

THE FIFTH ANNUAL REPORT

OF

THE CONTRACTOR-GENERAL

JANUARY TO DECEMBER 1991

APPENDIX I
PRE-CONTRACT ACTIVITIES - ANNUAL REPORT

KEY: A = Adequate
IA = Inadequate
N/A = Not Applicable

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
URBAN DEVELOPMENT CORPORATION -							
Harbour Street Sewage Project, Kingston	A	A	A	A	A	A	-
Construction of Type IV Health Clinic Morant Bay	A	A	A	A	A	A	-
Construction of Type IV Health Clinic St. Ann's Bay	A	A	A	A	A	A	-
PORT AUTHORITY -							
Construction of Bus Parking Terminal Freezone, Kingston	A	IA	A	A	A	IA	The successful tender was 35.7% below quantity surveyor's estimate and at the time of report no evidence of security was seen.
Reconstruction of Boundbrook Wharf Port Antonio	A	A	A	A	A	A	-
Construction of Cruise Ship Terminal Building Montego Bay	IA	A	A	A	A	A	Original design omitted 9 shops and a lounge which were added later at additional cost.
Dredging, Montego Bay Wharf, Freeport Montego Bay	A	N/A	N/A	N/A	N/A	N/A	At the time of this report copies of the relevant documentation had not been received to enable a proper assessment to be done.
FACTORY CORPORATION -							
Paving Works, May Pen Small Industries Complex	A	A	A	A	A	IA	At time of reporting there was no evidence that the necessary securities were in place.
AIRPORT AUTHORITY -							
Expansion of Terminal Building, Sangster International Airport Montego Bay	A	A	A	A	A	A	-
MINISTRY OF TOURISM /JAMAICA ATTRACTIONS DEVELOPMENT COMPANY -							
Lovers Leap Recreational Building Southfield St. Elizabeth	A	N/A	N/A	N/A	N/A	IA	Contractor nominated by Member of Parliament and contract negotiated with no security provided and no formal agreement signed. Jamaica Attractions Development Company needs to improve its knowledge of the tendering process and contract procedures in general.

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1 - 2
ACTION BY PARLIAMENT ON THE ANNUAL REPORT	2 - 3
ESTABLISHMENT OF A CONSULTATIVE COMMITTEE	3
PROPOSED IMPROVEMENTS TO THE SYSTEM FOR AWARDING CONSTRUCTION CONTRACTS	4 - 5
MONITORING & INVESTIGATION OF CONSTRUCTION CONTRACTS	5 - 8
MONITORING OF THE AWARD OF LICENCES, PERMITS, ETC.	8 - 10
STAFFING OF THE OFFICE	10
STATEMENT OF ACCOUNT FOR FINANCIAL YEAR 1990/91	10 - 13
APPENDIX I PRE-CONTRACT ACTIVITIES	
APPENDIX II POST-CONTRACT ACTIVITIES	
APPENDIX III SELECTED CONSTRUCTION PROBLEM CASES	
APPENDIX IV REVIEW OF SELECTED LICENCES, PERMITS, ETC.	
APPENDIX V STAFF SITUATION FOR 1991.	

FIFTH ANNUAL REPORT OF THE CONTRACTOR-GENERAL CALENDAR YEAR 1991

INTRODUCTION

The Contractor-General is required by the Contractor-General Act to monitor the award of contracts, including licences, permits or other concessions issued by any public body. He is to seek to ensure that no improprieties or irregularities are involved and that the terms and conditions agreed on are adhered to.

The first Contractor-General took up office in 1986 and served until February 1990. Between then and June 1991 when I assumed duties no substantive appointment was made to the post. It should also be noted that for the first few years the work of the office was hampered by a dispute between the Contractor-General and a Commission of Parliament on the questions of emoluments and appointments to the staff of the Contractor-General's Office. This meant that no permanent appointments could be made to the posts approved for the office until an understanding was arrived at in 1990. As a consequence it was only during the first half of 1991 that the office was able to engage its full complement of Inspectors and Assistant Inspectors who are the eyes, ears and feet of the Contractor-General.

It is fair to say, therefore, that the office got off to a difficult start. With the very limited resources available and given the professional background of key members of staff the decision seems to have been taken to focus to a large degree on construction projects in the early years.

During 1991 for the first time it was possible to devote more than nominal resources to non-construction areas such as the grant of licences, permits and other concessions. This large area which the Act calls upon the Contractor-General to monitor could by itself keep the staff of the office busy. In the years ahead it is expected that the annual reports will reflect a more equitable balance between construction and non-construction projects.

A section of the Annual Report is thus for the first time devoted to the work which has been started on licences, permits and other concessions and already it is clear that operational guidelines which reflect and reinforce the principles set out in the Contractor-General Act need to be issued to all Government Ministries, Departments and other agencies. The Government needs to provide precise instructions to all its agencies which would require that in every case where a significant government asset is to be disposed of, whether a physical asset such as land or a licence to undertake an activity for profit, all citizens are to be given an opportunity to bid.

It should be noted that for recommending the award of construction contracts there is already in place a Government Contracts Committee accommodated in the Ministry of Construction (Works), in addition to similar committees in a number of other agencies. The

existence of these committees reflects a recognition that fairness and equity are required in the award of construction contracts. There is, of course, need to improve the present system of awarding these contracts but at least an effort is being made to achieve some degree of justice.

If the work of the Contractor-General's Office does not receive firm and consistent support from the Government little headway will be made in achieving the objectives of the Act. Encouragingly, since the latter part of 1991, we have been working with the Ministry of Finance and Planning on the improvement of the system of awarding contracts. Some proposals were made to that Ministry at an earlier date and it is anticipated that during 1992 a number of useful changes will be implemented. It was also encouraging that by the end of the year under review an appeal against the judgment of the Supreme Court in a matter involving the Ministry of Construction (Works) and the Contractor-General had been withdrawn, leading to the development of a more harmonious relationship.

As a consequence, it could be said that significant progress was made in the second half of 1991 in improving relations with the agencies with which this office has to deal. The image we want to build and portray is not that of a policeman snooping around and blowing the whistle whenever possible but an office dedicated to assisting all government agencies to so improve their systems and standards that the objectives of the Contractor-General Act are routinely met throughout the public sector. This does not mean that from time to time the whistle will not have to be blown loudly and clearly, but this will be when other efforts have failed.

Finally, it will be observed that the format of the Annual Report to Parliament has been substantially altered. Previous Reports provided details on every project monitored or investigated making the document which was presented in loose leaf form bulky and difficult to manage. Section 28 (2) of the Act states that "A Contractor-General shall submit to Parliament an annual report relating generally to the execution of his functions." And this is what this document seeks to do. Issues and individual cases are highlighted when it is thought important to do so. But other cases are dealt with statistically and generally. The hope is that Members of Parliament will find the present document easier to handle and less formidable and thus peruse it from cover to cover.

ACTION BY PARLIAMENT ON THE ANNUAL REPORT

The Annual Report to Parliament which is required by law is the means by which the Contractor-General places before the supreme constitutional body in the country and the public at large his findings and recommendations relating to the year under review. The practice has been for the Report to be laid in Parliament and for observations on it to be made in the media. This does not appear to be a satisfactory arrangement. By requiring the Contractor-General to report to Parliament it would seem that those who framed the law expected Parliament to do something with the Report. And it can hardly have been the

intention that the impressions that the country receives of the Report should be left exclusively to the newspapers and the electronic media which often tend to highlight the sensational and the controversial. Unexciting but important recommendations or findings may not be seriously addressed or even aired unless the opportunity is provided for the Report to be examined in a structured fashion. I would respectfully recommend that some mechanism be established to allow Members of Parliament to discuss and react to the findings and recommendations in the Annual Report. For example, it could be referred to a Parliamentary Committee for examination and discussion.

