



Special Report of Investigation

Special Report of Investigation Conducted into the Circumstances which Led to the Award and Implementation of a Contract by TurboPay Limited in Relation to the Upgrade of a Payroll Software System at the Jamaica Fire Brigade (JFB).

INTEGRITY COMMISSION
April 2021



This Publication until tabled in Parliament shall be confidential.

Section 55 and 56 of the Integrity Commission Act states:

"(4) Anything said or information supplied or any document or thing produced by any person for the purpose or in the course of any investigation by or proceedings before the Commission under this Act, shall be absolutely privileged in the same manner as if the investigation or proceedings were proceedings in a court of law.

(5) For the purposes of the Defamation Act, any report made by the Commission under this Act and any fair and accurate comment thereon shall be deemed to be privileged.

56.—(1) Subject to section 42(3)(b), every person having an official duty under this Act, or being employed or otherwise concerned in the administration of this Act (hereinafter called a concerned person) shall regard and deal with as secret and confidential, all information, statutory declarations, government contracts, prescribed licences and all other matters relating to any matter before the Commission, except that no disclosure made by the Commission or other concerned person in the proceedings for an offence under this Act or under the Perjury Act, by virtue of section 17(2) of that Act, shall be deemed inconsistent with any duty imposed by this subsection.

(2) The obligation as to secrecy and confidentiality imposed by this section, in relation to any documents, or information obtained under this Act continues to apply to a person despite the person having ceased to have an official duty, be employed or otherwise concerned in the administration of this Act.

(3) Every concerned person who is required under subsection (1) to deal with matters specified therein as secret and confidential who at any time communicates or attempts to communicate any such information, declaration, letter and other document or thing referred to in subsection (1) disclosed to him in the execution of any of the provisions of this Act to any person—

(a) other than a person to whom he is authorized under this Act to communicate it; or

(b) otherwise than for the purpose of this Act,

commits an offence and shall be liable on summary conviction in a Parish Court to a fine not exceeding one million dollars or to a term of imprisonment not exceeding one year.

Integrity Commission
1st Floor, PIOJ Building
16 Oxford Road
P.O. BOX 540
Kingston 5
Telephone: 876-929-6460/876-929-8560/876-929-6466
Fax: 876-929-7335

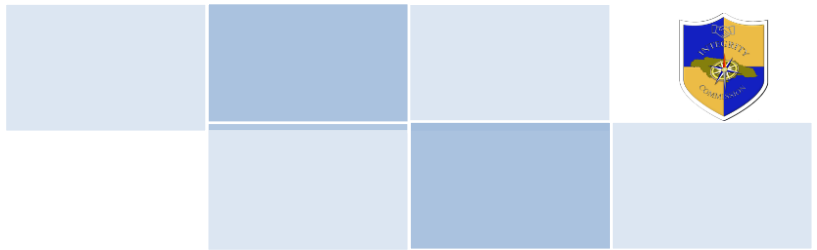


Table of Contents

Summary of Investigation 4

 Summary of Key Findings 5

Chapter 1 – Background 12

 Initiation of Investigation 12

 Jurisdiction 13

 The Investigation 14

 Individuals Pertinent to the Investigation 15

Chapter 2 – Terms of Reference 17

Chapter 3 – Discussion of Findings, Evidence and the Law 19

 The Circumstances which led to the Procurement and Implementation of the Upgraded Payroll Software System at the Jamaica Fire Brigade (JFB) 19

 The Procurement Methodology Employed for the Engagement of TurboPay Limited. 20

 Principles of the Government of Jamaica Public Procurement Policy 26

 Involvement of Public Officer(s) and Official(s) in the Execution of the Payroll Software Contract 29

 The Terms and Conditions of the Agreement(s)/Contract(s) and Issues Relating to Value for Money (VFM) 29

 Operational Dysfunctionalities/Anomalies Identified During and After the Implementation of the Upgraded Payroll Software System 33

 The Non-Performance of the Agreement between Jamaica Fire Brigade and TurboPay Limited 36

Chapter 4 – Conclusions 45

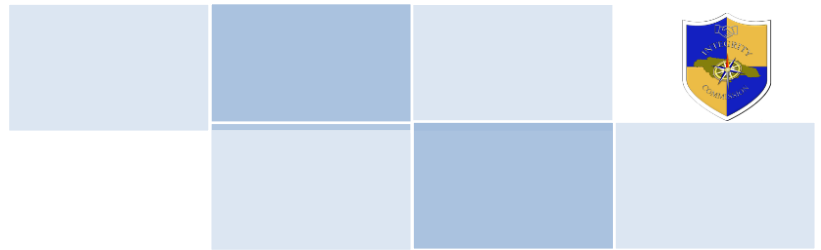
Chapter 5 – Recommendations 50



Summary of Investigation

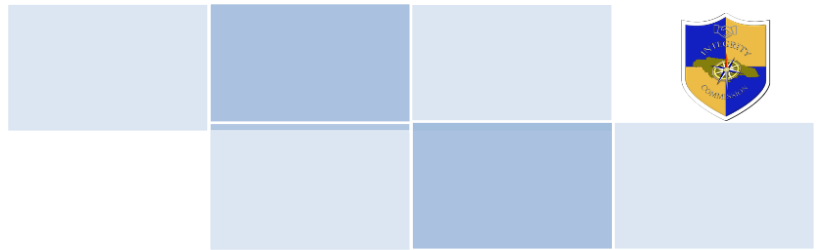
- 1.1 On July 21, 2015, the Office of the Contractor General (hereinafter referred to as the OCG), acting on the authority of the Contractor General and pursuant to Sections 4, 15 (1) and 16 of the Contractor-General Act, launched an investigation into the procurement process(es) concerning the procurement of a payroll software system by Jamaica Fire Brigade (JFB) from TurboPay Limited.
- 1.2 The then OCG's decision to undertake an enquiry and subsequent investigation into the instant matter was prompted by an anonymous complaint which was received by that Office on April 25, 2015.
- 1.3 The complaint stated, *inter alia*, that (a) there was no procurement for the acquisition of the payroll software system; b) the payroll software system was dysfunctional and there was no value for money; c) the systems administrator submitted invoices for payment indicating that the [payroll software system] was satisfactory; d) the payroll software system was handpicked by a few of Mr. Wallace's friends at the 'brigade'; and e) the problems concerning the payroll software system remains the same.¹
- 1.4 The Findings of the Investigation are premised primarily upon an analysis of the statements and documentary evidence which were provided by the Respondents and responses to requisitions which were issued during the course of the Investigation.

¹ Letter of Complaint dated April 25, 2015, to the then Office of the Contractor General.



1.5 Summary of Key Findings

- 1.5.1 A Turbo Payroll System (Legacy Software Version 1) was procured by the then Ministry of Local Government (then Ministry) for and on behalf of the Jamaica Fire Brigade in 2000. This ensued on the basis of a verbal agreement between the then Ministry and Consoft Technologies Jamaica Limited.
- 1.5.2 Consoft Technologies Jamaica Limited is registered with the Companies Office of Jamaica, with a date of incorporation of August 30, 2001, and has as its core business activity, electrical services.
- 1.5.3 A decision was taken by the Jamaica Fire Brigade to upgrade the then existing payroll software system to a web based version, based primarily on the operational challenges that were being experienced with the payroll system that was procured in 2000.
- 1.5.4 Mr. Garfield Blair, former Office/Procurement Manager, Jamaica Fire Brigade (JFB) initiated the procurement process for the upgrade of the JFB's payroll system.
- 1.5.5 By way of two (2) letters, one undated and the other dated May 13, 2013, the Jamaica Fire Brigade wrote to Consoft Technologies Jamaica Limited, requesting a quotation via the Direct Contracting procurement methodology, for the upgrade of the JFB's payroll system.



1.5.6 TurboPay Limited responded to the Request for Proposal, which was originally addressed to Consoft Technologies Jamaica Limited.

1.5.7 Mr. Neville Wallace occupies Directorship for both Consoft Technologies Jamaica Limited and TurboPay Limited. It was observed that the company was initially registered as Consoft Technologies Jamaica Limited and later changed its name to TurboPay Limited.

1.5.8 Notwithstanding the aforementioned, Mr. Wallace indicated that Consoft Technologies is not a registered affiliated company of TurboPay Limited.

1.5.9 Mr. Neville Wallace also advised the then OCG that notwithstanding his recommendation to the JFB's, for the upgrade of the payroll software system, he had no direct impact on the procurement process.

1.5.10 The Tax Compliance Certificate (TCC) submitted by TurboPay Limited with respect to its May 10, 2013, bid/proposal expired on March 16, 2013. Based on the documents submitted by the Jamaica Fire Brigade, there is no evidence to suggest that the entity possessed a valid TCC² at the time of the submission of its bid/proposal on May 10, 2013, to the Jamaica Fire Brigade.

1.5.11 The participation of TurboPay Limited, without a valid TCC, in the procurement process and the subsequent award of contract by the

² Section 1.3.3 of the GoJ Handbook of Public Sector Procurement Procedures (2012) stipulates that contractors wishing to participate in Public Sector procurement opportunities, with contract values over \$500,000.00, should provide proof of being tax-compliance by presenting a valid Tax Compliance Certificate (TCC).



