

**THE**

**SEVENTH ANNUAL REPORT**

**OF**

**THE CONTRACTOR-GENERAL**

**JANUARY TO DECEMBER 1993**



OFFICE OF THE CONTRACTOR-GENERAL

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JAMAICA W.I.

ANY REPLY OR SUBSEQUENT REFERENCE  
TO THIS COMMUNICATION SHOULD BE AD-  
DRESSED TO THE CONTRACTOR-GENERAL  
AND THE FOLLOWING REFERENCE QUOTED:-

No. 10-2-01<sup>III</sup>

TELEPHONE No.

17th May, 19<sup>94</sup>

Hon. Carl Marshall  
Speaker of the House of Representatives  
Gordon House

Hon. Winston Jones  
President of the Senate  
Gordon House

Dear Sirs,

In accordance with the provisions of Section 28 of the Contractor-General Act I have the honour to forward 110 copies of the Seventh Annual Report of the Contractor-General for January to December 1993.

As you may recall, Section 28(3) calls for Reports to 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."

Yours sincerely,

Gordon Wells  
Contractor-General



## TABLE OF CONTENTS

	<b>PAGE</b>
1. INTRODUCTION	1
2. MONITORING & INVESTIGATION OF CONSTRUCTION CONTRACTS	3
3. MONITORING & INVESTIGATION OF NON-CONSTRUCTION CONTRACTS, LICENCES & PERMITS	13
4. WORK OF THE CONSULTATIVE COMMITTEE IN 1993	20
5. STAFFING OF THE OFFICE	21
6. APPROPRIATION ACCOUNT FOR THE FINANCIAL YEAR 1992/1993	23
7. APPENDICES	25
APPENDIX I	PRE-CONTRACT ACTIVITIES
APPENDIX II	POST-CONTRACT ACTIVITIES
APPENDIX III	STAFF SITUATION IN 1993
APPENDIX IV	LETTER OF 3rd MARCH, 1993, TO PORT AUTHORITY OF JAMAICA
APPENDIX V	ABBREVIATIONS



# SEVENTH ANNUAL REPORT OF THE CONTRACTOR-GENERAL

## CALENDAR YEAR 1993

### INTRODUCTION

In the Annual Report for 1992 three main areas of concern were identified. Firstly, there was the need for these Annual Reports to be examined by Parliament rather than merely laid on the table of both Houses for the press to publish those parts that seemed to be sufficiently lively. Secondly, was the need to establish a fair and open system for the disposal of publicly owned land. And finally there was the need to restructure the Government Contracts Committee.

It is good to be able to report that there was some movement in all three areas during 1993. I have been assured that this report and all future ones will be referred to a committee of Parliament for examination. As regards the disposal of government land, by the end of the year it had become clear that the Government was about to respond positively to the recommendations I made in a Special Report to Parliament in October 1992 on the disposal of publicly owned land. And finally the recommendation made more than once that the Government Contracts Committee should be strengthened, made more independent, given greater powers and provided with a small professional secretariat financed by the Committee's earnings seemed closer to reality at the end of the year. In November the cabinet appointed a Committee under the chairmanship of Cabinet Secretary, Dr Carlton Davis, to look at public sector contracting and in particular the operations of the Government Contracts Committee. While not formally appointed to the Committee the Deputy Contractor-General and I have been invited to work closely with it and by the end of the year considerable progress had been made.

In the light of the above developments and the fact that the involvement of the Contractor-General's Office is being sought more frequently before a matter might move in the wrong direction it would only be fair to now say that the statement made in the Introduction to the Sixth Annual Report that the Government's attitude towards the work of the office could be described as one of benign indifference is no longer true. Changes are in the air but there is still a long way to go especially in the area of construction contracts. In that chapter of the Report examples are given of projects which have been grossly mismanaged by agencies, consultants and contractors many of whom know better.

Unfortunately, it continues to be the practice in some agencies to invite tenders for the execution of projects only when there is external funding involved, as in all such cases the funding agency insists on selective or public tendering. The Ministry of Construction has been

and remains one of the worst offenders and there is at least one letter on our files in which instructions are given for a particular contractor to be engaged. And in the Ministry of Water & Transport at the request of an M.P. instructions are given to Carib Engineering Corporation to negotiate four contracts with specific contractors one of whom has the same uncommon surname as the M.P.! The names of none of these contractors appear on the approved list and the contracts all relate to one project. The project was made the subject of four contracts so as to avoid having to get the approval of the Government Contracts Committee. Carib Engineering Corporation seemed to have played an active facilitative role in the exercise.

The above directly contravenes the letter and the spirit of the Contractor-General Act and the principles of openness and fairness to which the Government is committed. Again we have to ask that steps be taken to ensure that except in genuine emergencies tenders be invited from qualified contractors for every project being undertaken by all ministries, departments and other agencies of the government. And in circumstances where it is necessary to negotiate a contract it is preferable that negotiations be conducted with two or three contractors to ensure that the Government gets the best deal possible.

In the course of monitoring the award of contracts there were a few cases where one had a feeling that one or more of the tenderers had got access to the estimates of cost prepared for the client by the consultant. This problem was examined both in-house and with the Consultative Committee and it is recommended that when tenders are invited on a contract an indication be given of the figures expected. If the consultant estimates that a job should cost \$50 million then in the tender documents it would be stated that tenders are expected to be in the vicinity of \$50 million or in a range of say \$47 - \$53 million. Apart from dealing with the problem outlined above, it would ensure that tenderers interested in quoting at a substantially different level would not seek to participate.

Another problem which showed up during 1993 was for a project manager employed to a Government agency to resign and join the staff of the contractor who had just been awarded the contract to undertake the project for which the project manager had been responsible. A solution is for all employment contracts with project managers to include a provision prohibiting the practice.

Our activities on licences, permits and non-construction contracts continued to expand and during 1993 agencies such as the Administrator General were the subject of preliminary enquiries. Our work so far still suggests that the problems in this area are not as serious as in construction although it may well be that they are easier to conceal not being measurable in physical terms.

During 1994 the focus will continue to be on the improvement of systems and institutions to facilitate those who want to get things done efficiently and properly and to discourage those who have other objectives in mind.

## MONITORING OF CONSTRUCTION CONTRACTS

The monitoring of construction contracts continued during 1993, but regrettably, there has been no significant improvement in the overall conduct or management of contracts, consequently substantial escalations in costs and extensions of time continue to be the norm. The deficiencies and weaknesses which contribute to this state of affairs show little sign of improvement either at the pre- or post-contract stage despite the continuing efforts of this office to highlight shortcomings and to identify specific cases in the Annual Reports.

There continues to be too often an air of complacency, and unconcern when it comes to the expenditure of public funds, an attitude which seems to pervade public construction projects at all levels and although the more glaring cases have been disclosed in the Annual Reports a significant impact is yet to be made on the public sector construction industry.

There is little doubt that were Parliament to positively pursue some of the most serious cases and hold individuals accountable a significant impact would be made on the problem bearing in mind that this office can do no more than bring the problems to attention. Parliament, with its immense power and influence if seen to be actively supporting our efforts would convey a strong message to the public sector construction industry and help considerably in the improvement of standards in the industry.

It needs to be reiterated that client ministries and agencies will have to demonstrate greater care and diligence in the conduct of projects. Too often there are variations and changes in the scope of work which could be avoided with greater care and proper detailed planning. In addition, the necessary provisions for financing projects must be in place before implementation commences, if not the smooth and timely execution of the project will be adversely affected and will in all probability lead to increased costs and extension of time.

The conduct of some consultants leaves a lot to be desired as too often there is complacency and a lack of interest and professionalism in their advice, planning, designing and supervision of the project entrusted to their direction. It also seems that some of the consultants do not possess the necessary experience resulting, for example, in faulty designs and tender documents being improperly and incompetently prepared and evaluated. These problems underline the need for an established and approved list of consultants who will provide professional, efficient and competent service.

It is in the interest of the professional organizations falling under the umbrella of the Joint Consultative Committee (JCC) to ensure that only competent and bona fide consultants are recognised. Unfortunately, the term 'consultant' has been so abused and loosely used that it is no longer a guarantee of professional training, experience or dedication to high standards.

From as long ago as the 1960s Government directed that an approved list of contractors properly categorised should be maintained by the Ministry of Construction (MOC). Although such a list exists, a number of ministries/agencies have subsequently developed their own lists which often bear no relation to the MOC list. A contractor categorised as "A" on one list may very well be rated at "C" on another.

It is therefore not surprising that the records indicate that time and again contractors are given projects beyond their capability often with disastrous consequences. This situation should not be allowed to continue and it is hoped that the planned reorganised Government Contracts Committee will be able to deal with this problems once and for all.

It is necessary to again underline the need for the proper training of project personnel as the poor management of projects continues to result in millions of dollars of taxpayers' money going down the drain while projects drag on and on. Only trained and competent personnel should be assigned to manage projects and there must also be greater insistence on accountability; if not, the waste of public funds will surely continue. Until a cadre of trained public sector project managers can be developed the government may save a considerable amount of money by engaging, at least for large projects, the services of private sector project management firms.

The practice has continued for some ministries/agencies to negotiate contracts in contravention of established procedures and the principles of fairness and equity. Contracts should be the subject of open or selective tendering and only in special cases, where there is genuine urgency or the works are of a highly specialised and technical nature, should they be negotiated. There is ample evidence that these principles are often ignored by some public bodies who prefer to choose the negotiation route, and this report includes specific cases where there was no evidence of urgency or scarce expertise to justify the negotiation approach. In many cases the result has been excessive costs and time overruns.

This section has outlined weaknesses and deficiencies and identified some of the root causes for these and also indicated some of the measures that should be adopted to effect improvements to the system. It must be emphasized that it is not the intention to give the impression that all projects are poorly managed, resulting in escalation in costs and overruns in time. Several projects are efficiently managed and executed demonstrating that with properly trained personnel and effective administration, projects can be completed on a timely basis, in a cost-effective manner and with a satisfactory or high standard of workmanship

Also the high level of inflation during the period affected all projects and was a major contributor to the escalation in costs on those projects which proceeded slowly and thus went beyond the agreed time limits. Information on some of the projects examined at the pre-contract and post-contract stages are at Appendices I and II.

Listed below are a number of cases which have been specially identified to emphasize the nature and seriousness of the problems which need to be addressed.

### **CASE I - Installation of Pipeline - Victoria Town, Manchester**

Under a joint GOJ/EEC project, managed by Carib Engineering Corporation a contract was awarded to Donald Lewis Construction Company to install 7,000 ft. of 6-inch pipeline and a chlorinating plant and pump at Victoria Town, Manchester, between November 1991 and June, 1992. The contractor's winning bid was \$1,859,585 or 19.8% below the Quantity Surveyor's estimate and could very well have been rejected as was done in the case of the lowest bid which was 34.3% below the Q.S.'s figure. A margin of 10-15% above or below the Q.S.'s estimate is the average range. Rejection of the lowest bid required referring the case to the EEC for acceptance of the second lowest tender. In addition, poor planning, coordination and timing plus a delay in arrival of the electro/mechanical equipment necessitated an extension of time and a revision of the rates. At 18 months after the completion date, the projected final cost is \$4.4M or 136.7% above the original figure.

### **CASE II - Infrastructure Works - Mineral Heights, Clarendon**

A contract for infrastructure works at Mineral Heights - Phase II - was awarded by the Ministry of Construction to Le Bros Associates by selective tendering in the sum of \$19.3M to be executed over nine (9) months as of January, 1991. Many problems ensued including, inadequate survey information, an inexperienced resident engineer, delay in submitting various designs, delay in payment of mobilization, variation orders and certificates, lack of competent artisans and scarcity of certain materials. Continuing conflict between the client and the contractor on the progress of the works led the former to terminate the contract in December, 1992, with 85% of the works completed.

A new contract has since been negotiated with Trevor Dunkley and Company Ltd, runner-up in the original bidding, in the sum of \$24M but at the end of December, 1993, the contract had not been signed because of a dispute over preliminaries of \$912,000. The present projection is that this 9-month project, begun in January, 1991, for \$19.3M, will end at some \$50M or about 158% above the original contract figure, over two (2) years later. Many efforts to resolve the issues have failed, and the real loser in all of this will be the public purse. This project was reported on in the 1991 and 1992 Annual Reports and no doubt will be included in the 1994 Report.

### CASE III - Elevators - Bank of Jamaica

In 1991 the Bank of Jamaica (BOJ) decided to upgrade and refurbish its duplex and triplex elevators and accordingly invited tenders from local firms. However, the tender documents were defective and the exercise was aborted. The BOJ then selected an internal team, engaged the services of A De B Consultants Ltd, and the group travelled to the U.S.A. where they contracted with Elevators Construction Company Inc. to : (1) supply the necessary materials and, (2) undertake the requisite refurbishing and installation. The contract sum was US\$277,014 and the contract period was 30 weeks ending November, 1992. After experiencing many difficulties, the contractor completed the exercise satisfactorily in February, 1993, but it is yet to be made clear by the BOJ whether the final cost is US\$277,014 or US\$266,224. An opinion cannot be expressed as to whether the contract sum is fair and reasonable as sufficient information is not available to make a judgement.

It has been difficult extracting information from the BOJ, and it is not clear why the attempt to engage a local contractor was aborted, how A De B Consultants Ltd came to be selected, or the method by which Elevator Construction Company Ltd of New York was chosen. In addition, the following deficiencies and weaknesses were noted:-

- 1) the services of the consultants were prematurely ended before implementation by the contractor;
- 2) the Bank of Jamaica lacked the technical expertise to supervise and monitor works of this intricate nature;
- 3) there was no provision for a Performance Bond in the agreement;
- 4) the contract document did not provide adequate protection for the Bank of Jamaica;
- 5) standard principles relating to payment certificates were not observed;
- 6) unavailability of funds for Letter of Credit led to cash transactions being substituted;
- 7) delays in clearance of goods from wharf;

- 8) commissioning delayed because of unavailability of consultants;  
and
- 9) poor coordination.

