

THE

ELEVENTH ANNUAL REPORT

OF

THE CONTRACTOR-GENERAL

JANUARY TO DECEMBER 1997



Office of the Contractor-General
17 Knutsford Boulevard
P.O. Box 540

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Jamaica, W.I.
April 27, 1998

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

No.10-2-01

TELEPHONE No.929-8560

Hon. Violet Neilson,
Speaker of the House of Representatives,
Gordon House.

Hon. Syringa Marshall-Burnett,
President of the Senate,
Gordon House.

Dear Mesdames,

In accordance with the provisions of section 28 of the Contractor-General Act I have the honour to forward 110 copies of the Eleventh Annual Report of the Contractor-General for January to December 1997.

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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1.0 INTRODUCTION

In 1997 work continued at a slow pace on the measures necessary for improving the contracting process in the public sector. At the end of the year a first draft of amendments to the Contractor-General Act had been prepared and again the hope is that during 1998 substantial progress will be made in the introduction of the new system the centre piece of which will be the National Contracts Commission.

A general comment could be that all the problems identified in the 1996 and previous reports remain substantially intact as while some important decisions have been taken implementation is proceeding slowly.

An Aspect of Public Sector Contracting

Over the years a number of contractors have visited our office to complain about the conduct of public sector agencies. In some cases it seems that the complainant has a remedy in law but is not prepared to take that route because of the repercussions which might ensue. They sometimes also ask that the Contractor-General's office try to deal with a problem on the basis of a general principle without mentioning the name of the complaining company. It is claimed that if a government agency is taken before the court by a contractor the contractor might win the case but be faced with the prospect of never again being permitted to bid on a project for which that agency is responsible.

Correspondence with the Chairman of the Urban Development Corporation (UDC) at Appendix V of this Report illustrates the point graphically. But it must not be thought that the behaviour of the UDC is unique. This fear has been expressed to us in respect of other government agencies and during 1997 we came across several cases of discrimination against specific contractors. A case recorded in this Report involves the National Housing Trust inviting tenders for its janitorial services and ending up not awarding the contract to the lowest responsive tenderer but to the contractor who had been previously carrying out the functions on the basis that he had been doing a good job. If so the Trust should not have gone to tender but negotiated an extension of contract with the existing contractor.

Sometimes it is claimed that the past performance of a contractor has been unsatisfactory. But seldom is this part of an agency's prequalification exercise on a consistent basis. Usually this shortcoming is invoked to ensure that the award is made to a favoured contractor.

Often a contractor or consultant is favoured not for political or dishonest reasons but because the quality of his work is good; he can be relied on; his relations with the staff are harmonious and when funds are short he will wait to be paid.

A private sector firm can quite properly in the above circumstances decide to engage one or two contractors or consultants to do all its work. A publicly owned body should not be allowed to conduct its affairs in such a manner or to discriminate against a contractor or consultant because of criticisms directed at the agency or even if there is litigation involved. For all contracts to be awarded impartially and on merit as is required by the Contractor-General Act a process of tendering by those who are interested and qualified has to be the norm.

Strong guidance is needed from the Government. Agencies in the public sector should be reminded from time to time of the standards they are expected to observe and the ways in which their operations of necessity have to differ from those of private sector firms. This would be of great help to the Contractor-General's Office which in its work would use not only the general principles set out in the Contractor-General Act but invoke the specific directives issued by the Government from time to time.

Conclusion

This will be the last Report I will be making as Contractor-General as my seven year term of office comes to an end in June.

Unfortunately, there are few concrete achievements to be recorded. Two of these would be the decision to replace the present system of awarding contracts with one more independent in character, comprehensive in scope, broader in participation and transparent in operation.

The other would be the decision to set up an independent Land Disposal Committee in each parish to make recommendations as to the persons to whom Government land should be sold.

It has to be said that the new contracting system headed by a broadly based independent National Contracts Commission is yet to be established and how independent and impartial the land divestment committees are going to be is yet to be determined.

The great disappointment has been that after seven years it has not been possible to persuade Parliament to which I report to undertake an examination of the Annual Reports which are made in accordance with the Contractor-General Act. This means that no one has been asked to account for actions criticised in the Reports nor have the Reports themselves been examined for any shortcomings. If there is no change in how the Annual Reports are handled then the money spent for the operation of the office will continue to be regarded as not being likely to lead to significant improvement in the sector.

To end on a positive note, however, it should be mentioned that several agencies of government have sought the help of the office in awarding contracts as well as advice on their administration. There have also been a number of reports from our Inspectors and others of things being done right so as to avoid critical observations and reports by the office.

It may be then that we are making a useful contribution after all.

2.0 MONITORING OF CONSTRUCTION CONTRACTS

2.1 INTRODUCTION

The Government, being the largest provider of construction and construction related works needs to pay particularly close attention to the Management of these contracts in order to keep cost overruns at minimum levels.

During 1997, many public sector contracts managed by various government agencies, experienced varying degrees of mismanagement from the prequalification/tendering stage into the implementation stage and including the actual management of the project to completion which frequently contributed to massive overruns in both time and money.

Many aspects of the contracting and project management processes which this office felt needed attention have been set out in past reports. We feel, however, that our report for 1997 must make reference to three particular areas of concern which, if addressed, can contribute to substantial savings in the administration of public sector works.

Our first concern is the absence of a proper road maintenance programme which would seek to prevent road deterioration to the point where complete resurfacing becomes necessary. We feel that this can be achieved by the re-establishment of parish subdivisions housed in the Public Works Department with responsibilities centered around road inspection and repairs.

Our second concern is that of the inordinate amounts being spent on certain road contracts for material fluctuations. When the view is taken that at the tendering stage, all tenderers are required to submit a current price list of materials from which fluctuations are determined, then, these prices should not vary to the degrees noted as most of the road related materials are locally produced. Additionally inflation was at a relatively low rate in 1997. An example of this is the Lawrence Tavern to Nolan Hill road contract which was awarded to Build Rite Construction Co. Ltd. for \$50M. At the completion of this project, final figures showed material fluctuations at \$10.3M or 21% of the contract sum. This figure appears exorbitant when all of the parameters are examined bearing in mind that there was no variation in the scope of work.

Our third concern has to do with the present arrangement as it relates to joint venture partnerships. The Ministry of Environment and Housing seems not to be operating by any set policies or guidelines that set out the criteria for the selection of a joint venture partner. This appears to be done in an *ad-hoc* manner with proposed partners making the initial contact.

Further investigations into this type of arrangement suggest that joint venture projects are not advertised or subjected to the tender process. This in principle, makes the current arrangements devoid of transparency and fairness.

This office continues to be appalled at the considerable sums of money that must be identified in order to support excessive cost overruns on many public sector contracts. What is disheartening, also, is the consultants practice of not enforcing the liquidated damages clause whenever it becomes applicable.

Table I which follows, illustrates the tremendous cost overruns associated with ten (10) selected contracts which were monitored in 1997. Based on the ensuing analysis, proper guidelines need now to be put in place by government to assist in curtailing these costs or at least, helping to lower them to manageable limits.

TABLE I

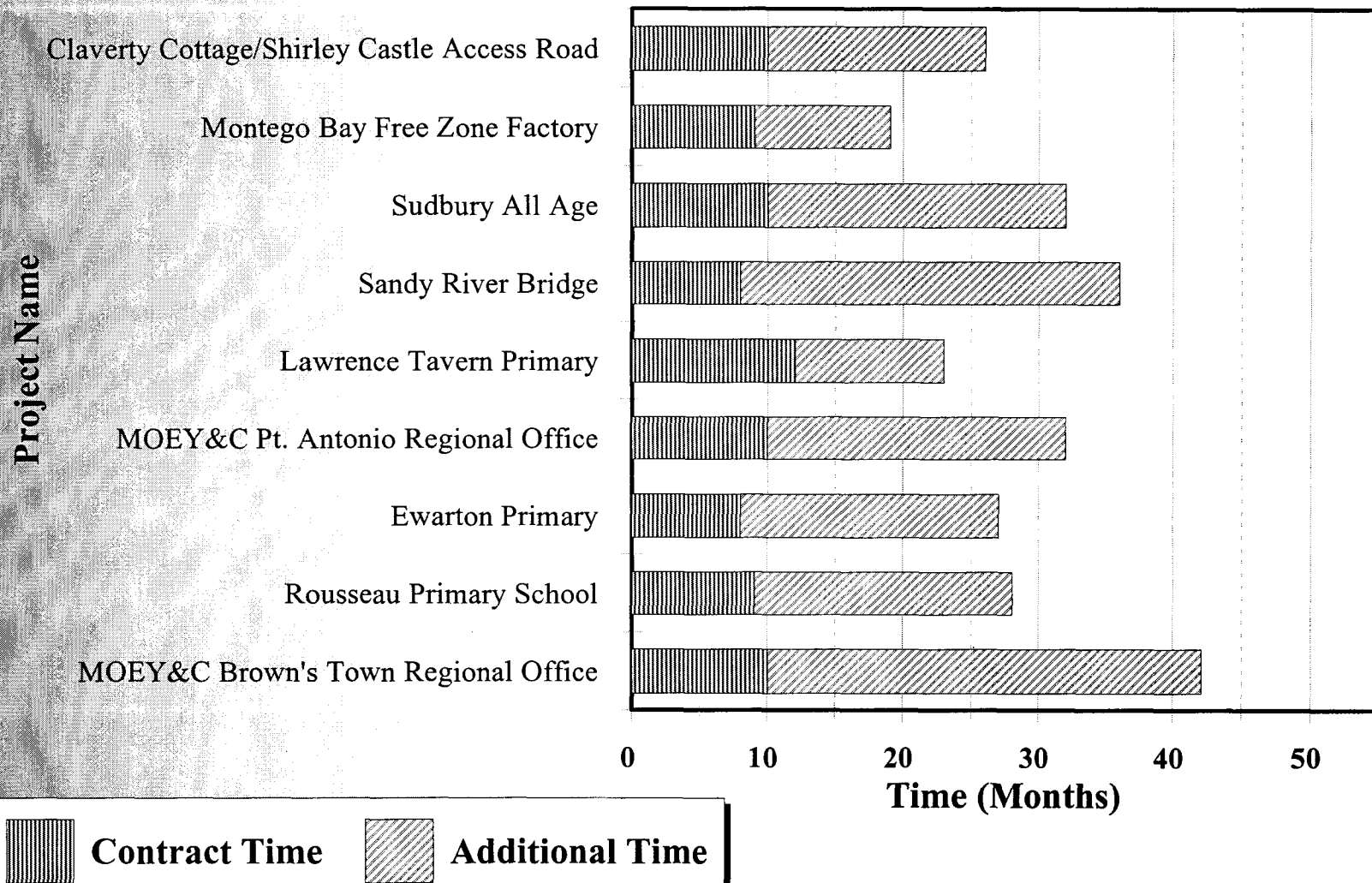
AN ANALYSIS OF COST AND TIME OVERRUNS OF TEN (10) SELECTED CONTRACTS

No	Project Name	Contractor	Contract Sum	Overruns		
				Time	Cost	%
✓ 1	Brown's Town Regional Office (MOEY&C)	W.G. Walters Construction Co Ltd.	\$26.2 M	32 mths	\$19.2M	73%
2	Rousseau Primary School (MOEY&C)	Ronham & Assocs. Ltd.*	\$24.5 M	19 mths	\$36.4 M	149%
3	Ewarton Primary School (MOEY&C)	Qualicon Engineering Ltd.	\$17.8 M	19 mths	\$25.1 M	141%
✓ 4	Port Antonio Regional Office (MOEY&C)	W.A. Reid Construction Co Ltd.	\$26.5 M	22 mths	\$37.1M	140%
✓ 5	Lawrence Tavern Primary (MOEY&C)	Ronham & Assocs. Ltd.*	\$12.3 M	11 mths	\$7.9 M	64%
6	Sandy River Bridge (MOL&W)	Islandwide Construction Co Ltd.	\$4.2 M	28 mths	\$2.4 M	50%
✓ 7	Sudbury All-Age School (MOEY&C)	Ronham & Assocs. Ltd.*	\$14.6 M	22 mths	\$15.4 M	105%
8	Montego Bay Freezone Factory Bldg. (P.A.J.)	Global Construction Co Ltd.	\$44.2 M	10 mths	\$26.8 M	61%
9	Claverty Cottage/Shirley Castle Access Roads. (MLG&W)	M & M Jamaica Ltd.	\$72.9 M	16 mths	\$36.6 M	50%
✓ 10	May Pen Hospital (MOH)	Construction Developers Assocs.	\$169.7 M	16 mths	\$821 M	483%
	TOTAL		\$412.9 M	203 mths	\$1.02 B	-
	Total (Average)		\$ 41.3 M	20 mths	\$102.8M	132%

*This contractor has now established a reputation for incurring large over expenditures on the contracts he has undertaken while paying little attention to the contract period.

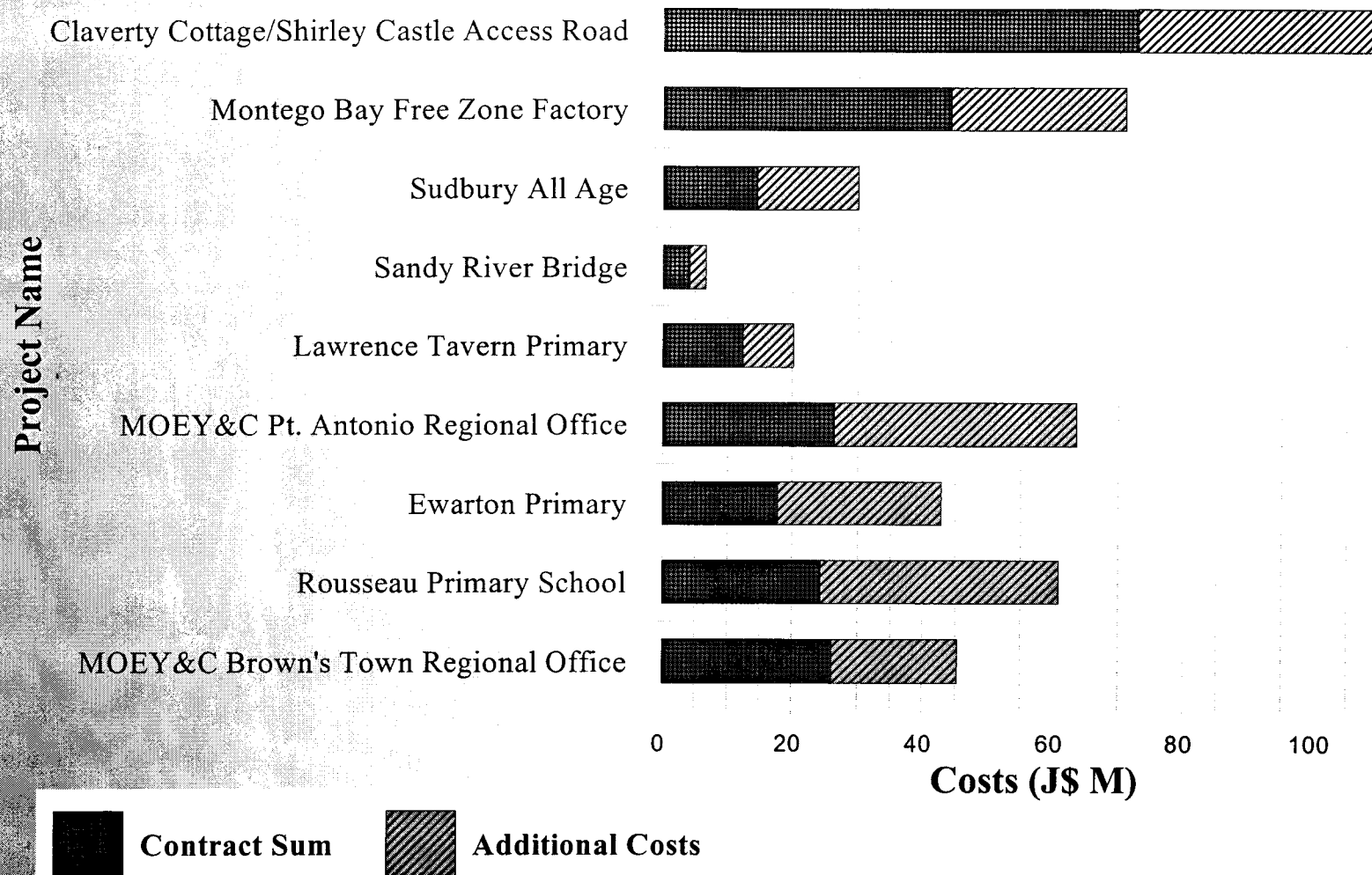
Total Time

For Selected Projects



Completion Costs

For Selected Projects



2.2 Case I - Ocho Rios Sewage Treatment and Disposal Project

A contract valued at \$330M was awarded to Cubiertas Y Fomento on May 20, 1994, to run for two (2) years. Cubiertas y Fomento actually started construction on September 19, 1994, with a scheduled completion date of September 19, 1996.

As at the end of December 1997, 90% of the works were completed with the contractor having to repair approximately 50% of the pipes which were already laid but not tested. The project is currently fifteen (15) months behind schedule with a new projected completion date of March 1998.

The delay in completion has been compounded by the following factors that have affected the project over a period of time:-

- (1) The contractor's inability to gain access to privately owned lands needed as easement for the pipelines.
- (2) The delays in completion of the Ocho Rios bypass road contributed negatively to the contractor's work progress.
- (3) The contractor's failure to produce designs and specifications for the electrical and mechanical works on time for approval.
- (4) The contractor's failure to submit revised work programmes when requested to do so.
- (5) The contractor's habit of removing from the project senior supervisory personnel, and major plant and equipment at critical times.

At the end of the reporting period 90% of the works were completed with expenditures totalling \$398M or \$68.8M over the contract sum and a time overrun of fifteen (15) months. The imposition of the liquidated damages clause is in place with approximately \$6M collected to date.

This contract was poorly managed by the contractor leading to extensive overruns in both time and cost. The contractor appears to be developing a reputation for faulty workmanship and a lack of planning as evidenced by the Negril Sewerage Scheme and the Norman Manley Airport Runway Rehabilitation project.

In future, serious consideration should be given to not inviting Cubiertas y Fomento to tender on any new contracts until there are concrete reasons to believe that the efficiency of this contractor has undergone substantial improvement.

2.3 Case II - Lawrence Tavern Primary School

A contract valued at \$12.3M was awarded to Ronham & Associates Ltd. on November 29, 1995, for the refurbishing of an existing building and the construction of a new classroom block at the Lawrence Tavern Primary School. The project was scheduled to run for ten (10) months.

The contractor's performance over the period was poor as it saw only 9% progress being made in the first quarter, 10% progress in the second quarter, and only 6% progress being recorded in the third quarter.

Practical completion was projected for March, 1997 and was eventually achieved on November 21, 1997, some eleven (11) months beyond the original scheduled completion date of December 5, 1996, which was later adjusted to February 28, 1997.

To date there is no evidence of liquidated damages being charged probably due to the thirty-two (32) weeks extension of time claim submitted by the contractor in March. The assessment of this claim is still outstanding.

The contractor suggested that the progress of work was affected by a cash flow problem as his claims for interim payments were not always honoured on a timely basis. Documents on our file supported this claim.

Expenditure at the end of the reporting period was \$20.2M or 163.84% above the contract price. Of this amount, fluctuation in material and labour accounted for \$5.3M or 43.6% of the contract sum and variations for \$1.24M or 10.1% of the contract sum.

The management of this project has left a lot to be desired as the timely payment of certificates never occurred and the contractor demonstrated a lack of urgency in completing the works so that his performance can only be described as indifferent.

2.4 Case III - Negril Sewerage Treatment & Disposal System

On May 24, 1994, a contract valued at \$580.6M was signed with Cubiertas y Mzov from Spain for the construction of a sewerage treatment plant and disposal system. The contract was to run for twenty-four (24) months and was awarded with Cabinet approval and with the National Water Commission as the implementing agency.

From the beginning the project has experienced problems which have contributed to an extensive overrun in time. These problems included:-

- (1) Excessive rock formation in the pipeline excavation the removal of which led to delays.
- (2) A very high water table causing seepage and necessitating the use of water pumps.
- (3) Lands needed for the siting of the pumping stations were not acquired by the NWC on a timely basis.
- (4) Industrial action by the labour force leading to a work stoppage.
- (5) Shoddy workmanship by the contractor necessitating extensive remedial work, e.g.
 - (a) remedial work had to be done on eighty-five (85) of one hundred (100) manholes due to water seepage and faulty manhole covers;

- (b) remedial work had to be done on four (4) of thirteen (13) pumping stations to correct water penetration.
- (6) The reluctance of the contractor to adhere to the contract specifications as it relates to equipment.

At the end of the reporting period, the project was 94% completed with expenditure at \$660M or 14% above the contract sum, and a time overrun of fifteen (15) months. A six (6) month extension of time was granted. Additional costs incurred on the project were in the vicinity of \$167M of which fluctuations in materials and labour accounted for \$101M and variations for \$66M.

The new projected date of completion is now March 1998, which appears to be unrealistic in light of the quantum of work remaining to be accomplished. The consultants, however, have imposed the liquidated damages clause which has resulted so far in the collection of approximately \$66M.

2.4 Case IV -Spanish Town Court House

A contract valued at \$41.9M was awarded to Qualicon Engineering Co Ltd for the renovation of the Spanish Town Court House including the construction of a new building and holding area. The award was made on June 14, 1995, to run for fourteen (14) months with a completion date scheduled for August 26, 1996. It was approved by both the Government Contracts Committee and Cabinet.

From the outset, the management and coordination of site activities were questionable. As the project progressed, the consultants, along with the project manager from the Ministry of National Security and Justice were forced to point out shortcomings to the contractor and had their observations duly minuted in the monthly site meetings. The object of this exercise was to try and assist the contractor in keeping the work on schedule.

Over the life of the contract, a total of one hundred and forty eight (148)days extension of time was granted to the contractor, extending the completion date to August 31, 1997. Completion was not achieved by that date and the consultants are now giving consideration to the application of the Liquidated Damages Clause.

At the end of December 1997, 98% of the work had been done at a cost of at \$59.5M or 42% over the contract sum and a time overrun of sixteen (16) months. Practical completion was not given and it would be unwise to project the date of final completion, as the contractor's habit of tardiness is once again coming to the surface.

2.5 Case V - Brown's Town Regional Office

A contract valued at \$26.2M was awarded to W.G. Walters Construction Co Ltd. by the Ministry of Education, Youth & Culture (MOE&C) on April 8, 1994, for the construction of the Brown's Town Regional Office. The contract was to run for ten (10) months with a scheduled completion date of March 2, 1995.

The contractor started the work without the benefit of a proper soil investigation and immediately ran into problems when rocks were found in the foundation. The client, at this stage, had to provide an additional \$4.0M to complete the excavation. This figure was reduced however, by \$1.8M when certain items of work were removed from the contract due to the excavation undertaken.

Other problems affecting this project are as follows:-

- (1) late payment of certificates by the client;
- (2) failure of the contractor to submit timely revised work programmes when required to do so;
- (3) failure on the contractors part to apply for an extension of time and to submit claims when necessary.

Throughout the life of the contract, progress was always very slow, reflecting the contractor's management style. Notice of determination was issued for failure to proceed with the work on a timely basis. This resulted in a sudden spurt of activities which soon subsided.

At the end of the reporting period, 99% of the works were completed at a cost of \$45.5M or \$19.2M above the contract sum with a time overrun of thirty-two (32) months.

Additional cost of \$10.2M was credited to fluctuations in materials and labour. The contractor has not yet submitted a claim for variations which should result in further increases to the contract.

The project was poorly managed by the parties involved resulting in substantial cost and time overruns.

2.6 Case VI - Port Antonio Regional Office

On April 4, 1995, a contract valued at \$26.53M was awarded to W.A. Reid Construction Co Ltd., through the selective tendering process, for the construction of the Port Antonio Regional Office of the Ministry of Education Youth & Culture. The contract was to run for ten (10) months.

From the outset, the project experienced serious delays as it took nine (9) months after the tender evaluation and recommendation for an award to be made.

The contractor took possession of the site in April 1995, and immediately ran into problems associated with the ownership of the land on which the site was located. Valuable production time was lost before the matter was resolved. At December 1995, only 60% completion was achieved with one (1) month of construction time remaining.

Progress on the works continued slowly with the contractor's inability to accelerate becoming more evident. In June 1996, the NHC suggested to the contractor that if certain measures were taken the project would be completed in thirty (30) days. This however, did not materialize as the slow progress continued without any improvement.

At the end of the reporting period (December 31, 1997), the works were substantially completed, with the major outstanding works being; installation of the uninterrupted power supply system (UPS) and its associated transformer, fire protection systems including smoke detectors, lightening protection system, external lights and minor works to the air-conditioning system.

Expenditure to date of \$63.6M represents a cost overrun of \$37.1M or 140% above the contract price and the related time overrun was twenty-two (22) months. Fluctuations in the cost of materials and labour accounted for \$16.75M and variations and remeasured work which was not itemized are expected to account for the remaining \$20.4M.

The contractor is presently being charged liquidated damages at a rate of \$2,000.00 per day, but this will not compensate for the massive overruns in cost experienced on this project. Neither the coordination and management nor the site supervision were good.