ESTABLISHMENT OF A CONSULTATIVE COMMITTEE

Shortly after assuming office in June it became clear to me that although the members of the small, dedicated and experienced operational staff of the Contractor-General's Office were doing their jobs conscientiously and effectively, the nature of their responsibilities allowed them to be only spectators in the award and implementation of government contracts, licences, and so on. There seemed to be a need to be able to consult on a regular basis with experienced professional practitioners who would often see problems and operations differently from us in the Contractor-General's Office whose job was to monitor what others were doing.

Accordingly, six well-known professionals with wide experience in a number of fields related to the work of the Contractor-General's Office accepted an invitation to form a Consultative Committee to the Contractor-General. The composition of that committee is as follows:-

Name	Profession
Errol Alberga	Architect
Leo Lawson	Engineer
Harold Milner	Financial Consultant
Vayden McMorris	Architect
Sam Stewart	Auditor/Accountant
Maurice Stoppi	Quantity Surveyor

In addition, the Ministry of Construction (Works) and the Joint Consultative Committee for the building industry were each invited to nominate a representative to the Committee. These persons had not been named up to the end of 1991.

The Committee elected Mr Leo Lawson as its Chairman and held three (3) meetings between October and December 1991. The Committee was requested to focus initially on the process of awarding construction contracts in the public sector. By the end of the year under review a number of recommendations had been developed in the Committee most of which have been accepted, and where appropriate, incorporated into this Report.

PROPOSED IMPROVEMENTS TO THE SYSTEM FOR AWARDING CONSTRUCTION CONTRACTS

At the heart of the award of construction contracts in the public sector is the Government Contracts Committee and it is generally felt that this Committee should be made more independent and autonomous and appear to be so. This can be achieved by dissociating it from any particular ministry or department, appointing an independent chairman, with other members consisting of public officials and two or three respected representatives from the community at large. A very small permanent staff would look after the affairs of the Committee, but it is not proposed that other committees in other agencies such as the Ministry of Education, EDCO and Urban Development Corporation be abolished.

The reconstructed Government Contracts Committee would be called upon to oversee but not itself make recommendations for the award of any more contracts than it does at present. It would be authorised to set the guidelines and standards to be observed by other committees dealing with the award of contracts in agencies such as the Ministry of Education and the Urban Development Corporation. It may well be that a member of the central Government Contracts Committee should be appointed to serve on the other committees along with representatives of the Ministries of Finance and Construction.

The Government Contracts Committee, subject to Cabinet approval, would also set the rules to be observed in the process of tendering for construction works in the public sector and be responsible for the updating, reviewing and standardising of these rules. It would have to be decided whether these arrangements would need to be reinforced by legislation as the practice has been for the administrative instructions presently in place to be frequently ignored.

A single approved list of medium and large contractors for the public sector would be developed, maintained and regularly reviewed by the Government Contracts Committee in consultation with the other committees involved in making recommendations for the award of contracts. The G.C.C. in collaboration with the other committees, would also maintain a central list of approved consultants in the various disciplines relevant to the construction industry.

Competitive tendering would be the normal basis on which contracts are awarded and exceptions to this rule up to a certain level would be approved by the Government Contracts Committee and above that level by the Cabinet. The question of the need for any further standardisation in forms of contract would be examined by the Government Contracts Committee after taking into account the present arrangements.

As there should be no question of the Government's budget being burdened by yet another new agency this restructured Government Contracts Committee should be fully self-sustaining. This could be achieved by requiring all persons wishing to be placed on the list

of approved contractors to pay a fee when applying to be considered. In addition, fees could be charged by the Committee for examining proposals and making recommendations for the award of contracts.

The observations outlined above are intended to indicate our present thinking on improving the system and should not be construed as detailed recommendations as to the composition and functioning of the restructured Government Contracts Committee. If these general proposals are thought to have merit, it is suggested that a small working party be set up to develop detailed proposals for examination by the Government. I should be happy to cooperate with or serve on any working group so established.

MONITORING & INVESTIGATION OF CONSTRUCTION CONTRACTS

In conducting the monitoring and investigation of projects, we found a number of weaknesses, defects and inadequacies. Some of these recurred with such regularity that one is led to believe that existing rules, regulations, directives and guidelines of government are having little impact. These weaknesses found expression in design changes, alterations to the scope of work, site relocations, variations and extensions of time which, in turn, caused delays and gave rise to cost escalations. Weaknesses were detected at all stages, from conceptualization through planning and designing, to the stage where contracts were signed and implementation commenced. The Table at Appendix II shows the number of projects in which there was poor planning and/or implementation.

Different management practices were observed on many projects, both at the pre-contract and the post-contract (post award) stages. These often gave rise to the problems and cost escalations which occurred on so many projects.—During 1991 there was much evidence of poor planning and designing and ineffective coordination. It seems that several consultants had become complacent and in some cases perhaps even careless in pursuit of their disciplines, which resulted in frequent planning or design changes which, in turn, led to changes in the scope of the work and variations. On the part of some agencies there is the failure to meet payment certificates on time (leading sometimes to site closure), changes in plans, designs or scope of work, or failure to meet scheduled activities such as supplies or appointment of sub-contractors.

For example, in February 1988, Courage Construction Company Limited was awarded a one-year contract in the sum of \$2,585,087 to undertake rehabilitation work to the steel towers for the J.P.S. transmission line from Old Harbour to Parnassus. In the first instance there was confusion between the quantity surveyor's estimate and the tenders submitted. The Government Contracts Committee then rejected the recommended tender and advised negotiations. After the contractor started working it was discovered that J.P.S. employees on the same site were receiving higher rates of pay than the contractor's workforce. There was also political violence (one fatality), poor site supervision, damage done to equipment and closure of the site for twenty (20) months. The contractor was paid an unsecured

mobilization fee of \$258,580.78, a notice of termination was given and recalled, there was a reduction of liquidated damages by 40%, a time overrun of six (6) months and a cost increase of \$1,837,511 or 71%.

With hundreds of public sector projects being implemented yearly, the Government needs to try harder to ensure that it has the appropriately trained staff to be entrusted with project implementation. The experience of this office is that not many Ministries or agencies are in possession of sufficient trained staff to successfully undertake the implementation of projects.

Contracts

Contracts may be divided for convenience into two (2) categories based upon source of funding and size. First of all there are the Capital "A" Projects which are financed solely by the Government of Jamaica. Then there are the Capital "B" Projects which are aided by external funding and are usually large, especially if a construction component is included. For these projects the external agency involved, usually stipulates the terms and conditions governing the loan or grant, and there tends to be strict controls in their administration.

Although some alterations and variations are almost inevitable in the course of these usually long-term programmes (3 - 5 years), local budgetary constraints often exacerbate the situation as seen in the GOJ/IDB Primary School Programme which began as a four (4) year programme in 1984, and had to be extended to May 1991, because of short-funding at the Jamaican end.

There is also the suspicion of corrupt practices in some areas. It is not easy for this office to unearth concrete evidence, but the available information suggests that the ploys used include over-pricing, extensions and variations, or payments in excess of the value of the work completed.

The Ministry of Construction (Works) is directed to maintain an approved list of contractors classified in four (4) levels based on the value-level of projects each contractor is competent to undertake. However, there are other lists maintained by other agencies and it is not uncommon to find an "A" contractor on one list being "B" or "C" on another. As a consequence contractors are often awarded works beyond their capability. A classic example was the awarding of a contract for \$23.5M on the Downtown Kingston Development Programme - Harbour Street Sewage Project to a contractor (Solid Engineering Limited) who was incapable of executing works of that magnitude as the firm was classified in the "C" grade with the capability of undertaking jobs up to a maximum of \$1.5M. The contract was eventually terminated but surprisingly at the instance of, and with compensation to the said contractor, because of what seemed to be vacillation and weak management. Two (2) new contracts have since been executed and are being implemented, but with the works estimated to cost some \$17M more.

Although it is the rule in Central Government that contracts exceeding \$250,000.00 be referred to the Government Contracts Committee, some statutory bodies hold the view that their statutes provide them with full autonomy, consequently, they do not see themselves as obliged to submit their contracts to the G.C.C.