This is a classical case of what can transpire when an agency lacks trained and competent project personnel. This case was previously mentioned in the 1992 Report.

#### **CASE IV - Sewer Facilities - Downtown Kingston**

In February, 1989, the Urban Development Corporation (UDC) signed a contract with Solid Engineering Ltd. in the sum of \$23.5M to upgrade the sewer facilities and water distribution under the Downtown Kingston Re-development Programme. It soon became clear however, that this "C" grade contractor was incapable of undertaking a project of this magnitude and consequently, if somewhat belatedly, the contract was determined by the UDC.

Subsequently in 1991, the UDC entered into three (3) contracts with Edwards Construction Co. Ltd. for laying sewer mains from Darling Street to the General Penitentiary at a total cost of \$34M and one with David M. Chin & Associates for constructing a Pumping Station at Hanover Street in the sum of \$6.5M, a combined total of \$40.5M. Located in a politically volatile area, the project has been plagued by violence, theft, stoppages, poor materials, delays in honouring payment certificates and price increases. In fact the overall contract sum was subsequently revised to \$50.7M, but at the end of the reporting period, completion, projected for March, 1994, is estimated to be \$55M. This would mean a \$23.5M project begun in 1989, moving to \$55M in 1994, an increase of \$31.5M or 134%. This project has previously been dealt with in the 1991 and 1992 Annual Reports.

#### **CASE V - Data Entry Building - Montego Bay, St. James**

The Port Authority of Jamaica (PAJ) entered into a contract with B & H Structures Ltd to construct a 3-storey Data entry Building at the Freeport, Montego Bay, over eight (8) months, beginning March, 1992. The contract sum was \$12.8M. The project reflected many weaknesses and deficiencies including: inadequacy of equipment, materials and resources, lack of skilled personnel, slow and poor performance, an apparent false claim by the contractor regarding the quantity of materials in his possession, excessive overrun in cost and time; failure

by the client to terminate the contract for lack of performance and incompetence; failure to impose liquidated damages, blatant disregard for public expenditure and poor management by all concerned. This project was eventually completed at a cost of \$24.5M, that is, \$11.8M or 92% above the contract sum, with an overrun of fourteen (14) months, despite many pleas to the contractor to improve on his low performance.

#### **CASE VI - Paving of Bus Terminal - Newport West, Kingston**

A look at two other contracts between PAJ and B & H Structures Ltd will be enlightening. Firstly, in 1991, a contract was signed through selective tendering, in the sum of \$1.6M for the paving of the bus terminal and upgrading of drainage at the freeport, Newport West. The successful tender by B & H Structures was 21.9% below the Q.S's estimate but, claiming "comparative advantage" by having in stock critical materials and equipment, familiarity with working in the Freezone, and a written undertaking to stand by his bid, the company was awarded the contract. However, the following negative observations should be noted. Although the tenders were opened in November, 1990, GCC's approval was only given in March, 1991, and the company was paid a sum of \$900,000 before the contract was approved, notwithstanding the fact that the contractor failed to provide the necessary securities. Charges of negligence and incompetence were levelled against the contractor but to no avail and in the end the project was to cost \$3.1M, that is, an escalation of \$1.4M or 92% and a time overrun of nine (9) months.

#### **CASE VII - Pile Driving - Montego Bay, St, James**

Again in November 1991, the PAJ entered into a contract with the said B & H Structures Ltd in the sum of \$1.5M to undertake a pile driving contract for the Data Entry Building at Case V above. Slated to be completed in January 1992, this was achieved in February 1992, with a final cost of \$2M, showing a cost overrun of \$.61 or 41.6%. This project also had its full share of problems, including, a 9-day delay between the receipt and opening of tenders; omission of \$240,000 Provisional Sum; a "guarded" confirmation by the contractor to stand by his tender while the consultants reported that the contractor stated orally his inability to proceed on the tender figure. The PAJ, on the other hand, advancing arguments of "Best Estimate" stated that B & H Structures, in all the circumstances, still had the lowest tender, and their (PAJ) commitment to hold the \$240,000 in escrow. The consultants nevertheless refused to give a positive recommendation. Interestingly both the GCC and Cabinet gave their approval to PAJ's recommendation, consequently B & H Structures was awarded the contract.

This office has been concerned about the manner in which the PAJ managed its projects with B & H Structures Ltd and indeed wrote a letter on the 3rd March, 1993 which dealt specifically with the Pile-Driving and Building contracts expressing disagreement with the procedures adopted which were considered to be in breach of the principles of selective tendering. We also complained about the failure of the contractor to diligently pursue the projects! No reply has been received. (See Appendix IV).

**CASES VIII & IX - Infrastructure & Housing - Claremont, St.Catherine**

In February, 1992, the Ministry of Construction negotiated two contracts in respect of the Claremont Housing Development with Leonard I. Chang Engineers Ltd for infrastructure works and the construction of housing units as follows:-

Infrastructure - \$ 42,608,366  
 Housing - \$118,537,205 (765 units)

There was a four-month delay in the mobilization payment but it is noted that in the meantime the contractor was paid \$7.4M for what was said to be "off-site facilities."

At the reporting period these projects which are running in tandem show -

Infrastructure - 55% complete  
 Housing - 24% "

The original plans provided for a total of 765, 2 and 3 bedroom units but the Ministry seems to have reviewed its plans and reduced the number of units scheduled for completion during the 1993/94 financial year. This of course, means that the original completion date for housing in the third quarter of 1994 will not be met, and as the figures indicate there is a substantial escalation already realised and also projected. For example, the following is a comparison of the original and current prices of the units:-

Type Unit	Original Price	Revised NHT price	NHT price Increase	NHT % Increase	Revised NHC price	NHC price Increase	NHC % Increase
Studio	\$71,368	\$399,175	\$327,807	459%	\$413,653	\$342,285	480%
2-b. room	\$141,193	\$668,194	\$527,001	373%	\$692,429	\$551,236	390%
3-b. room	\$159,086	\$721,040	\$561,954	353%	\$747,192	\$588,106	370%

(N.B. Both the NHT and NHC will be selling the units). The final costs of this project could very well exceed \$600M based on the present rate of implementation and inflation.

For the record, it should be noted also that the project, from the very inception, encountered several problems. Delays in mobilization payment, rock excavation, invasion of site by political thugs which necessitated the employment of special security, and of course, variations and fluctuations in labour and material costs. One wonders whether the target group for these units will be able to afford them at completion.

### **CASE X - Sewage Plants - Negril & Ocho Rios**

In 1990 the USAID provided funding to conduct engineering studies on the collection and treatment of sewage in Negril and Ocho Rios. In 1991 the EEC funded the detailed designs of the sewage and treatment works in both towns.

In the case of Negril, international tenders were invited but all the tenders received exceeded the budgeted figure. Although the GOJ/NWC sought to have a negotiated contract with the lowest tenderer this was not accepted by the EEC who directed that the contract be retendered. This was scheduled for the period November 1993 to March 1994.

In the meantime however, other difficulties arose through the refusal of the owners to sell required lands; the delay by the Ministry of Agriculture in signing notices under the Land Acquisition Act and a slow response by the Commissioner of Lands regarding acquisition of lands owned by that department.

The project also ran into difficulty on the question of funding. The original funding under LOME II was ECU 25M, of which amount ECU 22.6 was needed for the Negril project. This meant that the Ocho Rios project estimated to cost ECU 14.5M, could not be funded. However, there is a proposal that some ECU 14.4M available under LOME IV should be diverted to the projects to ensure that the overall costs are covered.

The GOJ/NWC have recommended that the Negril project be pursued separately from the Ocho Rios project as there is said to be an urgent need to undertake this project and the tender documents are available. However, the EEC seems to be insisting that the projects be pursued simultaneously. The above gives a full taste of bureaucracy at the national and international levels.

## CASE XI - SEWAGE PLANT II - ELTHAM, ST CATHERINE

The Ministry of Construction negotiated a contract with Algreg Construction Company Limited for the construction of a Sewage Treatment Plant at Eltham Park, St Catherine, to be implemented over seven (7) months as of November 1992. The contract sum was \$10.5M.

The project was unfortunately plagued by a number of problems including, gun violence resulting in death in one instance; closure of the site for 5 months; inclement weather and fluctuations in materials and labour costs.

For reasons not yet clear but probably related to the volatility of the area, the contractor agreed to sub-contract the works to Y.P. Seaton & Associates Company Ltd in June 1992, after executing 38.7% of the contract. The latter contractor seems to have made fair progress and the works were some 95% complete at the end of the reporting period, with units being connected to the sewer plant. With a 7-month overrun in time, there is also an escalation of \$5.2M (approximately 50%) in cost and it is likely that the final figure will exceed the present projection of \$15.8M as both a chlorination system and standby generator which have been provided for have not yet been installed.

## CASE XII - STORAGE DAM - MOUNT PLEASANT, CLARENDON

Under the Second Sugar Rehabilitation Project funded jointly by GOJ/IBRD, tenders were invited by the National Irrigation Commission for the construction of a Surface Storage Dam at Mount Pleasant in Clarendon and eight (8) registered contractors submitted tenders.

Two contractors returned the following bids:-

(1)	Bacchus Engineering Works	-	\$7,497,967
(2)	Matlaw Construction	-	\$8,991,207
	Engineer's Estimate	-	\$7,177,177

It was subsequently noted however, that these are "B" grade contractors qualifying to undertake projects up to a maximum value of \$6M for civil works. It is difficult to understand why they were invited to bid since the Engineer's estimate exceeded \$7M. At the end of the reporting period progress was being held up as Bacchus Engineering Works recommended for the contract, was seeking to have its grade reclassified to the requisite category.

### **CASE XIII - SECONDARY SCHOOL - MORANT BAY**

Under the GOJ/IBRD IV Education Project, a prequalification exercise was conducted in 1991, from which a number of firms were invited to tender for the Morant Bay Secondary School (Junior High). However, the lowest tender was bypassed and the second recommended, but both the GCC and the World Bank rejected this recommendation and directed that the project be retendered. The second tender and prequalification exercises were completed in June 1992, and to save time, it was agreed that the two lowest tenderers should submit quotations which would form the basis of a negotiated contract. However, the Ministry of Education (client) and EDCO (the Consultants) as in the first tender, ran into a procedural disagreement. In the meantime, the NHC was assigned the functions of EDCO and completed negotiations with Construction Developers Associates in the sum of \$27M, which is more than double the \$13M recommended in the first instance.

Negative factors observed include serious errors in the tender document and the conflict between EDCO and M.O.E. contributed to an extension of the pre-contract procedures. The final result is that a project scheduled for completion in December 1993 still not having a signed contract in place at that date.

### **CASE XIV - INFRASTRUCTURE WORKS - OAKLAND HOUSING SCHEME, ST ANDREW**

The NHC negotiated a contract with Clover Construction Company Ltd for the provision of infrastructure works at Oakland Housing Development, St Andrew, in the sum of \$25,592,716 to be implemented between November 1991 and April 1993; revised to December 1993

The project was hampered by a number of problems including sporadic shortages of materials, prolonged inclement weather, lack of access to works due to site restrictions, regular changing of site staff, construction debris created by Ashtröm (another contractor on site), fluctuations in materials, labour and equipment costs, and increases in the scope of works. There seems to be continuing revision and additions to the project and even at this point, designs for additional commercial shops are on the drawing-board.

The current projected completion cost is \$43.8M, an increase of \$18.2M or 71%, but this figure will undoubtedly be exceeded when the project is finally completed as envisaged, in 1995.

## **MONITORING OF NON-CONSTRUCTION CONTRACTS, LICENCES & PERMITS**

Efforts to cover a wider range of activities in the public sector relating to non-construction contracts, licences, permits and other benefits continued in 1993 and received an impetus with the appointment of a Director of Licences and Permits in mid-May.

Among the areas monitored in order to ensure impartiality and the absence of any irregularities were:-

- a) the circumstances surrounding the award of licences, permits and other benefits;
- b) contracts for the procurement of goods and services;
- c) the disposal of publicly owned lands by sale or lease; and
- d) the divestment of Government assets under the divestment programme being carried out by the National Investment Bank of Jamaica and the Urban Development Corporation.

Investigations were carried out in response to specific complaints from companies or individuals, media reports, as well as from information gleaned by members of the Inspectorate on their investigatory visits to the various government departments and agencies. It is heartening to be able to report that in the majority of cases which were examined this office received satisfactory cooperation from the departments and agencies involved. Specific areas monitored during the year included:

### **Betting, Gaming & Lotteries Commission**

In reaction to a media report an investigation was initiated into an application by the Sports Development Agency Ltd (SDA) to the above Commission to operate a new Lotto game.

The Commission was advised by its attorneys that it had the power either to issue a new and additional licence under Section 8 (2) of the Act or to amend the existing licence under Section 10 which permits the Commission to "hold an investigation to determine whether any licence, permit, approval or authority granted under this part of the Act should be suspended, varied or revoked."

But more important from our point of view is the fact that the Commission has accepted, in principle, the proposal first put forward in our 1991 Report and reiterated in 1992, that public

hearings should be held in respect of all applications to operate games of chance. However, in order for this to take place it is important for the Government to develop and make public its policy on the operation of lotteries and other games of chance.

### **National Housing Trust**

An examination of the system of awards for housing benefits and cash grants satisfied us that these awards are being made in keeping with sections 20 and 21 of the National Housing Trust Act. Housing benefits are awarded in accordance with the Priority Index Entitlement System which is based on points earned in respect of income, number of years of contribution and ownership of bonds. Under the computer selection process, applications for scheme houses are subjected to validation and audit checks and dissatisfied applicants have a right of appeal. The process appears to be fairly administered.

### **Mining & Quarries**

During 1993 a number of quarry licences, mineral dealer's licences and prospecting licences were issued. From the examination of a random selection of files, it was concluded that the licences were issued in accordance with the regulations and standard practices and no irregularities were observed.