2.7 Case VII - May Pen Hospital

A contract valued at \$169.7M was awarded to Construction Developers Associates Ltd., by selective tendering, for the construction of the May Pen Hospital. The contractor took possession of the site on February 4, 1993, to start the works scheduled to run for thirty-three (33) months. This was later adjusted to twenty-six (26) months due to a reduction in the scope of the works. The project was eventually completed four (4) years and one (1) month after the contractor took possession of the site at a cost likely to exceed \$1 Billion.

This is one of the worst cases ever monitored by this office in terms of delays and the appalling overrun in cost. A major setback was the changes in the staff due to inadequate supervision by the original project team. This impacted adversely on the construction activities as the supply of working drawing details took a long time to be made available. A further shifting of responsibilities was also undertaken in the hope of providing better administration for the project.

Late handing over of a section of the site along with poor communications were also serious problems. A lack of understanding of the contract provisions dealing with the procurement of goods from overseas suppliers resulted in inordinate delays. Efforts to reduce an oversupply of labour which contributed to cashflow problems resulted in strikes to support the reinstatement of workers who were laid off. Other monetary problems arose on account of the additional financial demands of the project. Late payments of certificates also contributed to extensions of time as well as substantial additional costs by way of interest charges. The issues related to this project are extraordinary in every way.

Although the works have been completed and have been handed over, nominated sub-contractors are still working with the expectation of completion by April 1998.

Payments to the contractor for claims under clauses 70.1 & 70.2 of the FIDIC Conditions of Contract were \$252.5M. The contractor, at the beginning of the contract, was also paid \$2.2M due to a delay by the Ministry in handing over the site.

Fluctuations which resulted in payments to the contractor occurred both before and during the construction period. Tenders were invited late in 1991 and the contract commenced in mid 1993 almost 18 months later. The labour content, which is less than the material content of the contract (20% - 80%), experienced high fluctuations. Another contributing factor to the high labour fluctuations was the insistence of the IDB that labour fluctuations be paid from actual time sheets. This removed the cost implications of an excessive labour force from the contractor and placed them on the client. The initial arrangement was that the contractor be paid the agreed masterbuilders increase on the present labour content of each certificate. The difference in cost due to the amended method of calculation can be shown upon examination of Certificates 18 and 20. The changes in the

method of calculation started with Certificate #18 but the full effect did not begin to manifest itself until Certificate #20 as illustrated below:-

Item	Certificate #18 November 7, 1994	Certificate #20 March 3, 1995	Difference
Value of Work	\$77,791,516.45	\$80,979,342.39	\$3,187,825.94
Labour Fluctuation	\$36,013,336.85	\$59,191,303.02	\$23,177,966.17

Under the original arrangement, it was the responsibility of the contractor to control the size of his labour force. When the IDB insisted that the fluctuations be paid off weekly time sheets, the contractor had no reason to control the size of the labour force as he would be reimbursed for all labour costs.

At the end of the reporting period, December 31, 1997, a contract which commenced almost five (5) years ago, scheduled to run for thirty-three (33) months, had exceeded the contract period by sixteen (16) months.

Most of the additional costs were as a result of fluctuations in the costs of materials and labour of \$411.3M, equipment fluctuations of \$36.5M, variations of \$83.75M and claims made by the contractor under the FIDIC Condition of Contract of \$252.5M.

Some of the variations can be attributed to inadequate and incomplete drawings from the design architects - McMorris Sibley Robinson. They were incomplete at the tender stage but submitted with the understanding that during the construction stage drawings would be provided when necessary. Disputes about fees led the Ministry of Health to contract Architects, Doug Wright & Associates for the supervision of the project during the construction stage. Doug Wright & Associates did not have the staff to deal with the volume of work involved so they were removed and E. Nadine Isaacs appointed. The contract was swamped with mountains of contractor's claims, variations and the absence of required drawings. E. Nadine Isaacs did remarkably well to overcome these problems and to carry the contract to the present stage of near completion. Some of the variations may also be attributed to the time lapse between design and construction; and to other unforeseen circumstances.

The project was deemed practically complete on March 31, 1997 - some forty-nine (49) months after the starting date, sixteen (16) months after the contract period of thirty-three (33) months.

The Mechanical & Electrical Services contract was practically completed by November 5, 1997, and the works being performed at this time are for the corrections of 'defects'.

In general, this contract was poorly managed by the executing agency, some of the consulting architects and the contractor. The end result, however, is a structure that reflects detailed planning and incorporates various aesthetic features which blend harmoniously into the surroundings. The May Pen Hospital should eventually be a significant provider of health care services in the Clarendon area, albeit, at a tremendous cost to the taxpayers of this country.

In conclusion it should be stated that the contract could not have been executed for the original contract sum of \$169M due to movements in the exchange rates, increases in labour and material, the inadequacies in the design work and the nature of the FIDIC form of contract. But above all is the fact that the job was tendered in 1991 and was not completed until the end of 1997.

2.8 Case VIII -Montego Bay Drainage and Flood Control Sub-project - South Gully Project

The Montego Bay Drainage and Flood Control Sub-Project is one of the five sub-projects of the Northern Jamaica Development Project. It calls for the enclosing and realigning of the South Gully drainage channel from its existing outfall into the sea, traversing a corridor roughly defined as parallel to South Creek, Dome, Princess Streets and South Gully Road.

On the 21st April 1995, three (3) tenders were received and opened publicly at the head offices of the Ministry of Local Government & Works. Following the receipt of tenders, a Tender Evaluation Report was prepared by Stanley Consultants Incorporated and submitted to the Ministry on the 19th May 1995 for review and approval. Based on the consultant's analysis of the bids the most responsive bidder was NH International/Emile Elias (NHI/EE) JV and as a result a letter of acceptance was issued to them on the 3rd October 1995. A contract between the Ministry of Local Government & Works and NHI/EE-JV was signed on 19th October 1995.

Based on our assessment of the information available to this office the contract was awarded fairly and the contractor merited the award.

Since the notice to commence on the 22nd March 1996, the contractor has made progress on several aspects of the work. Work began on the 17th May 1996 and was scheduled to be completed on 16th May 1997.

The contract was awarded at an original sum of US\$9.15M and was later revised to US\$9.25M. As at 12/12/97, estimated expenditure was US\$5.3M plus J\$39.14M while about 63% of the work was completed. Work had proceeded for 563 days which exceeded the original contract period by 198 days, while an interim extension of 108 days has been granted.

On the 12th of November 1997, the client received a letter of termination dated 6/11/97 from the contractor on the ground that, "The employer interfered with, or obstructed the issuing of a certificate by the engineer."

Since commencement of the project, numerous problems have been experienced which seem to be due mainly to inadequate planning, organisation, coordination and supervision of the activities of the contractor. The contractor failed to practice proper project management principles, giving rise to several problems. These include:-

- Frequent changes in key site personnel who although usually replaced caused losses in time and productivity.
- The contractor experienced numerous delays due to breakdowns of his plant and equipment.
- The contractor also encountered delays by not placing orders in good time for cement, aggregate and other construction materials.
- On numerous occasions the engineer requested additional information from the contractor, to substantiate his claims. To date the contractor has not complied resulting in the rejection of these and subsequent claims.

The contractor retaliated by advising the client that non-payment and/or late payment of monies properly due to him under the terms of the contract was a breach of the contract which would lead to the termination of their employment. At the end of the reporting period, negotiations were still taking place between both parties in an effort to find a solution to the impasse.

The project was also affected by:

- A difficult working environment inclusive of traffic, and a violent and indisciplined work force;
- Strike action by workers to satisfy pay claims; and union intervention as a means of squeezing a 'little more' out of the contractor.

The contractor at no time during the implementation of the project indicated that the problems encountered, would necessitate termination of his employment which seemed to come as a surprise to the Ministry.

In order to facilitate the contractor's claim and request for an interim payment, several meetings were convened with representatives of the Ministry of Local Government and Works. These meetings seemed to endorse the Ministry's position that they were not obliged to issue payments without adequate documentation and detailed backup information.

2.9 Case 1X - Upgrading of the Brown's Town Market

In the August 17, 1997 issue of 'The Sunday Observer' an article was carried under the heading 'Councillors demand explanation of Brown's Town Market Project' which led this office to investigate the circumstances under which certain allegations were made.

During the course of our investigations, aspects of this contract came to light that did not seem to conform to the government's policy of transparency, and impartiality as it relates to public sector contracting. Our investigations revealed the following:

- (1) The project was started in May, 1997, without the benefit of approved drawings;
- (2) It is claimed that it was being done without the approval or knowledge of the St. Ann Parish Council;
- (3) There seems to have been no tendering process which would have allowed for the prequalification of an appropriate contractor, competitiveness of rates and transparency;
- (4) A contract sum was not established nor was the source of funding.
- (5) It would seem that the work was given to a Mr. Granville Shaw through the Special Projects Division in the Office of the Prime Minister.

In our efforts to further clarify the matter, enquires were made at the Ministry of Local Government and Works which denied knowledge of the project but made enquires of the St. Ann Parish Council. Up to year end no response from either agency had been received.

It is impossible to pass judgement on the integrity of the structure as there are no available plans. What is apparent, however, is that funds in excess of \$2M have been spent which has breached the Ministry of Finance and Planning Circular #14 dated May 9, 1996, requiring the use of the tender process for projects over \$1.0 M in value.

2.10 Case X - Sudbury All-Age School

Under the Social Sector Development Programme (SSDP), the National Housing Corporation, acting as agents for the Ministry of Education, Youth and Culture, awarded a contract, by selective tendering, to Ronham and Associated Ltd. in the sum of \$14.6M for execution between May 11, 1995 and March 8, 1996, a contract period of ten (10) months.

The Annual Report of 1996 highlighted a satisfactory quality of work along with adequate site supervision but cited laxities on the part of the client, the agency and the contractor which, at that time, contributed to a time overrun of nine (9) months. In the ensuing months, work continued to progress, although at a very slow rate. The contractor laid the blame on the non-payment of his certificates, which in turn, led to his inability to compensate his skilled tradesmen who ultimately withdrew their services.

These matters were eventually rectified but the contractor still had difficulties in moving the work forward, forcing the client (MOEY&C) to seek imposition of the liquidated damages clause. This was never applied. Practical completion was achieved in August 1997, subject to the correction of various defects which were identified.

At the end of the reporting period, December 1997, thirty (30) months had elapsed on a ten (10) month contract with 97% of the works completed and cost overruns of \$15.35M or 105% of the contract sum.

The performance of the contractor was unsatisfactory but this was aided by poor management and coordination on the part of the executing agency.

3.0 NON-CONSTRUCTION CONTRACTS, LICENCES & PERMITS

3.1 INTRODUCTION

The monitoring of the procurement of goods and services continues to be the dominant activity requiring the attention of this section of the Contractor General's Office.

The divestment of Government property and licensing activities were also important aspects of Government policy which fell within the range of these monitoring activities.

As far as the divestment of Government property is concerned little, if any, progress has been made with regard to efforts to divest Milk River Bath, Bath, St. Thomas, a number of Abattoirs and the Jamaica Railway Corporation.

A major factor militating against the divestment efforts seems to be the inability of those doing the divesting to make the properties sufficiently attractive physically and financially to create an interest among investors.

3.2 PROCUREMENT CONTRACTS

3.2.0 MINISTRY OF EDUCATION, YOUTH AND CULTURE

Contract for printing and delivery of two million textbooks for Primary and All-Age School Students Islandwide

Following an announcement in June 1997 that Cabinet had approved a recommendation for award of the textbook contract to the Jamaica Observer Limited, the Gleaner Company Limited complained contesting the award. Their protest was that three segments should have been awarded to them since they were the lowest bidder for those segments.

Subsequently, an investigation was carried out into the pre-contract activities as they related to the printing of Primary and All-Age Schools Textbooks for Grades 1 - 6 for the academic year 1997/98.

Four (4) local companies responded to an invitation to prequalify and collected prequalification documents as under:

- The Gleaner Company Limited
- The UGI Group Limited
- The Jamaica Observer Limited, and
- The JAMAL Foundation

Three (3) companies, namely, The Gleaner Company Limited, the UGI Group Limited and the Jamaica Observer Limited returned completed documents by the deadline (11.00 a.m. on Tuesday, February 18, 1997). The JAMAL Foundation did not return the documents.

The three (3) companies which met the pre-conditions for evaluation were further evaluated using two criteria, compliance with the pre-conditions for evaluation and responsiveness to evaluation criteria. All three companies achieved scores higher than the minimum required for prequalification and were subsequently invited to submit commercial bids for the printing and delivery of these textbooks. All responded to the invitation, submitting completed bids as per instructions.

A public opening of tenders after the close found all bids responsive to the instructions. Subsequently these bids were subjected to an evaluation based on compliance with tender specifications and bid prices.

The tender specifications mandated bidders to submit prices on all seven segments. Bidders were also to indicate the amount of paper used on each segment and the cost of paper used on each segment along with the total cost of paper used.

The evaluation revealed that all three companies complied fully with the specifications. Points were allotted for compliance to the specifications with each one scoring full and equal points (50).

However, evaluation and comparison of unit prices and costs found the Jamaica Observer to be the lowest evaluated bidder. Accordingly, they were awarded fifty (50) points for submitting the lowest bid price.

Subsequently the Evaluation Committee submitted a recommendation in favour of the Jamaica Observer Limited for the award of the contract to print and deliver textbooks to Primary and All-Age Schools island-wide for the 1997/98 school year.

The Ministry's Contracts Award Advisory Committee (CAAC) supported the recommendation which subsequently received Cabinet approval.

Based upon examination of the relevant documents the conclusion of this office is that the award was merited.

3.2.1 National Assessment Programme - Public Relations Consultancy Services

By Notice of Invitation published in the Gleaner of January 22 and 26, 1997 as well as in the January 31, 1997 publication of the United Nations' Development Business the Ministry invited the submission of letters of interest for the provision of the above service from interested public relations firms.

This invitation was based on International Competitive Bidding procedures and was extended to firms of IDB member countries. Interested firms were asked to submit information on the following:

1. General background of the firm;
2. Similar work done;
3. Prior experience in Jamaica or in the region and
4. Adequacy and availability of resources both human and infrastructural, to carry out the assignment.

All letters of interest with accompanying material were required to be submitted by 11.00 am on March 3, 1997 via hand-delivery to the Permanent Secretary, Ministry of Education, Youth & Culture.

Nine (9) firms responded to the invitation and submitted letters of interest along with the required documentation by the deadline of March 3, 1997.

A seven (7) member Evaluation Committee was appointed and approved by the Inter-American Development Bank (IDB) to evaluate the letters of interest and later the proposals, with membership as follows:

Dr.	Nancy George	-	Project Manager	- IDB
Dr.	Doreen Faulkner	-	Coordinator	- NAP
Mrs.	Bernetta Porter	-	Asst. Coordinator	- NAP
Mrs.	G. Royal-Davis	-	Director	- JIS
Mr.	D. Ferguson	-	Procurement Specialist	- IDB
Ms	S. Graham	-	Communications Specialist	- MOH
Ms	Judith Sayle	-	Financial Officer	- IDB

As a consequence of the evaluation four (4) firms were short-listed based on their scores to submit technical and financial proposals. These were :

1. Berl Francis & Company
2. Canadian Technical and Vocational Group (CTVG)
3. Dunlop Corbin Compton
4. Media and Research Associates

Via letter dated April 11, 1997, these firms were invited to submit Technical and Financial Proposals on or before 3.00 p.m. on May 12, 1997.

Canadian Technical and Vocational Group was disqualified prior to the close of tender as their local partner, Rickards & Rickards, withdrew from the consortium, thus making a significant change to the consortium.

At the close of tender, only two (2) companies submitted proposals, namely:

Dunlop Corbin Compton, and
Berl Francis and Company

The technical proposals were opened publicly shortly after the close in the presence of Ministry officials. The register of the opening suggested that representatives of the companies were not in attendance.

The evaluation of the Technical Proposals was based on the Merit Point System as adopted by the World Bank. This involves assigning points to the various factors under assessment and a recommendation made based on points. Award is then made after successful negotiations, based on financial proposals, starting with the proposer with the highest points.

Consequent to the evaluation, Berl Francis and Company was recommended.. The recommendation was supported by the Ministry's Contracts Award Advisory Committee (CAAC) and the Inter-American Development Bank (IDB). Subsequently the Ministry entered into negotiation with Berl Francis and Company.

The negotiation resulted in a revised formal presentation, a reduction in the frequency of a number of activities and consequently a revised Financial Proposal of \$8.842 M, down from \$12.99 M.

The tender and award procedures were professionally conducted and the view is that the award was based on merit.

3.2.2 HEART TRUST\NTA

The Edunet Project - Phase I

In August 1997 the HEART Trust\NTA invited tenders from the public under Phase One of the Edunet project to provide Internet connectivity in the Jamaican School System for the provision of approximately sixty (60) computer systems and associated peripherals in the first phase of establishing Internet access within the school system.

Tender documents were required to be collected by August 20, 1997, and returned by August 27, 1997.

Prequalification of prospective suppliers resulted in ten (10) suppliers meeting the prequalification criteria. The firms were prequalified with ratings from 1 to 3 as follows:

Category	Requirements	No. of Firms
Rating 1	Meets or exceeds all specifications	3
Rating 2	Meets majority of specifications	5
Rating 3	Deficient in a few important specifications	2

A public opening of the priced tenders took place in the Board Room of HEART Trust\NTA subsequent to the prequalification of contractors.

The ensuing analysis of the priced proposals resulted in a recommendation favouring three (3) firms for the four (4) components to be awarded. Two (2) of the three (3) firms recommended had a No. 1 rating, namely, Management Control Systems and Xerox Jamaica Limited. The third firm, Advanced Integrated Systems, qualified with a No. 2 rating.

The recommendation favoured Xerox Jamaica Limited for award of the sixty (60) computer systems at their bid price of US\$133,330; Management Control Systems was favoured for the award of the sixty (60) Laser Printers and the award of the sixty (60) Uninterruptable Power Supply (UPS) for their bid price of US\$51,060 and US\$19,320 respectively. Advanced Integrated Systems was favoured for the sixty (60) computer Workstation Furniture for their price of US\$16,800.

A query was raised by this office's representative concerning the recommendation as the priced proposals *prima facie* suggested that the award be made as follows:

1. Sixty (60) Computer Systems and Sixty (60) Computer Work Station Furniture be awarded to Xerox Jamaica Limited for their bid price of US\$133,330 and US\$16,080 respectively; and
2. Sixty (60) Laser Printers and Sixty (60) UPS be awarded to Automania Limited for their tender price of US\$42,000 and US\$19,000 respectively. This is based on the ranking given to the firms and the notation that accompanied the ranking.

In response to this query it was explained that the ranking weighed heavily on specification of the Computer Systems Components. Consequently, during the tender analysis of the priced proposals, the technical specifications of the other three (3) components had to be re-visited. The net effect of this analysis was that the lower bids in these components were below the specification requirements. The recommendation made and the subsequent award therefore went to the company with the lowest price that met all the specifications.

Regrettably, this information was omitted from the Tender Evaluation Report and the necessary appendices were not a part of the tender evaluation report examined by this office, the absence of which makes final assessment very difficult.

Notwithstanding this there is little doubt that the intention was to conduct a fair and transparent pre-contract exercise pursuant to awards which would be based on merit. To this end, it appears that they were fairly successful.

3.2.3 MINISTRY OF HEALTH

Health Corporation Limited

Procurement of Pharmaceuticals and Medical Sundries

In July 1997 this office in its normal course of operations, undertook an assessment of the procurement procedures of the Health Corporation Limited (HCL) in respect of its annual purchase of pharmaceutical preparations and medical sundries.

Among the documents examined were two documents, "Invitation to Tender" and "Conditions of Contract." Resulting from our examination recommendations were made regarding amendments to each document to provide a more precise understanding of the tender document and to avoid a potential area of controversy in the "Conditions of Contract" document.

In our assessment, taken as a whole, HCL's system of award seems fair, impartial and equitable and is so designed as to make awards based on merit and to ensure the best quality goods and service at the best price.

Tenders for the contract period April 1, 1998 to March 31, 1999 were invited in late October for the supply of Pharmaceuticals, medical sundries and also dental supplies. The closing date for receipt of tenders was January 9, 1998.

It was pleasing to note from the documents examined that HCL has adopted this office's recommendations regarding amendments to the contract documents. In addition, tenderers are now required to furnish testimonials as well as evidence of their financial capability.

3.2.4 MINISTRY OF PUBLIC UTILITIES AND TRANSPORT

Jamaica Public Service Company Limited

Electricity System Rehabilitation and Improvement Programme

During 1995 the Jamaica Public Service Company (JPSCo) entered into a number of contracts for the procurement of materials and equipment needed to undertake improvements to the electricity systems under the above GOJ/IDB Programme. In most cases however, the contract period ended in 1997. A typical case is cited below :

Parnassus-Spur Tree-Kendal - Supply of Equipment and Materials for Sub-Stations

Background

Preliminary engineering designs for two (2) new substations and extension of one (1) which formed part of the "Bid Document" for equipment and material procurement were completed in August 1995 by the Substation Design Department of JPSCo with assistance from Acres International Ltd., (Canada), consultants. The required equipment and materials were broken down into six (6) separate packages as follows:

Package A	-	Interbus Transformer
Package B	-	Circuit Breakers
Package C	-	Control Metering & Relay Panels
Package D	-	Communications and SCADA
Package E	-	Steel Structures and Bus Walk
Package F	-	Miscellaneous Electrical Equipment

Bids were sought locally and internationally in November 1995 with closing date set for January 23, 1996. However, following two (2) addenda to the bid document issued to all bidders providing technical clarification, the closing date was extended to February 6, 1996.

Under the bid guidelines suppliers were to design, factory test, supply, guarantee and deliver to Kingston, Jamaica, all required material and equipment for the substations.

Twenty-one (21) bids were received at the JPSCo Internal Audit Department and were opened publicly on February 6, 1996 at JPSCo's Head Office. Generally, the bids were responsive to the requirements as set out in the tender document. Evaluation was carried out as stipulated in the tender

document. Technical and financial characteristics of the bid items were closely checked against the specifications.

Recommendation

After careful examination of the bids, it was recommended that procurement of the substation materials and equipment proceed as indicated in the table below:

Item	Description	Supplier	Cost(cif-US\$)
Package A	Interbus Transformer (60\80 Mva) - 138\69 Kv	Paulwels	\$797,296.14
Package B	Circuit Breakers (138 Kv & 69 Kv)	AEG	\$604,290.00
Package C	Control Metering & Relay Panels	Markham Electric	\$413,373.43
Package D	Communications & SCADA	ECEM Haiti	\$185,026.00
Package E	Steel Structure	Markham Electric	\$961,507.00
Package F	Miscellaneous Electrical Equipment	Denge	\$574,131.00

The conclusion is that the awards made were based on merit. However, the JPSCo failed to comply with Government's requirement with regard to submission of the tender documents to the Government Contracts Committee for review and recommendation to Cabinet for the award of contract.

3.2.5 National Meteorological Service

Procurement of new Weather Surveillance Radar

In September 1997 the Director of Meteorological Services sought the advice of this office in connection with the above project, following Letters of Invitation which were sent to the undermentioned radar manufacturers:

1. Mitsubishi Electric Corporation, Tokyo
2. Metrateg Inc., Reston, Virginia
3. Advanced Designs Corporation, Bloomington, Indiana

4. Gematronik, GmbH, Neuss, Germany
5. Enterprise Electronics Corporation, Arlington, Virginia

All five firms responded to the invitation. However, Mitsubishi Electric Corporation did not submit an actual proposal.

The responses were considered at a special Procurement meeting of the Meteorological Service which included senior management personnel in Engineering, Financial Analysis & Review and the Deputy Director, Met. Services.

The tender from Advanced Designs Corporation was rejected on the grounds that it was specific to media broadcasting, i.e. it was a short range radar with too low an output capacity. Metratek Incorporated's tender was rejected on similar grounds and also that the radar was used for military purposes. Of the remaining two firms, the Committee selected Enterprise Electronics Corporation as representing the best value for money.

A review of the Evaluation Report indicates that the selection was fairly conducted and the award warranted.

3.2.6 OFFICE OF THE PRIME MINISTER

National Housing Trust - Janitorial Services

In July 1997 the National Housing Trust invited tenders for the provision of janitorial services in respect of the Trust's Head Office at 4, Park Boulevard, Kingston 5.

Nine (9) companies submitted proposals in response to the newspaper advertisements.

It was stated that at the opening of tenders on September 4, three (3) firms were eliminated because of "high cost", while the six (6) firms remaining were ranked using a points system, which resulted in the following ranking :

	Name of Company		Cost\Month
1.	Shirlhome Janitorial Services Ltd.	-	\$155,109.81
2.	Office Services Limited	-	\$189,000.00
3.	V W Cleanaway	-	\$194,000.00
4.	Swift Custodial & Property Mgmt. Ltd.	-	\$197,441.09
5.	Ace Janitorial Services	-	\$199,500.00
6.	Office & Home Services Limited	-	\$221,100.00

Although Office Services Limited topped the other applicants in its overall proposal, Management was of the view that the incumbent, Office & Home Services Limited, having provided a satisfactory and reliable service over the years, should be retained in that capacity. Management therefore recommended for Board approval that Office & Home Services Limited be awarded the janitorial contract for one (1) year, subject to an option to renew.

