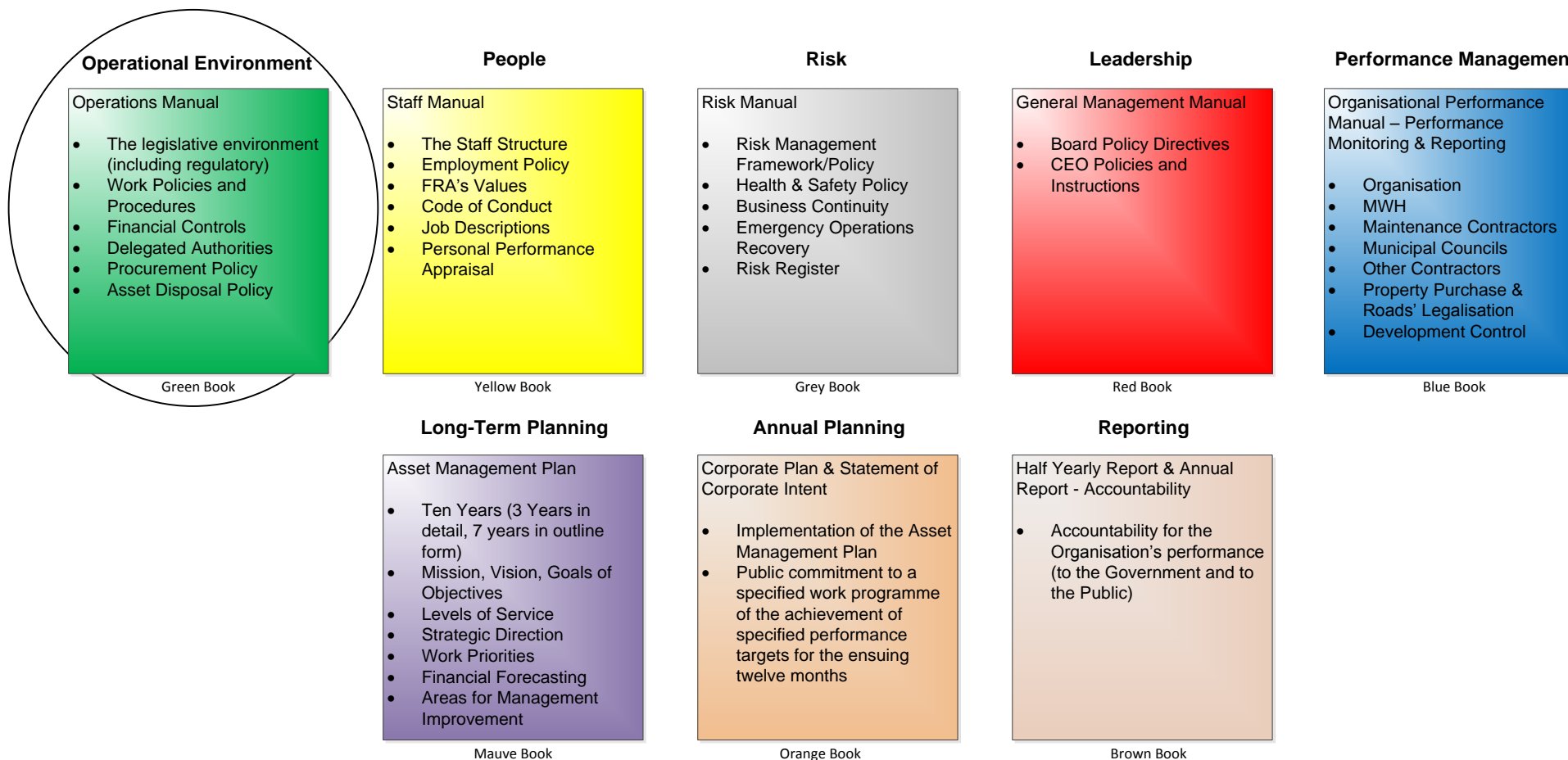
INCLUDING THE FRA'S:

- PROCUREMENT PROCESS & PLAN; (AND)
- FINANCIAL MANAGEMENT PROCESSES & ASSOCIATED POLICIES

Version 4 – FINAL (Amended)

16 July 2015

Integrated Management – The Key to Overall Business Success



FOREWORD

This document is the Fiji Roads' Authority's (FRA's) Operations Manual. It explains FRA's managerial approach for all aspects of its financial (and associated) affairs.

The Manual is one of seven documents that specify FRA's policy and management approach. The others are:

- The Staff Manual;
- The Risk Management Manual;
- The Organisational Performance Manual;
- The Asset Management Plan;
- The Annual Corporate Plan & Statement of Corporate Intent; (and)
- The Annual Report.

The Operations Manual is essentially the 'central hub' around which the whole organisation revolves in order to achieve the required integrated management of everything that it does.

It is essential that all members of the Board, all FRA staff and the FRA's various consultants and contractors (especially its Professional Engineering Service Advisors) understand the fundamental importance and the necessity for all of the requirements specified in this document to be fully complied with at all times. This doesn't only apply to FRA's staff. The requirements must be complied with by everybody, no matter how employed, who commits expenditure either directly or indirectly, or who provides goods and services or carries out work that the FRA is going to have to fund.

From time to time areas will be identified where some of the Manual's provisions are no longer appropriate, or can be improved, but until they are deleted or changed by either a written instruction from the CEO or a resolution of the Board, they continue to apply and must be observed.



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KEY WORDS & PHRASES

For ease of reference to this document it is recommended readers use Navigation Pane or this Key Words and Phrases Index

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Note: Alphas refer to Attachments

MANUAL UPDATE AND DISTRIBUTION CONTROL (Responsibility: Corporate Services Manager)
MANUAL UPDATE

Date	Principal Changes
<p>This updated Manual was adopted by resolution of the Fiji Roads Authority Advisory Committee on 2 July 2015. It supersedes all previous editions.</p> <p>The following is a list of only the principal changes. A significant number of minor changes have been made in addition.</p> <p>Reference to the male gender is deemed to include, and shall be taken to include, the female gender.</p>	
June 2015	<p>Foreword Rewritten</p> <p>Section 1.1 Background Updated wording – no significant change.</p> <p>Section 1.2 The Organisational and Management Structure Delete reference to Laboratories' Management.</p> <p>Table 1.2 Work Functions Delete Laboratories' Manager, Add Risk and Assurance Manager and change title of Planning Manager to Strategy and Planning Manager.</p> <p>Section 1.3 Goods and Services Delete reference to Laboratories' Management and add 'Consultant and Similar Services' and 'Strategic and Forward Planning'.</p> <p>Section 2.2(d) Fraud and Corruption Improved wording for the Fraud Prevention Checklist. Also, the Audit & Risk Subcommittee and the Board shall be advised for its information whenever apparent fraud or corruption is discovered. [Section 2.2(d)(i)]</p> <p>Section 3.1 The Procurement Planning and Programming Approach Improved wording to reflect what currently happens in practice – especially Table 3.1 – 'The Government's Broad Budget Setting Timeline'.</p> <p>Section 3.4 The Expected Results From This Planning and Programming Approach Delete the last paragraph regarding problems caused by having to work each year in isolation as opposed to having a longer term agreed programme. This matter is best managed in the Asset Management Plan.</p> <p>Section 4.1 Competitive Tenders v Sole Source Procurement A new subsection that specifies that as a general rule public tenders will be called for goods and services estimated to cost more than \$100,000 VEP - but may, by Board resolution, be procured by closed tender or be sole sourced. Goods and services estimated to cost less than \$100,000 VEP may be procured by calling public tenders, inviting closed bids, inviting multiple verbal or written quotes, or by direct (sole source) bid. Examples of when purchases estimated to cost less than \$100,000 VEP might be sole sourced.</p>



Section 4.2 The Purchasing Approach for Each Category of Work

Previously Section 4.1. Delete some of the provisions relating to maintenance of the roads in the municipal areas and note that the arrangement with the Municipal Councils is not working satisfactorily and is being reviewed; Make clear that renewals and new capital work may be sole sourced; Delete Category 7 – Laboratories' Management; Note that Subdivision and Development Control Work is done partly 'In House'. Add two new categories of work – Section 4.2.7 'Consultant and Similar Services that don't Warrant Comprehensive Written Agreements' (including provision for 'Short Form Agreements') and Category 11 – 'Strategic and Forward Planning'.

Section 5.0 Exceptions to the Generally Intended Purchasing Approach

Add reference to the World Bank.

Section 6.1 Introduction (to the Written Contracts Section)

Cross reference to the fact that all work does not have to be awarded by public tender. When closed tenders are invited the process is to be the same as for public tenders excluding the requirement to publicly advertise. All contract documents other than those prepared based on a standard general conditions of contract template (or templates) that has/have been legally checked and formally adopted by the Board and approved by the Capital Works Engineer (or his representative).

Section 6.2 Requests For Tender

Specify the minimum requirements of a Contract Strategic Plan; Make clear that all bonds must be with a Bank licensed **or otherwise approved** by the Reserve Bank of Fiji unless the CEO, prior to the calling of tenders, authorises otherwise; Make clear that all insurances must be with an Insurance Company licensed **or otherwise approved** by the Reserve Bank of Fiji unless the CEO, prior to the calling of tenders, authorises otherwise. Tenderers to include in their bid documents a letter from their proposed Bondsman confirming the Bondsman's intention to provide the required bond should their tender be successful. All tenderers to provide a copy of their Certificate of Incorporation and details of Directors (if a company) or a copy of their Certificate of Registration and details of the persons concerned (if a sole source provider). Section 6.2(b)(xvi) relating to the FRA's ability to seek additional information extended to mirror the provisions of Section 6.4(f) (see below).

Section 6.3 Tenders' Opening

Tenders to be opened by the Tenders' Secretary and one other senior manager instead of by the CEO (or in the CEO's absence by two senior members appointed by the CEO); Add a new provision requiring that before passing the bids to the Evaluation Team the Tenders' Secretary shall check the validity of all bids received and note his findings on the **tenders** file.

Wording change to make clear the different tenderers' opening and evaluation process to be followed according to the different types of tendering viz:

- Lowest Price Conforming – standard (usually one envelope but may be two).
- Lowest Price Conforming – (two envelopes a requirement).
- Quality Price Weighted – (two envelopes a requirement).

Section 6.4 Tenders' Evaluation

Add a new provision requiring that before commencing the evaluation the Evaluation Team must obtain the **tenders** file; Add a new section regarding selection and appointment of the Evaluation Team. (Members to be decided separately for each contract); Care to be taken to select appropriate people. Specific requirements for team composition depending on the estimated value of the contract (including a requirement that for contracts with an estimated value exceeding \$10m VIP the Evaluation Team shall include an independent



	<p>person who is not an FRA employee or Board Member); One of the members to be appointed Evaluation Team Chairperson; Evaluation Team Members (and any corporate involved) to formally declare before considering tender bids that they don't have any conflict of interest; Evaluation Team to familiarise itself with all information on the tenders file; After perusing the tender bids and before commencing detailed consideration of them all Evaluation Team Members (and any corporate body involved) to reconfirm that they don't have any conflict of interest); New provision authorising the Evaluation Team to obtain such other advice as it thinks fit. New clauses relating to the opening of the second envelope in a 'two level envelope bid' contract; Transfer the negotiation process from Section 6.5. In formulating its recommendation the Evaluation Team may seek such financial (including credit history), engineering, environmental, company ownership and governance details, tenderers' competency and performance record, and such other advice and information (including criminal history and potential conflict of interest checks) about the bids and/or the bidders, as it thinks fit. (See 6.4(f). Consequential changes re the tender's opening process (See 6.3).</p> <p>Section 6.5 Awarding the Contract The 'Flying Minute' process to be used sparingly and not as a result of poor work organisation and planning; The reason why it has become necessary to consider the matter by 'Flying Minute' to be fully explained in the Board Paper; Section 6.5(c) deleted. (The preface to Section 6.5(a) makes it sufficiently clear what the power to consider evaluation reports is). Transfer the negotiation process to Section 6.4.</p> <p>Section 6.5(c) Financial Controller to Certify Funds Available Every agenda item recommending the award of a contract shall include a statement by the Financial Controller confirming that, from the financial point of view, to the best of his knowledge there is no reason why the recommendation should not be adopted.</p> <p>Section 6.5(f) Letters to successful and unsuccessful bidders to be on the Contract File. Amended to require copies of the letters to the successful and unsuccessful bidders be placed on the tenders (and in the case of the successful bidder the contract) files.</p> <p>Section 6.8 Probity This section considerably expanded; CEO to either generally or for a particular contract or contracts appoint a Probity Auditor; The Probity Auditor to attend all meetings of the Evaluation Team relating to proposed contracts with an estimated value of more than \$20m(VIP) and such other meetings relating to other contracts as the CEO may consider necessary; The Probity Auditor may also attend other meetings at the Evaluation Team Chairman's request or on his own volition and will carry out probity checks of 'already awarded' contracts selected at random; The Probity Auditor will immediately alert the CEO to any identified significant weakness and following his involvement with any contract will report promptly in writing to the CEO; Unless in the CEO's opinion it is inappropriate to do so a copy of every probity audit report will be maintained on the relevant tenders file.</p>
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Section 6.9 Performance Bonds

The future bond requirements are:

• Contract Value	\$300,000 VEP	No bond required
• Contract Value	\$301,000 - \$2m. VEP	Conditional Performance Bond – 10% Contract Value
• Contract Value	More than \$2m.VEP	Unconditional Performance Bond – 10% Contract Value.

The reason why no bonds are required for contracts with an estimated value of less than \$300,000 VEP is to encourage small local contractors (including those who are trying to establish) to bid and to 'speed up' the 'transferring of skills/'building local capacity' process.

The Board may reduce the 10% performance bond requirements based on the contract risks and the contractor's past performance. All performance bond documents must be legally checked before FRA acceptance. As a part of that check the Legal Officer shall satisfy himself there can be no doubt the document that has been received is the original and not a copy.

Section 6.9 Insurances

Public liability insurance not required for Strategic Planning and similar consulting (usually Short Form Agreement) contracts.

Section 7.1 When a Purchase Order Is Required.

The existing section deleted and replaced by a new section that requires that except in the case of a purchase that is made by Written or Short Form Agreement (or otherwise with the consent of the Financial Controller) a purchase order shall be obtained before every procurement for a cost of less than \$100,000 VEP is committed; In all their discussions with potential suppliers Officers must make clear the proposed procurement is not committed, and FRA is under no obligation whatsoever, until a purchase order has been issued – and then only to the extent specified in the purchase order; The Financial Controller will determine the circumstances in which a purchase order is not required and may refuse to action a purchase requisition request if, in his opinion, the reasons given for making the procurement without first obtaining either verbal or written quotations are inadequate.

Section 7.2 Management of the Purchase Order Process

Section 7.2(c)(iv) relating to the purchase of goods or services estimated to cost between \$100,000 and \$200,000 deleted – no longer relevant.

Section 9.1 Contract Documents

Section 9.1(f). Not necessary to affix FRA's seal to contracts for sums less than \$100,000 that have been entered into pursuant to delegated authority – only those with a value of more than \$100,000, or for less than \$100,000 that have been awarded by Board resolution. The responsibility to satisfactorily comply with all of the project/contract file requirements rests with the 'Engineer' (The Engineer may delegate some of these requirements to an Assistant but if he does so that does not absolve him of the responsibility). 'Originals' of all bond documents to be kept with all other Important Documents in the Important Document's file and a copy on the contract file. **Copies** of all insurance policies to be kept on the contract file.



	<p>Section 9.2 Contracts' Register Significantly reduced. Register now in place and working satisfactorily. Unnecessary to specify all of its contents here.</p> <p>Section 10 Risk Report top 15 risks to the Audit Committee half-yearly – not to the Board.</p> <p>Section 11.1(a) Asian Development Bank and EXIM Bank Expanded to include the World Bank.</p> <p>Section 11.1(b) Officer Financial Delegation Limits Authority for the Chairman to procure goods and services up to \$200,000 without the necessity to go to public tender deleted; Financial delegations to a Traffic Management Engineer and Municipal Council's Liaison Officer deleted; Delegation to the Risk and Assurance Manager of the power to procure goods and services up to \$10,000 VIP; Delegation to Strategy & Planning Manager increased to \$50,000. The following Officers delegated the power to procure goods and services directly relating to their responsibilities up to \$5,000 VIP :</p> <ul style="list-style-type: none"> • Programme Manager – Roads. • Programme Manager – Bridges & Jetties • Programme Manager – NASRUP • Subdivision & Development Planning Manager • Maintenance Works Engineer • Traffic & Safety Engineer <p>Financial Controller delegated the power to authorise or decline to authorise the procurement requests submitted by others.</p> <p>Section 11.1(c) Requirements Relating to All Procurements Made By Delegated Authority Officers expected to ensure value for money is achieved by every purchase and must be able to justify why they made the purchase in the way that they did; List of questions Officers may be expected to have to satisfactorily answer if called upon to justify any purchase made by them; For purchases exceeding \$5,000 VIP where either verbal or written competitive quotes have not been sought the reason for sole source procurement required to be noted in/on the written contract, the short form contract or purchase requisition form.</p> <p>Section 11.1(e) Provisional Sums and Contingency Sums General authority for the Engineer to sub-delegate to an Assistant or Assistants deleted. (For further explanation see the next item).</p> <p>Section 11.1(f)(i) Contract Variations (Other Than For the Maintenance Contracts) The total amount of all variations that are 'scope (cardinal) changes' approved by the Engineer not to exceed \$50,000 VIP. No power to delegate this authority to an Assistant. The CEO may approve 'scope (cardinal) changes' up to a total of \$100,000 VIP. Scope (cardinal) change variations (in total) exceeding \$100,000 (or \$50,000 VIP if not approved by the CEO) must be approved by the Board. Greater care relating to what are and what are not scope changes required. (See Section 11.1(f)(v)).</p> <p>The total amount of all variations that are not scope changes but are additional payment entitlements not to exceed the approved total contract price (including contingencies); The Engineer may delegate the authority to approve variations that are not scope changes to an Assistant – but only if the power to do so (relating to that contract) has been previously approved by resolution of</p>
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	<p>the Board. Proposed variations that will cause the total contract price (including contingencies) to be exceeded must be approved by the Board. The Engineer may delegate the authority to issue variations for an extension of time to an Assistant but only if the power to do so (relating to that contract) has been previously approved by resolution of the Board.</p> <p>Section 11.1(f)(iv) The Maintenance Contracts Existing provisions relating to certain variations to the maintenance contracts not being considered to be scope changes retained but some renumbering; Table 7 deleted.</p> <p>Section 11.1(f) (v) All Variations Every variation must be accompanied by sufficient documentation to fully explain why the variation has been issued and how all of the figures in it have been calculated. Such information must be attached to the variation, or if it is voluminous the variation must state where it is held (being a place from which it can be readily retrieved) and reconciled.</p> <p>In the case of a variation required to be authorised by the Board the agenda item must state whether the proposed variation is a 'scope (cardinal) change' or a variation that is not a 'scope (cardinal) change', why it has become necessary, and if it is a scope (cardinal) change why it is recommended the work be awarded as a 'sole source procurement' to the existing contractor and not be competitively tendered or sole sourced to someone else. (See also 'Contract Scope Change' and Cardinal Change).</p> <p>Section 11.1(g) Delegations to the Engineer's Assistant Any proposed delegation by the Engineer to an Engineer's Assistant shall have no effect until a copy of the sub-delegation, together with the original of a specimen signature of the Engineer's Assistant, has been delivered by the Engineer to FRA. The Capital Works Manager or the Maintenance Works Manager may, at any time, withdraw the Engineer's authority to delegate to an Assistant. Where the Board has previously authorised delegation to an Assistant and the Assistant vacates the position the Capital Works Manager or the Maintenance Works Manager may authorise delegation to the replacement Assistant.</p> <p>Section 11.2 Staff Delegations Strengthened to make it clear that, subject to the specified conditions, the CEO has overall responsibility for all FRA staff matters. Strengthened to include reference to Section 124 of the Constitution that requires the appointment of persons who are not citizens of Fiji to be approved by The Prime Minister.</p> <p>Section 12.1.2 Contracts With Parties Other Than The FRA's Principal Engineering Services Advisor Reference to a standard form for all progress payment certificates deleted and changed to a list of the information that all progress payment certificates must contain; Every proposed progress payment required to be signed as true and correct and approved for payment by the Engineer unless the Board has previously, by resolution, authorised payments to be signed by the Engineer's Assistant; Financial Controller not to process any proposed payment to any contractor unless the payment voucher has attached to it (or there is on the contract file), in addition to the creditor's statement and invoices, such other information and support material as is required to justify the payment; Financial Controller not to process any proposed payment if the payment certificate notes adjustments totalling more than \$50,000 (VIP) to be resolved in the next payment. Such adjustments must be resolved before making the proposed payment, and not be deferred for later resolution; Financial</p>
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	<p>Controller not to process any proposed payment if the payment will result in the approved original or formally varied contract sum (including contingencies) being exceeded unless the excess relates to a scope change variation (or variations) the total amount of which doesn't exceed \$50,000 VIP (or \$100,000 VIP and has been approved in writing by the CEO).</p> <p>Section 12.1.3 Payments to the FRA's Principal Engineering Services Advisor and to FRA's Auditors Reworking to make it clearer that all proposed payments to FRA's Principal Engineering Services Advisor must be certified by the CEO.</p> <p>Section 12.4 Petty Cash Except as authorised by the CFO no payment from petty cash is to exceed \$100. Responsibility for managing petty cash to be formally delegated to a named officer.</p> <p>Section 12.5 Standard Payment Requirements Reference to Municipal Councils deleted; No invoice or statement in excess of the purchase order amount may be paid unless the invoice or statement has been authorised by resolution of the Board or certified in writing as approved for payment by the CEO. Invoices for goods and services obtained via purchase order to be certified for payment by the persons who submitted the purchase order requisition.</p> <p>Section 12.6 Vouchers' Compilation and Payment Records Reference to Municipal Councils deleted. Payments' process chart inserted. Section 12.6(c) amended to make clearer the requirement to stamp all vouchers as 'Paid' and all invoices as 'Posted'; All invoices to be posted to the General Ledger and stamped 'Posted' within seven days of receipt.</p> <p>Section 13.1 Cheques To Be Issued In The Name of the Creditor Every cheque must be issued in the name of the creditor. On no account may a cheque be made out to 'cash'.</p> <p>Section 13.2 Cheque Signing Conditions As a general rule cheques must be signed, and all electronic payments must be approved, by the Chief Financial Officer and the CEO – in that order. All cheques must be signed by, and all electronic payments approved by, at least one of those officers. (The provisions authorising payment and approval by others when both of them are absent deleted); Changes to 'who' is required to certify payments for each category of work. CEO to authorise all proposed payments to the Principal Professional Engineering Services Adviser. The manager responsible for managing the contract to authorise in the case of other consultants; (Delete Traffic Management Engineer and substitute Maintenance Works Manager, Delete Laboratories Manager, Insert 'The Manager who signed the Short Form Agreement' for Consultant etc Short Form Agreements'); Delete reference to payments to Municipal Councils.</p> <p>Section 14.1 FRA'S Seal – FRA's seal to be applied to all written contracts with a value of more than \$100,000 VIP. A list of all documents signed under seal to be included on the agenda of every regular Board meeting for the Board's information.</p> <p>Section 14.2 & 14.3 FRA's Banker & Financial Advice The performance of these two service providers to be reviewed annually by the CFO and retendered at five year intervals.</p>
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Section 14.13 Required Registers

Responsibility for several of the required Registers reallocated:

- Contracts Register to the Contracts' Management Engineer
- **Contractors'** Performance Register to the Contracts' Management Engineer.
- Important Documents' Register and Seal Register to the Legal Officer.
- Balance of the Internal Audit Register (now Financial Management Register) to the Financial Controller.
- Risk Register and Internal Audit Register (now Audit Master Control) to the Risk & Assurance Manager
- Subdivision and Development Register to the Strategy & Planning Manager
- Roads' Legislation Register to the Capital Works Manager

Section 14.33 Financial Reporting Responsibilities – Summary

Change title to 'Key Reporting Responsibilities', i.e. not just Financial. Risk & Assurance Manager responsible for Internal Audits (not Financial Controller); Contracts' Management Engineer responsible for Monthly Works Report to Board – not the Principal Engineering Services Adviser.

Section 15.2 The FRA's 'Sensitive Expenditure' Approach

When the FRA's assets (e.g. computers) become obsolete, worn out, or surplus to requirements, they may be disposed of in such manner as the CEO may decide. (Also this section transferred to 'Assets' Disposal Policy' in Section 14.35.

Section 15.3 Credit Cards

No credit card value to exceed FJ \$15,000 or such higher amount as the Board shall by resolution approve. Credit cards' usage chart inserted (as Table 15.1).

Section 17.1 Introduction (to the Compliance Section)

The responsibility for Compliance checks transferred from the Financial Controller to the Risk and Assurance Manager; Section strengthened to record FRA will also from time to time commission other parties to carry out independent audits in specified areas (including audits of the quality of the work that has been done on the roads).

Section 17.2 Internal Audit Register to be Maintained.

Heading changed to 'Audit Master Control to be Maintained'. Risk and Assurance Manager required to maintain an "Audit Master Control". Several references to laboratories deleted.

Section 19 The Annual Timetable

Updated

Section 21 – Review

The Board may from time to time, by resolution, make a decision that is contrary to the requirements of the Operations Manual. Whenever it does so the resolution must clearly record the reasons why the exception has been necessary; Overall responsibility for management and annual updating of the Operations Manual in future to rest with the Risk and Assurance Manager. From time to time areas for improvement or other changes to this manual may be identified. However requirements as stated herein continue to apply, and must be adhered to, unless changed by resolution of the Board or authorised in writing as an interim amendment by the CEO.



	<p>Attachment 'D' Short Form Agreement Template A new attachment.</p> <p>Attachment 'M' Tenders' Calling and Evaluation (Now Attachment 'G') Add to Form 1:</p> <ul style="list-style-type: none"> • A requirement to explain the liquidated damages provisions; • Confirmation or otherwise that the contract documents have been prepared using FRA's standard template; • Change the Performance Bond wording (1.12); • All bonds/insurances required to be with a Bank or Insurance Company licensed by the Reserve Bank of Fiji unless the CEO, before the calling of tenders, authorises otherwise; • Confirmation required that the Engineer's estimate has been placed in the Tenders' Box prior to submission of the form to the CEO; • The name of the proposed Engineer's Assistant and whether or not authority for that Assistant to issue variations and/or certify interim payment certificates and/or approve requests for extension of time is sought; • The name of the person recommended to be the Chairperson of the Evaluation Team; • Include opportunity for the CEO to specify if he has any Probity Auditing requirements; • Provision for CEO to list any conditions that are attached to his approval. <p>Add to Form 2</p> <ul style="list-style-type: none"> • The details of any proposed Advance Payment. • Updated wording for 1.11 'The Preferred Tenderer'; • Company (or Sole Source Provider) details and names of the Directors etc relating to the Preferred Tenderer to be provided; • Wording of example resolution changed to include reference to; <ul style="list-style-type: none"> - any recommendation authorising the power to prepare interim payment certificates, to issue variations and to approve requests for an extension of time to the Engineer's Assistant; (and) - to the performance bond (type and amount). <p>Attachment 'P' Glossary (Now Attachment 'M') Comprehensively updated; Additional definitions – 'Closed Tender', 'Constitution', 'Contingent Liability', 'Demand Guarantee', 'In Escrow', 'Performance Bond', 'Short Form Agreement', Changed definition of 'Tenders Committee', Addition to the definition of 'Probity', 'Cardinal Change', 'Conditional Performance Bond', 'Contract Changes Clause'; Unconditional Performance Bond'. Addition to the definition of 'Conflict of Interest'.</p> <p>The Following Sections/Attachments Have Been Deleted</p> <ul style="list-style-type: none"> • Section 12.2 'Payment for Goods and Services Procured from Municipal Councils' • Section 13.1 'Authority to Sign Cheques and Make Electronic Payments' • Section 14.19.4 Laboratories' Revenue • Section 16.0 'Asset Disposal Policy' (Now section 14.35) • Section 18 'Accountability – Reporting Results' (Include in the Organisational Performance Manual) • Attachment 'A' Municipal Councils' Memoranda of Agreement'
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<p>14 July 2015</p>	<ul style="list-style-type: none"> • Attachment 'B' MOAs With Other Bodies • Attachment 'C' Expenditure Statement – General Format • Attachment 'H' Consistent Financial Reporting • Attachment 'L' Travelling Expenses Policy (See attachment 'E' in the Staff Manual). <p>Additional Amendments made by the CEO pursuant to Section 21</p> <ul style="list-style-type: none"> • Section 2.2(d): Initial consideration to be given to confirm possible fraud or corruption before referring the matter to FICAC. • Section 6.2(a), 6.9(b) & (c): Expand the requirements for bonds or insurances to be limited to Banks or Insurance Companies licensed <u>or otherwise approved</u> by the Reserve Bank. • Section 6.5(g): Guidelines for information to be provided to unsuccessful tenderers who request debriefs about their tenders. • Section 7.3: Ministry of Provincial Development changed to Ministry of Rural and Maritime Development. • Section 9.1(b): A copy of the insurance document to be placed on the contract file – not the original. • Section 11.0(f)(i): Improved wording (Scope Change Variations). No change to the requirement. • Section 11.0(f)(v): Specimen of the Engineer's signature to be kept on the contract file. • Section 13.0: Clarification of the only circumstances in which cheques may be made out to cash. • Attachment 'D': Updated copy of Short Form Agreement. • Attachment 'G': Updated Tenders Calling & Evaluation Process. • Attachment 'H': 'Estimated Completion Date' changed to 'Award Date'. • Attachment 'M': New definitions of 'Tenders File', 'Project File' and 'Contract File' and clarification in the Manual to where the use of each of those terms applies. • Attachment 'M': Improved definitions for 'Contract Scope', 'Contingency Item' and new definition for 'Cost Escalation'. • VEP:VIP: Improved consistency for the use of those terms throughout the Manual. • Several minor typos.
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UPDATES ADVISED

Website CEO MWH Capital Works Manager Maintenance Works Manager Strategy & Planning Manager		Corporate Services Manager Risk & Assurance Manager Financial Controller Office of the Auditor General KPMG Other Consultants
Date	By	



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1.0 INTRODUCTION

1.1 Background

The Fiji Roads Authority (FRA) is a corporate entity responsible for effective management and administration of the whole roading system in Fiji. The assets that have to be provided, managed, maintained, renewed and further developed are shown in Table 1.1.

Table 1.1 ASSETS

Area	Roads			Bridges	Jetties
	Sealed (KM)	Unsealed (KM)	Total (KM)		
Central-Eastern Division	621	927	1,548	276	30
Western Division	615	5,746	6,361	334	13
Northern Division	247	2,959	3,206	326	4
TOTAL COUNTRY	1,483	9,632	11,115	936	47

In 2015 FRA has budgeted to spend approximately \$657m (VIP)

The Decree (a copy of which is in Attachment 'N'):

- gives the Authority all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions and regulating its own procedure, including the power to determine and levy fees and charges (Section 7).
- provides that the provisions of the Procurement Regulations 2010 shall not apply to the Authority and requires the Authority to establish and implement its own procurement process and plan and to ensure that all goods and services are procured pursuant to that plan. (Section 18); and
- requires the Authority to adopt a policy and procedures relating to the acquisition and disposal of major assets (Section 32 (2) (e)).

This Operations Manual addresses (but is not limited to) all of the above.

A comprehensive explanation of the meaning of various words, terms and acronyms used throughout this manual is in Attachment 'M'. FRA puts a lot of emphasis on the importance of ensuring all staff, consultants and contractors use common terms.

1.2 The Organisational and Management Structure

FRA is a comparatively small organisation. Except for a management group whose responsibilities essentially revolve around:

- (a) forward planning and asset management,
- (b) risk management,
- (c) work programming and prioritisation,
- (d) receiving and evaluating reports and recommendations from its Professional Engineering Services Advisers,
- (e) financial management,
- (f) subdivision and development control,
- (g) land purchase and roads' legislation,
- (h) overseeing achievement of the required results,(and)
- (i) regular and annual reporting to the governing Board,

virtually **everything**, including Professional Engineering Services advice, is 'contracted out'. The practical effect of this is significant. In these circumstances the installation of, and rigid adherence to, robust contract management procedures is absolutely vital.

Table 1.2 illustrates the way the staff is structured and Table 1.3 shows the overall organisational structure.

Table 1.2 – WORK FUNCTIONS

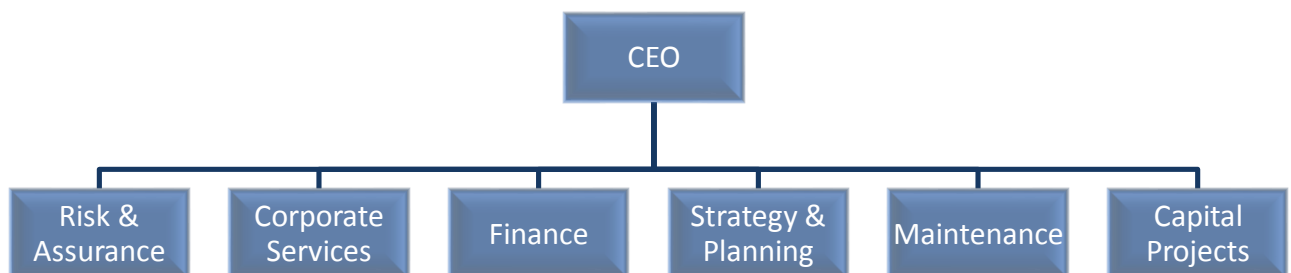
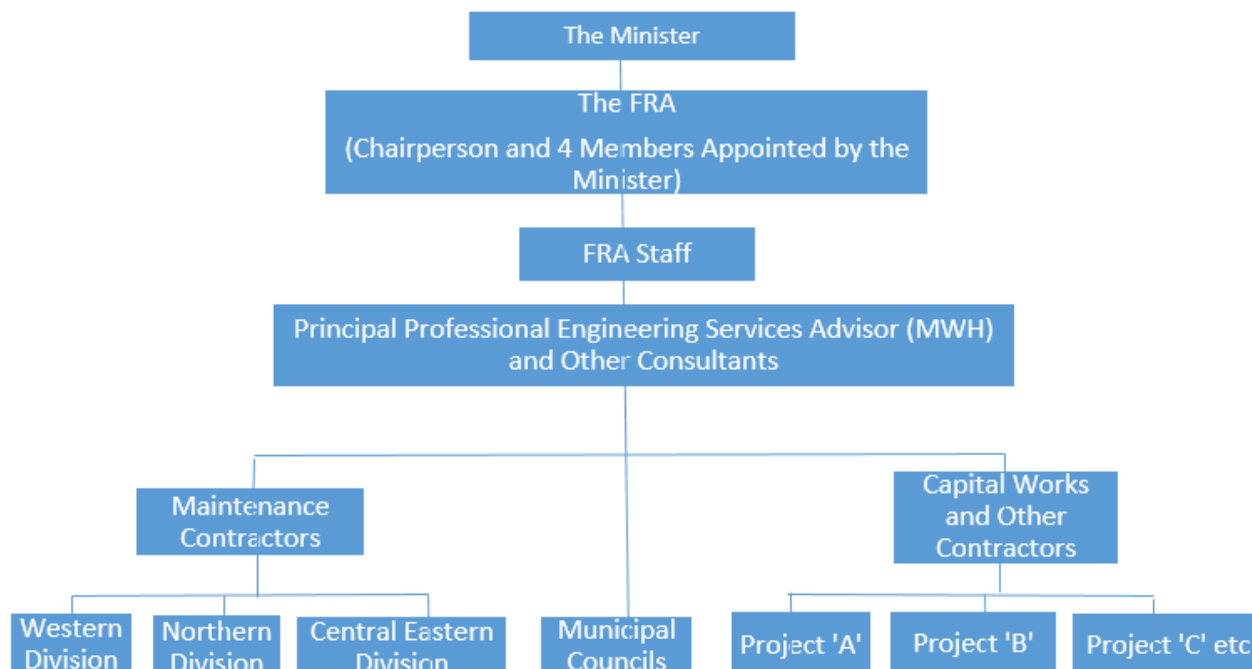


Table 1.3

Fiji Roads Authority – Organisational Structure



1.3 Goods and Services

The goods and services that have to be purchased also fall into eleven distinct categories:

- (a) Professional Engineering Services' advice and expertise;
- (b) Routine Maintenance of the roads (including bridges and jetties and all associated assets);
- (c) Traffic Signals' operation and maintenance;
- (d) Renewals - the renewal (and replacement) of the roads, bridges and jetties;
- (e) New Capital – the building of new, or the widening and/or extension of existing, roads, bridges and jetties;
- (f) Road Safety Improvements;
- (g) Consultant and Similar Services that don't warrant comprehensive Contract Agreements.
- (h) Subdivision and Development Control;
- (i) Land Purchase and Roads' Legislation;
- (j) Routine, (mainly day to day) administrative support services – including the purchase and replacement of staff vehicles; (and)
- (k) Strategic and Forward Planning.

This Manual describes the procurement approach that is followed for each of the above categories and the financial management processes and requirements.

2.0 OVERARCHING PROCUREMENT PRINCIPLES

The policies and procedures that are in this Manual have been formulated based on the following guiding criteria.

2.1 General

The FRA:

- (a) Accountability:** will be accountable for its performance and will be able to provide a complete and accurate account of the use to which the FRA's funds have been put, upon request, at any time.

This Manual puts a lot of emphasis on accountability for results – in all aspects of the FRA's responsibilities:

- (i) The Board to the Minister;
- (ii) The CEO to the Board;
- (iii) PESA and the FRA staff to the CEO;

- (b) Openness:** will be transparent in the administration of its funds, both to support accountability and public confidence and to promote clarity and a shared understanding of the respective roles and obligations of all parties who have entered into (or who may be considering entering into) an arrangement with it.

- (c) Value for Money:** will use its resources effectively, economically and without waste, with due regard to the total costs and benefits of its contribution to the outcomes that it is aiming to achieve.

In this regard, the principle of value for money for procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (or whole-of-life-cost);

- (d) Lawfulness:** will at all times act within the law and meet its legal obligations;

- (e) Fairness:** will always act ethically and reasonably according to its general public law obligations - will be and will always strive to be seen to be, impartial and fair in its decision-making.

- (f) Integrity:** will manage its resources with the utmost integrity (and).

- (g) Sustainability:** will work and think in ways that take into account sustainability in everything that it does.

2.2 Information Management (Including Conflicts of Interest)

(a) Confidentiality and Communication Generally

The FRA's staff and PESA will:

- (i) respect the confidentiality and sensitivity of information received in the course of the procurement process;
- (ii) not use confidential information for personal gain or to influence or advantage other parties; (and)
- (iii) will always communicate information accurately, impartially and in a manner that doesn't mislead.

(b) Potential Conflicts of Interest

- (i) All Board Members, FRA staff and employees of PESA will declare any personal interest that may affect, or could be perceived to affect, their impartiality.
- (ii) The Corporate Services Manager will maintain a register of all such declarations and a record of how each will be managed.
- (iii) Failure to declare a conflict of interest (or potential conflict of interest) may result:
 - in the case of a Board Member to the matter being referred to the Minister for decision and to the Authority's Auditors for an investigation and report.
 - in the case of a FRA employee or an employee of PESA the person(s) concerned being reprimanded or suspended from his/her/their employment and if necessary the matter being referred to the Authority's Auditors for an investigation and report.

See Appendix 'A' for the Conflict of Interest Disclosure Form.

(c) The Acceptance/Giving of Gifts, Hospitality and Other Incentives

- (i) Board members, FRA employees and persons employed by PESA engaged in any part of the procurement process will not accept gifts, hospitality or other incentives from, or offer gifts, hospitality or other incentives to, any potential supplier or contractor and will at all times comply with the FRA's 'No Gifts Policy' in Attachment 'B'.
- (ii) Offering or accepting gifts, hospitality or other incentives in contravention of this requirement may result in the person(s) concerned being reprimanded or suspended from their employment.

(d) Fraud and Corruption – Fraud Prevention Policy

- (i) Whenever, **after the initial consideration of any suspected incident there appears to be possible** fraud or corruption the matter will be referred to the Fiji Independent Commission against Corruption (FICAC) and, **if in the CEO's opinion it is necessary to do so**, in addition to the FRA carrying out its own investigations, **to the Police**.

If the suspicion involves an FRA employee (or employees), that person (or those persons) may be suspended from their duties, with or without pay (as the CEO may decide), until the matter has been satisfactorily resolved.

The Audit & Risk Subcommittee and the Board shall be advised **of the action taken**, for its information at the same time.

- (ii) If there is evidence of possible contractor or consultant involvement the FRA may also put a stop to doing any further business with that contractor or consultant until it is satisfied:
 - that is not the case; or
 - that the contractor or consultant has taken, to the FRA's satisfaction, appropriate steps to control the situation.
- (iii) If after their investigations the FRA, FICAC or the Police conclude that corruption or fraud has occurred, or if at any time the FRA has concerns about a consultant's or contractor's, honesty, integrity, ethics, or apparent conflict of interest, the Board or the CEO may direct that the FRA have no further business dealings with that contractor or consultant or that it only do so subject to specified conditions.
- (iv) The FRA's Independent and Internal Auditors and the Risk & Assurance Manager will regularly assess the sufficiency of the organisation's fraud prevention environment against the following checklist.

Table 2.1

FRAUD PREVENTION AND DETECTION CHECKLIST

1. FRAUD PREVENTION

The FRA recognises that the key elements to successfully prevent fraud occurring are as listed below and it will regularly review the continuing sufficiency of its operations in these areas.

- Take a proactive approach to preventing fraud;
- Have a Fraud Prevention Policy (This Section).
- Have a Staff Code of Conduct (see Section 2 of the FRA's Staff Manual - Yellow Book);
- Have a Whistleblower (Protective Disclosure) policy (See Section 26 of the FRA's Staff Manual – Yellow Book);
- Have a Travelling Expenses policy (see Section 9 of the FRA's Staff Manual – Yellow Book);
- Have a policy on accepting gifts and services (See Attachment 'B');
- Have a Sensitive Expenditure Policy (See Section 15);
- Communicate the above code and policies regularly (including at the annual Refresher Training session) (see Section 11.3 of the FRA's Staff Manual – Yellow Book);
- Have managers who understand their responsibilities for preventing and detecting the risk of fraud (see Employee Orientation and Integration Checklist in Section 3.10 of the FRA's Staff Manual – Yellow Book);
- Screen new employees, including criminal history checks (Section 6 and Attachment 'G');
- Designate a person to be responsible for fraud risks, including investigation (The Risk & Assurance Manager);

- Carry out due diligence on new suppliers, including credit checks and checks for conflict of interest (see Section 6 and Attachment 'G');
- Communicate this fraud policy regularly – annually or biannually (see Section 11.3 of the FRA's Staff Manual – Yellow Book);
- Review fraud controls regularly – annually or biannually (see Section 17 Compliance);
- Offer fraud awareness training.

2. FRAUD DETECTION

Detecting fraud generally relies on a range of actions. The FRA will:

- Closely monitor staff expenses;
- Ensure appropriate division of financial responsibilities between FRA Officers;
- For other than petty cash make all payments by cheque or electronic transfer;
- Pay and account for fuel costs via fuel cards;
- Reconcile payroll costs fortnightly;
- Have a culture where staff are willing to raise any concerns that they may have regarding fraud or corruption and know that their concerns will be taken seriously and that they won't suffer any retaliation;
- Closely monitor credit card expenditure (including fuel cards);
- Encourage staff to come forward if they see or suspect fraud or corruption; (and)
- When fraud or corruption risks are raised, take proactive steps to reduce them.

3. AREAS WHERE FRAUD IS MOST LIKELY TO OCCUR

The FRA knows that studies have shown the areas where fraud is most likely to occur are as listed below. It will be especially vigilant in these areas:

- Theft of plant and equipment;
- Theft of inventory;
- Fraudulent expense claims;
- Fraudulent misuse of credit cards;
- False invoicing; (and)
- Payroll fraud.

Source (expanded): New Zealand Office of the Controller and Auditor General – '*Cleanest Public Sector in the World – Keeping Fraud At Bay*' 2 November 2011.

2.3 Building Local Capacity – A Key Objective of This Procurement Approach

The practical effect of the procurement approach outlined in this Manual has been firms from outside Fiji winning the maintenance contracts. This is tangible evidence of the fact that the local road construction and rehabilitation industry needs improvement. Designing and putting in place a means of achieving this, as quickly as possible, is not only a key objective of the FRA – but one of its three goals:



“To develop capacity and capability at all levels of the Roads’ industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.”

Capacity building is much more than training. It is the process of equipping individuals with the necessary understanding, skills and access to information, knowledge and training to enable them to perform effectively. It includes getting them to better understand what has to be done and why it is done in the way that it is; the management structure and how it all works; the processes, procedures and relationships; and the legal and regulatory requirements and so forth.

- (a) The CEO has developed a set of performance measures and targets against which the progress that is being made to build local capacity can be regularly assessed.
- (b) PESA and the maintenance contractors will report half-yearly and annually and at such other times and in such manner as the CEO may direct, explaining the capacity building steps they have taken, how successful that has been, and what their future plans are.
- (c) The rate of progress in this area and the capacity building steps the tenderer and others intend to take in future (and have already taken) will be an important consideration in all contract awards and performance reviews.

The Board continuously looks for progress in this area across all aspects of the business.

3.0 ANNUAL PROCUREMENT PROGRAMME

3.1 The Procurement Planning and Programming Approach

If the most effective and efficient procurement results are to be achieved it is essential to have – **before the year begins** – a clear understanding of what the detailed goods and services that are going to have to be purchased are.

In this regard the FRA will maintain:

- (a) a plan that states the levels of service that it is intending to provide in order to achieve its adopted mission, vision and goals. (See the Annual Corporate Plan & Statement of Corporate Intent. Also the 'Blue Book' – the 'FRA's Organisational Performance Manual'); and
- (b) an Asset Management Plan (AMP) that explains the FRA's intentions for managing the entire road business in order to deliver the adopted levels of service and performance targets in the most cost-effective way.

This AMP will be prepared for a period of ten years. The proposed programme for the first three years will be expressed in detailed terms and for the following seven will be in outline form. The AMP will be updated annually (in May – in time for preparation of the programme mentioned below) and will be comprehensively reviewed every three years. It will discuss all matters relating to management of the network.

In July each year the FRA will complete its proposed detailed works programme for the next year commencing 1 January. This information will be compiled in, and then extracted from, the AMP.

This works' programme will outline, not necessarily definitively but with a reasonable degree of clarity, the proposed work packages for the ensuing twelve month period and will be the central document for FRA's negotiations with the Government during the budget setting process – which is generally as shown in Table 3.1.

Table 3.1
The Government's Broad Budget Setting Timeline

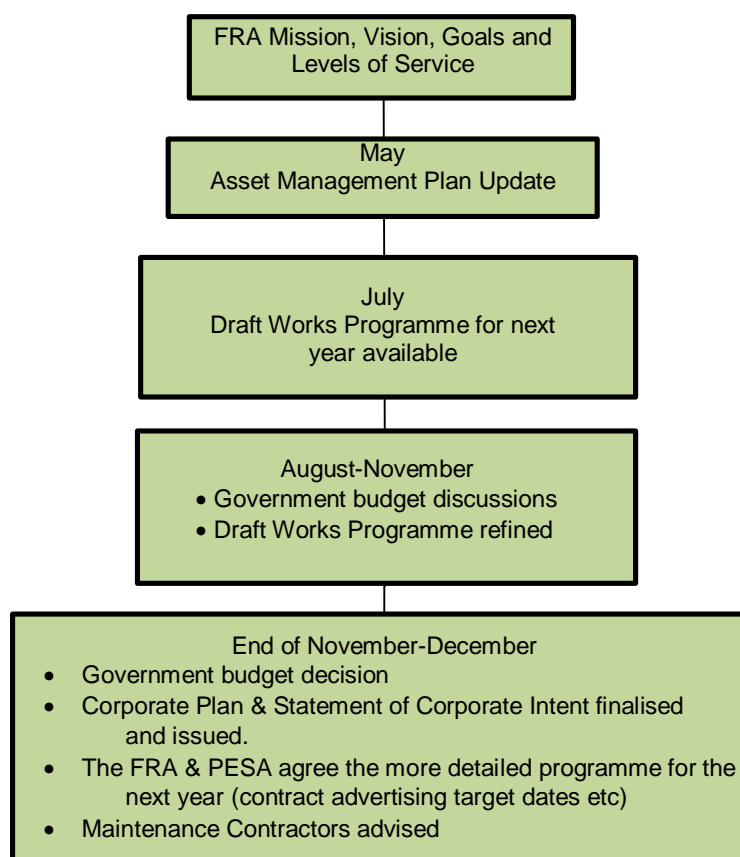
15 June	<ul style="list-style-type: none"> FRA submits its capital expenditure proposals through the Public Sector Investment Programme (PSIP).
End of June	<ul style="list-style-type: none"> The budget strategy is approved by Cabinet. Circular about the strategy received and baseline budget received (from Ministry of Finance).
30 July	<ul style="list-style-type: none"> FRA submits its operating expenditure proposals to the Budget Division.
Mid August	<ul style="list-style-type: none"> The Central Agencies assess and finalise the recommended rankings of all submissions.
End of August	<ul style="list-style-type: none"> The Ministry of Finance commences consultation with the various Ministries and other agencies (including the FRA).
September	<ul style="list-style-type: none"> The Cabinet Sub-Committee on the Budget commences consultations at Ministerial level.
End of October	<ul style="list-style-type: none"> Finalisation of donor-assistance programmes/projects.
Mid November	<ul style="list-style-type: none"> Next year's budget estimates are finalised and tabled in Cabinet.
End of November	<ul style="list-style-type: none"> Next year's budget announcement.

Following Government's budget decisions (in November), FRA will make such amendments to its proposed programme as are necessary and will develop the programme into its "Corporate Plan and Statement of Corporate Intent" (CPSCI) for the next year. This combined document (CPSCI) will form the basis upon which all procurement decisions will be made during the ensuing twelve months and will be completed and issued by the end of December (i.e. before the commencement of the year to which it relates). The CPSCI, as well as showing the programme for the ensuing year will show the budget for the previous year and the indicative requirements for the following two years.

Except to the extent that the Board may, by resolution, make changes to the budget during the year all procurements' expenditure will be in accordance with the CPSCI.

Table 3.2 illustrates the situation.

Table 3.2
The Annual Procurement Planning & Programming Cycle



After the CPSCI has been adopted the FRA will (in January) amend the AMP to ensure its consistency with the CPSCI.

