

APPENDICES TO THE SECOND REPORT OF THE PUBLIC SERVICE COMMISSIONER.

APPENDIX A.

REPORT OF THE STORES TENDER BOARD FOR YEAR ENDED 31ST MARCH, 1914.

The Public Service Commissioner.

Wellington, 8th May 1914.

THE first meeting of the Board was held on the 25th June, 1913. The Board was constituted of Messrs. J. Mackay, Government Printer; C. E. Matthews, Chief Clerk, Department of Justice; F. T. O'Neill, Assistant Under-Secretary, Department of Lands and Survey; J. Orchiston, Chief Telegraph Engineer, Post and Telegraph Department; W. S. Short, Assistant Under-Secretary, Public Works Department; and D. Souter, Chief Clerk, Mental Hospitals Department. Mr. J. Mackay was elected Chairman. The Public Service Commissioner was present, and briefly addressed the members.

Twenty meetings have been held during the period.

Eighty-four tenders for supplies, of a total value of £113,524 8s. 10d., have been dealt with. The Board also authorized the purchase of twenty-one items under clause 17 of the regulations, at a value of £4,492 0s. 5d.

One hundred and thirty-four contracts for supplies were dealt with, of an estimated annual value of £77,735 3s. 6d.

When the Board began its work it was found that several Departments had separate contracts for the same class of supplies at various places, the contracts terminating on different dates. Certain of the contracts were at that time to run to the 31st December, 1914, and therefore it was decided to terminate all contracts which it was necessary to rearrange or relet during the interim on that date, and to let general contracts as from the 1st January, 1915, for supplies required for all Departments and Government institutions. The schedules and conditions of contract will be made uniform. It is considered that by this arrangement the number of contracts will be reduced to at least half, that less work will be involved in arranging the contracts, that the cost of advertising and printing will be reduced, and that better prices will be obtained and more satisfactory supplies procured. Consideration is also to be given to the question of lengthening the term of contracts for supplies the market prices of which do not fluctuate materially. It is impossible for the Board to estimate, with the information at its disposal, the saving which will result, but this should be considerable both in regard to work done and the cost of the supplies.

The Board is obtaining from Departments schedules of stores commonly used, with a view to arranging contracts for supplies and determining the most economical method of procuring such. This work will be undertaken in conjunction with rearranging and reletting the stores-supply contract now arranged by the Public Works Department, which terminates on the 31st March, 1915.

The forms of quotation prescribed by Regulation 14 for general use in inviting offers for stores of less than £100 in value, and the purchase-order form prescribed by Regulation 29, have been drawn up, and a circular memorandum has been sent to Departments requesting that the forms be brought into use. Where this has been done it is understood that they are satisfactory. The form prescribed by Regulation 16, being a monthly return of purchases and services under £10 in value, has also been drawn up, printed, and is now in use by Departments.

One great advantage of the Board's working is to be found in the power given to promptly accept tenders for stores, and this feature is much appreciated by tenderers. As the experience of the Board advances, it is expected that even better results will be obtained in this direction, as there is no doubt that the prompt acceptance of offers has the effect of securing better prices.

The Stores Regulations, so far as the Board's experience has gone, have been found to meet requirements and to work satisfactorily, and the question of asking the Public Service Commissioner to amend the regulations to allow fixed deposits and a security of a permanent nature being accepted, instead of a separate deposit and security for each contract, is under consideration, and it is hoped to make a recommendation in the matter at an early date.

The Board is pleased to be able to report the smooth working of the regulations from the outset, and the willing co-operation received from the Permanent Heads of Departments in connection with tenders dealt with.

At the present time the work of the Board does not include the arranging of contracts for services such as carting, &c., but, as no doubt there are several contracts in force for this and other services, considerable saving might be effected if general contracts were arranged, which would permit of Departments which do not require such services to an extent to justify their entering into a contract having the benefit of rates so obtained.

[Details not printed.]

J. MACKAY, Chairman.