Jamaica Fire Brigade, for the upgrade of the payroll software system, breached Section 1.3.3 of the GoJ Handbook of Public Sector Procurement Procedures, 2012.

1.5.12 The original sum proposed by TurboPay Limited for the upgrade of the JFB payroll system, was in the amount of US\$43,000.00 inclusive of an annual subscription fee of US\$13,000.00.

1.5.13 Subsequent negotiations between the JFB and TurboPay Limited regarding the sum proposed resulted in a reduction of the initially proposed sum of US\$43,000.00, and an agreement was entered into between the Jamaica Fire Brigade and TurboPay Limited, on July 24, 2013, in the amount of US\$41,000.00, for the upgrade of the JFB's payroll system, inclusive of one-year annual subscription fee of US\$9,000.00.

1.5.14 TurboPay Limited's Customer Agreement indicated that "*all errors or program defects will be corrected for a period of one year from the date if [sic] installation*". In addition, it further advised that "*TurboPay Limited also warrants that the system will perform all the features set forth in the software specifications.*"

1.5.15 The Director of Investigation (DI) is in possession of a copy of a letter dated January 25, 2015, addressed to Mr. Neville Wallace, Director, TurboPay Limited which outlined the challenges/anomalies that were being experienced with the upgraded payroll software system. In point of fact, Mr. Ian Atkinson, Systems Administrator, JFB, advised the DI on February 23,



2021, that the challenges with the upgraded payroll system were inter alia (1) the “traveling allowance for employees could not be migrated to the new web based version; (2) missing history files; (3) unable to generate increment list; (4) closing-out issues; and (5) E-mailing of pay advices”.

1.5.16 Notwithstanding the fact that the one (1) year warranty period was still in effect, TurboPay Limited failed to address the operational dysfunctionalities/anomalies regarding the upgraded payroll software system that was procured in 2013.

1.5.17 Mr. Ian Atkinson also advised the DI that the JFB discontinued the usage of the upgraded payroll system in May 2020, and migrated to the Government of Jamaica MyHR Plus payroll system, in June 2020.³

1.5.18 Mr. Steward Beckford, Commissioner of the JFB advised the DI, in a witness statement dated March 24, 2021, that in 2019, Turbo Pay Limited submitted two (2) invoices to the JFB, claiming compensation for “*extra hours worked*” by TurboPay Limited during the implementation of the upgraded payroll system.

1.5.19 The invoice⁴ dated July 24, 2015, was in the amount of US\$169,041.50, for implementation assistance with respect to the monthly and fortnightly payrolls. Of the amount stated, it was reflected on the invoice that the amount of US\$6,000.00 was paid on December 16, 2013.

³ Witness Statement of Mr. Ian Atkinson dated February 23, 2021. Pg.2

⁴ See appendix (1) for a copy of the invoice dated July 24, 2015, in the amount of \$US\$167,041.50.



1.5.20 Another invoice⁵ dated March 19, 2018, was a tax invoice, in the amount of US\$105,578.12, for implementation assistance with respect to the monthly and fortnightly payrolls. Of the amount stated, it was reflected on the invoice that the amount of US\$6,000.00 was paid on December 16, 2013.

1.5.21 Subsequent to the submission of the referenced invoices, Mr. Steward Beckford further advised the DI that at least two (2) meetings were held between the JFB and TurboPay Limited, and the JFB advised Mr. Neville Wallace that the claims would not be honoured by the JFB, because *“there were no records at the JFB indicating that the hours being claimed for were actually worked.”*⁶

1.5.22 In response to the failure of the JFB to honour the referenced claims, the Law Firm, Bishop & Partners, representing TurboPay Limited, wrote to the JFB, indicating that the JFB was indebted to Mr. Wallace, in the amount of US\$169,041.50.⁷

1.5.23 Based on the letter that was received from the Law Firm, Bishop & Partners, Mr. Steward Beckford also advised the DI that *“the letter along with other documentation were forwarded to the Permanent Secretary in the then named Ministry of Local Government & Community*

⁵ See appendix (2) for a copy of the tax invoice dated March 19, 2015, in the amount of \$US\$105,578.12.

⁶ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 2.

⁷ Ibid. pg. 2.



Development, advising of the development and seeking a legal opinion on the claims...".⁸

1.5.24 In relation to the foregoing, Mrs. Marsha Henry-Martin, Permanent Secretary, Ministry of Local Government & Community Development, wrote to the JFB and requested that an audit be conducted in relation to the claims for “*extra hours worked*” that were made by Mr. Neville Wallace. Following the request, an audit was conducted by the JFB and the findings were presented to the referenced Ministry on December 10, 2020, for further guidance.

1.5.25 Subsequently, Mr. Steward Beckford advised the DI, in a witness statement dated March 24, 2021, that “*the Permanent Secretary responded via letter dated January 26, 2021, indicating that the Ministry was unable to independently verify the claims made by TurboPay Limited, given that there [was] no [proof] of the hours that were being claimed for by TurboPay Limited and Mr. Wallace was unable to provide evidence of the claims, notwithstanding the request that was made to TurboPay Limited in that regard.*”⁹

1.5.26 In relation to the referenced claims, Mr. Steward Beckford further advised the DI that “*the JFB made no payments to TurboPay Limited or anyone representing the said company in relation to the claims made by TurboPay Limited.*”¹⁰

⁸ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 2.

⁹ Ibid, pg. 3.

¹⁰ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 3.



1.5.27 Based on the JFB's Internal Audit Report of December 10, 2020, it was noted that the audit *"cannot confirm whether or not the number of hours claimed by TurboPay was actually done, due to the fact that TurboPay Limited was aware that they were in excess of 367 during the first week of November, 2013 and the Jamaica Fire Brigade did not agree to the payment of the excess."*¹¹

1.5.28 The Audit Report also concluded that there was *"... no evidence of written communication between the Jamaica Fire Bridge and TurboPay Ltd giving approval for TurboPay to carry out work in excess of **three thousand and ninety four hours (3,094) for implementation assistance monthly and fortnightly outside of the contracted hour and completion date.**"*¹²

1.5.29 With respect to the payments that were made to TurboPay Limited, by the JFB, the Audit Report further indicated that the JFB paid JA\$90,000.00, to TurboPay Limited twice and that the said amount should be recovered.

1.5.30 In relation to monies owed to TurboPay Limited, the Audit confirmed that US\$4000.00, represents an outstanding amount on invoice #7111501, dated December 1, 2015, for subscription which should be paid to TurboPay Limited and that *"\$488,000.00, for 244 occasions should be verified with a view to make payment."*¹³

¹¹ Jamaica Fire Brigade Internal Audit Report dated December 10, 2020, pg. 4

¹² Jamaica Fire Brigade Internal Audit Report dated December 10, 2020, pg. 4

¹³ Ibid., 10.



Chapter 1 – Background

2.1 This chapter outlines the background information concerning the investigation.

Initiation of Investigation

2.1.1 On July 21, 2015, the Office of the Contractor General (hereinafter referred to as the OCG), acting on the authority of the Contractor General and pursuant to Sections 4, 15 (1) and 16 of the Contractor-General Act, launched an investigation into the process(es) concerning the acquisition of a payroll software system by Jamaica Fire Brigade from TurboPay Limited.

2.1.2 The OCG's decision to undertake an enquiry and subsequent investigation into the instant matter was prompted by an anonymous complaint which was dated April 25, 2015.

2.1.3 The complaint stated, *inter alia*, that (a) there was no procurement for the acquisition of the payroll software system; b) the payroll software system was dysfunctional and there was no value for money; c) the systems administrator submitted invoices for payment indicating that the [payroll software system] was satisfactory; d) the payroll software system was handpicked by a few of Mr. Wallace's friends at the 'brigade'; and e) the problems concerning the payroll software system remains the same.



Jurisdiction

- 2.1.4 The jurisdiction of the then Office of the Contractor General to investigate the circumstances regarding the referenced procurement process is grounded in the following sections of the Contractor-General Act:
- 2.1.5 Section 2 of the Contractor-General Act defines a “government contract” as “... any licence, permit or other concession or authority issued by a public body **or agreement entered into by a public body for the carrying out of building or other works** or for the supply of any goods or services.”
- 2.1.6 Section 4 of the Contractor-General Act states:“(1) Subject to the provisions of this Act, it shall be the function of a Contractor-General, on behalf of Parliament - (a) **to monitor the award and the implementation of government contracts** with a view to ensuring that - (i) such contracts are awarded impartially and on merit; (ii) the circumstances in which each contract is awarded or, as the case may be, terminated, do not involve impropriety or irregularity; (iii) without prejudice to the functions of any public body in relation to any contract, the implementation of each such contract conforms to the terms thereof; and (b) to monitor the grant, issue, suspension or revocation of any prescribed licence, with a view to ensuring that the circumstances of such grant, issue, suspension or revocation do not involve impropriety or irregularity and, where appropriate, to examine whether such licence is used in accordance with the terms and conditions thereof.”¹⁴

¹⁴ Section 4 (1) of the Contractor-General Act.