Where such bodies possess the necessary competence and knowledge to effectively evaluate and pursue a project, such a view may not lead to problems. However, it is the experience of this office that this is not generally the case, as Appendix III illustrates.

Over-Expenditure

It will be noted that in the majority of cases reviewed, there are significant overruns in costs and time. In many cases, these overruns have a justifiable basis, wholly or partially, and in recent times, these can be related directly to the unparalleled escalation in material and labour costs, due to the devaluation of the currency.

In reviewing a 43% escalation on the tender for the construction of the Titles Office, Hanover Street, Kingston, the Inter-American Development Bank asked for and was provided with details and explanations which were accepted as justifying the increase. The IDB message here is a clear indication that an appreciable level of cost escalation is to be expected and is acceptable. The devaluation factor should therefore be taken into account in evaluating some of the cost overruns recorded in Appendix II.

Negotiated Contract

As indicated previously, selective tendering constituted the principal method of awarding the contracts reviewed. However, some contracts were negotiated and agencies such as the Ministry of Construction/Housing and EDCo seem to prefer this course, as it is said to save time and provide more flexibility in dealing with a contractor. It is acknowledged that sometimes there is merit in this approach depending on the particular circumstances. But the negotiated method can be abused if integrity and professionalism are not present, and what sets out to be a cost-saving approach can turn out to be very costly and time consuming. See Appendices I - III.

It was also observed that for a number of smaller construction projects contractors were nominated by the Member of Parliament for the area with no selective tendering process being observed. This practice should cease in its present form as it results in contracts being issued to some persons who would not survive in a pre-qualification and competitive environment.

Conclusion

At Appendix II a number of post-contract activities are recorded on 45 projects and these indicate that the average time overrun on the projects listed was 10 months and the average cost overrun on original contract figures was 28%. The following summarises other information set out in more detail at Appendix II:

Construction Projects	Good	Fair	Poor
Planning Coordination and Management	18	15	12
Site Supervision	17	15	7
Quality of Work	27	16	2

Finally despite all the problems identified in this report, it must be emphasised that there are clients, consultants and contractors who pursue their projects with a keen sense of responsibility, competence, professionalism and integrity, and there are several projects which have been completed satisfactorily and in a cost-effective way. However, the percentage of those which are unsatisfactory is unacceptably high.

MONITORING OF THE AWARD OF LICENCES, PERMITS, AND OTHER CONCESSIONS.

Monitoring the award of licences and permits is likely to be the most difficult responsibility for a Contractor-General to discharge. A prescribed licence is described in the Act as "any licence, certificate, quota, permit or warrant issued or granted pursuant to any enactment by a public body or an officer thereof." The law calls upon the Contractor-General "to monitor the grant, issue, suspension or revocation of any prescribed licence." This is a tall order indeed with a staff of six (6) inspectors and six (6) assistant inspectors. The Contractor-General is also supposed to ensure that no improprieties or irregularities occur and to examine whether licences are used in accordance with the terms under which they are issued.

It is little wonder that with most of the posts in the inspectorate unfilled, owing to the difficulties outlined in the Introduction, the decision was made to focus initially on the more straight-forward but equally important area of construction contracts. It was only during 1991 with most vacancies filled that some attention was focussed on this area of the Contractor-General's responsibilities.

It did not take long to realise that unless government agencies operated in accordance with a number of basic principles when issuing licences, permits or other benefits of one sort or another the impartiality, merit and absence of impropriety and irregularity which the Contractor-General Act calls for, would be most difficult to observe and maintain. For example, the method of disposal of publicly owned lands in an island of Jamaica's size is a source of considerable friction, and charges of corruption and favouritism are frequently heard.

The proper approach is, of course, for every public agency to publicly advertise any property which it has decided to dispose of. However, one has to admit that there is a genuine difficulty when a citizen on his own initiative identifies a piece of publicly owned land which he wishes to put to productive use and makes a purchase offer to the relevant agency. It might seem somewhat unfair for that agency to accept the proposal to dispose of the property and then proceed to advertise it placing the person who displayed initiative on the same basis as all other applicants.

In the area of licences and permits the outstanding award in 1991 which breached the principles in the Contractor-General Act was that of the lottery. The principle is that licences or permits should be awarded "impartially and on merit." In this case no one was aware that an administration which had previously closed down a national lottery had done an about turn on the issue. Having decided that a lottery was now in order the Government should have made its new policy known to the country and invited applications to operate the lottery.

Up to the end of 1991 it was still not clear whether the Government's policy was to allow one or ten or an unlimited number of lotteries to operate in the island. Whatever the decision turns out to be it is urged that any concession or licence or permit to be issued in the area of gambling, or indeed in any other area, be advertised publicly and the decisions on the awards taken impartially and on the basis of merit. A person should not be excluded from an award because he or she is a member of the executive of a political party or is a close relative of a senior political figure. But likewise he should not receive special consideration because of his political or other connections.

It is the intention of this office to step up the monitoring of the award of licences, permits, certificates and other concessions and to examine in particular the methods of making these awards, as well as the appointment and composition of awarding bodies, the mechanisms for ensuring that licences are used only for the purposes for which they are issued and that where infringements are identified, appropriate action is taken.

The preliminary monitoring done so far has indicated that there are some areas where licence holders are negligent in renewing their licences and others where some persons operate without a licence, for example, in the hairdressing industry. The initial efforts of this office in the area of licence and permits, etc., cover only some selected agencies and not in any great depth. Enclosed at Appendix IV is a list of the agencies

monitored and an indication of some of the licences and permits issued. Reports in future years will seek to cover this area more comprehensively and in greater depth.

STAFFING OF THE OFFICE

The Office of the Contractor-General is staffed by a small but dedicated band of Jamaicans. I was warmly received in June on assuming duty and have found my colleagues to be supportive and most serious and conscientious in the discharge of their responsibilities. I thank them for their loyalty and support.

During the year under review the operational staff came up to full strength for a few months. In the first half of the year all the posts of Inspectors and Assistant Inspectors were filled. However, in October one (1) Inspector resigned his post to further his studies and the Director of Investigations, Mr John Lawrence, decided not to seek a renewal of his contract. So at year end there were again gaps in the critically important operational area with efforts being made to find replacements. The staff situation for 1991 is set out in Appendix V.

STATEMENT OF ACCOUNT FOR FINANCIAL YEAR 1990-1991

On the following pages are the audited Appropriation Accounts and related information for the Financial Year 1990/91. The audit was done by the Auditor General in accordance with the requirement of Section 27(1) of the Contractor-General Act. It will be observed that as in all previous years the accounts of the office are fully up to date, are in good order and that expenditure was well within the amount budgeted.

APPROPRIATION ACCOUNTOFFICE OF THE CONTRACTOR-GENERAL

Account of the sums expended as compared with the sums approved for the service of the OFFICE OF THE CONTRACTOR-GENERAL in the year ended 31st March, 1991

SERVICE	Total Approved Estimate	Expenditure		Expenditure compared with Estimate			
				More than Estimate		Less than Estimate	
	\$	\$	¢	\$	¢	\$	¢
HEAD NO. 4 - OFFICE OF THE CONTRACTOR-GENERAL							
01 - Personal Emoluments Original Estimates 1,070,300 1st Supplementary 176,000	1,246,300	1,146,168	81	-	-	100,131	19
02 - Travel and Subsistence	220,000	192,945	89	-	-	27,054	11
03 - Supplies and Materials	50,000	69,759	50	19,759	50	-	-
04 - Rental of Property	540,000	546,133	31	6,133	31	-	-
06 - Public Utilities	130,000	112,410	29	-	-	17,589	71
07 - Other Operating and Maintenance Services	175,000	212,794	94	37,794	94	-	-
11 - Retiring Benefits	279,000	59,725	52	-	-	219,274	48
14 - Equipment	6,000	42,242	88	36,242	88	-	-
TOTAL - HEAD NO. 4	2,646,300	2,382,181	14	99,930	63	364,049	49
Surplus to be surrendered to Consolidated Fund	-	264,118	86	-	-	-	-

(sgd) Gordon Wells
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Contractor-General
21st June, 1991

APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR-GENERALEXPLANATION OF THE CAUSES OF VARIATION BETWEEN APPROVED ESTIMATES AND EXPENDITURE01 - Personal Emoluments

The under-expenditure resulted from vacancies on the establishment. This was due to the fact that the initial provision to fill vacancies was utilised to meet increases approved under the ARP. Funds for this purpose were only provided in the First Supplementary Estimates 1990/91 passed in late March, 1991.

