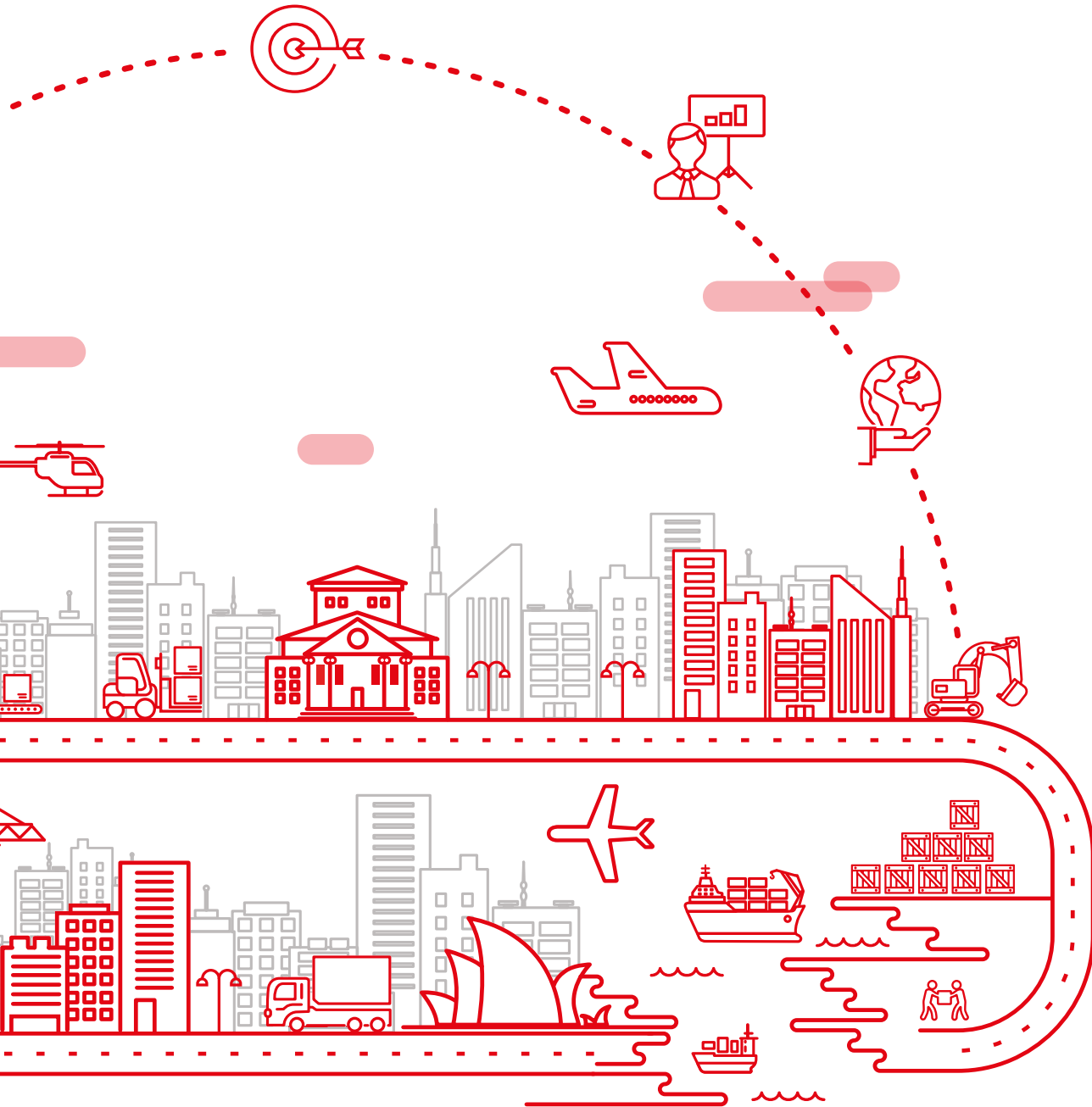




**Charles
Kendall**
Consulting



AUSTRALIAN AID PUBLIC PROCUREMENT REFORM

Scott Dicken, Director | sdicken@charleskendall.com

CHARLES KENDALL: A NAME TO TRUST

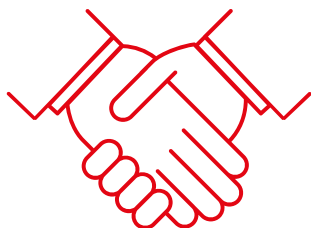
In 1945, Charles Kendall established the company that still bears his name. In the decades since, our Group companies have become united by a dedication to service, quality and integrity.