### **Civil Aviation Department**

This department is responsible for the issue of Pilot Licences - Commercial; Private and Students - as well as Airline Transport, Flight Engineer and Aircraft Maintenance Licences. It also examines applications for the grant of Charter, Scheduled and Non-Scheduled Flight Service Permits. From observations made at a number of hearings during 1993, the view was that the department carried out its functions in conformity with the rules and regulations of the Air Transport Licensing Board.

### **Post Office Department**

The Telecommunications Division of the Post Office department is authorised by the Radio and Telegraph Control Act to issue six types of radio station licences as well as Dealers and Radio Technician Licences and alien Amateur Radio Station Permits.

In 1993 according to the department 387 licences were issued, the main ones being:-

Citizens Band Radio Station	-	218
Private Radio Station	-	36
Private Radio Station (User)	-	77

Sample checks indicated that applicants had complied with the requirements of the Act.

The department is required to monitor the activities of Licensees to ensure that no breaches of the Act or regulations occur. However, it seems that this is being done infrequently because of manpower shortages. There are only three officers assigned to carry out islandwide monitoring and they are further restricted by a maximum travel limit of 300 miles per month, the result being minimal monitoring and a loss of revenue to Government due to non-collection of fees.

### **Trade Board**

Areas monitored included imports of motor vehicles, firearms and a variety of other goods. A significant number of requests for import permits were made by persons classified as returning residents. A substantial reduction was noted in the time period for processing applications.

With regard to goods imported under special licence it was noted that monitoring of usage was not the responsibility of the Trade Board but of the ministry responsible for the particular type of activity for which the special licence was granted - e.g., agricultural vehicles - Ministry of Agriculture; firearms - Ministry of National Security; certain chemicals and all types of medicines - Ministry of Health.

An investigatory visit was made to the Export Division of the Ministry of Agriculture located at the Pimento Warehouse. The Division does not issue licences or permits. However, it issues Government Cigar Seals to recognized cigar export manufacturers who qualify to receive the seals after inspection of the manufacturing facilities and quality testing of the product.

### **Ministry of Local Government**

Among the non-construction contracts monitored during the year were two procurement contracts entered into by the Ministry of Local Government for:-

- (a) Procurement of Garbage Compactors;
- (b) Procurement of Fire-Fighting Equipment.

With regard to (a), negotiations for the supply of garbage compactors involved the consideration of offers from four companies (one each from France, Mexico, Venezuela and the U.K.) and extended over a period of approximately seven months during which much correspondence passed between the Ministry of Local Government and the Ministry of Finance. By the time a decision was taken to purchase the compactors from Renault of France the price had increased substantially and the number of vehicles to be supplied had to be reduced from the 61 originally proposed to 40. The extraordinarily long period of time taken to conclude the negotiations has been at considerable cost to the government and the country as a whole.

The contract for the procurement of 24 fire-fighting vehicles, spare parts and equipment which were acquired through a line of credit of US\$8,340,000 offered by the suppliers, Rosenbauer International of Austria was satisfactorily concluded with the local agents, National Safety Ltd.

### **Ministry of Education**

Monitoring continued of procurement contracts under the GOJ/IBRD funded programme for the provision of teaching equipment, other materials and equipment and furniture for basic and primary schools. These contracts were subject to international tendering. In one case involving the supply of equipment and materials for three project schools, of the five responsive tenders only one was local. Performance under these contracts was mixed - most awardees failing to meet the completion dates. A case in point was Philip Harris International who failed to deliver even one item within the scheduled 105 days but nevertheless was granted two extensions of time by the Ministry.

A second tender involved the procurement of furniture for primary and basic schools and was awarded to two local firms. Both contracts overran the scheduled completion dates and an extension of time was granted in each case.

In a third instance the contract was for the procurement of textbooks, resource materials and stationery and was awarded to two local suppliers. However, in this case, due to an error on the part of the Ministry of Education in failing to comply with World Bank requirements for international competitive bidding when the Invitation to Tender was first advertised, the tender exercise had to be carried out again, thus incurring increased costs.

### **National Water Commission**

- (a) Consequent upon advertisements in the press by the National Water Commission (NWC)

this office enquired into the terms and conditions under which the NWC proposed to dispose of lands it owned in the Corporate Area at Norbrook Road, Watervale Avenue and Langston Road for the purpose of housing development. It was originally proposed to develop the lands on a joint venture basis and the proposals received were evaluated by an independent Housing Panel comprising Engineers, Architects, Bankers, Attorneys and Developers. Negotiations were successfully concluded with the National Housing Corporation in the case of Watervale Avenue and with the Urban Development Corporation for Langston Road. At year end these were being considered by the Ministry of Water & Transport.

No agreement was concluded with any of the three companies which expressed an interest in Norbrook Road and the NWC subsequently advertised the land for sale. From 19 offers examined by a Tender Committee, the NWC Board recommended to the Minister of Water & Transport that the land be sold to the highest bidder - Aerocon Construction Company. This recommendation was subsequently approved by the Cabinet and this office is satisfied that proper procedures were adhered to.

- (b) This office also carried out an investigation into a complaint that the NWC proposed to dispose of 30 acres of land in the vicinity of the Constant Spring Golf Club through a private arrangement.

We have been informed that the NWC gave an option to its long-term tenants - the Constant Spring Golf Club - to present proposals for housing development on the lands in question, within a specified time period. This option was not exercised and the NWC is currently in negotiation with the Club regarding the terms and conditions for a renewed lease. In the course of examining this matter we felt obliged to suggest to the NWC that the lease terms enjoyed by the Golf Club over the years were so generous that the NWC was under no obligation to extend any special treatment to the Club.

### Ministry of Agriculture

This office also examined the circumstances under which a number of acres of beach lands in Portmore had been leased by the Commissioner of Lands and was advised that this had been done as a result of an application made by the lessee and had received the approval of the Minister of Agriculture. This land was never advertised as being available to be leased so there was no attempt at competitive bidding.

The point was made that there was no clearly enunciated Government policy with regard to the disposal of land and the practice was that a piece of land having been identified as unoccupied, if application was made to the Commissioner of Lands, he would investigate and

make a specific recommendation to the Minister. The Commissioner of Lands tended more to respond to requests from persons who identified lands and wished to develop them and who made specific proposals. That office does not seem to initiate proposals for divestment and can be taken advantage of by persons in the know or presumably with good connections.

### **National Investment Bank of Jamaica (NIBJ)**

#### **a) Divestment of Sugar Estates at Bernard Lodge, Frome, Long Pond & Monymusk**

On seeing the press advertisements issued by the NIBJ in May 1993 inviting offers for the purchase or lease of factory-related assets and lands at the above four estates, this office decided to monitor the divestment process.

In response to our request the NIBJ provided copies of the Information Memoranda prepared by them on each estate, which had been made available to each applicant in respect of the estate(s) applied for and which included an industry overview, a profile of the business, details of the assets available for sale/lease and the conditions which applicants were required to fulfill; e.g., deposit on purchase price, provision of business plan, main shareholders, evaluation criteria, etc.

A representative of this office attended the opening of tenders at the Oceana Hotel on August 13, 1993. The selection process was carried out by an enterprise team comprising representatives from NIBJ, PIOJ, and the Ministries of Agriculture and Finance, with final approval resting with the Cabinet.

In the light of allegations of impropriety regarding the divestment of Long Pond this office carried out an investigation and concluded that the divestment process was conducted in a professional manner and that the award had been made on the basis of merit. We would have preferred the names of the tenderers to have been disclosed when the opening of tenders took place. However, this did not, in our view, affect the essential integrity of the exercise which was our basic concern.

#### **b) Jamaica Public Service Company Ltd - Tender Invitation for the Development of a 60 MW Low Speed Diesel Power Station**

Investigations were carried out into the above as a result of a complaint from an associate of one of the two tenderers for the project with regard to the manner in which responses to the public invitation for proposals for the generation of electricity by private

entities were being handled. Two companies - Jamaica Private Power Co. (JPPC) and Florida Light & Power (FLP) responded to the tender invitation. Upon assessment of both proposals, JPPC was selected as the more competitive tender and negotiations commenced with that company. FLP subsequently complained that a term of the Request for Proposals was that if negotiations with the first party were to exceed 75 days then negotiations would begin with the second party and although negotiations with JPPC had exceeded 275 days FLP had not been approached.

The JPSCo. took the view that this term was not mandatory and that the Company could exercise its discretion as to whether to continue negotiations or to terminate. The option of going to the next bidder was intended to be exercised for the benefit of the Company which refused to exercise it as it was clear that an agreement would have been arrived at as substantial consensus on several major areas had been achieved with JPPC before the expiry of 75 days.

While, therefore, this office may not have agreed with how every detail in the exercise was carried out, we were satisfied that balance, fairness and impartiality had been observed and that the important decisions which were made were correct, taking the relevant factors into account.

### **Ministry of Local Government**

(a) Divestment of Charles Gordon Market, Montego Bay;

As a result of reports in the press alleging impropriety surrounding the divestment of the Charles Gordon and Savanna-la-mar markets, investigations were carried out. In the case of the Charles Gordon Market it was established that there was no substance to the report. There had been a public invitation for tenders for the lease of the market for which two applications were received. Based on the Parish Council's own assessment and on the advice of a reputable firm of management consultants the lease was awarded to C.G.M. Enterprises Limited.

(b) Divestment of Savanna-la-mar Market, Westmoreland.

In the case of the Savanna-la-mar market the complaint was that the market was about to be leased by way of private treaty. Following investigations by this office the Westmoreland Parish Council was advised to advertise for tenders for lease of the market and to make arrangements for appointment of a committee to evaluate the tenders and make the award. At the time of writing this report documentary evidence requested from the Parish Council was still awaited.

## Ministry of Agriculture

In response to a complaint received an enquiry was undertaken into the conduct of the tender exercise for the operation of the Agricultural Export Complex at the Norman Manley International Airport.

The Ministry of Agriculture invited bids for the operation of this concession in October 1993. Four responsive tenders were received by the closing date on October 28, 1993 from:-

Hinds Brothers;  
International Refrigeration Co. Ltd;  
Jamaica Exporters Association/Agricultural Marketing Corporation (JEA/AMC);  
Ripon Electrical Engineers Ltd

The tenders were examined by a Committee comprising representatives from the Ministry of Agriculture, Ministry of Health (Environmental Control Division), Airports Authority, JAMPRO and the Jamaica Agricultural Society which recommended that the JEA/AMC be awarded the concession.

The complaint related to the eligibility of the JEA/AMC to tender for the concession. Upon examination of the tender documents and evaluation sheets in this office it was observed that under the rules governing the tender the complainant could have been disqualified, but was allowed to tender, while the JEA/AMC had applied as a partnership and this type of association was permissible under the rules. Our conclusion was that the contract had been awarded on merit.

## 4 . WORK OF THE CONSULTATIVE COMMITTEE IN 1993

The 1992 Report stated that the Consultative Committee would focus on eight areas developing recommendations to assist the Contractor-General in his work. By the end of 1993 the Committee had addressed to some degree all the areas that it had been decided should be examined. Much of the advice provided by members of the Committee was incorporated in recommendations made to the Government on the structure and operations of the Government Contracts Committee.

The Committee also tackled the question of indexing the cost of goods and services in construction so as to greatly simplify the processing of statements for clients in the industry. By the end of the year considerable progress had been made in further refining a formula developed some years ago by the well known Quantity Surveyor, Mr. Brian Goldson. It was hoped that during 1994 the use of this method of indexation would become the norm in construction projects in both the public and private sectors.

The Committee met four times during 1993 and by the end of the year a decision was taken that meetings would continue to be less frequent in 1994 as the Committee had achieved a substantial amount of what it set out to do.

The membership of the Committee continued to be as follows:-

Mr. Leo Lawson	- Engineer : CHAIRMAN
Mr. Errol Alberga	- Architect
Mr. Phillip Gore	- Masterbuilder
Mr. Vayden McMorris	- Architect
Hon. Harold Milner	- Financial Consultant
Mr. Sam Stewart	- Deputy Financial Secretary
Mr. Maurice Stoppi	- Quantity Surveyor

I should like to again publicly thank the members of the Committee for giving of their valuable time without any cost to this office and for providing most useful advice and assistance thus greatly enhancing the quality of work of the Contractor-General's Office.

## 5. STAFFING OF THE OFFICE

As reported in the 1992 Report more than 25% of the posts in the Contractor-General's Office have either been frozen or cannot be filled at present salary levels. As a consequence during most of 1993 we carried on with a total complement of only 30 of which 11 were in the inspectorate. During the year Mr. Cyril Redway, Office Manager, and Mr. St. Albi Thompson,

Accountant, did not renew their contracts. At the same time, three new members of staff were acquired. The long vacant post of Director of Licences and Permits was filled with the arrival of Miss. Una Samuda in May and Mr. Michael Boyd came in as a new accounting clerk and Miss. Rosemarie White as receptionist.

Training of Staff members continued during the year with two officers from the inspectorate participating in the Project Implementation and Management Course offered by the Administrative Staff College. One Secretary was successful in the Certified Professional Secretary's examination.

Due to a number of factors including the size of the accounting staff and the need to grant vacation leave, it was not possible to release any member of the accounting staff for training. However, steps will be taken in 1994 to deal with the training needs in this area.

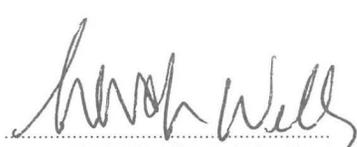
The travelling officers in the Office continued in 1993 to be barred from access to motor car loans both for repairs and the purchase of replacement vehicles for the 10-15 year old vehicles that most officers now drive. At year end efforts continued to be made to persuade the Ministries of Finance and the Public Service to respond meaningfully to our representations.

Finally, again I must thank the Staff for their loyal support and dedication to fulfilling the objectives for which the office was established.

## APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR - GENERAL

Account of the sum expended as compared with the sum approved for the service of the Office of the Contractor - General in the year ended 31st March, 1993.

SERVICE	TOTAL APPROVED ESTIMATE	EXPENDITURE	EXPENDITURE COMPARED WITH ESTIMATE	
			MORE THAN ESTIMATE	LESS THAN ESTIMATE
	\$	\$	\$	\$
			C	C
<b>Head No. 4 - Office of the - Contractor-General</b>				
<b>21- Compensation of Employees</b>				
Original Estimates 3,135,000				
1st Supplementary 258,000	3,393,000.00	3,057,351.09		335,648.91
<b>22 - Travel Expenses &amp; Subsistence</b>	800,000.00	543,079.46		256,920.54
<b>23 - Rental of Property, Machinery &amp; Equipment</b>	476,000.00	525,952.00	49,952.00	
<b>24 - Public Utility Services</b>	260,000.00	276,517.35	16,517.35	
<b>25 - Purchase of Other Goods &amp; Services</b>	454,000.00	492,773.57	38,773.57	
<b>28 - Retiring Benefits</b>	539,000.00	515,137.98		23,862.02
<b>31 - Purchase of Equipment</b>	348,000.00	426,873.82	78,873.82	
<b>Total - head No. 4</b>	<b>6,270,000.00</b>	<b>5,837,685.27</b>	<b>184,116.74</b>	<b>616,431.47</b>
<i>Surplus to be surrendered to Consolidated Fund.</i>		432,314.73		
 CONTRACTOR-GENERAL				
27 - 7 - 93 DATE				

# APPROPRIATION ACCOUNT

## OFFICE OF THE CONTRACTOR - GENERAL

### EXPLANATION OF THE CAUSES OF VARIATION BETWEEN APPROVED ESTIMATE AND EXPENDITURE

#### 21 - COMPENSATION OF EMPLOYEES

The under-expenditure resulted from the fact that there was a vacant post on the establishment due to the resignation of an officer and a suitable replacement not yet found.

Inclusion of \$258,000 in First Supplementary was not requested and not necessary due to adequate funds in provision.

#### 22 - TRAVEL EXPENSES & SUBSISTENCE ALLOWANCE

The under-expenditure was due to the fact that some travelling officers were in receipt of reduced allowances in lieu of a Motor Car upkeep allowance and the monthly request was always reduced resulting in reduced travelling by travelling officers.

#### 23 - RENTAL OF PROPERTY

The excess expenditure was due to the carrying forward of two (2) months rent (February & March) from the 1991/92 Financial Year which was not provided for in the 1992/93 provision.

Virement sought from object A/C 22-to cover excess. Approval Memo. not yet received from the Ministry of Finance.

#### 24 - PUBLIC UTILITIES

The excess expenditure was due to the dramatic increase in Public Utilities during the Financial Year (1991/92).

Virement sought from object A/C 22-to cover excess. Approval Memo. not yet received from the Ministry of Finance.

#### 25 - PURCHASE OF OTHER GOODS & SERVICES

The excess expenditure was due to the undertaken commitments which were not initially requested in the provision for 1991/92-(Security Arrangements) and the increase in cost of certain goods & services - (Service Contracts on Machine & Equipment) etc.

Virement sought from object A/C 22-to cover excess. Approval Memo. not yet received from the Ministry of Finance.

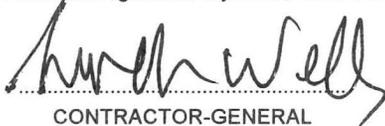
#### 28 - RETIRING BENEFITS

The under expenditure was due to the fact that no amount was released in March 1993 for the payment of gratuity for an officer who became eligible for payment on the 25/3/93.

#### 31 - PURCHASE OF EQUIPMENT

The excess expenditure was due to the increased cost of motor vehicles at the time of purchase for the Contractor-General and the fluctuation of the Jamaican Dollar .

Virement sought from object A/C 22-to cover excess. Approval Memo. not yet received from the Ministry of Finance

  
CONTRACTOR-GENERAL

27 - 7 - 93

DATE

In the Auditor General's report for 1992-93 the following was stated about the Office of the Contractor-General :

"The financial transactions, accounting records, and the appropriation Account for 1992/93 were found to be satisfactory."

# ANNUAL REPORT

APPENDIX I

*Pre-contract activities*

**LEGEND :**

N = NO  
 Y = YES  
 A = ADEQUATE  
 IA = INADEQUATE  
 N/A = NOT APPLICABLE

NAME OF :	Pre-contract activities									REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation		
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF WATER &amp; TRANSPORT</b>										
<b>Carib Engineering Corporation LTD.</b>										
CASTLETON WATER SUPPLY PROJECT PH. 1	N	Y	I/A	I/A	A	N	Y	I/A		(1) EEC guidelines required that this contract be put to public tender. Invitation to tender was published in print media. (2) A tender bond not requested . (3) Deficiencies in tender document and report noted as follows:- a) construction period not stipulated or any instructions given for contractors to state period b) tender validity period not stated and tenderers were not aware of this at the time of tender; c) recommended tenderer not advised of errors/corrections, neither was his willingness to stand by corrected tender sum sought; d) first presentation of tender evaluation report did not allow the GCC to arrive at a meaningful decision. (4) the pre-contract activities have not been dealt with adequately and the consultant should be reprimanded.
CASTLETON, ST MARY										
Victoria Town Well #2	N	Y	A	A	A	Y	Y	A		An EEC/GOJ funded project which requires international tendering. It seems however, that the value of the project was not large enough to attract foreign participants. Tender evaluation plagued with problems, the lowest tender was significantly below engineer's estimate and the second lowest non-responsive. Acceptance of third ranking tender required EEC assent for contract award. To satisfy guidelines and conditions; implementation delayed and upward movements of tender rates inevitable.
Victoria Town, Manchester										

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## Pre-contract activities

NAME OF :	Pre-contract activities									REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation	TENDERING	
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF WATER &amp; TRANSPORT</b>										
<b>Port Authority of Jamaica</b>										
Ocho Rios - Port Improvement	Y	Y	A	A	Y	Y	N/A	Y		(1) Consultancy services at pre-contract stage completed as follows:-  a) Feasibility Studies b) Schematic Design c) Design Development d) Construction Documentation  (2) Documents for tendering stage now being prepared. (3) Implementation stage anticipated for April 1994
Ocho Rios , St. Ann										
Construction of Data Entry III Building	Y	Y	A	A	A	Y	Y	A		Pre-contract activities were reported on in the 1992 Annual Report as well as the post contract activities which had started.  A report was sent to the President of the Port Authority pointing out the shortcomings in respect of the administration of the contract.
Montego Bay, Freeport, St. James										
Construction of Paved Bus Parking Terminal	Y	Y	A	A	A	Y	Y	Y		The tendering process and procedures were executed on merit. B & H Structures Ltd. was awarded the contract for being the lowest tenderer. It was stated that B & H Structures had most of the structural materials and owned all the equipment required to do the work.
Newport West, Kingston										
<b>Airports Authority of Jamaica</b>										
Sangster International New Terminal Project - Infrastructure	Y	Y	A	A	A	Y	Y	A		Initial tenders received were non-responsive. Consultant recommended that the tender package be modified and sent out for re-tendering. This should take place January, 1994.
Montego Bay, St. James										

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## Pre-contract activities

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CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF WATER &amp; TRANSPORT</b> <b>Airports Authority of Jamaica</b> ( continued )										
Proposed extension of Customs Hall, Kingston.	Y	Y	IA	A	A	Y	Y	A		<p>Tenders invited for Main Contract (Proposed Extension) along with individual sub-contracts for Elevators, Electrics and Airconditioning. This resulted in discrepancies in the tenders. The tender document for the main contract had defects and none of the tenderers sought clarification. A contract was eventually negotiated with the lowest tenderer and the recommendation for an award supported by the G.C.C.</p> <p>The other bids had deficiencies, but these were dealt with to the satisfaction of the G.C.C. The Committee then agreed to the award of the contracts.</p> <p>Implementation of the project is expected to commence shortly.</p>
<b>National Water Commission</b>										
Sewerage Treatment and disposal projects Ocho Rios, St. Ann & Negril, Westmoreland	N/A	Y	A	A	A	Y	Y	A		<p>An EEC/GOJ funded project. Tender package includes Ocho Rios and Negril contracts, but tender sums exceed budget of ECU 25M. Additional funds identified, but proposal to negotiate contract not accepted by EEC. Other problems of land acquisition and the retendering exercise will further delay implementation.</p> <p>In the meantime the EEC insisted that both projects be pursued together. The P.I.O.J. is now in dialogue with the EEC on this issue.</p>
<b>MINISTRY OF AGRICULTURE</b>										
<b>Rural Agricultural Development Agency</b>										
Farm Road Repairs Roselle, St. Thomas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		<p>This contract was awarded on the basis of a force account type of contract. This is one of the procedures of awarding small contracts which are generally negotiated.</p>

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	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation	
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
<b>MINISTRY OF AGRICULTURE</b>									
<b>Rural Agricultural Development Agency</b>									
Farm Road Repairs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This was another force account contract, some features of which were cause for concern
Toms Hope, Portland									
<b>National Irrigation Commission</b>									
Construction of Surface Storage Dam # 7	N	Y	A	A	A	N	Y	A	Letters of invitation were sent to eight (8) contractors to submit tenders for the project. Two (2) contractors returned tenders which were publicly opened at the offices of the National Irrigation Commission on the 30th July, 1993. Bacchus Engineering Works Ltd., the lowest and most responsive tenderer was recommended for the award of the contract.  Submission has been made to the Government Contracts Committee for its approval.  Tenders received were from two (2) 'B' Grade contractors with monetary limits of up to \$6M, with contract sum being over \$7M, the National Irrigation Commission should have ensured that only 'A' Grade contractors were invited. Reportedly, in trying to remedy the situation the successful tenderer had applied to the Ministry of Construction to be upgraded, which was being considered.
Alexander, Mount Pleasant, Clarendon									
Rio Cobre Dam Reconstruction	Y	Y	A	A	A	Y	Y	I/A	1) Partiality present in prequalification exercise. One firm which showed no interest in the advertisement was invited and prequalified after the closing time. Instead of re-opening the prequalification for other contracting firms to participate, this firm was unfairly accommodated. The firm later exemplified its lack of interest by submitting a ridiculously high tender, without a tender bond. The excuse given for the absence of the bond by this reputable contracting firm seemed absurd.
St. Catherine									

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CLIENT MINISTRY								
OTHER AGENCIES								
PROJECT								
LOCATION								
<b>MINISTRY OF AGRICULTURE</b>								
<b>National Irrigation Commission</b>								
Rio Cobre Dam Reconstruction (continued )								<p>2)Tender evaluation raised concern regarding the credibility of the report.</p> <p>a) Contractor with lowest tender recorded at public opening was prequalified, but tender evaluation report questioned the capability of the tenderer. Obviously if this contractor was prequalified and invited to tender, there could be no justification for saying that the tenderer was not able to manage the work. If this was the case, then the prequalification evaluation was baseless, because a post-qualification assessment was the means used to rate this contractor.</p> <p>b)The report mentioned above reversed the position of the second lowest tender recorded at the public opening to be the lowest when tenders were "rationalized". This process was stated to account for addenda issued and acknowledged by the tenderers. But the altered placing of the tenders was not supported by any documented comparison of rates.</p> <p>3 )The facts suggest that the discredited tenderer was not under any circumstances going to be awarded the contract, prequalification or no prequalification, rationalization or no rationalization. If it is suspected that a contractor may not be able to undertake a project successfully, it will only lead to confusion if the contractor is prequalified and submits the lowest tender.</p>

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CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF PUBLIC UTILITIES, MINING AND ENERGY</b>										
<b>Jamaica Public Service Co. LTD.</b>										
Power Plant Monitoring System Kingston 5	Y	Y	A	A	A	Y	N	IA		Tender evaluation report carried no record of the following:-  a) Scope of work. b) Source of Funding. c) Dates of the invitation and return of tenders. d) Extension of Tender Period. e) Criteria for selection to justify acceptance of a Tender. Consultants did not pay sufficient attention to details
Rehabilitation of Gas Turbine Unit #86 Hunts Bay	Y	Y	A	A	A	Y	Y	A		Following tender invitations, bids were requested on certain optional items at a late stage to conform with specific technical inspections carried out. The fact that only a single optional item was selected, gave the impression that the evaluation favoured a particular contractor for the award. The reverse placing of the tender exemplified this between Foster-Wheeler who had submitted the lowest tender and Ansaldo GIE the successful tenderer. Other factors in support of Ansaldo were: a good track record, already mobilized and their familiarity with Jamaican conditions.
<b>MINISTRY OF CONSTRUCTION</b>										
Rural Road Rehabilitation Improvement and Maintenance Programme										
Contract # 18 Kensington; Rural Hill; Hordley; Williamsfield; Portland	Y	Y	A	A	A	Y	Y	A		Tendering procedures were executed satisfactorily and the award based on merit.
Contract # 12 New Pera, Barking Lodge, Stokes Hall, St. Thomas	Y	Y	A	A	A	Y	Y	A		Tendering exercise and evaluation carried out satisfactorily and the award based on merit.

# ANNUAL REPORT

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	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation		
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF CONSTRUCTION</b> ( continued )										
Contract #14 Corner Shop Frankfield, Clarendon	Y	Y	A	A	A	Y	Y	A		Tenders returned for this project had a very wide price range. The lowest was 43% below the Engineer's estimate, with the highest, 40% above. Although some consideration was given to awarding the contract to the lowest tenderer, clarification was first sought as it was suspected that the contractor could not undertake more than one contract at a time. This the contractor confirmed and being already awarded another contract, the evaluation team correctly awarded this contract to the second lowest tenderer.
<b>National Housing Trust</b>										
Hope Bay Housing Scheme.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		The National Housing Trust acquired lots to erect 25 two-bedroom units, using individual small contractors selected by the Member of Parliament. Without formal procedures, it is not clear what method the National Housing Trust will adopt to assess the competence of the individual selectees. And in any event failure to employ the competitive tendering approach is to be deplored.
Rosemount Housing Development Phase I Infrastructure Montego Bay, St. James	Y	Y	A	A	A	A	Y	IA		Contract was awarded via the selective tender process. National Housing Trust adhered to all the stipulated pre-contract procedures resulting in a contract awarded to the lowest responsive tenderer. The process was however weakened by the consulting engineer not preparing an estimate.