2.1.7 Section 15 (1) of the Contractor-General Act provides that: “Subject to subsection (2), a Contractor-General may, if he considers it necessary or desirable, conduct an investigation into any or all of the following matters- (a) the registration of contractors; (b) tender procedures relating to contracts awarded by public bodies;(c) **the award of any government contract**;(d) the implementation of the terms of any government contract; (e) the circumstances of the grant, issue, use, suspension or revocation of any prescribed licence; (f) the practice and procedures relating to the grant, issue, suspension or revocation of prescribed licences.”¹⁵

2.1.8 Section 16 of the Contractor-General Act expressly provides that “An investigation pursuant to section 15 may be undertaken by a Contractor-General on his own initiative or as a result of representations made to him, if in his opinion such investigation is warranted.”

2.1.9 Further, and pursuant to Section 63 of the Integrity Commission Act, the Integrity Commission, acting on behalf of the Commissioners, and pursuant to, *inter alia*, Section 33 of the Integrity Commission Act (2017), continued the investigation into the said matter.

The Investigation

2.1.10 During the course of the investigation, the then Office of the Contractor General executed the following actions:

¹⁵ Section 15 (1) of the Contractor-General Act.



- a) Dispatched requisitions/letters to individuals who were deemed pertinent to the investigation;
- b) Analyzed responses that were submitted by the individuals who were requisitioned;
- c) Reviewed documentation pertaining to the issues surrounding the procurement of the payroll software in relation to the subject investigation; and
- d) Collected witness statements from individuals who were considered germane to the investigation.

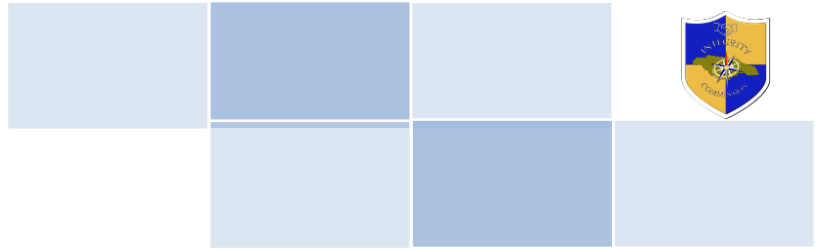
2.1.11 A detailed review and cross-referencing of the statements, and supporting documentation were conducted in order to inform the Director of Investigation's conclusions and recommendations.

2.1.12 In addition, a comprehensive review of certain applicable Sections of the Government of Jamaica Handbook of Public Sector Procurement Procedures (2014) and other relevant policies and legislations was undertaken.

Individuals Pertinent to the Investigation

2.1.13 The following persons were considered pertinent to the investigation:

- a) Mr. Errol Mowatt, then Commissioner of the Jamaica Fire Brigade;

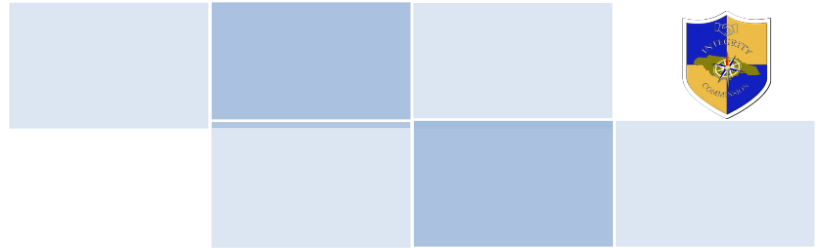


- b) Mr. Garfield Blair, Office/Procurement Manager, Jamaica Fire Brigade;
- c) Mr. John Doman, Director of Finance, Jamaica Fire Brigade,
- d) Mr. Ian Atkinson, Systems Administrator, Jamaica Fire Brigade; and
- e) Mr. Neville Wallace, Director, Consoft Technologies (Ja) Ltd. and TurboPay Limited.



Chapter 2 – Terms of Reference

- 3.1 This chapter sets out the scope of the investigation and the issues that were explored.
- 3.2 The primary objective of the investigation was to determine, *inter alia*, whether there was compliance with the provisions of the Government of Jamaica (GOJ) Handbook of Public Sector Procurement Procedures (GPPH, 2012 and 2014), the then Contractor-General Act (CGA), Financial Administration and Audit Act (FAAA) and any other relevant legislation or policies.
- 3.3 The Investigation also had the following specific objectives:
 - 3.3.1 To determine the procurement methodology(ies), *if any*, which was/were utilized in the award of the referenced contract;
 - 3.3.2 To determine whether the process(es), *if any*, which was/were utilized in the award of the referenced contract was/were transparent, impartial and/or gave rise to a conflict of interest;
 - 3.3.3 To ascertain the roles and responsibilities of the Officer(s)/Official(s) who were integral in the procurement process (es);



- 3.3.4 To determine whether there was/were any irregularity (ies) on the part of any Officer(s)/Official(s) who was/were integral in the procurement process (es); and
- 3.3.5 To determine whether the contract for the upgrade of the JFB payroll system was fully implemented by the Contractor, TurboPay Limited; and
- 3.3.6 To determine whether value for money was obtained in the purchase of the payroll software system and other related services.
- 3.3.7 To determine whether recommendations ought to be made in respect of any breaches of law and/policies/regulations and anti-corruption initiatives identified.



Chapter 3 – Discussion of Findings, Evidence and the Law

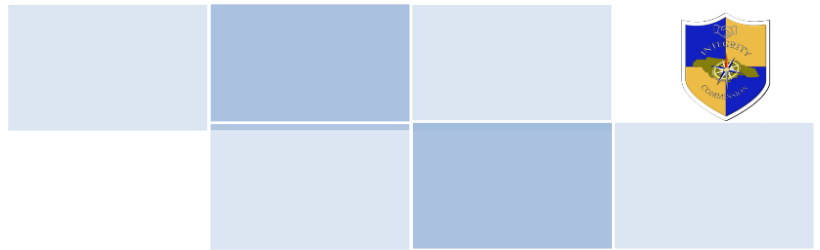
4.1 This chapter sets out the discussion of the findings and the relevant legislation concerning the investigation.

The Circumstances which led to the Procurement and Implementation of the Upgraded Payroll Software System at the Jamaica Fire Brigade

4.1.1 The DI perused a letter dated May 2013, signed by Mr. Garfield Blair, Office/Procurement Manager, Jamaica Fire Brigade, which indicated that “In 2000, the Jamaica Fire Brigade (JFB) acquired the Turbo Software Package from Consoft Technologies (Ja.) Ltd.” Further, Mr. Blair stated that the referenced version of Turbo Pay was no longer an efficient payroll system. As a result, the JFB sought to procure the most current version of the Turbo Payroll Package.¹⁶

4.1.2 In relation to the genesis surrounding the procurement of the Turbo Software Package, from Consoft Technologies (Ja.) Ltd, by the Jamaica Fire Brigade (JFB), Mr. Neville Wallace, Director/Chief Software Architect, TurboPay Limited, advised the then OCG in a response dated June 27, 2016, *inter alia*, as follows:

¹⁶ Letter dated May 2013, signed by Mr. Garfield Blair, Office/Procurement Manager, Jamaica Fire Brigade (JFB) and addressed to Mr. Neville Wallace, Managing Director, Consoft Technologies (Ja.) Ltd.



“In 2013 due to the capacity issues and inefficient functionality of the legacy software the JFB requested technical and cost proposal which was subsequently approved”¹⁷

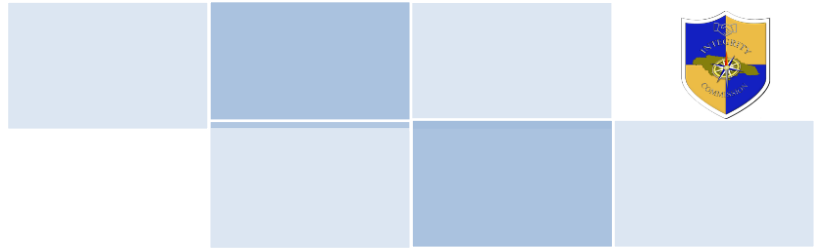
4.1.3 With regard to the role of the Ministry of Local Government in the procurement of the payroll software, Mr. Neville Wallace further advised that the Ministry was an existing client of the then Consoft Technologies since 2000. As a result, the Ministry requested a quotation and approved the purchase of the payroll system for the JFB.

The Procurement Methodology Employed for the Engagement of TurboPay Limited

4.2 Having acquired the legacy software from the then Ministry of Local Government, the Jamaica Fire Brigade utilized said system for a period of thirteen (13) years until an upgrade of the software became necessary. Based on the foregoing, Mr. Mowatt in his response dated September 16, 2015 stated, *inter alia*, the following:

“... Thirteen (13) years later, the system had become inefficient. Consequently, the JFB's management took a decision to upgrade the software from the then 'Legacy Software' to a 'web- based version 12'. As such, the Direct Contracting Methodology was

¹⁷ Response dated June 27, 2016, from Mr. Neville Wallace, Director/Chief Software Architect, TurboPay Limited, response #4.



considered to be the most appropriate method ... for greater ease of data migration, compatibility and continuity.”¹⁸

4.2.1 As it relates to whether a procurement process was undertaken for the acquisition of the payroll software, Mr. Mowatt further advised, *inter alia*, of the following:

“The only process which was employed for the procurement of the payroll software was the Direct Contracting Methodology.”¹⁹

4.2.2 The Minutes of the JFB Procurement Committee Meeting dated June 14, 2013, also indicated, *inter alia*, the following:

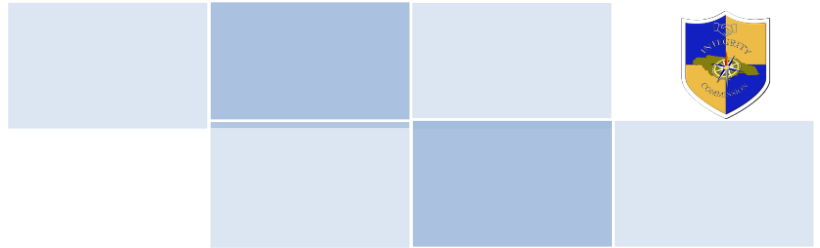
“Upgrading of Payroll Software Package

The Brigade went to tender on May 3, 2013, by means of Direct Contracting to seek the services of Consoft Technologies (Ja.) Ltd. to provide upgraded payroll software.

