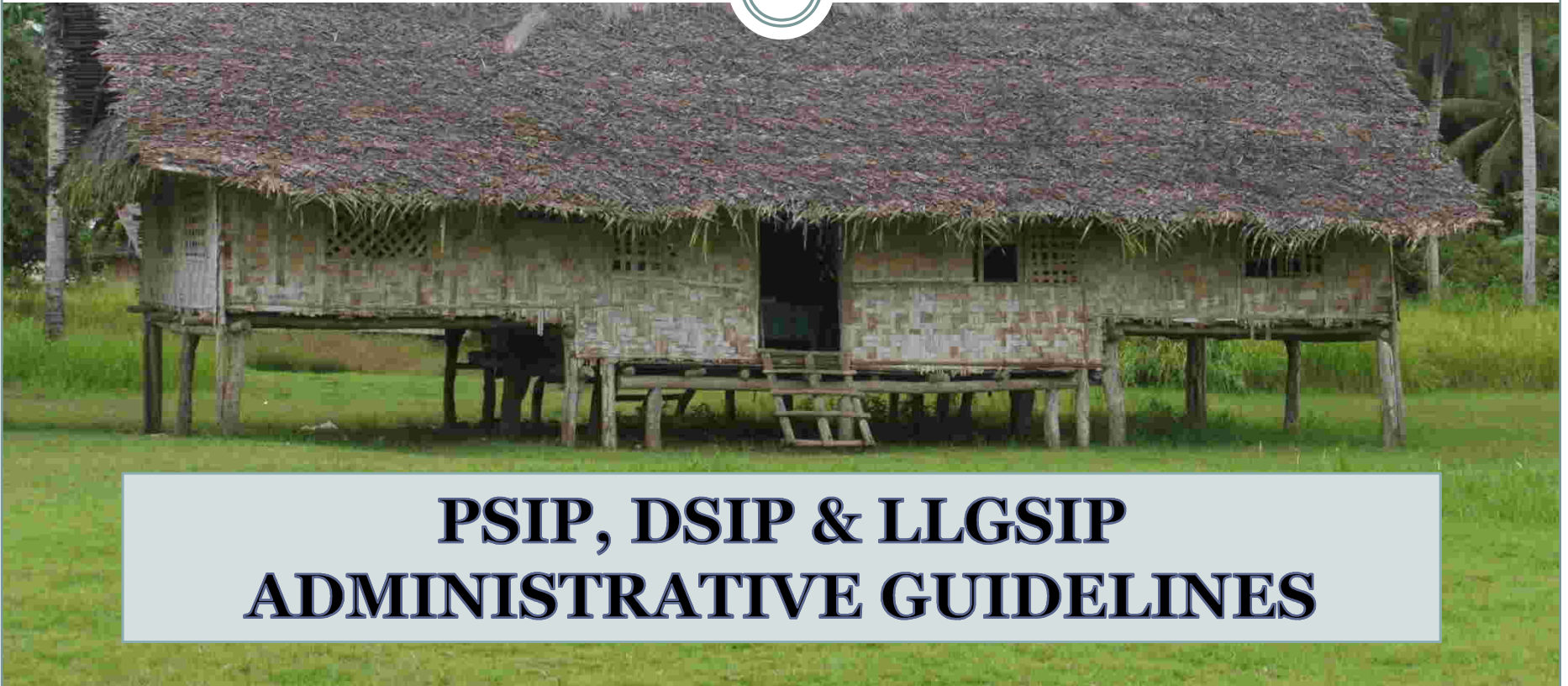




DEPARTMENT OF IMPELEMNTATION & RURAL DEVELOPMENT



PSIP, DSIP & LLGSIP ADMINISTRATIVE GUIDELINES

YEAR OF IMPLEMENTATION



1. Purpose of Presentation

- Remind Government Agencies that they play key roles in the roll out of PSIP, DSIP & LLGSIP in Provinces, Districts & LLGs
- Inform Agencies, the Processes and Procedures in accessing the PSIP, DSIP & LLGSIP funds & Plan way forward.