3.2 The Corporate Plan & Statement of Corporate Intent (CPSCI)

The CPSCI will also include:

- (a) a forecast of the profit and loss accounts, balance sheets and cash flows for the year concerned and the following two years; and

- (b) a statement of the assumptions on which the forecasts have been based.
- (c) A summary of the Corporate Plan;
- (d) The financial and non-financial targets for the year;
- (e) An outline of the objectives of FRA;
- (f) An outline of the nature and scope of the activities proposed to be undertaken;
- (g) An outline of FRA's main undertakings;
- (h) An outline of the borrowings made and proposed to be made by FRA and the corresponding sources of funds;
- (i) An outline of FRA's policies and procedures relating to the acquisition and disposal of major assets;
- (j) A description of FRA's accounting policies;
- (k) A description of the financial information to be given to the Minister in the half yearly and Annual Report;
- (l) A description of the measures by which the performance of FRA may be judged in relation to its objectives; (and)
- (m) Such other matters as are agreed by the Minister and FRA or are directed by the Minister to be included in the Statement of Corporate Intent.

Source: Sections 31(3) & 32 Fiji Road Authority Decree 2012 (No 2)

3.3 Annual Report

At the end of the year the Decree requires that the FRA issue an Annual Report. The Annual Report will state what the FRA has actually achieved as measured against the Procurement Programme in the CPSCI and will explain the reasons for all significant differences.

3.4 The Expected Results From This Planning and Programming Approach

FRA expects the outcome of this process to be:

- all required work being identified and planned and programmed in a properly prioritised way;
- a major reduction in the number of matters that have traditionally suddenly appeared as 'urgent';
- more certainty for the Government and the public about what is going to be able to achieved (and approximately 'when') and what isn't (and what the social and other consequences of not being able to do required work are likely to be);
- a much more organised work environment;
- (most importantly) better value for money all around; (and)
- significantly greater accountability for the effective and efficient expenditure of public funds.

4.0 THE PURCHASING APPROACH

4.1 Competitive Tenders v Sole Source Procurement

‘Open competitive processes – for example inviting quotes, tenders or proposals from more than one supplier – will not be applicable for all procurements by a public entity. In some instances a public entity may procure directly from a supplier. In deciding to take this approach, a public entity will need to consider the value and risk of the purchase, as well as the outcome that it intends from the procurement.’

Source – New Zealand Office of the Controller & Auditor General – “Procurement Guidelines for Public Entities 2010”.

(a) Goods & Services Estimated to Cost More Than \$100,000 VEP

Except in the case of an emergency (as specified in Section 5.2) public tenders will be called in the manner outlined in Section 6 for all goods and services estimated to cost more than \$100,000 (VEP). Provided however the Board may by resolution waive this requirement in any particular case.

On every occasion a decision is made not to call public tenders, the resolution (or the supporting Board paper), shall fully document the reason(s) for the FRA purchasing the goods or services by sole source procurement or by closed tender.

(b) Goods & Services Estimated to Cost Less Than \$100,000 (VEP)

- (i) Goods and services estimated to cost less than \$100,000 (VEP) may be procured by calling public tenders, inviting closed bids, inviting multiple verbal or written quotes, or by direct (sole source) award.

The decision whether or not to call public tenders, invite closed bids, invite multiple quotes or to direct award will be made by the relevant FRA Officer subject to his/her respective delegated limit as listed in Section 11.1(b).

- (ii) Examples of the circumstances in which a decision not to call tenders or to request either written or verbal competitive quotes) may be made include, but are not limited to, the following:
 - The purchase of low price/low value routine requirements – coffee, tea, milk, fruit from the local market, and other food; licence fees, petrol, airfares and other travelling costs, conference costs, etc;
 - Goods and services (including consultancy services) where there is a provider who the FRA is satisfied will be able to best meet its needs at an acceptable price;
 - Goods and Services to be purchased from a provider who has been selected from a schedule of preferred suppliers that has been previously established via an ‘expression of interest’ or similar process (for example for the regular servicing and repair of FRA vehicles or for regular IT support);
 - Where the cost and time involved in seeking tenders would be out of proportion to the value of the benefits likely to be obtained or would be impractical;



- Where the open tender (or past tender) process has failed to result in any tenders, or in any acceptable tenders, being received;
- Where the FRA knows from past experience that the proposed supplier is the best suited option to meet its needs;
- (Subject to Section 11.1(f)(i)) where in the FRA's opinion best value for money is likely to be achieved by varying a current contract (i.e. a contract scope change) rather than inviting tenders; (and)
- Where, although not a 'roadworks emergency' (as that term is defined) there is an urgent need for the proposed work or service and the FRA cannot afford the time involved in calling public tenders – not however to be used as an excuse for poor works' organisation and forward planning.

4.2 The Purchasing Approach

The actual purchasing approach for each of the eleven work categories mentioned in Section 1.3 is as follows:

4.2.1 Category 1 - Professional Engineering Services Advice and Expertise

FRA has contracted MWH (New Zealand) to provide professional engineering services advice and expertise for a period of five years that commenced in January 2012.

Other contracts for professional services in specialist areas may be let from time to time. The preferred contractual terms to be used for such contracts are the FIDIC White Book (2006) or in the case of consultants and similar services that don't warrant comprehensive agreements as prescribed in Section 4.2.7.

4.2.2 Category 2 – The Maintenance of the Roads, Bridges and Jetties and All Associated Assets

(a) Three Road Maintenance Contracts

There are three maintenance contracts, based on the traditional works division boundaries – Western, Northern (including Taveuni and Rabi), and Central/Eastern (including Suva). These contracts have been let to:

- Higgins (Western); and
- Fulton Hogan-Hiways Joint Venture (Northern and Central/Eastern).

The contracts are for maintenance of the road pavement (kerb to kerb inclusive), the road verge (outside the municipal areas), and road signs, and road marking and delineation.

The form of contract is a modified version of NZS 3910, for which a 'project specific' licence has been obtained from Standards New Zealand. This approach was selected because there is no equivalent FIDIC document (FIDIC being the FRA's preferred form of contract for capital works) for term maintenance contracts.

Because of the size of the maintenance programme (and of the contracts) the tenderers were selected by means of:



- (i) a formal assessment of their responses to a publicly advertised 'Invitation to Submit Statements of Interest and Ability' (ISSIA) document – from which a short list of parties was selected, with whom the FRA discussed and formulated the most appropriate future contractual form; followed by
- (ii) an evaluation of the tenders submitted in response to a 'weighted attribute' 'Request for Tender' (RFT).

Longer contract terms are more attractive to bidders because that allows the contractors to spread their establishment costs over a longer period – but this has been balanced against the FRA's desire to build local capacity and over time encourage the local contractors who establish good track records and experience to enable them to get more directly involved. Initially the maintenance contracts have been awarded to offshore companies but the FRA expects to see those parties involving local contractors and staff at a management level – and how they intend to do that, and up- skill them was a key aspect of the tender evaluation process.

The contract terms are:

- (i) The Northern and Central/Eastern area contracts have an initial term of 4 years from 1 January 2013, with a further 2 years subject to satisfactory performance and a further 1 year beyond that at the discretion of the FRA.
- (ii) The Western area contract has an initial contract term of 4 years from 1 Jan 2013 plus a 1 year extension only – subject to satisfactory performance.

This approach was designed to stagger the review dates so as to give FRA greater flexibility for the achievement of its desire to see suitably qualified and competent local contractors more involved as soon as possible.

(b) Maintenance of Roads in the Municipal Areas

In the municipal areas FRA has delegated back to those municipal councils that wished to be involved, responsibility for:

- (i) roadside beautification (including planting, plants' and shrubs' maintenance and weeding);
- (ii) footpaths' maintenance;
- (iii) litter control;
- (iv) kerb cleaning;
- (v) grass cutting;
- (vi) parking meters and the management thereof;
- (vii) bus stops, bays' and shelters; taxi stands' etc management and the associated signage; and
- (viii) on street carparking.

The arrangement is not working satisfactorily and its continuance is being reviewed.

(c) Streetlights' Maintenance

Responsibility for the maintenance of streetlights (both those within the former municipal council and DNR areas) has been contracted to Prime Facilities & Asset Management Australia for a term of 3.5 + 2 years from June 2013.

(d) Outer Islands' Roads' Maintenance

Outer island roads are managed and maintained by the Ministry of Provincial Development on the FRA's behalf pursuant to a Memorandum of Agreement.

(e) Jetties' Maintenance

FRA is still to decide the best approach for maintaining the jetties.

Until it has a better understanding of their current condition and future needs, necessary works will be commissioned by written contract or by purchase order.

(f) Flood Damage Repairs

Flood damage repairs are carried out in the manner explained in Section 5.2.

4.2.3 Category 3 – Traffic Signals' Maintenance and Operation

Responsibility for maintenance and operation of traffic signals (those within both the former municipal council and DNR areas) has been contracted to Prime Facilities & Asset Management for a term of 3.5 + 2 years from June 2013.

4.2.4 Category 4 – The Renewal and Replacement of Roads, Bridges and Jetties

The principal renewal and replacement works are periodic rehabilitation and regular resealing of the sealed roads, periodic significant reconstruction and re-gravelling of the unsealed roads and renewal of the bridges and jetties.

Approximately 80% of the annual pavement renewals requirements has been included in the maintenance contracts mentioned in Category 4.2.2(a).

The balance of the required works for roads and jetties' will usually be tendered in appropriate work packages on an open 'Request for Tender' basis. In some circumstances (e.g. the replacement of a bridge or jetty) open tenders might be called for 'design and build' and in some circumstances the work may be sole sourced or let by closed tender.

The preferred forms of contract for this work are:

- (a) The FIDIC Red Book (1999) for construction;
- (b) The FIDIC Green Book (1999) for relatively small construction projects with an estimated value of less than:
 - (i) \$100,000 in the case of 'design and build' projects and
 - (ii) Less than \$1m in the case of other contracts,

- (c) The FIDIC Yellow Book (1999) for Design and Build.¹

In some situations (e.g. the purchase of higher value supply-only items from overseas suppliers) an alternative internationally recognised model form of contract with which prospective suppliers are likely to be familiar (e.g. Australian and New Zealand Standard 4911:2003) may be used. This alternative will however only be used sparingly and in circumstances approved by the Capital Works Manager. A copy of the Capital Works' Manager's approval and the reasons why the decision was made not to use FIDIC will be recorded on the **tenders** file.

4.2.5 Category 5 - New Capital - The Building of New or the Widening and/or Extension of Existing Roads, Bridges and Jetties

Generally, this work will be tendered on an open 'Request for Tender' basis. However in some circumstances (e.g. the building of a new bridge or jetty) open tenders might be called for 'design and build' and in some circumstances the work may be sole sourced or let by closed tender.

The preferred form of contract is the same as for Category 4.

Also, specified minor new capital works projects may be included in the maintenance contracts mentioned in Category 2(a) each year.

4.2.6 Category 6 – Road Safety

FRA is obliged by the Government's 'Decade of Road Safety Plan (2011-2020)' to carry out a number of road safety projects including:

- (a) All new projects are to have road safety audits from 2012; and
- (b) All of the following tasks are to be completed by December 2020:
 - (i) 30 black spots improved;
 - (ii) 40 kms of route action plans in place (e.g. overtaking lanes);
 - (iii) 30 village treatments completed;
 - (iv) 60 mass action plans;
 - (v) 600 km major roads marked and delineated; (and)
 - (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes.

Much of this work is very 'planning intensive' in relation to the size of the task 'on the ground'. Some of it may be done by the FRA's Professional Engineering Services Advisers; some may be 'let out' by tender to other consultants; some may be done based on unit rates that have been agreed with the Maintenance Contractors; and some may be compiled into appropriate work packages and 'sole sourced' to specialist parties.

¹Projects funded by the ADB or similar may require other conditions. See Section 7.3

4.2.7 Category 7 – Consultant & Similar Services That Don't Warrant Comprehensive Contract Agreements

Consultancy and similar services that do not warrant comprehensive ('written') contract agreements may be commissioned using the FRA's standard 'Short Term Agreement for Consultant Engagement' in Attachment 'D' or in the case of Financial, Legal, and similar services the standard terms and conditions of the supplier may be used subject to legal vetting by FRA.

4.2.8 Category 8 – Subdivision and Development Control

Checking applications for subdivision and development in order to ascertain the likely impacts of the proposals on the road network (and ensuring that work required as a condition of consent is satisfactorily carried out) will be done partly by the FRA's Professional Engineering Services Advisers and partly 'In House'. Required goods and services will be procured by purchase order.

For a summary of what this task includes see Attachment 'E'.

4.2.9 Category 9 – Land Purchase and Roads' Legalisation

The task of negotiating agreements for the purchase of land that is required for road purposes and ensuring that the land so purchased is subsequently correctly vested and held by the FRA as legal road will be done partly by consultants and partly by FRA employees in conjunction with the Ministry of Lands. Land will be acquired via sale and purchase agreements and required goods and services will be procured by purchase order.

For a summary of what this task includes see Attachment 'F'

4.2.10 Category 10 - Routine, (Mainly Day to Day) Administrative Support Services.

- Administrative services are procured by purchase order.
- Vehicles will be purchased or replaced via open tender or purchase order. Provided that a minimum of three written quotations from reputable car dealers are obtained prior to the issue of a purchase order. (See also Section 14.5 of the Staff Manual – as a matter of general policy vehicles to be replaced after 150,000km or 5 years whichever is the sooner).
- Legal Services are purchased from a panel of legal advisers (See Section 14.27).
- The FRA's financial professional advisers are KPMG.
- The FRA's insurance advisers are Marsh.

4.2.11 Category 11 – Strategic & Forward Planning

Strategic & Forward Planning services are usually procured by Short Form Agreement or by purchase order (See Attachment 'D').

4.2.12 Exceptions to This Generally Intended Purchasing Approach

There are three exceptions to the above approach – and these are discussed next in Section 5.

5.0 EXCEPTIONS TO THE ‘GENERALLY INTENDED’ PURCHASING APPROACH

5.1 Introduction

The three exceptions to the generally intended purchasing approach that has been explained in the previous section are:

- (a) Emergency Works;
- (b) Asian Development Bank (ADB) and World Bank Funded Projects; and
- (c) Projects funded by other parties (e.g. the EXIM Bank of China).

5.2 Emergency Works

From time to time circumstances will arise where it is necessary for FRA to react quickly to a genuinely unforeseen risk event. Most commonly this will be during and immediately after a major storm or natural disaster but it may also occasionally include things like the collapse (or potential collapse) of a major culvert or bridge, or a major subsidence, where repairs have to be made immediately to keep a significant traffic route open. In these sorts of situations, it isn't always possible to satisfy the principle of open and effective competition.

When the CEO considers there is a roadworks emergency (not to be confused with a formally declared ‘civil defence emergency’) the CEO (with the consent of the Chairman) will make such a declaration.

During such an emergency (and during a formally declared ‘civil defence emergency’) the maintenance or other contractor will be instructed to, whenever it is possible to do so, do whatever work is necessary to reopen (and maintain open) the road (or roads) to traffic, at least to a single lane. The Engineer will then determine what work needs to be done to fully reinstate the road (or roads). If the required work can be funded within the approved budget the Engineer may instruct the contractor to do it. If the damage is such that additional funds are going to be required, the CEO will address that matter as follows:

- Not later than eight weeks after the storm or natural disaster (or within such longer period as may be authorised by the Chairman) the CEO will provide a written report for the Board stating the full estimated cost of the damage, the costs that have been incurred to date, and recommending the procurement strategy for undertaking the balance of the repairs (and how the total cost of the work might be able to be funded) and the Board will, by resolution, decide how that is to be done.
- The Board may at that time, require that the normal processes provided for in this Manual be followed for all or a part of the balance of the work or may specify that some other procurement approach be taken.

Throughout the emergency the CEO will keep the Board informed about the extent of the damage, the areas requiring priority attention, the intended recovery approach and the likely approximate cost of the repair work. Care will also be taken to make sure the affected road users are kept continuously advised about the situation and FRA's remedial plans – and that everything possible is done to protect public safety and health.

5.3 Asian Development Bank (ADB) & World Bank Funded Projects

For projects funded by the ADB or the World Bank special provisions apply.

The two banks have their own requirements. See for example '*The ADB User's Guide – Procurement of Works – Standard Bidding Document*' August 2012, and also their specific approval is required before any proposed contract for work that is to be funded by them is let.

The ADB also routinely requires a 'Project Implementation Plan' for each project as a condition of funding.

5.4 Projects Funded by Other Parties (e.g. the EXIM Bank of China)

A number of major road contracts are being carried out by Chinese contractors whose work is funded by loans that have been made available to the Government by the Chinese EXIM Bank. Those contracts may also include special provisions that have been agreed with the Fiji Government.

6.0 WRITTEN CONTRACTS - THE TENDER PROCESS

6.1 Introduction

FRA's overriding procurement objective is to promote open, fair and effective competition in relation to everything it has to do, in order to ensure the proposed work is able to be provided to the standard required, within the time required, for the best possible price, in other words 'value for money'. This does not mean however that all work has to be awarded by public tender (See Section 4.1 and Sections 4.2.4 and 4.2.5).

When public tenders are called the process will be conducted in accordance with this section.

When closed tenders are invited the process will also be in accordance with this section excluding the requirement to advertise. (Section 6.2(a)(xii)).

All contract documents other than those prepared based on a standard general conditions of contract template (or templates) that has/have been legally checked and formally adopted by the Board as the FRA's contract standards must be legally checked and approved by the Capital Works Manager (or his representative) before the submission of Form 1 in Attachment 'G'.

6.2 Requests for Tender

(a) Before calling public tenders for any proposed work PESA will:

- (i) obtain the Capital Works Manager's written approval of the proposed procurement method. For major projects (and for groups of projects – e.g. bridges or crossings) the Capital Works Manager's consent will be sought via the preparation of a proposed 'Contract Strategic Plan'. Such plan will as a minimum state:
 - what the objective of the proposed contract is;
 - how it is intended that objective be achieved;
 - what the intended timetable is, and
 - the names of all parties involved and the role that each has had (e.g. in the works' design), or is intended to play.
- (ii) carry out a risk analysis of the proposed **contract** and shall maintain, in the standard form on the **tenders** file and in the Project Risks' Register that is accessible to both the FRA & PESA; a record of that analysis, a list of the identified risks (if any) and a record of the decisions that have been made to avoid or mitigate them - including an explanation of how the identified risks are intended to be allocated between the selected consultant or contractor and the FRA (pursuant to Section 4 of the FRA's Risk Management Policy). The risk analysis shall identify all potential risks. (See Section 10 – Grey Book);
- (iii) ensure compliance with the FRA's sustainable procurement policy as described in Section 8 - and place on the **tenders** file a record of its analysis as proof of compliance; (and)
- (iv) provide for the FRA a copy of the proposed tender documents and of the proposed advertisement and obtain the CEO's approval in writing of such documents and of the proposed advertisement. (See Attachment 'G' – Form 1).



- (b) All requests for tenders or proposals will be prepared using the FRA's logo and will:
- (i) define the form of contract to be used;
 - (ii) contain specifications and drawings that very clearly state the proposed contract's scope of work and state where any other referenced material can be obtained;
 - (iii) state the name of the person who has been nominated as the single point of contact for all communications;
 - (iv) include a requirement that during the procurement process prospective participants may not contact the chairman or any member of the Board, any FRA employee, or any PESA employee about the request for tender (or proposal) except the person nominated in the tender or proposal documents as being the single point of contact for all communications;
 - (v) include a requirement that all tenderers provide either a copy of their Certificate of Incorporation under the Companies Act and the particulars of persons who are Directors as at the date of tender (if a company) or a copy of the Certificate of Registration and the particulars of the persons concerned (if a sole source provider);
 - (vi) state any requirements regarding the form in which tenders or proposals must be presented and the mandatory information that is required to be provided with the bid;
 - (vii) to the extent each is relevant, stipulate what the health and safety, deposit, conditional performance bond, unconditional performance bond, parent company guarantee, and insurance requirements are and require tenderers to include in their bid documents a letter from their proposed Bondsman confirming the Bondsman's intention to provide the required bond should the tenderer's bid be successful;
 - (viii) unless otherwise authorised by the CEO, prior to calling tenders, stipulate that required bonds must be with a bank licensed by, **or otherwise approved by**, the Reserve Bank of Fiji;
 - (ix) unless otherwise authorised by the CEO, prior to calling tenders, stipulate that required insurances must be with an insurance company licensed by, **or otherwise approved by**, the Reserve Bank of Fiji;
 - (x) state the place, date and closing time for receipt of the tender or proposal and the manner in which the sealed envelope in which the tender or proposal is required to be enclosed is required to be marked;
 - (xi) advise that Tenderlink is the FRA's preferred method of receiving tender bids but physical bids will also be accepted;
 - (xii) advise that (except by a formally recorded decision of the CEO in any case relating to a contract not exceeding \$500,000 VIP; a formally recorded decision by the Chairman in any case relating to a contract not exceeding \$1m VIP or by the Board in any case relating to a contract exceeding \$2m VIP), emailed or faxed bids will not be considered, late bids will not be accepted, and after the tender bid closing deadline no tenderer shall be permitted to alter its bid. Every decision of the CEO, the Chairman, or of the Board to accept any emailed, faxed, late or altered bid will be formally recorded stating the reasons why;
 - (xiii) be advertised on Tenderlink and for a minimum of two occasions not less than one week apart in at least one newspaper circulating in Fiji and approved by the FRA and on FRA's website -

and if appropriate in relevant trade journals and/or electronic and other media circulating in other countries;

- (xiv) allow sufficient time for potential suppliers and contractors to investigate and respond. The deadline for receipt of tenders shall be not less than two weeks from the date of the last advertisement of the invitation to tender;
 - (xv) state that FRA reserves the right to not necessarily accept **any tender or proposal**;
 - (xvi) specify what the evaluation criteria are to be and state that as a part of its evaluation FRA reserves the right to seek such financial, engineering, environmental, tenderer's competency and performance risk, company ownership and governance details, criminal history and potential conflict of interest checks and other information about the bids and/or the bidder as it thinks fit;
 - (xvii) say if alternative tenders will be considered;
 - (xviii) state that the FRA reserves the right to negotiate with any nominated tenderer (or tenderers);
 - (xix) in the case of contracts with an Engineer's estimate of more than \$500,000 VIP, (unless the contract is of very short duration, emergency management, or of a specialist type such that no local counterparts can be identified, or for such other reason acceptable to the CEO when approving the proposed tender documents pursuant to Section 6.2(a)(iv) and recorded on the **tenders** file), require the bidder to say how the tenderer intends to build local capacity during the contract term. (See 8.4(a) and 8.6(d)(iv));
 - (xx) require that all tender prices be expressed **VEP**; (and)
 - (xxi) say who the 'Engineer' is to be.
- (c) Where physical bids are submitted
- (i) tenderers will be required to submit two copies of their bid documents – a bound original and one loose leaf copy plus an electronic version on a disc or on a memory stick; and
 - (ii) the bid documents will be required to be lodged at the FRA Office and deposited in a locked, clearly labelled, tender box there.
- (d) Reserved.
- (e) The tender box key will be held by the Corporate Services Manager who will be responsible for the tender box's safe custody at all times.
- (f) Prior to the first advertisement calling tenders, the Engineer or other senior procurement officer shall ensure the Engineer's Estimate, enclosed in a sealed envelope and marked '*Engineer's Estimate for Contract No..... – Title*' is placed in the tender box.
- (g) The FRA will maintain a record of the names and contact addresses of all parties who uplift copies of the tender documents and that information may be released to others upon request.

6.3 Tenders' Opening

- (a) The tender opening session will be conducted by the Tenders' Secretary and at least one of the following:



- The Capital Works Manager;
 - The Maintenance Works Manager;
 - The Strategy & Planning Manager;
 - The Chief Financial Officer;
 - The Corporate Services Manager; or
 - The Risk & Assurance Manager
- (b) The tender opening session will be conducted 'in public' in the FRA's meeting room and all bidders or their representatives (and anyone else) shall be entitled to attend.
- (c) (i) If the tender requires a single envelope bid only the names of the bidders and the prices shall be announced.
- (ii) If the tender requires a 'two envelope quality price weighted bid', only the non-price envelopes shall be opened and the names of the tenderers announced.
- (iii) If the tender requires a 'two envelope lowest price conforming bid' only the price envelopes shall be opened.
- (iv) No discussion shall be allowed.
- (d) All bids received will be entered in the required standard manner in a Tenders' Register (that is kept by the Corporate Services Manager), endorsed as to time and date, and initialled by the Tenders' Secretary.
- (e) The Corporate Services Manager is responsible for the safe custody of the Tenders' Register.
- (f) In the case of a 'two envelope quality price weighted' tender the second envelope containing the price information shall be held in safe custody by the Tenders' Secretary (or if directed by the CEO, held in escrow) until required pursuant to Section 6.4(g).
- (g) Before passing the bids to the Evaluator (or the Evaluation Team) the Tenders' Secretary shall check the validity of all bids received including the tender security against the tender checklist and shall record his findings in writing on the **tenders** file.

6.4 Tenders' Evaluation

- (a) Each bid will be checked for completeness by an Evaluator (or Evaluation Team) appointed in writing by the CEO.
- (i) The members of the Evaluation Team will be decided separately for each contract and will be approved by the CEO via the 'Authority to Call Tenders' form (Attachment 'G');
- (ii) Care will be taken to select appropriate people for the type of work to which the proposed contract relates;
- (iii) The number and mix of persons to be appointed shall be as the CEO may decide but as a matter of general policy:
- For contracts with an estimated value of up to \$500,000 (**VEP**) shall comprise at least three members including at least one representative from FRA;
 - For contracts with an estimated value of \$500,000 - \$10m (**VEP**) shall comprise at least four members including at least two from FRA; (and)



- For contracts with an estimated value exceeding \$10m (VEP) shall comprise at least five members including at least two from FRA, and one independent person who is not an employee (or Board member) of FRA or a PESA employee – a person with expertise in the area of the proposed contract works and with appropriate previous experience in the tenders' evaluation process. Perhaps an individual from another Government Department or Agency.
- (iv) The CEO shall appoint one of the appointees to be the Evaluation Committee Chairperson.
- (b) Prior to commencing a study of the bids and their evaluation:
 - (i) The Evaluation Team shall obtain the tenders file which will have on it all documentation relating to the proposed contract from the time of its conception (less such information (if any) as the Tenders' Secretary may consider it not appropriate to pass on); (and)
 - (ii) All members of the Evaluation Team shall separately declare they do not have any conflict of interest that may affect their ability to participate in the evaluation process. A similar declaration shall be made on behalf of every corporate entity involved.
- (c) The Evaluator (or Evaluation Team) will familiarise himself/themselves with all information on the tenders file and will check each bid for completeness against the list of mandatory inclusions. Should the documentation be incomplete the Evaluator (or Evaluation Team) may decide to exclude the bid from further evaluation or, if the omission is relatively minor, or if clarification of the tender is required, notwithstanding section 6.2(b)(xi) may request the missing information or the clarification from the respondent;
- (d) After the tenders file and the bids have been studied and before commencing to write the evaluation report, (or in the case of a 'two envelope quality price weighted tender' before commencing to write the technical evaluation report), all members of the Evaluation Team shall endorse their earlier declarations to confirm that there is nothing on the file or in any of the bids that they are aware of that may cause them to have a conflict of interest. A similar confirmation shall be made on behalf of every Corporate Entity involved, (e.g. any entity other than the FRA by which the members of the Evaluation Team are employed). The original and re-affirmed declarations shall be placed on the tenders file.
- (e) All tenders will be evaluated in accordance with the evaluation criteria by the Evaluator (or Evaluation Team) who/which will provide, in every instance, a written evaluation report.
- (f) In formulating its recommendation the Evaluation Team may seek such financial (including credit history), engineering, environmental, company ownership and governance details, tenderers' competency and performance record, and such other advice and information (including criminal history and potential conflicts of interest checks) about the bids and/or the bidders as it thinks fit.
- (g) In the case of a 'two envelope quality price weighted tender', upon receiving the technical evaluation report the Tenders' Secretary and one of the Senior FRA Managers mentioned in Section 6.3(a) shall obtain and open the second envelope containing the price information and deliver it to the Evaluation Team together with any comments they may wish to make.
- (h) Where from the evaluation it is clear that no one tender is the most advantageous or the tender price of the sole or preferred bidder is higher than the Evaluation Team believes will be acceptable to the FRA, the Evaluation Team may recommend that it be authorised to carry out negotiations.
 - (i) The Evaluation Team shall state in writing the reasons why it considers negotiations to be advisable;
 - (ii) The CEO (or another officer authorised by the CEO) may authorise negotiations; (and)

- (iii) All negotiations will be carried out in full compliance with the principles and requirements listed in (i) and (j) below and subject to such other conditions as the CEO (or other officer) may impose).
- (i) The authorised Negotiators will adhere to the following principles when carrying out the negotiations:
 - (i) As a general rule they will negotiate first with the highest ranked tenderer. If the outcome of that negotiation is unsatisfactory, they will then negotiate with the next highest ranked tenderer, and so on down the list until a satisfactory outcome is achieved;
 - (ii) They will not negotiate with two tenderers simultaneously. If no satisfactory outcome is achieved negotiations will be closed with that tenderer and will not be resumed;
 - (iii) They will ensure that all negotiations are conducted ethically, and will not use their positions in a manner that might be considered unfair;
 - (iv) The negotiations will focus on 'low cost and high value to FRA' options – on 'Value for Money', and not solely on reducing bottom-line costs;
 - (v) They will take care to ensure they don't potentially disadvantage other participants by negotiating an agreement that is materially different in scope from what was described in the tender or proposal document; and
 - (vi) They will ensure the negotiated agreement is sustainable and that it doesn't inappropriately compromise quality.
- (j) A full record of every meeting of all negotiations with any tenderer (or tenderers), certified as correct by the Chairman of the Board or Committee (or by the person or persons authorised to carry out the negotiations on their behalf), or by the Chairman, or by the CEO will be kept and (excluding information that may be commercially sensitive or to protect personal privacy) made available for public inspection upon request.
- (k) The evaluation report will be completed in a standard format (along the lines illustrated in Attachment 'G' – Form 2) and will be provided promptly - unless specifically agreed otherwise with the CEO, in no case more than 20 working days after tender closing – and preferably sooner.

6.5 Awarding the Contract

- (a) All proposed contracts for which tenders have been called may be awarded only by a decision of:
 - (i) the Board;
 - (ii) the Tenders' Committee;
 - (iii) the Chairman; or by
 - (iv) the CEO
 in the manner prescribed in Section 11.1(d).
- (b) Every effort will be made to have all proposed contracts exceeding an estimated value of \$500,000 (VIP) considered by/at a properly constituted meeting of the Board. As a general rule consideration of the evaluation report by the Tenders Committee or by the Chairman or by 'Flying Minute' will only be in cases where a decision cannot await the next meeting (or a special meeting) of the Board.



- (i) When the matter is referred to the Tenders Committee or to the Chairman for a decision the reason for doing so shall be stated in the agenda item.
- (ii) The 'Flying Minute' process must be used sparingly and not as a result of poor works' organisation and planning. Whenever the 'Flying Minute' process is used the reason why it has become necessary to consider the matter in that way shall be fully explained in the Board Paper.
- (c) Every agenda item recommending the award of a contract shall include a statement by the Financial Controller confirming that from the financial point of view, to the best of his knowledge there isn't any reason why the recommendation should not be adopted.
- (d) Where from the evaluation it is clear that more information about any tender or tenders is required the Board, the Tenders Committee, the Chairman or CEO may request that information from the tenderer(s) concerned.
- (e) As soon as possible after the decision to award the contract has been made PESA will prepare and will give to the FRA a draft letter of acceptance and a draft letter for all unsuccessful bidders.
- (f) At the same time as it advises the successful party of the acceptance of its bid, the FRA will send a letter to all unsuccessful bidders advising them of its decision. Copies of the letter of acceptance and of the letter to all unsuccessful bidders will also be sent by the FRA to PESA and copies of them placed on the **tenders** (and in the case of the successful bidder, on the contract) files.
- (g) **Following the award of the contract, FRA (or if authorised by the Capital Works Engineer to do so on the FRA's behalf, PESA) may, if requested to do so by any unsuccessful tenderer, provide a debrief by letter, email, phone or face to face meeting. The debrief will aim to:**
 - (i) **provide the reasons why the tender was not successful;**
 - (ii) **explain how the tender performed against the evaluation criteria;**
 - (iii) **indicate the relative advantages/strengths of the successful tender; (and)**
 - (iv) **answer any concerns or questions from the tenderer.**

6.6 Withdrawal or Cancellation of The Invitation to Tender:

The Board may resolve to withdraw any tender if:

- (a) the terms of reference have changed to the extent that a fresh tender needs to be put out; or
- (b) there has been evidence of apparent collusion or improper tender practices; or
- (c) the tender process (from the time of the last advertisement to the awarding of a contract) has gone on for a period of more than three months and has thereby compromised the fairness and impartiality of the procurement process; or
- (d) if inadequate or only unacceptable bids, quotations or proposals have been received; or
- (e) in the event of any other occurrence deemed by the Board to have had, or likely to have, a significant impact on the tender process.

6.7 Requests from Unsuccessful Bidders

Upon receiving a request from an unsuccessful bidder (either verbally or in writing), the CEO may provide pertinent information to the extent that he thinks fit, concerning the reasons for the rejection of its tender or the relative advantages of the tender that was accepted.

6.8 Probity

- (a) Absolute moral correctness and ethical behaviour will be observed throughout the whole tender process.
- (b) The CEO may, either generally or for a particular contract or contracts, appoint a Probity Auditor.
- (c) The Probity Auditor shall attend all meetings of the Evaluation Team relating to proposed contracts with an estimated value of more than \$20m (VEP), and such meetings relating to other proposed contracts as the CEO may consider necessary due to the proposed contract's potential complexity or sensitivity or for any other reason.
- (d) The Probity Auditor:
 - (i) will also attend such other Evaluation Team meetings as the Evaluation Team Chairman may request; (and)
 - (ii) in the case of a Probity Auditor who has been appointed generally:
 - may attend any Evaluation Team meeting on his/her own volition;
 - will, upon request, without the necessity to attend any meeting or meetings, assist the Evaluation Team relating to any proposed contract; (and)
 - will periodically carry out probity checks of 'already awarded' contracts selected at random.
- (e) The Probity Auditor will immediately:
 - alert the CEO to any significant weakness identified during the auditing process; (and)
 - following his/her involvement with any proposed contract report his/her findings in writing to the CEO.

Unless in the CEO's opinion it is inappropriate to do so, a copy of every Probity Auditor's report shall be maintained on the relevant tenders and/or contract file(s).

6.9 Deposits, Bonds, and Insurance

(a) Deposits or Bonds Prior to Work Commencement

The request for tender or proposal may require that bidders include with their bids a non-refundable document printing charge deposit.

A bond may be required in the case of more complex contracts where the cost of retendering would be high.

(b) Performance Bonds

Delays in the completion of construction can result in significant financial loss to the FRA. There is also the potential problem of works not being able to be completed satisfactorily due to poor performance or financial problems (including insolvency) of the Contractor.

Performance Bonds provide the best security for successful performance of the contract, and the ability to provide such bonds is also useful as a demonstration of the Contractor's financial capability.

FRA requires Performance Bonds to be provided/not provided in the following circumstances:

Table 6.9 Performance Bond Requirements

Contract Value VEP	Conditional Performance Bond	Unconditional Performance Bond
Up to \$300,000	No Bond Required	
\$300,000 - \$2m.	10% contract value (VIP)	-
More than \$2m.	-	10% contract value (VIP)

The reason why no bonds are required for contracts with an estimated value of less than \$300,000 VEP is to encourage small local contractors (including those who are trying to establish) to bid and to 'speed up' the 'transferring of skills'/'building local capacity' process.

The Board may by resolution reduce the 10% contract value bond required to a lower percentage if in its opinion such a reduction is warranted based on:

- (i) the risks associated with the project; (and)
- (ii) the contractor's performance history.

Every performance bond must be in the form prescribed by the FRA and issued (as a formal legal document on the provider's official letterhead) in favour of the FRA by the Contractor's surety (named in the tender) which, unless authorised in writing by the CEO prior to calling tenders, shall be one of the following banks licensed by, or otherwise approved by, the Reserve Bank of Fiji:

- (i) ANZ Banking Group Ltd
- (ii) Westpac Banking Corporation;
- (iii) Bank of Baroda;
- (iv) Bank of South Pacific;
- (v) BRED Bank (Fiji) Ltd;
- (vi) Home Finance Company Ltd (trading as HFC Bank).

and before being accepted shall be subject to legal check by FRA's Legal Officer. As a part of that check the Legal Officer shall also satisfy himself that there can be no doubt the bond document that has been received is the original and not a copy. In appropriate circumstances the FRA may also require the contractor's performance of the contract to be guaranteed by the Contractor's parent (or holding) company.



(c) Insurance

The contractor will be required to take responsibility for protection of the contract works and of third parties against injury or damage during the contract.

- (i) Contract Works Insurance – to protect against damage to the works during their construction. Provided however contract works insurance shall not be required for the maintenance contracts.
- (ii) Public Liability Insurance – to protect against claims by other parties against damage to their (i.e. the third party's) property. Provided however public liability insurance may not be required for Strategic Planning and similar consulting (usually Short Form Agreement contracts); and
- (iii) Motor Vehicle Insurance.

Possibly also:

- (i) Insurance of the Contractor's Plant; (and)
- (ii) A Professional Indemnity Insurance policy, if the Contractor is providing significant design input into the project.

Unless authorised in writing by the CEO prior to calling tenders, the insurance policy must be with one of the following insurance companies licensed by the Reserve Bank of Fiji (or with some other insurance company authorised by the Bank):

- Dominion Insurance Co. Ltd;
- New India Insurance Co Ltd;
- Sun Insurance Co Ltd;
- QBE Insurance Co Ltd;
- Tower Insurance Co Ltd.

6.10 “Principal Supplied” Materials Not Supported

On some projects, savings might be thought to be achievable through the bulk purchase of materials by the FRA, which are then supplied to the contractor on a free issue or similar basis. Because of the greatly increased risks that can arise – for example:

- (a) wastage;
- (b) theft;
- (c) storage problems;
- (d) insurance complications;
- (e) possible delays in supply and hence increased cost through variations that late supplies by the FRA might trigger; (and)
- (f) blurred responsibility if deficiencies in the quality of the supplied materials are called into question by the contractor;

this approach isn't supported.

If 'FRA supplied' materials are for some reason contemplated for a particular project, the reasons will be stated at the time of preparation of the Request for Tender and specific authorisation from the Board sought. Except in these circumstances the FRA will not supply the materials for any project.

6.11 The Use of Nominated Subcontractors Not Supported

The use of nominated subcontractors, to be selected by the FRA and either nominated in the Request for Tender, or later following the inclusion of a provisional sum, isn't generally supported because of the potential additional risks and administrative costs that nominated subcontractors can cause.

If the use of nominated subcontractors is felt to be an appropriate option for a particular **contract** the reasons will be stated at the time of preparation of the Request for Tender and specific authorisation from the Board sought. Except in these circumstances the FRA will not nominate the sub-contractors for any project.

6.12 Taxation – Withholding Tax and VAT

There are a number of taxation implications including:

- (a) As a general rule VAT is payable on payments to contractors;
- (b) In certain circumstances (e.g. a specific government decision relating to payments funded by loans from the EXIM Bank of China) VAT may not be payable;
- (c) Unless specifically exempted withholding tax is required to be deducted from payments made to overseas companies.

It is very important that every contract document contain a legally checked clause outlining the potential VAT, withholding tax or other tax liabilities.

6.13 Health and Safety

All contractors will be required to complete and follow a Health and Safety Plan that has been prepared in accordance with the conditions of contract.

The Engineer and the Engineer's Assistant(s) will be constantly checking to ensure the contractor is:

- (a) identifying and mitigating hazards;
- (b) promoting safe work practices;
- (c) briefing and training the whole workforce and any visitors to the site;
- (d) equipping personnel properly; and
- (e) responding promptly to near misses and accidents and recording information.

Particular questions that the Engineer and the Engineer's Assistant(s) will be constantly asking include:

- (f) Is the Health and Safety Policy statement aligned with what is actually happening at the work site?
- (g) Has a specific Health and Safety Plan been effectively communicated to the workforce and to visitors?
- (h) Is there a current appointment of a site safety supervisor and first aider?
- (i) Is hazard identification and mitigation in evidence and being recorded?

- (j) Are lapses being identified and rectified? (and)
- (k) Is accident reporting up to date?

6.14 Contract Variations, Provisional Sums and Contingencies

See Sections 11.1(e) and (f).

6.15 Contracts' Management

Once awarded, strict compliance with all contract conditions will be enforced – and a formal variation to the contract made/used if that isn't possible or, for some other reason a change to the conditions is required.

This includes adherence to the contract period. If the contractor is entitled to a time extension an application must be submitted (and approved or refused) before the period stipulated in the contract expires and within any time limits for claims stated in the contract.

7.0 CONTRACTS ENTERED INTO BY PURCHASE ORDER

7.1 When a Purchase Order is Required

- (a) Except in the case of a purchase that is made by Written or Short Form Agreement (or otherwise with the consent of the Financial Controller) a purchase order shall be obtained before every procurement for a cost of less than \$100,000 (VEP) is committed.
- (b) The Financial Controller will determine the circumstances in which purchase orders are not required (e.g. rates, utilities and legal costs).
- (c) The Financial Controller may refuse to action a purchase requisition request if, in his opinion, the reasons given for making the procurement without first obtaining either verbal or written quotations are inadequate.
- (d) In all of their discussions with potential suppliers, Officers must make clear that the proposed procurement is not committed and FRA is under no obligation whatsoever, until a purchase order has been issued and then only to the extent specified in the Purchase Order.

7.2 Management of the Purchase Order Process

The following is the process for the purchase of goods and services by purchase order:

- (a) An Officer with delegated financial authority (see Section 11.1(b)) sends a purchase request in the standard form to the Finance Assistant. The standard form requires the following information to be provided:
 - A clear description of the goods or services to be ordered;
 - The name of the firm from which they are to be ordered
 - The purchase price;
 - The account code (including the VAT code) to which the cost is to be charged
- (b) The Finance Assistant creates a purchase order in the Nav (FMS) system.
- (c)
 - (i) If the purchase price of the goods or services is \$10,000 **VIP** or less the Financial Controller releases the purchase order in Nav and the Finance Assistant prints the order (numbered in sequence) and sends the original to the supplier and a copy to the requesting officer.
 - (ii) If the purchase price of the goods or services is more than \$10,000 **VIP** but not more than \$50,000 **VIP** if the approval has been received from the CEO, the Capital Works Manager, the Maintenance Works Manager or the Strategy & Planning Manager, the Finance Assistant prints the order (numbered in sequence) in Nav and sends the original to the supplier and a copy to the requesting officer.
 - (iii) If the purchase price of the goods and services is more than \$50,000 **VIP** but not more than \$100,000 **VIP** if the approval has been received from the CEO the Finance Assistant prints the order (numbered in sequence) in Nav and sends the original to the supplier and a copy to the CEO.

- (d) The Finance Department receives the supplier's invoice and passes it to the officer who requested the purchase.
- (e) The requesting officer certifies the invoice as approved for payment and returns it to the Accounts Payable Clerk.
- (f) The Accounts Payable Clerk forwards the invoice to the Finance Assistant who checks and posts the order and sends the invoice together with a copy of the order back to the Accounts Payable Clerk.
- (g) The Accounts Payable Clerk prepares a payment voucher and passes it to the Finance Assistant for approval for payment.
- (h) The Financial Controller approves the payment voucher and a cheque is prepared by the Accounts Payable Clerk and signed by the two authorised signatories.

The above process must be completed before committing the purchase and not retrospectively. Appropriate disciplinary action may be taken against any officer found not to have complied with this requirement.

Appropriate disciplinary action may also be taken against any officer found to have artificially split any proposed purchase into more than one order in order to comply with the delegated limits listed in Section 11.1(b).

7.3 Purchase Orders Relating to the Outer Island Roads

In respect of the outer island roads the authority to issue purchase orders and the responsibilities for payment thereof shall be as stipulated in the Memorandum of Understanding between the FRA and the Ministry of Rural & Maritime Development.

8.0 SUSTAINABLE PROCUREMENT

8.1 Sustainable Procurement Defined

The FRA's responsibility is more than to just maintain, renew and further develop the road network. It has the overriding obligation to ensure that everything it does is done sustainably.

'Sustainable Procurement' is:

*"Ensuring goods and services are always procured in a way that achieves **value for money** on a **whole of life** basis in terms of generating **benefits** not only to FRA, but also **to society and the economy**, whilst **minimising damage to the environment**".*

It is the principal that when buying goods and services the FRA will consider:

- (a) strategies to avoid unnecessary consumption and demand;
- (b) how to minimise the environmental impact of the goods and services over the whole life of the goods and services;
- (c) the suppliers' socially responsible practices; (and)
- (d) value for money over the whole-of-life of the goods and services, rather than just the initial cost.

The key factors that need to be taken into account under this heading are:

- (a) Careful decision-making (Identification and assessment of all available options); and
- (b) Careful analysis of the potential environmental, social and economic impacts of each option.

8.2 Decision-making Principles

'Decision-making' is:

"The thought process of selecting a logical choice from among the available options".

A particular aim of FRA is to manage the organisation in such a way that it can be confident that when decisions have to be made the very best **sustainable** option has been found. One way by which it seeks to achieve this is by enforcing adherence to a rigid decision-making process. FRA expects all FRA & PESA employees to, **as a matter of routine**, in the course of the decision-making process, be:

- (a) seeking to identify all reasonably practicable options for achievement of the objective of the decision; and
- (b) assessing each option by considering;
 - (i) the benefits and costs of each option in terms of its likely present and future social, economic, environmental and cultural impacts; and
 - (ii) the extent to which not only the FRA's but also the country's and the local community's desired outcomes would be promoted or achieved in an integrated and efficient way by each option.

For the more complex projects and decisions, this will be done by way of a properly documented benefit-cost analysis. At the lowest level it need not be anything more than a conscious mental

analysis. The important thing is that such a process be adhered to – **for every required decision at whatever level.**

8.3 Environmental Management Considerations

The following are some examples of the potential environmental impacts that FRA requires be taken into account when deciding what its future works' priorities are to be and how the roads should be maintained or improved.

- (a) The quality of the storm water from roads that discharge into adjacent coastal or other natural water;
- (b) The extent to which the particular road or roads adversely impact(s) on the quality of life of the community (or commercial area) that it (or they) pass(es) through;
- (c) The environmental degradation that can occur when new roads are built, or existing roads are upgraded (both during construction and after completion);
- (d) The delay to travel times that can occur during construction work;
- (e) The impacts of the sugar cane trucks, forestry harvesting vehicles, mining vehicles and plant and vehicles associated with major private construction works – including the damage they can do to the roads, the adverse impacts they may have on the local community, and the danger to other road users (including pedestrians) that they may cause; and
- (f) The adverse impacts caused by road congestion (travel time delays, problems for pedestrians, noise, access/parking difficulties for local shops and businesses, and fumes).

For a more comprehensive list of the potential significant negative effects that the FRA has identified and what its plan is for managing each see Section 4.5 in the Asset Management Plan.

8.4 Social Factors

Whenever they can the Board and all FRA and PESA employees will endeavour to organise their work and make other procurement decisions in ways that benefit the local community and Fiji's wider development as a country, including:

- (a) employing and encouraging the FRA's Consultants and Contractors to employ local people wherever possible.

Note: See Section 2.3 'Building Local Capacity'.

FRA acknowledges this won't always be possible but reiterates that one of its three goals is to build local capacity – and this means on occasions employing local people who don't currently have the necessary experience but who are anxious to learn, together with a programme to upskill and develop them.

- (b) purchasing goods and services locally wherever possible.

Again, this isn't always possible but the FRA and PESA are expected to encourage local businesses that are competent to do so to compete for all available work.

- (c) having careful regard to other local community developments and aspirations in the neighbourhood, (particularly in the municipal council areas) when planning the FRA's future work – especially to the potential opportunities for integrating the interests of both parties. (e.g. Programming the upgrading of

a road or the provision of a new traffic layout in conjunction with an adjoining major new commercial development).

8.5 Economic Development Considerations

The road network is an extremely important contributor (perhaps the most important contributor) to Fiji's overall economic development. It enables vehicular and pedestrian access to every one of the other contributors. Without it none of the other contributors would be able to successfully operate.

It is important therefore not only that the network be sufficiently maintained and progressively further developed but that this be done in a manner that integrates with Government's and others' aspirations for the economic development of Fiji (especially in the provincial development, tourism development and utilities' infrastructure development areas). FRA will ensure this matter is taken carefully into account when preparing its longer term work programmes.

The FRA will pay careful attention to the potential environmental, economic and social impacts of every decision it makes.

The need to do this will be constantly reinforced to FRA and PESA staff at all levels and to FRA's contractors, other consultants and suppliers.

8.6 A Sustainable Road Services' Market

(a) The Road Services' Market Environment - Improvement Needed

Another matter that the FRA must pay careful attention to under this 'Sustainable Procurement' heading is the need to develop an improved road services' market environment. A strategy to build local capacity (as mentioned in Section 2.3) is a start but isn't enough. What is needed is a situation where there is in Fiji:

- (i) a range of **sustainable** road consulting and contracting **businesses**;
- (ii) employing a sufficient number of **sufficiently skilled local people**;
- (iii) who are **capable** of providing the required results to the standard required and within the time required;
- (iv) constantly bidding for FRA work at competitive prices; (and)
- (v) from which the FRA can **choose** at least one that would be able to satisfactorily **perform**;

and FRA has an obligation to do what it can to help achieve this.

(b) The Road Services' Market Environment – Current Weaknesses

The market weaknesses the FRA inherited in 2012 included:

- (i) poor, inadequate and/or inappropriate proposed solutions and work practices in some areas;
- (ii) low level local skills and inexperienced personnel;
- (iii) little or no training and personal development of employees; and
- (iv) (since 2012) large consulting, construction, or maintenance contracts dominated by foreign corporations (MWH, CHINA RAIL and the three maintenance contractors etc).

(c) Considerations

The following matters are important when considering this issue:

- (i) Significant input from reputable and experienced overseas parties is essential – especially in the early years. A greater proportion of the work should however be able to be done by local firms and people over time;
- (ii) Care needs to be taken not to ‘force’ a situation where prices are driven down to unsustainable levels by overzealous contractors submitting unrealistically low bids. That has the potential to ultimately destroy the very businesses upon which the FRA relies. A competent and **sustainable** business environment, where fair prices are charged, must always be the aim;
- (iii) While whole-of-life costs and the tenderer’s ability to ‘perform’ will always be the two key considerations, the FRA must consider other matters as well if it is to successfully influence the market. This includes ensuring at appropriate times the work is ‘spread around’ to help build a stronger marketplace;
- (iv) Existing consultants and contractors in Fiji (and any others interested in establishing in Fiji) need to familiarise themselves with what FRA is trying to do to improve the local marketplace and know that they can confidently rely on FRA to abide by this policy when making their business decisions;
- (v) The current nature and size of the road activity in Fiji requires that there be at least a nucleus of relatively large consulting and contracting firms with international experience and the ability to lead implementation of the reorganised approach – especially the upskilling and training of local people – over the next few years;
- (vi) No offshore consulting or contracting firm is likely to be prepared to establish itself in Fiji, without a reasonable volume of assured work, for a period sufficient to enable it to recover its establishment costs.