02 - Travel and Subsistence

The under-expenditure was due mainly to vacancies and also that some designated travelling officers were in receipt of a reduced allowance in lieu of a Motor Car Upkeep Allowance.

03 - Supplies and Materials

The excess expenditure was due to the ever-increasing cost of supplies and materials. Virement was approved to cover this excess from Object Account - 11 by the F.S. - vide her unnumbered memo. dated 13th May, 1991.

04 - Rental of Property

This excess expenditure was a direct result of the reduction in the amount originally requested in the Estimate Proposals 1990/91. Virement to cover the excess was approved from Object Account - 11 by the F.S. - vide her unnumbered memo dated 13th May, 1991.

06 - Public Utilities

The under-expenditure was a direct result of efforts made in the conservation of energy.

07 - Other Operating and Maintenance Services

The excess expenditure resulted from the reduction of the Estimate Proposals 1990/91 under this Object Account to meet :-

- (i) increased fees to the Legal Consultant in accordance with the provisions of the Contract Service Agreement dated 20th July, 1987; and
- (ii) the cost of erecting further partitioning to provide more suitable office accommodation.

Virement approved from Object Account - 11 to cover this excess by the F.S. - vide her unnumbered memo. dated 13th May, 1991.

APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR-GENERALEXPLANATION OF THE CAUSES OF VARIATION BETWEEN APPROVED ESTIMATES AND EXPENDITURE11 - Retiring Benefits

The under-expenditure was due to :-

- (i) payment of the pension and gratuity to the former Contractor-General being met from the Pensions Head of Estimates instead; and
- (ii) payment of contract gratuity to two (2) other officers was deferred.

Virement was approved for this under-expenditure to be utilised to offset the excesses on Object Accounts - 03, 04, 07 and 14 by the F.S. - vide her unnumbered memo. dated 13th May, 1991.

14 - Equipment

The excess expenditure was due to the fact that additional items of furniture, not previously provided for, were acquired consequent on the filling of two (2) vacancies. Virement approved from Object Account - 11 to cover this excess by the F.S. - vide her unnumbered memo. dated 13th May, 1991.

(sgd) Gordon Wells

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Contractor-General
21st June, 1991

I have examined the above Account for the year ended 31st March, 1991 in accordance with the Financial Administration and Audit Act. I have obtained all the information and explanations that I required. In my opinion, proper books of accounts were kept, and I certify, as a result of my audit, that the attached Account is a fair representation of the financial transactions for the year.

(sgd) A.P. Strachan

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Reconstruction of Boundbrook Wharf Port Antonio	A	A	A	A	A	A	-
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FACTORY CORPORATION - Paving Works, May Pen Small Industries Complex	A	A	A	A	A	IA	At time of reporting there was no evidence that the necessary securities were in place.
AIRPORT AUTHORITY - Expansion of Terminal Building, Sangster International Airport Montego Bay	A	A	A	A	A	A	-
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Lovers Leap Fencing and Renovation of Lighthouse Southfield St. Elizabeth	A	N/A	N/A	N/A	N/A	IA	Same as above.
Roaring River Attractions Petersfield Westmoreland	A	N/A	N/A	N/A	N/A	IA	This report covers <u>4</u> contracts, 3 were negotiated while the smallest was done through Selective Tendering. The 3 negotiated contracts breached several Ministry of Finance guidelines.
MINISTRY OF HEALTH -							
Construction of Central Public Health Lab 21 Slipe Pen Road Kingston	A	A	A	A	A	A	Selective Tendering was first used on this project but it was later negotiated. The contractor initially awarded the contract backed out due to volatile nature of the site.
Construction of Type V Clinic 5 Payne Street Montego Bay	A	IA	A	A	A	A	Original successful contractor withdrew because of significant errors in his tender documents. Site and electrical works omitted from client's tender documents. Negotiation with second tenderer broke down and litigation ensued. Contract then re-tendered
MINISTRY OF CONSTRUCTION(HOUSING)-							
Construction of 100 2-bedroom units East Prospect St. Thomas	A	N/A	N/A	N/A	N/A	A	Project negotiated between the Developers and Ministry of Construction (Housing).
Road Network Greater Portmore	A	A	N/A	N/A	N/A	A	Negotiated contract between West Indies Home Contractors Ltd. (WIHCON Ltd.) and Government of Jamaica (GOJ).
Drains Greater Portmore	A	A	N/A	N/A	N/A	A	Contract negotiated between the Developers, WIHCON Ltd. and GOJ.
Sewer Ponds Greater Portmore	A	A	N/A	N/A	N/A	A	Contract negotiated between the Developers, WIHCON Ltd. and GOJ.
Pump Stations and Collector Trunks Greater Portmore	A	A	N/A	N/A	N/A	A	Contract negotiated between the Developers, WIHCON Ltd. and GOJ.

APPENDIX I

PRE-CONTRACT ACTIVITIES - ANNUAL REPORT

KEY: A = Adequate 3.
 IA = Inadequate
 N/A = Not Applicable

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
(CONT'D)							
MINISTRY OF CONSTRUCTION (HOUSING) -							
Infrastructure Works	A	A	A	A	A	A	A subject of Selective Tendering done through Estate Development Co. Ltd. (EDCO).
Mineral Heights May Pen	A	N/A	N/A	N/A	N/A	A	Contract was negotiated. An analysis of the pre-contract services has to remain until response to questionnaire sent to the Permanent Secretary, Ministry of Construction (Housing) is received.
MINISTRY OF PUBLIC UTILITIES & TRANSPORT -							
Improvements to Sangster International Airport Montego Bay	A	A	A	A	A	A	-
MINISTRY OF YOUTH /ESTATE DEVELOPMENT COMPANY LTD. -							
Port Maria Vocational Trade Training Centre Port Maria	A	N/A	N/A	N/A	N/A	IA	Contract was negotiated. Negotiation process and contract document were adequate. No evidence of securities was provided.
Black River Vocational Trade Training Centre Black River	A	N/A	N/A	N/A	N/A	IA	Same as above.
Petersfield Vocational Trade Training Centre Petersfield Westmoreland	A	N/A	N/A	N/A	N/A	IA	Same as above.
NATIONAL WATER COMMISSION -							
European Economic Community Rural Water Supply Programme	A	A	A	A	A	A	-
Distribution Mains Deeside to Dromilly Trelawny	A	A	A	IA	A	A	Only one (1) contractor returned tender.