PSIP, DSIP & LLGSIP - Policy Framework



Government Commitment

- **PSIP, DSIP & LLGSIP policy recognizes the ALOTAU ACCORD in term of service delivery & development in the rural areas for minimum social and economic services.**
- **It also recognizes agencies & stakeholders involvement in supporting delivery functions of basic goods and services to the provinces, districts and LLG areas. Agencies & Stakeholders include:**
 - **22 Provincial Administrations**
 - **JPP & BPC in provinces, JDP & BPC in districts, LLGC & Ward Development Committees**
 - **CSTB, PSTB , PPMT & DPMT**
 - **Departments of Planning, Finance, PLGA, Education, Agriculture, Transport, Works ,Commerce, Health, PNG Power, PNG Water and Telecom.**
 - **Churches, NGOs , private sectors , development partners.**
- **Policy prerequisites include: available 5 – Year Province/District/LLG Development Plans;**

Policy Principles



- Sweat Equity
- Driven by Provincial, District & LLG Administrations.
- Political Leadership
- Partnership among all Stakeholders
- Value for money
- Value added & Economies of Scale

Objective of PSIP, DSIP & LLGSIP



- To provide minimum service delivery standards through re-establishment of basic infrastructure and facilities under the following sectors ;
 - ✓ **Infrastructure Support Services**
 - ✓ **Health Service Improvement**
 - ✓ **Education Service Support**
 - ✓ **Law & Justice Services**
 - ✓ **Economic Sector Support**
 - ✓ **Administration**

SECTOR ALLOCATION IN PROVINCE



- Allocation per Provinces is K5 million multiplied by the number of districts in the province.

Example:

Morobe Province - K5 million x 9 districts = K45 million

SECTOR ALLOCATION FOR DISTRICT



SECTOR	PERCENTAGE (%)	Approved Allocation
Infrastructure	30	K3,000,000
Health Services Improvement	20	K2,000,000
Education Services Support	20	K2,000,000
Law & Justice Services	10	K1,000,000
Economic Support Services	10	K1,000,000
Administration	10	K1,000,000
TOTAL	100	K10, 000, 000

SECTOR ALLOCATION IN LOCAL LEVEL GOVERNMENTS



- Allocation per Local Level Government is K500,000

Example:

Alotau District - 6 LLGs x K500, 000 = K3 million

GENERAL FLOW CHART & PROCESS MAPS



PROJECT IDENTIFICATION, SELECTION, AND APPROVAL



PAYMENT PROCESS



PROJECT IMPLEMENTATION, MONITORING AND REPORTING



PROJECT COMPLETION, COMMISSIONING & HANDOVER

IDENTIFICATION, SELECTION & APPROVAL



LLG LEVEL

- ❑ Wards Dev Com with LLG Councillor identifies projects and prepares proposal.
- ❑ LLG Council selects and prioritise proposals
- ❑ DPMT appraises & scope the projects
- ❑ LLG Council approves budget and funds project

Procurement, Tendering & Selection



LLG LEVEL

For projects;

- ❑ Up to K5,000, 3 quotes, DA approves
- ❑ Above K5,000 & up to K50,000, 3 written quotes, proforma contracts, DA approves.
- ❑ Over K50,000 & up to K300,000, 3 written quotes, proforma contracts, DPMT tender and award, PA approves.
- ❑ Over K300,000 up to K500,000 Minor Works Contract, PSTB tender & award.

Payment Process



LLG LEVEL

For projects;

- ❑ LLGC Manager (requisition officer) receives project claims from service providers and contractors.
- ❑ DA approves claims for payment up to K50,000.
- ❑ PA approves claims for payment over K50,000.
- ❑ DT raises cheque
- ❑ All cheque payments details recorded in Cheque Release Form reviewed and signed by President & LLG Manager.
- ❑ DT makes payment to service provider/ contractor

Payment Process cont-



LLG LEVEL

For projects;

- 10 % of contract value retained for defects liability
 - ❖ This 10% is refundable upon successful completion of the project (after 3 months).
 - ❖ This 10% is non-refundable if contractors default, forfeited to state

Implementation, Monitoring and Reporting Process



LLG LEVEL

For projects;

- ❑ Implementation starts after the 1st payment
- ❑ LLG commences monitoring with assistance from DPMT
- ❑ Preparation of required reports
- ❑ Reports submitted to PA, DA, DIRD, DoF and relevant stakeholders.

