

Buying-operations.

3. On this decision being given, my experts advised me to make immediate arrangements for the supply of khaki materials requisite for the uniform clothing, and also for supplies of all woollen goods required. Accordingly, tenders and samples were invited from the ten New Zealand woollen-mills, which resulted in improved qualities being submitted at satisfactory prices for the approval of the military authorities. The khaki materials having been duly arranged for, tenders were invited from clothing-manufacturers throughout the Dominion for the making-up of uniform clothing. A condition was inserted in the conditions of contract for these supplies prohibiting subletting except with my consent.

4. Tenders were subsequently invited and contracts let for (a) medical requirements, (b) hardware, (c) foodstuffs, (d) footwear, and (e) other miscellaneous articles. The position revealed by the results of the tenders received was, in the main, satisfactory; but I have to report that a fairly large volume of business was not tendered for at all. In other instances my experts advised me that supplies could be more economically purchased from time to time as required than by accepting the tenders preferred in respect of certain lines.

Distribution of Business.

5. It is interesting to note that out of the total of £1,400,000 which I was authorized by Cabinet to expend on supplies for the calendar year 1917, orders to the value of £668,346 have been placed to date; this expenditure represents over six million articles. It should be observed here, however, that tenders are called every four months for foodstuffs and forage for the Expeditionary Force training-camps, and consequently one-third only of this business has so far been placed. The value of the orders placed to date represents,—

					£
(a.) Stores	..	..	..	..	549,096
(b.) Supplies	..	..	..	..	116,666
(c.) Drugs	..	..	..	..	2,584
Total	..	..	..	..	<u>£668,346</u>

while the business has been spread throughout the Dominion as follows :—

					£
(a.) Auckland	..	..	..	..	113,225
(b.) Wellington	..	..	..	..	246,085
(c.) Dunedin	..	..	..	..	117,608
(d.) Christchurch	..	..	..	..	191,428
Total	..	..	..	..	<u>£668,346</u>

In regard to Wellington, I find many houses here act in a representative capacity, in this respect: that the business secured by them in most cases results in supplies—e.g., butter, chaff, vegetables, and many other lines—being obtained from far afield; so while these figures give one a good idea as to the distribution of orders placed, they do not give a correct perspective of the distribution of the money involved. In view of the fact that I am often called upon to purchase in the open market to meet the necessities of military operations, I have caused my experts to keep in touch with and to visit various centres, in order to take full advantage of stocks on offer there.

Departmental Register of Suppliers.

6. I would draw the attention of the mercantile community to the fact that the Register of Suppliers now compiled by my Department is very complete. I think it will be appreciated that much valuable time is often saved by the Department always having available a full list of suppliers for various commodities likely to be required. Apart from the saving of time in inviting quotations, economy is effected by direct communication with interested parties. The register is always open to business men desirous of having the names of their firms registered thereon, and application forms can be secured on request.

Announcing Results of Tenders and Quotations.

7. During the currency of the business under review I have frequently been requested to give information to unsuccessful tenderers; and in this connection I have to report that my advisers, at my request, went fully into this matter, with the result that I decided—(a) To give the price only, quoted by successful tenderers, to any unsuccessful tenderer for the same supply; (b) not to disclose the price quoted by an unsuccessful tenderer; (c) not to disclose the name of any successful tenderer without his consent.

The reason for acting as indicated in (a) above is to satisfy unsuccessful tenderers that their quotations were not the lowest. It has apparently been the practice of Government Departments for some years past to give this information, although it is not the practice of mercantile houses to do so.

The reason for (b) above—namely, not giving the prices quoted by unsuccessful tenderers—is that such information would possibly reveal to successful tenderers opportunities for quoting higher prices the next time they were invited to tender for similar supplies.