## ANNUAL REPORT

## Pre-contract activities

## LEGEND :

N = NO  
 Y = YES  
 A = ADEQUATE  
 IA = INADEQUATE  
 N/A = NOT APPLICABLE

NAME OF :	TENDERING								REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation	
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
<b>MINISTRY OF CONSTRUCTION</b> ( continued )									
<b>Sugar Industry Housing</b>									
Claremont Housing Development St. Catherine	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The Ministry of Construction (Housing) continues to display a tendency to award contracts through negotiation, which has the connotation of favouritism. The M.O.C. (H) should adhere to the norm of selective tendering.
Operations of defunct agency Estate Development Co. Ltd. taken over by National Housing Corporation Ltd.									
Infrastructure works at Bridgewater Pen. Discovery Bay, St. Ann	Y	N	A	N/A	N/A	N/A	N/A	N/A	The Ministry and it's agencies continue to negotiate contracts for which the tender process can give better results. A contractor who knows that there is no competitor always has an unfair advantage in the negotiation and will hardly give a price comparable to that which he would have given in a competitive situation. Indeed, this was evident in this case when negotiation commenced with the contractor's estimate nearly 30% higher than that of the agency's .
Construction of new sewage treatment Plant Eltham Housing Scheme, St. Catherine	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This is another of the Ministry of Construction's negotiated contracts. (See previous comments on negotiated contracts).
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>									
<b>Urban Development Corporation</b>									
Repairs and modification to Fern Court High School, Claremont, St. Ann.	Y	Y	A	A	A	Y	Y	A	Tenders invited from all prequalified contractors, but only two responsive tenders were acknowledged at the public opening of the tenders. Evaluation of tenders done in accordance with the criteria of the lowest responsive tender and an award made on that basis.

## ANNUAL REPORT

## LEGEND :

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## Pre-contract activities

NAME OF :	TENDERING								REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation	
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>									
<b>Urban Development Corporation</b>									
Complete repairs to Harvey Hall Block. Happy Grove High School	Y	Y	A	A	A	Y	Y	A	Previous contract terminated and subsequent tender procedures to complete contract carried out satisfactorily, and the award of the contract based on merit.
Hectors River, Portland									
<b>National Housing Corporation Ltd.</b>									
Social Sector Development Project									This pre-contract report is common to Social Sector Development Projects for this Ministry. The extent of the programme (Extension and Repairs to Primary and All Age Schools) necessitated two separate prequalification exercises. A reasonable number of contractors did not prequalify in the first instance. The subsequent exercise resulted in a final list of 20 contractors qualified to tender on the project schools.
Spaldings Primary School	Y	Y	A	A	A	Y	Y	A	Eight contractors submitted tenders. Evaluation exercise carried out satisfactorily and the award of the contract to the lowest responsive tenderer based on merit.
Manchester									
George Headley Primary School	Y	Y	A	A	A	Y	Y	A	Nine contractors submitted tenders by the deadline. The evaluation was carried out satisfactorily and the award of the contract to the lowest responsive tenderer based on merit.
Duhaney Park, St. Andrew									
Old Harbour Bay Primary School	Y	Y	A	A	A	Y	Y	A	Three (3) tenders returned by deadline, evaluated satisfactorily and the award of the contract to the lowest responsive tenderer based on merit.
Old Harbour Bay, St. Catherine									
Crofts Hill Primary School	Y	Y	A	A	A	Y	Y	A	Four tenders returned by deadline, evaluated satisfactorily and the award of the contract to the lowest responsive tenderer based on merit.
Crofts Hill - Clarendon									
Seaview Gardens Primary School	Y	Y	A	A	A	Y	Y	A	The records show that a previous contract in 1978 was aborted in 1981 on account of violence and theft. This tendering and contract award process to enable completion of the project was carried out satisfactorily.
Seaview Gardens, St. Andrew									

## ANNUAL REPORT

## Pre-contract activities

## LEGEND :

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NAME OF :	TENDERING								REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation	
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>									
Social Sector Development Project ( continued )									
Black River Primary School	Y	Y	A	A	A	Y	Y	A	Four tenders recorded at public opening with one rejected after evaluation as being non-responsive. After arithmetic corrections were made, the highest tender ended up being lowest. The contract was awarded to this tenderer when he opted to stand by his corrected tender sum
Black River, St. Elizabeth									
<b>Urban Development Corporation</b>									
Proposed alteration, renovation and addition to Green Island Secondary School.	Y	Y	A	A	A	Y	Y	A	Tendering process conducted in accordance with established principles and the award based on merit.
Green Island, Hanover									
Repairs and Modification to Marcus Garvey Technical High School.	Y	Y	A	A	A	Y	Y	A	Tendering process in accordance with standard practice and the award of contract based on the selective tendering procedure.
St. Ann's Bay, St. Ann.									
Renovation of Savanna-la-mar Secondary School	Y	Y	A	A	A	Y	Y	A	Activities of pre-contract procedures in accordance with standard practice and the award based on merit.
Savanna-la-mar, Westmoreland									
Expansion and repairs to Mannings High School,	Y	Y	A	A	A	Y	Y	A	Pre-contract activities consistent with established procedures for selective tendering and the award based on merit.
Savanna-la-mar, Westmoreland.									

## ANNUAL REPORT

## Pre-contract activities

## LEGEND :

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 IA = INADEQUATE  
 N/A = NOT APPLICABLE

NAME OF :	TENDERING								REMARKS	
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation		
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF INDUSTRY, TOURISM AND COMMERCE</b>										
<b>Factories Corporation of Jamaica Ltd.</b>	N	Y	A	A	A	N	N	A	Selective tendering procedures and documents catered for five (5) small contracts, so arranged to be priced independently. Each contract or a number of them could ultimately be awarded to one contractor depending on the outcome of the evaluation process. That evaluation was conducted fairly and the awards based on merit.	
General refurbishing and repairs to factories (Formerly Togar Plastics)										
Contracts 1 to 5										
Eleven Miles, Bull Bay, St. Andrew.									Private opening of tender is not supported by this office. There is no reason why public opening should not be the norm.	
<b>Urban Development Corporation</b>										
Repairs & Refurbishing Factories	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The negotiation of this contract on the basis of urgency was accepted by this office .	
Yallahs, St. Thomas										
<b>MINISTRY OF FINANCE</b>										
<b>Bank of Jamaica</b>										
(1) Procurement of Fabric for Staff Uniform.	N	Y	A	A	A	N/A	N/A	A	(1) Dry goods merchants invited to provide quotation on fabric samples or equivalent. One supplier had an advantage, since he had supplied the exact fabric in a previous contract. The other suppliers not aware of the source of supply had difficulty in matching or producing equally suitable samples, and ended up being non-competitive as only one supplier complied with the requirements	
(2) Manufacture of Uniforms.	N	A	IA	A	A	N	N	A	(2) Tender document for Sections A and B issued after public invitation to bid; but document not comprehensive, nor mentioned T. C. C. SECTION "A". Two (2) responses evaluated and both rejected, one for limited experience and the other for unfavourable track record and high price. The Bank proposes to negotiate contract with selected manufacturer.	

# ANNUAL REPORT

APPENDIX I

*Pre-contract activities*

**LEGEND :**

- N = NO
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NAME OF :	TENDERING									REMARKS
CLIENT MINISTRY	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation		
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF FINANCE</b>										
<b>Bank of Jamaica</b>										
(2) Manufacture of Uniforms. (continued)										SECTION "B". Five (5) responses evaluated and resulted in four (4) disqualifications, three (3) for lack of or limited experience and one (1) for high price. The remaining tenderer recommended for the award of the contract. Awards of contracts (1 & 2) based on compliance to the requirements.
Perimeter Wall (Phase II )	N	Y	A	A	A	N	N	A		Four firms invited to tender, but only two responses at private opening of tenders. Tenders should be publicly opened Lowest tenderer's submission had significant errors and tenderer withdrew when so advised The other tenderer qualified his bid; but was awarded the contract because an item in dispute was not available locally; therefore the instruction could not be complied with. Under the circumstances, this seemed fair.
Personal Computers upgrade or acquisition of new computers	N	Y	I/A	I/A	A	N	N	A		Quotations requested for comparison to either upgrade eight (8) I.B.M. AT personal computers or purchase six (6) new personal computers. Formal documentation to confirm telephone conversation with suppliers not comprehensive. However, responses submitted showed that quotations covered all the technical details and conditions of purchase. Comparative evaluation carried out and the result showed clearly that acquiring new computers more advantageous than to upgrade existing P.C.s.
Nethersole Place, Kingston										
<b>URBAN DEVELOPMENT CORPORATION</b>										
Harbour Street Sewage Project	Y	Y	A	A	A	Y	Y	A		Pre-contract activities have been executed fairly and with merit.
Kingston										

# ANNUAL REPORT

**LEGEND :**

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- IA = INADEQUATE
- N/A = NOT APPLICABLE

*Pre-contract activities*

NAME OF :	TENDERING									REMARKS
	prequalification	invitation	documents	tender instructions	period for returns	tender bond	public openings	tender evaluation		
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
<b>MINISTRY OF HEALTH</b>										
<b>Urban Development Corporation</b>										
Rollington Town Health Centre Kingston	Y	Y	A	A	A	Y	Y	A		Selective tendering process executed satisfactorily and the award based on merit.
Erection and completion of Fellowship Hall Health Centre Fellowship Hall, St. Mary	Y	Y	A	A	A	Y	Y	A		Tendering procedures executed satisfactorily and the award of the contract based on merit.
Construction, Repairs and completion To Nurses' Quarters Port Antonio, Portland	Y	Y	A	A	A	Y	Y	A		Tendering and pre-contract procedures executed on merit.
<b>MINISTRY OF LOCAL GOVERNMENT YOUTH AND SPORT</b>										
National Safety Ltd.										
Procurement of Fire Fighting Equipment and Spare Parts Islandwide Ian K. Agencies Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		Contract negotiated with overseas suppliers. (see pages 15-16)
Procurement of Garbage Compactors Islandwide	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		The Ministry of Local Government Youth & Sport received four (4) offers from overseas to supply a number of Garbage Compactors through the help of local agents. (see pages 15-16)

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		REMARKS	
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked		
					AGENCY/ CONSULTANT	CONTRACTOR			
<b>MINISTRY OF WATER AND TRANSPORT</b>  <b>Carib Engineering Corporation Limited</b>									
Castleton Water Supply Project Phase 1  Castleton, St. Mary	a) Mattis Demain Beckford & Assoc. Limited  b) Fredrick Rodrigues & Assocs. Ltd.	a) Yes  b) Yes  c) Not known at time of report	a) Lump Sum  b) \$2.25 M  c) 154 days	  N/A	  N/A	  N/A	  N/A	  N/A	Contract awarded and agreement signed October 21, 1993. Construction was scheduled to commence on December 6, 1993.
Cross Keys to Rest Store Water Supply  South Manchester	a) N. O. Whyte and Associates  b) T.A. Morgan Con- struction Co. Ltd.  c) Nelson Walters Engineers Ltd.	a) Yes  b) Yes  c) Yes	a) Lump Sum  b) Original Sum: \$2.16 M Revised: \$8.25 M  c) nine months Starting Date: 18/11/91	a) 12 Months  b) \$6.09 M  c) 281.1%	a) Inadequate  b) Inadequate  c) Fair	a) Fair  b) Fair  c) Fairly Good  d) Fairly Good	  No	This contract suffered from inordinate delays and resulted in a time overrun of 12 months. The general impression is that the overall management of the project was not carried out diligently. To be more specific, procrastina- tion largely contributed to the overrun and fluctuation cost of labour and materials. The project is completed, but the final ac- count is not yet computed. However, the in- formation available suggested that the per- centage increase on the contract sum has broken many barriers including that of 300% A really sad story for a contract worth original- ly \$2.16M ending up at approximately \$9.5M.	
Victoria Town Well #2  Victoria Town, Manchester	a) Fisher, Price and Associates  b) Donald Lewis Con- struction Co. Ltd.	a) Yes  b) Yes  c) Yes	a) Lump Sum  b) Original Sum: \$1.86M Revised: \$4.40M  c) Seven Months Starting Date: 21/11/91	a) 18 Months  b) \$2.54M  c) 136.7%	a) Inadequate  b) Inadequate  c) Fair	a) Fair  b) Fair  c) Fairly Good  d) Fairly Good	  No	The Project now approximately 90% complete with an overrun of 18 Months. The effects of poor planning, co-ordination and suspension of the work to await electro/ mechanical equipment combine to undermine the efficient and timely execution of the project.	
<b>Port Authority of Jamaica</b>  Construction of Data Entry Building III  Montego Bay Freeport, St. James	a) Harold Simpson and Associates  b) B. & H. Structures Co. Ltd.	a) Yes  b) Yes  c) Yes	a) Lump Sum  b) \$12.25M  c) 8 months	a) 14 Months  b) \$11.76M  c) 92.2%	a) Good  b) Good  c) Good	a) Poor  b) Poor  c) Poor  d) Fair	  No	It would appear that the contractor does not have the equipment, personnel, or the finan- cial resources to execute a project of the size and complexity as this one. The project started March, 1992, for comple- tion in November, 1992. During the construction period numerous complaints were made to the contractor concerning his performance and management of the project.	