(d) Development of the Road Services’ Market Environment – FRA Strategy

FRA’s strategy for helping develop a more competent, viable and sustainable road services’ market in Fiji is as follows:

- (i) A professional services adviser has been contracted for an initial period of 5 years from January 2012 as FRA’s lead consultant. (Section 4.1).

This lead consultant:

- will be allocated approximately 70% of FRA’s consulting work to ensure it has the critical mass and can develop the necessary skills.
- may be excluded from the opportunity to tender for some work to encourage local suppliers to develop their skills and teams.
- (ii) Some specialist consulting work may need to be awarded directly to other overseas companies.
- (iii) Three maintenance contracts have been awarded-two for 4+2+1 years and one for 4+1 years (Section 4.2):

The purpose of establishing a shorter period for the third contract is to give FRA the ability to ‘speed up’ the process of increasing the involvement of local people.

- (iv) Subject to Section 6.2(b)(xviii) for every tender with an engineer's estimate of more than \$500,000 (VEP), the contract specifications will require the bidder to say how the tenderer intends to build local capacity during the term of the contract – and that explanation will be a key matter in the tender evaluation process for all such contracts.
- (v) At every six monthly evaluation of all consultants' and contractors' performance, the progress that each company is making to upskill and develop its people and further develop the company as a Fijian business will be considered and will be a factor taken into account when awarding future contracts.
- (vi) The CEO and any FRA first line managers who are appointed from overseas, shall put in place a 'mentoring and training programme' to ensure that those persons who report to them are upskilled as quickly as possible.

9.0 CONTRACT RECORDS

9.1 Contract Documents

- (a) This Operations Manual covers the process for procurement, award of contracts, contract records, and the monitoring of expenditure and commitments at Board/Senior Management level. It doesn't provide the detailed procedures that are to be followed for contract management on a 'day-to-day' basis. Those requirements will be set out in the separate guidelines/templates (being prepared) to which all FRA employees and consultants must adhere.
- (aa) Following the awarding of a contract and issuance of a letter of acceptance (See Section 6.5(i)), all the documents for the proposed written contract will be prepared by PESA;
- (b) Three copies of the contract will be prepared and PESA will arrange for them to be signed by the Contractor.

Note:

Do not include the originals of insurance policies and any bond document in the bound contract documents.

The contract documents may be signed before the insurance policies and the bond are received but:

- on no account can work be allowed to start until all required insurance documentation is to hand; and
- no contract progress payments may be made until the bond document is received and its acceptability and the fact that it is the 'original' and not a copy legally checked (Section 6.9).

Upon their receipt the bond documents must be recorded in the 'Important Documents Register', and the original placed with all other important documents in safe and secure custody at the FRA's Office, and copies placed on the contract file. A copy of the insurance document must **also** be placed on the contract file.

- (c) In assembling the contract documents PESA:
 - (i) will follow the order of documents stated in the Contract Agreement, starting with the Agreement itself. Those elements of the Request for Tenders of no relevance to the awarded contract (for example the instructions to tenderers and blank tender schedules) shall not be included; and
 - (ii) will include copies of all notices sent to prospective bidders, and all correspondence with the successful bidder, during the tender period.
- (d) When the documents have been correctly signed by the Contractor PESA will, under a covering letter certifying that the documents are complete and ready for signing by the FRA, deliver the three copies to the FRA Office;
- (e) The FRA will arrange to have the contracts 'signed' as 'Employer' or Principal (depending on the conditions of contract that are used);
- (f) (i) All contract documents for contracts with a value of more than \$100,000 **VEP** will be executed by affixing the FRA's seal, authenticated by the Chairman (or in the Chairman's absence by



the Acting Chairman) and by one other member of the Committee (and the required information – see Section 14.1 - recorded in the seal register);

- (ii) Contracts for sums less than \$100,000 (VEP) shall be executed under seal if awarded by resolution of the Board and in all other cases signed by the person with delegated authority.
- (g) The executed/signed documents will be distributed as follows:
 - (i) The FRA will clearly mark one copy as the 'Original' and file it away in a safe place in its office;
 - (ii) The other two copies will be returned to PESA; and
 - (iii) FRA will send as an attachment to an appropriately worded email, to both PESA and the contractor, a scanned copy of the complete hard copy document.

The FRA will ensure a copy of the email (including all of the attachments) is retained in the contract file electronic folder.

- (h) PESA will retain the second copy and will send or hand the third one (together with a covering letter) to the Contractor for its records;
- (i) The Engineer and the Engineer's Assistant(s) will take great care to ensure that a full, continuously up to date, and accurate record of all matters relating to the contract – from its signing until its completion - is kept either on or with PESA's copy of the contract file and able to be readily produced for inspection by the FRA if required;
- (j) Copies of all "significant contract documents" (as such term is defined in the Glossary) will be promptly provided to the FRA for placement either on or with the original copy of the contract and for noting on the Contracts' Register (Section 9.2);
- (k) **All** correspondence which has contractual significance must be able to be easily identified, readily retrieved, understood and its history tracked.
- (l) Reserved.
- (m) Reserved.
- (n) After the contract is completed PESA's copy of the contract file, together with all of the associated contract records, will be retained in a safe place by PESA and promptly made available to, or made available for inspection by FRA, or to or by the FRA's nominated agent, if required – in a form from which required information can be easily identified and readily retrieved;
- (o) All contract documentation (including the supporting information to whatever extent and of whatever kind) is at all times the FRA's intellectual property and if requested by the FRA, or by the FRA's nominated agent, at any time, shall be promptly produced for the FRA's (or the FRA's agent's) inspection or transferred to the FRA by PESA.

The responsibility to satisfactorily comply with all of the above contract file requirements rests with 'The Engineer'.

9.2 Contracts' Register

- (a) The FRA will maintain, at its office, a 'Contracts' Register'.
- (b) The 'Contracts' Register' will record all written contracts and 'Short Form Agreement' contracts and will be maintained in a continuously up-to-date form at all times.

- (c) Reserved.
- (d) While there will always be some exceptions the FRA will, as a general rule, endeavour to finalise all contracts as soon as possible after the work and defects' rectification period is completed and, immediately upon completion will prepare:
- (i) a closing summary in the form shown in Table 9.2; (and)
 - (ii) a short report summarising the contractor's competency in performing the contract. (Quality of work, adherence to the intended timeline) etc.

A copy of this report will also be placed on the 'Contractor's Performance Register' for reference when considering future tenders.

Table 9.2 - Contract No & Title

Contract Completion Summary		
Performance Aspect	Yes/No	If No 'what' and 'why'
<ul style="list-style-type: none"> Work completed within the time originally specified. 		
<ul style="list-style-type: none"> Work satisfactorily completed to the scope originally specified (quantity and standard) 		
<ul style="list-style-type: none"> Work completed for not more than the originally approved contract price (including contingencies). 		
<ul style="list-style-type: none"> No outstanding claims or issues – Contract complete – File closed 		
<ul style="list-style-type: none"> Any identified weaknesses addressed (including action to ensure they are not occurring with other contracts and the obtaining of any necessary Board resolutions to confirm) 		
Signed _____	Date: _____	

9.3 Contracts' Retentions

See Section 14.15

9.4 Detailed Contract Management Records

Consultants or other persons managing construction or maintenance contracts (as the Engineer or Engineer's Assistant(s)) on behalf of FRA shall develop systems to collect, maintain and archive their own paper or electronic file records of the following activities, decisions and instructions, to the extent relevant for the particular project. The detailed information shall in all respects be consistent with all of the requirements of this manual, and will be promptly made available to, or made available for inspection by, the FRA if required.

(a) Documentation Phase

- Choice of contract strategy;
- Definition of documentation needs;
- Preparation of drawings;
- Compilation of specifications;
- Selection of appropriate conditions of contract;
- Compilation of schedule of prices or bills of quantities;
- Source of any insurance advice;
- Preparation of request for tenders;
- Use of standard contract templates;
- Specification of bonds and other financial securities;
- Documentation of liquidated damages assessment; and
- Review of budgets and obtaining authorisation.

(b) Procurement Phase

- Selection of procurement method;
- Issue of request for tenders;
- Receipt of tenders;
- Evaluation of tenders;
- In the case of a 'two envelope' tender the process for opening the second envelope;
- Tenders' Calling and Evaluation Form (Attachment 'G');
- Clarification of tenders and negotiation of tag removal;
- If appropriate, negotiation of prices and non price issues;
- Recommendation of acceptance of tender;
- Notification of unsuccessful tenderers; and
- Preparation of the formal contract.

(c) Construction Phase

- Notification of appointments and delegations;
- Definition of brief for construction monitoring;
- Monitoring of contractor mobilisation;

- Setting up of contract files;
- Agreement of communication protocols;
- Review of contractor's submissions;
- Arrangements for and minuting of progress meetings;
- Recording of site visits;
- Monitoring of construction quality;
- Monitoring of health and safety performance;
- Monitoring of environmental impacts;
- Monitoring of physical progress;
- Issue of instructions;
- Ordering of variations;
- Valuation of variations;
- Granting of extensions of time; and
- Receipt and processing of payment applications.

(d) Completion Phase

- Receipt of quality management documentation, test results, acceptance trials, as relevant;
- Arrangements for acceptance testing and commissioning;
- Certification of practical completion;
- Arrangements for financial releases(bonds, retentions, deposits, etc);
- Issue of defects liability certificate or final certificates as applicable; and
- Undertaking and recording a post-contract review of lessons learned.

10.0 PROCUREMENT RISK

Procurement is an area where risk has to be managed very carefully.

There can however be a tendency to think about it only in relation to the physical assets and their maintenance and construction and that isn't so. Comprehensive consideration of the risk possibilities under all of the following headings is essential.

- Attack, criminal or man-made risks;
- Business risks;
- Climate change risks;
- Compliance risks;
- Environmental risks;
- Financial (especially funding) risks;
- Governance risks;
- Health and safety risks;
- Human resources risks;
- Information risks;
- Legal risks;
- Maintenance and operational risks;
- Managerial risks;
- Natural disaster risks;
- Physical (asset related) risks;
- Political risks;
- Regulatory risks;
- Relationship risks;
- Reputation risks;
- Security risks;
- Societal and ethical risks;
- Technological (system) risks; and
- Other risks

The FRA addresses all of the organisation's risks, and manages them, in an integrated way. (See the 'Grey Book – The FRA'S Risk Management Manual').

All risks are recorded together, with a mitigation plan for each, in a 'Risks' Register - and the situation regarding the top fifteen is reported to the Audit Committee half-yearly.

For a list of all identified FRA risks and the FRA's mitigation plan for each see the FRA's Risk Management Manual – 'Grey Book'.

11.0 FINANCIAL AND STAFF DELEGATIONS

The extent to which the FRA's staff and others have the power to commit expenditure is as follows:

11.1 Financial Delegations

(a) Asian Development Bank, the World Bank and EXIM Bank

For projects that are to be funded by the Asian Development Bank (ADB), the World Bank or other parties (such as the Chinese EXIM Bank) those projects will be procured and paid for in the manner directed by the ADB, the World Bank or those other parties - and acceptable to the Board.

To the extent that the Banks do not specifically identify a named person or position relating to any specific contract issue, **or state a particular process that has to be followed**, (which especially in the case of the ADB and the World Bank they often do – see section 5.3) the following provisions shall also apply to contracts funded by them.

(b) Officer Financial Delegation Limits

The following FRA officers are delegated authority to procure goods and services by Written or Short Form Agreement or on any one purchase order – providing (in the case of officers below the CEO level) the goods or services intended to be procured relate directly to their duties and responsibilities and financial provision for their purchase has been made in, and can be accommodated within, the FRA's approved budget:

• CEO	\$100,000 VIP	
• Capital Works Manager	\$ 50,000 VIP	
• Maintenance Works Manager	\$ 50,000 VIP	
• Strategy & Planning Manager	\$ 50,000 VIP	
• Financial Controller	\$ 10,000 VIP	(for the purchase of goods & services relating directly to his responsibilities)
	\$100,000 VIP	(power to authorise or decline to authorise the procurement requests submitted by others)
• Corporate Services Manager	\$ 10,000 VIP	
• Risk & Assurance Manager	\$ 10,000 VIP	
• Programme Manager – Roads	\$ 5,000 VIP	
• Programme Manager – Bridges & Jetties	\$ 5,000 VIP	
• Programme Manager – NASRUP	\$ 5,000 VIP	
• Maintenance Works Engineer	\$ 5,000 VIP	
• Traffic & Safety Engineer	\$ 5,000 VIP	
• Subdivision & Development Planning Officer	\$ 5,000 VIP	

(c) Requirements Relating to All Procurements made by Delegated Authority

- (i) In the case of all purchases that are made under delegated authority:



- The Officers are expected to ensure value for money is achieved by each purchase and must be able to justify why they made the purchase in the way that they did, if requested by the Board, the Chairman, the CEO or the Financial Controller to do so.
 - For purchases exceeding \$5,000 VIP where either verbal or written competitive quotes have not been sought the reason for sole source procurement shall be noted in/on the written contract file, the short form contract file or on the purchase requisition form. (See also Section 4.1(b)(ii))
- (ii) Questions that the Board, the Chairman, the CEO or the Financial Controller will expect the Officers to be able to satisfactorily answer when/if called upon to justify purchases made by them include but aren't limited to the following:
- Why the procurement was necessary at all;
 - Why the Officer made the decision to procure the goods or services without inviting either verbal or written competitive quotes;
 - Where repetitive purchases are being made from the same supplier (e.g. vehicle repairs or office stationery being regularly done or provided by one company) how the decision to select that supplier was made;
 - Where competitive quotes were sought and the lowest price submitted wasn't the accepted option – why not?
 - How the Officer knows that the procurement resulted in the required quality goods or services being procured at the best possible price;
 - If problems have subsequently been experienced with the supplier or relating to satisfactory delivery of the goods and services on time and to the required quality is that in any way related to the way in which they were procured? (and)
 - That there can be no doubt at all that if questioned by others the purchase, and the way it was procured, will stand up to public scrutiny.

(d) 'Who' May Award Contracts

- (i) All proposed contracts for which tenders have been called shall be awarded only by a decision of the Board or (in addition to the requirements in section 6.5 (b)) unless there is a good reason why consideration cannot await a meeting of the Board, subject to the following limits by the Tenders' Committee, the Chairman, or by the CEO.

- Tenders Committee \$2M VEP
- Chairman \$1M VEP
- CEO \$500,000 VEP

and then only subject to the following conditions:

- **providing** the intention to call tenders for the proposed work has been earlier reported to the Board – either separately or in Part 'C' of the Works' Report (see Attachment 'H'); and



- **providing** the Tenders' Committee, the Chairman, or the CEO (as the case may be) has previously either severally or for a particular contract or contracts been authorised by resolution of the Board to award the contract or contracts and are satisfied that:
 - all of the conditions of tender have been satisfactorily met; and
 - the tenders received have been properly and fairly evaluated; and
 - the **proposed contract works are** included in FRA's approved works programme for the year; and
 - financial provision has been made in, and can be accommodated in, FRA's budget for the year not only for the contract sum but for all other costs that the contract is likely to trigger or that it is but just a part of.
 - (ii) For all proposed contracts where one or more of the above provisos have not been met, the Tenders' Committee, the Chairman, or the CEO, after considering the evaluation report, shall make a written recommendation to the Board and for that contract, and for all contracts exceeding \$2m **VEP**, the Board shall make the award decision.
 - (iii) When making the decision to award a contract the Tenders' Committee, the Chairman or CEO (or the Board) shall also satisfy themselves that the person mentioned in the evaluation report as intended to be the Engineer for the contract has sufficient qualifications and experience to enable him to competently perform the role – including responsible exercise of the delegated powers mentioned in (e) & (f) below.
- (e) Provisional Sums and Contingency Sums**
- Subject to (f) below, the Engineer is delegated the power to make such decisions as he thinks necessary regarding the expenditure of provisional sum and contingency sum items in contracts for which he has responsibility. Provided however:
- (i) in the case of a large capital contract the CEO or the Capital Works Manager may limit the amount that the Engineer may commit under the contingencies provision or require that there be some other form of oversight or control'; (and)
 - (ii) in the case of a maintenance contract the expenditure against any one provisional sum line item shall not exceed 150% of the amount that has been budgeted for that line item without the written approval of the Maintenance Works Manager.

(f) Contract Variations

Providing financial provision for the work intended by the change has been made in, and can be accommodated in, the FRA's budget for the year:-

- (i) Variations to the contract works which are scope changes (cardinal changes) may be approved by the Engineer. Provided however, the total amount of all such variations shall not exceed \$50,000 (VIP), or, with the written approval of the CEO, \$100,000 (VIP).

A resolution of the Board is required whenever the total **amount of all such variations** exceeds \$100,000 VIP (or \$50,000 VIP if the CEO is not prepared to give his approval).
- (ii) Variations which are not scope (cardinal) changes but are additional payment entitlements under the contract which are triggered by changed circumstances, for example:
 - changes in legislation,
 - cost fluctuation adjustments,



- under-measurement in a Bill of Quantities,
- 'employer caused delays' and the like

may be approved by the Engineer (or, to the extent the Engineer has delegated in writing to any Assistant who he (the Engineer) has been authorised by resolution of the Board to delegate any of his powers to) by the Assistant. Provided however the total amount of all such variations shall not increase the total contract price to more than the award sum plus any approved contingencies.

A resolution of the Board is required wherever the total amount of all previously issued and proposed variations will increase the total contract price to more than the award sum plus any approved contingencies.

- (iii) Variations which are for an extension of time may be approved by the Engineer (or where the Engineer has been delegated by resolution of the Board the power to delegate this responsibility to an Assistant) by the Assistant.
- (iv) Providing the approved contract allocation for the year **for maintenance contracts** is not exceeded directions to the maintenance contractors for maintenance, renewals or new capital work to be carried out:
 - in a stipulated manner; or
 - in another form; or
 - at another location;

shall not be considered to be scope changes and may be approved by the Engineer or (with the approval, in writing, of the Engineer) by the Engineer's Assistant.

Note: The scope of the maintenance contracts includes some renewals and also some new capital items.

In relation to those renewal and new capital items the provisions of section 11.1(e) & (f)(i)-(ii) and (v) shall apply. Provided however:

- the reallocation of new capital or renewals work of a similar type to another location or site (e.g. a decision to carry out reseals at Site 'Z' rather than Site 'V') shall not be considered to be a scope change and may be approved by the Engineer or (with the approval in writing of the Engineer, the Engineer's Assistant); (and)
 - the requirements that a resolution of the Board be obtained before the Engineer may delegate the power to approve variations to an Assistant does not apply to the maintenance contracts.
- (v) The foregoing delegations to the Engineer shall have no effect until such time as the original of a specimen signature of the Engineer has been given to FRA and placed on the original of the contract file.
 - (vi) Every proposed variation will:
 - state whether it is scope change variation or a proposed variation that is not a scope change;
 - be carefully and fully described in writing and will include the date on which it was issued and the position, name and signature of the authorising officer;



- have attached to it sufficient documentation to fully explain why the variation has been issued and how all of the figures in it have been calculated (or, if the documentation is voluminous state where that information is held, being a place from which it can be readily retrieved).
- state what the total amended approved, contract sum or, in the case of the maintenance and streetlights' contracts, the budget (VIP - including contingencies) is, after the variation;
- whenever an extension of time is approved state the actual amended intended completion date – not use phrases like “another 65 weeks”;
- in the case of a variation required to be authorised by the Board, be included in full in the agenda item for the meeting and authorised in the relevant Board resolution.

If it is a 'scope (cardinal) change' variation the agenda item will state why it has become necessary and why it is recommended the work be awarded as a variation to the existing contract and not be competitively tendered or sole sourced to someone else; (and)

The original signed copy of every approved variation and a copy of every agenda item, accompanying report and resolution passed pursuant to the fifth bullet above, shall be kept on or with the relevant contract file and recorded in the Contracts' Register.

(g) Delegations To The Engineer's Assistant

- (i) Where the Engineer has sub-delegated any of his responsibilities to an Assistant (pursuant to (e) or (f) (ii), (iii) or (iv) above a copy of the sub-delegation, signed by the Engineer and dated, together with the original of a specimen signature of the Engineer's Assistant will upon its issue be given to the FRA and be kept on the original of the contract file. Any proposed sub-delegation shall not have any effect until this has been done.
- (ii) Where the Board has delegated to the Engineer the power to delegate certain of his powers to a named Assistant and that Assistant vacates the position and another Assistant is appointed the CEO, may at his sole discretion agree that the powers given to the previous Assistant (or only some of them) may be delegated to the replacement Assistant.
- (iii) Notwithstanding that the Board has delegated to the Engineer the power to delegate certain of his powers to an Assistant the Capital Works Manager or the Maintenance Works Manager may, at any time, if they consider it appropriate or necessary to do so, withdraw such powers.

11.2 Staff Delegations

Pursuant to the provisions of section 25(1) of the Decree the CEO is responsible to the Authority for the management of the Authority – including all staff matters.

The CEO is delegated the power to:

- (a) subject to Section 124 of the Constitution (that requires the appointment of persons who are not citizens of Fiji to be approved by the Prime Minister), appoint and remunerate all FRA staff – on such terms and conditions as he considers appropriate.

Provided however, proposed appointees to any of the 1st line management positions and the proposed remuneration therefore shall first be discussed with, and approved by, the Chairman;



- (b) pursuant to the provisions of the FRA's 'Employment Policy' reprimand, suspend and/or summarily dismiss or otherwise terminate employees as and in such manner, as he considers necessary – including authority to represent, or to delegate to some other party the power to represent, the Authority at any mediation, Tribunal or other hearing that might be necessary should the CEO's actions (or any other employment decision or lack of decision by the FRA) be challenged;
- (c) pursuant to Section 11 of the FRA's 'Employment Policy' approve, as he considers appropriate the payment of any sum to any employee for that employee's training and development or study leave – including the employee's attendance at any conference;
- (d) pursuant to Section 9 of the FRA's 'Employment Policy', providing he is satisfied the FRA's 'Sensitive Expenditure (Including Credit Cards) Policy' has been complied with by the employee reimburse to the employee 'out-of-pocket' expenses incurred in the course of undertaking his duties;
- (e) pay all remuneration due to every employee in accordance with his employment contract (including any performance pay that may be due pursuant to section 8 of the FRA's 'Employment Policy' and any special payment for performing higher grade duties);
- (f) pursuant to section 14 of the FRA's Employment Policy allocate, and withdraw and reallocate, the use (including the personal use) of FRA vehicles as he considers appropriate; (and)
- (g) authorise the temporary use or loan of FRA vehicles by (or to) another Government Agency.

The CEO may sub-delegate to the Financial Controller such of his powers pursuant to 'd' above as he thinks fit.

Insofar as the CEO himself is concerned:

- (a) Items (a), (b) and the performance pay provisions of (e) are matters for the Board to decide;
- (b) The CEO will keep the Chairman informed about any training and development or study leave (including attendance at any conference) he is intending to take;
- (c) Claims for reimbursement of 'out-of-pocket' expenses incurred by him will be checked and certified by the Financial Controller. (If the Financial Controller has any concerns about the validity or the amount of any claim the matter will be referred to the Chairman for decision);
- (d) Regarding (f) the CEO has the use (including the personal use) of a FRA vehicle as a condition of his appointment,

12.0 CREDITOR PAYMENTS

12.1 Payment for Goods and Services Procured By Written Contracts

12.1.2 Contracts with Parties Other Than The FRA's Principal Engineering Services Advisor

- (a) All payments will be made to the party who has been contracted by FRA to provide the goods or services and, unless specifically authorised by resolution of the Board, shall not be paid to any sub-contractor or other party.
 - (b) All payment certificates will, at the very least, contain the following information:
 - (i) The accepted contract price (VIP);
 - (ii) Where the initial contract price has changed, the revised price and how the revised figure has been arrived at (e.g. the date and amount of any approved variations);
 - (iii) The date and amount of every previous progress payment;
 - (iv) The cumulative gross total that will have been 'authorised to date' after the latest proposed payment;
 - (v) The cumulative amount of any retentions;
 - (vi) The cumulative net amount that will have been 'authorised to date' (after retentions and any other deductions etc.);
 - (vii) The cumulative net amount (after retentions and any other deductions) that has been paid previously;
 - (viii) The total amount (i.e. balance) due by this proposed payment (and its breakdown between the job and VAT);
 - (ix) The title of the account to which the net cost after VAT is to be charged and the job number;
 - (x) The job number to which the VAT content is to be charged.
 - (xi) The manner in which the payment is to be described in the financial records.
- Note:** This description is to be standard for all contract payments – "Progress Payment No 9 – FRA/13/26 – Contract Title"
- (xii) Provision for the form to be signed as "true and correct and approved for payment" by the Engineer, (or where the Engineer has delegated that power in writing to an Assistant, by that Assistant) and to be "approved for payment" by the relevant officer listed in Section 13.2(c) in that order.
 - (c) Every progress payment will be paid in sequence. In no circumstances will a payment with a later number be paid before a payment with an earlier number.
 - (d) Reserved.
 - (e) The Engineer will not certify any payment certificate as "*true & correct and approved for payment*" unless the progress payment has first been checked and verified by the authorised Engineer's Assistant (if any).



- (f) The relevant officer in Section 13.2(c) will not sign any payment certificate unless the progress payment has first been certified by The Engineer (or where the Board has by resolution authorised payments to be signed by the Engineer's Assistant – or the CEO has authorised payments to be signed by a replacement Assistant – and the Engineer has delegated in writing the power to approve accounts for payment to the Engineer's Assistant) by the Engineer's Assistant.
- (g) The Financial Controller will not process any proposed payment to any contractor:
 - (i) unless the payment certificate has first been certified as correct by the relevant officer in Section 13.2(c);
 - (ii) where the proposed payment is the first progress payment, he has first determined if the conditions of the contract required the provision of a performance bond and if they did so, the original copy of the bond document has been received and is recorded in the 'Important Documents' Register' as being held in safe custody by the FRA;
 - (iii) if the payment will result in the approved original or formally varied contract sum (including contingencies) being exceeded, unless the excess relates to a scope change variation (or scope change variations) and the total amount of all such variations does not exceed:
 - \$50,000 VIP; or
 - \$100,000 VIP that has been approved in writing by the CEO;
 - (iv) (unless the payment voucher has attached to it - or there is on or with the contract file), in addition to the creditor's statement and invoices, such other information and support material as is required to justify the payment; (and)
 - (v) If the **proposed** payment notes adjustments totalling more than \$50,000 (VIP) to be resolved in the next payment. (Such adjustments shall be resolved before making the currently proposed payment, and not be deferred for later resolution.)

12.1.3 Payments to The FRA's Principal Engineering Services Advisor & To FRA's Auditors

- (a) No progress payment will be made to the FRA's Principal Engineering Services Advisor unless the CEO has certified the account as correct for payment and the voucher has attached to it (or there is on the contract file), in addition to the creditor's statement and invoices, such other information as the CEO and the Financial Controller may require to support the payment (including without limitation a schedule showing a full breakdown of all sums claimed as disbursements).
- (b) The Financial Controller will not process any proposed payment to the FRA's auditors (The Office of the Auditor General, KPMG or any contracted **Independent** Auditor) unless the proposed payment has been certified by the CEO.

12.2 Reserved

12.3 Payment for Goods and Services Procured By Purchase Orders

- (a) Reserved.
- (b) Every voucher will have attached to it the supplier's statement and invoice(s) and the purchase order form(s) and such other information as is required to justify the payment, and will be certified as 'true and correct and approved for payment' by the person(s) who issued the order(s).



12.4 Petty Cash

- (a) The Finance Department holds petty cash for the payment of incidental procurement expenses.
- (b) The amount of the petty cash advance is as the CEO may from time to time determine.
- (c) Except as authorised by the Chief Financial Officer no payment from petty cash may exceed \$100.
- (d) As a general rule all payments made from petty cash must be supported by a receipt. Provided however it shall not be necessary to obtain a receipt for incidentals like newspapers and milk - but in those circumstances the relevant officer in the Finance Department Office shall maintain, and shall certify as correct, a summary list showing the dates and details of every purchase.
- (e) When the amount of the advance is almost exhausted the amount expended will be reimbursed by a single voucher payment in the normal way.
- (f) The voucher shall have attached to it a full reconciliation of the amount spent (and the receipts and summary list details and of the balance of funds held) with the amount of the advance, certified as correct by the relevant employee in the Finance Department Office.
- (g) The responsibility for managing the petty cash shall be delegated in writing by the Financial Controller to (and such delegation accepted in writing by) a named officer in the Finance Department Office and such officer will 'make good' any shortfall in the reconciliation.

12.5 Standard Payment Requirements

- (a) Except with the consent of the CEO or the Financial Controller no payment shall be made to any creditor except:
 - (i) in the case of goods and services procured by written or short form contract - on a progress payment certificate that has been certified in the manner stipulated in Sections 12.1 and 13.2(c);
 - (ii) in the case of goods and services procured by purchase order - on an invoice (supported by a copy of the purchase order) that has been certified by the officer who submitted the purchase order requisition;
 - (iii) in the case of goods and services to which (i) and (ii) above do not apply (such as annual rates payable to local councils; lease agreements; utility bills for water supply, wastewater disposal, electricity and telecommunications; annual insurance charges and motor vehicle registrations) the charge has been certified as correct for payment by the relevant FRA Officer.

Where either the CEO or the Financial Controller has authorised a payment pursuant to the above exception the fact that the voucher has been initialled by another authorised FRA Officer pursuant to Section 13.2(h) shall be evidence that that other Officer has satisfied himself/herself about, and has confirmed the correctness and authenticity of, the payment.

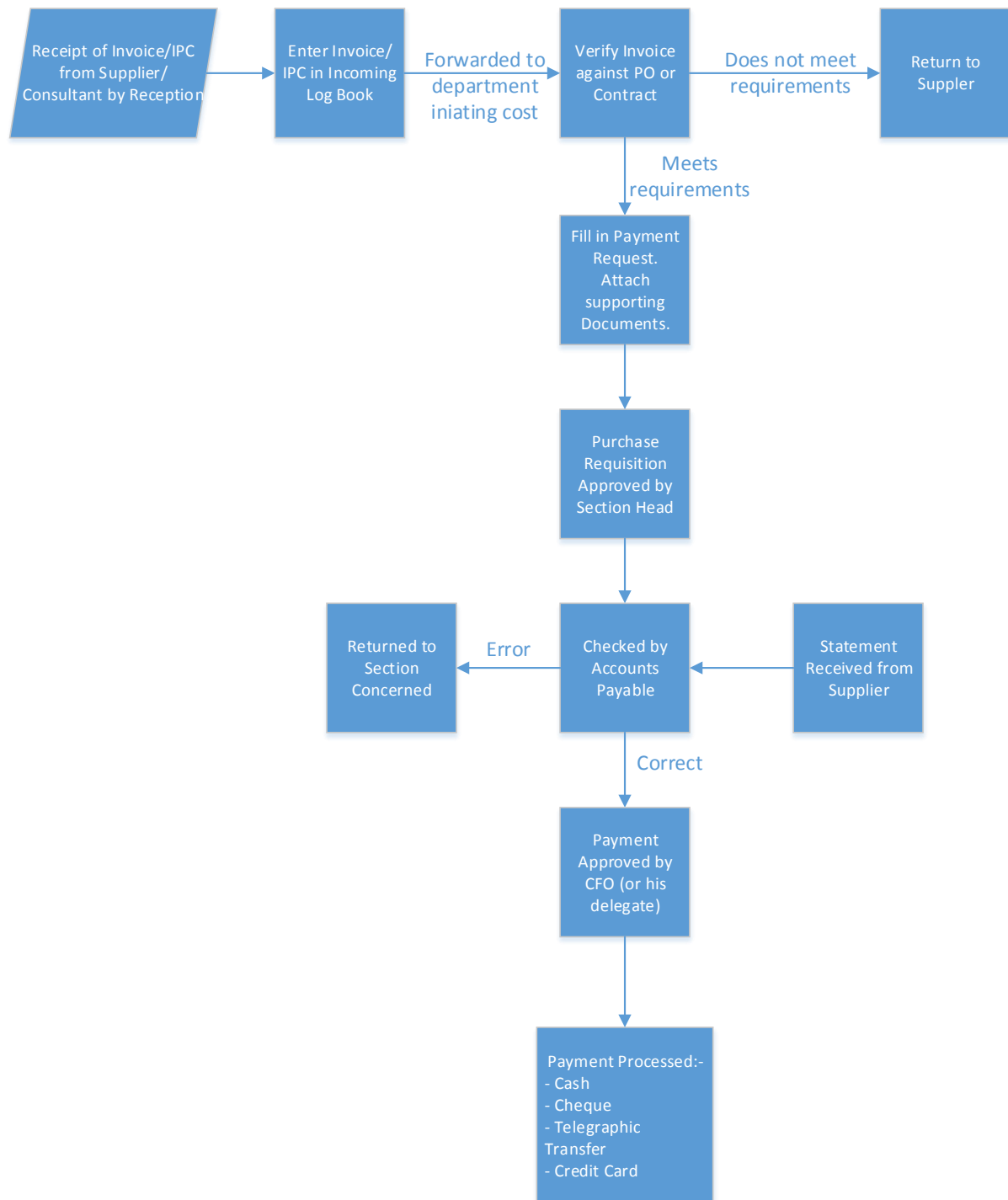
- (b) Unless the proposed payment has been authorised by resolution of the Board, or certified as approved for payment by the CEO, no payment shall be made:
 - to any party other than the party who has been contacted by FRA (Section 12.1.2)
 - in excess of the purchase order (or amended purchase order) amount;
 - for any invoice or statement that is dated more than three months before the voucher preparation date;



- (otherwise than in the case of a scope change variation that has been approved pursuant to Section 11.1(f)(i)) to any contractor for any amount in excess of the approved total contract sum (including contingencies); or
- on a copy invoice.

12.6 Vouchers' Compilation and Payment Records

- (a) A separate voucher will be prepared for every creditor.
- (b) Every voucher will have attached to it:
 - (i) In the case of written or short form contracts the certified progress payment certificate and support information and material to substantiate the correctness of the payment (Provided however voluminous support information may be kept on or with the contract file rather than on the voucher);
 - (ii) In the case of purchase order contracts the certified invoices and statements and purchase order copies and all other relevant information to substantiate the correctness of the payment;
 - (iii) In the case of a payment authorised by the CEO or the Financial Controller pursuant to 12.5(a)(iii) the certified invoices and statements and/or such other relevant information to support the correctness of the payment; (and)
 - (iv) In the case of a payment authorised by the Board or by the CEO pursuant to 12.5(b) a copy of the Board or CEO's written authorisation clearly explaining why such payment has been approved.
- (c)
 - (i) All invoices will be posted to the General Ledger within seven working days of the date of receipt of the invoice and will be stamped as 'Posted' as soon as that has been done;
 - (ii) Immediately following its payment every voucher will be stamped 'Paid';
 - (iii) Other supporting documentation will not be stamped;
 - (iv) Following the voucher payment the vouchers will be filed in cheque order number, in a securely bound or clipped file.
- (d) A list showing the date of payment, cheque number, name of the creditor and amount of the payment for every voucher will be kept at the front of each voucher file and it and the voucher file will be readily available for inspection by any Board Member, FRA employee, the FRA's Auditors, or other person authorised by the CEO or Financial Controller upon request.
- (e) All voucher files will be kept in a single, safe place; in a tidy and orderly fashion; in FRA's Office, and no information whatsoever shall be allowed to be removed from them except with the CEO's consent.
- (f) The payment process is illustrated in Table 12.6.

Table 12.6
PAYMENT PROCESS


Note: Credit Card replenishment will follow the same above process.

13.0 CHEQUE SIGNING/ELECTRONIC PAYMENT AUTHORITIES

13.1 Cheques To Be issued In The Name of the Creditor

Subject to the following exception, all cheques will be issued in the name of the creditor.

The only situations when cheques may be made out to 'cash' are:

- (a) for the reimbursement of petty cash. (See section 12.4);
- (b) for travel and accommodation advances to staff (who must subsequently provide the receipts for every item of expenditure in excess of \$25 VIP (see section 15.3) and there be a full reconciliation with the amount advanced); (and)
- (c) for small ad hoc expenses like office shopping, and expenses for meetings and similar functions (when again a receipt for every item of expenditure in excess of \$25 VIP must be provided and there be a full reconciliation with the amount advanced).

13.2 Cheque Signing Conditions

- (a) As a general rule all cheques will be signed and countersigned, and all electronic payments will be approved, by the Chief Financial Officer and the CEO – **in that order.**
- (b) In the absence of either of those persons the authorised second signatories are the Corporate Services Manager, the Strategy & Planning Manager, the Risk & Assurance Manager, the Capital Works Manager and the Maintenance Works Manager – **in that order** but at least one of the signatories will be the Chief Financial Officer or the CEO.
- (c) No cheque shall be signed, or any electronic deposit made, for any payments due to contractors (for written or short form agreements) unless the voucher has attached to it a progress payment certificate that has been duly certified in the manner required in Section 12.1.2 (f) and has also been certified as approved for payment, and as chargeable to a specified account (or accounts) in the FRA's chart of accounts, (the correctness of which has also been checked) by:
 - (i) For Category 1 Works (Professional Engineering Services) The CEO (in the case of the Principal Professional Engineering Services Advisor) and the Manager responsible for managing the contract (in the case of other consultants).
 - (ii) For Category 2 Works (Maintenance) The Maintenance Works Manager
 - (iii) For Category 3 Works (Traffic Signals) The Maintenance Works Manager
 - (iv) For Category 4 Works (Renewals) The Capital Works Manager (or for renewals works within the maintenance contracts the Maintenance Works Manager)
 - (v) For Category 5 Works (New Capital) The Capital Works Manager
 - (vi) For Category 6 Works (Road Safety) The Maintenance Works Manager

- | | |
|---|---|
| (vii) For Category 7 Works (Short Form Agreements) | The Manager who signed the Short Form Agreement |
| (viii) For Category 8 Works (Subdivision & Development Control) | The Strategy & Planning Manager |
| (ix) For Category 9 Works (Land Purchase & Roads' Legalisation) | The CEO or the Capital Works Manager. |
| (x) For Category 10 Works (Administration) | The Corporate Services Manager |
| (xi) For Category 11 Works (Strategic & Forward Planning) | The Strategy & Planning Manager |
- (d) Reserved.
- (e) No cheque shall be signed or electronic deposit made, for any payment for any goods and services that have been procured by purchase order unless the creditor's invoice(s) (plus where relevant the creditor's statement) has/have been certified as correct for payment and as chargeable to a specified account in the FRA's chart of accounts (the correctness of which has also been checked) by the person who ordered the goods and services.
- (f) No cheque shall be signed or electronic deposit made, for any payment for any goods or services to which Section 12.5(a)(iii) relates unless the voucher has attached to it the certified statement (or certified invoice or invoices) and identification of the specified account in the FRA's chart of accounts to which the payment is to be charged.
- (g) No officer other than the CEO shall sign any cheque, or make an electronic deposit, for a written contract or short form agreement payment that has been certified as 'correct for payment' by him or for a purchase order payment for goods and services that have been purchased by him.
- (h) Every person signing or countersigning a cheque or making an electronic payment deposit shall initial the voucher at the same time as he/she signs or countersigns the cheque or approves the deposit as evidence of the fact that the proposed payment was finally approved by him.
- (i) The voucher forms shall be designed to facilitate the abovementioned processes.
- (j) All signatories or initials shall be applied in a form that ensures there can be no doubt about the identification of the officers by whom they were applied.

14.0 GENERAL FINANCIAL OPERATIONS AND ACCOUNTING POLICIES

This section lists a number of specific financial and general management requirements.

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14.1 FRA's Seal

Section 15 of The Decree says:

1. *The Authority shall have a common seal of such design as it may decide.*
2. *The common seal shall be kept by the Chairperson and affixing shall be authenticated by any two members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.*
3. *All deeds, documents, and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.*
4. *The common seal of the Authority shall be officially and judicially noticed for all purposes."*

All deeds, documents and others instruments to which the seal is affixed are required to be authorised by:

- (a) The Chairperson (or in the Chairperson's absence) the Acting Chairperson; and
- (b) One other member of the Committee. (Reference Board Resolution – 28 March 2012).

The documents to which the seal is required to be affixed include all written contracts with a value of more than \$100,000 VIP (and less than \$100,000 if awarded by resolution of the Board) and all legal documents and Memoranda of Understanding etc that have been entered into by a resolution of the Board or any Committee thereof.

A record of all documents to which the seal is affixed is kept in a register that is maintained by the Corporate Services Manager. The register records:

- (a) The name of the other party;
- (b) A brief description of the document concerned;
- (c) The date on which the seal was affixed;
- (d) Reference to the authorising record (e.g. The reference number of the resolution of the Board or of the Tenders Committee awarding the contract or a decision of a duly authorised FRA Officer); and
- (e) The names of the authenticating personnel.

When preparing an agenda item relating to any document to which the seal will be required to be affixed the recommendation will contain a (closing) paragraph along the following lines:

"That contract number _____ for _____ be awarded to _____ for the sum of _____ VIP including contingencies) and the contract documents be executed under seal of the Authority signed by the Chairman and one other Board member."

Note: Wording to be appropriately modified depending on the type of document.

A list of all documents signed under seal shall be included on the agenda of every regular Board meeting for the Board's information.

14.2 FRA's Banker

FRA's banker is the Bank of Baroda.

The Bank's performance is reviewed annually by the Chief Financial Officer and retendered every five years.

14.3 Financial Advice

FRA's Financial Advisor is KPMG.

The Financial Advisor's performance is reviewed annually by the Chief Financial Officer and retendered every five years.

14.4 FRA's Auditors

The Office of the Auditor General is FRA's Auditor.

FRA also commissions independent parties to carry out audits in specific areas (including audits of the quality of physical works carried out by contractors from time to time).

In the past twelve months several independent audits have been carried out by KPMG, and Hutchinson Consulting Engineers.

14.5 Forecasted Cash-flow

The CEO is delegated the power to review and update the FRA's cashflow requirements during the year, as regularly and at such times as he considers necessary, and to convey the information to the Ministry of Finance as evidence of the FRA's expected funding requirements.

The Financial Controller will maintain a continuously updated cashflow forecast and, subject to the CEO's approval, will advise the Ministry of Finance on the 20th of each month about it.

A record of the date when the cashflow forecast was provided for the Ministry of Finance will be kept in the Financial Management Register.

See also Section 14.19 "Revenue Management"

14.6 Bank Reconciliation

The Financial Controller will complete the bank reconciliation within 5 working days of the close of each month.

A record of the date when the reconciliation was completed will be kept in the Financial Management Register.

14.7 Financial Management System and Asset Management System

The Financial Management System(s) is/are explained in Attachment 'I'.

The Asset Management System is explained in Attachment 'J'.

14.8 Expenditure Reporting and Control

Introduction

The Capital Works Manager and the Maintenance Works Manager have overall responsibility within the respective areas of their duties, for ensuring the expenditure for each **contract and for each project** is (and is forecasted to continue to be) within the approved budget - and that all costs have been charged to the correct job codes.

The Engineer (to the Contract) (or his formally appointed Assistant – and then only to the extent specified in writing in the delegation) has the responsibility for submitting correctly certified accounts for payment **BY THE SPECIFIED TIME** every month.

The Financial Controller has overall responsibility for the FRA's total finances – for ensuring that total expenditure is within the total approved budget and that accounts that have been certified as correct for payment by the duly authorised officers are paid on time, that the job codes specified by them are correct, and that sufficient funds are available to enable all creditors to be paid when due.

Monthly Expenditure Report

The process for preparation and completion of the monthly expenditure report is as follows:

MANDATORY MONTHLY PROCESS FOR EXPENDITURE CONTROL

7th of the month	<p>MWH will give to FRA Finance the project value to date on the:</p> <ul style="list-style-type: none"> - maintenance contracts - outer island roads - capital works contracts - professional fees <p>FRA managers to also provide any additional information for contracts not being managed by MWH.</p> <p>Note: This information must be in <u>the Financial Controllers hands</u> by this date.</p>
10th of the month	FRA Finance will generate and issue the first draft of the expenditure report.
Within 3 working days (Ideally by 15th of month)	<p>The responsible officer in FRA for each budget line meets with the MWH counterpart to confirm the detail in the expenditure statement – or advise <u>Financial Controller of changes – with supporting documentation.</u></p> <p>This information must be in <u>the Financial Controllers hands</u> by this date.</p>
Within 1 working day	Final expenditure report issued and distributed by the Financial Controller.
17th of the month	<p>All expenditure report recipients (FRA and MWH) meet together and discuss the report, agree the future forecasts, identify problem and potential problem areas and also areas likely to be raised by or of interest to FRAC.</p> <p>Meeting to be chaired by the CEO.</p>
19th of the month	Expenditure report ready for circulation with the agenda for FRAC Meeting.

14.9 Contracts' Progress – Information To Be Provided For Every Regular Meeting Of The Board

The Contracts' Management Engineer will provide for every ordinary meeting of the Board (in the form or a similar form, to that shown in Attachment 'H') a statement that summarises the current progress with all contracts.

14.10 Depreciation

Depreciation is provided on a straight-line basis on property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values and their useful lives. Land is not depreciated. The useful lives and associated depreciation rates of the various classes of assets have been estimated as follows:

Land	Not Depreciated	
Buildings:		
• Structure	55-100 years	(1%-1.82%)
• Roof	40 years	(2.50%)
• Panels & Fitout	15 years	(6.67%)
Ventilation & Heating	20 years	(5.00%)
Plant and Machinery	4-15 years	(6.67% - 25%)
Computer Equipment	4 years	(25%)
Office Equipment	10 years	(10%)
Furniture & Fittings	5-10 years	(10-20%)
Vehicles	5-8 years	(12.5-20%)
Infrastructure Assets:		
Roads:		
• Formation	Not Depreciated	
• Top surface	1-25 years	(4%-50%)
• Pavement	40-100 years	(1%-2.5%)
• Footpaths	20-50 years	(2%-5%)
• Streetlights	25-60 years	(1.67% - 4%)
• Bridges	40-150 years	(0.67% - 2.5%)
Jetties	40-150 years	(0.67% - 2.5%)

The depreciation rates used are applied at the component level and the depreciation sum is calculated on the remaining useful life of each component.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

14.11 VAT

The Financial Controller will ensure that monthly VAT returns are furnished to the Fiji Revenue & Customs Authority (FRCA) on or before the last day of the month, following the last day of every taxable period.

The VAT return will report:

- the amount of VAT collected, or that has been invoiced, from customers during each reporting period;
- the amount of VAT paid, or owed, on business purchases made during the same period;
- the difference between these two amounts (payable/refund); and

The claim for a VAT refund, or the payment will be lodged (or made) before the due date.

The Financial Controller will, in addition, at the time of lodging each return to FRCA, carry out a full reconciliation to ensure the correctness of all aspects of the VAT requirements and the 'year to date' situation.

14.12 ADB, EXIM Bank & World Bank Loan Funding

14.12.1 General

The FRA must abide by the terms and conditions stipulated in every loan agreement between the Asian Development Bank, the World Bank and the EXIM Bank of China and the Government of Fiji for the provision of funds.

14.12.2 The Payment Process for ABD Loans

- a) The contractor submits a progress payment claim to PESA.
- b) PESA certifies the claim and forwards it to the FRA.
- c) The Capital Works Manager verifies the claim and forwards:
 - a copy of it to the Finance Department for payment of the government share and;
 - the original to the Ministry of Finance for payment of the ADB share;
- d) The Finance Department processes payment of the government share;
- e) The Finance Department records the ADB portion in the ledger. (Debit WIP and credit Contractor account);
- f) For the ADB share the claim is signed by the Permanent Secretary for the Ministry of Finance and forwarded to the ADB.
- g) The ADB pays to the contractor the ADB share;
- h) The ADB notifies the FRA of the disbursement of funds to the contractor;
- i) The FRA records the ADB share of the payment in the ledger and clears the outstanding payment.
- j) The loan fund is recorded against the government contribution in the general ledger. (Debit Contractor account and Credit Government Contribution);
- k) Upon the completion the amount is transferred from Work in Progress (WIP) to Infrastructure Assets and recorded in the Asset Register through the Asset Management System

14.12.3 ADB Loan Reconciliations

The Financial Controller will, every month, carry out a reconciliation of the ADB Loan Financial Information System (LFIS) and the monthly Statement of Expenditure.

14.12.4 The Payment Process for EXIM Bank Loans

The payment process for these loans is the same as for the ADB loans.

14.13 Registers

The following registers shall be established and maintained:

Table 14.13 – Required Registers

Register	Reference	Responsible Officer
• Tenders' Register	Section 6.3(d)	Corporate Services Manager
• Conflicts' of Interest Register	Section 2.2(b)	Corporate Services Manager
• Contracts' Register	Section 9.2	Contracts' Management Engineer
• Project Risks' Register	Section 6.2	PESA
• Contractors' Performance Register	Section 9.2(d)	Contracts' Management Engineer
• Risks' Register	Section 10	Risk & Assurance Manager
• Seal Register	Section 14.1	Legal Officer
• Audit Master Control	Section 17.2	Risk & Assurance Manager
• Fixed Assets' Register	Section 14.18.5(d)	Financial Controller
• Important Documents' Register	Section 14.32	Legal Officer
• Subdivision & Development Register	Attachment 'E'	Strategy & Planning Manager
• Roads' Legalisation Register	Attachment 'F'	Capital Works Manager
Financial Management Register		
– Cashflow Forecasts Record	Section 14.5	Financial Controller
– Bank Reconciliation Record	Section 14.6	Financial Controller
– Expenditure Statement Record	Section 14.8	Financial Controller
– Retentions Reconciliation Record	Section 14.15	Financial Controller

14.14 Audit of MWH, Other Consultants & Contractors' Contract Processes

See Section 17.

14.15 Contract Retentions

Where a contract provides for a part of a contracts' progress payment to be retained:

- (a) FRA will deduct the required amount from each progress payment;

- (b) The amount so deducted will be paid into a FRA 'Contracts' Retention Account';
- (c) The retention account will record details of the amount of every retention deduction, the date on which it was deducted, and the contract to which it relates;
- (d) The retention account will be reconciled by the Finance Department every month and a record of when and by whom every reconciliation was done maintained in the Financial Management Register.
- (e) Upon satisfactory completion of the **contract works** and all other relevant contract conditions the contractor must make a formal claim to FRA for release of the retention money.
- (f) The claim must be certified (in the normal way as for a progress payment – See Section 12.1) by the relevant manager (normally the Capital Works Manager) to the effect that he is entirely satisfied the **contract works have** been completed satisfactorily, that all relevant terms and conditions of the contract have been met, and that the retention money can now be repaid.
- (g) Upon receipt of the certifying manager's certificate the Finance Department will process the payment.

14.16 Reserved

14.17 Contingent Liabilities

The FRA may in the course of its business incur contingent liabilities.

The most likely forms of contingent liabilities are:

- Contractual disputes;
- Outstanding lawsuits;
- Claims not acknowledged as debts;
- Compensation for damages, injuries etc; and
- Legal liability, such as torts.

