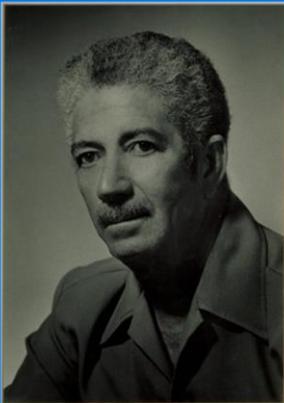




OFFICE OF THE CONTRACTOR GENERAL JAMAICA



Mr. Ashton Wright

October 1986 - June 1991



Mr. Gordon Wells

June 1991 - June 1998



Dr. Derrick McKoy

August 1998 - August 2005



Mr. Greg Christie

December 2005 - November 2012



Mr. Dirk Harrison

March 2013 - Present

THE TWENTY-NINTH ANNUAL REPORT OF THE CONTRACTOR GENERAL



Any reply or subsequent reference to this communication should be addressed to the **Contractor-General** and the following reference quoted:-

No. :

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OFFICE OF THE CONTRACTOR-GENERAL
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June 22, 2017

The Hon. Pearnel Charles, C.D, M.P, J.P.
Speaker of the House of Representatives
Houses of Parliament
Gordon House
81 Duke Street
Kingston

Senator the Hon. Hon. Thomas Tavares-Finson, C.D., Q.C., J.P.
President of the Senate
Houses of Parliament
Gordon House
81 Duke Street
Kingston

Dear Honourable Speaker and Honourable President:

I am privileged to write directly to you in this matter.

In accordance with the provisions of Section 28 (2) of the Contractor General Act, I have the good honour to submit, to you, Seventy (70) copies of the Twenty-Ninth Annual Report of the Independent Parliamentary Commission of the Contractor General of Jamaica for calendar year 2015.

As you will recall, Section 28 (3) of the Contractor General Act mandates that Reports of the Contractor General "...shall be submitted to the Speaker of the House of Representatives and the President of the Senate who shall, as soon as possible, have them laid on the Table of the appropriate House."

I, therefore, so respectfully advise and avail myself of this opportunity to renew to you the assurance of my highest considerations and apologise for the inordinate delay.

Very respectfully yours,

Dirk Harrison (Signed)

Dirk Harrison
Contractor General

OFFICE OF THE CONTRACTOR-GENERAL

ANNUAL REPORT 2015

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THE OFFICE OF THE CONTRACTOR GENERAL – AN OVERVIEW

The Contractor General is an Independent Commission of the Parliament of Jamaica, which was established by the Contractor-General Act in 1986, which was promulgated on the 7th day of October of 1983. The Contractor General is appointed by the Governor General, by instrument under the Broad Seal, after consultation with the Prime Minister and the Leader of the Opposition. Once appointed, a Contractor General serves for a period of seven (7) years, in the first instance and where re-appointed, holds office *“for periods not exceeding five years at a time.”*

Pursuant to Section 4 (1) of the Contractor-General Act, the Contractor General monitors the award and implementation of Government of Jamaica (GOJ) contracts, with the aim of ensuring that such awards are made impartially and on merit and that *“the circumstances under which contracts are awarded or terminated do not involve impropriety or irregularity.”* Further, the Contractor General is mandated under the same section to ensure that contracts awarded are implemented in accordance with the agreed terms. The Contractor General also monitors *“the grant, issue, suspension or revocation of any prescribed licence...”*

Sections 15 (1) and 16 of the Contractor-General Act, gives a Contractor General, the discretionary power to formally investigate any matter associated with the award of Government contracts, the issuance of Government licences and permits, procurement procedures and the registration of Contractors.

The Contractor General is supported by staff employed to the Office of the Contractor General (OCG), in accordance with Section 13 (1) of the Contractor-General Act. The powers of the Office are limited to investigating allegations and where necessary, making referrals to the relevant authorities for further action, pursuant to Section 21 of the Contractor-General Act. The OCG therefore functions as an Ombudsman and a referee.

As Ombudsman, the OCG discharges its mission and core operating functions through three (3) operating Divisions; namely, the Inspectorate Division (ID) which is divided into (i) the Construction Unit and (ii) the Non-Construction Contracts, Licences and Permits Unit, the Special Investigations Division (SID), and the Technical Services Division (TSD), which also functions as the Secretariat of the National Contracts Commission (NCC). These Divisions are ably supported by two (2) additional Divisions; namely, the Corporate Services Division (CSD) and the Information Systems Division (ISD).

The OCG provides technical and administrative support to the NCC through the TSD, thus enabling the NCC to effectively execute its functions as mandated under Section 23 of the Contractor-General Act.

Being cognisant of our role in ensuring that the Government procurement procedure is free of impropriety and irregularity and thus meets the highest standards, the OCG has declared this commitment in its Mission Statement, which states that:

“The Mission of the Office of the Contractor General is to effectively discharge the requirements of the Contractor-General Act and, in so doing, to:

- *Monitor and investigate the award and implementation of contracts, licences, permits, concessions and the divestment of government assets;*
- *Improve and make fair and equitable, the system of awarding contracts, licences, permits, concessions and the divestment of government assets;*
- *Ensure that all public sector agencies give the widest possible opportunity to qualified persons to bid for contracts and divestments or to apply for licences and permits;*

- *Create a positive image of the public procurement process by promoting integrity, professionalism, transparency, efficiency and, in so doing, to thereby engender public confidence.*”

The current Contractor General is Dirk Harrison, Attorney-at-Law and former Deputy Director of Public Prosecutions in the Office of the Director of Public Prosecutions, Jamaica. Mr. Harrison was sworn into office on February 25, 2013 and officially took up office on March 1, 2013. Mr. Harrison is the fifth (5th) Contractor General of Jamaica.

PREVIOUS CONTRACTORS GENERAL:

- **Mr. Ashton Wright** (October 1986 - June 1991)
- **Mr. Gordon Wells** (June 1991 - June 1998)
- **Mr. Derrick McKoy** (August 1998 - August 2005)
- **Mr. Greg Christie** (December 2005 - November 2012)

ACTING CONTRACTORS GENERAL

In accordance with Section 10 (1) of the Contractor-General Act, the following individuals were appointed to act as Contractor General pending the formal appointment of a Contractor General:

- **Mr. Maurice Henry** (June 1998 - August 1998)
- **Mr. Steve Sherman** (August 2005 - November 2005)
- **Mr. Craig Beresford** (November 2012 - February 2013)

THE CONTRACTOR GENERAL'S INTRODUCTORY REMARKS

As mandated by Section 28(2) of the Contractor General Act, it is my esteemed honour, to submit, to the Honourable Houses of the Parliament of Jamaica, this publication, the twenty-ninth (29th) Annual Report of the Office of the Contractor General, for the calendar year 2015. The content and accompanying narratives of this Report are predicated on the legislative mandate of the OCG, as an Independent Anti-corruption Commission of the Jamaican Parliament and the Office's responsibility in assisting in the promotion of good governance.

In particular, the OCG, under Section 4(1) of the Contractor General Act, is mandated to monitor the award and implementation of Government of Jamaica (GOJ) contracts, with the aim of ensuring that such awards are made impartially, on merit and under circumstances which do not involve impropriety or irregularity. Similarly, the Contractor General is mandated under the prevailing conditions, to monitor "*the grant, issue, suspension or revocation of any prescribed licence...*" In addition to these legislative responsibilities, the Contractor General, under Section 15(1) and 16 of Contractor General Act, is empowered to formally investigate any matter associated with the award of Government contracts, the issuance of Government licences and permits, procurement procedures and the registration of Contractors.

Further to the powers which are conferred on the OCG, the Office also provides technical and administrative support to the National Contracts Commission (NCC). This support enables the NCC to effectively execute its functions as mandated under Section 23 of the Contractor General Act. Of note, however, there are advanced undertakings, by the Government, to separate the NCC from the OCG – a move which we endorse.

Notwithstanding the functions and the overall mandate of the OCG, as an Independent Commission of Parliament, it is necessary to note that the OCG is not endowed with prosecutorial power. As such, the Office, in some instances, after the conduct of its investigations, makes a referral to the Office of the Director of Public Prosecutions in order for the decision to prosecute or not to prosecute to be given due consideration. Referrals by the OCG are also made to other relevant authorities for further action, pursuant to Section 21 of the Contractor General Act.

The OCG, in the execution of its mandate is constrained by a number of factors, which include, but are not limited to a lack of human and financial resources. However, the Office throughout 2015 remained committed to its Mission Statement, which states as follows:

"The Mission of the Office of the Contractor General is to effectively discharge the requirements of the Contractor Act and, in so doing, to:

- *Monitor and investigate the award and implementation of contracts, licences, permits, concessions and the divestment of government assets;*
- *Improve and make fair and equitable, the system of awarding contracts, licences, permits, concessions and the divestment of government assets;*
- *Ensure that all public sector agencies give the widest possible opportunity to qualified persons to bid for contracts and divestments or to apply for licences and permits;*
- *Create a positive image of the public procurement process by promoting integrity, professionalism, transparency, efficiency and, in so doing, to thereby engender public confidence."*

CORRUPTION PERCEPTION INDEX (CPI) 2015: JAMAICA'S RANKING

The improved ranking of Jamaica on the 2015 CPI, is remarkable and the ranking of 69th among 168 countries assessed is a move which some anti-corruption practitioners and stakeholders have concluded is being perceived that Jamaica is moving forward in combating corruption and building integrity after nine years of essentially being in the same position. With regard to Jamaica's improved 2015 ranking, Prof. Trevor Munroe noted as follows:

“As regards to Jamaica, the CPI 2015 results indicate that after nine years of marking time and more or less standing still... the CPI 2015 shows Jamaica advancing 16 places from number 85 of 175 countries in 2014 to number 69 of 168 countries in 2015”

On the contrary, and as it relates to the issue of corruption and its perception in Jamaica, the United States Department of State 2015 Human Rights Report for Jamaica indicated, *inter alia*, the following in Section 4 (*Corruption and Lack of Transparency in Government*) of the said report:

[In Jamaica] “The law provides criminal penalties for corruption by officials, but the government did not implement the law effectively, and officials sometimes engaged in corrupt practices with impunity. The government continued efforts to interdict and prosecute officials’ corrupt practices and raise public awareness on corruption. Media and civil society organizations, however, continued to criticize the DPP for being slow and at times reluctant to prosecute corruption cases. For example, the DPP did not order an investigation of a former mayor for nepotism in the award of public contracts until after a court, in December, ruled in favor of the Contractor General in deciding the DPP could prosecute.

CONTRACT MONITORING

During the year 2015, the OCG monitored a total of eight hundred and sixty-two (862) procurement opportunities undertaken by public bodies. Of the 862 procurement opportunities monitored, five hundred and fifty-eight (558) were non-construction opportunities, while the remaining three hundred and four (304) were construction related.

Chart (1): The Chart below illustrates the number of procurement projects monitored by the OCG between 2012-2015

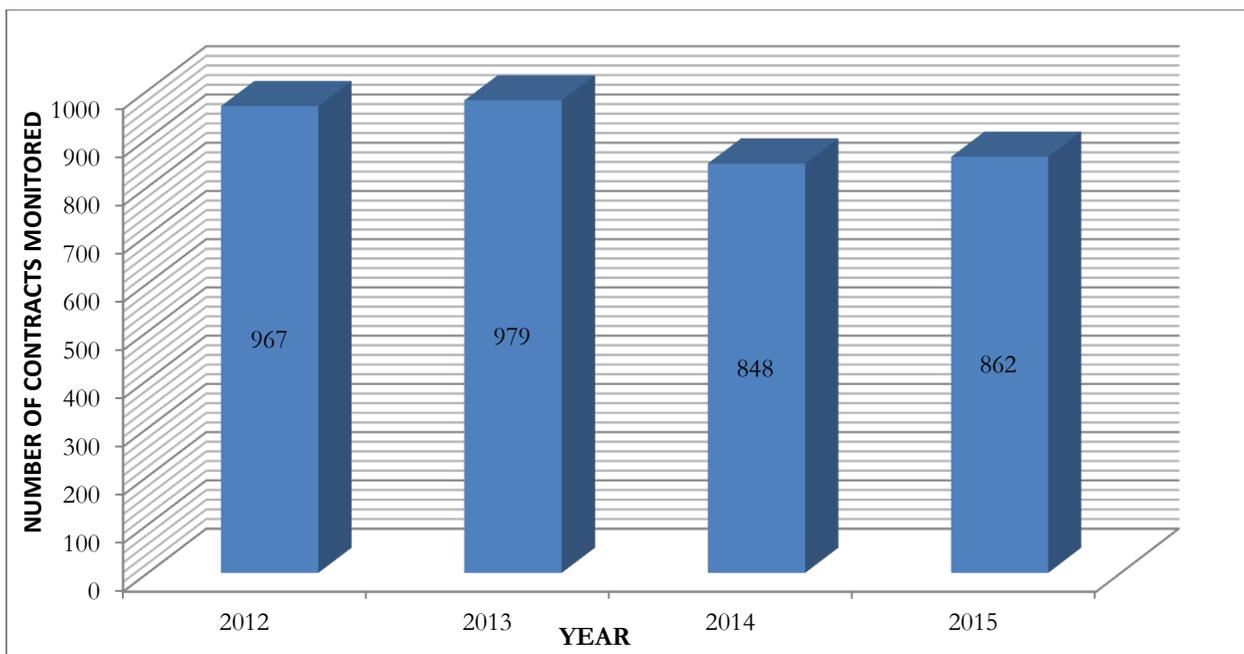
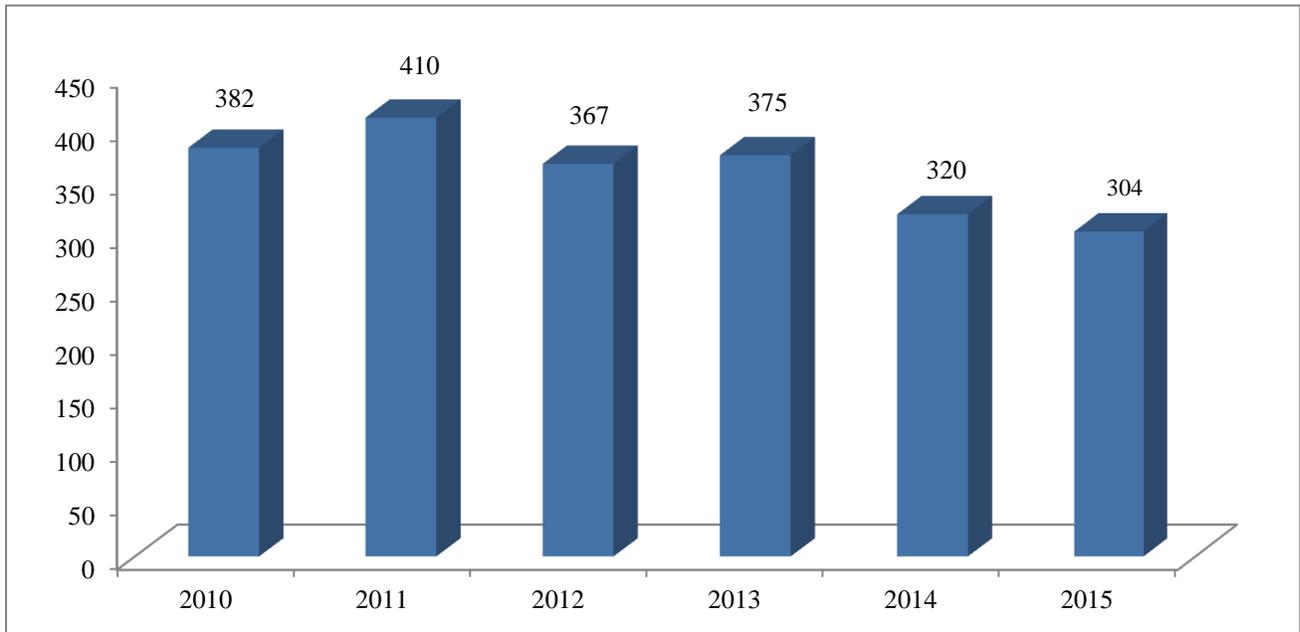


Chart (2) illustrates the number of construction contracts monitored during the period 2010-2015:



Based on the number of construction contracts monitored in 2014 (320) and the figure for 2015 (304), this represents a 5 % decrease in the number of construction contracts that were monitored when compared with the preceding year.

Quarterly Contracts Award (QCA)

The OCG has recorded 100% compliance with regard to the submission of QCA Reports for the year 2015. In conjunction with the OCG's Information Systems Division, work continues with the development of an assessment tool which will allow for, *inter alia*, the communication of feedback to Public Bodies and aid in the Division's analysis of reports received, and will in turn; assist in its Audit programme.

Land Divestment

The OCG continued its monitoring of the divestment of Government-owned lands in 2015. In the previous years, the OCG continued to monitor divestment transactions in the absence of an approved procedural document to ensure that the principles of transparency and fairness were upheld in the land divestment processes undertaken by the relevant government entities. The year 2015 saw the finalization and publishing of the Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands, which provides clear guidelines and procedures to facilitate a standardization and harmonization of the land divestment policies and procedures.

During 2015, the OCG noted that there was still an issue of protracted divestment processes for several properties for varied reasons to include awaiting Cabinet Approval. This and other issues are highlighted in some of the individual land divestment undertakings which are detailed in the relevant section of this report.

A total of seventy nine (79) GOJ land divestment processes were monitored by the OCG in 2015. The twenty-nine (29) land divestment undertakings highlighted in this report represent some of those divestment opportunities monitored, which saw activity or were of concern to the OCG during 2015.

The GOJ Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands

The Ministry of Water, Land, Environment & Climate Change (MWLECC), has overall responsibility for the drafting of the Government of Jamaica (GOJ) land divestment document and has included the OCG's input in the amendment of said document since 2010; allowing for the OCG's review and comments and/or recommendations, where deemed necessary. On March 27, 2015, the Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands was launched and a follow up letter dated July 29, 2015 was sent to all Permanent Secretaries to advise them of the policy now in effect and requested that the Manual be brought to the attention of all Departments and Agencies under their purview.

Prior to the publication of the Manual, a multiplicity of standards were being used by the various Agencies to divest Government-owned lands, for which they are custodians. There were no established guidelines or procedures for the divestment of Government-owned lands which resulted in inadequate transparency of the divestment process.

The procedures outlined in the Manual relate specifically to the divestment of Crown Lands, however, all Entities that dispose of Government-owned land should be guided by the policies and procedures stated in the Manual. The Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands 2015, states, *inter alia*: "The general aim of this policy therefore, is increased transparency and efficiency in the process by which government-owned lands are divested by all public sector entities."

Having regard to the formulation and publication of the Manual, the OCG commends all stakeholders on this tremendous milestone and remains committed to ensuring that the divestment of Government Lands will be in keeping with approved standards.

The Land Divestment Advisory Committee (LDAC)

The Land Divestment Advisory Committee (LDAC) plays an advisory role to the Minister of Water, Land, Environment and Climate Change (MWLECC), in relation to the divestment of government-owned lands. The Committee is ably supported by the Land Administration and Management Division, within the MWLECC.

The Land Divestment Advisory Committee (LDAC) is mandated to, among other things:

Examine, evaluate and make recommendations to the Minister, on Applications forwarded by the Commissioner of Lands for divestment of Crown Lands.

1. Review recommendations for Applicants to receive subsidies, discounts and/or incentives for the Lease/Sale of lands under exceptional and special circumstances and finalise recommendations for the Minister's approval.
2. Convene regular monthly meetings in order to ensure timely divestments. It should be noted that special/extraordinary meetings may be convened depending on the volume or urgency of particular matters.

The LDAC is guided by policy directives issued by the Minister; and as such, may only consult the Minister on fundamental matters of policy. All matters discussed at LDAC Meetings are confidential.

The LDAC is comprised of fifteen (15) members drawn from the Public and Private Sectors, including a Chairman. Committee members are appointed by the portfolio Minister, for a period not exceeding three (3) years. The Chairman of the Committee is Mr. Hensley Williams, Attorney-at-Law. The tenure of the previous Committee ended on March 31, 2015 and on June 1, 2015. Mr. Hensley Williams, Attorney-at-Law, assumed the position of Chairman for the Committee with a new LDAC.

A representative from the Office of the Contractor-General (OCG) sits in on the meetings of the LDAC in the capacity of an Observer based upon a request from the Contractor General.

LDAC Activity for 2015

Five (5) meetings were convened by the LDAC in 2015 and a total of fifty-eight (58) submissions were made by the Commissioner of Lands for the consideration of the Committee. Of this amount, forty-nine (49) were 'New Applications' and nine (9) were 'Re-Submissions'. Forty-eight (48) applications were recommended by the Committee.

Of the Applications recommended for divestment, sixteen (16) were for the regularisation of illegal occupants. Ten (10) of these submissions were for the regularization within land settlement schemes and the divestment of one hundred and twenty six (126) lots.

The Ministry reported that as at December 2015, the responsible Minister had approved forty-seven (47) of the Applications submitted for his consideration, with an expected revenue of J\$197,208,000.00

Of the Applications approved by the Minister, seventeen (17) were for Lease, with an expected revenue of J\$12,778,000 per annum and thirty (30) were for Sale, with an expected revenue of J\$184,430,000.

Contracting Under Emergency Circumstances

In its effort to be enlightened about the Emergency Contracting procurement procedures that were utilised by certain Public Bodies in 2015, the OCG requisitioned the following Institutions by way of a letter which was dated July 21, 2016:

- Petrojam Limited;
- National Water Commission;
- National Solid Waste Management Authority;
- Ministry of National Security;
- The National Housing Trust;
- National Works Agency;
- The Ministry of Local Government and Community Development (and by extension, all Parish Councils/KSAC);
- Ministry of Transport, and Mining; and
- Ministry of Industry, Commerce, Agriculture and Fisheries.

The Public Bodies were requested to provide the OCG with information with respect to contracts which were awarded utilising the "Contracting under Emergency Circumstances Procurement Procedure", between the period January 1, 2015 to December 31, 2015.

Further to this, the Public Bodies were asked to submit the following information on a spreadsheet that was provided by the OCG:

1) Name of Contractor; 2) Description and Location of Works; 3) Engineer's Estimate; 4) Justification for use of Emergency Contracting Procedure; 5) Contract Award Date; 6) Project Start Date; 7) Project Scheduled Completion Date; 8) Project Completion Date; 9) Original Contract Sum; 10) Final Contract Sum; 11) Variation Sum; 12) Expenditure to Date; 13) Justification for Variation; and 14) Remarks.

Variations and Cost Overruns

The GoJ Handbook of Public Sector Procurement Procedures defines a cost overrun as, “...an increase in the contract sum resulting from escalation in the price of labour and/ or material” and a variation as “...a change to 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 must be directly related to the specific contract.”

Public sector contract cost overruns, variations & any other price adjustments (CCOV)

The OCG requisitioned one hundred and ninety-nine (196) Public Bodies - of that number ninety-four (94) or forty-eight percent (48%) indicated that they did not encounter any cost overruns, variations or any other price adjustments during the 2015 period, with regard to the procurement of good, works and services. During the previous year, 2014, one hundred and ninety-nine (199) Public Bodies were requisitioned and, of these, ninety-nine (98) or 49% specified that their procurement of goods, works and services did not yield any cost overruns or variations. This represents a slight decrease of one percent (1%) in Entities that reported the non-occurrence of cost overruns and variations.

This marks the second period wherein Public Bodies have been asked to submit figures representing the amounts spent on Any Other Price Adjustments for their procurements, in addition to that which was spent on Cost Overruns and Variations. This was instituted in an effort to capture and record all the additional costs being incurred by Public Bodies during the procurement processes.

The information requested was relevant to all projects of value greater than J\$500,000.00, for which monetary disbursements for Cost Overruns, Variations and/or Any Other Price Adjustments were made during the calendar year 2015, irrespective of the date of contract award. In this regard, the CCOV data which was submitted by the Public Bodies indicated that the combined goods, works and services contracts valued approximately J\$22.04 billion from which emanated cost overruns, variations and any other price adjustments of approximately J\$998.0 million, J\$2.75 billion and J\$126.4 million, respectively.

Figure 1 illustrates a Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Goods Contracts.

Figure 1

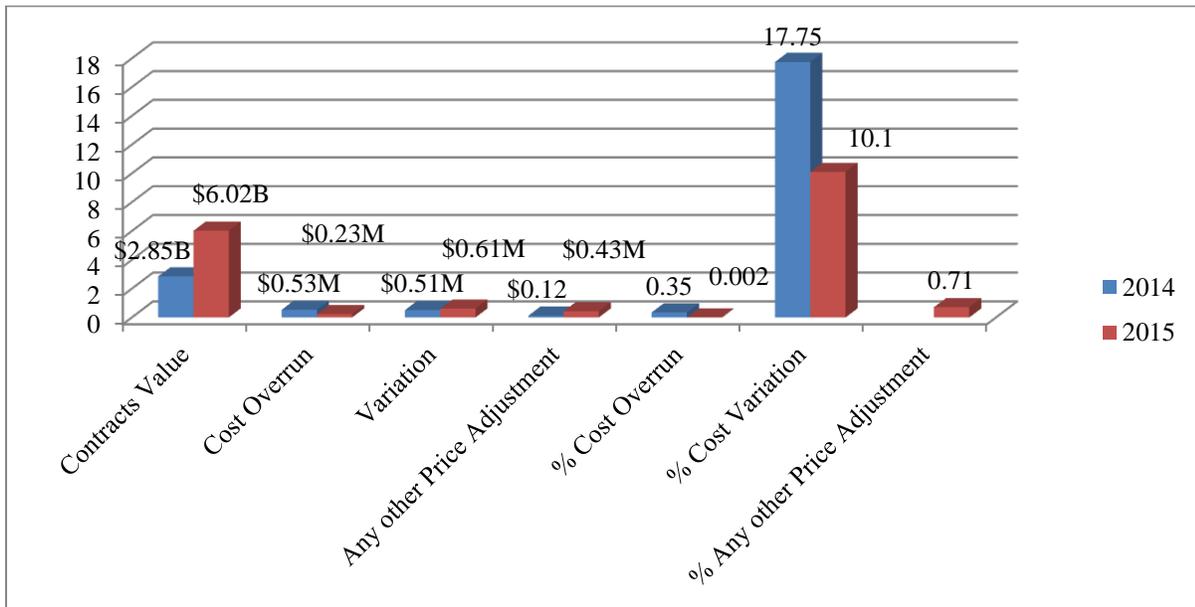


Figure 2 illustrates a Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Works Contracts.

Figure 2

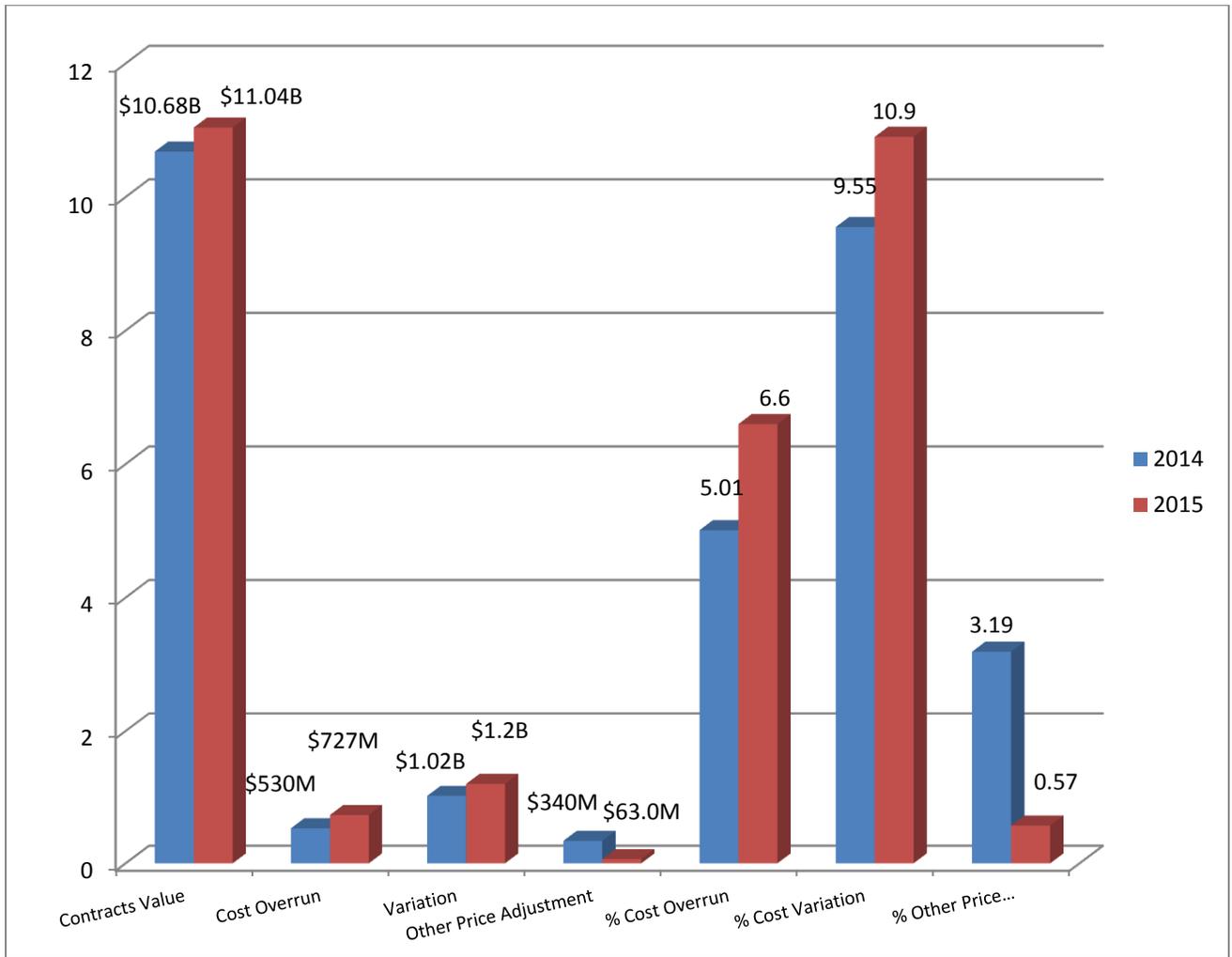
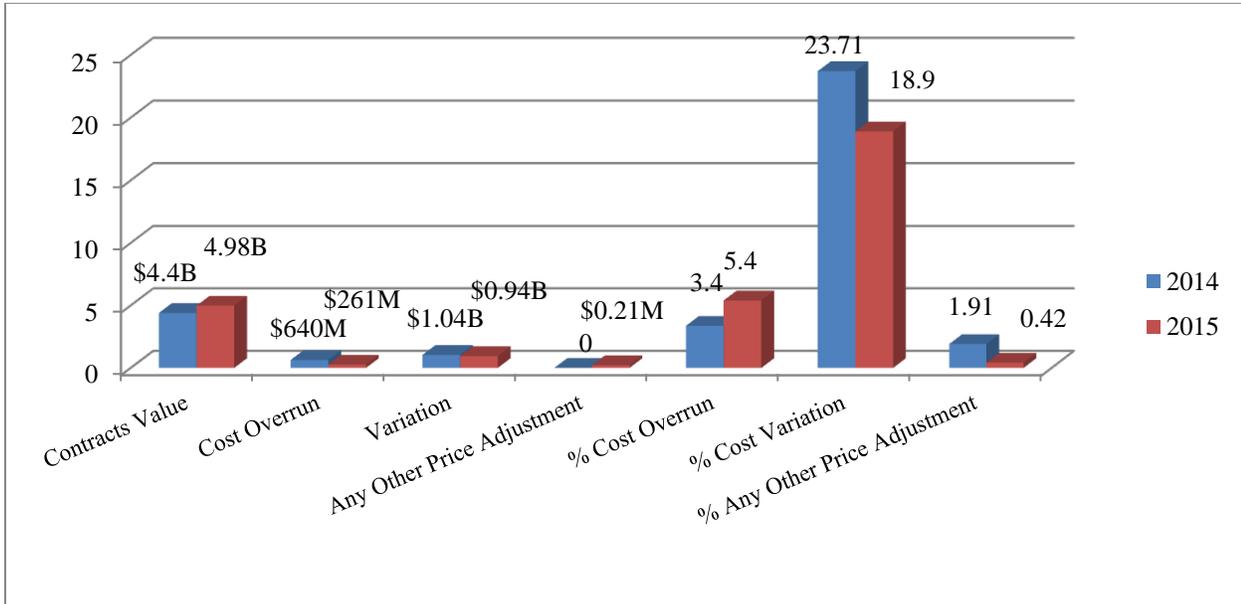


Figure 3 illustrates a Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Services Contracts

Figure 3



OCG OPERATIONS AND MANAGEMENT

Having regard to the operational and management apparatus of the OCG, the Office discharges its mission and core functions through three (3) operating divisions; namely, the Inspectorate Division (divided into (1) the Construction and (ii) the Non-Construction, Licenses and Permits Units), the Special Investigation Division, and the Technical Services Division. These Divisions are further supported by two (2) additional Divisions; namely, the Corporate Services Division and the Information Systems Division.

TECHNICAL SERVICES DIVISION

The Technical Services Department’s (TSD) function is twofold. Whilst its operates as one of the monitoring arms of the Office of the Contractor General, with respect to pre-contract awards, the TSD is also assigned the substantial role as the Secretariat of the National Contracts Commission (NCC) which was established by way of an amendment to the Contractor General Act in 1999 and which is mandated under Section 23C of the Act to promote efficiency in the process of award and implementation of Government contracts to ensure transparency and equity in the award of such contracts.

The NCC which is comprised of eight (8) Commissioners is fully supported by the OCG through the provision of technical, financial and administrative resources as stipulated in Section 23J of the Contractor General Act. Nevertheless, both the NCC and the OCG are distinct Commissions.

As the Secretariat for the NCC, the TSD carries out, *inter alia*, the following activities to facilitate the smooth functioning of the NCC in accordance with Section 23D of the Act:

1. Acceptance of applications for registration, review and assessment of contractors’ resources for inclusion on the list of Public Sector Registered Contractors and the maintenance of all associated databases.
2. Representation of the NCC on its Sector Committees which are established to conduct assessments on Public Bodies’ submission of recommendations for award of contracts above established thresholds, to ensure probity and transparency.

3. Presentation of recommendations for registration and award of contracts at the meeting of the NCC which is held once per week, for the approval/endorsement of the Commissioners.
4. All administrative functions including the preparation of all items of correspondence.

Staffing

The Department continues to fulfil its obligations through a complement of twelve members of staff which is comprised of: one (1) Director, two (2) Managers, five (5) Technical Officers, one (1) Supervisor and two (2) Records Officers.

Contractor Registration and Endorsement of Contract Award Recommendations

In 2015, the TSD assiduously continued to carry out its function whilst strategically implementing procedures and policies to improve the quality of the application process and simultaneously reduce the processing time.

It was observed that some Contractors/Suppliers encountered difficulties in submitting properly completed application forms for processing and on their visit to the NCC; the said application could not be accepted. While the Contractor/Supplier would be advised of the reasons, a more formal and detailed approach was developed in an effort at ensuring that the Contractor/Supplier was fully apprised of the deficiencies with the application form. Consequently, a checklist detailing the referenced deficiencies was developed and provided to the Contractors/Suppliers where applicable. This tremendously improved the efficiency of the TSD's operation and improved the level of customer service. E-mail notifications and text messaging are currently being utilized in an effort to advise contractors and suppliers of their registration status instead of telephone calls. Whilst the foregoing is used as a cost reduction tool it was also deemed to be an effective method of communication with Contractors/Suppliers to:

1. Inform Contractors/Suppliers of the completion of the processing of their application and the availability of their NCC registration documents.
2. Systematically remind Contractors/Suppliers of the approach of their NCC registration date of expiry and the need to reapply for registration eight (8) weeks prior to expiration.

Whereas the TSD experienced a reasonable increase in the number of companies registered for both Works Grades 1– 4 Contractors and Goods and Services, a significant decline of 25% was noted for the registration of Grade 5 Contractors. A general reduction in the number of new applications has also been noted for all three Registries.

In respect of recommendations for award of contracts, during 2015 Four Hundred and Sixty three (463) recommendations for award of contracts were endorsed by the NCC with a total monetary value of \$37,177,932,480.00. The downward trend in the number of endorsed recommendations for award of contract continued, moving from 568 in 2013 and 515 in 2014 to 463 in 2015. Despite the noticeably downward trend in the number of endorsed recommendation for award of contracts, there is an upward trend in the monetary values, moving from \$32,381,633,026 in 2013 to \$36,602,001,634 in 2014 to \$37,177,932,480.00., in 2015. Further detailed analysis can be found in the relevant sections of this report.

New Developments

Electronic Government Procurement System

In its continued effort to increase the efficiency and transparency of the Government of Jamaica procurement process, the Ministry of Finance and Public Service through its Procurement and Asset Policy Unit (PAPU) on July 31, 2015 launched the Electronic Government Procurement System (e-GP System) which is being implemented on a phased basis.

The e-GP System facilitates:

1. The creation and publishing of Tenders for Goods, Services and Works procurement;
2. Supplier submission of electronic bids for Tender opportunities;
3. Electronic opening of Tenders; and
4. Tender Evaluations and Contract management.

The e-GP System utilizes the European Union's Common Procurement Vocabulary (CPV), a single classification system, which standardizes the references used by contracting authorities and entities to describe the subject of procurement contracts.

To facilitate the implementation of the e-GP System, the NCC, through the TSD, reconciled the European Union's CPV with the NCC's Registration system by mapping the current NCC categories of registration to the appropriate CPV codes.

With respect to on-going operations, the TSD also validates the registration of suppliers/contractors prior to their participation in an electronic procurement via the e-GP System.

New Specialist Sector Committees

During 2015 the NCC took a decision to replace the existing eight (8) Sector Committees with five (5) Specialist Sector Committees. Implementation will be effected in 2016 following which, Procuring Entities will no longer be assigned to a particular Sector Committee. Instead, recommendations for award of contracts and other associated matters are to be routed to the new Specialist Sector Committees based on the type of procurement as follows:

1. Goods;
2. Works;
3. Consultancy and General Services;
4. Information and Communication Technology (ICT); and
5. Insurance.

To this end, the NCC in collaboration with the Ministry of Finance and Planning solicited applications for the staffing of the new Specialist Sector Committees and embarked on the execution of other necessary activities to ensure successful implementation of the Specialist Sector Committees in 2016.

Prescribed Licences Project

Pursuant to Section 4(1) b of the Contractor General Act, one of the functions of the OCG is 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”.

Accordingly, in January 2015 the OCG relaunched its Prescribed Licences Information Database which captures a listing of all licences and permits issued by the relevant authority and outlines the regulatory framework applicable to each prescribed licence. This information is accessible on the OCG's website.

Licensing authorities were requisitioned to update the database and to maintain and verify on an ongoing basis, the accuracy and currency of the information on the database relating to it. Based on this exercise the OCG was able to identify approximately 415 prescribed licences issued by the relevant licensing authorities.

The OCG has drafted a detailed process document for the monitoring of licensing activities and intends to launch a pilot project as a precursor to the full roll out of a comprehensive monitoring program. Several entities will be requested to participate in the Pilot Implementation project which is expected to commence in the second half of 2016. The monitoring process will seek to assure compliance with applicable legislation, policies and procedures.

Challenges and Concerns

A level of deficiency has been identified in some of the Evaluation Reports prepared by Procuring Entities as it relates to the undertaking of detailed reviews of Bidders' compliance with not only the eligibility criteria, but also the mandatory qualification requirements which are included in the Bid Documents. Procuring Entities are therefore encouraged to pay particular attention to the qualification requirements in assessing tenders.

Registration and Re-registration of Contractors

Suppliers of Goods and Services

For the year 2015, nine hundred and sixty-three (963) applications were received for registration. One hundred and thirty six (136) of these were new applicants; whilst eight hundred and thirteen (813) were renewals and fourteen (14) were for additional categories to be added to registered companies.

For the year, the NCC registered a total of nine hundred and sixteen (916) companies as suppliers of goods and services; this figure includes some applications received in late 2014. Of the nine hundred and sixteen (916) approvals, one hundred and fifteen (115) were to new applicants, while eight hundred and one (801) were renewals. Fourteen (14) previously registered companies also applied and were approved for additional categories.

Table 1 below illustrates the number of registrations granted by the NCC during the period 2008 to 2015.

Table 1

Year	New Registration	Re-Registration	Total Registration Granted
2015	115	801	916
2014	143	639	782
2013	155	726	881
2012	293	1104	1397
2011	234	1162	1396
2010	316	1221	1537
2009	520	1278	1798
2008	697	1176	1873

In 2015 there was a 17% increase in Goods and service registration when compared to the 2014 period. The increase may be attributed to the registration cycle of contractors.

As at December 31, 2015, the total number of companies/businesses with valid registration on the NCC database was one thousand and eighty-nine (1,089). This figure does not reflect the total number of companies/businesses registered with the NCC throughout the year, as the registration period for each company varies according to the date of approval.

Table 2 below reflects the number of registered companies/businesses on the NCC database in all the categories of Goods and Services as at December 31, 2015. Please note that the same company/business may be registered in more than one (1) category.

Table 2

GOODS		SERVICES	
Category Name	Number of Registered Contractors	Category Name	Number of Registered Contractors
Audio Visual Goods	36	Agricultural Services	7
Chemical and Pesticides	14	Audio Visual Services	26
Computers and Supplies	119	Catering	35
Electrical and Communication Supplies	88	Computers and Related Services	75
Electrical Appliance and Equipment	94	Courier Services	10
Furniture Supplies	57	Customs Brokerage	16
General Supplies	196	Garaging and Automotive Repair Services	28
Guns and Ammunition	1	General Services	199
Hardware and Haberdashery	60	Information Technology Services	81
Industrial, Construction, Equipment and Machinery	81	Insurance Services	17
Janitorial, Sanitation Supplies	53	Janitorial, Sanitation Services	59
Marine Supplies	10	Lithographic and Printing Services	42
Medical Pharmaceutical Equipment and Supplies	78	Marine Services	17
Merchandise	31	Photovoltaic and Wind Powered Systems	2

Motor Vehicle and Spares	18	Renewable Energy Systems	9
Motor Vehicle Spares and Accessories	69	Safety and Security Services	48
Musical Instruments	2	Solar Water Heater Installations	3
Office Equipment Supplies	62	Towing and Wrecking	2
Petroleum Products	7	Transportation and Haulage	149
Photographic Equipment and Supplies	20	Total	825
Safety Products	63		
School Furniture	44		
Stationery Supplies and Books	69		
Textiles and Garments	23		
Total	1295		

Notes:

- One company/business may be registered in more than one (1) category
- The category of Catering includes Canteen Concessionaire Services
- The category of General Services includes the following: Pesticide Control Services, Equipment Rental, Real Estate Services, Advertising, Graphic Design, Training, Equipment Maintenance, Event
- Planning, Debt Collection Services, and Funeral Services amongst other areas of specialisation.

Grades 1- 4 Works Contractors

In 2015, there was a marginal increase in the total number of Grades 1-4 Works Contractors, moving from one hundred and seventy four (174) in 2014 to one hundred and ninety-nine (199) in 2015. The percentage increase was 14%.

The number of new Grades 1 - 4 Works Contractors that were registered decreased by approximately 17%, from twenty eight (28) in 2014 to twenty three (23) in 2015. Re-registered Works Contractors had a 24% increase, moving one hundred and thirty four (134) in 2014 to one hundred and sixty seven (167) in 2015.

In 2015, the increase in the re-registered Works Contractors can be attributed to normalization of the increase in the registration period from twelve (12) months to eighteen (18) months. This initiative, which commenced in 2013, had a negative impact on the number of Grades 1-4 Contractors who would normally seek re-registration in 2014.

Grade 5 Works Contractors

In relation to the total registration of Grade 5 Works Contractors, the OCG noted that in the case of newly registered Grade 5 Contractors, there was a decrease of 150%, moving from five (5) in 2014 to two (2) in 2015. Re-registered Grade 5 Works Contractors remained the same as the previous year 2014, that is, there was no increase or decrease.

Table (3) below illustrates the number of registered Grades 1-4 and Grade 5 Works Contractors for the period 2011 – 2015.

Table 3

Year	WORKS GRADE 1-4						Total
	WORKS GRADE 1-4			WORKS GRADE 5			
	NEW	R-r	Total	NEW	R-r	Total	
2015	23	167	190	2	7	9	199
2014	28	134	162	5	7	12	174
2013	34	161	195	-	7	7	202
2012	11	207	218	4	13	17	235
2011	8	211	219	10	9	19	238

New: New Registration

R-r: Re-registration

National Contracts Commission Endorsement of Contract Award Recommendations

During 2015, a total of four hundred and sixty three (463) recommendations for the award of contracts were endorsed by the NCC, with an aggregated value of Thirty Seven Billion, One Hundred and Seventy Seven Million, Nine Hundred and Thirty Two Thousand Four Hundred and Eighty Dollars (J\$37,177,932,480).

There was a minimal decrease in the total number of endorsed contracts of approximately 10%, moving from five hundred and fifteen (515) in 2014 to four hundred and sixty seven (463) in 2015 and an increase in the value of endorsed contracts of approximately 2% over the previous period, 2014.

Table 4 below illustrates the total number of contracts which were endorsed by the NCC between 2011 and 2015:

Table 4

Year	No. Works	Value of Works \$J	No. Goods	Value of Goods \$J	No. Services	Value of Services \$J	Total No. of Endorsed Contracts	Total Value of Endorsed Contracts \$J
2015	145	9,139,132,963	174	14,916,718,060	144	13,122,081,457	463	37,177,932,480
2014	191	16,497,976,969	196	8,843,909,031	128	11,277,836,441	515	36,619,722,441
2013	180	11,769,078,879	144	8,737,706,750	244	11,874,847,397	568	32,381,633,026
2012	148	10,314,568,600	151	4,628,846,414	213	9,289,546,639	512	24,232,961,653
2011	175	14,137,796,921	162	8,052,332,407	218	7,821,048,775	555	30,011,178,103

NCC Endorsed Contracts by Method of Procurement

Of the four hundred and sixty three (463) contract award recommendations, which were endorsed by the NCC in 2015, the Direct Contracting procurement methodology was utilised in one hundred and ninety one (191) instances, which represents 41% of the total NCC endorsements. The Local Competitive Bidding procurement methodology was utilised in one hundred and fifty nine (159) instances, which represents 34% of the total NCC endorsements and was therefore, the second most frequent procurement methodology undertaken.

NCC Endorsed Contracts by Value Range

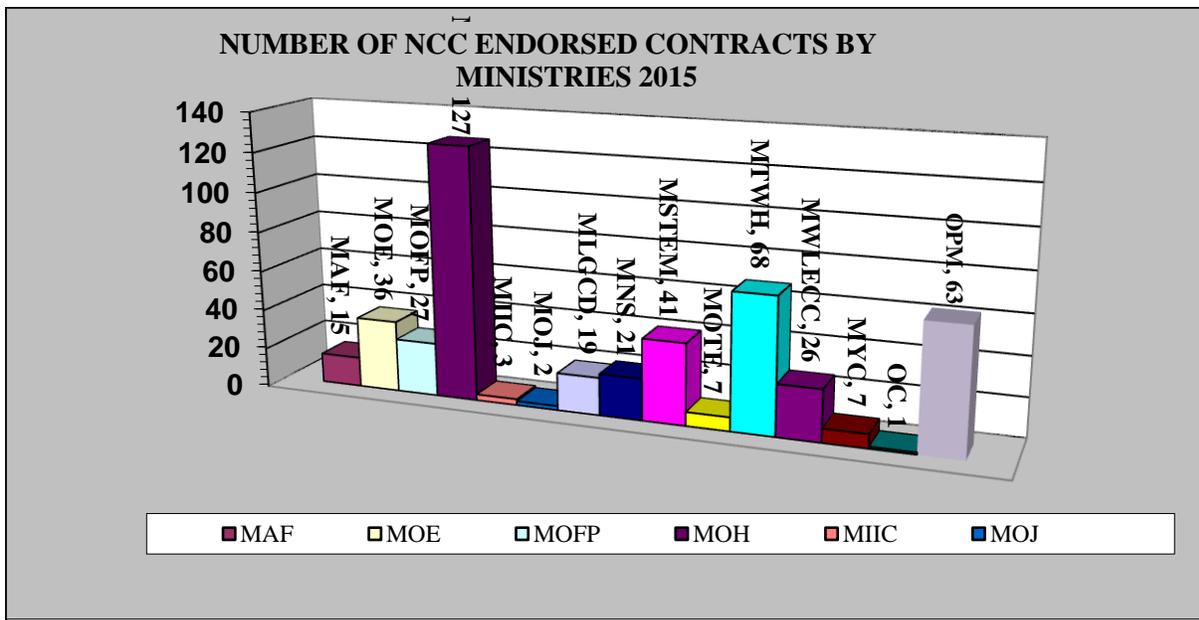
The Table below illustrates the value ranges of the contracts which were endorsed by the NCC during the year 2015.

Table 5

Range	Number of Contracts	Percentage of Total Value of Endorsed Contracts	Total Value of Endorsed Contracts J\$
Under \$5M	14	3	29,228,900
\$5M - \$15M	60	13	549,159,720
Over \$15M - \$ 39,999,999.99M	198	43	5,007,147,608
Over \$40M - \$150M	136	29	10,226,928,339
Over \$150M	55	12	21,365,467,913
Total	463	100	37,177,932,480

*Percentages are rounded off to the nearest value.

Figure 4



Legend

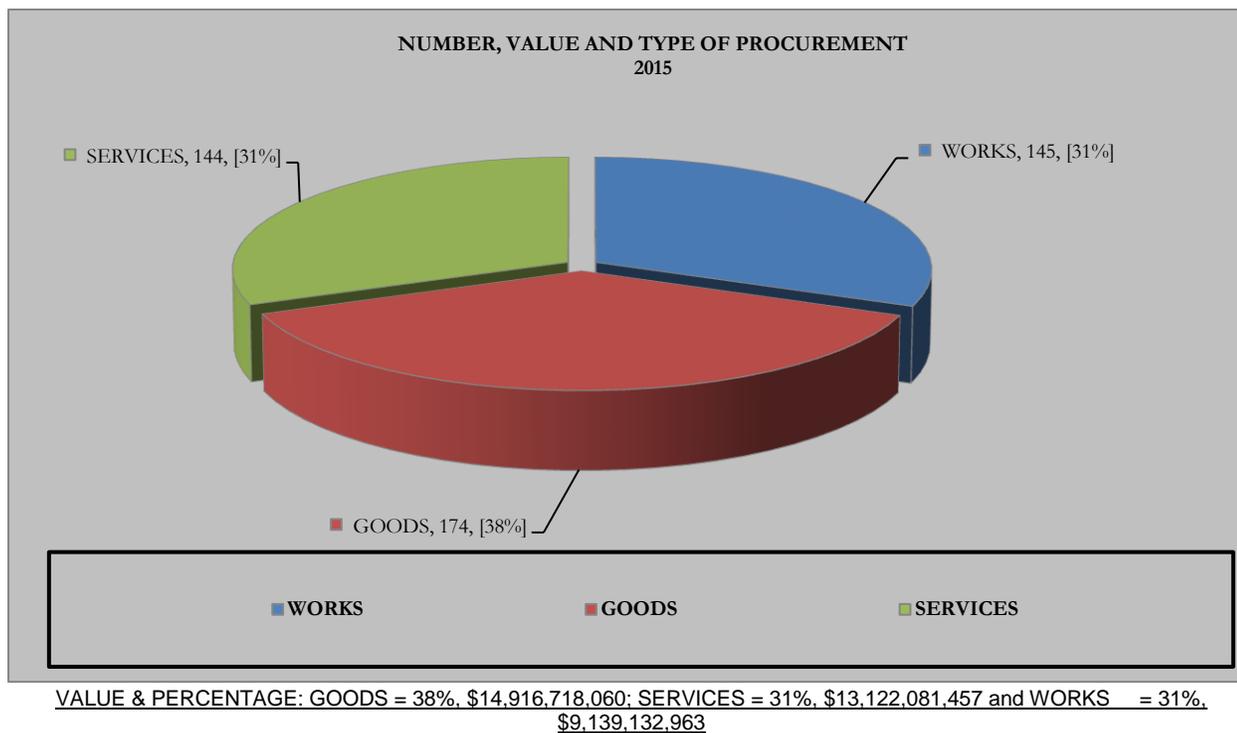
- | | | | |
|-----------|---|-----------|--|
| 1. MAF | Ministry of Agriculture & Fisheries | 9. OPM | Office of the Prime Minister |
| 2. MIIC | Ministry of Industry, Investment and Commerce | 10. OC | Office of the Cabinet |
| 3. MTW | Ministry of Transport, Works and Housing | 11. MFPS | Ministry of Finance and Planning |
| 4. MOE | Ministry of Education | 12. MNS | Ministry of National Security |
| 5. MYC | Ministry of Youth and Culture | 13. MOE | Ministry of Health |
| 6. MWLECC | Ministry of Water, Land, Environment and Climate Change | 14. MOTE | Ministry of Tourism and Entertainment |
| 8. MSTEM | Ministry of Science, Technology, Energy & Mining | 15. MLGCD | Ministry of Local Government and Community Development |

In 2015, the Ministry of Health and its related agencies, accounted for the highest number of NCC endorsed contract recommendations with a total of one hundred and twenty-eight (127) endorsements.

Number and Type of NCC Endorsed Contracts

Figure 3 below illustrates (a) the three (3) types of procurement; (b) the total number of contracts which were endorsed for each of the referenced type of procurement; (c) the aggregated value of the endorsements for each type of procurement; and (d) the referenced aggregated value of each type of procurement, expressed as a percentage of the cumulated endorsements in 2015.

Figure 3



Consultancy Contracts

During 2015, the NCC endorsed thirty five (35) recommendations for the award of contracts which were by nature consultancy contracts. These contracts amounted to J\$1.6B and accounted for approximately 4.5% of the total endorsed recommendations for the award of contract.

NCC Sector Committees

The NCC, through its eight (8) Sector Committees, reviews the recommendations for the award of contracts that are valued over J\$15,000,000.00 which are submitted by the Government Procuring Entities for the approval of the National Contracts Commission. The Sector Committees consist of members with particular expertise in varying fields within the Public Sector. During the year 2015, the NCC Sector Committees convened one hundred and forty-four (144) meetings, at which a total of four hundred and ten (410) recommendations for the award of contracts were reviewed.

National Contracts Endorsements

The number of works contracts that were endorsed by the National Contracts Commission (NCC) during the reporting year amounted to one hundred and forty five (145), which had a total value of J\$9,139,132,963 .00. Of these contracts, seventy-four (74) came under the scrutiny of the OCG's Construction Contracts Division.

CORPORATE SERVICES DIVISION: ORGANISATIONAL STRUCTURE & HUMAN RESOURCE MANAGEMENT ISSUES

During 2015, the OCG welcomed eight (8) new staff members, whilst ten (10) of our colleagues separated from the organisation. Of this number, three (3) persons went on Retirement.

The OCG's approved Organisational Structure remains at sixty-three (63) posts. There were no vacant positions as at December 31, 2015. Appendices X - Organizational Chart and XI - Staff Situation 2015, provide further details in relation to staff.

Staff Training

The OCG remains committed to providing an environment in which its staff members develop professional best practices, through both external and internal training.

The OCG, in 2015, registered its officers in one hundred and fifty-three (153) opportunities, in forty-one (41) internal and external training programmes, seminars, workshops and/or conferences, both locally and overseas. It is to be noted that in several instances, the training opportunities were sponsored by international partners, thus were at no significant expense to the OCG.

Of the training programmes attended by OCG staff, five (5) were focused on developing Investigation Skills; seven (7) were focused on developing procurement knowledge and twelve (12) were organised with an Anti-Corruption theme/objective. Other training opportunities were geared toward job-related development. Details of the training opportunities to which the OCG staff were privy, is documented in Appendix XII - Schedule of OCG Staff Training for the Year 2015.

The Human Resource Management Department remains committed to identifying quality training opportunities aimed at enhancing the human resource asset of the OCG and increasing its capacity to discharge its mandate in a more effective and efficient manner.

Summer Internship Programme

The OCG recognises the lack of internship opportunities with which students at the tertiary level are faced. Needless to say, where this necessary condition of their respective programme is not met, it affects their ability to successfully complete or delays the completion of that programme of study. In this vein, and in an effort to contribute to youth empowerment and education, the OCG, for the second time in 2015, facilitated Summer Internship for six (6) students. The programme lasted between eight (8) to ten (10) weeks. Of the six (6) students, three students (3) were from the Norman Manley Law School, two (2) students were accepted from the Department of Government, and the other was a final year law undergraduate student.

The students are exposed to all aspects of the OCG's operations, in keeping with their area of study. Students from the Norman Manley Law School for instance, in addition to being sensitised to activities undertaken by all Divisions within the OCG, were exposed to Court proceedings and internal Judicial Hearings. They are also required to draft Legal Opinions on matters of importance and are given the opportunity to participate in other activities professionally and socially.

Upon commencement of the programme, Summer Interns were provided with a schedule of targets to meet over the period of engagement, and through supervision were required to complete assignments in a timely manner. Payment for the Interns is minimal and is taken from the Budget allocation for Training.

The OCG hopes to continue with the Internship Programme in the coming years, to enable valuable exchange in support of Graduate and Post-Graduate Programmes.

Awards and Recognition Programme

The OCG continued its Annual Awards and Recognition Ceremony, with respect to staff performance during 2015, with a ceremony at which the Employee of the Year was recognised, along with an additional five (5) nominees for the highly coveted award. The event was hosted in December 2015 and formed part of the OCG's Christmas Party proceedings.

The Social Activities Committee

The Social Activities Committee (SAC) is a committee, whose members are nominated by the OCG staff. The SAC has the responsibility of promoting social interaction and creating an environment of comradeship amongst the OCG staff.

During the reporting period, the SAC hosted or coordinated the following events/activities:

For the year 2015 the following social activities were undertaken by the SAC:

1. Quarterly Birthday Socials
2. Mother's Day Treat
3. Father's Day Treat
4. OCG Sports and Fun Day
5. Games Evening
6. Christmas Tree-Lighting Ceremony

Fundraising activities undertaken by the SAC, to support planned activities for 2015, were:

1. Fruit Sales
2. Breakfast morning
3. Cookie Sales
4. Cake Sales
5. The operation of a Coffee Machine (2013, 2014, 2015)

The Committee, along with the support of other staff members, continues to facilitate the OCG's participation in the annual Emancipation/Independence (Emancipendence) celebrations, which is hosted by the Planning Institute of Jamaica (PIOJ) and held between July and August each year. The undertaking sees friendly competition in various categories, among several Public Bodies.

Emancipendence 2015 saw the participation of ten (10) Public Bodies, namely: The Planning Institute of Jamaica (PIOJ), Development Bank of Jamaica Limited (DBJ), Housing Agency of Jamaica Limited (HAJL), Jamaica Social Investment Fund (JSIF), Ministry of Education, Youth and Culture (MOEY), National Environment and Planning Agency (NEPA), Passport Immigration and Citizenship Agency (PICA), Statistical Institute of Jamaica (STATIN), Urban Development Corporation (UDC) and the Office of the Contractor General (OCG).

The OCG placed second in the Dancing and Ultimate Warrior competitions and third in both the Track & Field and Quiz competitions and finished a commendable 5th overall.

Office Management Department

The Office Management Department has direct responsibility for the procurement and the management of all OCG assets. The Department purchased capital items and other goods and services in the Calendar Year 2015; largely from the OCG's 2015/2016 Recurrent Budget.

The OCG's Recurrent Budget of Two Hundred and Thirty-three Million, Six Hundred and Fifty Four Thousand Dollars (\$233,654,000.00), provided for the purchase of other goods and equipment and capital expenditure, capped at Eighteen Million Eight Hundred and Forty Eight Thousand Dollars (\$18,848,000.00) and Two Million Five Hundred Thousand Dollars (\$2,500,000.00), respectively. In the foregoing regard, only eight percent (8%) and one percent (1%), respectively, of the total Recurrent Budget Allocation provided for the purchase of goods and equipment and capital items. The remainder of the Budget, provided for the rental of property, utilities and staff-related expenses.

INFORMATION SYSTEMS DIVISION

Throughout 2015, the Office of the Contractor General's (OCG's) Information Systems Division (ISD) continued to provide technological support for the operations of the OCG and the National Contracts Commission (NCC). This was accomplished through the provision of software development, systems administration and support services to the ISD's internal stakeholders.

Support of Strategic Portfolios: The OCG and the NCC Websites

The OCG utilises and maintains the following two (2) websites:

1. The Office of the Contractor General's website – www.ocg.gov.jm
2. The National Contracts Commission's website – www.ncc.gov.jm

The websites provide pertinent information on matters which relate to the work of the OCG and the NCC. The primary purpose of the websites is to promote transparency in the Government of Jamaica's (GOJ's) Procurement and Contract Award Processes. The websites also seek to ensure that relevant and timely information, which relates to the monitoring and investigative functions of the OCG, are easily accessible to all stakeholders.

Twitter - @OCGJamaica

The OCG Twitter account forms a part of a strategic objective to provide a more effective and efficient channel through which to communicate information about its various operating mandates to the public. The Twitter account is intended to better leverage the organization to disseminate information to its stakeholders in a clear, accurate and timely manner.

In 2015, messages sent by the Twitter communication were viewed 6,342 times per month, totaling 76,100 views for the year.

OCG Web Portal

The OCG's Web Portal was developed to advance the receipt, consolidation and assessment of contract awards which were made by Public Bodies. The system was launched in the third (3rd) quarter of 2012 and facilitated an expansion in the scope of the Quarterly Contract Awards (QCA) Regime. Public Bodies are now required to report on all contracts awarded over J\$500,000.00, which would include contracts that required the endorsement of the NCC.

Public Bodies' contract award information submitted via the OCG's Web Portal are published on the OCG's website and may be accessed via the URL <http://www.ocg.gov.jm/ocg/view/qca-consol> or by scanning the following graphic with a mobile device.

Procurement Notice Board

The GOJ Procurement Notice Board is an online tool used to search for procurement opportunities issued by Public Bodies. Suppliers and the general public may search the notice board for these opportunities based on keyword, category, agency or required grade. Members of the public also have the option to register in order to receive email notifications whenever the notice board is updated with a procurement opportunity that matches their interest.

The Procurement Notice Board may be accessed via the URL <http://procurement.gov.jm> or by scanning the following graphic with a mobile device.

Prescribed Licences Information Database (PLID)

The OCG's Prescribed Licences Information Database (PLID) facilitates the systematic and formal monitoring, by the OCG, of the licensing activities executed by GOJ Public Bodies.