It appears, therefore, that management rejected the initial recommendation of the Tender Committee to award the contract to the second lowest bidder, based on the merit points system and asked the

Committee to reconsider their recommendation. The Committee agreed to withdraw the recommendation and accepted the submission that the contract for provision of janitorial services be awarded to the incumbent.

No reason was given for rejecting the second lowest bid before or after the Committee's recommendation. What the Committee did was to accept management's views of the incumbent even though "track record" - the critical element in this case was already incorporated in the evaluation criteria. The action of the Committee was therefore devoid of any form of principle. Furthermore, the documents examined indicate that the decision to support management's views was arrived at by voting 4 to 1 in favour of the incumbent. If this is factual it seems to be a new way of dealing with these matters as there is no evidence of approval of such a procedure on record.

Apparently the Committee was faced with difficulties after their recommendation was submitted, based on the principles of the procedure using the merit points system to assess the bids. The recommendation was submitted for management to submit to the Board for their approval; however, there is no evidence that Board approval was in fact sought.

Conclusion

From the above it appears that the award of this contract was carried out improperly as the NHT adopted a bidding procedure that was not completely transparent to secure a contract for janitorial services. Having received and evaluated the bids, the contract was awarded to the highest bidder. This bidder was providing similar services for 1997 when bids for this 1998 contract were advertised.

Moreover it seems to be a waste of funds to go through the process of inviting tenders for a contract and have companies go to the expense of preparing tenders only to turn around and award the contract to the incumbent on the basis that the incumbent "works without supervision, honest and hard working, gives satisfactory and reliable service, and has been working with the NHT before 1993 with option to renew the contract."

The process was handled improperly and one can only ask that similar matters be more professionally handled in the future.

3.2.7 Supply of Uniform Materials for NHT Staff

In June 1997 the National Housing Trust invited tenders for the above via advertisements in the Gleaner and the Observer. Tenders were to be returned by the 25th June, 1997.

Responses were received from the following companies :

Miracle Corporation
Heffes Sales Co. Ltd.
Fabric Consultants Ltd.
Rozanne Ltd.
Ralaica Trading
Satisfaction Garment Company
Davon
Elite Apparel
T&M Fabric and Variety Store

Guidelines outlining the requirements were issued to all tenderers.

Envelopes sent by the bidders containing samples of the fabric and the costs were noted in a tenders log.

Representatives from the various organizations were invited to the opening of the tenders which took place on July 15, 1997. At the end of the procedure, each representative witnessed his presence by signing the tenders log.

Subsequent to this, selection was done based on the suitability of the materials submitted as samples as well as the price listed. Rozanne Limited was chosen for award of the contract.

The selection process was in keeping with acceptable procedures.

3.2.8 Electoral Office of Jamaica

Procurement of Stand-by Generator

In February 1997, the Electoral Office of Jamaica (EOJ) issued invitations to ten (10) firms to tender for the supply and installation of a Stand-by Power Generator. On the date of opening of tenders on March 10, 1997, the following six (6) firms returned tenders:

1. Appliance Traders Limited
2. Reliable Engineers
3. Arel Limited
4. Thomas Hamilton & Associates
5. Satyn Corporation
6. Industrial Equipment Ltd.

The bids were examined for compliance with specifications and Arel Ltd., Thomas Hamilton & Associates and Satyn Consultants were asked to provide quotations. The EOJ's Consultant recommended acceptance of the lowest bid from Thomas Hamilton & Associates (\$3.34 million). It is worthy of note that the latter's bid was inclusive of costs for housing and site preparation, which was not covered in the bid by Arel Limited, while Satyn's estimate of cost for this was considered to be unrealistic. The selection therefore seems to be justified.

3.3 LICENCES\PERMITS & CONCESSIONS

3.3.0 Broadcasting Commission

Subscriber Television Licences (Cable) - Second Round Applications

Subsequent to the first round of applications for Subscriber Television (STV) Hardware licences, when forty-nine (49) applications were received and only four (4) were awarded licences, the Broadcasting Commission instituted a number of initiatives to ensure that previous and new applicants understood the criteria required. These initiatives were as follows:

1. A series of individual briefings for previous applicants to provide additional information about where their original applications did not meet the criteria.
2. Production of a comprehensive set of printed guidelines for applicants which gave step-by-step information on how to prepare the application and elaboration on the information required.
3. Conducting a one-day workshop for previous and new applicants which focused on the technical and financial requirements of the applications. It also dealt with the overall presentation of the applications.

Applicants for STV licences were required to submit applications between July 31, 1997 and August 3, 1997 following a one-month extension of the deadline date.

Forty-three (43) applications were received by the stipulated date. They were opened and verified over the period September 8-12, 1997 by the auditing firm Ernst & Young.

Following the official opening of the documents, applicants were given five (5) full days to comply with application requirements found missing from the documents. More than fifty percent of the applications were found to be missing key documents.

Preliminary evaluation of applications was conducted simultaneously by the Technical and Financial Committees which presented their reports and recommendations to the Commission for consideration. Both Committees were independently appointed by the Commission from the private and public sectors.

The applications were subjected to a technical and financial evaluation, also a comparative review for eligible applicants in a zone, where the zone already had a recommended operator from the first round and there were two or more eligible applicants for the remaining recommendation in that zone.

Subsequent to eligibility and comparative reviews the Commission recommended that licences be issued to seventeen (17) operators to provide service to a total of one hundred and one (101) zones.

Conclusion

It appears clear from what has been described above that this exercise was carried out in an open and professional manner and was so designed as to allow all applicants an equal opportunity to qualify for the grant of a licence.

3.4 DIVESTMENT

3.4.0 National Investment Bank of Jamaica

Divestment of Black River Upper Morass Development (BRUMDEC)

BRUMDEC Ltd is one of the entities listed in Ministry Paper No. 34 dated June 28, 1991, which were approved by Cabinet for divestment. The property is located at Elim, St. Elizabeth.

BRUMDEC Ltd was incorporated in 1977 as a subsidiary of NIBJ, to develop the Black River Upper Morass area of 11,500 acres in order to establish a viable farming community.

NIBJ which has the responsibility for the privatization of BRUMDEC and has brought this entity to "Point of Sale" since March 1994, has encountered several obstacles in carrying out the privatization process.

On March 15, 1994 NIBJ's Board approved the recommendations made by the Enterprise Team for the privatization of BRUMDEC, which were :

1. NIBJ to terminate the lease with the Commissioner of Lands.
2. In view of the fact that some of the lands were occupied by various Government agencies, private sector lessees and squatters, the existing occupants should be given first option to purchase the lands in their possession that were fully utilized.

At a meeting involving Minister Clarke and the Enterprise Team, on May 3, 1994, the Minister supported the recommended method of privatization but requested the following which were also endorsed by the Enterprise Team members present.

1. That NIBJ should administer the divestment of BRUMDEC on behalf of the Government.
2. That the funding for the surveying of the land be advanced by NIBJ.

This decision was not carried out as further consultations with the Commissioner of Lands resulted in the decision that the NIBJ should administer the divestment to the larger investors, with the Commissioner of Lands being responsible for the divestment of the remaining land to the smaller investors via a Land Settlement Programme.

Current Position

In September 1997 the Social Development Commission (SDC) applied for the lease of 200 acres of land. The stated objective of the project to be embarked on was to employ and train youths from the BRUMDEC area in food fish technology. It was aimed at assisting trainees in accessing jobs in fresh water fish production as well as in the establishment of their own enterprises.

The land currently available for divestment amounts to 3,318 acres valued in 1994 at \$31.5M.

The NIBJ will no doubt continue in its efforts to divest the property.

3.4.1 Divestment of Meylersfield Rice Development Project

The Meylersfield Rice Development Project was implemented in 1977 with objectives to:

1. reclaim 2,000 acres of swamp land
2. provide irrigation and drainage facilities, construction of service roads and land development, and
3. provide production and processing facilities for the growing of rice by small farmers.

The project was plagued from the outset with numerous problems, which ultimately affected the production of rice and the fulfilment of the required objectives. Consequently, the operation had to be heavily subsidized by the Government and eventually proved to be not cost-effective for the production of rice, and accordingly was closed in March 1995.

In October 1996, the Ministry of Agriculture & Mining referred the project to the NIBJ for divestment. An Enterprise Team established by the NIBJ for this purpose recommended divestment of two hundred and thirty (230) acres of land to establish:

- (a) Dasheen farms (90 acres)
- (b) Fresh water fish farms (140 acres)

Dasheen Farming

Applications for lands for dasheen farming were received in April 1997 from 138 applicants. The Enterprise Team which comprised representatives from the Ministry of Agriculture, RADA (Westmoreland), National Irrigation Commission, Office of the Prime Minister, and NIBJ evaluated the applications. Fifty-seven (57) of the highest ranked applicants were selected for purchase of land in sizes 1 ½ - 2 ½ acres.

Fish Farming

In July 1997 the NIBJ invited proposals from interested parties to establish fresh water fish farms on the 140 acres of land reserved for this purpose. Applicants were invited to submit proposals indicating an offer on a parcel of land (one parcel per successful applicant). Each proposal was to be accompanied by a Business Plan.

At the closing date for receipt of the applications only eight (8) applications had been received by the NIBJ.

After examination of the applications, the decision was taken to reject all based on the fact that the quality of the submissions was poor, lacking in pertinent information relative to costs, management experience, equity and equipment required to optimize production levels, and that most applicants would have difficulty in obtaining the capital required to develop the bloc requested.

The divestment thus far seems to have been carried out fairly and openly.

3.4.2 Divestment of Parking Control System for Kingston Metropolitan Area (KMA)

Lack of effective and adequate provision of parking facilities in urban areas has been a concern of the Government over the years and it was decided to authorize the NIBJ to divest this operation. An Enterprise team drawn from representatives of various government Ministries and departments was formed which undertook the preparation of a Request for Proposals. This was advertised in the local and international press commencing on February 2, 1997 for a three month period. On May 16, 1997, the appointed deadline, three proposals were received from MCS/SERCO, Kingston Restoration Co. and Ian K. Agencies Ltd.. The proposals were not opened, however, until July 2, 1997 after which the Enterprise Team was disbanded.

A six member Evaluation Team was subsequently formed from the Enterprise Team to evaluate the proposals received. However, prior to the evaluation process, due to the complexity of the evaluation material, NIBJ in August 1997 employed the services of a Consultant to prepare a comparative analysis of the three proposals as an aid to the evaluation process. His report was submitted to the NIBJ on November 24, 1997.

Armed with the comparative analysis, the Evaluation Team met on December 1, 1997 and a deadline for completion and return of evaluations was set for December 17, 1997. This date was extended to December 31, 1997 but of the six members on the Evaluation Team, only four completed evaluations were received. Based on the four evaluations of the proposals and aided by the comparative analysis, the returned Proposals were ranked out of a possible score of 1000 points as follows:

Proposer	Points
MCS/SERCO	706
Kingston Restoration Company Ltd.	670
Ian K Agencies Ltd.	293

Based on this, the Evaluation Team recommended that the NIBJ negotiate with MCS/SERCO the highest ranked bidder

Current Status

The divestment process appears to have stalled at present as the Kingston and St. Andrew Corporation which had a representative on the Evaluation Team has raised a number of issues which are of concern to the Corporation and which will require clarification before a final decision can be taken.

However, the process so far has been satisfactory except that there was too long a gap between the receipt and opening of the proposals.

3.4.3 Divestment of the Vehicle Inspection Services

Divestment of these services was through an enterprise team headed by UDC Chairman Dr. Vin Lawrence and included representatives from the Island Traffic Authority, the Office of the Prime Minister, Ministry of Finance, Ministry of Public Utilities & Transport and the Automobile Dealers Association.

It must be pointed out that although the Island Traffic Authority offers other services, the service to be privatized is the periodic inspection of motor vehicles for the issue of Certificates of Fitness.

Method of Divestment

A 'Request for Proposals' which formed the basis for competition to identify suitable investors was prepared. Subsequently, advertisements were sent to the three (3) major newspapers locally and overseas by way of all JAMPRO offices and Jamaican missions. Advertisements were also posted in the North American & UK Gleaner. This commenced on November 3, 1996 and ran for four (4) weeks. The final date for submission of proposals to the NIBJ was Monday, February 4, 1997.

The following criteria were used in evaluating the proposals:

1. Quality of presentation
2. Quality of business plan
3. Professional experience in vehicle inspection
4. Benefit to government
5. Proposed implementation plan
6. Financial Capability
7. Experience in vehicle inspection in emerging markets (developing countries)
8. Extent of social participation - Employee Share Ownership Plan (ESOP)
9. Track record of operation in vehicle inspection and strategic planning & efficiency
10. Technological capability

Points were assigned to each category, with a maximum score of 1000.

At the opening date on February 24, 1997 eleven (11) proposals were received. Because of the complexity of the documents the NIBJ decided to do a comparative analysis of the proposals received and to this end enlisted the services of chartered accountant Lloyd Duncan. This analysis was presented to the team on May 21, 1997. Evaluation was completed on June 24, 1997 and presented to the NIBJ's Board.

Upon conclusion of the evaluation process, the following emerged as the three top ranked proposals:

Rank	Applicant	Total Score
1	SGS Supervise Jamaica Ltd.	640
2	Motor Vehicle Inspection Services	531
3	Vehicle Inspection Services (Jamaica) Ltd.	477

NIBJ's Board approved the recommendation that negotiations should proceed with the highest ranked applicant. This was approved by Cabinet in October 1997 and applicants were immediately informed of the outcome. Negotiations were continuing between the NIBJ and SGS Supervise Jamaica Ltd at year's end.

Special Comment

In the course of monitoring this project it came to the attention of this office that an officer of NIBJ had paid a visit to a company in Germany that supplies equipment for vehicle testing and that this visit was facilitated by the Honorary Consul for Jamaica in Germany on behalf of the NIBJ.

It turned out that one proposal submitted and evaluated (that of Vehicle Inspection Services Ltd.) was presented by a group headed by the Honorary Consul. This came to the attention of one participant in the bid and an objection was raised because of the involvement of the Honorary Consul and the fact that the system proposed by Vehicle Inspection Services Ltd. was similar to the one examined in Germany. In response the NIBJ stated that this visit was made in its normal data collection stage and a visit of this nature was necessary to become acquainted with the technology available. Further, the visit was discussed and sanctioned by the Enterprise Team. While the NIBJ's arguments seem logical and acceptable, the Honorary Consul should in the circumstances, not have been allowed to tender. It is however clear that the perceived advantage was just that as Vehicle Inspection Services Ltd's bid only ranked Number 8.

Apart from the failure to open proposals in a timely manner and the inclusion of the proposal from Vehicle Inspection Services Ltd. the selection process appears to have been conducted fairly.

N.B.

It should be pointed out that Vehicle Inspection Services Ltd. is not connected to Vehicle Inspection Services (Jamaica) Ltd.

3.4.4 MINISTRY OF ENVIRONMENT AND HOUSING

Divestment - “Emancipation Lands “

“Emancipation Lands” is said to be the continuing implementation of the Government’s policies to provide alternative economic development centres in accordance with the National Settlement Strategy.

It is against this background that the Prime Minister, on November 9, 1995, launched the Land Divestment Committees which seek to ensure that Government-owned land is disposed of fairly, equitably, transparently and in a manner which will widen the base of land ownership in the country.

Lands are to be identified and preliminary land use plans developed to accommodate the clusters identified in the National Industrial Plan.

Information will be made available to the public through publication in the media so that potential investors, developers and entrepreneurs can be given an opportunity to participate or assist in the development of these lands that have been identified. These developments would be placed under a “fast track” system for approval.

“Emancipation Lands” is not expected to be implemented in a manner similar to the old Land Settlement Schemes. Properties will be planned and divested in a manner that optimizes their use and capable entrepreneurs will be selected to invest in and manage each project. The location of each site will dictate the unique development option for the project.

Selection and Recommendation

From the information available it seems that the procedure for reviewing applications, selection and recommendations under Land Development Schemes will be as follows:

- (a) The Parish Divestment Committee will ensure that qualified applicants are selected who are committed to developing the land according to the objectives of the Land Settlement or other Scheme.
- (b) A comprehensive report on the selection exercise, a list of the recommended purchasers, together with a summary of the Rating Sheet Questionnaire, Valuation and other relevant documents is to be submitted to the Secretariat, Ministry of Environment and Housing.
- (c) Written representation by an applicant for consideration will be acceptable, and applicants may be allowed to appear before the Committee and be heard.
- (d) The National Divestment Committee will review, consider and deliberate on the report submitted by the Parish Committee and then recommend to the Minister the applicants most suitable for each allotment.
- (e) The National Secretariat will advise the Committee of the applicants’ approval by the Minister.

Pilot Projects

Pilot Projects have been identified in the three (3) counties -

1. **Cornwall** - Retirement, St. James; Gilnock, St. Elizabeth
2. **Middlesex** - Toby Abbot, Clarendon, and
3. **Surrey** - Industry Pen, St. Mary; Mount Ida\Hillside, St. Thomas

Conclusion

If the methodologies outlined in the project documents which have been examined are adhered to it is expected that the selection process would satisfy the requirements of transparency and impartiality. Accordingly, during 1998 this office proposes to monitor closely how the actual divestment process is operating.

3.4.5 MINISTRY OF PUBLIC UTILITIES AND TRANSPORT

Divestment of Jamaica Railway Corporation

This matter was previously reported on in the 1996 Annual Report.

The ensuing and lengthy negotiations between the Dunbar McFarlane led Negotiating Team and Jamaica Rail Limited (JRL) was recommended for termination following internal conflicts which occurred within the JRL consortium. The termination recommendation was based on:

1. The inability of the group (JRL) to demonstrate financial capability.
2. The fact that some members of the group had left, chief among them being the proposed rail operators, Transport Management Group (TMG) who had put together the Business Plan for the revitalization of the railway.

The recommendation was accepted by the NIBJ which also looked at options suggested by the Jamaica Railway Corporation.

Subsequent to the unsuccessful negotiation with Jamaica Rail Limited, a meeting between the NIBJ and the Director Technical of Rail India Technical and Economic Services Ltd. (RITES) was held to explore the extent of RITES' expressed interest in revitalization of the Jamaica Railway.

A proposal by RITES for revitalization of the Railway has been submitted to the NIBJ but at the end of the year not much progress seems to have been made.

3.4.6 Petroleum Corporation of Jamaica (PCJ)

Divestment of Royal Palm Reserve

This divestment process started in October 1995 when advertisements for lease or sale were placed in the press. The bids were opened on December 5, 1995 in the presence of four (4) members of staff of the Petroleum Corporation of Jamaica. The bidders were:

1. Foothills Investment Company Limited
2. Jamaica Tours Limited
3. Negril Environmental Protection Trust
4. Evan Williams, et al

In early 1996 guidelines and procedures to be followed in the evaluation process were decided.

The criteria on which applicants were to be judged included:

- I
 - (a) Offer Price
 - (b) Credentials
 - (c) Financial Integrity
 - (d) Community Involvement
 - (e) Experience in ownership and/or operation of similar facility
- II Operation and Development Plan
 - (a) Environmental Protection
 - (b) Optimizing Park Utilization
 - (c) Development Plan
 - (d) Management Systems
- III Financial Plan and Strategy
 - (a) Capital Investment
 - (b) Operating Budget
- IV Financial Capability
 - (a) Proposed Capitalization
 - (b) Financial strength of Shareholders and credit rating.

The evaluation exercise was conducted by the following:

Messrs.	Leary Miller	-	NRCA
	Noel Miller	-	UDC
	Calvin Dixon	-	PCJ
	Trevor Barrett	-	PCJ
Ms	Ruth Potopsingh	-	PCJ

At the conclusion of this exercise Jamaica Tours Limited secured the highest marks on every scorecard. Foothills Investment Company Ltd. was second, Negril Environmental Protection Trust (NEPT) was third, and Evan Williams fourth. Jamaica Tours Limited was accordingly awarded the right to enter into a lease agreement for the Royal Palm Reserve property. However, by letter dated November 1, 1996 Jamaica Tours Limited stated that due to the revaluation of the Jamaican dollar, coupled with declining occupancy, infrastructural problems and other negative factors, they had decided not to go ahead with the lease of the property.

Foothills Investment Company Limited, the second most favourable bidder, was invited to indicate whether they would still be interested in operating the property, but this company also declined, since it was of the view that a sizeable amount of money would be necessary for the development of the entity.

Evan Williams et al, the fourth favourable bidder, were then invited to indicate if they were still interested in operating the Royal Palm Reserve property. Subsequently an improved offer was received from this company which resulted in an increase from the original offer of US\$97,925 to US\$102,175 over the five year period of the lease.

It should be noted that despite its third place rating as a result of the evaluation, no discussions were held with the Negril Environmental Trust because the Trust's offer (J\$6 million) fell far below the valuation price of J\$50 million.

In the circumstances, the divestment of the property to Evan Williams et al appears to be the best that could be achieved.

4.0 WORK OF THE CONSULTATIVE COMMITTEE IN 1997

The Consultative Committee met only once during 1997. At that meeting on Wednesday, June 25 the Contractor-General's 1996 Annual Report was reviewed and a number of recommendations made on how it could be improved and made more effective.

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

Messrs:

Leo Lawson	-	Engineer (Chairman)
Errol Alberga	-	Architect
Malcolm Housen	-	Masterbuilder
Vayden McMorris	-	Architect
Harold Milner	-	Financial Consultant
Sam Stewart	-	Postmaster General
Maurice Stoppi	-	Quantity Surveyor

The Consultative Committee was established in 1991 and held its first meeting on September 11 of that year. It consists of a group of public spirited professionals well known and highly respected in their various fields who agreed to give of their knowledge and experience free of cost to help me to do my job more effectively and professionally.

The Committee will no doubt meet in the first half of 1998 to decide on its future as members were invited to serve on a personal basis and may wish to review their position in the light of the forthcoming management changes.

5.0 STAFFING OF THE OFFICE

1997 was a year of stability for the Staff. There were no resignations and no engagement of new Staff. The Staff complement remained at thirty-one (31). During the year the process of upgrading the cars of travelling officers was completed with the help of Government loans and the duty concession. The output of the Inspectorate increased and the accounts and financial statements continued to be current and as up-to-date as the incoming bank statements would allow.

Training continued with the following officers benefitting:-

OFFICER		POST		COURSE
Devon McFarlane	-	Chief Accountant	-	Government Accounting Module III - M.I.N.D.
Paul East	-	Inspector	-	Certificate Course in Modular Computer Studies - UTECH
Diana Seaton-Brown	-	Receptionist	-	Telephone Dynamics - T.M.C.
Shawn Pinnock	-	Attendant	-	Preliminary Accounts - M.I.N.D.

I wish to thank Members of Staff for their continued support in fulfilling the objectives for which the Office was established and for the serious approach which they bring to the discharge of their responsibilities.

APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR-GENERAL

Account of the sums expended as compared with the sums approved in the year ended 31st March, 1997.

SERVICE	TOTAL APPROVED ESTIMATE	EXPENDITURE	EXPENDITURE COMPARED WITH ESTIMATE	
			MORE	LESS
	\$	\$	\$	\$
Head No. 04000 - Office of the Contractor-General				
21 - Compensation of Employees				
Original Estimate	12,700,000.00			
1st. Supplementary	2,207,000.00			
2nd. Supplementary	780,000.00	15,687,000.00	16,490,454.76	803,454.76
				0.00
22 - Travel Expenses & Subsistence				
Original Estimate	1,500,000.00			
1st. Supplementary	300,000.00			
2nd. Supplementary	683,000.00	2,483,000.00	3,052,750.15	569,750.15
23 - Rental of Property				
Original Estimate	3,900,000.00			
1st. Supplementary	(1,440,000.00)			
2nd. Supplementary	199,000.00	2,659,000.00	2,425,403.48	233,596.52
24 - Public Utility Services				
Original Estimate	600,000.00			
1st. Supplementary	-			
2nd. Supplementary	60,000.00	660,000.00	604,195.42	55,804.58
25 - Purchase of Other Goods				
Original Estimate	800,000.00			
1st. Supplementary	744,000.00			
2nd. Supplementary	565,000.00	2,109,000.00	2,220,930.80	111,930.80
28 - Retiring benefits				
Original Estimate	1,302,000.00			
1st. Supplementary	2,338,000.00			
2nd. Supplementary	2,314,000.00	5,954,000.00	4,716,037.40	1,237,962.60
31 - Purchase of Equipment				
Original Estimate	-			
1st. Supplementary	130,000.00			
2nd. Supplementary	126,000.00	256,000.00	268,855.20	12,855.20
Total Head No. 0400	29,808,000.00	29,778,627.21	1,497,990.91	1,527,363.70
Surplus to be surrendered to Consolidated Fund		<u><u>29,372.79</u></u>		

6.1 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN APPROVED ESTIMATES AND EXPENDITURE

21 - Compensation of Employees

The excess expenditure of \$803,454.76 was due to the under-provision in the Original and Supplementary Estimates.

22 - Travel Expenses & Subsistence Allowance

The excess expenditure of \$569,750.15 was due to the under-estimation in the original request as more than the estimated mileage was undertaken by our travelling officers.