On Monday, June 10, 2013, Consoft [sic] Technologies (Ja.) Ltd., now operating as Turbo Pay Ltd., was invited to present their proposal to selected representatives of the Brigade Headquarters staff. Participants included the Commissioner and day-to-day users

¹⁸ Response dated September 16, 2015, from Mr. Errol Mowatt addressed to the OCG Requisition, response 2

¹⁹ Response dated September 16, 2015, from Mr. Errol Mowatt addressed to the OCG Requisition, response 3



of the payroll system. The advantages of the software were highlighted and participants were allowed to ask questions pertinent to the existing software to enable parallels to be drawn against the proposed software. On Friday, June 14, 2013, the Procurement Committee in its deliberation of the proposals received, sought clarification from Turbo Pay Ltd. on the monetary aspect of the proposal. Of concern was the annual subscription fee of US Thirteen Thousand Dollars (US\$13,000.00).

Recommendation

*Based on the need for further clarification from Turbo Pay Ltd., no recommendation was made."*²⁰

4.2.3 At this juncture, the DI notes, hereunder, the requirements for the use of the Direct Contracting methodology as outlined in Section 1.1.4 of the Government of Jamaica Handbook of Public Sector Procurement Procedures (GPPH, 2012) :

“Direct Contracting

*Procurement by Direct Contracting means only one contractor is invited to participate. For contracts valued up to **\$500,000.00**, this method may be used. However, this method is also permitted for procurement valued above **\$500,000.00** under the following circumstances:*

²⁰ Extract of the Minutes of the JFB Procurement Committee



- (a) where the procurement is of a confidential nature;
- (b) if a particular contractor has exclusive/proprietary rights in respect of goods, services or works;
- (c) where standardizing equipment is available only from a specific source, and the Procuring Entity has procured goods, equipment or technology from a contractor, and additional supply is required for reasons of uniformity;
- (d) for the purpose of research, experiment, study or development;
- (e) follow-on procurement, where a contractor has already provided goods, services or work and additional goods, services or works of a similar nature are required to complete the procurement requirements;
or
- (f) for reasons of extreme urgency brought about by events unforeseen by the Procuring Entity, the products or services could not be obtained in time by means of International Competitive Bidding, Local Competitive Bidding or Limited Tender procedures."²¹

4.2.4 In relation to the use of the Direct Contracting methodology, the DI perused a letter dated May 3, 2013, from Garfield Blair, then Office/Procurement Manager, Jamaica Fire Brigade. The referenced letter was signed on the behalf of the then Commissioner and addressed to Mr. Neville Wallace, Managing Director, Consoft Technologies (Ja.) Ltd. under the captioned subject matter '**DIRECT CONTRACTING – SOURCING OF NEW/UPGRADED PAYROLL SOFTWARE**'.

²¹ The Government of Jamaica Handbook of Public Sector Procurement Procedures, May 14, 2012, pgs. 5-6.



The details of the referenced letter stated, *inter alia*, the following:

“ ...

It is the intention of the Jamaica Fire Brigade to utilize the ‘Direct Contracting’ method as outlined in the Government of Jamaica’s (GOJ) Procurement Guideline to acquire the payroll package. Kindly submit a detailed proposal for the provision of payroll package. The proposal should include, but not be limited to the following:

- ***the ability to integrate payroll with Human Resource Time Sheets/ Attendant Records***
- ***the ability to migrate data to Final Accounts***
- ***Be web-enabled (working via the Internet)***
- ***Be able to email pay advice to individuals***
- ***Have texts messaging capability***
- ***Be able to electronically close-out for year-end reports***
- ***Be able to do electronic bank transfer***
- ***Have remote back-up and data recovery abilities***
- ***Allow for adequate storage capacity with a fifty percent (50%) redundancy built-in***

Your proposal must contain a training component for the Brigade’s staff and support during the initial set-up period.”²²

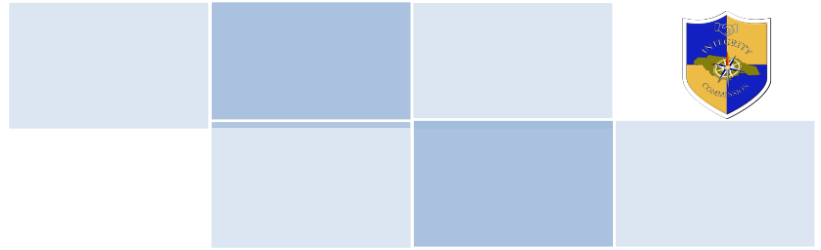
²² Letter dated May 3, 2013, addressed to Mr. Neville Wallace, from Mr. Garfield Blair.



- 4.2.5 The DI further observed a copy of TurboPay Limited's Tax Compliance Certificate (TCC) dated December 17, 2012, with an observed expiry date of March 16, 2013. The expiration date was prior to the period required for the submission of referenced Quotation dated May 10, 2013, indicating that TurboPay Limited did not possess a valid TCC.
- 4.2.6 It was also observed that the response to the abovementioned letter dated May 10, 2013, addressed to Mr. Samuel McIntosh, Acting Deputy Commissioner – Administration, JFB, was signed for on behalf of Mr. Neville Wallace, in his capacity as Director/Chief Software Architect, TurboPay Limited. The referenced letter proposed that the JFB upgrade from the legacy Software to the TurboPay Net Payroll, a web-based fully integrated system with flexible, configurations, single sign-on accessibility, robust reporting, analytics and automated reports.²³
- 4.2.7 In light of the fact that TurboPay Limited did not possess a valid Tax Compliance Certificate (TCC) at the time of its bid submission to the Jamaica Fire Brigade, the DI considers it necessary to note, hereunder, the provisions of Section 1.3.3. of the GoJ Handbook of Public Sector Procurement Procedures, which outlines the requirements for contractors to participate in Public Sector procurement opportunities:

“Contractors wishing to participate in Public Sector procurement opportunities shall provide proof of being tax-compliant by presenting a valid Tax Compliance Certificate:

²³ Letter dated May 10, 2013, addressed to Mr. Samuel McIntosh, signed for on behalf of Mr. Neville Wallace.



- (a) *at the time of registration for Government of Jamaica Approved Contractor status; and*
- (b) *at the time of bid submission for contract award.*"²⁴

Principles of the Government of Jamaica Public Procurement Policy

4.3 In relation to the information contained herein and the failure of the Jamaica Fire Brigade to ensure a competitive process for the procurement of the payroll software system upgrade, the DI considers it prudent to highlight the following relevant principles of the GoJ Public Procurement Policy (November 2010), that are crucial to the administration of public procurement in Jamaica:

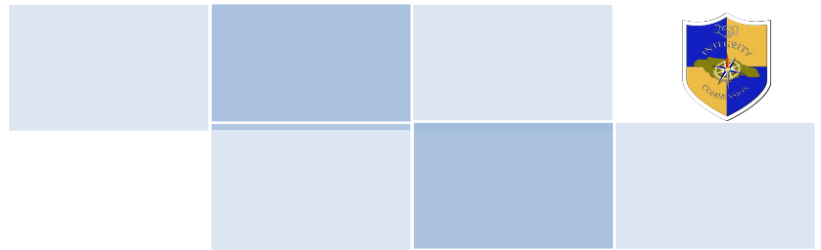
“...

- ii. **Competition:** *Potential contractors compete in an environment that allows each eligible contractor the opportunity to participate in public procurement contract offerings.*

...

- x. **Value for Money:** *Value for Money (VFM) is a measure of economy and efficiency with which the financial resources of the Government are converted. Therefore,*

²⁴ Section 1.3.3. of the GoJ Handbook of Public Sector Procurement Procedures, (May 2012), pgs. 10-11.



VFM presents the optimum combination of life-cycle costs and benefits of the item being procured.”²⁵

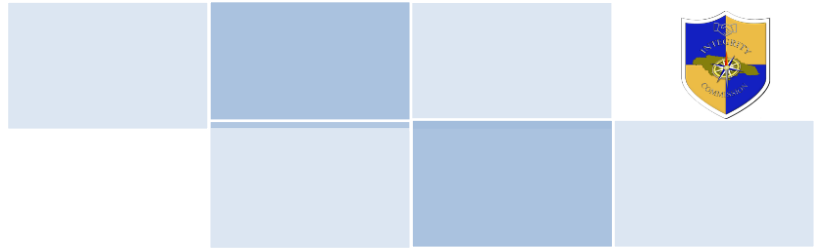
Mr. Neville Wallace's Affiliations with Consoft Technologies Jamaica Limited and Turbo Pay Limited

4.4 The DI is in possession of a copy of a Consoft Technologies Jamaica Limited's form, which is labeled FORM 23, under the caption, 'THE COMPANIES ACT NOTICE OF APPOINTMENT OF/CHANGE OF DIRECTORS'. The said form indicated that Mr. Neville Wallace was a named Director for Consoft Technologies Jamaica Limited, as at the 12th day of September 2001.