The PLID system is comprised of a public and private portal, both of which can be accessed from the OCG's website. Access to the private portal is restricted to Public Bodies, and facilitates the capture of information related to the Public Bodies' licensing activities. The public portal allows the general public access to view information captured by the PLID system.

THE SPECIAL INVESTIGATION DIVISION

During the year 2015, the Office of the Contractor General (OCG) concluded two (2) Special Investigations, which were conducted pursuant to the discretionary powers, which are reserved for the Contractor General (CG), under Sections 15 and 16 of the Contractor General Act (1983).

Having regard to the mandatory requirements of Section 20(1) of the Act, upon conclusion the Reports of Investigation, the matters were promptly submitted to "the principal officer of the Public Body concerned and the Minister having (portfolio) responsibility therefor." Further, and as provided under Sections 21 and 28(2) of the Act, the said Reports of Investigation were laid before both Houses of Parliament.

The two (2) published Reports of Investigation which were submitted to Parliament are as follows:

1. Special Report of Investigation Conducted into the Circumstances Concerning the Award of Certain Contracts to One Touch Construction and Equipment Limited, formerly One Touch Tours and Equipment Limited, by the St. Thomas Parish Council.- published March 2015; and

2. Special Report of Investigation Conducted Concerning Allegations of Nepotism, Conflicts of Interest, Irregularity/Impropriety in the Award of Government Contracts at the Hanover Parish Council to Persons Affiliated with the then Mayor.-published March 2015.

Once an Investigation Report is submitted by the Contractor General, to the Houses of Parliament, the Speaker of the House of Representatives, and the President of the Senate, are thereupon, obliged, by Section 28(3) of the Act, to table the Reports in each House "as soon as possible".

Pursuant to Section 28(4) of the Act, and in the public's interest, the complete contents of the aforementioned two (2) Reports were also uploaded to the OCG's website, upon the respective tabling of each, for public viewing. The reports are currently available for viewing or download from the OCG's website at <http://www.ocg.gov.jm>.

It is to be noted that during the reporting period, in addition to the two (2) Investigation Reports which were completed and published, the Special Investigations Division conducted investigations into a total of thirty-nine (39) other matters that were either brought forward or commenced in 2015. Of the thirty-nine (39) Investigations which were ongoing in 2015, twenty (20) commenced in 2015. In addition, three (3) investigations were placed on hold, pending judgement by the courts.

Additionally, formal Referrals have been made by the OCG, regarding the offending Public Officers, to the appropriate State Authorities for the requisite action(s) to be taken by them in keeping with the requirements of Section 21 of the Act. During the reporting period, a total of five (5) Referrals were made to the respective State Authorities, for their independent determinations to be undertaken, based upon the findings of irregularities and impropriety, and in consideration of the recommendations and conclusions made in the OCG's Investigation Reports.

COMMUNICATION OF PROCUREMENT RELATED CONCERNS BY THE OCG TO PUBLIC BODIES

In relation to the captioned, once matters of concern arise in relation to any stage of a procurement process, the Office communicates the concern to the offending public body. Over the years, the Office during its monitoring, has identified multiple instances of deviation from the GOJ procurement procedural guidelines and in all cases, communicated same to the respective public bodies and made recommendations regarding corrective action to be taken.

PUBLIC BODIES' NON-ADHERENCE TO GOJ PROCUREMENT PROCEDURES

As obtained in previous years, the OCG, in 2015, also observed that some public entities continued to either disregard or are ignorant of the GOJ procurement stipulations. The major procurement related concerns for the OCG were as follows:

1. The failure of Public Bodies to establish Procurement and Evaluation Committees;
2. The failure of Public Bodies to prepare contract documents;
3. The failure of Public Bodies to ensure effective Procurement Planning; and
4. Non-disclosure of conflict of interest.

In relation to the matter of conflict of interest and the failure of some public officers and officials to disclose same, the OCG has observed that this phenomenon continues to be a major public procurement related irregularity. As a result, the OCG hereby reminds public officers and officials to recuse themselves from decision making processes which involve the award of GOJ contracts in scenarios which pose potential or actual conflicts of interest, particularly where there is the slightest hint and/or suggestion of nepotism, whether real or perceived.

OCG 2015 ANTI-CORRUPTION EDUCATIONAL PROGRAMMES

Having regard to Jamaica's Vision 2030, and the need for galvanising our collective efforts for the attainment of "Effective Governance", the OCG during the year 2015, had embarked on a number of anti-corruption outreach activities.

In 2015, the OCG successfully executed the Inaugural Fraud and Anti-Corruption Conference, which was a three (3) day event held between the 9th and the 11th of March, 2015, in partnership with the Canadian High Commission (Jamaica), the British High Commission (Jamaica), the United States Agency for International Development (USAID), the European Union (Jamaica), the United Nations Development Programme (UNDP), the Inter-American Development Bank (IDB) and National Integrity Action (NIA).

The Conference was convened under the Theme: "**Confronting Corruption: Empowering a Generation, Transforming a Nation**".

The Conference included a number of local, regional and international Speakers and Presenters, who presented on varying themes including:

- Ms. Renee Cummings, Criminologist/Criminal Psychologist - Theme: "Children, Crime & Corruption – A Case Study in Trinidad & Tobago";
- Ms. Catherine Trujillo, Acting Deputy Inspector General, U.S Agency For International Development – Office of Inspector General - Theme: "Independent Oversight Authorities – Combatting Fraud, Waste & Abuse. Is it Possible?";
- Dr. Omar E. Hawthorne, Lecturer, Department of Government, University of the West Indies, Mona – Theme: "Infawma fi dead" culture: A Case Study of Protection for Whistleblowers in Jamaica";
- Mr. David Green, CB, QC, Director, Serious Fraud Office, London – Theme: "Problems around the Investigation and Prosecution of Corruption Cases."

The OCG was heartened for the successful participation which its Inaugural Conference achieved. In particular, Day 1, Session 1 of the Conference was primarily geared toward the youth. In this regard, two hundred and thirty-five (235) students and teachers, from one hundred and seven (107) schools from across the island, were in attendance.

The Official Opening Ceremony, which was held in the afternoon of Day 1 of the Conference included the participation of approximately one hundred and forty-two (142) Local and International Officials, delegates and stakeholders. Days 2 and 3 of the Conference was again well supported with approximately four hundred (400) participants.

In addition to the OCG's effort to ensure that the Office contributes to the realization of VISION 2030, Jamaica is a Signatory to, and ratified the 'United Nations Convention Against Corruption' (UNCAC) on the 16th September 2005 and 5th March 2008, respectively.

In recognition of the obligations under the UNCAC, the OCG convened the Conference in light of the following objectives:

1. *To effectively address and deliver upon Jamaica's obligations under the United Nations Convention Against Corruption (UNCAC) and more specifically, Articles 60, 61 and 62.*
2. *To provide a unique opportunity for stakeholders to utilise this platform to facilitate greater levels of inter-agency coordination.*

3. *To foster an effective exchange of ideas through open and candid discussions on issues concerning integrity, law enforcement and Jamaica's obligations under regional and international Laws and Conventions.*
4. *To sensitise our youth to issues concerning corruption and the impact of fraud.*
5. *To officially launch an Essay and Poster Competition aimed at students in partnership with the National Integrity Action (NIA).*
6. *To promote cooperation and to stimulate critical discussions amongst all relevant stakeholders, inclusive of local, regional and international practitioners, members of civil society, the private sector and the media, as appropriate.*

With reference to UNCAC, detailed, hereunder, are the relevant extracts from the Convention:

Article 60 – Training and technical assistance

1. *Each State Party shall, to the extent necessary, initiate, develop or improve specific training programmes for its personnel responsible for preventing and combating corruption. Such training programmes could deal, inter alia, with the following areas:*
 - a) *Effective measures to prevent, detect, investigate, punish and control corruption, including the use of evidence – gathering and investigative methods;*
 - b) *Building capacity in the development and planning of strategic anti-corruption policy;*
 - c) *Evaluation and strengthening of institutions, public service management and the management of public finances, including public procurement, and the private sector;*

Article 60 (2), (3), (4) are also relevant. Citing:

2. State Parties shall, according to their capacity, consider affording one another the widest measure of technical assistance, especially for the benefit of developing countries, in their respective plans and programmes to combat corruption, including material support and training in the areas referred to in paragraph 1 of this article, and training and assistance and the mutual exchange of relevant experience and specialized knowledge, which will facilitate international cooperation between State Parties in the areas of extradition and mutual legal assistance.
3. State Parties shall strengthen, to the extent necessary, efforts to maximize operational and training activities in international and regional organizations and in the frameworks of relevant bilateral and multilateral agreements or arrangements.
4. State Parties shall consider assisting one another, upon request, in conducting evaluations, studies and research relating to the types, causes, effects and costs of corruption in their respective countries, with a view to developing, with the participation of competent authorities and society, strategies and action plans to combat corruption.

Further, *Article 61 – 'Collection, exchange and analysis of information on corruption'* and *Article 62 – 'Other measures: implementation of the Convention through economic development and technical assistance'* are fundamental principles and practices to be embraced, considered by all and acted upon for the benefit of our citizens and country.

Poster and Essay Competition

In recognition of these factors, Transparency International also recognizes that:

“Engaging youth is essential for success in curbing corruption; youth represent a significant portion of the population (especially in developing countries) and are generally more open to social change and political transformation, since they may have less interest in maintaining the status quo.”

The Essay and Poster Competition, was envisioned, to give students an opportunity to express their views and make recommendations in relation to the fight against corruption and, it is anticipated that this will stimulate thought and become a much needed catalyst for change amongst the youth.

INTERNATIONAL ANTI-CORRUPTION DAY, 2015: BACKGROUND

Jamaica has consistently ranked poorly on the Corruption Perception Index (CPI), which is published by Transparency International annually, with the consistent score of 38 and a rank of between 83 and 85 out of between 175 and 177 countries over the last three (3) years. The score obtained indicates the perceived level of public sector corruption on a scale of 0 to 100, where 0 relates to a high level of corruption and a score of 100, which indicates no corruption. A country's rank indicates its position in relation to the other countries indicated in the Index.

CPI scores associated with Jamaica have been decried over the years by local interests and steps have been taken to reduce the level and perception of corruption locally. However, the OCG, recognising that there is no one entity or effort which can effectively impact the 'squeeze' of corruption on the nation, considered the available options, with a view to not just sensitising the public to the matter of corruption but also to reach the youth who will someday be the adult generation and leaders of this country and thus, hopefully be the generation of change.

Similarly, engagement of the youth in recognition of International Anti-Corruption Day 2015, was seen as a necessary endeavour in keeping with the OCG's youth-centric thrust.

INTERNATIONAL ANTI-CORRUPTION DAY (IACD) 2015

International Anti-Corruption Day is an annual joint international campaign, which is spearheaded by the United Nations Office on Drugs and Crime (UNODC).

In 2015, International Anti-Corruption Day (IADC) 2015 was celebrated on Wednesday, the 9th of December. In recognition of the significance of the day, which was celebrated under the Theme: *“Break the Corruption Chain”*, the OCG, with its unwavering quest of engaging the youth in the fight against corruption, partnered with the UNDP and several local and international stakeholders executed several youth-based activities prior to, and on IACD.

Activities Executed

In particular, and in an effort to engage the youth and raise awareness amongst them regarding the mandate of the OCG and the overall relevance of corruption and anti-corruption related issues, the OCG participated in several youth assemblies in Kingston and St. Andrew. The Office's participation in the assemblies involved the distribution of OCG pamphlets and the display of the framed artwork for the first to third placed awardees in the OCG's Poster Competition. The OCG team also made presentations to students on the value systems touching and concerning honesty and dishonesty, and the role of the youth in combating corruption.

As it relates to the wider populace, the Contractor General, the UNDP's Country Representative and several local stakeholders, participated in several media interviews on issues of corruption and the perceptions thereof. In addition, three (3) Billboards were launched on the 9th of December, two (2) in Kingston and the other in Montego Bay. During the launch, remarks were delivered by the OCG, the Major Organised Crime and Anti-Corruption Agency (MOCA), the Ministry of Justice (MoJ), the Planning Institute of Jamaica (PIOJ) and the United Nations Development Programme (UNDP). Subsequently two (2) youth fora were held, one (1) in the Kingston and St. Andrew Metropolitan area, and the other in Montego Bay, St. James. The objectives of the youth fora were as follows:

1. To identify and discuss corrupt practices within different segments of our society and the links which form the chain of corruption;
2. To identify the relationship between gender and corruption; and
3. To discuss appropriate measures that can be taken by the youth to reduce their vulnerability to corrupt practices within our society.

In addition to these activities, the OCG attended and participated in a number of regional and international anti-corruption activities which were held in 2015. Of note, in my capacity as the Contractor General of Jamaica, I attended and presented at the Commonwealth Caribbean Association of Integrity Commissions and Anti-Corruption Bodies Conference that was held in Grenada from 22 – 26 June, 2015. Subsequently, the OCG was also represented at the Global Conference on Anti-Corruption Reform in Small Island States, which was held in Mauritius from August 17 – 21, 2015. A presentation entitled "*The Role of the Contractor-General's Office to prevent and combat corruption*" was made by the OCG at the referenced Conference.

TRANSPARENCY INTERNATIONAL 2015 REPORT

Jamaica's 2015 ranking on the TI Corruption Perceptions Index indicated that Jamaica progressed by 16 places higher than it did in 2014. The report ranked the island 69th of 168 countries in the ranking. Having regard to the favourable ranking, Jamaica was said to be moving in the right direction in the fight against corruption. The National Integrity Action (NIA) also praised the results, saying that it will be an encouragement to investment and job creation, as well as increasing public confidence in anti-corruption efforts. On a point of caution, the NIA "*warned that to continue tackling corruption will require the continued strengthening of law enforcement, and the tackling of social attitudes that tolerate corruption.*" It was also acknowledged by the Jamaica Observer on January 27, 2016 that "*a recent NIA-commissioned poll showed that only 5% of Jamaicans felt that the government was effectively leading the fight against corruption.*"

CONCLUDING REMARKS

The OCG remains cognizant of the important mandate of the Office and recommits itself to the task of ensuring probity in the public procurement process. The Office is also aware of the importance of ensuring that the objectives of Jamaica Vision 2030 are realized. In this regard, the OCG will continue to endeavour that its role in public governance is executed without fear or favour.

Based on the OCG's adverse findings which have emanated from the procurement of goods and services by Public Bodies, the OCG finds it prudent to recommend that Public Bodies should demonstrate greater care in the management of public assets and the divestment thereof in instances where required. The OCG is also concerned about the continued occurrences of Contract Variations, Time and Cost Overruns being incurred on projects. As indicated in previous publications, while such occurrences are not indicative of corruption, these practices can significantly worsen the country's economic debt burden and result in overall economic imprudence.

Another grave concern for the OCG is the repeated incidents of conflicts of interest in the award and execution of government contracts. Having regard to this issue, the OCG uses this opportunity to remind public bodies of the importance of Section 36 of the Regulations governing the Contractor General Act. The referenced section states as follows:

“36. (1) it is the duty of any It is the duty of any public officer directly or indirectly involved with the procurement process and particularly in the preparation of bidding documents, evaluation, contract negotiations and contract management and payments to-(a) declare to the head of his entity or chairman of the entity's procurement committee any potential conflict of interest in relation to a proposed Government contract;(b) declare to the head or chairman, any relationship with a bidder, supplier, contractor or consultant and refrain from taking part in either the decision making process or the implementation of any prospective Government contract where such a relationship exists.(2) Every personal relationship shall be disclosed in writing or, if in a meeting orally and then minuted, and any person who has made such a disclosure of personal relationship shall not sit in any meeting while deliberations on the subject matter are being conducted.(3) A prospective contractor with potential or actual conflict of interest in relation to goods, works or services under a proposed Government contract shall be ineligible to bid or to submit any proposal.(4) A conflict of interest exists in the case of a firm previously hired by the Government to provide related services for any project design, preparation or implementation; and that firm and all its affiliates shall be ineligible to provide goods, works or services for any contract which relates in whole or in part to those earlier services provided by it to the Government.(5) In this regulation, a "personal relationship" means consanguinity or affinity up to the third civil degree.

As it regards the fight against corruption, no one entity can rightfully claim ownership or birthright or present itself as having the panacea to combating corruption. In our quest for the attainment of probity, accountability and transparency in our nation's governance affairs, collaboration is fundamental, there is no one-size-fits-all in anti-corruption legislation and institutional arrangements. There is no omnipotent institution or agency which can eradicate corruption without the participation and contribution of all stakeholders. In reflection of the adverse effects of corruption, the UNDC reminds us that:

“Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life, and allows organized crime, terrorism and other threats to human security to flourish.”¹

While we reflect on the number problems confronting our society and the fact that the state needs to be more responsive to the challenges confronting us, it is simultaneously incumbent on all of us to ensure that we play our part in the advancement of Jamaica. The state alone cannot solve society's numerous problems or provide the remedies for all governance deficits. A meaningful democracy must strengthen civic voices, demonstrate effective and responsive governance systems and promote the interest of all its citizens. I, therefore urge all of us to make the necessary contribution in order to ensure that Jamaica becomes a prosperous democracy where its citizenry can live harmoniously.

Let us be grateful to God, for the past year's achievements and may He continue to give every one of us the strength and courage that we need to address the challenges confronting Jamaica and may we be inspired to give our energy and time required to make Jamaica a place of choice to live and raise our families.

Dirk Harrison
Contractor General of Jamaica

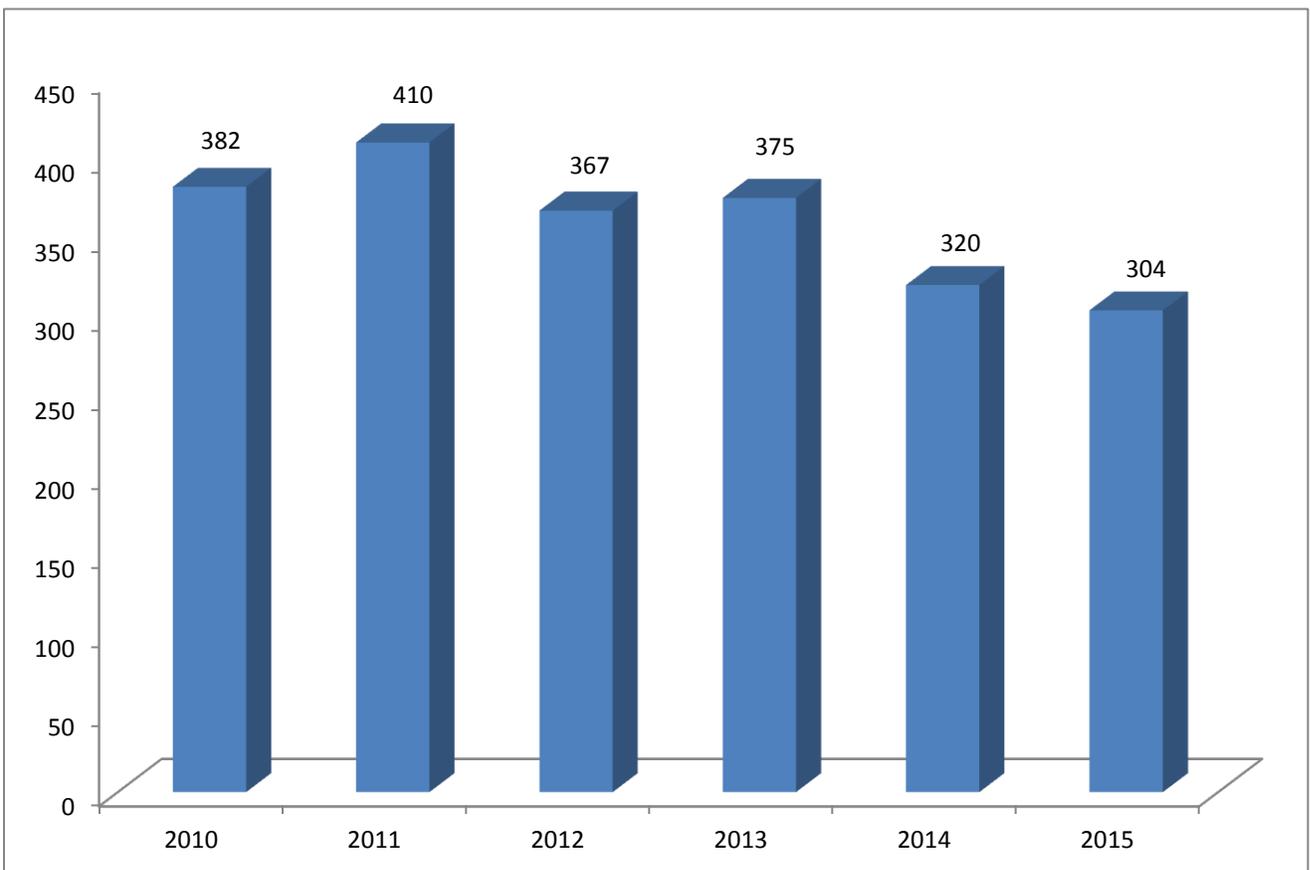
¹ UNDC, 2013

MONITORING OF CONSTRUCTION CONTRACTS

The Office of the Contractor General (OCG), through its Construction Contracts Division, monitored the Pre and Post Contract phases of three hundred and four (304) contracts within the calendar year 2015. This translates to a 5.0% decrease in the number of construction contracts that were monitored when compared with the preceding year, when the OCG monitored three hundred and twenty (320) contracts.

The number of works contracts that were endorsed by the National Contracts Commission (NCC) during the reporting year amounted to one hundred and forty five (145), which had a total value of J\$9,139,132,963.00. Of these contracts, seventy-four (74) came under the scrutiny of the OCG's Construction Contracts Division.

Chart 1: Number of Construction Contracts Monitored 2010 - 2015



CONTRACTING UNDER EMERGENCY CIRCUMSTANCES

In its effort to be enlightened about the Emergency Contracting procurement procedures that were utilised by certain Public Bodies in 2015, the OCG requisitioned the following Institutions:

- Petrojam Limited;
- National Water Commission;
- National Solid Waste Management Authority;
- Ministry of National Security;

- The National Housing Trust;
- National Works Agency;
- The Ministry of Local Government and Community Development (and by extension, all Parish Councils/KSAC);
- Ministry of Transport, and Mining; and
- Ministry of Industry, Commerce, Agriculture and Fisheries

The Public Bodies were requested to provide the OCG with information with respect to contracts which were awarded utilising the “*Contracting under Emergency Circumstances Procurement Procedure*”, during the period January 1, 2015 to December 31, 2015.

Further to this, the Public Bodies were asked to submit the following information on a spreadsheet that was provided by the OCG:

1) Name of Contractor; 2) Description and Location of Works; 3) Engineer’s Estimate; 4) Justification for use of Emergency Contracting Procedure; 5) Contract Award Date; 6) Project Start Date; 7) Project Scheduled Completion Date; 8) Project Completion Date; 9) Original Contract Sum; 10) Final Contract Sum; 11) Variation Sum; 12) Expenditure to Date; 13) Justification for Variation; and 14) Remarks.

Detailed hereunder, are particulars of the responses obtained from the Public Bodies.

Table A: Public Bodies’ Response to Contracting Under Emergency Circumstances – 2015

Public Body	Comparable Estimate	Original Contract Sum	Final Contract Sum	OCG Comments
	J\$	J\$	J\$	
Petrojam	259.7M	254.3M	253.5M	The data presented for the period under review has shown diverse works being done inclusive of Consultancy, equipment rental, manual labour, structural and electrical and mechanical works.
National Water Commission (NWC)	19.2M	58.7M	58.7M	The data presented for the period under review has shown that the contracts awarded were mainly civil works related. The value of the Comparable/Engineer’s Estimates for eight of the ten items was not submitted hence the disparity in cost reflected in the Comparable Estimate and Final Contract Sum
National Solid Waste Management Authority (NSWMA)	0.00	463.8M	432.4M	The data represents information for the National Solid Waste Management Authority, WPM Waste Management Ltd., and MPM Waste Management Ltd. It was reported that there were no contract awards for the NEPM Waste Management Ltd. and SPM Waste Management Ltd. The contracts awarded were for the use of heavy duty equipment and haulage. No Comparable Estimate was submitted.
Ministry of National Security	0.00	61.90M	61.7M	A review of the data has shown that the projects reported were construction and electrical works. No Comparable Estimate was submitted.
National Housing Trust	94.0M	93.9M	85.6M	A review of the data has shown that the projects reported were Civil Engineering, Building and Software related works.

Public Body	Comparable Estimate	Original Contract Sum	Final Contract Sum	OCG Comments
	J\$	J\$	J\$	
National Works Agency (NWA)	58.6M	52.3M	48.6M	The data presented has shown that the majority of works carried out were civil works related.
Ministry of Local Government and Community Development	5.6M	2.90M	4.3M	The Ministry and seven (7) Local Authorities, namely: St. Ann, St. Thomas, Manchester, Trelawny, Hanover, Westmoreland Clarendon and Portland Parish Councils, have indicated that no contracts were awarded. The Portmore Municipal Council was granted an extension due to extenuating circumstances. The data represents works by the Portland Parish Council, The KSAC, St. Elizabeth; St. Mary; St. James, and St. Catherine, Parish Councils, did not submit a report.
Ministry of Transport and Mining	0.7M	0.7M	0.7M	The data presented for the period under review has shown that the contracts awarded were for fabrication works.
Ministry of Industry , Commerce, Agriculture and Fisheries	2.3M	2.72M	2.54M	The data represents minor construction works to facilities under the Ministry's purview.

Data submitted by the Public Bodies indicated a sum of approximately J\$511 million was either expended or awarded for contracts to carry out emergency works. At the time of submission to the OCG, the data indicated that a significant amount of the works undertaken was related to building construction, civil works or for services rendered, including the hireage of equipment.

Variations and Cost Overruns

The GoJ Handbook of Public Sector Procurement Procedures defines a cost overrun as, “...an increase in the contract sum resulting from escalation in the price of labour and/ or material” and a variation as “...a change to 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 must be directly related to the specific contract.”

PUBLIC SECTOR CONTRACT COST OVERRUNS, VARIATIONS & ANY OTHER PRICE ADJUSTMENTS (CCOV)

By way of a letter that was dated February 11, 2016, the OCG requisitioned one hundred and ninety-nine (196) Public Bodies of which ninety-four (94) or forty-eight percent (48%) indicated that they did not encounter any cost overruns, variations or any other price adjustments during the 2015 period, with regard to the procurement of good, works and services. During the previous year, 2014, one hundred and ninety-nine (199) Public Bodies were requisitioned and, of these, ninety-nine (98) or 49% specified that their procurement of goods, works and services did not yield any cost overruns or variations. This represents a slight decrease of one percent (1%) in entities that reported the non-occurrence of cost overruns and variations.

This marks the second period wherein Public Bodies have been asked to submit figures representing the amounts spent on Any Other Price Adjustments for procurement activities, in addition to that which was spent on Cost Overruns and Variations. This requirement was instituted in an effort to capture and record, in a more fulsome way, all the additional costs being incurred by Public Bodies during the procurement processes.

The information requested was relevant to all projects of value greater than J\$500,000.00, for which monetary disbursements for Cost Overruns, Variations and/or Any Other Price Adjustments were made during the calendar year 2015, irrespective of the date of contract award. In this regard, the CCOV data which was submitted by the Public Bodies indicated that the combined goods, works and services contracts valued approximately J\$22.04 billion from which emanated cost overruns, variations and any other price adjustments of approximately J\$998.0 million, J\$2.75 billion and J\$126.4 million, respectively.

The results of the submissions are as follows:

Table B: Contract Cost Overruns and Variations (CCOV)

Type of Contract	Total Contract Value (J\$)	Total Value Cost Overrun (J\$)	Total Value Variation (J\$)	Total Value Any Other Price Adjustments (J\$)	% Cost Overrun	% Variation	% Any Other Price Adjustments (J\$)
Goods	6.02B	0.23M	608.3M	42.94M	0.00	10.11	0.71
Works	11.04B	727.30M	1.20B	62.50M	6.59	10.86	0.57
Services	4.98B	261.01M	939.83M	20.95M	5.43	18.86	0.42
Total: Goods/Works /Services	22.04B	997.82M	2.75B				

Of the Goods, Works and Services contracts awarded, works contracts represent the highest value of approximately J\$11.04B or 50.1%, goods, J\$6.02B or 27.3% and services J\$4.98B or 22.6%.

The data also shows that the procurement of Works with 6.59% as having the highest percentage of cost overruns followed by Services with 5.43%. The data further indicated that Services contracts had the highest variations, with approximately 18.86%, followed by Works, then Goods with 10.86% and 10.11% respectively. The percentage for Any other Price Adjustment for the Goods contracts is the highest with 0.71%.

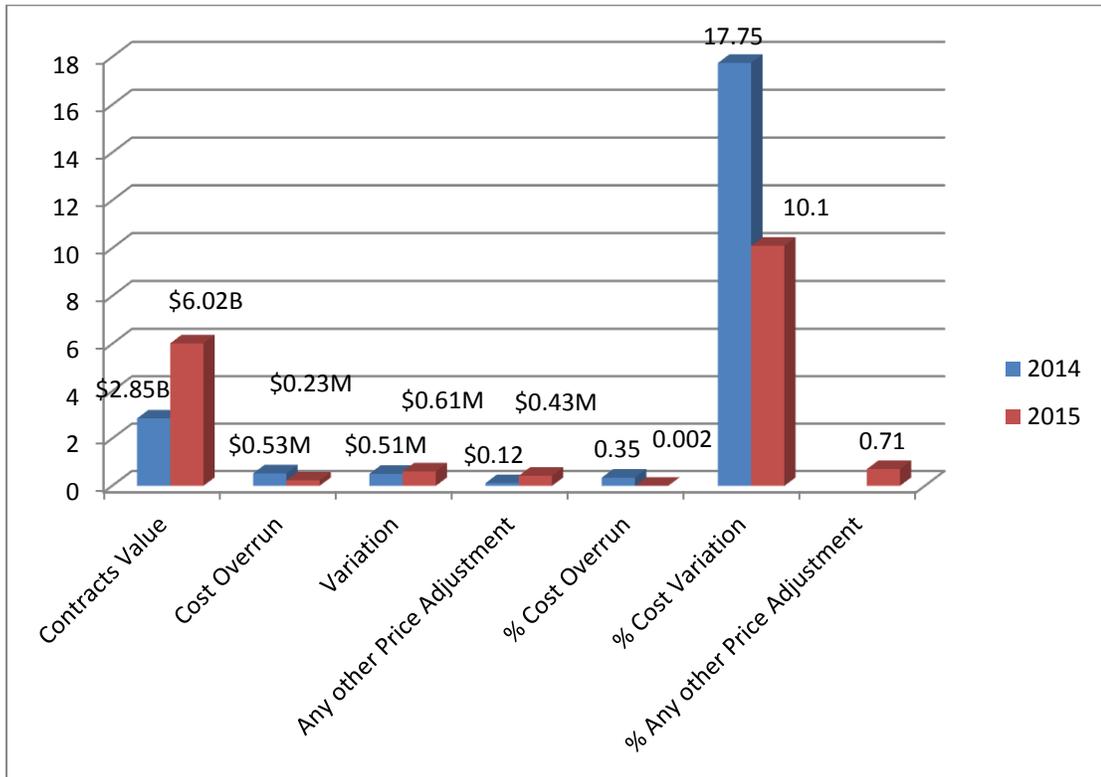
CCOV FOR GOODS, WORKS AND SERVICES EXCEEDING J\$5 MILLION

The CCOV data for the procurement of goods, works and services exceeding J\$5 million was reviewed and tabulated. The table below indicates that the total variations for all categories (Goods, Works and Services) were significantly higher than that of the total cost overruns.

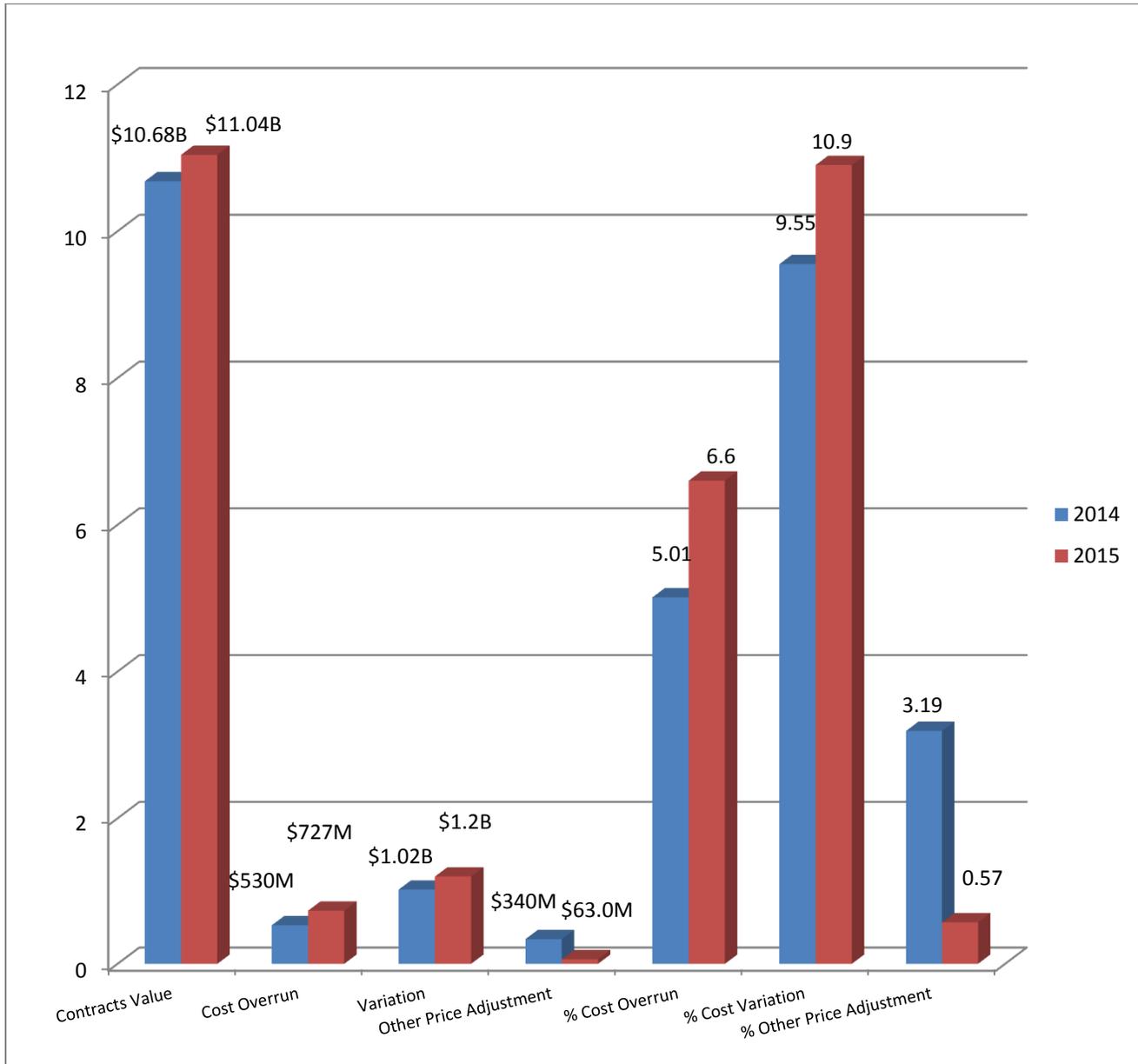
Table C: CCOV Goods, Works and Services exceeding J\$5 Million

Procurement Threshold	Goods			Works			Services		
	J\$5M to J\$14.99M	J\$15M to J\$39.99M	J\$40M and above	J\$5M to J\$14.99M	J\$15M to J\$39.99M	J\$40M and above	J\$5M to J\$14.99M	J\$15 to J\$39.99M	J\$40M and above
Total Contract Value	162.04M	412.3M	5.34B	571.82M	589.8B	8.98B	775.23M	784.12M	3.26B
Cost Overrun	0.00M	65.20M	0.00M	14.00M	25.23M	681.77M	58.50M	46.04M	163.50M
Variation	89.02M	1.58M	443.99M	79.53M	102.72M	943.75M	96.12M	141.80M	658.89M
Any Other Price Adjustments	0.00	1.58M	42.07	1.27M	0.49M	51.62M	13.12M	4.40M	1.13M

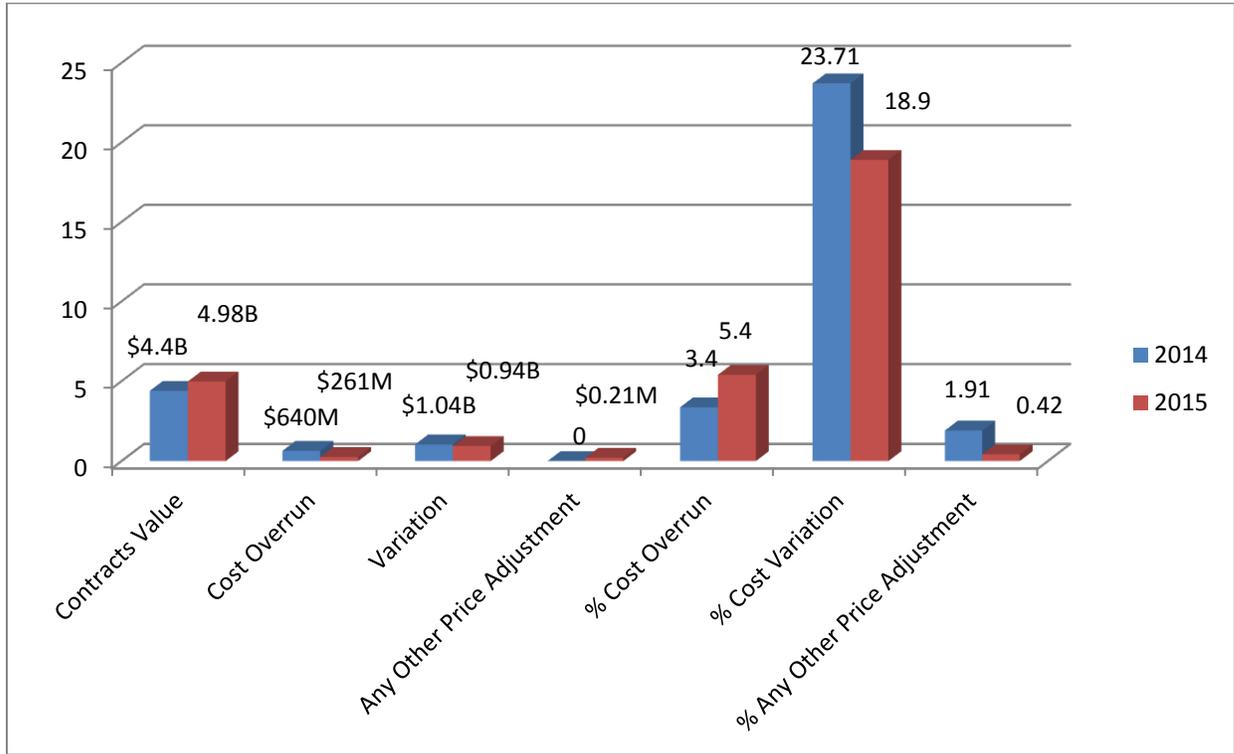
Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Goods Contracts



Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Works Contracts



Comparison of CCOV between the years 2014 and 2015 for Public Bodies for Services Contracts



Comparison of CCOV for Public Bodies with Works Contracts Exceeding J\$100 Million

The Works CCOV was selected for analysis as it was observed that it represented 50.1% of the total value of contracts which were awarded. See Table D below.

Table D: CCOV Public Bodies with Works Contracts over J\$100M

Public Body	Total Contract Value (J\$)	Total Cost Overrun (J\$)	Total Variation (J\$)	Any other Price Adjustments	% Cost Overrun	% Variation	% Any other Price Adjustments
Sports Development Foundation	168.65M	0.00	4.02M	0.00	0.00	2.38	0.00
National Works Agency	440.3M	88.70M	435.0M	0.00	21.13	98.81	0.00
National Housing Trust	3.90B	152.80M	0.00	11.700M	3.9	0.0	0.30
Housing Agency of Jamaica Ltd	390.04M	50.37M	33.10M	126.40M	28.57	7.15	23.36
Port Authority of Jamaica	129.06M	1.40M	4.91M	0.00	1.08	3.80	0.00
University of Technology	1.22B	12.42M	120.29M	17.29M	1.0	9.9	1.41
Petrojam Limited	700.8.M	0.00M	22.95M	0.00	0.00	3.27	0.00
Ministry of Science, Energy, and Technology	361.3M	0.00	13.09M	0.00	0.00	3.62	0.00
Ministry of Health	410.77M	0.00	38.17M	(0.71M)	0.00	9.29	0.00
Ministry of Transport, Works & Housing	152.0M	0.00	(0.54M)	0.00	0.00	0.00	0.00

Table E represents the impact of variations and cost overruns on contract sums for five (5) randomly chosen Government contracts.

Table E: Selected Cases- Impact of variations and cost overruns

Contracts Variations and Cost Overruns									
Public Body / Entity	Name of Project	Contract Award Date	Contract Sum	Contract Duration (Months)	Contract Start Date	Scheduled Completion Date	Completion Date	Time Overrun (Months)	Variation / Cost Overrun
Ministry of Transport, Works and Housing / NWA PPCM-25052	TIRP - Scott's Cove to Belmont, Westmoreland	2011-10-04	J\$ \$279.09 M	6	2011-11-14	2012-05-30	2015-09-30	40	J\$346.42 M
National Housing Trust (NHT) / Office of the Prime Minister PPCM-18341	Renovation Works for the Jamaica Constabulary Force (JCF), 45 East Queen Street	2014-05-09	J\$178.12M	16	2014-06-02	2015-08-30	Ongoing	4	J\$2.63M
Ministry of Transport Works and Housing /Aeronautical Telecommunications Limited PPCM-24902	The Supply and Installation of a 190ft. Self Supporting Tower and the Disassemble of a 190ft Guyed Tower at Kemshot, St. James.	2015-01-20	J\$ 38.80 M	6	2015-01-20	2015-06-24	Ongoing	6	J\$4.92M
Ministry of Youth and Culture / Ministry of Youth and Culture - Youth Development Programme PPCM-4401	Construction of Youth Information Centre and National Youth Service Training Centre, 42 Young Street, Spanish Town	2012-01-19	J\$70.80 M	12	2012-02-20	2013-01-30	2015-06-19	28	J\$18.88 M

Contract Performance Monitoring

The primary purpose of monitoring contract performance is to continuously review the planned, on-going or periodic activities of contracts. This facilitates the measurement and management of the Contractors and Entities' compliance in relation to the terms and conditions outlined in the contract, and serves to allow the OCG to determine whether the required results are being achieved.

Table F below illustrates selected contracts that were monitored.

Table F: Selected Cases - Contract Performance Monitoring

Contract Performance Monitoring				
Contract Award Date	Ministry/Entity	Name of Project/ Contractor	Tender Method & Contract Value (J\$)	Remarks
2011-10-04 PPCM-25052	Ministry of Transport, Works and Housing / NWA	TIRP - Scott's Cove to Belmont, Westmoreland Asphaltic Concrete Enterprise Limited	International Competitive Bidding \$ 279,092,105.05	At the end of the 2014 reporting period, the project was 50% complete and behind schedule due to the additional NWC Pipeline Replacement Works along the corridor, alongside the rescoping of the works from 13.69 km to 16.5 km to include drainage works and asphalt repaving. The re-scoped works resulted in a Variation Order, in the amount of J\$346,422,497.00, which was approved by the Cabinet. Consequently, the Contract Sum was revised to J\$625,514,602.05, with an extended completion date of February 2015. Over the 2015 period the works continued to progress slowly due to the referenced pipeline replacement works and timely payment to the Contractor. A further Extension of Time to September 30, 2015 was requested by the Contractor. Upon conclusion of the discussions with the IDB an agreement in principle was reached with the contractor for an extension of time up to September 30, 2015, with payment of preliminaries up to August 31, 2015. The works were completed by September 30, 2015.

Contract Performance Monitoring				
Contract Award Date	Ministry/Entity	Name of Project/ Contractor	Tender Method & Contract Value (J\$)	Remarks
2013-06-14 PPCM-10692	Ministry of Health /University Hospital of the West Indies (UHWI)	Extension & Renovation of Physiotherapy Department UHWI Share Con Construction Limited	Local Competitive Bidding \$ 93,699,122.56	At the end of the 2014 reporting period, the University Hospital of the West Indies (UHWI) reported, <i>inter alia</i> , that, the project was delayed as a result of late payment for Certificates; it was further indicated that the UHWI was experiencing cash flow difficulties which negatively impacted its ability to honour its obligations to its Suppliers, Service Providers, and Contractors, on a timely basis. The UHWI, during a meeting between the contracting parties, agreed to settle all outstanding payments by the end of December 2014, and that all future payments would be made within Thirty (30) days of receipt of a Payment Certificate. At this juncture the project was 75% complete and significantly behind schedule. During the 2015 period the OCG by way of site meetings, visited and reviewed documentation from the UHWI, acknowledging that the Contractor had financial constraints which significantly contributed to the inconsistent performance in most trades and, consequently, important timelines and milestones were not met as per schedule.
2014-12-18 PPCM-25002	Ministry of Transport, Works and Housing	Construction of Shared-Use Path Phase 2 – Negril Share Con Construction Limited	Local Competitive Bidding \$150,319,386.98	The project, subsequent to commencement, progressed in a sporadic manner. The OCG requested of the NWA justification for same and was informed, <i>inter alia</i> that, “Delays are due in part to: Rainy weather conditions; Relocation of NWC water lines; ATI/Dream weekend parties; The reluctance of property owners for us to move unto the property (the workers are also threatened)” The referenced Report further stated that, “Notwithstanding the above, the Contractor has contributed to delays; however, delays assignable to the Employer make it difficult to enforce against the Contractor.” schedule, The Contractor submitted an Extension of Time (E.O.T) Claim of six (6) weeks to have the works completed by October 12, 2015, and was granted an extension of time of forty-two (2) calendar days without additional preliminaries ,therefore revising the completion date to September 28, 2015. The Contractor was granted a further extension of time to December 9, 2015, when the project was reported as being completed and the works were taken over.

Contract Performance Monitoring				
Contract Award Date	Ministry/Entity	Name of Project/ Contractor	Tender Method & Contract Value (J\$)	Remarks
2013-01-16 GCM-7062	Ministry of Agriculture and Fisheries - Sugar Transformation Unit	Barracks Relocation Project: Hampton Court (Golden Grove) Infrastructure Development Works Pavements & Structures Company Limited	Local Competitive Bidding \$147,406,614.00	At the end of the 2014 reporting period, the project was at 85% complete and approximately fifteen (15) months behind the schedule completion date of December 20, 2013. Documents received by the OCG indicated that delays were experienced as a result of: Sewer main and storm water drain re-design; delays in Payment to the Contractor; and Inclement weather. During 2015, the referenced issues continued to adversely affect the progress of works .The Project was awarded Practical Completion on February 28, 2015.
2015-06-02 GCM-24632	Ministry of Agriculture and Fisheries - Sugar Transformation Unit	National Cane Roads Rehabilitation Project, Phase 2: Moneymusk, Clarendon (Package 6) Build-Rite Construction Company Limited	Local Competitive Bidding \$ 70,061,472.20	Subsequent to commencement of the works, it was discovered that one of the roads identified and shown to the Contractor and STU Representatives by the Harvesting Committee and a Representative on site was incorrect. Further investigation revealed that the road was a private road and not a National Cane Road nor a Parochial Road. Prior to the discovery, the Contractor had completed a significant amount of work on the referenced road before being instructed to cease working and mobilize on the correct roadway. Additionally, the surfaces of the correct roads were upgraded to withstanding the expected water runoff from cane irrigation and rainfall. These changes along with works done on the private road resulted in a net variation of \$8,535,068.00.

Contract Performance Monitoring				
Contract Award Date	Ministry/Entity	Name of Project/ Contractor	Tender Method & Contract Value (J\$)	Remarks
<p>2014-06-19</p> <p>PPCM-24992</p>	<p>Ministry of Transport, Works and Housing / National Works Agency (NWA)</p>	<p>OFID/GOJ Rural Roads Rehabilitation Project, Phase II - Sour Sop Turn to Chapelton, Clarendon</p> <p>Asphaltic Concrete Enterprise Ltd & General Paving Company Ltd (OFID Joint Venture)</p>	<p>Local Competitive Bidding</p>	<p>Over the 2014 period the project experienced delays due to: (a) Delay in the signing of contract as the Contractor required additional time to provide the requisite bonds and insurance; and (b) Additional design modifications to ensure that value for money was obtained. During implementation the works progressed slowly due to road alignment challenges experienced by the Contractor which was attributed to faulty survey data and re-scoping of the project by the NWA. A minimal amount of work was done over the period between commencement of the works and December 2014. Over the 2015 period the progress of the project was impacted by defective NWC pipelines along sections of the route which required replacement. Consequently, the NWA indicated that a Memorandum of Understanding (MOU) would be signed between the NWA and the NWC for the execution of the pipeline works. On July 15, 2015, the MOU was signed between the NWA and the NWC in the amount of J\$215,000,000.00. The pipeline works comprised specified type and sized pipes along with all appurtenances. Additionally, the pipeline works commenced in September 2015. Several Variation Orders (V.O.) were approved by the NWA which were attributed to the "Realignment of funds due to changes in the scope of works which resulted in a reduction in the concrete works and an increase in earthworks and fluctuations due to changes in basic prices." As at December 31, 2015, the NWA reported that the Contractor had submitted an Extension of Time Claim for the delays experienced and further that it was being reviewed.</p>
<p>2014-06-30</p> <p>GCM-20201</p>	<p>Ministry of Agriculture and Fisheries</p>	<p>Supply and Installation of Pumps and Pump Houses at Ebony Park and Spring Plain Agro Parks</p> <p>Champion Industrial Equipment & Supplies Limited</p>	<p>Local Competitive Bidding</p> <p>\$79,182,602.53</p>	<p>Subsequent to installation and testing of the pump there were significant changes in the scope of works and the resulting variation of \$11,543,188.91 or 15.83% which increased the initial contract sum, from \$72,906,132.93 to \$84,449,321.84. Additionally, electrical works were on-going for the Motor Control Center Building.</p>

Notwithstanding the significant number of contracts that have been identified with deficiencies in the post-contract performance by the Entities, Consultants or Contractors, projects have been identified where the post-contract activities were executed in a diligent and expeditious manner by the respective professionals.

Table G below reflects selected Good Performance Projects.

Table G: Selected Cases - Good Performance Projects

Good Performance Projects						
Public Body/Name of Project	Contractor / Contract Sum (J\$)	Contract Award Date	Contract Start Date	Contract Scheduled Completion Date	Contract Completion Date	Comments
National Works Agency (NWA)/ MIDP - Road Rehabilitation Works - May Pen to Hayes (Mineral Heights Roundabout to Dawkins Pen) Roadway, Clarendon PPCM-25012	S & G Road Surfacing Materials Limited \$238.41M	2015-05-21	2015-07-15	2015-12-15	2015-12-14	Notwithstanding malfunctioning of milling equipment and inconsistent supply of aggregate by its suppliers, the Contractor achieved substantial completion within the scheduled time.
Sports Development Foundation (SDF)/ Reconstruction of Running Track at the G.C. Foster College PPCM-24072	Berlegurger Schaumstoff werk GmbH (BSW) \$168.65 M	2015-01-28	2015-03-02	2015-08-19	2015-08-19	Diligent performance by the Contractor and the project team resulted in the project progressing in a satisfactorily manner notwithstanding issues which affected the flow of the works.
National Works Agency (NWA) /Construction of Box Culvert - AZ Mart Gully, Barbican Way, St. Andrew GCM-21991	Alcar Construction and Haulage Company Limited \$ 12.26M	2015-08-18	2015-08-26	2015-12-23	2015-12-17	The Contractor and project team performed diligently and the project was completed before the scheduled completion date and within budget.
National Works Agency (NWA) /Bridge Construction Works - Latium Bridge GCM-24302	Cemex Jamaica Limited \$22.41M	2015-05-21	2015-07-28	2015-11-28	2015-11-24	The Contractor and project team performed diligently and the project was completed before the scheduled completion date and within budget.
Reconstruction of the Spanish River Bridge Pier, Portland GCM-16581	Chin's Construction Limited \$20.30M	2013-12-19	2014-01-07	2014-03-31	2014-03-27	The Contractor performed diligently and completed the project which incurred two (2) Variations that reduced the contract sum by \$5,000.00.

MAJOR PROJECTS

Design & Construction of Two (2) Air Traffic Control Towers at Norman Manley International Airport and Sangster International Airport

In 2005, the air traffic controllers at the Sangster International Airport (SIA) expressed concern with the extension of the Terminal Building which obscured the view of most of the new gates from the existing Air Traffic Control (ATC) Tower. This issue created a hindrance to the safety feature of the air traffic control operations, thus the controllers sternly recommended the construction of a new ATC Tower.

After the concerns of the controllers surfaced in the local media, the Jamaica Civil Aviation Authority (JCAA) received three (3) unsolicited proposals for the construction of ATC Towers at the Norman Manley International Airport (NMIA) and SIA. After review, the proposal submitted by Intelcan Technosystems Incorporation (Intelcan), a Canadian based Company, was further pursued by the JCAA due to its expertise in "turn key" projects of a similar nature.

Negotiations between Intelcan and the client's representative/Consulting Engineers, EQS Jamaica Limited (EQSJK), produced a final proposal from the Contractor priced at CAD\$19,999,974.00 (excluding GCT). Subsequently, the requisite approvals were obtained and the contract awarded.

At the time of the award of contract, Intelcan had not been registered with the National Contracts Commission (NCC) which is a deviation from the requirements in the then applicable Handbook of Public Sector Procurement Procedures (2008), Sub-section S-2040, Item III, which outlines that *"Contractors should be registered with the National Contracts Commission (NCC) prior to contract award."*

Works at Norman Manley International Airport

After commencement in 2011, the project experienced several significant delays due to, amongst other things, the changing of the sub-contractor during the initial stages of the project, equipment failure and the passage of Hurricane Sandy in 2012. As the construction period surpassed that which was agreed contractually, the Contractor remained unable to bring the project back on track and could not provide sufficient justification for the continued delays.

The Taking Over Certificate for the NMIA Tower was issued on July 10, 2014, approximately two (2) years and four (4) months past the original completion date. Liquidated Damages had not been applied by the JCAA, as per contract, as the Authority believed that it would impede the Contractor's ability to complete the project.

Although a Taking Over Date had been established for the Air Traffic Control (ATC) Tower at the Norman Manley International Airport (NMIA), according to the JCAA in a letter to Intelcan dated March 20, 2015, Intelcan continued finishing work at the site until November 2014 when they departed to Canada with the understanding that certain defects and outstanding items would be addressed by them prior to the start of parallel operations.

In the referenced letter, it was pointed out that during a teleconference between the JCAA and Intelcan which was held on March 4, 2015, it had been brought to the attention of Intelcan that certain items pertaining to the contract agreement that was signed in July 2010, were undelivered or remained unresolved, namely:

- i. Correction to HVAC Systems;
- ii. Equipment for the Contingency Rooms;
- iii. Barco Brite Displays;
- iv. Electronic Flight Strip displays;
- v. Ceilometers for AWOS Systems;
- vi. Parking Areas & Building Services
- vii. Provision of Handicap access to the building
- viii. Power problems at the new towers
- ix. Relocation of Power Transformers
- x. Civil works for the provision of cable/internet service

- xi. Connection of the fire alarm system to NMIAL fire station
- xii. CCTV and access control systems-configuration, commissioning and training

The JCAA ended the letter by stating that, "The defects periods which commenced with the signing of the ToC's in June 2014 and September 2014 have to be re-negotiated because we have not occupied the new control tower buildings as yet and there may be several months before the HVAC and other outstanding items and defects are rectified.

In the first of its weekly updates on the progress made on the outstanding matters for the construction of the air traffic Control Towers, the JCAA by way of letter dated June 23, 2015, advised the OCG that Intelcan, as a part of the remedial works for the HVAC system, had already cut out the air return hole at the NMIA and that they had given a twelve-week commitment for completion of the system. Having been assured of this, the JCAA advised that it anticipated that by September 2015, the HVAC would be fully operational.

The JCAA also advised the OCG in the first update report that Intelcan had committed to providing suitable Manual Strip holders. With regard to the warranty on the electrical equipment at the NMIA due for expiration on June 2015, the JCAA raised the prospect of a four month extended warranty with the Contractor since the Authority had not yet occupied the towers. Within the first update report, the JCAA informed that discussions were ongoing for Intelcan's consideration of the referenced extended warranty.

In its weekly report dated July 6, 2015, the JCAA advised the OCG that the new indoor units for the NMIA had been ordered by the Contractor and that delivery had been tentatively set for the week of July 13th.

The matter concerning the extended warranty on the electrical equipment saw Intelcan proposing that the Authority honour the contractual obligation to pay the relevant sums due at the end of the defects notification period. Both parties would enter into a formal legal agreement that would extend the warranty on the electronics by six months i.e. until December 31, 2015.

Also reported under cover of letter dated July 6, 2015, was the procedure known as Parallel Operations. During this procedure, the current ATC Towers infrastructure and equipment, and those of the new tower will be operated simultaneously in order to streamline operations at the new ATC Tower and prepare it for full time use. The JCAA further explained that the executive of the Jamaica Air Traffic Controllers (JATCA) had indicated that its members would not be participating in the Parallel Operations due to the pace of the negotiations for new wage and fringe benefits. As a result, "soft" Parallel Operations would be conducted using the Authority's contingency team of senior officers who were qualified and certified to provide air traffic services.

The OCG received the next report, dated August 4, 2015, from the JCAA on August 7, 2015, advising, inter alia, that Intelcan was on track to complete the HVAC system by the end of August, 2015. It was reported that in the meanwhile, Intelcan had put forward a counter-proposal for the two parties to come to a legal agreement which would state that Intelcan must provide a clear six (6) months of warranty after the conclusion of the Defects Notification Period for the NMIA ATC Tower which would end on December 31, 2015. The JCAA further informed the OCG in the referenced report that it was awaiting a draft agreement of the counter-proposal from Intelcan in order for the terms to be reviewed.

The final Practical Completion Inspection was carried out at the NMIA by EQS Jamaica, the Project Manager, and the retention sum that was due at the end of the Defects Notification Period, June 30, 2015, was paid, less the amount due for the HVAC system.

With regard to the Parallel Operations, the JCAA advised that this did not take place as planned during the week of July 6, 2015, because the Air Traffic Controllers, through their union, the Jamaica Air Traffic Controllers Association declined to participate. The Management of the Authority's Air Navigation Services (ANS) consequently conducted usability tests which were done from July 8 to 17, 2015, to ensure that the equipment was functional and that it met all user requirements.

The usability tests were successful but additional regulatory requirements had to be satisfied before the actual Parallel Operations could commence. The JCAA reported that the Authority's Flight Safety Department was reviewing the relevant documents in order to meet the requirements and it was anticipated that this review would be completed by August 10, 2015, after which, if there was a favourable outcome, Parallel Operations would begin with ATC participation.

In its report to the OCG dated September 23, 2015, the JCAA stated that the HVAC system at the NMIA Air Traffic Control Tower had been completed at the beginning of September and was being tested in order to verify proper installation and adjustments.

With regard to the extended warranty and retention amounts, the Authority advised that it had reviewed the draft warranty document and recommended some changes to bring it in line with the general contractual requirements. Intelcan, the JCAA said, had committed to reviewing the recommendations and had promised a response at the end of September.

The Authority went on to explain that the Parallel Operations which began on August 18, 2015, were halted because of non-participation by members of the JATCA who had suggested that the new Air Traffic Control Tower at the NMIA is unsafe. In its response, the JCAA provided the JATCA with certificates pertaining to the new NMIA Tower and was collating the other documents that the JATCA had requested. Contact was also made with the KSAC and the Town Clerk who advised that a team, including the City Engineer, would be conducting a site inspection on September 24, 2015, and would thereafter provide a Report. The Authority also informed that it had sought legal guidance on how best to address the withdrawal of the workers.

The JCAA's report dated October 16, 2015, indicated that following the HVAC tests it was discovered that there was a variance in the performance between systems A and B and therefore Intelcan had to instruct the responsible sub-contractor, Denn-Dock to resolve that matter. The matter was expected to be addressed during the week of October 19, 2015.

The OCG was once again informed that the Parallel Operations had been interrupted as several issues were raised by the Air Traffic Controllers which were being addressed. The JCAA stated that it anticipated that a response to the concerns of the Air Traffic Controllers would be forthcoming by the end of October.

In its final report to the OCG for the period ending December, 2015, the JCAA, by way of cover letter dated December 17, 2015, advised that the modifications to the HVAC System at the NMIA Air Traffic Control Tower was complete. However, the OCG was further informed that the data recorded from the testing conducted at the Tower indicated that the cab unit fans were slow during some operational conditions, which was unexpected. To determine whether the results were accurate, Intelcan assigned a Senior Technician to assess the HVAC System for faults.

The JCAA also reported that it had received a revised draft of the Extended Warranty Agreement and that further clarification had been requested by its legal team on the matter. The Authority stated that it had since paid over to Intelcan, the Retention amount for the NMIA Tower with a balance of Canadian One Hundred Thousand Dollars (CAD\$ 100,000.00) for both airport Towers, which would be paid when the following were done:

- The remedial works to the HVAC systems for the cabs at both airports were tested and commissioned;
- The cracked glass at the Sangster International Airport (SIA) Tower Cab was replaced; and
- There was confirmation that the electrical protection systems were in place and operational before the power problems in October and December 2015.

The JCAA mentioned again that the Parallel Operations at the NMIA had been interrupted by the non-participation of the Air Traffic Controllers who were members of the JATCA and that in September 2015, JATCA indicated concerns regarding the NMIA and SIA Air Traffic Control Tower Project and requested the following documents in order to facilitate any further participation by JATCA ATC members in the Parallel Operations:

- i. The Electrical Engineer's Report for the NMIA and SIA Air Traffic Control Tower Project;
- ii. The Fire Audit Report of the NMIA and SIA Air Traffic Control Tower Project;
- iii. A Building Inspector's Report;
- iv. A Certification of Completion for the NMIA and SIA Air Traffic Control Tower Project;
- v. A Certificate of Occupation; and
- vi. A Geological Study of the sites upon which the new NMIA and SIA Towers were built.

By way of letter dated December 10, 2015, to JATCA, the JCAA provided responses and indicated that the pertinent documents that were requested were available for scrutiny by JATCA. The JCAA advised the OCG that a shift roster was being prepared and that it did not anticipate that there would be any further delays in the Parallel Operations, thereby allowing for the timely commissioning of the Tower.

