SUPPLEMENT

TO THE

NEW ZEALAND GAZETTE

OF

THURSDAY, APRIL 17, 1913.

Published by Authority.

WELLINGTON, SATURDAY, APRIL 19, 1913.

Stores Regulations made by the Public Service Commissioner under the Authority of Subsection (h) of Section 34 of the Public Service Act, 1912.

WHEREAS by section 34 of the Public Service Act, 1912 (hereinafter called "the said Act"), the Commissioner, with the approval of the Governor in Council, is authorized to make regulations for the carrying-out of the provisions of the said Act:

Now, therefore, the Commissioner, in pursuance and exercise of the said authority, and with the approval of the Governor in Council, doth hereby make the Stores regulations set forth in the Schedule hereto, and doth order that such Regulations shall come into force on the first date of publication thereof in the *New Zealand Gazette*.

SCHEDULE.

STORES REGULATIONS.

1. SUBJECT to the proviso contained in subsection (*h*) of section 34 of the Public Service Act, 1912, stores for meeting the requirements of the several Departments of the Public Service shall be procured in the following manner:—

(*a*.) By public tender;

(*b*.) By competitive quotation where the value does not exceed £100 in any one item;

(*c*.) By purchase in cases of emergency under special conditions hereafter defined:

Provided always that the practice adopted in procuring stores through the High Commissioner shall not be governed by these regulations.

2. "Stores" shall mean articles of a consumable or a non-consumable nature required in carrying out the services of the respective Departments, and may also include unserviceable articles, whether new or old, which may or may not possess a value to a Department. "Stores" also includes books, forms, stationery, and office requisites of every description.

STORES TENDER BOARD.

3. In the matter of procuring stores by tender, a Board to be known as the Stores Tender Board shall be appointed by the Public Service Commissioner, and shall consist of the following members:—

(*a.*) An officer of the Public Works Department.
(*b.*) An officer of the Lands Department.
(*c.*) An officer of the Post and Telegraph Department.
(*d.*) An officer of the Government Printing Office.
(*e.*) An officer of the Department of Justice.
(*f.*) An officer of the Department of Mental Hospitals.

RULES GOVERNING CONSIDERATION OF TENDERS BY TENDER BOARD.

4. (*a.*) The members of the Tender Board shall, at the commencement of every financial year, elect from among their number a Chairman, who shall hold office till the end of the financial year in which he is elected. If any vacancy in such office occurs during the currency of any financial year, it shall be filled by similar proceeding. The Chairman shall preside at all meetings of the Tender Board, but if he be absent the Board shall elect from among the number then present a Chairman, who shall preside at such meeting.

(*b.*) Questions arising at any meeting of the Board shall be decided by a majority of votes; each member present shall have one vote. In case of an equality of votes, the Chairman shall have a second or casting vote.

(*c.*) Each member of the Board must attend personally when called upon by notice to do so, but in the event of circumstances precluding his attendance at any time the authority of the permanent head of his Department must be obtained for another officer to act in his place.

(*d.*) The Tender Board shall meet at times to be decided by the Chairman.

(*e.*) Three members shall form a quorum.

(*f.*) A tender box shall be provided with two locks to have wards diverse from the other, one key to be in possession of the Chairman and the other in that of the Secretary to the Board. Upon the tenders being removed from the tender-box each tender shall be numbered, and it shall be initialled by at least two members of the Tender Board present when the box is opened.

(*g.*) In no case shall tenders be opened except in the presence of a quorum of the Board.

(*h.*) All tenders deposited at offices other than the office of the Tender Board must, immediately after the time fixed for closing of tenders, be despatched unopened by registered package addressed to the Chairman, Stores Tender Board.

(*i.*) No tender shall be considered unless it is securely enclosed in an envelope, on the outside of which is clearly stated the supply for which it is a tender.

(*j.*) All tenders must be deposited at the place and within the time stated in the advertisement calling for tenders. Any tender received after the advertised time shall not be entertained unless there are special circumstances which in the opinion of the Board justify a departure from the rule.

(*k.*) Every tender must be accompanied by a deposit in the form and for the amount described in the general or special conditions of contract. Any tender received without a deposit, or with a deposit in any form other than that described in the said general or special conditions of contract, is liable to be declared informal and rejected on that ground.