4.4.1 At this juncture, the DI wishes to highlight that Mr. Neville Wallace occupied the office of Director within TurboPay Ltd. and Consoft Technologies Jamaica Limited. The DI reiterates that the recommendation to upgrade the payroll software was made by Mr. Neville Wallace, in his capacity as Director/Chief Software Architect.

4.4.2 In relation to the nature of the relationship between Consoft Technologies Jamaica Limited and TurboPay Limited, Mr. Errol Mowatt, then Commissioner of the Jamaica Fire Brigade (JFB), indicated, *inter alia*, that there is a relationship between the said companies. He further stated that

²⁵ Government of Jamaica Public Sector Procurement Policy (November 2010), Section 5, General Principles.



*“the company started out as Consoft Technologies Jamaica Ltd. and later changed its name to TurboPay Ltd”.*²⁶

4.4.3 Further, Mr. Neville Wallace indicated, *inter alia*, the following:

*“Consoft Technologies is not a registered affiliated company of TurboPay Limited. Consoft Technologies was set up to market and support the legacy payroll system. TurboPay Ltd was registered to develop market and support all our Web Based application.”*²⁷

4.4.4 In response to whether any representative(s) of Consoft Technologies Jamaica Limited and/or TurboPay Limited was/is affiliated with the Jamaica Fire Brigade (JFB), Mr. Errol Mowatt stated ‘no’.²⁸

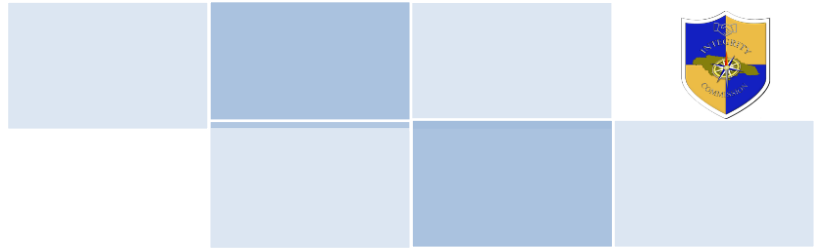
4.4.5 In order to ascertain whether Mr. Wallace had an impact on the procurement process, Mr. Wallace advised the DI that he had no direct impact on the procurement process, but that he only made recommendations for the software to be upgraded.²⁹

²⁶ Response dated July 4, 2016, from Mr. Errol Mowatt, then Commissioner of the Jamaica Fire Brigade, response #2.

²⁷ Response dated July 4, 2016, from Mr. Neville Wallace, addressed to the then OCG, response 3b

²⁸ Response dated July 4, 2016, from Mr. Errol Mowatt, addressed to the then OCG, response 2.

²⁹ Response dated June 27, 2016, from Mr. Neville Wallace, addressed to the then OCG, response 5d.



Involvement of Public Officer(s) and Official(s) in the Execution of the Payroll Software Contract

4.5 Mr. Errol Mowatt, then Commissioner, Jamaica Fire Brigade advised the then OCG, *inter alia*, that the following persons were instrumental in the award and execution of the contract for the payroll software: a) Mr. Laurie Williams (former Commissioner); b) Mr. Errol Mowatt (former Deputy Commissioner, Operations) c) Mr. Samuel McIntosh (former Deputy Commissioner, Administration) d) Mr. John Doman (Director of Finance) e) Mr. Garfield Blair (Procurement Officer); and f) Mr. Ian Atkinson (System Administrator)”³⁰

4.5.1 Further, it is the DI’s observation that the Commissioner approved the recommendation on July 18, 2013, to award the contract to Turbo Pay Ltd., in the sum of Forty One Thousand United States Dollars (US\$41,000.00), for annual subscription fees and related services³¹. It was also observed that Mr. Ian Atkinson provided the verification that the services were rendered by TurboPay Ltd., with respect to the payroll software.³²

The Terms and Conditions of the Agreement(s)/Contract(s) and Issues Relating to Value for Money (VFM)

4.6 Based upon a review of documents submitted to the then OCG, by both TurboPay Limited and the JFB, it was found that a contractual agreement was entered into between the two (2) entities on July 24, 2013, in the

³⁰ Response dated September 8, 2015, from Mr. Errol Mowatt addressed to the OCG Requisition, Response 7 and 8.

³¹ Extract from Tender Report on Direct Contracting for the Upgrading of Payroll Software Package dated June 2013.

³² Inscription indicated on TurboPay Tax Invoice, invoice number 710715, dated June 30, 2015.



amount of US\$41,000.00. Of note, the DI observed that the date printed on the agreement was May 10, 2013, however, the aforementioned July 24, 2013 date was endorsed in ink.³³

4.6.1 As it relates to whether the JFB achieved value for money in relation to the procurement of the payroll software, Mr. Mowatt advised, *inter alia*, that: “the Brigade conducted its own market intelligence and established that [the] contract cost was reasonable.”³⁴ However, “**The Brigade is unable to provide formal or empirical evidence as the market intelligence was done in an informal way.**”³⁵

4.6.2 The DI further observed a copy of the Price and Completion Schedule, which indicated the breakdown of the price as follows:

Price and Completion Schedule – Related Services³⁶

Description	Delivery Date	Quantity (Hours)	Unit Price USD	Total USD
Installation (Local Hosting)	July 1, 2013	10	100.00	1,000.00
Customization	To be determined	80	n/a	n/a
*Data Migration & Services (Monthly Payroll)	To be determined	60	100.00	6,000.00
*Data Migration & Services (Fortnightly Payroll)	To be determined	40	100.00	4,000.00
Training	To be determined	30	100.00	3,000.00
*Implementation Assistance – Monthly	To be determined	100	100.00	10,000.00
*Implementation Assistance – Fortnightly	To be determined	80	100.00	8,000.00
Total		400		32,000.00

³³ Customer Agreement dated July 24, 2013, between TurboPay Limited and the Jamaica Fire Brigade.

³⁴ Response dated September 8, 2015, from Mr. Errol Mowatt, which was addressed to the OCG Requisition. No. 2

³⁵ Response dated July 4, 2016, from Mr. Errol Mowatt, which was addressed to the then OCG Requisition. No. 4

³⁶ Customer Agreement dated July 24, 2013, between TurboPay Limited and the Jamaica Fire Brigade (JFB).



4.6.3 It is also instructive to note that the original sum proposed by TurboPay Limited was in the amount of US\$43,000.00, as indicated on invoice dated May 10, 2013, which was addressed to Mr. Samuel McIntosh.

4.6.4 The DI further noted the concerns regarding the proposed price for the upgrade of the JFB's payroll software. In particular, details of the JFB's Procurement Committee Meeting dated June 14, 2013, stated, *inter alia*, as follows "... **the Procurement Committee in its deliberation of the proposal received, sought clarification from Turbo Pay Ltd. on the monetary aspect of the proposal. Of concern was the annual subscription fee of ... (US\$13,000.00)...**"³⁷ Based on the said Minutes, the DI also observed that no recommendation was made by the Procurement Committee in relation to the proposal.

4.6.5 Further, Mr. Mowatt advised, *inter alia*, that the Brigade negotiated with Turbo Pay and received a discount in the original cost, which resulted in a reduction of US\$2,000.00.³⁸

4.6.6 The Minutes of a Follow-up Procurement Committee Meeting dated June 21, 2013, also highlighted certain concerns that were advanced regarding the cost for the upgrading of the payroll software. In particular, representatives of the JFB sought an explanation from Turbo Pay Ltd. in

³⁷ Extract of the Minutes of the JFB Procurement Committee Meeting dated June 14, 2013.

³⁸ Response dated July 4, 2016 from Mr. Errol Mowatt addressed to the OCG Requisition, Response 3a and 3b.



relation to the rationale for the “hike” in the cost of the current proposal when compared to that of six months prior (October 2012).³⁹

4.6.7 In response, Mr. Wallace advised the Brigade’s representatives that the current proposal is web-based, with more advanced features than the previous software. Subsequently, Deputy Commissioner Mowatt stated that regardless of the new and upgraded features, the approximately 48% increase is still too high.⁴⁰

4.6.8 Based on the foregoing deliberations, the parties agreed that Mr. Wallace should present the Brigade with a new quotation, showing a reduced subscription fee.⁴¹

4.6.9 As it relates to the revised quotation, the DI perused a copy of the JFB’s Tender Report entitled Direct Contracting for the Upgrading of Payroll Software Package dated June 2013. The revised quote showed a US\$2,000.00 reduction in the annual subscription fee, which resulted in an overall cost of US\$41,000.00.⁴²

4.6.10 A contract was subsequently signed between the Jamaica Fire Brigade (JFB) and TurboPay Limited on July 24, 2013, in the amount of US\$41,000.00.⁴³

³⁹ Copy of Memorandum (Ref# JFB/439) dated June 21, 2013 regarding the Follow-up Procurement Committee Meeting – Sourcing of Payroll Software

⁴⁰ Ibid.