As at December 31, 2015, Parallel Operations had not yet taken place and so the functions of the Air Traffic Control Tower were not able to be performed in the new building.

Works at Sangster International Airport

The commencement of the works at SIA was delayed when it was discovered that the selected site for the tower and base building was comprised of approximately 75% swamp. Subsequently, the new site proposal, which moved the Tower further west, was agreed upon by all relevant parties and preliminary works commenced on August 28, 2011.

Like the NMIA, subsequent to the start of the works, more delays were encountered. These included, amongst other things, a change in the selected sub-contractor and the need for design changes to the foundation as the cemented limestone at the new site hindered the piling operations.

During 2012 and 2013, work continued to slip behind schedule and despite persistent queries from the Project Manager, the Contractor was unable to give an explanation for the delays. This remained a constant issue for most of the year 2014.

The Taking Over Certificate for the SIA Tower was issued on September 10, 2014, approximately two (2) years and eight (8) months past the original completion date. Liquidated Damages had not been applied by the JCAA, as per contract, as the Authority believed that it would impede the Contractor's ability to complete the project.

Similar to the NMIA Tower, there were a number of outstanding or unresolved items, including the undersized HVAC system, that had to be addressed by Intelcan prior to the start of parallel operations at the control tower. Once the outstanding items had been addressed at the NMIA Tower, Intelcan would then move on to SIA Tower to implement similar corrective works one to two months after.

The next main issue encountered at the SIA Tower were the power surges which were deleterious to the project, according to the JCAA. The JCAA raised this issue with the concessionaire at the SIA, MBJ Ltd. by way of letter dated May 29, 2015, and in response the MBJ Ltd. arranged for an underwriter and an electrical engineer to assess the power supply infrastructure at the SIA on June 29, 2015. The conclusion of the investigation which was carried out by Theka Associates, was that:

“After reviewing the installation at the MBJ and the new control tower, it is our opinion that the electrical issues were not caused by MBJ. The installation of the control tower has caused unwanted electrical anomalies to develop on the newly installed feeder due to its length and the differing transformer electrical configuration. The long 35kV feeder cable has a large capacitance value and will cause an increase in the voltage at the tower end. This large capacitance value combined with the low ferromagnetic inductance of the transformer can also present conditions to counteract the transformer effect and cause damage to both the control tower and MBJ electrical equipment.”

In its update to the OCG dated October 16, 2015, the JCAA informed that Intelcan had not accepted responsibility for the damage caused by the power surges. In a previous correspondence, the JCAA had indicated that Intelcan had stated clearly that they would not accept further costs associated with the repairs of the power supply since their designs and electrical configuration were approved by the Jamaica Public Service, and reviewed by the JCAA and their Project Manager, EQS, in coordination with MBJ Ltd.

The JCAA's report to the OCG dated December 17, 2015, advised that modification to the HVAC System at the SIA Tower was complete. However, the testing of the HVAC system had not yet been initiated but Intelcan had placed an order for the circuit boards to replace those that were damaged during the power surge at the site. The testing of the HVAC System was to be conducted once the relevant circuit boards were replaced.

The OCG will continue to monitor this project in 2016.

Jamaica Constabulary Force - The Renovation of Administrative Block, 103 Old Hope Road, Kingston 6

In April 2015, the Office of the Contractor General (OCG) observed that there were significant construction activities taking place at the Office of the Commissioner of Police which is located at 103 Old Hope Road, Kingston 6. Subsequently, the Jamaica Constabulary Force (JCF) was requisitioned by way of a letter dated May 15, 2015, to provide the OCG with the pertinent documentation concerning the referenced construction activities.

By way of a letter dated June 9, 2015, the JCF responded to the OCG's requisition informing it of the historical background and the details of the project to include, amongst other things, the professionals involved.

According to the JCF in a Status Report provided to the OCG during the period under review, the project commenced on January 26, 2015, and was scheduled for completion by November 30, 2015. The Kingston and St. Andrew Corporation (KSAC) granted a building approval to the JCF by way of a letter dated February 24, 2015, to effect an addition to the existing building as per the JCF application for planning and building permission. According to the referenced KSAC's Building Approval, *“the addition will consist of a three storey office building...totaling 847.0 square metres...”*

Subsequent documentation received from the JCF, by the OCG, indicated that the KSAC's approval was applied for and was granted to the JCF for the construction of an additional floor to the structure being built.

The documents which were received from the JCF by the OCG during the period under review indicated that the project came into existence due to the need for an administrative space to properly execute the administrative functions at the Office of the Commissioner of Police as the building being used for this had *“fallen into a serious state of disrepair.”* Consequently, the JCF decided to address the matter by expanding *“the capacity of the building for the Police National Computer Centre (PNCC) by approximately 14,000 Sq. Ft...”* thus increasing *“...the number of floors of the PNCC building from 1 to 4...”*

The documents further indicated that the Scope of Works for the project was being executed by way of the Force Account methodology with the JCF utilizing the skill sets of the professionals within its Project Management Unit, and that, *“The project is being funded from the maintenance budget using excess after the regular maintenance of the police locationsEach month once the location maintenance is scoped and costed (sic), the excess for that month is used to purchase the materials needed for the Renovation project.”*

In a Jamaica Observer news article, published on July 30, 2015, the OCG noted the assertion allegedly made by the Commissioner of Police that, "...to date, some \$24 million has been spent and another \$60 million will be required to complete the job." Consequently, in its effort to obtain the projected construction cost for the project, the OCG, by way of a letter dated September 3, 2015, requested, *inter alia*, that the JCF, through the Ministry of National Security (MNS), provide it with a copy of the priced Bills of Quantities and the Specifications for all aspects of the works being undertaken.

In response to the OCG's requisition for a copy of the priced Bills of Quantities, the JCF, by way of a letter dated October 9, 2015, to the MNS informed that, "In respect to this item, it is not applicable as this is not a Capital A budgeted item but is being done as renovation work. In addition, approval has just been received from the Kingston and St. Andrew Corporation (sic) (KSAC) for the 4th Floor which could not have been quantified. Bear in mind also, that this is being funded from the Appropriation In Aid (AIA) Fund." (OCG Emphasis)

The OCG advised the MNS by way of a letter dated November 05, 2015, that the priced Bills of Quantities had not been furnished to its Office as per its requisition of September 03, 2015. Further, it had noted the referenced assertion by the JCF's in its letter dated October 9, 2015, that the priced Bills of Quantities was "*not applicable.*" The OCG advised the MNS in its letter that the referenced response from the JCF was inadequate and as such, "*the JCF is being requested to state categorically whether the project is being guided by an approved priced Bills of Quantities (BQ) for the complete works*" and further, that if the JCF's answer was in the affirmative, then a copy of the said document should be submitted to its Office forthwith.

As a result of the MNS's failure to respond to the OCG's letter of November 05, 2015, by the stipulated deadline, the MNS requested, via email dated November 13, 2015, that a meeting be arranged between the MNS, the JCF and the OCG.

On November 19, 2015, a meeting was held at the MNS between the Contractor General, the Commissioner of Police and the Permanent Secretary in the MNS, whereby matters pertaining to the project and specifically the priced Bills of Quantities were discussed. The Contractor General, in a follow-up letter to the MNS dated November 25, 2015, requested, *inter alia*, that the MNS advise the OCG when the Quantity Surveyor was engaged and that it provide the name of the firm/individual.

The MNS informed the OCG by way of a letter dated December 15, 2015, that the firm which was hired to prepare the priced Bills of Quantities was McGregor & Levy Ltd.

The documentation received by the OCG during the period under review further indicated that as of September 2015, a total of J\$31, 379, 277.35 was expended and that as of October 2015, the project was 80% complete. According to the documentation, an additional two (2) months would be required for the completion of the original Scope of Works.

As at December 31, 2015, the priced Bills of Quantities for the works had not been received by the OCG and the project was still under construction.

The OCG will continue to monitor the project.

AR 2015 - HAJL's Low Income Housing Project funded by the Ex-Im Bank of China

Arising out of the 2007 Caribbean Forum, Concessional Loan Funds were made available to Regional Governments by the Government of the People's Republic of China via the Export-Import Bank of China (Ex-Im Bank). The funding was limited to development projects approved by the Ex-Im Bank and subject to the following further condition:

“Provided that the goods, technologies and services required by the Borrower in relation to the Project are available in China, the Borrower shall use its best endeavors to purchase the goods, technologies and services by using the proceeds of Facility from China preferentially.”

Pre- Contract Stage

In February 2008 the Housing Agency of Jamaica Limited (HAJL) received an unsolicited proposal from China National Complete Plant Import and Export Corporation (COMPLANT), a wholly owned China State entity, to execute a large housing construction project, utilizing the Ex-Im Bank Concessional Loan facility.

Letters of Intent between the HAJL and COMPLANT were signed on March 14, 2009, and October 22, 2009, respectively, wherein the preliminary project scope, the estimated total cost and the duration of the project were confirmed.

On October 26, 2009, the Cabinet granted approval for the project loan from the Ex-Im Bank in the sum of 487,000,000 RMB (US\$71.2M). The Framework and Loan Agreement between the Governments of Jamaica and the People's Republic of China was subsequently signed on February 3, 2010.

The Loan has a duration of twenty (20) years, to be repaid at an interest rate of 2% per annum with five (5) years moratorium on the principal repayment.

By way of Cabinet Decision No. 51/09, which was dated December 7, 2009, the Cabinet approved the proposal for the HAJL to enter into a contract with COMPLANT for the development of 3,306 housing solutions, to be financed by a loan from the Ex-Im Bank, in the amount of \$487,000,000 RMB (US\$71.2M).

The Contract between the HAJL and COMPLANT was signed on December 18, 2009.

Post- Contract Stage

Documents received by the Office of the Contractor General (OCG) from the HAJL indicated that the project consists of two (2) components, Luana Gardens and the St. Ann cluster which consists of five (5) clusters: Belle Air I, II, III and Mt. Edgecombe IV and V. The Luana Gardens component includes the development of Service Lots, and the design and construction of Housing Units. Both components of the contract also include the construction of asphaltic concrete roads, flood discharge channels, sewerage and water supply systems and a central sewage treatment station. The scope of works to be executed in both components of the contract has been reduced since the initial works schedule was drafted. The construction of housing units within the St. Ann cluster was omitted and the works to be done in Mt. Edgecombe IV was significantly reduced with only pipe-laying being done. No works are scheduled in Mt. Edgecombe V under this present contract.

The documents received by the Office of the Contractor General (OCG) indicated that the Contractor was instructed by the HAJL, by way of a letter dated December 28, 2011, to commence the works on January 5, 2012, and that the project had a scheduled contract period of thirty-six (36) months.

The documents further indicated that the implementation of the works is being done on a phased basis. The works commenced with the St. Ann cluster, which comprises: (a) Phase I works - main/trunk infrastructure for water and sewage for Belle Air I & II at a value of RMB Y57,181,475.75 , (b) Phase 2 works – completion of outstanding infrastructure in Old Operation Pride projects at Belle Air I, II and Mt. Edgecombe IV, for a value RMB Y73,779,554.31 and (c) the construction of serviced lots and the attendant infrastructural works in Belle Air III, at a cost of RMB Y192,588,474.06. The areas outlined in Items (a) and (b) are referred to as Brownfield, while the area mentioned in item (c) is referred to as Greenfield.

At the end of the 2014 reporting period, documents received by the OCG indicated that the completion of the outstanding 2% of works within the Brownfield area was still delayed due to easement issues being experienced for sewer and storm water drains. The works within the Greenfield area was reported to be 98% complete at the end of the 2014 period with remedial work and pressure testing of water lines in progress. Additionally, the works in the Luana Gardens locale was reported to be 90% complete versus a planned completion of 100%.

During the period under review, documents sent to the OCG by the HAJL indicated, *inter alia*, that the Cabinet, by way of Cabinet Decision No.28/15 dated July 20, 2015, gave approval for the HAJL to draw down funds from the Ex-Im Bank in the amount of RMB Y42, 258,351.79 prior to the deadline date of August 7, 2015. The Cabinet also ratified the changes that had been made to the original scope of works for the project.

The documentation from the HAJL further indicated, *inter alia*, that the following changes were made to the original scope of works for the project:

- *“A reduction in the number of housing solutions;*
- *Sewage treatment plant was omitted at Luana, St. Elizabeth;*
- *The existing treatment plant at Luana St. Elizabeth is being rehabilitated;*
- *The implementation of a pumping main to transport sewage to the existing treatment plant, which was rehabilitated;*

- *The installation of a 3km, 150mm diameter pipe from Brompton to provide water for the site at Luana St. Elizabeth;*
- *The installation of electricity for the St. Ann cluster projects;*
- *The provision of electricity supply to Whitehall II and III;*
- *The provision of sewage pumps and generators at the Hills of Boscobel and Whitehall II, and;*
- *The installation of electrical infrastructure at Luana, St. Elizabeth.”*

Additionally, the documentation further informed, *inter alia*, that, “...changes have been made to the Project during the current management of the HAJL to ensure some returns on investment that have already been made at different sites. For example, the Contractor was instructed to return to Belle Air III site and build housing units. This was necessary for several reasons, including: (i) the need to ensure that the sewage treatment plant and lift stations in Belle Air and others in the St. Ann Cluster that were already built could be tested for functionality; and, (ii) to minimize the reluctance of the National Water Commission (NWC) and the Jamaica Public Service Company (JPS) to provide potable water and electricity services respectively, to the Belle Air development in the absence of housing units and given there is a history of illegal connections.

Other changes were made as a result of the limitation of the lower than expected fiscal space allowance by the MOFP to the HAJL for the Project. Consequently, the number of housing solutions at Luana, St. Elizabeth was reduced from 828 to 96 solutions and the high energy-intensive sewage treatment plant was not constructed. Instead, the existing sewage treatment plant is being upgraded to serve the reduced number of housing solutions. Further, changes were made as a result of a deliberate re-allocation of available funds at project sites to maximize returns to the country.”

On July 29, 2015, a Variation Order, in the amount of RMB Y40, 588, 618.10, was approved by the HAJL for the Contractor to construct thirty (30) two bedrooms, one bathroom detached units and fifty (50) two bedroom, two and a half bathroom townhouse units, in Belle Air III, St. Ann, a total of eighty (80) housing units.

According to the documentation received by the OCG from the HAJL, the construction of the eighty (80) housing solutions commenced on June 30, 2015, and was scheduled to be completed by February 2016. The documents further indicated that a total of twenty-three (23) variations with a cumulative value of RMB Y70, 360,267.58, were approved for the Belle Air III phase of the project. These variations increased the original construction cost of RMB Y192, 588,474.06 to RMB Y262, 948,741.64.

As at December 2015, the infrastructure works at Belle Air III, excluding the commissioning of the Sewage Treatment Plant and Lift Station, were reported to be complete and the construction of the eighty (80) housing units was 65% complete.

The documents received by the OCG from the HAJL during the period under review indicated that the completion of the outstanding 2% of works within the Brownfield area was still delayed due to easement issues being experienced for sewer and storm water drains. By way of a letter dated June 10, 2015, the HAJL informed the OCG, *inter alia*, that, "The Legal Dept. is to write to affected lot owners indicating that the restrictive covenants permit the passage of infrastructure through their lots." The HAJL subsequently informed the OCG by way of a letter dated November 12, 2015, that the letters to the affected lot owners were finalized and would be dispatched during the week of November 16, 2015. However, as at December 31, 2015, the letters to the affected lot owners were not dispatched and works within the Brownfield area were reported to be 98% complete.

The works in the Luana Gardens locale was reported by the HAJL to be 90% complete and behind schedule by 10% at the beginning of the reporting period. In response to the OCG's request for justification for the project being behind schedule, the HAJL, by way of a letter dated April 24, 2015, advised, *inter alia*, that, "The works was behind schedule due to the fact that houses to be constructed were moved to a new location due to a reduction in the scope of works as a result of budgetary constraints. In relocating the houses, some units were sited on hilly terrain which resulted in strip foundation being used for some of the houses instead of raft. This resulted in a delay in the works, along with the slow pace in completing the finishing stage due to poor workmanship."

Additionally, in its letter dated April 24, 2015, the HAJL informed the OCG that, "*...the following works did not form a part of the original scope, however, HAJL has requested the contractor to execute same as they are essential to the completion of the project:*

1. *Force main and lift station (in progress)*
2. *Upgrading of sewage treatment plant in Luana Phase I ...*
3. *Retaining wall..."*

As at April 24, 2015, the completion of the additional works in the Luana Gardens locale was reported to be 10% complete and the completion of the original scope of works was at 95%.

A Status Report dated December 2015, which was submitted by the HAJL to the OCG indicated, *inter alia*, that at the end of the reporting period, the works in the Luana Gardens locale was 96% complete and had an expenditure of RMB Y41, 181,807.03. The referenced report further indicated that there were encroachment issues being experienced on the project at the Luana Gardens locale.

The OCG will continue to monitor the contract.

North-South Link Highway Project

The largest infrastructure project being undertaken in Jamaica, the North-South Highway Project (NSHP) commenced with the signing of the fifty (50) year Concession Agreement on June 21, 2012. The "Effective Date" of the project was established as January 28, 2013 and the Time of Completion scheduled for January 28, 2016.

The thirty six (36) months NSHP was initiated through an Unsolicited Proposal when the National Road Operating Construction Company (NROCC) in a letter dated March 13, 2012, requested the National Contracts Commission's (NCC's) approval, for which a no objection was offered on March 14, 2012. The NSHP required no loan, guarantees or investment by the Government of Jamaica (GOJ) and would be undertaken by the China Harbour Engineering Company Limited (CHEC).

The Jamaica North South Highway Company Limited (JNSHC) was established by CHEC to undertake the development that would be responsible for the financing, design, construction and operation of the project for the fifty (50) year concession period. The estimated construction cost for the project was Six Hundred Million United States Dollars (US\$600,000,000).

The proposed four (4) lane highway having a design vehicular speed of 80km/h would emanate from Kingston with a connection from the Mandela Highway in the Caymanas area, and end in St. Ann in the Mammee Bay area. The Highway project was comprised of the following three (3) sections:

- a. Section 1 – Caymanas to Linstead (approximately 27.5 km);
- b. Section 2 – Linstead to Moneague (approximately 19.2 km) which includes the completion of the Mt. Rosser section; and
- c. Section 3 – Moneague to Mammee Bay (approximately 21.3 km).

Section 1 – Caymanas to Linstead

This section includes 27.5 km sub-grade and pavement works, one main toll plaza, 3 interchanges, 6 flyovers, and 8 bridges, with an overall design and construction period of thirty six (36) months.

Section 2 – Linstead to Moneague

Section 2 includes the completion of approximately 1 km of landslide treatment on the Mt. Rosser section, 5 km subgrade works, pavement works, slope protection, and drainage construction. The design and construction period was slated for sixteen and a half (16.5) months.

Section 3 – Moneague to Mammee Bay

Section 3 includes 20.6 km of subgrade and pavement works, one main toll plaza, two interchanges, 2 flyovers, and 2 bridges, with an overall design and construction period of thirty six 36 months.

During the 2014 period, the progress of the construction activities continued slowly but steadily with a monthly output of 2.77% required for Sections 1 & 3 and 6.06% for Section 2. Nonetheless, the Contractor, China Harbour Engineering Company (CHEC), encountered delays which were attributed mainly to the works stoppage on Section 3, as a result of labour disputes, and the following outstanding matters:

- 1) Construction design details and approvals;
- 2) Final road alignment within Sections 1 and 3, including an agreed connection in the Caymanas area with the Mandela Highway;
- 3) Land acquisition approvals; and
- 4) Environmental permits for the works locations.

Nevertheless, Section 2 was completed with a Conditional Completion Certificate being issued on August 5, 2014, as scheduled, and handed over to JNSHC on August 6, 2014, for general use by the motoring public. The Conditional Completion Certificate required that CHEC complete certain fixtures/works which included: the guardrail end terminals, an inlet and outlet drainage structure, slope protection works, subgrade works in the Unity Valley area, and communication duct works.

At the end of the 2014 period, the overall completion of the remaining works on Sections 1 and 3 was 65%, with 67% of the time having elapsed and 13 months of the contract time remaining.

During the 2015 reporting period, works on the NSHP increased to meet the project schedule deadline of January 28, 2016, with the Contractor proceeding with earthworks, drainage, slope protection, concrete and steel works, paving, toll plaza facilities and electromechanical works along the corridor of Sections 1 and 3.

However, the project Consultant, Stanley Consultants Inc. reported that on November 25, 2015 a meeting was held with JNSHC and CHEC to request from NROCC, an extension to the scheduled construction deadline due to unforeseen challenges that had affected the project. The following dates were proposed for the opening of sections of the highway:

- January 28, 2016- Angel to Linstead would be initially opened to the public without a toll charge;
- February 15, 2016- Unity Valley to Mammee Bay would be initially opened to the public without a toll charge;
- February 15, 2016-Linstead to Unity Valley would be closed to dismantle the MRB toll gates, steel structure and to finalize Section 2. All works were to be completed by March 9, 2016;
- March 11, 2016- Linstead to Unity Valley would be reopened to the public;
- March 10, 2016- Official Project Opening Ceremony; and
- March 11, 2016- Toll charges would become effective (Highway to be opened from Caymanas to Mammee Bay).

Notwithstanding a major accident which occurred in 2014, where a Chinese worker died after falling into an excavated foundation, safety standards within these sections of the works continued to be of paramount importance. NROCC ensured that there was strict adherence to protocols in this regard along with the robust safety policies that were implemented by CHEC.

In addition, environmental matters were vital to this project and as a consequence, continuous intermittent sprinkling of the marl fill, which was used to build and to form the roadway, was required. This was done to mitigate the dust nuisance in the surrounding communities and the exercise was carefully monitored by NROCC's representatives.

Quality Control Management on the project was very important, with daily and weekly inspections being undertaken by CHEC's and NROCC's representatives, and follow-up meetings being held to ensure that the necessary corrective actions were carried out.

At the end of reporting period, the overall completion of the works on Sections 1 and 3 was 93%, with 96% of the time having elapsed and one month of the contract time remaining.

Ministry of Agriculture & fisheries: Sugar Transformation UnitBarracks Relocation Project – Construction of Houses: Springfield, ClarendonProject Description

In March 2010, the Government of Jamaica received financial support towards its budget from the European Union and the funding was applied to the Sugar Transformation Programme. The Barracks Relocation Project was one of the programmes being implemented by the Ministry of Agriculture and Fisheries in the four (4) sugar producing Parishes; Westmoreland, Trelawny, Clarendon and St. Thomas. One of the projects that were executed under the Programme included the development of seven (7) new communities for families who were residing in some twenty-one (21) existing Barracks communities.

The project consisted of two (2) components:

1. Infrastructure Works; and
2. Construction of houses.

The component involving the construction of houses in Springfield, Clarendon, includes the construction of a total of eighty eight (88) housing units, broken down as follows:

- i. Fifty-three (53) - one (1) bedroom units;
- ii. Twenty-three (23) – two (2) bedroom units; and
- iii. Twelve (12) – three (3) bedroom units.

Pre-Contract

The Invitation to Tender was advertised on August 25, 2013 and the Local Competitive Bidding procurement methodology was utilised to invite Contractors registered with the National Contracts Commission (NCC) in the category of Building Construction or Systems Building, Grade 1. Tenders were to be submitted by September 27, 2013, at 10:00 a.m., followed by a scheduled Tender Opening Ceremony at 10:15 a.m.

Nine (9) Bids were submitted by eight (8) Bidders, as one Contractor submitted a base Bid and an alternative Bid. Of the nine (9) Bids, three (3) were categorized as alternative Bids and all Bids were opened and verified in accordance with the eligibility requirements which were outlined in the Tender Document.

A detailed evaluation exercise was conducted in accordance with the evaluation criteria which were outlined in the Tender Document and the lowest responsive Bid, Cenitech Engineering Solutions Limited, was recommended for the award of contract. Subsequently, the requisite approvals from the NCC and the Cabinet were received.

Consequent upon the revocation of Cenitech Engineering Solutions Limited's registration with the NCC, the second lowest responsive Bid which was submitted by Chin's Construction Limited, in the sum of \$275,543,635.00, was recommended for the award of contract.

The requisite approvals were obtained and the contract was awarded in February 2014.

Post Contract

During the 2014 reporting period, the untimely payment of Certificates to the Contractor adversely affected the progress of the works. This resulted in a total of eight (8) weeks delay during the months of May and June, 2014. Additionally, vandalism of more than 35 completed units and pilferage of material were reported as a result of the poor security and lighting on site. Corrective measures were put in place for the pilferage of material from the site, however, late payments to the Contractor continued to be an issue. At the end of the 2014 reporting period, the project was two (2) weeks behind the scheduled completion date of December 20, 2014.

During the 2015 reporting period, documents received by the Office of the Contractor General indicated that the project experienced additional challenges as follows:

1. The completed housing units that had been completed were vandalized; and
2. Unequal settlement of the cut and fill material used to form out the respective lots for the houses caused cracks to develop in the finished concrete floor slabs of the houses.

Consequently, revised measures were put in place to curb pilferage on the site and the contractor was instructed to effect remedial repairs to the damaged floor slabs and floor finishes that had been identified.

By November 2015, it was revealed that there were variances between the Bills of Quantities for the original construction documents and that for the approved as-built drawings. The re-measurement of all works, inclusive of the additional works instructed to be executed, was conducted between a team from the Sugar Transformation Unit and the Contractor. The re-measurement ensued into an additional variation of \$32,332,013.49 and a minus variation of \$13,800,600.00. This resulted in a 6.73% increase of \$18,571,641.00 to the initial contract value, thereby bringing it to a total of \$293,967,768.49.

As at December 31, 2015, the progress of the remedial works was generally slow, as a consequence of the Contractor's cash flow issues. The project was 97% complete and the estimated completion date for the remedial works was January 13, 2016. The project obtained Practical Completion in November 2015 and was twelve (12) months behind the scheduled completion date. It was also reported that the approval of the variation order, based on the re-measured works, was pending.

The OCG will continue to monitor the project during its maintenance period.

Ministry of Agriculture & Fisheries: Sugar Transformation Unit

Barracks Relocation Project – Construction of Houses: Hampton Court – St. Thomas

Project Description

In March 2010, the Government of Jamaica received financial support towards its budget from the European Union and the funding was applied to the Sugar Transformation Programme. The Barracks Relocation Project was one of the programmes being implemented by the Ministry of Agriculture and Fisheries in the four (4) sugar producing Parishes; Westmoreland, Trelawny, Clarendon and St. Thomas. One of the projects that were executed under the Programme included the development of seven (7) new communities for families who were residing in some twenty-one (21) existing Barracks communities.

The project consisted of two (2) components:

1. Infrastructure Works; and
2. Construction of houses.

The component involving the construction of houses in Hampton Court, St. Thomas, includes the construction of a total of eighty (80) housing units, broken down as follows:

- i. Thirty (30) - one (1) bedroom units;
- ii. Twenty-six (26) – two (2) bedroom units; and
- iii. Twenty-four (24) – three (3) bedroom units.

Pre-Contract

The Invitation to Tender was advertised on August 25, 2013 and the Local Competitive Bidding procurement methodology was utilised to invite Contractors registered with the National Contracts Commission (NCC) in the category of Building Construction or Systems Building, Grade 1. Tenders were to be submitted by September 27, 2013, at 10:00 a.m., followed by a scheduled Tender Opening Ceremony at 10:15 a.m.

Nine (9) Bids were submitted by eight (8) Bidders, as one Contractor submitted a base Bid and an alternative Bid. Of the nine (9) Bids, three (3) were categorized as alternative Bids and all Bids were opened and verified in accordance with the eligibility requirements which were outlined in the Tender Document.

A detailed evaluation exercise was conducted in accordance with the evaluation criteria which were outlined in the Tender Document and the lowest responsive Bid, Cenitech Engineering Solutions Limited, was recommended for the award of contract. Subsequently, the requisite approvals from the NCC and the Cabinet were received.

Consequent upon the revocation of Cenitech Engineering Solutions Limited's registration with the NCC, the second lowest responsive Bid which was submitted by Chin's Construction Limited, in the sum of \$284,816,250.00, was recommended for the award of contract.

The requisite approvals were obtained and the contract was awarded in February 2014.

Post Contract

The untimely payment of interim Certificates to the Contractor soon after the project's commencement in March 2014, adversely affected the progress of the works on site. This resulted in a total of eight (8) weeks delay during May and June, 2014. An additional seven (7) weeks delay was accrued due to the excessive cutting of earth on twenty (20) lots, foundation filling works to eight (8) lots, and the inclusion of 88 stanchions to facilitate electrical connection to each house.

As the works continued, additional delays which were due to infrastructural design issues, inclement weather and theft of material on site, were reported. These delays resulted in the suspension of the sewerage, storm water and drainage works to allow for re-designing. Additionally, corrective measures were put in place to mitigate against pilferage of material from the site. Late payments to the Contractor remained an issue despite several requests made by the Sugar Transformation Unit to the Accounts Department to improve on the honouring of the payment certificates.

At the end of the 2014 reporting period, the project was 65% complete and significantly behind the initial scheduled completion date of January 26, 2015, for the ten (10) month Contract.

During the 2015 reporting period, documents received by the Office of the Contractor General indicated that the project continued to experience similar challenges in addition to a revised scope of works which required further extensive cutting and filling of the land. Consequently, this resulted in a further six (6) weeks delay. Pilferage of material also remained an issue on the project.

The project attained Practical Completion on September 04, 2015. During the Defects Liability period, a representative from the Office of the Contractor General (OCG) conducted a site visit in October 2015 and observed that the overall finishes to the Barracks were in keeping with the general requirements of the contract. This, however, was with the exception of a few poorly finished units which were to be remedied by the Contractor. Additionally, completed housing units were observed to be vandalised by thieves who removed previously installed windows, doors and kitchen cabinets. Measures were later implemented to improve on the security of the housing scheme which mitigated against the vandalism of the other units.

As at December 31, 2015, the project was in its maintenance period. The total expenditure on the project at the end of the reporting period was \$264,683,075.00.

The OCG will continue to monitor the project during its maintenance period.

Westmoreland Parish Council Administrative Building

The Westmoreland Parish Council has been operating without a proper Administrative building for over ten (10) years. The current building in which the Council operates is shared with the Ministry of Justice, and houses the Savanna-La-Mar Resident Magistrate Courthouse.

In an attempt to improve the quality of services offered to its customers, a collaboration of efforts by the Ministry of Local Government and Community Development (MLGCD), and the Westmoreland Parish Council were made to commence the process of acquiring the most suitable contractor for the job.

The procurement opportunity involved the construction of a seven hundred and two (702) square metre building along with the associated infrastructure works, to be located at Murray Street/Great George Street, Savanna-La-Mar, Westmoreland.

The procurement opportunity was publicly advertised on August 16, 2014 and August 19, 2014, after which six (6) tenders were received on the submission deadline of October 3, 2014. The bids were evaluated and a contract signed between the Ministry of Local Government & Community Development and N.R. Diaram Construction on July 13, 2015, in collaboration with the Westmoreland Parish Council, in the amount of J\$74,848,097.74. The implementation of the project was scheduled to commence on August 3, 2015 and was to be completed by June 3, 2016.

Works did not commence until August 17, 2015 and a new completion date of June 30, 2016 was established and reported at the site meeting held on August 27, 2016. This was due to delays which include the following:

- The tardiness in gazetting the closure of Muray Street; and
- The protracted time taken for occupants to vacate the building which was located on the proposed site.

The construction of the project got off to a steady pace after the above issues were addressed, but faced challenges which were due to the demolition noise that affected the court sessions across the road. It was reported at the site meeting held on August 27, 2015 that a standing order from the Resident Magistrate suspended all demolition works on site during the period that the court was in session, in order to alleviate the disruption to the court proceedings. This limitation further delayed the works on site, and it was agreed at the referenced site meeting that due to the limitation of the demolition works, it would be necessary for the contractor to work later into the evenings and on weekends in order to get back on track with the scheduled activities.

The excavation to the foundation fell two weeks behind schedule due to heavy rainfalls which resulted in the re-excavation of the foundation and two separate pumping events to remove the remaining water in the foundation trench. Permission was obtained by the contractor from the owner of the land adjacent to the site to excavate a drainage channel which would reduce the amount of water running into the foundation during the rainfall.

Despite the constant rainfall which necessitated the removal of water and unstable earth from the foundation trenches, the excavation works finally reached stable earth suitable for casting the foundation. This created an additional 6 feet of space beneath the proposed building, as observed by the Inspector from the Office of the Contractor General during a site visit conducted on November 5, 2015. A decision was then taken by the Westmoreland Parish Council, in collaboration with the Ministry of Local Government and Community Development, to construct a basement and three water tanks instead of back filling the addition area which had been excavated. This decision was also supported by the fact that the area is affected by low water supply pressure and initially provision was made in the Bills of Quantities for the Westmoreland Parish Council to purchase multiple plastic water tanks to ease the demand on the already struggling NWC system.

It was reported by the project manager at the November 24, 2015 site meeting that, '*The NWC is unable to guarantee sufficient supply owing that the development in the parish capital over recent years has caused great demand on the water supply system*'. The decision taken by the MLGCD to incorporate three concrete water tanks into the basement would improve on the water supply to the new Administrative Building.

The original scope for the project called for the demolition of only one section of the existing building and to incorporate the remaining section into the proposed design, but due to the deepening of the foundation, this was no longer possible and resulted in the re-scoping of the works.

The Ministry of Local Government and Community Development on September 8, 2015 approved seven Variation Orders in the sum of J\$ 1,243,400.00. These entailed the evacuation and removal of unsuitable earth and stone, excavation of collapsed soil in foundation trenches during rainfall, and the replacement of excavated earth with graded river shingles.

As at December 31, 2015 the expenditure on this project was J\$8,866,265.00 with 12% of the works completed. A recommendation was given to the contractor by the Project Manager to submit a Claim for Extension of Time if necessary. Due to the delays experienced, the project was one month behind schedule at the end of the reporting period.

New Administrative Complex, Montego Bay Community College, Montego Bay, St James.

In its efforts to construct new buildings to expand the institutions facilities, the Montego Bay Community College, a tertiary level educational institution registered with the University Council of Jamaica, invited sealed bids from eligible contractors.

The construction involved two (2) two-storey office buildings – the Continuing Education Building which is approximately 780m² and the New Administrative Building which is approximately 808m², along with the associated infrastructural works.

The MBCC advertised the procurement opportunity in the Print Media, giving instructions for contractors to tender by collecting Tender packages which were made available at the MBCC's office as at December 2013. The bidders were advised to return the tenders by January 8, 2014. However, due to the fact that close to the original return date, only two (2) bidders had picked up tender documents, the MBCC had to place another advertisement in the print media, resulting in the return date for the tender being extended to January 29, 2014.

Following the additional advertisements and subsequent response from bidders, requests were made by the bidders for an extension of time to return the bids. An additional week was granted which moved the return date to February 5, 2014, and two (2) sets of addenda were issued to the bidders, instructing them to make adjustments to their bid documents.

Six (6) bids were returned to the MBCC and evaluated. This resulted in a contract being signed between the Ministry of Education and Chins Construction Limited on November 17, 2014, in the amount of J\$217,505,394.08, with the project scheduled to be completed in 14 months. The implementation of the project commenced on November 17, 2014 and was to be completed by January 17, 2016.

During the first six months of the contract period, there was no significant work activity on the site due to a number of delays which occurred in the first two months. These include heavy rainfall over the months of November and December leading up to the Christmas break. There was also a ruptured water main that supplies the fire hydrant on the campus grounds which added to the surplus of water on the site that did not recede in a timely manner. These incidents led to the proposed building location becoming waterlogged and hindered the spreading, compaction and excavation of foundation trenches.

The project did not progress significantly until after the Christmas break in January , 2015. Temporary soak away pits had to be dug in order to facilitate the draining of water from the proposed building location after which the spreading and compaction of marl began. On February 5, 2015, during a site visit, it was observed that the compaction of marl was on-going across the site with the required compaction tests being undertaken. The project at that point was ten (10) days behind schedule.

There was also an additional two (2) week delay due to the short supply of Geotextile 601 material from Tankweld. On April 27, 2015, Chins Construction Limited submitted the official proposal for the use of the SYMON Forms system as a substitute for the block and steel walls as it was seen as a way to help recover the lost time caused by the delays at the start of construction. The proposal by the contractor was accepted after information requested was reviewed by both the architect and the structural engineer.

On multiple occasions at the site meetings, concerns were raised by the client about the slow progress of the works and this was shared with the contractor, after which a slight increase in the manpower on site was observed. Toward the end of April 2015, it was reported at the monthly site meeting that the project was recovering lost time and was approximately only two (2) weeks behind schedule. The contractor was expected to recover the remaining time in the month of May 2015, by utilizing the SYMON Forms System. Chins Construction Ltd provided the required compaction and concrete test results which indicated that there was compliance with the contract specifications.

Construction in the second half of the year got off to an anticipated pace with the on-going erection and casting of the SYMON Forms System for the shear walls. The quality and alignment of these walls were as specified by the architect and engineer but the increased work progress was short-lived as the project was reported to be behind schedule by an additional week. The contractor agreed to increase the site supervision and specialist SYMON Form system workers. The quality of the masonry work at this point in the construction was of an acceptable standard in accordance with the Contract Specifications.

The contractor, upon assessing quotations received, decided to contract CAC 2000 as the provider and installer of the air conditioning (AC) units. Tardiness by the contractor in finalizing an order with the AC subcontractor led to the project being further delayed by six weeks toward the end of November 2015. This contributed to the contractor not being able to complete the project within the contract period. The contractor was also informed by the architect and client representative that any additional cost incurred as a result of the tardy procurement of the AC system would not be borne by the client. The contractor decided to terminate the contract with CAC 2000 and selected ATL as the new subcontractor for the AC units based on its history and track record.

As at December 31, 2015 the expenditure on this project was J\$72,930,638.24 with 67% of the works completed and less than a month remaining in the contract period. The contractor submitted a claim for extension of time in December 2015 which was being reviewed by the Architect as at December 31, 2015.

National Water Commission - Portmore Sewerage Project (Design and Construction of Sewage Conveyance Facilities)

The National Water Commission (NWC), by way of invitation, requested the provision of an Expression of Interest (EOI), for the Portmore Municipal Sewerage Improvement and Development Project. In the document dated May 2011, it was stated that the present sewerage infrastructure in Portmore is fragmented and complex. The Wastewater Treatment Plants are predominately electro-mechanical packaged plants and have served their useful economic life.

On the foregoing premise, and in an effort to improve the Sewerage Treatment System in sections of Portmore, St. Catherine, the NWC embarked on a project for the design and construction of Sewerage Conveyance Facilities, known as the NWC Portmore Sewerage Project.

The invitation for the submission of an Expression of Interest (EOI) was advertised on May 18, 2011 with a deadline for submission on June 21, 2011. Seven (7) submissions were received. Subsequently, an invitation for submission of Technical and Financial Proposals was publicly advertised on June 15, 2012, with a deadline for submission of August 16, 2012, which was later extended to September 27, 2012, on which Four (4) Proposals were received.

The lowest responsive Bid in the sum of USD\$21,467,611.02, submitted by Surrey Paving & Aggregate Company Limited, was recommended for the award of contract. The requisite approvals were obtained and the contract signed on December 12, 2013.

The scope of the project includes the design, construction, manufacture, test, delivery, installation, pre-commissioning and commissioning of the plant and services for the construction of **Lift Stations** at the Bridgeport, Independence City, Hamilton Gardens and Caymanas Ponds, Sewage Treatment Plants and a Gravity Line connecting Portmore Villas Sewage Treatment Plant to Caymanas Gardens. The laying of force mains between each of the proposed Lift Stations and connecting them to the Soapberry Wastewater Treatment Plant, as well as the construction of a pipe bridge to support the force main that will connect the Lift Stations to the Soapberry Wastewater Treatment Plant (WTP) were also included in the scope of works.

The initial project schedule submitted to the OCG, under cover of letter dated, December 8, 2014, indicated that the Design and Approval Phase of the project commenced on April 7, 2014, with the construction phase commencing on June 2, 2014. The scheduled completion date for the project is April 1, 2016.

At the end of the December 2014 reporting period, Works had commenced at both the Bridgeport and Hamilton Gardens WTP. Site Clearance activities was in progress at the Caymanas Gardens WTP, however, Works at the Independence City WTP had not yet commenced. Works on the pipelines between Bridgeport WTP and the Independence City WTP had commenced on December 18, 2014.

By way of documents submitted to the OCG and Site Visits conducted by its Inspectors, the following was reported and observed during the 2015 reporting period. Works at the Bridgeport, Hamilton Gardens and Caymanas Gardens WTP progressed with a concentration on the construction of the Sump and the Valve Chamber at all three locations during the period of February to April 2015. Works at the Independence City location, the largest facility, did not commence until April 2015, as negotiations were still on-going with the Sub-Contractor.

The laying of the pipelines connecting the Lift Stations to the Soapberry WTP, the central termination point, progressed from Bridgeport to Independence City, Hamilton Gardens to Caymanas Gardens, Independence City to Soapberry WTP and Caymanas Gardens to Soapberry WTP during the referenced period, with provisions being made for pressure testing at the 500m mark.

During the initial stages of the project, a Resident Engineer was not engaged, for overall supervision of the project by the NWC. However, Senior Management representatives, at that time, were overseeing the project and a Resident Engineer was eventually assigned to the project at the end of the August 2015 reporting period.

As the project was being executed under a Design and Build contract, delays experienced throughout the period which impacted the construction progress, were attributed to unresolved design issues and subsequent delay in design details. One such delay was attributed to a decision on the final location and design of the Service/Operations Building at the Independence City location, which was impacted by a pending decision on the location and design of the Administrative Building which would house the NWC staff. Two options were provided to the NWC by the design team and this matter was not resolved until the end of the August 2015 reporting period.

As it relates to Permits and Building Approval for the Operation Building at each location, it was noted that the Contractor was required to submit to the Portmore Municipal Council (PMC), an authorization letter from the NWC as proof that permission had been received to build on the lands. Drawings for each building were also to be submitted to the PMC. At the end of the reporting period however, submissions for Building Approval had not yet been finalized as the design modifications for the Administrative Building at the Independence City location had just been completed.

Throughout the reporting period there was an ongoing issue between the Jamaica Railway Corporation (JRC) and the NWC, as it relates to the NWC obtaining permission from the JRC to access its existing railway bridge at Dyke Road for the purpose of affixing the sewerage pipeline. Discussions were still on-going at the end of the 2015 reporting period, as arrangements for financial compensation to the JRC were unresolved.

At the end of the 2015 reporting period, the project was reported as being 80.3% complete compared to the overall planned completion of 86.2%. The construction of the Administration Building at the Independence City location had not yet commenced and was projected to begin in January 2016.

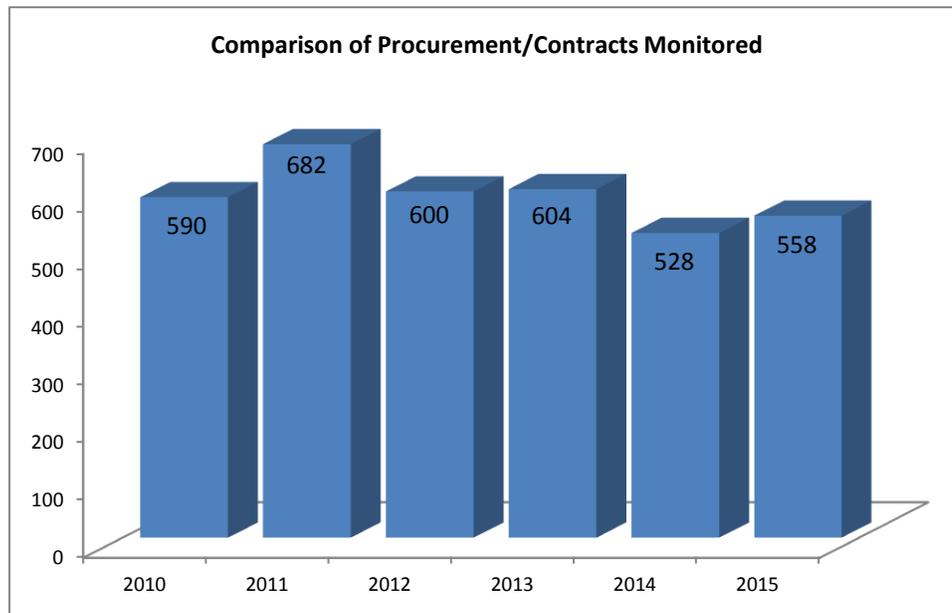
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MONITORING OF NON-CONSTRUCTION CONTRACTS, LICENCES, PERMITS AND CONCESSIONS

The Non-Construction Contracts, Licences and Permits (NCCLP) Division, pursuant to Section 4 of the Contractor General Act, monitors the award and implementation of goods and services contracts, and prescribed licences. The Division monitored five hundred and fifty eight (558) procurement opportunities/contracts during the calendar year 2015, in comparison to five hundred and twenty eight (528) procurement opportunities/contracts which were monitored in 2014. This represents a five point seven percent (5.7%) increase in the number of non-construction contracts and prescribed licences which were monitored over the corresponding period.

Of the five hundred and fifty eight (558) procurement opportunities/contracts which were monitored during the year, four hundred and forty (440) represents monitoring assignments which were carried forward from 2014. The remaining one hundred and eighteen (118) or approximately twenty percent (20%) represents new monitoring which were assigned during 2015.

In this regard, the Non-Construction Contracts, Licences and Permits Division monitored more projects in 2015 than it did for the previous year. The intention of the Division is to continue with targeted monitoring interventions particularly where areas of weaknesses are identified.



Of the five hundred and fifty eight (558) procurement opportunities/contracts which were monitored during the calendar year 2015, represented herein in detail, are approximately one hundred and twenty (120) reports on projects from a cross section of Public Bodies, which were at various stages of the procurement process and/or contract implementation. Please review the Appendix related to Non-Construction Contract Monitoring Activities for further information.

PROCUREMENT MONITORING

Public Sector Procurement activities continued to be guided by the Handbook of Public Sector Procurement Procedures. As was mentioned in the 2014 Annual Report, by way of Cabinet Decision No. 27/13 dated July 15, 2013, the procurement procedures were amended with effect from March 17, 2014. In this regard, the Handbook was revised in March 2014.

The OCG continued to monitor Procuring Entities compliance with the referenced Handbook and related Circulars, and recognised, during the conduct of its monitoring activities, the failure of some Procuring Entities in adhering to the procurement guidelines. The OCG recommended, as applicable, the corrective action needed.

Some of the areas of deviations/ deficiencies which have identified throughout the course of the Non-Construction Contracts, Licence and Permits Division monitoring activities, during the calendar year 2015, are highlighted below.

Deviations/ Deficiencies Identified in the conduct of Monitoring Activities

GOJ Procurement Notice Page

As was reported in the previous Annual Report, some Procuring Entities have failed in adhering to the Ministry of Finance and Planning's (MOFP) directive as it relates to Publication on the Government of Jamaica Public Procurement Page. The aforementioned directive, as per Circular # 33 dated December 9, 2013, requires Procuring Entities to publish procurement notices via the Jamaica Information Service (JIS) which is published in the daily newspaper on Tuesday and Saturday. The Circular also requires that electronic versions of the Procurement Notice are published in specified locations.

Some of the projects which were monitored during 2015, for which the NCCLP Division made observations regarding the failure to utilize the Procurement Notice Page were:

Procuring Entity	Project Name	Reference No.
Factories Corporation of Jamaica	Procurement for the Design of Smart Intranet Based Communication Video Management and Network Servicing and Monitoring System for the approved Multi User Scrap Metal Sites	GCM-22591
Moneague College	Provision of Security Services	PPCM-24842
University of Technology Jamaica	Request for Proposal for Executive Search Firm Services	PPCM- 24922

Non-utilization and/or Improper use of the Standard Bidding Document

The current Procurement Guidelines stipulate that use of the Standard Bidding Document (SBD) is mandatory over specified values, and that Procuring Entities may need to modify the SBD to suit the specific procurement.

This deviation continues to decline, but is still evident in some Procuring Entities, particularly those which do not procure on a regular basis.

Failure to properly amend the SBD still persists with instances of inconsistencies and/or conflicting information which detracts from the transparency and efficiency of the procurement process.

Some of the projects which were monitored during 2015 for which the NCCLP Division made observations regarding the use of the SBD were:

Procuring Entity	Project Name	Reference No.
National Energy Solutions Limited	Procurement for the Provision of 100kw Grid Tie Photovoltaic System at the National Indoor Sports Centre	GCM-22171
G. C. Foster College of Physical Education & Sport	Procurement for the Provision of Security Services 2015	GCM-22641
Moneague College	Provision of Security Services	PPCM-24842

Issues related to the Receipt and Opening of Bids

Appendix 8 of Volume 2 of the Handbook outlines the various procedures related to the receipt and opening of bids. Among these are: (i) the requirement for bidders to sign the Bid Receipt Record, (ii) that the Tender Box must be properly labelled; (iii) that the number of bids removed from the Tender Box must be consistent with the Bid Receipt Record; and (iv) adequate provisions be made for bidder representatives who attend opening ceremonies.

OCG Inspectors, who attend Tender Opening Ceremonies, acting as an observer, continue to encounter situations where Procuring Entities have not fully complied with the procedures outlined in the Handbook. The non-adherence to the procedures at times poses unnecessary challenges to Entities, particularly where there is an affected bidder, and impacts the equity and transparency of the procurement activity.

Some of the projects which were monitored during 2015 for which the NCCLP Division made observations regarding the receipt and opening of bids were:

Procuring Entity	Project Name	Reference No.
Meteorological Service Division	Provision of Staff Transportation Services	GCM-23742
Ministry of Agriculture and Fisheries	Supply and Delivery of (i) Inorganic Chemicals and (ii) Texas Early Grano-Type and Mercedes Onion Seeds	GCM-23872
Golden Age Home	Procurement for the Provision of Security Services 2015	GCM- 24052

Issues related to attaining all requisite Approvals prior to signing Contract

The Handbook outlines the approvals which are required for the various contract value thresholds. The OCG has observed where some Procuring Entities have failed to receive all required approvals prior to the award of contract. Some Procuring Entities have indicated ignorance of the requirement accounting for the failure, while others indicate that while they may have gone to, and received tenders for a multiple year contract, they proceeded with approvals based upon the contract value for one year.

Some of the projects which were monitored during 2015 for which the NCCLP Division made observations regarding the receipt of approvals were:

Procuring Entity	Project Name	Reference No.
Jamaica Bauxite Mining Limited	Security Services at JBM Port, Ocho Rios, St. Ann	GCM-18381
G. C. Foster College of Physical Education & Sport	Procurement for the Provision of Security Services 2015	GCM-22641

Other Deficiencies and or deviations observed

- No comparable estimate prepared;
- The absence/insufficiency of the evaluation criteria;
- Evaluation not conducted in accordance with evaluation criteria outlined in Tender Document; and
- Tender advertisement lacking the requisite information.

Review of Portfolios under the NCCLP Division

The Non-Construction Contracts Licences and Permits Division relies upon the efficient management of its various portfolios in order to fully discharge its mandate. This Section provides a brief overview of the Portfolios of the NCCLP Division; a more detailed review of each is provided in subsequent pages.

Parliamentary Exemptions

Four (4) Exemption Motions were granted during the 2015 calendar year and are reported herein.

Asset and Land Divestment

The Division continues to monitor the privatisation of state assets including land in keeping with the mandate of the Contractor General Act.

A representative of the OCG continues to attend the Land Divestment Advisory Committee (LDAC) meetings as an observer; the section which follows provides details regarding the activities of the Committee. In addition, the Policy Framework for the Divestment of Government-Owned Lands was approved during 2015.

Reported in the Appendices are details related to seventeen (17) asset divestment/ Public Private Partnership and twenty nine (29) land divestment opportunities, which were monitored during the year 2015.

Enquiry Management

The Inspectorate Division, in accordance with Sections 4 and 15 of the Contractor General Act, continues to review the majority of the complaints received by the OCG through its Enquiry Management Portfolio. The Division received sixty four (64) new complaints during the year.

Reported herein are the findings regarding thirty eight (38) enquiries which were completed during 2015, and for which the findings have been dispatched to the requisite Public Body.

Audit

The Inspectorate Division, through its Audit Portfolio, did not launch any new audits during 2015. The Division is currently devising ways to better streamline this aspect of its operations in keeping with the competing work activities.

No further report on activities related to this Portfolio follows this Section.

Quarterly Contracts Award (QCA)

The OCG has recorded 100% compliance with regard to the submission of QCA Reports for the year 2015.

In conjunction with the OCG's Information Systems Division, work continues with the development of an assessment tool which will allow for, *inter alia*, the communication of feedback to Public Bodies and aid in the Division's analysis of reports received, and will in turn, assist in its Audit programme.

Presentation to Accounting and Accountable Officers of Government of Jamaica Ministries and their Departments

Upon request, the Inspectorate Division continues to conduct presentations to Public Bodies.

PARLIAMENTARY EXEMPTIONS

The Constitution of Jamaica, Section 41, provides, *inter alia*, that save for such circumstances in which an exemption is granted by the House of Parliament to a Member of Parliament, the seat of a Member of either house shall become vacant, if (a) the Member becomes a party to any contract with the Government of Jamaica, (b) the Member is a partner in a firm or a director or manager of a company which becomes a party to such a contract, or (c) the member becomes a partner in a firm or director or manager of a company which is itself a party to such a contract.

The OCG, in its continued effort of securing greater transparency and probity in the award and implementation of all Government contracts to Parliamentarians, requested from the Clerk of the Houses of Parliament information on the Exempted Motions which were moved and approved in respect of Parliamentarians and Senators during the calendar year 2015.

The Clerk of the Houses of Parliament provided four (4) Exemption Motions which were granted during the reporting period, and the corresponding extracts from the Minutes of the relevant sitting of the Senate and the House of Representatives.

The following represents the four (4) Exemption Motions which were granted:

1. Senator Navel Clarke CD - June 5, 2015

The Exemption Motion which was granted in respect of Senator Navel Clarke on June 5, 2015 recognized that the Member *"...has been engaged by the Tourism Product Development Company (TPDCo) Limited, in the capacity as an Industrial Relations Consultant, to assist them in resolving certain matters at hand."*

2. Senator Dr. Christopher Tufton - May 01, 2015

The Exemption Motion which was granted in respect of Senator Dr. Christopher Tufton on May 01, 2015 recognized that the Member *"...is a member of the Board of Directors of the following entities:*

- a) *AJAS Jamaica Limited - an organization that engages in baggage and cargo handling at the airports;*
- b) *CNT Global Jamaica Limited - an International Business Consulting Firm;*
- c) *Barnett Limited - an organization that does Real Estate Development: the Rental of Heavy Equipment; Catering; and Business Process Outsourcing; and*
- d) *Elite Diagnostics - a Medical Imaging Company.*

...these entities may from time to time enter into contracts with the Government of Jamaica and its agencies for and on behalf of the public service..."

3. Senator Arthur Williams - April 17, 2015

The Exemption Motion which was granted in respect of Senator Arthur Williams on April 17, 2015 recognized that the Member, *"...is a partner in the Law Firm, Williams & Young which has been contracted jointly with the Law Firm, Dunn Cox, to the Development Bank of Jamaica to carry out Legal Consultancy services in relation to the divestment of a government asset or a period of one year, which commenced in November 2014."*

4. Mr. Daryl Vaz, Member of Parliament for Portland Western - February 19, 2015

The Exemption Motion which was granted in respect of Mr. Daryl Vaz, Member of Parliament, West Portland, on February 19, 2015 recognized that the Member, *"...is the Principal of Daryl Vaz & Associates, a consultancy business, which may enter into contracts with the Government of Jamaica and its Agencies;"*

ASSET DIVESTMENT & PUBLIC PRIVATE PARTNERSHIP

The Office of the Contractor General (OCG), during 2014, continued to monitor certain Asset Divestment and Public Private Partnership (PPP) transactions which were being undertaken by the Government of Jamaica. In this regard, twenty five (25) Asset Divestment and PPP projects were actively monitored, inclusive of six (6) projects which were assigned during the year.

The projects which were monitored were at various stages of the privatisation process: the privatisation strategy for some assets was not yet approved; some were at the advertisement stage; some were being evaluated; while others were completed during the year.

The Asset Divestment Appendix which follows, includes details regarding seventeen (17) projects which were monitored during the year.

LAND DIVESTMENT

The OCG continued its monitoring of the divestment of Government-owned lands in 2015. In the previous years, the OCG continued to monitor divestment transactions in the absence of an approved procedural document to ensure that the principles of transparency and fairness were upheld in the land divestment processes undertaken by the relevant government entities. The year 2015 saw the finalization and publishing of the Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands, which provided clear guidelines and procedures to facilitate a standardization and harmonization of the land divestment policies and procedures.

During 2015, the OCG noted that there was still an issue of protracted divestment processes for several properties for varied reasons to include awaiting Cabinet Approval. This and other issues are highlighted in some of the individual land divestment undertakings which are detailed in the relevant section of this report.

A total of seventy nine (79) GOJ land divestment processes were monitored by the OCG in 2015. The twenty-nine (29) land divestment undertakings highlighted in this report represent some of those divestment opportunities monitored, which saw activity or were of concern to the OCG during 2015.

The GOJ Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands

The Ministry of Water, Land, Environment & Climate Change (MWLECC), has overall responsibility for the drafting of the Government of Jamaica (GOJ) land divestment document and has included the OCG in the discussions surrounding the said document since 2010; allowing for the OCG's review and comments and/or recommendations, where deemed necessary. On March 27, 2015, the *Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands* was launched and a follow up letter dated July 29, 2015 was sent to all Permanent Secretaries to remind them of the policy now in effect and requested that the Manual be brought to the attention of all Departments and Agencies under their purview.

Prior to the publishing of the Manual, there was a multiplicity of standards that were being used by the various Agencies to divest these Government-owned lands, for which they are custodians. There were no established guidelines or procedures for the divestment of Government-owned lands which resulted in inadequate transparency of the divestment process.

The procedures outlined in the Manual pertains specifically to the divestment of Crown Lands, however, all Entities that dispose of Government-owned land should be guided by the policies and procedures stated in the Manual.

The Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands 2015, states, inter alia:

"The general aim of this policy therefore, is increased transparency and efficiency in the process by which government-owned lands are divested by all public sector entities."

The OCG commends all stakeholders on the aforementioned milestone and remains committed to ensuring that the divestment of Government Lands will be in keeping with approved standards.

The Land Divestment Advisory Committee (LDAC)

The Land Divestment Advisory Committee (LDAC) plays an advisory role to the Minister of Water, Land, Environment and Climate Change (MWLECC), in relation to the divestment of government-owned lands. The Committee is ably supported by the Land Administration and Management Division, within the MWLECC.

The Land Divestment Advisory Committee (LDAC) is mandated to, among other things:

1. Examine, evaluate and make recommendations to the Minister, on Applications forwarded by the Commissioner of Lands for the divestment of Crown Lands.
2. Review recommendations for Applicants to receive subsidies, discounts and/or incentives for the Lease/Sale of lands under exceptional and special circumstances and finalise recommendations for the Minister's approval.
3. Convene regular monthly meetings in order to ensure timely divestments. It should be noted that special/extraordinary meetings may be convened depending on the volume or urgency of particular matters.

The LDAC is guided by policy directives issued by the Minister; and as such, may consult the Minister on fundamental matters of policy only. All matters discussed at LDAC Meetings are expected to be kept confidential.

The LDAC is comprised of fifteen (15) members drawn from the Public and Private Sectors, including a Chairman. Committee members are appointed by the portfolio Minister, for a period not exceeding three (3) years. The Chairman of the Committee is Mr. Hensley Williams, Attorney-at-Law. The tenure of the previous Committee ended on March 31, 2015 and the new three (3) year tenure of the Land Divestment Advisory Committee commenced on June 1, 2015. Mr. Hensley Williams, Attorney-at-Law, maintained the position of Chairman for the Committee.

A representative from the Office of the Contractor-General (OCG) sits in on the meetings of the LDAC in the capacity of an Observer.

LDAC Activity for 2015

Five (5) meetings were convened by the LDAC in 2015 and a total of fifty-eight (58) submissions were recommended by the Commissioner of Lands for consideration by the Committee. Of this amount, forty-nine (49) were 'New Applications' and nine (9) were 'Re-Submissions'. Forty-eight (48) applications were recommended by the Committee.

Of the Applications recommended for divestment, sixteen (16) were for the regularisation of illegal occupants. Ten (10) of these submissions were for the regularization within land settlement schemes and the divestment of 126 lots.

The Ministry reported that as at December 2015, the responsible Minister had approved forty-seven (47) of the Applications submitted for his consideration, with an expected revenue of J\$197,208,000.00

Of the Applications approved by the Minister, seventeen (17) were for Lease, with an expected revenue of J\$12,778,000 per annum and thirty (30) were for Sale, with an expected revenue of J\$184,430,000.

Cabinet Submissions

The Ministry reported that a Cabinet Submission for the sale of lands at Turnbull Pen and Rodons Pen and Lot MF9 (Block C) in Bernard Lodge, St. Catherine which was prepared in 2014 was deferred by Cabinet at its sitting in January 2015. The Applicant had originally sought to purchase 49.3 acres of land part of Rodons Pen and Turnbull Pen but later requested to purchase only 11.879 acres. The matter was resubmitted to Cabinet in June 2015 and Cabinet approved the sale of the properties to Aditya Development Limited. The decision was noted in Cabinet Decision No 25/15 dated June 29, 2015.

The Tables below summarise the deliberations of the Committee during 2015:

Deliberations by the Land Divestment Advisory Committee (LDAC) - 2015

Date of Meeting	No. of Applications Recommended by the Commissioner of Lands	No. of New Applications	No. of Re-Submission	No. of Applications Recommended by LDAC	No. of Applications Recommended for Divestment by SALE	No. of Applications Recommended for Divestment by LEASE	Total Applications Approved by the Minister
February	14	9	5	12	8	4	12 (8 Sale/4 Lease)
March	13	12	1	12	7	4	11 (7 Sale/4 Lease)
September	11	9	2	8	6	2	8 (6 Sale/2 Lease)
October	11	11	0	9	6	3	9 (5 Sale/4 Lease)
November	9	8	1	7	4	3	7 (4 Sale/3 Lease)
Total	58	49	9	48	32	16	47

The Tables below illustrate the Approvals by Land Use and Value:

Lands Approved for SALE - 2015

Land Use	No. of Applications	Value (J\$)
Commercial/Industrial	2	10,200,000
Agricultural	9	64,450,000
Residential	18	106,780,000
Other (Educational, Recreational, Religious, Easement and Community Development)	1	3,000,000
TOTAL	30	184,430,000

Lands Approved for LEASE - 2015

Land Use	No. of Applications	Value (J\$)
Commercial/Industrial	10	12,265,000
Agricultural	5	365,000
Residential	0	0.00
Other (Educational, Recreational, Religious and Community Development)	2	148,000
TOTAL	17	12,778,000

The National Land Agency (NLA), under the leadership of the Commissioner of Lands, is tasked with performing the necessary due diligence in relation to the processing of Applications, prior to submitting them to the Committee for deliberation. The NLA is to be commended for its efforts, as should the Secretariat for the LDAC for the duties performed and the support extended to the Committee.