The Financial Controller will ensure all contingent liabilities are identified and, in respect of each will maintain:

- a description of every contingent liability;
- its value, if this can be measured reliably;
- an explanation of the way in which the contingency arose;
- details of any action required to minimise the potential loss; and
- details of the progress that is being made to manage the risk.

14.18 Asset Records' Management

14.18.1 Objectives

FRA's objectives in relation to its fixed assets are to:

- allocate the responsibility to safeguard each asset to a specific member of the staff;
- ensure that assets are properly protected against damage;
- maintain appropriate asset descriptions and classifications to facilitate their robust management; and
- maintain adequate and accurate records of all assets' repair and maintenance costs to ensure the FRA has adequate information for sound decision-making regarding asset usage.

14.18.2 Fixed Asset Criteria

The criteria for determining whether an item is a fixed asset or not are:

- The estimated useful life of the asset must span more than one year;
- Usage of the asset must be seen to be contributing to the operational capability of the FRA;
- The cost must exceed \$2,000.

When all of these factors apply the expenditure is capitalized. When that isn't the case it is expensed.

14.18.3 Insurance

Regarding insurance against loss the FRA's policy is as stated in section 14.24

14.18.4 Asset Purchases and Disposal, Transfer and Improvement

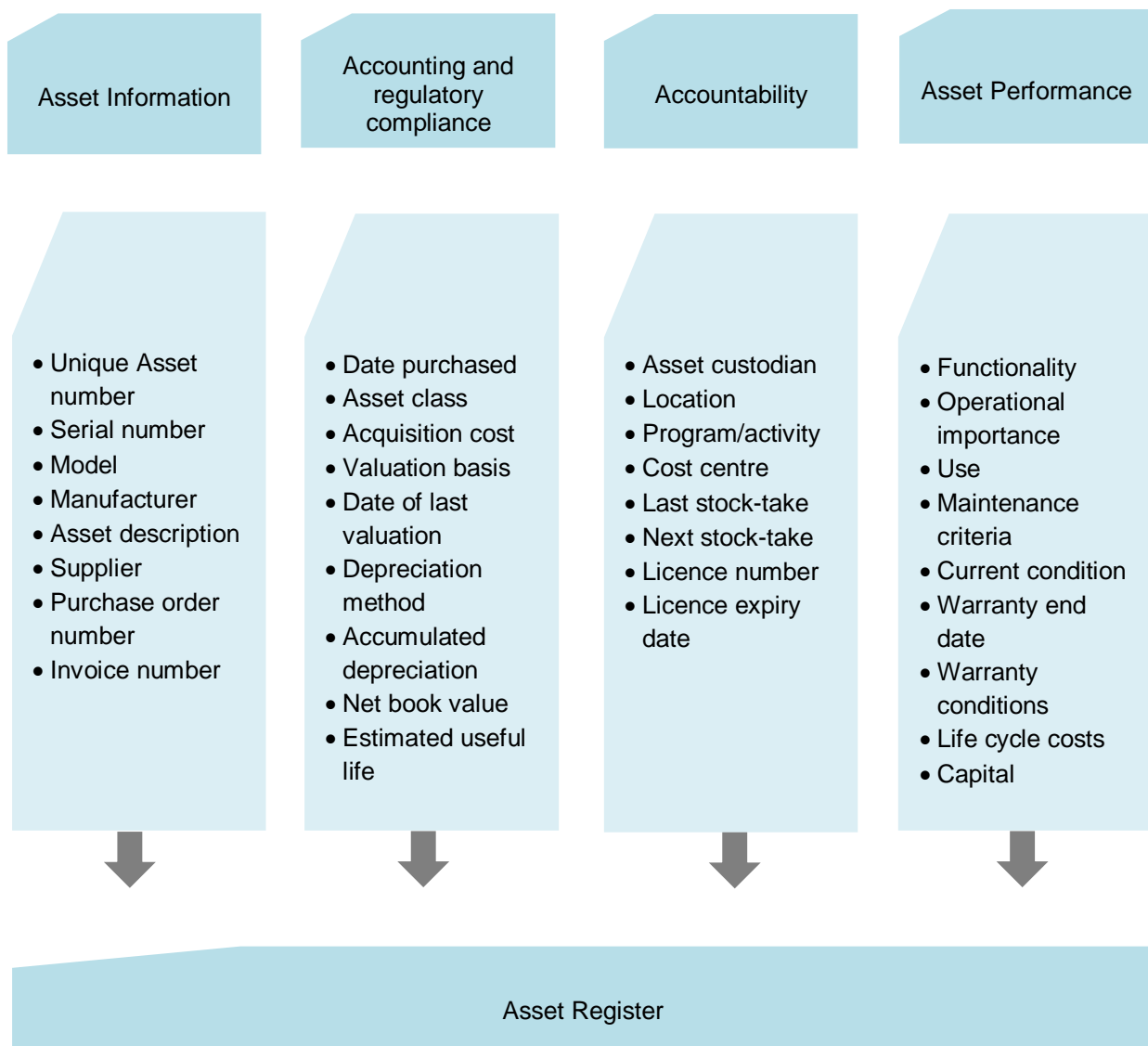
- (a) Asset purchases will at all times be in accordance with the requirements stipulated elsewhere in this Operations Manual.
- (b) For the FRA's asset decommissioning and disposal policy see Section 3.4 of the Asset Management Plan.

14.18.5 Asset Records

- (a) The FRA's Principal Professional Engineering Services Advisor will maintain a record of the condition, capacity and performance, and of all maintenance and renewal expenditure, relating to each asset (or group of assets).
- (b) All critical assets will be identified, a management plan for each prepared, and be managed via Part IV of the 'Grey Book' – the FRA's Risks' Management Manual.
- (c) All real property owned by the FRA will be recorded in the Important Documents Register.
- (d) The Financial Controller will maintain a register of all fixed assets owned or leased. The 'Fixed Asset Register' will record:
 - the asset number;
 - the asset description;
 - a record of where the asset is located;
 - the date of purchase;
 - the acquisition or upgrading or extension etc cost;
 - the replacement value and depreciated replacement value;
 - the asset age and expected remaining economic life; (and)
 - the depreciation rate (and the amount of the annual and accumulated depreciation).



Table 14.8 - Asset Records



14.18.6 Asset Risk

During the comprehensive annual review of the Risks' Register, pursuant to Clause 5.10 of the FRA's Risk Management Policy, the continuing sufficiency and appropriateness of the FRA's approach to asset risk will be reviewed.

14.18.7 Accuracy of Information

The Fixed Asset Register will be reconciled:

- annually to the fixed asset values in the balance sheet.; (and)
- not less than half yearly to the Asset Management System

The Finance Department will also conduct an annual review of the completeness and correctness of all of the assets listed in the Fixed Asset Register.

14.18.8 Asset Category Definitions

Land

- (a) Land is capitalized at acquisition cost including assessments, legal and recording fees: draining, filling, other site preparation costs; etc
- (b) Land transferred from the State under the Fiji Roads Authority Decree (2012) ('The Decree') is capitalized at market or appraised value at the time of acquisition.
- (c) The acquisition cost of property that includes structures not to be razed is allocated between land and buildings based upon appraised values.

Buildings

Buildings Transferred From The State

- (a) Buildings transferred from the State under the Decree are capitalized at market or appraised value at the time of transfer.
- (b) The transfer cost is allocated between buildings and the land on which the structure is built - on the basis of appraised value at the time of transfer.

Acquisition by Purchase

Buildings acquired by purchase are capitalized at their acquisition cost with the purchase price and associated costs allocated between land and buildings on the basis of appraised values.

Acquisition By Construction

- (a) Initial capitalization includes the construction cost of the building structure, including all internal piping, wiring, and permanent fixtures associated with the distribution of utilities within the building.
- (b) Costs also include architectural and engineering fees, inspection fees and permits, bid advertising expenses, construction financing / interest expense, and insurance costs incurred during the construction period.

Major Renovations and Leasehold Improvements

Renovations and improvements are added to the capitalized value of the existing structure being impacted.

Roads, Bridges and Jetties

Includes:

- (a) construction of:
 - the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges, drains and kerbs;
 - road signs, road marker posts and other markings, including pedestrian crossings;
 - traffic islands and roadside barriers;
 - bridges and culverts;
 - footpaths and pavements adjacent to the vehicle pavement;
 - street lights and traffic lights;
 - parking meters; (and)

- (b) renewal, rehabilitation, and resealing works which return the service potential or the life of the asset to that to which it had originally.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are capitalized at net invoice price plus freight and installation charges or their current market value if transferred by the State pursuant to the Decree.

Major equipment cost includes any site preparation costs and shipping, as well as all costs associated with the installation of the equipment.

Motor Vehicles

Motor vehicles are capitalized at the net invoice price plus delivery costs.

Computer Software, Hardware and Related Accessories

- (a) Computer software is capitalized at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial licence cost).
- (b) Computer hardware and related accessories are capitalized at the net invoice cost plus freight and installation charges. Items transferred by the State pursuant to the Decree are capitalized at their market value at the time of transfer.

14.18.9 Depreciation

See the FRA's depreciation policy in Section 14.10.

14.18.10 Asset's Revaluation

- (a) Road and jetties assets are re-valued on a replacement cost and depreciated replacement cost basis every three years. The last revaluation was done as at July 2012 by MWH New Zealand.
- (b) Other assets are carried at depreciated replacement cost.

14.19 Revenue Management

14.19.1 Types of Revenue

The FRA obtains its revenue from three principal sources:

- Government Grants
- Loan Funds

14.19.2 Government Grants

The following is the procedure for uplifting Government Grant money:

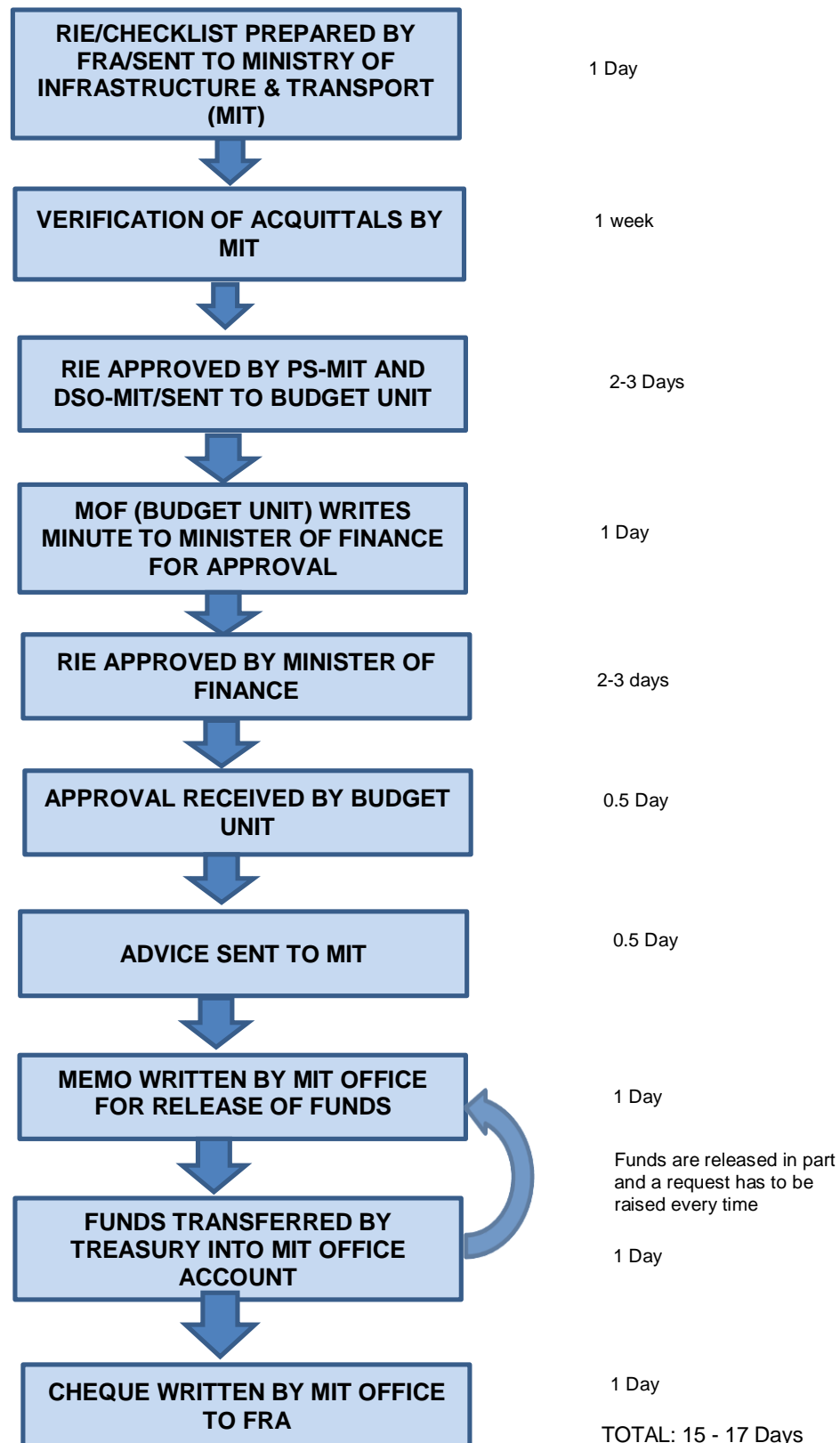
- (a) The Financial Controller completes a Requisition to Incur Expenditure form (RIE) every quarter.
(A separate RIE for the operating grant and for the capital grant);
- (b) The target dates for submitting every RIE are:
 - 15 March;
 - 15 June;
 - 15 September;

- 15 December.
- (c) The RIEs are sent together with a checklist of accompanying documents to the Ministry of Infrastructure & Transport for approval by the Permanent Secretary (PS-MIT) and Deputy Secretary - Operations (DSO-MIT).
 - (d) The checklist for the preparation of these documents includes the following:
 - Completed RIE form;
 - The correct budget provision;
 - Additional provision or redeployment (if any) during the year properly reflected;
 - The correct available balance to be reflected;
 - Reason for the RIE clearly expressed (Detailing of the expenditure);
 - Project profiles;
 - Quarterly work programme;
 - Bank Statement/Acquittals;
 - Cashflow requirements;
 - Progress report/QPPR.
 - (e) Once the RIE's are signed by the PS-MIT and the DSO-MIT, they are forwarded to the Ministry of Finance – Budget Unit (BU);
 - (f) The BU writes a minute to the Minister of Finance (MOF) seeking approval for release of the funds;
 - (g) Upon receipt of approval from the MOF, the BU notifies the OPM;
 - (h) The OPM writes a minute to the BU approving release of the amount advised by the BU. The minute (together with the approval of the MOF) is sent to the Treasury Department (TD) of MOF;
 - (i) The TD transfers the stated amount to OPM's Account;
 - (j) The OPM writes a cheque to the FRA;
 - (k) The cheque is deposited into FRA's bank account.
 - (l) The OPM Office writes another minute to the Budget Unit seeking the release of further funds – and this process is followed until full funds for the quarter have been released by the MOF.

The following chart illustrates the process:



Table 14.19.1 - Uplifting Government Funds



14.19.3 Loan Funds

The procedure for expending loan funds is explained in Section 14.12.

14.19.4 Reserved

14.19.5 Collection of Revenue – General

All officers charged with the supervision of collection of revenue will give to the Financial Controller a monthly return, showing the type of revenue collected, total revenue collected, total cash collected, total bank lodgement, total credit sales and a log of receipts issued in sequence.

The Financial Controller will review the returns and take any necessary action on them.

14.19.6 Accounting for Revenue - General

All persons responsible for the billing/collection of revenue will ensure that all revenue that it is their duty to bill and /or collect is promptly billed and/or collected and fully accounted for in the appropriate accounting record.

14.19.7 Loss by Suspected Negligence or Fraud

Should the FRA sustain a loss (or suspected loss) by reason of the suspected neglect or fraudulent action or inaction by of any person the provisions of Section 2.2(d) of the 'Green Book' – the FRA's Operations Manual and Sections 21 and 22 of the FRA's Employment Policy in the 'Yellow Book' – the FRA's Staff Manual apply.

14.19.8 Allocation of Revenue

All revenue must be coded strictly in accordance with the approved budget.

14.19.9 Revenue Sufficiency

The Financial Controller will take care to ensure there are always sufficient funds available to pay creditors' accounts on time. As the following table shows the process for obtaining additional funding approval can be time consuming and it is essential that that be recognised and allowed for.



Table 14.19.2 - Additional Funds' Approval Process

Stages	Information	Authority	Time
Identify need for additional funding	<ul style="list-style-type: none"> • Work programme (re-program due to unforeseen circumstances) • Cashflow forecast 	FRA Management	As and when required
Request for additional funding submitted to FRAC	<ul style="list-style-type: none"> • Revised work programme • Revised cashflow • Reason(s) for request • Establish why it cannot be funded within the existing budget • Plan for utilisation of funds 	Fiji Roads Advisory Committee	1 week
Request submitted to Ministry of Infrastructure (MIT)	<ul style="list-style-type: none"> • Request for additional funding • Revised work programme • Revised cashflow • Reason(s) for request • Establish why it cannot be funded within the existing budget • Plan for utilisation of funds • Bank statements • Progress report/Quarterly Reports 	MIT	1 week
Request Submitted to Ministry of Finance (Budget Unit)	<ul style="list-style-type: none"> • Request for additional funding • Revised work programme • Revised cashflow • Reason(s) for request • Establish why it cannot be funded within the existing budget • Plan for utilisation of funds • Bank statements • Progress report/Quarterly Reports 	<ul style="list-style-type: none"> • Budget Division of Ministry of Finance • Deputy Secretary for Ministry of Finance • Permanent Secretary for Ministry of Finance • Chief Accountant 	<p>Time taken may vary according to availability of funds</p> <p>Ministry of Finance may have to look for savings with other Government Ministries and departments or other funding agents</p>
Request Submitted to Minister of Finance	<ul style="list-style-type: none"> • Minutes for request for additional funding explaining reasons for the request together with above documents 	<ul style="list-style-type: none"> • Minister for Finance 	1 week
Request to Incur Expenditure	<ul style="list-style-type: none"> • Process as described under Revenue Management above 	<ul style="list-style-type: none"> • Process as described under Revenue Management above 	10 – 12 days

14.20 Provisional Tax, PAYE, Fiji National Provident Fund (FNPF), & Fiji University (FNU) Payments

14.20.1 The processes for the payment of PAYE, FNPF & FNU are as follows:

Steps	Procedure	Time Taken	Responsible
1.	<p>Before the end of every month the Payroll Officer reconciles the PAYE, Social Responsibility Tax and FNPF deductions by printing the reports from the Payglobal payroll system.</p> <p>The Payroll Officer also reconciles these deductions for the manual payments.</p> <p>In the case of the FNPF, the employer's contribution is added to the total.</p>	1 day	Payroll Officer
2.	<p>The reconciliation reports are checked and approved by the Financial Controller.</p> <p>The reports must balance with the GL.</p>	1 day	Financial Controller
3.	<p>A payment voucher is prepared for the combined payment of PAYE and the social responsibility tax and one for FNPF.</p> <p>Two separate cheques are written</p>	1 day	Accounts Payable Clerk
4.	The cheques are signed and hand delivered to FIRCA and the FNPF	Before the last day of the month	Financial Controller
<p>FNU Levy: This is a mandatory contribution by all employers calculated on the gross salary of the organisation. The organisation can use the funds to send its employees to the FNU for training or have the training organised 'in house'. The same process is followed for FNU levy deductions except the payment is made half-yearly</p>			

14.20.2 The process for the payment of provisional tax is as follows:

Step	Procedure	Time Taken	Responsible
1.	<p>The contractor submits its invoice.</p> <p>The Accounts Payable Clerk checks if the contractor has supplied a 'Certificate of Tax Exemption' (COE)</p>	1 day	Accounts Payable Clerk
2.	<p>If a COE has been supplied no tax is deducted and a cheque is prepared for the full amount of the invoice and paid to the contractor.</p> <p>If a COE has not been supplied: 15% provisional tax is deducted.</p>	1 day	Accounts Payable Clerk
3.	A payment voucher is prepared by the Accounts Payable Clerk and checked and certified by the Finance Assistant.	1 day	Finance Assistant
4.	A cheque is prepared and released to the contractor	1 day	Financial Controller
5.	In the first week of every month the Finance Assistant reconciles all provisional tax deductions with the GL	1 day	Finance Assistant
6.	<p>The reconciliation is checked and approved by the Financial Controller.</p> <p>A Provisional Tax return/summary is prepared.</p>	1 day	Finance Assistant

7.	A cheque is prepared and hand delivered to FIRCA with the provisional tax return.	1 day	Finance Assistant
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14.21 Budget Amendments

Every amendment to an existing budget, shall be accompanied by a 'Budget Request Form' that has been prepared in such form as may be required by the Financial Controller. (See Attachment 'K' as an example).

A detailed explanation is to be provided with every such request.

The Financial Controller will maintain a master record of all budget amendment requests and the submitter shall retain a copy for his/her records.

14.22 Out-of-Pocket Expenses

An Officer in the course of business purpose may pay for expenses in order to carry out his/her duties

All requests for reimbursement must:

- comply in all respects with the FRA's 'Sensitive Expenditure (Including Credit Cards) Policy' Section 15 and the FRA's Travelling Expenses Policy (see Section 9 FRA's Staff Manual – Yellow Book);
- be made on the standard form (that amongst other things requires full details of, and the reasons for, the expenditure);
- in the case of expenditure items in excess of \$25 have attached to the form the receipts for the payments;
- except in the case of the CEO be certified as approved for payment by the Officer's immediate manager. The Financial Controller will check and (subject to Section 11.2) approve claims made by the CEO.
- be handed to the Accounts Payable Clerk who will arrange payment.

14.23 Reserved

14.24 Insurance Policy

The following is the FRA's insurance policy:

- The CEO is delegated the power to decide the insurer for each type of cover and the precise cover and details for each policy after discussion with FRA's Insurance Advisor – Marsh.
- Material Damage/Business Interruption

(i) FRA Offices, Fixtures and Fittings and Depot Buildings and Laboratories:

Current cover:	Buildings (Replacement Value)	\$9.113m
	Plant/Contents (Indemnity Value)	\$2.07m
	Business Interruption	\$300,000
Deductibles:	Generally \$500 per claim.	

(ii) Vehicles

Physical loss or damage and third party legal liability

Current cover: 28 vehicles – total sum \$1.5m

Deductibles: Sedan cars \$500, Utilities and Vans \$750, Trucks \$1,500,
Windscreens/Windowglass Nil

- Portable Equipment

(i) 'All Risks' for Laptops and accessories, mobile phones, portable equipment.

Proposed cover: \$100,000

Deductibles \$300 for every claim below \$5,000, \$500 for every claim above \$5,000.

- Travel (All Employees and Directors)

(i) Overseas or within 100kms radius of home or normal place of work in Fiji

Normal Travel cover

- Workmen's Compensation

(i) FRA's legal liability in respect of death or bodily injury pursuant to the Workmen's Compensation Act and at common Law

Deductible: \$250 for each claim or series of claims arising from one event.

- Public Liability/Professional Indemnity/Directors and Officers

(i) Insurance cover not required.

Section 38A of the Decree says:

'Neither the Committee, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any Court, Tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law'

and this provision is protected by section 173(4) of the Constitution that says:

'Notwithstanding anything contained in this Constitution no court or tribunal (including any court or tribunal established or continued in existence by the Constitution) shall have the jurisdiction to accept, hear, determine, or in any other way entertain, or to grant any order, relief or remedy, in any proceeding of any nature, whatsoever which seeks or purports to challenge or question.....any decision made or authorised, or any action taken, or any decision which may be made or authorised, or any action which may be taken, under any....Decree....made or as may be made between 5 December 2006 until the first sitting of the first Parliament under this Constitution, except as may be provided or authorised by any such....Decree....made or as may be made between 5 December 2006 until the first sitting of the first Parliament under this Constitution'

- Crime
 - (i) Wayne to quote. Need to clarify exactly what it covers. May not be needed based on the FRA's type of business.
- Civil Infrastructure
 - (i) Potential damage to roads, footpaths, streetlights, wharves and jetties and associated infrastructure against damage by any natural hazard event (e.g. slippage, subsidence, erosion, inundation by flooding or by the sea caused by an earthquake, hurricane, tsunami, or any other natural event.
 - Self insure – cover for this type of damage not available at an acceptable cost.
- Staff Life Insurance
 - (i) Wayne to quote for death by any cause and death by accident

14.25 Credit Cards

See Section 15 'Sensitive Expenditure Policy'

14.26 Reserved

14.27 FRA's Legal Advisers

FRA obtains its legal advice from a panel of lawyers.

The panel members are:

- R Patel Lawyers
- MC Lawyers
- Siwatibau & Sloan
- Young & Associates

The CEO is authorised to decide on a case by case basis, which firm of solicitors to use.

14.28 Previous Years' Audits

Immediately after receipt of the 'Audit Management Letter' from the FRA's auditors each year the Risk & Assurance Manager will take steps to ensure all matters raised are addressed.

Prior to the commencement of the audit for the next year the Risk & Assurance Manager will check to ensure all matters raised in the Management letter have been resolved.

Note: A key financial management performance measure is *"No matters raised by Audit as not having been attended to from the previous year"*.

14.29 Definitions

For the meaning of words & terms regularly used or encountered by the FRA see the Glossary in Attachment 'M'.

It is very important all FRA and all relevant PESA staff understand these words and terms.

14.30 FRA Legislative Environment

For a summary of the legislative environment in which the FRA is required to operate see Section 1.4 of the Asset Management Plan.

A copy of the Fiji Roads Authority Decree and its subsequent amendments is in Attachment 'N' of this Manual.

14.31 Cancelled Cheques

Whenever a prepared cheque has to be cancelled the Financial Controller will maintain with the cancelled cheque a full written explanation of the reasons why that has occurred.

14.32 Important Documents' Register

- (a) The **originals** of all important documents other than written contracts must be entered in the 'Important Documents Register'. (The originals of all written contracts are kept in a safe and secure place separately.)
- (b) The register will be in several parts e.g.:
 - Property Titles
 - Lease Agreements (FRA to others)
 - Lease Agreements (Others to FRA)
 - Memoranda of Understanding/Agreements
 - Ownership Papers (other than land)
 - Bonds and Bank Guarantees
 - Insurance Policies
 - etc
- (c) The Register will record (under each heading):
 - The date of the entry in the register
 - The name of the other party. e.g.:
 - William Kumar
 - Blacktop Construction
 - The general nature of the document e.g.:
 - Title for residential property in Browns Road purchased for road widening
 - Contract 717 Maintenance Contract Northern Division
 - Delegation to carry out certain maintenance functions
 - The specific nature of the document e.g.:
 - CT 117/84
 - Contract Bond
 - MOA

- The file reference number for all matters relating to the issue that has given rise to the 'important document'
 - The consecutive number of the legal envelope in which the document is to be placed
 - The signature of the person making the entry
 - The date upon which the document has been removed from the register (being the date on which the document is no longer relevant to the FRA's business or no longer needed to be kept in safe/secure custody)
 - The reason why the entry/document has been deleted/removed e.g.:
 - Property sold
 - Contract completed
 - The signature and position of the person making the removal entry
- (d) With the exception of contract documents place the document in a consecutively numbered legal envelope and file away in a safe and secure space in the FRA's office that has been specifically allocated for that purpose.
- Keep all contracts together in numbered order.
- (e) Either place a copy of the document on the relevant FRA file or make a note on the file that the document can be found in the 'Important Documents Register'.
- (f) The Corporate Services Manager has responsibility for the 'Important Documents Register' and for safe and secure custody of all Important Documents'.

14.33 Key Reporting Responsibilities - Summary

Table 10 summarises the various financial reports that need to be completed each year and identifies the person who has that responsibility in each case.

Table 10
Financial Reports – Summary

Ref	Report	When Report to be provided	Who Report to be provided for	Responsible Officer
1	Forecasted Cashflow	20th of each month	CEO Ministry of Finance	Financial Controller
2	Expenditure Statement	Within 10 working days of the end of each month	CEO All First Line Managers and all PESA Project, Contract and Line Managers	Financial Controller
		Monthly	The Board	
3	Bank Reconciliation	Within 5 working days of the end of each month	CEO (Confirm that has been done and balanced)	Financial Controller
4	Internal Audits	Regularly throughout the year (See Section 15)	CEO immediately if any significant adverse finding otherwise at the completion of each review.	Risk & Assurance Manager
5	Contracts' Status	Every ordinary meeting of the Board (see Attachment 'H').	Board	Contracts' Management Engineer

14.34 Whistle Blowing

See Section 26 in the Staff Manual (Yellow Book).

14.35 Asset Disposal Policy

- (a) Section 32 (2) (e) of the Fiji Road Authority Decree 2012 (No 2) requires FRA to include in its Statement of Corporate Intent an outline of its policies and procedures relating to the disposal of major assets. The policy is explained in Section 3.4 of the Asset Management Plan.
- (b) When the FRA's assets (e.g. computers) become obsolete, worn out, or surplus to requirements, they will be disposed of in such manner as the CEO may decide and a detailed record kept of how that has been done;

15.0 SENSITIVE EXPENDITURE (INCLUDING CREDIT CARDS)

15.1 Sensitive Expenditure Defined

Sensitive procurement expenditure is:

‘Expenditure by the FRA (or on behalf of the FRA) that provides, has the potential to provide, or has the perceived potential to provide, a private benefit to an individual staff member that is additional to the business benefit of the FRA or the expenditure. It also includes expenditure by or on behalf of the FRA that could be considered unusual for the FRA’s purpose and or functions.’

Whilst credit card expenditure isn’t sensitive expenditure this section outlines the FRA’s policy regarding the use of credit cards as well.

15.2 The FRA’s ‘Sensitive Expenditure’ Approach

It isn’t possible, nor is it appropriate to try and identify all areas of potential sensitive expenditure and to then establish rules to cover everything but in addition to this section the FRA does have a separate Travelling Expenses Policy (See the FRA’s Staff Manual - Yellow Book), a No Gifts Policy (Attachment ‘B’) and an Entertainment Policy (see the Staff Manual - Yellow Book), that must be complied with. FRA expects the ground rules that are outlined here to encourage ‘the right’ culture so that sensitive expenditure questions never arise.

Expressed quite simply – the FRA expects its staff, PESA employees, (where relevant) and its various Consultants and Contractors to at all times remember that when they incur expenditure on behalf of FRA they are spending public money, and when they do that they have the obligation to ensure:

- the expenditure is for a justifiable FRA purpose;
- impartiality is preserved;
- the expenditure decision is made with integrity;
- the amount spent is moderate and conservative (having regard to the circumstances);
- the transaction is made transparently; and
- the expenditure is appropriate in all respects.

The other important thing is that everyone needs to be acutely aware that it doesn’t matter how small the expenditure is. Seemingly trivial purchases, if done improperly can cause enormous harm to the FRA’s reputation and the public’s trust in it.

15.3 Some Examples Of The Type Of Behaviour The FRA Expects

The following are some examples of the type of behaviour the FRA expects:

- (a) Whether purchased on a FRA credit card or on the employee’s personal credit card the FRA requires receipts for all expenditure items in excess of \$25 (VIP);
- (b) When required to travel on FRA business employees are expected to book air travel and accommodation (at a reasonable grade hotel – that may require some effort to identify) as far ahead as possible unless otherwise authorised, travel economy class, and use the most economical type and size of rental car;
- (c) When staying overnight on business expensive meals at hotels are to be avoided, and subject to (g) below alcohol and mini-bar costs are personal expenses and will not be reimbursed;



- (d) All international travel (including PESA employee travel, the cost of which is to be funded by the FRA) and conference attendances must be pre-approved in writing by the CEO.
- (e) Taxi use will be moderate, conservative and cost effective and rental cars shall not be used for personal use;
- (f) Unless specifically approved by resolution of the Board, travel costs of accompanying spouses, partners or other family members will not be paid by FRA;
- (g) Entertainment and hospitality costs will not be reimbursed unless the reason for the expenditure has been pre-approved (see also FRA's Entertainment Policy in the Staff Manual – Yellow Book);
- (h) An employee may ask to take personal leave in conjunction with business travel. The proposal may raise issues of dominant purpose, impartiality and transparency. In these circumstances the FRA, if it is to permit the leave, will need to be satisfied that the primary purpose of the trip is a business one, there will be no additional costs to the FRA, and that the arrangement won't give rise to any perceptions of inappropriateness;
- (i) Tipping costs will not be reimbursed (unless incurred in a country where tipping is the norm);
- (j) Reserved
- (k) For the rules relating to cellphone usage see Section 15 in the Staff Manual.
- (l) From time to time the CEO may enable staff to purchase goods from a supplier on the same or a similar basis to the FRA. Whenever this happens the arrangement must not be allowed to affect the FRA's choice of suppliers; staff may not use the purchasing privilege on behalf of any third party (such as family members or friends); and the cost of the purchase must be paid for by the employee on receipt of the goods. On no account may the FRA be used as a source of credit by the employee;
- (m) The CEO may authorise the use of credit cards by specified members of the staff. Should that happen:
 - (i) No credit card shall have a credit limit of more than FJ \$15,000 VIP or such higher amount as the Board shall by resolution approve.
 - (ii) No credit card shall be used for private expenditure or for obtaining cash advances.
 - (iii) The user will promptly (not later than 14 days after the purchase) provide a receipt for every expenditure item over \$25 (VIP) and the card will not be topped up until that has been done.

The process for usage of the credit card(s) shall be as shown in Table F 15.1.

These examples illustrate the type of behaviour the FRA expects. For so long as FRA and PESA staff (and where relevant the FRA's other Consultants and Contractors) understand this and act accordingly more prescriptive rules won't be imposed. However the matter will be closely monitored and **that will be done if non-compliance starts to creep in.**

Personal expenditure and expenditure incurred outside, or in excess of, these guidelines or outside or in excess of the FRA's:

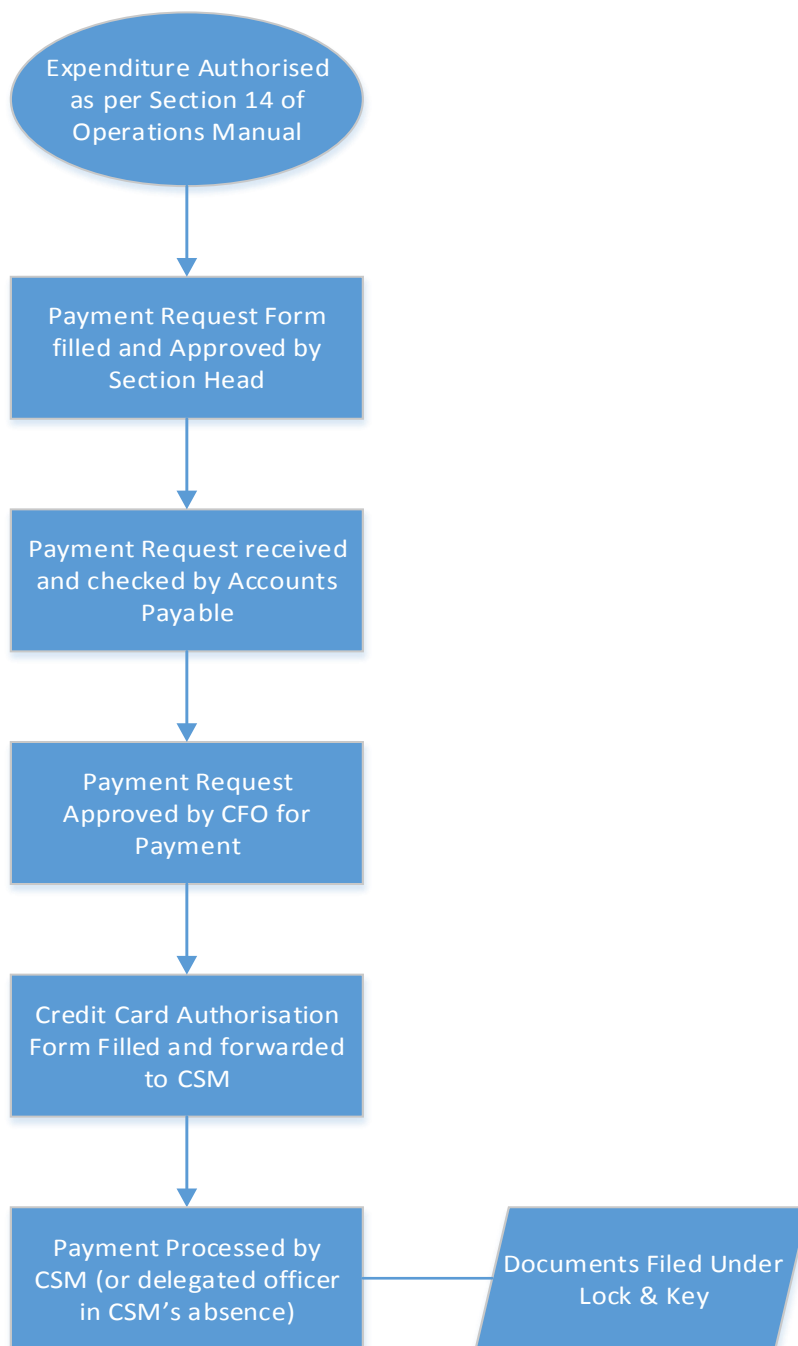
- Travelling Expenses Policy (See the Staff Manual – Yellow Book);
- Entertainment Policy (See the Staff Manual – Yellow Book);
- No Gifts Policy (Attachment 'B'; (or its)
- Training & Development Policy (see the Staff Manual – Yellow Book);

will not be tolerated and will not be reimbursed.



Table 15.1

CREDIT CARD USAGE PROCESS



16.0 RESERVED

17.0 COMPLIANCE – INTERNAL & INDEPENDENT AUDITS OF WORK PROCESSES AND RECORDS

17.1 Introduction

- (a) The Risk & Assurance Manager will carry out checks throughout the year to ensure that all of the requirements of this Manual are being satisfactorily complied with and to identify areas for improvement. In addition FRA will, from time to time, commission other parties to carry out independent audits in specified areas (including audits of the quality of the work that has been done on the roads).
- (b) The checks may be relatively superficial reviews of a number of areas or indepth studies of all aspects of particular processes and they will be conducted (**relating to the actions of, and information held by, both the FRA & PESA**) at irregular intervals, without prior warning.
- (c) Whenever requested to do so the relevant FRA staff or PESA employees will immediately provide, in full, all required documents and/or other information; are expected to be totally forthright in their dealings with the FRA's internal or independent auditors; and will immediately respond – fully and openly - to the auditors' questions.
- (d) In carrying out the checks listed below the Auditors will also take care to identify and address other areas where weaknesses can occur. (See 'Learning From Past Mistakes and From the Experiences of Others' – Attachment 'L').

17.2 Audit Master Control to be Maintained

A chronological record of all audit findings requiring FRA action will be recorded in an 'Audit Master Control'.

The Audit Master Control will be maintained and managed by the Risk & Assurance Manager and shall be in such form as he may decide.

The Risk & Assurance Manager will promptly report (in writing) any significant adverse findings that may be discovered during any audit to the CEO and when in the CEO's opinion the matter is of such seriousness that it should be reported to the Board the CEO will immediately report it to the Chairman and as soon as possible thereafter to the Board.

17.3 Particular Areas to be Regularly Audited

The areas to be audited (and when they will be done) will be as the CEO may direct or the Risk & Assurance Manager may decide but they will include regular reviews to confirm **at least** the following:

(a) Level 1 Compliance Requirements

- (i) **All management issues raised in the Audit Office's last annual audit report and in audits carried out by the Risk & Assurance Manager and FRA's Independent Auditors during the year have been either resolved or are being satisfactorily addressed;**
- (ii) All expenditure is in accordance with the originally approved budget. No budget that hasn't been subsequently formally amended has been exceeded;
- (iii) All procurements have been within the delegated financial limits of the Tenders' Committee, the Chairman, and/or of the officers concerned;



- (iv) Except in the case of a scope change variation (or variations) not exceeding \$50,000 VIP (or \$100,000 VIP approved by the CEO) no contract expenditure has exceeded the approved total contract price (including contingencies and any variations);
- (v) VAT & Provisional Tax is being properly accounted for through the job costing process – and regularly reconciled;
- (vi) PAYE, and the FNPF & FNU levies are being properly accounted for and regularly reconciled.
- (vii) Costs are being charged to the correct account codes;
- (viii) Contract progress payment certificates are being correctly completed and certified in full accordance with the requirements of this Manual. Supporting information for every payment is attached to the voucher or is neatly and chronologically kept on or with the contract file;
- (ix) Purchase order procedures are being fully adhered to in all respects;
- (x) No payroll or leave anomalies – especially all employees being correctly paid and no overpayments. All personnel and leave files are being correctly and tidily maintained;
- (xi) All financial or 'financial related' risks listed in the 'Risks Register' are being properly managed and the mitigation action being taken for each is appropriate, fully recorded, and up to date;
- (xii) All of the provisions in this Manual continue to be entirely appropriate and relevant (and don't require amending – or adding to – in any area);
- (xiii) No weaknesses identified in the way that contract management and financial information is transmitted between PESA and the FRA or relating to the way that it is held by those two parties and able to be accessed by the other; and
- (xiv) Regular spot checks of the contract procedures being followed by MWH, other Consultants and Contractors confirm that all requirements are being fully complied with.

Note: This comprehensive contract 'audit check' is in addition to the audits of specific contract matters mentioned elsewhere in this list. It involves a complete 'spot check' from the time the tenders are called to the point where the final payment is made and the **Contract File** closed (or to whatever other point in the contract the **works have** reached at the time of the check).

The Risk & Assurance Manager will maintain a confidential list of the matters he (or others) check when carrying out an audit of this type and will 'sign off' and retain for future reference if required, the results of every such audit.

- (xv) All reimbursements collectable from the ADB and the World Bank have been claimed.
- (xvi) Regular checks of the contract arrangements with the FRA's Principal Professional Engineering Services Provider and the correctness and sufficiency of all payment information and of the way the whole arrangement is working.
- (xvii) Regular checks of the whole arrangement with the Ministry of Provincial Development for the management of the Outer Islands Roads.
- (xviii) Periodic checks of the Asset Register – including the Asset Management System.
- (xix) Contract retentions are being properly managed and reconciled.



- (xx) If there are any concerns about the quality of the work being done by a particular contractor (or contractors) the Risk & Assurance Manager is satisfied appropriate action is being taken and the matter is not being allowed to 'drift'.
- (xxi) The originals of all required contract bonds are in the FRA's possession, all are current, recorded in the Important Documents Register, and safely stored.

(b) Level 2 Compliance Requirements

- (i) The FRA is confident that the financial affairs of FRA are complete, correct, totally understood and up to date in all areas – including the asset register;
- (ii) Any financial management weaknesses identified by FRA's own performance monitoring processes (including those listed in Attachment 'L') have been/are being satisfactorily addressed;
- (iii) Complete and correct expenditure reports and the bank reconciliations are being completed within 5 working days of the end of each month;
- (iv) The cashflow forecast is being updated and advised to the MOF by 20th of every month;
- (v) No areas of potential conflict of interest that haven't been satisfactorily addressed;
- (vi) All of the requirements of the ADB and World Bank have been satisfactorily met, in all respects, (including the submission of all required reports to the ADB and the World Bank by the due date);
- (vii) No outstanding contract disputes that should have been addressed before now;
- (viii) All matters relating to work funded by the Chinese EXIM Bank are being satisfactorily addressed and managed;
- (ix) Reserved
- (x) Damage done to the roads for which the Water, Electricity or Telecommunications Companies are liable is being properly identified, charged for, and all monies due paid;
- (xi) Non financial procurement performance is being routinely monitored and managed throughout the year and prompt action is being taken when it isn't as required;
- (xii) No 'Intellectual Property' issues (between FRA & PESA); and
- (xiii) The FRA's seal is being properly managed. (All documents that are required pursuant to Section 14.1 to be sealed are being correctly executed under seal and reported to the next Ordinary meeting of the Board.– A full record is being kept in the Seal Register).

(c) Level 3 Compliance Requirements

- (i) Vouchers are being correctly filed and stored in a manner from which required information can be readily retrieved;
- (ii) Vouchers have attached to them all of the information required;
- (iii) All vouchers have been stamped as paid, the invoices stamped as posted, and posting to the General Ledger is being done within the required time.



- (iv) It is easy to identify in the ledger records the date, voucher number and amount of the payments and from the way the descriptive information is provided what each payment was for;
- (v) A check of the list of all payments made to individual creditors doesn't raise any questions;
- (vi) The way in which the whole tenders process is being managed (from **contract** conception to **contract** completion) doesn't raise any issues;
- (vii) The Contracts' Register is up-to-date in all respects;
- (viii) The contract files are being properly kept (with all relevant information) and after **contract** completion are being properly stored –are readily accessible – and recorded information is able to be readily retrieved;
- (ix) No issues identified re contract deposits, performance bonds, insurances or retentions – (All balances can be easily reconciled);
- (x) The Asset Register is being properly kept and is up to date – and reconciles with the Asset Management System;
- (xi) Where contracts have been varied there is a complete audit trail of 'why' and 'how' (including the readily retrievable 'original' of all approved variations);
- (xii) A '**Contract** Completion Summary' has been prepared for every completed contract (See Section 9.2);
- (xiii) Reserved;
- (xiv) No issues relating to vehicle use records and charges;
- (xv) No sensitive expenditure issues (and credit cards – if any - are being satisfactorily managed);
- (xvi) The correct exchange rates are being used when converting payments due in \$US for any EXIM Bank funded contracts;
- (xvii) Subdivision and development control is being properly managed (No subdivision or development that has the potential to adversely impact the network is occurring without consent; relevant conditions are being imposed and enforced; no instances where conditions of approval should have been imposed but weren't; full records being kept – especially of payments due – including 'how' and 'when' the money was used). (See Attachment 'E');
- (xviii) Land purchase and roads' legalisation matters are being properly managed. (Full records are being kept and are up to date – (See Attachment 'F') - , all required processes are being promptly carried out as required). The list of legalisation work that is still to be finalised is continuing to get shorter;
- (xix) No weaknesses relating to FRA's relationship with the Utilities providers (No evidence of roads being ripped up for the placement of power, water, wastewater, telecommunications or gas lines in other than a properly controlled manner that doesn't adversely impact FRA's assets or cause it additional expense);
- (xx) The way in which expenditure is being reported to managers throughout the year is operating entirely satisfactorily (any areas for improvement?); and



- (xxi) Financial reports to managers are in an easily understandable form and managers are actually using the process and taking prompt action when performance isn't as required.

18.0 RESERVED

19.0 THE ANNUAL TIMETABLE

The annual timetable is shown in Table 19.

Table 19 – The Annual Timetable

January	Amend the AMP to ensure its consistency with the CPSCI.
February	Performance results for the previous year reported to the Board. Draft Annual Report ready for audit. General Management Manual updated Risk Management Report to the Audit Committee. Employees complete their Performance Appraisal forms by 15 February. Refresher training provided for all FRA, and all relevant MWH staff (Section 11.0 Staff Policy).
March	Employees' Annual Performance Appraisal Process completed.
April	Operations Manual ("Green Book") updated. Audited Annual Report complete and sent to the Minister (Sec 30 of the Decree).
May	Asset Management Plan ("Mauve Book") updated (Consistent with the current Corporate Plan and Statement of Corporate Intent and to aid preparation of the next year's detailed works programme). Risks' Management Manual ("Grey Book") updated. Effective date of employees' annual pay review (Section 5.2 Staff Manual).
June	Annual PSIP commences.
July	Proposed detailed works programme for the next year completed. Staff Manual ("Yellow Book") updated. Half-yearly report provided for the Minister. (Sec 29 of the Decree). Employees' half yearly performance evaluated (Section 8.5 Staff Manual).
August	The Government's annual budget process commences. Risk Management Report to the Audit Committee.
September	The Government's annual budget process continues. Organisational Performance Manual updated
October	The Government's annual budget process continues.
November	The Government makes its final budget decisions for the next year.
December	Corporate Plan and Statement of Corporate Intent completed and issued. The CEO & PESA agree the procurement programme for next year (i.e. the order in which, and the timing, for new contracts to be advertised and let).
Monthly	Any significantly adverse performance trends reported to the Board. Projects' performance information reported to the Board (as a part of the combined "Statement of Financial and Service Performance" report). Expenditure statement distributed to FRA Managers and to MWH (within 10 working days of the close of the month). Expenditure statement reported to the Board. Bank reconciliation completed (within 5 working days of the close of the month). Cashflow forecast updated and advised to MOF (by 20 th of the month). 'Contracts Status Report' to every ordinary meeting of the Board List of documents executed under seal to every ordinary meeting of the Board.



Note: To avoid unnecessary work and duplication, enhance stakeholder understanding, and enable the performance trends to be easily seen, it is essential that information in the following documents be at all times consistent, wherever possible in the same format, and the same from year to year.

- (a) The proposed detailed works programme for the next year. (The annual PSIP process).
- (b) The Asset Management Plan. (AMP)
- (c) The Corporate Plan and Statement of Corporate Intent. (CPSCI)
- (d) The Half-Yearly Report.
- (e) The Annual Report.
- (f) Management Expenditure Reports.
- (g) Regular Reports to the Board.

20.0 MANUAL DISTRIBUTION

This Manual will be widely distributed and promoted.

- All FRA and PESA staff will be constantly reminded of its existence and the necessity to at all times comply with all of its provisions.
- A copy of it will be placed on FRA's website for the public's information.
- FRA's contractors and consultants will be advised of its existence so they may better understand how the work that they do integrates with the FRA's overall responsibilities and especially, the criteria the FRA uses to measure its (and their) performance against.

21.0 MANUAL REVIEW

This Manual will be updated at least once annually – by not later than 30 April.

Most of the detailed updated information will be provided by the Financial Controller. Overall responsibility for co-ordination and finalising the document rests with the Risk & Assurance Manager.

Every update is by resolution of the Board.

The Risk & Assurance Manager will keep a 'Master Control' copy signed by the CEO.

Interim proposed amendments may be issued by a memo from the CEO from time to time, and enforced by him pending the Board's confirmation.

The Board may, by resolution from time to time, make a decision that is contrary to the requirements of this Manual. Such resolution (or the supporting Board paper) shall clearly record the reasons why the exception has been necessary.

From time to time areas for improvement or other changes to this Manual may be identified. However all requirements as stated herein continue to apply, and must be adhered to unless changed by resolution of the Board, or authorised in writing by the CEO.

No FRA employee shall make any statement or decision that is contrary to any of the provisions of this Manual.



Attachment 'A'
CONFLICT OF INTEREST DECLARATION

Section 2.2(b)

CONFLICT OF INTEREST DECLARATION

DISCLOSURE FORM

I, _____
(Name and Position)

of _____
(Section)

solemnly and sincerely declare that I have the following financial/business interest (or potential financial/business interest that may conflict with my duties here at the Fiji Roads Authority:

Name/Type of Business	Involvement	Actual/Apparent Conflict
e.g. Family Business	Shareholder	Contract dealings with FRA or FRA's suppliers.