23 - Rental of Property

The under-expenditure of \$233,596.52 was the result of over-estimation in the original request.

24 - Public Utilities

The under-expenditure of \$55,804.58 was a result of conservation measures implemented by the office.

25 - Purchase of Other Goods and Services

The over-expenditure of \$111,930.80 was as a result of the original request of \$1,919,800.00 being reduced to \$800,000.00. The increased cost of goods and services also contributed to the over-expenditure which was necessary for the efficient operation of the office.

28 - Retiring Benefits

The under-expenditure of \$1,237,962.60 was due to over-estimation in the original request.

31 - Purchase Of Equipment

The under-expenditure of \$12,855.20 was due to slight variations in prices which resulted in this small excess.



.....
Gordon Wells
Contractor-General
24-7-97

In the Auditor General's report for 1996-97 the following was stated about the Office of the Contractor-General:

"The audit disclosed that the financial transactions for the year under review had been conducted in a generally satisfactory manner."

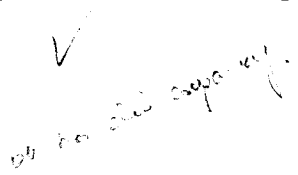
AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
<p> CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION </p>	<p> PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT </p>
<p> MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE GOJ/IADB Primary School Programme Frankfield Primary School Construction of three two-storey buildings; extension, refurbishing and alteration of existing single storey classroom building; alteration to existing single-storey classroom block; refurbishing and alteration to existing two-storey classroom and administration block as well as construction of new linkway; demolition of existing pit toilet and construction of two pit latrines. Frankfield, Clarendon Contract Sum : \$33.3M </p>	<p> Invitations to tender were sent to ten (10) Grade A and one (1) Grade B prequalified contractors on 19/11/96. The documents were scheduled to be returned on 6/1/97 but this was subsequently extended to 9/1/97. Three of the four contractors who collected documents submitted bids which were accompanied by the appropriate security. All three tenders were checked for accuracy and analysed for responsiveness and were found to be in order. As a result it was recommended by the consultants that the contract should be awarded to the most responsive tenderer, HDB Construction Ltd in the sum of \$33.3M. The contract was awarded fairly and the contractor merited the award ✓ </p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE GOJ/IADB Primary School Programme Beulah All-Age School Refurbishing and alteration of existing school building, construction of two new classroom blocks in addition to other related facilities. New Longville, Clarendon Contract Sum :\$25.71M	Invitations to tender were issued to ^{ten} (10) Grade A and one (1) Grade B contractors. Three contractors collected documents, however, only two submitted tenders. The two tenders returned were checked for accuracy and analysed for responsiveness. Both tenders were above the quantity surveyor's estimate. However, a comparison of the summaries indicated that the tender of Construction Developers Associates Ltd was competitively priced. As a result it was recommended that the contract should be awarded to Construction Developers Associates Ltd. <i>was</i> The contract was awarded fairly and the contractor merited the award. ✓ <i>Was he the lowest bidder or no discrepancy</i>
Garlogie All-Age School Construction of a new two-storey classroom block ; renovation of an existing single-storey classroom; construction of a new toilet block and renovation of an existing teachers's cottage. Banana Ground, Clarendon Contract Sum :\$15.16M	Invitations to tender were sent to ten (10) Grade A, one (1) Grade B and four (4) Grade C prequalified contractors. Eight contractors collected tender documents and submitted bids which were accompanied by the appropriate securities. The tenders were checked for accuracy and the three lowest analysed for responsiveness. Based on the Evaluation Report it was recommended that the contract should be awarded to Alval Ltd. This contract was awarded fairly and the contractor merited the award. <i>Was he the lowest bidder or no discrepancy</i>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Porus Primary School Extension and Refurbishing Porus, Manchester Contract Sum :\$20.5M	<p>Eleven (11) pre-qualified contractors, eight (8) local and three (3) foreign were invited to tender on this contract.</p> <p>Six (6) local firms responded to the invitation and purchased tender documents. At the close of tender only four (4) bids were received.</p> <p>A public opening of tenders found all bids responsive but subsequent analysis found arithmetical errors in all three of the lowest bids. The firms were informed of this and the two (2) lowest opted to stand by their tender price while the third lowest stood by his corrected price.</p> <p>Subsequent to tender analysis, Townsend & Godfrey Brothers Limited, the lowest bidder was recommended for the award in their bid price of \$20.1M which was 3.8% below the Quantity Surveyor's pre-tender estimate.</p> <p>The bid validity period expired before an award was made consequently bidders were requested to extend their tender validity for an additional sixty (60) days.</p> <p>The lowest bidder declined to do so and was therefore eliminated from the bidding exercise. The second lowest bidder, Alval Limited, who complied, was therefore recommended for the award.</p> <p>This recommendation was supported and Alval Limited was subsequently awarded the contract for the tender price of \$20.54M which was 1.7% below the quantity surveyor's estimate.</p> <p>The procedures and analysis of the bids were fair and the award was consistent with the principles of competitive bidding. In spite of the above, one needs to question the system of asking tenderers to hold their prices beyond a reasonable validity period</p> <div style="text-align: right;">  </div>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II New Forest All Age School Renovation of existing building and construction of two (2) two- storey classroom blocks New Forest, Manchester Contract Sum :\$28.6M	<p>Eight (8) local and three (3) foreign contractors were prequalified to tender on this contract and were invited to do so via letter dated 14th November, 1996.</p> <p>Response to the invitation was received from four (4) local companies who purchased bid documents, but only three (3) returned completed tender forms at a public opening of tenders on January 9, 1997.</p> <p>The evaluation of the three (3) tenders resulted in a recommendation favouring Alval Limited, the lowest evaluated tender for the award. The recommendation was supported by the Ministry's Contract Award Advisory Committee, and Cabinet approved the award in favour of Alval Limited in their corrected tender price of \$28.58M.</p> <p>The tendering exercise was satisfactorily accomplished and the award to the lowest evaluated tenderer was fair and based on merit.</p> <p>Unfortunately, as so often is the case, the bid validity period expired on May 19 1997 and the contract was not signed until July 21 more than seven (7) months after tenders were opened.</p>

✓
OK no discrepancy

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Grove Town Primary School Extension of existing classroom and canteen Block and the construction of a new Toilet Block. Grove Town, Manchester Contract Sum :\$14.26M	<p>Fifteen (15) pre-qualified firm, three (3) foreign and twelve (12) local were invited to tender on this contract. Six (6) local firms responded and purchased bid documents. They all returned completed bids by the close of tenders on January 9, 1997</p> <p>A Public opening of tenders found bids responsive to the instructions. The three (3) lowest tenders were subsequently analysed and compared. Arithmetical errors were found in all three (3) bids. The Companies were informed of this and two (2) opted to standby their bid price. The other company did not respond</p> <p>Ronham and Associates Ltd., the lowest bidder, with a bid price of \$14,26M, 2.45% below the Quantity Surveyor's revised estimate, was recommended for the award. The recommendation was supported by the Ministry's Contracts Award Advisory Committee and approved by Cabinet.</p> <p>The procedures and analyses of the bids were fair and the award based on merit. However, more effort should be exerted to make the award inside the tender validity period, thus making it unnecessary to ask bidders to extend their bid validity period.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Fairfield All Age School The construction of two (2) two- storey buildings to include classroom block, kitchen, administrative offices and new toilet facilities. Bangor Ridge, Portland CONTRACT SUM: \$48.32M	<p>Eight (8) local and three (3) foreign contractors who were prequalified to tender on this contract, were invited to do so via letter dated November 11, 1996.</p> <p>Responses to the invitation were poor as only two (2) local firms collected documents. Both firms returned completed documents by the extended deadline for the receipt of tenders on January 9, 1997.</p> <p>The tenders were properly recorded along with their tender bonds at a public opening shortly after the close.</p> <p>The bids being responsive, were subjected to further analysis and arithmetical checks. Errors were found in both bids. The Companies were informed of this and were willing to stand by their corrected tender price.</p> <p>The lower evaluated tenderer, H.D.B. Construction Limited, was recommended for the award in the amount of their corrected tender price of \$48.32M which was about 5% below the estimated cost.</p> <p>The recommendation was supported by the Ministry's Contracts Award Advisory Committee and the firm was awarded the contract subsequent to Cabinet's approval.</p> <p>The pre-contract activities were satisfactorily accomplished and the award to the lower evaluated tenderer was fair and based on merit</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION : CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES : PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Boston Primary School Construction of two (2) new single-storey blocks comprising classrooms, administrative sections, library, canteen facilities and a toilet block. Fairy Hill, Portland Contract Sum :\$26.04M	 Eleven (11) pre-qualified firms, three (3) foreign and eight (8) local were invited to tender on this contract. A poor response saw only two (2) local firms responding to the invitation and purchasing tender documents. Both firms submitted complete bids by the extended deadline for the receipt of bids as recorded at the public opening on January 9, 1997. Evaluation and analysis resulted in a recommendation favouring the lower responsive tender from Construction Developers Associates Ltd., for the award in their corrected tender sum of \$26.04M. The amount was in excess of the pre-tender estimate by 2.9%. The subsequent award of the contract is consistent with the principles of competitive bidding. The award in June, 1997, would indicate that the bidder was asked to extend his bid validity beyond 120 days.

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
<p> CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION </p> <p> MINISTRY OF EDUCATION YOUTH & CULTURE </p> <p> MINISTRY OF EDUCATION YOUTH & CULTURE </p> <p> Primary Education Improvement Programme II </p> <p> Mount Airy All Age </p> <p> Construction of two (2) new single storey classroom blocks, principal cottage and toilet block </p> <p> Petersfield Westmoreland </p> <p> Contract Sum :\$29.07M </p>	<p> PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT </p> <p> The evaluation of Pre-qualification documents resulted in eleven (11) firms, three (3) foreign and eight (8) local, being prequalified to tender on this contract. </p> <p> Three (3) firms responded to the invitation to tender and collected tender documents. By the close of tender - 12 noon on January 9, 1997, all three (3) firms had submitted completed tenders. </p> <p> They were opened publicly shortly after the deadline and all were found to be responsive. </p> <p> The subsequent evaluation and analysis of the tenders resulted in a recommendation favouring the lowest responsive tenderer, Townsend & Godfrey Brothers Ltd., for an award in their corrected tender price of \$29.1M </p> <p> The evaluation and recommendation for an award to the lowest evaluated bidder is in keeping with the principles of competitive bidding. </p> <p> The subsequent award to Townsend & Godfrey Brothers Ltd., is therefore fair and made on merit. </p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Old Harbour Primary School Construction of a new three (3) two-storey building consisting of classrooms, kitchen and administration facilities St. Catherine Contract Sum :\$57.42M	Pre-Qualification of contractors resulted in ten (10) firms, seven (7) local and three (3) foreign, being pre-qualified to tender on this project Via letters dated March 13, 1997, the pre-qualified firms were invited to submit tenders. Seven (7) of the ten (10) firms responded and purchased documents. At the stipulated deadline for the closure, only four (4) firms submitted tenders which were publicly opened shortly after the close. All bids received were found to be responsive to the instructions and were subsequently evaluated and compared. The three (3) lowest bids were below the Quantity Surveyor's pre-tender Estimate. The recommendation for award to the lowest bidder, Construction Developers Associates, in the amount of their corrected tender price of \$57.42M was supported by the Ministry's Contracts Award Advisory Committee, and approved by cabinet. The tendering exercise was satisfactorily accomplished and the award to the lowest evaluated tenderer was fair and based on merit.

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Unity Primary School Refurbishing of existing school and the construction of three (3) new two-storey classroom blocks and two (2) toilet blocks Unity, Westmoreland CONTRACT SUM: \$40.35M	<p>The evaluation of prequalification documents resulted in the prequalification of twenty (20) construction firms: seventeen (17) local and three (3) foreign firms.</p> <p>Firms were classified into three (3) grades, 'A', 'B' and 'C', with a monetary limit defining the grades:</p> <p>Group 'C' firms had an upper limit of \$10M Group 'B' firms had an upper limit of \$20M; and Group 'A' firms were not bounded by an upper limit, i.e. unlimited.</p> <p>Seven (7) firms inclusive of the three (3) foreign firms, were adjudged as 'A' grade firms. Five (5) firms were adjudged as 'B' grade firms, while eight (8) firms were adjudged as 'C' grade firms.</p> <p>Tender invitations, instructions, documents and bonds were satisfactory for the proper administration of the contract.</p> <p>The opening of tenders was done publicly, however, it would appear as if the project management companies and the Ministry were not prepared for the number of bids returned as it took them some time to arrange the bids returned under the various schools (bids for fourteen (14) schools were received and opened).</p> <p>The evaluation and recommendation for an award to the lowest evaluated responsive tender is in keeping with the principles of competitive bidding. The subsequent award seemed fair and on merit.</p> <p style="text-align: right;"><i>OK to proceed</i></p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION : CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES : PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Reform of Secondary Education Project Zone I Fellowship Primary and Junior High Schools Construction of a new home economics/industrial arts block, new science lab/prep room, renovation to existing buildings and associated external works and electrical installation Fellowship, Portland Contract Sum :\$16.57M	<p>A public invitation to contractors was issued in the print media to submit tenders by June 17, 1996.</p> <p>Assessment of the capabilities of the responding firms to undertake the work formed part of the bidding process. Four (4) firms collected bid documents, however, only two (2) submitted completed tenders.</p> <p>The post qualification exercise was carried out in two (2) stages in accordance with the instructions to bidders. Upon examination of the bid documents submitted by both bidders, Construction Developers Associates Ltd was the only firm that submitted all the supporting information required in the instructions to bidders.</p> <p>The bills of quantities were examined for arithmetical errors, basic price of materials and reasonableness of rates. Based on the quantity surveyor's analysis of the bids, they were found to be substantially responsive and in accordance with clause 26 of the instructions to bidders. As a result Construction Developers Associates Ltd the lower of the two bidders was recommended for the award of the contract.</p> <p>The award was fair and based on merit.</p>

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Reform of Secondary Education Projects Cedar Valley Primary and Junior High School. Construction of a new block to include classrooms and administrative centre Cedar Valley, St. Thomas Contract Sum :\$24.9M	<p>An open invitation in the printed media was extended to interested contractors to tender on the contract. Bidders were advised to submit qualification information as requested along with their bids to facilitate assessment of the contractors</p> <p>Four (4) Firms responded to the invitation and purchased bid documents. Three (3) returned completed tender documents by the deadline. The records of the Public opening showed the bid prices</p> <p>In a qualification exercise conducted subsequent to the opening, one (1) bidder, namely, H.D.B. Construction Limited, was evaluated as meeting all the qualification requirements to tender on the contract.</p> <p>The subsequent analysis of the lone qualified tenderer resulted in a recommendation favouring him for the award in the corrected tender sum of \$24.9M which is 1.3% below the Quantity Surveyor's Estimate. The recommendation was supported by the Ministry and approved by Cabinet. The tendering exercise was satisfactorily accomplished and the award to the lone tenderer was fair and based on merit.</p> <p style="text-align: right;"><i>OK No discrepancy</i></p>

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<p><u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Comprehensive Rural Township Development Programme Phase III</p> <p>McGrath Comprehensive High School</p> <p>To construct a new two-storey classroom block and a new lavatory block</p> <p>Treadways, St. Catherine</p> <p>Contract Sum : \$ 22.2M <i>(estimate)</i></p>	<p>The invitation to prequalify and tender on this project was advertised in the May 24 issue of the Gleaner and Observer.</p> <p>Four (4) contractors responded via the two envelope system. Of the four two successfully prequalified. The two tenders submitted, were opened publicly and evaluated and were found to be responsive.</p> <p>Tenders were as follows: Matrix Engineering Works Ltd. - \$18.6M H.D.B. Construction Ltd. - \$22.2M Quantity Surveyor's Estimate - \$20.6M.</p> <p>The lowest responsive tender from Matrix Engineering Works in the sum of \$18.6M was recommended for the award of the contract. The recommendation was not accepted by UDC Board due to previous experience with the contractor resulting in a law suit settled in favour of the contractor. The Board instructed that the award be made to H.D.B. Construction Ltd. in the sum of \$22.2M the second lowest tenderer.</p> <p>I.D.B. approval for award of the contract to HDB Construction Ltd., was sought but the bank did not agree with the Board's decision and withdrew its financing.</p> <p>This award was not made fairly as Matrix had been prequalified and its tender opened. It was therefore wrong and contrary to the rules of contracting to disqualify the company at that stage.</p>

AS AT DECEMBER 31, 1997

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<p>CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION</p> <p><u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Comprehensive Rural Township Development Programme Phase III</p> <p>Charlemont High School</p> <p>To Refurbish and Upgrade existing building, repairs windows, doors, plumbing and electrical installation</p> <p>Ewarton, St. Catherine</p> <p>Contract Sum :\$22.9M</p>	<p>PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT</p> <p>Fifteen (15) contractors were invited in the prequalification exercise to submit tenders. Nine (9) returned completed documentation of which four (4) prequalified.</p> <p>The Four (4) prequalified contractors submitted responsive tenders on the date and time specified and at a public opening of tenders S.C. Scott Brothers Ltd. submitted the lowest tender of \$22.9M. The decision was taken to award the contract to S.C. Cox Brothers Ltd..</p> <p>The evaluation exercise was done fairly and on merit.</p> <p><i>pl no discrepancy</i></p>
<p><u>MINISTRY OF</u> <u>ENVIRONMENT & HOUSING</u></p> <p>MINISTRY OF ENVIRONMENT & HOUSING</p> <p>Longwood Housing Scheme</p> <p>Santa Cruz, St. Elizabeth</p> <p>Contract Sum: \$104.29M</p>	<p>This is a joint venture project between the Ministry of Environment and Housing and Lanbar Holding Ltd. where the terms of the contract were negotiated with the developer to provide forty two-bedroom detached units, fifteen two-bedroom row houses, twelve one-bedroom duplex units and six serviced lots; a total of seventy-three lots.</p> <p>The land sale agreement provides that the developer must, on completion of the project, release to the Ministry Environment & Housing eighteen housing lots, duplex units and two developed lots or \$8M, the agreed value of the lots or such sum as agreed on by the housing committee.</p> <p><i>pl no discrepancy</i></p>

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MINISTRY OF ENVIRONMENT & HOUSING <u>MINISTRY OF ENVIRONMENT & HOUSING</u> Yallahs Housing Development The provision of 169 housing solutions and supporting infrastructure Yallahs, St. Thomas Contract Sum :\$ 116 M	<p>The project is to be undertaken under a Joint Venture Partnership negotiated between the Ministry of Environment & Housing and Brecon Construction Ltd., a subsidiary of the Caldon Finance Group. The agreement was for the ministry to provide the land and Brecon to finance the construction of the housing units. At the end of the construction the ministry would be given a number of units equal to the value of the land provided.</p> <p>This form of Joint Venture arrangement is a relatively new arrangement for housing solutions where the Ministry's share for their contribution includes a portion of the profit.</p> <p>This approach may well be helpful in providing houses for the community, but we have to try and ensure that the principles of fairness and equity are maintained</p>
Cumberland Housing Scheme Cumberland Pen, St. Catherine CONTRACT SUM: \$1.6B	<p>This is a joint venture arrangement between the Ministry of Environment & Housing and Gore Development Co Ltd where the contractor is required to construct 1106 2-bedroom houses on 85 acres of land including infrastructure.</p> <p>Funding will be provided by the contractor while the land is being provided by the Ministry at the end of which fifty-four (54) serviced lots will be given to the Ministry to defray the land cost which has been set at \$.871M per acre.</p> <p>While this arrangement may appear to be mutually beneficial it is the feeling of this office that other players should have been invited to submit tenders, thereby ensuring competitiveness and transparency.</p> <p><i>9. 100 25000 party</i></p>

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<p>MINISTRY OF ENVIRONMENT & HOUSING</p> <p>NATIONAL HOUSING CORPORATION LIMITED</p> <p>MONA HOUSING</p> <p>MONA HEIGHTS</p> <p>CONTRACT SUM: \$86M</p>	<p>This is a joint venture project between NHC and JN Real Estate and Development Co Ltd who are financiers of the project consisting of 38 2-bedroom town houses on four (4) different sites.</p> <p>The contractor for the job was selected through negotiation instead of the tender process to which the Contractor-General objected and a meeting was convened with the management of NHC which claimed that "one of the principal requirements of the contractor in this instance is to provide funds for the development and that this contractor has the ability to raise the necessary funds." This requirement did not materialize and the Corporation had to seek funding elsewhere. JN Real Estate Development Co Ltd. then became the funding agency for the project while Ashtrom Building Systems Ltd. became the contractor who will be paid from the proceeds of sale of the units.</p> <p>In view of the contractor's inability to fund the project, selective tendering procedures should have been considered, bearing in mind the time lapse between the selection of the contractor in 1996 and the signing of the agreement in October 1997.</p> <p><i>Call 1.6 discrepancy.</i></p>

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<u>MINISTRY OF HEALTH</u> URBAN DEVELOPMENT CORPORATION HEALTH SERVICES RATIONALISATION PROJECT Kingston Public Hospital Kingston Contract Sum : \$584.0 M	<p>Eight pre-qualified firms were eligible to tender on this project, two of which were local; but only three of the foreign firms returned tenders. Tenders were returned on October 6, 1996 and opened one week later. The lowest tender was from Rizzani De Eccher spa and was \$208.8M or 26.3% below the Q.S. estimate of \$792.8M.</p> <p>The letter of acceptance was issued within the tender validity period and the contract was signed on April 18, 1997. A Supplementary Agreement was entered into with the contractor on April 21, 1997. The agreement supplemented the contract with additional clauses relating to (a) Retention (b) Mobilisation (c) Pre-purchase of materials. These clauses did not increase the contract sum.</p> <p>The award of this contract seems fair, impartial and based on merit.</p>
St. Ann's Bay Hospital St. Ann's Bay, St. Ann Contract Sum : \$356.0 M	<p>Eight pre-qualified firms tendered on this project, two (2) of which were local. Four (4) of the foreign firms returned completed tenders. Tenders were returned on October 6, 1996 and opened one week later. The lowest tender was from Rizzani De Eccher and was \$35.0M above the Q.S. estimate of \$320.6M.</p> <p>The letter of acceptance was issued within the tender validity period which was extended for 120 days and the contract was signed on April 18, 1997. A Supplementary Agreement was entered into with the contractor on April 24, 1997. This agreement supplemented the contract with additional clauses relating to (a) Retention (b) Mobilisation (c) Pre-purchase of materials. These clauses did not increase the contract sum.</p> <p>The award of this contract seems fair, impartial and based on merit</p>

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<u>MINISTRY OF HEALTH</u> URBAN DEVELOPMENT CORPORATION HEALTH SERVICES RATIONALISATION PROJECT Mandeville Hospital Mandeville Manchester Contract Sum : \$654.5M	<p>Eight pre-qualified firms were eligible to tender on this project, two of which were Jamaican; but only four firms including one Jamaican submitted tenders. Tenders were returned on October 6, 1996 and opened one week later. The lowest tender was from the Italian firm Rizzani De Eccher and was \$318.8 m or 32.8% below the pre tender estimate. There is concern as to whether the contractor can complete the job at this price.</p> <p>The letter of acceptance was issued within the tender validity period and the contract was signed on April 18, 1997. A Supplementary Agreement was entered into with the contractor on April 21, 1997. This agreement supplemented the contract with additional clauses relating to (a) Retention (b) Mobilisation (c) Pre-purchase of materials. These clauses did not increase the contract sum.</p> <p>The tender report was found wanting in some areas, which did not affect the final recommendation.</p> <p>The award of this contract seems fair, impartial and based on merit.</p>

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<p><u>MINISTRY OF INDUSTRY</u> <u>INVESTMENT & COMMERCE</u></p> <p>Factories Corporation of Jamaica Limited</p> <p>Box Culvert Bridge</p> <p>To construct a box culvert 15 meters wide at existing drain crossing to form linkway between Garmex East and Garmex West and to complete roadway 35 meters wide.</p> <p>76 Marcus Garvey Drive, Kingston 11</p> <p>CONTRACT SUM : \$1.8M</p>	<p>Six (6) contractors were selected from the approved list and invitations were sent to them on December 30, 1996 with a request to return on January 21, 1997 at 12.00 noon with proper documents.</p> <p>Invitations were returned accordingly and were opened publicly. The three (3) lowest responsive tenders were evaluated. These were found to be competitive and the rates realistic.</p> <p>K.E.L. Construction Management Ltd. was the most competitive submission at \$1.8M and the basic price list was properly completed. After examination, K.E.L. Construction Management Ltd. was recommended for the award of the contract in the sum of \$1.8M.</p> <p>The analysis and contractual procedures were and based on merit.</p>

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<u>MINISTRY OF LEGAL AFFAIRS</u>	
NORMAN MANLEY LAW SCHOOL	
Norman Manley Law School	
Extension and Alteration (approx. 363 sq.meters)	
UWI MONA CAMPUS	
CONTRACT SUM : \$16M	