ENQUIRY MANAGEMENT

The year 2015 was marked by a significant reduction in the matters/complaints which were reported to or noted by the OCG regarding government contracts, prescribed licences and the divestment of land. In this regard, a total of sixty four (64) new matters/complaints were captured in comparison to the ninety two (92) which was reported in the previous year.

Matters/complaints which were received during the 2015 calendar year included, *inter alia*, allegations regarding poor work quality, impropriety in the procurement process, conflict of interest and contract disputes.

The Inspectorate Division continued to streamline and improve upon the way complaints are reviewed and enquired into.

The following represents the status of matters/complaints which were reviewed under the Enquiry Management Portfolio during 2015:

	<i>Number of matters/complaints brought forward from the previous year</i>	<i>Matters/Complaints which were received in the year 2015</i>
	104	64
STATUS		
Total matters/complaints which were within the OCG's remit and were concluded		47
Matters/complaints which were referred to the OCG's Special Investigations Unit for further review		9
Matters/complaints on-hold		1
Enquiries which are ongoing		111

The following are select excerpts from some of the complaints/matters which were within the OCG's remit and which were concluded during the year:

Ministry/Agency/Department: Ministry of Finance and Public Service

Complaint received in December 2014 – Extract/Summary: Approved Integrated Resort Development - “The OCG is in receipt of a complaint from a potential investor, who questioned the Ministry’s determination of the responsiveness of an application. The complainant also requested that the OCG examine and comment on whether the Ministry was misleading as it relates to having the power to set conditions for the fulfillment of the application.

Findings:

1. The Notice of Request for Proposals, as well as the documentation which was issued to potential investors, indicated that a non-refundable application fee of US\$150,000 was required to be submitted along with bidding documents.
2. The extended deadline for the submission of proposals was November 30, 2013, with the Opening Ceremony scheduled for December 6, 2013. Four (4) applications were received, and were subsequently opened at the Ceremony. As it relates to the application fees, the submissions were as follows:
 - a. One (1) Applicant, Harmonization, submitting in full the application fee of US\$150,000.
 - b. One (1) Applicant, Amaterra Jamaica Limited, submitted National Commercial Bank Cheque in the amount of US\$22,500 as payment towards the Application fee;
 - c. One (1) Applicant, Celebration Jamaica submitted a letter indicating that the US\$150,000 fee had been paid in 2008; and
 - d. The other applicant, Jamaica Casino Royale, did not submit the application fee but its representative stated at the Opening Ceremony that arrangements had been made to make the payment.
3. The date for the submission of the application fee was extended to February 28, 2014. Same was communicated to the prospective investors by way of a letter dated February 3, 2014. In response to the OCG’s question to indicate the basis upon which application fees had been submitted and accepted after the stipulated timeframe for submission of proposals/application, the MOF by way of letter dated May 14, 2014, stated, *inter alia*, that “Please note that at a meeting between the Casino Gaming Commission and the Ministry of Finance and Planning, it was agreed that given the extent of the proposed investments, all applicants who had outstanding payments would be given an extension to pay the amounts owed (by February 28, 2014)”.
4. Documentation from the Ministry of Finance and Planning, indicated that two (2) of the applicants, Celebration Jamaica and Jamaica Casino Royale, submitted cheques in payment of the application fee by the new deadline date of February 28, 2014. Amaterra Jamaica Limited submitted a cheque in the amount of US\$127,500 with a stipulation that the cheque could not be deposited until a meeting was held between Amaterra Jamaica Limited and the Ministry.
5. The Ministry had sought the opinion of the Attorney General’s Chambers regarding, *inter alia*, the responsiveness of the proposals which were submitted given, *inter alia*, fees were paid after the opening. The Attorney General had indicated that Celebration Jamaica was responsive since it had paid the application fee before the extended deadline date, while Amaterra Jamaica Limited was non-responsive as the cheque which was submitted before the extended deadline date had a stipulation that the cheque could not be negotiated.
6. Amaterra Jamaica Limited attached a condition to the submission of the application fee which was not a part of the process. Based on a review of the correspondence between the Ministry and applicants, the OCG has not evidenced where the Ministry had agreed to meet with any prospective investor as a prerequisite for the payment of the application fee.

The OCG, subsequent to a review of the above mentioned information, accepts and agrees with the view of the Attorney General’s Chambers that the payment of the application fee prior to the extended deadline would make an investor’s submission responsive. In the case of Amaterra Jamaica Limited, however, the stipulation imposed by the investor that their cheque could not be negotiated caused the investor’s submission to be deemed non-responsive.

Consequently, Amaterria Jamaica Limited's submission being treated as non-responsive, the OCG accepts as proper and justifiable.

Ministry/Agency/Department: Tax Administration of Jamaica

Complaint received in January 2012 – Extract/Summary: Project renovation works at the Buff Bay Tax Office – *“The complaint had queried the justifications given for an additional tender opening date, subsequent to the official tender opening, and whether his rights as a bidder had been violated”*

Findings:

1. The TAJ had advertised for renovation works to the Buff Bay Tax Office on December 4, 2011 and December 7, 2011. The deadline for submission of tenders was December 22, 2011 at 10:00 am, with the tender opening scheduled for 10:15 am.
2. The deadline for submission was extended to January 6, 2012 at 2:00 pm, with the tender opening scheduled for 2:15 pm. The OCG has evidenced that on December 16, 2011, the TAJ had emailed two (2) addenda to eight (8) persons which included the notice of extension.
3. The OCG has noted two (2) bid opening records dated January 6, 2012. One bid opening record had an opening time of 10:15 am, while the second had an opening time of 2:15 pm. The TAJ has stated that, *“...the tender box was inadvertently closed for bidding at 10am instead of 2pm as the Procurement Officer in charge was unaware that the time had been extended to 2pm...”*

Six (6) bidders submitted tenders which were opened at the 10:15 am ceremony, while five (5) bidders submitted tenders which were opened at the 2:15 pm ceremony.

4. Subsequent to the January 6, 2012 openings, the TAJ issued a third addendum dated January 9, 2012 to all bidders, informing them that, *“there was a miscommunication with the time of the tender opening for January 6, 2012 which might compromise the procurement process.”* The TAJ had requested that each bidder resubmit one copy of their tender to *“...ensure that all tenders are opened at the same time.”* The tender submission date was revised to January 13, 2012 at 10:00 am.
5. The applicable Government of Jamaica (GoJ) Handbook of Public Sector Procurement Procedures states that, *“the opening of bids should take place as soon as possible after the deadline for submission.”* The GoJ Handbook further states *“Bids...received after the deadline shall not be opened.”*
6. At the close of tender on January 13, 2012, five (5) bidders submitted tenders. It was noted that one (1) bidder was not a part of the original eleven (11) who had submitted tenders on January 6, 2012.
7. By way of email dated February 17, 2012, the Project Manager wrote to the Procurement Manager to state that the tender process had been aborted. The email further stated that, *“The contractors who had submitted bids were advised by telephone that the process had been abandoned and that their submissions would be returned.”*
8. By way of letter dated April 17, 2013 to the OCG, the TAJ stated that, *“A review of the project was done and due to the lack of funding, it was determined prudent to have the same project retendered at a later date.”*

The OCG has concluded that the tender opening procedures were irregular as the GOJ Procurement Procedures allows for the Tender Opening Ceremony to take place on the time and date announced by the Procuring Entity. As such, the holding of a Tender Opening Ceremony prior to the extended deadline for the submission of bids was a breach of the procurement process and could not stand up to scrutiny.

Accordingly, the OCG has found evidence to suggest that the TAJ had recognized the gravity of this irregularity, and had subsequently taken the decision to abort the process.

The OCG should, however, point out that the Procurement Officer should be integral in all procurement related activities and as such should have been aware of the changes in the tender opening time.

The OCG implores the TAJ to strengthen the lines of communication between the procurement department and any other department that may be initiating procurement as a mitigation strategy, if same has not been done.

Ministry/Agency/Department: Ministry of Education

Complaint received in July 2014 – Extract/Summary: Expression of Interest (EOI) to design a Web Portal and develop a Learning Management System - The complainant was querying the regularity of the process used by the MOE and whether or not the MOE was guided by the Government procurement rules, in particular, whether sending a request for proposal to one (1) vendor, contradicted the rules.

Findings:

1. The MOE, through the Education System Transformation Programme (ESTP) Office, had re-advertised a Request for Expression of Interest (REOI) on April 27th and 30th 2014 entitled *“To Design a Web Portal and Learning Management System (LMS) for the National College for Educational Leadership (NCEL)”*. The REOI closed on May 12, 2014; at which time, five (5) firms had submitted Expressions of Interest (EOI).

The MOE has indicated that a previous procurement to Design a website for the National College for Educational Leadership, which had commenced in September 2013, was terminated as the proposal which had been received was deemed to be technically non-responsive.

2. The advertisement for REOI indicated that the Government of Jamaica (GOJ) had received financing from the World Bank and that a *“Consultant will be selected in accordance with the Selection based on the Consultants’ Qualifications (CQS) method set out in the Consultant Guidelines”*. The Consultant Guidelines was indicated as being the *“World Bank’s Guidelines: Selection and Employment of Consultants [under IBRD Loans and IDA Credits & Grants] by World Bank Borrowers, January 2011”*.
3. Documentation from the MOE indicated that the budgetary allocation was US\$60,000 which would be provided by the International Bank for Reconstruction & Development/World Bank.
4. Subsequent to an evaluation of the expressions, one (1) firm was shortlisted and a Request for Proposal (RFP) sent to the selected firm on June 25, 2014. Upon a review of the MOE’s evaluation score sheet the OCG has evidenced that the firm which had scored the highest had been provided with the RFP.
5. Clause 3.7, *“Selection Based on the Consultants’ Qualifications (CQS)”*, of the World Bank’s Consultant Guidelines indicates, *inter alia*, that through REOI, *“Firms having the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and experienced firm shall be selected. Only the selected firm shall be asked to submit a combined technical and financial proposal...”*

The World Bank Guidelines for selection based on CQS varies from that of the GOJ, which allows for the use of this method for selection of individual consultants, and Clause 1.2.5 of Volume 3 of the Handbook of Public Sector Procurement Procedures states, *inter alia*, that *“Individual consultants having expressed interest in the assignment, shall then be selected based on an assessment of qualifications for the particular assignment. The candidate’s suitability must be evaluated on the basis of his/her academic background, experience, and where applicable, knowledge of local conditions.”* The GoJ Handbook provides, as it relates to the shortlisting of Consultants that *“The short-list shall comprise no less than six (6) firms. However, in special circumstances, where only a few qualified firms have expressed interest in the specific assignment, or when the size of the contract does not justify wider competition – the short-list could consist of a smaller number.”*

6. The shortlisted candidate had submitted a response to the RFP on July 24, 2014 and subsequent to an evaluation was recommended for the award of contract.

7. The MOE has stated that *"The unsuccessful bidders were unfortunately not notified."* The World Bank Guidelines as it relates to the shortlist of Consultants indicates, *inter alia*, that *"Firms that expressed interest, as well as any other firm or entity that specifically requests so, shall be provided the final short list of firms by the Borrower."* Similarly, the GoJ Handbook mandates Procuring Entities to provide all firms that had expressed interest in the assignment with the final shortlist. The Handbook further states that, *"For the sake of transparency, the short-list of firms should be posted on the Procuring Entities website."*
8. Approval for the award of contract was received by the Central Procurement Committee on October 25, 2014.
9. A contract was signed with the successful bidder on January 13, 2015 in the amount of US\$49,310.00.
10. The complainant had stated that a representative from the MOE, Ms. Adams, had provided him with information regarding the outcome of the tender process. The MOE has indicated that there is no person by the name of Ms. Adams employed to the MOE in the Education System Transformation Programme (ESTP).

The OCG has concluded that the MOE had conducted the procurement in accordance with the World Bank Guidelines, and that the MOE did not contradict the guidelines when the RFP was provided to one firm.

The OCG does note, however, that the MOE had failed to provide those whom had shown interest a copy of the final shortlist, which is a requirement under both the World Bank and GoJ Guidelines. Notwithstanding the foregoing, the OCG has found that this irregularity had not compromised the overall process.

Ministry/Agency/Department: Ministry of Education

Complaint received in August 2014 – Extract/Summary: Engagement of Tropical Metal Products Limited - complaint on August 12, 2014 regarding the use of a particular contractor, Tropical Metal Products Limited (TMPL), by the Ministry of Education (MOE). The complainant, who identified himself as a small contractor, indicated that TMPL was given contracts valued in excess of J\$100 million which have never been to tender.

Findings:

1. The OCG, based upon a review of the QCA Reports which had been submitted by the MOE, noted that thirty-seven (37) contracts had been awarded to TMPL during June 18, 2007 to April 24, 2014. By way of its letter dated October 13, 2014, the OCG requested particulars of all the contracts which had been awarded using the Direct Contracting Procurement Methodology (*four (4) contracts*); particulars regarding two (2) contracts which had been awarded using other procurement methodologies; and details of any other contracts awarded to TMPL which had not been reported on the QCA Report.
2. The MOE by way of its letter dated November 6, 2014, provided details of ten (10) contracts awarded to TMPL by way of the Direct Contracting Procurement Methodology for works undertaken at ten (10) schools, totalling approximately \$159 million.

Included in the submission was information regarding the engagement of TMPL to construct 32.5 classrooms and 10 staircases at six (6) high schools which totalled \$115,359,937. The justification which was provided for use of the Direct Contracting Procurement Methodology was *"To eliminate the shift system and to reduce over-crowding in some high schools the MoE sought this quick and economical method of construction of classrooms within the standard"*.

The OCG has documentation, inclusive of the MOE's letter to the National Contracts Commission (NCC) wherein approval was sought for the use of the Direct Contracting Procurement Methodology to engage TMPL based upon the type of building technology which was being proposed and time constraints which were being faced.

The NCC, through its correspondence to the MOE during January and February 2014, endorsed the award of the contract but, importantly, had indicated to the Ministry that it “...will not endorse any further requests for Direct Contracting for the construction of classrooms using modular systems of construction without the benefit of a competitive bidding process.”

3. As it relates to the other four (4) engagements of the TMPL by way of the Direct Contracting Procurement Methodology, and which occurred prior to the abovementioned, the justification which was provided on three (3) of the occasions specified that the school's roof being damaged by Hurricane Sandy. The justification, on the other occasion, was due to the requirement for economic repairs within a short period of time. The OCG was provided with documentation, stipulating that the approvals/ prior approvals had been received for use of the methodology.
4. The OCG was provided with the documentation it had requested regarding the two (2) specific contracts which had not been awarded by way of Direct Contracting. The OCG was also provided with documentation related to one (1) additional contract which had been awarded by way of the Limited Tender Procurement Methodology. The OCG reviewed the procurement procedures related to these three (3) specific contracts which were not awarded using the Direct Contracting procurement methodology. The OCG found that the correct tendering procedures were adhered to in two (2) of those three (3) contracts.

For one (1) of the contracts, which was in the sum of J\$12,056,120.00 and which had been awarded using the Limited Tender Procurement Methodology, the MOE had not provided documentation to show that prior approval was received from the Head of Entity for the use of the methodology. The OCG was, however, provided with documentation indicating that the Procurement Committee had approved the recommendation for award of contract.

5. The MOE's response of November 6, 2014 provided information on thirteen (13) contracts which were awarded to TMPL. The OCG's letter of October 13, 2014 had requested information regarding six (6) contracts which had been reported on the QCA report, and particulars of any other contract which had not been reported. The OCG was not provided with information regarding two (2) of the contracts it had requested.

Based upon the dates on which the contracts were awarded, and the related QCA reporting requirements, the OCG has found that nine (9) of the thirteen (13) contracts/engagement, had not been reported to the OCG on the MOE's QCA report. Of the nine (9), eight (8) of the contracts had been awarded using the DC procurement methodology.

The OCG has found that the MOE has awarded in excess of \$100m in contracts to the TMPL by way of the Direct Contracting Procurement Methodology, and as such, the contracts had not been competitively tendered. The OCG has, however, found that the Ministry had received the required approvals for the use of the procurement methodology in keeping with the procurement guidelines.

The OCG, however, reiterates the NCC's position that the MOE should engage in competitive bidding processes for the award of contracts for schools and adds that the MOE should ensure that it undertakes proper procurement planning to achieve same.

Given the OCG's finding as it relates to one (1) of the contracts which had been awarded by way of the Limited Tender Procurement Methodology, the OCG cautions the MOE to ensure that all required approvals and/or prior approvals for use of Procurement Methodologies are received prior to the award of contract.

With regard to the failure to report contracts awarded, the OCG reminds the MOE that QCA Reports are required to be submitted and failure to do so is deemed a breach of the provisions of the Contractor General Act.

Recommendation(s):

The OCG recommended that the MOE undertake a review of its records with a view to identifying those contracts which had not been reported to the OCG, and that arrangements be made with its Inspector with responsibility for QCA as it relates to any required amendments.

Ministry/Agency/Department: Jamaica Tourist Board

Complaint received in March 2014: Jamaica Sports Consultant Tender - The complainant stated that, "We recently submitted a bid to the Jamaica Tourist Board in response to their advertisement Titled "JAMAICA Sports Consultant".

At the "opening of the tenders", at which we were represented, it emerged that ours was the only bid.

We subsequently received a letter dated 2014 March 20... that stated that our tender was unsuccessful.

We have concerns that the tender is not being handled properly..."

Findings:

1. The JTB had issued an advertisement in the Saturday Gleaner on February 22, 2014 and the Daily Observer on February 25, 2014 for JAMAICA Sports Consultant;
2. At the close of tender on March 11, 2014, one (1) response was received from Howard R. Taylor and Associates. The OCG evidenced the Bid Receipt and Bid Opening Records which reflected same.
3. Under cover of letter dated May 6, 2014, the JTB submitted among others things a copy of what was stated by the JTB to be a Request for Proposal Document. Upon inspection, the fourteen page document was entitled "Request for Expressions of Interest Consultancy for Jamaica Sport Tourism Programme Terms of Reference" and was dated February 17, 2014.

Albeit the abovementioned document included specifications, eligibility requirements, instructions to contractors and evaluation criteria, the said document was not the prescribed RFP (Annex 12) which is to be utilised for a Local Competitive Bidding Process for Consultancy Services.

In this regard, please note the difference between an Expression of Interest and an RFP. The GOJ Handbook of Public Sector Procurement Procedures (hereinafter referred to as the GOJ Handbook) provides that, "...an expression of interest would serve better to "test the market" for suitable consulting services. The information requested must be the minimum required for the Procuring Entity to make a judgment on the firm's suitability...After reviewing the responses, a short-list of suitable firms must be prepared and their representatives invited to participate in the full procurement process."

With regard to a RFP, the GOJ Handbook provides that, "The RFP for each assignment provides all the information necessary for the short-listed consultants to prepare their proposals... The RFP also contains the TOR and the draft contract for the assignment. A standard RFP format is contained in the Standard Bidding Documents as Annex 12..."

Accordingly, the JTB had utilised a document which is not in keeping with the prescribed Standard Bidding Document for a Local Competitive Bidding Process for Consultancy Services.

4. Based upon the Tender Document, proposals were to be submitted in separate envelopes representing the technical and financial proposals. Respondents were required to attain a minimum score of sixty five (65) points based upon an evaluation of the technical proposals to proceed to the opening of the financial proposals. Clause 15.0 of the Bidding Document states that "Persons who do not attain the minimum score will have their proposal along with their unopened Financial Proposal returned to them."
5. Based on a review of the evaluation report, the OCG notes that the criteria which were outlined in the Bidding Document were that which were utilised to assess the Technical Proposal which was submitted by Howard R. Taylor and Associates. The OCG notes that Howard R. Taylor and Associates did not obtain the minimum required score of sixty five (65) points in order to proceed to the second phase of the evaluation. On the average, the score that the firm received was 19 points; which ranged from a low of 19 to a high of 23 from the three (3) evaluators.

Notwithstanding, the Financial Proposal of Howard R. Taylor and Associates was opened and reviewed.

With regard to same, the OCG notes the JTB's response which was submitted under cover of letter dated December 4, 2014, "*Cognizant of the need to operationalize JAMAICA Sport within the allotted time frame, and despite the Technical Proposal having received a low point score, with only one tender submitted, the committee agreed to then open the Financial Proposal anticipating that there was more information contained that would give a better sense as to the competence of the consultant and ultimately determine whether the sole consultant could be engaged.*"

While the JTB's response has been noted, the Entity did not act in accordance with the stipulations of its Bidding Document, which states that, "*Persons must attain a minimum score of 65 points in order to proceed to the second phase of the evaluation. Persons who do not attain the minimum score will have their proposal along with their unopened Financial Proposal returned to them.*"

The overall total points which Howard R. Taylor and Associates received was twenty-four (24) out of one hundred (100).

6. Howard R. Taylor and Associates proposed contract sum of J\$14,091,000.00 was approximately 281% times the JTB's Budget of J\$5,000,000.00.
7. As it regards the tender for Jamaica Sports Consultant, the OCG was advised that a Limited Tender process was subsequently undertaken, and which had been aborted based upon shortcomings identified by the Ministry of Finance. The JTB has also advised that a decision was thereafter taken that a member of staff be seconded to fill the role of Jamaica Sports Coordinator.

The OCG has found that the JTB erred when it opened the Financial Proposal which was submitted by Howard R. Taylor, given that the said company did not attain the minimum required technical score. Notwithstanding, the OCG did not find that this action by the JTB had prejudiced the complainant, as by the JTB's admission, this had been done to assess whether the proposal which had been submitted, would have been in a better standing.

The OCG also finds that the JTB had erred as it relates to the Bidding Document which had been utilized. Consequently, the OCG wishes to caution the JTB to ensure that it consults the relevant section of the GOJ Handbook as it regards the prescribed document for a particular tender process, and also ensure that it strictly adheres to the stipulations of the bidding document.

Ministry/Agency/Department: Jamaica Ultimate Tyre Company

Complaint received in December 2013 – Extract/Summary: Award of contracts to Jamaica Ultimate Tyre Company - The complainant alleged that the award of contract by the Jamaica Urban Transit Company (JUTC) to Jamaica Ultimate Tyre Company (JUTC-2) is in breach of Government Procurement guidelines. The complainant stated that JUTC-2 is "*selling tyres to the Jamaican market at below market prices, while selling tyres to [JUTC] at a price well above market*".

Findings:

It is not within the purview of the OCG to provide an opinion regarding the nature, pricing policies or legal limitations of a Company in the course of its operations. However, the complaint brings into question not only a possible breach of the procurement guidelines, but also, indicates the impact of the alleged procurement breach on the business operations as a whole. Consequently, the OCG has sought to highlight certain facts regarding the establishment and operations of the JUTC-2. In light of the foregoing, the following are the OCG's findings:

1. The JUTC-2 was incorporated under the Companies Act, as a Limited Liability Company on July 24, 2001. By way of letter dated February 28, 2014, Mr. Kenry Jackson, General Manager, stated that the JUTC-2, "*... is a private company duly incorporated under the laws of Jamaica, limited by shares, with 199 of its shares vested in the Jamaica Urban Transit Company Limited (JUTC) and 1 share vested in Accountant General's Department of Jamaica. Therefore the JUTC2's major shareholder is the JUTC...*"
2. The OCG noted a document that was declared to be a copy of the Memorandum of Association for JUTC-2. The said document which is dated July 11, 2001, states that, among the objects for which the Company is established are:
 - (A) "*To purchase, manufacture, rebond and distribute motor vehicle tyres of all types...*"

(T) *To enter into any arrangements with any governments or authorities... or any corporations, companies, firms or persons, that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government authority, corporation, company, firm or person any charters, contracts, decrees, rights, privileges, and concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.*"

The provisions of the referenced document do not indicate any restrictions on the JUTC-2 to conduct business with any public or private organization or person in pursuit of its main objectives. With regard to same, the General Manager for JUTC-2, stated by way of letter dated February 28, 2014 that *"I am not aware of any policies, Acts or regulations which restricts or limits the JUTC-2 from selling re-tread tyres to the general market..."*

3. The OCG has determined that any procurement contract/arrangement that exists between the JUTC-2 and the JUTC falls within the strictures of a Government to Government Procurement as defined by the GOJ Handbook of Public Sector Procurement Procedures.

Further to same, in its meeting of October 6, 2010, the National Contracts Commission (NCC) endorsed a request which was submitted by the JUTC to utilize the Sole Source Procurements Methodology to procure, among other things, tyres from the JUTC-2. In this regard by way of letter dated October 12, 2010, the NCC informed the JUTC's parent Ministry that *"The Commission wishes to refer the JUTC to the GoJ Handbook of Public Sector Procurement Procedures, Sub-Section S-1000, Item III-Exclusions (8), pertaining to procurement between Government Entities."*

4. Regarding the allegation that the JUTC-2 is selling new and retreaded tyres to the Jamaican market below market prices, Mr. Kenry Jackson stated that, *"To the best of my knowledge JUTC-2 has never sold and has no intention to sell tyres to the Jamaican market at "below market price" and has never sold and has no intention to sell tyres to JUTC 'at a price well above market value'."*

In light of the foregoing, the OCG concludes that the arrangement between the JUTC-2 and JUTC falls within the remit of a Government to Government procurement which is considered exempt from regular procurement rules, provided that value for money is obtained.

Further, the JUTC-2's Memorandum of Understanding has no provisions which restrict the Company from selling its products to persons and/or companies outside of JUTC, that is, to the wider Jamaican marketplace.

Ministry/Agency/Department: SCJ Holding Limited

Complaint received in November 2014: The complainant, Ms. Yvonne Pitt, indicated that she was a cane farmer, and alleged that the Sugar Divestment Enterprise (SDE) had failed to adequately compensate her for the supply of sugarcane in 2011, paying her \$999.50 per tonne, instead of the usual \$5,000 per tonne.

The complainant also alleged that agents belonging to the Bernard Lodge Division of the Sugar Company of Jamaica Limited had trespassed on lands which she had leased from the NLA by planting sugarcane during September 2004.

Findings:

1. The issue regarding trespass on land is not within the jurisdiction of the OCG and as such, was not reviewed.
2. Mrs. Yvonne Pitt is a registered cane farmer and is assigned to the Bernard Lodge Sugar Factory. Subsequent to the closure of the Bernard Lodge Sugar Factory, all Bernard Lodge farmers' cane is processed at the Monymusk Sugar Factory.
3. Mrs. Pitt has stated that on January 26, 2011, the SDE had conducted a maturity test on her cane. She added that after the maturity test the SDE gave her a document stating that the cane was mature and ready to be reaped. The OCG has evidenced a document dated February 11, 2011 in which an order was placed with Mrs. Pitt requesting that she deliver 300 tonnes of clean, fresh, cane to the Bernard Lodge Factory/Monymusk on February 13, 2011.

4. An undated document from the SDE indicates that the total tonnage received from Mrs. Pitt was 493.27.
5. Ms. Pitt has stated that she should have been paid \$5,000 per tonne. However, she did not provide any supporting documentation evidencing that she should have been paid \$5,000.00 per tonne.
6. Information received from the SCJH indicates that Ms. Pitt was paid \$2,160.86 per tonne and not \$995.50 as she had stated, based upon the quality of her cane supplied. The SCJH has stated that the Sugar Industry Authority (SIA) "...declares an average price per tonne of sugarcane for each sugar factory and also a price for each tome supplied by farmers based on the farmers' cane quality as determined by the Core Laboratory."
7. The SCJH has further stated that Ms. Pitt's relative factor was below one (1). The OCG had been provided with information showing the results of the quality testing and has evidenced that Mrs. Pitt's sugarcane received a relative factor of 0.7582.
8. When asked, the SCJH was unable to provide a reason why Mrs. Pitt believed that she should have been paid \$5,000 per tonne for sugarcane.
9. Historical information provided by the SCJH shows that the highest price paid per tonne for the 2011 crop was \$4,148.0899.
10. The SCJH has provided the OCG with copies of the payment register which shows the total amount which was paid to Mrs. Pitt was \$366,405.43.

The OCG has conducted a review of the historic data provided by the SCJH, inclusive of the quality of sugar cane, as measured by the relative factor, for the prior two year period being 2009 and 2010. The historic data shows that all sugar cane, for that period, was paid below \$5,000. Accordingly, the OCG is unable to determine the basis upon which Ms. Pitt concluded that she would have been paid \$5,000 per tonne, given that the relative factor of the sugar cane she supplied was below 1.

The SCJH has provided documentation to support the rate which had been paid to Mrs. Pitt which shows that she had been compensated at a much higher rate than she had indicated. The SCJH has provided further information to show the average rates which had been paid for the 2011 crop. The highest rate which was paid for that crop year did not exceed \$4,148.09, which renders Ms. Pitt's claim that she should have been paid \$5,000 per tonne invalid.

Ministry/Agency/Department: The Port Authority of Jamaica

Complaint received in September 2012 – Extract/Summary: Review of complaint regarding the provision of Tug boat Services by The Port Authority of Jamaica -*"In the referenced letter, the OCG stated, inter alia, that it had "...formally commenced a review into allegations surrounding the awarding of contracts/engagement of contractors, for the provision of Tug Boat services by the Port Authority of Jamaica (PAJ)."*

The complainant had alleged that the PAJ had engaged a particular company to provide tug boat services for the past 15 – 20 years. However, the services were never competitively tendered.

Findings:

1. In its response, the PAJ has stated that towage has been provided to the users of the Kingston Harbour by the PAJ since the 1970s. The PAJ has further stated that one company had been managing the services since the inception through a management agreement.
2. In an effort to formalize the towage services, the PAJ had formally written to the National Contracts Commission (NCC) on August 11, 2008 requesting permission to award follow-on contracts for two (2) years, during which time the PAJ would undertake a competitive tender process.
3. The request was not endorsed by the NCC, which recommended that the PAJ award a follow-on contract for a one (1) year period.

4. By way of a letter dated November 24, 2008, the PAJ had written to the Ministry of Transport and Works requesting its support in seeking the approval of the NCC to use the Limited Tender (LT) procurement methodology to procure vessel tug services for the Port of Kingston.
5. The Ministry of Transport and Works subsequently submitted a letter to the NCC dated December 2, 2008, supporting the PAJ's request to utilize the LT procurement methodology.
6. The NCC, by way of letter dated December 12, 2008, endorsed the recommendation for the PAJ to use the LT procurement methodology to invite five companies to submit quotations for the vessel tug services.
7. Subsequent to same, and by way of letter dated June 17, 2009, the PAJ wrote to the NCC requesting permission to negotiate with the sole bidder that had responded to the LT exercise.
8. The NCC, by way of letter dated June 30, 2009, advised the PAJ that it had endorsed the recommendation to enter into direct contracting with the sole bidder.
9. The PAJ has stated that, "...a five (5) year contract for the management of the Tug service was awarded to Maritime & Transport Services Limited having secured NCC approval..." in the amount of J\$26.76 Million. The contract, which was dated July 1, 2009, had a commencement date of August 1, 2009.
10. The OCG, by way of letter dated July 24, 2015, requested an updated status of the tug boat service. The PAJ's response stated that the contract of Maritime & Towing Company Limited, the subsidiary of Maritime & Transport Services Ltd, which would have expired on July 31, 2014, had been extended, "...in light of the proposed privatization of the Kingston Container Terminal, its main commercial asset."

Based upon the information provided, the OCG has evidenced that the PAJ had undertaken a competitive tender process which led to the award of contract for vessel tug services in 2009. Prior to the award of same, the PAJ has confirmed that the services were not competitively tendered, but was instead contracted to one particular company, since the 1970s. Although the incumbent supplier was eventually awarded a five (5) year contract, the OCG is aware that the PAJ had undertaken steps to regularize the services by engaging in a competitive procurement process which led to said award.

The OCG, therefore, concludes that the PAJ has sought to adhere to the provisions of the Government of Jamaica Handbook of Public Sector Procurement Procedures and subsequently concludes its enquiry into the matter.

Ministry/Agency/Department: NMIA Airports Limited

Complaint received in March 2011 – Extract/Summary: Complaint regarding In-Bond Arrivals Duty Free Concession Award (2011) - The complainant informed that he was a bidder for a new concession which was to be awarded by the Norman Manley International Airport (NMIA) for the liquor store in the Arrival Lounge at the airport. He advised that he was concerned about the propriety of the tender evaluation and review process in light of the fact that he had just learnt that three (3) members of the NMIA Board of Directors had been appointed to the NMIA Procurement Committee.

Findings:

1. The tender for the Design and Operation of Duty Free & Specialty Retail Concessions was advertised in December 2010. At the close of tender on February 18, 2011, two (2) Bids were received from Fleming International & MacManagement Limited and K. Chandiram Limited (Gladfiseeyu).
2. The Evaluation Committee was comprised of five (5) NMIA managerial personnel, inclusive of the Director of Finance and the Vice President – Commercial Development and Marketing. The OCG notes that the Request for Proposal (RFP) had outlined the four (4) broad criteria and associated weightings which would be used to evaluate bidders. A further breakdown of the evaluation sub-criteria was also provided.

3. The OCG undertook a detailed assessment of the evaluation criteria by reviewing the associated scores which were issued by the respective Evaluators, and conducting a cross analysis of the scores which were allotted to the respective bidders for each criterion.

The OCG, however, opines that a number of the evaluation criteria were subjective in nature, and, to some extent, relied upon the expertise of the Evaluators. The OCG, therefore, is unable to speak to the basis upon which particular scores were given by each Evaluator. One example of a somewhat subjective evaluation criterion is *“Are there any uniquely Jamaican services and/or product offerings, as compared to the other Proponents and will they enhance the users overall travel experience?”*

As it regards both bids, there were noticeable divergences in the scores allotted by the individual Evaluators for some sub-criteria. For example, the Evaluator Scoring Sheet relating to one bidder had one evaluator giving a score of zero, whilst another evaluator gave the full score of two, for the sub-criterion, *“Has the Proponent detailed its corporate marketing philosophy and policy?”*

Another example of inconsistent scores was seen in the Evaluator Scoring Sheet relating to the other bidder was where one evaluator issued a score of two out of three, whilst another evaluator issued a score of zero out of three, for the said criterion being *“Has the Proponent detailed the proposed materials, furnishings, fixtures and equipment to be used?”*

4. As it regards the list of Approved Items, the OCG notes Part III-Concession, Scope and Concession Agreement Objectives of the Request for Proposal (RFP), states that, *“The product categories for the proposed Duty Free shop in the Departure [sic] Lounge must include products contained in Appendix I-Approved Goods.”* The OCG notes that the referenced list did not include Televisions, Computers nor I-Pads, as was asserted by the complainant.

Further to same, the OCG notes that the abovementioned items do not appear in the Schedule of Approved Goods as outlined in The Tourist (Duty-Free) Shopping System Act nor Section 21 the Tourist (Duty-Free) Shopping System (Change of Name and Amendment) Act, 2010.

5. The complainant asserted that the *“...points which have been awarded to Bijoux for the section in question ie FINANCIAL PROPOSAL should be reduced by the same percentage (%) which these products have contributed to the five year Budgeted Revenue Estimates”*. The OCG, however, having reviewed the RFP, has not evidenced where such a provision would have been permitted. In fact, the OCG wishes to highlight a response which was provided by the NMIA in Minutes of Request for Proposal Briefing for Arrivals Duty Free Concession which was held on January 14, 2011, wherein the following question was posed, *“As per the RFP, the percentage of gross offered should not be less that (sic) 25% List of approved goods include electronic items, clothing, writing instruments etc, which do not carry high margins. In view of this, please let us know whether we can vary the gross revenue product by product.”* With regard to same, the NMIA stated that, *“THE [sic] RFP stipulates a single percentage offer. Hence, variable percentage offer will not be accepted.”*

The OCG notes that the percentage of gross sales proposed by the complainant was 25 bases points lower than that of the recommended bidder.

6. A Concessionaire Agreement was subsequently signed with the recommended bidder, K. Chandiram Limited. The Agreement, which has a six (6) year duration, had a commencement date of August 1, 2011.

Appointment of Board Members to Procurement Committees

7. The complaint had questioned the propriety of allowing members of the Board to sit on the Procurement Committee. While the OCG notes that an agreement of this nature does not strictly lie within the Government of Jamaica (GOJ) definition of procurement, guidance was taken from GOJ Handbook of Public Sector Procurement Procedures. The applicable Handbook, at the time, indicated that while members of the Board are allowed to sit on Procurement Committees, they should not constitute more than forty percent (40%) of the entity's Procurement Committee.

With regard to the NMIA, the OCG noted that during the period within which the complaint was received, two (2) members of the Board were listed as members of the Procurement Committee which reviewed the evaluation associated with Arrival Duty Free Concession. Given the Committee's composition at the applicable time, the Directors who reviewed the submission, did not exceed 40%.

Accordingly, the OCG opines that there was no breach.

With regard to the evaluation process which was undertaken, the OCG has concerns regarding the subjectivity of certain sub-criteria which seemingly resulted in a disparity in the scores allotted by individual Evaluators. Consequently, the OCG wishes to recommend that in the future the NMIA should ensure that the evaluation criteria and associated sub-criteria, as far as is possible, are objective and measurable.

With regard to the appointment of members of the Board to the Procurement Committee, the OCG found this to be in keeping with the principles of the GOJ Handbook of Public Sector Procurement, and as such, was not improper. The OCG makes the foregoing comment, having due regard to the fact that Concession Agreements of this nature, fall outside the strictures of the GOJ Handbook of Public Sector Procurement. Nonetheless, the OCG has noted the NMIA's attempt to apply the principles of transparency and open competition which are entrenched in the GOJ Handbook of Public Sector Procurement.

Ministry/Agency/Department: Kingston and St. Andrew Corporation

RJR News Report dated February 14, 2013 – Extract/Summary: *“Six PNP Councillors resign from KSAC Building Committee”*. The news report stated that, *“The Kingston and St. Andrew Corporation (KSAC) has been rocked by the immediate resignation of at least six members, including the chairman, from the Building and Town Planning Committee... The resignations from what is a bi-partisan committee follows Thursday's meeting with KSAC Chairman and Mayor Angella Brown-Burke.*

The meeting was held in response to recent concerns over the reported approval for the construction of an apartment building at 2 to 4 University Close, Elleston Flats, Papine... KSAC officials argued that the Building Committee seemingly ignored recommendations from the technical experts regarding approval for the apartment building.”

Findings:

1. Information from the KSAC indicated that on December 29, 2008, it had filed an application in the Supreme Court of Judicature of Jamaica against Ian Folkes, Collette Folkes and Andrew Willis *“...claiming an injunction pursuant to section 23B of the Town and Country Planning Act against the Defendants jointly and/or severally. The basis of the claim is that the Defendants have engaged in developments on the subject premises which are being carried out without obtaining permission from the K.S.A.C. as the Local Planning Authority and as the Building Authority.”*
2. On December 18, 2009, a judgement was handed down ordering that the Defendants are *“...restrained from carrying out further development whether building, engineering, mining and/or operations in on over or under land...restrained from carrying out works for the improvement, addition...of any building on the land which works affect the exterior of the building and/or materially affect the external appearance of the building on the land...restrained from using and/or occupying the land, and/or carrying out any activity on the land associated with the use and or occupation of the land; or from permitting the use and/or occupation of the land; and/or from permitting the carrying out of any activity on the land associated with the use and occupation of the land unless and until approval is sought and obtained from the Claimant and the building is certifiably safe for use and occupation.”*
3. The judgement further ordered that the Defendants were mandated to:
 - (i) *pull down and/or demolish the unauthorized buildings or other operation in on over or under the land to the Claimant's satisfaction...*
 - (ii) *remove all rubble, debris or other item or material resulting from pulling down and/or demolition of the unauthorized building ...*
 - (iii) *remove all paraphernalia associated with the unauthorized building...*

- (iv) *restore the building and/or other land to its original condition prior to the unauthorized development ...*
- (v) *restore the building and/or other land to the satisfaction of the Claimant ...*

within a specified timeframe.

4. The Defendants filed an appeal in the Court of Appeal submitting that *"...paragraphs E and F of the order of the learned judge are gravely inconsistent... the decision of the learned judge was made on 18 December 2009, and that by paragraph E, the appellants are restrained from carrying out any activity on the land "unless and until approval is sought and obtained from the Claimant and the building is certifiably safe for use and occupation", whereas under paragraph F the appellants were ordered to demolish the unauthorized buildings..."*.
5. The Defendants' attorney further submitted that on the face of it, the appellants, *"...were being afforded an opportunity to seek and obtain approval from the respondent. The appellants were in the process of seeking to take steps to obtain the requisite approval ... [and] ...no reasonable time limit had been placed on the pursuing of that activity, yet the appellants by the same order were being directed to demolish the building."*
6. The order handed down by the Court of Appeal stated that, *"Appeal is allowed in part by deleting the order F. The other orders of Mangatal J shall remain in force."*
7. Following the Court of Appeal decision, an application for Planning and Building Permit was submitted by Mr. Adrian Smith on July 10, 2012 seeking permission to carry out alteration/ modification to the premises located at 2-4 University Grove.
8. The application was assessed by the Planning and Building Departments (PBD) and was found to be deficient. By way of letter dated August 21, 2012, the KSAC had written to the property owner, Mrs. Collette Folks, outlining additional information which needed to be submitted before further consideration could be given to the application. The KSAC has indicated that no response had been received from the applicant. The KSAC also indicated that the application was referred to the National Environment and Planning Agency (NEPA) and the Ministry of Health (MOH).
9. According to the KSAC and subsequent to the non-receipt of the additional information, the application was recommended for refusal of planning permission by the Planning Department in a report dated December 3, 2012.
10. Following the refusal by the Planning Department, an amendment to the application was submitted on December 7, 2012. However, same did not address the deficiencies cited by the Planning Department in its letter dated August 21, 2012. The application was again recommended for refusal.
11. Notwithstanding the foregoing, the OCG has noted a Building and Town Planning Committee meeting minutes, dated February 6, 2013, in which it was stated, *inter alia*, that:

"The Director of Planning (KSAC) and the Government Town Planner (NEPA) recommended refusal of planning permission. The Ministry of Health/Environment Health Unit offered no objection to the proposal that the development would be connected to the sewer main, provided that the proponent submitted a letter from the owner/operator of the sewage treatment plant.

*The City Engineer recommended **refusal** for the following reasons:*

- a) *The proposal if permitted would result in an over-intensive development of the site.*
- b) *The provision made for amenity/ recreational area is inadequate.*
- c) *The proposed setbacks from the boundaries are inadequate*
- d) *The proposed number of parking spaces is inadequate to serve the development."*

The meeting minutes cited additional reasons from the Government Town Planner (NEPA) for the refusal of the application.

12. The Chairman of the Building and Town Planning Committee, in the same meeting, had informed the meeting that the matter had been discussed in the sub-committee meeting and that, "... *the lawyers had advised that the applicant would have all right to sue the KSAC if they withdrew the application, as the Court had ruled that there should be no demolition...*"
13. The meeting minutes reflect that the application for permission to modify plans for the construction of a multi-family residential development at 2-4 University Crescent was granted "...*based on the decisions and recommendations from the sub-committee...*" with the imposition of certain recommendations and conditions.
14. It was noted, from the meeting minutes, that some of the Councillors were concerned that the findings and recommendations from the sub-committee had not been a part of the submission and that the findings should have been sent to the City Engineer.
15. Upon the OCG's request, the KSAC had provided an outline of the process of approving building applications which showed several points whereby amendments can be made to the application before it can proceed to the next phase of the process. In the case of the approval for permission to modify plans for the construction of a multi-family residential development at 2-4 University Crescent, the OCG has not evidenced that amendments were made to the original application, in keeping with that which had been requested by the KSAC, prior to the plans being approved by the Building and Town Planning Committee.
16. By way of letter dated March 19, 2013, the OCG made reference to the approval which had been granted by the Building and Planning Committee and asked the Town Clerk, *inter alia*, whether "*The licence/permit was issued to the applicant*" and "*The current status of the Application*". The KSAC responded by way of letter dated March 27, 2013, advising that "*No licence/permit was issued*" and that "*The application is being considered*".
17. The KSAC further advised, by way of its letter dated January 12, 2015, that "*we conducted a subsequent review and realized that the said application was refused after being in abeyance for about a year.*"
18. Attached to the KSAC's response was a certified extract of minutes of the Building and Town Planning Committee, dated May 7, 2014, in which the said application was again discussed and refused planning permission as, among other things, "*The Environmental Permit had not been received to date nor had there been any further response from the applicant or her attorney.*"
19. For further clarification, the OCG by way of letter dated May 27, 2015 had requested the KSAC to state specifically "*...whether or not the Building and Planning Committee is obligated to accept the recommendation made by the Planning and Building Department.*"
20. In its response dated August 11, 2015, the KSAC stated that, "*the Building and Town Planning Committee ...is the final authority as it relates to the approval and non-approval of buildings, subdivisions...*" The KSAC further stated that "*The Building and Town Planning Committee ...is not obligated to accept the recommendations from the Planning and/or City Engineer Departments.*"

The OCG firstly notes, and is aware, that no planning permission had been granted. Although the application had been approved by the Building and Planning Committee in its meeting of February 6, 2013, it was subsequently refused approval by the Building and Planning Committee in its meeting of May 7, 2014, after being in abeyance for approximately one year.

The OCG notes the pronouncement made by the KSAC that the Building and Planning Committee has the final authority with regard to the approval of buildings and subdivision applications, nonetheless, the OCG would be remiss if it did not issue a caution to the KSAC, and elected officials, to recognize the roles and responsibilities of the various technical staff, such as the City Engineer and the Town Planner, in the review process.

Recommendation(s):

Specifically, the OCG recommends that the KSAC and the elected officials that serve on its Committees reconsider the option of granting a conditional approval to applicants who have not fully satisfied the application requirements. The OCG opines that the process will be more orderly if the KSAC opts to inform applicants of the shortfalls in their applications, and that same are rectified, before any decision to approve is considered or finalized.

In this regard, the OCG is further recommending that the KSAC ensures that the Building and Planning Committee is fully aware of the responsibilities, and that reliance is placed upon the competence of the various technical staff in the processing of applications and that same, are processed in line with the internal documented process and the relevant legislation. To ignore this safeguard, that is, relying upon the competence of the various technical staff, would be inimical to good governance.

Ministry/Agency/Department: Port Authority of Jamaica

Complaint received in March 2015 – Extract/Summary: Review of concerns regarding Concession Agreement between the PAJ and Terminal Link Consortium - The Office of the Contractor-General (OCG) received a letter dated March 31, 2015 from Member of Parliament L. Michael Henry outlining concerns regarding the pending lease of Kingston Container Terminal (KCT) to Terminal Link.

The referenced letter stated, *inter alia*, that, “*The matters of immediate concern are:*

1. *The potential of Terminal Link to meet the required criteria for the bidding process if any previous partner or partners has/have withdrawn from the partnership.*
2. *The possibility that any undisclosed guarantee(s) has/have been requested by Terminal Link or is/are being considered by the Government of Jamaica...*”

Findings:

1. The OCG was informed, by way of letter dated January 14, 2013 from the Ministry of Transport, Works & Housing (MTWH), that “*As at 2012 December 31, Cabinet...approved the appointment of an Enterprise Team (ET), which has been charged with the responsibility to guide the process of privatization of the Kingston Container Terminal.*”
2. On March 4, 2013, Cabinet approved the utilization of the Limited Tender Methodology for privatization process.
3. Twenty-five (25) entities were invited to participate in the Request for Qualification Stage of the process. A minimum score of eighty percent (80%) was required at the Request for Qualification Stage in order to be shortlisted to bid in the second stage of the process - Request for Proposals or Bidding Stage.

Request for Qualification (RFQ) Stage

4. At the close of tender on June 12, 2013, five (5) firms submitted proposals: Dubai Ports (DP) World; Ports America, Ports of Singapore Authority (PSA), SSA Consortium (ZIM, SSA Marine/Carrix and Kingston Wharves); and Terminal Link Consortium (CMA CGM/Terminal Link, CHEC, CHMI).
5. Upon completion of the evaluation three (3) entities attained the qualifying score. The prequalified entities were Terminal Link Consortium, PSA and DP World.
6. The three (3) pre-qualified entities were invited to participate in the Request for Proposal stage of the process.

Request for Proposal (RFP) Stage

7. The deadline for submission of proposals was initially May 22, 2014. The said deadline was subsequently extended to July 31, 2014.
8. The OCG evidenced a correspondence dated March 25, 2014 from Terminal Link to the Port Authority which stated, “*As per section 3.2.2 of the RFP, we hereby inform PAJ of the withdrawal of the following entities of the Consortium Qualified: (i) China Harbour Engineering Company due to its unsolicited proposal relating to Goat Island creating a conflict of interest (ii) China Merchants Holding International and CMA CGM, both yet participating through their shareholding in Terminal Link. We kindly request your approval on this modification to continue to proceed with the Bid...*”

With regard to the foregoing, the OCG noted Section 3.2.2 of the RFP which provides that, "... PAJ should be informed of... Changes in the composition of a consortium which is a Qualified Bidder..." The Section also states that "PAJ reserves the right in its sole discretion to disqualify a prospective Bidder if:

- (i) *In the case of a Qualified Bidder which is a consortium –*
 - a. *The lead entity in the consortium has been changed;*
 - b. *There is a change in control of the lead entity; or*
 - c. *The revised consortium ceases to comply with the qualification criteria set out in the Request for Qualification..."*

In this instance it was noted that the requisite advisory was provided by Terminal Link as it regards the change in the Consortium.

As it regards Member of Parliament L. Michael Henry's concerns as to "the potential of Terminal Link to meet the required criteria for the bidding process if any previous partner or partners has/have withdrawn from the partnership", the OCG is of the opinion that the Section 3.2.2 of the RFP explicitly indicates that it is the discretion of the PAJ with regard to the disqualification of Bidders based on a change in the Consortium.

Notwithstanding the foregoing, the OCG notes that CMA CGM and CMHI have 51% and 49% shares respectively in Terminal Link. However, prior to Terminal Link's advisory of March 25, 2014, CMA CGM and CMHI were independent members of the Consortium.

9. On July 31, 2014, the Tender Opening Ceremony relating to the RFP Stage of the divestment process was convened and only one (1) Proposal was received from Terminal Link Consortium.
10. Upon evaluation, Terminal Link Consortium received a total overall score of 59.85 out of 100%. A Summary Evaluation Sheet which was submitted to the OCG by the PAJ states that, "Stage 1 Qualification Not Achieved."

With regard to same, it should be noted that the Section 4.2 of the RFP indicates that, "At Stage 1, each Bid must achieve an overall combined score of at least 70% across the Business Plan and Funding Plan, along with meeting the specific minimum threshold for each individual part/sub criteria..."

In light of the said section and the overall score which was received by Terminal Link Consortium in relation to the RFP Stage of the process, the requisite score was not attained.
11. Despite the fact that Terminal Link Consortium had not attained the requisite score, the PAJ recommended that Terminal Link Consortium be approved as the Provisional Preferred Bidder. In this regard, under cover of letter dated September 11, 2015 to the OCG, the PAJ stated that its legal advisors had advised, given the provisions of clause 3.26-3.28 of the Request for Proposal, that if PAJ was to conduct clarification/negotiation meetings with the Terminal Link Consortium, the most appropriate course of action would be to first declare them the "Provisional Preferred Bidder".

With regard to same, the OCG notes the following Clauses, which states, *inter alia*:

3.26.1 – "Subject to Clause 3.27, PAJ will select as the Provisional Preferred Bidder the Bidder whose Bid has been determined to be substantially responsive to the RfP documents and has obtained the highest evaluation score..."

3.27 - "Notwithstanding Clauses 3.26 and 3.28, PAJ reserves the right to accept or reject any Bid, and to cancel the bidding process and reject all Bids, at any time in its discretion prior to the award of the Concession..."

3.28.1 – "The Provisional Preferred Bidder and PAJ will enter into negotiations to conclude all the terms of the Concession Agreement."
12. The OCG notes PAJ's explanation with regards to the various considerations for the recommendation that Terminal Link Consortium to be approved as the Provisional Preferred Bidder. Two considerations of note were that the Proposal was submitted by way of a competitive process and that the Consortium had exceeded the minimum scores on four of the six evaluated areas.

With regard to the aspect of the evaluation wherein the Consortium did not attain the minimum score, the OCG notes the PAJ's explanation that there were technical and commercial points which required clarification. The OCG also notes that the issues (points) were ventilated at the negotiation stage of the process. The PAJ has explained that in order to arrive at the said negotiation stage, the Terminal Link Consortium had to be approved as the Provisional Preferred Bidder in line with the requirements of the RFP.

13. The PAJ, under cover of letter dated September 11, 2015, to the OCG informed that, “... *the Port Authority requested and received approval to recommend the Terminal Link Consortium as the **Provisional Preferred Bidder** despite the non-compliance with the minimum score identified in the Request for Proposal. The approval received was by way of Cabinet Decision No. 34/14 dated 2014 September 22 which approved the recommendation of the Kingston Container Terminal Enterprise Team and The Port Authority of Jamaica to declare the Terminal Link Consortium the Provisional Preferred Bidder, arising from the Request for Proposal...*”

With regard to same, the OCG notes Section 4.0.2.1 of the Government of Jamaica Policy and Institutional Framework for the Implementation of Public Private Partnerships, which states that, “... *the Cabinet is the ultimate authority in relation to matters of policy set out in the PPP Policy. Cabinet has final decision-making power over all matters involving the PPP Programme. Cabinet approval will be required:... After bids are received and evaluated, to approve the contract with the preferred bidder, or to set the parameters for negotiations with one or more bidders with a view to concluding a contract... For any other decisions with significant implications for any stakeholder, the fiscal situation, or the country’s economic development, as deemed necessary ...*”

In light of the circumstances, the OCG is mindful of the overarching authority of Cabinet with regard to the approval which was issued for Terminal Link Consortium to be the Provisional Preferred Bidder despite not having achieved the requisite score at the evaluation stage of the RFP.

14. After four rounds of negotiations, the Concession Agreement between the PAJ and Kingston Freeport Terminal Limited, a subsidiary of Terminal Link, was signed and became effective April 7, 2015.
15. As it regards undisclosed guarantees as posited by Member of Parliament L. Michael Henry, the OCG is unable to speak to any guarantee which was not stated in the Concession Agreement.

Further to same, in response to the OCG’s requisition regarding any guarantees being offered, accepted and/or agreed to which were not explicitly stated in the Concession Agreement, the PAJ has informed the OCG that, “*The Concession Agreement dated 2015 April 7 is reflective of the agreement reached by the Port Authority of Jamaica and Kingston Freeport Terminal Limited, a subsidiary of the Preferred Bidder, the Terminal Link Consortium.*”

The Member of Parliament L. Michael Henry’s question of whether the Terminal Link Consortium could have qualified for the bidding process based on the withdrawal of certain partners was noted. The OCG has however noted that the RFP provides that the acceptance of changes to a Consortium is subject to the discretion of PAJ. In this instance, the PAJ exercised its discretion and approved Terminal Link’s continuation in the RFP stage despite the changes in the Consortium. In light of the circumstances, the question of whether the amended Consortium could have met the required criteria for the bidding process at the RFP Stage is of no moment.

With regard to Terminal Link Consortium’s qualification upon evaluation at the RFP Stage, it was noted that the Consortium did not attain the required minimum score of seventy percent (70%), however, the PAJ enforced clause 3.27 of the RFP, and therefore accepted and recommended the Consortium to be a Provisional Preferred Bidder. The said recommendation was approved by Cabinet which has the ultimate authority concerning PPPs.

Further to same, the OCG notes a letter dated April 6, 2015 from DunnCox Attorney’s at-law (Legal Counsel to the PAJ in connection with the KCT Concession) to the Port Authority of Jamaica which states, “*We confirm that the process of selection of the Consortium as the Provisional Preferred Bidder and the subsequent negotiations with the Consortium in arriving at the Initialled Concession Agreement were in compliance with the RFP and with relevant Jamaican law and government policies, including, but not limited to, the Government of Jamaica Policy Framework and Procedural Manual for the Privatisation of Government Assets, October 2012... and the Addendum to the Privatisation Policy, the Policy and Institutional Framework for the Implementation of a Public-Private Partnership Programme for the Government of Jamaica.*”

Having referred to the Government of Jamaica Policy Framework and Procedural Manual for the Privatisation of Government Assets, October 2012 and the Addendum to the Privatisation Policy, the Policy and Institutional Framework for the Implementation of a Public-Private Partnership Programme for the Government of Jamaica and the associated provisions of the RFQ and the RFP which governed the stages of the divestment process for KCT Concession, **the OCG also opines that the transaction adhered to the applicable policies and procedures.**

As it regards undisclosed guarantees, without more, the OCG is only able to speak to guarantees which are outlined in the signed Concession Agreement.

Ministry/Agency/Department: Ministry of Labour and Social Security

Complaint received in August 2013 – Extract/Summary: *Award of Contract to Phoenix Counselling Centre - "During the tenure of Minister of Labour and Social Security Minister Parnel Charles his daughter Patrice Charles-Freeman set up a company called Phoenix Counseling Centre which receive [sic] millions of dollars worth of contract from the said Ministry... Is this Ministry of Labour Contract Not corruption and nepotism at the highest order? Also Mr. Charles wife nursing home (GLO) was also contracted by the same Ministry..."* The complainant asked that the OCG's review cover the period 2010 – 2012.

Findings:

Engagement of Phoenix Counselling Centre

1. The Ministry of Labour and Social Security (MLSS) confirmed that it entered into a consultancy agreement with Phoenix Counselling Centre in April 2011, *"for the development of orientation manuals and the delivery of sensitization sessions for seasonal farm workers travelling to the United States and Canada."*
2. The OCG evidenced a contract dated April 1, 2011, which was signed by the then Permanent Secretary of the MLSS, Mr. Alvin McIntosh, and Dr. Patrece Charles-Freeman of Phoenix Counselling Centre. The contract, which was in the sum of Three Million Seven Hundred and Ninety Three Thousand Two Hundred and Fifty Jamaican Dollars (J\$3,793,250.00), had a six (6) months duration. Among the performance requirements indicated in the contract were *"To undertake workshops for the seasonal farmworkers..."* and *"To produce a manual/booklet for the use of the seasonal farmworkers..."*

By way of letter dated January 21, 2015, the current Permanent Secretary, Mrs. Collette Roberts-Risden, indicated that *"I am advised that: "Phoenix ... conducted numerous workshops with the workers and developed booklets which were distributed to the workers prior to their departure. All the deliverables as specified in the contract were achieved within the contract period except for the delivery of some of the booklets in March 2012..."*

3. With regard to the procurement methodology which was utilized, the MLSS by way of letter dated September 20, 2013, informed the OCG that, *"Direct contract methodology was utilized due to the urgency of the situation....the Ministry dispatches more than 12,000 workers annually to employers in the United States and Canada. During that period the Ministry was receiving reports about the poor behavior of workers...It was felt that it would be necessary to address these issues by having workers undergo intense counseling/orientations sessions prior to their departure...As a result Phoenix Counselling Services was engaged to carry out counseling sessions."*
4. The OCG, by way of its letter dated August 29, 2013, had requested evidence of all approvals which were received. The MLSS, in its letter of response dated September 20, 2013, did not provide evidence of any approvals. By way of a further letter of requisition, the OCG asked whether the prior approval of the National Contracts Commission (NCC) had been sought prior to the utilization of the Direct Contracting Procurement Methodology.

The MLSS, under cover of letter dated December 11, 2013, stated that, *“The Ministry did not seek the prior approval of the National Contract Commission before engaging the services of the Phoenix Counselling Centre. The direct contracting procurement methodology was utilized due to the circumstances...”*

Under the circumstances a decision was made to utilize the direct contracting methodology as action had to be taken quickly enough to convince employers that the matter was being addressed...”

Notably, the Government of Jamaica (GOJ) Handbook of Public Sector Procurement Procedures (2010) provides that, *“The Head of the Procuring Entity may approve ... direct contracting up to J\$3M. Contract values above this threshold will require the pre-approval of the NCC.”*

Notwithstanding the explanation provided by the MLSS, the non-receipt of the requisite pre-approval of the NCC was a breach of the then GOJ procurement guidelines.

5. As was indicated in point 4 above, the OCG had not been provided with any evidence of approvals for the award of contract. As it regards Head of Entity approval, the current Permanent Secretary of the MLSS, Mrs. Collette Roberts-Risden, by way of letter dated January 21, 2015, stated that, *“I am advised that: ...The former Permanent Secretary approved the use of the direct contracting methodology.”*

As it relates to the Procurement Committee, the current Permanent Secretary responded that *“I am advised that: ...The engagement of this consulting company was not considered by the Procurement Committee.”*

In the circumstances, the OCG opines that the MLSS breached the then procurement guidelines as it relates to the absence of the relevant documented evidence of approval for the award of contract.

6. By way of letter dated January 2, 2015, the OCG asked the MLSS to state the rationale for the selection of Phoenix Counselling Centre versus other counselling institutions. In response, the current Permanent Secretary of the MLSS, informed the OCG that, *“I am advised that: The principals of Phoenix... made a proposal to the Ministry to provide counselling and psychological intervention for workers participating in the Overseas Employment Programme...The company indicated their awareness of the challenges being experienced by the Ministry regarding the behavior of the workers.*

The proposal was examined by the Ministry and it was concluded that the company had the requisite knowledge, experience and competence to assist in addressing the behavioural problems being presented by the workers.”

The OCG had also asked in its letter of January 2, 2015, that the MLSS indicate how it became aware of the Entity. In response, the current Permanent Secretary of the MLSS, informed the OCG that, *“I am advised that: ...The principals of Phoenix... visited the Ministry and presented their proposal.”*

Further to same, the OCG, by way of its letter dated June 19, 2015, sought to ascertain from Dr. Charles-Freeman, among other things, how the Phoenix Counselling Centre became aware of the challenges associated with the Programme. In response, by way of letter received by the OCG on July 8, 2015, Dr, Freeman-Charles informed that *“A proposal was submitted by the principals of the Phoenix Counselling Centre, Dr. Ken Garfield Douglas and Dr. Patrece Charles –Freeman.*

*...The lead on this project Dr. Ken Douglas having conducted his own research and on obtaining empirical data from previous assessments that suggested that the pre-departure Farm Work Orientation process was very deficient in providing a range of important information on what awardees may experience, presented **A Synopsis of Proposed Evaluation of the Jamaica Seasonal Farm Work Programme** to the Phoenix Counselling Centre for submission to the Ministry of Labour and Social Security.”*

In keeping with the responses which were provided, it appears to the OCG that the Principals of Phoenix Counselling Centre made an unsolicited proposal to the MLSS. In this regard, the provisions of Section 1.2 of the Handbook of Public Sector Procurement Procedures (2010) are applicable. Section 1.2.1.2 of the Handbook states, as it relates to Direct Negotiation, *inter alia*, that “*If the entity is interested in pursuing direct negotiation, regardless of the value, an application shall be made to the NCC through the Permanent Secretary for the approval of the Direct Contracting Method.*”

As was indicated at paragraph 4) above, the MLSS did not seek the approval of the NCC as it relates to this procurement.