With experience in over 100 countries, we help governments achieve the results on which their aid funding depends, while donors look to us to help ensure that their public procurement reform programs are delivered effectively.

We manage globally significant programs. For example, we currently manage funds of over USD\$4 billion and have procured goods, works and services worth over USD\$2 billion for the US Government's Millennium Challenge Corporation.

This is balanced by the human scale of our business: we are small enough to be flexible, innovative and work pro-actively to protect our client's best interests.

With proven expertise in international standards and best practice, we work proactively to develop bespoke solutions that minimise risk and maximise value.



OUR EXPERTISE

Procurement Agency

Program design, identification and evaluation of requirements; Preparation of tender specifications and tender documents; Worldwide sourcing of goods, works and services; Tender administration and evaluation; Contract negotiation, award and management.

Fiscal Agency

Management of special fund accounts; and Payment accounting and auditing.

Public Private Partnerships (PPP) Advisory Services

Providing transactional, institutional, and capacity development advisory services for partner governments and bilateral and multilateral donor agencies exploring PPP feasibility and implementation.

Procurement Capacity Building and Training

Assisting clients to assess and enhance human capacity and sustainably professionalize the procurement function.

Procurement Reform

Assisting partner governments and donor organizations with procurement reform including; reform of legal and institutional frameworks; Procurement system, structure and process assessment and redesign.

Procurement Strategy Development

Advising public procurement authorities, government ministries, and donor organizations on strategic approaches to public procurement.

Procurement Monitoring and Auditing

Conducting independent procurement reviews to verify if procurement activities are undertaken in compliance with national and/or donor procedures, laws, rules and regulations.

Freight and Logistics

Expediting and coordination of deliveries; Inspection; Insurance; Freight forwarding and clearance; Logistics planning, warehousing, goods storage and handling; Inventory management, classification and coding.



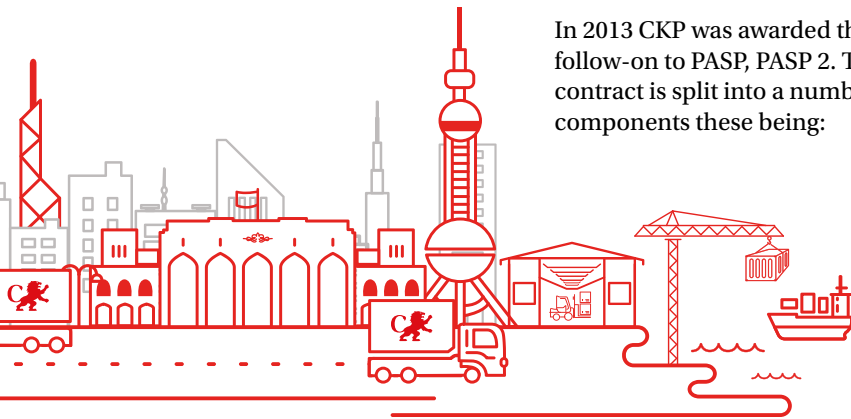
OUR EXPERIENCE

AusAID/DFAT in its delivery of programs to developing countries has a requirement for a wide range of procurement agency and technical assistance services.

In 2007 it established the Procurement Agents Services Programme (PASP) and Charles Kendall & Partners Ltd was appointed as one of only two framework service providers to support AusAID/DFAT programs worldwide.

In 2013 CKP was awarded the direct follow-on to PASP, PASP 2. The PASP contract is split into a number of components these being:

- Part A – acting as a procurement agent to procure goods, works and services for AusAID/DFAT and implementing partners;
- Part B – provision of procurement technical assistance services to AusAID and programme partners including procurement assessments, procurement capacity building and training and reform;
- Part C – provision of recruitment and including logistics services to AusAID/DFAT and implementing partners for the sourcing, contracting and support of technical assistance experts.



Samoa International Procurement Specialists Program

DFAT embraces a policy of deploying partner government systems to administer aid funds in Samoa, and in particular of the Government of Samoa carrying out procurement through the domestic national procurement regulatory framework.

