

THE
EIGHTH ANNUAL REPORT

OF

THE CONTRACTOR-GENERAL

JANUARY TO DECEMBER, 1994



OFFICE OF THE CONTRACTOR-GENERAL

17 KNUTSFORD BOULEVARD,

P.O. BOX 540,

KINGSTON 5,

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^{IV}

TELEPHONE No.

15th May, 19⁹⁵

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 Eighth Annual Report of the Contractor-General for January to December 1994.

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

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INTRODUCTION

The Future of the Office of the Contractor-General

As the Government continues to examine its bureaucracy to make it as effective and lean as possible this seems to be an appropriate time to point out that the country is not getting a fair return on its investment in the Office of the Contractor-General. This office was established in 1986 and since then, efforts have been persistently and unsuccessfully made to persuade Parliament, to whom the Contractor-General is required by law to report, to examine the Annual and other reports submitted by the Contractor-General. It does not seem reasonable to spend millions of dollars annually on an organization, require it to report on what it has discovered and then merely lay that report on the table of both Houses of Parliament for the press to make of it what it thinks fit.

And there is a further and perhaps more serious question. Is it a prudent use of resources for there to be at least three agencies monitoring various aspects of government contracts, project implementation and the award of licences and other benefits? The three agencies are the Auditor General, the Project Analysis and Monitoring Company (PAMCo.) and the Contractor-General. These units combined have a wide range of skilled personnel including economists, auditors, accountants and experts in contracting and building construction. But no single agency has all the necessary skills and each agency generally goes about its work in isolation.

The reports of the Auditor General and the Contractor-General are submitted to Parliament and become public documents but the reports from PAMCo are internal and not released to the public. It is recommended that during 1995 an examination be undertaken of the work done by all monitoring agencies and that there be some amalgamation or integration of activities where it is established that there are benefits to be gained. Perhaps the Office of the Ombudsmen should also be looked at as part of the same exercise.

Some Issues In 1994

1994 was a year of promise rather than fulfillment. At the end of the year we were still waiting for the new arrangements for the disposal of publicly owned land to be put in place. The restructured and strengthened Government Contracts Committee was also not yet a reality but both seemed set to come on stream in 1995.

If there had been a strong independent committee in St. Elizabeth responsible for making recommendations on the disposal of publicly owned lands the controversy that arose over the disposal of land at Holland Estate would hardly have taken place. Every effort needs to be made to ensure that benefits are awarded through mechanisms which are open and in which people of all opinions have confidence. This will only occur if the bodies making the awards consist of political people of all shades of opinion working with independent citizens who are held in high regard by the communities in which they live. In today's Jamaica no one seems to have confidence in the integrity of awards made by politicians of one party acting alone or in conjunction with public employees.

During the year the question of benefits to parliamentarians was put to this office on more than one occasion. In one case a government agency sought advice on how to respond to a firm which had nominated a serving Minister of Government as a consultant on a project. In working on the response to this request it seemed that more clear and precise guidelines were needed for both Ministers and Members of Parliament without portfolio responsibilities. As far as Ministers were concerned the view was taken that they "should not accept any contract of any nature from a public agency or undertake any consultancies or other professional work for which emoluments are received." The point was also made that "a Minister should be required to distance himself from any company in which he might have been involved prior to becoming a Minister." As far as other Members of Parliament were concerned it, was recommended that the present arrangements be reviewed to ensure that parliamentarians do not have an advantage over members of the general public.

I was advised in August 1994 that the Ministry of Finance was aware of the problem and was working on draft guidelines which would be submitted to the Government for approval. It is thus reasonable to expect that during 1995 clear guidelines will be established which will be a further step on the road to transparency and agreed standards based on equity and fairness.

Hopefully, we are gradually moving towards acceptance of the basic principle on the award of benefits which was put forward as an ideal in the 1992 Report in the following terms :

"A basic principle by which it is recommended that the Government should operate is that all benefits to be awarded to individuals or companies should be seen to be made without bias or favour and by independent bodies.

To put it another way the Government has been elected to govern the country, to decide on the policies to be pursued, the projects undertaken, the laws to be passed, the departments and agencies to be maintained and so on. But ministers and employees of the Government should not have sole responsibility for awarding contracts, licences, permits and similar benefits to individuals or companies where choices have to be made between competing entities."

Conclusion

In 1994 there were still too many projects with massive overruns both in cost and time and too many contracts awarded by negotiation.

But 1995 should be the year in which the Government Contracts Committee is strengthened and made more independent and negotiated contracts, except in special circumstances, become a thing of the past.

If the above holds true then the time will have come to tackle what might prove to be a more intractable problem. It is the norm that the hundreds of small road and other construction contracts which are awarded each year are largely in the control of local political forces. As a consequence fairness and impartiality as required by the Contractor-General Act are not always present. For some time the recommendation has been made that lists of qualified small contractors be prepared in each area by

independent bodies and that contracts be awarded only to people on these lists. We will need to press for this to be dealt with in 1995.

As far as licences are concerned, it was in 1994 that the lottery licence was amended to ensure that those who had failed to make a go of the original licence would be given a second chance. This office had sought an assurance from the Betting, Gaming & Lotteries Commission that any future awards would be made openly and on the basis of tenders being sought and examined. This assurance was never given and hence what subsequently occurred did not come as a surprise.

1994 can therefore be described as a year in which some progress was made but which unfortunately was also marked by some discouraging setbacks.

MONITORING AND INVESTIGATION OF CONSTRUCTION CONTRACTS

The construction industry continued to be plagued by a myriad of problems and deficiencies from the conception of projects to the implementation stage. The main actors in undertaking a project are the client, the consultants and the contractors. Consequently, where a project fails to proceed on a timely basis, efficiently and competently, one or more of these parties are to be blamed either because of negligence, incompetence or the lack of vigilance.

In identifying the problems, it is noted that force majeure (e.g. flooding or the siting of a project in a politically volatile area) can present difficulties beyond anyone's control. However, those problems within their control include, inadequate financing; faulty plans and designs; faulty tender documents; inept tender evaluation; questionable tender lists; faulty site investigation; awards to incapable contractors; inefficient management and supervision; poor coordination; shoddy work and poor performance.

In addition to the defects noted above, changes in the scope of works, variation and additions are regularly introduced during the implementation stage and these inevitably require extensions of time with the concomitant escalation in costs.

As far back as 1973, the DaCosta Commission vividly portrayed the weaknesses, deficiencies and corruption which characterized the construction industry, especially the award and implementation of government contracts, and made recommendations for addressing them. Despite some rhetoric and minor changes, matters remained substantially unchanged until the government decided to take a positive step and enacted the Contractor-General Act, 1983.

As observed in previous Annual Reports, the management of contracts has been an area of great concern. There is a dearth of competent management personnel available in the public sector, resulting in projects being poorly managed with the inevitable extensions of time and escalation in costs. Indeed, in recognition of the importance of the management factor, some international agreements stipulate the naming of a project manager.

Whereas management is regarded as a key element generally, it is especially so in the case of large projects. Consequently, ministries/agencies with large projects should ensure the appointment of appropriate

management personnel. In the interest of the project, it is essential that the manager be familiar with the project and its rationale from the beginning and be conversant with all its elements. He should monitor all the pre-contract activities and ensure that all requirements and activities are timely scheduled for the efficient prosecution of the project; these include, financing; planning; designs and specifications; coordination; procurement and supervision.

By circular as far back as the 1960s, the Ministry of Finance directed the then Ministry of Communications and Works to prepare and maintain a list of qualified and competent consultants from which ministries and agencies could make a selection. The practice in more recent times is that certain consultants seem to be favoured, depending on the political party forming the government. Objectivity and transparency require that the system should adhere strictly to the terms of the Ministry of Finance directive.

Consultants are critical for the successful pursuit of a project. Apart from acting as advisers to the client, they are responsible for planning and designing, specifications, preparation of tender documents, evaluation of tenders and supervising the implementation process; in sum, it is their responsibility to ensure the maintenance of the integrity of the project.

Unfortunately, too many cases of negligence, incompetence and unprofessionalism were observed with serious consequences with regard to the contract period and cost escalation. Cases listed below provide outstanding examples of these problems.

It is noted too that the incidence of false or poor soil reports is increasing and this is an area where both the client and consultants need to be more vigilant. A glaring instance of this problem is recorded in Case #3 below.

It is observed that the government has not been successful in recruiting consultants, that is, Architects, Engineers and Quantity Surveyors as the emoluments, conditions of service and opportunities for advancement are not sufficiently attractive. This is unfortunate since investigations conducted show that government would realise very substantial savings in these services were such personnel recruited with appropriate emoluments and opportunities for advancement. This issue is highlighted in the recommendations made at the seminar held in November, 1994, details of which are at Appendix IV.

As in the case of consultants, the Ministry of Finance had directed that the Ministry of Communications and Works prepare and maintain a classified list of contractors. In practice, this directive is often breached and unqualified contractors assigned tasks beyond their capabilities with the resultant loss of time and escalation in costs. Case #5 below illustrates the point. The situation underlines the need for the maintenance and up-dating of a classified list of contractors, which should be used by all public sector entities. It is noted in Case #4 below where the Sugar Industry Housing Ltd. was directed by the Ministry of Construction (MOC) to prequalify a contractor with unfortunate results.

Negotiated contracts have become a norm with the Ministry of Construction (W&H) in cases where the criteria for negotiated contracts do not obtain. And even where urgency is cited, often the evidence does not bear this out. The results from these negotiated contracts consistently reflect substantial increases in costs and protracted extensions of time as will be noted in Cases 3, 4, 5 & 6 below.

Members of Parliament continued to be too involved in the process of awarding contracts with the result that unqualified and incompetent contractors are often assigned tasks beyond their capabilities. Case # 5 below is a classic example of what can transpire when proper procedures are ignored.

For several years this office has been calling for a revised and strengthened Government Contracts Committee which could bring greater integrity to the system by providing the technical, administrative and consultative support that are badly needed. The Cases; listed below represent some of the worst planned and executed contracts, but again we must emphasize that there are cases where contracts were executed competently on a timely basis and within or near the contract sum. It is unfortunate that these cases represent a small minority. Some of these better cases are recorded at Appendix II.

CASE 1 - Mineral Heights, - Phase II - Infrastructure Works - May Pen, Clarendon

Le Bros Associates Ltd. was awarded, by selective tendering, a contract in the sum of \$19.3M to execute the above works between January and September, 1991. However, after 85% of the works were completed, the client, MOC(H) determined the contract in December, 1992. The project was plagued by a myriad of problems including an inexperienced engineer, inadequate surveying information leading to relaying of sewer laterals, additional site grading, excavation, delays in submitting various designs, lack of competent artisans, scarcity of certain materials, late mobilization, delay in approving variation orders, flood damage, late insurance payment and a delay in the Quantity Surveyor's certification, among others.

To complete the 15% works remaining, the MOC(H) negotiated a contract early in 1993, with Trevor Dunkley and Co. Ltd. (runner-up in the bidding) for a sum of \$24.05M, but to date the contract has not yet been signed as a disagreement arose between the client and contractor over preliminaries amounting to \$912,000.

This case demonstrates a number of weaknesses including, questionable procedural practices, mismanagement, irresponsibility and a lack of concern for public expenditure, and all three parties are at fault.

The present situation shows a 9-month contract signed in 1991, for \$19.3M and for which 85% is completed at a cost of \$23M indicating that the remaining 15% will cost over \$24 M on a second contract. Bearing in mind that the second unsigned "contract" is almost two years old, the pricing would now be obsolete and as a consequence, the latest projections are that the completion cost will be closer to \$60M. This project was mentioned in the 1991, 1992 and 1993 Annual Reports.

CASE 2 - Morant Bay Junior High School, - Construction - St. Thomas

Under the Government of Jamaica/International Bank for Reconstruction and Development (GOJ/IBRD) Education Programme, the Ministry of Education and Culture (MOEC) negotiated a contract with Construction Developers Association Ltd. to execute the above works for a sum of \$27.5M over the period, January, 1994, to January 1995.

At the reporting period the contract was 90% complete with expenditure running at \$52.2M or 190%

of the contract sum and the contractor had applied for an extension of 43 days because of delays resulting from lack of information, an increase in the scope of works, materials shortage and inclement weather. Other problems which affected implementation included, errors in the prequalification documents; inaccurate drawings; fluctuations in materials/labour/service charges; inadequate survey information; variations and the change of consultants from Estate Development Company (EDCO) to National Housing Corporation (NHC).

This contract however, is a sequel to an awarding process which began in 1991, when prequalification and tendering exercises were carried out twice because of a conflict between EDCO and the Ministry of Education and Culture and the refusal of both the G.C.C. and the I.B.R.D. to accept the recommended tenderer as the lowest tender had been bypassed.

The situation at the end of December, 1994 showed a project for which the original estimate was \$13.37M at the outset (1991) rising to an expenditure of over \$52M with the school still not completed almost four years later!

CASE 3 - Phoenix Park Housing Scheme - Infrastructure Works - Balaclava, St. Elizabeth

The Sugar Industry Housing Ltd. (SIHL) negotiated a contract with N.C. Smith Engineering Ltd. in the sum of \$9.4M for the above works to be executed between May and December, 1993. Problems in implementation included inclement weather, shortage of materials, a scandalous soil report by Hill-Betty Engineers Ltd. which indicated no rocks on a site comprised of 90% rock and the necessity for extensive blasting, extra works and removal of squatters.

At December, 1994, the contract was only 72% complete, reflecting an overrun of 13 months and with expenditure running at \$25.6M or 169% of the contract sum. This is another case of the undesirable practice of negotiating contracts which, in many cases, are costing the country dearly.

CASE 4 - Straun Castle Housing Project - Infrastructure Works - Manchester

The MOC(H) directed the SIHL to negotiate a contract with Arthur Lyn in the sum of \$3.76M for the above works to be executed between May and September, 1993. The contractor was actually prequalified for the job but was a bad choice as he had been inactive for sometime; had difficulties in providing the necessary securities; experienced a shortage of equipment and materials and overall his performance was poor to the point where the SIHL threatened termination of the contract.

At the reporting period the works were 62% complete, reflecting over 15 months in overrun while expenditure was running at \$1.6M or 42% of the contract sum.

CASE 5 - Cambridge Water Supply Scheme, - Phase I - Gabion Wall, a Pump Slump, Pump Base and Silt Chamber - St. James

Under the above-mentioned scheme, a contract was negotiated by Carib Engineering Corporation Ltd. (CECL) with Ultimate Construction Co. Ltd. to undertake the captioned works for a contract sum of

\$473,715, to be executed between February and June, 1994. It soon became clear however, that the contractor lacked the necessary resources and was incapable of even commencing the job. The client consequently terminated the contract. The contract was subsequently divided into two parts which were negotiated with two other contractors on site at a total cost of \$601,270, that is, \$127,715 or 21.2% above the original figure.

The conduct of this contract manifests a number of procedural breaches. In the first place the Ministry of Water and Transport directed that this contract be negotiated. Secondly, an M.P. supplied a list of contractors whom he claimed to be "qualified and capable," but none of whom appeared on the G.C.C. list. Thirdly, the project was divided into four contracts so as to circumvent going to the G.C.C. and allowing the Contracts Committee of the CECL to approve the contracts. Further, it was asserted that the works were of an "emergency nature" yet although the agreement was signed on 8th November, 1993, the recorded commencing date was over three months later, 24th February, 1994, and at the end of December, 1994, none of the four contracts were completed, reflecting an overrun of up to six months.

CASE 6 - Tryall Housing Development, - Infrastructure - Hanover

The MOC(H), "Corporation Sole", directed the NHC to negotiate a contract with Buchanan Quarry Block Making Ltd. to undertake the above works in the sum of \$29M, to be executed between August 1993 and July, 1994. Both the G.C.C. and Cabinet gave their approval. The problems observed in implementing this contract were the questionable experience and financial resources of the contractor; delay by the NHC in fulfilling its surveying obligations and poor management by the contractor. It is noted however, that the contractor was wise enough to engage sub-contractors and the services of Arthur Nelson and Associates Consulting Engineers to assist in managing the contract.

At the reporting period the project was 80% complete with expenditure running at \$29.5M or 101% of the contract sum; The overrun in time was 16 months and reflects on the contractor undertaking a job of this magnitude for the first time.

CASE 7 - Downtown Kingston Re-Development Programme - Sewer Mains and Pumping Station

A contract was originally awarded to Solid Engineering Ltd. in the sum of \$25.3M to execute the above works over 12 months, from February, 1989. However, although the contractor was prequalified for this project, he appeared as a grade III contractor on the MOC's register and indeed, the Urban Development Corp. (UDC) entertained some reservations about the capability of the three contractors who were prequalified and contemplated dividing the project into three contracts, but this was not done.