7. As asserted by the complainant, Dr. Patrice Charles-Freeman is the daughter of the then Minister, Parnel Charles. The signing of the contract in 2011 between Dr. Charles-Freeman's business, Phoenix Counselling Centre, coincides with the tenure of the then Minister of Labour & Social Security, the Honourable Parnel Charles. Based upon details ascertained from the Companies Office of Jamaica, the entity Phoenix Counselling Centre commenced on March 1, 2010, with its proprietor listed as Patrece Charles-Freeman.

The OCG has not evidenced any documentation or any other material upon which reliance could be placed that would indicate that Mr. Parnel Charles (the then Minister of Labour & Social Security) was directly involved in or influenced the award of contract to Phoenix Counselling Centre. Section 4 of the GOJ Handbook of Public Sector Procurement Procedures dictates that, “*It is the duty of ... any ... Public Officers and officials directly or indirectly involved in the procurement process... to declare any potential conflict of interest. A conflict of interest will arise when the individual has a direct or indirect relationship with a contractor, which may affect or might reasonably be deemed by others, to affect impartiality on any matter related to his/her duty.*”

By way of letter which was received on July 8, 2015, Dr. Freeman-Charles confirmed that the Member of Parliament Mr. Parnel Charles, the then Minister of Labour & Social Security, is her father. However, she stated that, “*The then Minister of Labour & Social Security was not involved in the submission of the proposal or the signing of the contract to provide counselling and psychological intervention for workers participating in the overseas programme in 2011. Contact was only made with the then Permanent Secretary Alvin McIntosh who was aware of my relationship with Member of Parliament Parnel Charles.*”

8. During its review of this matter, the OCG did not find a record of the contract award to Phoenix Counselling Centre on the associated Quarterly Contracts Award (QCA) report for that period. With regard to same, the MLSS in its letter of December 11, 2013, stated that, “*The failure to report the contract awarded to Phoenix Counselling Centre on its quarterly contracts awards report was an oversight. It was not a deliberate action.*”

Notwithstanding the explanation provided by the MLSS, it is important to highlight that the failure of the MLSS to report the contract award to Phoenix Counselling Centre to the OCG, constitutes a breach of Section 29 of the Contractor General Act. In light of the time which has elapsed, the OCG expects that proper procedures have now been implemented by the MLSS to ensure that all requisite contracts which it awards are reported on the QCA Report.

9. The MLSS had indicated that the aforementioned was the only contract which had been entered into with Phoenix Counselling Centre. Dr. Charles-Freeman's response also indicates that no other engagements/contracts had been entered into with the MLSS.

Engagement of GLO

With regard to the alleged engagement of GLO by the Ministry, by way of letter dated September 20, 2013, the MLSS informed that, “*During the period 2010-2012 the Ministry and Social Security did not award any contract to GLO's Adult Care Centre.*”

GLOS's Adult Care Centre operated a service to train personal care attendants for the Canadian labour market...

The OCG has, without prejudice, concluded its review of this matter. The OCG has found that the Ministry of Labour and Social Security (MLSS) had awarded a contract to the Phoenix Counselling Centre, a business which is owned by the daughter of the then Minister of Labour & Social Security. The OCG, however, did not evidence any facts to indicate that the then Minister of Labour and Social Security was involved in the award of contract to Phoenix Counselling Centre.

Notwithstanding the foregoing, the OCG found that, procedurally, there were breaches in the award of the contract as, *inter alia*, the MLSS did not receive the pre-approval of the National Contracts Commission to use Direct Contracting Methodology to engage Phoenix Counselling Centre given: (1) the value of the contract, and (2) that the referenced award stems from an unsolicited proposal to the MLSS.

Additionally, the MLSS did not report the contract award to Phoenix Counselling Centre on the associated QCA Report to the OCG until after a review of the matter began and a requisition was sent to the MLSS asking the question.

The OCG accordingly, cautions the Ministry to ensure that the procurement guidelines are strictly adhered to and that the requisite measures are put in place to ensure that accurate information is reported on its QCA Reports.

Ministry/Agency/Department: Transport Authority

Complaint received in October 2012 – Extract/Summary: *Complaint regarding Structural Review and Procurement for Security Services - “The Transport Authority is currently conducting a structural review. This was never authorized by the board or the government. One director ... has been doing this review. She has no proficiency in the area... You should also be aware that the security services are now being procured. There will be an attempt to grant Border Security the contract from a political stand point. The OCG will need to intervene early and monitor the process...”*

Findings:

Structural Review

By way of letter dated November 1, 2012, the Transport Authority confirmed that “*an organizational review is currently underway and the Board of Directors is aware.*” The Transport Authority also indicated that the review was being undertaken internally by the Chairman of the Human Resources Sub-Committee of the Board and the Authority’s General Manager - Human Resource and Administration.

Additionally, and by way of letter dated November 27, 2012, the Transport Authority provided documentation evidencing that a no objection had been received from the Ministry of Finance (*by way of letter dated April 2, 2012*) as it regards the utilization of a member of the Board to spearhead the structural review process and that the compensation should be in keeping with the Ministry’s Circular related to fees for Board Members.

In this regard, the OCG opines that the matter concerning the structural review which was being undertaken by the Transport Authority does not involve the issuance of a contract, licence or permit as defined by the Contractor General Act and is therefore not within the OCG’s jurisdiction.

Procurement of Security Services – Border Patrol Security Services

With regard to the allegation concerning the procurement of security services, the OCG undertook a review of particulars associated with the Tender Process. The OCG hereby highlights its findings:

1. The Invitation to Tender for security services was advertised on August 26, 2012. The comparable estimate was J\$159,954,500.00.
2. The provision of Security Services, for a three year period, was required for fourteen (14) locations across nine (9) Parishes. Bidders were allowed to submit tenders on any or all locations.
3. At the close of tender on September 27, 2012, nine (9) bids were received (including a submission from Border Patrol Security Services with a proposed contract sum of J\$226,421,008.20).

4. Upon evaluation, the highest scored bidder, with the proposed contract sum was J\$164,503,808.00, was recommended for the award of contract for all locations. Based on the overall scores for each bidder, Border Patrol Security Services ranked seventh out of the eight (8) bidders who were evaluated.
5. The Procurement Committee of the Transport Authority, and Head of Entity, approved the recommendation for award of contract and forwarded same to the parent Ministry, being the Ministry of Transport, Works & Housing.
6. By way of letter dated June 11, 2013, the Ministry of Transport, Works & Housing requested permission of the National Contracts Commission, to abort the tender process and to re-issue the procurement opportunity as discrepancies were noted in the tender process. The said letter stated, *inter alia*, that, "Having reviewed the evaluation report and supporting documents...inconsistencies were found. These include the following:
 - *The full standard bid documents were not issued to bidders in accordance with the GoJ procurement guidelines.*
 - *The standard evaluation documents were not used in the evaluation of the bids...*
 - *The criteria, scoring and method of evaluation were not included in the Instructions to Bidders...*
 - *Errors were evident in the Bid Data Sheet*
 - *Evidence of Bid Bonds was not provided by all bidders, yet these bids were not rejected..."*

Based upon the foregoing, the NCC offered its 'no objection' to the request from the Ministry to abort the tender process.

7. With regard to the Ministry's above-mentioned letter, the OCG has evidenced information to support the 5th bullet item. In this regard, the OCG noted the Bid Opening Form for Border Patrol Security Company Limited, which stated that, "BNS letter submitted indicating that bid bond was approved...However the actual bid bond form was not submitted with the submission."

The OCG also noted the Bid Opening Form for another contractor wherein it was indicated that the Bid Bond letter had the Mayberry Seal but it was not signed by an authorized officer from Mayberry nor was it on Mayberry's letterhead.

8. With regard to other bullet items which were highlighted in the Ministry's letter of June 11, 2013, the OCG hereby makes reference to a copy of the bidding document which was submitted to its Office under cover of a letter from the Transport Authority's dated November 12, 2012. The said Tender Document appeared to be the complete Standard Bidding Document including the relevant Evaluation Criteria. Without more, the OCG is unable to speak to errors in the Bid Data sheet, as was asserted in the Ministry's letter of June 11, 2013.
9. The OCG notes that the procurement opportunity was re-advertised on September 29, 2013. The comparable estimate was J\$227,300,761.75. The provision of Security Services, for a three year period, was required for eleven (11) locations across seven (7) Parishes.
10. At the close of tender, seven (7) bids were received, including a proposal from Border Patrol Security Services with a proposed contract sum of J\$138,487,138.20.
11. The bids were evaluated and Border Patrol Security Services was the recommended Bidder having attained the highest score.
12. With regard to the evaluation, the OCG conducted an analysis of the evaluation process which was undertaken in the previous process (2012) and the retendered process of 2013. The following were noted:
 - a. The following evaluation criteria were not included in the 2013 process but had been in the 2012 process:
 - i. Manpower on roll (This is based on the number of guards the company employs);
 - ii. Supervisor to Staff Ratio; and

- iii. Proof of Financial Strength (Using Financial Statements Acid Test Ratio will be calculated).
- b. With the exception of that which was highlighted in bullet 12a above, the OCG noted that the evaluation criteria which were utilized in the tender process of 2013 were similar to the criteria which were utilized in the tender process which was conducted in the year 2012. However, the associated weightings were different.

The evaluation criteria in both instances appeared to be measurable and objective.

13. The requisite approvals for the contract award recommendation for Border Patrol Security Services were noted. It is important to highlight that the NCC in its endorsement letter which was dated January 31, 2014, to the Ministry of Transport, Works & Housing, noted that, "... *the Comparable Estimate was clearly inaccurate given the average bid sums.*"
14. The contract with Border Security Company Limited was signed on April 1, 2014, in the sum of J\$155,795,930.96. The OCG notes that the adjusted sum represented the approved increase in the rates by the Government of Jamaica for the Security Services which took effect on January 6, 2014.

Without more, the OCG has not evidenced any information which would suggest that Border Patrol Security was awarded the contract for security services in 2013 from a "*political stand point*". In fact, the OCG has noted that the award of contract appears to have been conducted in line with the evaluation criteria which were outlined in the Tender Document. Said criteria were found to be objective and measurable.

Conclusion

The OCG has concluded its review into the allegations regarding the structural review process and the security services procurement which was being undertaken in the year 2012.

The OCG has found that there is no merit to the complaint that the Structural Review exercise which was being undertaken by the Transport Authority was unauthorized. As it relates to the tender for Security Services, the OCG notes that Border Patrol was not the recommended contractor in the tender process of 2012 (*the period during which the complaint was received*). However, upon the completion of the retendering exercise of 2013, the said company attained the highest score and was subsequently awarded the contract. The OCG has noted that the evaluation was carried out in keeping the criteria which was outlined in the Tender Document. The OCG has not evidenced any information which would suggest that Border Patrol Security was awarded the contract from a "*political stand point*".

Ministry/Agency/Department: St. Catherine Parish Council

Complaint received in April 2015 – Extract/Summary: Enquiry regarding construction projects in the Ginger Ridge Division - In the referenced letter, the OCG stated, *inter alia*, that it, "...has received a complaint from a concerned citizen on April 27, 2015, regarding among other things, works which are being undertaken in the Ginger Ridge Division and the engagement of a particular Contractor..."

The complainant had further indicated that the Councillor for the division had allegedly been awarding works to his son-in-law, Peter Sturridge who owns Sturridge Construction.

Findings:

1. The SCPC had undertaken the construction of retaining walls in the section of Top Marlie Hill located in the Ginger Ridge Division during the period January 2014 to April 2015.
2. The works were done using the Force Account Methodology and the OCG has evidenced a number of payments vouchers which shows payments made to the various persons that were contracted to execute the works.

3. The SCPC had provided before and after pictures of the sections of the works which were undertaken. The Council has further stated that, *"there were no recorded or verbal reports of substandard work or quality of work."*
4. In its response of August 24, 2015, the Council stated that three (3) representatives from the Parish Council had provided oversight for the respective projects.
5. The Council had provided several payment vouchers which evidenced payments which were made to labourers, haulage contractors and companies for the supply of raw material.
6. The OCG had queried whether or not the Council had ever engaged a Peter Sturridge or Sturridge Construction. The Council responded to say that, *"Our list of contractors have no such construction firm on file, neither have the St. Catherine Parish Council engaged a "Peter Sturridge" in carrying out any works on behalf of the Council."*
7. The OCG has not evidenced any payment being made to Peter Sturridge or Sturridge Construction.
8. The Council, nonetheless, provided contract award information regarding the engagement of H.S Haulage Construction Services as well as a "Mr. Howard Sturridge". With regard to the projects undertaken at Ginger Ridge Division, the OCG has not seen any evidence to suggest that H.S Haulage Construction or Howard Sturridge was contracted to perform any services at that location.

OCG Conclusion

Based upon the information provided, the OCG concludes that there is no evidence to support the claim that contracts were being unfairly awarded to any one particular contractor. Specific mention is made regarding Peter Sturridge and/ or Sturridge Construction and given the Council's assertion that it has not engaged either, the OCG finds that the complaint is baseless.

Ministry/Agency/Department: The HEART TRUST/NTA

Complaint received in March 2014 – Extract/Summary: *Complaint received in regards to the award of contract for the procurement of Canteen Concessionaire Service at the HEART Trust/NTA' Office – "...the head of the Human Resource Department at the abovementioned location had directed provision for the procurement of Concessionaire Services to be awarded to his friend (s) on March 25, 2105 [sic] at the Heart Trust/NTA's Oxford Road Office. The complainant further stated that the procurement opportunity was posted for only one day to the OCG's Procurement Notice Board. Additionally, the tenderer was aware that he would be awarded the contract before the procurement process was undertaken."*

Findings:

1. In response to a question to indicate the value of the procurement/contract award, by way of letter dated June 26, 2014, the Heart Trust responded to indicate that *"The contract award does not have a value, as the service is provided for members of staff who purchase meals on a cash basis."*

The OCG notes, however, that the Heart Trust had applied certain of the principles of the Handbook of Public Sector Procurement Procedures (the Handbook) in its attempt to engage canteen concessionaire providers.

2. The HEART Trust/NTA's concessionaire portfolio consists of approximately twenty-five (25) canteens island-wide which sought to provide meals for the trainees at the various institutions. The OCG observed two advertisements, captioned Invitation for Bids Canteen Concessionaire, which were placed in the Gleaner by the HEART Trust/NTA, on April 14 2013 and April 17, 2013. The referenced advertisements invited tenders for the provision of 'canteen concessionaire services' for fourteen (14) locations in its concessionaire portfolio. The tendered locations are as follows:

1. Above Rocks VTC;
2. Buff Bay VTC;
3. Corporate Office;
4. Garmex HEART Academy;
5. Jamaican/German Automotive School (JAGAS);
6. Learning for Earning Activity Programme (LEAP);
7. Lluidas Vale VTC;
8. National Tool and Engineering Institute (NTEI);
9. National TVET Center;
10. Portmore Heart Academy
11. Rockfort Vocational Training Centre
12. Stony Hill HEART Academy

Pre Prepared Meals to be brought into the following locations:

13. Boys Town Vocational Training Centre;
 14. HEART College of Beauty Services.
3. Having regard to the fourteen locations which were advertised for tender by the HEART Trust/NTA, the National Contracts Commission (NCC), by way of letters dated November 29, 2013, under the signature of Mr. Raymond McIntyre, Chairman, NCC, and addressed to Mrs. Elaine Foster-Allen, Permanent Secretary, Ministry of Education, and copied to Dr. Wayne Wesley, Executive Director, HEART Trust/NTA and Mr. Carey Brown, Chairman, Education Sector Committees, endorsed the entity's recommendation for the award of contracts for twelve (12) of its locations at its meeting which was held on November 27, 2013.
4. Of note, certain locations within the portfolio that was tendered were unsuccessful; the HEART Trust/NTA's Corporate Office was one such location. The referenced canteen was operated by the Boys Town Vocational Training Centre, a HEART Trust Training Institution.

Consequent upon the failed tender, on December 24, 2013, the procuring entity placed an advertisement in the Daily Observer, requesting bids "... *To provide meals daily for trainees and employees at eleven (11) locations for a period of 36 month* ". The HEART Trust/NTA's Corporate Office, was one of the eleven (11) locations noted therein. Some of the locations had not been previously advertised during April 2013. The same advertisement was also placed in the Gleaner on January 18, 2014, and indicated that the deadline for the submission of bids was extended to Friday, January 31, 2014.

In respect to the failed referenced tender processes, Dr. Wayne Wesley indicated that the tenders were unsuccessful for a myriad of reasons.

5. Dr. Wesley further indicated that a request for bids for the Canteen Concessionaire Portfolio was also posted on the GOJ Procurement Notice Board and the HEART Trust/NTA website on March 20, 2014. A printout of the notice which was placed on the GOJ Procurement Notice Board indicated, *inter alia*, that the referenced entity invited tenders for the provision of concessionaire services for the HEART Trust/NTA's Corporate Office by March 24, 2014 at 1.00pm.

Accordingly, that the Notice had been posted for five (5) days, including the day of posting and the close of tender.

The OCG was not provided with information to suggest that the Notice had also been published in the print media. Accordingly, the OCG is unable to determine which procurement procedure had been utilised. Notwithstanding, the minimum timelines indicate by the Handbook for the use of procedures which involve advertisement (Local or International Competitive Tender) is fourteen (14) days.

The HEART Trust indicates that no responses were received in response to the aforementioned advertisement.

6. The contract for the provision of canteen concessionaire services for HEART Trust/NTA's Corporate Office was awarded to "*Cuisine Management Services*" with effect on April 1, 2014, by way of the Direct Contracting procurement methodology, for a period of six months. The foregoing was communicated by way of a letter which was dated March 28, 2014, under the signature of Miss Sharon Graham, Snr. Manager-Administration Department, and addressed to Mrs. Daphne Pinnock, Cuisine Management Services Limited, and entitled "**Interim Canteen Concessionaire-Corporate Offices**". The referenced letter indicated, *inter alia*, as follows:

"We are pleased to advise that you have been selected to provide Concessionaire to the HEART Trust/NTA's Corporate Offices, for the period April 1, 2014-September 30, 2014..."

As it relates to the selection of Cuisine Management Services Limited, the Heart Trust indicates that the Company was already in the pool of service providers, providing services at the National TVET Centre, Gordon Town

7. Miss Sharon Graham, Senior Manager, Administration, HEART Trust/NTA had responsibility for the processes related to the award of contract for the provision of Canteen Concessionaire Services at the HEART Trust/NTA's Corporate Office. The Heart Trust has responded to indicate that Mr. Errol Holmes, Senior Director, Human Resource and Administration, HEART Trust/NTA, did not have responsibility for undertaking the referenced processes. Mr. Holmes was, however, copied on the 'Letter of Engagement' which was issued to the referenced contractor.

Conclusion

Based upon the foregoing, the OCG finds no evidence to suggest that Mr. Errol Holmes, Senior Director, Human Resource and Administration Department, HEART Trust/NTA, directed the award of the contract for Canteen Concessionaire Services for its Oxford Road location to '*his friend(s)*', without first advertising and undertaking an open tender process for the referenced opportunity.

The OCG has found that the HEART Trust/NTA had, in fact, advertised certain locations within its Canteen Concessionaire portfolio in the Observer Newspaper, the Gleaner Newspaper, the GoJ Procurement Notice Board and on its Website. The referenced advertisements sought to invite requests for tender for selected locations within its Canteen Concessionaire Portfolio, of which its Oxford Road location was so included.

The Office has also found that consequent upon the failure of the tender processes for certain locations (including the Oxford Road location), the HEART Trust/NTA awarded an interim contract to 'Cuisine Management Services Limited' for a period of six (6) months. Of note, the aforementioned contractor was at the time of the award, represented in the pool of HEART Trust/NTA service providers.

The OCG therefore finds the complaint that the opportunity had not been previously advertised to be baseless, but notes that a shorten time period had been attached to the last process.

Ministry/Agency/Department: Petrojam Limited

Complaint received in June 2015 - Extract/Summary: Enquiry regarding tender for Waste Management at Petrojam Limited - "*...has received a complaint from a concerned citizen on June 25, 2015 regarding the tender for waste management which was undertaken during the period January 2015 to April 2015*". In particular, the complaint had concerns regarding Petrojam's evaluation process and the eventual award of contract to a Bidder who was not the lowest Bidder.

Findings:

1. Petrojam utilized the Local Competitive Bidding Procurement Methodology to invite bids for Garbage Collection and Disposal Services. The submission deadline for tenders was March 31, 2015.
2. On March 31, 2015, four (4) bidders submitted bids by the stipulated deadline.

3. An evaluation of the tenders received was conducted by a five (5) member team. Section 10 of the evaluation report states that, *“A detailed evaluation of each proposal was conducted and only Garbage Disposal and Sanitation System did not conform to the form provided in section four (4) of the tender document for the bill of quantity. They were deem [sic] non responsive in accordance with section 26.2 of the tender document.”*
4. Section 26.2 of the bidding document states that, *“A substantially responsive bid is one which conforms to all the terms, conditions and specifications of the bidding documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality or performance of the services; (b) which limits in any substantial way, inconsistent with the bidder’s obligations under the Contract; or (c) which if rectified would affect unfairly the competitive position of other bidders presenting substantially responsive bids.”*
5. Upon perusal of the bid submitted by Garbage Disposal and Sanitation System it was noted that the Bidder had submitted an altered form of the price schedule. The price schedule which was a part of the bidding document consisted of five (5) columns which included:
 - i. Location
 - ii. Skip Size
 - iii. Rental and Collection Rates
 - iv. Quantity
 - v. Amount

The price schedule which was submitted by Garbage Disposal and Sanitation System consisted of seven (7) columns to include:

- i. Location
 - ii. Skip size
 - iii. Quantity
 - iv. Collection frequency
 - v. Rental charge per unit
 - vi. Cost per collection
 - vii. Cost per month
6. It was further noted that the “Contractor’s Form of Bid” which forms a part of the tender document was also altered by Garbage Disposal and Sanitation Systems, in that, some of the clauses were omitted, including the clause related to conflict of interest.
 7. Section 18.3 of Petrojam’s bidding document states that, *“The bid shall contain no alterations or additions, except those to comply with instructions issued by the Procuring Entity...”*
 8. Subsequent to the evaluation, a recommendation was made to award the contract to Minott Janitorial Service Limited, the highest scored and lowest responsive bidder, in the amount of Nine Million, Eight Hundred and Forty One Thousand, One Hundred and Fifty Six Dollars and Eight Cents (J\$9,841,156.08).
 9. The recommendation was approved by the Procurement Committee and the Head of Entity and a contract signed with the successful bidder on June 1, 2015.

OCG Conclusion

Based upon the information provided, the OCG concludes that Petrojam was within its right to reject the bid from Garbage Disposal and Sanitation Systems.

Petrojam’s tender document explicitly states that no alterations or additions should be made to the bid unless so directed by the procuring entity. Garbage Disposal and Sanitation Systems made changes to both the price schedule and the Contractor’s Form of Bid which is in breach of Section 18.3 of the tender document. It is implied that a breach of this nature will deem the bidder non-responsive.

While the OCG opines that the changes to the bill of quantities appeared immaterial and could have been evaluated in accordance with the evaluation criteria, the changes to the Contractor's Form of Bid was a material deviation and as such the bid could not have been evaluated further.

Ministry/Agency/Department: Hanover Parish Council

Complaint received in July 2015 – Extract/Summary: Review of complaint received regarding Rehabilitation of Flower Hill Road, et al - In the referenced letter, the OCG stated, *inter alia*, that it had received a complaint in which the complainant had, "...questioned the procurement procedures of the Hanover Parish Council in regard to the [captioned project], among others." The complainant also raised concern regarding a tender process along the Green Island Road.

Findings:

1. The Hanover Parish Council received funds from the Tourism Enhancement Fund (TEF) for the rehabilitation of sections of Flower Hill Road. TEF's budget for the project was \$2,330,000.00.
2. The OCG has noted an engineer's estimate dated January 26, 2015 from the HPC which shows that the project was estimated to cost \$2,375,000.00 plus 5% contingency.
3. On April 14, 2015, the HPC had used the Limited Tender (LT) procurement methodology to invite five (5) contractors to submit bids on or before April 24, 2015.
4. The OCG has noted that the letters of invitation had stated that the "...Quotations shall be opened in public in the presence of contractors' representatives who choose to attend, on Friday April 24, 2015; 12 Noon..." Interestingly, the tender opening meeting minutes from the HPC indicated that the tender opening was, however, conducted on May 1, 2015.
5. Two (2) bids were received and opened. One bidder, Lotus Construction Co. Ltd, did not submit a legible copy of its TCC; the sum quoted by that Contractor was \$2,330,000. The other bidder, Donald Wauchope's Construction, quoted a figure of \$1,186,000. The comparable estimate was stated as \$2,375,000. Subsequent to an evaluation of the bids, it was recommended that the project be re-tendered as the sole responsive bidder's bid amount was 50% below the engineering estimate.
6. The HPC re-tendered the opportunity on June 2, 2015. Five (5) contractors were invited to submit bids by June 12, 2015 at 12:00 pm. Three (3) of the five (5) contractors submitted bids. Based upon the Tender Opening Record, the comparable estimate remained constant at \$2,375,000, while the sums quoted by the bidders were C.J. Asphaltting & Paving - \$1,889,000; Lotus Construction Co. Ltd - \$2,330,000; and Donald Wauchope's Construction - \$1,651,500.
7. Subsequent to an evaluation of the bids, it was recommended that the contract be awarded to Lotus Construction Company as their bid was the only bid that, "...was within the variance allowance amount..." The allowance which was mentioned was 15 percent of the comparable estimate and the other bids were considered to be too low.

As it relates to a 15% margin, the OCG notes that mention is made of 15% in Section A8.15 of the Handbook of Public Sector Procurement Procedures which outlines the circumstances under which a Procuring Entity may reject all bids. At Section A8.15 (a) it states one of those circumstances to be "where the price of the Lowest Responsive Bid is greater/less than the allowable margin of 15 percent of the Pre-Tender/Comparable Estimate". The Handbook goes on to say that "If the price is outside of this range, it may still be accepted, provided that it is validated by the contractor, and the Procuring Entity is satisfied".

8. The recommendation was approved by the Procurement Committee on June 19, 2015 and a contract signed between the HPC and Lotus Construction Company Limited on July 9, 2015.

9. As it relates to both of the procurement processes which were reviewed, the OCG noted that upon perusal of the letters of invitation, it was stated that Bidders must possess a valid Tax Compliance Certificate (TCC) and must be registered with the National Contracts Commission (NCC) in order to participate. However, upon perusal of the tender document, it was noted that the requirement for Bidders to submit a valid (TCC) was not stated. It was further noted that the category in which Bidders were to be registered with the (NCC) was also not stated.
10. The OCG had requested information regarding whether or not the HPC had undertaken any works on the Green Island Road since January 2015. The HPC responded to say that *"The Hanover Parish Council is not aware of any Parochial Road by the name of Green Island Road."*

OCG Conclusion

Based upon the foregoing, the OCG concludes and accepts that the HPC awarded the contract to rehabilitate sections of Flower Hill Road to the Lotus Construction Company Limited, on the basis that that bidder was the sole contractor who had submitted a bid within 15% of the comparable estimate.

The OCG has noted on occasions that Procuring Entities request validation/justification of bid prices from bidders as a part of the evaluation process, but has not seen where that was done in this case. While noting that requesting validation of bid prices which are outside of the 15% range is not mandatory, this validation and further analysis could nonetheless form a part of the procurement records, particularly in cases where multiple contractors fall outside the range.

As it relates to the finding at point 9), the OCG recommends that the HPC ensure that its tender documents contains all the necessary information to properly inform all Bidders as this document supersedes all documents previously published and that all the procedures which are used shall confirm to the most current Government of Jamaica Handbook of Public Sector Procedures.

Ministry/Agency/Department: Housing Agency of Jamaica

Complaint received in December 2014 - Extract/Summary: Complaint regarding Procurement Related Activities at the Housing Agency of Jamaica - "...has received a complaint on December 23, 2014 regarding procurement related activities at the Housing Agency of Jamaica (HAJ)." The complainant had indicated that the HAJ, among other things, had awarded a contract to a certain caterer without "...going through any procurement process." The complainant had also suggested that the Office reviews how furniture for the eating area was procured.

Findings:

Canteen Concessionaire

1. The Housing Agency of Jamaica undertook a procurement exercise for the provision of Lunch Catering Services on three (3) separate occasions. The HAJ has indicated that all three (3) exercises, which had been undertaken via Limited Tender, had failed. On the first occasion, two (2) bids were received; one (1) bidder did not submit a valid TCC while the other did not submit substantial information required for the evaluation process. On the second occasion, no bids were received; while on the third occasion, the HAJ indicates that proper procedures were not adhered to and as such, the process had to be annulled.

The OCG was provided with copies of the letters dated June 30, 2014 and August 29, 2014 respectively, which were sent to the bidders who responded to the 1st and 3rd process. Patsy Lyn Caterers appears to have been the sole respondent to the 3rd process and had also responded to the 1st opportunity, having submitted an invalid TCC at that time.

2. The OCG has evidenced a memorandum dated September 19, 2014 from the Senior Manager, HR & Administration within the Human Resources and Administration Department of the HAJ to the Managing Director/Accounting Officer. The memorandum had stated, *inter alia*, that, *"In an effort to strive to continue to motivate and encourage staff...one of the plans going forward is to subsidise a portion of the daily lunch costs for our members of staff"* and had requested the approval of the Managing Director/Accounting Officer for the use of the Direct Contracting Procurement Methodology to contract Patsy Lyn Caterers. Approval from the Managing Director/Accounting Officer was received on even date.

Section 1.1.4 of Volume 2 of the Government of Jamaica (GoJ) Handbook of Public Sector Procurement Procedures states that, *"The use of the Direct Contracting method outside of the established value thresholds shall be subject to the approval of the Head of the Procuring Entity."*

3. The memorandum had cited the reason for the selection as follows: *"Because of the unsuccessful attempts, and the requirement for this concessionary Service to be put in place by September 1, 2014, HAJL has requested the service of Patsy Lyn Caterers, in the interim, to provide lunch for the Office. Based on the taste, services received and the feedback from the members of staff, it was decided that it would be beneficial to contract Patsy Lyn Caterers."* The OCG has not evidenced any documentation which addressed the engagement of Patsy Lyn Caterers as at September 1, 2014.
4. A contract between the HAJ and Patsy Lyn Caterers dated September 19, 2014 was signed for the period September 19, 2014 through to March 31, 2015 in the sum of \$4,648,350.00.
5. The OCG has noted meeting minutes extract from the HAJ Board Meeting, dated September 9, 2014, in which it was stated that, *"The Board was informed that the lunch programme began on September 4, 2014."* The OCG had noted that although the HAJ had stated that the prior approval for the use of the Direct Contracting methodology was received on September 19, 2014, it had reported on the OCG's Quarterly Contracts Award (QCA) report that the prior approval was received on September 1, 2014.

In clarifying the discrepancies of the dates, the HAJ, by way of letter dated June 9, 2015 to the OCG, has stated that the date which was reported on the QCA report was an error and should have been September 19, 2014. The HAJ has further stated that the date, September 4, 2014, which was recorded in to Board Meeting minutes dated September 9, 2014 was also an error. The HAJ has stated that the date should have been recorded as September 1, 2014 as the start of the lunch programme.

6. Documentation submitted by the HAJ indicates that the contract was ratified by the HAJ's Procurement Committee on October 31, 2014.

Section 2.2.5 of Volume 1 of the Handbook states that *"The Procurement Committee shall review all procurement which require the final approval of the Head of Entity, according to the established thresholds. The lower limit of this threshold should be no greater than \$1.5m."*

7. The HAJ has indicated that Patsy Lyn Caterers *"...has not been contracted by HAJL for any other services. They are, however, used from time to time...to provide refreshments for meetings for the Board and Sub-Committees of the Board."*

Canteen Furniture

1. The HAJ had used the Direct Contracting procurement methodology to purchase furniture for the canteen from Active Home Centre in the amount of \$425,807.50. The OCG has evidenced an invoice from Active Home Centre which showed the net due amount as \$425,807.50.
2. The OCG has evidenced a purchase requisition, dated August 28, 2014, from the Human Resource Department for the purchase of furniture which was authorised by the Department Head and the Divisional Director.
3. By way of its letter dated March 9, 2015, the HAJ stated that the total expenditure related to the Canteen was *"\$542,654.17 which includes the furniture, the preparation tables for serving, welding frames and utensils"*.

OCG Conclusion

Contingent upon the information provided to the OCG, in particular, given that the Office has not been provided with any documentation which addressed the arrangements made between the HAJ and the caterer prior to September 19, 2014, the HAJ had engaged the services of Patsy Lyn Caterers from September 1, 2014 absent a formal contract/agreement.

The OCG had been provided with information which suggests that the HAJ had formalized the arrangements with the caterer as at September 19, 2015 by using the Direct Contracting procurement methodology. The OCG has, however, noted that the approval of the Procurement Committee was not received prior to the signing of the contract which is in contravention of the procurement guidelines.

With regard to the purchase of canteen furniture, the OCG has further found that the HAJ had used the appropriate procurement methodology, given the contract value, to procure the items.

Based upon the foregoing, the OCG recommends that the HAJ ensures that the engagement of contractors is done on a formal basis prior to the commencement of performance of the contract. The HAJ is also cautioned to ensure that all required approvals are received prior to the execution of contracts in keeping with the procurement guidelines.

The HAJ is also reminded of the importance of submitting true and accurate information on its QCA Reports having due regard to the provisions of the Contractor General Act.

Ministry/Agency/Department: Trelawny Parish Council

Complaint received in July 2014 – Extract/Summary: *Complaint regarding Infrastructure Works along Peel Street Falmouth, Trelawny and the Daily Observer Article dated July 31, 2014: Falmouth Mayor Schedules Meeting to Address Filthy Town - "I want to bring to your attention an article in the observer newspaper dated 31.7.14 about a contract to clean the dragline amounting to 10,000,000 dollars.... I can personally estimate this to be valued about 500,000 dollars and not as stated I took this stance as the parish council in november last year dug up the main road in the vicinity of the sewage plant along peel street and overlay it with concrete which was partially done on the roadway and even to date the cut walls were not installed and the road is left uncompleted ..."*

Findings:

The OCG conducted a review of the documents, which were submitted to its Office by the Trelawny Parish Council and acknowledges that while the newspaper article made reference to a drain cleaning initiative, this was a public awareness campaign spearheaded by His Worship the Mayor of Falmouth, Garth Wilkinson, and that no funds had been allocated or committed to this initiative by the Trelawny Parish Council.

Additionally, the OCG notes the Trelawny Parish Council's letter of August 21, 2015 which indicated that during the period July 2013 to December 2014, the Trelawny Parish Council did not undertake any infrastructure works along Peel Street in the vicinity of the sewage plant.

Ministry/Agency/Department: Ministry of National Security

Complaint received in December 2012– Extract/Summary: Award of Contracts to G'OF and Company Limited - complaint received which stated, *inter alia*, that, "This is to inform you that Jaycinth Jarrett an employee of the ministry of national security [sic], the common law spouse and mother of Jordan Ferguson child of contractor, Garland Ferguson, of Ge'of Construction, is suspected of corruption and at least actions deemed conflict of interest..."

Mr. Ferguson has many government contracts to maintain police stations in the parishes of Trelawney [sic] and Montego Bay and recently he got the contract for the Montego Bay Parish library.

All this he boasted, is through his association with Ms. Jarrett who does the book keeping and prepares the invoices for submission to the ministry..."

Findings:

1. The MNS, under cover of its letter dated January 25, 2013 to the OCG, submitted particulars related to nine (9) contracts which were signed between the Ministry and G'OF and Company Limited in the years 2010, 2011 and 2012. The said contracts were related to rehabilitation/renovation works to Police Stations in the parishes of St. James, Hanover, Westmoreland and Trelawny.
2. Based on the documents which were reviewed, the OCG noted that seven (7) contracts were entered into by way of Emergency Contracting and one (1) via Local Competitive Bidding. However, there was one contract (Modification and Additional Works to Amenities at JCF Divisional Headquarters Trelawny) for which the OCG was unable to verify the procurement methodology that was utilized. Notwithstanding the foregoing, an Internal Memo dated June 24, 2011, was evidenced which spoke to the nature of the project and the requirement for same.
3. The requisite National Contracts Commission and Tax Compliance Certificate were evidenced for G'OF and Company Limited for the associated contracts which were submitted by MNS.
4. Memoranda were evidenced bearing the signatures of the then Acting Permanent Secretary (2010-2011), the Permanent Secretary (2012), and the Director, Facilities & Property Management Unit, respectively, who provided approvals for Emergency Contracting in each instance wherein it was utilized. The requisite Head of Entity approval was also evidenced for the contract award which was made by way of Local Competitive Bidding.

With regard to the foregoing, the OCG did not evidence any documentation which reflected the name Miss Jaycinth Jarrett as an approving officer for the use of a particular procurement methodology or contract award.

5. The MNS informed the OCG by way of its letter dated April 3, 2013, that Miss Jarrett was the Principal Finance Officer for the Ministry and had been employed since December 2, 2002. The MNS also advised that Miss Jarrett had tendered her resignation on January 24, 2013 which was effective April 23, 2013.

The Ministry further indicated that, "Our records have not revealed that Jaycinth Jarrett was ever involved in the process (es) leading to the engagement of G'OF Company Limited."

Further to same, and by way of said letter dated April 3, 2013, the MNS has advised that Miss Jaycinth Jarrett has stated that "I have no interest in G'OF Company Ltd. I am not a share holder, officer, nor a director, neither debenture holder or creditor in any respect. I am not on the company's payroll. For these reasons there is and was nothing to declare and so no declaration was made."

6. The OCG in its review did not evidence the name Jaycinth Jarrett on any of the payment vouchers for the aforementioned contracts. The MNS, however, advised under cover of letter dated April 3, 2013, that while having indirect responsibilities for all accounting functions which include payments, Miss Jarrett is not usually involved in reviewing invoices and preparing payments. The MNS stated that "Our records indicate however, that one Direct Payment Voucher (No. SP4201684) in the amount of One-Hundred and Thirty-five Thousand Dollars (\$135,000.00) during the fiscal year 2010/2011 reflects Jaycinth Jarrett's signature as the authorizing officer." The said Payment Voucher, dated September 1, 2010, was evidenced and was in relation to Emergency Works done at the Wait-A-Bit Police Station.

Further to same, and by way of letter dated April 19, 2013, the MNS has advised that the aforementioned recommendation and approval for the award of contract was made by the Director of the Property Management Unit.

7. The OCG had asked, with reference to the payment voucher for works undertaken at the Wait-A-Bit station, for the MNS to “provide a copy of all correspondence (letters, memoranda, emails) pertaining to the selection, approval(s) and payments to G’OF Company Limited, for the reference service provided”. By way of an enclosure to its letter dated April 19, 2013, the MNS provided a copy of an Invitation to Tender for the routine maintenance of Police Stations (closing date, May 25, 2005) which included numerous zoned police station locations. Also provided was a copy of the MNS’s letter of engagement dated November 8, 2005, written to G’OF and Company Limited, which indicated that after the evaluation of the Company’s application, it had been awarded a contract for one of the zones.
8. Under cover of letter which was received by the OCG on March 5, 2013, the MNS submitted a spreadsheet entitled “Executive Summary of Maintenance Works undertaken by G’OF & Company Limited FY 2010/2011-2012/2013”. The referenced spreadsheet outlined two hundred and forty-five (245) maintenance projects which were undertaken by G’OF & Company Limited at various police stations during the period April 2010 to January 2013.

The said spreadsheet indicated that payments to G’OF & Company over the period had a cumulative value of J\$14,432,341.00. With regard to the associated Payment Vouchers, the OCG did not evidence Miss Jaycynth Jarrett approving same, excepting for the above-mentioned Payment Voucher No. SP4201684.

Further, the OCG noted that for the two hundred and forty-five (245) maintenance projects, Miss Jaycynth Jarrett was not indicated on the spreadsheet as the individual who was instrumental in the engagement of G’OF & Company for these projects.

9. With regard to the contracts submitted, the OCG noted that only three (3) of the nine (9) contracts were reported by the Ministry on the relevant Quarterly Contract Award (QCA) Reports during the respective periods.

Consequently, the Ministry has failed to report all the relevant contracts which were entered into with G’OF and Company as required by the OCG, which constitutes a breach of Section 29 of the Contractor General Act.

Conclusion

The OCG in its review of documents and other correspondence received from the Ministry did not evidence any information that suggested that Miss Jarrett was involved in the award of contracts to G’OF and Company Limited.

Albeit, the OCG noted that a number of contracts were awarded to G’OF and Company Limited for renovations to Police Stations in the parishes of St. James, Trelawny and Hanover, it has not evidenced any documentation and/or information to support the claims which were made.

In addition to its findings above, having noted the Invitation to Tender which was advertised in 2005 and with regard to the sensitive nature of works which may be required at Police Stations, the OCG would recommend, if the MNS has not yet done so, that a new invitation to contractors for the provision of routine maintenance is issued, having due regard to the time which may have elapsed since the last invitation.

Regarding the unreported contract awards to the OCG on the related QCA Reports, the MNS is hereby cautioned to ensure that all contract awards are reported as required by the OCG Quarterly Contracts Award requisition.

Ministry/Agency/Department: Ministry of Local Government and Community Development (MLG&CD)

Complaint received in June 2014– Extract/Summary: Procurement for Market Stalls for Black River - The Office of the Contractor-General (OCG) was copied on a letter dated June 19, 2014, from the National Contracts Commission (NCC) to the Ministry of Local Government and Community Development (MLG&CD) regarding the captioned matter.

The NCC's letter, stated, among other things, that *"...the NCC, although having endorsed the Direct Contracting Methodology, did not endorse a recommendation to award a contract to Tankweld Limited. The NCC noted that the MLG&CD had proceeded with the award of contract prior to obtaining the approval."*

Findings:

1. Two successive tender processes were undertaken by the MLG&CD to engage a contractor in the construction, transportation and installation of 25 double stalls and 30 quadruple stalls for the Black River Market in St. Elizabeth.
2. Documentation indicates that both processes were aborted as in the first instance, which was by way of Local Competitive Bid, the sole bidder was ineligible and in the second, which was by way of Limited Tender, none of the three (3) bidders fully complied with the bidding document.

Of the respondents from the second process, Tank-weld Limited had submitted the lowest bid in the amount of J\$13,800,594.50.

3. By way of letter dated February 5, 2014, the MLG&CD informed Tank-weld Limited of its intention to execute the tender via Direct Contracting and requested the Company to indicate its willingness to carry out the works at the original proposed sum of J\$13,800,594.50. Same was confirmed by Tank-weld Limited by way of its letter dated February 9, 2014.
4. The recommendation was approved by the MLG&CD's Procurement Committee and the Permanent Secretary, respectively. Based upon an Inter-office Memorandum requesting approval from the Permanent Secretary, the justification for use of Direct Contracting was due to the fact, among other things, that *"there is not now enough time to undertake another competitive process due to the fact that the fund to undertake the work is being sponsored by the Tourism Enhancement Fund (TEF) and it is time specific."*

The MLG&CD subsequently submitted a request to the NCC seeking approval for the use of the Direct Contracting Procurement Methodology to award a contract to Tankweld Limited in the amount of J\$13,800,594.50.

5. By way of letter dated March 3, 2014, the NCC informed the MLG&CD that, *"The National Contracts Commission ...endorsed the Ministry of Local Government and Community Development's request to utilize the Direct Contracting methodology to award a contract to Tankweld Limited in the sum of Thirteen Million Eight Hundred Thousand Five Hundred and Ninety Four Dollars and Fifty Cents...for the construction of fifty five (55) stalls at the Black River Market..."*
6. The MLG&CD's Evaluation Report of May 28, 2014, informed that *"Upon receiving endorsement from the NCC for the execution of the tender process through the Direct Contracting Methodology, the Ministry proceeded with contract preparations..."*

... an arithmetic check revealed errors in Tankweld's bid sum...This resulted in an increase of \$2,956,800.00 to the tender sum. Tankweld's bid sum was therefore modified to \$16,757,394.50.

... Tankweld responded and accepted the modified sum...

.... Subsequent to the findings, the other bidders' BQs were also reviewed and checks were made against the corrected sum of \$16,757,394.50. Against this background, Tankweld's submission still remains the lowest. A second letter was written to NCC informing them of the arithmetical errors found in the BQ, and as such, we were advised to make a submission to the Sector Committee as the sum has surpassed the \$15 million threshold.

Regrettably, the contract was signed before approval was given by the Sector's Committee...

7. The Report continued providing an explanation for the MLG&CD's failure to receive approval from the Sector Committee/NCC stating that *"This was done as there was a scheduled commitment to have the public signing... The TEF, which is the main project sponsor, has committed funds of over \$25 million to build the market stalls. The TEF advised that the contract must be signed by April 16, 2014, and failure to do so would have resulted in the expiration of the commitment."*
8. The OCG notes the comments which the NCC has made to the MLG&CD in its letters, in particular those related to the eligibility requirements and the stage at which the arithmetic checks of the bids were conducted.

Accordingly, and while the use of the procurement methodology and related contractor and associated bid sum of J\$13,800,594.50 was originally approved by the NCC in its letter of March 4, 2014, the increase in the contract sum to J\$16,757,394.50 resulted in the necessity for the submission to be submitted to the Sector Committee and thereafter the NCC for endorsement prior to the award of contract. The Government of Jamaica Handbook for Public Sector Procurement Procedures (the Handbook) indicates that for contracts above J\$15 Million, recommendation for award of contract is to be submitted by the Head of the Procuring Entity to the NCC through the Sector Committee.

Based upon the foregoing, the Ministry of Local Government and Community Development, despite its prior correspondence and notification to the NCC, has breached a procedure from the Handbook and, consequently, the GoJ Public Sector Procurement Regulations.

The OCG is aware that the NCC has already communicated its concern to the MLG&CD. However in light of the breach which has occurred, the OCG wishes to strongly recommend that the Ministry of Local Government and Community Development ensures, in future:

1. That arithmetic checks are conducted on bids received during the evaluation process;
2. All requisite approvals/endorsements should be obtained prior to engaging a Contractor, being particularly mindful of instances wherein the value of the contract has changed which may change the attendant procedures; and
3. As best as possible, ensure that its procurement activities are undertaken in a timely manner particularly where projects are externally funded.

Ministry/Agency/Department: Ministry of Local Government and Community Development (MLG&CD) and the Ministry of Science, Technology, Energy and Mining

Complaint received in November 2013– Extract/Summary: Provision of Streetlight – Ministry of Local Government and Community Development /Green RG Management LLC - The Complainant alleged that a Senior Official of the MSTEM may have a personal relationship with Green RG, and possibly other companies, and implied improper behaviour possibly to influence tendering to be undertaken by the MLGCD. The Complainant stated that this Senior Official *"uses his office to provide the veneer of MSTEM approval/sanction to his activities which are not so sanctioned, and which are more properly the business of private consultants. It is suspected that he may be attempting to arrange the procurement of street lighting services to the government in an improper, self-enriching way."* The complainant also stated that material issues regarding the MOU with Green RG were misrepresented.

Findings:

1. The MLGCD, then Department of Local Government, entered into a Memorandum of Understanding (MOU) with Green RG Management LLC on October 7, 2011 for 2 years. Correspondence from the MLGCD has indicated that *"Green RG made an unsolicited offer to the Government of Jamaica through the Ministry of Mining and Energy...to test new solar technology streetlights, buildings, water pumps and other infrastructure at no cost to the government."* The OCG was informed that MSTEM had referred Green RG to the then Department of Local Government given its responsibility for streetlights.

The MLGCD has stated that it received Cabinet Approval on July 11, 2011 *"...for the execution of a pilot programme which will seek to demonstrate "the bonafides of an energy management system, protocols, products and solutions and establish "a co-operative relationship between the parties to enable them to pursue their mutual interests in the deployment of the system"*.

2. The MLGCD has advised in its response that the *"MSTEM was consulted as they are the lead Ministry as it pertains to energy matters and they had been funded by IDB to facilitate energy initiative measures in Jamaica of which this project would be in line with such mandate"*.
3. By way of letter dated January 10, 2014, the MSTEM has indicated that, upon the request of the MLGCD, it had provided comments regarding the draft MOU on March 31, 2011 and had further offered its "no objection" to amendments made to the MOU on April 20, 2011.

MSTEM has stated that by way of letter dated August 2, 2011, the MLGCD requested the MSTEM *"...to nominate representative from the Ministry to be a member of a Green RG Project Implementation Oversight Committee."* MSTEM further stated that *"This request was delegated to Mr Fitzroy Vidal...on August 8, 2011, who in turn nominated Mr James Welds...to be a member of the oversight committee on August 12, 2011."*

The MSTEM staff member who sat on the Committee is not the person against whom the allegations have been made.

4. Information from the MLGCD indicates that eight (8) Oversight Committee meetings were held between November 21, 2011 and May 9, 2012. The MLGCD has stated that there were no meeting minutes of the Oversight Committee, however, from their recollection Mr. Welds had *"...attended about two or three meetings"*.
5. The MOU expired in September 2013 and the MLGCD advised that *"neither party has sought re-engagement or continuation of the MOU"*.
6. By way of its letter dated December 30, 2013, the MLGCD advised, *inter alia*, that it *"is in the process of going to public tender for the provision of energy saving streetlights for streetlights managed by the Local Authorities"* and that it has held discussions with various entities, inclusive of MSTEM. By way of its letter dated November 18, 2014, the MLGCD further advised and clarified that the discussions held *"...concerned the Cabinet Decision ... dated December 10, 2012 which gave approval for the Ministry of Local Government and Community Development to pursue initiatives to meaningfully reduce the costs of streetlights to the Local Authorities and the Ministry's intention to go to public tender for the provision of energy saving streetlights and were not related to Green RG Management LLC as there was no proposed agreement with that Company pursuant to this Cabinet Decision."*
7. The MLGCD, in response to the OCG's question to advise whether it was aware of any other Public Body which is currently in the process of and/or intended to procure a provider of Energy Saving Streetlights, advised that it is aware that by way of a Cabinet Decision dated September 30, 2013, approval was granted relating to lighting along the Elegant Corridor in Montego Bay, St. James. The MLGCD advised that funding was approved by the Tourism Enhancement Fund and that the procurement was undertaken by the Ministry of Tourism and Entertainment (MTE).

The OCG is aware that the Company which was identified by the Complainant did not respond to the reference tender opportunity.

8. In response to a question regarding whether the MSTEM is aware of any other projects being undertaken by a GOJ Public Body involving Light Emitting Diode streetlights replacement in which it is providing consulting services, the MSTEM by way of letter dated November 28, 2014, advised of a project whereby the Caribbean Maritime Institute is working with the Jamaica Public Service Company Limited on a pilot project to retrofit streetlights. The response however indicated that MSTEM *"is not providing consultancy services in respect of this project"*.
9. Another aspect of the complaint focused on concerns being raised regarding the proposed agreement between Green RG and the MLGCD. The MLGCD, in its response to the OCG, has stated that, *"...there was no material issues raised relating to the Green RG Project..."*

OCG Conclusion

The OCG has found that the MOU with Green RG Management LLC expired in September 2013 and there is no intention to pursue further discussions. Further, and by its disclosures, the MLGCD intends to go to tender for the provision of streetlights.

The OCG has found that the named individual, by virtue of his job functions, has significant responsibilities within the MSTEM as it relates to energy projects. The OCG however, based upon its review, has not found any information to substantiate the allegations which were made.

Notwithstanding, and given that the allegations concern a staff member of the MSTEM, the OCG will under separate cover, provide the MSTEM with further and more specific details of the allegation it had received.

Ministry/Agency/Department: Ministry of Local Government and Community Development

Complaint received in March 2011– Extract/Summary: Complaint regarding the Award of Contract for the Erection of a Perimeter Fence at the Proposed Fire Station in Frontier, St. Mary 2008/2009 – allegation that there was overspending for the implementation of a contract awarded for the erection of a perimeter fence at the Fire Station in St. Mary.

Findings:

1. In October 2008, by way of the Selective Tender procurement methodology, the MLGCD, formally the Department of Local Government under the Office of the Prime Minister, awarded a contract, in the amount of J\$4,931,770.00, to Eastern St. Thomas Construction Company Limited.
2. The project was scheduled to start on November 10, 2008, with duration of 42 days. However, due to inclement weather and the required Surveyor's Report, the start date was revised to November 24, 2008.
3. Subsequent to the commencement of the works, the then Director General, Mr. Devon Rowe, approved two Variation Orders to the Contract. The first Variation Order (V.O. #1), in the sum of J\$984,765.00, was approved in December 2008. The second Variation Order (V.O. #2), in the sum of J\$2,394,874.97, was approved in July 2009. The cumulative value of the two (2) referenced Variation Orders revised the contract sum from J\$4,931,770.00 to J\$8,311,409.97.
4. The justification provided for V.O. #1 and documented in a memorandum dated December 18, 2008, to the Director General stated, *inter alia*, that, "*The original foundation width had to be increased from 450mm to 900mm due to the instability of the soil. Base [sic] on a soil test done it was noticed that the land was water logged.*"
5. The justification provided for V.O. #2 and documented in a memorandum dated July 7, 2009, to the Director General stated, *inter alia*, that, "*Subsequent to the start of the construction of the above-mentioned project, the Project Officer realized that the original **six (6) inches block** wall along the mound would not be adequate to retain the earth as it was evident that after rainfall erosion was taking place. As a result, the advice of a Structural Engineer was sought and the Consultant proposed the use of the **eight (8') inches block** to be used for the fence within the area of mound.*"
6. The Contractor performed the works under V.O. #2 prior to receiving formal approval from the Director General. In this regard, the OCG has noted a memorandum dated July 17, 2009 from the Director of Local Government Administration & Community Services to the Director of Technical Services & Major Projects which stated, *inter alia*, that, "*...the Director General has granted approval for Variation Order No.2...However, he has noted that work has already been done by the Contractor who appears to have acted without our stopping him early and so caused the works to proceed prior to our formal approval.*"
7. The then Technical Director, Dwight Wilson, in a memorandum dated July 17, 2009 in relation to V.O. #2, advised the Project Officer that "*Please note that the way in which the captioned Variation has been handled has compromised the integrity and reputation of the Unit in a serious way.*"
8. Six (6) payment certificates with a cumulative value of J\$8,145,181.77 were approved for the Project.

9. The Substantial and Final Completion Certificates were awarded for the contract as at February 26, 2009, and March 30, 2009, respectively.

In the foregoing regard, the OCG has evidenced that there is merit to the referenced allegation as there was overspending on the Project in the form of two (2) approved variations orders which revised the contract sum from J\$4,931,770.00 to J\$8,311,409.97, an increase of J\$3,379,639.97.

The OCG noted that the justification provided for each of the referenced variation is in keeping with the Government of Jamaica Handbook of Public Sector Procurement Procedures (2008), Section VII, Contract Variations, which states, *inter alia*, that, “Variations resulting in an **increase** in contract sum may be allowed for the following reasons: (a) Technical (i) Where there is need for additional ...works to address unforeseen, unavoidable difficulties encountered during contract implementation that, in the judgement of the relevant Accounting Officer, could not conceivably have been foreseen during the planning and pre-contract phase(s).”

However, it is the OCG's view that effective planning at the pre-contract phase of the contract could have prevented the need for the referenced variations to the Contract.

Based upon the foregoing, the OCG wishes to advise the Ministry of Local Government and Community Development that for future projects, the Ministry **must** ensure that the necessary planning is undertaken during the pre-contract phase(s) as doing so could alleviate the need for variation(s) during the implementation phase of the project.

.Ministry/Agency/Department: Ministry of Science, Technology, Energy and Mining

Complaint received in August 2014– Extract/Summary: Complaint regarding the issuance of a Petroleum Haulage and Distribution Licence - complaint stated “*I am questioning the Ministry of Energy procedure in awarding Petroleum Marketing and Distribution Licences to organisations that do not have any form of storage facilities which i understand is one of the requirement for any entity to be awarded such a license.*

I am therefore asking that the OCG investigate the license that was awarded to Sol Petroleum Jamaica Limited, a company owned by a Barbadian that was awarded such a license in March of this year.”

Findings:

1. By way of its letter of response which was dated November 27, 2014, the MSTEM indicated that Sol Petroleum Jamaica Limited has satisfied all the requirements needed to, and had been awarded a Petroleum Bulk Distributor Licence. The Ministry further advised that the Petroleum (Quality Control) Regulations only defines a Petroleum Bulk Distributor Licence and not a Petroleum Bulk (Marketing) Distributor Licence.

The MSTEM indicated that based upon the Petroleum (Quality Control) Regulations 1990, a storage facility is not a requirement for the granting of a Petroleum Bulk Distributor Licence.

2. The OCG undertook a review of the Petroleum (Quality Control) Regulations 1990 which included at its Fifth Schedule, the “*Application for Importer’s, Producer’s, Blender’s, Bulk Distributor’s Licence.*” The OCG noted that a line item of the application form had asked for applicants to indicate their “*Total storage capacity (barrels)*”. In this regard, the OCG by way of its letter dated December 23, 2014, noted its observation to the MSTEM and asked for a reconciliation of its response, in particular whether a person/company applying for a licence as a Bulk Distributor would be exempt from that section of the application.
3. In response the MSTEM by way of its letter dated January 7, 2015, has indicated, *inter alia*, that “*The fifth schedule of the Petroleum (Quality Control) Regulations 1990 is a consolidated application form for importers, producers, blenders and bulk distributors. Depending on the business model being utilized, it may or may not be necessary to possess storage facilities...*”

4. The OCG was also provided with a copy of the Application Form dated February 21, 2014, which had been completed by Sol Petroleum Jamaica Limited, and it was noted that the Company had indicated that total storage capacity was “*not applicable at this point*”.
5. The MSTEM’s response of January 7, 2015, has further indicated that “... *it is not a requirement of the current Petroleum (Quality Control) Act and Regulations for any applicant to have storage facilities. This and other deficiencies in the current Petroleum (Quality Control) Act and Regulations have caused this Ministry to initiate the process to amend these legislative instruments and same is currently being drafted by the Chief Parliamentary Counsel.*”

OCG Conclusion

With the exception of the section of the Fifth Schedule of the Petroleum (Quality Control) Regulations, 1990 identified above, the OCG has not found any evidence contrary to MSTEM’s statement that a storage facility is not a requirement for the granting of a Petroleum Bulk Distributor Licence.

Based upon the above, the OCG concludes its enquiry into the matter but recommends that Ministry continues its lobbying to have any identified deficiencies in the Act and/or Regulations rectified.

Ministry/Agency/Department: Jamaica Railway Corporation

Complaint received in February 2011– Extract/Summary: Complaint regarding the Award of contracts for the removal of unuseable railway inventories (2010/2011) - The complainant stated, *inter alia*, that a company with which he was affiliated had submitted a proposal to remove the scrap metal from the bridges and rail from Port Antonio to Bog Walk. The complainant stated that while opportunities for the removal of railroad material were supposed to be tendered; only one such opportunity to tender had been advertised. The complainant alleged that the Ministry of Transport and Works had commissioned someone to remove the scrap metal from the abandoned train line between Port Antonio to Bog Walk at day and night. He indicated that the only metal that should have been taken was from the bridge; however, the person had taken up five (5) miles of rail from Orange Bay towards Buff Bay

Findings:

Removal of Select Derelict Bridges Island-wide- Spanish River, Portland

1. Based upon a request from the Jamaica Railway Corporation (JRC), the National Works Agency (NWA) undertook the activities associated with inviting tenders from scrap metal dealers to remove damaged railway bridge structure at Spanish River in Portland.
2. The NWA Tender Report of September 8, 2010, indicated that a notice was placed on the Notice Board of the NWA’s Offices and website, inviting tenders for scrap metal dealers to remove damaged railway bridge structure at Spanish River, Portland. While the OCG is unaware of the period during which the notice was published, the related Request for Quotation (RFQ) document was dated August 13, 2010 and the deadline for submission of tenders was August 27, 2010.
3. The OCG noted that the RFQ document indicated the description as “*Steel I-sections of bridge (80 tonnes)*” and also provided an image of the derelict bridge.
4. A Tender Opening Record was evidenced which indicated an engineer’s estimate of \$3,000.00 per tonne. Only one bid was recorded from Kurbriton Limited which had submitted a proposed sum of \$3,300 per tonne.
5. The NWA’s Tender Report of September 8, 2010 indicated that Kurbriton Limited had the required valid certificates and was deemed responsive. The said company was recommended for the contract.
6. The OCG was provided with a copy of letter dated November 4, 2010, from the JRC to the NWA, which confirmed that the Chairman of the JRC approved Kurbriton Limited as the recommended scrap dealer to dispose of the derelict Spanish River Bridge.

7. The OCG was also provided with a copy of the award letter dated November 17, 2010, from NWA to the attention of Mr. Leighton Williams, Professional Construction Services Limited. The letter indicated the disposal of 171 tonnes of scrap metal rather than the 80 tonnes which was previously stated in the Tender Document. The NWA indicated that this difference was due to a re-calculation of the scrap metal to be disposed.

With regard to the company Professional Construction Services Limited, the JRC was asked to provide clarification as it relates to that company vis-à-vis Kurbriton Limited. By way of letter dated September 22, 2011, the JRC advised the OCG, *inter alia*, that “*Professional Construction Services Limited acted on behalf of Kurbriton Limited*”.