This simultaneously provides the opportunity to strengthen partner government procurement systems whilst leveraging the multiplier effect to achieve broader development benefits.

However, this approach also represents significant risk to Australian funding; particularly the risk of the inefficient and/or corrupt use of aid funds. Following comprehensive PFM risk assessments undertaken by DFAT the utilisation of domestic procurement systems was identified as a moderate risk.

Accordingly, the International Procurement Specialists Program for Samoa aims to guard against these risks as well as assist the Government of Samoa to improve its own domestic procurement legislative and procedural systems.

In fulfilment of this objective CKP has successfully undertaken the following activities in Samoa:

- Design and implementation of comprehensive procurement capability and capacity assessments at national and sectoral/procuring entity levels.
- The review and drafting of supplemental procurement legislation and regulations.
- The review and drafting of comprehensive procurement procedures, guidelines, manuals and standard bidding documents aligned to the revised legislative framework.
- The designing of improved institutional structures to better facilitate efficient public procurement in the Ministry of Health and National Health Service of Samoa.
- The design and implementation of procurement training capacity needs assessments.
- The design and delivery of public procurement training to Ministerial practitioners.
- On-site public procurement mentoring and Technical Advisory Services within the Ministry of Health and National Health Service.
- Advising and supporting partner procuring entities in the execution of their procurement activities (including but not limited to the establishment of pharmaceutical framework agreements, tendering, contract award, contract management and supervision).
- Conducting procurement audits and advising and supporting partner governments and procuring entities in carrying out procurement audits.
- Preparing Terms of Reference or duty statements for advisers to work in procuring or regulatory entities.

Our work in Samoa has seen us working hand in hand with Government departments on a range of national legislative drafts and amendments.



Tonga Program of Procurement Support and Reform:

With assistance from the Department of Foreign Affairs and Trade (DFAT) and others, the Government of Tonga (GoT) has been engaged for some years in a program aimed at improving its performance in the area of public procurement.

A significant Review Report made a number of wide ranging recommendations for arresting an evidenced decline in Value for Money (VfM) public procurement and establishing a sound foundation for improved public procurement in Tonga.

The subsequent Strategy contained five key components including: refinements to the legal and regulatory framework and implementation of the same; partial centralization of all public procurement and a program of common use items procurement; Capacity building of procurement officials and basic level training for other government staff and suppliers; An anti-corruption strategy for procurement and associated measures; and a system for monitoring compliance with and performance of the procurement system.

In fulfilment of this objective CKP has successfully undertaken the following activities in Tonga:

- Legislative and regulatory analysis and revisions of the existing and proposed public procurement legal framework to inform recommendations on acceptable procurement risks and risk mitigation strategies;
- Preparation of accompanying legal interpretation, clarifications and instructions together with compliant standard bidding documents to accompany the adopted public procurement regulations;
- Review and revision of Government of Tonga Complaints Procedures.
- Providing assistance to the Procurement Department to finalise procurement manuals, standard bidding and contract documentation, and associated guidance, and disseminating this information to line ministries and agencies.
- Following detailed analysis and research of the public procurement environment implement a comprehensive training and outreach program for line ministry and agency staff in order to facilitate the efficient and effective implementation of the Public Procurement Regulations.
- Assist with the professional development of government procurement staff, including mentoring staff carrying out all public procurement in Tonga 10,000 and above.



Timor-Leste Procurement and Logistics Support Facility (PLSF):

The aim of the PLSF Facility (which CKP managed for 3 years) was to provide continuity of procurement and logistics support as part of newly established Australian Aid (now DFAT) initiatives in education, health and community development in Timor-Leste.

The facility provided an operational foundation for sector initiatives thereby reducing risk, cost and time constraints through aggregating similar functions and investments. It supported the development efforts of the Government of Timor-Leste in the early stages of implementing its Strategic Development Plan 2011-2020.

Through this mechanism CKP assists with the implementation of Australia's Timor-Leste aid program, providing procurement, logistics, recruitment and capacity building services in sectors as wide varied as health, education, rural development and governance.

Technical Assistance to the Vanuatu Office of the Central Tenders Board for Improving Procurement Policy and Procedures:

In 2009, an assessment was made of Public Procurement Management in Vanuatu. The assessment concluded that substantive work was needed to bring procurement and contract management in Vanuatu to a more satisfactory standard.