The client was dissatisfied with the conduct of the project from the very beginning and complained about the poor management, supervision and quality of work. On his part, the contractor accused the UDC of being responsible for many delays as they had purchased defective materials which were then poorly stored, leading to deterioration and there were other complaints including the charge that the UDC failed to honour payment certificates on time. Arising out of these charges and counter-charges, the contractor instituted legal action which ended in the termination of the contract and his being compensated by the UDC.

To complete the works, four new contracts were awarded, three to Edwards Construction Ltd. for the laying of trunk sewer mains and one to David M. Chin & Associates for constructing a pumping station. The total value of these contracts was \$40.5M. These contracts were signed between 1991 and 1992, to be executed between 15 and 20 months. Sited in a politically volatile area, apart from deficiencies in management, planning, coordination and supervision, the project was plagued throughout by theft, intimidation, work stoppage, violence and security problems. In recent months the military assisted in the work and this helped with security

The overall situation therefore, is that at the reporting period, a \$23.5M project which began in 1989, to run for 12 months, was still not completed more than five years later, with the cost escalating to over \$40M and projected to rise on completion to over \$55M or 134% above the original contract sum. This project was mentioned in the 1991, 1992 and 1993 Annual Reports.

CASE 8 - Improvement of Electrical System - Paradise to Orange Bay, Westmoreland

This project was the subject of international tendering which was won by ABB SVECA SADE C.A. of Venezuela in the sum of US \$1,665,159 and J\$15,605,151 to be executed between July, 1993 and August, 1994. The problems which affected implementation included, non-compliance with engineering and environmental instructions; incorrect soil report; relocation of towers; stoppage of work; breakdown of equipment and fluctuations in materials and labour costs.

At the reporting period the works were 95% complete with the projected completion date revised to March, 1995. Expenditure was running at US\$1.4M or 82% of the contract sum and J\$26.9M, that is \$11.3M or 72% above the contract sum. However, it is projected that at completion there will be an additional US\$.63M or 3.7% and J\$22M or 141%, bringing the total projected completion cost to US\$1.75M and J\$37.6M.

CASE 9 - Wrights & Bartons Basic Schools, - St. Catherine

The SIHL, agent for the MOEC, awarded a contract by selective tendering, to Metrocon Associates Ltd. in the sum of \$4.6M, for demolition, extension and construction of new buildings for Wrights and Bartons Basic Schools during the period, February to August, 1994. Construction was plagued by a number of problems particularly at Wrights Basic School, where there were cracks in the building and the walls were inadequately reinforced resulting in the consultants directing a complete demolition and re-building from foundation. The site was also invaded by political thugs, causing a stoppage, in addition, there was late payment of certificates and an inadequacy of materials.

At December, 1994, the works were 94% complete, showing an overrun of 4 months and expenditure running at \$4.8M, that is, \$1.2M or 26% above the contract sum.

CASE 10 - Ewarton Primary School, - St. Catherine

The NHC, on behalf of the MOC, awarded a contract by selective tendering, to Qualicon Engineering Co. Ltd., in the sum of \$17.9M, to up-grade and extend the above-mentioned school and for which the contract period was March to October, 1994. The contractor experienced delays in the payment certificates as a result of which there was a 2-month overrun on time at the reporting period. The payment problem was attributed to the inadequacy in the Ministry's warrant from the Ministry of Finance and Planning.

On the question of cost, expenditure was running at \$20.6M, that is, \$2.7M or 14.9% above the contract sum while the project was only 85% complete.

CASE 11 - Croft's Hill Primary School, - Clarendon

The NHC on behalf of the MOEC, awarded a contract by selective tendering, to Cooper and Associates Ltd., for refurbishing and extension to the captioned school in the sum of \$11.6M, to be executed between May, 1993 and February, 1994. Implementation was affected by delays because of inclement weather, additional works and fluctuations in materials and labour costs.

At the reporting period the works were 100% complete, reflecting a 4-month overrun in time, with expenditure running at \$21.4M, that is, \$9.9M or 85% above the contract sum. It is noted that fluctuations in materials and labour costs exceeded \$6.7M or 57.7% of the contract sum!

CASE 12 - Bartlet/Goodens River Bridge, - Westmoreland

Under the Jamaica/Canada Bridge Development Programme, the MOC awarded, by selective tendering, a contract to Civcon Engineers Ltd. for the construction of the captioned bridge in the sum of \$1.9M, to be executed between February and September, 1993. The problems affecting implementation included, the inability of the contractor to marshal the necessary resources resulting in the grant of an extension of time; lack of coordination and delay in acquisition of the necessary adjoining lands.

Resulting from the above, the project which is now 100% complete, reflects an overrun in time of over one year, with expenditure running at \$2.9M, that is, \$.972M or 50% above the contract sum.

NON - CONSTRUCTION CONTRACTS, LICENCES & PERMITS

There was much activity during 1994 within the ambit of Non-Construction Contracts, Licences and Permits, which was concentrated mainly in the following areas:-

- a) Procurement Contracts
- b) Divestment of Government Assets via sale or lease

- c) Monitoring of the activities of a number of agencies and departments which are involved in the issue of licences, permits and other benefits.

A number of procurement contracts entered into by the Ministry of Education experienced serious delays and while in some cases both the Ministry and the contractor concerned were at fault, too frequently it was exposed that inadequate administrative systems and procedures within the ministry contributed in no small part to the delays.

It is worthy of note that as the agencies and departments are becoming more familiar with the work of the Office of the Contractor-General, increasingly the advice and guidance of this office is being sought on the procedures to be adopted, in particular in the tender process and in the areas of procurement and divestment.

NON-CONSTRUCTION CONTRACTS

Jamaica Public Service Company

Electricity System Rehabilitation and Improvement Programme

The Jamaica Public Service Company Limited (JPSCo.) received a loan from the Inter-American Development Bank (IDB) in various currencies towards the cost of the Electricity System Rehabilitation and Improvement Programme with the intention that part of the proceeds of the loan would be applied to eligible payments under the contract for the supply and installation of energy conservation equipment at the JPSCo's Headquarters building, 6 Knutsford Boulevard, Kingston 5.

The Headquarters building is approximately 8200 square meters in floor area and the proposed retrofit apply to lighting and air conditioning and is expected to save about one third of its current energy consumption of 2.6 million kilowatt hours per year.

Notices inviting persons interested in bidding for a contract to design, supply and install equipment for the works proposed, to submit pre-qualification documentation were published in both the local and overseas press and were circulated to Diplomatic Missions in Jamaica as well as member countries of the IDB.

Eight (8) companies submitted applications which were evaluated, based on the following criteria:-

1. Financial capability to administer the project financing;
2. Technical capability and qualification;
3. Project execution experience.

Companies which were acceptable in all three (3) categories were recommended for pre-qualification.

A comprehensive and detailed analysis was conducted of each company's application, resulting in the following companies being recommended to tender on the project:-

1. John Christie & Associates/Edward Construction Ltd. (joint venture) - USA/Jamaica;
2. Beb Ingg S.P.A. - Italy;
3. Environment & Energy Consortium - USA;
4. R.E. Winter & Associates and Econergy Engineering - Canada/Jamaica;
5. Arel Limited - Jamaica.

Pre-qualified contractors have been notified and tender documents are currently being finalised by JPSCo. The activities so far appear to be in order and well managed. Monitoring of this project continues.

Ministry Of Education

a) Contract For The Printing And Distribution Of Primary Schools Textbooks

In February 1994 the Ministry of Education invited tenders for the printing and distribution of just under two (2) million textbooks for the 1994/95 school year and received three responsive tenders from the Gleaner Company, Money Index and JAMAL. There were seven (7) segments to the tender and the Gleaner in its response indicated that their interest was dependent on receiving at least six (6) of these seven (7) segments. Money Index also bid on all seven (7) segments without conditions and JAMAL bid only on segment 4. The contest was therefore essentially between the Gleaner Company and Money Index.

The main issues taken into consideration in respect of each bidder were:-

- (a) the operational capability of the company;
- (b) the financial capability of the company as deduced from its Annual Report;
- (c) the track record and reliability of the company.

The Gleaner Company satisfied all three criteria and up to 1993 had been printing the textbooks from the inception of the programme. In 1993 Money Index came on the scene but as their equipment at that time was said to be not fully in place and the construction of the printery not complete the contract was again awarded to the Gleaner. For the exercise under review the Ministry of Education experienced some difficulty both in establishing the operational capability of Money Index as well as the fact that it had not yet built up a credible track record. The decision was eventually taken to award six segments to the Gleaner Company and one segment to Money Index.

It seems fair to conclude that the tender exercise was not carried out with the desired level of professionalism by the Ministry of Education and this office has recommended to the Ministry certain specific procedures to be followed in the future.

b) Nutrition Products Limited (NPL)

The Ministry sought advice on two issues involving Nutrition Products Limited, viz.:

- 1) The proposed sale of excess equipment owned by the company and, in particular, the procedure adopted by NPL in this regard;
- 2) The proposal to lease the plant at Porus to Norbrook Industries Jamaica Ltd.

With regard to 1), as a result of a restructuring exercise leading to the closure of its plants at Porus and Falmouth, NPL found itself with excess equipment. With the approval of NPL's Board of Directors the firm Delano Reid & Associates was contracted to appraise the equipment. This was completed at a cost of \$34,892. Together with the Appraisal Report the firm submitted an explanation of the methodology adopted in carrying out the appraisal. Having examined the documents and taking into account the fact that there appeared to be no alternative use to which the equipment could be put, our recommendation was to proceed with the sale. However, the Ministry was reminded that a minimum of two valuations was preferred.

With regard to 2) our view was that the proposal to lease the plant at Porus to Norbrook Industries Ltd. should be pursued since there are not likely to be many companies interested in a lease and Norbrook Industries intends to utilize the building for a productive purpose and there is therefore a possibility of a further beneficial spin-off in the opening up of employment opportunities in the area.

PROCUREMENT CONTRACTS

Electoral Office - Procurement of Computer Equipment

As a result of a complaint concerning the above an investigation was carried out with regard to the procurement procedure used by the Electoral Office.

The purchase involved items of computer software, terminals, printers, etc., required to upgrade the system. The decision regarding procurement was taken in June 1994 and was the responsibility of a Procurement Committee which comprised the then Acting Director of Elections, the Director in charge of Data and the Accountant, with technical input from the Electoral Advisory Committee's Consultant on computer matters.

It was disclosed that the formal tendering procedure was not used. Instead four firms were contacted, viz.:-

- 1) MCS Associates Limited
- 2) Advanced Integrated Systems Ltd.
- 3) Moore's Business Systems Ltd.

4) Grace Unisys
and invited to submit quotations on the various items of software and equipment.

All four firms responded, submitting their quotations.

A document prepared by the Electoral Office showing an Analysis of the Upgrade Proposals with comparative prices revealed that of the four firms, the bid by Advanced Integrated Systems Ltd. (AIS) was the most price-competitive. It also disclosed that certain items had to be purchased from AIS in order to maintain the compatibility of the systems upgrade.

The majority of the software and equipment amounting to US \$84,413.00 was therefore supplied by Advanced Integrated Systems with Moore's Business Forms selected to supply the non-computer items at a cost of US \$4,610.78.

The Electoral Office has since been asked to give an assurance that the tender process will be employed for future procurement of supplies and equipment and has responded that "any further acquisition of such major proportions will be put to tender."

Ministry of Education

A number of contracts entered into by the Ministry of Education under the GOJ/IBRD funded programme for the provision of equipment, furniture and materials for basic and primary schools were monitored. These contracts involved international tendering and almost all awardees experienced difficulty in completing delivery on time. Outstanding amongst these were:

- a) VGC Holdings, a local contractor who received a contract for the supply of school furniture in July 1993 with completion scheduled for December 1993. This contract had a time overrun of thirteen (13) months and the contractor's performance was described as being below requirement. However, the Ministry was unable to invoke the liquidated damages clause in the contract since it approved an extension of time on three (3) occasions due to the unavailability of materials as well as its inability to accept the furniture on other occasions because of limited storage space.
- b) In the final week of August 1993 separate contracts were awarded to Stationery & School Supplies Ltd. and to Sangster's Book Store Ltd. for the supply of textbooks, resource material and stationery. Final completion dates were 28th October 1993 for Stationery & School Supplies and 29th December 1993 for Sangster's Book Store. Stationery & School Supplies had a contract overrun in excess of six (6) months with completion in May 1994 and the Ministry correctly enforced the liquidated damages clause. In the case of Sangster's Book Store, although there was substantial completion (95%) at the end of the reporting period a number of items remained outstanding. Difficulties were experienced in the disbursement of funds for the foreign component of this contract as certain

items quoted in US dollars in the contract were supplied locally and the contract had to be amended to facilitate direct payment to the overseas suppliers.

- c) Phillip Harris International, a UK based firm, with local agent being Reginald Aitken Agencies Ltd., received a contract for the supply of materials and equipment in October 1993 and had a time overrun of nine (9) months. It was noted, however, that a substantial portion of the time overrun on this contract was due to the time taken in obtaining permission from the Ministry of Health to clear a number of items which were on the restricted list, e.g., fungicide, fertilizer, etc.
- d) Sotex International, another UK based firm, was awarded a contract for the supply of equipment on the 20th December, 1993. This contract incurred a time overrun of seven and one-half (7 1/2) months largely due to delays in completing the contract documents as well as the goods having to be held in storage for a protracted period after arrival in the island because the firm had no local agent to assist with their clearance.

It appears that in the case involving Phillip Harris there was some lack of efficiency on the part of the Ministry in its failure to make adequate arrangements for clearance of the goods, while as far as Sotex International is concerned, the Ministry ought to have foreseen the problems that would have arisen locally in dealing with a UK company which had no representative here.

The Ministry invited tenders for the supply of computer equipment for central and regional offices in July 1993. Despite the fact that 16 companies - 11 local and 5 foreign - responded to the invitation only three companies - Electronic & General Supply Co. Ltd., Grace Unisys Ltd. and Geo Science SA. returned tender documents and upon evaluation the contract was awarded to Electronic & General Supply Co. Ltd.

The contract was eventually signed on 9th February, 1994, with a contract period of 150 days and completion scheduled for 12th July, 1994. The contractor, however, completed delivery on 28th April, 1994. The completion of delivery within the contractual period was indeed a rare and welcome occurrence.

MINISTRY OF HEALTH

a) Cleaning and Portering Services - Bustamante Hospital for Children

At the request of the Ministry of Health the tender documents, the form of contract, and a draft Cabinet Submission in connection with the proposed divestment of the cleaning and portering services at the Bustamante Hospital for Children were examined and advice was given with regard to rectification of some shortcomings observed in the tender and evaluation processes as well as on certain terms in the contract. The contract which was awarded to Swift Chemicals Ltd. was signed on 10th November 1994.

b) Janitorial and Cleaning Services - Kingston Public and Victoria Jubilee Hospitals

The circumstances surrounding the decision by the Ministry to award a contract for the provision of the above services to Manpower and Maintenance Services Ltd. were also subject to examination.

The facts as disclosed by the documents examined are that the Ministry invited tenders for the provision of these services via advertisements in the Daily Gleaner on 26th January, 1994 and in the Sunday Gleaner on 30th January, 1994 for interested parties to submit pre-qualification information. Contractors who qualified would be placed on a list of prequalified firms invited to tender. The following firms responded to the advertisement:-

- 1) Executive Janitorial and Maintenance Services Ltd.
- 2) Temps Limited
- 3) Manpower and Maintenance Services Ltd.
- 4) Swift Chemicals Ltd.

The criteria for prequalification were based on:-

	<u>Maximum Possible Scores</u>
a) Management Structure and Profile of Staff	30
b) Financial Resources of the Company	30
c) Work Experience	30
d) Business/Professional Association	10
Total	100

The members of the selection panel of the Ministry of Health viz.:-

- Mr. Winston Wright - Principal Finance Officer, (Chairman)
Ministry of Health
- Mr. Evon Robinson - Director,-
Health Facilities Maintenance Unit
- Dr. Marjorie Holding-Cobhan - Project Manager,
Health Sector Initiatives Project
- Mr. Donald Prince - Health Management Coordinator,
Health Sector Initiatives Project
- Mr. Donald Nelson - Chief Executive Officer,
Kingston Public/Victoria Jubilee Hospitals

met on 15th February, 1994 to prequalify applicants and based on a pass mark of 60 points, the firms TEMPS Ltd.: Manpower and Maintenance Services Ltd. and Swift Chemicals Ltd. were prequalified and thus were invited to tender. Of the three (3) firms invited to tender, one firm - TEMPS Ltd. - submitted bids for KPH and VJH. Consequently, they were once again invited on August 16, 1994 to tender and to return bids to the CEO of KPH and VJH by 4:00 p.m. on 15th September, 1994. On this occasion, two firms - TEMPS Ltd. and MMS Ltd. - submitted bids.

The bids were stored in the Hospital's vault for safe-keeping pending the public opening which took place at 2:15 p.m. on 19th September, 1994, in the Conference Room of the Ministry of Health Head Office in the presence of representatives from both firms.