8. The OCG evidenced that by way of letters dated January 4, 2011 and January 7, 2011, the JRC gave directives for the NWA to add as an addendum to the previous agreement with Kurbriton Limited, all the bridges on the Port Antonio line that have been found to be beyond repair.
9. By way of letter dated March 11, 2011, JRC informed the OCG that, “*Except for one one-off sale, the Jamaica Railway Corporation entered into three separate agreements with Kurbriton Limited... as follows:*
 1. *Sale of railway bridge, Spanish River, Portland through the National Works Agency. This contract was awarded to Kurbriton Limited. 90% of the estimated weight of the material (\$507,870) was paid to JRC and the agreed 10% commission paid to NWA.*
 2. *By letter from Professional Construction Services Limited dated November 24, 2010, request was made for five other bridges to be included as an addendum to contract for removal/sale of the Spanish River Bridge.*
 3. *The board of directors approved that, subject to engineering inspection by NWA, all un-useable railway bridges between M.P. 35 and 74 on the Port Antonio Line and other selected ones should be either:*
 - i. *included as an addendum to the contract for the Spanish River Bridge with Kurbriton Limited or*
 - ii. *some other suitable arrangement made, by NWA, for disposal...*
 4. *Letter confirming discussion between the Chairman of JRC and representative of Kurbriton Limited, was given to that company authorizing retrieving of rail lines on sections between Orange Bay and Port Antonio. No tendering was done...*”

As it relates to the agreement at point 4 above, the OCG was provided with a copy of letter dated January 21, 2011 under the signature of the JRC General Manager to Kurbriton Limited which stated, *inter alia*, that “*Kindly refer to our letters... and further to discussions (Williams/Bonitto) in which we agreed the following:*”

Kurbriton Ltd. will:

1. *Retrieve existing rail lines and store at convenient points...*

JRC will:

1. *Select reusable rails from Kurbiton's stockpile*
2. *Sell to Kurbiton useless rails at a cost of \$7,000 per ton...*”

10. Under cover of letter dated March 10, 2011, NWA submitted an Executive Summary to the OCG, which stated that, “*The JRC subsequently approached the NWA to assist in removing additional bridges, along the “Port Antonio Line, between mileposts 35-60”. It was our recommendation that the additional disposal could be dealt with by an addendum to the existing approved removal agreement with Kurbriton Limited. The merits to giving Kurbriton this were that Kurbriton was already mobilized in Portland, literally at the beginning of the additional bridges location, and he had an approved price for the removal of the derelict bridges, granted weeks before.*”

11. The OCG was provided with a copy of letter dated January 10, 2011 from the NWA to Kurbriton Limited, which stated, *inter alia*, that “We have received further instructions from our clients Jamaica Railway Corporation (JRC) to instruct you to remove an additional forty eight (48) bridges at your tender rate of Three Thousand, Three Hundred Dollars (\$3,300.00) per tonne.” The total tonnage referenced in the letter was three thousand nine hundred and fifty (3950). This resulted in a total amount of J\$13,035,000.00, to be made payable to JRC (90%) and NWA (10%).
12. By way of letter dated September 22, 2011, the JRC at that time informed the OCG that, “The process of survey, approval of the bridges for scrapping and execution of the necessary Sale Agreement or Addendum to the existing Sale Agreement for the Spanish River Bridge have not yet been completed by the National Works Agency/NWA.”
13. The terms of reference for the OCG’s enquiry did not extend into ascertaining the daily hours during which Kurbriton Limited removed scrap metal from the various locations.

Invitation to tender for Scrap metal in Kingston

14. The JRC issued Letters of Invitation dated January 19, 2011, to four (4) Scrap Metal dealers, to submit bids for the sale of scrap metal (Unuseable Railway Inventories) in Kingston. The OCG was provided with copies of letters which were issued to *inter alios*, Kurbriton Limited and the Company with which the complainant was purportedly affiliated. The stipulated bid submission deadline was January 28, 2011.
 - a. A letter dated January 27, 2011 from the JRC (under the signature of the General Manager) to the Company with which the complainant is affiliated was evidenced which indicated an extension of the submission deadline to February 4, 2011. However, a subsequent letter of January 27, 2011, from the JRC (under the signature of the General Manager) to the said company, stated that, “Allow me to express my appreciation for your understanding in respect to the withdrawal of our letter written at your request a short while ago.

I erred in so hastily granting the weeks extension without referring to the Procurement Committee and our inability to reach the other Bidders at such short notice...”

- b. The Tender Opening Form dated January 28, 2011, indicated that two (2) bids were received as follows – Kurbriton (\$5000.00 per ton) and Apex Caribbean (\$3000.00 per ton).
 - c. With regard to this process, the OCG was not provided with a Tender Report, however, it was noted that the proposal which reflected the highest value for the inventories was selected as stipulated by the Tender Document.
 - d. By way of letter dated March 11, 2011, the JRC informed that the OCG that, “Following on proposals made by Scrap dealers, bids were requested from selected companies... for scrap metals in Kingston. The price of Five Thousand Dollars (\$5000.00) per tonne quoted by Kurbiton Limited was the highest of the two bids received. Though not included in the RFQ the minimum price expected was \$7,000.000 per tonne but the Chairman being advised of possible legal action and with the willingness of the bidder a contract was entered into with the bidder, Kurbiton Limited, for this price. The required deposit of Ten Million Dollars (\$10,000,000.00) has been paid and material being prepared and removed from the property.”
- ... Due to the Corporation’s urgent need for cash to fund its planned resuscitation of train services a limited number of contractors were invited for quotation including those that submitted earlier proposals.”*
- e. A signed Agreement for the Sale of Scrap Metal dated February 1, 2011 was evidenced.
15. The OCG was provided with a copy of receipt dated February 4, 2011 in the amount of J\$10,000,000.00 received from Kurbriton Limited by the JRC for the deposit on contract for sale of scrap metal.

16. The OCG had asked the JRC why the additional bridges had not been included in the request for quotations which was sent to the companies in January 2011. In response, the JRC, by way of letter dated September 22, 2011, stated that, *"The decision to dispose of other Un-Useable Railway Inventories (IN KINGSTON) was made after our agreement with NWA for disposal of the bridges. These negotiations were led by the Chairman of the board."*

Proposal submitted by the Complainant/Company with which the Complainant was affiliated

17. The OCG was provided with a copy of a letter dated February 19, 2010, from the complainant to the then Prime Minister of Jamaica, the Honourable Bruce Golding, which stated, *inter alia*, that *"I am ... a Jamaican national resident overseas who is an experienced professional in the field of demolition, heavy equipment and salvaging for over forty years..."*

I now represent ..., a United States company who is interested in purchasing from the Government of Jamaica (GOJ), all sections of the unusable railway owned by the Jamaica Railway Corporation...

We are registering a firm interest in negotiating with the GOJ an agreement for the sale of all the unused sections of the rail lines...

We are prepared to finalize and present a formal proposal to the GOJ which could form the basis for negotiating a possible agreement. This proposal could be in the hands of the relevant Ministry/Agency within seven working days of receiving from the Government an indication of willingness to consider such a proposal."

18. The OCG was provided with copies of other correspondence between the affiliated Company and various other officials of the then governing party and Public Bodies. Included in same was a letter dated September 9, 2010 from the President of the Company to the Minister of Transport and Works which stated, *inter alia*, that *"...We are interested in contracting with the Ministry for the removal, processing, and sale of all obsolete rail lines, abandoned bridges and all related obsolete infrastructure throughout the island."*

Initially the proposed project would undertake the removal and processing of the rail section connecting Port Antonio and Bogwalk, then proceeding to the Fourpath to Montego Bay section."

An email dated September 24, 2010, from a signatory named "Minister" (uncertain whether it is the Minister of Transport and Works) to unknown recipient (based on the manner in which the email was copied the sender and recipient email names were not included), was observed which, stated that, *"As advised I have passed your request to the Chaurman [sic] JRC who Is [sic] to report to me shortly; hopefully this week coming"*

Conclusion

It should be noted that, in this case, the engagement of scrap metal dealers involves the disposal of assets (scrap metal) and receipt of payments from the dealers, and as such, would not be considered procurement as per the GOJ Handbook of Public Sector Procurement Procedures.

Notwithstanding the foregoing, the OCG has observed that requests were issued inviting bids/quotations as it relates to the engagement of a scrap metal dealer in two (2) instances. Thus, although one aspect of the allegation was that only one request had been made, the OCG found that there were two instances in which invitations to tender had been extended.

In the first such instance (August to September 2010) the process was conducted by the NWA on behalf of the JRC. Scrap Metal Dealers were invited by way of an advertisement which was said to have been placed on the Notice Board and the website of the NWA to submit tenders in relation to the Spanish River, Portland bridge. Kurbriton Limited was the only bidder who responded, and upon evaluation, was deemed responsive and therefore recommended for the award of contract. The OCG, however, notes that an addendum was issued to the contract which resulted in a significant increase in the volume of scrap metal which the contractor was engaged to remove.

The second instance was with the issuance of letters of invitation to select dealers during January 2011. As previously mentioned, only two tenders were submitted which did not include a submission from the Company with which the complainant is affiliated.

As it regards the complainant's allegation that "*the only metal that should have been taken was from the bridge; however, they had taken up 5 miles of rail from Orange Bay towards Buff Bay*", the OCG noted JRC's letter dated January 21, 2011 to Kurbriton Limited regarding the retrieval and storage of rail lines.

While noting the explanations and justifications which had been given as it relates to the addendum which was issued and which increased the volume of the scrap metal, it would be remiss of the OCG not to comment and or question whether, given the vastly different volume which was ultimately removed versus the initial project, whether the opportunity should have been retendered.

The OCG is unable to verify the hours during which the scrap metal was collected by Kurbriton. Therefore the complainants allegation that, "*...containers with scrap metal were being loaded contrary to MIIC's industry standards which stated that metal should not be loaded before 8:00 am and after 5:00 pm...*", is unconfirmed.

The OCG also observed that the complainant, by way of an affiliated company, had submitted an 'unsolicited' expression of interest/proposal to remove scrap metal from the rail network, which the GOJ, by right, had no obligation to accept or entertain.

Accordingly, the OCG opines that while the complainant had in fact submitted a proposal to the GOJ for the removal of scrap metal from the rail network, the relevant Public Bodies had proceeded to undertake a competitive process for the award of the contract. Accordingly, the complainant and others, had been afforded an opportunity to participate.

Ministry/Agency/Department: Planning Institute of Jamaica

Complaint received in December 2014– Extract/Summary: Mr Marvin Goodman, from Marvin D. Goodman & Associates, indicated by way of a letter dated December 4, 2014, that he was informed by the PIOJ that the proceedings of the Evaluation Committee were "*in camera*" and confidential, and as such, it would "*be impossible to appeal against a decision taken where the basis of the decision is purposefully withheld by one of the parties*". Mr. Goodman requested that, "*...an investigation be carried out, as to whether the actions of the PIOJ in this matter are in breach of GOJ Regulations and possibly Jamaican Law.*"

Findings:

1. The PIOJ had conducted a tender process for the Design and Supervision of Works for High Dependency Units (HDUs) in the Mandeville Regional and Victoria Jubilee Hospitals on September 1, 2014. This process is a sub process under the Programme for the Reduction of Maternal and Child Mortality (PROMAC). The invitation to tender was issued to five (5) short listed firms and the deadline for the submission of tenders was October 6, 2014.
2. The PIOJ has stated that all aspects of PROMAC are being funded solely by the European Union (EU). As such, the tender proceedings were being guided by the EU Practical Guide for Procurement, applicable from April 7, 2014.
3. By the close of tender, two (2) submissions were received. Both tender submissions were evaluated in accordance with the evaluation criteria outlined in the Tender Dossier. Subsequent to the commencement of the evaluation, the Evaluation Committee recommended that the procedure be cancelled as none of the tenders was found to be administratively complaint.
4. By way of letter dated November 21, 2014, the PIOJ had communicated to Mr Marvin Goodman that his tender had been unsuccessful as it "*...did not meet part "a" of the professional capacity criterion.*"
5. The OCG notes correspondence dated November 25, 2014 from the PIOJ to Mr Goodman in which the deficiencies of his tender were further explained, subsequent to a request from Mr Goodman in relation to same.

6. The OCG further notes that Mr Goodman, by way of his letter dated November 25, 2014, had requested "a copy of the evaluations that were done for [his] firm". In response, the PIOJ by way of letter dated November 28, 2014, had informed Mr Goodman that *Article 2.8.2 Impartiality and Confidentiality* of the EU Practical guide for Procurement and Grants had prohibited it from sharing any document proceeding from the evaluation process.
7. The OCG had undertaken a review of the EU Practical Guide for Procurement and notes *Article 2.8.2, Impartiality and confidentiality*, which states, *inter alia*, that:

"For service tenders and calls for proposals, the proceedings of the evaluation committee, from the opening of tenders/proposals to the conclusion of the work of the evaluation committee, are conducted in camera and are confidential."

8. The OCG further notes *Article 3.3.10.5. The evaluation committee's conclusions*, which states, *inter alia*, that:

"The evaluation report, in particular, is for official use only and may be divulged neither to tenderers nor to any party outside the authorised services of the contracting authority...Extracts from the evaluation report may however be disclosed..."

9. Of final note is *Article 3.3.12.1. Notifying the award decision*, which states, *inter alia*, that:

"In case of request, for further information from the non-successful tenderers, any information which is not confidential may be disclosed to them. An example may be comments regarding their strengths and weakness as this may assist them to be successful in future tenders."

10. A Status Report received from the PIOJ indicated that subsequent to the failure of two (2) tenders, the PIOJ is awaiting the EU "...*Delegation's approval of a re-launch of the tender...*"

OCG Conclusion

Based upon the above, the OCG opines that the PIOJ had responded to Mr. Goodman in accordance with the EU Practical Guide for Procurement and Grants as the project was being solely funded by the EU, and had taken reasonable steps to advise Mr. Goodman of the reason why his tender was not compliant with the tender requirements.

Accordingly, the OCG did not find that the PIOJ committed any breach of GOJ Regulations or Jamaica Law, as the PIOJ acted in accordance with the requirements of the funding agency highlight above.

Ministry/Agency/Department: National Solid Waste Management Authority

Complaint received in December 2014 – Extract/Summary: Complaint regarding Expression of Interest (EOI) for the use of Municipal Waste Generated Island Wide - The complainant had indicated that he had submitted a bid in response to an advertisement placed by the NSWMA on September 21, 2014. The complainant further indicated that he had not received any updates from the NSWMA subsequent to the submission of his bid and that he was informed by a third party that "...a bidder was already setting up their facility at one if [sic] their disposal site."

Findings:

1. The NSWMA had issued a Request for Expressions of Interest in the Sunday Gleaner on September 21, 2014 for utilizing municipal waste generated island wide. The closing date stated therein was November 24, 2014.

2. Fifteen (15) responses were received by the NSWMA. The complainant had not provided the name of the Entity with which he is affiliated and as such, while the OCG was provided with a listing of the responses received from the NSWMA, it was unable to confirm the name or company under which the complainant had submitted a bid.
3. The NSWMA, by way of its letter to the OCG dated January 6, 2015, indicated that it had not conducted an evaluation of the bids received. The NSWMA has further attested that a short-listing of the bidders had been done.
4. The NSWMA has further indicated that, by way of letters dated December 18, 2014, it had written to all fifteen (15) respondents, "...acknowledging receipt of their submission and advising that an assessment would commence mid-January 2015 and is expected to end mid-February 2015."
5. The NSWMA has indicated that it had neither awarded any contracts as a result of the advertisement placed on September 21, 2014 nor entered into any arrangements with any private entities regarding the use of municipal generated waste.
6. Based upon the responses which were provided by the NSWMA, the OCG, by way of an email dated January 30, 2015, had requested additional information and clarification from the complainant. To date, no response has been forthcoming from the complainant.

Conclusion

Based upon the foregoing, the OCG finds no evidence to suggest that the NSWMA had awarded any contracts or entered into arrangements for the utilization of municipal waste generated island wide as a result of the expression of interest advertised on September 21, 2014.

The OCG has noted that at the time of the complaint, and up to January 6, 2015, the date of its response to the OCG, the NSWMA had not completed its assessment of the expressions received and as such had not awarded any contracts for the utilization of municipal waste generated island wide.

The OCG therefore concludes its enquiry into the matter.

Ministry/Agency/Department: Registrar General's Department

Complaint received in July 2014– Extract/Summary: Complaint regarding the Engagement of A & C Better Life Services - The complainant had alleged that the referenced contractor was not registered with the National Contracts Commission (NCC).

Findings:

1. The RGD advised that A & C Better Life Services was engaged to provide canteen concessionaire and related services.

The OCG was provided with a copy of letter dated August 11, 2014 from the RGD to the Chief Executive Officer of A & C Better Life Services captioned "*Provision of Canteen Concessionaire Services – Registrar General's Department*". The letter stated, *inter alia*, that "*This communiqué serves to formally inform you that your proposal submitted relating to the provision of canteen services was most favourable to the Agency.*"

Please note that [sic] contract for the provision of canteen services commenced on August 4, 2014 for a period of one year... Detailed terms and conditions of our contractual Agreement will be provided to you by Wednesday, August 27, 2014..." The letter ended providing contact details for relevant RGD staff members in case of any queries.

2. The RGD has indicated, by way of its letter dated October 28, 2014, that "*For the canteen services, the full economic cost of the meals and refreshments provided were borne by the staff on a daily basis.*"

3. The OCG has evidenced that the RGD had used the Limited Tender Procurement Methodology to invite Contractors to submit proposals to provide canteen concessionaire services, in response to which, A & C Better Life Services had been selected as the preferred bidder.

With regard to the tender procedure for the canteen concessionaire services, the OCG notes that, as part of the eligibility requirements, Bidders were asked to provide a valid Tax Compliance Certificate (TCC) and food handler's permits at the time of bid submission. It was noted that A & C Better Life Services had not provided either as was evidenced in their bid submission cover letter which stated "*Please note that Food Handlers Permits for Staff we select for this site and Tax Compliance Certificate will be furnished and available for contract signing if we are chosen for the Concessionaire Contract...*"

Based upon the foregoing, it is the OCG's opinion that the bid of A & C Better Life Services should have been deemed ineligible.

The OCG further posits that the evaluation criteria which were used to evaluate the Bidders appear to be subjective and/or lacking the measurability required for a clear and transparent assessment. In order to ensure transparency and objectivity, the minimum requirement and the basis for comparing and assessing the bidders, should be clearly stated with associated scales and weightings for each.

4. The RGD has stated that although it was intended that A & C Better Life Services would serve a one year contract, the services which commenced on August 4, 2014 was cancelled on October 14, 2014.

The OCG was provided with a copy of letter dated October 14, 2014 from the RGD to A & C Better Life Services which stated, *inter alia*, that "...it is with deepest regret that you have forced us with no alternative but to terminate this oral agreement that the Agency has with A&C Better Life Services with immediate effect. We therefore ask that you return the key we provided you for the canteen on or before October 16, 2014.

Thank you for your services rendered to us since August 4, 2014..."

Attached to the letter was minutes of a meeting which had been held on October 1, 2014 between the RGD and A & C Better Life Services wherein concerns with the arrangement were raised, inclusive of the failure of the contractor to provide food handler's permit, TCC and contact numbers for the workers stationed at the RGD. It was indicated that those documents were required for the finalization of the contract.

Accordingly, the OCG notes that the A & C Better Life Services had commenced providing services to the RGD in the absence of a formal written contract, and that one had not been signed prior to the termination of the services.

5. The RGD had also indicated that A & C Better Life Services had been engaged to provide catering services at the Agency's Corporate Planning Retreat and refreshment at a death registration campaign and other meetings and training sessions. The RGD has provided documentation to show that the services provided by A & C Better Life Services did not exceed J\$500,000 and were valued at J\$192,632.50.

Conclusion

The OCG concurs with the RGD that the engagement of A & C Better Life Services for the provision of canteen concessionaire services, would not be classified as GOJ procurement as same was not being funded by "*public funds*", but was paid for by staff members. Accordingly, the provisions as outlined in the Handbook of Public Sector Procurement Procedures, inclusive of the requirement for a NCC registered contractor, would not be applicable. The complaint, therefore, that the Contractor was not NCC registered, is deemed to be not applicable.

Notwithstanding the foregoing finding that the engagement was not governed by the Handbook of Public Sector Procurement Procedures, the OCG does find that the RGD had embarked upon a tender process which had certain attendant rules, inclusive of the requirement to provide evidence of specific documents. The OCG therefore finds that the RGD did not adhere to the rules which it had established for the tender process since the selected bidder did not provide evidence of TCC and food handlers permit at the time of tender. Accordingly, and in the circumstance, the OCG opines that the RGD acted improperly in the engagement of a contractor who did not possess or could not provide evidence of its stated requirements.

The OCG is also concerned that A & C Better Life Services was allowed to commence operating without a formal contract being in place and that the evaluation process appeared subjective. The OCG finds it necessary to highlight the deficiencies with this process in an effort to mitigate any recurrence.

The OCG has provided comment given that it considers the engagement of A & C Better Life Services for the provision of canteen concessionaire services to be a government contract in keeping with the definition outlined in the Contractor General Act, which defines a Government contract as including “*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*”. Accordingly, and with regard to the fact that the procurement had been undertaken by, and that there was an ‘oral agreement’ between the Contractor and the RGD, the OCG opines that engagement of A & C Better Life Services for both canteen concessionaire and catering services were government contracts and as should have been governed by the principles of fairness, merit and regularity as espoused by Section 4 of the Contractor General Act. The OCG asks that you note our observations and findings to ensure that there is no recurrence.

Ministry/Agency/Department: Ministry of Water, Land, Environment and Climate Change

Complaint received in September 2013– Extract/Summary: Regularization of Farmers in St. Mary - OCG was “... in receipt of a copy of a letter in the captioned regard, which appears to be under the signature of a Member of Parliament and was addressed to a Community Association.”

The referenced letter, under the signature of the Member of Parliament (M.P.), indicated that “*All authority is being extended to you from my office... to continue the management of all procedures in keeping with the regularization of farmers on Three Hundred (300) acres of land located in Industry Pen Estate Three Hills St. Mary and to allow access to available land to additional farmers who have shown an interest in acquiring said land boarding Cascade, Windsor, Gibraltar and Epping all in the same parish of St. Mary.*”

Findings:

The OCG had received a complaint on September 27, 2013, and in keeping with same, has sought to ascertain the level of involvement which the M.P. of Western St. Mary had in the process of the regularization of farmers in the area known as Industry Pen Estate, Three Hills, St. Mary. The OCG had requested information from several Public Bodies to include the National Land Agency (NLA), the Ministry of Agriculture and Fisheries (MOAF) and the Ministry of Transport, Works and Housing (MTWH) prior to requesting information from the MWLECC.

By way of letter dated October 15, 2013, the NLA stated that the Minister of Housing is the proprietor of lands at Industry Pen Estate, Three Hills, St. Mary. The NLA further stated that the lands which were owned by the Commissioner of Lands were transferred in June 1998 to the Minister of Housing to facilitate a residential and agricultural Joint Venture Development under the Emancipation Lands Programme.

By way of letter dated December 19, 2013, the MOAF advised that it, by virtue of its portfolio responsibilities, “... is not involved in any way in regularization of people on farm lands.”

The MTWH, in correspondence provided by way of letter dated January 21, 2014, stated that “*The Emancipation Land Programme falls under the portfolio of the Ministry of Water, Land, Environment and Climate Change...*” The MTWH further stated that neither it nor any of the Agencies under its purview is involved in the regularization of farm lands.

By way of additional information, the MTWH advised that notices were served on all occupants in the agricultural section following a report from the NLA “...that there were contentious issues between two farmer groups over the occupation of the lands in the agricultural section...” The MTWH stated that, “*These notices expired October 3, 2012 however no further action has been taken to remove the farmers as it was anticipated that the MWLECC would take steps to regularize them.*”

The MTWH had also provided copies of certain documents in support of its response. Included among same, was correspondence which made reference to the Three Hills Farmers' Association and another Farmers' association from 2008/2009 wherein representation was being made regarding acquiring security of tenure as it relates to farm lands.

By way of letter dated May 5, 2014, the MWLECC has stated that it *"... has not undertaken any initiative regarding regularization of farmers in the parish of St. Mary for the locations quoted in the extract."* Additional information from the MWLECC has stated that in 2012, *"... the Ministry received a verbal complaint from the Three Hills Farmers Association advising that the property was being surveyed and lots assigned by a community group. Checks with the Ministry of Housing and Commissioner of Lands revealed that they were not aware of this action."*

The MWLECC further stated that, *"A meeting was subsequently held with senior officials from and [sic] the Ministry of Transport and Housing [sic] (MTWH) regarding the way forward. It was agreed that the MTWH would serve quit notice to the illegal occupants and engage the Three Hills Farmers Association to bring the matter to a satisfactory conclusion."*

Subsequent to the information collected from the aforementioned Ministries/Public Bodies, the OCG saw the need to request information from the Member of Parliament who was directly implicated in the matter. By way of a letter dated September 12, 2014, the OCG issued a statutory requisition to Mr. Jolyan Silvera, Member of Parliament (M.P.) of Western St. Mary requesting, *inter alia*, *"...the authority upon/by which the [M.P.'s] Office is/was carrying out the duties of the regularization of farmers."*

Mr. Silvera has solemnly declared under the Voluntary Declaration Act: Section 7 that neither he nor his office *"... has been involved with the operations of the Three Hills Farmers Association"* and that his involvement as the M.P. has been *"...to make introduction to the relevant Ministers and facilitating meetings between the Benevolent Society and the Ministry of Industry, Investment & Commerce and the Ministry of Agriculture."*

Mr. Silvera has declared that the regularization of farmers process had been initiated by the former M.P., Mr. Robert Montague, and upon his appointment to office as M.P. in December 2011, the Three Hills Farmers Association Ltd. had approached him, *"...seeking authorization to continue with the "regularization of farmers process" that was initiated by the former Member of Parliament Robert Montague."* Mr. Silvera's response further indicated that *"In acknowledging that the concept of regularizing farmers who had captured the land was a worthy one, I responded to the Three Hills Farmers Association Ltd in a letter dated January 30, 2012, authorizing them to proceed with the continuation of the regularization process."*

Mr. Silvera has also indicated to the OCG that a cease and desist letter had been issued by the Ministry of Industry, Investment and Commerce to the *"...Three Hills Farmer's Association and any other groups with interest in the regularization process, pending a decision to be made by the Attorney General's Office, regarding which group is to proceed in entering an agreement with the Government to complete the regularization exercise."*

Subsequent to Mr. Silvera's response, the OCG requested that the former M.P., Mr. Robert Montague respond to the assertion made by Mr. Silvera that he (Mr. Montague) had initiated the process. By way of letter dated February 2, 2015 from the OCG to Mr. Montague, the OCG asked Mr. Montague to provide, among other things, details regarding the initiation of the regularization process.

Mr. Montague responded to the OCG's requisition by way of a letter which was dated February 5, 2015, with an attached statement which indicated that, during 2007 – 2011, as the then M.P. and a Government Minister, he was aware that the property at Industry Pen was slated for further development. Mr. Montague indicated that there were farmers who were engaged in farming activities on the land and that the *"farmers had originally organized themselves... in order to pursue the common interest of the farmers in relation to the divestment of the land"*. The statement continued, *inter alia*, that

"After being elected as Member of Parliament, I was invited to a meeting by the farmers. Subsequently to meeting with the farmers, a meeting was convened by me at the Ministry of Local Government... A Provident Society was to be registered and the Society was to be the developers of the farm lands along similar lines to the Operation Pride Schemes..."

As far as I am aware, many applications were received. Prior to demitting office as far as I am aware no lots were officially allotted and no final price determined."

Mr. Montague also provided copies of three (3) letters. One letter, which was dated May 21, 2012, which was typed upon the letterhead of the current M.P., indicated *inter alia*, that the Three Hills Farmers Association Limited was assured of the M.P.'s support and that *"It is my intention to stand with the Providence Society as the body solely incharge [sic] of the regularization of farm land on the Industry Pen Estate and trust that you will support the vision of the Providence Society as it has started on a path of transparency and I will see to it that is continues."*

OCG Conclusion

The OCG has found that the lands in question are owned by the Government of Jamaica and is being managed as a component of the Emancipation Lands Programme. Based upon the responses which were received, and although the property was to have been developed under the Emancipation Lands Programme, the regularization exercise of farm lands at Three Hills has faced challenges. The OCG has, however, found that such regularization exercises, falls squarely within the responsibility of the Ministry of Water, Land, Environment and Climate Change and/or its subsidiary Department/Agency. The OCG has also found that the efforts which are being made by the Three Hills Farmer's Association predate the tenure of the current M.P., as was corroborated by the former M.P., Mr. Robert Montague.

Accordingly, and based upon known land settlement procedures, the OCG is aware that the M.P. does not have a formal role to play in this process. Notwithstanding, the OCG finds that terminologies which were used in the correspondence from the Mr. Silvera to the Provident Society, in particular, the *"authority"* to continue the management of procedures regarding the regularization of the farmers, might have been misleading, improper and without lawful authority.

The OCG is recommending that the Ministry follow up with the process to ensure that the divestment, if or when same occurs, is conducted in accordance with proper procedures.

Without prejudice to the foregoing, please be advised that the OCG will be monitoring the ongoing activities regarding the regularization process.

Ministry/Agency/Department: Petrojam Limited

Complaint received in February 2011– Extract/Summary: Complaint regarding the Petrojam Dock Rehabilitation Project. Receipt of an email which stated, *inter alia*, *"The petrojam dock building project is using as a feeding tree for politics people. First them pressure petrojam to make sure that is a jlp contractor hired without doing any bid for the job...them want petrojam to pay over 1 million dollar a month to a guy name ian macnally who the board appoint as project manager to overlook the project... no approval is there for that from mof or anybody else. And is the board pushing this thing because it look like certain and certain people is friend ...*

Some questions for you to probe ...
Who is the contractor on the petrojam dock project
What is the contractors ncc grade
What is the engineers estimate for the project
How much money spend so far
How much work done so far
Is ian macnally the project manager
Who appointed him
How much is he being paid
Does this pay rate fall within the guidelines
Who is pushing for the payment and why"

Findings:

1. Regarding the contractor for the dock repairs, the OCG notes that there were numerous contractors engaged. In this regards, the OCG noted reference to correspondence between Petrojam Limited and the National Contracts Commission (NCC) dating back to June 10, 2009 and letters in subsequent years regarding a list of contractors who would carry out the works, the utilization of emergency contracting and the estimated costs of the repairs. The OCG has also evidenced the NCC's no objection to the utilization of emergency procedures for the engagement of the services of contractors.

Based on a spreadsheet which was submitted under cover of Petrojam Limited's letter dated November 18, 2014, to the OCG, thirty-three (33) contracts were awarded for the provision of various works, goods and services for the repairs to the dock. Diving and Salvaging Ltd. was noted as the contractor engaged to provide Civil Works.

2. Diving and Salvaging was initial engaged on July 27, 2009 on an Emergency basis in the amount of J\$99,000,000. The Petrojam has indicated that the contractor "*possessed the equipment to complete the works and was able to mobilize quickly*" as the basis for the selection of Diving and Salvaging. At that time, Diving and Salvaging was registered with the NCC in various categories, including Marine Engineering Grade 2 and Piling Grade 2. The requisite National Contracts Commission endorsement (letter of July 24, 2009) was evidenced for the engagement of Diving and Salvaging by way of Direct Contracting. Two variations have been noted in relation to the referenced contract: in June 2010 (contract sum varied to J\$137,659,935) and June 2011 (contract sum varied to J\$360,683,493.56).
3. Regarding the estimated figure for the repairs during the period within which the complaint was received, the OCG wishes to highlight letter dated March 17, 2011, from Petrojam Limited to the National Contracts Commission (NCC), which stated, *inter alia*, that, "... Petrojam Limited is writing to inform the National Contracts Commission (NCC) of the current assessment of the estimated expenditure for the final completion of the emergency repairs to the Dock. The final estimated figure has increased from JM\$213,855,149 and US\$1,593,474 to J\$393,617,007 and US\$2,752,846."
4. With regard to the amount of funds that had been expended during the period within which the complaint was received, the OCG noted Petrojam Limited's submission of a Summary Report of the actual amounts paid as at July 11, 2011, related to the emergency repair of the Dock Facility to be US\$1,853,394.00 and J\$280,245,220.00.
5. Regarding the amount of work that had been done during the period within which the complaint was received, the OCG notes an Executive Summary which was submitted under cover of letter dated April 19, 2011, from Petrojam Limited which stated, *inter alia*, that, "*Following the accident whereby Great News Ship hit the Petrojam Dock on June 1, 2009, Petrojam undertook a Dock Rehabilitation Project. The latter proceeded in three phases, namely, emergency response (1st and 2nd phase), and rehabilitation (3rd phase)...*

The objectives of phase one and two were achieved within the first month after the incident. Phase three is still in progress."

6. The OCG evidenced an undated Contract of Agreement between Mr. Ian McNally and Petrojam Limited. The contract agreement indicated that the scope of his assignment was to be the Project Manager for the rehabilitation of Petrojam Refinery's main dock. The duration of the Contract was for a period of three months commencing on November 1, 2010, with the possibility for extension based on mutual agreement of both parties. The Agreement also outlined the normally required hours of hour to be 8:00 am to 4:30 pm, with a one hour lunch break each day. While the Agreement used the term '*Contractor*', various sections spoke to "*contract of employment*".
7. Based on the abovementioned Contract Agreement, Mr. McNally was paid a remuneration of J\$1,000,000 per month. The Agreement also indicated that "*...and as required by law, the required statutory deductions will be made from your fee at the rate prescribed by Government*". In this regard the OCG evidenced signed Statements of Payment to Mr. Ian McNally which amounted to J\$2,110,795.17 (*figure does not including statutory deductions*) for the period November 2010 to January 2011.

8. Petrojam provided the OCG with various correspondence regarding the engagement of the Project Manager, inclusive of that subsequent to November 2010 regarding the continued engagement of Mr. McNally. The OCG noted letter dated December 8, 2010 from the Ministry of Finance and the Public Service to Petrojam captioned "*Approval to Hire a Temporary Project Manager – Dock Repair Project*". The letter indicated that while the Ministry offered no objection to the employment of the Temporary Project Manager for a period of six months, it did not support the salary of \$1,000,000 per month, as emoluments should be paid within the organization's approved salary structure.

The OCG notes that the Ministry, subsequent to a follow up letter from Petrojam, had indicated that the engagement should be treated as a '*contract for services*' and recommended the use of the direct contracting methodology subject to the prior approval of the NCC based upon the value.

9. While Petrojam had commenced the process by writing to the then Ministry of Energy and Mining (MEM) regarding the request to use the Direct Contracting Methodology, the MEM had indicated that it was withholding its endorsement pending receipt of the information which it requested. While the Petrojam had responded to the MEM's letter, the process was not finalized. The contract with Mr. McNally ended on January 31, 2011 and the MSTEM has advised that it was not renewed. Petrojam also advised that its Manager – Safety, Environmental, Quality & Security had been subsequently appointed the Dock Project Manager and had oversight for the rehabilitation exercise.
10. As it relates to the genesis of the engagement of the relationship with Mr. McNally, the Petrojam, by way of its letter dated November 18, 2014, indicates that "*It was determined that the execution of the Dock Rehabilitation Project would best be managed by a dedicated Project Manager.*" The Petrojam also informed the OCG that, Mr. McNally was recommended by, Mr. Angus Gordon the then Chairman of the Board of Petrojam Limited. The OCG evidenced letter dated December 6, 2010, from Chairman of the Board of Petrojam to the General Manager which referred to the Board's approval of the appointment of Mr. McNally on a temporary basis pending approval of the Ministry of Finance and the Public Service.
11. As it regards a particular representative of Petrojam "pushing" for the payments to Mr. McNally and the reason for the alleged "push", the OCG has not evidenced any conclusive information regarding same.

Conclusion

The OCG has found that the engagement of Mr. McNally was by way of a short-term contract of employment. Accordingly, said engagement was outside the purview of the GOJ Handbook of Public Sector Procurement Procedures. Additionally, contracts of employment do not fall within the OCG's jurisdiction.

As it regards the repairs to the Petrojam Dock, the OCG notes that emergency contracting was utilized. The OCG notes that over the years, subsequent to the accident of June 1, 2009, numerous correspondence have been exchanged between Petrojam Limited and the NCC relating to engaged contractors, the progress of the works, estimated costs and expenditure. Under cover of letter dated November 18, 2014, to the OCG, Petrojam Limited submitted a spreadsheet which indicated that total payments which have been made to contractors has amounted in excess of J\$965M and in excess of US\$6.5M.

Ministry/Agency/Department: Petroleum Company of Jamaica

Complaint received in October 2011– Extract/Summary: Review of Complaint into the award of Contract(s) to Bolivar Trading - the OCG received a complaint which indicated that PETCOM had been issuing a number of contracts to Bolivar Trading that did not comply with the procurement guidelines. The complainant further stated that "*\$57,000 US was spent to purchase material from Bolivar Trading a US base company to repair three tanks, however, this purchase was not necessary as the engineering officers knew that the tanks could not be repaired.*"

Findings:

1. PETCOM was asked to provide supporting documentation in relation to all the contracts awarded to Bolivar Trading, during the period January 2009 to December 2011. In response, the PETCOM provided a listing which indicated that Bolivar Trading was engaged forty-six (46) times during the period, for values ranging from US\$296.04 to US\$83,030.00.

In response to a request for any additional information, the PETCOM also provided a copy of a letter dated February 1, 2005 from Gilbarco Veeder-Root to PETCOM which stated that *“Bolivar Trading Inc. is a distributor for Gilbarco Veeder Root and is authorized to sell all Gilbarco products directly to Petcom Jamaica...”*

The PETCOM was asked to provide specific details regarding each contract/purchase order issued to Bolivar Trading, inclusive of details of the comparable estimate. As it relates to the comparable estimates, the PETCOM's response indicated that *“none was seen”*.

With regard to some of the contracts awarded to Bolivar Trading, the OCG finds that PETCOM had failed to receive the requisite approvals for the use of the procurement methodologies. Among other things, the Government of Jamaica Handbook of Public Sector Procurement Procedures 2010, which was applicable at the time, prescribed that when using the Direct Contracting (DC) Procurement Methodology, for contract values about J\$3M, prior approval from the National Contracts Commission (NCC) is required. The OCG has found that PETCOM had awarded at least three (3) contracts valuing J\$18,258,767.96 without receiving the prior approval of the NCC. The OCG has further found that PETCOM had failed to report an Emergency Contract valued at J\$4,959,726.46 to the NCC subsequent to the award. The GOJ Handbook stipulates that contracts awarded under emergency circumstances, above J\$3M shall be reported to the NCC within the month in which the award was made.

Further, the PETCOM was asked to provide copies of related documentation for each contract/purchase order issued to Bolivar Trading. The PETCOM's response has indicated that five (5) related purchase orders cannot be located. The Government of Jamaica requires the types of records which must be maintained and for what duration. As such, any failure to maintain proper records is a breach of both the Procurement Guidelines and the Financial Administration and Audit Act.

2. Based upon the value of some of the contracts and the time period during which they were awarded, the said contracts should have been reported to the OCG via the Quarterly Contract Award (QCA) report. Upon a review of the OCG's QCA consolidated report, it was revealed that PETCOM had not reported the contracts which were awarded to Bolivar Trading. The failure to report these contracts constitutes a breach of Section 29 of the Contractor General Act.
3. The complainant had alleged, as it relates to repair to tanks at Dunbars River station, that the engineering officers were aware that the tanks were beyond repair and as such, the engagement was unnecessary. PETCOM provided the OCG with documentation to indicate that Bolivar Trading was engaged to effect repairs to three (3) tanks at the Dunbars River Station. The OCG has noted a Purchase Order from PETCOM to Bolivar Trading Inc., and related Goods/Services Requisition Form dated March 11, 2011, in which the Company was contracted to perform emergency works *“to supply labour material and installation of water fittings for the upgrade of tanks to prevent water intrusion at Dunbars River Petcom”*.

The OCG requested that PETCOM provide any internal documentation which addressed the need to have the tanks repaired as an emergency. In response, PETCOM has stated that *“...no internal documentation which speaks to the need for the works to be completed as an emergency contract can be located.”*

The value of the works equalled US\$57,988.15. The Scope of Work which was indicated on the associated Quotation from Bolivar Trading stated, *inter alia*, that *“Containment Solutions Technician will arrive, install a 22” manway in the tank top...Tanks will be entered and inspected to look for any potential leaks. Tanks will be repaired (minor repairs), if a major repair is required, cost will be discussed with customer ... Tanks will also receive two 42” collars per tank. Tank sumps will be supplied...”*

The OCG further enquired if the completed repair works had been successful and whether or not PETCOM had taken any remedial action if the works were unsuccessful. PETCOM responded no, and advised that the remedial action taken *“...was the replacement of the tanks with steel tanks in vault partially above ground.”*

In support of the claim that the tanks could not have been repaired, PETCOM has provided a report which was prepared by Containment Solutions, the Company which was reportedly sub-contracted by Bolivar Trading to carryout repairs and upgrades to the tanks. The report from Containment Solutions, dated June 17, 2011, indicated that the tank which was inspected had cracks and buckles throughout the bottom of the tank. The Technician indicated that he had nothing available to stop the leaks. Nonetheless, the Technician further indicated that manways and collars were added to the top of the tanks and fittings which were not inside sumps were glassed over.

PETCOM has stated that based upon the “... *questionable remaining life of tanks, the cost for removal, repair and reinstallation of the tanks and the risk associated with the high water table at the site, the decision was taken to...*” replace the defective tanks with steel tanks in vault partially above ground.

The OCG has taken note of two (2) purchase orders, totalling US\$138,715.40, by which the purchase of three (3) tanks for the Dunbars River location was procured.

4. The OCG is unable to confirm whether or not any employee, past or present, may have been acting as a sales person for Bolivar Trading as had been alleged by the complainant. The OCG had asked PETCOM to provide any information in relation to current or past employees who may have been affiliated with Bolivar Trading. PETCOM responded stating that it is unaware of any current or past employee who may have had an affiliation with Bolivar Trading.

The OCG has further noted that PETCOM ceased trading with Bolivar Trading Inc. in 2011. PETCOM has stated that it had, “...*discontinued purchasing goods and equipment from Bolivar Trading because their distribution contract with Gilbarco Veeder Root had been terminated.*”

Conclusion

The OCG has observed deficiencies as it relates to the procurement procedures which were undertaken by PETCOM, inclusive of, incomplete record keeping. Accordingly, and if same persists, the PETCOM is advised that immediate remedial action must be taken, inclusive of ensuring its entire staff complement which are engaged in procurement related activities are familiar with the current version of the Handbook of Public Sector Procurement Procedures to ensure compliance with the guidelines.

Accordingly, the OCG has found that there is merit to the complaint that the engagement of Bolivar Trading for the goods and works which were provided did not comply with the procurement guidelines

The OCG is unable to validate the allegation that the repair of the tanks was unnecessary as it has seen no evidence to indicate that the PETCOM was aware that same were irreparable prior to the engagement of Bolivar Trading and the assessment which was undertaken by that company.

The OCG cautions the PETCOM to ensure that proper internal procedures are implemented to mitigate the likelihood of contracts being omitted from the QCA report.

Without more however, the OCG concludes its enquiry into this matter, without prejudice.

Ministry/Agency/Department: Port Authority of Jamaica

Complaint received in February 2010– Extract/Summary: Commercial Activities – Ocho Rios Cruise Ship Pier

- Under cover of letter dated February 1, 2010, the Managing Director of Novel Direction Company Limited stated, *inter alia*, that “*I wish to bring to your attention what I regard as discrimination against my company by the Port Authority of Jamaica.*”

Enclosed are letters written to the Chairman of the Port Authority dated September 10, 2009, and January 7, 2010, which outlines my concerns.

As one who does business in Ocho Rios, I certainly would have appreciated being able to have an opportunity to tender, if the availability of space was in fact advertised.

...Kindly ascertain the facts relating to the space being made available to Jamaica Standard Products Ltd. who now operate a retail business on the premises.”

Findings:

1. The PAJ first executed a lease agreement with Novel Direction Company Ltd commencing on November 1, 1995 and expiring on October 31, 2000. A second lease agreement was executed for the duration November 1, 2000 and expired on October 31, 2005. A one year lease agreement was executed for the period November 1, 2005 and expiring on October 31, 2006.

By way of an Executive Summary, the PAJ has advised the OCG that due to development plans, it had been communicated to the tenants that their leases would not be renewed in September 2006. The PAJ has also advised that Novel Direction Company Ltd was allowed to holdover on a month-to-month basis on the expiration of the one year lease agreement, until that Company's departure in 2007.

2. Two Notices to Quit were issued by the PAJ to Novel Direction Company Limited. The first was dated February 28, 2007 and the second was dated April 24, 2007. The Notice to Quit of April 24, 2007 provided that the tenant should vacate the premises on or before May 31, 2007 or within one month of the date of the Notice.
3. As it relates to the development plans, the PAJ has advised that space had to be retrieved as extensive refurbishing was required to accommodate the increased passenger throughput as the Port sought to accommodate larger shipping vessels. The PAJ has indicated that plans were in place to renovate the Terminal Building Hall, which was the location which held, *inter alios*, the commercial operators, including Novel Direction Company Ltd.

The PAJ had also stated, by way of its letter dated March 5, 2010 to the OCG, that "***No entity or individual*** has been granted space in the Terminal Building due to the need to carry out this rehabilitation."

4. A tender process for the Operation of Duty Free Shop was conducted, as asserted by the complainant. The procurement process, which commenced in December 2007, however, was annulled due to, as reported by the PAJ, the unavoidable change in the Scope of Activity.

The OCG notes Clause 14.1 of the Tender Document for the Operation of Duty Free Shop which provides that, "*The Authority reserves the right to reject or accept any Proposal, and to annul the Request for Proposal process and reject all Proposals at any time prior to the award of contract without thereby incurring any liability to the affected Vendor or Vendors.*"

The relevant advisory to all Bidders was noted in the details of PAJ's letter dated March 20, 2008, which stated that, "*This serves to advise that pursuant to Clause 14.0 of the Request for Proposal document and due to an unavoidable change in the Scope of Activity, the Request for Proposal has been annulled and all proposals received have been accordingly rejected and are returned herewith.*"

Consequent on the foregoing, a revised Request for Proposal will be issued in due course."

5. The complainant had also indicated that the PAJ had not provided a response to his letters dated September 10, 2009 and January 7, 2010. The PAJ advised the OCG that it had not received a letter dated September 10, 2009 but rather was in receipt of a letter dated October 6, 2009. The PAJ received the aforementioned letter on December 31, 2009 and provided the OCG with a copy of its response which was dated February 8, 2010.

The OCG notes that in its response regarding the allegation that space had been made available on the Pier for commercial activity, the PAJ stated, *inter alia*, that "*Unlike the duty-free shop previously operated by you or the duty-free franchise, as defined in the afore-mentioned annulled RFP, this commercial venture was duly considered and approved by PAJ as an unsolicited proposal for ground lease on the exterior of the terminal building to sell hot and cold beverages as well as snacks.*"

6. The OCG sought to ascertain further particulars regarding this commercial venture, and was advised by the PAJ that it had accepted an unsolicited proposal from Jamaica Standard Products (JSP), for the erection of a temporary structure from which to sell hot and cold beverages, as well as snacks, and that a two-year licence was granted to that company. The PAJ indicated by way of its letter dated May 8, 2014 that the unsolicited proposal had been submitted in February 2008 and, further that *“The policy which guided the decision to accept the unsolicited proposal is a commercial one for which Board approval was sought and received...”*

Jamaica Standard Products Company Limited was granted a Licence to erect a temporary building to be used to sell, inter alia, hot and cold beverages and snack, which are activities not usually associated with Duty Free shopping.”

The OCG has noted that based on the Port Authority Act, the PAJ is mandated to grant licences for the operation of business on its premises. Section 3(1) of the *‘Regulations of Cruise Ship Premises’* states that *“No person shall operate or maintain any business on Port Authority premises unless such person is the holder of a licence issued by the Authority for the purpose.”* However, the said Act did not explicitly state whether licences for the operation of businesses on PAJ premises should be subject to a competitive process. Notwithstanding, due consideration should be given to instituting such a process going forward, if same is not now in place.

OCG Conclusion

The OCG did not find that there was a valid lease agreement in place with the Complainant at the time when the PAJ retrieved the space which it operated within the Terminal Building. The OCG finds that the notices to quit were served upon the Company, as well as that reasonable steps, in all the circumstances, had been taken by the PAJ to communicate the reasons for the decision which was made.

The assertion of the complainant that a space on the Pier was being utilised for commercial activity is found to be factual. The OCG has, however, noted that the nature and activity of the commercial space which is/was subsequently occupied, is distinct and separate from the commercial activity of a duty free shop, which was operated by the Complainant and which formed the primary basis of his complaint.

The OCG notes the PAJ's response that an unsolicited proposal had been received for the lease of the space at the Ocho Rios Terminal and that same had been accepted. While noting that there are provisions which guide the acceptance of unsolicited proposals in certain situations, such as Procurement, given the absence of provisions or procedures which govern the issuance of licences by the PAJ and the acceptance of unsolicited proposals of this nature, the OCG was unable to say whether the PAJ acted properly or improperly in the acceptance of the unsolicited proposal.

The OCG, nonetheless, does not find that the complainant was unfairly treated as it relates to its removal from the Pier. Further, the nature of the commercial activity for which the unsolicited proposal was accepted, varies from that which the Complainant offered.

Ministry/Agency/Department: Factories Corporation of Jamaica

Complaint received in March 2011– Extract/Summary: The Office of the Contractor-General (OCG) had received information during March 2011 questioning the regularity of contracts which were awarded by the Factories Corporation of Jamaica (FCJ) for the provision of security services. The information received suggested that contracts for security services were not awarded competitively, and that the companies which were engaged did not have formal contracts.

Findings:

1. Three (3) companies (Action Security, Edbar Security and Metrodade Protection) had been engaged during the period January 2008 to March 2011 to provide security services for seven (7) FCJ locations. The referenced companies were stated to have been awarded contracts using the Limited Tender Procurement Methodology in the first instance.

2. The FCJ provided copies of seven (7) signed contracts indicating the engagement of three companies (Action Security, Edbar Security and Metrodade Protection) for seven (7) FCJ locations. The said contracts indicated varying effective dates, one being from as far back as the year 2003 (with a duration of thirty-six (36) months) and the latter being signed in the year 2009 (with a duration of twenty-four (24) months). The shortest duration was for a period of six (6) months which related to a contract which was signed in February 2008.

Accordingly, based on the details which were outlined in the contracts which the FCJ submitted to the OCG in April 2011, at least six (6) of the said contracts would have been expired from previous years. The OCG had requested copies of "*signed contracts, or otherwise evidence of the engagement of contractors*". Accordingly, and given that the OCG was not provided with any documentation outside of the signed contracts, the OCG finds that there is veracity to the information it had received that some contractors did not have formal contracts at the time of the complaint.

3. Based on the dates (in the years 2007, 2008 & 2009) and other particulars which were indicated in three (3) of the seven (7) above-mentioned contracts, the said contracts should have been reported on the OCG's Quarterly Contracts Award (QCA) Report during the respective periods. However, the OCG has not evidenced that same was done.

Consequently, this constitutes a breach of Section 29 of the Contractor General Act. **In light of the time which has elapsed, the OCG expects that proper procedures have been implemented by the FCJ to ensure that all contract awards are reported on the QCA Report as required. If same has not yet been done, the OCG hereby cautions the FCJ.**

4. The FCJ indicated that a tender process had been attempted for five (5) locations in the year 2007, however upon the OCG's recommendation, the process was aborted. In this regard, the OCG notes that its recommendation had been made based upon, *inter alia*, contradictory information which had been stated in the tender document as it relates to the evaluation and award criteria.
5. The FCJ informed that a subsequent tender process was carried out in the year 2008 for five (5) of the locations, and that a contract award recommendation was made and endorsed by the National Contracts Commission (NCC) in March 2009. The FCJ advised that based upon the value of the contract, it had been awaiting Cabinet Approval. However, the matter had been discussed at a sub-committee meeting of the Board in February 2011 and the decision was taken to abort the process and to re-invite tenders. The FCJ advised by way of its letter of April 11, 2011 that a new tender process had commenced during March 2011 which was scheduled to close on April 13, 2011.

Conclusion

While the OCG has found that there is veracity to aspects of the information which it had received, the Office has, nonetheless, noted a number of attempts by the FCJ to conduct a tender process for security services for its various locations. The OCG notes that in 2014, the FCJ had undertaken procurement processes for security services for three (3) of the seven (7) locations which formed a part of this enquiry; and that contracts were awarded for the said locations.

With regard to the four (4) remaining FCJ locations which formed a part of this enquiry, the OCG has not evidenced any information to indicate that procurement processes have been successfully carried out and/or that, contracts have been awarded as no such contracts had been reported on the QCA Report.

In light of the foregoing, the OCG wishes to caution the FCJ, if it has not already done so, that it should ensure that the security services contracts for all its locations are regularized, in other words, appropriate procurement processes should be carried out and formal contracts signed. The FCJ should also ensure, as applicable, that all relevant contract awards are reported to the OCG on its QCA Report.

Ministry/Agency/Department: Tourism Enhancement Fund/ Tourism Product Development Co. Limited

Complaints received in August 2010 – June 2011– Extract/Summary: The first complaint which was received from an anonymous caller on August 31, 2010, indicated that the Chairman of the Tourism Enhancement Fund (TEF) is also the person 'responsible' for Sumfest and the Jazz and Blues Festival. The complainant also indicated that the Chairman awarded himself US\$500,000.00 to stage Sumfest, and that no audit had been done to review the way in which the money was spent. The complainant also alleged that the Elegant Corridor contract went to a company controlled by a Mr. Richard Russell.

Further complaint received stated, *inter alia*, "I am concerned about expenditure relating to:

1. Jamaica [formerly Air Jamaica] Jazz & Blues Festival
2. Reggae Sumfest
3. Elegant Corridor Beautification Project
4. "Spruce up" Campaign
5. Expenditures relating to overseas travel by the Minister of Tourism and Chairman of the JTB/Director of Tourism

The third complaint was received on June 8, 2011. This complainant indicated that a conflict of interest exists in the hosting of Reggae Sumfest and Jazz and Blues. The complainant also asserted that corruption is involved in the contract that was awarded for the placement of signs along the Elegant Corridor.

Findings:

1. Complaint of September 14, 2010 regarding Elegant Corridor - Directors armed with inside information arranged with an Associate to buy all Palm Trees at [sic] value of JA\$10,000.00 per tree and then substantially marking them up to \$30,000.00 per tree and selling them back to the T.E.F; What is the connection between the Chairman of T.P.D.Co, and the Contractor with the landscaping and maintenance contract?

- i. By way of letter dated March 12, 2014, TEF informed the OCG that, "TEF did not directly issue a contract. The Tourism Product Development Company (TPDCo.) Ltd. managed all procurement matters ..."
- ii. TPDCo confirmed that a beautification programme was undertaken by that Entity during the period January 2010 to January 2011 along the Elegant Corridor in St. James. This project was conducted in conjunction with TEF. As it relates to the project, the OCG reviewed documentation which indicated that "A significant portion of development within the Tourism Capital of Montego Bay will take place along the "Elegant Corridor of Rose Hall" which spans from Iberostar to the Donald Sangster International Airport, approximately seventeen kilometers (17km), and has been slated for beautification and development." It continued that the TEF/TPDCo were "desirous of creating a "WOW" effect on the corridor. The "WOW" effect would include the erection of street lights and traffic signals along the entire corridor, extensive landscaping, and the maintenance of the verges along the north and south bounds.
- iii. The TPDCo advised that three (3) contractors/companies were engaged during the period October 2009 – January 2011 to provide goods, works and/or services for the Elegant Corridor Project, being Principal Landscaping, Groundsmaster, and National Solid Waste Management Authority (NSWMA).

The TPDCo has advised that the contractors were engaged by Limited Tender, in one instance, and by Direct Contracting and Government to Government, respectively, for the other two (2) upon the instructions of the National Contracts Commission (NCC).

- iv. As it relates to the procurement processes, the OCG notes that by way of Selective Tendering, a procurement notice had been advertised during July 2009 for Landscaping works along the Elegant Corridor (North Verges Only) and was divided into four (4) packages. Three (3) bidders responded to varying packages by the submission deadline. However, all were deemed non-responsive. In this regard, the TPDCo wrote, requesting permission from the NCC to negotiate directly with Groundsmanager (the lowest bid for packages 1 and 4) and NSWMA (the sole bidder for packages 2 and 3). The NCC responded by way of its letter dated August 28, 2009 recommending that the tender process be discontinued and that the TPDCo negotiate with Groundsmanager for packages 1 and 4 and award packages 2 and 3 in keeping with the requirements for contracting between Government Entities. The OCG was provided with a copy of the contracts which were awarded.
- v. The Scope of Works which were outlined in the Tender Reports for North Verge - Packages 1 and 4 respectively, which were dated September 2009, both stated that. *"The proposed works embodying this contract comprise of the installation of plants, trees and shrubs including soil preparation, earthworks..."*

With regard to the foregoing, TPDCo has indicated that *"In this instance "trees" refer to palms."*
- vi. As it relates to the South Verge along the Elegant Corridor, the OCG notes that the TPDCo, by way of letters dated May 27, 2009, issued letters of invitation to tender to five (5) companies. The procurement was divided into three (3) packages. The deadline for submission was June 10, 2009 and three (3) companies submitted responses; one (1) bid was received late and was reportedly returned unopened. The lowest bidder, Principal Landscaping and Construction Limited, was recommended for, and was awarded the contract.
- vii. Information from the TPDCo indicates that the Chairman during the period January 2010 to January 2011 was Mr. Robert Russell. The OCG asked by way of its letter dated May 12, 2014, for the TPDCo to indicate whether it was aware of any relationship and/or business interest which existed between Mr. Robert Russell and the landscaping and maintenance companies which were contracted for Elegant Corridor during the period January 2010 to June 2011.

By way of its letter dated May 22, 2014, the TPDCo responded that *"Mr. Robert Russell was landlord to Principal Landscaping at his business address..."* The TPDCo further advised that *"Mr. Robert Russell wrote letters disclosing the nature of the relationship between himself and Principal Landscaping to the then Executive Director, Earl Patrick and the Procurement Committee."* In this regard, the OCG was provided with a copy of letter dated June 15, 2009, under the signature Mr. Robert Russell, to the Executive Director of TPDCo.

Conclusion # 1

The OCG did not find any evidence to substantiate the allegation concerning the Directors buying Palm Trees and reselling same to TEF, this while the OCG notes that TEF was not responsible for the procurement associated with this project. The OCG further finds that the TPDCo utilized a transparent tender process and that the contracts were awarded to the lowest bidder.

Notwithstanding and with regard to the complainants' assertion that there may be a relationship between the Chairman of the TPDCo and the landscaping contractor, the OCG found that the Chairman, Mr. Robert Russell leased office space to one of the contractors, Principal Landscaping and Construction Limited. However, without more, the OCG is unable to substantiate any further relations.

2. Complaint of June 8, 2011 regarding corruption relating to the contract that was awarded for the placing of signs along Elegant Corridor. Audrey Marks signed the contract regarding the placing of signs along Elegant Corridor, a contract Mr. Russell took for himself.

- i. The OCG notes that the complainant did not state the specific period within which the alleged contract was awarded, nonetheless, the Office sought to obtain particulars surrounding procurements which were undertaken during the period June 2010 to June 2011, involving the placement of signs along Elegant Corridor in St. James.

By way of letter dated March 22, 2013, TEF informed the OCG that, *“The TEF did not undertake procurement activities for the placement of signs along the Elegant Corridor, Montego Bay during the period June 2010 to June 2011.”* The TEF’s response continued indicating that *“Using grant funding provided by TEF, the TPDCo. undertook procurement activities related to the placement of signs along the Elegant Corridor and other places across the island... The TEF gave grant funding to the TPDCo. to perform its Spruce Up Jamaica Phase 3 – Caution Sign...”*

ii. TPDCo confirmed that the Selective Tender Procurement Methodology was utilized to engage contractors for the placement of Spruce up Jamaica Caution Signs. Four (4) companies responded by the deadline for submission of bids, of which Print Big, the lowest responsive bidder, was recommended for, and subsequently awarded the contract.

iii. The TPDCo provided the OCG with a copy of the contract dated November 18, 2009 between itself and Print Big. The contractor’s name and signature which was affixed to the contract appears to be that of one of the owners, *“Wayne Fagan”*, and did not resemble an ‘Audrey Marks’.

iv. The OCG asked the TPDCo to advise whether any sub-contractors were engaged by Print Big as it relates to the execution of the mentioned contract. By way of letter dated May 22, 2014, TPDCo advised that *“To our knowledge, sub-contractors were not engaged by Print-Big to effect placing of signs along the Elegant Corridor during the period October 2009 to January 2011.”* The TPDCo also advised that *“Arrangements/contracts were not made with one Audrey Marks and TPDCo regarding the placement of signs along Elegant Corridor.”*

v. The OCG’s search of the Owners/Shareholders based upon the records of the Companies Office of Jamaica did not reveal the name ‘Audrey Marks’.

Conclusion # 2

Given the findings highlighted above, the OCG has not found that there was merit to the allegation that an ‘Audrey Marks’ signed or was associated with this contract, and subsequently, that a ‘Mr. Russell’ took the contract for himself. The OCG finds that the TPDCo utilized a transparent tender process and that the contract was awarded to the lowest responsive bidder.

3. Complaint that the Elegant Corridor contract went to a company controlled by a Mr. Richard Russell

The OCG finds that this allegation is not supported by evidence, as the anonymous complainant did not provide details regarding the specific contract and period of award surrounding Elegant Corridor. Neither did the complainant indicate the relationship which Mr. Richard Russell had with TPDCo or TEF, nor was the alleged company that Mr. Richard Russell owned/managed or controlled identified.

Consequently, the OCG was unable to determine the veracity of this allegation.

Notwithstanding the foregoing, the OCG has noted TPDCo’s response of May 22, 2014 in relation to its question to indicate whether a relationship existed between the TPDCo and a Mr. Richard Russell during the period January 2010 to January 2011. The TPDCo has stated that, *“We are not aware of any relationship existing between TPDCo and one Richard Russell during the period January 2010 and January 2011.”*

4. Complaints of September 14, 2010 and June 08, 2011, regarding Sponsorship for Jamaica [formerly Air Jamaica] Jazz & Blues Festival and Reggae Sumfest; and Conflict of interest with regards to members of Board of Directors and other officials also approving sponsorship for the said events while hosting same. Complaint that the Chairman of TEF awarded himself US\$500,000.00 to stage Sumfest. Complaints regarding the Time Warner Hotel room barter Agreement and Public Advertising

The OCG found that persons who were members of the Boards of both the TEF and TPDCo were either Directors and/or Owners of the Company responsible for Reggae Sumfest. The decision to sponsor the festival, however, was made by the Jamaica Tourist Board (JTB). The OCG did not enquire into this sponsorship decision as it did not relate directly to the issuance of a government contract or prescribed licence.