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<p><u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u></p> <p>MINISTRY OF LOCAL GOVERNMENT & WORKS</p> <p>Urban Roads Maintenance Programme</p> <p>Micro-Surfacing Works #1</p> <p>Maintenance of roads and structures</p> <p>Corporate Area</p> <p>Contract Sum :\$45.7M</p>	<p>One (1) Specialist prequalified contractor was invited to tender on the project which would utilize a new concept in road maintenance. The tender was opened privately and evaluated. At the conclusion of the evaluation exercise a negotiated contract valued at \$45.7M was awarded to Micro-Surfacing Ltd.</p> <p>The award was subsequently approved by both the GCC and Cabinet.</p>
<p>Urban and Rural Overlay Programme</p> <p>Package # 1 Projects 1 & 5</p> <p>To repave surface of roadway and overlay with asphaltic concrete from Pamphret to Morant Bay. Also to pave the Yallahs Fording and effect general repairs</p> <p>St. Thomas</p> <p>Contract Sum :\$ 181.2M</p>	<p>An invitation to tender was extended to one (1) contractor without a prequalification proviso.</p> <p>After negotiations with the invited tenderer, Y.P. Seaton & Associates Limited, a contract valued at \$181.2M was awarded based on the contractor's proposal to finance the works. The proposal was accepted, and the Government Contracts Committee recommended the award of the contract to Y.P. Seaton & Associates Limited in the sum of \$181.2M.</p> <p>The award of the contract lacked competitiveness, and was therefore not satisfactory as no emergency was involved.</p>

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<p>CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION</p> <p><u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u></p> <p>MLG&W - NORTHERN JAMAICA DEVELOPMENT PROJECT UNIT</p> <p>Northern Coastal Highway Improvement Sub-Project Segment I</p> <p>Negril Roundabout to Bogue - South of Montego Bay,</p> <p>Westmoreland and St James</p> <p>Contract Sum : US\$24.99M</p>	<p>PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT</p> <p>Thirteen (13) contractors were prequalified to tender on this project. Tender documents were sent to ten (10) contractors on 8th March 1996, and on 21st June 1996, seven (7) tenders were received and publicly opened by the Government Contracts Committee.</p> <p>Following receipt of the tenders, Stanley Consultants prepared a comprehensive tender evaluation report on the accuracy, competitiveness and responsiveness of the bids</p> <p>Following Overseas Economic Cooperative Fund's tender evaluation the lowest tender submitted by Bosung Engineering & Construction Co. Ltd of Seoul, Korea, was recommended for the award. Bosung Engineering & Construction Co. Ltd was sent a letter of acceptance on 27th December 1996.</p> <p>The bid amount submitted by the contractor was substantially below the second lowest tenderer, however, all the concerns were adequately addressed by Bosung Engineering & Construction Co. Ltd which stated that their intention was to forego a substantial amount of their profit as an investment in the Caribbean.</p> <p>The recommendation for the award of the contract to Bosung was done fairly and on merit.</p>

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MINISTRY OF LOCAL GOVERNMENT & WORKS URBAN DEVELOPMENT CORPORATION Heslop Avenue to Windward Road Construction and surfacing of .18km bypass road from Heslop Avenue to Windward Road including drainage East Kingston Contract Sum : \$39.41M	Two (2) prequalified contractors were invited to tender by letters of invitation dated January 17, 1997 with instructions to respond by January 24, 1997. Tenders were returned and received by the time specified. Tenderers were M & M Jamaica Limited - \$39.7M and West Indies Home Contractors Limited - \$39.41M. Engineer's Estimate - \$31.9M. Tenders were opened publicly and evaluated. They were found to be responsive. Pricing of the tenders were consistent. The lower of the two tenders, West Indies Home Contractors Limited in the sum of \$39,417,641.50 was recommended for the award of the contract. For greater transparency a minimum of three (3) contractors should have been invited to tender. This would have further enhanced the competitiveness of the award procedures.
CLARENDON PARISH COUNCIL May Pen Infirmary Road upgrading fencing, painting building, etc. Denbigh, May Pen, Clarendon Contract Sum: \$1.2M	No tenders were sought to do various types of work divided into sections for small contractors. The selection of the contractors was undertaken by the council and representatives of the political parties. The agreements are based on the "force account" type procedure to be monitored by the Superintendent of Roads and Works. Force accounts are primarily labour only contracts but this does not preclude inviting quotations and it would have been preferable if this approach had been taken.

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<p>MINISTRY OF LOCAL GOVERNMENT & WORKS</p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Rehabilitation of drains - St. Ann's Bay Contract #1</p> <p>Construction of reinforced concrete paved drains - resurface roadway</p> <p>St. Ann's Bay</p> <p>Contract Sum : \$36.4M</p>	<p>Invitations to prequalify and tender were issued in the print media. Sixteen (16) contractors purchased the tender documents of which seven (7) returned completed tenders, five (5) of which prequalified.</p> <p>Tenders were opened publicly and when evaluated were found to be responsive and the rates competitive. The two (2) lowest tenderers were Rollers & Compressors Hireage Ltd in the sum of \$31M and C.F.C. Construction (Engineers) Ltd. in the sum of \$36.4M. C.F.C. Construction (Engineers) Ltd. was recommended for the award of contract in the sum of \$36.4M after the lowest tenderer had indicated his non-interest in the job. The recommendation was impartially executed and on merit.</p>
<p>Minor Road Repairs</p> <p>To repair and complete works on roadway - Polly Ground to Cross Roads</p> <p>Linstead, Ewarton</p> <p>Contract Sum : \$.6M</p>	<p>Invitations to tender were sent to three (3) prequalified contractors taken from the Government List of Approved Contractors. One (1) tender was returned on the specified date and time and was publicly opened. This tender proved to be responsive.</p> <p>After evaluation of the single tender, the decision was taken to award the contract to the tenderer N.F. Barnes Construction & Equipment Co. Ltd. The exercise was done fairly and on merit.</p>

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OFFICE OF THE PRIME MINISTER NATIONAL HOUSING TRUST Longville Housing Scheme (Phase I) Longville, Clarendon Contract Sum: \$441.67M	<p>Six contractors were invited to submit proposals but only three (3) fulfilled the selection criteria from which one was selected. This was done through the use of a point system where the maximum points available was 200 and the contractor coming nearest to this figure was deemed to be the most responsive. As a result Ashdev Ltd was awarded the contract to design and construct 737 housing units in 24 months.</p> <p>The award was conducted fairly and was made on merit.</p>
TOURISM PRODUCT DEVELOPMENT CO. St. James Library Park Development Montego Bay , St. James Contract Sum :\$5M	<p>Four contractors on the G.C.C. list of government contractors were selected and invited to tender, but only three responded by the close of the tender period on May 22, 1997. Tender Bonds were not requested</p> <p>Tenders were opened in the presence of the consultants and a representative of the Greater Montego Bay Development Co. on the same day. The evaluation of the tenders seems fair , but the consultant's report lacked information about the tender validity period and tender bonds.</p> <p>Available documents indicate the award to the lowest tenderer, Woon Associates Ltd. was fair and based on merit. The contract award sum was virtually the same as the cost estimated by the Quantity Surveyor.</p>

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CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p><u>OFFICE OF THE PRIME MINISTER</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Comprehensive Rural Township Development Programme Phase III</p> <p>Anchovy Comprehensive High School</p> <p>Construction of two-storey classroom block</p> <p>Anchovy, St. James</p> <p>Contract Sum : \$13.74M</p>	<p>There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents.</p> <p>Ten (10) tenderers responded by the stipulated time and following the prequalification exercise three (3) were considered as being qualified.</p> <p>The lowest responsive tenderer, Striders Building Construction & Joinery Ltd. was 18.77% below the Quantity Surveyor's estimate, and was recommended for the award.</p> <p>The process was carried out fairly and the award based on merit.</p>
<p>Decarteret College</p> <p>Renovation and repairs to existitng buildings and construction of new classrooms and toilet block</p> <p>DeCarteret Road - Mandeville, Manchester</p> <p>Contract Sum: \$19.5M</p>	<p>A public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender document was used.</p> <p>Nine (9) documents were returned by the stipulated time of May 21, 1997 and following the prequalification exercise six (6) qualified.</p> <p>Following the tender opening on July 2, the lowest tenderer, Striders Building Construction & Joinery Ltd's bid which was 14.9% below the consulting Quantity surveyor's estimate was recommended for the award.</p> <p>The process appears to have been carried out fairly and awarded on merit. However, there was a period of twelve (12) days between the receipt and opening of tenders which could cast doubt on the transparency of the exercise.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
<p> CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION </p> <p> OFFICE OF THE PRIME MINISTER URBAN DEVELOPMENT CORPORATION Comprehensive Rural Township Development Programme Phase III Ferncourt High School Classroom extension and works to existing building. Claremont, St. Ann Contract Sum : \$ 8.98M </p>	<p> PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT </p> <p> There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents. Four (4) tenderers responded by the stipulated time and following the prequalification exercise three (3) qualified Striders Building Construction & Joinery Ltd., the lowest responsive tenderer was 9.18% below the Quantity Surveyor's Estimate and was recommended for the award. The process was carried out fairly and the award based on merit </p>
<p> May Day Secondary School Construction of new single-storey classroom and multi-purpose laboratory block, new lavatory block, also renovations to some existing buildings Mandeville, Manchester Contract Sum : \$15.3M </p>	<p> There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents. Nine (9) bidders responded by the stipulated time and following the prequalification exercise four (4) were considered qualified. Following the tender opening the lowest responsive tenderer, Metrocon Associates Ltd.'s bid which was 9.78% below the Quantity Surveyor's Estimate was recommended for the award. This is another case in which the UDC exercised its power to discriminate against Matrix Engineering Ltd. This company was eliminated at the prequalification stage. The principle involved is dealt with in the introduction to this report and involves serious questions as to the integrity of the contracting process. </p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p><u>OFFICE OF THE PRIME MINISTER</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>COMPREHENSIVE RURAL TOWNSHIP DEVELOPMENT PROGRAMME PHASE III</p> <p>Montego Bay Secondary School</p> <p>Renovation and upgrading of structure</p> <p>Montego Bay, St. James</p> <p>Contract Sum : \$13.0M</p>	<p>A public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender document was extended to interested bidders</p> <p>Five (5) tenderers responded by the stipulated time and after the prequalification exercise four (4) qualified.</p> <p>Chris Spaulding & Associates, the lowest responsive tenderer, was 18% below the Quantity Surveyor's Estimate and was recommended for the award.</p> <p>The process appears to have been carried out fairly and the award made on merit</p>
<p>St. Mary's High School</p> <p>Construction of a new classroom block, toilet facilities and sewage disposal system</p> <p>Highgate, St. Mary</p> <p>Contract Sum : \$15.97M</p>	<p>There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents.</p> <p>Four (4) tenderers responded by the stipulated time and following the prequalification exercise only one (1) qualified. H.D.B. Construction Co. Ltd.'s tender, when opened, was responsive and was 0.67% above the Quantity Surveyor's Estimate and was recommended for the award.</p> <p>The process was carried out fairly and the award based on merit.</p>

AS AT DECEMBER 31, 1997

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CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p><u>OFFICE OF THE PRIME MINISTER</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Comprehensive Rural Township Development Programme Phase III</p> <p>Tacky Comprehensive High School</p> <p>Construction of new three-storey building and refurbishing of existing building</p> <p>Gayle, St. Mary</p> <p>Contract Sum : \$ 17.27M</p>	<p>A public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender document was used.</p> <p>Nine (9) bidders responded by the stipulated time and following the prequalification exercise six (6) were qualified. Following the tender opening, the lowest responsive tenderer, S.C. Cox & Brothers Limited whose bid was 16.95% below the revised Quantity Surveyor's Estimate was recommended for the award.</p> <p>With the exception of the inclusion of a disqualified tenderer (whose bids did not affect the outcome) the tendering process seemed to have been carried out fairly and the award made on merit.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION : CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES : PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p><u>OFFICE OF THE PRIME MINISTER</u></p> <p>URBAN DEVELOPMENT CORPORATION</p> <p>Comprehensive Rural Township Development Programme Phase III</p> <p>William Knibb Memorial High School Phase II</p> <p>Construction of a new two-storey classroom block including drainage and external works</p> <p>Martha Brae, Trelawny</p> <p>Contract Sum : \$15.1M</p>	<p>A public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender document was used.</p> <p>Seven (7) tenderers returned documents by the stipulated time and after the prequalification exercise six (6) were considered prequalified. Following the tender opening the lowest responsive bid that of Seivwrights Building Supplies Ltd. was not recommended for award by the Consulting Quantity Surveyor as it was 27.41% below the Quantity Surveyor's Estimate and considered to be too low for the contractor to complete the works. The second lowest tenderer was recommended instead. UDC's Board, however, rejected this recommendation and following its own investigation and evaluation recommended and awarded the contract to Seivwrights Building Supplies Ltd. The IDB supported this recommendation.</p> <p>To award a contract to a bidder who was 27.41% below the Quantity Surveyor's Estimate could lead to significant overruns at a later stage in the project, considering the international limitations imposed on most awards of $\pm 15\%$ of the consultant's estimate.</p>

AS AT DECEMBER 31, 1997

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CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
OFFICE OF THE PRIME MINISTER URBAN DEVELOPMENT CORPORATION Comprehensive Rural Township Development Programme Phase III Junction Health Centre Completion of partially constructed maternity wing and construction of new parking facility Junction, St. Elizabeth Contract Sum : \$6.5M	<p>There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents.</p> <p>Nine (9) tenderers returned documents by the stipulated time and following the prequalification exercise six (6) were considered as being qualified.</p> <p>Following the tender opening the lowest responsive tenderer, Metrocon Associates Limited's bid which was 15.68% below the Quantity Surveyor's Estimate was not recommended by the Consulting Quantity Surveyor instead the second lowest tenderer was recommended. The UDC Board, however, overturned this recommendation and awarded the contract to Metrocon Associates Ltd.</p> <p>It is doubtful that the contractors will be able to complete the project within the contract sum.</p>
Mandeville Bus Park Rehabilitation and reconstruction of existing pavements, etc. Mandeville, Manchester Contract Sum : \$ 6.21M	<p>There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender document.</p> <p>Three (3) tenderers responded and after the prequalification exercise only one prequalified.</p> <p>Following the tender opening and evaluation, Atlantic Productions Ltd's tender which was 4.4% above the Quantity Surveyor's Estimate was recommended for award of the contract.</p> <p>The process appears to have been carried out fairly and the award based on merit.</p>

AS AT DECEMBER 31, 1997

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CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p align="center"><u>OFFICE OF THE PRIME MINISTER</u></p> <p align="center">URBAN DEVELOPMENT CORPORATION</p> <p align="center">Comprehensive Rural Township Development Programme Phase III</p> <p>St. James\Hanover Roads Contract #2</p> <p>Upgrading of 14.652km of worn and eroded asphalted roadways</p> <p align="center">St. James</p> <p>Contract Sum : \$29.28M</p>	<p>There was a public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents. Four (4) tenderers responded and after the prequalification exercise, three (3) qualified.</p> <p>Following the tender opening, the lowest bidder was disqualified due to non-compliance with specific instructions regarding the tender bond submission. The second lowest tenderer, Cornwall Asphalt & Paving Co. Ltd's bid was 1.04% above the Quantity Surveyor's Estimate and was recommended for award of the contract.</p> <p>The process appears to have been carried out fairly and the award made on merit.</p>
<p>St. James\Hanover Roads Contract #3</p> <p>Upgrading of 15.94km of worn and eroded asphalted roadway</p> <p align="center">St. James\Hanover</p> <p>Contract Sum : \$ 25.09M</p>	<p>A public invitation to tender using the two-envelope system of simultaneous submission of prequalification and tender documents was used. Six (6) tenderers responded by the stipulated time and following the prequalification exercise three (3) were considered as qualified</p> <p>Subsequent to the tender opening the lowest tenderer, South Florida Transport & Equipment Corporation's corrected sum which was 9% below the Quantity Surveyor's Estimate, was recommended for award of the contract</p> <p>The process was carried out fairly and the award based on merit.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
<p>CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION</p> <p>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</p> <p>AIRPORTS AUTHORITY OF JAMAICA</p> <p>Norman Manley International Airport</p> <p>To refurbish and upgrade existing bathroom facilities</p> <p>Kingston</p> <p>Contract Sum : \$17.2M</p>	<p>PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT</p> <p>Six (6) contractors were selected from the Ministry's List of Contractors and invited to tender. Required instructions and documents were collected by the contractors. Tenders returned were opened publicly</p> <p>Evaluation and analysis of the tenders were executed impartially. Five (5) tenders were returned and were all responsive. The two (2) lowest tenders were Concorde Engineering Ltd. and Islandwide Construction Ltd. for \$17.2M and \$19.4M respectively. Concorde Engineering Ltd. was recommended for the award of the contract in the sum of \$17.2M, the Quantity Surveyor's Estimate was \$19.4M.</p> <p>The award was made fairly and on merit.</p>
<p>CARIB ENGINEERING CORPORATION LTD.</p> <p>Access Road & Tank Base</p> <p>Construction of 9,200m access road, retaining wall, tank base, plinths and all other necessary works. Installation of 230m of 150mm and 610m of 200mm D.I Transmission and Distribution Pipes</p> <p>Lluidas Vale, St. Catherine</p> <p>Contract Sum : \$9.84M</p>	<p>Letters of invitation were sent to Five (5) approved contractors. Three (3) submitted bids which were publicly opened on June 9, 1996.</p> <p>Following the evaluation exercise which was carried out, all tenders were considered unacceptable and were rejected.</p> <p>It was recommended that negotiations be carried out with the two most suitable tenderers. Upon completion of the negotiation Glaves Mid-Island Construction Co. Ltd. was recommended to be awarded the contract. The Government Contracts Committee supported the award and Cabinet approval given.</p> <p>The award procedure appeared to be fairly done and on merit.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
<p><u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u></p> <p>NATIONAL WATER COMMISSION</p> <p>Installation of Transmission Pipeline</p> <p>The laying of 1,328 meters of 400mm ductile iron pipeline and appurtenances</p> <p>Ocho Rios, St. Ann</p> <p>Contract Sum : \$4.50M</p>	<p>Letters of invitation were sent to five (5) approved contractors. Two (2) submitted bids which were publicly opened on February 4, 1997</p> <p>Following the evaluation exercise, which was carried out, the decision was taken to award the contract in favour of H.S.A. Ltd. the higher bidder in the sum of \$4.45M with the engineer's estimate being \$5M and the lower bidder 41.8% below the engineer's estimate, it was felt that they would not be able to satisfactorily complete the project.</p> <p>The Government Contracts Committee supported the recommendation and the ministry's approval was given.</p> <p>The recommendation and subsequent award was carried out in an impartial manner and based on merit but the process for this relatively small contract took more than six (6) months to be completed.</p>
<p>Bulstrode Water Supply Pipeline</p> <p>The construction of 2.2 miles (3.5km) 6" and 4" Diameter PVC Pipeline and associated appurtenances</p> <p>Bulstrode, Westmoreland</p> <p>Contract Sum : \$ 5.74M</p>	<p>Letters of invitation were sent to seven (7) approved contractors. Three (3) submitted bids which were publicly opened on Wednesday, November 15, 1996.</p> <p>Upon completion of the evaluation exercise the decision was taken to award the contract in favour of Fredrick Rodriques & Associates Limited, the lowest tenderer, in the sum of \$5.74M. After a period of eight (8) months approval was given in July 1997.</p> <p>The recommendation and subsequent award were dealt with in accordance with standard procedures and practices.</p> <p>Emphasis needs to be placed on speeding up the approval process so that implementation can be effected in a shorter time.</p>

AS AT DECEMBER 31, 1997

BASIC INFORMATION :	COMMENTS RELEVANT TO ANY OF THE FOLLOWING ACTIVITIES :
CLIENT MINISTRY EXECUTING AGENCY PROJECT NAME \ DESCRIPTION LOCATION	PREQUALIFICATION : INVITATION / EVALUATION TENDER : INVITATION / INSTRUCTIONS / DOCUMENTS / BOND / OPENING / EVALUATION / VALIDITY PERIOD AWARD : FAIRNESS / IMPARTIALITY / MERIT
MINISTRY OF PUBLIC UTILITIES & TRANSPORT NATIONAL WATER COMMISSION Bulstrode Water Supply Extension The construction of 1.70 miles (2.74km) of 8" and 6" diameter PVC Distribution Pipeline and Appurtenances Bulstrode, Westmoreland Contract Sum : \$ 5.3M	Letters of invitation were sent to seven (7) approved public sector contractors. Three (3) contractors submitted bids which were publicly opened on November 15, 1996. Based on the evaluation exercise that followed, the decision was taken to award the contract in favour of Litfield General Construction Co. Ltd. In the sum of \$5.3M. After a period of eight (8) months (July 1997) approval was given. The recommendation and subsequent award were dealt with in accordance with standard procedures and on merit. This is another case where the approval process needed to be conducted with more urgency.
Installation of Transmission & Distribution Pipes The laying of 1,550 metres of 150mmPVC Pipes and 170 metres of 150mmD.I. Pipes. Moneague, St. Ann Contract Sum : \$ 5.77M	Letters of invitation were sent to four (4) registered public sector contractors. Three (3) submitted bids which were publicly opened on Wednesday, July 9, 1997. Upon completion of the evaluation exercise the decision was taken to award the contract in favour of Construction Developers Associates Limited, the lowest tenderer, in the sum of \$5.7M, the engineer's estimate was \$5.04M. The award procedure was in order and the award made on merit.

AS AT DECEMBER 31, 1997

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<p><u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u></p> <p>JAMAICA PUBLIC SERVICE COMPANY LIMITED</p> <p>RURAL ELECTRIFICATION PROGRAMME</p> <p>Rural Electrification Programme V Phase 'A' (Labour only)</p> <p>Construction of 243 km. of 13.8kv single phase distribution lines on wood poles and the wiring of 3,000 houses</p> <p>Western Parishes</p> <p>Contract Sum: \$14.06</p>	<p>Tenders were invited locally and internationally from member countries of the Caribbean Development Bank (CDB) for Phase 'A' of the programme for one or more of ten (10) sections</p> <p>After careful examination and analysis of tenders only six (6) of ten (10) contracts were awarded - this was due to the fact that the remaining four (4) were deemed to be over priced.</p> <p>Tenders were again requested for the remaining four (4) sections of Phase 'A' for which six (6) interested firms submitted bids.</p> <p>Five (5) were evaluated and analyzed resulting in four (4) being awarded contracts</p> <p>Awards were subsequently approved by the CDB.</p> <p>REP violated Government Requirements on the award of contracts by not referring the award to the GCC or Cabinet for ratification.</p>
<p>Rural Electrification Programme V Phase "B" (labour only)</p> <p>Construction of 140 miles of 230kv single phase distribution lines and wiring of approximately 3,000 houses.</p> <p>Eastern/Central Parishes</p> <p>Contract Sum : \$32.72M</p>	<p>Bids were invited both locally and internationally in member countries of the Caribbean Development Bank (CDB) to bid on Phase "B" of the programme for one (1) or more of ten (10) sections. Fourteen (14) bids were returned and evaluated, from which ten (10) contractors were selected and recommended for award for individual sections.</p> <p>Award of contracts was made impartially and with merit.</p>

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI-LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF AGRICULTURE & MINING</u> RADA HOPE GARDENS Office Building for Rural Agricultural Development Authority Construction of a Reinforced Concrete Block Building May Pen, Clarendon	Alberga Graham Jamaica B & H Structures Co. Ltd. Alberga Graham Jamaica	\$13.86M Lump Sum 06-08-96 6 Months	98% 15 Months \$14.5M \$0.64M	Yes Yes Yes	The general management of this project has been unsatisfactory. The contractor worked under trying circumstances and in a volatile atmosphere and has failed to secure quality tradesmen. This has resulted in poor workmanship in most areas of the project requiring corrective measures to be taken. Site supervision has also been inadequate and there has been an additional cost of \$0.6M due mainly to fluctuations in the cost of labour.	
<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Anchovy Primary School	D.L.B. Joint Venture Cooper & Associates Ltd. L. Dixon-D.L.B. Joint Venture	\$42.4M Lump Sum 16-09-96 15 Months	80% 15 Months \$21.7M -	Yes Yes Yes	The management and co-ordination of this contract lacks the necessary effort to have the works concluded on a timely basis. Financial problems also appear to be affecting the contractor's ability to keep the contract on schedule. Expenditure to date is \$21.7M or 51% of the contract price as against work accomplished, appears low and may be contributing to the contractor's financial woes. The contract should see an overrun in time and cost as fluctuation in labour and material, variation, and remedial works already accounted for \$11.4M. The professionals performed satisfactorily.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI-LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Bluefields All-Age School Construction of new single storey and administration blocks with covered linkways and amenities Bluefields, Westmoreland					<p>The overall management and supervision of the project by the contractor and consultant could be better.</p> <p>Since commencement of work the performance of the contractor has been lacking in urgency, resulting in slippages of 12 weeks up to the end of the reporting period.</p> <p>Due to poor supervision, several technical errors were made resulting in time being lost. The continuous changing of the contractor's site supervisory personnel also contributed to the poor quality of work and time loss.</p> <p>The project was scheduled for completion by 3/1/98, but this date will not be met and mid 1998 seems a more likely date for completion.</p>	
	Duncan Sharpe/DLB Joint Venure	\$30.58M	63%	Yes		
	M&M Jamaica Ltd	Lump Sum	9 Months	Yes		
	Duncan Sharpe	03-03-97	\$11.51M	Yes		
		10 Months	\$0.95M			