APPENDIX I

PRE-CONTRACT ACTIVITIES - ANNUAL REPORT

KEY: A = Adequate
 IA = Inadequate
 N/A = Not Applicable

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
(CONT'D)							
NATIONAL WATER COMMISSION -							
Pembroke Hall Water Supply Construction Contract	A	IA	A	A	A	A	A part of the original contract was omitted by the consultants.
Pembroke Hall St. Mary							
Greater Portmore Housing Scheme Water Supply - Contract #1	A	A	IA	A	A	IA	No tender bond was stipulated for this contract. Post-contract activities have commenced. More tenderers could have been invited on this project.
2 Million Gallons Reservoir							
Ocho Rios/St. Ann's Bay Water Supply Programme -							
Laying Pipeline, Roaring River to Treatment Plant	A	A	A	A	A	A	-
Laying Pipeline, Mansfield to White River	A	A	A	A	A	A	-
Civil Works and Drainage Ocho Rios	A	A	A	A	A	A	-
2 Million Gallons Clearwell Storage Tank Ocho Rios	IA	A	A	A	A	A	Early geo-tech investigation failed to show-up cavity in the soil which was later shown-up in the excavation works and resulted in delays and change in site. Changes in the design of roof slab also proved to be necessary.
OFFICE OF THE PRIME MINISTER -							
Prime Minister's Office and Cabinet Suite - Phase I	A	IA	N/A	N/A	N/A	A	This is a negotiated contract. Initial documentation of consultants contained errors and omissions.
1 Devon Road Kingston 10							
MINISTRY OF EDUCATION -							
Government of Jamaica /World Bank IV Education Project -	A	A	A	A	A	A	
Construction of Morant Bay Secondary School Morant Bay							

PRE-CONTRACT ACTIVITIES - ANNUAL REPORT

KEY: A = Adequate
 IA = Inadequate
 N/A = Not Applicable

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
(CONT'D)							
MINISTRY OF EDUCATION - Government of Jamaica /World Bank IV Education Project - Extension and Refurbishing to Bath All-Age School Bath, St. Thomas	A	A	A	A	A	A	
Extension to Port Morant All-Age School Port Morant	-	A	A	A	A	A	There was misrepresentation of facts on prequalification questionnaire of one (1) contractor relating to past projects undertaken.
Repairs to Norman Gardens All-Age School Norman Gardens Kingston	-	N/A	N/A	N/A	-	IA	The selection of the contractor was on recommendation of the Member of Parliament for the area. No securities provided and contract based on schedule of rates.
Repairs to Seaforth All-Age School Seaforth, St. Thomas	-	N/A	N/A	N/A	-	IA	As above.
Repairs to Golden Grove All-Age School Golden Grove, St. Thomas	-	N/A	N/A	N/A	-	IA	As above.
NATIONAL IRRIGATION COMMISSION LTD. - Replacement of Woodstave Pipeline Freetown to Bodles St. Catherine	A	A	A	A	A	A	
MINISTRY OF AGRICULTURE - Improvements to Land Development & Utilization Commission Office 1 Surbiton Road Kingston 10	A	IA	IA	IA	IA	IA	Informal procedure used where selected contractors asked to quote on the works.
Extension to the Pimento Warehouse Marcus Garvey Drive	A	A	IA	IA	IA	IA	Inadequacies included inviting unregistered contractors to tender, and scope of work not properly identified.

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
(CONT'D)							
MINISTRY OF AGRICULTURE -							
Renovations and Alterations at the Offices of RADA Hope Road, Kingston	A	A	IA	A	A	IA	Tenders were received but no award made; project suspended by client.
Extension to Offices at Lands Department 20 North Street Kingston	A	A	A	A	A	A	Inter-American Development Bank/Government of Jamaica, funded project which required IDB's approval of documents and procedures.
Construction of New Titles Office Charles Street Kingston	A	A	A	A	A	N/A	The paper work on this project was completed from mid 1990, but project stalled by local and foreign bureaucrats.
Refurbishing Survey Department Hanover Street Kingston	A	A	A	A	A	A	Same problems as above.
Coffee Project Finishing Works Tarentum, Clarendon	A	A	A	IA	A	N/A	Only two (2) contractors submitted tenders, and full tender evaluation report was still not available at year end.
Central Finishing Plant - Phase II Marcus Garvey Drive	A	A	A	IA	A	A	Only one (1) contractor prequalified. Japanese Aid Agency approval of documents and procedures are required.
JAMAICA PUBLIC SERVICE CO. LTD. -							
Hunts Bay Power Station Water Storage Tank, Kingston	IA	IA	IA	A	A	IA	Selective Tendering rules were not observed in this case.
Construction of Substation at the Spanish Town Freezone	A	A	A	A	A	A	At year end this project was on hold.
Renovations to JPS Offices, Port Antonio	A	A	A	IA	IA	A	There was poor tender response and this project is now on hold.
Construction of Substation at West Kings House Road Kingston	A	A	A	IA	A	IA	Poor tender response on this project and securities not seen.

PRE-CONTRACT ACTIVITIES - ANNUAL REPORT

NAME OF PROJECT AND BODY/LOCATION	DESIGN	TENDERING				SECURITIES	REMARKS
		DOCUMENTS	INSTRUCTIONS	RETURNS	OPENING		
(CONT'D) JAMAICA PUBLIC SERVICE CO. LTD. -							
To Extend and Renovate JPS Offices in Negril	A	IA	A	A	A	IA	There were errors in the documents sent to tenderers by JPS Co. and some securities were not in place.
Extension to JPS Offices, 17 Burke Road Spanish Town	A	A	A	A	A	IA	The rules relating to security were not strictly observed.

1.

APPENDIX IIPOST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Airports Authority Improvements to Sangster International Airport	Yes	\$4,900,000 Nov. 1990 - Feb. 1991	6 mths	-	-	Good	Good	Good	Negotiated	-	Project completed.
Ministry of Construction (Housing) Housing Project, Norwood, St. James (Sugar Industry Housing)	Yes	\$25,770,000 July, 1988 - Nov. 1989	17 mths	49.2	200	Good	Good	Good	Negotiated	-	This project was linked to one in St. Thomas and they go back to 1984. They are both now completed with a tremendous overrun.
Road Network Greater Portmore, St. Catherine	Yes	\$37,500,000 Jan. 1991 - March, 1995	-	-	-	Good	Good	Good	Negotiated	-	These four projects relate to the 10,000 houses being built in Portmore. Work is proceeding satisfactorily.
Drains, Greater Portmore, St. Catherine	Yes	\$82,200,000 Jan. 1991 - March, 1995	-	-	-	Good	Good	Good	Negotiated	-	
Sewer Ponds, Greater Portmore, St. Catherine	Yes	\$46,800,000 Jan. 1991 - March, 1995	-	-	-	Good	Good	Good	Negotiated	-	

2.

APPENDIX IIPOST-CONTRACT ACTIVITY - ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Ministry of Construction (Housing) Contd.											
Pump Stations, Greater Portmore, St. Catherine	Yes	\$40,100,000	-	-	-	Good	Good	Good	Negotiated		
Mineral Heights Phase II Housing Scheme, May Pen, Clarendon	Yes	\$19,300,000 Jan. 1991 - Sept. 1991	8 mths projected	-	-	Good	Good	Good	Selective Tendering	-	Apart from time over-run project proceeding satisfactorily.
Ministry of Tourism (Jamaica Attractions Development Co. JADCO)											
Lovers' Leap Recreational Building, Southfield, St. Elizabeth	No	\$630,000 Nov. 1, 1991 - Jan. 31, 1992		-	-	Fair	Fair	Fair	Negotiated	-	-
Lovers' Leap Fencing & Repairs to Lighthouse Southfield, St. Elizabeth	No	\$66,000 Sept. 1991 - Nov. 1991		.006	9	Fair	Fair	Fair	Negotiated	-	Cost overrun is due to a variation, and no agreement signed.

3.

APPENDIX II

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
National Water Commission											
Pipeline installation from Bull Point to Upper Buckfield	Yes	\$3,238,631 Jan. 1990 - June 1990	21 mths	2.1 (To date)	66	Fair	Good	Good	Selective Tendering	-	The contractor's performance was adversely affected by major stumbling blocks, most of which were not his fault.
Pipeline from Roaring River to Treatment Plant	Yes	\$1,086,225 Feb.2, 1989 - Scheduled for completion in Phase II of programme	-	-	-	Good	Good	Good	Selective Tendering	-	The contract was terminated after 52% of the works were completed, as differences between the J.P.S.Co. Ltd and P.C.J.to use the Roaring River as a supply source were not resolved.
Installation of 2 million gallon Clearwell storage tank in Ocho Rios	Yes	\$4,562,680 Jan. 1990 - June 1990	20 mths	1.8 (To date)	40	Poor	Poor	Fair	Selective Tendering	-	There was inadequate planning on this project and indifferent performance by the contractor.