The monthly fees proposed by each firm to provide cleaning services at KPH and VJH were as follows:-

PROPOSED MONTHLY CONTRACT FEES

<u>HOSPITAL</u>	<u>MMS LTD</u>	<u>TEMPS LTD</u>
KPH	\$1,158,552.00	\$1,277,270.00
VJH	\$553,787.00	\$1,003,060.00

Note:

1. The monthly fees proposed by MMS Ltd. include GCT which amounts to \$128,728.00 in the case of KPH and \$59,754.00 in the case of VJH.
2. In addition to the monthly fees proposed by TEMPS Ltd., there was a proposed "initial cleaning cost" of \$1,539,724.00 for KPH and \$1,203,672.00 for VJH.

The selection panel met on 27th September, 1994 to evaluate the bids and based on the criteria outlined above and the fact that MMS Ltd. submitted the lower tender, unanimously recommended that MMS Ltd. be awarded the contracts to provide cleaning services at KPH and VJH for a period of two years.

The proposal for award of the contracts to MMS was referred to the Government Contracts Committee which gave its support of the award on 5th December, 1994. The award received the approval of Cabinet on the 19th December, 1994 with the Contract Agreement expected to be signed early in 1995.

Our examination has not revealed any impropriety or irregularity in the conduct of the tender and proper procedures appear to have been followed.

National Water Commission

Manufacture and Supply of Uniforms for Staff

The National Water Commission (NWC) invited tenders in July 1994 for the manufacture and supply of uniforms for its employees. Ten (10) companies responded to the invitation and the tenders were opened on the 15th September, 1994.

The criteria for evaluation were based on pricing; suitability of the fabric for the particular occupational group; and previous performance of the company. The following six (6) companies met the criteria and were invited to make presentation of their product to an internal Evaluation Committee:-

1. Davon Corporation
2. Walker's Manufacturing
3. J.C. Apparel
4. Ever Wear Garments
5. L.P. Azar
6. Beautifit Career Fashions

Points were awarded in order of importance based on:

- a) Time frame (for supply)
- b) Quality of uniform
- c) Experience
- d) Staffing

At the conclusion of this exercise separate contracts for the various categories were awarded to -

- Ever Wear Garments
- Walker's Manufacturing
- Davon Corporation
- Beautifit Career Fashions

In our view the contracts were awarded on merit and proper procedures were followed.

Ministry of Construction

Procurement of Road Signs

The above project, which was a part of the World Bank financed Road Infrastructure Planning and Maintenance Project was put to tender locally in November. It was stipulated that materials offered should be manufactured in member countries of the International Bank for Reconstruction and Development (IBRD) or Switzerland.

Tenders were broken down into two packages:-

Package 1 comprised - "Street Name"; "Stop"; "Do Not Enter" and "One Way" signs,

Package 2 comprised - "Tubular Steel Stanchions with brackets."

Four tenders were received and these were publicly opened in the presence of the Government Contracts Committee. The tenderers were:-

- 1) Econo Signs & Construction Ltd.
- 2) Advance Technical Services Co. Ltd.
- 3) Jamaica International Trade Consultants Ltd.
- 4) V.G.C. Holdings whose bid was for Package 2 only.

The criteria for evaluation were Price, Compliance with Specifications and Delivery Period. For Package 1, the highest scorer was Jamaica International Trade Consultants who offered the best unit prices, being also lower than the purchaser's estimate, thus enabling an increase in the number of signs to be purchased; while in the case of Package 2, the award went to Econo Signs & Construction Ltd., the lowest tenderer and also the highest scorer.

The procedures followed do not disclose any deviation from the requirements of the IBRD and from our assessment the awards were merited.

DIVESTMENT OF GOVERNMENT ASSETS

The St. Thomas Abattoir

An attempt was made in July 1994 by the National Investment Bank of Jamaica (NIBJ) to divest the St. Thomas Abattoir by way of invitation to the public to lease the facilities and monitoring of this procedure was undertaken.

Examination of the Briefing Document and the Information Memorandum, prepared by the NIBJ in connection with the divestment disclosed that at the time that tenders were being invited there remained a number of unresolved issues involving:

a) **The Valuation of the Complex**

The valuation quoted in the briefing document was one done by the Superintendent of Roads and Works for the purpose of insurance in 1993, whereas the divestment recommendation was for lease of the physical facilities and supporting lands at an annual rate of 8 - 12.5%, based on the appraised value by the Commissioner of Lands. This appraisal had not been carried out.

b) **Environmental Report**

The report of an environmental impact study on the existing problem created by the abattoir from the drainage of refuse into the sea was still awaited.

c) **Title**

There was some uncertainty surrounding the title - whether certain sections of the land which were currently being used by private individuals for their own purposes were on the same title - an issue which needed to be resolved with the Commissioner of Lands.

The above issues were brought to the attention of the NIBJ.

A visit was made to the site of the Abattoir by a member of the Inspectorate who reported that the physical facilities were in poor condition. It may not be surprising, therefore, that not a single application was received by the NIBJ for this facility and that organization is currently attempting to devise a new strategy for its lease.

Divestment of Savanna-la-mar Market, - Westmoreland

Following a press report in October 1993 alleging that the management of the above market was to be removed from the existing lessees - Western Parks and Markets - to a new company, and that the Parish Council had failed to announce publicly the tender arrangements for the lease of the market, the Parish Council was contacted by this office. As a result of our investigations the Parish Council was advised that the divestment of the market should be effected by public tender and that no private treaty to operate the market should be entered into by the Council.

Tenders to operate the market were subsequently invited via publication in the Western Mirror on 12th January, 1994 with the closing date for receipt of tenders being 28th January, 1994. Tenders were opened publicly at a meeting of the Council on 4th July, 1994 and of the three tenders received, the Council awarded the tender to the highest bidder - Westmoreland Market Holdings Ltd.

The Council has explained that the over five (5) months delay in the opening of the tenders was due to a decision by the Council to carry out repairs to the roof and front gate of the market as well as necessary improvement to the Sewage Treatment Plant which was carried out with the assistance of the UNDP.

Lease of Lewisville Market, - St. Elizabeth

In response to a news broadcast carried by Radio Jamaica on the 8th August, 1994, an investigation was carried out into a complaint by a bidder for the above market that his tender had been unjustly treated. Examination of the tender documents disclosed that three (3) tenders were received by the Parish Council in response to its tender invitation, including one from Winston Salmon/Lewisville Community Enterprises Ltd., the incumbent market operator.

The tenders were opened by the Council on the 14th July, 1994, and by majority vote the lease was awarded to Lloyd Chambers, one of two persons who had made the second highest bid. No explanation was given, however, for the rejection of the highest bid.

The matter subsequently became the subject of a court action and it has been reported that the Court has ruled in favour of the Parish Council.

Examination by this office of the documents received from the Council disclosed a number of inconsistencies in relation to the conduct of the tender process.

As a consequence this office has recommended to the Council that:

- a) in future where offers are invited by public tender, applicants whose offers are deemed responsive should be invited to the tender opening;
- b) tender awards should be considered by a special committee formed for the purpose and that every effort be made to include in such a committee independent persons drawn from the private sector and/or the professions.

Car Rental Concessions - Norman Manley and Sangster International Airports

Tenders to operate Car Rental Concessions at the two international airports were invited by the Airports Authority in March 1994, with the closing date for receipt of applications being 26th April, 1994. Bidders were required to submit proof of a licence to operate issued by the Jamaica Tourist Board.

At the opening of tenders on 26th April, 1994 a total of 32 tenders were received as under:

Sangster International Airport	-	17
Norman Manley International Airport	-	15

Bids were examined by a Tender Evaluation Committee consisting of officers of the Authority, based on the following evaluation criteria:-

- (1) Quality of submission
 - (2) Operational proposal
 - (3) Financial offer
 - (4) Background and Experience
- with items 3 and 4 having the highest weightings.

Of the 17 applicants for Sangster International Airport 11 were awarded concessions, viz.:

- 1) Elite Car Rentals
- 2) Gemini Car Rentals
- 3) International Car Rentals
- 4) Island Car Rentals
- 5) Jamaica Car Rentals
- 6) Manzee Enterprises Ltd./Sunbird Car Rentals
- 7) Peachtree Car Rentals Ltd. t/a Payless
- 8) Skyline Car Rentals
- 9) Sun Tours Car Hire Ltd.
- 10) Sunshine Jamaica Ltd.
- 11) West Indies Car Rentals/Avis

and 10 of the 15 applicants for Norman Manley International Airport viz.:-

- 1) Bargain Rent-A-Car.
- 2) Elite Car Rentals
- 3) Gemini Car Rentals Ltd.
- 4) International Car Rentals/Budget
- 5) Island Car Rentals
- 6) Kosmo Car Rentals
- 7) Manzee Enterprises Ltd./Sunbird Car Rentals
- 8) Praise Tours & Auto Rentals
- 9) Sun Tours Car Hire Ltd.
- 10) West Indies Car Rentals/Avis

were successful.

This office is satisfied that the tender exercise was carried out fairly and with professionalism

Urban Development Corporation (UDC)

Proposed Development - Bloody Bay, Negril

A complaint was made to this office by a prospective investor that he was experiencing difficulties in finalizing with the Urban Development Corporation (UDC) a deal for the acquisition of the land needed in order to proceed with a resort development.

The last correspondence received by the investor was a letter conveying the decision to suspend all land sales in Negril in view of the Government's decision to impose a moratorium on the development of Negril lands until the arrangements for the disposal of sewage had been improved.

The matter was taken up with the UDC and it was suggested to the Corporation that an assurance be given to this company that whenever a decision is taken by the UDC to sell the land in which they are interested they will be notified of the decision and given the opportunity to make an offer, and further, that when any decision is taken by the UDC to sell this land or indeed any other parcel of land advertisements will be placed in the media inviting offers to purchase from anyone who might be interested.

It is worthy of note that in response to this expressed hope the General Manager of the UDC was willing only to state that "the UDC will continue to ensure the widest participation in our lands available for development."

National Water Commission - Sale of Lots at Hermitage Dam Road

In April 1994 the National Water Commission (NWC) invited offers via advertisement in the press for the purchase of eight (8) lots at Hermitage Dam Road. Sixty-seven (67) offers were received of which two (2) were disqualified as the offer price was not stated. From this tender the Operations Committee of the NWC's Board recommended the acceptance of two (2) offers only.

Those lots which remained unsold and those for which the offer price fell below the valuation price were subsequently re-advertised and were sold to the highest bidder in each case. From our review of the process it appears that the sale was conducted in an open manner and that proper procedures were followed.

Sale of Properties by Jamaica Public Service Co.

Monitoring was undertaken of a public offer for sale of a number of properties made in June 1994 by the above company. The properties comprised three in Kingston; four in St. Andrew; two in St. Thomas and one each in St. Catherine, Manchester, St. James, St. Ann, St. Mary and Portland.

Our investigations disclosed that independent valuations had been obtained for each property in March 1993 and these were used as a guide to establish a base price in each case.

Applications were examined by an internal committee whose members were:-

Senior Director, Administration (Chairman)

Manager, Systems Audit

Manager, General Services

Ag. Manager, Financial Operations

Examination of the documents requested from the company, including the Summary of Offers disclosed no shortcomings with the manner in which this divestment was carried out and the recommendations to the Board, with one exception, conformed to the principle of the highest bidder being successful. The sole exception involved a lot at Harcourt Road, Kingston for which the two bids received fell well below the base price and the decision was taken to continue discussions with Camperdown High School which had indicated a verbal interest in the lot.

Sale of Land at Holland, St. Elizabeth

In November 1994 Mr. Neville Lewis of the Jamaica Labour Party wrote complaining that the Holland lands in St. Elizabeth were being sold "to the exclusion of over 300 farmers who are productively farming the land for approximately ten years." He claimed that the purchasers were selected by RADA's Board which consisted of people who were "highly politically connected to one political party."

In reply to Mr. Lewis the following was stated:-

"Perhaps your perception of what is taking place at Holland would be different if a committee comprising well known and respected citizens of the parish were to be making the allocation. This is the approach that this office has recommended for each parish and the Prime Minister in a statement to Parliament on 22nd February last announced that such committees would be established.

The Ombudsman, Mr. James Kerr, has told me that he is at present dealing with the Holland case so I would not wish to complicate the matter by interfering while he is conducting his investigations.

In any event it is not surprising that a flawed system often produces flawed results and until the system is changed and made more transparent and is handled by a body of persons who enjoy universal respect charges similar to yours will continue to be made."

It can only be hoped that during 1995 independent land disposal committees will be established in every parish of the island.

Privatisation of Trans Jamaican Airlines Ltd.

Monitoring of the above activity commenced with the decision of the Government in early 1994 that the airline should be divested through:

- a) a private placement of shares to raise capital of approximately J\$130 million;
- b) the establishment of an Employee Share Ownership Programme (ESOP) to acquire J\$20 million of the shares of the airline;
- c) the remaining equity owned by Government to be reserved for a public offer at a later date.

The National Investment Bank of Jamaica (NIBJ), working together with Trans Jamaican Airlines (Transjam), was entrusted with the task of selecting the method of privatisation which should be utilized.

An Enterprise Team comprising representatives from NIBJ, Transjam, Ministry of Water & Transport, Office of the Prime Minister, the Attorney General's Department and a representative from Price Waterhouse, acting as adviser to NIBJ, was subsequently appointed to plan and implement activities leading up to the privatisation which was to be structured so as to provide the airline with the capital required (J \$150 m) to achieve a regional expansion plan and that this be accomplished without resorting to the State for assistance. Another factor was that the method of allocation relating to the private placement should "meet the principle of transparency" as well as preclude control falling to any one group of shareholders.

Two options were examined by the team:

- 1) contract an Investment Bank to undertake the private placement; or
- 2) obtain a "core investor" who would then attract other investors to subscribe to the development plan

The decision was taken in favour of option 1.

A Request for Proposals (RFP) - Technical and Financial, for Investment Banking Services was developed by the team and circulated to 42 institutions based on:

- a) their request to participate in the private placement;
- b) their membership of the Association of Licensed Financial Institutions;
- c) their membership of the Stockbrokers Association.

The criteria for evaluation included -

- Qualification and experience
- Institutional strength of the firm
- Quality of comments, identification of issues, proposed approach and work plan
- Proposed cost

Nine (9) institutions responded to the RFP by the closing date on 7th April. A decision was taken to evaluate first the technical proposals and thereafter the financial proposals. The firm of Dehring, Bunting and Golding recorded the highest points in both areas and was therefore selected to provide the services.

The method of selection of the Investment Broker appears to have been carried out in an impartial manner. However, this office has informed the NIBJ of its strong reservations regarding the fact that there is not going to be any public invitation for bids to purchase the airline. Whatever purchasing structure is decided on there is no reason why a general invitation for bids cannot be made. If one is proceeding on the basis of core investors then these can be publicly sought. The selection of particular investors to be offered the sole right to participate at the outset would seem to be contrary to the need for openness, impartiality and equal access by all citizens.

Among the advantages identified to justify proceeding in the manner proposed is that "small, relatively unsophisticated investors would not be induced to invest in the airline at this stage." This need to protect these small investors seems to suggest that Trans-Jamaican might not be a good investment and this could hardly have been the intention.

There is also the following astonishing statement in the RFP:

"The method of allocation through a private placement, while meeting the principle of transparency...."

I am sure it does not need to be emphasized that things done privately seldom if ever meet the principle of transparency.

AGENCIES AND DEPARTMENTS MONITORED DURING THE YEAR

a) Parks & Markets Companies

Investigations into the operations of the five Parks and Markets Companies - Metropolitan, Central, Western, Southern and North-Eastern disclosed that no new contracts were being issued by the Parks and Markets companies and that most contractors were carrying on on a month-by-month basis.

The Ministry of Local Government has the present system under review and the World Bank is being asked to assist in developing a proper tender document and appropriate systems and to review how Kingston and other parts of the island are divided into contract areas. Thereafter it is intended to advertise, inviting tenders for the various areas, with contracts being awarded on a basis of merit in accordance with the Contractor-General Act. It is estimated that this process should take about six months.

In view of the previous record of some of these companies, it will be a pleasant surprise if merit is the only thing taken into account in the award of these contracts.

b) **Betting, Gaming & Lotteries Commission**

As indicated in our 1993 Report correspondence and discussions which had been ongoing between this office and the Betting, Gaming & Lotteries Commission had resulted in the acceptance, in principle, by the Commission that public hearings would be held in respect of all applications to operate games of chance. In this connection it was pointed out that it was important for the Government to develop and make public its policy on the operation of lotteries and other games of chance.

However, in November 1993 it came to attention via media reports that the Commission was considering an application from the Sports Development Agency (SDA) to operate a lotto. Information provided by the Commission in response to our enquiry was that the SDA was not being granted a new licence but that an amendment was being made to the existing licence to enable the agency to operate the lotto game. It was stated then that "the Commission had applications from other interested parties which were receiving consideration."