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI- LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Brown's Town Primary School Construction of a new school Browns Town, St. Ann					Site supervision and the quality of work are acceptable. Better management and co-ordination would have led to the completion of the project on time. The project was four (4) weeks behind schedule at the end of the reporting period. Additional costs include material and labour fluctuation amounting to \$1.9M and variations of \$1.65M.	
	Morris Chin / Rivi Gardner	\$66.42M	75%	Yes		
	M & M Jamaica Limited	Lump Sum	14 Months	Yes		
	Morris Chin/Rivi Gardner	14-10-96	\$41.1M	Yes		
		15 Months	\$3.6M			
Boston Primary School Construction of a new school Fairy Hill, Portland	APEC Consultants/SKM V Joint Venture	\$26.04M	80%	Yes	The management and co-ordination of this contract is satisfactory and the contract is moving ahead of schedule. Should this trend continue, additional costs will be held to a minimum. With 80% of the works completed, fluctuation and variation reflect \$1.5M or 5.75% of contract sum. The professionals have all performed satisfactorily up to this point.	
	Construction Developers Association Ltd.	Lump Sum	6 Months	Yes		
	APEC Consultant/SKMV Joint Venture	11-06-97	\$18.57M	Yes		
		9 Months				

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
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<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Duncans All-Age School Refurbishing and construction of administration building and associated works. Duncans, Trelawny	Duncan Sharpe/DLB Joint Venture Matrix Engineering Works Ltd Duncan Sharpe	\$13.4M Lump Sum 15-10-96 6 Months	100% 12 Months \$19M \$5.58M	Yes Yes Yes	<p>The project was given practical completion on October 30, 1997, however, sectional completion was given for different areas of the project.</p> <p>Overall the level of project management, coordination and site supervision was satisfactory by both the contractor and the client. The quality of work and performance of the contractor were satisfactory.</p> <p>The overrun in the construction sum was estimated at \$5.58M or 41.3% which was due mainly to escalation in the price of labour, variations and re-measurement of work.</p>	
Holland Primary School Construction of a new toilet block and the refurbishing of an existing building. St. Elizabeth	D.L.B. Joint Venture Matrix Engineering Works Ltd. D.L.B. Joint Venture	\$14.39M Lump Sum 23-09-96 5 Months	100% 6 Months \$15.59M \$1.2M	Yes Yes Yes	<p>Good management and co-ordination of this contract assisted by satisfactory supervision and good quality of work, resulted in the contract being completed inside of its revised completion date.</p> <p>Subsequent to practical completion on March 26, 1997, the defects period expired with remedial works still outstanding.</p> <p>Laxity on the part of the contractor during the maintenance period, tarnished what was a good effort by him.</p> <p>Additional costs on the project result from fluctuations in material and labour, variations and re-measurement.</p> <p>The performance of the of the professionals was satisfactory.</p>	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI-LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Melrose All Age School Extension and refurbishing Little Kew Road, Kingston 5	APEC Consultants/SKM V Architects-Joint Venture * Cooper and Associates APEC Consultants/SKM V Architects- Joint Venture * Contract Determined. Contractor replaced by General Construction Developers Ltd.	\$36.6M Lump Sum 12-09-96 35 Weeks	60% 65 Weeks \$22.21M	Yes Yes Yes	The mnagement and co-ordination of this contract was ineffective, as a result, after forty-one (41) weeks a contract scheduled to last thirty-five (35) weeks was only about 37% complete. Continued slow progress, ineffective supervision and poor quality work, led to the determination of the contract. Contributing to the contractor's woes were the harassment of the work force by area thugs, theft of building material and the general nature of the community. Subsequent negotiations with the Jamaica Defence Force (JDF), led to them being contracted as Construction Managers. In this capacity they employed General Constructuion Developers Limited to complete the works. This arrangement did not achieve the desired result and at the end of twenty (20) weeks of the contract period in late Dedember, only 60% completion was achieved.. Expenditures on this contract are set out hereunder:- <div>Original Contract Sum (Cooper & Associates) - \$36.62M Expenditure at Determination - \$1337M New contract with JDF Est. - \$30.00M Expenditure to date - \$8.84M</div> The combined expenditure is \$22.21M or 61% of the original contract sum.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u>						
MINISTRY OF EDUCATION YOUTH & CULTURE						
Primary Education Improvement Programme II	D.L.B. Joint Venture	\$29.07M	88%	Yes	<p>This contract has been underway for eight (8) months and has registered satisfactory progress, with good site supervision and quality of work.</p> <p>Management and co-ordination to date have also been good, however, material and labour fluctuation of \$0.84M is an indication that there will be additional costs to meet.</p> <p>The contract is currently ten (10) weeks ahead of schedule and should be completed ahead of the contract period.</p> <p>The professionals are performing satisfactorily.</p>	
Mount Airy All Age School	Townsend and Godfrey Brothers	Lump Sum	8 Months	Yes		
Construction of two (2) new single storey classroom blocks, principal's cottage and toilet block	D.L.B. Joint Venture	21-04-97	\$17.06M	Yes		
Petersfield, Westmoreland		12 Months	-			

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<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II						
John Mills All-age School	APEC/SKMV	\$8M	1 95%	Yes	<p>The original contract was awarded to National Technology Engineering Ltd. in the sum of \$9.52M. Work started on September 12, 1996, and was scheduled for completion on May 15, 1997.</p> <p>As a result of the contractor's poor performance and consistent failure to make satisfactory progress. The contract was determined by the MOEY&C and the services of the contractor terminated by a letter dated July 4, 1997. The value of work executed at this time was estimated at \$5.23M.</p> <p>Subsequent to the termination by the MOEY&C a new contract was negotiated and entered into between the MOEY&C and the JDF to complete the remaining portion of the work at a new contract sum of \$8M. This amount was in addition to the executed value of work carried out by the previous contractor.</p> <p>There has been noticeable improvement in the progress of work and quality of site supervision since the project was taken over by the JDF. However, the scheduled completion date of November 17, 1997, was not met, but the work should be completed early in 1998.</p>	
Extension and refurbishing	Jamaica Defence Force	Lump Sum	8 Weeks	No		
26a Retirement Crescent, Kingston 5	APEC/SKMV	13-8-97	\$12.85M (inclusive of both contracts)	Yes		
		3 Months.	\$3.33M			

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Mount Fletcher All Age School Renovation of existing building and construction of a new classroom block and toilet facilities Mavis Bank, St. Andrew	SKMV/APEC Consultant Joint Venture M & M Jamaica Limited APEC Consultant	\$16.4M Lump Sum 23-09-96 35 Weeks	100% 60 Weeks \$17.3M \$2.7M	Yes Yes Yes	<p>Efforts by the construction manager to achieve a timely completion were hampered by the limitation of space on site. Due to the location of the site, the delivery of materials was extremely difficult and the poor quality of the available tradesmen was a further problem.</p> <p>In an effort to minimize waste and improve the quality of the work, site supervision was strengthened and changes made to the workforce, the results of which were negligible</p> <p>Additional cost to date is \$2.7M which is expected to increase when the final accounts are presented.</p> <p>The contract exceeded its scheduled completion date of May 30, 1997, by approximately twenty-five (25) weeks as practical completion was not achieved until November 26, 1997.</p> <p>Extension of time of approximately twenty (20) weeks was approved on the contract. The remaining five (5) weeks was the subject of Liquidated Damages.</p>	

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Old Harbour Primary School Construction of a new school containing three (3) two-storey buildings consisting of classrooms, kitchen and administrative facilities. St. Catherine	APEC Consultants/SKMV Joint Venture Construction Developers Associates Ltd APEC Consultants/SKMV Joint Venture	\$57.42M Lump Sum 15-09-97 15 Months	5% 3 Months \$13.41M -	Yes Yes Yes	After three (3) months of implementation there are signs of effective management and co-ordination. Changes to site personnel to effect good site supervision and quality of work are being assessed. However, the percentage of work completed is not sufficient to impact significantly on the project at this time. Problems associated with the site are being effectively resolved. Expenditure to date is \$13.41M or 23.4% of contract sum, which includes a mobilisation advance of \$5.74M which is to be recovered.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI- LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Porus Primary School Extension and Refurbishing Porus, Manchester	Morris Chin/Rivi Gardner Joint Venture Alval Limited Morris Chin/Rivi Gardner Joint Venture	\$20.54M Lump Sum 05-08-97 12 Months	33.5% 5 Months \$6.88M \$0.375M	Yes Yes No	The general management and co-ordination of this contract seem satisfactory and the projected percentage completion (32%) at December 1997 has been achieved. Site supervision and quality of works are of a consistent and acceptable standard, which, if continued, should see the contract being completed on schedule. Expenditure to date is \$6.88M or 33.5% of the contract sum, with additional cost of \$0.375M or 1.9% of the contract sum.	
Revival All Age School Construction of two (2) single-storey buildings, teacher's cottage and toilet block for new school Westmoreland	D.L.B. Joint Venture M. & M. Jamaica Limited D.L.B. Joint Venture	\$30.14M Lump Sum 23-09-96 12 Months	98% 15 Months \$26.13M \$6.15M	Yes Yes Yes	Management and co-ordination of this contract were satisfactory with site supervision and the quality of work being good for the most part. Problems associated with cash flow and site personnel on the part of the construction team, resulted in the contract falling behind schedule for which the contractor was put on notice. Other factors affecting this contract were the number of variation order issued and late instructions relating to the siting of the teacher's cottage. Expenditure to date of \$26.13M includes labour fluctuation, variations and re-measurement of works, totalling \$6.15M. These additional costs, so far, have been accommodated in the original contract sum.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI- LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme St Jude's Primary School Construction of a new multi-purpose building and library, renovation to existing building, external works and electrical installation. 1 Norwich Avenue, Kingston	APEC/SK Jamaica Defence Force APEC/SKMV	\$12.2M revised Lump Sum 12-09-96 9 Months	96% 16 Months \$11.92M None reported	Yes Yes Yes	This is one of three contracts which was originally awarded to National Technology Engineering Ltd at a cost of \$10.46M commencing on 12/9/96 to be carried out over a nine (9) month period. As a result of poor performance and management of the work by the contractor, his employment was terminated by the Ministry of Education by letter dated July 4, 1997. A new contract was subsequently negotiated between the ministry and the Jamaica Defence Force to execute the remaining portion of work for the estimated amount of \$8M. The overall management of the work has improved and there was marked improvement in the progress and quality of the work, however, the stipulated completion target was not achieved. The need for strict supervision and coordination between the contractor and consultants is imperative in order to achieve practical completion without any further delay. Expenditure, however, is still within the revised contract sum.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI-LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II St. Patrick's Primary School 193 Bay Farm Road, Kingston 11	APEC/SKMV National Technology & Engineering Ltd. L. C. Construction Ltd. APEC Consultants	\$10.53 Lump Sum 12-09-96 8 Months	97% 16 Months \$10.27M \$1.31M	Yes Yes Yes	This contract was originally awarded to National Technology & Engineering Ltd. but experienced numerous problems during its implementation resulting in several delays. The contractor managed the project unsatisfactorily and financial problems developed resulting in labour disputes and work stoppages. A second contractor, L.C.G. Construction Ltd. was brought in to complete the remaining portion of work. The new contractor was approved by both the MOEY&C and APEC. There has been a noticeable improvement in the progress of the work since the installation of L.C.G. Construction Ltd. Additional cost of \$1.3M was due to an increase in the cost of labour and variations to the contract.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI-LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education & Improvement Programme II Unity Primary School Extension and refurbishing Unity, Westmoreland	D.L.B. Joint Venture Cooper & Associates Duncan Sharp - D.L.B. Joint Venture	\$40.35M Lump Sum 10-09-96 10 Months	80% 15 Months \$24.3M \$2.6M	Yes Yes Yes	The management and co-ordination of this contract is such that the contract fell progressively behind schedule, incurring an overrun on its original completion date of July 16, 1997 by five (5) months. A forty-one (41) days extension was granted as inclement weather had affected progress. The quality of work and site supervision were not always of the best standard which necessitates remedial and corrective measures. Expenditure to date is \$24.3M or 60.3% of the contract price. Material and labour fluctuation are running at a reasonable 5%.	
Wakefield Primary School Renovation and Extension Wakefield, Trelawny	D.L.B. Joint Venture M & M Jamaica Limited L. Dixon-D.L.B. Joint Venture	\$24.6M Lump Sum 07-10-96 9 Months	99% 14 Months \$22.12M	Yes Yes Yes	Better management and co-ordination would have resulted in this contract being completed closer to the scheduled time. Site supervision is satisfactory as is the quality of workmanship, however fourteen (14) months have elapsed on this nine-month contract and extension of time has not been claimed or granted. Expenditure to date of \$22.12M is 90% of the contract sum. Final cost is estimated at \$28.5M or 16.1% above the contract sum. Approved variations already account for \$2.9M or 12% of the contract cost.	

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<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Primary Education Improvement Programme II Woodhall All-Age School Construction of classrooms, administration blocks and teachers' cottage. Woodhall, Clarendon	Morris Chin/Rivi Gardner & Assocs. Ltd D.T. Brown Construction Morris Chin/Rivi Gardner & Assocs. Ltd	\$21.55M Lump Sum 16-10-96 11 Months	99% 14 Months \$21.67M \$1.98M	Yes Yes Yes	Rapid progress was made during the early stage of the project, pushing the actual work ahead of schedule. However, the progress lost momentum during the execution of the finishing activities. The contractor blamed some of his problems on financial constraints due to the late submission of payment certificates. There were, to a lesser extent, variations which increased the scope of work. Project Management, for the most part was satisfactory by both the consultant and the contractor which contributed to a fair quality of work. Additional costs to date are due to labour and material fluctuations, also variations resulting mainly from changes in the scope of work. Inspection for practical completion was scheduled to be done in January 1998.	
Reform of Secondary Education Programme Cedar Valley Primary and Junior High Schools Construction of a new two-storey Classroom Block to include Administrative Centre. Cedar Valley, St. James	APEC Consultants/SKM V Architects H.D.B. Construction Limited APEC Consultants/SKM V Architects	\$24.92M Lump Sum 04-06-97 12 Months	59% 6 Months \$13.1M -	Yes Yes Yes	The general management and co-ordination of this contract are satisfactory. Site supervision and quality of work are also satisfactory. The Contractor however, has not been prompt in his submission of monthly claims and result of cube tests. Additional costs will include material and labour fluctuation, so far, totalling \$0.5M.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Reform of Secondary Education Project Dallas Primary and Junior High School: Renovation and extension Dallas, St. Andrew	APEC/SKMV Joint Venture H.D.B. Construction Limited APEC Consultants	\$10.42M Lump Sum 17-03-97 9 Months	98% 9 Months \$11.96M \$1.54M	Yes Yes Yes	The general management and co-ordination of this contract seems satisfactory. The supervision and quality of work is also of a good standard resulting in the project being on schedule for most of the contract period. Expenditure to date is \$11.96M which is \$1.54M or 14.8% above the contract sum. This is comprised of variations, fluctuation in materials and labour costs, and remedial works. The performance of the professionals is of an acceptable standard.	
Fellowship Primary and Junior High Schools Construction of a new home economics/industrial arts block, new science lab/prep room, renovation to existing buildings and associated external works and electrical installation Fellowship, Portland	Apec Consultants Ltd Construction Developers Associate Ltd Apec Consultants Ltd	\$16.57M Lump Sum 14-04-97 12 Months	71% 7½ Months \$13.9M \$3.5M	Yes Yes Yes	Steady progress was made on all aspects of the work scheduled for implementation over the period in review. The quality of project management has been satisfactory both on the part of the contractor and the consultants. The overall quality of the work has been good. The additional costs were due to escalation in the cost of labour and variations. Provided sound project management is maintained, the project should be completed as scheduled or with minimum slippage. Progress was affected in late December by flood rain in Portland.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL Costs	1. SECURITIES 2. T.C.C. 3. MOBI- LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> MINISTRY OF EDUCATION YOUTH & CULTURE Reform of Secondary Education Projects Mount Hermon Primary and Junior High School Refurbishing and Extension Portland	APEC Consultant/SKMV H.D.B. Construction Ltd. APEC Consultant/SKMV	\$6.76M Lump Sum 24-03-97 9 Months	96% 9 Months \$7.50M \$74M	Yes Yes Yes	The management and co-ordination of this project in general, was satisfactory. Additional cost is due mainly to variations and fluctuation in the cost of material and labour.	
Mount Moreland Primary and Junior High Refurbishing and Extension St. Catherine	APEC Consultant H.D.B. Construction Limited Apec Consultant/SKMV Architects Joint Venture	\$8.6M Lump Sum 24-03-97 9 Months	100% 9 Months \$9.86M \$1.26M	Yes Yes Yes	Management and co-ordination of this contract was executed in a professional and satisfactory manner. Site supervision and quality of work were good. The additional cost was due mainly to fluctuation in the cost of material and labour and variations, totalling \$1.08M	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE Reform of Secondary Education Programme II New Forest All Age School - Renovation of existing classrooms and the construction of two new classroom blocks New Forest, Manchester	Morris Chin/Rivi Gardner Alval Limited Rivi Gardner	\$28.6M Lump Sum 05-08-97 15 Months	20% 4 Months \$7.02M \$0.6M	Yes Yes No	Management and co-ordination of this contract so far suggest that it will be completed on time. Site supervision is of an acceptable standard resulting in early detection and correction of poor quality works. The performance of the professionals so far has been reasonably good. The expenditure to date is \$7.02M, of which labour fluctuation accounts for \$0.25M and variations \$0.38M. These are early indications of additional costs to the contract.	
GOJ/IADB Primary School Programme Beulah All-Age School Refurbishing and alteration of existing school building, construction of two new classroom blocks in addition to other related facilities. New Longville, Clarendon	Morris Chin Construction Developers Associates Ltd Morris Chin	\$25.71M Lump Sum 21-08-97 12 Months	20% 3½ Months \$7.29M \$0.29M	Yes Yes Yes	The general management and supervision of this contract seem satisfactory on the part of the contractor and consultant. The quality of the work and overall performance of the contractor has been so far satisfactory. Based on the contractor's report of progress, the project was ahead of schedule. Provided the same level of productivity remains in place the scheduled completion target should be met.	

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MINISTRY OF EDUCATION YOUTH & CULTURE MINISTRY OF EDUCATION YOUTH & CULTURE GOJ/IADB Primary School Programme Frankfield Primary School Demolition of existing single storey building, construction of three new two-storey buildings; extension, refurbishing and alteration of existing single storey classroom building; refurbishing and alteration to existing two storey classroom and administration block as well as construction of new linkway ; demolition of existing pit toilet and construction of two pit latrines. Frankfield, Clarendon	Morris Chin HDB Construction Ltd Morris Chin	\$33.3M Lump Sum 18-08-97 15 Months	20% 4 Months \$7.5M \$0.15M	Yes Yes Yes	The overall management by the contractor and consultant to date has been satisfactory. Over the period, the project has made steady progress in all aspects of the work, however, the project lost some time as a result of inclement weather in the early stages of the work and the contractor had to expend great effort to bring the project back on schedule. The level of supervision and coordination at this stage of the project has been satisfactory and if maintained it should be completed within the scheduled time.	
Garlogie All-Age School Construction of a new two-storey classroom block; renovation of an existing single-storey classroom ; construction of a new toilet block and renovation of an existing teachers' cottage. Banana Ground, Clarendon	Morris Chin Alval Ltd Morris Chin	\$15.16M Lump Sum 06-08-97 8 Month	25% 4½ Months \$4.48M \$0.80M	Yes Yes Yes	Management by both the client and the contractor has been satisfactory to date. The level of coordination and site supervision, if maintained, will allow the project to be completed with minimum delay. The additional cost was due mainly to variations and fluctuations in the cost of labour. Overall the quality of work and performance of the contractor have been satisfactory.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> NATIONAL HOUSING CORPORATION LIMITED Social Sector Development Programme						
Lawrence Tavern Primary School	National Housing Corporation Ltd.	\$12.3M	98%	Yes	<p>The Annual Report of December, 1996, highlighted satisfactory site supervision and quality of work but the necessary funding to ensure a timely completion was lacking.</p> <p>Subsequent construction activities continued to suffer in part from lack of adequate funding which caused a reduction in the labour force and slow progress being achieved. Thus, a project scheduled for completion in December, 1996, was incomplete at the opening of school in September, 1997.</p> <p>Practical completion was achieved on November 21, 1997, eleven (11) months after the scheduled completion date, with expenditure totalling \$20.20M or., 63.8% above the contract sum.</p> <p>Of this amount, material and labour fluctuation account for \$5.3M or 43.6% of contract sum and variations account for \$1.25M or 10.12% of contract sum, with a penultimate certificate pending.</p> <p>The performance of the professionals and the general management of this contract were not satisfactory.</p>	
Extension and Refurbishing	Ronham & Associates Ltd.	Lump Sum	21 Months	Yes		
Lawrence Tavern, St. Andrew	National Housing Corporation Ltd.	05-02-96	\$20.20M	Yes		
		10 Months	\$7.9M			

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI- LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
MINISTRY OF EDUCATION YOUTH & CULTURE NATIONAL HOUSING CORPORATION LIMITED Social Sectors Development Programme Mandeville All Age School Refurbishing and Extension Mandeville, Manchester	National Housing Corporation Ltd. W.A. Reid Construction Co.Ltd. National Housing Corporation Ltd.	\$16.15M Lump Sum 04-03-96 10 Months	92% 21 Months \$22.4M \$6.24M	Yes Yes Yes	<p>The management and co-ordination of this contract are poor. Inadequate site supervision resulted in changes to site personnel, however, only a marginal improvement in the quality of work resulted. These along with other problems faced, resulted in an eleven (11) month overrun in time.</p> <p>Expenditure to date is \$22.4M and includes additional costs of \$6.24M of which \$5.27M is for material and labour fluctuation.</p> <p>The general performance of the professionals fell below expectation.</p>	
Rousseau Primary School Renovation and extension to Kingston 13, St.andrew	NHC Ltd . Ronham and Associates Ltd. W. Sibblies	\$24.53M Lump Sum 03-05-95 9 Months	100% 28 Months \$60.97M \$36.4M	Yes Yes Yes	<p>This is another case of massive over expenditure with the explanations given seeming to be hardly credible. In the tender report on this project the consultants describe the rates set out by the contractor as 'generally balanced' with 'a few rates which were high' yet we are now told that fluctuations in the cost of materials led to an additional cost of \$15.7M in a contract with a total original cost of \$24.4M.</p> <p>Blocks which had achieved practical completion were taken over in January, February and June 1997. This might make it difficult to successfully claim damages against the contractor.</p> <p>Variations cost \$9.6M which suggest that apart from poor management and execution there were weaknesses at the planning and design stage of the project</p>	

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> NATIONAL HOUSING CORPORATION LIMITED Social Sectors Development Programme Sudbury All Age School Construction of one (1) two storey classroom block and the refurbishing of an existing building. Sudbury, St. James	N/A Ronham and Associates National Housing Corporation Ltd.	\$14.6M Lump Sum 11-05-95 10 Months	99% 30 Months \$29.95M \$15.35M	Yes Yes Yes	This ten (10) month contract dates back to 1995, with completion scheduled for March 1996. The Annual Report of 1996 cited laxities which resulted in an overrun in cost even at that stage. At the end of 1996 93% of the work was completed. Subsequent to this, the work progressed very slowly and practical completion was not achieved until August 1997, thirty (30) months after work commenced. Progress in the latter stages of the contract was hampered by:- poor management and co-ordination by both the construction and project management teams, cash flow; ineffective clarification of issues and poor dissemination of information. In spite of a twenty (20) month overrun in time and \$15.35M overrun in cost, there is no evidence of liquidated damages being charged.	
Construction of Browns Town Regional Office St. Ann	National Housing Corporation Ltd. W.G. Walters Construction Ltd. National Housing Corporation Ltd.	\$26.25 Lump Sum 22-04-94 10 Months	99% 42 Months \$45.5M \$19.2M	Yes Yes Yes	This project which was poorly managed and co-ordinated, finally achieved practical completion on November 25, 1997, after some forty-two (42) months of implementation. Poor planning complemented the many problems faced on this contract including: excessive rock excavation; late payments of certificates; the contractor's lack of urgency and the Client/Consultant tardiness in applying the necessary clause in the contract to obtain his compliance. The thirty-two (32) months overrun in time and the additional cost of \$19.2M is reflective of the laxities of the parties involved in the contract The consultants have belatedly charged damages to the contractor amounting to \$0.8M.	