5. Complaint regarding “Improved Venue for Reggae Sumfest”

The OCG found that the complainant had either misrepresented or misinterpreted the news article. The article which was published on the Sunday Gleaner dated June 2, 2011, stated *inter alia*, that “*In collaboration with owners, the Urban Development Commission (UDC), some \$2 million is being spent to bring the venue to where the organisers need it to be, revealed the chairman.*” The chairman who was referenced in the article is Mr. Robert Russell, chairman of Summerfest Productions’.

Accordingly, the OCG did not enquire into this matter.

6. Complaint of September 14, 2010 - regarding Mr. Walter Elmore benefited from charging to stage and promotes [sic] several “spruce up” concerts etc.

The OCG found that the complaint was vague and as such, did not enquire directly into the staging of “spruce up” concerts. The OCG, however, by way of its letter dated May 12, 2014 to the TPDCo asked for details regarding the relationship between that Entity and Mr. Elmore Walters (sic). The TPDCo responded by way of letter dated May 22, 2014, advising that it knows a Mr. Walter Elmore and that “*Mr. Walter Elmore was a member of the TPDCo Board during the period December 2007 to December 2010 and was the Chairman of the Human Resources Sub-committee.*” The TPDCo was asked to advise of any contracts, business arrangements and/or payments made to that individual. TPDCo’s response provided details of Board fees which were paid to Mr. Elmore.

7. Complaint of September 14, 2010 regarding per diem and travel expenses of the Minister, the Chairman/Director of the Jamaica Tourist Board (J.T.B.)

The OCG did not enquire into this matter as the concerns which were raised relate to the use of travel and other related benefits entitled to the holder of the relevant Offices, which fall within the jurisdiction of the Auditor General’s Department and/or the Ministry of Finance and Planning.

General Conclusion

The OCG has not evidenced any information to substantiate the allegations which were made by the numerous complainants, and has found that for the two (2) main issues enquired into, that is, the award of contracts, they were done in a transparent manner and were in keeping with the GOJ procurement procedures.

Nonetheless, and based upon the nature of particular aspects of the complaints, the OCG however would recommend, if same has not already been done, that procedures be put in place as it relates to the sponsorship and financing arrangements provided to Festivals. The OCG also recommends that the Auditor General Department and/or the Ministry of Finance and Planning enquire into the issues related to per diem and travel related benefits of Officers of the JTBA and the responsible Minister.

Ministry/Agency/Department: Southern Regional Health Authority

Complaint received in October 2014– Extract/Summary: Cleaning and Portering Services for the Mandeville Regional Hospital - RFP# IFB-SRHA-2014-CP-MRH#2 - On October 17, 2014 the OCG received a faxed copy letter from Milestone Environment Limited (MEL). The letter which was dated October 14, 2014 and addressed to SRHA, stated, *inter alia*, that “*The Management of Milestone Environmental Limited is convinced that we have fully satisfied all the requirements as we have always done for more than twenty (20) years and do look forward to being reinstated as fully compliant bidder*”. MEL was objecting to the basis upon which its bid had been deemed non-responsive.

Findings:

1. The SRHA had issued an advertisement in the Gleaner on Saturday, August 23, 2014 and the Daily Observer on Tuesday, August 26, 2014 for the Provision of Cleaning and Portering Services at the Mandeville Regional Hospital.

2. The Instructions to Bidders (ITB) 5.3, Section II, Bidding Data Sheet (BDS) of the Tender Document requested, *inter alia*, that “*The Qualification Information and Bidding forms to be submitted are... Audited financial statements for the last two (2) years (i.e. 2012, 2013)...*” The OCG has noted that the requirement was further repeated in the BDS at 5.5(e).
3. At the close of tender on September 26, 2014, three (3) bids were received by the SRHA, which were subsequently evaluated according to the evaluation criteria set out in the Tender Document.
4. According to the Evaluation Report submitted by SRHA, MEL did not satisfy “*Clause 5 of the Bid Data Sheet, which indicated that two (2) years Audited Financial Statements should be supplied...*”
5. The aforementioned letter from MEL to the SRHA stated, *inter alia*, that “*The format submitted included data for 2013 and comparative figures for 2012 which is a conventional audit practice*”. Additional MEL indicated “*We believe there may have been an error in the decision and as such we suggest further professional help for both parties in reaching an amicable conclusion*”.
6. By way of letter dated October 21, 2014, the SRHA wrote to MEL informing it that “*Milestone’s Financial Statement was reviewed by the SRHA Finance Director and Internal Auditor and they have reaffirmed that the Financial Statement provided by Milestone Environment Limited was for the year ending December 31, 2013 only*”. Additionally said letter stated that “*Milestone Environmental Limited has in recent tenders provided two separate financial statements as requested by the procuring entity and was deemed responsive to those tender processes*”.
7. The MEL responded to SRHA via letter dated November 4, 2014 stating “*Kindly note that we acknowledge your position on the matter, as such we have no further objections*”.

Conclusion

In light of the foregoing, the OCG concludes that the SRHA was within its right to reject the Bid submitted by Milestone Environmental Limited because of its failure to satisfy requirements of the of ITB 5.3 of the Tender Document.

Based upon the above, with specific reference to the letter dated October 14, 2014 which had been received from MEL, the OCG has concluded its review of that matter. Nonetheless, kindly note that the OCG will continue to monitor this procurement process in keeping with the provisions of the Contractor General Act.

Ministry/Agency/Department: Manchester Parish Council

Complaint received in November 2014– Extract/Summary: Erection of Perimeter Fencing at the Cecil Charlton Park - , the OCG received a complaint “... *regarding additional payment which should have been made for completed works in relation to the erection and other related works on the perimeter fencing at the Cecil Charlton Park.*”

Findings:

1. By way of letters dated February 20, 2013, the MPC had invited four (4) Contractors to submit quotations for labour for works on a 6ft high by 800 running foot park fence which involved:
 - a. The removal of existing chain link fence;
 - b. The fabrication of a 6ft high by 800 running foot Georgian grill fencing; and
 - c. Installation of the finished product on the park perimeter area.

The invitation letters had, attached, a copy of the proposed design for the grill work, inclusive of measurements. The Council had further cautioned all Contractors that all measurements are estimated and “...*each contractor should do a site investigation and finalise measurement with cost.*”

2. Three (3) contractors responded of which, a Mrs Cassandra Robinson-Brown, who had submitted a quotation for \$736,000.00, was awarded the "contract". In response to the OCG's request for a copy of the evaluation report, the MPC provided copies of two (2) Procurement Committee Meeting Minutes where the matter was discussed. From the Meeting Minutes provided, it is not clear how the decision was arrived at as it relates to the selection of the referenced contractor, given that, at a minimum, the contractor had not provided the lowest quotation.

The OCG sought clarification by way of its letter dated December 24, 2014, and in response, the MPC stated, *inter alia*, "Please be advised that no evaluation meeting took place ..."

3. The MPC has further declared that there was no signed contract as the engagement was done using the Force Account Methodology. The Council has stated that "No contract document was drafted for this project, primarily it was approved as a force account contract wherein the Council paid for labour and supplied the respective materials."
4. The OCG had asked the MPC to provide a copy of the engineer's estimate for the labour component of the project. In response the MPC stated that "... as it relates to the labour component please see copy of invoice from Tankwell Metals [sic] in excess of Five Million...dollars for material only the difference of which as it relates to the sum from engineering estimate would hold the component for labour including additional works." While the MPC did not provide an exact figure for the labour component, it provided a detailed estimate form which showed a total of \$6,665,000.00. An invoice from Tank-Weld Metals, dated April 12, 2013, which was provided by the MPC showed that Tank-Weld provided the material at a cost of \$5,154,661.21, inclusive of G.C.T. The OCG has, therefore, deduced that the comparable estimate for the labour component was approximately \$1,500,000.00 (rounded down).
5. Subsequent to the completion of the works, Mrs Robinson-Brown had submitted a claim of outstanding amounts for work done. The MPC has stated that an investigation was conducted into the validity of the claim. In a MPC memorandum from the then Acting Superintendent of Roads and Works, Mr. Doyen Johnson, to the then Secretary/Manager, Mr Christopher Powell, dated October 18, 2013, it was stated that, "... some discrepancy was discovered in height of the Grill work along sections of the perimeter wall, this discrepancy can be perceived as a variation of works and was not covered by the first bid, hence giving rise to some validity to the claim." The memorandum further stated "... the additional claim of over Three Million ...dollars cannot be validated at this time..." The memorandum further stated that "I hereby recommend that because of this variation that Mrs. Brown be compensated in the sum of not exceeding Four Hundred and Eleven Thousand (\$411,000.00)..."
6. The OCG has noted that Mr Powell had signed on the said memorandum on October 23, 2013, indicating approval for the payment in the amount of \$411,000.00.
7. Mrs. Robinson-Brown had provided the OCG with a copy of her letter dated May 27, 2013 to the then Secretary/Manager in which she had stated that:

*"...the measurement was giving to me as Eight Hundred Running Foot. However, grill work is **not** calculated in running foot. I was given this measurement to prepare an estimate by Mr. Ryan Wallace.*

As a result the same was done and submitted to him. Upon commencement of the job it was then realized that the total square footage exceeded the amount given by Mr. Wallace. The new total amounts to Four Thousand Eight Hundred Square Feet..."

Mrs. Robinson-Brown further attached a revised invoice which showed that the total amount equalled \$3,840,000.00 for works completed.

8. The OCG has noted five (5) payment vouchers to Ms. Cassandra Robinson-Brown totalling \$1,189,441.12. Of the five (5) payment vouchers, two (2) vouchers were not related to labour but were instead for the supply of material necessary for the fabrication of the fencing. These vouchers totalled \$65,381.12. Based upon the revised invoices there is a difference of \$2,715,940.00 between the sum which has been paid to Mrs Robinson-Brown and the sum that is being disputed.

OCG Conclusion

Based upon the above, it is clear that the MPC had given all Bidders an opportunity to conduct an assessment of the site in order to place an informed bid. The OCG is of the opinion that if Mrs. Robinson-Brown had conducted proper due diligence prior to the submission of her bid she would have realized that the total square footage exceeded that of the Council's estimate.

Considering the absence of a written contract between the Council and the Contractor, it is the OCG's opinion that the Council had fulfilled its end of the agreement by compensating the Contractor in excess of the amount of \$736,000.00 which had been tendered, as the OCG's checks have shown that Mrs. Robinson-Brown was compensated in excess of one million dollars. The OCG further opines that the Council had acted beyond the verbal agreement by conducting an investigation into the Contractor's claim and subsequently approved compensation to the Contractor for a further \$411,000.00 in variation works.

The OCG has noted the Council's assertion that the tender was conducted using the Force Account Methodology, hence the absence of a contract document. The OCG however opines that there was still a requirement for some written agreement for the provision of labour in this instance. The OCG has further noted that although the Contractor was in possession of a valid TCC, there was no evidence that the Contractor was registered with the National Contracts Commission (NCC). According to the Government of Jamaica Handbook of Public Sector Procurement Procedures, 2012, Appendix 5, Force Account, *"Contractors are required to be registered with the NCC and have a valid TCC."* Additionally, the OCG was unable to determine how the MPC had arrived at the award of a contract for the successful bidder in the absence of an evaluation report.

While the GOJ Handbook does not explicitly outline the stages that should be used when implementing projects using the Force Account Methodology, the OCG is recommending that the Manchester Parish Council develop internal procedures, if same does not exist, that will guide how Force Account projects should be implemented to include, but not limited to, the documented evaluation of bids received and contract documents.

Ministry/Agency/Department: Court Management Services

Complaint received in- Extract/Summary: Commissioning of Air Conditioning Units at the Port Maria Courthouse - OCG received *"... information which suggests that although air conditioning units had been installed in the Port Maria Courthouse since January 2014, they have not yet been commissioned."*

Findings:

1. The Court Management Services had undertaken to procure air conditioning units for a series of Resident Magistrates (RM) Courthouses to include: St. Ann's Bay RM, Lucea RM, St. James RM, St. Catherine RM, Portmore RM, Port Maria RM, Yallahs RM and May Pen RM by way of the Limited Tender Procurement Methodology.
2. The OCG has evidenced that by way of email dated November 4, 2013, the CMS had invited ten (10) contractors to provide quotations for the listed RM Courthouses. According to the CMS' evaluation report the comparable estimate was J\$8,200,000.00.
3. The OCG has noted that the evaluation committee had recommended that CAC2000 Limited be awarded the contract for the supply, installation and commissioning of the air conditioning units in the sum of J\$8,150,231.25. The OCG has further noted that CAC2000 Ltd. was the second lowest bidder and the justification provided by the evaluation committee for the selection of CAC2000 Ltd. was that the lowest bidder was offering a brand which was *"...not well known and so questions were raised whether that brand could stand up the rigours of the Caribbean climate."*
4. The OCG has taken note that the CMS had indicated in Clause 5 (ii) - *"Evaluation of Quotation"* - of its bidding document that, *"Quotations determined to be substantially responsive to the technical specifications will be evaluated by comparison of their prices."* Apart from price, the OCG has not evidenced any other criteria which would be used to evaluate the bids. The OCG further notes Clause 5 (vi) - *"Origin"* - of the bidding document which states, *"There are no restrictions as to the origin of goods offered under this RFQ."*

5. The OCG had requested that the CMS provide it with evidence of all approvals received. The OCG was not provided with documentation to evidence that Head of the Procuring Entity had given pre-approval for the use of the Limited Tender Methodology, however, it notes that the CMS had indicated that said pre-approval was received on October 13, 2013, based upon its 4th quarter 2013 Quarterly Contracts Award (QCA) Report.
6. The OCG had asked for the CMS to provide copies of the tender opening and tender receipt forms. The CMS has stated that, "... by virtue of the methodology requested for submission in the Invitation for Quotation Bidding Documents these forms were not used." The OCG was, however, provided with a print out of an email dated December 6, 2013, addressed to the bidders, and which outlined the price quoted by the bidders who responded to the procurement opportunity.
7. An installation schedule which was attached to the correspondence received from the CMS indicated that the units would have been installed at the Port Maria Court on February 4-8, 2014. The OCG has not evidenced a delivery receipt or any other documentation which indicates that the units had been delivered and installed. Nonetheless, a status report, dated September 18, 2014, from the CMS indicated that the units had been installed in January 2014.
8. The CMS has indicated that although the air conditioning units at the Port Maria Courthouse had been installed, they had not been commissioned due to an "...electrical upgrade that needed to be done ..." Documentation from the CMS further indicated that the electrical works were to be completed internally in order to reduce the overall cost of the project, however, "Due to the unavailability of funds at the time of the request the electrical items required could not have been purchased."
9. The CMS has indicated that the funds had become available and the electrical material was procured and delivered to the site between the 9th and the 14th of September. The Status Report provided by the CMS by way of letter dated September 18, 2014, stated, *inter alia*, that "To date, the new electrical panel was installed and the internal conduits have been anchored to the wall. What is left to be done is the external conduits are to be installed and wires need to be drawn and connected to the respective units through breakers and other electrical connectors".
10. By way of other information, the OCG was provided with what appears to be documented comments, inclusive of a recommendation from an Evaluation Committee, dated April 29, 2013. The Committee at the time had recommended that, "A thorough examination of all buildings requiring air-conditioners as the possibility exist [that] an upgrade in the electricity output is recommended before installation of new air-conditioners."

The CMS also provided a copy of an internal memorandum dated July 12, 2013 captioned "*Electricity upgrade in Court Buildings*". The memorandum, which was from the Procurement Officer to the Acting Director of Building and Property Management, outlined concerns regarding the output of electricity in RM Courts with specific reference to the St. Mary RM Court, and requested that "*a thorough electrical inspection be conducted throughout **all** Court buildings...*"

OCG Conclusion

The OCG has concluded that the Court Management Services had undertaken a procurement activity that resulted in the acquisition of air conditioning units for several Courthouses, including the Port Maria Courthouse. The OCG has further found, with specific reference to the Port Maria Courthouse, that although the air conditioning units had been acquired, additional electrical works had to be completed prior to the units being commissioned. The protracted time in commissioning the units can be attributed to the electrical works which needed to be completed, and for which, the CMS has indicated, that funds had not been available.

Accordingly, the OCG does find that there is veracity to the allegation which it had received, and has noted the information which the CMS has provided in response. The OCG would, however, recommend that the CMS ensures that, as far as possible, it properly plans its procurement activities, inclusive of the identification of required funds, so that a situation as was presented does not recur.

The OCG also makes the following additional findings, given that it had reviewed the procedures which the CMS had utilized for this procurement. Given the comparable estimate which had been established, it was noted that the CMS had used the Limited Tender Methodology to contract CAC2000 Limited. The GOJ Handbook of Public Sector Procurement Procedures prescribes that Public Bodies may use the Limited Tender methodology for procurement above J\$5 million, in specified cases, once prior approval is received from the HOE. Based upon the CMS' QCA Report, same had been received, however a justification for use of the methodology was not stated, and it is unclear, in the circumstances whether same would be justified.

The OCG has found that the CMS would not have utilized the appropriate Standard Bidding Documents, based upon the contract value threshold.

With regard to the evaluation report, the OCG notes with concern that the suppliers had been evaluated on criterion that was not a part of the evaluation criteria. The CMS' evaluation report had indicated that the lowest bidder had not been chosen because of the particular brand they were offering. Clause 5(vi) of the CMS' "tender document" states that, "*There are no restrictions as to the origin of goods offered under this RFQ.*" The OCG opines that if compatibility factors do not play a role in the item being procured, the brand of the item cannot form a part of the evaluation. The OCG further cautions the CMS against introducing evaluation criteria to an ongoing process once same did not form part of the original evaluation criteria.

Based upon the above, the OCG is imploring the CMS to note the findings above and to ensure that there is no recurrence of the shortcomings identified.

Ministry/Agency/Department: Ministry of Science, Technology, Energy and Mining

Complaint received in January 2015– Extract/Summary: Public Private Partnership between the Government of Jamaica and Start-Up Jamaica

Findings:

The OCG had requested information from MSTEM in order to determine whether or not the OCG had jurisdiction as it relates to a complaint that it had received on January 4, 2015.

Based upon the MSTEM's response, dated May 1, 2015, the OCG has concluded that the content of the complaint does not fall within the remit of the OCG and as such the matter will not be enquired into.

QUARTERLY CONTRACT AWARDS (QCA) REPORTS

The Office of the Contractor-General (OCG) has requisitioned approximately 198 procuring Public Bodies (PB) to prepare and submit Quarterly Contract Awards (QCA) Reports indicating the particulars of contracts which have been awarded within stipulated contract value thresholds. QCA reports are to be submitted to the OCG, in the manner stipulated, in arrears, within one (1) calendar month following the ending of the quarter to which they relate.

The OCG, for the calendar year 2015, had requisitioned these procuring PBs to prepare and submit QCA Reports indicating the particulars of contracts which have been awarded above a contract value of J\$500,000.00. For the reporting year 2015, the OCG had recorded a 100% compliance rate for all four quarters. Although the OCG received 100% compliance, the following PBs failed to submit their report within the allotted timeframe:

Quarter 2: The Housing Agency of Jamaica
 Betting, Gaming and Lotteries Commission
 The National Council on Drug Abuse

Quarter 4: The Housing Agency of Jamaica
 The Petroleum Company of Jamaica

QCA Uploads

The Web Portal has eliminated the occurrence of incomplete QCA reports as Public Bodies are unable to submit a report unless all the mandatory fields have been completed.

Consequently, all reports which have been submitted to the OCG have been added to the QCA Consolidated Database, as is. The database may be found at www.ocg.gov.jm.

Contract Award Data

The OCG received approximately 788 QCA reports, for the year ending December 2015. Please note that the figures represent the raw data received from the Public Bodies.

In the reporting year, 10,212 contracts were reported at a total value of J\$101,797,356,613.85. The value of contracts for Goods and Services which includes Consultancy Services and Insurance Placement was \$88,405,500,890.91, while the value of Works contracts was \$13,391,855,722.94.

The OCG, over the years, has been concerned with the number of unregistered contractors which are used by PBs. The summaries in Table 1 below illustrate a comparison of the contracts awarded for the reporting year.

Table 1 – Summary of Contracts Awarded

2015 Reporting Period	Total # of Contracts Awarded	Total value of Contracts Awarded	Number & Percentage of Contract Awards to Unregistered Contractors	Value of Contract Awards to Unregistered Contractors	Number of reports from PBs that used Unregistered Contractors
1	2,419	\$23,833,896,201	50 (2.07%)	\$249,841,123.98	16
2	2,351	\$32,967,346,999	57 (2.42%)	\$213,238,063.60	18
3	2,649	\$26,414,354,219	40 (1.51%)	\$120,662,033.36	19
4	2,793	\$18,581,759,194	64 (2.29%)	\$284,764,622.62	24
Total	10,212	\$101,797,356,614	211 (2.07%)	\$868,505,843.56	77

Table 2 shows a comparison of figures of 2012, 2013, 2014 and 2015.

Table 2 – Comparative Compliance Levels

Reporting Period	Total Number of contracts awarded	Total Value of contracts awarded	Number and percentage of Contracts Awards to Unregistered Contractors	Value of Contract Awards to Unregistered Contractors
2012	9,399	\$25,752,214,653.20	1,688 (17.9%)	\$2,492,373,496.64
2013	8,622	\$45,445,481,023.75	137 (1.59%)	\$254,187,197.38
2014	8,592	\$58,939,788,374.49	168 (1.96%)	\$767,160,143.96
2015	10,212	\$101,797,356,614.00	211 (2.07%)	\$868,505,843.56

The OCG classifies “unregistered contractors” as those contractors who, based upon the nature of the service, goods or works being procured and upon the Procurement Guidelines, should have been registered with the National Contracts Commission (NCC) in one or more of the NCC’s categories. While the OCG had seen a significant decline in the number of unregistered contractors being awarded contracts for the reporting year 2013, when compared to the reporting year 2012, the OCG notes that there has been a marginal increase in the use of unregistered contractors for 2014 and 2015.

QCA Assessment

By way of letter dated March 7, 2013, the OCG had informed all requisitioned PBs that it was “... currently in the process of developing the second phase of the revised QCA reporting format, which includes the finalization and testing of the criteria that will be used to assess reports submitted by Public Bodies.” The OCG further informed PBs that the Office would not be providing its usual assessment reports until further notice.

Consequently, the OCG, in lieu of assessment scores, undertook a comparison of the reports submitted by each public body. Of the 788 reports submitted, 254 were nil reports, meaning these 254 submissions indicated that no contracts were awarded for the corresponding quarters.

Based upon the reports submitted, it was observed that for the period 2015, there were approximately 77 reports from PB’s where unregistered contractors were engaged. The QCA report takes into consideration those contractors who would not be required to be registered with the NCC, such as Consultants.

The Ministry of Finance and Planning had made amendments to the procurement guidelines in 2014. As such, effective March 17, 2014, it was no longer a requirement for PBs to receive prior approval from the NCC to use certain procurement methodologies once the value of its contract exceeded a certain threshold. Nonetheless, approval of the use of the methodology from the Head of Entity for both Direct Contracting and Limited Tender, outside of the established value threshold, remained applicable.

Table 3 below represents the Head of Entity prior approvals for the reporting year 2015.

Table 3 – Prior Approval Levels

	Number of Reports submitted	Submissions with no contracts	Number of PBs that used LT over J\$15M without prior approval from the HOE	Number of PBs that used DC over 5 million without prior approval from the HOE	Number of PBs that used DC over 5 million with prior approval from the HOE
1st Quarter	197	60	0	7	36
2nd Quarter	197	71	0	5	34
3rd Quarter	197	61	0	6	41
4th Quarter	197	62	0	7	43
Total	<u>788</u>	<u>254</u>	<u>0</u>	<u>25</u>	<u>154</u>

Further statistics regarding the QCA reports which were received over the period can be found in the Appendix section.

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TECHNICAL SERVICES DIVISION

OVERVIEW

The Technical Services Department's (TSD) function is twofold. Whilst it operates as one of the monitoring arms of the Office of the Contractor General with respect to pre-contract awards, the TSD is also assigned the substantial role as the Secretariat of the National Contracts Commission (NCC) which was established by way of an amendment to the Contractor General Act in 1999 and which is mandated under Section 23C of the Act to promote efficiency in the process of award and implementation of Government contracts to ensure transparency and equity in the award of such contracts.

The NCC which is comprised of eight (8) Commissioners is fully supported by the OCG through the provision of technical, financial and administrative resources as stipulated in Section 23J of the Contractor General Act. Nevertheless, both the NCC and the OCG are distinct Commissions.

As the Secretariat for the NCC, the TSD carries out, *inter alia*, the following activities to facilitate the smooth functioning of the NCC in accordance with Section 23D of the Act:

1. Acceptance of applications for registration, review and assessment of contractors' resources for inclusion on the list of Public Sector Registered Contractors and the maintenance of all associated databases.
2. Representation of the NCC on its Sector Committees which are established to conduct assessments on Public Bodies' submission of recommendations for award of contracts above established thresholds, to ensure probity and transparency.
3. Presentation of recommendations for registration and award of contracts at the meeting of the NCC which is held once per week, for the approval / endorsement of the Commissioners.
4. All administrative functions including the preparation of all items of correspondence.

Staffing

The Department continues to fulfil its obligations through a complement of twelve members of staff which is comprised of: one (1) Director, two (2) managers, five (5) Technical Officers, one (1) Supervisor and two (2) Records Officers.

Contractor Registration and Endorsement of Contract Award Recommendations

In 2015 the TSD assiduously continued to carry out its function whilst strategically implementing procedures and policies to improve on the quality of applications and simultaneously reduce the processing time.

It was observed that some Contractors/Suppliers encountered difficulties in submitting a properly completed Application Form for processing and on their visit to the NCC, the said Application could not be accepted. While the Contractor/Supplier would be advised of the reasons, a more formal and detailed approach was developed in an effort at ensuring that the Contractor/Supplier was fully apprised of the deficiencies with the Application Form. Consequently, a checklist detailing the referenced deficiencies was developed and provided to the Contractors/Suppliers where applicable. This tremendously improved the efficiency of our operation and improved the level of customer service.

E-mails notifications and text messaging are currently being utilized to advise contractors and suppliers of their registration status instead of telephone calls. Whilst the foregoing is used as a cost reduction tool it was also deemed to be an effective method of communication with Contractors/Suppliers to:

1. Inform Contractors/Suppliers of the completion of the processing of their application and the availability of their NCC registration documents.
2. Systematically remind Contractors/Suppliers of the approach of their NCC registration date of expiry and the need to reapply for registration eight (8) weeks prior to expiration.

Whereas the TSD experienced a reasonable increase in the number of companies registered for both Works Grades 1 – 4 Contractors and Goods and Services, a significant decline of 25% was noted for the registration of Grade 5 Contractors. A general reduction in the number of new applications has also been noted for all three Registries.

In respect of recommendations for award of contracts, during 2015 Four Hundred and Sixty three (463) recommendations for award of contracts were endorsed by the NCC with a total monetary value of \$37,177,932,480.00. The downward trend in the number of endorsed recommendations for award of contract continued, moving from 568 in 2013 and 515 in 2014 to 463 in 2015. Despite the noticeably downward trend in the number of endorsed recommendations for award of contracts, there is an upward trend in the monetary values, moving from \$32,381,633,026 in 2013 to \$36,602,001,634 in 2014 to \$37,177,932,480.00. in 2015. Further detailed analysis can be found in the relevant sections of this report.

New Developments

Electronic Government Procurement System

In its continued effort to increase the efficiency and transparency of the Government of Jamaica procurement process, the Ministry of Finance and Public Service through its Procurement and Asset Policy Unit (PAPU) on July 31, 2015 launched the Electronic Government Procurement System (e-GP System) which is being implemented on a phased basis.

The e-GP System facilitates:

1. The creation and publishing of Tenders for Goods, Services and Works procurement;
2. Supplier submission of electronic bids for Tender opportunities;
3. Electronic opening of Tenders; and
4. Tender Evaluations and Contract management.

The e-GP System utilizes the European Union's Common Procurement Vocabulary (CPV), a single classification system, which standardizes the references used by contracting authorities and entities to describe the subject of procurement contracts.

To facilitate the implementation of the e-GP System, the NCC through the TSD reconciled the European Union's CPV with the NCC's Registration system by mapping the current NCC categories of registration to the appropriate CPV codes.

With respect to on-going operations, the TSD also validates the registration of suppliers/contractors prior to their participation in an electronic procurement via the e-GP System.

The TSD continues to lend its support to the e-GP System.

New Specialist Sector Committees

During 2015 the NCC took a decision to replace the existing eight (8) Sector Committees with five (5) Specialist Sector Committees. Implementation will be effected in 2016 following which, Procuring Entities will no longer be assigned to a particular Sector Committee. Instead, recommendations for award of contracts and other associated matters are to be routed to the new Specialist Sector Committees based on the type of procurement as follows:

1. Goods;
2. Works;
3. Consultancy and General Services;
4. Information and Communication Technology (ICT); and
5. Insurance.

To this end, the NCC in collaboration with the Ministry of Finance and Planning solicited applications for the staffing of the new Specialist Sector Committees and embarked on the execution of other necessary activities to ensure successful implementation of the Specialist Sector Committees in 2016.

Prescribed Licences Project

Pursuant to Section 4(1) b of the Contractor General Act, one of the functions of the OCG is 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”

Accordingly, in January 2015 the OCG relaunched its Prescribed Licences Information Database which captures a listing of all licences and permits issued by the relevant authority and outlines the regulatory framework applicable to each prescribed licence. This information is accessible on the OCG's website.

Licensing authorities were requisitioned to update the database and to maintain and verify on an ongoing basis, the accuracy and currency of the information on the database relating to it. Based on this exercise, the OCG was able to identify approximately 415 prescribed licences issued by the relevant licencing authorities.

The OCG has drafted a detailed process document for the monitoring of licensing activities and intends to launch a pilot project as a precursory to the full role out of a comprehensive monitoring program. Several entities will be requested to participate in the Pilot Implementation project which is expected to commence in the second half of 2016.

The monitoring process will seek to assure compliance with applicable legislation, policies and procedures.

Challenges and Concerns

A level of deficiency has been identified in some of the Evaluation Reports prepared by Procuring Entities as it relates to the undertaking of detailed reviews of Bidders' compliance with not only the eligibility criteria, but also the mandatory qualification requirements which are included in the Bid Documents. Procuring Entities are therefore encouraged to pay particular attention to the qualification requirements in assessing tenders.

REGISTRATION AND RE-REGISTRATION OF CONTRACTORS

Suppliers of Goods and Services

For the year 2015, nine hundred and sixty-three (963) applications were received for registration. One hundred and thirty six (136) of these were new applicants; whilst eight hundred and thirteen (813) were renewals and fourteen (14) were for additional categories to be added to registered companies.

For the year, the NCC registered a total of nine hundred and sixteen (916) companies as suppliers of goods and services; this figure includes some applications received in late 2014. Of the nine hundred and sixteen (916) approvals, one hundred and fifteen (115) were to new applicants, while eight hundred and one (801) were renewals. Fourteen (14) previously registered companies also applied and were approved for additional categories.

Table 1 below illustrates the number of registrations granted by the NCC during the period 2008 to 2015.

Table 1 - Number of Registrations Granted for Suppliers of Goods and Services (2008 – 2015)

Year	New Registration	Re-Registration	Total Registration Granted
2015	115	801	916
2014	143	639	782
2013	155	726	881
2012	293	1104	1397
2011	234	1162	1396
2010	316	1221	1537
2009	520	1278	1798
2008	697	1176	1873

In 2015 there was a 17% increase in Goods and Service supplier registration over 2014. The increase may be attributed to the registration cycle of contractors.

As at December 31, 2015, the total number of companies/businesses with valid registration on the NCC database was one thousand and eighty-nine (1,089). This figure does not reflect the total number of companies/businesses registered with the NCC throughout the year, as the registration period for each company varies according to the date of approval.

Table 2 below, shows the number of registered companies/businesses on the NCC database in all the categories of Goods and Services as at December 31, 2015. Please note that the same company/business may be registered in more than one (1) category.

Table 2: Number of Contractors Registered in Each Category of Goods and Services as at December 31, 2015

GOODS		SERVICES	
Category Name	Number of Registered Contractors	Category Name	Number of Registered Contractors
Audio Visual Goods	36	Agricultural Services	7
Chemical and Pesticides	14	Audio Visual Services	26
Computers and Supplies	119	Catering	35
Electrical and Communication Supplies	88	Computers and Related Services	75
Electrical Appliance and Equipment	94	Courier Services	10
Furniture Supplies	57	Customs Brokerage	16
General Supplies	196	Garaging and Automotive Repair Services	28
Guns and Ammunition	1	General Services	199
Hardware and Haberdashery	60	Information Technology Services	81
Industrial, Construction, Equipment and Machinery	81	Insurance Services	17
Janitorial, Sanitation Supplies	53	Janitorial, Sanitation Services	59
Marine Supplies	10	Lithographic and Printing Services	42
Medical Pharmaceutical Equipment and Supplies	78	Marine Services	17
Merchandise	31	Photovoltaic and Wind Powered Systems	2
Motor Vehicle and Spares	18	Renewable Energy Systems	9
Motor Vehicle Spares and Accessories	69	Safety and Security Services	48
Musical Instruments	2	Solar Water Heater Installations	3
Office Equipment Supplies	62	Towing and Wrecking	2
Petroleum Products	7	Transportation and Haulage	149
Photographic Equipment and Supplies	20	Total	825
Safety Products	63		
School Furniture	44		
Stationery Supplies and Books	69		
Textiles and Garments	23		
Total	1295		

Note:

- One company/business may be registered in more than one (1) category
- The category of Catering includes Canteen Concessionaire Services
- The category of General Services includes the following: Pesticide Control Services, Equipment Rental, Real Estate Services, Advertising, Graphic Design, Training, Equipment Maintenance, Event Planning, Debt Collection Services, and Funeral Services amongst other areas of specialisation.

Grades 1- 4 Works Contractors

In 2015, there was a marginal increase in the total number of Grades 1-4 Works Contractors, moving from one hundred and seventy four (174) in 2014 to one hundred and ninety-nine (199) in 2015. The percentage increase was 14%.

The number of new Grades 1 - 4 Works Contractors that were registered decreased by approximately 17%, from twenty eight (28) in 2014 to twenty three (23) in 2015. Re-registered Works Contractors had a 24% increase, moving from one hundred and thirty four (134) in 2014 to one hundred and sixty seven (167) in 2015.

In 2015, the increase in the re-registered Works Contractors can be attributed to normalization of the increase in the registration period from twelve (12) months to eighteen (18) months. This initiative which commenced in 2013 had a negative impact on the number of Grades 1-4 Contractors who would normally seek re-registration in 2014.

Grade 5 Works Contractors

In relation to the total registration of Grade 5 Works Contractors, the OCG noted that in the case of newly registered Grade 5 Contractors, there was a decrease of 150%, moving from five (5) in 2014 to two (2) in 2015. Re-registered Grade 5 Works Contractors remained the same as the previous year 2014 i.e. there was no increase or decrease.

Table 3 below illustrates the number of registered Grades 1-4 and Grade 5 Works Contractors for the period 2011 – 2015.

Table 3 - Number of Registration Granted for Works Grades 1-4 and Works Grade 5 Contractors

Year	WORKS GRADE 1-4						Total
	WORKS GRADE 1-4			WORKS GRADE 5			
	NEW	R-r	Total	NEW	R-r	Total	
2015	23	167	190	2	7	9	199
2014	28	134	162	5	7	12	174
2013	34	161	195	-	7	7	202
2012	11	207	218	4	13	17	235
2011	8	211	219	10	9	19	238

New: New Registration

R-r: Re-registration

Table 4 - Top Ten (10) Number of Works Contractors Registered by Category and Grade Level 2015

Rank	Categories	Number of Grade 1 Contractors	Number of Grade 2 Contractors	Number of Grade 3 Contractors	Number of Grade 4 Contractors	Total Registered Contractors within the Category
1	Building Construction	22	21	41	78	162
2	Civil Engineering Works	26	21	35	46	128
3	Building Maintenance	0	0	44	82	126
4	General Road Works	17	20	33	48	118
5	Road Maintenance Works	8	12	34	55	109
6	Pipe Laying	20	13	18	42	93
7	Roofing	7	9	16	45	77
8	Interior Construction Works	2	11	24	38	75
9	Painting and Decorative Finishes	4	7	23	37	71
10	Electrical Works	14	8	20	24	66
	Total	120	122	288	495	1025

An analysis conducted on the number of Works Contractors registered by grade and category indicated that 'Building Construction' continues to hold the number one ranked position with one hundred and sixty-two (162) registered Contractors. This represented the largest number of Contractors registered within any one Works category. Civil Engineering Works retained the same position of second from the previous year 2014 with one hundred and twenty-eight (128) registrants. Building Maintenance outstripped General Road Works to gain third position with one hundred and twenty-six (126) registrants.

Table 4 illustrates the top ten (10) registered Works Contractor Categories, which are ranked according to the number of Contractors registered per Category and the respective Grade Levels.

Within the top ten (10) categories identified in Table 4, the total number of Contractors registered at the Grade One (1) and Grade Four (4) levels accounted for 11.7% and 48%, respectively.

NATIONAL CONTRACTS COMMISSION ENDORSEMENT OF CONTRACT AWARD RECOMMENDATIONS

During 2015, a total of four hundred and sixty three (463) recommendations for the award of contracts were endorsed by the NCC, with an aggregated value of Thirty Seven Billion, One Hundred and Seventy Seven Million, Nine Hundred and Thirty Two Thousand Four Hundred and Eighty Dollars (J\$37,177,932,480).

There was a minimal decrease in the total number of endorsed contracts of approximately 10%, moving from five hundred and fifteen (515) in 2014 to four hundred and sixty three (463) in 2015 and an increase in the value of endorsed contracts of approximately 2% over the previous period, 2014.

Tables 5 and 6 below, illustrate the total number of contracts which were endorsed by the NCC between 2011 and 2015:

Table 5 – National Contracts Commission Endorsed Contracts (2010 – 2015)

Year	No. Works	Value of Works \$J	No. Goods	Value of Goods \$J	No. Services	Value of Services \$J	Total No. of Endorsed Contracts	Total Value of Endorsed Contracts \$J
2015	145	9,139,132,963	174	14,916,718,060	144	13,122,081,457	463	37,177,932,480
2014	191	16,497,976,969	196	8,843,909,031	128	11,277,836,441	515	36,619,722,441
2013	180	11,769,078,879	144	8,737,706,750	244	11,874,847,397	568	32,381,633,026
2012	148	10,314,568,600	151	4,628,846,414	213	9,289,546,639	512	24,232,961,653
2011	175	14,137,796,921	162	8,052,332,407	218	7,821,048,775	555	30,011,178,103

Table 6 - Percentage Change in National Contracts Commission Endorsed Contracts over Previous Year

Year	Number of Works Contracts %	\$ Value of Works Contracts %	Number of Goods Contracts %	\$ Value of Goods Contracts %	Number of Services Contracts %	\$ Value of Services Contracts %	Overall % Change in No. of Contracts	Overall % Change in \$ Value of Contracts
2015	-24	-45	-11	69	13	16	-10	2
2014	6	40	36	1	-48	-5	-9	13
2013	22	14	-5	89	15	28	11	34
2012	-15	-27	-7	-43	-2	19	8	-19
2011	48	13	67	124	64	101	59	50

NCC Endorsed Contracts by Method of Procurement

Of the four hundred and sixty three (463) contract award recommendations, which were endorsed by the NCC in 2015, the Direct Contracting procurement methodology was utilised in one hundred and ninety one (191) instances, which represents 41% of the total NCC endorsements. The Local Competitive Bidding procurement methodology was utilised in one hundred and fifty nine (159) instances, which represents 34% of the total NCC endorsements and was therefore, the second most frequent procurement methodology undertaken.

Table 7 below illustrates the total number of endorsed NCC contract recommendations by procurement methodology for the procurement of Works, Goods and Services.

Table 7 – National Contracts Commission Endorsed Contracts by Method of Procurement (2015)

Method of Procurement	Total No. Works	Total No. Goods	Total No. Services	Total No. of Endorsed Contracts	Percentage of Total No. of Endorsed Contracts	Total Value of Endorsed Contracts \$J
Direct Contracting	26	91	74	191	41.25	15,534,119,053
International Competitive Bidding	6	63	9	78	16.85	7,956,941,072
Limited Tender	15	5	15	35	7.56	3,269,260,435
Local Competitive Bidding	98	15	46	159	34.34	10,417,611,920
Total	145	174	144	463	100	37,177,932,480

NCC Endorsed Contracts by Value Range

Table 8 below illustrates the value ranges of the contracts which were endorsed by the NCC during the year 2015.

Table 8 - National Contracts Commission Endorsed Contracts (2015)

Range	Number of Contracts	Percentage of Total Value of Endorsed Contracts	Total Value of Endorsed Contracts J\$
Under \$5M	14	3	29,228,900
\$5M - \$15M	60	13	549,159,720
Over \$15M - \$ 39,999,999.99M	198	43	5,007,147,608
Over \$40M -\$150M	136	29	10,226,928,339
Over \$150M	55	12	21,365,467,913
Total	463	100	37,177,932,480

*Percentages are rounded off to the nearest value.

Table 9 – National Contracts Commission Endorsed Contracts 04/01/2015-31/12/2015

NATIONAL CONTRACTS COMMISSION ENDORSED CONTRACTS 04/01/2015 - 31/12/2015								
Currency	Exchange Rate	No. of Works Contracts	Value of Works Contract	No. of Goods Contracts	Value of Goods Contract	No. of Service Contracts	Value of Services Contract	TOTAL (Works, Goods & Services)
JA \$		133	JA 6,161,017,808	65	JA 2,261,847,459	95	JA 6,967,626,743	JA \$15,500,715,850
US \$		12	23,475,276	105	103,518,541	47	48,512,035	US \$175,505,852
JA EQU	120.24		JA 2,822,667,155		JA 12,447,069,405		JA 5,833,087,120	JA \$21,102,823,680
UK £		-	-	2	714,302	2	1,798,565	UK £2,512,867
JA EQU	178.68	-	-		JA 127,631,481		JA 321,367,594	JA \$448,999,075
EURO €		-	1,200,000	2	618,880	-	-	EURO € 1,818,880
JA EQU	129.54		155,448,000		JA 80,169,715		-	JA \$235,617,715
CAD \$		-	-	-	-	-	-	-
JA EQU	85.51	-	-		-		-	-
GROSS TOTAL		145	JA \$9,139,132,963	174	JA \$14,916,718,060	144	JA \$13,122,081,457	JA \$37,177,932,480

The information is to the nearest dollar. The Bank of Jamaica (BOJ) average rate for January to December 2015, for US \$1.00 = JA \$120.24. The BOJ average rate for the pound sterling UK £1 = JA \$178.68. The BOJ average rate for the Canadian \$1 = JA \$85.51. The average rate for the EURO \$1.00 = JA \$129.54. The NCC endorsed 463 contracts for the year 2015.

Please note that the count for contracts denominated in dual currency is recorded under the number of contracts column which represents the most dominant currency. Consequently, there were six (6) service contracts which had both US\$ and JA\$ component, four (4) were recorded in the number of contracts column for the JA\$ currency row and two (2) in the US\$ currency row.

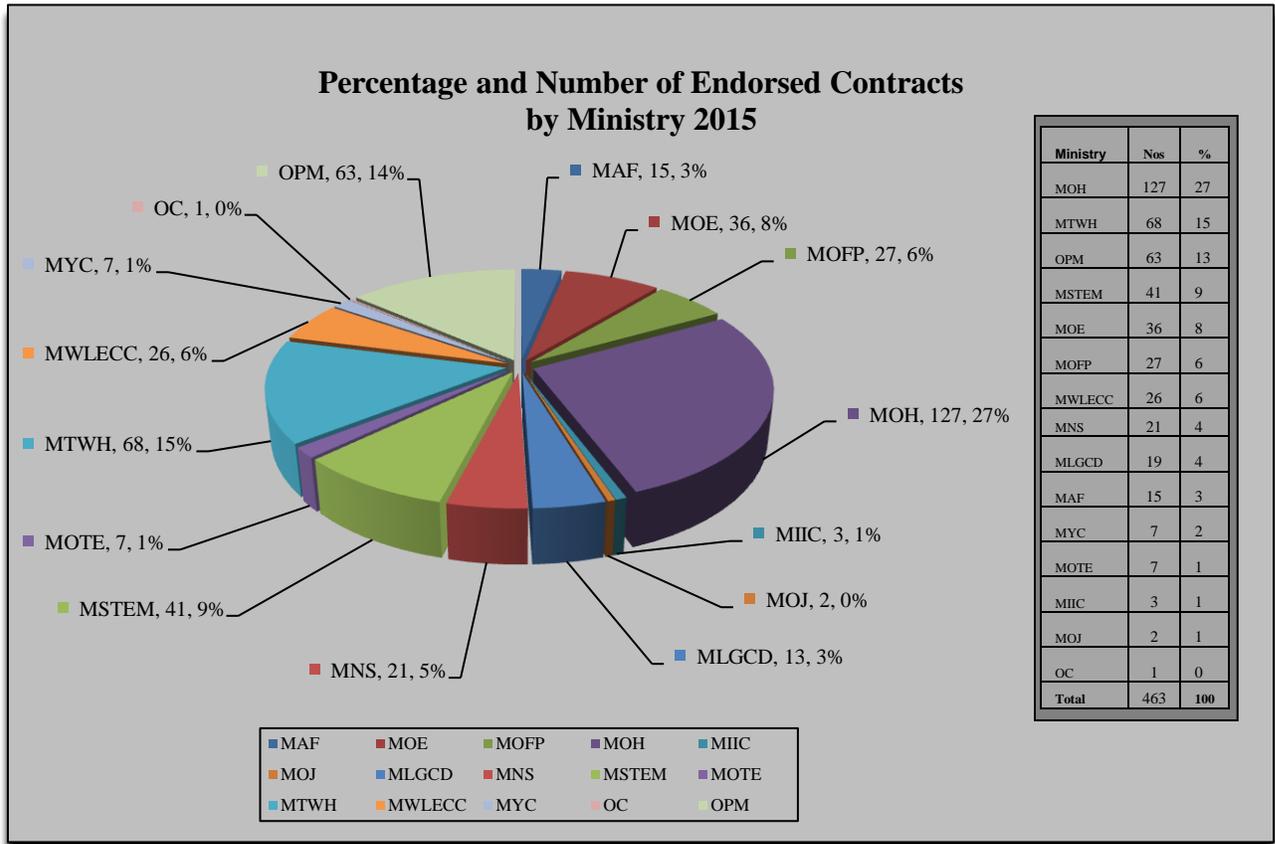
In addition, there was a goods contract denominated in dual currency JA\$ and US\$, the contract was predominantly denominated in US\$ was recorded in the number of contracts column for the US currency row.

Further, there was a works contract denominated in dual currency JA\$ and EURO €, the contract was predominantly denominated in JA\$ was recorded in the number of contracts column for the JA currency row.

Percentage Distribution of Endorsed Contract Recommendations Submitted by Ministries

Figures 1 and 2 below illustrate the percentage distribution of recommended contract awards, which were submitted to the NCC in 2015, by various Government Ministries and had been subsequently endorsed.

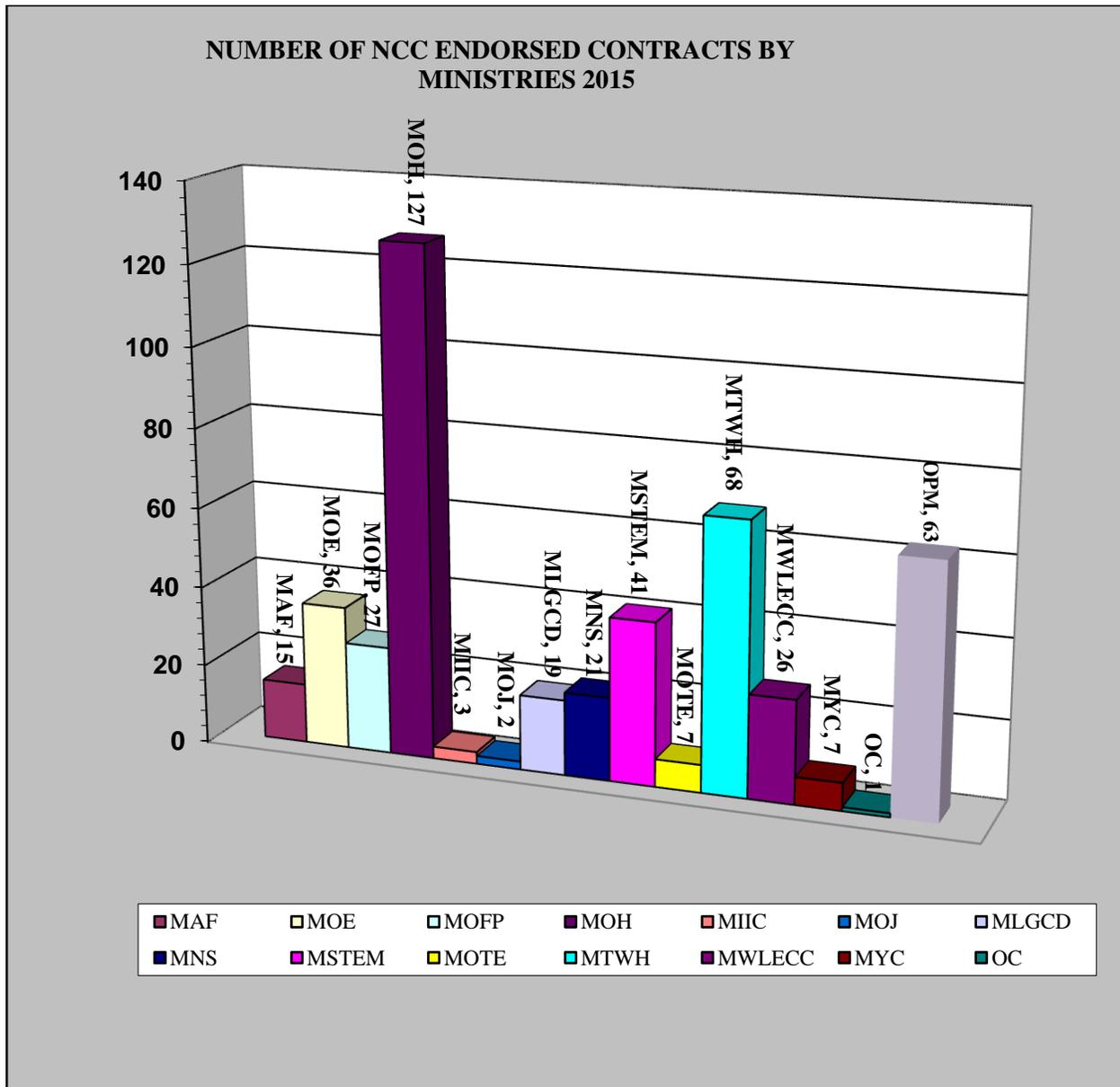
Figure 1



Legend

- | | | | |
|-----------|---|-----------|--|
| 1. MAF | Ministry of Agriculture & Fisheries | 9. OPM | Office of the Prime Minister |
| 2. MIIC | Ministry of Industry, Investment and Commerce | 10. OC | Office of the Cabinet |
| 3. MTW | Ministry of Transport, Works and Housing | 11. MFPS | Ministry of Finance and Planning |
| 4. MOE | Ministry of Education | 12. MNS | Ministry of National Security |
| 5. MYC | Ministry of Youth and Culture | 13. MOE | Ministry of Health |
| 6. MWLECC | Ministry of Water, Land, Environment and Climate Change | 14. MOTE | Ministry of Tourism and Entertainment |
| 8. MSTEM | Ministry of Science, Technology, Energy & Mining | 15. MLGCD | Ministry of Local Government and Community Development |

Figure 2



In 2015, the Ministry of Health and its related agencies, accounted for the highest number of NCC endorsed contract recommendations with a total of one hundred and twenty-eight (127) endorsements.

NCC Endorsed Contracts by Goods, Works and Services

Tables 7 to 9 below illustrate details of the total recommended contract awards by Procurement Type, which were endorsed by the NCC in 2015.

Table 10 - NCC Endorsed Goods Contracts 2015

Categories	No. of Contracts	% No. of Contracts	JA \$	US \$	UK £	EURO €	CND \$	TOTAL JA\$	% \$ Value
Computers & Supplies	13	7.43	93,053,939	16,756,053	-	-	-	2,107,801,761	14.05
Electrical & Communication Supplies	1	0.57	-	129,622	-	-	-	15,585,711	0.10
Electrical Appliance and Equipment	2	1.14	45,360,118	-	-	-	-	45,360,118	0.30
General Supplies	11	6.29	149,255,913	9,510,857	-	-	-	1,292,841,316	8.62
Hardware and Haberdashery	2	1.14	23,354,534	177,778	-	-	-	44,730,533	0.30
Industrial, Construction Equipment & Machinery	14	8.00	58,518,455	13,544,351	-	444,880	-	1,744,720,922	11.63
Marine Supplies	1	0.57	-	484,940	-	-	-	58,309,186	0.39
Medical & Pharmaceutical Equipment & Supplies	97	55.43	907,685,410	53,859,145	-	-	-	7,383,709,021	49.23
Motor Vehicle & Spares	19	10.92	631,351,974	3,711,653	-	174,000	-	1,100,181,104	7.38
Motor Vehicle Spares & Accessories	2	1.14	-	242,692	439,532	-	-	107,716,894	0.72
Office Equipment Supplies	1	0.57	69,992,407	-	-	-	-	69,992,407	0.47
Safety Products	2	1.14	-	718,981	-	-	-	86,450,284	0.58
Stationery Supplies and Books	8	4.57	214,714,458	4,382,470	274,770	-	-	790,758,555	5.27
Textiles and Garments	1	0.57	68,560,250	-	-	-	-	68,560,250	0.46
Total	174	100	2,261,847,459	103,518,541	714,302	618,880	-	14,916,718,060	100.00
<p><i>The Bank of Jamaica (BOJ) average rate for January to December 2015, for US \$1.00 = JA \$120.24. The Pound Sterling £1 = JA \$178.68. The Canadian \$1 = JA \$85.51. The Euro €1.00 = JA \$129.54. Figures are rounded off to the nearest value.</i></p>									

Table 11 - NCC Endorsed Works Contracts 2015

Categories	No. of Contracts	% No. of Contracts	JA \$	US \$	EURO €	TOTAL JA\$	% \$Value
Asphaltic Concrete Works	1	0.69	83,976,120	-		83,976,120	0.92
Bridge Construction	3	2.07	77,087,625	105,281		89,746,596	0.98
Building Construction	53	36.55	2,257,137,934	-	1,200,000	2,412,585,934	26.32
Civil Engineering	19	13.10	787,204,336	8,710,012	-	1,834,496,176	20.01
Drilling	1	0.69	27,613,863	-	-	27,613,863	0.30
Electrical Works	4	2.76	17,348,959	139,845	-	34,163,969	0.37
Elevator, Escalator and Moving Walkway Systems	1	0.69	24,075,891	-	-	24,075,891	0.26
Fencing	1	0.69	15,958,925.00	-	-	15,958,925	0.17
General Road Works	25	17.24	1,179,195,731	-	-	1,179,195,731	12.86
Heating, Ventilation, Air-Conditioning and Refrigeration	2	1.38	60,947,072	-	-	60,947,072	0.66
Information Technology Systems	1	0.69	-	271,172	-	32,605,665	0.36
Instrumentation	1	0.69	-	609,368.00	-	73,270,408	0.80
Interior Construction Works	7	4.83	231,010,028	-	-	231,010,028	2.52
Landscaping	1	0.69	284,739,776	-	-	284,739,776	3.11
Marine Engineering	2	1.38	26,364,252	-	-	26,364,252	0.29
Mechanical Works	6	4.14	136,376,980	3,824,011	-	596,176,120	6.50
Medical Equipment	2	1.38	-	698,198	-	83,951,313	0.92
Pipe Laying	3	2.07	234,447,584	-	-	234,447,584	2.56
Security Systems	2	1.38	-	3,626,134.82	-	436,006,451	4.76
Systems Building	6	4.14	410,628,531	-	-	410,628,531	4.48
Tank Erection	4	2.76	307,904,201	5,491,254	-	968,172,558	10.56
Total	145	100	6,162,017,808	23,475,276	-1,200,000	9,140,132,963	100

The Bank of Jamaica (BOJ) average rate for January to December 2015, for US \$1.00 = JA \$120.24. The Pound Sterling £1 = JA \$178.68. The Canadian \$1 = JA \$85.51. The Euro €1.00 = JA \$129.54. Figures are rounded off to the nearest value.

Table 12 - NCC Endorsed Services Contracts 2015

Categories	No. of Contracts	% No. of Contracts	JA \$	US \$	UK £	EURO €	CAN \$	TOTAL JA\$	% \$ Value
Catering	4	2.78	553,012,604	-	-	-	-	553,012,604	4.21
Computers & Related Services	3	2.08	37,954,686	1,248,360	-	-	-	188,057,492	1.43
Consulting Services	34	23.61	618,958,458	5,928,585	1,631,235	-	-	1,623,280,642	12.37
Courier	1	0.69	15,804,000	-	-	-	-	15,804,000	0.12
General Services	16	11.11	360,410,693	3,604,610	167,330	-	-	823,727,500	6.28
Information Technology Service	17	11.81	564,715,386	17,045,779	-	-	-	2,614,299,833	19.92
Insurance Services	12	8.33	1,212,247,422	14,376,082	-	-	-	2,940,827,513	22.41
Janitorial and Sanitation Services	9	6.25	872,208,963	-	-	-	-	872,208,963	6.65
Lithographic and Printing Services	1	0.69	23,793,960	-	-	-	-	23,793,960	0.18
Marine Services	9	6.25	141,766,568	6,308,619	-	-	-	900,314,946	6.86
Safety and Security Services	28	19.44	2,295,144,513	-	-	-	-	2,295,144,513	17.49
Transportation and Haulage	10	6.94	271,609,491	-	-	-	-	271,609,491	2.07
Total	144	100	6,967,626,743	48,512,035	1,798,565	-	-	13,122,081,457	100
<i>The Bank of Jamaica (BOJ) average rate for January to December 2015, for US \$1.00 = JA \$120.24. The Pound Sterling £1 = JA \$178.68. The Canadian \$1 = JA \$85.51. The Euro €1.00 = JA \$129.54. Figures are rounded off to the nearest value.</i>									

Number and Type of NCC Endorsed Contracts

Figure 3 below illustrates (a) the three (3) types of procurement; (b) the total number of contracts which were endorsed for each of the referenced type of procurement; (c) the aggregated value of the endorsements for each type of procurement; and (d) the referenced aggregated value of each type of procurement, expressed as a percentage of the cumulated endorsements in 2015.

Figure 3

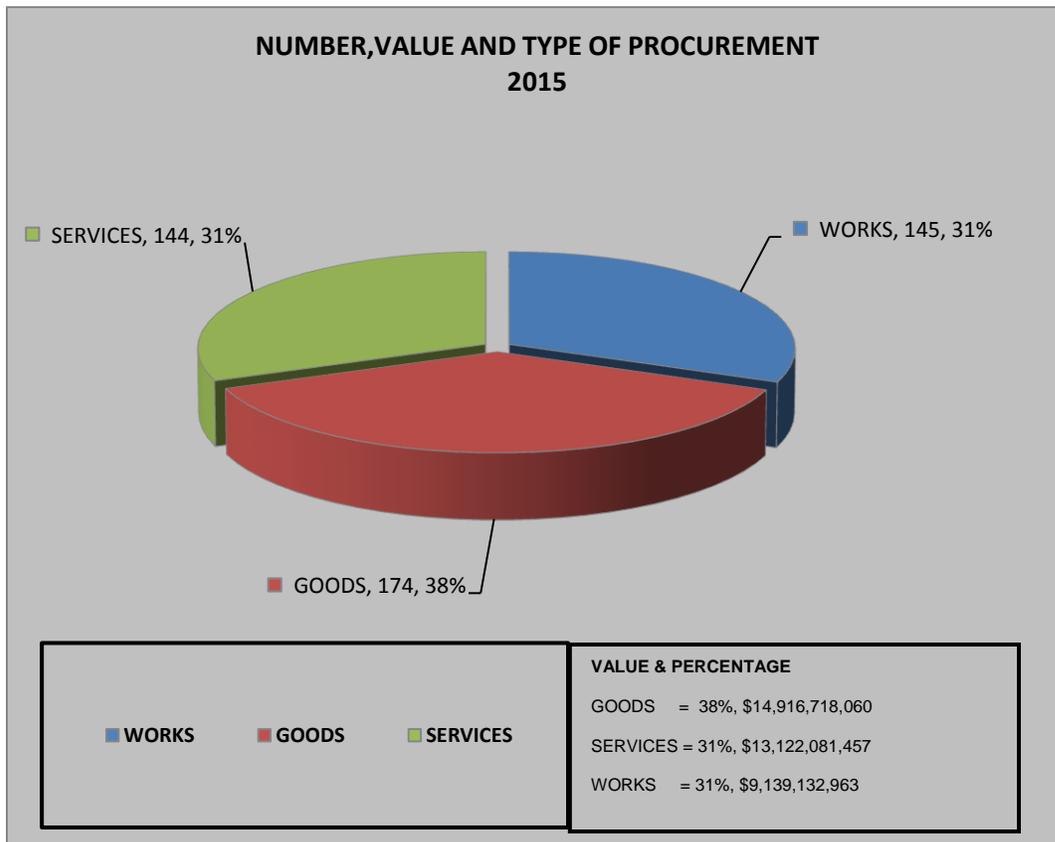


Table 13 - Number and Type of NCC Endorsed Contracts for Period 2011 – 2015

Year	Works Contracts		Goods Contracts		Services Contracts		Total Number of contracts
	Number of contracts	%	Number of contracts	%	Number of contracts	%	
2015	145	31	174	38	144	31	463
2014	191	37	196	38	128	25	515
2013	180	32	144	25	244	43	568
2012	148	29	151	29	213	42	512
2011	175	32	162	29	218	39	555

Top Ten Endorsement Categories

Following an in-depth analysis of the endorsed recommendations for the award of contracts, a summary of the top ten agencies by volume and value of endorsed recommendations for the award of contracts was undertaken and is detailed below in Tables 14 – 16. For the period under review, the Goods category “Medical & Pharmaceutical Equipment & Supplies” was ranked number one having the highest number of endorsed recommendations for the award of contracts with a total of ninety seven (97) endorsements in 2015. This represented approximately 21% of the total number of endorsements and accounted for 20% of the total dollar value of endorsed recommendations. In 2015, the top category for Service was “Consulting Services” with a total of thirty five (35) endorsed recommendations which accounted for approximately 4.5% of the total value of endorsed recommendations. On the other hand, the top category for Works was “Building Construction” with a total of fifty three (53) endorsed recommendations which accounted for approximately 6% of the total value of endorsed recommendations.