⁴¹ Copy of Memorandum (Ref# JFB/439) dated June 21, 2013 regarding the Follow-up Procurement Committee Meeting – Sourcing of Payroll Software

⁴² Extract from JFB Tender Report dated June 2013.

⁴³ Turbo Pay Ltd.’s Customer Agreement Project Services



Operational Dysfunctionalities/Anomalies Identified During and After the Implementation of the Upgraded Payroll Software System

4.7 The DI observed certain email correspondence during the period March 2014 and January 2015, from Mr. Ian Atkinson, Systems Administrator, JFB, addressed to representatives of TurboPay Limited, outlining several anomalies regarding the implementation and operation of the payroll software system. In particular, Mr. Ian Atkinson highlighted, *inter alia*, the following anomalies: a) the failure of the system to generate payslips and increment list; b) the inability to retrieve history files from the legacy system; and c) the failure of the system to link travelling allowances to employees payroll.⁴⁴ The referenced issues were also mentioned by Mr. Ian Atkinson in a Witness Statement dated February 23, 2021.

4.7.1 Mr. Samuel McIntosh, Deputy Commissioner, Administration, JFB, in a letter dated January 27, 2015, addressed to Mr. Neville Wallace, Director, Turbo Pay Limited also outlined a compendium of issues in relation to the dysfunctionality of the system and advised, *inter alia*, that “... **this is [our] final correspondence to you regarding the matter. If the issues are not addressed by you within four (4) weeks of date of this letter the matter will be handed to our Attorney for redress.**”⁴⁵

4.7.2 Mr. Ian Atkinson, Systems Administrator, JFB, also advised the DI, on February 23, 2021, that “*The [payroll] system just did not work [and that he]*

⁴⁴See email correspondence from Mr. Ian Atkinson, Systems Administrator, JFB, addressed to representatives of TurboPay Limited during the period March 2014 and January 2015.

⁴⁵Letter dated January 27, 2015, addressed to Mr. Neville Wallace, Director, Turbo Pay Limited by Mr. Samuel McIntosh, Deputy Commissioners Administration, Jamaica Fire Brigade.



would not agree that the issues were as a result of any incapacity on the part of JFB personnel. The issues with the system were technical issues.”⁴⁶

4.7.3 Mr. Ian Atkinson also advised the DI that the JFB discontinued the usage of the upgraded payroll system in 2019, and migrated to the Government of Jamaica MyHR Plus payroll system.

4.7.4 In response to the claims made regarding the anomalies that were identified in relation to the implementation and operation of the payroll system, Mr. Wallace indicated that “... approximately 90% [of the issues raised] were primarily internal operational and procedural problems” on the part of the Jamaica Fire Brigade. Mr. Wallace further indicated that “... after implementation as soon as the problems were identified they were resolved.”⁴⁷

4.7.5 The following statement of works, submitted by Turbo Pay Ltd., for the period July 26, 2013 to July 25, 2015, was also observed:

Related Services – Monthly Payroll

Related Services	Contracted Hours	Actual Hours	Over/Above Hours
Installation	10	10	0
Customization	80	264	184
Data Migration & Services	60	60	0
Training	15	25	10
Implementation Assistance	100	1120	1020
Total			(104)
			1110

Related Services – Fortnightly Payroll

Related Services	Contracted Hours	Actual Hours	Over/Above Hours
Installation	N/A	N/A	N/A
Customization	N/A	N/A	N/A

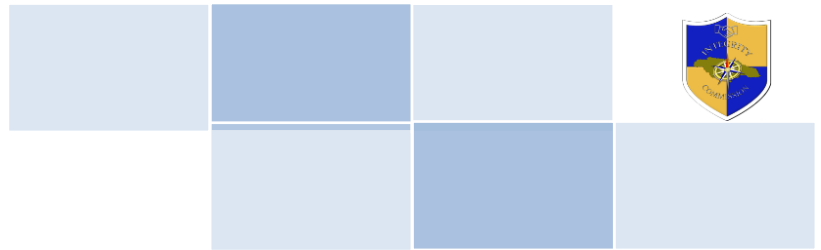
⁴⁶Witness Statement of Mr. Systems Administrator, JFB, dated February 23, 2021.

⁴⁷ See Mr. Neville Wallace requisition response dated June 27, 2016, which outlined the JFB's internal issues. Responses 11 & 13.



<i>Data Migration & Services</i>	40	40	0
<i>Training</i>	15	14	0
<i>Implementation Assistance</i>	80	480	400
Total			400

4.7.6 A statement submitted by Turbo Pay Limited dated July 24, 2015, totalling US\$169,041.50, which detailed the costs associated with related services rendered above the contracted hours was also observed.



The Non-Performance of the Agreement between Jamaica Fire Brigade and TurboPay Limited

4.8 The signed Customer Agreement, dated July 24, 2013, between the Jamaica Fire Brigade and TurboPay Limited included a warranty period of one year. The contract stated, *inter alia*, the following:

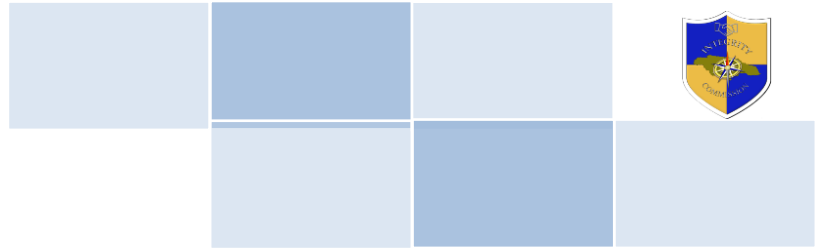
“SOFTWARE WARRANTY

TurboPay Limited guarantees that all errors or program defects will be corrected for a period of one year from the date of installation. TurboPay Limited also warrants that the system will perform all the features set forth in the software specification.⁴⁸

4.8.1 It was observed that although the Jamaica Fire Brigade was still within the stated one year warranty period, which would have expired in July 2014, the DI has seen no evidence to suggest that TurboPay Limited responded to the Jamaica Fire Brigade’s correspondence regarding the anomalies identified with the payroll software.

4.8.2 Notwithstanding the statements made by Mr. Wallace in his response to the then OCG dated June 27, 2016, the DI has seen no evidence of correspondence from TurboPay Limited to JFB, during the implementation phase, regarding the rectification of the issues identified.

⁴⁸ TurboPay Limited’s Customer Agreement Project Services



4.8.3 The DI also observed a letter dated March 9, 2015, addressed to Mrs. Sophia Knight-Williams, Acting Senior Director, Legal Services, Ministry of Local Government and Community Development, from Mr. Samuel McIntosh, Deputy Commissioner (Administration), JFB, referring the matter to the Legal Unit within the Ministry of Local Government and Community Development for action.⁴⁹

⁴⁹ Letter dated March 9, 2015, addressed to Mrs. Sophia Knight-Williams, Acting Senior Director, Legal Services, Ministry of Local Government and Community Development from Mr. Samuel McIntosh, Deputy Commissioner (Administration), Jamaica Fire Brigade.



Particulars of Payments made to TurboPay Limited, by the JFB, and Claims that were Subsequently Summited for Hours Worked

4.9 Mr. John Doman, Director of Finance, JFB, advised the DI, in a witness statement dated February 23, 2021, that TurboPay Limited was initially paid US\$41,000.00, which represents the total contract sum and one year subscription fee.⁵⁰

4.9.1 Mr. John Doman advised the DI that during the period, July 2013 to May 2020, a total of JMD\$6,189,538.00, was paid to TurboPay Limited, for subscription fees with respect to the upgraded payroll software.⁵¹

4.9.2 In relation to the Customer Agreement which was entered into between the JFB and TurboPay Ltd, in the amount of US\$41,000.00, for the upgrade of the JFB's payroll software, the DI notes Mr. Wallace's requisition response of June 27, 2016, with respect to the total payments made by JFB to TurboPay Ltd, this was in the amount of US\$57,000.00.⁵²The referenced amount was inclusive of payments relating to the actual contract value and annual subscription fees.

4.9.3 Further, the dates on which payments were made to the TurboPay Limited, as outlined in Mr. Wallace's response, were as follows: 1) July 29, 2013, in the amount of US\$9000.00, which represents the total amount for the annual subscription fee; 2) September 6, 2014, an amount of

⁵⁰ Witness Statement of Mr. John Doman, Director of Finance, JFB, dated February 23, 2021, pg. 2

⁵¹ Ibid. pg. 2

⁵² Response dated July 4, 2016 from to Mr. Neville Wallace, Director/Chief Software Architect, TurboPay Limited addressed to the OCG Requisition. Response 2.(g)



US\$5000.00 (annual subscription fee for the year 2014-2015); and 3) July 31, 2015 US\$5000.00 (annual subscription fee for the year 2015-2016).⁵³

4.9.4 Based upon the foregoing, the DI sought to ascertain the rationale for the approval of payments by JFB to TurboPay Limited, notwithstanding the issues identified with the system. Mr. Mowatt advised the then OCG, *inter alia*, that" ... **the withholding of [the] annual subscription fee would result in a shutting down of the payroll system. This would result in the Brigade's inability to meet payroll deadlines and other related transactions.**⁵⁴

4.9.5 In relation to the claims for payments that were submitted to the JFB, for "extra hours worked" by TurboPay Limited, Mr. Steward Beckford, Commissioner of the JFB advised the DI, in a witness statement dated March 24, 2021, that in 2019, TurboPay Limited submitted two (2) invoices to the JFB.