4.

APPENDIX II

POST-CONTRACT ACTIVITY -ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
National Water Commission Ocho/Rios/St. Ann's Bay Water Supply Project Laying Pipeline from Mansfield to White River, St. Ann	Yes	\$1,747,443 Feb. 14, 1989	28 mths	.31	18	Fair	Fair	Good	Selective Tendering & Negotiated	-	The first contractor failed to perform and a second contract was negotiated and completed in October 1991 at a cost over-run projected at \$314,000.
Infrastructure Construction Civil Works/ Drainage	Yes	\$1,657,344 Oct 2, 1989 - Nov 27, 1989	27 mths	.36	22	Poor	Fair	Good	Selective Tendering	-	The delays experienced on this contract seem to be as a result of poor planning. A contract designed to last two months lasted over two years due to variations and new works.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
National Water Commission Water Supply Construction Contract, Pembroke Hall, St. Mary	Yes	\$1,606,969 May 22, 1990 - Nov. 21, 1990		.67	41.7	Poor	Fair	Fair	Selective Tendering	-	The system scheduled to be tested and commissioned into service by end of February 1992.
Deeside to Dromilly, Trelawny Distribution mains	Yes	\$1,677,066 Feb. 11, 1991 - July 11, 1991	1 mth	.36	21.8	Fair	Good	Good	Selective Tendering	-	The work was of a high standard.
Urban Development Corporation Downtown Redevelopment Harbour Street Sewage Project, Kingston	Yes	\$23,500,000 May, 1991 - June, 1992		-		Fair	Fair	Fair	Selective Tendering	-	This is the replacement of a previous contract which was terminated for non-performance. Present contractor performing fairly well.
Ministry of Health Central Public Health Laboratory, 21 Slape Pen Road, Kingston	Yes	\$17,200,000 July, 1987 - Aug., 1989	29 mths	16.8	100	Good	Fair	Good	Negotiated	-	Implementation plagued with problems. Harassment and intimidation of the work force, payment delays, theft and Hurricane Gilbert.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Ministry of Health Type V Clinic 5 Payne Street, Montego Bay	Yes	\$8,860,000 Nov. 1990 - March, 1992	3 mths (est.)	-	-	Good	Fair	Good	Selective Tendering	-	This project was plagued with problems from 1987, but now is scheduled for comple- tion in July 1992.
Construction of Type IV Health Clinic, Morant Bay	Yes	\$2,455,969 Aug. 9, 1990 - March 7, 1991	8 mths	.70	28	Poor	Fair	Fair	Selective Tendering	\$97,650	Contractor's perfor- mance was not satisfactory as the work proceeded too slowly with diligence lacking.
Construction of Type IV Health Clinic, St. Ann's Bay	Yes	\$2,584,457 Aug. 7, 1990 - Feb. 7, 1991	15 wks	.34	13	Fair	Good	Good	Selective Tendering	-	Apart from time and cost overruns this contract proceeded fairly satisfactorily.
Port Authority Construction of Bus Parking Terminal, Freezone, Kingston		\$1,615,425 July, 1991 - Jan. 1992		-		Poor	Poor	Fair	Selective Tendering	-	\$900,000 paid to con- tractor before start of contract which at end of 1991 was only about 70% complete.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Port Authority Reconstruction of Boundbrook Wharf, Port Antonio	Yes	\$9,248,905 June 17, 1991 - Jan. 17, 1992				Poor	Good	Good	Selective Tendering	-	Construction started nearly a year late owing to delay in supply of steel sheet piling from overseas.
Construction of cruise ship terminal building Montego Bay	Yes	\$15,896,165 July, 1989 - July, 1990	14 mths	2.1	13	Poor	Fair	Fair	Selective Tendering	-	Contract awarded to 'B' grade contractor with limit of \$3 m.
Dredging Montego Bay Wharf Freeport, Montego Bay	N/A	\$2,971,000(US) Nov. 1990 - April, 1991	6 mths	N/A	N/A	Fair	Fair	Good	Negotiated	-	Enquiries are being made as to why the contract was made in \$US.
Airports Authority Expansion of Sangster International Airport, Montego Bay	Yes	\$80,892,234 Aug. 30, 1991 - Dec. 31, 1992		-		Good	Fair	Good	Selective Tendering	-	Project ongoing and reasonable progress being made.
Ministry of Production Paving Works May Pen Small Industries Complex. Factory Corporation	No	\$128,680 Oct. 9, 1991 - Nov. 22, 1991	2 mths	.25	93	Fair	Fair	Fair	Negotiated	-	Mobilization at 39% of contract figure was excessive.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Jamaica Public Service Co.Ltd.											
Foundation Rehabilitation - Old Harbour to Parnassus, Clarendon	Yes	\$2,585,087 Feb. 15, 1988 - Jan. 15, 1989	2½ yrs	1.84	71	Poor	Poor	Fair	Negotiated	\$72,400	Waiver of 40% of liquidated damages recommended. Project completed.
Duhaney Transmission Line foundations Mandela Highway to Gregory Park, St. Catherine	Yes	\$1,863,658 May 1, 1990 - July 6, 1990	7 mths	1.09	58	Fair	Fair	Good	Selective tendering	\$94,000	Work was not managed effectively by J.P.S.Co. Management Team and Consultants. Project completed.
Renovation and extension to J.P.S.Co Negril Office, Westmoreland	Yes/No	\$296,899 May 27, 1991 - Aug. 31, 1991	2 mths	.21	70	Poor	Fair	Fair	Selective Tendering	-	This project merits the application of the liquidated damages clause. Project completed.
St. Catherine Dist Office Extension 17 Burke Road, Spanish Town, St. Catherine	Yes/No	\$2,600,000 July 15, 1991 - Feb. 15, 1992		.86 (to date)	33	Fair	Good	Good	Selective Tendering	-	Project in progress.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Hunts Bay Power Station Water Storage Tank Hunts Bay, Newport East, Kingston	No	\$382,540 Aug. 19, 1991 Dec. 16, 1991		.018	4.8	Good	Good	Good	Selective Tendering	-	Project completed before scheduled date.
Construction of Substation West King's House Road, Kingston	Yes	\$1,045,201 Nov. 18, 1991 Feb. 28, 1992		-		Fair	Fair	Fair	Selective Tendering		Project in progress
World Bank Fourth Education Programme Ministry of Education (Executing Agency)											
Extension & Refurbishing Port Morant All-Age School, St. Thomas	Yes	\$2,248,375 Nov. 18, 1991 Aug. 18, 1992	-	-	-	Good	Poor	Fair	Selective Tendering		The contractor has not so far performed satisfactorily and he has been so advised.

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Extension & Refurbishing Bath All-Age School, St.Thomas	Yes	\$5,598,488 Aug. 13, 1990 - July 17, 1991	2 mths	.73	13	Good	Good	Good	Selective Tendering		There was a time overrun of two months but the project seemed to have been well managed and satisfactorily completed.
Ministry of Education Hurricane Rehabilitation Programme											
Repairs Norman Gardens All-Age School, Kingston	-	\$200,000 Aug. 9, 1991 - Nov.22, 1991	-	.050	25	Fair	Fair	Good	Negotiated	-	Contract was completed within the specified time to the satisfaction of the Ministry.
Repairs, Golden Grove Primary School, St. Thomas	-	\$160,000 Sept.5, 1991 - (N/A)	-	-	.19	Fair	Fair	Good	- do -	-	- do -
Seaforth Primary School, St.Thomas	-	\$180,000 Aug.12, 1991 - Nov. 26, 1991	-	-	.19	Fair	Good	Good	- do -	-	- do -

POST-CONTRACT ACTIVITY- ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Ministry of Agriculture Extension to Land Development & Utilization Commission Office, Kingston	No	\$128,368 Aug. 1, 1991 - Sept. 30, 1991		-		Poor	Poor	Poor	Negotiated	-	Contractor's site management was poor. Works still in progress at end of 1991.
Addition to Pimento Warehouse, Marcus Garvey Drive, Kingston	Yes	\$790,563 June 28, 1991 - Oct. 1991	2 mths	.24	31	Poor	Poor	Fair	Negotiated	-	Coordination by the contractor was poor.
Extension to Lands Department Office, North Street, Kingston	Yes	\$3,580,000 May 6, 1991 - May 8, 1992		-		Good	Good	Poor	Selective Tendering	-	Progress is slow and at December 31st, 1991, cost overrun estimated at over 100%.
Office of the Prime Minister Office construction	-	\$8,206,527 April 8, 1991 - Dec. 8, 1991	-	-	-	Poor	Fair	Good	Negotiated	-	Planning and negotiations lacked diligence on this project.