(*l.*) All deposits, with the exception of those of the two lowest tenderers in each case, shall be returned as soon as practicable after the Board has considered the tenders. The second-lowest tenderer's deposit shall be returned immediately after the execution of contract documents by the lowest tenderer, or within thirty days of the date fixed for the closing of tenders.

(*m.*) When the Board has to deal with tenders requiring the advice of a technical expert, the Secretary to the Board shall be instructed to request the attendance of such expert.

(*n.*) The Tender Board shall not be bound to accept any tender. If a tender other than the lowest is accepted, the reasons for not adopting the usual course shall be entered in the minute-book.

(*o.*) In the event of an accepted tenderer failing to complete the contract documents, the tenders may be reconsidered by the Tender Board, which shall determine whether the second-lowest or any tender shall be accepted or fresh tenders invited.

(*p.*) The Tender Board may disqualify from tendering, for any period it may consider desirable or necessary, any person, firm, or company found to have been guilty of any default in carrying out a previous contract, or who may be for any other reason considered ineligible.

(*q.*) The Board shall advertise in the *New Zealand Gazette* the particulars of all accepted tenders.

(*r.*) The records of the proceedings of the Board shall be kept in a minute-book by the Secretary to the Board, and the minutes of each meeting shall be confirmed at the next subsequent meeting of the Board.

SECRETARY TO THE TENDER BOARD.

5. There shall be an officer of the Public Service appointed as Secretary to the Tender Board, who shall keep the minutes of the proceedings of the Board and perform such other duties as he may be from time to time directed to do by order of the Tender Board.

6. The Secretary shall receive all preliminary deposits and securities in connection with tenders and contracts, and shall deal with them as the Public Revenues Act directs.

7. The Secretary shall keep the following books, viz.: (1) The minute-book of the Tender Board; (2) the advertisement-book; (3) register of tenders; (4) preliminary deposit cash-book; (5) register of securities; (6) expenditure register showing cost of administration of Tender Board; (7) such other books or information as the Board may direct.

DUTIES OF TENDER BOARD.

8. The duties of the Tender Board shall be to secure uniformity as far as practicable in the conditions and specifications of all contracts, and that the conditions imposed meet the requirements of the Departments concerned. The following conditions shall be included in all contracts:—

(*a.*) That all stores shall be delivered as may be directed by the officer ordering the supply.

(*b.*) That stores shall only be delivered by contractors upon the receipt of a proper written order directing the supply, signed by a duly authorized officer of a Department.

(*c.*) That the acceptance of stores shall be subject to the approval of the officer authorized to take delivery, or such other officer as shall be named in the conditions.

(*d.*) That if, after delivery has been taken of any stores, a deficiency or defect is discovered such stores may be returned to the contractor at his expense.

(*e.*) That, in the case of the rejection or return of any stores, the contractor shall bear the whole cost of replacing the supplies rejected or returned.

9. The permanent heads of Departments shall prepare for the Tender Board, at such times and in such form as may be prescribed, classified schedules of all stores likely to be required. It shall be the duty of the Tender Board to determine whether the said stores should be procured by contract or otherwise and to advise generally thereon, but no liability shall be created in respect thereto unless proper authorization is given.

10. The Tender Board shall take action as soon as a decision is arrived at, by advertising for tenders or otherwise. The list of stores required for the service shall be classified and divided into as many schedules as may appear to be necessary to admit of fair competition among manufacturers, merchants, and others in a position to supply, and separate tenders shall be invited for the stores described in each and every such schedule.

All advertisements calling for supplies shall contain the particulars of the supply, the period for and within which it is to be furnished, the amount of security required, with all other necessary information; and due notice shall be given of the day and hour on or before which tenders will be received.

All tenders for stores under these regulations shall be opened and examined by the Tender Board in accordance with the rules hereinbefore mentioned, and after consideration of the tenders the Tender Board shall accept the most suitable.

When a tender for stores has been accepted, the Chairman of the Tender Board, on behalf of the Government, shall enter into a contract with the tenderer for the supply.

Should the rates named in the tenders be excessive, or should no tenders be received, the Board shall advise the Department requiring the stores of the best course to be taken to obtain the supplies.

11. If any Department submits demands for stores not included in the schedules, the Tender Board shall give directions in respect to the mode of obtaining such stores.