Table 14 - Top Ten Categories in which Contracts were Endorsed 2015

Rank	Categories	Type Of Contract	Number Of Contracts	Total JA\$
1	Medical & Pharmaceutical Equipment & Supplies	Goods	97	7,383,709,021
2	Building Construction	Works	53	2,412,585,934
3	Consulting Services	Service	35	1,672,672,425
4	Safety and Security Services	Service	28	2,295,144,513
5	General Road Works	Works	25	1,179,195,731
6	Motor Vehicle & Spares	Goods	20	1,181,504,944
7	Civil Engineering Works	Works	19	1,834,496,176
8	General Services	Service	17	846,083,122
9	Information Technology Services	Service	17	7,383,709,021
10	Industrial, Construction Equipment & Machinery	Goods	14	2,412,585,934

The National Health Fund (NHF), with a total of seventy nine (79) endorsements, was represented as the Public Body which received the most endorsed recommendations and which accounted for approximately 17% of the total number of endorsed recommendations during 2015. In addition, the National Health Fund accounted for highest total dollar value of endorsed recommendations for the award of contracts with \$6.4B.

Table 15 - Top Ten Agencies/Entities with the Highest Number of Endorsed Recommendations for Award of Contract 2015

Rank	Government Agency	No. of contracts	JA\$ Value	Direct Contracting	Limited Tender	Local Competitive Bidding	International Competitive Bidding	Other
1	National Health Fund (NHF)	79	6,455,048,842.92	36	-	5	38	-
2	Jamaica Social Investment Fund	29	989,254,295.72	1	6	22	-	-
3	Port Authority of Jamaica (PAJ)	29	4,983,423,681.76	19	5	5	-	-
4	Petrojam Limited (Pet-Jam)	24	1,614,534,714.65	14	3	6	1	-
5	National Water Commission (NWC)	18	3,612,382,083.02	4	2	6	6	-
6	National Works Agency (NWA)	17	630,349,006.51	1	-	16	-	-
7	National Housing Trust (NHT)	16	3,069,293,966.71	10	-	6	-	-
8	Ministry of Education (MOE)	15	1,211,482,445.50	6	-	1	8	-
9	South East Regional Health Authority (SERHA)	15	1,517,766,156.37	5	-	10	-	-
10	Ministry of Agriculture & Fisheries (MAF)	14	981,986,983.64	1	1	12	-	-
	Total	256	25,065,522,176.80	97	17	89	53	-

Table 16 - Top Ten Agencies/Entities with the Highest Value of Endorsed Recommendations for Award of Contract 2015

Rank	Government Agency	No. of Contracts	JA\$ Value	Direct Contracting	Limited Tender	Local Competitive Bidding	International Competitive Bidding	Other
1	National Health Fund (NHF)	79	6,455,048,842.92	36	-	5	38	-
2	Port Authority of Jamaica (PAJ)	29	4,983,423,681.76	19	5	5		-
3	National Water Commission (NWC)	18	3,612,382,083.02	4	2	6	6	-
4	National Housing Trust (NHT)	16	3,069,293,966.71	10	-	6		-
5	Petrojam Limited (PET-JAM)	24	1,614,534,714.65	14	3	6	1	-
6	South East Regional Health Authority (SERHA)	15	1,517,766,156.37	5	-	10		-
7	Ministry of Education	15	1,211,482,445.50	6	-	1	8	-
8	Ministry of Science, Technology, Energy and Mining (MSTEM)	8	1,163,430,413.36	6	-	1	1	-
9	Ministry of Finance and the Public Service (MFPS)	13	1,099,383,609.81	2	2	2	7	-
10	Jamaica Social Investment Fund (JSIF)	29	989,254,295.72	1	6	22		-
	Total	246	25,716,000,209.82	103	18	89	61	-

Consultancy Contracts

During 2015, the NCC endorsed thirty five (35) recommendations for the award of contracts which were by nature consultancy contracts. These contracts amounted to J\$1.6B and accounted for approximately 4.5% of the total endorsed recommendations for the award of contract.

NCC SECTOR COMMITTEES

The NCC, through its eight (8) Sector Committees, reviews the recommendations for the award of contracts that are valued over J\$15,000,000.00 which are submitted by the Government Procuring Entities for the approval of the National Contracts Commission. The Sector Committees consist of members with particular expertise in varying fields within the Public Sector.

During the year 2015, the NCC Sector Committees convened one hundred and forty-four (144) meetings, at which a total of four hundred and ten (410) recommendations for the award of contracts were reviewed.

In 2015, there was an increase of 28% in the number of recommendations which were reviewed by the NCC Sector Committees, when compared to the year 2014. Table 17 below illustrates the number of submissions considered by each Sector Committee for the year 2015 compared to 2014.

Table 17 – Submissions to Sector Committees for the Year 2015 Compared to 2014

NCC Sector Committees	No. of Works		No. of Goods		No. of Services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
The Port Authority of Jamaica	3	8	15	6	22	10	40	24
Ministry of Health	14	21	60	11	24	3	98	35
Jamaica Social Investment Fund	36	27	2	0	6	0	44	27
Urban Development Corporation	1	8	2	5	5	4	8	17
Ministry of Education	6	21	5	11	16	9	27	41
Ministry of Water ,Land ,Environment & Climate Change	36	23	20	4	15	13	71	40
National Works Agency	48	51	23	28	43	49	114	128
Specialist Insurance					8	9	8	9
Total	144	159	127	65	139	97	410	321

Table 18 below illustrates the number of Sector Committee meetings for the years 2015 and 2014 and also shows the number of Public Sector Agencies that are assigned to each Committee.

The National Works Agency Sector Committee, which has the largest number of assigned Agencies (120), convened a total of forty five (45) meetings. This represents the highest number of meetings for any one Sector Committee for the period. The Ministry of Education Sector Committee and Ministry of Water, Land, Environment & Climate Change convened the second highest number of meetings with a total of twenty one (21) and the Ministry of Health has the third highest, having convened a total of twenty (20) meetings. The rankings with respect to number of meetings held in 2015 are consistent with that of 2014.

Table 18 - National Contracts Commission Sector Committee Meetings for 2015 Compared to 2014

NCC Sector Committees	Number of Meetings in 2015	Number of Meetings in 2014	Number of Agencies / Departments Assigned
The Port Authority of Jamaica	12	10	13
Ministry of Health	20	19	46
Jamaica Social Investment Fund	8	8	6
Urban Development Corporation	7	10	30
Ministry of Education	21	26	74
Ministry of Water ,Land ,Environment & Climate Change	21	23	39
National Works Agency	45	35	120
Specialist Insurance	10	9	All Agencies report to this Sector
Total	144	140	328

CORPORATE SERVICES DIVISION

The Corporate Services Division (CSD) is the largest Division within the Office of the Contractor General (OCG) and is comprised of the Human Resource Management Department, Office Management Department, the Registry and the Finance and Accounting Department. Altogether, the Division has a staff complement of seventeen (17) persons. Private Security personnel also fall under the Division.

During the calendar year 2015, the CSD gave priority to staff welfare and played a significant role in the Office's external outreach projects and initiatives. Several successes were achieved and are summarised herein.

The work of the Division was subjected to an audit by the Auditor General's Department (AGD) and the CSD Team was again commended for being compliant with the Government of Jamaica's Financial Administration and Audit Act.

HUMAN RESOURCE MANAGEMENT

Organisational Structure

During 2015, the OCG welcomed eight (8) new staff members, whilst ten (10) of our colleagues separated from the organisation. Of this number, three (3) persons went on Retirement.

The OCG's approved Organisational Structure remains at sixty-three (63) posts. There were no vacant positions as at December 31, 2015. Appendices X - Organisational Chart and XI - Staff Situation 2015, provide further details in relation to staff.

Staff Training

The OCG remains committed to providing an environment in which its staff members develop professional best practices, through both external and internal training.

The OCG, in 2015, registered its Officers for one hundred and fifty-three (153) opportunities in forty-one (41) internal and external training programmes, seminars, workshops and/or conferences, both locally and overseas. It is to be noted that in several instances, the training opportunities were sponsored by stakeholders, thus were at no significant expense to the OCG.

Of the training programmes attended by OCG staff, five (5) were focussed on developing Investigation Skills; seven (7) were focused on developing procurement knowledge and twelve (12) were organised with an Anti-Corruption theme/objective. Other training opportunities were geared toward job-related development. Details of the training opportunities to which the OCG staff were privy, are documented in Appendix XII - Schedule of OCG Staff Training for the Year 2015.

The Human Resource Management Department remains committed to identifying quality training opportunities aimed at enhancing the human resource asset of the OCG and increasing its capacity to discharge its mandate in a more effective and efficient manner.

Summer Internship Programme

The OCG recognises the lack of internship opportunities with which students at the tertiary level are faced. Needless to say, where this necessary condition of their respective programme is not met, it affects their ability to successfully complete or delays the completion of that programme of study. In this vein and in an effort to contribute to youth empowerment and education, the OCG, for the first time in 2014, facilitated Summer Internship for four (4) students from the University of the West Indies (UWI). The programme lasted between eight (8) and ten (10) weeks. Three (3) students were from the Norman Manly Law School and one Student was accepted from the Department of Government.

The programme was deemed a success and as a result, the OCG, in 2015, welcomed six (6) Summer Interns. Of that number, three (3) were from the Norman Manley Law School, one (1) was a final year Law student and two (2) were students from the Department of Government at the University of the West Indies.

The students are exposed to all aspects of the OCG's operations, in keeping with their area of study. Students from the Norman Manley Law School for instance, in addition to being sensitised to activities undertaken by all Divisions within the OCG, are exposed to Court proceedings and internal Judicial Hearings. They are also required to draft Legal Opinions on matters of import and are given the opportunity to participate in other activities professionally and socially.

Upon commencement of the programme, Summer Interns are provided with a schedule of targets to meet, over the period of engagement, are closely supervised and are required to complete assignments in a timely manner. Payment for the Interns is minimal and is taken from the Budget allocation for Training.

The OCG hopes to continue with the Internship Programme in the coming years, to enable valuable exchange in support of University Programmes.

Awards and Recognition Programme

The OCG continued its Annual Awards and Recognition Ceremony, with respect to staff performance during 2015, with a ceremony at which the Employee of the Year was recognised, along with an additional five (5) nominees for the highly coveted award. The event was hosted in December 2015 and formed part of the OCG's Christmas Party proceedings.

The Social Activities Committee

The Social Activities Committee (SAC) is a committee, whose members are nominated by the OCG staff. The SAC has the responsibility of promoting social interaction and creating an environment of comradeship amongst the OCG staff.

During the reporting period, the SAC hosted or coordinated the following events/activities:

For the year 2015 the following social activities were undertaken by the SAC:

Quarterly Birthday Socials

- Mother's Day Treat
- Father's Day Treat
- OCG Sports and Fun Day
- Games Evening
- Christmas Tree-Lighting Ceremony

Fundraising activities undertaken by the SAC, to support planned activities for 2015, were:

- Fruit Sales
- Breakfast morning
- Cookie Sales
- Cake Sales
- Operation of a Coffee Machine (2013, 2014, 2015)

It is to be noted however, that the Coffee Machine did not generate the funds anticipated between 2013 and 2015 and the decision was taken to return the Machine to the providers as a result.

The SAC also assisted with funding for the OCG's participation in the 2015 Emancipence Games and the OCG's Christmas Party and Award Ceremony in December 2015

The Committee continues to facilitate the OCG's participation in the annual Emancipation/Independence (Emancipence) celebrations, hosted by the Planning Institute of Jamaica (PIOJ) which is held between July and August each year. The undertaking sees friendly competitions in various categories, among several Public Bodies.

Emancipence 2015 saw the participation of ten (10) Public Bodies, namely: The Planning Institute of Jamaica (PIOJ), Development Bank of Jamaica Limited (DBJ), Housing Agency of Jamaica Limited (HAJL), Jamaica Social Investment Fund (JSIF), Ministry of Education, Youth and Culture (MOEY), National Environment and Planning Agency (NEPA), Passport Immigration and Citizenship Agency (PICA), Statistical Institute of Jamaica (STATIN), Urban Development Corporation (UDC) and the Office of the Contractor General (OCG).

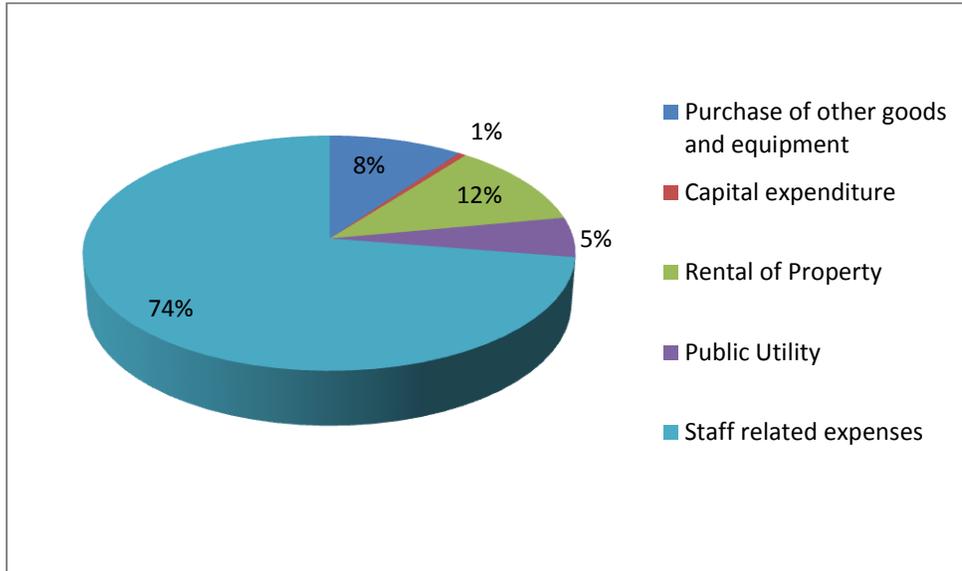
The OCG placed second in the Dancing and Ultimate Warrior competitions, third in both the Track & Field and Quiz competitions and finished a commendable 5th overall.

OFFICE MANAGEMENT DEPARTMENT

The Office Management Department has direct responsibility for the procurement and the management of all OCG assets. The Department purchased capital items and other goods and services in the Calendar Year 2015; largely from the OCG's 2015/2016 Recurrent Budget.

The OCG’s Recurrent Budget of Two Hundred and Thirty-three Million, Six Hundred and Fifty Four Thousand Dollars (\$233,654,000.00), provided for the purchase of other goods and equipment and capital expenditure, capped at Eighteen Million Eight Hundred and Forty Eight Thousand Dollars (\$18,848,000.00) and Two Million Five Hundred Thousand Dollars (\$2,500,000.00), respectively. In the foregoing regard, only eight percent (8%) and one percent (1%) of the total Recurrent Budget Allocation provided for the purchase of goods and equipment and capital items. The remainder of the Budget, provided for the rental of property, utilities and staff-related expenses. Please see Figure 1 below accordingly:

Figure 1 - Proportion of the OCG’s budget which provides for procurement



The following capital items and equipment were acquired in 2015.

Table 1 – Capital Items acquired in 2015

Items Procured	Quantity
CPU	1
5 Drawer Filing Cabinet	6
Tape Recorder	4
Kettle	2
Microwave	1
Plastic Chair Mats	20
Radio	4
Removable Disk Cartridge	13
Retractable Banner	1
Easel Stand	3
Camcorder	1

Rental of Property

Rental and Maintenance of Property

Rental and Maintenance Expenditure, which consumes approximately twelve percent (12%) of the total budget, is determined by the Lease Agreement, which was signed between the PIOJ and the OCG, and which was made effective on January 1, 2008. The Lease Agreement was entered into for a period of ten (10) years and expires on December 31, 2017.

The rental rate in 2008 was initially set at Five Hundred and Fifty Dollars (\$550.00) per square foot per annum. The OCG occupies 13,062 sq. ft. The Lease Agreement stipulates that the rental rate should be increased each year by seven percent (7%), compounded for year two (2) through to the sixth year of the Lease and thereafter, annually, by eight point five percent (8.5%) for the remainder of the term.

The amount for rental of the space occupied by the OCG, effective January 2015 to December 31, 2015, was \$988,484.51, which is an increase from the previous amount of \$911,045.63.

The Lease Agreement also stipulates that maintenance costs be calculated at a rate of Five Hundred and Fifty Dollars (\$550.00) per square foot in the first year and thereafter a fixed estimated monthly maintenance fee is to be charged based upon the cost to efficiently manage the Building. Additionally, the maintenance fee is to be budgeted annually. The actual expense is to be audited at the end of each year by an Auditor appointed by the PIOJ, and the required adjustments made where necessary.

The Maintenance Fee as at December 31, 2015, was \$965,314.45.

On September 8, 2015, the PIOJ advised of actual audited maintenance expenditure which was apportioned to the OCG for the period January 1, 2014 - December 31, 2014, as Fourteen Million, One Hundred and Fifteen Thousand, Five Hundred and Ninety-One Dollars (\$14,115,591.00). In regard to 2015, the audited maintenance expenditure amounted to Thirteen Million, Nine Hundred and Ninety Eight Thousand, One Hundred and Forty-Eight Dollars (\$13,998,148.00) Table 2 below summarises the past five audit maintenance charges apportioned to the OCG.

Table 2 – Actual Maintenance Expenditure

Billing Period	Actual Maintenance Expenditure Apportioned to the OCG
January 1, 2011 - December 31, 2011	\$13,661,946.00
January 1, 2012 - December 31, 2012	\$13,020,110.00
January 1, 2013 - December 31, 2013	\$13,008,140.00
January 1, 2014 - December 31, 2014	\$14,115,591.00
January 1, 2015 - December 31, 2015	\$13,998,148.00

The OCG was billed at the rate of Eleven Million Five Hundred and Eighty Three Thousand, Seven Hundred and Seventy Three Dollars (\$11,583,773) per annum, for the referenced periods, and there was an amount which was brought forward from the prior period. There are now arrears in excess of Nine Million, Seven Hundred and Ninety-Seven Thousand, Two Hundred and Thirty-Five Dollars and Forty Cents (\$9,797,235.40), as at December 2015, which is due and payable to the PIOJ for Maintenance Fees.

It is to be noted, that in accordance with the Lease Agreement, the actual maintenance expense is to be audited at the end of each year by an Auditor appointed by the PIOJ and the required adjustments made where necessary.

The Table which follows, summarises the last four (4) audited Maintenance Fee Reconciliation amounts:

Table 3 – Maintenance Fee Shortfall

Billing Period	Maintenance Fee Shortfall Apportioned to the OCG
January 1, 2011 - December 31, 2011	\$2,078,173.00
January 1, 2012 - December 31, 2012	\$1,774,509.66
January 1, 2013 - December 31, 2013	\$1,850,370.74
January 1, 2014 – December 31, 2014	\$2,531,818.00
January 1, 2015 – December 31, 2015	\$2,414,374.00
TOTAL	\$9,797,235.40

Utilities

Water Consumption

The OCG does not have an individually assigned water or electricity metre. Water charges are recovered through the Lease Agreement (PIOJ/OCG), which was made effective in 2008.

Electricity Consumption

Electricity charge is billed by the PIOJ on a monthly basis. The average amount that was paid on a monthly basis by the OCG for electricity during 2014 was Six Hundred and Eighty Nine Thousand, Seven Hundred and Ninety Five Dollars and Sixty-One Cents (\$689,795.61). In 2015, the average monthly payment for electricity was Five Hundred and Thirty Nine Thousand, Five Hundred and Fifty-Seven Dollars and Twenty-Three Cents (539,557.23).

Telephone Usage

The average amount that was paid by the OCG for telephone services in 2015 was Two Hundred and Eighty Thousand and Ninety-Seven Dollars and Fifty-Five Cents (\$280,097.55) monthly, which includes payment for the Closed User Group (CUG) system, which was implemented in September 2013.

The OCG continues its honour system, where staff members are billed for personal calls and the amounts recovered from their salaries on a monthly basis.

The CUG system enables better access for Travelling Officers and is cost efficient.

THE REGISTRY

The OCG's Registry has direct responsibility for document management. The Registry continued the implementation of the Electronic Document Management Programme in 2015.

The Electronic Document Management Programme was initiated by the Registry in 2011 and is being completed on a phased basis. The complete implementation will realise greater operational efficiencies for the Registry and ultimately, by the OCG.

FINANCE & ACCOUNTING DEPARTMENT

The Finance and Accounting Department continued to support the OCG in the year 2015. The Department successfully implemented one (1) major process change, which was steered by the Ministry of Finance and Planning. The aforementioned was the implementation of the Centralised Payroll Payments System in November 2015.

The Accounting Period April 2014 - March 2015

The Approved Budget for the OCG for the period April 2014 to March 2015 was Two Hundred and Thirty-Four Million, Six Hundred and Twenty-Nine Thousand Dollars (\$234,629,000.00), which included Statutory expenditure estimates of Eight Million, Four Hundred and Thirty-One Thousand Dollars (\$8,431,000.00) and other estimates of Two Hundred and Twenty-six Million, One Hundred and Ninety-eight Thousand Dollars (\$226,198,000.00).

At the end of the Fiscal Period ending March 2015, only Two Hundred and Twenty-Five Million, Nine Hundred and Sixty-Nine Thousand Dollars (\$225,969,000.00) was warranted. This created a shortfall of Two Hundred and Twenty-Nine Thousand Dollars (\$229,000.00) in the funds available to satisfy Recurrent Expenditure. Of the warranted amount, Nine Thousand, Six Hundred and Ninety-One Dollars and Forty-Three Cents (\$9,691.43) was surrendered to the Consolidated Fund subsequent to the Financial Year End.

Estimates of Expenditure for the Period April 2015 to March 2016

The OCG's Estimate of Expenditure Proposals for the Financial Year 2015 - 2016 was drafted and submitted to the Ministry of Finance and Planning on November 28, 2014. The Draft Estimates was Two Hundred and Thirty-Six Million, Two Hundred and Thirteen Thousand Dollars (\$236,213,000.00), which was within the Ministry's proposed Budgetary Ceiling of Two Hundred and Thirty-Six Million, Seven Hundred and Thirteen Thousand Dollars (\$236,713,000.00).

Approved Budget for the period April 2015 to March 2016

The Approved Budget for the OCG for the period April 2015 to March 2016 was Two Hundred and Forty-Six Million, Six Hundred and Fifty-Four Thousand Dollars (\$246,654,000.00), which included Statutory Expenditure estimates of Thirteen Million Dollars (\$13,000,000.00) and Recurrent Expenditure of Two Hundred and Thirty-Three Million, Six Hundred and Fifty-Four Thousand Dollars (\$233,654,000.00).

Supplementary Budget

The Ministry of Finance and Planning issued a call for the First Supplementary Estimates 2015/2016 and the OCG provided the necessary information in November 2015, in the amount of Twenty-Three Million, Six Hundred and Eighty-Three Thousand, Six Hundred and Eighty-Four Dollars (\$23,683,684.00). As at December 31, 2015, receipt of the approved Supplementary amount was pending.

Warrant Allocation as at December 2015

The Warrant Allocation, as at December 31, 2015, was One Hundred and Seventy Nine Million, One Hundred and Forty-Nine Thousand Dollars (\$179,149,000.00), with a remaining balance of Forty-Seven Million, One Hundred and Sixty-Five Thousand Dollars (\$47,165,000.00) for the last quarter of the Financial Year.

Appropriation Account April 2014 - March 2015

The Appropriation Account for the Financial Year ended March 31, 2015, was submitted on July 2, 2015. Please refer to the Summary of the OCG's Appropriation Account which is listed in Table 4 below.

Annual Return Declarations

The OCG's Annual Return Declarations for the Year 2014 were submitted electronically through the Jamaica Tax Administration Department's new online portal. The Returns were submitted by the March 31, 2015 deadline.

Auditor General's Comments over the last 16 years

A review of the Auditor General's Reports over the last 16 years has consistently revealed that the OCG's Financial Accounts, during the period April 1999 to March 2015, were a fair representation of the OCG's financial transactions and that proper accounting records were kept by the OCG throughout the period – all resulting in a generally satisfactory state of affairs. Please see the extract from the Auditor General's Report which is appended to the Appropriation Account.

The Table below, shows Approved Estimates, Actual Expenditure and the amounts surrendered to the Consolidated Fund between 1999 and 2015.

**Table 4 - OFFICE OF THE CONTRACTOR GENERAL
GENERAL SUMMARY OF APPROPRIATION ACCOUNTS (1999 – March 2015)**

FINANCIAL YEAR	TOTAL APPROVED ESTIMATES (\$)	ACTUAL EXPENDITURE (\$)	SURPLUS SURRENDERED TO THE CONSOLIDATED FUND (\$)
April '99' - March '00'	43,653,000.00	43,627,605.20	25,394.80
April '00' - March '01'	49,182,000.00	49,163,829.73	18,170.27
April '01' - March '02'	49,989,000.00	49,972,180.49	16,819.51
April '02' - March '03'	70,638,000.00	68,696,485.99	1,941,514.01
April '03' - March '04'	73,163,000.00	71,490,924.73	1,672,075.27
April '04' - March '05'	68,137,000.00	67,470,092.00	666,908.00
April '05' - March '06'	84,294,000.00	80,307,269.10	3,986,730.90
April '06' - March '07'	92,971,000.00	92,704,231.66	266,768.34
April '07' - March '08'	154,398,000.00	146,663,647.29	7,734,352.71
April '08' - March '09'	189,042,000.00	177,060,955.42	11,981,044.58
April '09' - March '10'	170,727,000.00	168,540,488.73	2,186,511.27
April '10' - March '11'	180,519,000.00	176,106,347.60	4,412,652.40
April '11' - March '12'	199,002,000.00	198,938,962.99	63,037.01
April '12' - March '13'	214,453,000.00	214,405,491.64	47,508.36
April '13' - March '14'	224,292,000.00	216,354,425.18	146,360.33
April '14' - March '15'	226,198,000.00	225,958,349.05	9,691.43
TOTAL	2,090,658,000.00	2,047,461,286.80	35,175,539.19

INFORMATION SYSTEMS DIVISION

Through 2015, the Office of the Contractor General's (OCG's) Information Systems Division (ISD) continued to provide technological support for the operations of the OCG and the National Contracts Commission (NCC). This was accomplished through the provision of software development, systems administration and support services to the ISD's internal stakeholders.

SUPPORT OF STRATEGIC PORTFOLIOS

The Office of the Contractor General (OCG) and National Contracts Commission (NCC) Websites

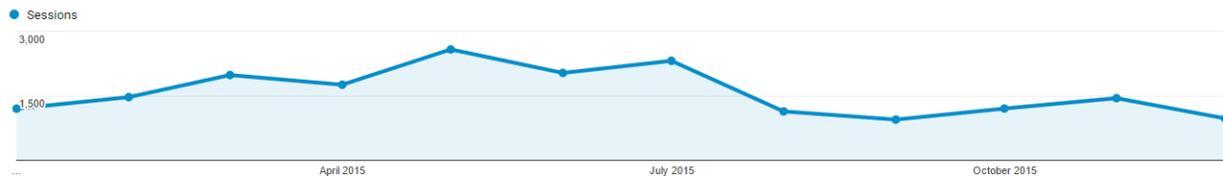
The OCG utilises and maintains the following two (2) websites:

- The Office of the Contractor General's website – www.ocg.gov.jm
- The National Contracts Commission's website – www.ncc.gov.jm

The websites provide pertinent information on matters which relate to the work of the OCG and the NCC.

The primary purpose of the websites is to promote transparency in the Government of Jamaica's (GOJ's) Procurement and Contract Award Processes. The websites also seek to ensure that relevant and timely information, which relates to the monitoring and investigative functions of the OCG, are easily accessible to all stakeholders.

Graph showing www.ocg.gov.jm website visits over the period January to December 2015



During the period of January to December 2015, the site saw a monthly average of 1585 visits.

Table showing the top five (5) most visited pages on www.ocg.gov.jm*, for the reporting period

Page Views / % of total	PAGE	DESCRIPTION
6,009/12.83%	NCC Registered and Qualified Contractors	A public search tool that allows users to find NCC Registered Contractors either by their registered category or by name.
2,173/4.64%	Contact Us	Provides contact information for the Office of the Contractor General.
2,030/4.33%	Career Opportunities	Advertisements of vacant positions within the organization.
1,935/4.13%	GoJ Procurement Procedures	Provides GoJ procurement policy and procedure documents
1,653/3.53%	OCG Web Applications	Provides a page that links to: <ol style="list-style-type: none"> 1. the OCG's Web Portal, used by Public Bodies to report Quarterly Contract Awards to the office 2. the Prescribed Licence Database, used by Public Bodies and the general public to report and view information, respectively, relating to the issuance of licences 3. the Procurement Notice Board, used by Public Bodies to advertise procurement opportunities to the general public

* The Home page of the website was excluded from the results

Twitter - @OCGJamaica

The OCG Twitter account forms a part of a strategic objective to provide a more effective and efficient channel through which to communicate information about its various operating mandates to the public. The Twitter account is intended to better leverage the organization to disseminate information to its stakeholders in a clear, accurate and timely manner.

In 2015, messages sent by the Twitter communication were viewed an average of 6,342 times per month totalling 76,100 views for the year.

OCG Web Portal

The OCG's Web Portal was developed to advance the receipt, consolidation and assessment of contract awards which were made by Public Bodies. The system was launched in the third (3rd) quarter of 2012 and facilitated an expansion in the scope of the Quarterly Contract Awards (QCA) Regime. Public Bodies are now required to report on all contracts awarded over J\$500,000.00, which would include contracts that required the endorsement of the NCC.

Public Bodies' contract award information submitted via the OCG's Web Portal are published on the OCG's website and may be accessed via the URL <http://www.ocg.gov.jm/ocg/view/qca-consol> or by scanning the following graphic with a mobile device.



Procurement Notice Board

The GOJ Procurement Notice Board is an online tool used to search for procurement opportunities issued by Public Bodies. Suppliers and the general public may search the notice board for these opportunities based on keyword, category, agency or required grade. Members of the public also have the option to register in order to receive email notifications whenever the notice board is updated with a procurement opportunity that matches their interest.

The Procurement Notice Board may be accessed via the URL <http://procurement.gov.jm> or by scanning the following graphic with a mobile device.



Prescribed Licences Information Database (PLID)

The OCG's Prescribed Licences Information Database (PLID) facilitates the systematic and formal monitoring, by the OCG, of the licensing activities executed by GOJ Public Bodies.

The PLID system is comprised of a public and private portal, both of which can be accessed from the OCG's website. Access to the private portal is restricted to Public Bodies, and facilitates the capture of information related to the Public Bodies' licensing activities. The public portal allows the general public access to view information captured by the PLID system.

The portal may be accessed via the URL http://www.ocg.gov.jm/ocg/qpl_home_page.php or by scanning the following graphic with a mobile device.



SUPPORT OF SPECIAL PROJECTS

Three (3) events for which the members of the ISD provided noteworthy assistance for were:

1. The OCG’s Inaugural Fraud and Anti-corruption conference, which was a three day event held in March 2015
2. The OCG’s Inaugural Essay and Poster Competition Award Ceremony, which was held in July 2015
3. International Anti-Corruption Day which is celebrated yearly on December 9.

INTERNAL OPERATIONS

As the OCG’s ISD continues its journey to implement the Information Technology Infrastructure Library (ITIL) based operational framework, 2015 saw the implementation of:

1. a change management process
2. a service monitoring process and
3. the relaunch of the Division’s service desk

Change Management

All changes that are made to services that have been rolled out to our stakeholders are required to go through this process. The process requires department members who are responsible for implementing change, to create a document outlining details of the change as well as preparing tools to automate the implementation of the change. Members are also required to create tools to automatically undo the change in the event that something goes wrong with the implementation. The aforementioned change document and tools are reviewed by senior Division members before they are implemented.

Service Monitoring

Target Monitored	Percentage of the year available
Website:ocg.gov.jm	99.1960%
Internal Infrastructure:servers	99.5352%
Internal Infrastructure:VoIP	99.6347%
Application:Document Management Service	92.9006%
Database Environment:Data Synchronisation*	89.9329%

*Checks are performed once a week. If service in a failed state it is recorded that the service was unavailable for the entire week.

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SPECIAL INVESTIGATIONS DIVISION

During the year 2015, the Office of the Contractor General (OCG) concluded two (2) Special Investigations, which were conducted pursuant to the discretionary powers, which are reserved for the Contractor General (CG), under Sections 15 and 16 of the Contractor General Act (1983).

Having regard to the mandatory requirements of Section 20(1) of the Act, upon conclusion the Reports of Investigation, the matters were promptly submitted to “*the principal officer of the Public Body concerned and the Minister having (portfolio) responsibility therefor.*” Further, and as provided under Sections 21 and 28(2) of the Act, the said Reports of Investigation were laid before both Houses of Parliament.

The two (2) published Reports of Investigation which were submitted to Parliament are as follows:

1. Special Report of Investigation Conducted into the Circumstances Concerning the Award of Certain Contracts to One Touch Construction and Equipment Limited, formerly One Touch Tours and Equipment Limited, by the St. Thomas Parish Council.- published March 2015; and
2. Special Report of Investigation Conducted Concerning Allegations of Nepotism, Conflicts of Interest, Irregularity/Impropriety in the Award of Government Contracts at the Hanover Parish Council to Persons Affiliated with the then Mayor.-published March 2015.

Once an Investigation Report is submitted by the Contractor General, to the Houses of Parliament, the Speaker of the House of Representatives, and the President of the Senate, are thereupon, obliged, by Section 28(3) of the Act, to table the Reports in each House “as soon as possible”.

Pursuant to Section 28(4) of the Act, and in the public’s interest, the complete contents of the aforementioned two (2) Reports were also uploaded to the OCG’s website, upon the respective tabling of each, for public viewing. The reports are currently available for viewing or download from the OCG’s website at <http://www.ocg.gov.jm>.

It is to be noted that during the reporting period, in addition to the two (2) Investigation Reports which were completed and published, the Special Investigations Division conducted investigations into a total of thirty-nine (39) other matters that were either brought forward or commenced in 2015. Of the thirty-nine (39) Investigations which were ongoing in 2015, twenty (20) commenced in 2015. In addition, three (3) investigations were placed on hold, pending judgement by the courts.

Additionally, formal Referrals have been made by the OCG, regarding the offending Public Officers, to the appropriate State Authorities for the requisite action(s) to be taken by them in keeping with the requirements of Section 21 of the Act. During the reporting period, a total of five (5) Referrals were made to the respective State Authorities, for their independent investigations to be undertaken, based upon the findings of irregularities and impropriety, and in consideration of the recommendations and conclusions made in the OCG’s Investigation Reports.

SOME KEY ISSUES WHICH HAVE BEEN IDENTIFIED BY THE OCG IN ITS INVESTIGATION REPORTS

The OCG’s Special Reports of Investigation identified numerous and recurring issues in the procurement and contract award processes which included and related to fraud and corruption, governance, impropriety, irregularity, conflict of interest and unethical conduct, poor planning, and a lack of competition, transparency and value for money in public contracting. In this regard and pursuant to Section 20(1) of the Act, the OCG made several remedial recommendations.

The OCG continues to make such recommendations with the hope that, *inter alia*, Public Officials/Officers would, in consideration of same, dissuade from employing and committing the same actions and inactions which have continuously led to the contravention of the applicable contract award rules, procedures, policies, protocols and governing laws.

The OCG made several recommendations with respect to, *inter alia*, the following issues which were reported to the OCG and/or identified during our Investigations:

1. Misrepresentation and Fraudulent Conduct and/or acts of Corruption;
2. Nepotism/ Favouritism and/or acts of Corruption;
3. Conflicts of Interest;
4. Unethical Conduct;
5. Breaches of the Contractor General Act and other applicable laws, regulations, and policies such as the Public Bodies Management and Accountability Act; the Financial Administration and Audit Act; and the Corruption Prevention Act; Breach of Procedures and Policy on the part of a Minister and Member of Parliament;
6. Issues concerning Value for Money; and
7. Attempts to mislead the OCG.

Having regard to the foregoing, the following represents some of the key Recommendations which have been made, during the period under review:

SUMMARY OF KEY RECOMMENDATIONS

1. Direct recommendations were made to Public Bodies and/or Public Officials/Officers with respect to breaches, irregularities and/or possible impropriety which were identified during the course of the subject Investigations. Several recommendations were advanced with respect to compliance with the applicable Handbook of Public Sector Procurement Procedures as it regards the following matters:
 - a) Enforcing and administering the mandate, roles and responsibilities of the Procurement Committee and, in particular, the oversight which it provides to the evaluation of tenders, and the proper maintenance of procurement records, in light of the provisions which are stipulated in the GoJ Handbook of Public Sector Procurement Procedures.
 - b) Promoting the utilization of competent and specialized personnel with adequate knowledge and training in procurement as is mandated by the GoJ Handbook of Public Sector Procurement Procedures.
 - c) Observing and conforming to the provisions which govern the utilization of the Limited Tender Procurement Methodology as is laid out in the GoJ Handbook of Public Sector Procurement Procedures.
 - d) Recognizing the responsibility of the Procuring Entity in preparing and communicating Tender Specifications and Requirements, which the bidder must fulfil in order to demonstrate the ability to meet the standard required to execute the contract;
 - e) Observing the provisions which highlight the eligibility and qualification requirements which ought to be satisfied to validate the participation of a contractor in the GOJ procurement process.

- f) Observing and conforming to the provisions which govern the preparation and submission of a Tender Report, disclosing the invitation for bids; the tender submission, the tender opening and the tender evaluation.
 - g) Recognizing the oversight and functional responsibilities of, inter alia, the OCG, the NCC, the Procurement Committee and the Accounting and Accountable Officers, pursuant, inter alia, the GoJ Handbook of Public Sector Procurement Procedures; and adhering to the requirements thereof; and
 - h) Promoting competition in the procurement process, whilst ensuring that the St. Thomas Parish Council's procurement opportunities are open to all appropriately registered and qualified contractors, in conformance with the requirements which are detailed in the GoJ Handbook of Public Sector Procurement Procedures.
2. Recommendations were also advanced in respect of the involvement of Members of Parliament and/or Ministers of Government and their involvement in the selection of contractors for the award of government contracts.

It was strongly recommended that Members of Parliament and/or Ministers of Government should not be involved in the recommendation and/or selection of contractors to whom they are related as the proposed beneficiaries of GOJ contracts.

The OCG's recommendation was premised upon the fact that the selection and/or recommendation for the award of contract(s), by a Public Official, to his/her relative and/or a company in which such a relative has a pecuniary interest, can create the perception of a conflict of interest, or the perception of the notion of bias, and inevitably the perception of nepotism. Consequently, without the proper checks and balances, and an independent selection and award criterion, the process runs the risk of being labelled nepotistic.

3. Recommendations were advanced in respect of the involvement of Mayors and/or Councillors and their involvement in the selection of contractors for the award of government contracts.

It was strongly recommended that Mayors and/or Councillors should not be involved in the recommendation and/or selection of contractors to whom they are related as the proposed beneficiaries of GOJ contracts.

The OCG's recommendation was premised upon the fact that the selection and/or recommendation for the award of contract(s), by a Public Official, to his/her relative and/or a company in which such a relative has a pecuniary interest, can create the perception of a conflict of interest, or the perception of the notion of bias, and inevitably the perception of nepotism. Consequently, without the proper checks and balances, and an independent selection and award criterion, the process runs the risk of being labelled nepotistic.

4. The OCG made recommendations expressing grave concerns as it regards conflicts of interest and circumstances which may give rise to the perception of a conflict of interest.

It was recommended that Public Officials and Officers recuse themselves from decision making processes which involve the award of GOJ contracts in circumstances which pose potential conflicts of interest. In particular, where there is the slightest hint and/or suggestion of nepotism, whether real or perceived.

The OCG also recommended that the Ministry of Local Government and Community Development ensure that public officials/officers are aware of the requirements in relation to identifying conflicts of interest and situations in which such should be declared.

5. The OCG recommended that the Ministry of Local Government and Community Development create policies and implement systems in relation to the contract award process that will allow for the provision of appropriate oversight of discretionary decisions and of personnel with the authority to make such decisions. In the absence of proper checks and balances and an independent selection and award criterion, the contract award process runs the risk of being labelled nepotistic.
6. It was recommended that the Ministry of Local Government and Community Development put the necessary enforcement mechanisms in place to ensure that Councillors and Mayors abide by the principles outlined in the Code of Ethics for Councillors with appropriate sanctions for failure to comply with same.
7. The OCG recommended that Councillors and/or Mayors should recuse themselves from decision making processes which involve the award of GOJ contracts in scenarios which pose potential conflicts of interest, in particular, where there is the slightest hint and/or suggestion of nepotism, whether real or perceived.
8. It was recommended that Public Bodies should, in keeping with the stipulated Procurement Guidelines, establish robust and transparent systems and processes to ensure that the selection of contractors at the community level is free from the perception of bias and political interference in the award of contracts.

Further that strict adherence be observed to the Procurement guidelines and attendant Public Sector Procurement Regulations by all procuring Public Bodies and the respective Public Officers who are charged with the responsibility for administering the award of Government contracts.

9. The OCG recommended that in circumstances where a Public Body has identified that there is a breach of the procurement procedures, the responsible agency should seek to remedy the said breach in an expeditious and effective manner as opposed to continuing with the implementation of the project in violation of applicable GOJ Public Sector Procurement Procedures, the Regulations and other governing laws.

Court Proceedings

During the year 2015, there was a continuation of matters which sought to challenge the statutory authority of the Commission of the Contractor General, *inter alia*, to carry out its mandate pursuant to Sections 4, 15 and 16 of the Act. The following represents a brief summary of the status of such matters:

1. Breach of Section 29 of the Contractor General Act against the Hon. Danville Walker, OJ, for failure to comply with a lawful statutory Requisition.

The Hon. Danville Walker sought Administrative Orders by way of Judicial Review. The Orders sought include an Order for leave for Judicial Review of the Notice of Formal Requisition for Information and Documentation issued by the Contractor General to refer the matter to the DPP for the institution of his prosecution and a declaration that the said Notice of Formal Requisition is in excess of the OCG's jurisdiction, *ultra vires* and void.

Leave was refused due to the failure of the Hon. Danville Walker to overcome procedural bars. The Hon. Danville Walker sought to renew his application for leave for Judicial Review but was also unsuccessful in that instance as the presiding judge found, in April 2013, *inter alia*, that the DPP had already laid charges and the Hon. Danville Walker belatedly responded to the Requisition in question. The OCG was awarded limited costs at the Supreme Court.

The trial at the Parish Court in respect of the breach of Section 29 of the Contractor General Act is not yet concluded as at December 2015.

2. Breach of Section 29 of the Contractor General Act by Mr. Scean Barnswell, Mayor, Clarendon Parish Council, for knowingly misleading the Contractor General during the conduct of its Section 18 Judicial Hearing.

The OCG, having referred certain matters to the Office of the Director of Public Prosecution on September 16, 2013, received the Director's Findings on September 26, 2013. The Director opined, *inter alia*, that with respect to the OCG's referral, pursuant to Section 29 of the Act, regarding Mr. Scean Barnswell, Mayor, Clarendon Parish Council, there was "...clear evidentiary material to institute criminal proceeding against Mr. Scean Barnswell for **"Attempting to Mislead the Contractor General contrary [sic] section 29 (a) of the Contractor General Act"**".

The trial continued throughout 2014 and was disposed of on August 21, 2015, with the decision that Mr. Barnswell was not guilty of attempting to mislead the Contractor General. In her ruling, her Honour found that there was no intention to mislead the OCG and the evidence did not disclose, even if he had the intention, that it impacted or would impact the OCG's investigation.

3. Breach of Section 29 of the Contractor General Act against Mr. Howard Charvis, for failure to comply with a lawful statutory Requisition.

Charges were laid against Mr. Howard Charvis for breaches of Section 29 of the Contractor General Act arising out of the OCG's Investigation into the award of contracts to Strathairn Construction Co. Ltd. And Mr. Charvis' failure to fully comply with the requirements of a formal OCG Statutory Requisition which was issued to him. At the end of the reporting period, the trial was ongoing.

4. Application for Judicial Review regarding the OCG's jurisdiction sought by the Hon. Gordon Stewart, OJ.

The substantive matter regarding the Application for Judicial Review against the jurisdiction of the OCG to investigate the divestment of the Sandals Whitehouse Hotel was heard in the Supreme Court between the period of October 22, 2013 and October 25, 2013. Arguments were also put forward regarding the interpretation and applicability of the term 'government contract'. No timeline was given by the Court as to the date or approximate time within which a judgment would be handed down. The OCG awaits the judgment of the Court in this matter.

5. Application for Judicial Review regarding the OCG's jurisdiction sought by Cenitech Engineering Solutions Limited

An application for permission to file Judicial Review has been instituted by Cenitech Engineering Solutions Limited against the National Contracts Commission (NCC) and the Office of the Contractor General (OCG), amongst others. The reliefs sought include damages in excess of Three Hundred Million Dollars (\$300,000,000). The Claim arises from the NCC's decision to revoke Cenitech's registration.

The claim also sought an injunction/stay of the OCG's hearings involving Directors and employees of Cenitech Engineering Solutions. On the 29th of April 2014, Mrs. Justice McDonald-Bishop granted Cenitech's application for a stay of the OCG's hearings and an injunction restraining the OCG from launching any further investigation or hearings in relation to Cenitech's registration with the NCC. At the end of the reporting period the matter was ongoing.

6. Application for Judicial Review regarding the OCG's jurisdiction and findings in its investigative report sought by the Office of the Utilities Regulations (OUR)

The OCG launched and conducted an investigation into the circumstances surrounding the process adopted by the OUR in relation to what was dubbed the 360 Megawatts Projects in or about March 2013. At the conclusion of its investigation, the OCG laid a Report to Parliament on its findings on September 16, 2013. It is this report that is the subject of the OUR's Application for Leave to Apply for Judicial Review in relation to the OCG's findings.

The OUR's application for leave to file Judicial Review was filed on June 17, 2014. Submissions by both parties were made throughout September, October and November 2014. At the end of the 2015 reporting period the judgment was pending.

7. Application for Judicial Review regarding the Director of Public Prosecutions decision not to prosecute the former Mayor of Hanover sought by the Office of the Contractor General

The OCG launched and conducted an investigation into circumstances surrounding, among other things, allegations of nepotism and conflicts of interest in the award of Government Contracts at the Hanover Parish Council to persons affiliated with the then Mayor of the Hanover Parish Council. At the conclusion of its investigation, the OCG laid a Report to Parliament on its findings in March 2015.

The Report included a referral to the DPP in relation to nepotism and conflict of interest. By way of letter in April 2015, the DPP indicated her refusal to prosecute the case advising that there is no offence of nepotism and that there were no sanction for the conflict of interest which arose in the award of some 22 contracts to various members of the then Mayor of Hanover.

The OCG disagreed with the interpretation of law and the meaning of sections of the Procurement Guidelines being adopted by the DPP. As a result of the foregoing, in June 2015 the OCG filed an application in the Supreme Court seeking judicial review of the DPP's decision not to prosecute the former Mayor of Hanover. However, in November 2015 prior to the conclusion of submissions by the OCG, the DPP conceded that her interpretation of the law was wrong and provided instructions for criminal investigations to commence in pursuit of prosecution.

INVESTIGATIVE TRAINING FOR THE DIVISION

During the reporting period, the Office of the Contractor General's Investigators participated in several training and development opportunities, which were geared toward the general enhancement of certain investigative core skills. Investigators received advanced training in the areas of Major Crime Investigations Core Skills (Jamaica Constabulary Force), Public Procurement Training and Cross Training with the Major Organized Crime and Anti-Corruption Agency (MOCA). Investigators also received training in Opinion and Report Writing, Treatment of Evidence, Supervisory Management and Human Rights with Anti-Corruption Measures'.

Judicial Hearings

During the period, a total of 116 Judicial Hearings, pursuant to Section 18 of the Contractor General Act, were convened relating to the following statutory Investigations:

1. Investigation into Allegations of acts of Impropriety, Irregularity and Corruption at the PNP's South East St. Ann Constituency Office, and in the award of Certain Government of Jamaica Contracts by the St. Ann Parish Council.
2. Investigation into Complaint Concerning Allegations of Conflicts of Interest, Irregularity and/or Impropriety in relation to the Construction of a Building by Mr. Ian Hayles, Member of Parliament for Western Hanover without approval from the Hanover Parish Council.
3. OCG Enquiry into Allegations of the execution of works as it regards the paving of the 'Prickly Pole Primary School'.
4. Investigation concerning complaint received from the Jamaica Defence Force in relation to Non Performance of contract by GM Challenger in the Supply of a "2014 Model Year Ambulance".

5. Investigation conducted into the circumstances surrounding the allegations of nepotism/conflict of Interest, favouritism, impropriety/irregularity in the award of contracts to the relatives and political affiliates of Councillor Lloyd Hill and Anthony Walker.
6. Investigation concerning allegations of impropriety and irregularity in the 2015 National Contracts Commission's Works 1-4 Contractor Application submitted by Pavecon Ltd.
7. OCG Enquiry concerning the procurement and construction management processes at Spanish Town High School
8. Investigation regarding allegations of impropriety and/or Irregularity in the signing of 'cheques' by Miss Shernet Haughton in relation to the performance of a contract by Mr. Raymond McNish.
9. Investigation concerning issues of impropriety and irregularity in the July 29, 2015, National Contracts Commission's Contractor Application submitted by Seal Investment Company Limited.

CONCLUDING REMARKS

The year 2015 remained a challenging year, particularly as it regards certain resource constraints which have, over the years sought to test the resolve of our Investigators. Nonetheless, we remain committed and dedicated to the core mandates of the Commission of the Contractor General as it is our firm belief that transactions involving the use of state resources and funds must be conducted in such a manner that will ensure, amongst other things, the integrity of the process. In this regard, the OCG believes that the Public Sector should be functioning in a manner and form that promotes due care, transparency and integrity, and for all Public Officers/Officials to be held accountable for such actions which are in contravention of the strictures of the Procurement Procedures and governing laws.

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SUMMARY OF SPECIAL INVESTIGATION REFERRALS

SUMMARY OF REFERRALS MADE & RECOMMENDATIONS FOR PROSECUTION IN RELATION TO FORMAL INVESTIGATIONS CONDUCTED BY THE OCG									
STATUS REPORT AS AT DECEMBER 31, 2015									
Record No.	Year of Completion of Investigation	Name of Investigation	Name(s) of Person(s) Referred/Recommended	Date of Referral/Recommendation	Reason(s) / Nature of Referral/ Recommendation	State Authority to which Referral/Recommendation was Made		Action Taken to Date/Remarks	
Referrals Made Pursuant to Section 21/ Recommendations for Prosecution Made Pursuant to Section 29 of the Contractor-General Act						DPP	Auditor General	Commissioner of Police	Ministry of Finance
1	2015	Special Report of Investigation Conducted into the Circumstances Concerning the Award of Certain Contracts to One Touch Construction and Equipment Limited, formerly One Touch Tours and Equipment Limited, by the St. Thomas Parish Council.	Accountable Officer, and/or on the part of one or more Public Officers of the St. Thomas Parish Council	March 2015	Breaches of the GHPPP (November 2008) and the Contractor General Act. The matter is also being referred to the Auditor General's Department and the Financial Secretary, particularly, in light of the provisions which are contained in Sections 2, 16, and 19, of the Financial Administration and Audit Act.		√		

SUMMARY OF REFERRALS MADE & RECOMMENDATIONS FOR PROSECUTION IN RELATION TO FORMAL INVESTIGATIONS CONDUCTED BY THE OCG										
STATUS REPORT AS AT DECEMBER 31, 2015										
Record No.	Year of Completion of Investigation	Name of Investigation	Name(s) of Person(s) Referred/Recommended	Date of Referral/Recommendation	Reason(s) / Nature of Referral/ Recommendation	State Authority to which Referral/Recommendation was Made				Action Taken to Date/Remarks
						DPP	Auditor General	Commissioner of Police	Ministry of Finance	
Referrals Made Pursuant to Section 21/ Recommendations for Prosecution Made Pursuant to Section 29 of the Contractor-General Act										
2	2015	Special Report of Investigation Conducted into the Circumstances Concerning the Award of Certain Contracts to One Touch Construction and Equipment Limited, formerly One Touch Tours and Equipment Limited, by the St. Thomas Parish Council.		March 2015	Referral was made to the PAPU, MOF specifically for it to (a) take such follow-up actions as they may deem to be appropriate having regard to all of the circumstances of the matter and, (b) to conduct a follow-up assessment of the procurement activities of the St. Thomas Parish Council, with a view to ensuring that the Council becomes compliant with the current and applicable GOJ Policy and Procurement Procedures.				√	

SUMMARY OF REFERRALS MADE & RECOMMENDATIONS FOR PROSECUTION IN RELATION TO FORMAL INVESTIGATIONS CONDUCTED BY THE OCG										
STATUS REPORT AS AT DECEMBER 31, 2015										
Record No.	Year of Completion of Investigation	Name of Investigation	Name(s) of Person(s) Referred/Recommended	Date of Referral/Recommendation	Reason(s) / Nature of Referral/ Recommendation	State Authority to which Referral/Recommendation was Made				Action Taken to Date/Remarks
Referrals Made Pursuant to Section 21/ Recommendations for Prosecution Made Pursuant to Section 29 of the Contractor-General Act						DPP	Auditor General	Commissioner of Police	Ministry of Finance	
3	2015	Special Report of Investigation Conducted into the Circumstances Concerning the Award of Certain Contracts to One Touch Construction and Equipment Limited, formerly One Touch Tours and Equipment Limited, by the St. Thomas Parish Council.	The then Accountable Officer of the St. Thomas Parish Council, Ms. Fay Neufville	March 2015	For such action as the ODPP may deem to be applicable, against her for her failure to comply With a lawful requisition of a Contractor General, contrary to the provisions of Section 29 (b) (ii) of the Contractor General Act. The St. Thomas Parish Council failed to report, by way of its QCA Report, the contracts which were awarded in the amount of \$4,224,270.00 and \$2,850,000.00 for the re-erection of the Footbridge at Mount Lebanon and the construction of a retaining wall at Trinity Ville.	√				
4	2015	Special Report of Investigation Conducted Concerning Allegations of Nepotism, Conflicts of	Miss Shernet Haughton, former Mayor and Chairman of the Hanover Parish Council and Councillor	March 2015	For the Office of the Director of Public Prosecutions to make a determination as to whether Miss Shernet Haughton breached the following provisions:	√	√	√	√	

SUMMARY OF REFERRALS MADE & RECOMMENDATIONS FOR PROSECUTION IN RELATION TO FORMAL INVESTIGATIONS CONDUCTED BY THE OCG									
STATUS REPORT AS AT DECEMBER 31, 2015									
Record No.	Year of Completion of Investigation	Name of Investigation	Name(s) of Person(s) Referred/Recommended	Date of Referral/Recommendation	Reason(s) / Nature of Referral/ Recommendation	State Authority to which Referral/Recommendation was Made		Action Taken to Date/Remarks	
Referrals Made Pursuant to Section 21/ Recommendations for Prosecution Made Pursuant to Section 29 of the Contractor-General Act						DPP	Auditor General	Commissioner of Police	Ministry of Finance
		Interest, Irregularity/Impropriety in the Award of Government Contracts at the Hanover Parish Council to Persons Affiliated with the then Mayor	for the Green Island Division		<p>1. Section 4(1) of the Contractor General Act in relation to the award of government contracts;</p> <p>2. Code of Ethics for Councillors, in relation to failing to declare a personal or prejudicial interest in a government contract;</p> <p>3. Section 4.2 "Conflict of Interest" of the GoJ Handbook of Public Sector Procurement Procedures (May 2012);</p> <p>4. Section 4.3 "Unethical Conduct" of the GoJ Handbook of Public Sector Procurement Procedures (May 2012); and</p> <p>5. Sections 99 and 100 of the Parish Council Act.</p> <p>The OCG is also referring this matter to the Director of Public Prosecutions, having particular regard to the provisions of Section 40 of the Public Sector Procurement Regulations (2008).</p>				

SUMMARY OF REFERRALS MADE & RECOMMENDATIONS FOR PROSECUTION IN RELATION TO FORMAL INVESTIGATIONS CONDUCTED BY THE OCG										
STATUS REPORT AS AT DECEMBER 31, 2015										
Record No.	Year of Completion of Investigation	Name of Investigation	Name(s) of Person(s) Referred/Recommended	Date of Referral/Recommendation	Reason(s) / Nature of Referral/ Recommendation	State Authority to which Referral/Recommendation was Made				Action Taken to Date/Remarks
						DPP	Auditor General	Commissioner of Police	Ministry of Finance	
Referrals Made Pursuant to Section 21/ Recommendations for Prosecution Made Pursuant to Section 29 of the Contractor-General Act						DPP	Auditor General	Commissioner of Police	Ministry of Finance	
5	2015			March 2015	Recommendation for a forensic analysis by a handwriting expert to be conducted by the Jamaica Constabulary Force to compare signatures appearing in the Cheque Delivery Book to determine the veracity of signatures in instances where the OCG has observed discrepancies in the signatures on official records.			√		

APPROPRIATION ACCOUNT



0400 - Office of the Contracting General
16 Oxford Road

Page Number : 1
10/04/2015
13:23

FS6 - Statement of Expenditure by Objects (Object Summary) - Selected Items ONLY

Financial years : 01 (2014/2015) Financial Pattern : 10 - Recurrent Voted
Period Number: 1 (Close) To : 12 (Open) (Apr 01 2014 - Mar 31 2015)
Function - Sub-Function - Programme -
Sub-Programme - Project - Sub-Project -
Activity/Proj -

Code	Description	Approved Vote 1	Warrant Allocate To Date 2	Month Expense 3	YTD Expense 4	Advance 5	Un-Discharged Commitment 6	YTD Exp & Adv Un-Disc. COM. 7= (4+5+6)	UnComit Warr. 8= (2-7)	Bal on Vote 9= (1-7)
Object 21	COMPENSATION OF EMP	108,095,000.00	108,095,000.00	8,829,653.90	108,596,627.00	00.00	00.00	108,596,627.00	-501,627.00	-501,627.00
Object 22	TRAVEL EXPENSES & S	25,231,000.00	25,231,000.00	2,129,808.01	25,706,205.37	00.00	00.00	25,706,205.37	-475,205.37	-475,205.37
Object 23	RENTAL OF PROPERTY	26,130,000.00	26,130,000.00	965,314.45	26,071,823.17	00.00	00.00	26,071,823.17	58,176.83	58,176.83
Object 24	UTILITIES AND COMMU	12,827,000.00	12,827,000.00	227,559.78	12,319,194.15	00.00	00.00	12,319,194.15	507,805.85	507,805.85
Object 25	USE OF GOODS AND SE	22,001,000.00	22,001,000.00	1,409,198.54	22,252,953.43	00.00	00.00	22,252,953.43	-251,953.43	-251,953.43
Object 28	RETIREMENT BENEFITS	28,862,000.00	28,754,000.00	3,039,124.22	28,081,512.78	00.00	00.00	28,081,512.78	672,437.22	780,487.22
Object 29	AWARDS & SOCIAL ASS	599,000.00	599,000.00	00.00	598,560.00	00.00	00.00	598,560.00	440.00	440.00
Object 32	CAPITAL GOODS	1,453,000.00	1,332,000.00	315,207.60	1,331,473.15	00.00	00.00	1,331,473.15	526.85	121,526.85
Object 36	LOANS	1,000,000.00	1,000,000.00	00.00	1,000,000.00	00.00	00.00	1,000,000.00	00.00	00.00
Total for Exp. Pattern - 10 - Recurrent Voted		226,198,000.00	225,969,000.00	16,915,866.50	225,958,349.05	00.00	00.00	225,958,349.05	10,651.95	239,650.95

Accountant

Dir of Finance/
Financial Controller

Accounting Officer

Date:

Date:

Date:

[Handwritten signature]
10/4/2015

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2015/4/13

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15/4/15

OFFICE OF THE CONTRACTOR-GENERAL**APPROPRIATION ACCOUNT
Year ended 31st March 2015**

Explanation of the causes of variation between approved estimates and expenditure:

21 - COMPENSATION OF EMPLOYEE

The over-expenditure of \$501,627.00 was the result of the inherent limitation of the indicative ceiling which was set for this Object in the initial Estimates of Expenditure.

22 - TRAVEL EXPENSE AND SUBSISTENCE ALLOWANCE

The over-expenditure of \$475,205.37 was the result of an under-estimation in the Supplementary adjustments.

23- RENTAL OF PROPERTY, MACHINERY AND EQUIPMENT

The under-expenditure of \$58,176.83 was the result of an over-estimation in the Original Estimates of Expenditure.

24 - PUBLIC UTILITY SERVICE

At the year end, utility bills were unrepresented and therefore not yet due for payment. As such, \$507,805.85 which was remaining for this Object was used to settle obligations under the critical Objects.

25 - PURCHASE OF OTHER GOODS AND SERVICES

The over-expenditure of \$251,953.43 was the result of an under-provision in the Original Estimates of Expenditure.

28 - RETIRING BENEFITS

The under-expenditure of \$780,487.22 was the result of the use of funds provided for this Object in the Warrant releases to offset the shortfall of funds under Travelling and Goods and Services. In the foregoing regard, amounts which were due and payable in 2014/2015 were deferred to the subsequent financial year.

29 - AWARDS AND SOCIAL ASSISTANCE

Savings of \$440.00 was realised on the Object of Awards and Social Assistance due to frugal expenditure.

31 - PURCHASE OF EQUIPMENT

The under-expenditure of \$121,526.85 was the result of a shortfall in the Warrant releases over the period.

(Signed)

Dirk Harrison
CONTRACTOR GENERAL

2016-06-16
Date

OFFICE OF THE CONTRACTOR-GENERAL

APPROPRIATION ACCOUNT
Year ended 31st March 2015

Excerpts from the Auditor General's Report to the Accounting Officer of the Office of the Contractor General, dated July 11, 2016.

Report on the Appropriation Account

I have audited the accompanying Appropriation Account of the Office of the Contractor General – Head 0400 which comprises the Accounts by Objects, Activity/Projects and explanatory statement of the causes for variation between approved estimates and expenditure as at March 31, 2015.

Opinion

In my opinion, the Attached Appropriation Account is a fair representation of the financial transactions for the year ended March 31, 2015, in accordance with Section 24 I(1)(a)(b) of the Financial Administration and Audit Act.

Report on Additional Requirements of the Financial Administration and Audit Act

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Appropriation Account is in agreement therewith and gives the information required in the manner so required.

(Signed)

Pamela Monroe Ellis (Mrs.)
Auditor General