An amended licence was subsequently issued to the Sports Development Agency on the 16th May, 1994 which, in keeping with the original licence granted on 11th January, 1991 will expire on 10th January, 2001.

With the pressure currently being exerted on Government relating to casino gambling it is hoped that a definitive policy statement will be forthcoming.

c) **Underground Water Authority**

The Underground Water Authority is a statutory body which falls under the purview of the Ministry of Water & Transport. Its functions include:

- (a) to promote the conservation and proper use of underground water resources; and
- (b) to monitor and control the exploitation of such resources.

Any person who proposes to sink a well or borehole for the purpose of searching for or abstracting water intended to reach a depth of more than fifty (50) feet must first obtain a licence from the Authority by completing a prescribed form, accompanied by an application fee of Four Hundred Dollars (\$400). Details of

each application must be published in the press over a period of not less than two weeks, the objective being to give any person(s) who may so wish the opportunity to raise objections to the Authority before the expiry of the period.

The licensee is required to keep a journal of the work carried out, including measurements of the strata passed through and the level at which water is struck; as well as to have specimens of material excavated available for inspection by the Authority upon request.

A licence may be refused if:

- i) The proposed site is declared a critical area. This would be an area where special measures are taken for the conservation of underground water in the public's interest whether for the protection of public water supplies or for water to be used for industrial or other purposes;
- ii) objections made from persons with a well in close proximity to the one being proposed are upheld; or
- iii) the proposed source for abstraction is inadequate.

Examination of the Authority's Register disclosed that for the period January to December 1994, 17 applications for licences to drill wells were received, of which 7 licences were granted, 9 are receiving consideration and one application has been withdrawn. The processes for the issue of licences seem to be in order.

d) **Urban Development Corporation (UDC)**

St. Ann Development Company (SADCo)

The St. Ann Development Company (SADCo.) is a subsidiary of the UDC. It manages Ocho Rios Bay Beach, Dunn's River Falls and other such entities in the St. Ann area on behalf of the Corporation.

SADCo. is expected to ensure that all activities on the Ocho Rios Bay beach are being operated based on licences and permits issued to operators. A visit was made by two officers of the Inspectorate to Ocho Rios Bay and its environs in September 1994 to observe at first hand the conditions under which the Ocho Rios Bay Beach was being operated. This beach has caused the management of SADCo to be constantly vigilant, having to deal with a variety of problems including unlicensed operators, drug-dealing, prostitution, etc. SADCo. has tried several strategies to deal with the situation, however, most have failed due mainly to its inability to enlist the support of the security forces and other agencies in the area for its efforts.

It is alleged that almost 90% of the watersport activities are being operated illegally as these operators were not insured and were operating equipment other than those covered by their licences. As a result of the above SADCo. took the decision to carry out an operation on 5th May, 1994, with the assistance of the security forces, to prosecute all illegal operators. This proved unsuccessful due to the lack of cooperation by the local security forces.

This matter has been discussed informally with officers of the Tourism Action Plan (TAP) and the Jamaica Tourist Board (JTB) and it was suggested that the JTB might consider publishing the names of those operators who are licensed and registered with them as a means of alerting the public to the fact that other persons offering their services may not be licensed.

The situation at Dunn's River Falls was reported as being satisfactory.

e) **Civil Aviation Department**

Random checks carried out during 1994 satisfied us that this department continues to conform to the requirements of the relevant Act and Regulations in the issue of the various pilot licences and permits. In respect of applications for non-scheduled, scheduled and charter permits, the Air Transport Board granted the following:-

Licence of one (1) year or more	9
Permits of one (1) year or more	5
Permits for thirty (30) days or more but less than one (1) year	2

Applications from two (2) operators were refused.

An application from Guardsman Jamaica Ltd. to operate non-scheduled air services from both international airports and local aerodromes was objected to by Trans Jamaican Airlines, which holds licences to operate to and from the same destinations, on the ground that the market was unable to support another service. This objection was not upheld and Guardsman was awarded the licence applied for.

f) **Ministry Of Water & Transport**

Transport Sector Reform Project - Kingston Metropolitan Region

Monitoring of the above project was limited to seeking to ensure compliance with the principles of the Contractor-General Act as it relates to openness in the tendering process; conformity with established procedures; impartiality and awards being made on the basis of merit. Accordingly, the pre-qualification, tender and evaluation processes were subject to scrutiny. No irregularities were observed.

Transport Authority

The Transport Authority is the agency of government charged with the implementation and policing of the island's transportation system. It is the duty of Transport Inspectors to monitor activities of licensees on a daily basis to ensure adherence to the conditions of the respective licence. In addition to the breaches reported by these inspectors, complaints are received regularly from members of the public.

A Complaints Committee headed by a Superintendent is convened weekly on a Thursday to hear complaints against delinquent transport crew members. This Committee allows all parties involved an opportunity to present their side of the story before a decision is taken.

Breaches

Breaches usually encountered include failure to issue tickets; non-completion of routes; driving on the wrong route; driving defective vehicles; operating without a road licence, etc. Once a breach is reported the owner and his crew are summoned to a hearing. Action taken depends on the severity of the breach and the number of repeat offences and range from a warning to seizure of the vehicle or the suspension of licence. Offenders may be taken to the Traffic Court where a fine may be imposed. In the reporting year, a total of 1020 persons were prosecuted and fines totaling \$394,350.00 were collected.

Vehicle seizures totaled 1099 - 433 buses, 176 taxis, 457 carriers and 33 buses seized in conjunction with the police for operating without a road licence (robots). When these vehicles are seized, the breach committed must be remedied and the associated fines paid before the vehicle can be released. In addition to this, each vehicle seized attracts a pound fee of \$100 for the first day and \$50 for each additional day in the pound. This sum must also be paid before the release of the vehicle.

Complaints from the Public

Where complaints are received from members of the public a hearing is held where the owner and the bus crew meet fact to face with the complainant. Breaches are sometimes reported by a commuter but normally these complainants are seeking compensation for expenses incurred due to injuries received on the buses.

Summonses for breaches are usually met with quick response from both owner and bus crew since failure to do so can lead to seizure of the bus in question but this is not the case where the complaint is of a civil nature. In this instance the volume of "no shows" is alarming. Since the Transport Authority can only seize buses and revoke and/or suspend licences in the event of breaches, owners and crew alike are not bound to respond to a request to attend a hearing. Strange as this may seem the non-response of complainants is a genuine concern. Statistics provided by the Transport Authority disclose that of a total of 922 complaints received by the department in 1994, 591 were referred to the Complaints Committee. Of this number only 90 were settled due to lack of response of complainants or owners; 106 were referred to the Route Monitoring Division, with the rest being referred either to the Police or Insurers.

It seems, therefore, that although the public complains loudly about the conduct of drivers, conductors, etc., unless monetary compensation is involved, very few persons are willing to take the time to

attend a hearing where the matter could be investigated and remedial action taken where necessary or appropriate.

WORK OF THE CONSULTATIVE COMMITTEE IN 1994

As was pointed out in the 1993 Report, the Committee had substantially completed the programme of work which had been set in January, 1992. However, during 1994, more thought was given to how a restructured Government Contracts Committee would function and to the establishment of a system of Indexation for the costs of goods and services in construction so as to simplify the processing of statements to clients.

The Committee which met five times during the year also made a significant input for the seminar on the “**Management of Construction Projects in the Public Sector**” which was held in November.

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

Members of the Committee continued on an individual basis to readily offer advice and assistance to the office and I should like again to thank them both individually and collectively for their valuable assistance which continued to be given as a public service without any cost to this office.

STAFFING OF THE OFFICE

During 1994, the Office of the Contractor-General continued to function with more than 25% of the posts being frozen. The office operated with a total staff complement of 30 of which 11 were in the Inspectorate. The Secretary to the Director of Administration, Miss Margarine Spence, resigned in January and in March Miss Myrtle Osborne assumed duties as a Secretary in the office. Apart from this, the staff remained stable during 1994.

Upgrading of the skills of staff members continued during the year and all three members of the accounting staff went on accounts related courses or computer courses. As a result, the payroll was fully computerised during the year.

Unfortunately, travelling officers in the office throughout 1994, continued to be barred from access to motor car loans either for repairs or for the purchase of replacements for the ten to fifteen year old vehicles that most of them now drive. However, on a case by case basis they were permitted to import vehicles at the reduced level of duty enjoyed by civil servants. At year end only one or two officers were able to take advantage of this facility as they were still generally unable to deal with the high interest rate on commercial loans.

Finally, I must again thank members of staff for their loyal support and for their patience during the inconvenience of moving office in the early part of the year and having to function without a proper telephone service for the first six months of 1994.

22 - TRAVEL EXPENSES & SUBSISTENCE ALLOWANCE

The under-expenditure was a result of Motor Car Licence being requested for the full complement of travelling officers, however there was one vacancy, three (3) officers were in receipt of reduced allowance and the travelling officers did not travel as much as was anticipated.

23 - RENTAL OF PROPERTY

The under-expenditure resulted from a new Lease Agreement at an increased cost which did not come into effect during the financial year.

24 - PUBLIC UTILITIES

The supplementary estimate was not funded.

25 - PURCHASE OF OTHER GOODS AND SERVICES

The excess expenditure was due to the fact that of the original request of £718,000 only £424,000 was approved. There was a constant increase in the cost of goods and services - (service contracts on mobile and equipment) and despite request for additional funding was approved in the supplementary estimates.

7 items being kept from the Account 21

APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR-GENERAL

Explanation of the causes of variation between approved estimates 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.

The release in the Supplementary was not in keeping with request.

22 - TRAVEL EXPENSES & SUBSISTENCE ALLOWANCE

The under-expenditure was a result of Motor Car Upkeep being requested for the full complement of travelling officers; however there was one vacancy, three (3) officers were in receipt of reduced allowance and the travelling officers did not travel as much as was anticipated.

23 - RENTAL OF PROPERTY

The under-expenditure resulted from a new Lease Agreement at an increased cost which did not come into effect during the financial year.

24 - PUBLIC UTILITIES

The Supplementary release was overfunded.

25 - PURCHASE OF OTHER GOODS AND SERVICES

The excess expenditure was due to the fact that of the original request of \$718,000, only \$454,000 was approved. There was a constant increase in the cost of goods and services - (service contracts on machine and equipment) and despite request, no additional funding was approved in the Supplementary estimates.

Virement is being sought from Object Account 21.

28 - RETIRING BENEFITS

The excess expenditure is as a result of the original estimate being too low and the revision of salaries resulting in an increase in gratuity payments.

Virement is being sought from Object Account 21.

31 - PURCHASE OF EQUIPMENT

The excess expenditure was due to the increase in the cost of equipment between the time of Budget preparation and actual purchase.

Virement is being sought from Object Account 21.

Kevin Wells
.....
CONTRACTOR-GENERAL

28th July, 1994

DATE

In the Auditor General's report for 1993-94 the following was stated about the Office of Contractor-General:

“The financial transactions, accounting records, and the Appropriation Account for 1993/94 were found to be satisfactory.”

ANNUAL REPORT

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Pre-contract activities

NAME OF : CLIENT MINISTRY	Prequalification		TENDERING						REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio		
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF CONSTRUCTION (HOUSING)									
National Housing Trust									
Infrastructure Works Orangefield, Ewarton, St. Catherine	Y	Y	A	A	N	Y	4	A	This is a Joint Venture Project with Alcan which has gone through the tendering procedure wher five(5) Firms were invited to tender
Berrydale Housing Scheme and Infrastructure Works Discovery Bay, St. Ann	Y	Y	A	Y	N/A	Y	7	Y	This is joint venture project between National Housing Trust and Kaiser Jamaica Bauxite Co. Ltd. Awaiting Tender Report.
Mansfield II Housing Project Ocho Rios, St. Ann	Y	Y	Y	N/A	N/A	N/A	N/A	N	This Project consist of Thirty-nine (39) Serviced Lots. Fifteen (15) Lots will be developed with housing Units and the remaining Lots sold. Three Contractors were invited to quote on the project but only one responded to whom the contract was given after negotiation.
Infrastructure Works Wickie Wackie, Bull Bay, St. Andrew	Y	Y	A	A	N	Y	7	Y	This infrastructure project has gone through the tendering procedure where seven (7) firms responded to Invitation to Tender.
Infrastructure Works Moneague, St. Ann	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The arrangement is for developer to fund and complete infrastructure works in exchange for Lots in housing scheme project. A joint venture agreement with the Ministry of Construction (Housing) and J.C. Wilmot Ltd. With 235 Lots in Scheme, 180 represents the exchange of the cost for the infrastructure works. After examination of the Agreement it seems that the arrangement is reasonable
Kencot Apartments 6 -10 South Road, Kencot, Kingston 10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This is a joint venture between National Housing Trust and Kencot Apartments Limited (Developers) for the construction of a building containing forty-eight (48) Studio apartments.

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Pre-contract activities

NAME OF :	TENDERING									REMARKS
	Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio		
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
MINISTRY OF CONSTRUCTION (HOUSING)										
National Housing Trust										
Kencot Apartments (continued)										The N.H.T. provided funding and the developers provided the land. N.H.T. will make available thirty-seven (37) Unit to its contributors. The project should be completed and handed over by late January, 1995.
Estate Development Co. Ltd. (National Housing Corporation Ltd.)										
Infrastructure Works	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This contract was negotiated on the instructions of the Board of directors of Estate Development Co. Ltd. with N. F. Barnes (Contractor). Negotiated Price - \$21.122M.
Bridgewater Pen, Discovery Bay, St. Ann										
Joint Venture Serviced Lots	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This is a negotiated Joint Venture contract between Estate Development Co. Ltd., and the Contractor
Eltham/Angels, St. Catherine										
National Housing Corporation / Estate Development Company										
Pridee's Infrastructure Works	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This is another contract which was negotiated by the then Estate Development Company (EDCo) following instruction from the client Ministry. While documentation and securities were adequate, negotiating a contract for no good reason is to be regretted. Tenders should have been invited.
Pridee, Clarendon										

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Pre-contract activities

NAME OF : CLIENT MINISTRY	TENDERING								REMARKS	
	Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio		
OTHER AGENCIES										
PROJECT										
LOCATION										
MINISTRY OF CONSTRUCTION (HOUSING) (continued)										
National Housing Corporation / National Housing Trust										
Housing 76 Molynes Road	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This contract for \$31M. was negotiated with Ashtrom Building Systems and is for the construction of 44 one and two bedroom Units. The land was provided by Desnoes & Geddes in a deal which provides for 15% of the Units to be made available to employees of that company
MINISTRY OF CONSTRUCTION (WORKS)										
Yallahs Fording (Repairs) St. Thomas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Two Pre-Contract procedures were observed as the work of the first contractor was washed away. The contract was then fragmented to avoid formal procedures and contractor's selection based on recommendation of the Member of Parliament .
Jamaica / Canada Bridge Development Programme										
Bartlett / Gooden River Bridge Superstructure contract Westmoreland	Y	Y	A	A	Y	N	2	A	A	Five prequalified contractors were invited to tender on this project, but only two returned tenders. The tenders were evaluated and the recommendation made in favour of the lower tenderer - Civcon Engineers Ltd.
Commonthe Pond Bridge Superstructure contract Westmoreland	Y	Y	A	A	Y	N	3	A	A	Out of a total of five prequalified contractors, only four collected tender documents and only three returned bids.

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Pre-contract activities

	Prequalification	Invitation	TENDERING					Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio	REMARKS
NAME OF :														
CLIENT MINISTRY														
OTHER AGENCIES														
PROJECT														
LOCATION														
MINISTRY OF CONSTRUCTION (WORKS)														
Jamaica / Canada Bridge Development Programme														
Commonthe Pond Bridge Superstructure contract (continued)					Y	A							After evaluation, the firm of G. B. James was recommended for the award of the contract	
Hector's River Bridge Superstructure contract	Y	A	A	A	Y	N				2	A	The award was fair and based on merit		
St. Thomas/ Portland													From a list of five (5) prequalified contractors who were invited to tender on this contract, only two (2) returned bids.	
													The lowest responsive bid was from O. G. Gordon Engineering and Joinery which was recommended for the award of the contract	
													The contract seems to have been awarded fairly and with merit.	
Rural Road Rehabilitation Improvement and Maintenance Programme														
Contract No. 8	Y	Y	A	A	Y	Y				5	A	Five contractors from a total of six returned tenders for this project.		
Mc Nie - Concord													The Q. S. evaluated three of the bids as being substantially responsive as they needed to provide additionaal information.	
Mc Nie - Douglas Castle													The lowest tender was withdrawn because of insufficient resources and thus the second lowest tenderer was awarded the contract.	
St. Ann													This award was based on merit	
Contract No. 10	Y	Y	A	A	A	Y				5	A	Five (5) bids were submitted for this contract. Dwight's Construction Ltd. provided a bid which was most responsive and subsequently was recommended by the consultants for the award of the contract in the sum of J\$19.9m		
Chandler's Pen - Rock Riiver, Palmer's Cross - Chandler's Pen														
Clarendon														

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Pre-contract activities

NAME OF :	Prequalification		TENDERING					No. of Returns	Tender Evaluatio	REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin					
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
MINISTRY OF CONSTRUCTION (WORKS)										
Rural Road Rehabilitation Improvement and Maintenance Programme										
Contract No. 13	Y	Y	A	A	A	Y	3	A	Three (3) Contractors submitted tenders for this contract. All tenders were responsive.	
Lime Hall - Lumsden Higgin Town - Britonville St. Ann									The Lowest tender was submitted by S.G. Simpson. However as this contractor had too many other jobs, it was recomended that the contract be awarded to Pavement and Structures Ltd.; the second lowest tenderer, whose bid was within 4% of the engineer's estimate. This contract was fairly awarded.	
Contract No. 16	Y	Y	A	A	A	Y	2	A	The two tenders submitted to be considered for this contract were from Patrick Thompson and Henry Moo Young. Both were responsive but Moo Young submitted the lower bid. The consultant correctly recommended Moo Young for the award of the contract.	
Fort Charles - Hopewell Fort Charles - Billy Bay St. Elizabeth										
Contract No. 17	Y	Y	A	A	A	Y	2	A	Two tenders were submitted for this contract. The contractors who submitted were D. R. Foote Construction Ltd. and Henry Moo Young. D.R. Foote's tender was fully responsive while Henry Moo Young's tender was substantially responsive. Both contractors provided the required tender securities.	
Pondside - Flower Hill Cash Hill - Kew Hanover									The lower evaluated tender which was submitted by D.R.. Foote Construction Ltd. (\$26m) was accepted for the improvement of 10.9 miles of road This contract was awarded on merit.	