12. The Tender Board shall also deal with such other matters as may be referred to it from time to time.

13. The Tender Board shall present a report during the month of April in each year to the Public Service Commissioner of its operations during the preceding twelve months.

PURCHASE UNDER COMPETITIVE QUOTATION.

14. Stores not exceeding £100 in value in any one class which are not included in any contract schedule, the supply of which may be necessary to meet the requirements of any Department, may be obtained by competitive quotation.

The procedure in this respect shall be as follows:—

The Department requiring the stores shall issue quotation forms as may be prescribed to persons or firms in a position to supply such stores.

The terms and conditions under which quotations for such stores are invited will appear on the quotation forms, and any quotation received not strictly in accordance with such terms and conditions will render it liable to be rejected.

When such quotations have been obtained a comparative summary shall be prepared, checked, and certified correct, and submitted to the permanent head of the Department, who will decide which quotation shall be accepted: Provided always that if it is not intended to accept the lowest quotation, the matter must first be submitted to the Minister of the Department for approval.

15. Where stores are obtainable from one source only it will not be necessary to call for tenders, but every such case must first be submitted to the Minister of the Department for approval.

DIRECT PURCHASE WITHOUT COMPETITION.

16. In special cases in which loss or inconvenience would be caused to any Department in procuring supplies, &c., under the general provisions of these regulations, stores of small value may be obtained or repairs effected and paid for by the permanent head concerned, or such officer as may be authorized, who will be held responsible for any improper expenditure. The cost of stores purchased under this clause upon any one requisition shall not be in excess of £10. A return of all such transactions shall be made each month on the prescribed form to the permanent head of the Department for transmission to the Minister.

PURCHASE OF STORES IN CASE OF EXTREME EMERGENCY.

17. Notwithstanding the provisions of Regulations Nos. 14 and 16, in cases of extreme urgency the Chairman of the Tender Board may, upon representation by the permanent head of any Department, authorize the purchase of stores to a value sufficient to cope with the particular emergency, but every such case shall be reported by the permanent head to the Tender Board and placed on record:

Provided that if any condition shall arise whereby the officer in charge of any works is unable to communicate with the Permanent Head, he may purchase sufficient stores to cover the emergency, reporting immediately all particulars to the permanent head, which shall be forwarded to the Tender Board; but it must be distinctly understood that this course is only to be adopted in cases where approval cannot be obtained within sufficient time to meet the emergency, and that such purchase is limited to the immediate actual requirements.

REGULATIONS FOR GUIDANCE OF OFFICERS.

18. Subject to these regulations, the permanent heads of Departments shall draft rules for the guidance of every one employed in connection with the management and control of stores. There shall also be embodied in the rules particulars of the books and forms to be used in the Stores Branch, together with instructions in respect to their purpose and application. Such rules shall be based, wherever practicable, on the principle that requires concurrence of knowledge and action upon the part of two or more officials to consummate a transaction. Before adoption, such rules must be submitted to the Public Service Commissioner for approval.

DUTIES OF OFFICERS IN CHARGE OF STORES.

19. Officers in charge of stores shall be responsible to the permanent head or such other officer as the permanent head may direct.

20. Officers in charge of stores shall be responsible for—

(*a.*) The efficient management and economical control of the Stores Branch.

(*b.*) The purchase, receipt, inspection, custody, issue, disposal of stores, and all other matters relating thereto.

(*c.*) The discipline, good conduct, and effective work of the staff under their control.

(*d.*) Seeing that, in every division of the work, system and good order prevail.

(*e.*) Seeing that all acts, regulations, and instructions are carefully observed, and that copies of such are registered and kept in the Stores Office, and that members of the branch who should possess an intimate knowledge of any contracts in existence, or any other business affecting the purchase, receipt, inspection, custody, issue, and disposal of stores, are supplied with such particulars as will enable them to possess a full and complete understanding thereof.

21. Officers in charge of stores must not permit any wasteful, improper, or extravagant practice.

22. Officers in charge of stores shall be responsible for seeing that a sufficient quantity of stores of the required description and quality is on hand for the efficient and economical working of the Department. The greatest care must be exercised to prevent overstocking.

23. In cases where a sub-store or a district store becomes a necessity it shall, wherever practicable, be placed under the supervision of the officer in charge of stores. The number of sub-stores shall be kept at a minimum, and shall be established only on the approval of the permanent head of the Department.