4.9.6 The invoice, which was dated July 24, 2015, was in the amount of US\$169,041.50, for implementation assistance with respect to the monthly and fortnightly payrolls. Of the amount stated, it was reflected on the invoice that US\$6,000.00 was paid on December 16, 2013.

4.9.7 Another invoice dated March 19, 2018, was a tax invoice, in the amount of US\$105,578.12, for implementation assistance with respect to the monthly and fortnightly payrolls. Of the amount stated, it was reflected on the invoice that US\$6,000.00 was paid on December 16, 2013.

⁵³ Response dated June 27, 2016 from Mr. Neville Wallace addressed to the OCG Requisition, Response 10.

⁵⁴ Response dated July 4, 2016, from Mr. Errol Mowatt addressed to the OCG Requisition, Response 8 and 11.



4.9.8 Subsequent to the submission of the invoices, Mr. Steward Beckford further advised the DI that at least two (2) meetings were held between the JFB and Turbo Pay Limited, and the JFB advised Mr. Neville Wallace that the claims would not be honoured by the JFB, because *“there were no records at the JFB indicating that the hours being claimed for were actually worked.”*⁵⁵

4.9.9 In response to the failure of the JFB to honour the referenced claims, the Law Firm, Bishop & Partners, representing TurboPay Limited, wrote to the JFB, indicating that the JFB was indebted to Mr. Wallace, in the amount of US\$169,041.50.⁵⁶

4.9.10 Based upon the letter that was received from the Law Firm, Bishop & Partners, Mr. Steward Beckford advised the DI that *“the letter along with other documentation were forwarded to the Permanent Secretary in the then named Ministry of Local Government & Community Development, advising of the development and seeking a legal opinion on the claims...”*⁵⁷

4.9.11 In relation to the foregoing, Mrs. Marsha Henry-Martin, Permanent Secretary, Ministry of Local Government & Community Development, wrote to the JFB and requested that an audit be conducted regarding the claims for *“extra hours worked”* that were made by TurboPay Limited. Following the request, an audit was conducted by the JFB and the

⁵⁵ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 2.

⁵⁶ Ibid. pg. 2.

⁵⁷ Ibid. pg. 2.



findings were presented to the referenced Ministry on December 10, 2020, for further guidance.

4.9.12 Subsequently, Mr. Steward Beckford advised the DI, in a witness statement dated March 24, 2021, that *“the Permanent Secretary responded via letter dated January 26, 2021, indicating that the Ministry was unable to independently verify the claims made by TurboPay Limited, given that there [was] no [proof] of the hours that were being claimed for by TurboPay Limited and Mr. Wallace was unable to provide evidence of the claims, notwithstanding the request that was made to TurboPay Limited in that regard.”*⁵⁸

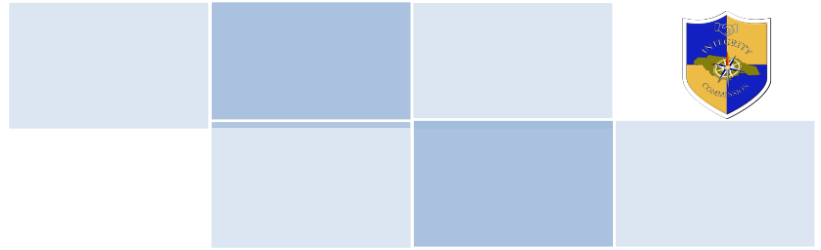
4.9.13 In relation to the referenced claims, Mr. Steward Beckford further advised the DI that *“the JFB made no payments to TurboPay Limited or anyone representing the said company in relation to the claims made by TurboPay Limited.”*⁵⁹

4.9.14 Based upon the JFB’s Internal Audit Report of December 10, 2020, the audit *“cannot confirm whether or not the number of hours claims by TurboPay was actually done, due to the fact that TurboPay Limited was aware that they were in excess of 367 during the first week of November, 2013 and the Jamaica Fire Brigade did not agree to the payment of the excess.”*⁶⁰

⁵⁸ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 3.

⁵⁹ Witness Statement dated March 24, 2021, of Mr. Steward Beckford, Commissioner, JFB., pg. 3.

⁶⁰ Jamaica Fire Brigade Internal Audit Report dated December 10, 2020, pg. 4



4.9.15 The Audit Report also concluded that *"there were no evidence of written communication between the Jamaica Fire Brigade and TurboPay Ltd giving approval for TurboPay to carry out work in excess of **three thousand and ninety four hours (3,094) for implementation assistance monthly and fortnightly outside of the contracted hour and completion date.**"*⁶¹

⁶¹ Jamaica Fire Brigade Internal Audit Report dated December 10, 2020, pg. 4



Issues Relating to Contract Variation and the Government of Jamaica Handbook of Public Sector Procurement Procedures

4.10 Section 1.4 of the Government of Jamaica (GoJ) Handbook of Public Sector Procurement Procedures defines variation as *“a change in the deliverable(s) under a contract caused by an increase or decrease in the scope of work to be performed, amount/type of goods to be supplied or services to be provided, and shall be specific to the particular contract.”*⁶²

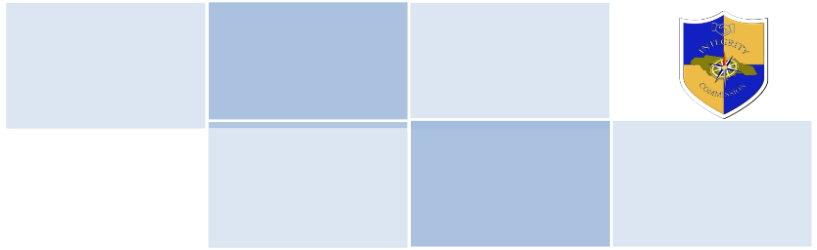
4.10.1 Section 1.5 of the referenced Handbook also provides the approval requirements for contract variation. In this regard, the Handbook notes that *“The Head of the Procuring Entity shall give prior written approval for all contract variations. No other Public Officer or project consultant shall approve the variation of a contract unless the Head of the Procuring Entity gives him/her written authorization to do so.”*⁶³ The Handbook further stated that *“notwithstanding any delegation of authority, the Head of the Procuring Entity remains solely accountable for contract variations.”*⁶⁴

4.10.2 Based upon the requirements for the approval of contract variations stipulated by the Handbook, a variation to the contract for the upgrade of the payroll system would require the prior approval of the Commissioner of the JFB and the endorsement of the then National Contracts Commission (NCC). The DI makes this observation based on the alleged *“extra hours worked”* by TurboPay Limited. It is also important to note that

⁶² Government of Jamaica Handbook of Public Sector Procurement Procedures Volume 2 of 4 Procedures for the Procurement of Goods, General Services & Works, pg. 16

⁶³ Ibid. pg. 17.

⁶⁴ Ibid. pg. 17.



the JFB contends that it had no records in its possession to indicate that the Contractor had worked the extra hours and neither did the Contractor provide same.



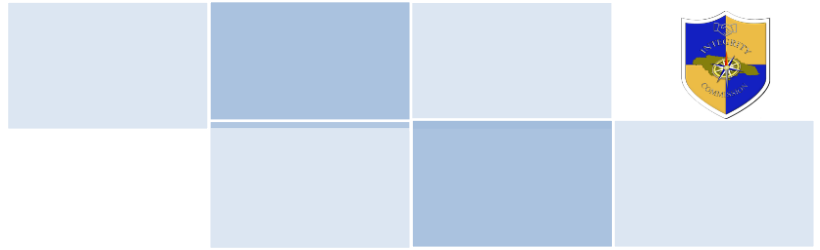
Chapter 4 – Conclusions

5.0 This chapter outlines the conclusions drawn by the Director of Investigation based upon the findings of this investigation.

5.1. Based upon a review of the documents and responses that were submitted by the Ministry of Local Government, Jamaica Fire Brigade and TurboPay Limited, the DI has arrived at the following considered Conclusions:

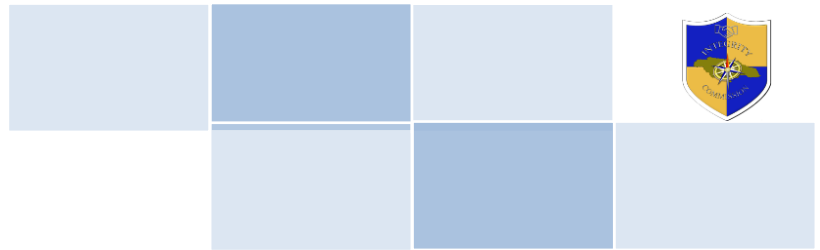
5.1.1 The DI concludes that a contract was entered into between the Jamaica Fire Brigade (JFB) and TurboPay Limited on July 24, 2013, for the upgrade of the Jamaica Fire Brigade's (JFB's) payroll software system by way of the Direct Contracting Procurement methodology.