Type of conflict	How will I manage it
e.g Board Decisions	Will not participate in the meeting where there is possibility of the interest being perceived as a conflict with the matter the subject of the discussion
e.g Commercial dealings	Will ensure the plant items owned by the company in which I have an interest are not hired for use by the FRA other than in a manner where I am not involved either directly or indirectly in the FRA decision; and my having made this declaration I would expect the FRA to make its decision: <ul style="list-style-type: none"> - knowing that I have an interest in the company concerned; - on sound 'value for money' business grounds; and - for reasons that are transparent and clear.

I make this solemn declaration believing the same to be true.

Declared at _____ this _____
day

of _____, 20_____



Signed: _____
(Declarant)

Witnessed by:

Name: _____ **Position:**

Signature: _____ **Date:** ____/____/____

Official Use Only

Received in the Fiji Roads Authority Office.

Signed: _____ **Date:** ____/____/____
Name:
Position:



Section 2.1(c)

NO GIFTS POLICY

1.0. Declaration of Policy

The Fiji Roads Authority is a Body Corporate established under the Fiji Roads Authority Decree 2012 and its amendments. As a Body Corporate, it requires that all Directors, officers, and employees practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in the performance of their duties and functions, without expectation of any undue favour or reward.

2.0. Legal Basis

This 'No Gifts' Policy has been adopted pursuant to the following:

- 2.1. Section 123, of the 2013 Constitution states that, "The values and principles of 'State Service' includes; (a) high standards of professionalism, including professional ethics and integrity and; in (d) being free from corruption. maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption."
- 2.2. Section 163 of the Constitution states, public office means an office created by or continued in existence under this Constitution. And the Crimes Decree 2009 defines Public Officer as any person;
 - who is an officer or employee of a government authority or agency, whether or not the authority or agency is established by an Act;
 - any person who is a contract service provider for a government contract; and
 - any person who is an officer or employee of a contracted service provider to or under a government contract.
- 2.2 Section 163 (d) of the Constitution defines corrupt practices as requesting or accepting any benefit to which a person is not lawfully entitled.
- 2.4 Section 136 of the Crimes Decree states a public official commits a summary offence if - the official without lawful authority or reasonable excuse—
 - asks for a benefit for himself, herself or another person; or
 - receives or obtains a benefit for himself, herself or another person; or
 - agrees to receive or obtain a benefit for himself, herself or another person.

3.0. Scope

This Policy shall apply to the Board of Directors, officers, and employees

including contracted firms and sub-contracted firms, contracted employees and sub-contracted employees, consultants and sub-consultants of FRA (hereinafter referred to as 'The Officers').

4.0. Responsibility

4.1. MANAGEMENT AND BOARD OF DIRECTORS

- 4.1.1. Ensure that all employees follow the policies and procedures on "No Gifts Policy"; and
- 4.1.2. Read, understand and follow the standards and procedures on "No Gifts Policy".

4.2. EMPLOYEES AND OFFICERS

- 4.2.1. Read, understand and follow the standards and procedures on "No Gifts Policy".

5.0. Prohibition on Solicitation and Acceptance of Gifts

- 5.1. The FRA, and the Officers shall not solicit, accept or use, directly or indirectly any gifts such as gratuity, favour, loan, hospitality and/or entertainment, or anything of monetary value from a person, groups, associations or associates, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office.
- 5.2. The prohibition shall include, but not be limited to:
 - 5.2.1. Honoraria, regardless of amount given as a speaker or resource person in seminars or where the Officer is participating by reason of his/her office with the provider;
 - 5.2.2. Sponsorship in any form of any of the internal programs, activities, and affairs of the FRA, such as Christmas parties, anniversary, commemorations, and other similar events;
 - 5.2.3. Advertisements in the publications of the FRA;
 - 5.2.4. Accepting from any party who has or maybe offering its services to FRA, discounts, rebates, waivers and other forms of monetary incentives or benefits that may not be available to members of the public;
 - 5.2.5. Gifts which would be illegal or in violation of law;
 - 5.2.6. Gifts which is part of an attempt or agreement to do anything in return;
 - 5.2.7. Gift which is being made to influence the Officer's actions as such; and
 - 5.2.8. Gift which could create the appearance of a conflict of interest.

6.0. Exceptions to the Prohibition on Acceptance and Giving of Gifts

Exempted from this Prohibition are the following:

- 6.1. Gifts that may be given among members of Inter-Agencies or Offices to which the FRA belongs, in the customary and normal course of business, as may be determined and approved by the CEO of the FRA;
- 6.2. Gifts or tokens offered or given as symbol of kinship or partnership during gatherings or conferences to which the FRA is a participant, host or sponsor;
- 6.3. Gifts given to an Officer with an estimated value of not more than \$50.00;
- 6.4. The acceptance and retention of certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy;



- 6.5. The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that an Officer obtains at events, such as conferences and seminars, and which are offered equally to all participants;
- 6.6. Acceptance of books, pamphlets, publications, and data and other information or reading materials that are directly useful to the FRA in the performance of its mandates, objectives, which books and other materials are given by individuals or organizations that have no pending business with the FRA as to create an actual or potential conflict of interest;
- 6.7. The acceptance of a scholarship or fellowship grant, travel grants or expense for travel taking place within or outside of Fiji (such as allowances, transportation, food and lodging) of more than nominal value, if such acceptance is appropriate and consistent with the interests of the Government, and permitted by the Board of Directors; and
- 6.8. The acceptance or availment by the FRA of grants from local or foreign institutions in the pursuit of its mandates, projects and activities, such as those coming from ADB, World Bank and AUSAID, provided that the availment thereof shall be strictly in compliance with applicable procurement laws, rules and regulations.

7.0. Public Information

- 7.1. Any Officer to whom a gift covered by a prohibition under this policy is offered must inform the individual or organization of the policy, the reasons why the FRA adopted it and request such individual or organization to respect the policy.
- 7.2. Notices informing clients and visitors of this “No Gift Policy” shall be posted within the premises and on the website of the FRA.

8.0 Return and Acknowledgment of Gift

If any Officer receives a gift covered by the prohibition under this policy such gift shall immediately and politely be declined. An acknowledgment letter shall be sent to the donor informing him/her of the policy and that the gift has been returned.

9.0. Penalties

This policy shall serve as a supplement to existing laws, rules or regulations covering gift-giving and receiving. Any violation of it shall be subject to administrative sanctions under Public Service Laws and Rules, and other applicable laws, rules and regulations.

10.0. Effectiveness

This policy shall become effective upon approval of the FRA Chief Executive Officer.

11.0. Repealing Clause

All existing guidelines, orders, policies and other issuances, which are inconsistent with any provision of this policy shall be deemed superseded.



Attachment 'C'

RESERVED



Attachment 'D'
SHORT FORM AGREEMENT TEMPLATE

Section 4.2.12

SHORT FORM AGREEMENT FOR



Short Form Agreement for Consultant Engagement

Parties:

Between: *Fiji Roads Authority*

(Client)

.....
And

(Consultant)

.....
Collectively referred to herein as the "Parties" and individually as a "Party"

Contract Number:

Project:

Location: *Fiji*

Scope & Nature of the Services:

Programme for the Services:

▪

Fees & timing of payments:

Information or services to be provided by the Client:

The Client engages the Consultant to provide the Services described above and the Consultant agrees to perform the Services for the remuneration provided above. Both Parties agree to be bound by the provision of the Short Form Model Conditions of Engagement (overleaf), including clauses 2, 3, 9 and 10 and any variations noted below. Once signed, this agreement, together with the conditions overleaf and any attachments, will replace all or any oral agreement previously reached between the Parties.



<p><i>Client authorised signatory (ies):</i></p> <p>_____</p> <p><i>Fiji Roads Authority Chairman</i></p> <p><i>Date:</i></p> <p>_____</p> <p><i>Fiji Roads Authority Board Member</i></p> <p><i>Date:</i></p> <p>_____</p> <p><i>Witness Signature</i></p> <p>_____</p> <p><i>Witness name</i></p>	<p><i>Client authorised signatory (ies):</i></p> <p>_____</p> <p><i>Client authorised signatory</i></p> <p>_____</p> <p><i>Print name</i></p> <p><i>Date:</i></p> <p>_____</p> <p><i>Witness signature</i></p> <p>_____</p> <p><i>Witness name</i></p> <p><i>Date:</i></p>
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SHORT FORM MODEL CONDITIONS OF ENGAGEMENT

1. The Consultant shall perform the Services as described in the attached documents.
2. Nothing in this Agreement shall restrict, negate, modify or limit any of the Client's rights under the Fiji Road Authority Decree 2012.
3. In providing the Services the Consultant shall exercise the degree of skill, care and diligence normally expected of a competent professional.
4. The Client shall provide to the Consultant, free of cost, as soon as practicable following any request for information, all information in his or her power to obtain which may relate to the Services. The Consultant shall not, without the Client's prior consent, use information provided by the Client for purposes unrelated to the Services. In providing the information to the Consultant, the Client shall use best endeavours to ensure compliance with the Fijian Copyright Act and shall identify any proprietary rights that any other person may have in any information provided.
5. The Client may order variations to the Services in writing or may request the Consultant to submit proposals for variation to the Services. Where the Consultant considers a direction from the Client or any other circumstance is a Variation the Consultant shall notify the Client as soon as practicable.
6. The Client shall pay the Consultant for the Services the fees and expenses at the times and in the manner set out in the attached documents. Where this Agreement has been entered by an agent (or a person purporting to act as agent) on behalf of the Client, the agent and Client shall be jointly and severally liable for payment of all fees and expenses due to the Consultant under this Agreement.
7. Where Services are carried out on a time charge basis, the Consultant may purchase such incidental goods and/or Services as are reasonably required for the Consultant to perform the Services. The cost of obtaining such incidental goods and/or Services shall be payable by the Client. The Consultant shall maintain records which clearly identify time and expenses incurred.
8. Where the Consultant breaches this Agreement, the Consultant is liable to the Client for reasonably foreseeable claims, damages, liabilities, losses or expenses to the extent caused directly by the breach.
9. Where the Client breaches this Agreement, the Client is liable to the Consultant for reasonable foreseeable claims, damages, liabilities, losses or expenses to the extent caused directly by the breach.
10. Without limiting any defences a Party may have under the Limitation Act Cap 35, neither Party shall be considered liable for any loss or damage resulting from any occurrence unless a claim is formally made on a Party within 6 years from completion of the Services.
11. If either Party is found liable to the other (whether in contract, tort or otherwise), and the claiming Party and/or a Third Party has contributed to the loss or damage, the liable Party shall only be liable to the proportional extent of its own contribution.
12. The Consultant's maximum aggregate liability to the client, whether in contract, tort or otherwise, in relation to claims, damages, liabilities, losses or expenses, shall be five times the fee (exclusive of



- VAT and disbursements) with a maximum limit of \$FJD1,000,000. This clause does not merge and continues to bind the parties after termination, novation, expiration or conclusion of the Agreement.
13. Intellectual property prepared or created by the Consultant in carrying out the Services ("New Intellectual Property") shall be jointly owned by the Client and the Consultant on payment of the Fee. The Client and Consultant hereby grant to the other an unrestricted royalty- free license in perpetuity to copy or use New intellectual Property. Intellectual property owned by a Party prior to the commencement of this Agreement and intellectual property created by a Party independently of this Agreement remains the property of that Party. The ownership of data and factual information collected by the Consultant and paid for by the Client shall, after payment by the Client, lie with the Client. The Consultant does not warrant the suitability of New Intellectual Property for any purpose other than the Services or any other use stated in the Agreement.
 14. The Consultant has not and will not assume any obligation as the Client's Agent or otherwise which may be imposed upon the Client from time to time pursuant to the Health and Safety At Work Act 1996 or the Employment Relations Promulgation 2007 arising out of this engagement. The Consultant and Client agree that in terms of the legislation, the Consultant will not be the person who controls the place of work.
 15. The Client may suspend all or part of the Services by notice to the Consultant who shall immediately make arrangements to stop the Services and minimise further expenditure. The Client and the Consultant may (in the event the other Party is in material default) terminate the Agreement by notice to the other Party. Suspension or termination shall not prejudice or affect the accrued rights or claims and liabilities of the Parties.
 16. The Parties shall attempt in good faith to settle any dispute by mediation.
 17. This Agreement is governed by Fijian law, the Fijian courts have jurisdiction in respect of this Agreement, and all amounts are payable in Fijian dollars.
 18. The Consultant will guarantee that all Occupational Work Health & Safety requirements are satisfied.
 19. The Parties shall not disclose or distribute any confidential information, documents, data received or supplied to the other in the course of implementation of this Short Form Agreement to any third party except as authorised in writing to do so by the requesting Party. The Parties further agree to recognise each other's intellectual property rights in relation to the performance on the responsibilities of each party under this Short Form Agreement.
 20. The consultant hereby undertakes to keep confidential all matters relating to the Fiji Roads Authority (FRA) and to government departments and agencies that are disclosed in the course of the work and shall not disclose any such matters other than those already in the public domain or as agreed in writing by FRA's Chief Executive Officer.



ASSETS VESTED THROUGH SUBDIVISION AND DEVELOPMENT

Section 4.2.8

ASSETS VESTED THROUGH SUBDIVISION AND DEVELOPMENT



1.0 Introduction

One way the FRA acquires assets is through the vesting of roads (as that term is defined in the Decree) that are constructed as a condition of approval when land is subdivided and/or developed.

This is a relatively small part of the FRA's responsibilities but a very important one. This attachment describes the subdivision and development checking process and the requirements.

2.0 The Subdivision and Development Consenting Process

- (a) No subdivision or development **(including a proposed Government or 'Government supported' project)** shall be allowed to proceed until a scheme plan (or development plan) has been submitted to the Department of Town and Country Planning.
- (b) The Department of Town and Country Planning will circulate a copy of every application received to the FRA.
- (c) The FRA will study every application to determine if, in its opinion, the proposed subdivision or development is likely to impact the network in any way – either during its construction or after completion (or both).
- (d) If, in the FRA's opinion, the proposal is likely to impact the network appropriate requirements will be imposed as a condition of the FRA's consent to the proposed subdivision or development proceeding. Such requirements may include, but are not limited to, a condition (or conditions) requiring the subdivider or developer to:
 - (i) construct a new road or upgrade an existing road;
 - (ii) pay to the FRA a sum of money to enable the FRA to fund the cost of managing or mitigating the envisaged impacts itself (and/or);
 - (iii) not to erect any building forward of a prescribed building line on the subject property – such building line condition to be registered on the property title;

Any condition imposed pursuant to the foregoing may, without limitation and by way of illustration only, include a requirement (or requirements) to:

- (i) construct any proposed vehicular crossing at a particular location and limit vehicular access to the property to that point or points;
- (ii) construct off-road parking (including turn-around facilities) on the subject property;
- (iii) widen an existing road to provide safe ingress and egress to the subject property;
- (iv) construct footpaths, parking spaces or parking areas, bus stops and bus shelters;
- (v) provide new, or upgrade existing, road lighting;
- (vi) provide new, or upgrade existing, road signage;
- (vii) ensure the provision of such storm water control as the FRA may direct – including the construction or upgrading of storm water lines on the subject or across other property and the granting of easements in favour of the FRA if necessary;
- (viii) provide roadside beautification;
- (ix) in the case of an unsealed road pay to the FRA the cost of widening, additional drainage, and additional metalling during the entire period of any proposed extraordinary heavy vehicle use;
- (x) obtain the FRA's approval to a traffic safety plan and comply with all provisions of the approved plan to the FRA's satisfaction during the construction or upgrading work; (and)
- (xi) (if appropriate) upon completion of the construction or upgrading work, in a manner specified by the FRA, provide plans of the completed roadworks.
- (xii) Vest ownership of the asset, free of charge, in the FRA as a public road



- (e) In formulating the proposed conditions of consent:
 - (i) for consistency purposes the same officer shall, if at all possible, have responsibility for coordinating the responses to all applications received from the Department of Town and Country Planning;
 - (ii) all conditions will be prepared based on the FRA's adopted road standards and those standards shall not be relaxed without good reason;
 - (iii) the proposed conditions will be properly expressed in a clear and professional manner;
 - (iv) the report shall be provided to the Department of Town & Country Planning within not more than 20 working days of the application's receipt and preferably (a lot) sooner; (and)
 - (v) the CEO shall have delegated authority to 'sign off' all proposed conditions.
- (f) Where there is a requirement to construct and/or upgrade a road or any other significant infrastructure asset the consent condition will include a requirement that before work starts the applicant shall submit an engineering plan of the proposed works for the FRA's approval - and except with the FRA's consent shall not commence the construction or upgrading work until the FRA's approval (in writing) has been obtained.
- (g) The FRA will carry out regular inspections during construction (or upgrading of the road or other asset) to ensure the road or other asset is actually constructed (or upgraded) to the standards it has required.
- (h) The sub-divider (or developer) will not commence the proposed land activity intended by the subdivision or development, and the Department of Town and Country Planning will not certify the subdivision or development as completed, until the FRA has certified in writing that all conditions imposed by the FRA have been satisfactorily met.

3.0 A Full Record of All Actions Taken on Each Subdivision or Development Applications to be Kept

A full and careful separate record will be maintained of every subdivision and development.

At the front of the file there will be a control sheet that contains at least the following information:

- (a) The reference number (Title of the Works Division/Year/Overall Consecutive Number – e.g. W/12/31);
- (b) The date notice of the application was received;
- (c) The name and contact address of the applicant;
- (d) The name and contract address of the property owner (if different to the applicant);
- (e) The address of the property;
- (f) A brief description of the application;
- (g) Details of any additional information that the applicant may have been required to provide and the dates upon which this was asked for and received;



- (h) The name of the FRA or PESA person or persons who prepared the report on the application (A written report will be prepared on every application);
- (i) The date the report was forwarded to (The Department of Town & Country Planning)– including a notation recording the number of working days it has taken FRA to process the application since its receipt (excluding the number of days between the date of requesting further information and the date of its receipt);
- (j) The date the Engineering Plans (if required) were received;
- (k) The date the Engineering Plans were approved (and 'who by');
- (l) A record of all inspections carried out (when and 'who by' and the inspection findings);
- (m) The date the required Certificate of Completion was sent to the Department of Town & Country Planning (and 'who by'); and
- (n) The date information about any vested assets was given to the Financial Controller for recording in the assets register (and 'who by').

4.0 Subdivision and Development Register

FRA will also maintain a subdivision and development register index that contains at least the following information:

- (a) The reference number of every application for subdivision and development;
- (b) The name and address of the applicant;
- (c) The property address; and
- (d) A brief description of what the application is for.
- (e) The type of subdivision or development:
 - Residential
 - Commercial
 - Industrial
 - Rural
 - Mining
 - Other

The information to be able to be sorted by reference number, by division, by year, by applicant, by the name of road the subdivision or development is on, and by type.

5.0 Conclusion

The FRA can incur hundreds of thousands, perhaps even millions of dollars in additional costs if this task isn't managed responsibly. Many road authorities have incurred serious problems in this area – especially due to insufficient consideration being given to proposed subdivisions and/or developments in the early stages and major damage being subsequently caused to the roads (perhaps over an extended period of time) by mining, foresting, or road use associated with major developments (like the construction of a new dam or power station).

The FRA needs to be constantly on the lookout for this type of potential use of the roads and taking prompt proactive action – not waiting until the problem occurs. Sometimes the people involved (including Government Agencies) will argue that they don't need any consents.

6.0 Additional Responsibilities

The FRA also provides engineering technical advice for the Department of Town & Country Planning – examples of which are:

- (i) Future proposed new roads and road widening;
- (ii) Building line setback requirements for proposed new development; and
- (iii) The provision of property access.

MWH currently carries out most of this work on the FRA's behalf but the continuing appropriateness of that arrangement is to be reviewed.

The Strategy & Planning Manager will regularly audit the process to ensure it is being effectively and efficiently managed – especially:

- that all land development proposals that may impact the roads are coming to the FRA for review;
- that all applications are being processed within the required timeframe;
- that sufficient property inspections are being carried out to ascertain exactly what is proposed and its likely impacts;
- that the conditions that are being imposed are adequate (cover all likely aspects) and are clearly expressed;
- that all relevant people are contributing to the 'condition formulation' process (e.g. Bridge Engineer, Maintenance Works Manager, Capital Works Manager, Strategy & Planning Manager);
- that adequate inspections are being carried out to confirm the sufficiency of the required work and the application is not signed off until that has been achieved;
- that there is a clear auditable process in place for tracking the payment of any contribution required (charging for, payment, funds' use etc)
- that any 'as built' requirements are being properly complied with; and
- that the records are such that it easy to obtain the answer to any question from them at any time.



ROADS' LEGALISATION – LAND PURCHASE FOR ROAD PURPOSES

Section 4.2.9

ROADS' LEGALISATION – LAND PURCHASE FOR ROAD PURPOSES

1.0 Introduction

Another procurement function that is peculiar to road authorities is the purchase of land for new roads or for road widening (or other road purposes) and the disposal of surplus pieces of road. The following explains how this process works and the requirements.

The explanation below has been prepared after discussion with the Ministry of Lands and relates principally to the purchase of land for roads in the former DNR area.

Many properties have to be purchased in the former municipal council areas as well and the FRA will need to determine what its programme for doing that, and how it is going to be done, is going to be. (See Risk No 150 in the 'Grey Book' – the FRA's Risks' Management Manual).

2.0 Overview

- (a) The FRA works closely with the Ministry of Lands relating to this responsibility.
- (b) The starting point is identification of the land that is going to have to be purchased:
 - (i) Many of the larger projects are “design and build”. In these circumstances the consultant prepares an initial plan that just shows the boundaries of the proposed new (or widened) road.
 - (ii) If the **contract** isn't “design and build” this plan is usually prepared by FRA staff.
 - (iii) The spatial plans are then overlaid in order to identify the boundaries of the land that is going to have to be acquired.
- (a) Land that has to be acquired falls into three categories:
 - (i) Communal (Mataqali) Land (87% of the land ownership in Fiji);
 - (ii) Privately owned land; and
 - (iii) Leased land

The procedures that have to be followed for Mataqali land are quite different to those that have to be followed for privately owned and leased land.

3.0 Mataqali Land

- (a) All matters relating to Mataqali land have to be coordinated through the Provincial Office.
- (b) The Provincial Office chairs a meeting of all stakeholders to decide the approach. This meeting may be attended by representatives from:
 - (i) The Provincial Office;
 - (ii) The Taukei Land Trust Board (iTLTB);
 - (iii) The Ministry of Lands (Valuers);
 - (iv) The FRA (Engineers and Valuers);
 - (v) The National Trust (e.g. burial grounds' protection);
 - (vi) The Ministry for the Environment;
 - (vii) The affected Mataqali; and

(viii) Others.

At this meeting all aspects of the proposal are discussed. This will include things like:

- (i) When the works are intended to happen;
- (ii) The compensation will be based on the current market value of the land.

The discussion however only relates to the community owned land. Buildings and other improvements are addressed as a separate issue.

- (c) After this meeting the Ministry of Lands and the iTLTB meet to consider the matters that have been discussed at the Provincial Office's stakeholders' meeting to finalise the proposed compensation package (which is prepared in a template form that has previously been approved by the Solicitor General). Their recommendation goes to the iTLTB Board and once approved by it a sale and purchase agreement is prepared and signed by both the Ministry of Lands and the iTLTB.
- (d) 75% of the agreed amount of compensation is paid within one month of the signing of the agreement and the balance 25% within two and a half years or completion of the final survey plan (whichever is the earlier).

Generally this process works well.

4.0 Other Privately Owned Property (Land and Buildings) and Buildings on Mataqali Land

- (a) A sale and purchase agreement is prepared by the Ministry of Lands (in the standard template form approved by the Solicitor General). If the building is on Mataqali Land the iTLTB is also a signatory to the sale and purchase agreement.
- (b) The offer is then made to the owners and at this point complications can arise because of the extent to which others might have an interest in the property (and their consent be required as well) e.g:
 - (i) Banks and the NPF (as mortgagee)
 - (ii) The local Council (as charge holder for unpaid rates)

Other potential problems include absentee property owners or the property being owned by an estate. Any lessees are required to consent as well. In addition to this, occasionally property owners will not be prepared to accept the Ministry's offer and seek to have the matter decided in the Court.

- (c) The 'compensation' in the case of built properties can also be more complex than for bare land and may include:
 - (i) Relocation of the building to another site on the same property or to another area of land elsewhere (and the extent to which the Ministry is going to help with preparation of the new site and the building's relocation etc)
 - (ii) Reinstatement of lawns, gardens, trees and shrubs and fences;
 - (iii) Storm water diversion or control;
 - (iv) The provision or reconstruction of property access. (and)
 - (v) So forth.

(d)

- (i) For land -75% of the agreed compensation is again payable upon signing of the sale and purchase agreement and the balance 25% within two and a half years or upon completion of the survey plan (whichever is the earlier).
- (ii) For buildings – 50% of the agreed compensation is payable upon signing of the sale and purchase agreement and the balance 50% following an inspection that confirms the satisfactory completion of all required work.

5.0 Survey Plan Completion

After the physical works have been completed a survey plan is prepared and is compared against the sale and purchase agreement to check any differences between the two. If more land than proposed has been taken additional compensation may be payable. If it is less the situation is accepted 'as is'.

The Ministry of Lands then proceeds to finalise the legalities and have the acquired land declared as road.

6.0 Areas for Improvement

The FRA will work with the Ministry of Lands to address the following issues:

- (a) The land that is going to be needed for road needs to be identified much earlier than has traditionally been the case.

The initial drawings that indicate the affected properties need to be available at the very least twelve months before work is scheduled to begin. The whole issue becomes unnecessarily complicated when, because of the short timeframe contractors access properties before negotiations have been completed or if there is an outstanding claim in the Court. Whilst obtaining access prior to reaching agreement may satisfy the 'works side of things' all it often does is simply put the Ministry in a more difficult negotiating situation.

The earlier identification of land required for road will be addressed when the asset management plan is being prepared.

- (b) Completion of the survey plans takes too long.

Ways of speeding this part of the process up need to be considered. The DNR's past practice has been to seek competitive quotes for the work and select the lowest price bidder and that isn't always the best option.

- (c) There is a significant backlog of roads' legalisation work. (Some survey plans are still to be lodged after 20 years).

- (d) In addition to the known backlog it is suspected there are many other road legalisation issues that haven't yet been addressed.

An exercise needs to be done to ascertain what the extent of these might be.

7.0 Roads' Legalisation Register

FRA will maintain a roads' legalisation register that contains at least the following information (a separate file to be kept for every affected property):

- (a) The date on which the need to acquire the property (or properties) first came to FRA's notice;
- (b) The name of the road (and the location – or addresses on that road) in respect of which land has to be acquired);
- (c) The name of the affected property owner(s) and whether the affected property is:
 - (i) Mataqali land only; or
 - (ii) Mataqali land with improvements on it; or
 - (iii) privately held land;or a combination of the foregoing.
- (d) Whether or not there are any lessees who are affected;
- (e) The dates upon which the following actions have been completed:
 - (i) Survey plan prepared;
 - (ii) Initial meeting with property owner(s);
 - (iii) Sale & purchase agreement prepared;
 - (iv) Agreement reached;
 - (v) First compensation payment;
 - (vi) Second compensation payment;
 - (vii) Survey plan received;
 - (viii) Legalisation completed; and
 - (ix) A comments section for any relevant explanations.

The register will include all known situations where there is uncompleted (perhaps not even yet commenced) roads' legalisation work.

8.0 Responsibility

The overall responsibility for the Land Purchase and Roads' Legalisation function rests with the **Capital Works Manager**.

9.0 Conclusion

Roads legislation can often be a rather drawn out process and is a responsibility that many road authorities don't do very well. There can be a tendency to "put it on the back burner" and, after the initial actions, complete it 'as time permits'. Of course time very seldom permits and so when that happens a major backlog of work and problems for the future can build up.

The FRA will maintain an accurate record of all known outstanding roads legislation issues and the CEO will review progress every six months. (See Section 18)



Attachment 'G'
TENDERS' CALLING AND EVALUATION

TENDERS' CALLING AND EVALUATION

INSTRUCTIONS

Sections 6.2 – 6.4

- Tenders shall not be called until Form 1 (attached) has been completed by PESA and approved by the FRA CEO.
- The Tenders' Evaluation Report in the standard form (Form 2 - attached) shall be completed by PESA and submitted to the FRA not more than 20 working days after the closing date for the receipt of tenders.

Part of Attachment 'G'

FORM 1 – AUTHORITY TO CALL TENDERS

Contract Number:
FRA14/10
Kings Rd Upgrade –
South of Korovou

1.1	The Proposed Works (What the proposed contract is for)	Upgrades to the section of Kings Road south of Korovou including rehabilitation, seal extension, resealing and guard railing works Kings Road Upgrades – Korovou CH 10.42 to 18.95 (Seal Extension).
1.2	Procurement method (including the proposed contract strategic plan where necessary) approved by the Capital Works Manager on: (Insert date) (Section 6.2(a)(i))	By email on 18 January 2014
1.3	Financial Viability – What is the extent of the financial viability check proposed? (Tick the appropriate box (or boxes))	<ul style="list-style-type: none"> • Full financial viability check by a Financial Services Company. • Financial check by the Fiji Financial Intelligence Unit. • Ability to produce the required bond from one of the approved banks. • In the case of a new tenderer perusal of the company's financial support information. • Other (Specify).
1.4	Tender Evaluation Method Section 6(b)(xv)	'Two Envelope' Quality: Price



1.5	<p>What (if any) associated works outside the contract does the project require? (Total cost of the project - details VEP)</p> <p>For example</p> <ul style="list-style-type: none"> Contract supervision Contingencies outside this contract Other construction etc contracts Contingencies outside the other contracts Preliminary costs up to calling tenders (Planning, Design etc) Contracts' supervision Land purchase (including survey and legislation) Power relocation Water supply relocation Wastewater relocation Stormwater relocation Other costs (specify) 	<ul style="list-style-type: none"> \$10,000 VEP for design & contract documents \$25,000 VEP for professional services for contract supervision. .....VEP .....VEP .....VEP .....VEP .....VEP .....VEP .....VEP .....VEP .....VEP .....VEP
1.6	<p>Who designed the works? (Name of firm and name & contact details of responsible person).</p>	<p>MWH Chris Grainger Chris.Grainger@mwhglobal.com</p>
1.7	<p>Who prepared the Contract Documents? (Name of firm and name & contact details of responsible person).</p>	<p>MWH Iain Banks Iain.Banks@mwhglobal.com</p>
1.8	<p>The proposed contract documents have been prepared using FRA's standard general conditions of contract template(s). Yes / No</p>	<p>Section 6.1</p>
	<p>If 'No' the proposed contract documents have been legally checked by (insert name & date)</p>	
1.9	<p>Risk Analysis Attachment 'I'</p>	<p>(Section 6.2 (a)(iii))</p>
	<p>Explain any significant issues raised by the project risk analysis.</p>	<p>None.</p>



1.10	Sustainable Procurement Policy Compliance (Section 6.2 (a)(iii))	
	(For contracts with an estimated price of more than \$500,000) the RFT includes a provision requiring tenderers to explain how they intend to develop local skills. (Yes/No – If 'no' say why).	Yes.
1.11	Tender Deposit Requirements (Brief Explanation) (Sections 6.2(b)(vi))	
	No tender deposit required	
1.12	Performance Bond Requirements (Brief Explanation) No Bond required if the contract value is less than \$300,000. A 10% conditional bond if contract value more than \$300,000 but less than \$2m. A 10% unconditional bond if contract value exceeds \$2m.	(Section 6.2(b) (vi))
1.13	Parent Company Guarantee Requirements (Brief Explanation) (Section 6.2 (b)(vi))	
	None	
1.14	Insurance Requirements (Brief Explanation) (Section 6.2(b) (vi))	
	<ul style="list-style-type: none"> • Third Party Insurance - \$10M • Contract Works – full reinstatement cost • Motor Vehicle - \$2M • Insurance for Contractor's Personnel 	
1.15	All Bonds/Guarantees/Insurances are required to be with a Bank or Insurance Company, licensed or otherwise approved by the Reserve Bank of Fiji (If 'No' CEO's approval required) (Section 6.9(b) & (c))	
	Yes	
1.16	Liquidated Damages Provisions (Provide or attach sufficient information to justify calculation)	
1.17	Adjustments for Changes in Costs (Brief Explanation of the 'Changes in Costs' contract provisions)	
	Contract less than 18 months. No adjustments payable.	



1.18	Retention Requirements (Brief Explanation)	
	10% of contract works with no limit.	
1.19	Legally Checked Clause re potential tax liabilities (Section 6.12)	
	Yes/No	Yes
1.20	Budget Provision	
	Where budget provision for this proposed work has been made?	<ul style="list-style-type: none"> Safety Improvements – Black spot reduction (\$278k) Release of retentions sealed road renewal, replacement Blacktop Bond – Renewals and Replacements, sealed roads (balance of contract works)
1.21	Engineer's Estimate (Section 6.2(f))	
	Confirm that the Engineer's estimate in a sealed envelope endorsed with the name and number of the contract has been placed in the locked tender box.	Yes
1.22 1	Accountability - Contract Management (Section 6.2(b)(xx), 11.1(f)(ii), & 12.1.2(f))	
	1.17.1 Who will be the Responsible FRA Manager for this contract?	Ian Hunter (Capital Works Manager)
	1.17.2 Who is the Proposed "Engineer"	Mike Rudge (Manager – MWH)
	1.21.3 The name of the proposed Engineer's Assistant (if any)	Bill Smith (MWH)
	1.21.4 Is it intended the Board's authority for the Engineer's Assistant to: <ul style="list-style-type: none"> Issue variations; Certify interim payment certificates; or Approve or decline applications for an extension of time be sought?	Yes – Variations No – Interim Payment Certificates No – Extensions of Time
1.23	Tender Evaluation Team (Section 6.4)	
	The names of the recommended Tender Evaluation Team (including nomination of one of the members as Chairman)	<ul style="list-style-type: none"> Ian Hunter (FRA) (Chair) Chris Grainger (MWH) Iain Banks (MWH)



1.24	Draft Advertisement (Section 6.2(a)(iv))	
	Draft advertisement attached.	Yes
1.25	This Form Prepared By:	
	Name: _____ Designation: _____ Firm: _____	Signed: _____ Date: _____
1.26	Probity Auditor (CEO) (Section 6.8)	
	Probity Auditor required for this contract? (Mandatory for contracts with an estimated value of over \$20m.) (Yes/No) If 'Yes' CEO to state his requirements.	
1.27	CEO Approval of Tender Documents (Section 6.2(a)(iv))	
	I hereby authorise the calling of tenders for Contract Number..... (and title)..... .....subject to the following: • _____ • _____ • _____	Signed: _____ Date: _____



DRAFT ADVERTISEMENT

Note:

- Separate draft advertisements if necessary for
 - Tenderlink
 - Named local newspaper(s)
 - FRA's website
 - Overseas journals
 - Named overseas newspapers
- The information to be such that the only action required by FRA is to approve/insert the proposed advertising dates and issue.



FORM 2 – TENDERS' EVALUATION REPORT

2.1	FRA Previously Advised of Intention to Call Tenders and Let this Contract?	
	Yes / No / NA	Yes
	If 'Yes' – say 'when' & 'how'. If 'No' explain 'why' in the absence of the Board having been previously advised this evaluation report should be considered.	March 2014 Board Meeting
2.2	Where and When Tenders Were Advertised (Section 6.2(b)(xii))	<ul style="list-style-type: none"> On Tenderlink from 8-30 March In the Fiji Sun on 8 and 15 March On the FRA's website from 8-30 March
2.3	Tenders Closed (Section 6.2(b)(ix))	30 March 2014
2.4	Engineer's Estimate (Section 6.2(f))	
	Amount (\$) (VEP)	<ul style="list-style-type: none"> \$2,425,009.04
2.5	Bids Received (Section 6.4(c))	
	Names and Amount (\$) (VEP)	<ul style="list-style-type: none"> Fairdeal Earthmoving Contractors Ltd- \$2,949,498.00 Prataps Civil & Asphalt Quarries Ltd- \$4,066,083.20
2.6	Tenders' Evaluation (Section 6.4(e))	
	2.6.1 Evaluation spreadsheets and other supporting information attached.	Attachment '2'.
	2.6.2 Evaluation Score for each Tender	<ul style="list-style-type: none"> Fairdeal Earthmoving Contractors Ltd- 65.5 Prataps Civil & Asphalt Quarries Ltd- 64.0
2.7	Non-Complying Tenders (Section 6.4(c))	
	List any non-complying tenders and explain why non-complying.	None



2.8	Comparison with Engineer's Estimate (Attachment '3')	
	Where the tender prices are significantly in excess of the Engineer's estimate – 'why' – implications.	<ul style="list-style-type: none"> The lowest tenderer's price is \$524k (18%) higher than the Engineer's Estimate. The main difference in price between the lowest tender and the Engineer's estimate is in the establishment costs, \$200,000 vs \$60,000 and the sealing rates (\$13.47/m² vs \$20/m²). Most other rates are very similar.
2.9	Communications With Tenderers (Sections 6.2(b)(iv) & 6.4.(b)(i))	
	Explain any pre-letting meetings, correspondence or other communications with any of the tenderers. If the Evaluation Team has carried out negotiations with any tenderer or tenderers say when the CEO (or other authorised FRA Officer) authorised the negotiations and explain the negotiations that took place and their outcome. (If 'none' say 'none').	None
2.10	Other Evaluation Comments	
	<p>Explain in full below how the Evaluation Team has come to the recommendation that it has (or any other relevant information).</p> <p>Note: This may take several pages.</p>	
2.11	The Preferred Tenderer	
	<p>2.11.1</p> <p>Name: Company or Sole Source Provider? Directors/Persons Concerned</p>	<p>Fairdeal Earthmoving Contractors Ltd- Company (List Names)</p>
	<p>2.11.2</p> <p>Financial Viability – Explain why/how the financial viability pass was achieved. Section 6.4(f)</p>	<p>Has previously worked for the FRA. Ability to provide the required bond from ANZ Bank sufficient.</p>
	<p>2.11.3</p> <p>The name of the intended performance bond surety. Section 6.9(b)</p>	ANZ Bank
	<p>2.11.4</p> <p>Proposed bond surety acceptable - Yes / No (Explain why) (Section 6.9(b))</p>	<p>Yes – The ANZ Bank is licenced by the Reserve Bank of Fiji.</p>



	2.11.5	Performance Bond Amount Section 6.9(b))	<ul style="list-style-type: none">• The contract value is \$2.949m VEP• FRA's policy requires an unconditional performance bond of \$339,000.
	2.11.6	The tender bid includes a letter from the proposed Bondsman confirming the Bondsman's intention to provide the required bond if the tenderer's bid is successful. Section 6.2(b)(vi)	Yes
	2.11.7	Recommendation to reduce the Bond amount (Yes/No?)	No
	2.11.8	The name of the intended insurer. Section 6.9(c))	QBE Insurance Limited
	2.11.9	Proposed insurance arrangements acceptable – Yes / No (explain why) Section 6.9(c)	Yes – QBE is licenced by the Reserve Bank of Fiji.
	2.11.10	Proposed Health & Safety arrangements acceptable – Yes / No	Yes
	2.11.11	Confirm sufficient funds available (If 'No' explain budget amendment required)	Yes
2.12	Advance Payment		
	2.12.1	Is it intended the contractor be paid an Advance Payment (yes/no)	No.
	2.12.2	If 'Yes' provide details.	
2.13	Building Local Capacity (Section 6.2(b)(xviii))		
	For contracts over \$500,000 how does the preferred tenderer intend to build local capacity?		Onsite training and workshops by the tenderer



2.14	Risk Analysis Attachment '1'	
	<p>Earlier project risk analysis updated to include additional risks (if any) identified during the evaluation process.</p> <p>If additional risks identified briefly explain:</p>	<p>Yes updated</p> <p>No additional risks identified.</p>
2.15	Accountability – Contract Management	
	<p>Is it intended the Board's Authority for the Engineer's Assistant to issue variations, certify interim payment certificates or decide applications for an extension of time? (Yes/No).</p> <p><i>Note – If Yes, only to the extent authorised by the CEO in Form 1.</i></p>	<p>Yes – But only for variations.</p> <p>Not for interim payment certificates or for extensions of time.</p>
2.16	Board Paper Attachment '5'	
	Draft Board Paper attached.	Yes
2.17	Letter of Acceptance Attachment '4'	
	Draft Letter of Acceptance and draft letters to unsuccessful bidders attached.	Yes



2.18

Recommendation

That:

(a) Contract number 14/10 for Kings Road Upgrades – Korovou CH 10.42 to 18.95 (Seal Extension) be awarded to Fairdeal Earthmoving Contractors Ltd- for the sum of \$ \$2,949,498.00 (VEP) including \$268,000 contingencies and the provision of an unconditional bond with the ANZ Bank for \$339,000, and the necessary contract documents be executed under seal of the FRA signed by the Chairperson (or in the Chairperson's absence the Acting Chairperson) and one other member of the Committee.

(b) That the Engineer (Mike Rudge) be authorised to delegate the power to issue variations relating to this contract to his Assistant (Bill Smith).

Note: Refer Form 2 - No 2.15

(c) Contingencies totalling \$25,000 (VEP) be also approved for professional services for contract supervision.

Note: Refer Form 1 - No 1.5

(d) It be noted the total budget for the project of which this contract forms a part is (VEP) being:

This contract	.....(VEP)
Contingencies outside this contract	.....(VEP)
Other construction etc contracts	.....(VEP)
Contingencies outside the other contracts	.....(VEP)
Preliminary costs to calling tenders (Planning, Design etc).....	(VEP)
Contract(s) supervision	.....(VEP)
Local purchase (including survey & legalisation)	.....(VEP)
Power relocation	.....(VEP)
Water supply relocation	.....(VEP)
Wastewater relocation	.....(VEP)
Stormwater relocation	.....(VEP)
Other costs (specify)	.....(VEP)

TOTAL

Note: Delete words not applicable



2.19	Approved for Submission for Decision (Signed)
Ian Hunter (Chairman)	Date
Chris Grainger	Date
Iain Banks	Date
Name	Date
Name	Date
2.20	Evaluation Report Submitted
The date this report was given to the FRA and who it was given to.	From: Chris Grainger To: Ripon Baral Date: 14 April 2014

Attachments: 'A' Risk Analysis
 'B' Tender Evaluation Scorecard
 'C' Price check and comparison with Engineer's estimate
 'D' Draft letter of acceptance and draft letter to unsuccessful bidders
 'E' Draft Board Paper

EXAMPLE
Asia Pacific Project Risk Register

Add Row Delete Row Show Quantitative Hide Quantitative



Project Name:	Kings Road Upgrades - Korovou	Project Number:	
		Country:	Fiji

Qualitative								Quantitative (pre-mitigation)				Risk Mitigation			Quantitative (post-mitigation)			Risk Status		
Number	Risk Type	PESTLE	Risk Category (If required for grouping)	Risk Description (opportunity or threat)	Effect	Probability (H, M, L)	Impact (H, M, L)	Likelihood (%)	Consequence		Expected Value		Risk Owner	Mitigation Strategy	Risk Expiry Date	Mitigation %	Residual Exposure			
									Cost	Time (wks)	Cost	Time (wks)					Cost		Time (wks)	
1	Project	Technical		Quality of material supplied is not up to standard (mainly AP40 and sealing chip)	Ealry failures in pavement or sealing requiring re-work	Medium	Medium	40%			4	-	1.6	MWH	Testing to be completed as per the specification. Engineer to ensure test results are obtained prior to construction and verification testing completed in addition if necessary	TBC during construction	80%	-	0.3	Identified
2	Project	Technical		Materials not being available to complete the project within the required timeframes	Delays to the project and chance of further crashes occuring on the unsealed section	Medium	Medium	50%			8	-	4.0	Contractor	Early engagement of a Contractor and then early discussions to allow materials to be ordered promptly.	TBC during construction	80%	-	0.8	Identified
3	Project	Technical		Adverse weather resulting in delays to the project and/or issues with Quality	Delays to the project and chance of further crashes occuring on the unsealed section	High	Medium	80%			4	-	3.2	Contractor	Suitable programming to allow for adverse weather. Suitable management of the site to protect works during any weather events	End of Construction period	50%	-	1.6	Identified
4	Project	Technical		Speed of traffic causing a risk to construction workers and public	Further crashes occuring	Medium	High	60%			-	-	-	Contractor	Traffic control to be in accordance with Specification, regularly monitored and adapted to suit the conditions and work on site. Engineer to regularly audit traffic control	End of Construction period	80%	-	-	Identified
5	Client	Political		Contractor chosen to do the work is not capable and is unable to complete work on time and to the required quality	Delays to completion of the project and ongoing issues with road safety at this site	Low	High	30%			8	-	2.4	MWH/FRA	Robust tender process requiring tenderers with suitable experience and commitment to completing the project. This has been written into the document and the tender evaluation process will follow this through	End of tender evaluation	100%	-	-	Mitigated
												-	-					-	-	
										Total	-						Contingenc y	-		

Project	-
Client	-
MWH Business	-

Project	-
Client	-
MWH Business	-

Contract FRA 14-10 Kings Road Korovou				A: Sub-Attribute Weightings (Proposed allocations, must add up to 100% for each Attribute)				B: Award Sub-Attribute Raw Scores (Team Consensus score for each sub-attribute in each tender out of 100%) (NOTE: Score each sub-attribute 0-100)				C: Calculate Sub-Attribute Grades (Raw score as % of Consensus Maximums)				D: Attribute Weighting (As per RFT)	E: Calculate Weighted Attribute Indices				Further Information / Notes																																																																			
No.	Attributes			Consensus Maximums			Fairdeal	Prataps Asphalt	0	0	0	0	0		Fairdeal	Prataps Asphalt	0	0	0	0	0		Fairdeal	Prataps Asphalt	0	0	0	0	0	Fairdeal	Prataps Asphalt	0	0	0	0	0																																																				
1.1 Financial Viability																																																																																								
1.1.1		Pass/ Fail			Pass			Pass																								all info provided			all info provided																																																					
1.2		Experience and Track Record																																																																																						
1.2.1		Project 1			33.33			80			73															26.7			24.3			0.0			0.0			0.0			0.0			0.0																																												
1.2.2		Project 2			33.33			80			73															26.7			24.3			0.0			0.0			0.0			0.0			0.0																																												
1.2.3		Project 3			33.33			80			73															26.7			24.3			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100.00																					80.0			73.0			0.0			0.0			0.0			0.0			0.0			15			12.0			10.9			0.0			0.0			0.0			0.0			good recent and relevant experience			enough information to pass but not much recent and scale not as good																	
1.3		Organisational Structure: Key Personnel																																																																																						
1.3.1		Organisational Structure			16.66			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
1.3.2		Project Director			16.66			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
1.3.3		Contract Manager/Liaison with Engineer			16.67			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
1.3.4		Health and Safety Manager			16.67			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
1.3.5		Lead Construction Supervisor			16.67			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
1.3.6		Supervisor - Road Pavement and Surfacing			16.67			78			66															13.0			11.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100.00																					78.0			66.0			0.0			0.0			0.0			0.0			0.0			10			7.8			6.6			0.0			0.0			0.0			0.0			Good people, presented well with structure and links to relevant experience projects			looks like some good people, but missing structure, links to relevant projects, current and future commitment																	
1.4		Resources: Labour and Subcontractors																																																																																						
1.4.1		Labour			50.00			75			75															37.5			37.5			0.0			0.0			0.0			0.0			0.0																																												
1.4.2		Subcontractors			50.00			75			75															37.5			37.5			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100.00																					75.0			75.0			0.0			0.0			0.0			0.0			0.0			5			3.8			3.8			0.0			0.0			0.0			0.0																							
1.5		Resources: Plant and Equipment																																																																																						
1.5.1					100.00			77			75															77.0			75.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100.00																					77.0			75.0			0.0			0.0			0.0			0.0			0.0			5			3.9			3.8			0.0			0.0			0.0			0.0			slightly better plant																				
1.6		Time Schedule: Programme																																																																																						
1.6.1					100.00			58			64															58.0			64.0			0.0			0.0			0.0			0.0			0.0																					poor programme and not within contract period			basic programme but within contract timeframe																				
		Attribute Totals			100.00																					58.0			64.0			0.0			0.0			0.0			0.0			0.0			10			5.8			6.4			0.0			0.0			0.0			0.0																							
1.7		Methodology																																																																																						
1.7.1					100.0			65			70															65.0			70.0			0.0			0.0			0.0			0.0			0.0																					generic and not site specific			not great detail but some site specific info																				
		Attribute Totals			100																					65.0			70.0			0.0			0.0			0.0			0.0			0.0			20			13.0			14.0			0.0			0.0			0.0			0.0																							
1.8		Commitments: other contracts in Progress																																																																																						
1.8.1					100.0			75			75															75.0			75.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100																					75.0			75.0			0.0			0.0			0.0			0.0			0.0			5			3.8			3.8			0.0			0.0			0.0			0.0																							
1.9		Quality Assurance System																																																																																						
1.9.1					100.0			71			65															71.0			65.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100																					71.0			65.0			0.0			0.0			0.0			0.0			0.0			10			7.1			6.5			0.0			0.0			0.0			0.0																							
2		Health and Safety Policy																																																																																						
2.0.1					100.0			56			56															56.0			56.0			0.0			0.0			0.0			0.0			0.0																					quite poor needs to improve			quite poor needs to improve																				
		Attribute Totals			100																					56.0			56.0			0.0			0.0			0.0			0.0			0.0			10			5.6			5.6			0.0			0.0			0.0			0.0																							
2.1		Environmental Policy																																																																																						
2.1.1					100.0			58			54															58.0			54.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100																					58.0			54.0			0.0			0.0			0.0			0.0			0.0			5			2.9			2.7			0.0			0.0			0.0			0.0																							
2.2		Engagement and Development of Local Skills																																																																																						
2.2.1		Health and Safety			25.00			70			60															17.5			15.0			0.0			0.0			0.0			0.0			0.0																																												
2.2.2		Company Training			25.00			70			60															17.5			15.0			0.0			0.0			0.0			0.0			0.0																																												
2.2.3		Professional Engineering Qualification			25.00			70			60															17.5			15.0			0.0			0.0			0.0			0.0			0.0																																												
2.2.4		Site Based Training			25.00			70			60															17.5			15.0			0.0			0.0			0.0			0.0			0.0																																												
		Attribute Totals			100.00																					0.0			0.0			0.0			0.0			0.0			0.0			0.0			5			0.0			0.0			0.0			0.0			0.0			0.0																							
Sub-Total (Non-Price) 65.5 64.0 0.0 0.0 0.0 0.0 0.0																																																																																								
Technical Score of proposal 100.0 97.6																																																																																								

	Proposal Price	Adjusted Price	Eng Estimate	Financial score of Proposal	Proposal Evaluation Score
Fairdeal	\$2,949,498.00		\$2,425,009.04	100.0	100.00
Pratap Asphalt	\$4,066,083.20		\$2,425,009.04	72.5	82.58

Signature:		



EXAMPLE

ATTACHMENT '3'