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> NATIONAL HOUSING CORPORATION LIMITED Social Sectors Development Programme Construction of the Mandeville Regional Office Mandeville, Manchester	National Housing Corporation Ltd. OMNI Construction Co. Ltd. Mr. W. Sibbles National Housing Corporation Ltd.	\$24.54M Lump Sum 13-03-95 10 Months	99% 33 Months \$58.1M \$33.6M	Yes Yes Yes	<p>This project dates back to 1995 and was scheduled to be completed in ten (10) months.</p> <p>The contract has been severely affected by poor management, co-ordination and supervision by all involved.</p> <p>One hundred and thirty (130) days extension of time was granted which revised the completion date to June 14, 1996. As at December, 1997, the contract was estimated at 99% complete with the outstanding works being the connection of the utilities (electrical works), works to the fire protection systems, UPS connection and the delivery and connection of the transformer for the UPS.</p> <p>The additional costs associated with the contract so far, include \$19M for material and labour fluctuation and \$1.5M for approved variations. Re-measurement will also account for a substantial amount of the cost overrun as extension to insurance and bonds will also be included.</p> <p>To date there is no evidence of the liquidated damages clause being imposed.</p>	

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MINISTRY OF EDUCATION YOUTH & CULTURE NATIONAL HOUSING CORPORATION LTD. (NHCL) Social Sectors Development Programme Construction of the Montego Bay Regional Office Catherine Hall, St. James	National Housing Corporation Limited Ronham & Associates National Housing Corporation Limited	\$34.9M Lump Sum 18-04-94 10 Months	65% 44 Months \$66.14M \$31.25M	Yes Yes Yes	This appalling project should be the subject of an enquiry. The site was handed to the contractor in April 1994, with the job to be completed in 10 months. At the end of 1997, it was still only 65% complete and \$66.1M had been spent. This represents a cost so far of about \$6,000 per sq. ft. which could mean about \$9,000 by the time it is completed. In our 1995 Report, we predicted that the project would end up costing about \$71M. This is now looking like a conservative figure. The shortcomings of the project have been fully dealt with in our 1994, 1995 and 1996 Reports and it is not proposed to list them yet again.	

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> NATIONAL HOUSING CORPORATION LIMITED Social Sectors Development Programme Construction of the Port Antonio Regional Office Portland	F.Graham NHC W.A. Reid Construction Co.Ltd. National Housing Corporation Limited	\$26.53M Lump Sum 04-04-95 10 Months	97% 32 Months \$63.6M \$37.1M	Yes Yes Yes	Inadequate management, supervision and co-ordination of the contract for the most part, resulted in a twenty-two (22) month overrun on construction time with 3% of the work still outstanding. Additional cost of \$37.1M is comprised of fluctuation in material and labour of \$16.75M or 63% of contract sum. The remaining 77% comprises variations and re-measured works. The fact that this ten (10) month contract appeared in the Annual Report of 1995/96 underscores the extent of the delays. Liquidated Damages of \$2,000.00 per day which are now being charged cannot offset the cost of these delays.	

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<u>MINISTRY OF EDUCATION</u> <u>YOUTH & CULTURE</u> URBAN DEVELOPMENT CORPORATION (UDC) Comprehensive Rural Township Development Programme III Charlemont High School Refurbishing and alteration to existing building, repairs to windows, doors, plumbing and electrical installation Ewarton, St. Catherine	UDC S.C. Cox Brothers Ltd. Mrs. M. Bowie	\$22.9M Fixed Price 05-03-97 12 Months	84.3% 9 Months \$21.2M \$0.441M	Yes Yes Yes	The management and coordination of the project has so far been satisfactory. Site management has been good and the quality of the work is up to the approved standard. Performance of the professionals has also been satisfactory.	
McGrath Comprehensive High School Phase I Renovation and repairs to existing building, classrooms, bathrooms and the construction of a new computer room including electrical installation Treadways, St. Catherine	S. Fisher Metrocon Associates Ltd. Urban Development Corporation	\$9.7M Fixed Price Oct. 1996 6 Months.	100% 8 Months \$9.8M \$339,000	Yes Yes Yes	The management, coordination and supervision were satisfactory. The quality of the work was good, but additional costs were incurred due to fluctuation in materials and labour. The performance of the professionals was satisfactory.	

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<u>MINISTRY OF EDUCATION YOUTH & CULTURE</u> URBAN DEVELOPMENT CORPORATION Comprehensive Rural Township Development Programme III McGrath Comprehensive High School Phase II To construct a new two-storey classroom block and new lavatory block Treadways, St. Catherine	Architect Planner & Associates Ltd. HDB Construction Limited Mrs. S. Bowie	\$22.2M Fixed Price 16.10.97 6 Months	31.1% 2 Months \$6.9M -	Yes Yes Yes	The management and coordination of this project are in order. Site supervision is satisfactory and the quality of the work, to date, is of an acceptable standard. The professionals have so far performed satisfactorily.	
<u>MINISTRY OF ENVIRONMENT & HOUSING</u> MINISTRY OF ENVIRONMENT & HOUSING Greater Portmore Physical Infrastructure Construction of earth and paved drainage system. Greater Portmore, St. Catherine	ADeB Consultants Limited West Indies Home Contractors A DeB Consultant Limited	\$58.4M Negotiated 08-08-96 9½ Months	100% 9 Months \$56.036M \$1.4M	Yes Yes Yes	This project falls under the Physical Infrastructure Works Programme of the Greater Portmore Housing Project. Management, coordination and supervision were of a high standard. The contractor's performance was satisfactory. Project is completed but final account not yet available. Tenders were not invited for this project	

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<u>MINISTRY OF ENVIRONMENT & HOUSING</u> MINISTRY OF ENVIRONMENT & HOUSING Portmore Pines Erection of 670 2-bedroom units & 176 serviced lots Greater Portmore, St. Catherine	NHT WIHCON Ltd. NHT	\$1024.5M Negotiated March 1997 12 Months	75% 9 Months \$888.06M \$11.981M	Yes Yes Yes	Management of this project appears to be good. All units have been erected with 241 completed. Some units have already been taken over by the NHT and distributed to its contributors. The works are of a good quality and should be completed on time and within the contract sum. Tenders were not invited on this project due to client use of the design and build concept for the development. Additional costs of \$11.98M were due mainly to variations in the scope of work.	
Social Infrastructure Ph. III Construction of two basic, one primary and one secondary schools Greater Portmore, St. Catherine	A DeB Consultants Ltd. West Indies Home Contractors (WIHCON) Ministry of Environment & Housing	\$305.4M 23.4.96 21 Months	99.5% 20 Months \$303.72M \$11.757M	Yes Yes Yes	The quality of work is good and the contractor has performed satisfactorily. The value of work done so far conforms with payments disbursed while additional costs of \$11.75M did not result in the overall contract sum being exceeded.	

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MINISTRY OF ENVIRONMENT & HOUSING MINISTRY OF ENVIRONMENT & HOUSING New Era Homes Jamaica Limited Construction of 338 housing solutions and 70 serviced lots as Phase 1 Angels Pen, St. Catherine	Ministry of Environment & Housing New Era Homes Jamaica Limited New Era Homes Jamaica Limited	\$410.738M Negotiated July 1997 2 Years	8% 6 Months Not Known Not Known	N/A N/A N/A	This is a joint venture project between the Ministry of Environment and Housing and the Developers New Era Homes Ja. Ltd. Funding for the project will be provided by the developers and the land by the Ministry of Housing comprising 16.18 hectares. So far the quality of the work has been good.	
NATIONAL HOUSING CORPORATION LTD. Bridgewater Gardens Housing Scheme Construction of 38 3-bedroom semi-detached units and 48 2-bedroom townhouses Discovery Bay, St. Ann	NHC Ltd. Ashtrom Building Systems Ltd. NHC Ltd.	\$193.5M Lump Sum 6.5.96 16 Months	90% 19 Months \$199.11M \$5.61M	Yes Yes Yes	Management and coordination of the activities on site are of an acceptable standard. The quality of work is satisfactory The contractor failed in his efforts to complete the project on time, thereby, incurring additional cost of \$5.61M in the form of fluctuations in materials and labour.	

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<u>MINISTRY OF ENVIRONMENT & HOUSING</u> NATIONAL HOUSING CORPORATION LTD Norwood Settlement Upgrading Construction of roadways, and infrastructural works in an existing squatter community. Montego Bay, St. James	NHC	\$ 88.73 M	86 %	No	In the early stage of the construction activities the contractor complained about the lack of information to facilitate a timely setting out of the works. This was resolved but the contractor himself is having problems getting adequately skilled workmen coupled with a high incidence of theft. Violence and disruption caused by persons occupying lands adjacent to the site has also prevented steady progress. Despite all the above however, the contractor could have performed better. If the NHC was more involved with the project it may have been possible to overcome some difficulties facing the contractor and minimise the delays. Finally, the contractor is yet to extend his insurances and performance bond in accordance with his contractual obligation.	
	Clasford Woolery & Assoc.	Lump Sum	16 Months.	Yes		
	NHC	27-08-96	\$48.53 M	Yes		
		8 Months.	None			
Rosemount/Kerr Jarret Squatter Upgrading Contract A The provision of roads and associated infrastructure to an existing community. Montego Bay, St. James	Arthur Nelson & Associates	\$50.25 M	100 %	Yes	The concerns on this contract have long been the extensive overruns in time and costs associated with it. Some delays were due to the fact that the contractor was working on a site that was settled by squatters. There were also two significant increases in the scope of works, namely the inclusion of the source water supply system and the provision of two reservoirs. Increased rock excavation and inclement weather also added to the protracted delays experienced. Nevertheless, more urgency could have been shown by all concerned to have a more timely completion. The challenges faced by the contractor were such that extension of time is likely to go beyond the one month already granted. Fluctuation is now \$12.6M or 25% of the contract sum while variations and additional works account for \$54.4M or 108% of the contract sum.	
	Ranhom & Associates Ltd.	Lump Sum	34 Months.	Yes		
	NHC	30-08-94	\$116.54 M	Yes		
		12 Months.	\$67.1M			

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MINISTRY OF HEALTH URBAN DEVELOPMENT CORPORATION Health Services Rationalisation Project Kingston Public Hospital Kingston	Alberga Graham Ja.	\$584.0M	5 %	Yes	<p>This contract was signed on April 18, 1997 and work formally commenced on July 1, 1997. Work is behind planned progress, but the contractor is making reasonable efforts to catch up. The quality of work is fair. The contractor has been experiencing labour problems and efforts must be made to ensure that future disruptions do not occur.</p> <p>The contractor has been granted an extension of time because of the Ministry's failure to hand over sections of the site on time. Expenditure to date includes \$ 116.8 m for mobilisation and pre-purchase of materials.</p> <p>The professionals so far are performing satisfactorily.</p>	
	Rizzani De Eccher SPA	Fixed price	6 Months	N/A		
	U.D.C.	01-07-97	\$ 154.75M	Yes		
		21 Months	N/A			
Mandeville Hospital Mandeville, Manchester	McMorris Sibley Robinson	\$654.5M	4%	Yes	<p>This contract was signed on April 18, 1997 and work formally commenced on September 1, 1997. Work is approximately 50% behind planned progress on the non-critical items but on target with the critical items. The quality of work is below expectation.</p> <p>The contractor has signalled his intention to claim for an extension of time due to the late possession of the site.</p> <p>The expenditure to date, includes \$130.9 m for mobilisation and pre-purchase of materials.</p>	
	Rizzani De Eccher	Fixed price	4 Months	N/A		
	U.D.C.	01-09-97	\$161.9M	Yes		
		26 Months.	N/A			

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<u>MINISTRY OF HEALTH</u> URBAN DEVELOPMENT CORPORATION Health Services Rationalisation Project May Pen Hospital May Pen, Clarendon	E. Nadine Isaacs	169.7M	100%	Yes	<p>This project is one of the worst ever monitored by this office. The delays in implementation, the frequent changing of the project team, the change in the Ja.\$ vs the US\$, the realities of the site location, all took their toll. The level and timing of funding of the project was also a problem. All the participants hopefully learned lessons during the four years.</p> <p>Additional costs include \$465.6M for fluctuations, and \$254.5M for other claims paid to the contractor. The payment of \$279M for labour fluctuations and \$132 m for material fluctuations are questionable.</p> <p>Further comments about this project are at Case VII in the 'Special Cases' section of this report.</p>	
	Construction Developers Assoc.	Lump Sum	49 Month	Yes		
	U.D.C.	04-02-93	\$990.7M	Yes		
		33 Months	\$821M			
St. Ann's Bay Hospital St. Ann	E. Nadine Isaacs	\$356.0M	1.52%	Yes	<p>This contract was signed on April 18, 1997 and work formally commenced on August 5, 1997. Work is approximately 50% behind planned progress, but the contractor is making reasonable efforts to catch up. The quality of work is fair. The contractor is beginning to experience labour problems and efforts should be made to ensure that future disruptions do not occur.</p> <p>The expenditure to date includes \$71.2 m for mobilisation and pre-purchase of materials.</p>	
	Rizzani De Eccher	Fixed price	5 Months	N/A		
	U.D.C.	05-08-97 26 Months.	\$ 85.1M N/A	Yes		

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<u>MINISTRY OF INDUSTRY INVESTMENT & COMMERCE</u> Factories Corporation of Jamaica Box Culvert Bridge To construct Box Culvert Bridge 15 metres wide at existing drain crossing to form linkway between Garmex East and Garmex West and to complete roadway 35 metres wide. 76 Marcus Garvey Drive, Kingston 11	None	\$1.8M	55%	-	The project was managed and coordinated satisfactorily. However, the contract had to be terminated due to the non- performance of the contractor. Linked to the volatile nature of the area, there were also labour problems which affected the general progress of the work. Additional costs of \$0.78M were incurred due to a variation in the scope of work. Performance of the professionals on the project has been satisfactory.	
	KEL Construction Management Ltd.	Fixed Price	17 Weeks	Yes		
	Mr. M.A. Downer	14-07-97	\$0.98M	-		
		6 Weeks	\$0.78M			
<u>MINISTRY OF LEGAL AFFAIRS</u> NORMAN MANLEY LAW SCHOOL Norman Manley Law School Alteration and extension of approx. 363 sq. meter UWI Mona Campus	Apec Consultants	\$16M	30%	Yes	Work started on schedule and the contractor has been experiencing steady progress with the quality of workmanship being fairly good. At the present rate the scheduled completion date can be realised but this will be dependent on how soon the University of the West Indies addresses the critical issue of the upgrading of their main electrical distribution panel. Coordination is good among all concerned and management and site supervision effective. The parties to the contract have exhibited a professional approach which is shown in the progress to date.	
	Higgs & Hill Overseas Ltd.	Cost Plus	2 Months	Yes		
	Apec Consultants	06-10-97	\$7.41M	Yes		
		6 Months	None			

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> NORTHERN JAMAICA DEVELOPMENT PROJECT UNIT MLG&W South Gully Project Montego Bay Drainage & Flood Control Sub-project Montego Bay, St James	Stanley Consultants Inc. NH International/Emile Elias J.V. Stanley Consultants Inc.	US\$9.15M Lump Sum 17-05-96 365 Days	63% 563 days US\$6.2M	Yes Yes Yes	This project has not proceeded smoothly and at the end of 1997 work had ceased. A detailed report is at Case VIII on page 13.	
Northern Coastal Highway Improvement Sub-Project Segment I Negril Roundabout to Bogue Westmoreland and St James	Stanley Consultants Inc. Bosung Engineering & Construction Co. Ltd Stanley Consultants Inc.	US\$24.9M or US\$16M + J\$349.5M Lump Sum 23-9-97 2 Years	5% 3 Months J US\$1.6M \$34.95M + None	N/A - Yes	The progress made up to the end of the reporting period has been satisfactory. The contractor, Bosung Engineering & Construction Co. Ltd erected a camp site at the Point Estate, Hanover. The campsite contains living quarters, mess hall, contractor's and resident engineer's construction offices, material laboratory, asphalt and concrete plants and warehousing for the duration of the project. The contractor continues to mobilize equipment and started excavation on the roadway's realignment. Overall, the management and supervision of this project by all the professionals have been satisfactory, however, the acquisition of lands needed for the project could delay the works if urgent steps are not taken to address the situation.	

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MINISTRY OF LOCAL GOVERNMENT & WORKS MINISTRY OF LOCAL GOVERNMENT & WORKS Rural Road Rehabilitation Improvement & Maintenance 'HUB' Programme Contract #19 - Seaman's Valley to Millbank Bushing, cleaning landslip, installing new culverts and drains. Reconstruction of roadway including sub-base, asphaltting roadway Portland	Min. of Local Govt. & Works Build-Rite Construction Ltd. C. Martin	\$44.6M Unit Price 08-08-96 8 Months	100% 12 Months \$54.8M \$10.2M	Yes Yes Yes	The management and coordination of the project were fairly good. The completion of the project could not be achieved due to the inability of the Alligator Church Bridge to support heavy loads thus impeding the delivery of material to part of the site. Site supervision was effective and the quality of the work was of an acceptable standard. Additional costs were due mainly to fluctuations in materials and labour. The performance of the professionals on the project was satisfactory.	
Contract #20 Ecclesdown, Fair Prospect, Dalvey, Duckenfield Bushing, clearing of landslip debris, clearing existing culverts, installing new culverts and drains. Reconstruction of roadways including sub-base and overlay with asphalt. Portland and St. Thomas	None Asphalt Specialists Ltd. C. Martin	\$33.6M Fixed Price 01-07-96 8 Months	100% 13 Months \$39.6M \$5.7M	Yes Yes Yes	The management and coordination of the project by the contractor including site supervision were good. The quality of the work is satisfactory. Additional costs were due entirely to fluctuation in materials and labour. In analyzing the tender process the markup on materials appeared high. If more care had been exercised in purchasing materials the fluctuation could have been minimized. \$5.7M material and labour fluctuation on a contract sum of \$33.6M is considered high. Performance of the professionals on the project was satisfactory.	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Rural Road Rehabilitation Improvement & Maintenance 'HUB' Programme						
Contract #21 Lawrence Tavern-Border Nolan Hill, Cavaliers	None	\$49.9M	100%	Yes	The management and coordination of the project were fair. Site supervision lacked technical and practical experience. The quality of the work was not of a high standard, especially in regard to the drainage along the roadway. Additional cost of \$20.9M was due mainly to material fluctuation of \$13.3M, which seemed high when compared to the accepted tender price list which was submitted The professionals performed reasonably well	
Bushing, clearing landslip, installing new culverts, drains, constructing retaining walls. Reconstruction of roadway including sub-base and asphalt roads.	Build-Rite Construction Co Ltd.	Unit Price	8 Months	Yes		
St. Andrew	C. Martin	08-08-96	\$70.8M	Yes		
		8 Months	\$20.9M			
Contract #22 Airport Roundabout - Port Royal Road	Mr Keith Brown MLG&W	\$42.33M	100%	Yes	Overall management and performance by both the contractor and the Ministry's site personnel was satisfactory. The original construction period was six months but was later revised to eleven months. The delay was due mainly to haulage of aggregate to facilitate upgrading work on the Norman Manley International Airport. Cost of repairs caused by haulage was estimated at \$10M. Only 6 km of the 8.8 km of roadway was completed. the other 2.8 km has been redesigned and funding is being sought to complete that section. Additional cost of \$7.43M is reflective of fluctuation in materials and variations to the scope of the work.	
Civil works	Chin's Construction Co. Ltd	Lump Sum	11Months	Yes		
Kingston	Mr Keith Brown MLG&W	26.08.96	\$49.76M	Yes		
		6 Months	\$7.43M			

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Rural Road Rehabilitation Improvement & Maintenance 'HUB' Programme Contract #23 Papine - Constitution Hill/Bloxborough Extension Resurfacing and civil works St Andrew	Mr Keith Brown MLG&W Dwight's Construction Co. Ltd Mr Keith Brown MLG&W	\$34.70M Lump Sum 06.08.96 8 Months	100% 10 Months \$40.83M \$6.13M	Yes Yes Yes	Overall management and supervision by both the contractor and the Ministry's site personnel was satisfactory. However, some of the work in several sections will experience early deterioration due to poor workmanship. The project was taken over by the Ministry as substantially completed on 26/6/97. The contract was to effect repairs to two roadways, however, only Papine to Constitution Hill was completed. A decision was taken not to proceed with the Bloxborough extension but as can be seen, instead of a reduction, the contract cost increased by \$6.13M.	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Rural Road Rehabilitation Improvement & Maintenance 'HUB' Programme Contract #25 Pear Tree Grove - Palmetto Grove Zion Zion Hill- Woodside; Bluegate - Dry Gully; Jeffrey Town - Pembroke Refurbishing and civil works St. Mary	Mr Keith Brown MLG&W Dwight's Construction Co Ltd Mr. Keith Brown MLG&W	\$44.95M Lump Sum 12.-08-96 10 Months.	95% 16 Months. \$33M \$6.8M	Yes Yes Yes	Although construction was scheduled to commence in August 1996, meaningful work only got started in January 1997. The delays were as a result of tardiness on the part of the contractor and also to inclement weather. The overall quality of the contractor's work seems to be satisfactory. However, it is important that there be better supervision and coordination in order to minimize further slippage. The additional cost of \$6.8M was due to fluctuation in material and labour. Fortunately the original contract sum has not been exceeded.	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>						
MINISTRY OF LOCAL GOVERNMENT & WORKS						
Urban Roads Periodic Maintenance Programme -						
Package #1 Micro surfacing works -	Ministry of Local Government	\$45.7M	100%	Yes	<p>The management and coordination of the project were satisfactory. Site supervision was good and the quality of the work was of an acceptable standard.</p> <p>Micro Surfacing is a new maintenance concept and observation, over time, will be necessary to determine if it stands up to Jamaican conditions</p> <p>Additional costs on the project were due mainly to approved variations.</p> <p>The professionals performed efficiently</p>	
Preparatory works to road surface, upgrading drainage and overlay roadway	Micro Surfacing Limited	Fixed Price	180 Days	Yes		
South West St. Andrew Metcalf Street, Berwick Avenue; Central Avenue; Diagonal Road; Fourth St.; Hopewell Lane; North Avenue; Seaview Ave.; Second Ave.; Sixth St.; Third Ave.	Mr. John Wright	26-5-97	\$40.9M	Yes		
West Central St. Andrew Penwood Road; DeLisser Ave.; Anderson Ave.; Simon Taylor; Browns Road, Collies Road.		90 Days	\$4.8M			

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Urban & Rural Overlay Programme Package #1 - Urban Roads Maintenance Programme Asphaltic concrete overlay works Corporate Area Roads Preparatory and regulatory works, drainage and overlay of approximately 12 km of badly damaged roads on the main network Olympic Way, Molynes Road, Perkins Boulevard, Abberville Road Kingston	David Nick Surrey Paving & Aggregate Co. Ltd. John Wright	\$88.8M Fixed Price Nov.18,1996 24 Weeks	100% 48 Weeks \$97.1M \$19.6M	Yes Yes Yes	The management and coordination of the works were satisfactory and site supervision was good. The quality of the work was also satisfactory. Additional cost was due mainly to variations in the work, this cost was substantially absorbed in the original contract sum. Performance of the professionals was satisfactory.	
MINISTRY OF LOCAL GOVERNMENT & WORKS Asphaltic concrete and overlay works Package #1 including preparatory works, drainage construction and retaining walls Spanish Town to Bog Walk, St. Catherine	Ministry of Local Government & Works General Paving Co. Ltd. Mr. G. Henry	\$59.04M Fixed Price 17-03-97 8 Months	100% 7 Months \$74.3M \$15.26M	Yes Yes Yes	The management and coordination of the project were satisfactorily executed and the site supervision efficient. The quality of the work was of a high standard. Additional costs were due mainly to fluctuations and a variation of \$7.4M. The completion of the project was one month ahead of the schedule date.	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Corporate Area Roads - Asphaltic concrete overlay Package #2 Preparatory and regulatory works to drainage and overlay of roadway with asphalt concrete approximately 9.4km of badly damaged roads Old Hope Road, Knutsford Boulevard Church Street,, Red Hills Road, South Ave. and West Kings House Road					The management and coordination of the works were satisfactorily executed while site supervision was fairly good. The quality of the work was satisfactory. However, the white paint lining and road marking should have been done simultaneously with the paving of the road surface, as this would assist in regulating the flow of traffic. Performance of the professionals was satisfactory.	
	David Nick	\$78M	100%	Yes		
	Surrey Paving & Aggregate Co. Ltd.	Fixed Price	48 Weeks	Yes		
	John Wright	18-11-96	\$77.4M	Yes		
		24 Weeks	\$15.5M			

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS GOJ/CIDA Bridge Development Programme Hector's River Bridge Superstructure work involving decking Portland	MLGW Civil Engineering Projects Ltd. MLGW	\$3.45M Lump Sum 21.10.96 6 Months.	100% 9 Months \$6.91M \$3.47M	Yes Yes Yes	<p>Work on this project was originally started in November 24, 1994, by O.G. Gordon Engineering & Joinery Ltd., and was scheduled to be completed over a six (6) month period. The contract, however, had to be terminated at eleven (11) months into implementation due to the fatal shooting of the contractor</p> <p>The work completed by Mr. O.G. Gordon was valued at \$2.73M from a contract sum of \$5.15M.</p> <p>The remaining portion of the work was retendered and was awarded to Civil Engineering Projects Ltd. in the amount of \$3.4M. Work commenced on October 21, 1996, to be executed in a revised contract period of six (6) months.</p> <p>The final cost of the work was \$6.1M, exceeding the value of the second contract amount by 100%.</p> <p>The project was given substantial completion on July 1, 1997.</p> <p>In our assessment, the project was executed at a total cost of \$9.64M, exceeding the original contract sum by \$4.49M or 87.1%.</p> <p>The level of project management and the quality of site supervision and coordination from both the client and contractor were unsatisfactory. The project manager needed to be firm and practical in addressing issues such as the construction programme and the quality of site personnel provided by the contractor.</p> <p>Variations accounted for 76% of the additional costs at \$2.6M.</p>	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> MINISTRY OF LOCAL GOVERNMENT & WORKS GOJ/CIDA Bridge Development Programme Plantain Garden River Bridge Construction Piling works St. Thomas	MLG&W Tankweld Construction Co Ltd. MLG&W	\$11.31M Lump Sum 22-10-96 10 Months.	70% 14 Months. \$11.12M \$2.2M	Yes Yes Yes	The level of project management and rate of production by the contractor is substantially responsible for the overrun in the scheduled construction time. - To a lesser extent, delays were also due to the relocation of a JPS high tension line. - Flood rain resulted in damage to a crane on site which was left in the river bed. The control survey pegs for the north pier location were washed away but have since been re-established. - The pile driving record for some of the piles for the south abutment and also for the south pier indicated that they had not achieved the required depth therefore, redriving of these piles had to be carried out by the contractor. The Ministry's project manager needs to be firmer with the contractor in the execution of his contractual obligations.	