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Pre-contract activities

NAME OF :	Prequalification		TENDERING						REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	Tender Evaluation		
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF CONSTRUCTION (WORKS)									
Road Infrastructure, Planning and Maintenance Project									
Corporate Area Road Sign Replacement Programme									
Procurement of Road Signs	Y	Y	A	A	N	Y	4	A	This contract was awarded on merit. For details see page No. 17.
Urban Road Maintenance Unit									
Asphaltic concrete overlay works Package No. 35, Sub-package No. 2 Kingston	Y	Y	A	A	Y	Y	3	Y	Pre-contract tendering procedures were executed with merit and impartiality.
Salt Spring - Mt. Grace (Road No. 1) Mt. Grace - Delve Bridge (Road No. 2) Hanover	Y	Y	A	A	A	Y	2	A	Based on the evaluation exercise, both contractors were found to be responsive. The lower tender was submitted by Foote Construction and therefore recommended for the award of the contract. The award was made fairly and with merit.
URBAN DEVELOPMENT CORPORATION									
Recreational Beach Park Negril, Hanover	Y	N/A	A	N/A	Y	N/A	N/A	N/A	A negotiated contract with Litfield General Construction Company. Contract sum - \$4.79m.
Refurbishing of Swimming Pool Bournemouth, Kingston	Y	Y	A	A	N/A	Y	1	Y	The required tender procedures were executed. Three contractors from the U.D.C.'s approved list were invited to tender, but only one responded and his tender was opened publicly. The tender of the sole contractor Cosmopolitan Pools and Equipment Ltd. was accepted.

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Pre-contract activities

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	Prequalification		TENDERING					No. of Returns	Tender Evaluatio	REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin					
MINISTRY OF EDUCATION AND CULTURE										
Social Sector Development Project										
Printing and distribution of Primary Schools textbooks 1994 Islandwide	N	Y	Y	Y	Y	Y	3	Y	See page No. 11 for details of this contract	
Sugar Industry Housing Limited										
Flemmings/Johnstown/Thornton/Danvers Pen Basic School St. Thomas	Y	Y	A	A	Y	Y	5	A	Pre-contract activities were found to be generally satisfactory for the proper administration of the contract. The award recommendation to the lowest evaluated tenderer was in order.	
Rose Hill Basic School St. Catherine	Y	A	A	A	Y	Y	2	A	Notwithstanding the poor response to the tender invitation which saw only two (2) companies returning completed documents, the pre-contract activities seemed satisfactory.	
Bastard Cedar Basic School Westmoreland	Y	A	A	A	Y	Y	2	A	Response to tender invitation was poor as only two (2) of fourteen (14) prequalified contractors responded to the invitation. Nevertheless the pre-contract activities were found to be satisfactory The recommendation and subsequent award of contract to the lowest evaluated tenderer were in order.	
Bethel/Smoke Hole Basic School St. Catherine	Y	A	A	A	Y	Y	6	A	Eight prequalified firms responded to invitation to tender and purchased bidding documents. Six of the eight returned completed documents. The subsequent analysis and award to the lowest responsive tenderer was satisfactory and is consistent with the practice of competitive bidding.	

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Pre-contract activities

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	Prequalification										REMARKS
	Invitation	TENDERING				Tender Evaluation					
	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns						
MINISTRY OF EDUCATION AND CULTURE											
Social Sector Development Project											
Sugar Industry Housing Limited											
Wrights/Bartons Basic Schools St. Catherine	Y	A	A	A	Y	Y	5	A	Prequalified contractors under the Social Sector Development Programme invited to tender. Response from five of the six firms which purchased tender documents. Subsequent evaluation of the tenders resulted in the award of the contract to the lowest responsive tenderer.		
Duhaney Pen Basic School St. Thomas	Y	A	A	A	Y	Y	2	A	Notwithstanding poor responses to invitation in which only two (2) of thirteen (13) pre-qualified contractors collected and returned documents - the pre-contract documents and procedures examined were found to be satisfactory.		
Stonchenge Basic School St. James	Y	Y	A	A	Y	Y	1	Y	Problems with tendering and award processes delaying commencement of contract. Tender exercise carried out twice. In the first instance the single tenderer's bid rejected. In the second single bid received late, but contract subsequently negotiated with the bidder. World Bank assent given for negotiation procedure and later contract award.		
National Housing Corporation											
Ewarton Primary School Ewarton, St. Catherine	Y	Y	A	A	Y	Y	4	A	Tender invitation was extended to twenty (20) prequalified contractors. However, only six (6) responded to the invitation and purchased bid documents of which four (4) returned completed documents by the end of the bidding period. The subsequent opening of bids found one (1) tenderer non-responsive. The remaining three (3) were evaluated and compared and the award made to the lowest evaluated bidder was based on merit.		

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Pre-contract activities

NAME OF : CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	Prequalification		TENDERING					No. of Returns	Tender Evaluation	REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin					
MINISTRY OF EDUCATION AND CULTURE										
Social Sector Development Project										
National Housing Corporation										
Montego Bay Regional Office Ministry of Education & Culture St. James	Y	A	A	A	Y	Y	3	A	Tenders were invited from all prequalified contractors, but only three (3) responsive tenders were acknowledged at the public opening of tenders. The award was made to the lowest responsive tenderer	
HEART Trust /N.T.A.										
(A) V.T.D.I. Central Facilities Papine, St. Andrew	N	Y	Y	A	N	N	2	Y	(A) Four (4) contractors on Ministry of Construction (MOC) list of prequalified contractors invited to tender, but only two (2) responses at private opening of tenders. This practice of opening tenders should be discontinued in favour of public opening. Tender bond not requested as it should have been for this contract and the recommendation for an award of the contract not dealt with in accordance with accepted procedures.	
(B) V.T.D.I. Teaching Facilities Papine, St. Andrew									(B) Contract negotiated with the contractor for the central facilities for the following reasons:- Contractor already fully mobilized on site; 2 Negotiation based on rates from Contract A above to reduce costs and save time 3 Eliminate the problems associated with having two (2) contractors on the same compound.	

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Pre-contract activities

NAME OF : CLIENT MINISTRY	Prequalification		TENDERING						REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	Tender Evaluation		
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF EDUCATION AND CULTURE									
HEART Trust / N.T.A.									
(B) V.T.D.I. Teaching Facilities (continued)									The subject of negotiation discussed with this Office which recommended that the G.C.C. be involved in the process.
National Housing Corporation									
Ewarton Primary School	Y	Y	A	A	Y	Y	4	A	Tender invitation was extended to twenty (20) prequalified contractors. However, only six (6) responded to the invitation and purchased bid documents of which four (4) returned completed documents by the end of the bidding period.
Ewarton, St. Catherine									The subsequent opening of bids found one (1) tenderer non-responsive. The remaining three (3) were evaluated and compared and the award made to the lowest evaluated bidder was based on merit.
Urban Development Corporation									
Extension and Refurbishing Ocho Rios High School	Y	Y	A	A	Y	Y	7	Y	Tendering procedures were executed professionally and with merit.
Ocho Rios, St. Ann									
Construction of Lavatory Block Happy Grove High School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The pre-contract procedures were executed on a schedule of rates principle due to the urgency in providing sanitary facilities to the school in the shortest time possible.
Hectors River, Portland									The contractor was selected based on his previous performance.
Extension to Mannings High School	Y	Y	A	A	Y	Y	5	Y	Pre-contract activities were executed on merit.
Savanna-la-mar, Weatmoreland									

ANNUAL REPORT

APPENDIX I

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Pre-contract activities

NAME OF :	Prequalification		TENDERING					No. of Returns	Tender Evaluation	REMARKS
	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin					
CLIENT MINISTRY										
OTHER AGENCIES										
PROJECT										
LOCATION										
MINISTRY OF WATER AND TRANSPORT										
National Water Commission										
Installation of Deep Well Pump Succaba Pen, Old Harbour, St. Catherine	N/A	IA	A	A	Y	Y	1	A	Two (2) contractors were invited to tender on the project and instructed to submit returns within five (5) days. One invitee Jamaica Wells & Services Ltd. responded and was awarded the contract in the tender sum of \$2.30m.	
Succaba Pen/Old Harbour Water Supply Stt. Catherine	N/A	A	A	A	N	Y	2	A	Four (4) contractors on the GCC list invited to complete schedule of particulars in bid document, but only two (2) returns were recorded at public opening. Lowest bidder was 8.28% above engineer's estimate, but did not complete the section for "Day Works", a major concern during the evaluation of bids. The bidder confirmed his willingness to execute the contract notwithstanding the omission and was subsequently recommended for the award.	
Installation of 16" Pipeline Greater Portmore, St. Catherine	N	A	A	A	Y	Y	4	A	Tenders were invited from four (4) contractors. Returns were submitted by all four which were publicly opened at the offices of the National Water Commission. Bacchus Engineering Works Ltd., submitted the lowest tender in the sum of \$1.14m which was later corrected to effect a new figure of \$1.19m or 43% below the Engineer's estimate. The tender did not fully conform with the instructions to tenderers by providing the required programme of work. The Government Contracts Committee (GCC) supported the award.	

ANNUAL REPORT

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Pre-contract activities

NAME OF : CLIENT MINISTRY	Prequalification								REMARKS
	Invitation	TENDERING						Tender Evaluatio	
OTHER AGENCIES	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns				
PROJECT									
LOCATION									
MINISTRY OF WATER AND TRANSPORT									
National Water Commission									
Ettingdon Water Supply	N	A	A	A	N/A	A	3	A	<p>Tenders were received in April 1994; evaluation carried out and recommendation made by May, 1994.</p> <p>The projection was that the necessary approvals should have been given; agreement signed and the work to commence August, 1994.</p> <p>The above-mentioned schedule was not achieved. The delay is as a result of not having access to land on which the tank is to be constructed and the non-availability of funds to be provided by the Government of Jamaica.</p> <p>The Commissioner of Lands is reportedly in the process of acquiring the land so that access can be gained.</p> <p>The question that arises is - Why does the NW continue to invite tenders for projects before acquiring lands? Problems of this nature result in lengthy delays and faulty designs as the necessary soil investigations are not usually undertaken.</p>
Clarks Town, Spicy Hill, Trelawny									
Newell/Newcombe Valley Water Supply St. Elizabeth	N/A	A	A	A	Y	Y	5	A	<p>Eight (8) contractors were invited to tender. It was later observed that one invitee was not included on the list of public sector contractors.</p> <p>Returns were submitted by five (5) contractors, which were opened in December, 1993. Donald Lewis Construction Co. Ltd., the most responsive tenderer was recommended for the award of the contract.</p> <p>It was nine (9) months before the report was presented to the Government Contracts Committee (GCC) in August, 1994, for its approval. And Cabinet's approval had not yet been obtained up to the end of the reporting period.</p>

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	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio		
MINISTRY OF WATER AND TRANSPORT									
Port Authority of Jamaica									
Ocho Rios Port Expansion Ocho Rios, St. Ann	Y	Y	A	A	Y	Y	5	Y	<p>The objective of this project is to improve the cruise ship facilities.</p> <p>Tendering procedures were executed with merit and were based on local and overseas procedures.</p> <p>It is noted that although the project was advertised locally and abroad, no Jamaican firm tendered.</p> <p>Tenders were received from five (5) overseas firms.</p> <p>The contract was awarded to Daito Kogyo of Tokyo, Japan in the sum of US\$5.51m being th most responsive tender and the firm having the required expertise and experience.</p>
Extension to Customs Warehouse Phase I Montego Bay Freeport, St. James	Y	Y	A	A	N	Y	3	A	<p>Pre-contract process was executed in accordance with the required contractual procedures.</p> <p>Three firms submitted tenders which were all responsive. Evaluation of tenders and award of the contract were done on merit. Alfrasure Structure and Roofing Ltd. was awarded the contract.</p>
MINISTRY OF AGRICULTURE									
Rural Agricultural Development Authority (RADA)									
Repairs to Nevis Corner Road West Prospect, Bog Walk, St. Catherine	N/A	N	N/A	N/A	N/A	N	N/A	N	<p>The contractor and contract sum were recommended by the Member of Parliament for the constituency, to the RADA Parish Office for implementation.</p> <p>This is not a good way to proceed.</p>

ANNUAL REPORT

LEGEND :

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

Pre-contract activities

NAME OF : CLIENT MINISTRY	TENDERING								REMARKS
	Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio	
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF AGRICULTURE									
National Irrigation Commission									
Construction of surface storage Dam No. 7 Alexander, Mount Pleasant, Clarendon	N	Y	A	A	N	Y	8	A	Of the eight (8) contractors invited to tender, two (2) returned tenders. Bacchus Engineering Works Ltd., the lowest and most responsive tenderer, was awarded the contract. Prior to the signing of the Contract Agreement, the project was cancelled as being no longer feasible.
Agricultural Credit Bank									
Denbigh Display Centre Denbigh Agricultural Show Ground May Pen, Clarendon	N	Y	IA	A	Y	Y	1	A	Officers at the Agricultural Credit Bank seemed to be unaware of some of government's contract award procedures. No approval was sought from the Government Contracts Committee (GCC) nor did they ensure that the contractor produce a Tax Compliance Certificate prior to commencement of the works. Four (4) contractors were invited to submit tenders but only one (1) responded in the time allowed. Subsequent evaluation showed this bid to be 0.4% below the Quantity Surveyor's estimate. An award was recommended based on the closeness of the tender figure to that of the Q.S.'s estimate and the possibility that further delays could result in increased cost of the project due to inflation.
Urban Development Corporation									
Construction of Concrete Bridge across the Spanish River Albany, Claverty Cottage Portland	Y	Y	A	A	Y	Y		Y	The works for a contract were first tendered in July, 1988, and estimated to cost between two to three million dollars. However, Hurricane Gilbert and the General Election intervened, resulting in a second tendering in October, 1990, with modified drawings.

ANNUAL REPORT

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Pre-contract activities

	Prequalification	Invitation	TENDERING					Tender Evaluatio	REMARKS
NAME OF :			Documents	Tender Instructions	Tender Bond	Public Openin	No. of Returns		
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF AGRICULTURE									
Urban Development Corporation									
Construction of Concrete Bridge across the Spanish River (continued)									
									Foreign financiers' approval of modification not acquired and consequently their objection led to another tender exercise between July and September, 1992. In February 1993, the Government Contracts Committee recommended a contract sum of \$7.165M, but Cabinet approval not given until September, 1993, long after validity period of tenders expired. Claims for revision of tendered sum on account of devaluation and other increases accommodated when decision taken to approach two lowest bidders after the delays. Indeed, the lowest revised contraact sum amounting to \$14.04M in June, 1994, could well have been less if the pre-contract procedures had been well managed
MINISTRY OF HEALTH									
Urban Development Corporation									
Upgrading Glen Vincent Memorial Clinic Trevension Road Kingston 5									
	Y	Y	A	A	Y	Y	7	Y	The consultant failed to carry out the evaluation of the tenders in accordance with standard procedure. The lowest tenderer's rates were not based on current rates, but were not rejected. When equated with present rates, this made his tender higher than the second lowest tender. The second lowest tender, Alfrasure Structures & Roofing Ltd., rates were based on present prices and were lower than the Quantity Surveyor's estimate.