A.8	Engineer's Estimate Summary of Schedule of Prices:								
	SUB-TOTAL of Schedule 'A' from Bill of Quantities \$				\$2,384,749.04		\$2,911,378.00		\$4,022,123.20
	SUB-TOTAL of Schedule 'B' from Schedule of Prices \$				\$10,000		\$15,000		\$22,500
	SUB-TOTAL of Schedule 'C' from Schedule of Prices \$				\$30,260.00		\$23,120.00		\$21,460.00
	Total Engineer's Estimate				\$2,425,009.04		\$2,949,498.00		\$4,066,083.20
A.9	Schedule A – Main Work Items								
					Engineer's Estimate		Fairdeal		Prataps
Item	Description	Unit	Quantity	Rate	Cost	Rate	Cost	Rate	Cost
A1	PRELIMINARY & GENERAL								
1.1	Establishment and disestablishment	LS	1	60000	\$60,000.00	200000	\$200,000.00	250000	\$250,000.00
1.2	Preparation of Quality Plan (QP)	LS	1	10000	\$10,000.00	15000	\$15,000.00	25000	\$25,000.00
1.3	Implementation of QP	LS	1	8000	\$8,000.00	18000	\$18,000.00	15000	\$15,000.00
1.4	Preparation of Traffic Management Plan (TMP)	LS	1	500	\$500.00	30000	\$30,000.00	15000	\$15,000.00
1.5	Implementation of TMP	LS	1	24,000	\$24,000.00	28,000	\$28,000.00	25,000	\$25,000.00
	Seal Extension Site (RP 13.42 to 15.30)								
A2	Drainage								
2.1	Clean and trim road side water channels to free outfall, including removal to waste of cleared vegetation and any excess material (provisional item)	m	1000	15	\$15,000.00	8	\$8,000.00	15	\$15,000.00
A3	Vegetation Clearance and Earthworks								
3.1	Clear and remove roadside vegetation from existing banks (provisional item)	m2	40	50	\$2,000.00	10	\$400.00	20	\$800.00
3.2	Excavate and reshape existing cut batter slopes to new design profile (provisional item)	m3	600	30	\$18,000.00	20	\$12,000.00	75	\$45,000.00
A4	Pavement								
4.1	Re-shape and compact existing metal surface	m2	15786	6	\$94,716.00	4	\$63,144.00	8	\$126,288.00
4.2	AP 65 Subbase	m3	3645	145	\$528,525.00	140	\$510,300.00	120	\$437,400.00
4.3	AP40 Basecourse (nominal thickness 100mm)	m3	1,720	154	\$264,880.00	155	\$266,600.00	110	\$189,200.00
A5	Surfacing								
5.1	Two coat first coat, 14mm/7mm	m2	15120	13.47	\$203,666.40	20	\$302,400.00	25	\$378,000.00
A6	Traffic Services								
6.1	White broken line (100mm wide)	m	945	0.3	\$283.50	2	\$1,890.00	5	\$4,725.00
6.2	White continuous line (100m wide)	m	5,670	0.65	\$3,685.50	2	\$11,340.00	6.5	\$36,855.00
6.3	PW 17 Curve sign with PW25 curve advisory plate	ea	2	900	\$1,800.00	1000	\$2,000.00	550	\$1,100.00
6.4	PW67 chevron (provisional item)	ea	9	900	\$8,100.00	500	\$4,500.00	500	\$4,500.00
6.5	PW23 Curve sign with PW25 curve advisory plate	ea	2	900	\$1,800.00	1000	\$2,000.00	550	\$1,100.00
	Remaining Sections RP 10.42 to 13.41 and 15.30 to 18.95								
A7	Pavement								
7.1	Cement stabilisation to 200mm deep (<100m2)	m2	146	42.82	\$6,251.72	25	\$3,650.00	120	\$17,520.00
7.2	Cement stabilisation to 200mm deep (100-500m2)	m2	566	40.86	\$23,126.76	25	\$14,150.00	110	\$62,260.00
7.3	Cement stabilisation to 200mm deep (>500m2)	m2	10,164	29.26	\$297,398.64	24	\$243,936.00	100	\$1,016,400.00
A8	Surfacing								
8.1	Single coat first coat, 10mm	m2	4,072	9	\$36,648.00	11	\$44,792.00	12	\$48,864.00
8.2	Two coat first coat, 14mm/7mm	m2	6,848	13.47	\$92,242.56	19	\$130,112.00	25	\$171,200.00
8.3	Two coat reseal, 14mm/7mm	m2	21,168	13.47	\$285,132.96	19	\$402,192.00	23.8	\$503,798.40
8.4	Single Coat reseal, 7mm	m2	25,116	9	\$226,044.00	12	\$301,392.00	10.8	\$271,252.80
A9	Traffic Services								
9.1	Guardrail on steel posts	m	310	200	\$62,000.00	410	\$127,100.00	500	\$155,000.00
9.2	Trailing end terminal type B	ea	12	4000	\$48,000.00	6000	\$72,000.00	815	\$9,780.00
9.3	White broken line (100mm wide)	m	3320	0.3	\$996.00	2	\$6,640.00	5	\$16,600.00
9.4	White continuous line (100m wide)	m	19,920	0.6	\$11,952.00	2	\$39,840.00	6.5	\$129,480.00
A10	Miscellaneous								
10.1	Repair of concrete drainage structures	LS	1	\$50,000	\$50,000.00	\$50,000	\$50,000.00	\$50,000	\$50,000.00
SUB-TOTAL Schedule A (VEP), carried to 'Summary of Schedule of					\$2,384,749.04		\$2,911,378.00		\$4,022,123.20



A.10 Schedule B - Overheads and Profit Schedule									
Item	Description	Unit	Quantity	Rate	Amount	Rate	Amount	Rate	Amount
B1	On-site overheads:								
	percentage to be applied to the Direct Cost of any work ordered as a Variation or to Provisional Items or dayworks	%	\$50,000	10%	\$5,000	15%	\$7,500	15%	\$7,500
B2	Off-site overheads and profit:								
	percentage to be applied to direct Cost of any work ordered as a Variation or to Provisional Items or to dayworks (It should be made clear that this is a separate % applied to the direct Cost and not a further	%	\$50,000	10%	\$5,000	15%	\$7,500	30%	\$15,000
SUB-TOTAL Schedule B (VEP), carried to 'Summary of Schedule of Prices'					\$10,000		\$15,000		\$22,500
A.11 Schedule C - Daywork Schedule									
Item	Description	Unit	Quantity	Rate	Amount	Rate	Amount	Rate	Amount
C1	Unskilled Labourer	Hour	100	12	\$1,200.00	6	\$600.00	5	\$500.00
C2	Drainlayer	Hour	40	13	\$520.00	8	\$320.00	10	\$400.00
C3	Foreman	Hour	40	15	\$600.00	10	\$400.00	15	\$600.00
C4	Utility vehicle (incl. driver)	Hour	40	40	\$1,600.00	30	\$1,200.00	40	\$1,600.00
C5	Truck (incl. driver)	Hour	40	75	\$3,000.00	80	\$3,200.00	70	\$2,800.00
C6	Excavator (12 tonne) (incl. driver)	Hour	20	140	\$2,800.00	80	\$1,600.00	75	\$1,500.00
C7	Excavator (20 tonne) (incl. driver)	Hour	20	180	\$3,600.00	120	\$2,400.00	90	\$1,800.00
C8	Excavator (25 tonne) (incl. driver)	Hour	20	200	\$4,000.00	130	\$2,600.00	95	\$1,900.00
C9	Grader (incl. driver)	Hour	20	155	\$3,100.00	140	\$2,800.00	140	\$2,800.00
C10	Compactor/Roller (vibrating)	Hour	20	100	\$2,000.00	110	\$2,200.00	90	\$1,800.00
C11	Compactor/Roller (static)	Hour	20	110	\$2,200.00	100	\$2,000.00	88	\$1,760.00
C12	Compactor/Roller (Pneumatic tyre)	Hour	20	100	\$2,000.00	80	\$1,600.00	95	\$1,900.00
C13	Water Cart	Hour	20	92	\$1,840.00	80	\$1,600.00	80	\$1,600.00
C14	Plate Compactor	Hour	20	90	\$1,800.00	30	\$600.00	25	\$500.00
SUB-TOTAL Schedule C (VEP), carried to 'Summary of Schedule of Prices'					\$30,260.00		\$23,120.00		\$21,460.00



ATTACHMENT '4'

**DRAFT LETTER OF ACCEPTANCE
AND
DRAFT LETTER FOR ALL UNSUCCESSFUL
BIDDERS**

REFER SECTION 6.5

ATTACHMENT '5'

EXAMPLE – Note: attach such supporting material as appropriate

BOARD PAPER – CONTRACT NO FRA 14/10 – KINGS ROAD UPGRADING SOUTH OF KOROVOU

1. PURPOSE

Approval is sought to award contract FRA 14/10 Kings Road Upgrades – Korovou Ch 10.42 to 18.95 (Seal Extension) to Fairdeal Earthmoving Contractors Ltd.

2. BACKGROUND

The works under this contract are for upgrades to Kings Road south of Korovou and include sealing of an unsealed section, rehabilitation of existing sealed sections, second coat sealing of previously rehabilitated sections and completion of a previously unfinished guardrail.

3. REPORT

3.1. Tenders Received

Tenders were advertised on 8 March 2014 and closed on 27 March 2014. Two bids were received.

- Fairdeal Earthmoving Contractors Ltd \$2,949,498.00 (VEP)
- Prataps Civil and Asphalt Quarries \$4,066,083.00 (VEP)

The Engineer's estimate was: \$2,425,009.04 (VEP).

3.2. The Preferred Option

Tenders were evaluated using the 'two-envelope' weighted attributes method. The preferred tenderer is Fairdeal Earthmoving Contractors Ltd. The company has previous road construction and rehabilitation experience and has successfully delivered similar types of projects for the FRA.

3.3. Bonds & Insurances

Fairdeal's bond surety will be provided by the ANZ Bank and its insurer is QBE Insurance Limited. The tender documents required an unconditional bond of 10% of the value of the contract (\$295,000).

4. RECOMMENDATION

That:

- (a) *Contract number 14/10 for Kings Road Upgrades – Korovou CH 10.42 to 18.95 (Seal Extension) be awarded to Fairdeal Earthmoving Contractors Ltd- for the sum of \$2,949,498.00 (VEP) including \$268,000 contingencies and the provision of an unconditional bond with the ANZ Bank for \$339,000, and the necessary contract documents be executed under seal of the FRA signed by the Chairperson (or in the Chairperson's absence the Acting Chairperson) and one other member of the Committee.*



- (b) That the Engineer (Mike Rudge) be authorised to delegate the power to issue variations relating to this contract to his Assistant (Bill Smith).
- (c) Contingencies totalling \$25,000 (VEP) be also approved for professional services for contract supervision.

(d) It be noted the total budget for the project of which this contract forms a part is (VEP)

- This contract(VEP)
- Contingencies outside this contract(VEP)
- Other construction etc contracts(VEP)
- Contingencies outside the other contracts(VEP)
- Preliminary costs to calling tenders (Planning, Design etc).....(VEP)
- Contract(s) supervision(VEP)
- Local purchase (including survey & legalisation)(VEP)
- Power relocation(VEP)
- Water supply relocation(VEP)
- Wastewater relocation(VEP)
- Stormwater relocation(VEP)
- Other costs (specify)(VEP)

TOTAL

Prepared by _____ Date _____

Approved for Submission to FRAC by _____ Date _____

Or:

Some other appropriate draft resolution where the recommendation is not to award the contract.....

Attachment 'H'

**CONTRACTS' PROGRESS – INFORMATION TO BE PROVIDED FOR
EVERY REGULAR MEETING OF THE BOARD**

Section 14.9

**CONTRACTS' PROGRESS – INFORMATION TO BE PROVIDED FOR
EVERY REGULAR MEETING OF THE BOARD**

Note: The information required for this report should be able to be extracted quickly every month from the Contracts' Register.

CONTRACTS' STATUS

Part 'A' – CONTRACTS LET PRIOR TO THE LAST FRA MEETING

Contract No	Work	Contract Value \$000	Name of Contractor	Estimated Completion Date	% Complete	Paid to Date		Comments
						Amount	%	

Part 'B' – CONTRACTS AWARDED BY THE BOARD, THE TENDERS COMMITTEE, THE CHAIRMAN OR THE CEO SINCE THE LAST REGULAR FRA MEETING

Contract No	Work	Contract Value \$000	Name of Contractor	Award Date	Comments

Part 'C' – CONTRACTS STILL TO BE AWARDED

Contract No	Work	Proposed Contract Type	Comments

Attachment 'I'
FINANCIAL MANAGEMENT SYSTEM(S)

Section 14.7

FINANCIAL MANAGEMENT SYSTEM(S)

FINANCIAL MANAGEMENT SYSTEMS

1.0 Background

The FRA has implemented Microsoft Dynamics NAV 2009 (NAV) as its Financial Management Systems. NAV was procured from UXC Eclipse (Australasia) Fiji Ltd, an Australian company based in Suva, Fiji in late 2012.

2.0 About NAV

NAV is a one of the leading Enterprise Resource Planning (ERP) business management solutions and a product of Microsoft. It is easily integrated and will be compatible with new releases of Microsoft Products such as Microsoft Operating Software, MS Outlook and Exchange, MS Office etc.

FRA has opted for NAV's new release of RoleTailored Centre (RTC) user experience instead of the Classic model. The new RTC model offers a single interface where users can link the different Microsoft applications within a single dashboard type screen that enables them to carry out their tasks without having to log into multiple MS products. It promotes the actions and information that users need, leaving them with an uncluttered window and an overview of upcoming tasks – helping prioritize their tasks and keeping productive.

3.0 NAV Features Used by FRA

3.1 General Ledger

3.2 General Ledger Features

General Ledger in Microsoft Dynamics NAV gives flexible options and tools for setting up a company and posting for charts of accounts, general journals, value added tax (VAT) facilities, recurring journals, and source codes. Role Centers extend this flexibility by providing personalized access to relevant tools and information, such as purchase order and vendor information.

BUSINESS ESSENTIALS

Features	Description
Role Centers	<ul style="list-style-type: none"> Accounting Manager (CFO) Accountant (Finance Assistant)
Flexible accounting periods	<ul style="list-style-type: none"> Define any start date for your fiscal year and specify your own accounting periods to be used with budgets, statistics, and reports. Transfer year-end results to the balance sheet and simultaneously balance out all income statement accounts. FRA has its accounting period ending 31st December of each year.
Multiuser environment	<ul style="list-style-type: none"> Create as many journals as you want, each with its own document number series. Work in general journal while others are entering and posting data at the same time.
Bank account management	<ul style="list-style-type: none"> Manage an unlimited number of bank accounts in both local and foreign currencies. FRA currently has only one bank account with Bank of Baroda and there are no immediate needs for any other

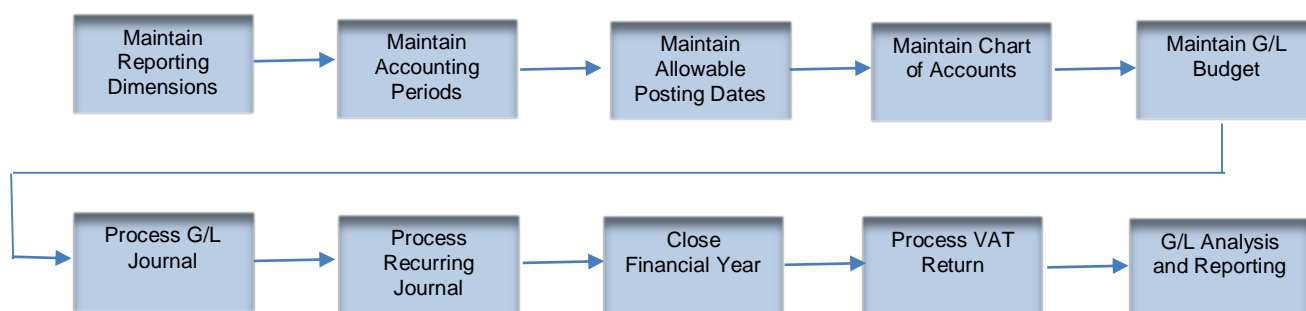


Automated transactions	<ul style="list-style-type: none"> • Simplify transaction management with general, recurring, and auto-reversing entries. • Post frequent transactions to your general ledger using a recurring journal. • Assign a fixed amount to eachline in the journal and choose how often the line should be posted with updated data.
Record-level security features	<ul style="list-style-type: none"> • Protect confidential financial data with role-based access rights to information. • For FRA only the CFO has the full access rights. Limited access is provided for other finance staff. E.g. the AP clerk has only access to the AP module
International trade and multiple currencies	<ul style="list-style-type: none"> • Conduct business and manage customer and vendor accounts using unlimited currencies. • Maintain your general ledger in two different currencies. • FRA only uses single currency for general ledger as reports are all produced in single source currency which is FJD. However the vendor accounts are maintained in their specific currency. e.g. MWH has accounts in two different currencies, NZD and FJD. • The customer and vendor accounts will always show in their specific currency but the posting to general ledger will be in source currency which will be converted using the foreign currency feature
Dimensions	<ul style="list-style-type: none"> • Analyse and correlate performance by assigning financial data that identifies characteristics or “dimensions” such as product, sales region, and time period. • Assign multiple dimensions to each budget entry; filter your budget by up to four dimensions to create sub-budgets that match your organizational structure. • This tool is very useful in producing specific reports. e.g FRA has set a budget dimension through the use of which the month-end reports are produced highlighting what has been spent under each budget heading such as management, maintenance, renewals and so on
Account schedules	<ul style="list-style-type: none"> • Create complex account schedules using dimensions. • Improve reporting with advanced options for selecting what to display in row and columns combinations, such as showing debit amounts only when there is a balance.
Detailed audit trails	<ul style="list-style-type: none"> • Help comply with financial regulations with data tracking and detailed audit trails. • Access general ledger entries through the chart of accounts, in which each entry is assigned an entry number, transaction number, source code, reason code, and user ID when it is posted.
Change log	<ul style="list-style-type: none"> • Improve error traceability with a change log that lists chronologically all direct modifications made to master data with an associated user ID.
Intelligent transaction posting	<ul style="list-style-type: none"> • Check journal balances before entries are posted, find out how entries will affect your liquid accounts, and make necessary adjustments before you post the journal.



	<ul style="list-style-type: none"> • Allows to run a statistics before posting an entry to final check the entries are correct • Back out or reverse a posting or an entire journal and post corrected entries while maintaining full audit control.
Intercompany transactions	<ul style="list-style-type: none"> • Define multiple intercompany relationships between the parent and partner or subsidiary companies in your organization with the ability to span geographies. • Manage single-use or recurring transactions and distribute purchase order costs directly to subsidiaries. • FRA has only one company file therefor is not using intercompany transactions. If in future FRA decides to run its laboratories as separate entity it can create another company file. At the moment the laboratories are reported using dimension feature and there is no need to create a separate company.
Detailed budgets	<ul style="list-style-type: none"> • Create budgets with a breakdown of every general ledger account and every total in the chart of accounts; then, print actual balances and show variances by percentage. • It allows a number of budgets to be loaded at one time. E.g. you can have an original budget and also a revised budget
Integration with Other Applications	<ul style="list-style-type: none"> • FRA is using a separate system for its payroll processing – Payglobal software. NAV and Payglobal are fully integrated with a simple process of posting data from Payglobal to FMIS at the end of each month. (See 3.10) • At a later stage FRA will be linking the FMIS system to its Asset Management System called GIS system. The data such as projects costs would be captured from GIS and input into NAV.

3.3 General Ledger Process



3.4 Cash Management

Cash management in Microsoft Dynamics NAV 2009 is used to manage the company's bank accounts.

One of the main features of cash management is the Bank Account Card, which contains all the company's bank details on the Bank Account Card. Users can perform the following:

- Processing payments received from customers
- Processing payments to vendors
- Voiding posted checks
- Allow processing of Bank Account Reconciliation

3.5 Receivables

3.6 Receivables Features

The receivables module in Microsoft Dynamics NAV, simplifies and streamlines credit and collection activities. It allows companies to tightly manage customer accounts with credit limits and review dates, and define collections criteria and payment terms on a customer by customer basis.

It was initially believed that FRA will not be using the Receivables modules due to the low volume of revenue collection. The only revenue collected is from laboratory and quarry operations and they were purely based on cash on delivery. However due to FRA's main office location and for the convenience of the major contractors who are also the major customers of FRA it was decided to allow those contractors the credit accounts.

Features	Description
Role Centers	<ul style="list-style-type: none"> Accounting Manager (CFO) Accounts Receivable Administrator
Flexible receivables processing	<ul style="list-style-type: none"> Choose how to apply customer payments to invoices, such as using the apply-to-oldest method or applying partial payments toward multiple invoices. Customize and automate customer statements and instalment payments Create schedules that calculate interest, amortize amounts, and generate reminders for customers with overdue balances. Define an unlimited number of finance charge terms, including interest rates, grace periods, minimum amounts, and currency, and generate finance charge memos manually or automatically based on preset due dates. View detailed information about receivables prior to general ledger posting and easily reverse any inaccurate postings with a complete, accurate audit trail.
Prepayment capabilities	<ul style="list-style-type: none"> Create and track a prepayment invoice on a sales order until the order is fully invoiced to significantly reduce manual updates.
Customer account management	<ul style="list-style-type: none"> Establish an account card for each of your customers that specifies payment terms such as currency, tax information, and payment due dates. Provides in-depth information about a customer's sales history, available credit, and shipping or billing address.

The Receivables module also allows setting up automated discounts on sale line and sales invoice. However currently FRA is not applying this feature to any of its customers.

3.7 Payables

3.8 Payables Features

Just like Receivables the Payables module of NAV provides a robust vendor account functionality, including intercompany invoice posting. It allows users to make payments to comply with vendor terms and avoid extra costs in penalties for late payments.

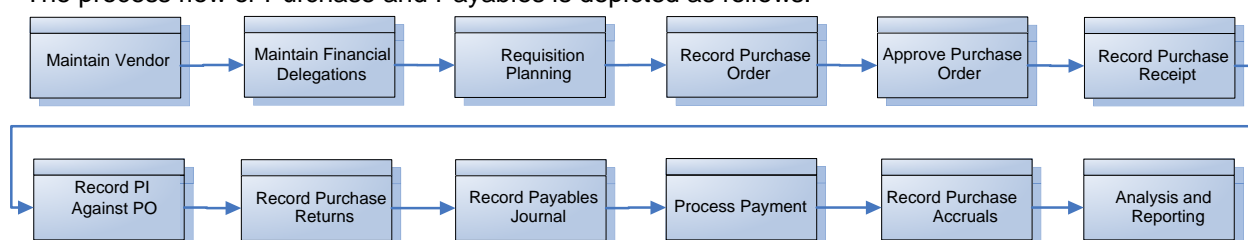
Features	Description
Role Centers	<ul style="list-style-type: none"> Accounting Manager (CFO) Accounts Payable Coordinator
Purchase invoicing	<ul style="list-style-type: none"> Post and print vendor invoices and purchase credit memos. Reduce manual data entry with vendor transactions, including invoices and payments that are automatically posted to general ledger. Invoices can be posted directly from the purchase order
Recurring journals	<ul style="list-style-type: none"> Streamline processes by using recurring journals for most common transactions, such as monthly lease payments or Internet access bills.
Multicurrency support	<ul style="list-style-type: none"> Define the currencies for business transactions and determine how those currencies are rounded and posted. Calculate exchange rate gains and losses automatically. Specify a default currency for each vendor and manage the entire account in that currency, including payments. E.g. as mentioned under General Ledger having a NZD account for MWH
Standard purchasing	<ul style="list-style-type: none"> Automate repetitive purchases by setting up standard purchase lines to insert into purchase orders.
Payables management	<ul style="list-style-type: none"> Prioritize the order in which vendors should be paid, or determine payment schedules by discount availability. Stop payment on specific purchase orders until purchase invoice approval, or block specific transactions that require investigation.
Vendor account management	<ul style="list-style-type: none"> Establish account records for each vendor that specify payment terms such as currency, tax information, and payment due dates. Provides in-depth statistics about vendor balances, total purchases, and payments. Manage purchase of the same items from several different vendors with the ability to create alternative vendors and price information for inventory items.

3.9 Purchase Order Management

Purchase order management is part of Payables module in NAV. This includes documents, such as quotes, blanket orders, and purchase orders that support purchasing agents in efficiently managing purchases. It also provides the facility for:

- Partial order receipt
- Separation between receiving and invoicing
- Combined invoicing

The process flow of Purchase and Payables is depicted as follows:



3.10 Inventory

The Inventory Management comes with the standard NAV application. However FRA is not maintaining any inventory at this stage.

3.11 Cost Accounting

The Cost Accounting functionality has different possibilities to manage costs:

- Transfer costs from general ledger.
- Enter and post internal charges and allocations directly in the Cost Accounting Cost journal.
- Predefine recurring cost allocation rules on cost allocation cards and execute in a batch job.
- Undo allocations.
- Cost budgets and transfer cost budget entries to actual entries.

The Cost Accounting functionality retrieves data from the general ledger but works independently from the general ledger. As a result, transactions that are posted in Cost Accounting will not affect the data in the general ledger.

Cost Accounting in Microsoft Dynamics NAV 2009 is fully integrated with the rest of the standard application and includes other functionality such as a budget feature for cost accounting. This works like the budget feature for the general ledger. Also included is the ability to import and export cost accounting budget data to Microsoft Excel, create reports, aligning to multiple dimensions, and other enhancements.

3.12 Cost Accounting Features

Features	Description
Role Centers	<ul style="list-style-type: none"> • Project Manager
Flexible budget structure	<ul style="list-style-type: none"> • Plan the phases and tasks for both time-and-materials and fixed-price jobs. • Use automated indent functionality to create a summary or sub-tasks. • Enter and update cost and sales budget estimates for job activities. • Have the option to plan the contract amount independent of sales value of consumption or planned
Detailed job tasks	<ul style="list-style-type: none"> • Help ensure accurate cost recording and tracking. • Use associated planning lines to add detail about required resources, items, and ledger expenses, and show planned dates for use and invoicing.
Integrated invoicing	<ul style="list-style-type: none"> • Manually define or create job planning lines to be invoiced based on rules for actual usage. • Create invoices automatically based on job planning lines for your jobs. • Create credit memos from job planning lines.
WIP and revenue recognition	<ul style="list-style-type: none"> • Select from five different methods for calculating WIP, including cost value, sales value, recognizable cost, percentage of completion, and completed contract. • Recalculate WIP and recognition as often as necessary prior to posting.

	<ul style="list-style-type: none"> • Use multiple posting groups in a single job so user can make detailed WIP and recognition postings in the general ledger for items, resources, and general ledger expenses. • Have the option to exclude job tasks from the WIP calculation.
Job-specific pricing	<ul style="list-style-type: none"> • Set up job-specific prices and discounts for items, resources, and general ledger expenses, including using the cost-plus method of pricing. Or, if no special pricing is required, apply standard customer price and discount mechanisms.
Fixed-price contract planning	<ul style="list-style-type: none"> • Plan and invoice fixed-price projects using Planning Line types. • Set up specific prices for items and resources for each job, as well as for general ledger account expenses. • Automatically suggest usage entries based on the difference between planned usage and actual usage.
Multicurrency capability	<ul style="list-style-type: none"> • Plan and invoice jobs in multiple currencies with rules-based control for currency conversion, such as fixed cost for price in local or foreign currency.
Item tracking	<ul style="list-style-type: none"> • Track job items with serial or lot numbers, whether purchased specifically for the job or consumed from stock, using standard item tracking methods.
Integrated purchasing	<ul style="list-style-type: none"> • Create job-specific purchase order lines with the ability to automatically update the job ledger and make rule-based updates to job planning lines. • Take advantage of support for item pricing and costing methods. • Register consumption of inventory items.
Resource management	<ul style="list-style-type: none"> • Manage resources for planning and job execution, with support for resource capacity and availability. • Manage resources per person or by machine and equipment. • Maintain support for resource pricing and costing methods.
Time sheet entry	<ul style="list-style-type: none"> • Reduce time sheet entry time and improve control by defaulting job journal lines based on job planning lines for a job, or for a set of tasks up to a specified date.

3.13 Fixed Assets

3.14 Fixed Assets Features

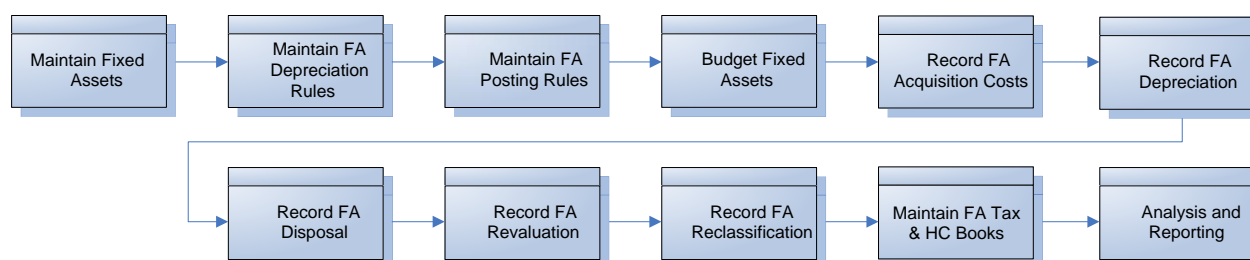
Fixed Assets in Microsoft Dynamics NAV 2009 is a fully integrated solution that equips users to accurately record, track, depreciate, and dispose of your company's assets with minimal effort and maximum flexibility.

With Role Centers in Microsoft Dynamics NAV, asset managers can view and analyse the current status of fixed assets in real time, including costs, depreciations, and asset transactions, and streamline accounting procedures by viewing automated depreciation calculations.

Features	Description
Role Centers	<ul style="list-style-type: none"> • Accounting Manager (CF0) • Accountant
Easy and customisable asset tracking	<ul style="list-style-type: none"> • Define and track assets by description, location, or number, add custom fields, and set default views. • Create and manage an unlimited number of books of assets.
Customizable depreciation methods	<ul style="list-style-type: none"> • Implement a depreciation method tailored to your accounting or legal requirements.

	<ul style="list-style-type: none"> • Use standard depreciation methods such as straight-line, declining balance, and accelerated depreciation or define your required depreciation conditions, including the frequency of depreciation. • Set up an unlimited number of depreciation books for taxes or other purposes without affecting your general ledger.
Integrated data	<ul style="list-style-type: none"> • Provides a real-time, accurate overview of financial status with integrated general ledger and payables/receivables data, including book value and accumulated depreciation, without manual updates.
Allocations	<ul style="list-style-type: none"> • Specify how to allocate depreciation (gain or loss) to different general ledger accounts. • Use cost monitoring to make critical decisions about whether to renew assets and how to allocate them to specific insurance policies.
Asset manipulation	<ul style="list-style-type: none"> • Reclassify part or all of a fixed asset, with the ability to separate asset components, recombine them as needed, or consolidate several assets into one. • Dispose of part of a fixed asset instead of the entire asset.
Integration with Microsoft Office programs	<ul style="list-style-type: none"> • Work productively when you can easily export and analyse asset data into familiar applications such as Excel or Microsoft Office Word.
Asset review and analysis	<ul style="list-style-type: none"> • View and analyse all the information defined for a fixed asset, including asset account, insurance, or user-defined data from one intuitive, user-friendly interface. • Drill down to review specific transactions, such as service performance, in more detail.
Maintenance cost monitoring	<ul style="list-style-type: none"> • Records what assets cost; routine maintenance and service performed on assets; and monitor the cost of insurance coverage, including annual premiums

3.15 Fixed Assets Process



3.16 Dynamics NAV Security Overview

Microsoft Dynamics NAV 2009 provides a security system that allows administrators to manage user access to the objects and data in the Microsoft Dynamics NAV database. Because the Microsoft Dynamics NAV database is on SQL Server, the Microsoft Dynamics NAV security system and SQL Server security system work together to help ensure that only authorized users can gain access to the Microsoft Dynamics NAV database.

The NAV security model, which is implemented and enforced at application level, is largely based on roles. A role, which contains a list of objects (forms, reports, tables, etc) and their appropriate permissions (read, modify, insert, delete, execute) settings, is assigned against one or more NAV users. In this way, users have access to only those areas of the program for which they have been granted permissions.

3.17 Reporting

3.18 Jet Express Reporting

Microsoft Dynamics NAV 2009 use Jet Express reporting tool. It gives users a simple way to create self-service reports and analysis. It allows users to create, modify, and run their own business reports using NAV data in a simple and familiar environment – tailored to their needs – to improve and share business insight across the company.

With Jet Reports Express for Microsoft Dynamics NAV the users can get their answers they need to their specific business questions – fast – and create high-impact reports and simple analysis.

Management can:

- View key performance metrics across all areas of the organization in real time using the Table Builder function.
- Track consolidated profit and loss by division and company.

Finance can:

- Detail profit and loss with updates on a daily, monthly or quarterly basis.
- Stay on top of accounts receivable KPIs in terms of days outstanding, past collection performance and more.
- Run financial reports from your General Ledger by using the GL function and distribute them on a daily, weekly or monthly basis

3.19 Features and benefits of Jet Express Report

Feature	Benefit
Report Templates – Over 20 report templates fitting the needs of Small and Medium sized business available out of the box.	Make it easier for people to read and understand your business data with high-impact reports that are well formatted and organised.
Real time reporting – Live reporting including up-to-the minute activity.	Keep your organisation and stakeholders up-to-date with the latest data and information.
Simple way to integrate data into Excel – Quickly download a complete data table from your business database using a single query in Excel.	Take advantage of the familiar tool of Microsoft Excel and utilize all of the Excel capabilities, such as PowerPivot, formatting, charting and Pivot Tables, to create powerful, insightful and well-formatted reports.
General Ledger function – Allows the end user to report from all areas of their general ledger.	Do Financial reporting within a familiar and flexible environment.

Table Builder – Retrieve and combine fields from multiple tables, fields, flow fields and dimensions.	Slice and dice NAV data within Microsoft Excel for answering specific questions related to your role or business.
Personalise the drilldown into your data – On the fly - you can see the underlying data behind any number in a report.	Customize your drilldown experience so the data is presented in the format that works best for you. Sort, filter and group records or hide or reorder columns of fields – all on the fly.
Business Areas – Reporting is available for all business areas, including custom tables and fields.	Do full end to end reporting on your business data.
Integrated Security – Safety and security are the default with standard database security roles automatically respected for all direct data access.	Work within a secure environment.
Report from all Dimensions – Integrated handling of dimensions to allow easy reporting.	Do comprehensive reporting on your NAV data to provide you with insight on all dimensions within your database.

3.20 Payroll System

The FRA has acquired Payglobal Exolvo from UXC Eclipse for all its payroll processing.

The features and benefits of Payglobal are:

- User Friendly Interface with easy navigation and modern look and feel based on the latest Technology.
- Full compliance with Fiji Tax Legislations including the 2013 tax and reporting changes
- Reporting functionality and capability where users can generate report from a number of options available in PayGlobal Exolvo such as:
 - Standard PayGlobal Report Catalogue
 - Flexible Grid Report functionality – where users can easily create ad-hoc report by simply selecting the required fields to report on and thus eliminating the need to have back end report writing skills.
 - SQL Reporting Services reporting option.
- Robust Security and Audit trail capability where PayGlobal provides the ability to restrict security at:
 - Module Level
 - Functionality Level
 - Record Level
 - Data Level within the record



- Comprehensive PayGlobal audit trail functionality provides the ability to see any changes to the master files by:
 - Date of Change
 - User that initiated the change
 - The before and after value that was changed
- integration with Excel providing the ability to easily import and export data to and from Excel thus providing the ability to bulk upload data easily into PayGlobal as well as export data to payroll for excel based analysis and reporting. The report produced from Payglobal are used for integration purposes in Microsoft Dynamics NAV 2009 financial management system
- Allows systems administrator to create unique fields that is specifically applicable to FRA eliminating the need for programming by the supplier.
- Provides efficient way to bulk update records through the use of its modelling functionality whereby one employee record can be updated and model this to other employee records for instant update. This saves time and eliminates the need to update each employee record individually and is very effective during the management of employee records.
- Comprehensive Employee Master file with the ability to record detailed employee information such as:
 - Employee Details
 - Next of Kin Details
 - Contact and Postal Details
 - Tax Details
 - Payroll Details including history of rate changes
 - Ability to tag Employee Related documents such as:
 - Picture
 - Appointment, Discipline, Promotion Letters
 - Job Description
 - Payslip
- Compliance with Fiji FNPF, Tax and Bank institutions.

Currently FRA has only acquired the Payroll module of PayGlobal. However it is now considering acquiring the Human Resource and self Service modules as well. This will allow self-service by employees to update their personal records online. It will also allow applications and approvals of leaves online from anywhere.



Section 14.7

ASSET MANAGEMENT SYSTEM

ASSET MANAGEMENT SYSTEM EXPLAINED

1.0 Background

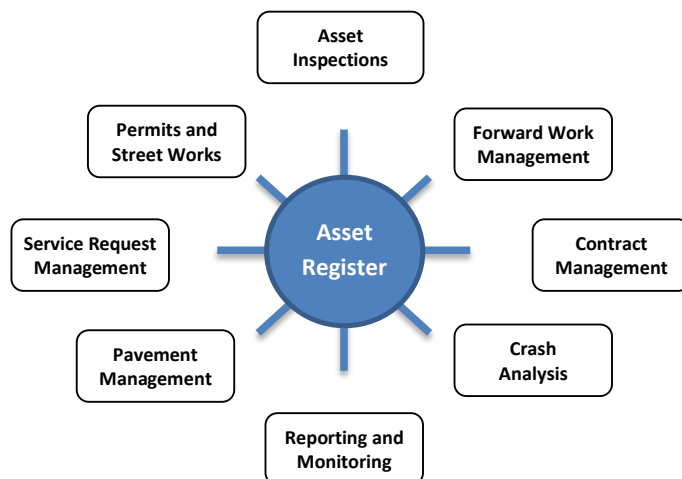
On 28 March 2012 MWH reported to the FRA Board outlining the inadequacies of the former DNR's road asset management systems. The principle weaknesses were:

- Outdated Asset Management System (AMS) software not being utilised and unstable
- A lack of procedures around data collection and data standards
- Data never being used therefore never being scrutinised
- Little knowledge of data existence internally
- A lack of staff trained in the use of systems and the ability to produce structured and standardised outputs.

To overcome the identified weaknesses, the Authority resolved that MWH provide a recommendation and programme of a more appropriate asset management database and records system. This was provided in a report entitled **Scoping Statement for Improving Fiji's Road Asset Management Support System (RAMMS)**, tabled at an FRA Board meeting on 31 May 2012.

In the report, MWH recommended that the FRA appoint MWH to build an asset management support system, using an industry leading Geographic Information System (GIS) to maintain, analyse and query the data held within the asset register. The system comprising of three distinct parts:

- A central asset register,
- Tools for data maintenance, analysis and enquiry and
- Decision support modules, starting with those shown below.



The FRA agreed to appoint MWH to implement a phased roll-out over 4 years with the following annual outcome objectives:

- Phase 1: By December 2012 (Establish Core RAMMS using ArcGIS and SQL Server)
- Phase 2: By December 2013 (Populate asset register and Build functionality)
- Phase 3: By December 2014 (Consolidate)
- Phase 4: 2015 and Beyond (Refine, Embed and Maintain)

As of December 2014, work has fallen behind schedule, based on the program presented in the report. Phase 1 has been completed and the FRA's consultant is still engaged in Phase 2. The main reasons for the delay are:

- Underscoping in the extent of assets to be recorded (at the time of proposal in 2012)
- the increased scope in the data collection (more asset information requested to be recorded)

To date work has focussed on:

- the establishment of the GIS and database platform;
- sourcing and training of GIS technical staff; and
- defining data requirements and the creation of an Asset Register (ie. data structures).

Road centreline processing is underway and bridge locations, along with other asset information is in the process of being captured and collated. This activity is now expected to be completed in mid 2015.

Functionality has been implemented for the display and analysis of the Forward Works Program (FWP) and maintenance claim information. However, the GIS is currently of limited use for mapping and report production purposes because road centreline update work and populating the asset register and has not been completed.

2.0 Asset Register

Core to any AMS is a well maintained asset information or "Asset Register". The asset register contains more than a simple inventory of asset extent and attribution (road width, barrier type etc). The register also contains temporal information such as traffic volumes, pavement condition and asset condition.

It is completion of the population of the asset register that will be the focus of on-going work for 2015. The overall objective is to bring forward efforts on completing road centreline processing, collecting asset data and populating the asset register with collected information. The current aim is to have the asset register largely completed by mid 2015. By end 2015, the asset register should be complete enough so that the GIS can be actively used and disseminated to stakeholders. Specifically:

- be able to start to use the GIS for the production of regular outputs in the form of maps, analysis, reports and ad hoc query to facilitate decision support. This includes static map outputs that can be added to the FRA website to inform members of the public about proposed works and road closures; and
- in the short term, provide a method for key stakeholders (FRA, MWH and maintenance Contractors) to be able to access the asset register remotely and have tools available to query the information it contains.

3.0 Web Mapping Application

Access to the asset register, and certain decision support functionality, within an interactive web interface has been identified as an important need for the system. The procurement of additional hardware and GIS modules to support web mapping was carried out in early 2015.

To date the following needs have been identified for web mapping applications, and will be amended after the asset register is complete.

- Interactive query of the information stored in the asset register (ie. search on data and view information associated with assets such as roadways, bridges, jetties, etc).
- Display and query of forward works program
- Display and query of planned road works, temporary traffic arrangements and road closures (linked to FRA website)

- Redline and mark-up of maps to facilitate data capture, data review and schedule updates by GIS admin staff.
- Integrate with the authorities Complaints and Requests Management Information System (CRMIS) to display the location and status of current active service requests.

4.0 Decision Support Modules

Any decision on the deployment of additional software to support the specific decision support modules mentioned in MWH's initial report (e.g. contract management, crash analysis, pavement management, etc), will be delayed until 2015 or 2016. This is because, only after the asset register is populated and the GIS is being actively and effectively used, will the stakeholders gain an understanding of what it can do and be used for. Only then will we be in a better position to identify gaps in functionality which the GIS cannot meet and/or is not effectively meeting with regards to specific decision support areas.

GIS on its own is usually not sufficient to provide all the tools, workflows and support necessary to create an effective AMS. Additional "fit for purpose" tools can be deployed and integrated with GIS to provide an effective AMS. The objective is to evaluate the GIS for use in decision support during the remainder of 2015 and early 2016, before proposing the inclusion of any additional software packages/modules within the context of the FRA's AMS to support specific work management workflows. The form and function of decision support modules that will be implemented outside the context of the current GIS platform (ie. using Work and Maintenance Management System software) will be proposed in early 2016 and implementation started shortly thereafter.

5.0 Consolidation and Embedment

By the end of 2015 all software solutions will be in place for the AMS and the asset register will be populated. Subsequent work will focus on embedding the workflows and processes to effectively and efficiently use the AMS, as well as ensuring there is a core group of staff who are skilled enough to manage and administer the data, software and hardware necessary to keep the system running optimally.

6.0 Progress – Updated Programme As At December 2014

Target Dates

End of 2015	End of 2015	End of 2015
<ul style="list-style-type: none"> • Bridges (98%) <ul style="list-style-type: none"> 90% total number 90% detail • Sealed Roads <ul style="list-style-type: none"> - Length 98% - Description 90% <ul style="list-style-type: none"> - Culverts No 80%, Details 98% - Retaining Walls & Seawalls 98% - Drainage 98% - Video maybe - Footpaths - Traffic Services 95% <ul style="list-style-type: none"> ▪ Signs ▪ Guardrails ▪ Pavement marking - Street & Traffic Lights 100% 	<ul style="list-style-type: none"> • Unsealed Roads U1* on current definition <ul style="list-style-type: none"> - Length 95% - Description 80% - Culverts 80% No – 0% detail - Retaining Walls & Seawalls 80% - Drainage 95% - Traffic Services 95% <ul style="list-style-type: none"> ▪ Signs ▪ Guardrails - Street & Traffic Lights 100% 	<ul style="list-style-type: none"> • Unsealed Roads U2 <ul style="list-style-type: none"> - Length 95% - Description 80% - Culverts 80% No – 0% Detail - Retaining Walls & Seawalls 80% - Drainage 95% - Traffic Services 95% <ul style="list-style-type: none"> ▪ Signs ▪ Guardrails - Street & Traffic Lights 100% - Length 95%

End of 2015
<ul style="list-style-type: none"> • Unsealed Roads U3 <ul style="list-style-type: none"> - Length 80% desktop - Description 60% - Culverts 15% No – 0% Detail - Retaining Walls & Seawalls 0% - Drainage 0% - Traffic Services <ul style="list-style-type: none"> ▪ Signs ▪ Guardrails - Street & Traffic Lights 100%



Attachment 'K'
BUDGET AMENDMENT FORM

BUDGET AMENDMENT FORM



BUDGET AMENDMENT FORM

- Original to the Financial Controller
- Keep Copy for Your Records

Submitted By	Name		
	Position		
Account No (If Known)			
Job Title			
Amendment (Explanation) Required			
Consequential Financial Implications For Any Other Budget			
Signature			
Date			
Financial Controller's Comments/Action			
Decision		Signed	Date
	Approved		
	Declined		
	Returned for More Information		



Attachment 'L'

LEARNING FROM PAST MISTAKES AND FROM THE EXPERIENCES OF OTHERS

**LEARNING FROM PAST MISTAKES AND FROM THE EXPERIENCES OF
OTHERS**

7.0 Introduction

The FRA will strive to learn from its past mistakes and from the experiences of others. Before it can do that however it needs to fully understand what the term ‘procurement’ really means and what the potential problem areas are.

Procurement is not just about actual purchase of the required goods or services. It is;

‘All the business processes associated with purchasing, spanning the whole cycle from the identification of needs to the end of a service contract or the end of the useful life and subsequent disposal of the asset’

Source: New Zealand Controller and Auditor General – ‘Procurement Guidance for Public Entities’ 2008

The principal financial management weaknesses that many road organisations experience, are listed below.

8.0 Human Resources - Mistakes and Weaknesses

Unclear delegated authorities and personal responsibilities: General confusion about exactly ‘who’ is responsible for ‘what’ and consequently the organisation isn’t able to hold individuals accountable for sub-standard results. If not consciously addressed this will eventually create a culture where mediocrity (or even poor performance) is accepted as the norm.

9.0 Planning and Programming - Mistakes and Weaknesses

- (a) Unclear objectives – the organisation isn’t sure about exactly what is going to have to be procured during the year –so works and services tend to be purchased in a haphazard manner;
- (b) Unclear or inappropriate work priorities – especially the lack of a robust ‘always up to date’ asset management plan that has identified the priorities for the next several (at least 10) years - the first two or three in detail and the balance in outline terms.
- (c) Overdesign – The contract specifications require more funding than is reasonably necessary to achieve the required outcomes;
- (d) Required work isn’t able to be procured when planned because the organisation doesn’t have a forward planning culture and engineering design work hasn’t been done when it should have been, or unforeseen design difficulties (that perhaps should have been foreseen) have been encountered.
- (e) Because of just poor management planning work isn’t tendered until too late in the year.
- (f) Poor scheduling of the different aspects of network management (e.g. a new sealed surface being constructed or an existing sealed surface renewed and then, within a very short time, having to be ‘ripped up again’ for the planned installation or repair of water supply, wastewater or storm water pipes or power or telephone lines – or new road markings done and then within a few days the road is resealed);
- (g) Work not appropriately packaged – inadequate attention is given to strategic sourcing and bundling or the work is bundled in the wrong way (resulting in higher than necessary costs being paid);
- (h) Insufficient time allowed in the contract specifications for the required work to be done (i.e. unrealistic expectations);
- (i) **Contract works’** design deficiencies – All requirements aren’t properly thought through when the design work is done (e.g. Nomoda bridge not sufficiently designed to withstand flood conditions. Insufficient thought given to how to keep traffic moving when building the new Rakiraki bridge on the same alignment. Lomaloma slip repairs founded above a slip plane);

- (j) Insufficient thought is given early enough to the purchase of required land, the obtaining of town planning and other regulatory consents, and to the relocation of water, wastewater, stormwater, power, gas and telecommunication lines;
- (k) Insufficient attention is paid to the likely impacts of subdivision and development on the road network including:
 - to the programming of work on the roads in a manner that integrates with, or takes into account the likely future impacts of subdivision and development; and
 - to the setting of conditions that require the subdividers and developers to either construct and vest works to the FRA's required standards or pay a financial contribution to the FRA (to the extent that additional impacts are caused to the road by the subdivision and development) or both; and
- (l) Where conditions are imposed on applications for subdivision and consent they either aren't enforced at all or the work isn't sufficiently inspected to make sure FRA's standards have been satisfactorily met – perhaps requiring remedial work (at the FRA's cost) within a short time.

10.0 Contracts' Management - From Invitation to Tender to Tender Acceptance - Mistakes and Weaknesses

- (a) Tenders aren't called at the most appropriate time in the annual cycle to take advantage of interested contractors' seasonal workload, or too much work is tendered at the same time – potentially causing the organisation to pay higher prices than it should have to because when the work is tendered the contractors have (or expect to have) so much work they can afford to inflate their prices;
- (b) Contract documentation deficiencies (e.g. the contract scope or the respective parties' responsibilities aren't sufficiently clear or are inadequate) – resulting in a completed job that doesn't entirely achieve the intended objectives, or contract disputes or both;
- (c) Inadequate tender evaluation processes (or the tender process isn't carried out as it should have been) – causing misunderstandings with bidders and/or resulting in contract problems and disputes, perhaps because 'the wrong' contractor was selected and cannot perform; and
- (d) The Principal not prepared to disqualify the lowest price tenderer. Not prepared to mark the tenderer at the level it should do on the non-financial attributes because influenced too much by the (perhaps unrealistically) low price.

11.0 Contracts' Management - After Tender Acceptance - Mistakes and Weaknesses

- (a) Safety management at the work site is inadequate – it either wasn't properly thought through in the health and safety plan or the requirements haven't been complied with and/or enforced;
- (b) Contract problems and disputes aren't addressed and resolved quickly enough – resulting in protracted arguments and perhaps settlement of the dispute not being possible at all (and a potentially large loss being incurred by FRA) because it has become time barred;
- (c) Inadequate supervision and/or enforcement of work quality;
- (d) The contractor not completing his obligations within the stipulated time; and
- (e) Inappropriate and ineffective maintenance and other work practices (e.g. the pothole repair methods).