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT		ADEQUACY	Liquidated Damages Invoked	REMARKS
	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour			
						AGENCY/ CONSULTANT	CONTRACTOR		
MINISTRY OF WATER AND TRANSPORT  Port Authority of Jamaica  Construction of Data Entry Building III ( continued )									What seems surprising is that no action was taken to terminate the contract. Indeed, the following written by the Architect in November, 1992, called for that action : "This building is the slowest construction site I have been associated with. It makes Data Entry Building II seem reasonable though we all know it also was painfully slow." Even at the point of achieving practical completion it is painfully slow. The records for extension of time have not accounted for a substantial period and what is noticeable is the failure to execute the liquidated damage clause. From the execution of this project it may warrant the Port Authority to review their pre-qualified contractors list to ensure that there is no recurrence of this situation It is recommended that the GCC provides future contractor lists.
Construction of Paved Bus Parking terminal  Newport West, Kingston	a) H.P.S. Joint Venture Engineers  b) B. & H. Structures Company Ltd.	a) \$0.79 M ( prepayment for materials in stock)  b) Yes	a) Lump Sum  b) \$1,62 M  c) Four Months	a) 9 Months  b) \$1.4M  c) 91.8%	a) Fair  b) Fair  c) Fair	a) Poor  b) Fair  c) Poor  d) Poor	a) Fair  b) Fair  c) Inadequate	No	Post contract activities have not been executed with due diligence. B & H Structures Co. Ltd. submitted the lowest tender which was 21.9% below the engineer's estimate. Most of the rates were low and this was of concern to the consultants. However, the Managing Director of B & H Structures assured the consultants that they had most of the structural steel and all the equipment required to execute the works. The performance in executing the contract did not reflect this economic advantage as stated. Consequently, there was an overrun on the contract sum of 91.8 %. This has reflected very poorly on the competence of the contractor.

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF AGRICULTURE</b>  <b>Rural Agricultural Development Authority</b>								
Farm Road Repairs -  Roselle, St. Thomas	a) RADA  b) Herbert Ducent	a) No  b) No  c) No	a) Unit Price  b) \$76,832.00  c) 14 days	a) -  b) -  c) -	a) Adequate  b) Satisfactory  c) Adequate	a) Good  b) Satisfactory  c) Adequate  d) Fair	a) Adequate  b) Adequate  c) Adequate	N/A  Post-contract activities in general executed with merit and there was no overrun on the contract.
Farm Road Repairs  Toms Hope, Portland	a) RADA  b) Hudson King	a)  b)  c)	a) Force Account  b) \$67,000.00  c) 14 days	a) -  b) -  c) -	a) Satisfactory  b) Satisfactory  c) Satisfactory	a) Adequate  b) Satisfactory  c) Adequate  d) Fair	a) Adequate  b) Adequate  c) Adequate	-  The necessary post-contract activities were conducted diligently for these minor works executed over a fortnight.
<b>National Irrigation Commission</b>								
Rio Cobre Dam Re-construction,  Dam Head, St. Catherine	a) Earle & Associates. Limited  b) Y.P. Seaton and Associates Ltd.	a) Yes  b) Yes  c) Yes	a) Lump Sum  b) \$123.64M  c) 448 days	a) -  b) -  c) -	a) Good  b) Fair  c) Good	a) Fair  b) Fair  c) Poor  d) Good	a) Fair  b) Fair  c) Poor	No  After six months of construction activities, the project has only recorded 15% of total volume of work. This means that the rate of progress is slow and the time loss amounts to seven (7) weeks. Some problems have been identified to account for the delays and the proposals to deal with these problems are being addressed. One point of concern is that the labour situation is unstable, due to unsatisfactory work habits. For this matter, supervisors are occupied sorting out problems with unskilled workmen from both political parties. As a consequence the production aspects of the project suffer. However, the matter is to receive special attention and hopefully will be resolved for the sake of the project.
<b>MINISTRY OF CONSTRUCTION</b>  <b>National Housing Trust.</b>								
(1) Flood Protection Hope Bay Housing Scheme  Hope Bay, Portland	a) Karl Bennett & Assoc. Ltd.  b) N.F. Barnes	a) No  b) No  c) No	a) Negotiated  b) \$502,506.94  c) Not stated		a) Fair  b) Fair  c) Fair	a) Fair  b) Fair  c) Fair  d) Fair	a) Adequate  b) Adequate  c) Adequate	No  (1) The lots acquired for housing units are susceptible to flooding. Corrective measures were instituted to contain flooding of the proposed housing units. The contractor has completed the structures and construction of the houses is anticipated to start in February, 1994.

**ANNUAL REPORT**

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour		
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF CONSTRUCTION</b>								
<b>National Housing Trust.</b> ( continued ) (2) Construction of 25 two- bedroom units  Hope Bay, Portland	a) N.H.T.  b) Individual small contractors selected by M.P.	a) No  b) No c) No	a) Unit price  b) Approximate- ly \$15M  c) Not yet agreed			-		(2) Contracts to individual small con- tractors were issued and recalled to enable the Flood Control Structure to be completed.
Rosemount Housing Development Phase I - Infrastructure  Rosemount, St. James	a) Arthur Nelson and Associates  b) Palisadoes Development Company Ltd.	a) Not Yet  b) Not Yet c) Yes	a) Lump Sum  b) \$33.22M  c) 12 Months	a) N/A  b) N/A c) N/A	a) Good			Project construction is scheduled to begin in February of 1994. The Contractor will be mobilised as soon as the bonds are in place. Comments on columns 6 & 7 are reserved until the project is fully underway. All outstanding securities are expected to be delivered by commencement date.
<b>Sugar Industry Housing</b>								
Claremont Housing Development  Claremont, St. Catherine	a) SIH Ltd.  b) Leonard I. Chang (Engineers) Ltd.	a) Yes  b) Yes c) Yes	a) Negotiated  b) \$161 M  c) 24 months	a) -  b) \$278M (esti- mated additional cost )  c) 173% ( estimated )	a) Fair  b) Fair c) Fair	a) Fair  b) Fair c) Fair d) Fair	a) Adequate  b) Adequate c) Adequate	No  The original plans provided for a total of 765 units comprising studios, 2 & 3 bedroom units. The Ministry seems to have reviewed its position and reduced the number of units scheduled for completion during the current financial year. This means that the original completion date for the third quarter of 1994 will not be met. Initial start up operations encountered prob- lems with political activists invading the site requiring special arrangements. Mobiliza- tion payment also delayed progress resulting in deferment of the commencement date However, the major problem is cost escalation. The project's final cost is now estimated at \$ 439 M but due to the rescheduling, the final cost could very well end up at \$600 M. The original market price of the units has already doubled, and will triple when the project comes to an end. The main point is who in Claremont will be able to afford the houses, certainly not the target group.

**ANNUAL REPORT**

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					AGENCY/ CONSULTANT	CONTRACTOR		
<p><b>MINISTRY OF CONSTRUCTION</b> ( continued )</p> <p>Operations of defunct agency, Estate Development Co. Ltd., now taken over by National Housing Corporation Ltd.</p> <p>Mineral Heights Phase II - Infrastructure Works May Pen, Clarendon</p>	<p>a) Jentech Consultants Ltd.</p> <p>Goldson, Barrett Johnson</p> <p>b) LeBros Associates Limited</p>	<p>a) Yes</p> <p>b) Yes</p> <p>c) Yes</p>	<p>a) Lump Sum</p> <p>b) \$19.3M</p> <p>c) 9 Months</p>	<p>a) 15 Months</p> <p>b) \$3.7M</p> <p>c) 19.1%</p>	<p>a) Fair</p> <p>b) Fair</p> <p>c) Fair</p>	<p>a) Poor</p> <p>b) Poor</p> <p>c) Poor</p> <p>d) Poor</p>	<p>a) Fair</p> <p>b) Fair</p> <p>c) Poor</p>	<p>Pending</p> <p>As reported in Annual Report 1992, the services of LeBros the contractor, were terminated and another contractor was sought to complete the works. To date negotiations with the runner up in the initial tendering are yet to be finalized. It is stated that preliminary items are causing the problems. In the meanwhile deterioration of the unfinished works is cause for concern, not to mention the security cost for the entire 1993 to avoid vandalism. Some interesting issues for information are included here on the current impasse between the Ministry and the contractor Le Bros.</p> <p>(1) There is a payment certified for \$ 1.9 M in favour of LeBros, which the Ministry has withheld. The Contractor's legal action to recover the amount was dismissed. This dispute is slated for arbitration, but but the contractor is bickering over the arbitrator.</p> <p>(2) The original cost of the contract was \$19.3M, including the \$1.9 M withheld by the Ministry, \$24.9 M was certified for an estimated 85 % of the works. The sum of \$ 25 M for completion including flood damage and remedial work is substantial.</p>
<p><b>Rural Road Rehabilitation Improvement and Maintenance Programme - Contract #12</b></p> <p>New Pera; Barking Lodge; Stokes Hall - St. Thomas.</p>	<p>a) Roughton &amp; Partner International</p> <p>b) Dwight's Construction Ltd.</p> <p>c)</p>	<p>a) Yes</p> <p>b) Yes</p> <p>c) Yes</p>	<p>a) Lump Sum</p> <p>b) \$10.9M</p> <p>c) 6 months</p>	<p>a) -</p> <p>b) -</p> <p>c) -</p>	<p>a) Satisfactory</p> <p>b) Satisfactory</p> <p>c) Satisfactory</p>	<p>a) Poor</p> <p>b) Poor</p> <p>c) Poor</p> <p>d) Poor</p>	<p>a) Inadequate</p> <p>b) Inadequate</p> <p>c) Fair</p>	<p>-</p> <p>Progress of work slow. Lacks detailed planning, and supervision. Quality of work needs improvement.</p>

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	NAME OF : (a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	CONTRACT (a) Type (b) Sum (c) Period	OVERRUN (a) Time (b) Money (c) \$ %	MANAGEMENT		ADEQUACY (a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	AGENCY/ CONSULTANT			
<b>MINISTRY OF CONSTRUCTION</b> (continued)									
New Sewage Treatment Plant	a) Milton Weise and Associates	a) Yes	a) Negotiated	a) 17 Months	a) Fair	a) Poor	a) Fair	NO	For reasons not clearly stated, but probably related to volatility of the area, the contractor sub-contracted the work to Y. P. Seaton after executing approximately 40% of the contract. The latter contractor seems to have made fair progress but lost interest when the units were connected to the sewerage system. The project at this point reflects a seventeen (17) month overrun in time and a \$5.2M increase even though the chlorination system and a standby generator are still outstanding.
Eltham Housing Development St. Catherine	b) Algreg Engineering and Construction Co. Ltd.	b) Yes	b) \$10.5M	b) \$5.2M	b) Fair	b) Poor	b) Fair		
	c) Y.P. Seaton	c) Not seen	c) 7 Months	c) Approx. 50%	c) Good	c) Poor	c) Fair		
<b>National Housing Corporation Ltd.</b>									
Infrastructure Works at Bridgewater Pen	a) Technical Enterprise	a) Yes	a) Negotiated	a) -	a) Fair	a) Fair	a) Fair	N/A	Activities progressing satisfactorily. Based on projections, completion is anticipated for March, 1994.
Discovery Bay, St. Ann	b) N. F. Barnes	b) Yes	b) \$21.12 M	b) -	b) Fair	b) Fair	b) Fair		
	c) Yes	c) Yes	c) 11 Months	c) -	c) Fair	c) Fair	c) Fair		
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>									
<b>Urban Development Corporation</b>									
Repairs and modification to Fern Court High School	a) Phillip Botchey and Assocs.	a) Yes	a) Lump Sum	a)	a) Good	a) Good	a) Good		No reported problem affected project implementation. Contractor achieved completion within the contract period. Final account outstanding at the time of this report.
Claremont, St. Ann	b) National Technology Engineering Ltd.	b) Yes	b) \$3.19 M	b) \$1.046M	b) Good	b) Poor	b) Poor		
	c) Yes	c) Yes	c) 8 months	c) 32.7%	c) Good	c) Poor	c) Fair		
Completion of Repairs to Harvey Hall Block	a) Doug Wright and Associates & Neville A. Mills Associates	a) Yes	a) Lump Sum	a) 7 weeks	a) Adequate	a) Good	a) Adequate	No	A construction contract valued at \$2.67M was awarded to Ellis Construction Ltd. in August 1990 for completion August 1991. The contract was terminated in December 1991 on the grounds that the contractor failed to carry out the activities diligently. The Performance Bond could not be redeemed as the date of the bond has expired.
Happy Grove High School	b) Yes	b) Yes	b) \$3.41M	b) 1.34M	a) Good	b) Good	b) Adequate		
Hector's River, Portland	c) Yes	c) Yes	c) Four months Nov. 1992 Feby 1993	c) 39%	c) Satisfactory	c) Fair	c) Adequate		
	b) D.T. Brown Construction Ltd.					d) Good			

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>  <b>Urban Development Corporation</b>  Completion of Repairs to Harvey Hall Block Happy Grove High School ( continued )								The subsequent contract recorded in this report completed satisfactorily, somewhat late due to extenuating circumstances.  This is a typical example of a contract which should have been completed for less than \$3.0M, terminated and finally cost over \$6.0M, due to non- performance by a contractor.
<b>National Housing Corporation Ltd.</b>  Spalding Primary School  Spaldings, Manchester	a) National Housing Corporation Ltd.  b) W. A. Reid Construc- tion Ltd.  c) E. & M. Associates Ltd.	a) Yes  b) Yes  c) Yes	a) Lump sum  b) \$7.87M  c) 10 months	a) -  b) \$3.38M  c) 42.98%	a) Adequate  b) Adequate  c) Adequate	a) Fair  b) Fair  c) Fair  d) Fair	a) Fair  b) Adequate  c) Adequate	Weather, some building materials and breakdown of equipment hampered pro- gress and frustrated the contractor's effort to meet deadlines. Once these pro- blems were sorted out, significant progress was made which resulted in 95% comple- tion by December, 1993.
George Headley Primary School  Duhaney Park, Kingston ,	a) National Housing Corporation Ltd. & Garron Ltd.  b) Ronham and Associates Ltd.	a) Yes  b) Yes  c) Yes	a) Lump sum  b) \$6.37M  c) 10 months	a) -  b) \$5.14M  c) 80.65%	a) Fair  b) Fair  c) Adequate	a) Fair  b) Fair  c) Fair  d) Fair	a) Adequate  b) Adequate  c) Adequate	Although inclement weather contributed to delays in the works, variations to the scope of work were the main cause This resulted in extension of time requested by the contractor. A welcome change is the promptness with which the contractor's certificates are being honoured. This will undoubtedly allow the contractor to meet his own commitments promptly.
Old Harbour Bay Primary School  Old Harbour Bay, St. Catherine	a) National Housing Corporation Ltd. & Garron Ltd.  b) Qualicon Engineer- ing Co. Ltd.  c) E. & M. Associates Ltd.	a) Yes  b) Yes  c) Yes	a) Lump sum  b) \$11.95M  c) 9 months	a) -  b) \$2.92M  c) 24.48%	a) Good  b) Good  c) Fair	a) Good  b) Good  c) Good  d) Good	a) Fair  b) Good  c) Fair	Construction activities show steady and consistent progress and the stand- ard of work is reasonable. The contractor is commended for keep- ing a clean site which reduces the risk of accident to students. But what is injurious to the public purse is the fluctuation in the cost of materials and labour accounting for a substantial portion of the overrun.