ANNUAL REPORT

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- IA = INADEQUATE
- N/A = NOT APPLICABLE

Pre-contract activities

NAME OF :	Prequalification								REMARKS
	Invitation	Documents	TENDERING	Tender Instructions	Tender Bond	Public Openin	No. of Returns	Tender Evaluatio	
CLIENT MINISTRY									
OTHER AGENCIES									
PROJECT									
LOCATION									
MINISTRY OF PUBLIC UTILITIES, MINING & ENERGY									
Urban Development Corporation									
Construction - Gregory Park Post Office Gregory Park, St. Catherine	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Normal contractual procedures were waived and the contract negotiated with one contractor as the project needed to be implemented urgently. At least two contractors should have been invited for the negotiation of the contract, this would have helped to protect the interest of the government.
MINISTRY OF TOURISM AND COMMERCE									
Factories Corporation of Jamaica									
Construction of New Absorption Pit White Marl Industrial Complex, St. Catherine	Y	Y	A	A	N	Y	3	Y	This is a relatively small contract and a tender bond was not requested. The other contractual procedures were executed on merit.
JAMAICA PUBLIC SERVICE COMPANY LIMITED (JPSCo)									
Paradise to Orange Bay 138/69KV Transmission Line Westmoreland	Y	Y	A	A	Y	Y	5	IA	Breaches of certain clauses in the bid document were highlighted in the evaluation report. However, the bidder later confirmed that he would conform to the specifications as required by JPSCo.
MINISTRY OF NATIONAL SECURITY & JUSTICE									
Port Maria Courthouse St. Mary	N	Y	A	A	Y	N	5	A	The tendering process not properly handled. For some reason unknown one contractor was removed from the original list and replaced by a newcomer who was subsequently recommended for the award of the contract as the lowest responsive tenderer.

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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				
MINISTRY OF EDUCATION & CULTURE Urban Development Corporation					CONSULTANT	AGENCY	CONTRACTOR		
Repairs and Modification to Marcus Garvey Technical High School St. Ann's Bay, St. Ann	a) UDC b) W.G. Walters Const. Co. Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$2.03m c) 9 months	a) 4 months b) \$1.17m c) 57.7%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Although the progress of the work was fair, had there been a greater emphasis on planning and coordination, the time overrun and increased cost would have been considerably reduced.
Construction of Lavatory Block at Happy Grove High School Hectors River, Portland	a) U.D.C. b) D.T. Brown Construction Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$1.08M c) 5 weeks		a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Good	a) Adequate b) Adequate c) Adequate	Post contract execution of work was carried out satisfactorily and completed in time. The standard of work was quite good.
Extension and Refurbishing Ocho Rios High School Ocho Rios, St Ann	a) U.D.C. b) W.A. Reid Construction Ltd	a) Not yet received b) Not yet received c) Not yet received	a) Lump Sum b) \$12.61m		a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	Just being mobilized on site		This project has just started Contractor is in the process of mobilizing on site.
Social Sectors Development Project Sugar Industry Housing Ltd.									
Bastard Cedar Basic School Westmoreland	a) Sugar Industry Housing Ltd b) G.M. & Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$3.84m c) 5 Months	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) N/A b) N/A c) N/A	a) Poor b) Fair c) Good d) Fair	a) N/A b) Fair c) Fair	The construction process suffered delays as a result of inclement weather which saw water settling in the foundation trench. The contractor however had registered satisfactory progress to reflect a 75% completion after 60% of the contract period had elapsed.

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APPENDIX II

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	CONSULTANT	AGENCY	CONTRACTOR	
MINISTRY OF EDUCATION & CULTURE Social Sectors Development Project Sugar Industry Housing Ltd. (continued)									
Bethel/Smoke Hole Basic Schools St. Catherine	a) Sugar Industry Housing Ltd. b) G. M. & Associates	a) Yes b) Yes c) Yes	a) Lump Sum b) \$4.25M c) 6 Months	a) 1 Month b) \$3.74m c) 87.9%	a) Fair b) Fair c) Fair	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair d) Good	a) N/A b) Good c) Adequate	The contractor took possession of site on March 14, 1994 and commenced construction activities immediately. The construction process progressed satisfactorily to achieve practical completion on October 11, 1994, one (1) month beyond the scheduled completion date.
Wrights/Bartons Basic Schools St. Catherine	a) Sugar Industry Housing Ltd. b) Metrocon Associates Limited	a) Yes b) Yes c) Yes	a) Lump Sum b) \$5.03M c) 6 Months	a) 4 Months b) \$1 2M c) 26%	a) Fair b) Fair c) Fair	a) N/A b) N/A c) N/A	a) Poor b) Poor c) Fair d) Fair	a) N/A b) inadequate c) Adequate	Subsequent to the signing of contract the site took some three (3) weeks to be handed over awaiting the necessary Bonds and Guarantees. See page No. 8 for further details.
Duhaney Pen Basic School St. Thomas	a) Sugar Industry Housing Ltd. b) Alfrasure Structures and Roofing Limited	a) Yes b) Yes c) Yes	a) Lump Sum b) \$2.13m c) 4 Months	a) 1 Month b) N/A c) 4 Months	a) Good b) Good c) Fair	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Adequate d) Fair	a) - b) Fair c) Adequate	Construction activities progressed satisfactorily for the most part. However, some tardiness on the part of the contractor after a substantial amount of the works were completed, has resulted in time overrun of a month to date. Nevertheless an improvement in the contractor's performance may see the project completed within the tender price.
Sherwood Content/ Joe Hut Basic Schools Trelawny	a) Sugar Industry Housing Ltd. b) G.M. & Assocs	a) Yes b) Yes c) Yes	a) Lump Sum b) \$1.76m* c) 6 months	a) 1 week b) \$1.31m c) 79%	a) Good b) Good c) Good	a) N/A b) N/A c) N/A	a) Good b) Good c) Good d) Good	a) Adequate b) Adequate c) Adequate	As reported in Annual Report 1993, the contract with C.S. Farmer was terminated and the completion of the works negotiated with the contractor who had submitted the lowest tender (with substantial errors) at the time when C.S. Farmer was awarded the contract A good effort on the part of those

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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				
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF EDUCATION & CULTURE Social Sectors Development Project Sugar Industry Housing Ltd. Sherwood Content/Joe Hut Basic Schools (continued)									
Rose Hill Basic School	a) Sugar Industry Housing Ltd.	a) Yes	a) Lump Sum	a) N/A	a) Fair	a) N/A	a) Fair	a) -	involved with the project. However, it is unfortunate that a contract which should have been completed in June, 1993, ended up with an increase of \$1.4m over the original contract sum with C.S. Farmer, one year later. The construction activities on this contract were hampered by the lack of potable water, limited working space, change of location for pit latrine and poor access road to the site. The contractor however, overcame these problems and achieved practical completion before the scheduled completion date. Early stages of construction activities saw satisfactory progress being made. However with the passage of time, the construction activities fell behind schedule. which the contractor attributed to his inability to procure building materials and problems with his cash flow.
St Catherine	b) S.C Cox & Brothers Limited	b) Yes	b) \$1.55m	b) N/A	b) Fair	b) N/A	b) Good	b) Adequate	
	c) Yes	c) Yes	c) 4 Months	c) N/A	c) Fair	c) N/A	c) Good	c) Adequate	
Flemmings/Johnstown/Thornton/ Danvers Pen Basic School	a) Sugar Industry Housing Ltd.	a) Yes	a) Lump Sum	a) 2 Months	a) Fair	a) N/A	a) Fair	a) N/A	Early stages of construction activities saw satisfactory progress being made. However with the passage of time, the construction activities fell behind schedule. which the contractor attributed to his inability to procure building materials and problems with his cash flow.
St. Thomas	b) Metrocon Associates Ltd	b) Yes	b) \$6.15m	b) \$0.23m	b) Fair	b) N/A	b) Poor	b) Poor	
	c) Yes	c) Yes	c) 8 Months	c) 3%	c) Fair	c) N/A	c) Poor	c) Fair	
National Housing Corporation Ltd. Spaulding Primary School Spaulding, Manchester									
	a) NHC	a) Yes	a) Lump Sum	a) 3 Months	a) Fair	a) N/A	a) Fair	a) Fair	The 1993 Annual Report pointed out that inclement weather, lack of some building materials and breakdown of equipment hampered progress on this project and frustrated the contractor's effort to meet the deadline.
	b) W A Reid Construction Limited	b) Yes	b) \$7.87M	b) \$ 8.52M	b) Fair	b) N/A	b) Fair	b) Poor	
	c) Yes	c) Yes	c) 10 Months	c) 108.24%	c) Fair	c) N/A	c) Fair	c) Adequate	
	c) E & M Associates Ltd						d) Fair		

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APPENDIX II

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				
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF EDUCATION & CULTURE Social Sectors Development Project National Housing Corporation Ltd. Spaulding Primary School (continued)									Subsequent to the Annual Report practical completion was achieved on the 31st May, 1994 - three months beyond the scheduled date for completion. At December 1993, only 5% of the work was outstanding. The level of Expenditure highlights again need for timely implementation of Government contracts.
Black River Primary School St Elizabeth	a) NHC b) Cooper & Assoc. Limited c) E & M Associates (Electrical)	a) Yes b) Yes c) Yes	a) Lump Sum b) \$9 154M c) 10 Months	a) 2 Months b) \$8.57M c) 93.61%	a) Fair b) Fair c) Good	a) N/A b) N/A c) N/A	a) Good b) Good c) Fair d) Good	a) Adequate b) Adequate c) Adequate	Construction activities commenced on 14 June, 1993 and recorded steady progress through the construction period to 9 June, 1994, thus registering a two month overrun on the construction period. The combined effect of fluctuation in labour and material along with variations and additional works contributed largely to the massive cost overrun.
Croft's Hill Primary School Croft's Hill, Clarendon	a) NHC Garron Ltd. b) Cooper & Assocs., Ltd c) Ronham & Associates.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$11 57M c) 10 Months	a) 4 Months b) \$9.84M c) 85%	a) Fair b) Adequate c) Fair	a) Fair b) Fair	a) Fair b) Fair c) Adequate d) Fair	a) Adequate b) Inadequate c) Adequate	Subsequent to the Annual Report of 1993 which highlighted problems of material shortage, this project achieved practical completion on the 6th July, 1994, some four (4) months beyond the scheduled date. Expenditure to date on this contract totaled \$21.41M or \$9.84M in excess of the contract price. Of this total, fluctuations in material and labour cost \$6.65M

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APPENDIX II

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				
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF EDUCATION & CULTURE									
Social Sectors Development Project									
National Housing Corporation Ltd. (continued)									
Ewarton Primary School Ewarton, St. Catherine	a) NHC Garron Ltd. (Q.S.) b) Qualicon Engineering Company Ltd	a) Yes b) Yes c) Yes	a) Lump Sum b) \$17.86M c) 220 days	a) N/A b) \$2.67M c) 14.94%	a) Fair b) Adequate c) Good	c) N/A b) N/A c) N/A	a) Adequate b) Good c) Good d) Adequate	a) Adequate b) Adequate c) Good	The contract was signed on March 14, 1994, and the contractor took possession of the site on March 28, 1994. Initially the contractor recorded satisfactory progress. However, later on he fell behind schedule. Indications are that claims for interim payments were not honoured on a timely basis, possibly as a result of cash flow problem being faced by the client.
Ministry of Education Montego Bay Regional Office St. James	a) NHC b) Ronham & Associates Ltd. c) None	a) Yes b) Yes c) Yes	a) Lump Sum b) \$34.9M. c) 10 months	a) N/A b) N/A c) N/A	a) Poor b) Fair c) Fair	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	After the contractor started working, the U.D.C. objected to the construction on a site said to be earmarked for other development. A new site was eventually agreed on, but 18 months of construction time was lost. The contractor requested re-mobilization and no doubt both the timing and the cost of the project will be affected by this mistake Construction activities restarted and as expected expenditure is running high (\$11.8M.) with little to show for it
Urban Development Corporation									
Extension to Mannings High School Savanna-la-mar, Westmoreland	a) Alberga, Graham Jamaica b) W.G. Walters Co Ltd	a) Yes b) Yes c) Yes	a) Lump Sum b) \$5.13m c) 8 Months	a) 3 Months b) 1.65m c) 32%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Post-contract administration of the project was satisfactory. Increase in completion cost was due to fluctuation in material and labour costs.

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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	CONSULTANT	AGENCY	CONTRACTOR	
MINISTRY OF EDUCATION & CULTURE (continued)									
Urban Development Corporation									
Renovation to Green Island Secondary School - Phase II	a) UDC	a) Yes	a) Lump Sum	a) 2 months	a) Fair	a) Fair	a) Fair	a) Fair	The post-contract execution of the project was satisfactorily administered and the quality of work is fair.
Green Island, Hanover	b) Cooper Assocs. Ltd.	b) Yes	b) \$4.90m	b) \$3.85m	b) Fair	b) Fair	b) Fair	b) Fair	
	c) Yes	c) Yes	c) 12 months	c) 78.54%	c) Fair	c) Fair	c) Fair	c) Fair	
HEART Trust NTA	a) Apec Consultants	a) Yes	a) Lump Sum	a) i. 7 1/2 mont ii. 3 3/4 mont	a) Good	a) Fair	a) Poor	a) Adequate	Section (i) is approximately 71% complete while (ii) is approximately 35% complete at the end of the reporting period. This means that both Sections are behind schedule. Extensions of time have been granted, but the contractor has not so far made any additional claim to cover the period beyond the extension. Reason for the delays is recorded as labour problems, but the contractor's lack of performance might result in liquidated damages being invoked.
(i) V.T.D.I. Central Facilities	b) Cameron Engineering Ltd.	b) Yes	b) i \$16.0M ii \$25.6M \$41.6M	b) i. \$2.8M ii. \$1.2M	b) Good	b) Fair	b) Fair	b) Adequate	
(ii) V.T.D.I. Teaching Facilities	c) J.H. Dunstan and Associates Ltd (Electrical) Appliance Traders (Mechanical)	c) No	c) i. 9 months ii. 9 months	c) i. 6.7% ii. 2.9%	c) Good	c) Fair	c) Poor	c) Inadequate	
URBAN DEVELOPMENT CORPORATION									
Refurbishing of Swimming Pool at Bourmouth	a) Ken Warren and Associates Ltd	a) Not available	a) Lump Sum	a) 3 Months	a) Fair	a) Fair	a) Fair	a) Adequate	Post-contract activities were fairly well executed. Planning and co-ordinating of the project could have been better.
Kingston	b) Cosmopolitan Pools and Equipment Ltd	b) Not Available	b) \$2.67m	b) \$0.84m	b) Fair	b) Fair	b) Fair	b) Adequate	
		c) Not Available		c) 31.4%	c) Fair	c) Fair	c) Fair	c) Adequate	The project is 95% completed.
							d) Good		This project has a large overseas procurement component and arrangements were not put in place to purchase these materials to ensure progress of the work and this contributed to the delay in completing the work within the contract period.

ANNUAL REPORT

APPENDIX II

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/Machiner (b) Materials (c) Labour	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	CONSULTANT	AGENCY		
URBAN DEVELOPMENT CORPORATION (continued)									
Recreational Beach Park Negril, Hanover	a) U.D.C. b) Litfield Constr. Co. Ltd	a) Yes b) Yes c) Yes	a) Negotiated b) \$4 79M c) 7 months	a) 4 weeks b) - c) -	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Fair b) Fair c) Fair	The work so far is satisfactory The job is currently 85% complete and is expected to be finished by the end of January 1995.
MINISTRY OF HEALTH Urban Development Corporation									
Upgrading Glen Vincent Memorial Clinic Trevennion Road, Kingston 5	a) Rivi Gardner & Assoc. Ltd b) Alfrasure Structures and Roofing Ltd	a) Yes b) Yes c) Yes	a) Lump Sum b) \$0.29m c) 4 weeks	a) 12 weeks b) None c) None	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate d) Adequate	The contractor has not made an effort to complete the work or to deal with the defects during the liability period. It seemed that being a small contract, there was not enough control and supervision Practical completion was achieved February 22, 1994.
Completion of partially constructed Health Centre. - erection of new laboratory block; and two -storey toilet block Fellowship Hall, St. Mary	a) U.D.C. b) W.G. Walters Construction Co	a) Yes b) Yes c) Yes	a) Lump Sum b) \$1 96m c) 7 Months	a) 6 Months b) \$0.95m c) 48.49%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Post-contract progress of work was satisfactory and quality of work quite good. Increase in completion cost was due to fluctuation in labour and material costs.
Rollington Town Health Centre Kingston	a) Nadine Isaacs Fisher & Assocs Ltd b) Cooper & Assocs Ltd	a) Yes b) Yes c) Yes	a) Lump Sum b) \$2 1m c) 6 Months	a) 3 Months b) \$0.24m c) 11.3%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Quality of work was fairly good. Minimal corrective work was done on completion. The building was officially handed over to the Ministry of Health in September, 1994.