24. Officers in charge of stores will be responsible for seeing that the respective contracts entered into with the Department are faithfully carried out.

25. The shipping and transport arrangements in connection with stores shall be under the control of the officers in charge of the stores, and whenever practicable shall be carried out by tender.

26. Officers in charge of stores will be responsible for seeing that all documents in connection with stores transactions are carefully preserved.

27. All persons connected with the purchase, inspection, custody, and handling of stores in any manner whatsoever should be impressed with the necessity of viewing and caring for such stores from the standpoint of the value they represent.

28. Officers in charge of stores shall prepare and forward to the permanent head at the close of each financial year a report upon the working of the Stores Branch for the year closed.

PURCHASE OF STORES.

29. Before stores are purchased, permanent heads of Departments, or such officers as may be authorized from time to time, shall, on the prescribed form, issue purchase orders, numbered consecutively, for the supplies required, but no order shall be issued or any liability created in respect thereto unless funds are available.

30. The purchase of stores must be governed by actual requirements; a contingency of a remote character is not sufficient warrant for the purchase of material.

31. Officers in charge of stores will be responsible for seeing that their Department receives the full benefit in respect to discounts and rebates for stores purchased where no contracts exist, and competitive quotations have not been called for.

32. No order shall be made out in excess of the approved requisition.

33. The necessity of rendering statements of accounts at such periods as may be prescribed to the proper authorities should be impressed upon contractors and others from whom purchases are made.

34. In the event of a contractor failing to fulfil the terms and conditions of any accepted tender, the officer in charge of stores shall notify the permanent head of the Department of such failure, with a full statement of the case, accompanied by the necessary recommendations to meet the case.

RECEIPT OF STORES.

35. As far as practicable, no stores should be received without a trader's delivery note. A trader's invoice shall accompany or precede every delivery of stores from whomsoever purchased. In cases where this may be impracticable, then an invoice shall be sent for deliveries made each day.

36. All stores delivered must be carefully inspected by the receiving officer, who shall compare them with the order and the invoice and see that the stores are correct in regard to quantity and quality.

The nature of account to be kept for recording the receipt of perishable stores, provisions, &c., shall be of the character most suitable to the requirements of each particular Department or branch, or division of any Department or branch, but such form of account shall in every case be submitted to the Commissioner for approval.

37. If any irregularity, variation, deficiency, excess, or error is discovered in the material, or if it is not in accord with the specifications, it should be plainly noted on the face of the trader's invoice, and if of a serious character is to be reported to the permanent head of the Department.

38. All stores should, as far as practicable, be properly branded or stamped when received into store.

39. Officers giving receipts for stores will be held responsible for any discrepancy or loss which may be afterwards discovered.

CUSTODY OF STORES.

40. Every officer in charge of stores shall keep a clear and exact account of all stores which may be placed under his charge, and shall keep such accounts up to date. He shall also be held responsible for the custody and preservation of such stores. He shall obtain and file receipts for all such stores and material issued.

41. No person or persons should be allowed on the store premises unless with the authority of a responsible officer.

42. All stores of special value which may easily be disposed of should be kept under lock and key, and a trustworthy officer held responsible for their safe custody. Cleanliness, care, method, and order should prevail everywhere.

43. Extreme care should at all times be observed to obviate the possibility of fire.

44. Permanent heads of Departments shall arrange for surprise tests of stock to be made from time to time, but such tests will not relieve the officer in charge of stores of the responsibility of periodically checking his stocks.

45. Whenever it is found necessary to make any adjustments owing to the stock not agreeing with the books of record, the authority of the permanent head of the Department must be first obtained. The nature of the adjustment must be reported to the Public Service Commissioner, unless it is of a trifling character which is the result of an obviously incorrect book-entry.

46. No articles shall be lent, sold, or exchanged, except upon the written authority of the permanent head of the Department.

47. On the 1st day of January and July of each year, officers in charge of stores shall furnish to the permanent head of the Department (1) a return of all stores no longer required, but which are serviceable; (2) a return of all stores which have not been drawn upon during the previous six months; but the terms of the regulations shall not prevent officers from making representations at any time should the circumstances require.

ISSUE OF STORES.

48. An officer in charge of stores must not issue any stores unless he holds a requisition signed by a duly authorized officer. Requisitions must specify in detail the articles required, quantity on hand, quantity thereof, where needed, and the purpose for which required.