12.

APPENDIX IIPOST-CONTRACT ACTIVITY - ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Ministry of Youth Petersfield Vocational Trade Training Centre, Westmoreland	No	\$1,054,761 Jan, 1991 - April, 1991	2 mths	N/A	-	Good	Fair	Good	Negotiated	-	Financial statements are not yet available
Port Maria Vocational Trade Training Centre, Port Maria, St. Mary	No	\$1,504,976	1 mth	N/A	-	Good	Fair	Fair	Negotiated	-	Financial statements are not yet available.
Black River Vocational Trade Training Centre - Black River, St. Elizabeth	No	\$982,901 Dec. 10, 1990 - July 8, 1991	2 mths	N/A	-	Good	Poor	Fair	Negotiated		Contractor was nomina- ted by M.P. and proved incapable of dealing with contract of this magnitude without constant supervision by EDCO.

1.

APPENDIX III

OFFICE OF THE CONTRACTOR GENERAL
SELECTED CONSTRUCTION PROBLEM CASES

1	2	3	4			5
A. PUBLIC BODY & B. PROJECT DESCRIPTION	A. CONTRACTOR & B. CONSULTANTS	A. CONTRACT SUM & B. DATES	OVERRUNS			REMARKS
			Time (Months)	Cost	%	
1. A. Ministry of Public Utilities a. Airport B. Construction of Cruise Ship Terminal - MoBay	A. Lawson Construction Company B. (i) Michael Carter & Associates (ii) HPS Joint Consultant Eng. (iii) A De B Electrical Engineers (iv) Davidson & Hanna	A. \$15.9M B. July 1989 - July 1990 (O) September 1991 (F)	14	\$2.1M	13.29	Eight (8) months from return of tenders to award; unexplained 240-day extension of validity period; no original provision made for nine (9) shops and air-conditioned lounge; contractor classified as "B" grade with \$3M limit yet awarded a \$15M contract; poor planning and management throughout.
2. A. Ministry of Health B. Construction of Proto-type V health Facilities - MoBay	A. Garan-Tee Construction Ltd B. Michael Carter & Associates					After all tender documents were examined by the Ministry of Health, the Urban Development Corporation and the Contractor, the distressing fact is that the documents contained <u>no provision</u> for site works/demolition or electrical works/installation valued at \$1.4M or 19.2% of Q.S. estimate. Validity period extended by 120 days but negotiations between Client and Contractor broke down with the latter taking legal action.

KEY: O - Original Dates
F - Final Dates

2.

OFFICE OF THE CONTRACTOR GENERAL
SELECTED CONSTRUCTION PROBLEM CASES

APPENDIX III

1 A. PUBLIC BODY & B. PROJECT DESCRIPTION	2 A. CONTRACTOR & B. CONSULTANTS	3 A. CONTRACT SUM & B. DATES	4 OVERRUNS			5 R E M A R K S
			Time (Months)	Cost	%	
Construction of Proto-type V Health Facilities, Mo.Bay (Contd.)	<u>2nd Contract:</u> A. Richards & Richards B. Michael Carter & Associates and Davidson & Hanna	A. \$8.86M B. November 1990 March 1992 (O)				Contract retendered. The Ministry of Health objected to award to Richards & Richards, lowest tenderer, because of alleged poor track record, then by-passed second lowest tenderer and recommended Cooper & Associates Limited, the third lowest. The Consultants defended and Government Contracts Committee accepted Richards & Richards' bid. With some delay, project scheduled for completion July 1992.
3. A. Ministry of Construction (Housing) B. To construct 300 2-bedroom units at Norwood - MoBay	A. Y.P. Seaton & Associates Limited B. Sugar Industry Housing Limited	A. \$25.77M B. July 1988 - November 1989 (O) September 1991 (F)	23	\$49.22M	200	Previous contract with Contractor for 100 units in East Prospect, St Thomas, completed but with Ministry of Construction (Housing) in breach. this contract a compromise; no geo-technical survey done; very extensive excavation because of rocky foundation; variations total \$23.26M; houses escalate from \$88,923.00 to \$249,972.00 (\$161,049 increase), but still not occupied because there is no proper water supply.

KEY: O - Original Dates
F - Final Dates

3.

OFFICE OF THE CONTRACTOR GENERAL
SELECTED CONSTRUCTION PROBLEM CASES

APPENDIX III

1		2		3		4			5	
A. PUBLIC BODY & B. PROJECT DESCRIPTION		A. CONTRACTOR & B. CONSULTANTS		A. CONTRACT SUM & B. DATES		OVERRUNS			REMARKS	
						Time (Months)	Cost	%		
4.	A. Urban Development Corporation B. Construction of Freezone Complex, Spanish town	A. L.C. McKenzie Construction Company Limited B. Beckford & Dickson Limited	A. \$9.85M B. 7/3/88-6/9/88 (O) 30/4/89 (F)		\$.68 M		The Consultants, through negotiations had the Contractor reducing original figure to \$9.85M including reduction on site clearance from \$230,000 to \$120,000 (\$115,000 or 48.9%); on boundary wall from \$90.00 to \$50.00 per cubic yard. Despite extensive variations, strikes, flooding, Hurricane Gilbert, shortage of materials, poor management, poor financial control, ineffective workmanship and a 16-month overrun, at 95% completion \$677,351 (6.9%) was still unspent. How realistic was the contract figure? Said to be urgently needed, the complex is still not completed and has never been utilized, but watchmen are on site.			
5.	A. Ministry of Education B. To build, renovate and extend 54 schools	A. Several Contractors B. APEC	A. \$222M 1984-1988 (O) May 1991 (F)		\$66M	29.7	Several contractors were engaged on a programme which suffered from various changes and budget constraints, among other problems and saw the total number of schools reduced from 54 to 30. Inter-American Development Bank funding now at an end.			

KEY: O - Original Dates
F - Final Dates

OFFICE OF THE CONTRACTOR GENERAL
SELECTED CONSTRUCTION PROBLEM CASES

APPENDIX III

1 A. PUBLIC BODY & B. PROJECT DESCRIPTION	2 A. CONTRACTOR & B. CONSULTANTS	3 A. CONTRACT SUM & B. DATES	4 OVERRUNS			5 REMARKS
			Time (Months)	Cost	%	
6. A. Ministry of Agriculture B. To expand Pimento Warehouse facilities at Marcus Garvey Dr. Kingston	A. Godfrey Blake Construction Company Limited B. Ministry of Agriculture	A. \$.79M B. June 1991 - October 1991 (O) December 1991 (F)	2	\$.32 M	41.0	The Ministry of Agriculture designed and managed this project which occasioned two meetings of the Government contracts Committee which observed that scope of work not adequately identified and described; no detailed analysis of bill totals (e.g., unit rates and prices), no indication how errors in tenders were corrected; some contractors on list including the recommended one, not on public sector list. The name of contractor and his bid were not stated in Ministry of Agriculture's presentation; also no mobilization guarantee seen; one year elapsed between presentation of budget and award of contract. Government Contracts Committee suggested that Ministry of Agriculture seek the assistance of Ministry of Construction (Works) in executing the project. Both management and performance were poor.
7. A. Ministry of Mining & Energy B. Supply and delivery to J.P.S. of pipes for site between Mandella Highway and Gregory Park	A. Cornwall Agencies Limited B. Smada Consultants Limited	A. \$1.86M B. 1/5/90-6/7/90 (O) 15/2/91 (F)	8	\$1.1M	58.8	Project suffered from changes in design and scope of work; theft, vandalism, poor management and coordination by Client and Contractor resulting in a 8-month extension and imposition of liquidated damages of \$94,000 on Contractor.