Further assessments were undertaken and concluded that the existing legal framework in Vanuatu, in particular, the way in which it is applied, presented manifold risks.

This included a lack of transparency and accountability, widespread non-compliance and lack of enforcement on compliance, malpractice and no evidence of value for money savings. All of these risks impacted on Government and donor partner finances.

In fulfilment of this objective CKP's role and achievements included:

- The management of 50% of Australia's Timor-Leste aid budget, providing procurement, logistics, recruitment and capacity building services in sectors as wide varied as health, education, rural development and governance and with estimated savings of approximately 7%.
- The analytical assessment of country procurement requirements and markets to determine the extent to which supply is capable of meeting projected demands.
- The analysis and recommendation on options for program procurement delivery mechanisms, including a variety of implementation arrangements for construction of buildings and physical facilities.
- Building private sector procurement capacity by running regular workshops and seminars for private sector markets aimed at improving their understanding of how to, as well as their ability to, prepare responsive tenders in line with the relevant public procurement regulations.

The Ministry of Finance and Economic Management (MFEM) initiated the inception phase of a procurement reform program with funding support from AusAID. This inception phase involved the development of a work plan which assisted in strengthening the Government of Vanuatu (GoV) procurement system and processes, including an update to its legislation.

MFEM approached AusAID for technical assistance to implement the work plan including the review and updating of procurement legislation and strengthened procurement capacity.

Charles Kendall & Partners was appointed to provide these services, which included:

- Undertaking research and legislative review to inform the final drafting of amendments to the Legal and Regulatory Framework through a participatory approach;



The facility provided an operational foundation for sector initiatives thereby reducing risk, cost and time constraints through aggregating similar functions and investments.

- Aligning the Procurement Guidelines with the amended Legal and Regulatory Framework;
- Revising guidelines and procedures for procurement of works;
- Drafting National Standard Tender and contract documents, forms and templates;
- Developing a consolidated procurement plan;
- Conducting analytical research in to the internal requisitioning processes including asset procurement, asset registering, asset maintenance and replacement, acquittals and payment processes;
- Preparing a process map of the existing procurement process from a financial management perspective including the link to the MFEM financial management system using a participatory approach; and
- Reviewing the Government's exposure to risk arising out of statutory authority procurement operations.

OTHER NOTABLE CONTRACT ACTIVITIES:

In addition to the high value interventions undertaken by CKP and as described above a number of shorter-term and rapid deployment activities were undertaken by CKP. Some examples of these activities include:

Solomon Islands:

The analytical assessment of the public procurement legislation and regulations of the Solomon Islands College of Higher Education (SICHE) the systems, procedures and operational practices of SICHE and the capacity, skills, experience, competence and probity of the personnel that will be responsible for executing the procurement in order to provide recommendations for capacity building, areas of procurement risk, and potential risk mitigation measures.

Laos:

Analysis of procurement systems, procedures and operational practices of the Mekong River Commission and the capacity, skills, experience, competence and probity of procurement personnel.

Papua New Guinea:

Following a comprehensive assessment of the PNG Department of Health's (NDoH) Procurement and Distribution systems CKP was appointed as a Procurement Specialist Organisation (PSO) to assist in:

- Distribution services for 5 rounds of 40% Medical Supply Kits to Health Centres and Aid Posts in all provinces in PNG;
- Strengthening of cold chain logistics for the distribution and storage of vaccines in underperforming districts;
- Emergency Obstetric Care (EmOC) equipment and services for District Hospitals and Health Centres in all provinces in PNG; and
- Scoping services, building materials, construction of and equipment for 14 STI Clinics.

CKP's role included:

- Assisting in finalising schedules of requirements;
- Analysing program requirements to determine the extent to which supply sources are capable of meeting projected demands;
- Leading all aspects of the procurement and supply chain, for distribution of goods from provinces to end-users at district and other levels; and
- Building capacity in the private sector including running workshops for private sector firms aimed at improving their understanding of how to, as well as their ability to, prepare responsive tenders and provide high quality goods, works and services under contracts they were awarded.



Porters deliver health kits to remote communities in Papua New Guinea's Karamui-Nomane District of Chimbu Province



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