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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/Machiner (b) Materials (c) Labour	REMARKS
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF CONSTRUCTION (WORKS) Yallahs Fording Contract No. 1 St. Thomas	a) None	a) No	a) Schedule of Rates	a) N/A	a) N/A	a) Fair	a) Fair	a) Fair	Structure put in place as agreed under the contract for repairing the works seems to have been inadequate. As a consequence, the executed works were washed away. Lack of knowledge and experience in this type of work may have contributed to the unfortunate result.
	b) Constantine Lamont	b) No	b) \$0.2m and \$0.11m	b) N/A	b) N/A	b) Fair	b) Fair	b) Fair	
		c) N/A	c) 5 days 5 days	c) N/A	c) N/A	c) Fair	c) Fair	c) Fair	
Contract No. 2	a) Beckford & Dixon Ltd.	a) No	a) Schedule of Rates	a) N/A	a) Good	a) N/A	a) Good	a) Fair	Contract subsequently carried out without any reported incident with new contractor and with the help of a consultant.
	b) Diverse Services and Construction Ltd.	b) No	b) \$0.2m \$0.15m \$0.18m	b) N/A	b) Good	b) N/A	b) Good	b) Adequate	
		c) Yes	c) 10 days 11 days	c) N/A	c) Good	c) N/A	c) Good	c) Adequate	
Urban Road Maintenance Unit	b) Headley Brown	a) No	a) Schedule of Rates	a) N/A	a) Good	a) N/A	a) Fair	a) Fair	Progress and quality of work is adequate. The work is 85% complete.
		b) No	b) \$0.14m	b) N/A	b) Good	b) N/A	b) Fair	b) Fair	
		c) No	c) 11 days	c) N/A	c) Good	c) N/A	c) Fair	c) Fair	
Asphaltic concrete overlay works - Package No. 35, Sub-package No. 2 Kingston	a) N/A	a) Yes	a) Lump Sum	a) -	a) Fair	a) Fair	a) Fair	a) Adequate	The work is 85% complete.
	b) Surrey Paving and Aggregate Co. Ltd.	b) Yes	b) \$46.28m	b) \$7.01m	b) Fair	b) Fair	b) Fair	b) Adequate	
		c) Yes	c) 9 Months	c) 15.14%	c) Fair	c) Fair	c) Fair	c) Adequate	

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POST-CONTRACT ACTIVITIES

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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/Machiner (b) Materials (c) Labour			
					CONSULTANT	AGENCY	CONTRACTOR		
<p>MINISTRY OF CONSTRUCTION (WORKS) (continued)</p> <p>Jamaica / Canada Bridge Development Programme</p>									
Hector's River Piling Contract St. Thomas	a) B & W Burrows and Wallace b) Nakash Construction and Engineering Ltd	a) N/A b) Adequate c) Adequate	a) Lump Sum b) \$1.37m c) 3 Months	a) None b) \$0.32m c) 20%	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Satisfactory	a) Adequate b) Adequate c) Satisfactory	Overall, the project was executed fairly satisfactorily. However, stricter management procedures were needed to minimise overrun in both cost and construction time. The project is now completed; however, a final account was not available for the preparation of this report.
Hector's River Bridge Superstructure Contract St. Thomas	a) Burrowes & Wallace b) O.G. Gordon Engineering & Joinery	a) N/A b) Yes c) Yes	a) Lump Sum b) \$5.15m c) 6 Months	a) N/A b) N/A c) N/A	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Satisfactory	a) Adequate b) Adequate c) Adequate	The original date scheduled for handing over of the site was delayed by Ministry of Construction (Works). However, since commencement of the work steady progress has been made.
<p>Rural Road Rehabilitation Improvement and Maintenance Programme</p>									
Preparing Sub-base and surface, laying marl and asphalt drainage and construction of culverts Corner Shop, Frankfield Clarendon	a) Roughton & Partners International (QS) b) Build Rite Construction Co Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$19.88m c) 11 Months	a) 1 month b) \$13.84m c) 69%	A) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Fair b) Adequate c) Adequate	This project is practically completed. The scope of works was not properly defined during the preparation of the contract documents and as a result variation costs were incurred
Preparing sub-base and surface, laying marl and asphalt drainage Rural Hill, Hordley, Portland	a) Roughton & Partners International (QS) b) Stardust Incorporated	a) Yes b) Yes c) Yes	a) Lump Sum b) \$25.6m c) 10 months	a) N/A b) N/A c) N/A	A) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Poor b) Poor c) Poor d) Fair	a) Inadequate b) Inadequate c) Inadequate	Progress of the work is unsatisfactory. The contractor seems to lack experience and the competence to execute the project on a timely basis. The project was less than 50% complete at the end of the contract period.

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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	CONSULTANT	AGENCY	CONTRACTOR	(a) Plant/Machiner (b) Materials (c) Labour
MINISTRY OF CONSTRUCTION (WORKS)									
Rural Road Rehabilitation Improvement and Maintenance Programme									
Contract No. 10 Chandler's Pen - Rock River Palmer's Cross - Chandler's Pen Clarendon	a) Roughton & Partners International (QS) b) Dwight's Construction Limited	a) None b) Adequate c) Adequate	a) Lump Sum b) \$19.96m c) 11 months	a) 3 months b) N/A c) N/A	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Adequate d) Satisfactory	a) Satisfactory b) Adequate c) Adequate	The overall progress made on this project to date is satisfactory. Flood Damage and additional work delayed the progress , as a result the new date set for completion is February, 1995 This projection is realistic in light of the overall progress made but will require strict supervision by the MOC and the contractor.
Contract No. 11 Salt Spring - Mt. Grace Mt. Grace - Delve Bridge Hanover	a) Roughton & Partners International (QS) b) D.R. Foote Construction Co. Ltd.	a) Yes b) Adequate c) Yes	a) Lump Sum b) \$18.59m c) 8 Months	a) 5 months b) \$0.61m c) 3.3%	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Adequate d) Satisfactory	A) Adequate b) Adequate c) Adequate	This project did not achieve the scheduled completion date of September 12, 1994. The delay is as a result of inclement weather, tardiness on the part of the contractor and to a lesser extent increase in the scope of work. The revised date set for completion of the project is March, 1995.
contract No. 12 Barking Lodge, Stokes Hall, Hampton Court, Mt. Airy St. Thomas	a) Roughton & Partner International (QS) b) Dwight's Construction Limited	a) Yes b) Adequate c) Yes	a) Lump Sum b) \$10.96m c) 6 months	a) 3 Months b) \$2.82m c) 25.70%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Post contract work was carried out fairly well: however quality of work is not of a consistently high standard.
Contract 13 Lime Hall - Lumsden Higgin Town - Britonville St. Ann	a) Roughton & Partners International (QS) b) Pavement and Structures Ltd.	a) N/A b) Adequate c) Adequate	a) Lump Sum b) \$10.62m c) 6 Months	a) 6 Months b) \$3.31m c) 31%	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Adequate d) Satisfactory	a) Satisfactory b) Satisfactory c) Satisfactory	This contract is substantially completed. Delays experienced on the project were as a result of inclement weather and an increase in the scope of work. The revised date set for completion is January 31, 1995.

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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				
MINISTRY OF CONSTRUCTION (WORKS)					CONSULTANT	AGENCY	CONTRACTOR		
Rural Road Rehabilitation Improvement and Maintenance Programme (continued)									
Contract No. 16 Fort Charles - Hopewell Fort Charles - Billy's Bay St. Elizabeth	a) Roughton & Partner International (QS) b) Henry Moo Young	a) N/A b) Adequate c) Adequate	a) Lump sum b) \$9.6m c) 6 months	a) 6 months b) None c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Poor b) Poor c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	The project will experience over 100% overrun in construction time while the expenditure to date has not exceeded the contract sum. However, based on the gross value of work certified to date, and work not yet completed the project will exceed the contract sum. The total value of variations reported as at December 22, 1994, was \$0.14m which will be reflected as an increase in the contract amount.
Contract No. 17 Pondside - Flower Hill Cash Hill - Kew Hanover	a) Roughton & Partners International (QS) b) D.R. Foote Construction	a) N/A b) Adequate c) Yes	a) Lump Sum b) \$26.2m c) 10 months	a) 2 months b) N/A c) N/A	a) N/A b) N/A c)	a) Fair b) Fair c) Fair	a) Poor b) Poor c) - d) Fair	a) Inadequate b) Inadequate c) Satisfactory	This project is running behind the scheduled completion time of November 12, 1994. The revised date set for completion is mid March, 1995, with estimated completion costs of \$34.9m. The overrun in both construction time and cost is estimated to be in region of 5 months and \$8.65m respectively.
MINISTRY OF CONSTRUCTION (HOUSING)									
Estate Development Co. Ltd. now National Housing Corporation									
Serviced Lots Joint Venture Eltham/Angels, St. Catherine	a) EDCo. b) Benthom Construction Co. Ltd	a) Not Available b) Not Available c) Not Available	a) Negotiated b) \$1 253M c) 6 Months	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	Fair Fair Fair	Fair Fair Fair	a) Adequate b) Adequate c) Adequate	The project is not being effectively managed. This project involves the sale of a parcel of land by the Ministry of Construction (H) to Estate Development Co. Ltd. which then entered into a Joint Venture with Benthom Construction Co. Ltd.

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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/Machiner (b) Materials (c) Labour	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	CONSULTANT	AGENCY		
MINISTRY OF CONSTRUCTION (HOUSING) Estate Development Co. Ltd. now National Housing Corporation Serviced Lots Joint Venture (continued)									The parcel of land was subdivided into thirty (30) Lots on which the contractor's obligation was to construct the infrastructure in exchange for fifteen (15) Lots. The work is complete except for the National Water Commission's connection and pipe testing. It has been impossible to obtain a copy of the signed contract relating to the works between Estate Development Co. Ltd., and Benthom Construction Co. Ltd., as National Housing Corporation has reported that there is none on record.
National Housing Trust Hope Bay Housing Development	a) NHT	a) Not Available	a) Negotiated	a) N/A	a) Fair	a) Fair	a) Fair	a) Fair	This housing scheme consists of twenty-six (26) housing Units contracted out to six (6) small contractors on the recommendation of the Member of Parliament for the area.
Hope Bay, Portland.	b) 6 Contractors	b) Not Available c) Not Available	b) \$16.25M c) 6 months	b) N/A c) N/A	b) Fair c) Fair	b) Fair c) Fair	b) Fair c) Good c) Fair	d) Good	Materials are supplied through National Housing Trust, nominated suppliers. Expenditure as at November, 1994 was \$10.89M.
Infrastructure Works for Proposed Housing Scheme	a) MOC(H)	a) N/A	a) Negotiated	a) 6 weeks	a) Fair	a) N/A	a) Fair	a) Adequate	This unique Joint Venture Agreement between the Ministry of Construction (Housing) and J.C. Wilmot is approximately 90% complete at the end of the reporting period. Although this contract refers only to the Infrastructure Works, housing Units are also being constructed.
Moneague, St. Ann	b) J.C. Wilmot Ltd	b) N/A c) N/A	b) \$29.5M c) 15 Months	b) N/A c) N/A	b) Fair c) Fair	b) N/A c) N/A	b) Fair c) Fair	b) Fair c) Fair	

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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/Machiner (b) Materials (c) Labour	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	CONSULTANT	AGENCY		
MINISTRY OF CONSTRUCTION (HOUSING)									
National Housing Trust (continued)									
Mansfield II Housing Scheme	a) Doug Wright & Associates	a) No	a) Negotiated	a) N/A	a) Fair	a) Fair	a) Fair	a) Fair	This is a rocky site of differing elevations and heavy equipment has to be employed on site to excavate the foundations.
Ocho Rios, St. Ann	b) A.H. Building (Ja.) Ltd	b) Yes c) No	b) \$7.45M c) 18 weeks	b) N/A c) N/A	b) Fair c) Fair	b) Fair c) Fair	b) Fair c) Fair d) Fair	Variation to foundation design will be inescapable and it is doubtful if the completion time will be met. An advance of \$2.7M. or 36.4% has been paid as per Agreement.	
Estate Development Co. Ltd. (National Housing Corporation Ltd.)									
Infrastructure Works	a) EDCo	a) Yes	a) Negotiated	a) 5 months	a) poor	a) poor	a) Fair	a) Adequate	A sloping and rocky site.
Bridgewater Pen, Discovery Bay, St. Ann	b) N.F. Barnes	b) Yes c) Yes	b) \$21.12M c) 12 months	b) \$14.60M c) 69%	b) Fair c) Fair	b) Fair c) Fair	b) Fair c) Fair d) Good	b) Fair c) Fair	Work included Roads, Water Supply, Sewer Mains, Sewage Treatment Ponds and Drains. The work is now complete and appears satisfactory.
National Housing Corporation / Estate Development Company National Housing Trust (NHT)									
Pridee's Infrastructure Works Pridee, Clarendon	b) Jamaica Construction Company Ltd	a) Yes b) Yes c) Yes	a) Lump Sum b) \$12.67M c) 9 Months	a) 14 Months b) \$3.84M c) 30%	a) Good b) Fair c) Fair	a) Good b) Good c) Fair	a) Fair b) Poor c) Poor d) Fair	a) Adequate b) Inadequate at times c) Adequate	This project is 14 months overdue and between May and October, 1994, the contractor failed to secure practical completion after four inspections. The contractor experienced some problems in procuring certain materials while some delays were beyond his control. However, it is unusual for a contractor not to secure practical completion after eight (8) months.
									The National Housing Corporation has confirmed that it will grant some extension of time but the excess will be subject to liquidated damages.

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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/Machiner (b) Materials (c) Labour	REMARKS
					(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	CONSULTANT	AGENCY		
MINISTRY OF CONSTRUCTION (HOUSING) (continued) Sugar Industry Housing Ltd. Construction of 765 Housing Units with related infrastructure Claremont, Old Harbour, St. Catherine	a) Sugar Industry Housing Ltd. b) L.I. Chang Engineers Ltd.	a) Yes b) Yes c) Yes	a) Negotiated b) \$161M. c) 2 years	a) 4 months b) \$247M. c) 153%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Poor	a) Adequate b) Poor c) Adequate	<p>The Contractor applied for a thirty-nine (39) weeks extension of time on the infrastructure works of which nineteen (19) weeks was granted, moving the August, 1994 completion date to December, 1994.</p> <p>He has now sought an extension of time of Fifteen and one-half (15 1/2) months which is being evaluated.</p> <p>Project delays have been caused through late payments to the Contractor, bad weather, harassment of workmen and unavailability of certain materials.</p> <p>At December 1994, the project was about 78% completed.</p> <p>The projected completion date is now June, 1995, with an estimated final cost of \$566M. or 351.5% over the original contract sum.</p> <p>This project was extensively dealt with in the 1993 Annual Report.</p>

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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/Machiner (b) Materials (c) Labour	
MINISTRY OF AGRICULTURE Agricultural Credit Bank (ACB)					CONSULTANT	AGENCY	CONTRACTOR		
Denbigh Display Centre	a) Lascelles Dixon & Associates	a) Yes	a) Lump Sum	a) 5 Months	a) Fair	a) Fair	a) Fair	a) Adequate	<p>The Project is about 55.6% complete and has suffered from a number of delays as follows:-</p> <p>i. Non-performance of nominated sub-contractor.</p> <p>ii. Site closure due to relocation of power line.</p> <p>iii. Handing over of site.</p> <p>The non-performance of the nominated sub-contractor was of major concern which prompted the Architect through instructions from the client to issue a letter of determination to the main contractor. This has had the desired effect of getting the nominated sub-contractor to increase productivity. Completion is now expected in May, 1995. Although the contract is not yet showing an overrun in expenditure, this is expected by completion.</p> <p>The Architect is awaiting an extension of time claim from the contractor and it is envisaged that liquidated and ascertained damages clauses will be invoked.</p>
Denbigh Show Ground May Pen, Clarendon	b) Smada Consultants	b) Yes	b) \$5.9M	b) N/A	b) Fair	b) Poor	b) Fair	b) Adequate	
	c) Philip Botchey & Associates	c) No	c) 4 Months	c) N/A	c) Fair	c) Fair	c) Fair	c) Adequate	
	b) Alva Limited						d) Fair		
	c) Structural Engineers Ltd.								
Rural Agricultural Development Authority									
Repairs to Nevis Corner Road	a) N/A	a) N/A	a) Lump Sum	a) None	a) N/A	a) Fair	a) Fair		<p>The level of work carried out on this contract was not of a high standard. It was also difficult to evaluate as it was carried out over a distance of approximately one (1) mile and in an intermittent manner.</p>
West Prospect, Bog Walk St. Catherine	b) Herbert Fisher	b) N/A	b) \$0 15m	b) Nil	b) N/A	b) Fair	b) Fair		
	c)	c) Yes	c) 60 Days	c) Nil	c) N/A	c) Fair	c) Fair		
							d) Poor		

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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	CONSULTANT AGENCY CONTRACTOR	(a) Plant/Machiner (b) Materials (c) Labour	
MINISTRY OF AGRICULTURE (continued)								
National Irrigation Commission Limited								
Rio Cobre Dam Reconstruction Dam Head, St. Catherine	a) Harza Engineering Company (U.S.A.) b) Y.P. Seaton and Associates Co. Ltd. c) Nakash-Goshine Engineering Ltd.	a) Yes b) Yes c) Yes	a) Lump Sum b) \$123.67m c) 488 Days	a) 147 days b) \$26.0m c) 21%	a) Good b) Good c) Fair	a) Fair b) Fair c) Fair d) Good	a) Good b) Fair c) Fair	The project is approximately 75% complete. The completion date tentatively set for January, 1995 will not be realised. The contractor has applied for a further extension of time which is presently being considered.
Urban Development Corporation								
Construction of Concrete Bridge across the Spanish River Albany, Claverty Cottage Portland	a) U.D.C. b) M. & M. Engineers	a) Yes b) Yes c) Yes	a) Lump Sum b) \$14.04m c) 245 days	a) N/A b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Fair	a) Adequate b) Adequate c) Adequate	Project located in a remote area and access to the site is difficult. However, the contractor has made a reasonably good start under the circumstances.
MINISTRY OF WATER AND TRANSPORT								
National Water Commission								
Installation of Deep Well Pump Succaba Pen, Old Harbour St. Catherine	a) A & P Consultants b) Jamaica Wells & Services Ltd.	a) No b) Yes c) Yes	a) Schedule of Rates b) \$2.30m c) 8 Weeks	a) 10 Weeks b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Good	a) Fair b) Fair c) Fair	Completion of the project was delayed due to problems encountered by the contractor during its execution. Extension of time of three (3) weeks was requested by the Contractor which was granted. The project is scheduled for completion in January, 1995.