12.0 Financial Management - Mistakes and Weaknesses

- (a) The annual budget isn't finalised until after the commencement of the year to which it relates unnecessarily shortening the time for work planning, calling and awarding tenders and completing the work;
- (b) Funding isn't made available in a timely manner throughout the year to enable the work to be done expeditiously and/or additional funds are distributed too close to the end of the year causing managerial and operational chaos and wasteful expenditure because *'if we don't complete the work by the end of December we won't get the same amount of money next year'*;
- (c) The total cost of **all** related matters isn't identified and addressed before tenders are called (resulting in either completed **contract works that don't** fully meet objectives or additional funds having to be sought – in order to complete the required work) (Example: In May 2012 the DNR had to request an additional \$9m for Buca Bay, Swani-Serea, Sigatoka Valley and Moto Roads for services' relocation, the purchase of land and works' supervision);
- (d) Because the tendered prices are so high the organisation reduces the scope – resulting in a less than satisfactory **contract** that doesn't meet the objectives.
- (e) Too much emphasis on the lowest price when considering tenders rather than on the ability of the tenderer to do a quality job and on whole-of-life costs. (e.g. initial costs low but annual operational costs high and a shorter asset life than if a little more money had been spent at the time of construction or acquisition);
- (f) A tendency to 'try to make the dollar go further at the expense of work quality'. (e.g. reduced standards for seal extensions resulting in a shorter asset life and renewal work having to be done not only sooner but also at a higher cost – perhaps even total reconstruction);
- (g) Insufficient monitoring of programmed costs to ensure all planned work is completed within the approved budget;
- (h) An inadequate or inappropriate system of promptly reporting financial results regularly to contract managers throughout the year – to enable them to easily see how the work they are responsible for is progressing against the approved budgets;
- (i) Where good financial reports are regularly available contract managers don't pay the attention to them that they should – and where the result trends aren't as they should be don't take the required remedial action either at all or quickly enough;
- (j) Financial information isn't recorded in the ledger accounts in a readily understandable and uniform way to enable managers to see at a glance, without having to do further research work, not only what the state of the account is but 'why';
- (k) Contractors not paid promptly. The organisation doesn't sufficiently appreciate how vital prompt payment is to its contractors' cashflow;
- (l) Poor cashflow management. (e.g. Creditors not able to be paid on due date because the former DNR didn't forecast when the work would be completed and the money needed and so didn't have the funds);
- (m) Retention monies and procedures not properly managed;
- (n) (Outside the organisation's control) the practice of many governments and public agencies of not allowing under expenditure at the end of the year to be carried forward into next year in addition to next year's allocation – causing wasteful expenditure in the rush to get the work done (**a very common problem**);

- (o) Submitted prices aren't questioned strongly enough. The objective of paying a fair price (and nothing more) for everything the organisation has to do, isn't argued as much or as strongly as it should be. Offered sums are too easily accepted at their face value. Insufficient consideration is given to the option of not accepting any tenders and considering other options;
- (p) Voucher payments aren't compiled in an orderly form or stored in a manner that enables managers to quickly find previous payments and what they were for; and
- (q) Insufficient control over the vouchers' preparation and payment processes to prevent fraud.

13.0 General Management – Mistakes and Weaknesses

- (a) Programmed projects not completed during the year. (Many public organisations don't complete anything like the work they said at the beginning of the year they intended to do).
- (b) Insufficient attention paid to the importance of complete and accurate record keeping;
- (c) Non-financial performance is seen as something that is done after year end rather than something that it is essential be monitored throughout the year or, where its importance is understood, remedial action isn't taken promptly enough when the non-financial result trends aren't as they should be.
- (d) Too much emphasis is placed on the results achieved for the year in isolation – rather than on the longer term trends (i.e. whether the performance has been better or worse than in the past and if worse, why, and what FRA is intending to do about it).
- (e) Setting soft performance measures and targets that are certain to be achieved no matter what happens – or that are expressed in a way that really doesn't mean very much at all and when the results are reported against them convey a false impression of how effective and efficient the organisation **really** is. **(A very common problem)**.
- (f) Inaccurate or incomplete data – making it difficult for the organisation to make sound procurement (especially work priority) decisions;
- (g) Bonds and insurances matters aren't sufficiently addressed before possession of the site is given – potentially causing serious problems later on;
- (h) Risk hasn't been appropriately spread between the Principal and the Contractor;
- (i) Wrong or inappropriate decisions are made by the Tenders Committee or the Board because the tenders' evaluation report or other reports provided by PESA or the FRA's staff contained incorrect information or were incomplete;
- (j) Potential conflicts of interest weren't declared when they should have been – or were declared but the matter wasn't properly addressed – sometimes not recognised or talked about at all because of a lack of awareness of what constitutes a conflict within the staff. (An 'organisation culture' issue).
- (k) The organisation too easily accepts what its Professional Engineering Services Advisors and other Consultants suggests rather than carefully considering the wider implications and vigorously questioning, challenging, and requiring reasons in order to satisfy itself that the recommended approach really is the very best solution possible.
- (l) Sub-standard performance is allowed to continue because managers don't confront it and won't make the hard decisions that they should. A culture that doesn't sufficiently recognise that mistakes do happen and that when they do it is important they be promptly, openly discussed and analysed, and not ignored.



- (m) Land purchase and roads' legalisation work is considered just 'a necessary nuisance' and is only attended to as time permits rather than managed according to a predetermined plan with specified targets to be achieved for the year.

14.0 Conclusion

The FRA will plan to avoid all of these potential issues and by regularly assessing its performance against this list will monitor how successfully it is doing so – not just generally but by carefully, critically examining its performance against each item.

Prompt remedial action will be taken whenever weaknesses are identified.

Attachment 'M'
GLOSSARY

Section 1.1

GLOSSARY

Acceptance Letter	See 'Letter of Acceptance'.
Accountability	<p>Being obliged to answer for one's actions, to justify what one does.</p> <p>Not to be confused with responsibility. Responsibility involves the obligation to act. Accountability is the obligation to answer for the action.</p>
Account Manager	<p>A person employed by the FRA's Professional Engineering Services Advisors who has the responsibility for monitoring all expenditure against, and full compliance with, a particular line item (or line items) in the FRA's approved budget for the year.</p> <p>The Account Manager differs from the Engineer's Representative in that the Account Manager has responsibility for all costs relating to the line item whereas the Engineer's Representative is responsible only for the costs relating to a contract – which may be only a part of the line item costs.</p>
Advanced Asset Management	<p>Asset management which employs predictive modelling, risk management and optimised decision-making techniques to establish asset lifecycle treatment options, and related long-term cash flow predictions.</p> <p><i>Source: (New Zealand National Asset Management Steering Group (NAMS) and The Institute of Public Works Engineering Australia (IPWEA) 2011).</i></p> <p>See also 'Core Asset Management'.</p>
Affordability	An assessment of whether a proposal can be paid for in terms of cash flows and resource costs.
Alternative Tender	<p>A tender submitted by a party who considers it can meet the FRA's requirements in a more cost effective way than specified in the tender documents.</p> <p>When submitting an alternative tender it is the tenderer's responsibility to provide full technical and other details to enable its offer to be considered.</p>
Annual Budget	The total amount that the FRA is planning to spend on the purchase of goods and services during the year and the purposes for which it is to be spent.
Annual Report	The Fiji Roads Authority's Annual Report that is required to be prepared and issued by the end of April each year pursuant to the requirements of Section 30(1) of the Fiji Roads Authority Decree 2012.
Asset Disposal Policy	<p>An FRA policy that has been prepared pursuant to the requirements of Section 32(1)(e) of the Fiji Road Authority Decree 2012 (No 2) viz:</p> <p><i>'.....the statement of corporate intent shall include.....an outline of FRA's policies and procedures relating to the .....disposal of major assets'.</i></p> <p>For the FRA's disposal policy see Section 3.4 of the Asset Management Plan.</p>

Asset Management Plan (AMP)

A plan that explains the FRA's detailed long term intentions for managing the entire business in order to deliver the adopted levels of service and performance targets in the most cost-effective way. The asset management plan has a ten year horizon and identifies FRA's future road needs and priorities (and their likely cost) - in detail for the first three years and in outline form for the remaining seven.

The asset management plan underpins the detailed works programme that is in the "Corporate Plan and Statement of Corporate Intent" each year. It is updated annually and comprehensively reviewed every three years.

The officer primarily responsible for preparation and maintenance of the asset management plan is the Strategy and Planning Manager.

Asset Management System

A system, usually in the form of computer software, that contains an inventory of assets and links to asset history, condition and financial information. The software generates reports about assets, including information about asset condition, to support the operational and strategic decision-making process.

A description of the Asset Management System the FRA uses is in Attachment 'J'.

Asset Ownership

The FRA owns all of the roads, including those situated within the municipal areas.

Section 18 of the Decree says:

'As from the commencement of this Decree, all assets, interests, rights, privileges, liabilities and obligations of –

- (i) the State in relation to the Department; and*
- (ii) municipal councils in relation to municipal roads,*

shall immediately be transferred to and shall vest in FRA without conveyance, assignment or transfer.

If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in FRA, a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.'

Assistant

See Engineer's Assistant.

Assistant Engineer

See Engineer's Assistant.

Asian Development Bank

A regional development bank established in 1966 to facilitate the economic development of countries in Asia.

From time to time the bank approves grants or loans to the FRA for road purposes.

Authority

Short for 'Fiji Roads Authority'.

Benefit Cost Analysis	<p>A decision technique that quantifies the benefits and costs in monetary terms over the life of the decision (often the life of the asset involved), discounting them to current monetary terms.</p>
Best Value	<p>The most advantageous balance of price, quality and performance – usually but not always achieved through competitive procurement methods in accordance with stated selection criteria.</p> <p>Best value requires consideration of all relevant costs over the useful life of the acquisition – not solely the initial project/contract cost. The analysis necessary to achieve it isn't confined to the actual purchase process. It begins with the planning and appraisal of alternatives and continues through:</p> <ul style="list-style-type: none"> (i) cost/benefit analysis for determination of the best combination of quality, service, time and cost; (ii) risk assessment and evaluation; (iii) preparation of the proposal assessment; (iv) selection of the designer; (v) preparation of the contract documents including the award criteria, distribution of the invitation to tender, negotiations, selection of the preferred contractor and award of the contract; (vi) contract management and administration; and (vii) evaluation of the completed work; (viii) effective operation. only when the 'best decision' is made after careful consideration of all available options at every step in the process will 'best value' be achieved. <p>See also 'Value for Money'.</p>
Black Spot	<p>Now replaced by the term 'crash cluster' or 'crash location'.</p>
Board	<p>The Fiji Roads Authority's Governing Board.</p>
Board Paper	<p>A separate paper that is prepared about any issue requiring a decision of the Board.</p> <p>The paper is prepared in a standard format under the following main headings:</p> <ul style="list-style-type: none"> – Title (or subject) – Purpose – Background – Report (Use sub-headings as appropriate) – Recommendation <p>Board papers explain to Board Members as concisely as possible what the matter requiring a decision is and the key relevant facts that need to be considered. They shouldn't usually be more than one or two pages. (In some jurisdictions the governing bodies won't consider Board Papers that are</p>

more than one page). The more detailed information (if any) should be in the attachments. The recommendation must always be prepared in a 'stand-alone' form. That is to say, able to be adopted as a thoroughly understandable decision of the Board without amendment.

Board Papers may be considered by:

- including them on the agenda for the next Regular Meeting of the Board;
- including them on the agenda for any Special Meeting of the Board;
- including them on the agenda for any meeting of any Committee of the Board (e.g. the Tenders Committee);
- circulating them to Board Members for them to individually convey their decisions to the CEO. (The 'Flying Minute' process);
- the CEO (pursuant to any authority delegated to him by the Board. (e.g. by specific resolution for contracts less than \$500,000).

Bond

A written undertaking to pay a certain sum of money.

Persons entering into written contracts with the FRA will usually be required to provide performance bonds – and other bonds in particular situations.

Every bond must be issued in favour of the FRA by the Contractor's surety – which, unless otherwise authorised by the CEO, must be a bank or insurance company acceptable to FRA.

See also Conditional Performance Bond and Unconditional Performance Bond.

Bridge

A structure designed to carry a road or path over an obstruction such as a river or rail line by spanning it. Includes culverts with a cross-sectional area greater than 3.4m².

Budget

See 'Annual Budget'.

Building Local Capacity

See 'Capacity Building'.

Bundling

The grouping of projects, contracts, or services into one structure, in a manner than enables them to be procured, funded and developed as one.

Consolidating the required goods or services into a single tender in this way enables the FRA to reduce costs that would otherwise be incurred if the same services were procured in a number of different packages.

Potential bundling and strategic sourcing opportunities have been key considerations when formulating the procurement approach that is outlined in this manual.

Business Continuity Plan

A practical logistical plan for how the FRA will recover and restore partially or completely interrupted urgent/critical/essential business functions within a predetermined timeframe after a disaster or extended disruption.

Capacity Building

Strengthening the skills, competencies and abilities of people in a particular field or fields.

One of the FRA's key objectives is to increase the skills, competencies and abilities of Fijian personnel, who are either already engaged in, or who are

interested in working in, the road industry - at all levels, from senior management to those carrying out the more routine daily maintenance tasks in the field.

Capital Works	Includes both Renewal Capital Works and New Capital Works.
Capital Works Manager	The FRA employee responsible for the management of all Category 4 and 5 works (as described in Section 4).
Capitalise	To capitalise an item is to record the expenditure as an asset and depreciate it over time.
Cardinal Change	<p>A contract change which is outside the general scope of the original contract, and thus not within the authority of the 'Changes Clause'. In order to be within the general scope of the contract there are three things that have to be considered – the nature of the work, the amount of effort the contractor is required to perform and the original competition.</p> <ul style="list-style-type: none"> • Nature of the Work <p>A proposed change <u>will be</u> within the general scope if:</p> <ul style="list-style-type: none"> ▪ It could be regarded as having been fairly and reasonably within the contemplation of the parties when the contract was entered into; and/or ▪ It is essentially the same work as the parties bargained for when the contract was awarded; and/or ▪ The function or nature of the work as changed is generally the same as the work originally called for. • Amount of Effort <p>A proposed change <u>will not be</u> within the general scope if it causes undue work disruption and cost increases to the contractor. Examples of cases that have been held to be cardinal changes include:</p> <ul style="list-style-type: none"> ▪ A variation that added over 200% to the cost of backfill work; ▪ A contract where there had been 130 changes, the time for performance had doubled and costs of \$4.6m. were incurred above the contract price of \$5.8m. • Scope of the original competition <p>A proposed variation <u>will be</u> within the general scope:</p> <ul style="list-style-type: none"> ▪ Providing the original solicitation adequately advised offerors of the potential for the type of changes during the course of the contract that in fact occurred, and ▪ The proposed modification is of a nature which potential offerors shall reasonably have anticipated under the changes clause when the tender was advertised.

The changes clause lends itself to potential abuse in the matter of ordering quantities not originally competed. This practice can become an expedient to avoid the time and expense of a new procurement action, but it is improper when the additional quantities exceed the scope of the original competition. Such additional quantities should either be bought through a new competitive procurement or processed as a sole source action with the requisite organisational approvals. Major additions in the contract quantity have been held by the Courts to be 'Cardinal Changes'.

See also 'Contract Scope Change' and 'Contract Changes Clause'.

Category 1 Works	Professional Engineering Services' Advice and Expertise (as described in Section 4.2.1).
Category 2 Works	All work associated with maintenance of the Roads (as described in Section 4.2.2).
Category 3 Works	All work associated with maintenance and operation of the traffic signals (as described in Section 4.2.3).
Category 4 Works	All renewals work (as described in Section 4.2.4).
Category 5 Works	All new capital work (as described in Section 4.2.5).
Category 6 Works	All road safety work (as described in Section 4.2.6).
Category 7 Works	Consultant and Similar Services that don't warrant Comprehensive Contract Agreements (as described in Section 4.2.7).
Category 8 Works	Subdivision and Development Control (as described in Section 4.2.8).
Category 9 Works	Land Purchase and Roads' Legalisation work (as described in Section 4.2.9).
Category 10 Works	All routine (mainly day to day) administrative support services (as described in Section 4.2.10).
Category 11 Works	Strategic & Forward Planning Services (as described in Section 4.2.11).
Chairman (or Chairperson)	Unless otherwise stated, means the Chairman (or Chairperson) of the Board.
Changes Clause	See Contract Changes Clause.
Closed Tender	The process of inviting only prequalified or known bidders to participate. Closed Tenders are not advertised in newspapers.

Conditional Performance Bond

A bond to guarantee the proper and timely completion of the Consultant's/Contractor's duties under the Contract. The wording of such bonds is very important as it will specify the conditions under which the bond may forfeit. Therefore non-performance has to be established before the bond can be called.

See also Unconditional Performance Bond.

Conflict of Interest

When an FRA employee, a PESA employee, or someone else in the decision-making line has another interest that creates (or has the potential to create) an incentive for him (or her) to act in a way that may not be in the best interests of the FRA.

Everyone has multiple roles and interests at work, at home, in wider families, or in the community and conflicts of interest arise where something practical at work overlaps with one of those other roles or interests.

A conflict of interest may be:

- (i) 'Actual' - where the conflict currently exists;
- (ii) 'Potential' - where the conflict is about to happen or could happen; (or)
- (iii) 'Perceived' - where other people may reasonably think that a person is compromised.

The employees (or other person's) 'other interest' could be, for instance:

- (i) a close relationship with another party who has submitted a bid for tendered work;
- (ii) having a professional or legal obligation to a person with whom the FRA has a dispute;
- (iii) being an owner (or part owner) of land adjoining a road for which an application for subdivisional consent has been made; or
- (iv) holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person who has business with the FRA – or with an FRA issue or proposal.

In these sorts of circumstances the person concerned should declare the interest and withdraw from any involvement in making the decision.

The FRA maintains a Conflicts of Interest Register in which are recorded all Conflicts of Interest that have been declared and how they have been managed.

Constitution

The Constitution of the Republic of Fiji.

Contingency Item

A separately planned quantity to allow for future situations which may be planned for in part (sometimes called 'known unknowns'). For example rework is certain but the amount of rework is not.

Contingency items may involve cost, schedule or both. Contingency reserves are intended to reduce the impact of missing cost or schedule objectives. They are normally included in the project's cost and schedule baselines.

An allowance to cover unforeseen costs.

An allowance in a contract for additional unforeseen work or costs that may or may not be ultimately required.

An amount that may or may not be included in a contract to provide for the cost of events that may have been unforeseen at the time the contract was entered into or which were unforeseeable, given a reasonable standard of care during the contract period.

As a sum of money approved at the time the tender was accepted no new approval (other than a decision by the Engineer) is necessary to cover any expenditure properly chargeable against the contingency item - but such expenditure must be fully accounted for and a detailed record about how (if at all) the contingency item has been expended kept.

The contingency item cannot be used to cover increases in specifications or changes in the FRA's intentions, increases in the cost of materials, or errors or omissions.

The FRA often has to make financial provision for contingencies in its contracts.

Not to be confused with Cost Escalation.

Contingent

Liable to occur but not with certainty. Possible.

An event or condition that is likely but not inevitable.

Contingent Liability

A liability that may or may not be incurred by the FRA depending upon a future event such as a court case relating to a claim for compensation, an indemnity or other legal claim. The liability is recorded in the accounts when it is probable and the amount of the liability can be reasonably estimated for.

Contract

A legally enforceable agreement between two or more competent parties:

- (i) made either orally or in writing; which
- (ii) creates an obligation to do, or not to do, a particular thing.

A mutually binding agreement which obligates the seller (or service provider) to provide the specified product (or service) and obligates the buyer to pay for it.

The FRA purchases goods and services via contracts that are either made in writing or pursuant to a purchase order. In the context of this Manual, the term 'contract' means predominantly the purchase of goods and services pursuant to an agreement made **in writing** either by 'Written Agreement' as defined or by Short Form Agreement. The work processes and requirements for 'written contracts' are quite different to those for contracts that are entered into by purchase order. (See Sections 6 & 7)

Contract Cardinal Change

See Cardinal Change

Contract Changes Clause

Contract Changes Clauses limit the FRA in two ways:

- First, they stipulate that changes must be within the general scope of the contract.
- Second, they describe the types of changes that may be made. :

In order for any proposed change to be binding on the contractor, it must meet the general scope and be one of the types of changes described in the 'Contract Changes Clause'.

If the proposed change doesn't meet this test it is a 'Contract Scope' or 'Cardinal' change.

See also 'Contract Scope Change' and 'Cardinal Change'.

Contract File

The file that contains all information relating to a particular contract from the time of award of the contract until its completion. The contract file is a sub-file of the Project File.

See also 'Project file' and 'Tenders' File'

Contract Number

The system that the FRA uses to enable every contract to be easily identified and located.

The numbering system is FRA/the year in which tenders are to be called/the next consecutive number (overall).

Example: The fifteenth contract for which tenders have been called in 2012= FRA/12/15

Contract Scope

A clear description of the boundaries of a proposed contract – the term 'boundaries' meaning the overarching parameters, general details and objectives of the project.

Scope statements are the most important part of a contract's definition and of the planning process. They define what is within and outside the boundaries of the contract.

The FRA approves the proposed contract scope before design or other work begins, irrespective of who has prepared it.

See also 'Contract Scope Change'.

Contract Scope Change

Has the same meaning as Cardinal Change.

A change that was not within the scope of the original contract. A decision to change the extent and limit of a contract.

An increase or decrease in the scope of the work that changes the statement of work on which the contract is based and which requires a change to the contract price.

The necessity to make scope changes usually arises relating to capital works contracts. Providing the approved maintenance budget allocation for the year isn't exceeded, directions to the maintenance contractors for maintenance work to be carried out in a stipulated manner or in another form or at another location are a necessary part of day to day maintenance and management of the network and are not scope changes.

Contract scope changes that are not able to be properly processed as changes in the contract under the Changes Clause but are properly processed as new procurements.

For a fuller explanation see Section 11(f).

See also 'Cardinal Change' and 'Contract Changes Clause'.

Contracts' Administrator

The person responsible for maintenance of the Contracts Register – The Contract Management Engineer.

Contracts' Retention

See 'Retention'.

Contracts' Register

(Not to be confused with the Tenders' Register).

A register maintained by the FRA that records the information listed in Section 9.2 about all contracts.

A single place to which Managers can go to see what the overall 'contracts situation' is - and a historical record.

Contract Variation

May be expressed differently in the various types of contracts but generally means any alteration of/to the works whether by way of addition, modification or omission.

For guidance as to whether variation is a scope change variation or a variation that is not a scope change see 'Contract Scope Change' and 'Cardinal Change'.

Although everything can't always be foreseen, by properly assessing the needs, fully understanding the work site, designing the **contract works** carefully, and compiling complete and accurate tender/contract documents, the FRA seeks to minimise the number of occasions when variations have to be issued.

Core Asset Management

Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, inventory control, conditions of service and defined levels of service, in order to establish alternative treatment options and long-term cash flow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than on risk analysis and optimised decision-making).

Source: (New Zealand National Asset Management Steering Group (NAMS) (b), 2006).

Asset management which relies primarily on the use of an asset register, maintenance management systems, top-down condition assessment, simple risk assessment and defined levels of service, in order to establish a long-term cashflow projection.

Source: (New Zealand National Asset Management Steering Group (NAMS) and the Institute of Public Works Engineering Australia (IPWEA) 2011)

See also 'Advanced Asset Management'.

Corporate Plan

A plan required to be published by the FRA annually pursuant to Section 31 of The Decree.

The Corporate Plan has to include the information listed in Section 3.2.

The FRA issues its Corporate Plan and Statement of Corporate Intent as a single combined document.

Corporate Services Manager	The FRA Manager responsible for the management of all Category 10 works.
Cost Effective	When an analysis of the benefits of a particular expenditure has confirmed that the same expenditure could not have been used more effectively, or the same benefits could not have been achieved, with less expenditure.
Cost Escalation	<p>Changes in the cost or price of specific goods or services over a period.</p> <p>Not to be confused with inflation. Escalation is specific to an item (or service) whereas inflation is general.</p> <p>Escalation is usually calculated by examining the changes in the price index measures for the particular good or service – although because escalation may occur in a micro market indices can be difficult to find.</p> <p>Escalation and Contingency Items are both considered risk funds. The necessity or otherwise to provide for them should be considered when project or contract estimates and budgets are being prepared.</p> <p>When escalation is minimal provision for it is sometimes included in the contingency but that is not best practice and should be avoided.</p>
Council Area	See Municipal Council Area.

Crash Categories

Fatal	A death occurring as the result of injuries sustained in a road crash within 30 days of the crash.
Serious	Injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.
Minor	Injury which is not 'serious' but requires first aid, or which causes discomfort or pain to the person injured.
Non-Injury	Property damage only.

Crash Cluster	A number of crashes at one location that may be of the same or related crash type.
Crash Location	A location where a range of crash types occur repeatedly, suggesting that there are common causes, rather than crashes being the result of mere chance. A location can be a crash site, a route, or an area.
Credit Card	Has the normal meaning, but for the purposes of this Manual also includes vehicle fleet cards, purchase cards, and equivalent cards used to obtain goods and services before payment is made.
Culvert	A pipe or enclosed channel for carrying a stream or watercourse under a road.
Decade of Action	A global programme of the United Nations on road safety initiatives.

on Road Safety

Fiji joined the programme in 2011 and agreed a comprehensive set of targets to be achieved by 2020. Those that the FRA is responsible for include the following:

- (i) 30 black spots improved;
- (ii) 40kms of route action plans in place (e.g. overtaking lanes);
- (iii) 30 village treatments completed;
- (iv) 60 mass action plans;
- (v) 600km major roads marked and delineated; (and)
- (vi) Traffic Management Plans implemented on 4 major and 6 smaller routes.

In addition, all new projects are to have road safety audits from 2012.

Decision-making

The thought process of selecting a choice from among the available options.

All decision-making of whatever complexity and at whatever level is expected to consider all available options for achieving the objective of the decision and the likely economic, environmental and social impacts of each option before deciding the preferred course of action.

Delegate

The process by which authority and responsibility is distributed from one person to another. However, the person who delegates the work remains accountable for the outcomes.

Authority and responsibility may be delegated subject to such terms and conditions as the person making the delegation shall prescribe and may be amended or withdrawn at any time.

In certain circumstances the authority and responsibility may be sub-delegated to another person but only to a person to the extent stipulated in the original delegation.

Demand Guarantee

Has the same meaning as 'On-Demand Bond'.

Department of National Roads (DNR)

A former department of the Ministry of Works, Transport and Public Utilities (MWTPU). The DNR was abolished on 5 January 2012 upon the establishment of the FRA.

All staff and assets and liabilities of the Department transferred to the FRA on that date and the organisation moved from the jurisdiction of the MWTPU to the Office of the Prime Minister, (and subsequently to the Ministry of Infrastructure) as a corporate entity.

Deposit

In the context of this Plan, means a sum of money provided at the time of tender.

The FRA will not, as a general rule, require deposits. It may however require the payment of a non-refundable 'documents' printing charge' and in

the case of more complex contracts where the cost of retendering would be high, it may require a tenderer's bond.

Depreciated Replacement Cost (or Value)

The replacement cost of an asset less accumulated depreciation to reflect the already consumed or expired future economic benefits of the asset.

Design Capacity

The maximum capacity at which a road, bridge or jetty has been designed to operate regardless of statutory, regulatory, contractual or other conditions or restrictions.

Development

In the context of the road network and the term 'Subdivision and Development' means property development that generates (or that may generate) an increased demand on the roads.

Example:

- (i) A new shopping centre may require the adjoining road to be widened to enable vehicles to pull off to the side or to wait in the centre, properly designed entrance and exit ways to be constructed, and perhaps even a changed traffic layout including signals and/or a roundabout.
- (ii) The conversion of rural land for residential living may cause agitation for the adjoining road to be better aligned and sealed.

The FRA needs to be constantly aware of these sorts of matters to ensure that subdivision and development activities – either during the subdivision and development work or afterwards- don't negatively impact the roads, or if they do the impact is able to be mitigated either by the developer, or by the FRA using funds paid by the party benefitting from the work. Significant additional costs can be incurred by the FRA if this isn't done.

Disclosure

The reporting of an alleged wrongdoing by a Whistleblower in the manner specified in Section 26.5 of the Staff Manual.

Efficiency

The relationship between the result achieved and the resources used.

A level of performance that uses the lowest amount of inputs to create the greatest amount of outputs.

Example: *'It is more efficient to station graders at various locations around the district and have them work on the local roads from there than it is to station them at a central depot and them have to travel long distances to their work.'*

Effectiveness

The extent to which the planned activities were realized and planned results actually achieved.

The extent to which a project, programme or policy achieves its intended outputs and/or outcomes.

Example: *'The safety improvements that have been done have been very effective. The number of crashes at that location has been reduced by 40% since the improvement work was done.'*



See also 'Cost – Effective'

Emergency

In the context of this Manual has the meaning described in Section 5.2.

Engineer

The person with responsibility to undertake a number of necessary duties to administer the contract and ensure the works are carried out in accordance with it, and to ensure that the parties fulfil their respective obligations. All instructions and any variations that the FRA may wish to give or make are directed through the Engineer who will give appropriate instructions to the contractor, However the Engineer has no authority to change or amend the contract – except to the extent that may have been delegated to him by the Board. He has two distinct roles:

- (i) To be the extended arm of the FRA in that he acts for the FRA in carrying out the specific duties of administering the contract, supervising the work carried out by the contractor, ensuring that the contractor complies with the terms of the contract, and checking that the work in progress and the completed work is as specified; (and)
- (ii) To the extent authorised by the FRA (see section 11) to make a determination – which shall be fair and in accordance with the contract – on each matter where the parties are not in agreement. A disagreement might concern a technical or a procedural matter, or the rights and obligations of either the FRA or the contractor (e.g. a payment to or from either party or a time extension to the contractor).

To assist him to perform his duties the Engineer may appoint Assistants to carry out such responsibilities as he may in writing delegate to them – but only to the extent as has been authorised by Board resolution or, in the case of the person occupying the Assistant's position changing, authorised by the CEO.

Engineer's Assistant

The following paragraph explains what an Engineer's Assistant is. However in the case of the FRA the Engineer may only delegate to an Assistant to the extent authorised by resolution of the Board or, in the case of the person occupying the Assistant's position changing, authorised by the CEO.

"The Engineer may from time to time assign duties and delegate authority to assistants, and may also revoke such assignment or delegation. These assistants may include a resident engineer, and/or independent inspectors appointed to inspect and/or test items of Plant and/or Materials. The assignment, delegation or revocation shall be in writing and shall not take effect until copies have been received by both Parties. However, unless otherwise agreed by both Parties, the Engineer shall not delegate the authority to determine any matter in accordance with Sub-Clause 3.5 (Determinations).

Assistants shall be suitably qualified persons, who are competent to carry out these duties and exercise this authority, and who are fluent in the language for communications defined in Sub-Clause 1.4 [Law and Language].

Each assistant, to whom duties have been assigned or authority has been delegated, shall only be authorised to issue instructions to the Contractor to the extent defined by the delegation. Any approval, check, certificate,



consent, examination, inspection, instruction, notice, proposal, request, test, or similar act by an assistant, in accordance with the delegation, shall have the same effect as though the act had been an act of the Engineer.

However:

- (a) Any failure to disapprove any work, Plant or Materials shall not constitute approval, and shall therefore not prejudice the right of the Engineer to reject the work, Plant or Materials;*
- (b) If the Contractor questions any determination or instruction of an assistant, the Contract may refer the matter to the Engineer, who shall promptly confirm, reverse or vary the determination or instruction.”*
Source FIDIC “Conditions of Contract for Construction”

Engineer’s Estimate

The Engineer’s prediction of the likely cost of resources required by the scope of a **contract** for which tenders have been called.

The estimate must address risks and uncertainties and explain how it has been calculated and arrived at.

The Engineer’s Estimate is an important guide for the Evaluation Team when it is considering the tenders received in order to decide who to recommend the contract be awarded to.

Escalation

See Cost Escalation.

Ethical

Being in accordance with the accepted principles of right and wrong that govern the conduct of (in this case – the road management) profession.

Ensuring everything FRA has to do is done ethically is very important to the FRA.

Expense

To expense an item is to record it as a business cost in the current year.

See also ‘Capitalise’.

Evaluation Criteria

The criteria against which all tender bids that are received will be evaluated.

The three most commonly used evaluation models are:

- (i) The lowest-price conforming model – the model that has the strongest emphasis on price. With this model the lowest-priced tender or proposal is selected once a prerequisite level of quality is met. It is applicable where additional quality over and above a minimum threshold is not important (that is, does not offer greater value for money).

- (ii) The weighted-attribute model – the model that seeks to balance the trade-off between price and quality. Under this model, the criteria are weighted to reflect their relative importance. Each criterion in the tender or proposal is scored, and each is multiplied by the relative weighting to give a weighted score. The weighted scores for each tender or proposal are added up to find the highest scoring tender or proposal. Some weighted-attribute models weight all of the evaluation criteria, including price, while others weight only the non-price criteria. If weighting price it is important to carry out some level of sensitivity analysis as part of the weighting process to ensure that the price weighting is appropriate. For example if the price weighting is too high, the evaluation effectively becomes a lowest-price conforming exercise.
- (iii) The Brooks Law model assesses proposals on the basis of technical merit. The highest ranked supplier is invited to discuss the proposal, contract, terms and fees. The terms of reference and the contractual and legal requirements are reviewed to ensure a mutual understanding. When agreement on fees is reached, the supplier is appointed. If no agreement on fees is reached, the second ranked potential supplier is invited to negotiate. The process continues until a satisfactory agreement is negotiated.

Evaluation Report

See 'Tenders' Evaluation Report'.

EXIM BANK

An 'Export-Import' (EXIM) financial institution owned by the Chinese Government.

The Fijian Government receives loan funding assistance for certain major capital road projects from this bank.

Expenditure Statement

See 'Monthly Expenditure Statement'.

Expression of Interest (EOI)

Is similar to a registration of interest (ROI) in that it is used to identify suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability to do the work. It is usually the first stage of a multi-stage tender process.

Fair Value

The amount for which an asset could be exchanged between knowledgeable willing parties in an arms-length transaction.

Fatal Crash

See 'Crash Categories'.

FIDIC's Yellow, Red and Green Books

The conditions of contract published by the Federation Internationale des Ingenieurs – Conseils (the International Federation of Consulting Engineers) entitled:

- (i) Construction (Red Book) 1999
- (ii) Plant and Design-Build (Yellow Book) 1999

(iii) Short Form (Green Book) 1999

The FRA uses these FIDIC conditions.

Fiji Roads Advisory Committee (FRAC)

The Committee (Board) appointed by the Minister to govern FRA through its transitional phase.

Fiji Roads Authority (FRA) A corporate entity established by the Fiji Roads Authority Decree 2012 (No 2) – as amended by the Fiji Roads Authority (Amendment) Decree 2012 (No 46) and by the Fiji Roads Authority (Amendment) Decree 2014 (No 78) and any subsequent amendments.

Fiji Roads' Green, Yellow, & Blue etc Books

An approach to the publication of management material with the objective of facilitating a better understanding of what the FRA requires and the processes and rules staff and PESA are expected to abide by. Completing the information in this way, and bringing it all together into just a few centrally maintained documents, forces FRA to carefully think through everything it has to do and to organise its responsibilities in a more coordinated and integrated way than many public entities do.

The approach also records all of the important information in just a few locations rather than having it scattered all over the place – which is so important when so much of it affects not only the FRA's but PESA's staff and the contractors as well. It also helps to ensure everything is done in a consistent way.

Includes:

- | | | |
|-------|-------------|-----------------------------------|
| (i) | Green Book | (This) Operations Manual |
| (ii) | Blue Book | Organisational Performance Manual |
| (iii) | Yellow Book | Staff Manual |
| (iv) | Mauve Book | Asset Management Plan |
| (v) | Red Book | General Management Manual |
| (vi) | Grey Book | Risk's Management Manual |

Fiji Roads Upgrading Programme (FRUP)

A programme for the upgrading of certain main roads that is substantially funded by loans from the ADB.

Financial Contribution In the context of the subdivision or development of land that may impact a road (or roads) a contribution of money payable to the FRA by the applicant for the subdivision or development to enable the FRA to fund the cost of mitigating those impacts.

In the Department of Town & Country Planning is called a bond.

Financial Controller	The FRA employee with overall responsibility for the whole of the FRA's financial affairs.
Financial Management System	<p>The processes and procedures the FRA uses, substantially in the form of computer software, to exercise financial control and accountability. The system includes the recording, verification and timely reporting of transactions that affect revenues, expenditures (including payroll), assets and liabilities.</p> <p>The FRA's Financial Management System is explained in Attachment 'I'.</p>
Financial Year	The twelve month period commencing 1 January.
Flying Minute	See 'Board Paper'.
Fraud	<p>A false representation of a matter or fact, which is intended to deceive another.</p> <p>The use of dishonesty, deception or false representation in order to gain a material advantage or to injure the interests of others.</p>
Gender	Reference to the male gender in this manual shall be deemed to include and taken to include, the female gender.
Goal	<p>(Not to be confused with 'Objective')</p> <p>A general statement defining a desired end result or a statement of intent for the direction of the business – usually long-term, not necessarily quantifiable and perhaps not totally obtainable.</p> <p>The FRA has three principal goals:</p> <ul style="list-style-type: none"> (i) <i>'To effectively, efficiently and sustainably provide an environmentally friendly land transport network to which people are able to gain easy access and travel on safely, efficiently and comfortably to their destinations;</i> (ii) <i>To halt the deterioration trend and reduce the value of deferred maintenance and deferred renewals'.(and)</i> (iii) <i>To develop capacity and capability at all levels of the Roothing industry such that Fijians are ultimately able to be appointed to any role within the FRA, Principal Engineering Services Provider or Maintenance Contractor organisations.</i>
Goods	Objects of every kind and description. Includes raw materials and inventories, equipment, furniture, plant and motor vehicles.
Hazard	<p>Something that has the potential to cause harm.</p> <p>Any real or potential condition that can cause injury, illness or death to personnel; damage to or loss of a system, equipment or property; or damage to the environment.</p>

All potential hazards must be identified in the relevant health and safety plan.

Health & Safety Incident

An unplanned event that has resulted in, or has the potential to result in injury, illness, damage or loss to persons or property. It includes accidents and near misses.

All 'Health and Safety Incidents' must be reported and investigated as soon as practicable after the event occurs – in the manner outlined in Attachment 'E' of the 'Grey Book' – the FRA's "Risk Management Manual".

Health & Safety Plan (or Policy)

A plan which addresses identified hazards and which specifies the safe work procedures to mitigate, reduce or control them.

Ensuring safe traffic flow through work sites is a hugely important aspect of the FRA's responsibilities.

The FRA's Health & Safety Policy is in Part III of the 'Grey Book' – the FRA's "Risk's Management Manual".

Health and Safety is everyone's responsibility and all FRA staff, project/**contract** managers and the FRA's consultants and contractors have the responsibility to familiarise themselves with it and comply with it at all times.

Hers

See Gender.

His

See Gender.

Important Documents

Includes but isn't limited to, the originals of all:

- Contract documents
- Contract bonds
- Contract insurance policies
- Land ownership titles
- Leases with other parties
- Leases to other parties
- Plant & Vehicle ownership papers
- Memoranda of Agreement with other parties
- Memorandum of Understanding with other parties
- Insurance policies relating to FRA assets and other interests
- Legal agreements of any kind
- Hire purchase agreements

In Escrow

An instrument held by a third party (for example, by the FRA's legal advisors) until the FRA gives the third party written or oral instructions.

Inputs

The amount of financial and non-financial resources that are applied to a service or activity (i.e. "service effort").

The resources that are used by the FRA to produce its outputs.

Insurance	<p>A form of risk management primarily used to hedge against the risk of a contingent, uncertain loss.</p> <p>The FRA will usually require:</p> <ul style="list-style-type: none"> (i) contract works insurance – to protect against damage to the works during their construction (ii) public liability insurance – to protect against claims by other parties against damage to their property; and (iii) motor vehicle liability insurance. <p>It may also require</p> <ul style="list-style-type: none"> (i) insurance of the Contractor's plant; and (ii) professional indemnity insurance.
Integrated	<p>Combining or coordinating separate elements so as to provide a harmonious, interrelated, organised or structured whole so that all of the constituent units function cooperatively.</p> <p>The FRA strives to manage its whole business in a thoroughly integrated way – something that many public entities don't do very well.</p>
Integrity	Honesty or soundness of moral principle, character and sincerity.
Internal Audit	<p>An evaluation of the FRA's financial and operational business activities to ensure compliance with all legislative, regulatory, policy and other requirements and to identify areas for improvement.</p> <p>Internal audits are carried out by the Risk & Assurance Manager and Independent Parties. Recent internal audits include several carried out by KPMG and Hutchinson Engineering Consultants.</p>
Internal Audit Register	A register in which is kept a record of all internal audits that have been carried out.
Jetties	The public wharves and jetties that the FRA has the responsibility to maintain and renew.
Land Transport	In the context of this manual means the provision and management of a safe, efficient and effective network of roads, bridges and public jetties.
Letter of Acceptance	<p>The letter of formal acceptance by the FRA to the selected tenderer.</p> <p>This is a very important communication. It, rather than the signing of the contract documentation itself, is the point at which the two parties become contractually bound. It is therefore very important that it not be issued until the situation relating to all associated arrangements such as land purchase, planning consents, the relocation of utility services and so forth are absolutely clear.</p>

Levels of Service	<p>The defined quality for a particular service against which service performance can be measured.</p> <p>Service levels usually relate to quality, quantity, timeliness, reliability, responsiveness, environmental acceptability and cost.</p> <p>Road agencies like the FRA typically define levels of service in terms of the roads' reliability (how assured an intending user can be that he will be able to get to his destination within a given time no matter what day of the week it is, what time of day it is, or what the weather); convenience, and comfort of travel; how safe the roads and footpaths are to travel or walk on; and cost.</p> <p>For further information about the FRA's adopted levels of service see the Organisational Performance Manual (Blue Book) – or a summary of them in the Asset Management Plan.</p>
Life-cycle Cost	See Whole of Life Cost.
Liquidated Damages	<p>A sum of money (agreed to and written into a contract) specified as to the total amount of compensation an aggrieved party should get if the other party breaches certain parts of the contract.</p> <p>The contract also establishes what actions or failures to act constitute a breach.</p> <p>For the agreement to be legally enforceable, the nature of the contract should be such that it is difficult to determine actual damages, and the amount of damages should be reasonable under the circumstances. Otherwise law may regard the specified amount as a fine (included in the contract primarily to force its proper performance) and not a compensation for injury. In such cases the damages are deemed 'unliquidated damages' and are assessed by a court according to the merits of the case.</p>
Maintenance	<p>The actions required to enable an asset to achieve its expected life.</p> <p>Maintenance work can be planned or unplanned. Planned maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage.</p> <p>Recurrent work necessary to preserve or maintain an asset so it can be used for its designated purpose. In other words recurrent work necessary to prevent deterioration.</p> <p>Includes all of the actions necessary for retaining an asset as near as practicable to its original condition, but excludes Renewals.</p> <p>Examples: Pothole repairs. Replacing a broken deck on a bridge. Applying protective paint. Removing vegetation to improve driver vision. Reinstating road markings. Cleaning and clearing roadside drains and unblocking culverts. Cleaning and repairing road signs.</p>
Maintenance Works Manager	The FRA employee responsible for the management of all Category 2, 3 & 6 and some Category 4 works as described in Section 4.2– except those works that have been delegated to the municipal councils.

Mataqali Land

Communal Land

87% - or 1.5 million hectares – of land in Fiji is communally owned.

Memorandum of Understanding (MOU)

A documented agreement between two or more parties. It expresses a convergence of will between the parties, indicating an intended common line of action.

Example: The MOU with the Ministry of Provincial Development for the maintenance of roads on the Outer Islands.

Minor Injury Crash

See 'Crash Categories'.

Minister

The Government Minister who appoints the Board and to whom the Board reports.

'The Minister' is currently the Minister of Infrastructure.

Mission

The reason why the organisation exists.

The FRA's mission is *'to provide a better land transport network for Fiji'*.

Mitigate

To lessen or try to lessen the seriousness or extent of. To reduce or decrease.

Examples:

- (i) Work the FRA may require to be carried out, or a payment it may require to be made, as a condition of subdivision or development consent, 'to lessen' or 'reduce' the impacts of the subdivision or development on the road network.
- (ii) Action the FRA may decide to take to reduce or lessen its exposure to certain potential risks.

Monthly Expenditure Statement

A summary statement prepared for Management's and the Board's review monthly.

Municipal Council Area

The geographic area managed by the municipal council concerned.

The areas as legally defined by notice in the gazette in respect of which the council has jurisdiction.

Municipal Councils

The town and city councils.

There are thirteen municipal councils:

- (i) Ba Town Council
- (ii) Labasa Town Council
- (iii) Lami Town Council
- (iv) Lautoka City Council



- (v) Levuka Town Council
- (vi) Nadi Town Council
- (vii) Nasinu Town Council
- (viii) Nausori Town Council
- (ix) Rakiraki Town Council
- (x) Savusavu Town Council
- (xi) Sigatoka Town Council
- (xii) Suva City Council
- (xiii) Tavua Town Council

Network See 'Road Network'.

New Capital Expenditure that is used to create new assets, or to increase the capacity of existing assets beyond their original design capacity or service potential.

Examples: A new bridge. The work done to realign, widen and seal an existing road.

Non-Injury Crash See 'Crash Categories'.

Objective (Not to be confused with Goal).
A measurable target that describes the end results that a service or programme is expected to accomplish within a given time period. Objectives flow from, are components of, and lead the FRA towards the achievement of its goals.

Every objective should be:

- (i) linked to a goal;
- (ii) realistic;
- (iii) action orientated;
- (iv) concise;
- (v) attainable;
- (vi) measurable;
- (vii) time constrained; and
- (viii) within the control of the FRA.

Example: Complete construction of the new Harris Road bridge for not more than \$1.63m before 31 March 2013.

On-Demand Bond A bond that is given (normally by a Bank) under which the Bank or other surety guarantees to make payment when so requested, without any

necessity to prove lack of performance. The Bank must honour the bond as it is payable 'on demand' and there is no redress.

Has the same meaning as 'Unconditional Performance Bond'.

Operations Recovery Plan

Has the same general meaning as 'Business Continuity Plan' except is the term usually used relating to the procedures necessary to recover after a hazard event on the roads (as opposed to the FRA's management & office business requirements.)

Outcomes

(Not to be confused with Outputs)

The actual impact and value of the service delivery

Example: Less deaths because of the safety improvement work that has been done on the roads.

Outer Island Jetties

See 'Jetties'.

Outer Islands

Fiji comprises 332 islands of which 110 are populated.

The two largest islands are Viti Levu and Vanau Levu.

The FRA manages roads on Viti Levu and Vanau Levu and on the following outer islands:

Island	Very Approximate Length of Road		
	<u>Sealed</u>	<u>Unsealed</u>	<u>Total (km)</u>
Cicia		28	28
Gau		62	62
Kadavu		70	70
Koro		60	60
Lakeba		34	34
Levuka	2	62	64
Matuku		28	28
Moala		28	28
Rabi	24		
Rotuma		39	39
Teveuni		54	78
Vanuabalavu		36	36
Total	26	501	527

Outputs

(Not to be confused with Outcomes)

The goods and services produced and provided to third parties (i.e. 'service accomplishments').

Examples: The length of the roads resealed or the number of potholes repaired. The number of safety improvements carried out.

Ownership

See 'Asset Ownership'.

Payment Voucher

A document that records all the details of a payment and the proof that it has been made.

Payment vouchers for written contract payments by the FRA have to have attached to them, a progress payment certificate that has been certified in

the required way, and all relevant supporting information to justify the payment.

Payment vouchers for goods and services that have been procured by purchase order have to have attached to them the supplier's statement and invoice(s), all relevant information to justify the payment, and a copy of the order form – certified as 'true & correct and approved for payment' by the person who issued the purchase order; and be initialled by the two persons who sign the cheque or approve the electronic deposit to the creditor's account.

The payment of accounts based on copy invoices or on invoices that are more than three months old, unless expressly authorised in writing by the CEO, is forbidden.

Performance Bond

See Conditional Performance Bond and Unconditional Performance Bond.

Performance Measure

A qualitative or quantitative measure relating to the intended level of service for a particular service area.

Performance measures are the means by which the FRA is able to identify the extent to which it has been able to achieve its objectives – the means for determining whether the levels of service are actually being achieved.

There are three broad elements of performance measures:

- (i) Those that measure service efforts (inputs);
- (ii) Those that measure service accomplishments (outputs and outcomes); and
- (iii) Those that relate service efforts to service accomplishments (efficiency and cost outcomes).

Example: The number of injury and fatal accidents that occur on the roads annually.

Performance Target

The desired level of performance against a performance measure.

A specific quantifiable result (in relation to a performance measure) that the FRA is aiming to achieve.

Example: Not more than 300 serious injury accidents and 20 fatal accidents on the roads this year.

Strategy & Planning Manager

The FRA Employee responsible for formulating the Organisation's future strategic approach and for works' forward planning and forecasting (including preparation and maintenance of the Asset Management Plan and for management of Category 8 & 11 (and possibly Category 1 and 7) works (as described in Section 4).

Precautionary Principal

The principal that an action should not be taken if the consequences of taking it are uncertain or potentially dangerous.

Priority (or Priorities)

(Not to be confused with Ranking).

An authoritative ranking that establishes precedence.

Probably the most important task confronting the FRA in the next two to three years is to obtain a full and proper understanding of the Road network condition and the future needs and to then agree the priorities.

The FRA staff's and PESA's responsibility is to identify for the Board's consideration, in the asset management plan, what they consider the priorities to be - from the strictly engineering point of view.

At Board level those priorities may be amended when political aspirations are taken into account.

When the Board has made its decision FRA and PESA staff are expected to wholeheartedly support, promote, and implement it (whether they believe it was the right decision or not) – and not continue to argue aspects about which they might disagree.

Probity

Confirmation that the procurement rules relating to the FRA's purchase of particular goods or services have been clear, open, and well understood, applied equally to all parties, and that there has been ethical behaviour, uprightness and honesty throughout.

Probity is an essential and integrated part of the whole procurement process – not a separate consideration. When used in a contractual sense it simply means 'good process'. It involves concepts such as:

- Accountability and transparency;
- Fairness, impartiality and honesty;
- Management of conflicts of interest;
- Maintenance of confidentiality and ensuring security; (and)
- Attaining value for money.

Probity Auditor

A person engaged by the FRA in relation to a procurement process to verify that the processes followed are consistent with government regulations, guidelines and best practice principles.

The Probity Auditor provides for the FRA an independent opinion and confirms, in writing, whether the concluded process has met all probity requirements – and if not in what areas and the reasons why.

The FRA employed a Probity Auditor for the maintenance contracts' process.

Procurement

All the business processes associated with purchasing, spanning the whole cycle from the identification of needs to the end of the service contract or the end of the useful life and subsequent disposal of the asset.

Procurement is not just about purchase of the required goods and services.

Rather it is:

"All of those processes that enable achievement of all planned projects:

- (i) *within the pre-determined timeframe(s);*
- (ii) *to the standard required;*

- (iii) *at the lowest possible whole-of-life cost;*
- (iv) *in a fair and ethical manner;*
- (v) *in full compliance with all legislative and regulatory requirements;*
- (vi) *with proper attention having been paid to sustainability;*
- (vii) *with all costs fully and transparently accounted for; and*
- (viii) *in the event of any substandard performance the responsible person or persons 'held to account' and appropriate action taken."*

Procurement Plan

Those parts of this manual that relate to the procurement process and to procurement planning.