## ANNUAL REPORT

### POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF EDUCATION &amp; CULTURE ( continued )</b>								
Crofts Hill Primary School Crofts Hill, Clarendon	a) National Housing Corporation Ltd. & Garron Ltd. b) Cooper and Associates c) Ronham and Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$11.57M c) 10 months	a) - b) \$2.975M c) 25.72%	a) Adequate b) Adequate c) Adequate	a) Fair b) Fair c) Fair d) Fair		Construction activities suffered from frequent rainfall and strange as it may seem the activities were also affected by water supply problems until a catchment tank was erected. Cement is also a problem compounded by the concrete sub-contractor not servicing the site.
Seaview Gardens Primary School Seaview Gardens, St. Andrew	a) National Housing Corporation Ltd. & Garron Ltd. b) Ronham and Associates Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$4.10M c) 9 months	a) - b) \$7.96M c) 194.11%	a) Adequate b) Adequate c) Adequate	a) Adequate b) Adequate c) Adequate d) Fair		Activities of the contract affected by violence and theft on a large scale. This is typical of a volatile community where insurance companies decline to accept certain risks As a consequence the overrun on the project is substantial.
Black River Primary School Black River, St. Elizabeth	a) National Housing Corporation Ltd. & Garron Ltd. b) Cooper and Associates Ltd. c) E. & M. Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$9.154M c) 10 months	a) - b) \$1.55M c) 17%	a) Good b) Good c) Good	a) Good b) Good c) Adequate d) Fair		Construction activities commenced June 14, 1993 and recorded consistent progress. If this trend continues the project should achieve practical completion before the scheduled completion date. The quality of the work is fairly good and the site hoarding is arranged so as to keep students during school hours from interfering with construction activities.
<b>Sugar Industry Housing Limited</b>								
Sherwood Content/Joe Hut Basic Schools Trelawny	a) Sugar Industry Housing Limited b) C.S. Farmer Limited	a) No b) No c) No	a) Lump Sum b) \$2.08M c) 7 Months		a) Fair b) Poor c) Fair	a) Poor b) Poor c) Fair d) Fair		(1) Laxities reported for pre-contract activities in Annual Report 1992 surfaced in post-contract activities leading to determination of the contract. Although the contract involved only \$2.0M, proper contracting principles were not followed. The contractor's prequalification document was sent in late, yet accepted and evaluated without bank or bonding references. The issue of financing became a problem during implementation, since the contractor

**ANNUAL REPORT**

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :	CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS	
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour		
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>								
<b>Sugar Industry Housing Limited</b>								
Sherwood Content/Joe Hut Basic Schools ( continued )	b) G.M. & Associates Limited	a) Yes b) Yes c) Yes	a) Lump Sum b) \$1.759M c) 6 Months		a) Adequate b) Adequate c) Adequate	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	could not access the mobilization funds and provide a Performance Bond. Indeed, the termination exercise seems to have been the only solution A report was sent to Sugar Industry Housing Limited pointing out the shortcomings observed by this Office. The contractor received \$341,180.01 and \$18,323.31 withheld for retention. (2) The completion of the works was negotiated with the contractor who submitted the lowest tender, ( with substantial errors) at the time when C.S. Farmer submitted his.
<b>Urban Development Corporation</b>								
Repairs and Modification to Marcus Garvey Technical High School St. Ann's Bay, St. Ann	a) Phillip Bochey & Associates b) W.G. Walters Construction Co. Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$2.03 M c) 9 Months		a) Good b) Good c) Satisfactory	a) Good b) Good c) Satisfactory d) Satisfactory	a) Good b) Good	Work not proceeding fast enough to enable completion within the scheduled contract period. The contractor should be urged to intensify activities to meet the deadline.
Proposed alteration, renovation and addition to Green Island Secondary School. Green Island, Hanover	a) Phillip Botchey & Associates b) Cooper and Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$4,900,00.00 c) 12 Months		a) Good b) Good c) Satisfactory	a) Fair b) Fair c) Fair d) Fair	a) Good b) Good	The management of the contract has been reasonable up to this point and with due diligence the completion date can be achieved.
Renovation of Savanna-la-mar Secondary School Savanna-la-mar, Westmoreland	a) Gaston McKenzie b) Richards & Richards Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$10.6M c) 8 Months		a) Good b) Good c) Good	a) Good b) Good c) Good d) Satisfactory	a) Adequate b) Adequate c) Adequate	Overall progress seems to be satisfactory However the 52.8% completion recorded at this time indicates that there will be an overrun.

**ANNUAL REPORT**

*POST-CONTRACT ACTIVITIES*

NAME OF :	NAME OF :	CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	
					AGENCY/ CONSULTANT	CONTRACTOR	
<b>MINISTRY OF EDUCATION &amp; CULTURE</b>							
<b>Urban Development Corporation (continued)</b>							
Expansion and repairs to Mannings High School	a) Alberga Graham	a) Yes	a) Lump Sum		a) Good	a) Good	Although progress of the work is said to be fair, poor supervision resulted in technical defects in a certain section of the works. The contractor needs to be more vigilant or provide experienced and capable managers.
Savanna-la-mar, Westmoreland	b) W.G. Walters Con- struction Ltd.	b) Yes c) Yes	b) \$5.13 M c) 8 Months		b) Good c) Satisfactory d) Fair	b) Good c) Fair	
<b>GOJ/World Bank IV - Education Project</b>							
Extension and refurbishing of Bath All- Age School	a) Estate Development Company	a) Yes	a) Lump Sum	a) 4 Months	a) Fair	a) Fair	No Post contract activities commenced on the 13th August, 1990 with projected completion date being 12th May, 1991. This date was not achieved; however practical completion was realized on 3rd September, 1991 some four (4) months beyond the scheduled completion date. The contractor's claim for extension of time cited torrential rainfall and increase in the scope of works, as main reasons for delays. Indeed, critical items of works were still being issued even after the anticipated final completion. The overrun on the contract is a reflection of the additional works involved and reflect poorly on the otherwise good allround performance. The final account certificate of June 24, 1993, -21 months after practical completion date - highlighted the type of laxity that the industry can well do without.
Bath, St. Thomas	b) Construction Developers Associates Ltd.	b) Yes c) Yes	b) \$5.6 M c) 9 Months	b) \$5.92 M c) 105.68%	b) Good c) Good	b) Fair c) Fair d) Fair	
	c) Advanced Con- sultants Caribbean Ltd.						

**ANNUAL REPORT**

*POST-CONTRACT ACTIVITIES*

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	NAME OF : (a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	CONTRACT (a) Type (b) Sum (c) Period	OVERRUN (a) Time (b) Money (c) \$ %	MANAGEMENT (a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	ADEQUACY (a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF INDUSTRY, TOURISM AND COMMERCE</b>								
<b>Factories Corporation of, Jamaica Ltd.</b>								
General refurbishing & repairs to factories (Formerly Togar Plastics)								The following five contracts seems an unnecessary fragmentation of the project.
Bul Bay, St. Thomas								
Contract 1. : Repairs & refurbishing	a) Factories Corpora- tion of Jamaica Ltd.	a) Yes	a) Lump Sum		a) Satisfactory	a) Good	-	Contract activities carried out deligently and the work completed within the contract period
	b) K. E.L. Construction Management Ltd.	b) Yes c) Yes	b) \$62,806.00 c) 4 weeks		b) Satisfactory c) Satisfactory	b) Good c) Fair		
Contract 2. Repairs to roof, windows, walls and floors	a) As above	a) No	a) Lump Sum	a) -	a) Satisfactory	a) Good	-	Work executed diligently and completed with- in the time specified in the contract agreement.
	b) Donaldson Con- struction Services Limited	b) Yes c) Yes	b) \$122,882.00 c) Two weeks	b) Yes c) 0.27%	b) Satisfactory c) Satisfactory	b) Good c) Good		
Contract 3. Fittings & fixtures	a) Factories Corpora- tion of Jamaica Limited	a) Yes b) Yes	a) Lump Sum b) \$50,425.00		a) Satisfactory b) Satisfactory	a) Good b) Good		Work is progressing satisfactorily.
	b) K.E.L. Construction Management Ltd.	c) Yes	c) 4 weeks		c) Satisfactory	c) Good		
Contract 4. Painting and Finishes	a) As Above	a) As Above	a) Lump Sum		a) Satisfactory	a) Good		Work completed satisfactorily.
	b) As Above	b) As Above c) As Above	b) \$118,678.30 c) 4 weeks		b) Satisfactory c) Satisfactory	b) Good c) Good		
Contract 5. External Works.	a) As Above	a) As Above	a) Lump Sum		a) Satisfactory	a) Good		Work completed satisfactorily.
	b) As Above	b) As Above c) As Above	b) \$52,385.00 c) 4 weeks.		b) Satisfactory c) Satisfactory	b) Good c) Good		
						d) Good		

## ANNUAL REPORT

## POST-CONTRACT ACTIVITIES

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	NAME OF :			CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS
	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour			
						AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF INDUSTRY, TOURISM AND COMMERCE</b> ( continued )  <b>Urban Development Corporation</b>  Repairs & Refurbishing Factories  Yallahs, St. Thomas									
	a) Barry Brown Ltd.	a) Yes	a) Negotiated	a) 3 Months	a) Good	a) Satisfactory	a) Adequate	No	A contract for six (6) weeks finished 3 months late, yet negotiated on the pretext that it would result in an early completion. Activities were implemented satisfactorily and the standard of the finished work acceptable. Variations in measured work and fluctuations in the cost of materials accounted for increased completion costs.
	b) G.W. Christie (Engineers) Ltd.	b) Yes	b) \$3,142M	b) \$807,201.33	b) Fair	b) Satisfactory	b) Adequate		
	c) Yes	c) Yes	(Revised) \$4.71M	c) 17.13%	c) Good	c) Satisfactory	c) Adequate		
			c) 6 weeks			d) Fair			
<b>MINISTRY OF FINANCE</b>  <b>Bank of Jamaica</b>  Upgrading and Refurbishing Elevators  Nethersole Place, Kingston									
	a) A deB Consultants Limited (Part-time)	a) No	a) Negotiated	a) 10 weeks	a) Fair	a) Good	a) Adequate	No	For Pre-contract activities see Annual Report, 1992. The Bank of Jamaica failed to include provision for performance bond in contract agreement. Contractor obviously experienced in this field, well organised and equipped to undertake the works successfully. Although ten weeks late, the delays resulted from clearance of goods from wharves and strike action by the Bank's employees, among other things.
	b) Express Elevator Const. Co. Inc. (USA)	b) No	b) US\$277,014	b) -	b) Fair	b) Good	b) Adequate		
	c) No	c) No	c) Stage I Procurement and shipping 16 weeks	c) -	c) Fair	c) Good	c) Adequate		
			Stage II Installation works 14 weeks			d) Good			
(1) Procurement of Fabric for Staff Uniform  Nethersole Place, Kingston	a) B.O.J.	a) Equivalent JA\$ for US\$11,773.44	a) Procurement	a) -	a) Good	a) Fair	a) N/A	Although calculations are based on a rate of JA\$27 to US\$1.00, the contract sum will be disbursed in the equivalent JA\$ at prevailing rate at each stage of payment. The supplies are expected to be delivered on schedule as promised by the supplier.	
	b) L.P. Azar Ltd.	b) No	b) Equivalent JA\$ for US\$47,093.75	b) -	b) Good	b) Fair	b) N/A		
	c) No	c) No	c) 16 weeks 1/11/93 - 25/2/94	c) -	c) -	c) N/A	c) N/A		
						d) N/A			
Procurement of six (6) "Dell" Personal Computers  Nethersole Place, Kingston	a) B.O.J.	a) 50% Advance	a) Procurement	a) N/A	a) Good	a) Fair	a) N/A	The supply of the Dell Personal Computers has been satisfactorily concluded in accordance with all conditions applicable for the "Sale of Goods."	
	b) Xerox Ja. Ltd.	b) N/A	b) \$183,677.00	b) N/A	b) Good	b) Fair	b) N/A		
	c) N/A	c) N/A	c) 1 Month	c) N/A	c) N/A	c) N/A	c) N/A		
						d) N/A			



**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :	CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	
					AGENCY/ CONSULTANT	CONTRACTOR	
<b>MINISTRY OF PUBLIC UTILITIES, MINING AND ENERGY</b>  <b>Jamaica Public Service Co. Ltd.</b>  Bellevue to Duncans 138KV Transmission Line WB-4302  St. Ann/Trelawny	a) ELC Electro Consultants  b) Laeca Frate J.V.	a) Yes  b) Yes  c) N/A	a) Lump Sum  b) J\$10.43M Plus US\$1.181M  c) 11 Months	a) 5 Months  b) J\$7.74M US\$.156M  c) 74.11% 13.26%	a) Fair  b) Fair  c) Fair  d) Fair	a) Adequate  b) Fair  c) Fair	Targetted completion date not achieved due to problems encountered with the following:  1) Under-assessment of works on access road by the Contractor; 2) Rejection of poor quality aggregate by Engineer (resident); 3) Delay in JPSCo's authorization for Contractor to work on Tower No 107 from October 15, 1992 to March 23, 1993; 4) General delay by the Contractor in the starting and implementation of the different activities; 5) Custom clearance and authorization for work permit  The contract which commenced February, 1992 for completion December, 1992 did not achieve practical completion until May, 1993. The issues above which contributed to the delays resulted in an extension of time to cover the period. There were also problems regarding the Contractor's failure to finance the project adequately. This was due to the proportionate additional cost following the increased cost of the project. The problems were however, rectified by advances as the severity of the situation became evident. The cases of under-estimation and also materials escalation are justified by documentation provided It is fair to say the that problems which affected the project, were not satisfactorily dealt with or pursued energetically. which might have contained both time and cost overrun
30-35 MW Gas Turbine Power Plant  Hunts Bay, Kingston	a) K & M Engineers  b) Wallace O'Connor	a) -  b) Yes  c) N/A	a) Turnkey  b) US\$23.2M  c) 360 days	a) -  b) -  c) -	a) Fair  b) Fair  c) Fair  d) Fair	a) Adequate  b) Adequate  c) Adequate	No  This contract covers the supply and installation of a complete 30-35 MW Gas Turbine Power Plant which was signed December 29, 1992 with Wallace O'Connor of the U. S. A. The project experienced problems with the weather, delays in customs clearance of important items, and unrest on the site.