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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	OVERRUN	MANAGEMENT			ADEQUACY	REMARKS
			(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work	(a) Plant/Machiner (b) Materials (c) Labour			
MINISTRY OF WATER AND TRANSPORT					CONSULTANT	AGENCY	CONTRACTOR		
National Water Commission (continued)									
Installation of 16" Pipeline Greater Portmore, St. Catherine	a) Lawson & Assoc. b) Bacchus Engineering Works Limited	a) No b) Yes c) Yes	a) Schedule of Rates b) \$1.9m c) 3 Months	a) 7 Weeks b) N/A c) N/A	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Good	a) Fairly good b) Adequate c) Adequate	This project which started in September, 1994, is being successfully executed. At the time of reporting, it was 80% completed with the projected comple- tion date being 14th February, 1995.
Carib Engineering Corporation Ltd.									
Cambridge Water Supply Phase I Contract No. 3	a) N.O. Whyte and Associates Ltd.	a) N/A b) Yes	a) Lump Sum b) \$0.5m	a) Nil b) \$31,475.00	a) Fair b) Fair	a) Fair b) Fair	a) Poor b) Fair	a) Adequate b) Adequate	This contract was executed in a fairly efficient manner by the contractor.
Road Works St. James	b) Martin Kellier		c) 4 Months	c) 6.3%	c) Fair	c) Fair	c) Fair d) Fair	c) Adequate	The works were carried out with limited additional costs up to the issue of the practical completion certificate.
Installation of Pipeline Succaba Pen, Old Harbour St. Catherine	a) A. & P. Consultants Ltd. b) T.A. Morgan Construction Co. Ltd.	a) Yes b) Yes c) No	a) Schedule of rates b) \$1.47m c) 8 weeks	a) b) \$0.14m c) 9%	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair	a) Fair b) Fair c) Fair d) Good	a) Fair b) Fair c) Fair	The project is behind time, but practical completion is expected to be achieved by the middle of January, 1995. In comparison with other similar projects, there seems to have been a fair level of management during the execution of the works.
Port Authority									
Ocho Rios Port Expansion Ocho Rios, St. Ann	a) Wallace Evans Ja. Ltd. b) Diato Kogyo Co. Ltd.	a) Not yet received	a) Lump Sum b) US\$5.5m	a) N/A b) N/A	a) Fair b) Fair	a) Fair b) Fair	a) N/A b) N/A c) N/A d) N/A	a) N/A b) N/A	This project is in the initial stage of implementation. Contractor is just about mobilizing on site.

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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/Machiner (b) Materials (c) Labour			
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF WATER AND TRANSPORT									
Port Authority (continued)									
Extension to Customs Warehouse Phase I	a) Hue Lyew Chin Engineering Ltd.	a) Yes	a) Lump Sum	a) N/A	a) Fair	a) Fair	a) Fair	a) Adequate	Overall progress of the project is satisfactory with 75% of the work complete.
Montego Bay Freeport St. James	b) Alfrasure Struct. & Roofing Limited	b) Yes	b) \$8.87m	b) N/A	b) Fair	b) Fair	b) Fair	b) Adequate	
		c) N/A	c) 18 Weeks	c) N/A	c) Fair	c) Fair	c) Fair	c) Adequate	
							d) Fair		
MINISTRY OF PUBLIC UTILITIES, MINING AND ENERGY									
Urban Development Corporation									
Construction - Gregory Park Post Office	a) None	a) Yes	a) Negotiated	a) N/A	a) Fair	a) Fair	a) Poor	a) Fair	Progress of the work to date has been very slow and the quality of the work is poor. Site supervision needs to be improved.
Gregory Park, St. Catherine	b) Glaves Mid Island Heavy Equipment Construction Ltd.	b) Yes	b) \$4.27m	b) N/A	b) Fair	b) Fair	b) Poor	b) Fair	
		c) Yes	c) 9 months	c) N/A	c) Fair	c) Fair	c) Poor	c) Fair	
							d) Poor		
MINISTRY OF INDUSTRY, TOURISM AND COMMERCE									
Factories Corporation of Jamaica									
Construction of New Absorption Pit	a) None	a) N/A	a) Lump Sum	a)	a) N/A	a) Fair	a) Good	a) Satisfactory	Post Contract activities were executed satisfactorily and the project completed within the contract period.
White Marl Industrial Complex St. Catherine	b) Donaldson's Constr Services Co. Ltd.	b) Yes	b) \$0.55m	b) \$27,126.69	b) N/A	b) Fair	b) Good	b) Satisfactory	
		c) Yes	c) 8 Weeks	c) 4%	c) N/A	c) Fair	c) Good	c) Satisfactory	

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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	CONSULTANT	AGENCY	CONTRACTOR	
MINISTRY OF NATIONAL SECURITY AND JUSTICE									
Port Maria Courthouse St. Mary	a) Ministry of Construction Paul Thorburn and Associates Calvin Roach b) Mar-Bell Development Company Ltd.	a) Yes b) Yes c) No	a) Lump Sum b) \$9.22M c) 12 Months		a) Good b) Good c) Good	a) Poor b) Poor c) N/A	a) Good b) Good c) Good d) Fair		This is a project which has progressed over the past six (6) months of implementation. This is all due to the diligence in which the contractor has carried out his task. notwithstanding that there have been problems with certificate claim not being paid on time. The Ministry of National Security and Justice needs to secure the necessary funding for projects before they are embarked on. Planning for project implementation is very critical so as to achieve the stated objective.
JAMAICA PUBLIC SERVICE COMPANY (JPSCo)									
Paradise to Orange Bay 138/69KV Transmission Line Westmoreland	a) R. Chmielewski (Engineer) b) ABB Sveca Sade, C.A.	a) Yes b) Yes c) N/A	a) Lump Sum b) US\$1.67m J\$15.61m c) 12 Months	a) 6 Months b) JA\$14.68M US\$63.21M c) JA\$94% US\$3.74%	a) Poor b) Fair c) Fair	a) Poor b) Fair c) Fair	a) Fair b) Fair c) Fair d) Good	a) Adequate b) Adequate c) Adequate	Again the Jamaica Public Service Company fails to realise the need for proper planning with regard to easement and how critical it is to settle at least 80-90 percent so that the work is not hampered in any way. Some of the reasons for the overrun in time are:- 1) relocation of towers due to incorrect 'geo-technical report for soil test results 2) Inclement weather. 3) Non-compliance with environmental notices. 4) Material delay. 5) Diversion due to objection of land owner.

ANNUAL REPORT

APPENDIX II

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/Machiner (b) Materials (c) Labour		
JAMAICA PUBLIC SERVICE COMPANY (JPSCo)					CONSULTANT	AGENCY	CONTRACTOR	
Paradise to Orange Bay 138/69KV Transmission Line (continued)								6) Breakdown of equipment. The projected completion date is stated to be mid-March, 1995.
NATIONAL HOUSING TRUST LIMITED								
Kencot Apartments 6-10 South Road, Kingston 10	a) Eran Spiro . & Assoc	a) Yes	a) Negotiated	a) 6 weeks	a) Fair	a) Fair	a) Fair	This is a contract between N.H.T. and Kencot Apartments Ltd., (Developers). Work done so far appears satisfactory.
	b) Tronco JAM Ltd.	b) Yes	b) \$20.3M	b)	b) Fair	b) Fair	b) Fair	
		c)	c) 12 months	c)	c) Fair	c) Fair	c) Fair	
						d) Good		

STAFF SITUATION FOR 1994

<u>COMPLEMENT</u>	<u>APPROVED</u>	<u>EMPLOYED</u>	<u>VACANT</u>	<u>REMARKS</u>
Contractor-General	1	1		
Deputy Contractor-General & Director - Construction Contracts	1	1	-	
Legal Adviser	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 III)	1	1	-	
Senior Secretary	1	1	-	
Accountant (FAA I)	1	1	-	
Secretary	2	1	-	Post Frozen
Registrar	1	1	-	
Personnel Clerk	1		1	Post Frozen
Cerk (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	2	-	2	Posts Frozen
	43	31	12	

**THE MANAGEMENT OF CONSTRUCTION PROJECTS
IN THE PUBLIC SECTOR**

SEMINAR AT THE COURTLEIGH HOTEL, SATURDAY, 5th NOVEMBER, 1994

With so many hundreds of millions of dollars being spent unnecessarily each year to complete poorly conceived, designed and executed public projects it was felt that a day could be usefully spent by a group of experienced professionals connected to the construction industry with a view to systematically analysing the problems and trying to identify some measures which would contribute to their solution.

The Contractor-General's Office undertook to sponsor the seminar and made the necessary arrangements for it to be held at the Courtleigh Hotel on Saturday, 5th November, 1994. The plan was to spend the morning professionally and systematically analysing the problems that plague the public sector construction industry and in the afternoon seek to identify solutions which could be presented to all the relevant agencies in the Government that are in a position to take action.

The Seminar was attended by experienced professionals in the various areas of the construction industry and below are the main concerns and problems which were identified and the solutions recommended.

PROBLEMS AND RECOMMENDED SOLUTIONS

1.0 GENERAL

1.1 Cost and Time Overruns

Time overruns do not relate only to the construction period but are from the point of conception as often by the time it comes to the construction stage costs have already increased considerably.

Recommendation

Reduce the decision making time in the public sector especially in periods of high inflation. Improve project management capability and select consultants and contractors with greater care and ensure that the financing for the project is in place.

Appropriate planning and efficient management are among the key factors in the achievement of cost control along with the other measures being called for in these recommendations.

1.2. Cash flow problems - inability to pay contractors and consultants

Recommendation

As indicated above finance needs to be in place before a project starts with no cut off of funds while work is in progress. Failure to proceed in this way is a major contributor to cost and time overruns. A cash flow chart indicating the times and levels of payments required to be met should be prepared and distributed.

1.3. Additional works, variations, bad weather, strikes, civil disturbances and intimidation.

Recommendation

It is difficult to predict bad weather and strikes. Civil disturbances and intimidation are wider problems which need to be addressed. But additional works and variations often mean that there was poor planning and design work at the beginning and this can be improved with more care and if the will is there to do so

1.4. Inability of Central Government to attract professionals

Architects, Engineers, Quantity Surveyors, etc.

Recommendation

This is an ongoing problem and the government needs to be persuaded that the amounts to be saved are far in excess of the cost involved in paying these professionals at competitive rates

1.5. Poor procurement arrangements lead to delays

Recommendation

This is an aspect of management and if the quality of project management at all levels can be improved procurement arrangements will then also improve.

1.6. Failure in the public sector to have some key people

associated with a project throughout its life.

Recommendation

As a result of low salaries people tend to move out of the central government whenever an opportunity arises to do better. Stability of staff will come when there are better emoluments and working conditions and improved career prospects.

1.7. It Is A Delusion That The Tendering Process Achieves Fairness Or Efficiency.

Recommendation

If properly administered the tendering process achieves more fairness and efficiency than any other system. To go to tender or not to go to tender in the private sector is at the discretion of those awarding a contract. In the public sector rules and procedures need to be observed to ensure that the system is fair and honest.

2.0 PROJECT MANAGEMENT

2.1. Poorly trained project managers.

Half of the problems that arise in terms of overruns in time and cost are due to the lack of training in project management. A project manager should be able to forecast, coordinate skilled and unskilled labour as well as the contractor and make the project move. He should be there from the planning stage. The public sector has too few qualified and experienced project managers.

Recommendation

This is a recurring theme the need for the government to be able to recruit and retain highly trained and experienced personnel

2.2. The Public Sector Does Not Have Enough Competent People

to supervise private sector consultants who are often engaged on public sector projects.

Recommendation

This is a function of staff quality already dealt with in paragraphs 4, 7 and 9 above.

2.3. Project Manager On US \$96 Million Project Being Paid J\$360,000

per year (US \$10,750). At that rate the funds for the project could pay him for nearly 9000 years. Ministry of the Public Service is part of the problem. A bureaucrat earning \$350,000 per year finds it difficult to accept that a mere project manager should be paid several times that amount. Decisions are being taken by non-technical people who have never visited a construction site.

Recommendation

If highly trained and experienced project management staff can be put in place then more decision making authority can be located at the technical level.

3.0 DECISION MAKING

3.1. Critical Decisions Delayed And Not Made By Project Managers

but by a higher authority who might not be provided with all the relevant information or may not be qualified to take the decisions.

Recommendation

This is an extension of paragraph. 11 and the problem could be solved if the quality of staff at the technical level were improved.

3.2. On Receipt Of Tenders They Are Examined By The Ministry's

Contracts Committee, then the Government's Contracts Committee, then the funding agency, then the Ministry of Finance and finally the Cabinet. Too many stages.

Recommendation

Agreed, and an effort should be made not only to reduce the number of stages but to shorten the intervals between them.

3.3. There Is A Lack Of Understanding Of The Construction Process

on the part of some bureaucrats which often leads to a lack of clarity as to what clients want resulting in inappropriate design work and many variations.

Recommendation

Again this has to do with the quality of staff at the design and planning stages and a greater involvement at a higher level of professionals in the area of construction.

3.4. Inability In The Public Sector To Take Quick Decisions

Recommendation

If there were more delegation of responsibility to trained project managers and other professionals this problem could be substantially solved. The objective should be to allow project managers more flexibility in the contracting process.

3.5. Some Projects Are Too Large For Our Professionals

and project managers to effectively manage, we don't have the expertise.

Recommendation

There was no general agreement that this was true

3.6. There Is Sometimes Inadequate Site Investigation

by project management firms which can lead to months of site preparation.

Recommendation

This can be dealt with if there is more supervision and the will and discipline to do so.

4.0 CONTRACTORS/CONSULTANTS

4.1. Engagement Of Contractors With Too Much Work

or poor performance record.

Recommendation

This problem can be dealt with through the tender documents and by the making of careful inquiries.

4.2. The Failure To Take Into Account The Track Record Of Contractors And Consultants

in the selective tendering process often creates problems.

Recommendation

This should to a large degree be solved if a much stronger and independent G.C.C. is established which would monitor the performance of contractors and consultants who do public sector work. The track record of contractors and consultants needs to be taken into account in the tendering process.

4.3. The Absence Of A Comprehensive And Up To Date List Of Properly Classified Contractors.

Today a man with a wheelbarrow with his office in his car can be graded a Grade A contractor. There should be one up to date list of graded contractors used by all government agencies.

Recommendation

Again a well organized and professionally run G.C.C. with full-time staff should be able to solve this problems.

4.4. Standard Of Contracting

Often the low level of contracting by departments is a result of the contracting staff having little influence over why, how or to whom contracts are let. Frequently their advice is ignored and their control functions overridden or avoided when it is convenient to do so. Consequently the credibility and effectiveness of the contracting staff is eroded.

Recommendation

The role of contracting staff in departments and agencies should be strengthened and should receive support from senior management.

ABBREVIATIONS

C.I.B.	Coffee Industry Board
E.D.Co.	Estate Development Company Ltd.
E.C.	European 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
JAMPRO	Jamaica Promotions Corporation
M/Ag.	Ministry of Agriculture
M/F&P	Ministry of Finance and Planning
M.L.G.	Ministry of Local Government
M.O.C.(H)or(W)	Ministry of Construction (Housing) or (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
S.I.H.L.	Sugar Industry Housing Limited
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