A Plan that has been prepared pursuant to the requirements of Section 16 of the Fiji Road Authority Decree 2012 (No 2) – viz:

"FRA shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.

All goods and services procured by FRA shall be in accordance with the procurement process and plan....

The provisions of the Procurement Regulations 2010 shall not apply to FRA'

The purpose of the procurement process and plan is to identify:

- (i) the best way to approach the procurement of goods and services (through information and analysis);
- (ii) risks associated with the procurement of goods and services early so they can be managed; (and)
- (iii) from the foregoing to formulate and document the FRA's procurement strategy.

The Manual is updated – in April – annually.

Procurement Regulations 2000

The Fiji Procurement Regulations 2012 (made under the Fiji Financial Management Act 2004) that established the Fiji Procurement Office with responsibility to regulate and administer the procurement of goods, services and works for the government.

These regulations do not however apply to the FRA. (See 'Procurement Plan' above).

Principal Professional Engineering Services Advisor

The firm appointed by the FRA to provide advice and expertise about all aspects of its responsibilities – including:

- (i) complaints' and 'requests for service' management,
- (ii) contracts' preparation and management,
- (iii) engineering design,
- (iv) forward planning,
- (v) governance and management support;
- (vi) problem solving,
- (vii) results' monitoring and improvement (and prompt intervention when results are not as required);
- (viii) works' implementation, monitoring and management (Engineer to the Contract), and
- (ix) works' programming and prioritisation (asset management plan).

The FRA's current Professional Engineering Services Advisor is MWH (New Zealand) Ltd.

The term 'PESA' wherever it is used in this manual has however a wider meaning. See the acronym definition.

Professional Indemnity Insurance

Provides cover for claims brought against the policy holder due to the policy holder's professional negligence.

Progress Payment Certificate A certificate that contains at least the information listed in Section 12.1 which records all payments that have been made to the contractor since the contract's award and the additional amount that is now due.

Project

A unique, proposed endeavour to achieve planned objectives which are defined in terms of the outputs, outcomes and benefits that are sought – and which are achieved via 'in house' and contracted effort – including but not limited (in the case of FRA) to the proposed project's conception and description; identification of all practicable options for achieving the objectives and selection of the preferred option; identification of stakeholders and the actions necessary to ensure they are kept adequately informed; the proposed work's planning, survey and design; land purchase and legalisation; power, water supply, wastewater and storm-water infrastructure relocation; the roads' and jetties' physical works maintenance, renewal and capital extension and development and their supervision.

Project File

The file that contains all information relating to the project.

A project file will usually contain a master file for general planning and management information relating to the whole project and a range of sub-files - for example sub-files for

- each contract up to the award of the contract. (The tenders' files);
- each contract from the time of award of the contract. (The contract files);

- land purchase and legalisation files;
- water supply relocation files;
- wastewater relocation files, (and)
- stormwater relocation files.

See also Tenders File and Contract File.

Proposal	See 'Request for Proposal'.
Provisional Sum	<p>A sum included and so designated in a contract as a specific contingency for the execution of certain specified work or the supply of certain specified goods or services which may be used in whole or in part or not at all at the direction or discretion of The Engineer.</p> <p>See section 11.1 (d)</p>
Public Interest	The people's general welfare and wellbeing. Something in which the populace as a whole has a stake.
Public Liability Insurance	Provides legal liability protection from damage to third party property or bodily injury.
Purchase Order	A formal document authorising the completion of a specific task or the purchase of a particular good or service.
Purchase Order Form	<p>A form that (with only one or two exceptions) is required to be completed whenever goods and services are being ordered other than by way of written agreement.</p> <p>Every purchase order form must have on it the information listed in section 7.2(c).</p> <p>Purchase orders must always be issued before committing the FRA to the purchase and not retrospectively.</p>
Purchase Order Register	<p>A register in which is kept a record:</p> <ul style="list-style-type: none"> (i) of the purchase order books that the FRA has in stock (and the book numbers), (ii) of the names of the people to whom purchase order books have been issued (and the dates they were issued to them); (iii) of when and by whom the order books were returned; and (iv) of the used purchase books (and the book numbers) and where they are stored.
Ranking	<p>(Not to be confused with Priority (or Priorities))</p> <p>The relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than', or 'ranked equal to' the second. It is not necessarily a total order of objects, because two or more objects can have the same ranking.</p>

- Registration of Interest (ROI)** Is similar to an expression of interest (EOI) in that it is used to identify suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability to do the work. It is usually the first stage of a multi-stage tender process.
- Rehabilitation** A major scheduled event intended to restore a significant component, system, or entire asset or facility to its former condition.
- Structural enhancements that extend the service life of an existing pavement and/or improve its load carrying capability. Rehabilitation includes restoration treatments and structural overlays.
- Digging out and rebuilding a section of road is rehabilitation work.
- See also Renewals
- Renewals** (Not to be confused with New Capital).
- The replacement or rehabilitation of an asset.
- Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is **periodically required** expenditure, and relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. It may reduce operating and maintenance expenditure if completed at the optimum time.
- Example: Resealing or rehabilitating a (sealed or unsealed) road – or replacing an existing bridge.
- It is very important that the FRA always clearly distinguishes between New Capital expenditure and Renewals Capital expenditure.
- The rate at which renewal work is being carried out over time compared with the annual provision for depreciation (the cost of consumption) is a good indicator of the extent to which the network is being maintained, improving, or is deteriorating.
- Request for Information (RFI)** A formal request for information to gain a more detailed understanding of the supplier market and the range of solutions and technologies that may be available.
- Request for Proposal (RFP)** (Not to be confused with Request for Tender (RFT)).
- A formal means of seeking proposals from the market for goods or services where the FRA is open to supplier innovation – that is, where the outputs and outcomes are important, rather than the process the supplier follows to deliver them.
- Request for Quotation (RFQ)** A formal means of seeking quotations from the market for goods or services where price is the main selection criterion, the requirement is for ‘stock standard’ or ‘off the shelf’ goods or services, and the procurement is low risk.

Request for Tender (RFT)

(Not to be confused with Request for Proposal (RFP)).

A formal means of seeking tenders from the market to provide goods or services where the FRA's specifications or requirements are clearly defined and there is little room for flexibility or innovation.

Resilience

Infrastructure networks are able to deal with significant disruption and changing circumstances – involves users as well as network providers, management as well as operators, and funding agencies as well as insurers. For all stakeholders it includes risk management in advance as well as the ability to respond to events which may evolve over time (rising sea levels, changing demographics) or shock events (flooding, global oil supply restrictions).

Resilience attributes include:

- **Service Delivery** - a focus on national, business and community needs in the immediate and longer term.
- **Adaption** - the capacity to withstand disruption, absorb disturbance, act effectively in a crisis, and recognise changing conditions over time.
- **Community Preparedness**
Infrastructure providers and users understand the infrastructure outage risks they face and take steps to mitigate them. Aspects of timing, duration, regularity, intensity, and impact tolerance differ over time and between communities.
- **Responsibility** Individual and collaborative responsibilities are clear between owners, operators, users, policy makers and regulators.
- **Interdependencies**
A systems approach applies to the identification and management of risk (including consideration of interdependencies, supply chain and weakest link vulnerabilities).
- **Financial Strength** There is financial capacity to deal with investment, significant disruption and changing circumstances. Includes available funds, the awareness of financiers and insurers, continuing capital investments and maintenance expenditure.
- **Continuous** On-going resilience activities provide assurance and draw attention to emerging issues, recognising that infrastructure resilience will always be work in progress.
- **Organisational Performance**
Leadership and culture are conducive to resilience, including:
 - Resilience ethos;
 - Situational awareness;

- Management of keystone vulnerabilities and adaptive capacity. Future skill requirements are being addressed.

Source: New Zealand Treasury – Memo to Stakeholders from Roger Fairclough, National Infrastructure Unit – 28 June 2012

Retention	<p>A provision in a contract that enables the FRA to withhold a portion of the contract price until satisfied that:</p> <ul style="list-style-type: none"> (i) the contract has been completed satisfactorily – to the predetermined specific, or standard specifications; or (ii) the goods and services have been received to the FRA's entire satisfaction.
Revenue	The inflow of economic benefits resulting in an increase in net worth.
Risk	<p>A state of uncertainty where some of the possibilities involve a loss, catastrophe or other undesirable outcome – the possibility of an event occurring that will have a negative impact on the achievement of objectives.</p> <p>Risks are measured in terms of their potential consequences and the likelihood of the event happening. The harsher the potential loss and/or more likely the event, the greater the risk.</p> <p>Risk considerations are an important part of all aspects of the procurement process and financial management.</p>
Risk Event	<p>A discrete, specific occurrence that negatively affects a decision, plan, or the work of the FRA in some way – not necessarily “physical asset” related.</p> <p>Examples: A severe weather event. – A bridge that becomes unusable because of its condition, preventing use of the road. – A decision to no longer provide the funding for programmed work that is about to start.</p>
Road (or Roads)	<p>The infrastructure that the FRA is responsible for providing, managing, maintaining, renewing and developing.</p> <p>It includes all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body, that is used or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to:</p> <ul style="list-style-type: none"> (i) the vehicle pavement from kerb to kerb, or where there is no kerb, the roadside verges and drains; (ii) road signs, road marker posts and other markings, including pedestrian crossings; (iii) traffic islands; (iv) bridges and culverts; (v) footpaths and pavements adjacent to a vehicle pavement;

- (vi) street lights and traffic signals;
- (vii) parking meters;
- (viii) jetties, and
- (ix) all national roads, municipal roads, and such other public roads as may be determined by FRA.

Source: Fiji Road Authority (Amendment Decree 2012 (No 46) Sec 4

Note the inclusion of jetties within this definition.

Road Reserve

That area, whether formed or not, between the legal boundaries of the private properties on either side.

Road Network

The network of roads, streets, bridges and footpaths that the FRA has the responsibility to maintain, renew and further develop.

Until the DNR's data can be verified there is some uncertainty about the exact road lengths. (For a summary of the road statistics see the Asset Management Plan).

Roads' Legislation

The task of negotiating sale and purchase agreements for the purchase of land that is required for road purposes and ensuring the transaction is completed properly and that the land so acquired is vested and held by the FRA as legal road.

For a summary of the Road's Legislation procedure see Attachment 'F'.

Roads' Legislation Register

A register that contains a list of all roads' legislation actions carried out, or still to be carried out by the Ministry of Lands and the FRA.

The register has to contain at least the information listed in Attachment 'F'.

Roadworks Emergency

A situation declared to be the case by the CEO following a major storm or other adverse event.

During a roadworks emergency the normal procurement requirements don't apply and (providing the work can be funded within the approved budget) road materials and other goods may be purchased and plant may be hired to repair the damage (in a manner and to the extent approved by the CEO).

Scope

See 'Contract Scope'.

Scope Change

See 'Contract Scope Change'.

Senior Manager

Includes the:

- Strategy & Planning Manager
- Capital Works Manager
- Maintenance Works Manager
- Corporate Services Management
- Financial Controller
- Risk & Assurance Manager

Sensitive Expenditure

Expenditure by the FRA (or on behalf of the FRA) that provides, has the potential to provide or has the perceived potential to provide, a private benefit to an individual that is additional to the business benefit of the FRA. It also includes expenditure by or on behalf of the FRA that could be considered unusual for the FRA's purpose and or functions.

Travel, accommodation and hospitality spending are examples of sensitive expenditure where problems can arise.

For the FRA's Sensitive Expenditure Policy see Section 15.0.

Service Area

Those aspects of the roads that motorists and pedestrians value, or which are essential for their efficient and effective management.

The headings under which the FRA formulates its levels of service, performance measures and targets in order to be able to decide what it has to do, and to be able to subsequently ascertain how well it is doing.

The headings are:

- (i) Health and Safety;
- (ii) Risk Management (other than risks that fall under the other six headings; and including Reputation and Safety);
- (iii) Asset Provision, Preservation, and Development; (Asset Stewardship)
- (iv) Environmental Conservation, Protection and Enhancement; (Environmental Stewardship)
- (v) Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
- (vi) Compliance (including Training, Record Keeping and Reporting); and
- (vii) Costs.

For a fuller explanation of how levels of service are formulated under these headings see the 'Organisational Performance' Blue Book.

Service Life

The period of time between the end of construction and the time at which the asset ceases to satisfy performance requirements - defined as the time of service failure.

Service Potential

The asset's achievable service outputs – normally determined by reference to attributes such as capacity, associated operating costs and useful life.

Examples:

- (i) A road's ability to satisfactorily cope with significantly more traffic before congestion problems will occur.
- (ii) The extent to which less accidents are likely to occur with minor widening improvements and the placement of strategically located signs.

Services The rendering of a contractor, supplier or consultant of their time and effort and includes the hiring of plant and vehicles.

Serious Injury Crash See 'Crash Categories'.

Short Form Agreement A standard form of Contract usually entered into with FRA by small, independent contractors and consultants.

FRA's standard Short Form document is in Attachment 'D'.

Significant Contract Documents

For the purposes of section 9.1(j) includes but is not limited to:

- All correspondence with the contractor and all other relevant information up to and including the letter of acceptance.
- All notices to the contractor (including formal notification of possession of the site);
- All correspondence relating to any claims for extras, extension of time, potential contract disputes etc;
- All variations (or potential variations) & the associated correspondence including all information to fully support variations;
- All material relating to:
 - progress payments
 - retentions (held & released)
 - insurances;
 - bonds & deposits
 - health & safety
- All material relating to completion of the contract – up to and including the closing summary in Table 6.
- Such other material relating to the contract as the FRA may, at any time, request.

Stakeholders

(In the case of the FRA) any party having an interest in anything at all that FRA is or isn't doing relating to the provision and management of an effective and efficient network of roads and jetties for Fiji.

The very first fundamental of every organisation is to understand who its stakeholders are and what their needs and wants are.

The following are some examples of the FRA's stakeholders:

- (i) All Road Users (Accessibility, Reliability, Safety, and Comfort).
 - Private Motorists
 - Heavy Vehicle Operators
 - Pedestrians
 - Cyclists
- (ii) Jetties Users.
- (iii) The owners of property that adjoin the roads (road access, safety, environmental impact etc).

- (iv) Government.
 - The Ministries or Departments of Infrastructure, Strategic Planning, Town and Country Planning and Provincial Development (national economic development and how what the FRA is doing or intending to do 'fits' and furthers the Government's higher level aims and aspirations for the country)
 - The Ministry of Finance (budget setting and funding)
 - The Land Transport Authority (LTA) and the Police (road use and road safety)
- (v) The EXIM Bank of China and the ADB and World Bank (Funding).
- (vi) Intending Subdividers and Developers (what the FRA is likely to permit, or not permit them to do and under what conditions).
- (vii) Utility Providers (Use of the road reserve).
 - Electricity
 - Water Supply
 - Wastewater
 - Gas
 - Telecommunications
- (viii) The Municipal Councils and the Regional Government Administrators (what the FRA is intending to do in the respective municipal and regional areas and how the proposed work can be integrated with what else the municipalities and the Regional Administrators have to do).
- (ix) PESA and the various Contractors (who have responsibility for carrying out FRA's work).
- (x) The members of the news media (re the close interest they have in understanding what the FRA is doing or intending to do and communicating it to others).

For a more comprehensive list of the FRA's stakeholders see the Asset Management Plan.

Statement of Corporate Intent(SCI)

A statement required to be prepared annually by the FRA and agreed with the Minister pursuant to Section 32 of The Decree.

The Statement of Corporate Intent has to include the information listed in Section 3.3.

The FRA prepares its Corporate Plan and Statement of Corporate Intent as a single combined document.

Strategic Route

A road (or roads) of special importance.

Strategic routes usually fall under one of the following four headings:

- (i) Access to critical infrastructure;

- (ii) Access to major tourist areas;
- (iii) Roads providing critical links to major communities; and
- (iv) Roads providing access to inland areas that are also considered bypass routes.

Examples:

- (i) Denerau Road – an important link to major tourist destinations.
- (ii) Queens/Kings Road – main roads connecting major communities and tourist destinations.
- (iii) Monasavu Road/Nadirivatu Road – a road leading to major utilities' infrastructure.
- (iv) Sigatoka Valley Road/Nausori Highlands Road – critical routes connecting roads from main centers to inland communities and are also bypass routes when main links are cut off.

Strategic Sourcing

The leveraging of the FRA's buying power to obtain the required goods and services on better terms and conditions.

Potential strategic sourcing and bundling opportunities have been key considerations when formulating the procurement approach outlined in this manual.

Subdivision

The division of a tract of land into separate parcels.

Subdivision and Development Number

The system that the FRA uses to enable every subdivision and development file to be easily identified and located.

The numbering system is the Division in which the subdivision or development is located/the year in which the application for consent is received/the next consecutive number (overall).

Example: Subdivision and Development in the Western Division, application received 2012, the 36th application received in 2012 = W/12/36.

Able to be sorted:

- (i) by Division;
- (ii) by number/year;
- (iii) by name of applicant;
- (iv) by name of owner;
- (v) by name of road.

Subdivision and Development Register

A register into which is entered the names of all parties who have lodged applications for subdivision and/or development consent and other identification information.

The register has to contain at least the information listed in Attachment 'E' (4).

Surety

A party who provides the written undertaking to pay to FRA the amount of money stated in the bond if the contractor fails to meet its obligations under the contract.

Sustainable

Achieving or retaining an optimum compromise between performance, costs and risks over the asset's lifecycle, whilst avoiding adverse long-term impacts to the FRA and to the community from short-term decisions.

Sustainable Procurement

A process whereby the FRA meets its needs for goods and services in a way that achieves value for money on a whole-of- life basis in terms of generating benefits not only to FRA, but also to society and the economy, whilst minimising damage to the environment.

The FRA's sustainable procurement intentions are explained in Section 8.

Sustainability

Meeting the needs of today, without adversely affecting the needs of tomorrow. In a business sense, building efficiency, minimising waste and maximising resources.

It involves thinking broadly about objectives, considering long-term as well as short-term effects; assessing indirect as well as direct effects; considering economic, social and environmental aspects and taking extra care when procurement causes changes that might be irreversible or uncertain (the precautionary principle).

Target Price

A sum that the FRA may on occasions convey to potential bidders is in its budget for a proposed project.

Taukei Land Trust Board

The Trust Board that has been set up to administer Fiji's communally owned land for the benefit of its Fijian owners.

See also 'Mataqali Land'.

Tender

See 'Request for Tender'

Tender Deposit

A deposit that may be required to be paid with the submission of a bid as an act of good faith by the potential supplier or contractor.

The FRA does not, as a general rule, require tender deposits.

Tender Evaluation Criteria

See 'Evaluation Criteria'.

TenderLink

TenderLink is one of the largest electronic procurement systems in the Southern Hemisphere, and Australia's central gateway for the advertisement and management of tenders.

Established in 1994, TenderLink pioneered web-based e-Procurement in Australasia. Its clients include many of Australasia's leading government, public and private sector procurers.

TenderLink is FRA's preferred method of receiving tender bids.

Tenders' Committee

A committee established by resolution of the Board to consider tenders' evaluation reports in respect of contracts not exceeding \$2M VIP and to either (to the degree that it has been delegated the power to do so) award the contract or make a recommendation to the Board.

Membership of the Committee usually comprises the Chairman, one Board member and the CEO but may have such different or additional membership as may be specified in the Board resolution.

Tenders' Evaluation Report

The report prepared by PESA or a member of the FRA's staff, following an analysis of all bids received for a proposed contract against the evaluation criteria.

Tenders' File

The file that contains all information from conception of the works that are the subject of a proposed contract up to the FRA's decision to award the contract. That is to say all works' conception, planning, design, public consultation, preliminary decision-making, risk, proposed funding, proposed contracts' documentation, tenders' calling, tender bids, evaluation, and contracts' award information.

The Tenders File is a sub-file of the Project File.

See also Project File and Contract File.

Tenders' Register

(Not to be confused with the 'Contracts' Register').

A register into which is entered the names of all parties who have lodged bids for every contract the FRA invites tenders (or a proposal) for; the tendered price and the amount of the tender deposit (if any).

The Decree

The Fiji Road Authority Decree 2012 (No 2) - including the Fiji Roads Authority (Amendment) Decree 2012 (No 46) and the Fiji Roads Authority (Amendment) Decree 2014 (No 78) and any future amendments.

The Decree's principal objectives are:

- (i) *to give effect to the reorganisation of the Department of National Roads (DNR); and*
- (ii) *to make provision for the effective management and administration of the (Fiji) road systems.*

The Engineer

Unless otherwise stated means the Engineer to the Contract.

Third Party

A generic legal term for any individual who does not have a direct connection with a legal transaction but who might be affected by it.

Example: A third party insurance policy is an agreement between the Insurance Company and the policy holder but it provides protection against

liabilities caused by the accidental injury or death of other persons or damage to other persons' property.

Traffic Management

Any activity that addresses the management of movement of vehicles, cyclists and pedestrians.

Unconditional Performance Bond

Has the same meaning as 'On-Demand Bond'.

See also Conditional Performance Bond.

Useful Life

The time from the date of construction (when new) of an asset (or part of an asset) until the asset (or part) has to be replaced.

Example: A new bridge might have a useful life of 80 years.

Value for Money

Using resources effectively, economically, and without waste with due regard for the total costs and benefits of the arrangement, and its contribution to the outcomes the FRA is trying to achieve.

The principle of value for money when procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (or whole-of-life cost). Value for money is achieved by selecting the most appropriate procurement method for the risk and value of the procurement, and not necessarily by way of competitive tender.

The necessity to achieve the very best possible value for money over the life of each asset drives everything the FRA does.

See also "Best Value".

Variation

See 'Contract Variation'.

Vested Assets

Assets that are transferred to the FRA's ownership at no cost as a condition of subdivision (or development) approval.

Instead of vesting new assets a subdivider or developer may be required to upgrade (e.g. widen) an existing road or be required to pay a sum of money to enable the FRA to fund the cost of mitigating the impact of the subdivision and or development work (or both).

Vision

Describes what the FRA wants to be and how it wants to be seen.

The FRA wants to be, and to be seen as being, a body that is effectively and efficiently providing:

'An affordable, integrated, safe, responsive and sustainable network of roads, bridges and jetties for Fiji'.

Voucher

See 'Payment Voucher'.

Weighted Attribute Tender Scoring

See 'Evaluation Criteria'.

Whistleblowing	<p>The disclosure of information involving corrupt, illegal, fraudulent or hazardous activities being committed in or by public or private sector organisations – which are of concern to or threaten the public interest – to individuals or entities believed to be able to effect action.</p> <p>The information disclosed may include, but isn't limited to, alleged activities of the following types:</p> <ul style="list-style-type: none"> (i) An unlawful, corrupt, or irregular use of funds or resources; (ii) An act, omission or course of conduct that constitutes a serious risk to public health or public safety or the environment; (iii) An act, omission or course of conduct that constitutes a serious risk to the maintenance of law, including the prevention, investigation, and detection of offences and the right to a fair trial; (iv) An act, omission or course of conduct that constitutes an offense; (or) (v) An act, omission or course of conduct that is oppressive, improperly discriminatory, or grossly negligent or that constitutes gross mismanagement. (See Section 26 FRA Staff Manual).
Whistleblower	Any public or private sector employee or worker who discloses information of the type mentioned above and who is at risk of retribution.
Wrongdoing	Information involving practices of the type mentioned in the definition of 'Whistleblowing'.
Whole of Life	All stages in the life of an asset from conception and creation to disposal.
Whole of Life Cost	<p>The cost of providing, maintaining and renewing the roads over their whole life.</p> <p>The FRA has however a responsibility that is wider than just ensuring the lowest whole-of-life cost. It aims to provide roads that are maintained in an appropriate condition to minimise their whole of life cost whilst also maximising the economic benefits to the community. Smoother roads cost more to provide but offer savings to the users – the vehicle owners.</p>
Written Agreement	A contract that has been entered into in writing – as a result of a request for tender (or proposal) or otherwise – excludes procurements made via Short Form Agreement or purchase orders.

ACRONYMS

ADB	Asian Development Bank.
AMP	Asset Management Plan.
BU	Business Unit.
CBD	Central Business District.
CEO	The person appointed by the Board as the FRA's Chief Executive Officer.
COE	Certificate of Tax Exemption.
CPSCI	Corporate Plan and Statement of Corporate Intent
DNR	'The (former) Department of National Roads'.
DS-PMO	Deputy Secretary – Prime Minister's Office
EOI	Expression of Interest.
EXIM	'Export – Import' - See EXIM Bank.
FICAC	Fiji Independent Commission against Corruption.
FIDIC	A French acronym short for ' <i>Federation Internationale des Ingenieurs – Conseils</i> ' (the International Federation of Consulting Engineers).
FNPF	Fiji National Provident Fund.
FNU	Fiji University.
FRA	Fiji Roads Authority.
FRAC	Fiji Roads Advisory Committee. (i.e. the Fiji Roads Authority (or Board) appointed by the Minister for the transition period).
FRCA	Fiji Revenue & Customs Authority.
FRUP	Fiji Roads Upgrading Programme.
GL	General Ledger.
iTLTB	The Taukei Land Trust Board.
LFIS	Loan Financial Information System.
MOF	Ministry of Finance.
MOU	Memorandum of Understanding.
MWH	Montgomery Watson Harza – the FRA's principal Professional Engineering Services Advisor.
MWPTU	The Ministry of Works, Public Transport, and Utilities.
OPM	Office of the Prime Minister.

PESA	Professional Engineering Services Advisor. In addition to the FRA's principal Professional Engineering Services Advisor the FRA may employ other consultants for specific projects or tasks. Whenever that is the case the acronym PESA, wherever it is used in this manual, and to the extent relevant, shall be deemed to include, those other Consultants.
PSIP	The Fiji Government's Public Sector Investment Programme.
PSPMO	Permanent Secretary – Prime Minister's Office.
RIE	Requisition to Incur Expenditure.
RFI	Request for Information.
RFP	Request for Proposal.
RFQ	Request for Quotation.
RFT	Request for Tender.
ROI	Registration of Interest.
SCI	Statement of Corporate Intent.
SEG	A 'standard expenditure group' as identified in the Fiji Government's Annual Budget.
TD	Treasury Department (of Ministry of Finance).
VAT	Value Added Tax. (15%).
VEP	VAT Exclusive Price.
VIP	VAT Inclusive Price.

Attachment 'N'

FIJI ROADS AUTHORITY FOUNDING LEGISLATION

Section 1.1

Fiji Roads Authority Founding Legislation

- **N1 – Fiji Road Authority Decree 2012**
(Decree No. 2 of 2012)
- **N2 – Fiji Road Authority (Amendment) Decree 2012**
(Decree No 46 of 2012)
- **N3 - Fiji Road Authority (Amendment) Decree 2014**
(Decree No 78 of 2014)



EXTRAORDINARY



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FIJI ROAD AUTHORITY DECREE 2012
(DECREE NO. 2 OF 2012)

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FIJI ROAD AUTHORITY DECREE 2012 (DECREE NO. 2 OF 2012)

In exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

A DECREE TO ESTABLISH THE FIJI ROAD AUTHORITY AND TO PROVIDE FOR ITS FUNCTIONS AND POWERS FOR THE PURPOSE OF MANAGING ROADS, AND FOR RELATED MATTERS.

PART 1—PRELIMINARY

Short title and commencement

1. This Decree may be cited as the Fiji Road Authority Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

Interpretation

2. In this Decree, unless the context otherwise requires—

“Authority” means the Fiji Road Authority established under section 4;

“Change Manager” means the Change Manager appointed by the Minister under section 37;

“Chief Executive Officer” means the person appointed under section 24 and includes the person acting in that office;

“Committee” means the Fiji Road Advisory Committee established under section 34 of this Decree;

“Department” means the Department of National Roads;

“Minister” means the Prime Minister;

“roads” include all national roads, municipal roads and such other public roads as determined by the Authority.

Objectives of this Decree

3. The principal objectives of this Decree are to—

(a) give effect to the re-organisation of the Department of National Roads; and

(b) make provision for the effective management and administration of the road systems.

PART 2—ESTABLISHMENT, FUNCTIONS AND POWERS

Establishment of the Authority

4. This section establishes the Fiji Road Authority, as a corporate body with perpetual succession and a common seal, and the Authority may—

(a) sue and be sued;

(b) acquire, hold and dispose of property;



- (c) enter into contract, agreement or other transactions; and
- (d) do all other acts that may be done in law by body corporate.

Composition of the Authority

- 5.—(1) The Authority shall consist of a Chairperson and 4 other members appointed by the Minister.
- (2) The Chairperson and the other members of the Authority shall hold office for 3 years, and are eligible for re-appointment.
- (3) The Chairperson and members may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

Functions of the Authority

6. The Authority shall be responsible for all matters pertaining to construction, maintenance and development of roads in Fiji, including but not limited to the following—
- (a) managing (land provision, network planning, designing, constructing, maintaining, renewing and generally managing the use of) all public roads, bridges and jetties;
 - (b) traffic management (including road design, traffic signs and markings);
 - (c) road safety (relating to provision and management of the road);
 - (d) the enforcement of vehicle load limits to avoid road damage (especially logging trucks and cane trucks);
 - (e) the issuing of over-width, height and lengths limits;
 - (f) Planning and management of Road Survey and Design;
 - (g) Provide advice, programme management services, design, supervision services for Capital Works Programme; and
 - (h) For such other matters, as the Minister may direct.

Powers of the Authority

7. The Authority shall have all such powers as may be reasonably necessary or convenient for the purpose of carrying out its functions under this Decree and regulating its own procedure, including the power to determine and levy fees and charges, and to make and enforce by-laws.

Delegation of powers

- 8.—(1) The Authority may from time to time, by writing under the hand of the Chairperson, delegate to any person or committee any of the Authority's powers under this Decree.
- (2) A delegation under this section may be made to a specified person or committee or to the holder for the time being of a specified office or to the holders of a specified class.
- (3) A delegation may be made subject to such restrictions and conditions as the Authority thinks fit, and may be made either generally or in relation to any particular case or class of cases.
- (4) Any person or committee purporting to exercise any power of the Authority by virtue of a delegation under this section shall, when required to do so, produce evidence of his or her or its authority to exercise the power.

Resignation and removal

- 9.—(1) A member of the Authority may resign from his or her office by giving 30 days written notice to the Minister.
- (2) The Chairperson and members may be removed by the Minister for inability to perform the functions of the Authority (whether arising from infirmity of body or mind, absence, misbehaviour or any other cause) or may be otherwise removed by giving one months' notice or one months' remuneration in lieu of notice.

Vacation of office

- 10.—(1) The office of a member shall become vacant if the member—
- (a) has been absent, without leave of the Authority, from 3 consecutive meetings of the Authority;
 - (b) become or has, in Fiji or elsewhere, been declared bankrupt and has not been discharged;



- (c) has, in Fiji or elsewhere, been convicted of an offence that carries an imprisonment term of more than 1 year; or
- (d) has, in Fiji or elsewhere, been disqualified or suspended from practicing his or her profession by any competent authority by reason of misconduct.

(2) The Authority may act notwithstanding a vacancy in its membership.

Meetings and proceedings of the Authority

11.—(1) The Chairperson shall preside at all meetings of the Authority, and if the Chairperson is not present at a meeting then the members present may for that particular meeting choose a member to preside as the Acting Chairperson in the absence of the Chairperson.

(2) At a meeting, 3 members shall form a quorum.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the Chairperson, or in his or her absence, the member presiding shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

Authority may invite others to meetings

12. The Authority may invite a person to attend a meeting of the Authority for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

Disclosure of interest

13.—(1) A member of the Authority who is, directly or indirectly, interested in a matter under discussion by the Authority shall disclose to the Authority the fact and nature of his or her interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Authority.

(3) After a disclosure under subsection (1) the member in question—

- (a) shall not take part in nor be present during any discussion, deliberation or decision of the Authority; but
- (b) may be counted for the purpose of forming a quorum of the Authority.

(4) A member who fails to disclose his or her interest as required by subsection (1) commits an offence and shall be liable upon conviction to a fine not exceeding \$10,000 and to imprisonment of 5 years or to both.

Minutes

14.—(1) The Authority shall keep minutes of all meetings in a proper form.

(2) Any minutes, if duly signed by the Chairperson or person presiding, shall, in any legal proceedings, be admissible as evidence of the facts stated in them and a meeting of the Authority in respect of which the minutes have been so signed is deemed to have been duly convened and held and the member present at it to have been duly appointed to act.

Common seal

15.—(1) The Authority shall have a common seal of such design as it may decide.

(2) The common seal shall be kept by the Chairperson and its affixing shall be authenticated by any two members generally or specifically authorised by the Authority for the purpose, or by one such member and the Chairperson.

(3) All deeds, documents, and other instruments purporting to be sealed with the common seal and authenticated in accordance with subsection (2) shall, unless the contrary is proved, be presumed to have been validly executed.

(4) The common seal of the Authority shall be officially and judicially noticed for all purposes.

Procurement process and plan

16.—(1) The Authority shall establish and implement a procurement process and plan for the procurement of all goods and services by the Authority.



(2) All goods and services procured by the Authority shall be in accordance with the procurement process and plan established by the Authority under subsection (1).

(3) The provisions of the Procurement Regulations 2010 shall not apply to the Authority.

Minister may give directions

17. The Minister may, in his discretion, give such directions to the Authority, with respect to the performance of the functions of the Authority by the Committee, and the Committee shall comply with any such directions issued by the Minister.

PART 3—TRANSFER AND ACQUISITIONS OF ASSETS AND LIABILITIES

Transfer of assets and liabilities

18.—(1) As from the commencement of this Decree, all moveable property vested in the State immediately before that date and used or managed by the Department, and all assets, interests, rights, privileges, liabilities and obligations of the State relating to the Department shall be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority or the State to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights and liabilities transferred to and vested in the Authority under subsection (1) to which the State was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature that rights and liabilities could be assigned by the state, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

Transfer of employees

19.—(1) As from the commencement of this Decree, all persons employed immediately before that date in the Department shall be transferred to the Authority.

(2) Until such time as terms and conditions, including rules as to the conduct and discipline of its employees are drawn up by the Authority, the terms and conditions of employees shall continue to apply to every person transferred under subsection (1).

Rights of transferred employees

20. For the purposes of every enactment, law, award, determination, contract and agreement relating to the employment of a transferred employee, the contract of employment of that employee is deemed to have been unbroken and the period of employment is for all purposes deemed to have been a period with the Authority.

Existing Contracts

21. All deeds, bonds, agreements, instruments and arrangements to which the Department is a party subsisting immediately before the commencement of this Decree shall continue in force after that date and shall be enforceable by or against the Authority as if the Authority had been named therein or had been a party thereto instead of the Department.

Continuation of proceedings

22. Any action, arbitration, proceedings or cause of action that relates to a transferred asset, liability or employee and that immediately before the commencement of this Decree is pending or existing by, against, or in favour of the Department, or to which the Department is a party, may be prosecuted and, without amendment of any writ, pleading or other documents, continued and enforced against, or in favour of the Authority.

No benefit in respect of abolition or re-organisation of office

23. A person who is transferred to the Authority is not entitled to claim any benefit on the ground that he or she has been retired from the Department on account of abolition or re-organisation of office in consequence of the establishment and incorporation of the Authority.



PART 4—MANAGEMENT AND FINANCE OF AUTHORITY

Appointment of Chief Executive Officer

24.—(1) The Authority may appoint a suitably qualified person as the Chief Executive Officer of the Authority, in accordance with other terms and conditions the Authority may approve.

(2) The Chief Executive Officer may be appointed for a term not exceeding three years and is eligible for re-appointment.

(3) The Chief Executive Officer may be remunerated in a manner and at rates subject to terms and conditions determined by the Minister.

Functions of the Chief Executive Officer

25.—(1) The Chief Executive Officer shall be responsible to the Authority for the Management of the Authority.

(2) The Chief Executive Officer shall attend every meeting of the Authority, and if he or she, for any reason, is unable to attend a meeting, the Chief Executive Officer may, in consultation with the Chairperson, nominate an officer to attend on his or her behalf.

(3) The Chief Executive Office shall not engage in any other business without the prior consent of the Authority.

Appointment of staff

26.—(1) The Authority shall appoint such officer, servants or agents as it considers necessary for the efficient exercise, performance and discharge of its duties.

(2) The officers appointed under this section shall be remunerated in a manner, and at rates subject to terms and conditions determined by the Authority and approved by the Minister.

Funds of the Authority

27.—(1) The Funds of the Authority for the purposes of this Decree shall consist of—

- (a) any money appropriated by Government;
- (b) rates, fees and other charges received by or on behalf of the Authority by virtue of this Decree; and
- (c) any other money received by or on behalf of the Authority.

PART 5—REPORTING AND ACCOUNTABILITY

Financial year

28. The Authority's financial year shall be from the 1st day of January to the 31st day of December of each year.

Half yearly reports

29.—(1) The Authority shall furnish to the Minister a report on its activities for the first half of each financial year.

(2) The half yearly report shall include the information required by the Authority's statement of corporate intent to be given in the report.

Annual Reports

30.—(1) Within 3 months after the end of each financial year, the Authority shall in accordance with its statement of corporate intent prepare a report of its activities during that financial year.

(2) The Authority shall send a copy of the Annual Report to the Minister who shall cause it to be laid before Cabinet as soon as practicable.

(3) The annual report required by subsection (1) shall contain, among other things—

- (a) an audited statement of accounts prepared in accordance with generally accepted accounting practice as determined by the Fiji Institute of Accountants;
- (b) a statement of financial performance, including a statement of the financial position of the Authority;
- (c) a statement of cash flows;
- (d) such other information as is required to give a true and fair view of the Authority's financial affairs; and
- (e) a copy of the auditor's report.



(4) The Annual Report shall include the information required by the Authority's statement of corporate intent to be given in it.

Corporate Plan

31.—(1) The Authority shall in each year publish a corporate plan setting out plans for the future operations of the Authority and shall act in accordance with it.

(2) The Minister may issue guidelines as to the format and content of the corporate plan and the Authority shall comply with the guidelines except as otherwise agreed in writing by the Minister.

(3) A corporate plan shall, except as otherwise agreed in writing by the Minister, contain—

- (a) a forecast of profit and loss accounts, balance sheets and cash flows for the current and following 2 financial years; and
- (b) a statement of the assumptions on which the forecasts are based.

(4) The corporate plan shall be consistent with the Authority's statement of corporate intent.

Authority to have statement of corporate intent

32.—(1) The Authority shall, in each year, publish a statement of corporate intent containing a summary of the corporate plan and setting out the financial and non-financial performance targets of the Authority for that year.

(2) In addition to the matters mentioned in subsection (1), the statement of a corporate intent shall include—

- (a) an outline of the objectives of the Authority;
- (b) an outline of the nature and scope of the activities proposed to be undertaken by the Authority;
- (c) an outline of the Authority's main undertakings;
- (d) an outline of the borrowings made and proposed to be made by the Authority, and the corresponding sources of funds;
- (e) an outline of the Authority's policies and procedures relating to the acquisition and disposal of major assets;
- (f) a description of the Authority's accounting policies;
- (g) a description of the financial information to be given to the Minister in the half yearly and Annual Report;
- (h) a description of measures by which the performance of the Authority may be judged in relation to its objectives, in addition to the performance targets required by subsection (1); and
- (i) such other matters as are agreed by the Minister and the Authority or are directed by the Minister to be included in the statement of corporate intent.

(3) The Minister may, in writing, exempt the Authority from including in its statement of corporate intent any matter, or any aspect of a matter, mentioned in subsection (2).

Audit

33.—(1) The Authority is required to be audited at least once a year.

(2) The audit is to be conducted in accordance with the Audit Act (Cap. 70) and the Financial Management Act 2004, except where the audit is conducted by a person appointed by the Authority under subsection 3.

(3) The audit is to be conducted by—

- (a) the Auditor General or a person authorised or contracted under the Audit Act (Cap. 70) to carry it out, unless the Authority is exempted from audit under that Act by the Regulations; or
- (b) a person appointed by the Authority, if the Authority is so exempted from audit under the Audit Act (Cap. 70)

(4) The person appointed by the Authority under section 3(b) is to be—

- (a) a person that the Minister for Finance directs the Authority in writing to appoint; or
- (b) if the Minister for Finance gives no such directions, the person chosen by the Authority.



PART 6—TRANSITIONAL AND SAVINGS

Establishment of the Fiji Road Advisory Committee

34.—(1) Until such time as the members of the Authority are appointed by the Minister under Part 2 of this Decree, the functions of the Authority shall be performed, and the powers of the Authority shall be exercised, by the Fiji Road Advisory Committee which shall consist of the Permanent Secretary for the Prime Minister's Office as the Chairperson and 4 other members appointed by the Minister.

(2) The Chairperson and members of the Committee shall hold office until such time as the Authority is appointed.

(3) The Minister may, in his discretion, give directions to the Committee with respect to the performance of the functions of the Authority by the Committee, and the Authority shall comply with any such directions issued by the Minister.

Meetings and Proceedings

35.—(1) At all meetings, 4 members shall form a quorum.

(2) The Chairperson shall preside at all meetings of the Committee.

(3) Any issues raised or to be decided shall be decided by a majority of the votes of the members present and voting, and in the event of equality of votes, the chairperson, shall have a casting vote.

(4) The validity of any proceedings of the Authority shall not be affected by any vacancy amongst its members or by any defect in the appointment of any member.

Committee may invite others to meetings

36. The Committee may invite a person to attend a meeting of the Committee for the purpose of advising it on any matter under discussion, but the person so attending shall have no vote at the meeting.

Appointment of Change Manager

37.—(1) Following consultation with the Committee, the Minister shall, immediately upon the commencement of this Decree appoint a Change Manager on such terms and conditions as determined by the Minister.

(2) The Change Manager appointed under subsection (1) shall be responsible for the management of the functions of the Authority and exercise such powers and perform such duties as directed by the Committee, including but not limited to the following—

- (a) full Executive Management responsibility for the Authority;
- (b) recommend a staff structure for the Authority including redundancy plans, and new appointment processes;
- (c) identify the future financial management, information technology, asset management systems and records requirements;
- (d) identify office accommodation, office furniture, plant and vehicle requirements;
- (e) prepare a procurement plan for the Committee's consideration;
- (f) review the current road classification system, the continuing appropriateness of the definition of each classification, and the roads that have been allocated to each classification;
- (g) review the current technical service standards;
- (h) review the adequacy or otherwise of, any insurance protection approach, including the clarification of any potential liability should the cause of an accident be a result of the road condition;
- (i) review or prepare a business continuity and emergency response plan; and
- (j) identify and manage disposal of any surplus assets of the Authority.

(3) In the performance of any functions or exercising any powers under the Decree, the Change Manager shall report to and take instructions from the Committee.



(4) The Change Manager shall perform such additional functions and exercise such additional powers as the Committee may delegate to the Change Manager in writing.

(5) The provisions of this Decree shall be applicable and binding on the Change Manager appointed by the Minister under subsection (1).

PART 7—MISCELLANEOUS

Regulations

38. The Minister may make regulations to give effect to the provisions of this Decree.

Consequential

39. This Decree has effect notwithstanding any provision of any written law, and accordingly, to the extent that there is any inconsistency between this Decree and any other written law, this Decree prevails.

Given under my hand this 5th day of January 2012.

EPELI NAILATIKAU
President of the Republic of Fiji



EXTRAORDINARY

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[545]

GOVERNMENT OF FIJI

FIJI ROAD AUTHORITY (AMENDMENT) DECREE 2012
(DECREE NO. 46 OF 2012)

IN exercise of the powers vested in me as the President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority of Fiji Decree 2009, I hereby make the following Decree—

TO AMEND THE FIJI ROAD AUTHORITY DECREE 2012

Short title and commencement

1.—(1) This Decree may be cited as the Fiji Road Authority (Amendment) Decree 2012 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Road Authority Decree 2012 shall be referred to as the “Principal Decree”.

Amendment to all references of “Fiji Road Authority” in the Principal Decree

2. The Principal Decree is amended by deleting “Fiji Road Authority” wherever it appears and substituting “Fiji Roads Authority”.

Amendment to all references of “Fiji Road Advisory Committee” in the Principal Decree

3. The Principal Decree is amended by deleting “Fiji Road Advisory Committee” wherever it appears and substituting “Fiji Roads Advisory Committee”.

Section 2 amended

4. Section 2 of the Principal Decree is amended by deleting the definition of “roads” and substituting the following—

““road” or “roads” means all land and civil infrastructure constructed by any municipal council or government body, or any other body authorised by a municipal council or government body that is used as or facilitates a public right of passage for the movement of vehicles and pedestrians, including but not limited to—

- (a) the vehicle pavement from curb to curb, or where there is no curb, the roadside verges, drains and curbs;
- (b) road signs, road marker posts and other markings, including pedestrian crossings;
- (c) traffic islands;
- (d) bridges and culverts;
- (e) footpaths and pavements adjacent to a vehicle pavement;
- (f) street lights and traffic lights;
- (g) parking meters;
- (h) jetties; and
- (j) all national roads, municipal roads, and such other public roads as may be determined by the Authority.”

Section 6 amended

5. Section 6 of the Principal Decree is amended in paragraph (a) by deleting “public roads, bridges and jetties” and substituting “roads”.



Section 17 amended

6. Section 17 of the Principal Decree is amended by deleting it and substituting the following —

“Minister may give directions

17. The Minister may, in his discretion, give directions to the Authority with respect to the performance of the functions of the Authority, and the Authority shall comply with any such directions issued by the Minister.”

Section 18 amended

7. Section 18 of the Principal Decree is amended by deleting it and substituting the following —

“Transfer of assets, interests and liabilities

(1) As from the commencement of this Decree, all assets, interests, rights, privileges, liabilities and obligations of—

- (a) the State in relation to the Department; and
- (b) municipal councils in relation to municipal roads,

shall immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

(2) Every right and liability vested in subsection (1) in the Authority may, on and after the commencement of this Decree, be sued on, recovered or enforced by or against the Authority in its own name and it shall not be necessary for the Authority, the State or any municipal council to give notice to any person whose right or liability is affected by the vesting.

(3) On and after the commencement of this Decree, any agreement relating to any property, rights or liabilities transferred to and vested in the Authority under subsection (1) to which the State or any municipal council was a party immediately before the commencement of this Decree, whether in writing or otherwise, and whether or not of such a nature those rights and liabilities may be assigned by the State or any municipal council, shall have effect as if the Authority had been a party to the agreement.

(4) If a question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Authority under subsection (1), a certificate signed by the Minister shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.”

New section inserted

8. The Principal Decree is amended by inserting the following new section after section 38—

“Indemnity

38A.—(1) Neither the Committee, the Change Manager, the Authority nor any officer, servant, workman or labourer employed or engaged by the Committee, the Change Manager or the Authority shall be liable for any action, suit, proceeding, dispute or challenge in any Court, Tribunal or any other adjudicating body for or in respect of any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.

(2) Notwithstanding anything contained in subsection (1), the Minister may on an ex-gratia basis grant compensation to any person who has suffered any injury or damage to property, caused either directly or indirectly by any act or omission done in the exercise or non-exercise of the powers conferred by or duties prescribed under the provisions of this Decree or any other written law.”

GIVEN under my hand this 14th day of May 2012.

EPELI NAILATIKAU
President of the Republic of Fiji



EXTRAORDINARY

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[864]

GOVERNMENT OF FIJI

FIJI ROADS AUTHORITY (AMENDMENT) DECREE 2014
(DECREE NO. 27 OF 2014)

IN exercise of the powers vested in me pursuant to section 4 of the Office of the Vice-President and Succession Decree 2009 and section 165(4) of the Constitution of the Republic of Fiji, I hereby make the following Decree—

A DECREE TO AMEND THE FIJI ROADS AUTHORITY DECREE 2012

Short title and commencement

1.—(1) This Decree may be cited as the Fiji Roads Authority (Amendment) Decree 2014 and shall come into force on the date of its publication in the *Gazette*.

(2) The Fiji Roads Authority Decree 2012 shall be referred to as the “Principal Decree”.

Section 2 amended

2. Section 2 of the Principal Decree is amended by—

- (a) deleting the definition of “Change Manager”; and
- (b) deleting the definition of “Minister” and substituting the following —
““Minister” means the Minister responsible for Roads;”

Section 6 amended

3. Section 6 of the Principal Decree is amended by deleting paragraph (d).

Section 24 amended

4. Section 24 of the Principal Decree is amended by—

- (a) deleting “other” after “with” in subsection (1); and
- (b) deleting subsection (3).

Section 26 amended

5. Section 26 of the Principal Decree is amended in subsection (2) by deleting “and approved by the Minister”.

Section 30 amended

6. Section 30 of the Principal Decree is amended in subsection (1) by deleting “3” and substituting “4”.

Section 34 amended

7. Section 34 of the Principal Decree is amended in subsection (1) by deleting “the Permanent Secretary for the Prime Minister’s Office as the Chairperson” and substituting “a Chairperson”.

Section 35 amended

8. Section 35 of the Principal Decree is amended in subsection (1) by deleting “4” and substituting “3”.



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Section 37 deleted

9. Section 37 of the Principal Decree is deleted.

Section 38A amended

10. Section 38A of the Principal Decree is amended in subsection (1) by deleting all references to “the Change Manager”.

Given under my hand this 5th day of August 2014.

A. H. C. T. GATES
Chief Justice

Attachment 'O'
ACKNOWLEDGEMENTS

ACKNOWLEDGMENTS

1. Asian Development Bank

The ADB User's Guide – Procurement of Works – Standard Bidding Document – August 2012.

2. Fiji National Transport Sector Plan Update

National Land Transport (Sub sector) Plan (Draft) – September 2009

3. Brian Sharplin

“Strategic Infrastructure Asset Management – Asset Management Words and Terms – A Reference Handbook” – May 2013.

4. Fiji Government

- Department of National Roads Annual Report 2011
- Fiji Procurement Regulations 2010
- Roadmap for Democracy and Sustainable Socio-Economic Development 2010 – 2014
- Sustainable Economic and Empowerment Development Strategy (SEEDS) 2008-2010 – “A Better Fiji for All” November 2007
- The Fiji Road Authority Decree 2012 (No 2) – including the Fiji Road Authority (Amendment) Decree 2012 (No 46) and the Fiji Roads Authority (Amendment) Decree 2014 (No 78)
- The Ministry of Works, Public Transport and Utilities Finance Manual 2011

5. International Federation of Consulting Engineers (FIDIC)

FIDIC Procurement Procedures Guide - 2011

6. MWH (New Zealand)

Construction Contracts Manual – Volume One – Procedures and Forms – November 2007

7. New Zealand Controller and Auditor General

- “Procurement Guidance for Public Entities” – June 2008
- “Controlling Sensitive Expenditure – Guidelines for Public Entities” – February 2007

OTHER KEY FRA DOCUMENTS

- 2012 Annual Report
- 2013 Annual Report
- 2014 Annual Report
- Asset Management Plan (Mauve Book)
- General Management Manual (Red Book)
- 2013, 2014 and 2015 Corporate Plan and Statement of Corporate Intent
- Half Yearly Report
- Staff Manual (Yellow Book)
- Risk Management Manual (Grey Book)
- Organisational Performance Manual (Blue Book)