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	NAME OF : (a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	CONTRACT (a) Type (b) Sum (c) Period	OVERRUN (a) Time (b) Money (c) \$ %	MANAGEMENT		ADEQUACY (a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	AGENCY/ CONSULTANT			
MINISTRY OF PUBLIC UTILITIES, MINING AND ENERGY  Jamaica Public Service Co. Ltd.  30-35 MW Gas Turbine Power Plant ( continued )									As a result of the above, when 40 % of the project was completed the time elapsed was 65.83%. However, there has been marginal recovery up to the time of this report. The overall progress to date is approximately 91% complete. Completion is expected to be achieved in the first quarter of 1994.
Rehabilitation of Gas Turbine Unit #B6  Hunts Bay, St. Andrew	a) Jamaica Public Service Co. Ltd.  b) Ansaldo GIE	a) Mobilization Advances granted with out advance payment guaranteed  b) Yes	a) Lump Sum  b) US\$3.82M  c) 9 Months	a) Nil  b) US\$0.40M  c) 10.47%	a) Good  b) Good  c) Good	a) Good  b) Good  c) Good  d) Good	a) Adequate  b) Adequate  c) Adequate		Targetted completion achieved, but at an additional cost of US\$400,000.00. The conditions of the contract have provision for acceleration of the work programme as a means of recovering lost time. The client option for taking this route to enable completion within the contract period accomplished the objective, but at significant cost. Advance payment without security to Ansaldo G.I.E. breached the relevant clause of the conditions of the contract also Government policy regarding mobilization payments.
Power Plant Monitoring Control System  Knutsford Boulevard, Kingston	a) Automatic Control Engineering  b) Foxboro Company	a) Fair  b) Fair  c) Fair	a) Turnkey  b) US\$1.74M  c) 6 mths.	a) 21 Mths.					This project underwent problems as follows:- (a) Delay in delivery of supplies critical for completion. (b) On going on-line modification to system.  The supplier's proposal in accordance with the contract agreement specified the following:- (1) Delivery ex works to Kingston August, 1992. (2) Commence installation of power plant. - September, 1992 (3) Commissioning of plant monitoring system - October, 1992 Failure to meet deadlines, resulted in an overrun of 12 months at this stage of the project.

**ANNUAL REPORT**

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY		
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour	Liquidated Damages Invoked	REMARKS
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF HEALTH</b>  <b>Urban Development Corporation</b>								
Rollington Town Health Centre,  Kingston	a) G. Fisher & Associates Ltd. b) Cooper & Associates Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$2.,1 M c) Six Months	a) - b) - c) -	a) Good b) Good c) Good d) Fair	a) Good b) Good c) Fair d) Fair		The progress of work is fair but supervision needs to be more detailed due to the nature of the work.
Erection and completion of Fellowship Hall Health Centre  Fellowship Hall, St. Mary	a) John Pressey b) W.G. Walters Construction Co. Limited	a) Yes b) Yes c) Yes	a) Lump Sum b) \$1.956M c) 7 Months	a) 2 Months b) - c) -	a) Good b) Good c) Satisfactory d) Good	a) Good b) Good c) Good d) Good		The quality of the work is satisfactory, but in terms of time, it is two (2) months behind schedule.
Construction, Repairs and Completion of Nurses' Quarters - Port Antonio Hospital  Port Antonio, Portland	a) G.H.L. Fisher and Associates W. Farquharson N. Linton Phillip Botchey b) W. Reid Construction Co.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$3.34 M c) 4 Months	a) 9 Months b) \$436,115.50 c) 13%	a) Satisfactory b) Satisfactory c) Satisfactory	a) Satisfactory b) Satisfactory c) Satisfactory d) Satisfactory		In spite of the extensive corrective measures which had to be undertaken in re-starting the project, satisfactory progress was achieved and the quality of the work is quite good.
<b>MINISTRY OF LOCAL GOVERNMENT, YOUTH AND SPORTS</b>  <b>St. James Parish Council</b>								
Jarrett Park Stadium  Montego Bay, St. James	a) Michael Carter & Associates (Architect) Derrick Stephenson and Associates (Quantity Surveyor) b) C.G. Woolery and Partners	a) Yes (\$896,580.00) b) Yes c) Yes	a) Lump Sum b) \$4.4M c) 5 Months	a) 6 Months b) \$2.0M c) 45%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	Imposition of \$2,000 per day pending	Original plans envisaged for the development was scaled down on account of insufficient funds to execute the proposal. Arguments surrounding Government's contribution were reported in the Press, but nothing was mentioned regarding the financial assistance that was given or to be given by the private sector. The cost of the project gleaned from the provisional final account amounts to \$6.46M including materials and labour increases as

**ANNUAL REPORT**

## POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT	ADEQUACY	Liquidated Damages Invoked	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant / Machinery (b) Materials (c) Labour		
					AGENCY/ CONSULTANT	CONTRACTOR		
<b>MINISTRY OF LOCAL GOVERNMENT, YOUTH AND SPORTS</b>  St. James Parish Council  Jarrett Park Stadium (continued )								
Procurement of Garbage Compactors  Islandwide	a) Government of Jamaica  b) Renault Vehicles Industries, France	a) No  b) No  c) No	a) Negotiated  b) \$40M	a) -  b) -  c) -	a) N/A  b) N/A  c) N/A	a) N/A  b) N/A  c) N/A  d) N/A	-	well as variations to the contract. Govern- ment was asked to meet the expenditure owing to the alleged nonperformance of the private sector. It is now stated that further work to the field, re-instatement of adjacent road and renovation of the pavilion will be funded by the private sector. The project which was scheduled for comple- tion in five (5) months, experienced cash flow and other problems resulting in a 6 month overrun. Finally, liquidated damages may be applied, and what is also noticeable is the breaching of government policy regarding mobilization payments  Forty-five (45) Renault Garbage Compactors purchased from Renault Industries, France under line of credit to be financed by ITOCHU Latin America, S.A. - \$40M included in 1993-94 budget for acquiring the asset. Units will start to arrive as soon as the letters of credit are established.
Procurement of Fire Fighting Equip- ment and Spare Parts  Islandwide	a) Government of Jamaica  b) Rosenbauer International, Austria  c) National Safety Ltd.	a) N/A  b) N/A  c) N/A	a) Negotiated  b) \$16M Budget 1993-94  c) Over 5 Years starting 1994-95.	a) -  b) -  c) -	a) N/A  b) N/A  c) N/A	a) N/A  b) N/A  c) N/A  d) N/A	-	The client Ministry has signed an agreement with Rosenbauer International, Austria the supplier for 24 Fire Units along with equipment at a cost of 100Million Austrian Schillings through a line of credit. Provision will be made in 1994/95 budget for the purchase of the Fire Units equipment and spare parts. Units will arrive as soon as the letters of credit are established.

APPENDIX III

STAFF SITUATION FOR 1993

COMPLEMENT	APPROVED	EMPLOYED	VACANT	REMARKS
Contractor-General	1	1	-	
Deputy Contractor-General & Director - Construction Contracts	1	1	-	
Legal Advisor	1		1	Part-time legal Consultant
Director - Licences & Permits	1	1	-	
Director - Administration	1	1	-	
Inspectors	6	6	-	
Assistant Inspectors	6	5	1	Unable to locate suitable candidate
Executive Secretary II	1	1	-	
Public Relations Officer	1	-	1	Post frozen
Executive Secretary	3	2	1	One (1) post frozen
Accountant (FAA IV)	1	1		
Personnel Officer	1	-	1	Post frozen
Office Manager	1	1	-	
Accountant (FAA II)	1	1	-	
Senior Secretary	1	1	-	
Accounting Clerk (FAA I)	1	1	-	
Secretaries	2	1	1	Post frozen
Registrar	1	1	-	
Personnel Clerk	1	-	1	Post frozen
Clerk (registry)	1	1	-	
Telephone Operator/Receptionist	1	1	-	
Driver	2	1	1	
Office Attendant	1	1	-	
Canteen Attendant	1	1	-	
Messenger	1	1	-	
Watchman	2	-	2	Posts frozen
Part-time Cleaners	<u>2</u>		<u>2</u>	Post frozen
	43	31	12	

APPENDIX IV

Mr. Noel Hylton  
President, The Port Authority of Jamaica  
15-17 Duke Street  
Kingston

Dear Sir,

Data Entry 3 -  
Pile Driving and Building Contracts

We have been monitoring the implementation of the pile driving and building contracts being executed at the Montego Bay Freezone and in accordance with the requirements of the Contractor-General Act are conveying our findings to you.

First of all it was observed that the tenders for the pile driving contract were opened in private nine (9) days after the stipulated return date and the competitive selective tendering procedures in the awarding of the contract to B & H Structures Company Limited were not executed by the consulting Quantity Surveyors with a high level of professionalism.

As we see it, not only did B & H Structures Company Limited qualify their tender but all the obligations were not fulfilled, consequently their tender should not have been accepted merely because it was the lowest evaluated bid as it did not accord with the principles of selective tendering. The other tenderers seem to have fulfilled all their tender obligations.

The consulting Quantity Surveyors in their report indicated that the letter received from B & H Structures was ambiguous. The company neither confirmed nor withdrew its tender but stated that it was prepared to stand by its written price of \$1,460,000.00 not including the sum total of \$240,000.00 which should have been included in the tender sum. The situation was not

helped by the failure of the Quantity Surveyor to make a conclusive recommendation on the award of the contract.

It would appear that the second lowest tender of \$1,786,820.00 could have been accepted or the contract retendered. The code of selective tendering clearly states that it is not absolutely necessary to accept the lowest tender.

While agreeing with the principle of comparison of estimate known as "Best Estimate", as stated in your document submitted to the Government Contracts Committee, it is noted that the award of the contract to B & H Structures company Limited was in part to avoid further delay in implementing the project and the possible forfeiture of the loan by the Caribbean Development Bank, having been given a deadline by that agency to implement the project.

It is evident that the contractor has not performed creditably on both contracts. His organization on the site and supervision of the works have been unsatisfactory. The progress and quality of the work have been at best fair.

My information is that the contractor has been experiencing cash-flow problems. This of course has affected the time of completion of the works and the overall cost-effectiveness of the project.

I would strongly recommend that the prequalification of contractors be reviewed periodically in order to select the most suitable and qualified one for each project and that there should be at all times a strict observance of the rules and principles governing the award and implementation of contracts.

I sincerely hope that the above observations will be of help in the award and implementation of future contracts by the Port Authority.

## APPENDIX V

### ABBREVIATIONS

C.I.B.	-	Coffee Industry Board
E.D.Co.	-	Estate Development Company Ltd.
E.E.C.	-	European Economic Community
G.C.C.	-	Government Contracts Committee
G.O.J.	-	Government of Jamaica
I.B.R.D.	-	International Bank for Reconstruction and Development
I.D.B.	-	Inter-American Development Bank
JADCo	-	Jamaica Attractions Development Company Ltd.
JAMPRO	-	Jamaica Promotion Corporation
M/Ag.	-	Ministry of Agriculture
M/F	-	Ministry of Finance
M.L.G.	-	Ministry of Local Government
M.O.C.(H)	-	Ministry of Construction (Housing)
M.O.C.(W)	-	Ministry of Construction (Works)
M.O.E.	-	Ministry of Education
M.O.H.	-	Ministry of Health
M.P.	-	Member of Parliament
N.H.C.	-	National Housing Corporation
N.H.T.	-	National Housing Trust
N.I.B.J.	-	National Investment Bank of Jamaica
N.W.C.	-	National Water Commission
P.A.J.	-	Port Authority of Jamaica
PAMCo	-	Project Analysis & Monitoring Company
P.I.O.J.	-	Planning Institute of Jamaica
T.A.P.	-	Tourism Action Plan
T.C.C.	-	Tax Compliance Certificate
U.D.C.	-	Urban Development Corporation
USAID	-	United States Agency for International Development