Project Completion, Commissioning & Handover



LLG LEVEL

For projects;

- ❑ Project Completion Report by contractors
- ❑ DPMT issues Completion Certificate thru LLGC Manager to Political Leader
- ❑ Treasurer get copy of the Completion Certificate to act on the 10 % retention.
- ❑ Political Leader hands over the project to the beneficiaries.

IDENTIFICATION, SELECTION & APPROVAL



DISTRICT LEVEL

- ❑ LLGC identifies and proposes projects
- ❑ JDP&BPC selects and prioritise proposals
- ❑ DPMT appraises & scope the projects
- ❑ JDP&BPC approves budget and fund project

Procurement, Tendering & Selection



DISTRICT LEVEL

For projects;

- ❑ Up to K5,000, 3 quotes, DA approves
- ❑ Above K5,000 & up to K50,000, 3 written quotes, proforma contracts required, DA approves
- ❑ Over K50,000 & below K300,000, 3 written quotes, proforma contracts required, DPMT tender and award contracts, PA approves
- ❑ At K300,000 up to K500,000, Minor Works Contract required, PSTB tender & award.

Procurement, Tendering & Selection cont...



DISTRICT LEVEL

For projects;

- ❑ Over K500,000 & below K10 million, Major Contract required, PSTB tender and award
- ❑ At K10 million and over, NEC approval and Major Contract required, CSTB tender and award.
- *For NON-FUNCTIONING PSTB, DIRD facilitates and forwards to CSTB for tender & award.*

Payment Process



DISTRICT LEVEL

For projects;

- ❑ DA receives and authorise project claims from service providers and contractors.
- ❑ DA approves claims for payment up to K50,000.
- ❑ PA approves claims for payment over K50,000.
- ❑ All cheque payments details recorded in Cheque Release Form, reviewed and signed by JDP&BPC Chairperson and DA.
- ❑ DT makes payment to service provider/contractor

Payment Process cont..



DISTRICT LEVEL

For projects;

- 10 % of contract value retained for defects liability
 - ❖ This 10% is refundable upon successful completion of the project (after 3 months).
 - ❖ This 10% is non-refundable if contractors default, forfeited to state

Implementation, Monitoring & Reporting Process



DISTRICT LEVEL

For projects;

- ❑ Implementation starts after the 1st payment
- ❑ DA commences monitoring with assistance from DPMT
- ❑ Preparation of required reports
- ❑ Reports submitted to PA, DT, DIRD, DoF and relevant stakeholders.

Project Completion, Commissioning & Handover



DISTRIC LEVEL

- ❑ Project Completion Report by contractors
- ❑ DPMT issues Completion Certificate thru DA to Political Leader
- ❑ Treasurer get copy of the Completion Certificate to act on the 10 % retention.
- ❑ Political Leader hands over the project to the beneficiaries.

IDENTIFICATION, SELECTION & APPROVAL



PROVINCIAL LEVEL

- ❑ JDP&BPC identifies and proposes projects
- ❑ JPP&BPC selects and prioritise proposals
- ❑ PPMT appraises & scope the projects
- ❑ JPP&BPC approves budget and fund project

Procurement, Tendering & Selection



PROVINCIAL LEVEL

For projects;

- ❑ Up to K5,000, 3 quotes, PA approves
- ❑ Above K5,000 & up to K50,000, 3 written quotes, pro-forma contracts required, PA approves.
- ❑ Over K50,000 & below K300,000, 3 written quotes, PA approves, pro-forma contracts required, PPMT tender and award contracts.
- ❑ At K300,000 up to K500,000, Minor Works Contract required, PSTB tender & award.

Procurement, Tendering & Selection



PROVINCIAL LEVEL

For projects;

- ❑ Over K500,000 and below K10 million, Major Contract required, PSTB tender and award
- For *NON-FUNCTIONING PSTB*, Projects at K300,000 and below K10 million, DIRD facilitates and forwards to CSTB for tender & award.