49. Officers in charge of stores must obtain receipts for all stores issued.

The nature of the account to be kept for recording the issue of perishable stores, provisions, &c., shall be of the character most suitable to the requirements of each particular Department or branch, or division of any Department or branch, but such form of account shall in every case be submitted to the Commissioner for approval.

50. Requisitions shall be for such stores only as may be necessary for the proper conduct of the Public Service. In all cases the weight, measurement, or quantity, and a correct description of the stores required, shall be given.

51. The postings into stock ledgers must be kept up to date.

STOCK-TAKING.

52. Stock shall be taken of all stores on hand as may be directed from time to time.

53. Unused stores which have been issued for current requirements are not to be counted.

54. Arrangements must be made for a clean "cut-off" as between stores received or issued prior to the date fixed for stock-taking and those received or issued subsequent thereto.

55. The greatest care must be taken to see that any stores received between the date of the "cut-off" and the time of taking stock *are not included* on the stock-slips as stores on hand. The trader's debits received for such material must be indorsed, "Material received after 'cut-off' not included in stock."

56. Similarly, the greatest care must be taken to see that any stores received prior to stock-taking, but issued between the time of "cut-off" and the time of stock-taking, *are included* on the stock-slips as stores on hand at the date of stock-taking. Issue documents for such material to be indorsed, "Issued between time of 'cut-off' and before counting stock, and included in stock."

57. A book must be kept for the purpose of recording all such receipts and issues during the currency of stock-taking, showing the date, number of purchase, order, or issue document, description and quantity of material, and by whom received or issued. Receipts and issues to be kept separately.

58. A separate stock-slip (coloured white) must be used for each class of article.

59. Unserviceable stores must be shown on stock-slips of a different colour.

60. When it is found that any item of stock has depreciated below the book or original value, stock must be taken on a stock-slip of pink colour. Such stock-slip to bear the same number as the white stock-slips for the same kind of material of good quality, but with an "A" prefixed before the number.

61. Stock must be taken by one person, and the count must be actually checked by another independent person; the stock-slips to be initialled by both.

62. All concerned with the stock-taking must do the work carefully in order to avoid all possibility of error.

63. The stock-headings must be shown on the stock-slips as they appear in the stock ledgers.

64. When the stock-slips have been completed in all respects they are to be arranged in numerical order and retained by the officer in charge of stores.

65. Stock-sheets on prescribed forms must be prepared, two copies of which shall be forwarded to the permanent head of the Department, with full explanation of all deficiencies and excesses.

66. Unserviceable stores must be shown on separate stock-sheets from serviceable stores, as well as material rendered obsolete by invention or any other cause.

WRITING OFF WORN-OUT, UNSERVICEABLE, OR OBSOLETE STORES.

67. In the matter of stores which appear at the stock-taking as unserviceable or as having been rendered obsolete as the result of invention or any other cause, the permanent head shall arrange for a survey of such stores to be made by not less than two departmental officers, and upon receipt of their report shall determine what action shall be taken as to their retention or disposal and the manner in which such stores shall be dealt with in the books of the Department.

INSPECTION OF STORES.

68. At least once in each year an audit of the books and accounts of every officer who is in charge of stores shall be made, and such audit shall include an inspection of all stores and material in stock under the control of every stores officer, whether at a main depot, district store, or at any other place at which stores are kept.

69. Stock shall be taken and an investigation and examination made of all contracts, accounts, invoices, requisitions, books, orders, and vouchers in anywise relating to or concerning the same. It

shall also be ascertained whether the stores and materials received by such officer have been duly accounted for, also whether the stores and material in stock are in quality and description in accordance with the contract for supply, and whether any excess stock is available for transfer to other Departments or branches of the service.

70. Within a period of not less than one month after such investigation and examination a report thereon in such form as may be prescribed shall be sent to the Public Service Commissioner by the permanent head.

In pursuance of the provisions of the Public Service Act, 1912, His Excellency the Governor of the Dominion of New Zealand, with the advice and consent of the Executive Council of the said Dominion, approves of the foregoing regulations.

LIVERPOOL, Governor.

Approved in Council, this eighteenth day of April, one thousand nine hundred and thirteen.

J. F. ANDREWS,
Clerk of the Executive Council.

By Authority: JOHN MACKAY, Government Printer, Wellington.