5.1.2 The DI concludes that it was permissible for the Jamaica Fire Brigade (JFB) to utilise the referenced methodology to acquire an upgrade of the "Legacy Software" system from TurboPay Limited, given that the previous system was procured from the referenced entity. The DI's conclusion is based upon the requirements that are outlined in Section 1.1.4 of the Government of Jamaica Handbook of Public Sector Procurement Procedures (GPPH, 2012) for the utilization of the Direct Contracting procurement methodology.



The aforementioned Section of the GPPH permits the use of the Direct Contracting procurement methodology for procurement valued above \$500,000.00 in circumstances where, inter alia, the “contractor has exclusive/proprietary rights in respect of goods, services or works”. In the instant matter, the upgraded payroll system acquired by The Jamaica Fire Brigade was owned solely by the contractor.

- 5.1.3 Notwithstanding the permissibility of the procurement methodology, the DI concludes that due consideration must be given to the evaluation of the sole invited bid to ensure the suitability of the bid as it relates to the needs of the procuring entity, and obtaining best value for money.
- 5.1.4 There is no evidence to indicate that an adequate needs assessment and due diligence process was undertaken by the Jamaica Fire Brigade prior to and upon receiving the proposal which was submitted by the TurboPay Limited, with a view to determining whether the software, as proposed by TurboPay Limited, satisfied the needs and requirements of the Jamaica Fire Brigade.
- 5.1.5 The DI also concludes that the specifications which were noted in the Agreement between the Jamaica Fire Brigade and the contractor were vague and failed to adequately specify the needs and precise requirements of the entity.

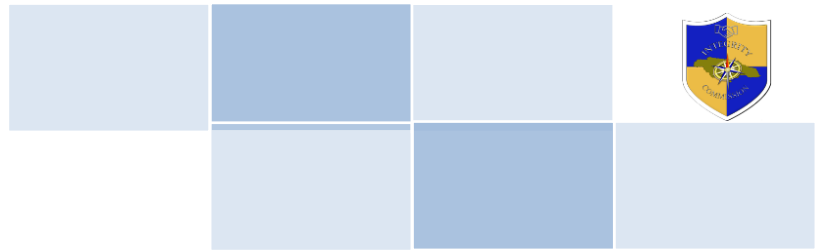


5.1.6 The DI has seen no evidence to support TurboPay Limited's assertion that the anomalies identified by the Jamaica Fire Brigade, in the implementation and operation of the upgraded payroll software system were rectified. This apparent failure, on the part of TurboPay Limited, gives rise to considerations as to whether TurboPay Limited breached the terms of the referenced Customer Service Agreement. In point of fact, the contract included the specific provision that TurboPay Limited "... guarantees that all errors or program defects will be corrected for a period of one year from the date of installation. TurboPay Limited also warrants that the system will perform all the features set forth in the software specification."

5.1.7 In light of the fact that a valid Tax Compliance Certificate (TCC)⁶⁵ was not presented with the Bid/Proposal which was submitted by TurboPay Limited to the Jamaica Fire Brigade (JFB), the DI concludes that the process, which was undertaken to facilitate the participation of TurboPay Limited, in the procurement process constitutes a breach of Section 1.3.3 of the GoJ Handbook of Public Sector Procurement Procedures, 2012.

5.1.8 The DI's concludes that there was an absence of proper record keeping, on the part of the Jamaica Fire Brigade, in respect of this procurement. This was evident in the absence of accounting

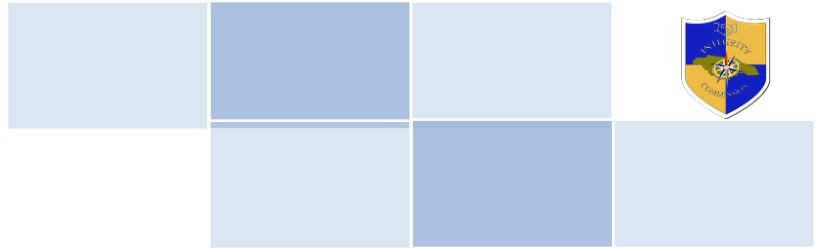
⁶⁵ Section 1.3.3 of the GoJ Handbook of Public Sector Procurement Procedures (2012) stipulates that contractors wishing to participate in Public Sector procurement opportunities, with contract values over \$500,000.00, should provide proof of being tax-compliance by presenting a valid Tax Compliance Certificate (TCC).



documents which would be pivotal in determining whether the Jamaica Fire Brigade, was in fact, indebted to TurboPay Limited, for “extra hours worked” during the implementation of the contract. The DI also finds favour with the Jamaica Fire Brigade’s Internal Audit Report (2020), which indicated, *inter alia*, that “Lack of supervisory review of the project resulted in the Jamaica Fire Brigade unable to provide a register to verify the occasion travel by TurboPay Officer.”

Having regard to the foregoing, it is of import to underscore the fact that Section A8.22 of the then applicable GoJ Handbook of Public Sector Procurement Procedures, 2012, provides that regardless of the method of procurement or the source of funding, it is critical that transparent procedures be established, so that the entire procurement process may be traced from beginning to end. Further, the referenced Section includes, as among the minimum standards for recorded information, documentation relative to the successful contractor’s performance on the contract.

- 5.1.9 The DI concludes that the referenced procurement did not reflect best value for money. This conclusion is premised primarily upon the following compendium of facts: (1) the absence of formal procurement and contract administration records (2) the inability of the payroll system to meet the desired needs of the procuring entity (3) the absence of certain terms and conditions in contract that would facilitate testing of the software, and dispute resolution



mechanisms (4) the seeming absence of project implementation and management oversight by the Jamaica Fire Brigade.



Chapter 5 – Recommendations

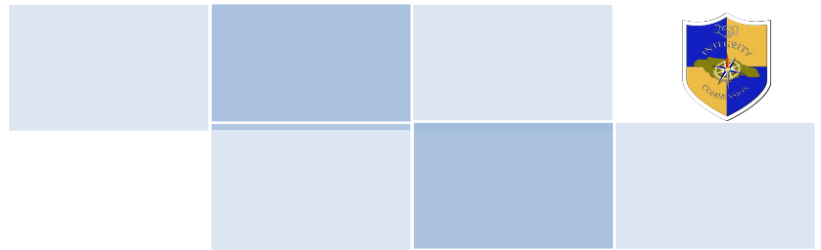
6.0 This chapter outlines the recommendations and corruption prevention initiatives identified by the Director of Investigation based upon the findings and conclusions of this investigation and pursuant to the provisions of Section 54 of the Integrity Commission Act.

Recommendation to the Ministry of Finance and the Public Service

6.1 Having regard to the discrepancy concerning the claims made by TurboPay Limited of monies owed in the sum of US\$169,041.50 for services rendered, the DI recommends that a forensic accounting audit be conducted by the Ministry of Finance and the Public Service with a view to determine, *inter alia*, whether there is any pecuniary indebtedness, on the part of the parties.

Anti-corruption Recommendations and Initiatives

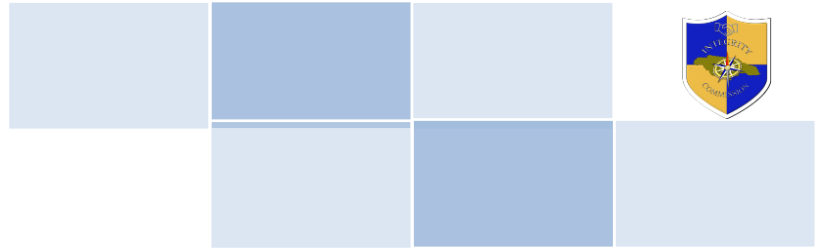
6.2 The DI recommends that the Accounting Officer and procurement officers of the Jamaica Fire Brigade familiarizes themselves with the elements of the procurement cycle, specifically the critical importance of conducting a needs assessment or analysis, procurement planning, contract management and Procurement evaluation. In keeping with the provisions of Section 2.1 of the Handbook of Public Sector Procurement Procedures (March 2014), the referenced officers of the Jamaica Fire Brigade are encouraged to ensure, that at all times, proper research and



due diligence are conducted and that as far as is practicable all elements of the procurement cycle are incorporated in the in the acquisition of goods, works, and services.

Instructively, Section 2.1 of the GPPH outlines the Key elements of the Procurement Cycle and includes, inter alia, the development of a procurement plan, determining the procurement method, and developing the necessary technical specifications.

- 6.3 It is recommended that the Accounting Officer of the Jamaica Fire Brigade, in the acquisition of goods, works and services, ensures that he/she complies with the Ministry of Finance and the Public Service's Procurement Policy of obtaining, *inter alia*, value for money. The Jamaica Fire Brigade is, therefore, encouraged to ensure that its procurement activities are guided by the principles of transparency, competition, accountability, effectiveness and efficiency. Further, and having regard to the instant matter, the Jamaica Fire Brigade is reminded that achieving value for money in public procurement requires that the "right" and satisfactory quality are received and that the specifications determined by the procuring entity appropriately identifies the entity's needs. It is also important to ensure that the procuring entity's needs are appropriately met by the supplier and that whatever is acquired, whether goods or services, is fit for purpose.



6.4 The DI recommends that the Accounting Officer of the Jamaica Fire Brigade immediately implement the necessary administrative mechanisms to ensure that proper records are kept in relation to the implementation of projects.

A handwritten signature in blue ink, appearing to read "K. Stephenson".

Kevon A. Stephenson, J.P
Director of Investigation

May 26, 2021