KEY: O - Original Dates
F - Final Dates

OFFICE OF THE CONTRACTOR GENERAL
SELECTED CONSTRUCTION PROBLEM CASES

APPENDIX III

1 A. PUBLIC BODY & B. PROJECT DESCRIPTION	2 A. CONTRACTOR & B. CONSULTANTS	3 A. CONTRACT SUM & B. DATES	4 OVERRUNS			5 REMARKS
			Time (Months)	Cost	Z	
8. A. National Water Commission B. To construct 2-Million Gallon Clearwell Tank - Ocho Rios	A. Courage Construction Company	A. \$4.56M B. January-June 1990 (O) February 1992 (F)	20	\$1.83M	40	Subject to two (2) tenderings; on each occasion "approved lists" were submitted by the Ministries of Local Government and Public Utilities & Transport. Post tensioned strands were subsequently omitted from second tender; tank location changed because no geo-technical survey was conducted; labour problems, lack of materials, change in scope of works and inability of Contractor to finance project also affected implementation.
9. A. H.E.A.R.T. B. Irrigation Works Ebony Park, Clarendon	A. Laidmar Irrigation Company Limited	A. \$2.26M B. May 1988 - September 1988 (O) July 1989 (F)	10			This four-(4)-month project was completed in July 1989, except for the installation of equipment stolen some time ago but not replaced four (4) years later!! Last payment certificate showed cost at \$3,026,099 an increase of \$766,649 or 33.9%.
10. A. Ministry of Health B. Construction of 5-storey Laboratory & Diagnostic Centre Slipe Rd, Kgn.	A. E. Fong Yee Engineering Company Limited B. Lloyd Robinson & Associates and Davidson & Hanna	A. \$17.2M B. July 1987 - June 1989 (O) March 1992 (F)	33 (pro- jected)	\$16.8M	99	Funded by the European Economic Community, the original successful contractor by selective tendering, declined to accept because of the politically volatile nature of site. Negotiated with E. Fong Yee the quality of the work is satisfactory but progress suffered from theft of materials harrassment and intimidation of workforce; payment delays; Hurricane Gilbert and general elections (little work done) and closure of site; J.D.F. and Police provided security at one stage, and one fatality reported.

KEY: O - Original Dates
F - Final Dates

REVIEW OF SELECTED LICENCES, PERMITS, ETC.

Issuing Agency	Type of Licence/ Permit	Main criteria for issuing	No. of applications			Observations
			Rec'd.	Appd.	Suspended/ Revoked	
Pharmacy Council (Ministry of Health)	Pharmacist	Possession of Pharmacist Diploma from approved institution	16	16	-	Council of ten of which six nominated by the Pharmaceutical Society decides on applications based on reports by inspectors. No problems observed.*
	Pharmacy	Premises possess adequate storage and meets health and safety regulations	239	239	-	
	Authorised seller of poisons	Literate, sound character, possesses suitable facilities	68	68	-	
Betting, Gaming & Lotteries Commission (Ministry of Finance)	Racing Pool Outlets	Premises adequate and appropriate for purpose	230	230	-	No problems were observed but it seemed strange that there were no suspensions or revocations.
	Bookmaker's Betting Office	As above	616	616	-	
	Lotteries	Not known	2	2	-	To be pursued further
Civil Aviation Department	Student Pilot	Applicants had to successfully meet the required mental, physical, educational and training standards	16	16	-	No problems were observed
	Commercial Pilot		11	11	-	
	Private Pilot		17	17	-	
	Aircraft Maintenance Engineer		6	6	-	

2.

APPENDIX IIPOST-CONTRACT ACTIVITY - ANNUAL REPORT - DECEMBER 1991

1	2	3	4			5	6	7	8	9	10
NAME OF PROJECT AND BODY/LOCATION	MOBILIZATION AND SECURITIES	CONTRACT SUM AND SCHEDULED DATES	OVER-RUN			PLANNING COORDINATION AND MANAGEMENT	SITE SUPERVISION	QUALITY OF WORK	TYPE OF CONTRACT	LIQUIDATED DAMAGES	REMARKS
			Time	\$m	%						
Ministry of Construction (Housing) Contd.											
Pump Stations, Greater Portmore, St. Catherine	Yes	\$40,100,000	-	-	-	Good	Good	Good	Negotiated		
Mineral Heights Phase II Housing Scheme, May Pen, Clarendon	Yes	\$19,300,000 Jan. 1991 - Sept. 1991	8 mths projected	-	-	Good	Good	Good	Selective Tendering	-	Apart from time over-run project proceeding satisfactorily.
Ministry of Tourism (Jamaica Attractions Development Co. JADCO)											
Lovers' Leap Recreational Building, Southfield, St. Elizabeth	No	\$630,000 Nov. 1, 1991 - Jan. 31, 1992		-	-	Fair	Fair	Fair	Negotiated	-	-
Lovers' Leap Fencing & Repairs to Lighthouse Southfield, St. Elizabeth	No	\$66,000 Sept. 1991 - Nov. 1991		.006	9	Fair	Fair	Fair	Negotiated	-	Cost overrun is due to a variation, and no agreement signed.

Issuing Agency	Type of Licence/ Permit	Main criteria for issuing	No. of applications			Observations
			Rec'd.	Appd.	Suspended/ Revoked	
Ministry of Tourism	Hotel	Passing of inspection by Tourist Board and approval of local licensing committee.	5	5	-	No problems were observed
	Tourist Attraction		4	4	-	
	Gaming Machines		4	1	-	
Bureau of Standards (Ministry of Production, Mining & Commerce)	Certificate of Approval under Food Processing Act	Specified conditions have to be met before a Certificate of Approval is issued. These include compliance with Public Health and Labour Regulations.	340	332	-	No problems were noted but it was observed that one firm accounted for over 50% of the export certificates granted.
	Certificate of Export		984	982	-	

The non-identification of problems or improper practices may be due to the fact that only preliminary work was possible, and that only in the latter part of the year.

APPENDIX V
STAFF SITUATION FOR 1991

<u>COMPLEMENT</u>		<u>EMPLOYED</u>	<u>VACANT</u>	<u>REMARKS</u>
Contractor-General	1	1	-	Incumbent appointed w.e.f. 7/6/91.
Deputy Contractor-General /Legal Advisor	1	-	1	Part-time Legal Consultant employed.
Director of Investigations	1	1	-	On pre-retirement leave prior to termination of contract of appointment on 21/1/92.
Director of Monitoring	1	1	-	
Director of Administration	1	1	-	
Inspectors	6	6	-	One on leave prior to resignation with effect from 27/1/92.
Assistant Inspectors	6	6	-	One post became vacant in October.
Executive Secretary II	1	1	-	Formerly designated Senior Executive Secretary.
Public Relations Officer	1	-	1	
Executive Secretary I	3	2	1	
Accountant (FAAIV)	1	1	-	
Personnel Officer	1	-	1	
Office Manager	1	1	-	
Accountant (FAAII)	1	1	-	
Senior Secretary	1	-	1	
Accounting Clerk (FAAI)	1	1	-	
Secretaries	2	2	-	
Registrar	1	1	-	
Clerk (Registry)	1	1	-	
Telephone Operator /Receptionist	1	1	-	
Driver	1	1	-	
Office Attendant (Female)	1	1	-	
Messenger	1	1	-	
Watchmen	2	-	2	
Part-time Cleaners	2	-	2	
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	40	31	9	
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