Payment Process



- **PROVINCIAL LEVEL**

For projects;

- ❑ PA receives and authorise project claims from service providers and contractors.
- ❑ PA approves claims for payment up to and over K50,000.
- ❑ All cheque payments details recorded in Cheque Release Form, reviewed and signed by JPP&BPC Chairperson and PA.
- ❑ PT makes payment to service provider/contractor

Payment Process cont..



- **PROVINCIAL LEVEL**

For projects;

- 10 % of contract value retained for defects liability
 - ❖ This 10% is refundable upon successful completion of the project (after 3 months).
 - ❖ This 10% is non-refundable if contractors default, forfeited to state

Implementation, Monitoring and Reporting Process



- **PROVINCIAL LEVEL**

For projects;

- Implementation starts after the 1st payment
- PA commences monitoring with assistance from PPMT
- Preparation of required reports
- Reports submitted to, DIRD, DoF and relevant national agencies.

Project Completion, Commissioning & Handover



- **PROVINCIAL LEVEL**

- Project Completion Report by contractors
- PPMT issues Completion Certificate thru PA to Political Leader
- Treasurer gets copy of the Completion Certificate to act on the 10 % retention.
- Political Leader hands over the project to the beneficiaries.

PUNITIVE MEASURES ON NON-COMPLIANCE



Leaders

- Those who fail to comply with AG and FI of the PSIP, DSIP and LLGSIP, shall be dealt with in accordance with provisions of Leadership Code

PUNITIVE MEASURES ON NON-COMPLIANCE



Dept. Heads, Administrators, Accountable Officers

- In event of non-compliance of procurement procedures, accounting and reporting requirements as per *Public Finance Management Act (PFMA) 1995*, Sec. of DoF in consultation with Sec. of DIRD and relevant agencies, shall suspend section 32 powers of PA, DA & other delegated officers, for Province(s), District(s) and LLG(s).

Punitive Measures cont..



- For actions criminal in nature, Dept. Heads, PA and DA could be suspended or dismissed from office.
(Refer to General Order 8.24 for National Department Heads, 8.37 for Provincial Administrators and District Administrators and the PFMA 1995)

Punitive Measures cont...



Contractors

If Contractor fails to fulfil his/her contractual obligations;

- Contract will be terminated;
- Contractor referred to appropriate authorities for investigation and possible conviction; and
- Contractor blacklisted for any future engagements

ROLES AND RESPONSIBILITIES



District Administrator	1. Asses Project Proposal 2. Prepare scope & document projects 3. Submit approved projects to PSTB via DPMT 4. Ensure implemented to contract condition 5. Recieve/register & evaluate invoices for pmt to contractors 6. Prepare ¼ report to DPMT, ORD & JDPBPC 7. Submit to ORD copies of contract pmt, schedule, activity plan & cash flow
District Treasurer	1. Prepare Dist cash flows based on JDPBPC Resolutions & Contracts awarded 2. Provide regular financial reports to JDPBPC, DA, PA, DOF & ORD. 3. Receive claims & make pmts in accordance with approved procedures & contracts 4. Produce expenditure reports, monthly bank statements, reconciliation & annual financial statements then submit to ORD & DoF 5. Submit Acquittals
JDP & BPC	1. Prioritise activities 2. Endorse/Recommend Scoping and Documentation 3. Independent Monitoring and reporting
DPMT	1. Secretariate receives, register. Preliminary assessment of docs & project scope. 2. Appraise & approve projects 3. Prepare tender & contract document 4. Submit to PSTB 5. Evaluate , tender & recommend to responsive bids to PSTB/CSTB 6. Minor contract implementation 7. Submit project report to ORD
Prov. Works	1. Assist in designs, project scoping & documentation 2. Provide standard designs 3. Award & execute pro-forma contracts 4. Copy pro-forma contract to ORD 5. Monitor, supervise & report on contracts to ORD quarterly 6. Issue certificate of completion, commissioning and hand-over of projects
PSTB	1. Tender projects 2. Award and execute contracts
Contractor	1. Provide credentials to the JDPBPC and DPMT 2. Fill in the Minor contract /contract document 3. Commence construction according to Scope of Works & activity plan in the contract agreement

THE END