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MINISTRY OF LOCAL GOVERNMENT WORKS MINISTRY OF LOCAL GOVERNMENT & WORKS GOJ/CIDA Bridge Development Programme Sandy River Bridge	None	\$4.26M	100%	Yes	<p>During the implementation of the project, several problems were experienced due mainly to the following:</p> <ul style="list-style-type: none"> - Poor project management by both the client and the contractor; - Poor performance by the contractor; - Several work stoppages by the contractor due to late payment of certificates by the client; - Vandalism on the site; - The quality of site personnel, consequently, poor coordination and supervision. <p>The poor performance of the contractor suggests that enough was not done at the prequalification stage to determine his financial and organizational strength. Additional costs were due substantially to escalation in the prices of labour and materials.</p> <p>Despite the all-round poor performance on this project, liquidated damages were never charged to the contractor.</p>	
Construction of a 50 ft. Bridge	Islandwide Construction Ltd	Lump Sum	36 Months	Yes		
Temple Hall, St. Andrew	MLGW	16-11-94	\$6.68M	Yes		
		8 Months	\$2.42M			

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MINISTRY OF LOCAL GOVERNMENT & WORKS CLARENDON PARISH COUNCIL May Pen Infirmary Road upgrading, fencing, painting to building, etc. Denbigh, May Pen, Clarendon	Supt. of Roads & Works	\$1.2M	N/A	N/A	The road is now completed at a cost of \$221,000 or \$21,000 above the budgeted sum. The quality of the work done appears to be good and other areas are now being worked on and should be completed by late February or early March 1998. The contract sum is not yet exhausted as other components of the project are not yet completed. It is therefore not possible at this stage to say if there will be an overrun on the estimated contract sum.	
	Several small contractors	Force Account	5 Weeks	N/A		
	Supt. of Roads & Works	Dec. 1997 12 Weeks	\$0.221M -	N/A		
METROPOLITAN PARKS & MARKETS LTD. Renovation of Market 65 Church Street, Kingston	MPM Ltd.	\$6.19M	98%	Yes	This project is almost finished and is in use but the defects liability period of 180 days is yet to be expired. The job could have been completed in July 1997, but a cease work order was served on the contractor by the KSAC because the plans had not been approved by the Council. There is an overrun of \$0.38M or 13.5% above the contract sum attributable to variations. The professionals performed satisfactorily in completing the job.	
	Hydav Construction Co Ltd.	Lump Sum	6 Months	Yes		
	Cost Engineering Consultants Ltd.	1-5-97 3 Months (revised Oct. '97)	\$6.57M \$0.38M	Yes		

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> URBAN DEVELOPMENT CORPORATION St. Catherine Road Repairs - Package II To rehabilitate and upgrade 18.4km of worn roads. Provide suitable base course and asphalt roadway. Construct side drains, culvert, cross drains, catchment basin and retaining wall. Rose Hall, Guy's Hill, St. Catherine	Urban Development Corporation Dwight's Construction Ltd. Mr. Wesley Blake	\$28.7M Fixed Price 13-01-97 9 Months	100% 11 Months \$40.9M \$12.2M	Yes Yes Yes	The management and coordination of the project were not good. Site supervision was fair while the standard of work was not up to expectations Additional costs were due to increased work and fluctuation in materials and labour. Professional performance was acceptable.	
Construction of new roads and upgrading of existing roads Construction of new roads, preparation of sub-base, upgrading existing roadway and overlay asphalt with surface dressing Bybrook, Portland	Mr. K. Mitchell M & M Jamaica Limited Mrs. Maxine Johnson	\$72.9M Fixed Price 04-10-95 10 Months	100% 26 Months \$109.5M \$36.7M	Yes Yes Yes	The management and coordination of this project were satisfactory taking into consideration the inaccessibility of the area. Site supervision and the quality of the work were also satisfactory. This project, which is located in the upper reaches of the Blue Mountains, was problematic in terms of accessibility coupled with inclement weather which affected the asphaltting aspects of the work. Most of the additional costs were due to these factors. The professionals under the circumstances performed creditably.	

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> URBAN DEVELOPMENT CORPORATION Rehabilitation of Roads - Falmouth Duncans, Bounty Hall etc. To prepare worn and eroded asphalted roadway and sub-base, construct side drains, culverts and catch basin, overlay roadways with asphaltic concrete Falmouth, Trelawny	Urban Development Corporation	\$32.6M	100%	Yes	The management and coordination of the project were satisfactory. Site supervision was also satisfactory and the quality of the work was acceptable Additional costs were due mainly to fluctuations in material and labour. Performance of the project manager was good.	
	South Florida Transport & Equipment Corp.	Fixed Price	52 Weeks	Yes		
	Mr. Wesley Blake	10-12-96 36 Weeks	\$38.3M \$.690M	Yes		
Hyslop Avenue to Windward Road Phase I Construction and resurfacing 0.18km access roads including drainage East Kingston	Urban Development Corporation	\$39.4M	100%	Yes	The management and coordination of the work on the project were satisfactory. Site supervision addressed details and the quality of the work which was completed one (1) month ahead of the designated period was also satisfactory. Additional costs were due to variations in the scope of work. Performance of the professionals was satisfactory	
	West Indies Home Contractors Ltd.	Fixed Price	7 Months	Yes		
	Urban Development Corporation	9-04-97 8 Months	\$40.1M \$0.7M	Yes		

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<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> URBAN DEVELOPMENT CORPORATION Rehabilitation of drains - St. Ann's Bay Contract #1 Construction of debris basin inlet to culvert carrying the Negro River across the highway. To improve and pave drains with reinforced concrete block walls. Regrade and resurface roadway St. Ann's Bay, St. Ann	Beckford & Dixon Consulting Engineers	\$36.4M	45%	Yes	Management and coordination of the project have been satisfactory, as well as the site supervision. The progress and quality of work are fair and it should be completed within the contract period. Performance of the professionals appears to be satisfactory.	
	CFC Construction Engineers Ltd.	Fixed Price	17 Weeks	Yes		
	Mr. W. Blake	05-09-97 32 Weeks	\$16.2M -	Yes		
Rehabilitation of Drains, St. Ann's Bay Contract #2 River training works and improvement of drains with reinforced concrete inverts and concrete box walls St. Ann's Bay, St. Ann	Beckford & Dixon Consulting Engineers	\$32.4M	30%	Yes	The management and coordination of the project is satisfactory. Site supervision is good and the quality of the work also satisfactory. There are no additional costs so far. The professionals on this project are performing efficiently.	
	Rollers & Compressors Hireage Ltd.	Fixed Price	5 Months	Yes		
	Mr. W. Blake	29-07-97 8 Months	\$8.7M -	Yes		

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<u>MINISTRY OF NATIONAL SECURITY & JUSTICE</u> MINISTRY OF LOCAL GOVERNMENT & WORKS Lucea Police Station Construction and erection of a new Police Station Lucea, Hanover	Rose Kassa & Associates Townend & Godfrey Brothers Ltd. Ministry of Local Government & Works	\$24.8M Lump sum 28-05-96 8 Months	100% 18 Months \$22.98M \$1.36M	Yes Yes Yes	Work was completed and the station handed over 10 months after the original scheduled completion date. But it was good to see that the contract sum was not exceeded. Weak management and poor planning, by the Ministry of Local Government & Works contributed to the time overruns. Project delays were mainly due to: 1. Untimely release of important information. 2. Untimely payments to contractors. A variation cost of \$1.3M was absorbed in the original contract sum.	
Renovation and construction of the Spanish Town Courthouse Spanish Town, St. Catherine	Lloyd J. Robinson & Associates Qualicon Engineering Co. Ltd. Ministry of Local Government & Works	\$41.9M Lumpsum 26-06-95	98% 30 Months \$59.42M \$16.4M	Yes Yes Yes	Poor management and coordination coupled with a lack of cooperation by the contractor have contributed to the project experiencing a time overrun of sixteen (16) months. Practical completion which should have been achieved on February 23, 1997 was further extended to August 31, 1997. However, this date was not met. The consultants are said to be considering taking action against the contractor by applying the liquidated damages clause. It is not clear why this action has not yet been taken. Additional cost of \$16.4M was due to fluctuations and variations and represents 39% of the contract sum.	

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<u>OFFICE OF THE PRIME MINISTER</u> CARIB ENGINEERING CORPORATION LTD. South Chapleton Water Supply - Contract #2 Supply and installation of pipeline, reservoirs and electro-mechanical equipment North and South Chapleton - Clarendon	N.O. Whyte & Associates	\$86.9M	90%	Yes	Management of this project has been fairly good, but attempts at a timely conclusion of the project have been unsuccessful due to the unforeseen effects of a previous contract (Contract #1 - well drilling contract) which effectively delayed information required for designs to pumps and motors for this project and the subsequent procurement of the items. Practical works were almost completed before the information became available resulting in demobilization by the contractor with a view to resuming the works when the required equipment was procured The quality of work is good.	
	Bacchus Engineering Works Ltd.	Lump Sum	18 Months	Yes		
	Carib Engineering Corporation Ltd. (Mr. D. Wilson)	10.-06- 96	\$36.3M	Yes		
		18 Months	-			
MINISTRY OF LOCAL GOVERNMENT & WORKS Office of the Prime Minister & Cabinet Suite - Phase II Construction of three (3) single-storey and five (5) two-storey buildings Jamaica House, Hope Road, Kingston	Architect Planners & Associates Ltd.	\$121.0M	95%	Yes	Management and coordination of activities on this project by the principal players have been unsatisfactory. Communication between the parties was often poor resulting in unnecessary loss of time. Site supervision by the implementing agency and the quality of work by the contractor have been good. Additional time and cost to date are twelve (12) months and \$28.1M respectively with variations accounting for \$17.3M of this sum. Level of performance displayed by some of the professionals have been disappointing and displayed a lack of urgency.	
	Meridan Construction Co. Ltd.	Lump sum	26 Months	Yes		
	Architect Planners & Associates and MLGW	17-10-.95	\$149.1M	Yes		
		14 Months	\$28.1M			

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OFFICE OF THE PRIME MINISTER NATIONAL HOUSING TRUST Green Pond Housing Development Infrastructure and Housing - Design and build contract for the provision of 1940 housing solutions Montego Bay, St. James	Ashtrom Development Ltd.	\$1.45 B	85 %	Yes	This project is progressing at a rapid pace and the contractor is set to complete works well ahead of the scheduled completion date. Quality of work is good and all challenges thus far encountered have been met with a high level of professionalism. Consultants to the project have all done well and coordination is good in all areas. Barring unforeseen circumstances, this project will be one of the success stories of public sector contracting in 1997. Although expenditure to date is within the contract sum, fluctuation in labour, material and equipment has been substantial and will eventually result in additional costs.	
	Ashdev Ltd.	Design and Build	18 Months.	Yes		
	Allied Business Consultants	June '96	\$ 1.31 B	Yes		
		35 Months.	N/A			
Longville Housing Scheme Erection of 737 housing solutions comprising 221 services lots, 441 studio units and 75 2-bedroom units with related infrastructure Longville, Freetown, Clarendon	NHT	\$441.67M	2%	Yes	This is an infrastructure housing contract including a design component which is now completed. The work on the infrastructure commenced in December and lasted for one week due to election and holidays. A mobilization sum had been requested by the contractor but this is not yet paid because of the contractor's failure to provide the mobilization bond	
	Ashdev Ltd.	Lump Sum	9 Months	Yes		
	NHT	April 1997 29 Months	\$40.5M	No		

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<u>OFFICE OF THE PRIME MINISTER</u> NATIONAL HOUSING TRUST Rosemount Row Houses The provision of 149 two bedroom town houses Montego Bay, St. James	N.H.T C. Woolery & Partners N.H.T	\$98.96M Lump Sum 20-11-95 12 Months.	96 % 24 Months. \$137.13 M \$47.78M	Yes Yes Yes	The progress of this contract was affected by extensive rock excavation, increase in the scope of work, an unsteady labour force and water shortages which so far have resulted in a 12 month delay. Although the overrun could not have been avoided, it could have been less had the contractor been better prepared or had acted quickly to offset some of the delaying factors. Additionally, adequate site supervision was lacking until the latter stages of the contract . Of the expenditures thus far, variations and fluctuation in material and labour were major contributors to the additional cost registered. The quality of work, while acceptable, could have been better.	
Wickie Wackie - Infrastructure Works Bull Bay, St. Andrew	NHT M & M Engineers Ltd. NHT	\$92.64M Revised Lump Sum Nov. 1995 29 Months Revised	90% 28 Months \$80.9M -	Yes Yes Yes	Redesigning of the development to increase housing solutions has resulted in variations to the sewage treatment plant and disposal systems, water supply and storm water drains of this infrastructure works contract. Environmental Impact Assessment was also undertaken but opposition to the high density development and other matters in the report were raised by citizens in adjoining communities at a November meeting with NRCA, NHT and NWC. The cost and duration of the contract were revised to \$92.64M and 29 months respectively. Although the project is said to be practically completed, work on drains and road repairs are still outstanding.	

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<p><u>OFFICE OF THE PRIME MINISTER</u></p> <p>URBAN DEVELOPMENT CORPORATION AND NATIONAL HOUSING TRUST</p> <p>Manley Meadows Housing Development</p> <p>Construction of 1068 studio units, 88 2-bedroom duplexes and related infrastructure</p> <p>Bellevue Lands Windward Road, Kingston 2</p>	<p>A de B Consultants</p> <p>WIHCON Ltd.</p> <p>UDC</p>	<p>\$797.25M</p> <p>Negotiated</p> <p>January 1997</p> <p>68 Weeks</p>	<p>66%</p> <p>52 Weeks</p> <p>\$572.23M</p> <p>\$30.62M</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Management of this project has been good. The quality of the work is also of a good standard. The project should be completed in the time specified.</p> <p>The additional cost of \$30.6M was due to material fluctuations and represents 3.8% of the contract sum.</p> <p>Performance of the professionals has been satisfactory.</p>	
<p>URBAN DEVELOPMENT CORPORATION</p> <p>Ewarton Secondary School</p> <p>Repairs, alterations and extension to school</p> <p>Ewarton, St. Catherine</p>	<p>APEC Consultants Ltd.</p> <p>Ancar Development & Construction Co. Ltd.</p> <p>UDC (Mrs. S. Bowie)</p>	<p>\$17.6M</p> <p>Lump sum</p> <p>08-07-97</p> <p>12 Months</p>	<p>53%</p> <p>5 Months</p> <p>\$9.0M</p> <p>-</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Implementation of the project was undertaken without an evaluation prior to the "Invitation to tender" stage. This resulted in changes in the scope of work and additional cost to areas of refurbishing.</p> <p>Management, although fairly good needs to be more efficient in the coordination of activities as there seems to be delays in some of the decision-making processes.</p> <p>The contractor is making fairly good progress although his management of site activities could be improved.</p> <p>The professionals are so far performing satisfactorily.</p>	

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<u>OFFICE OF THE PRIME MINISTER</u> URBAN DEVELOPMENT CORPORATION Comprehensive Rural Township Development Programme III Ferncourt High School Classroom Extension and works to existing building Claremont, St. Ann	Urban Development Corporation	\$8.98M	70%	Yes	This project seems to be progressing at a satisfactory pace with adequate management and site supervision. The quality of work is satisfactory and coordination between the consultants and the contractor seems adequate. If the project continues at the current pace it should be completed before or on schedule.	
	Striders Building & Joinery Ltd.	Lump Sum	20 Weeks	Yes		
	Urban Development Corporation (Mrs Bowie)	18-07-97	\$5.60M	Yes		
		36 Weeks	-			
Garvey Maceo High School Refurbishing and extension to existing buildings Vernamfield, Clarendon	Calvin A. Roach & Associates	\$17.5M	57%	Yes	This project, from the start, experienced problems due to the contractor's inability to provide adequate staffing and supervision for the site, resulting in stoppages to the works. Poor coordination of activities and insufficient material supply were also detrimental to the timely completion of the project. As a result of the continual poor performance, the agency has issued a letter threatening determination of the contract.	
	W.G. Anderson	Lump sum	11 Months	Yes		
	Urban Development Corporation (Mr. Gene Shaw)	08-01-97	\$10.57M	Yes		
		9 Months	-			

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<u>OFFICE OF THE PRIME MINISTER</u> URBAN DEVELOPMENT CORPORATION Comprehensive Rural Township Development Programme III Montego Bay Secondary School Renovation and upgrading of the structure Montego Bay, St. James	J. Gregory Saunders & Associates Ltd. Chris Spauldings & Associates Urban Development Corporation	\$13.0M Lump sum 11-06-97 9 Months	80% 6 Months \$11.27M \$0.6M	Yes Yes Yes	This project although progressing at a fairly good pace could have done better if some of the decision making processes had not taken so long. The site supervision was good as was the quality of work in most areas with the exception of the paint work and floor screeding done by subcontractors. The project was stopped by the UDC for approximately two (2) weeks in December, 1997, due to budgetary constraints, but it is still within the contract period and should continue in this manner to completion.	
Tackey Comprehensive High School Construction of a new three-storey building and refurbishing of existing building Gayle, St. Mary	APEC Consultants S.C. Cox & Brothers Ltd. Urban Development Corporation (Mrs. S. Bowie)	\$17.27M Lump sum 17-07-97 8 Months	60% 5 Months \$7.38M \$0.196M	Yes Yes Yes	This project experienced delays at the outset which could result in an increase to the contract sum. For example:- 1. The building had to be re-located due to its proximity to a subterranean concrete box drain 2. Refurbishing works were more extensive than expected. 3. No provision in Bills of Quantities for electrical works for areas to be refurbished. Management and coordination between agency and consultants could be better.	

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2. EXECUTING AGENCY	CONSULTANT	2. TYPE	2. TIME ELAPSED	2. T.C.C.		
3. PROJECT NAME, DESCRIPTION	2. CONTRACTOR	3. START DATE	3. COSTS TO DATE	3. MOBI -		
4. LOCATION	3. PROJECT MGR.	4. PERIOD	4. ADDITIONAL COSTS	LISATION		
OFFICE OF THE PRIME MINISTER URBAN DEVELOPMENT CORPORATION Savanna-la-mar Drains Contract #3 Savanna-la-mar, Westmoreland	Fisher Pryce & Associates	\$33.83M	100%	Yes	<p>Management of this project was fair, but the cost was seriously affected by the nearly two years between the opening of tenders in April 1994 and contract signing in February 1996.</p> <p>Site supervision and the quality of work were good</p> <p>The additional cost of approximately \$32.8M was incurred as a result of :-</p> <ul style="list-style-type: none"> - \$12.61M - negotiation of fluctuations which occurred between the award and signing of the contract. - \$ 9.11M - changes to scope of work - \$ 5.09M - variations - \$ 5.97M - material/labour fluctuations <p>Performance of the professionals could have been better with more effective coordination of activities.</p>	
	Tank-Weld Construction Co. Ltd.	Lump sum	74 Weeks	Yes		
	Urban Development Corporation (Mr. Wesley Blake)	25-03-96	\$66.64M	Yes		
		52 Weeks	\$32.80M			
Savanna-la-mar Drainage Contract #2 Savanna-la-mar, Westmoreland	Fisher Pryce & Associates	\$37.88M	22%	Yes	<p>This contract was determined on June 9, 1997, subsequent to the contractor's continual poor performance which is reflected by:-</p> <ul style="list-style-type: none"> - poor coordination of activities - inadequate staffing - inconsistent and poor progress; and - the use of poor quality materials <p>Subsequently, four (4) contractors were selected and invited to tender on the remaining works. One (1) tenderer, Tankweld Construction Co. Ltd, returned the document which is now being evaluated.</p>	
	W.G. Walters Construction Co. Ltd	Lump Sum	70 Weeks	Yes		
	Urban Development Corporation (Mr Wesley Blake)	18-03-96	\$22.9M	Yes		
		66 Weeks	-			

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OFFICE OF THE PRIME MINISTER URBAN DEVELOPMENT CORPORATION Lionel Town Drains #2 and #3 Construction of storm water drains Lionel Town, Clarendon	Beckford & Dixon Ltd.	\$29.98M	98%	Yes	Project management was satisfactory up to July 1997 when the project was 85% completed. Subsequent to this however, the contractor's performance deteriorated resulting in a considerable slowing down of the works and at December 1997 the project was approximately 98% completed with restoration to some properties still outstanding. The quality of the work, in general, was good and despite the delays, costs were kept within the contract sum. Regrettably, laxities on the part of the professionals in the latter stages of the contract have resulted in the project being incomplete at the end of the reporting period.	
	South Florida Transport & Equipment Corporation	Lump sum	61 Weeks	Yes		
	Urban Development Corporation - (Mr. W. Blake)	28-10-96	\$28.2M	Yes		
		52 Week	N/A			
Rehabilitation/Upgrading of worn and eroded asphalted roadways New Forest/Epping Forest to Morningside St. Elizabeth	Urban Development Corporation	\$22.3M	100%	Yes	Management and coordination of this project by the parties involved, were good. Site supervision and the quality of work were also good, leading to the timely completion of the project. Additional cost of \$5.4M or 24.5% of the contract sum was due to fluctuations in material and labour and variations. This sum could have been less if a current valuation or more thorough surveys had been carried out prior to the issuing of the invitation to tender.	
	D.R. Foote Construction Co. Ltd.	Lump sum	40 Weeks	Yes		
	Urban Development Corporation	10-03-97	\$27.8M	Yes		
		40 Weeks	\$5.47M			

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> AIRPORTS AUTHORITY OF JAMAICA Airport Reform and Improvement Programme Norman Manley International Airport Rehabilitation of runway, taxiways and pavement works Kingston	E.D.M. Consultants Cubiertas y Fomento N.P. Saulter	\$18.4M (U.S) Fixed Price 11-09-96 13 Months	40% 13 Months \$27,300 (U.S.) None	 Yes Yes	Progress has been hampered by the poor management and coordination of this project. Lack of proper site supervision initially resulted in the poor quality of work having to be extensively remedied. Aggregate imported did not meet the requirements expected due to contamination. A local source has now been identified where the supply and quality of the aggregate is said to be suitable for completing the project. The question which remains unanswered is why this source was not identified prior to the importation of aggregate from Canada?	
Norman Manley International Airport To refurbish and upgrade existing bathroom facilities Kingston	Rivi Gardner & Associates Ltd. Concorde Engineering Ltd. Mrs. Winsome Strachan	\$17.2M Fixed Price 15-09-97 3 Months	64% 3 Months \$10.7M -	Yes Yes Yes	The management and coordination of the project have been satisfactory. Although work is being done within a restricted area it has not affected the operations of the airport. Supervision and the quality of work has been good. The performance of the professionals on the project has also been satisfactory.	

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> AIRPORT S AUTHORITY OF JAMAICA Airport Reform & Improvement Programme Sangster International Airport Emergency repairs to the roof of the Main Terminal Building, Montego Bay, St. James	None Economic Maintenance Products Ltd Mr. H. Barrett	\$2.2M Fixed Price 26-11-96 3 Months	100% 6 Months \$4.2M \$2.0M	Yes Yes Yes	Management and coordination of the project were good, site supervision was also good and the quality of the work satisfactory. Additional costs were due to repairs undertaken on an adjacent roof which was covered by a variation order. This resulted in a 3 month extension in time. Performance of the professionals was satisfactory.	
Carib Engineering Corporation Ltd. Lucea/Negril Water Supply Potable Water Supply and Distribution Works, associated works including booster pumping stations and storage tanks Lucea/Negril and environs Hanover/Westmoreland	DHV(Int.) U.K. Ltd. Kiev International Ltd. Carib Engineering Corporation Ltd.	JS\$160.9M US\$10.03M Lump Sum 27-11-96 16 Months	57% 13 Months JS\$68.6M US\$6.6M	Yes Yes Yes	At the outset this project experienced difficulties, as the ship transporting the initial shipment of pipes sank at sea. Other delaying factors were : - numerous incidents of civil commotion - increased rock excavation due to the rerouting of the pipeline - land acquisition - untimely decision-making by the consultants - untimely payment of certificates to the contractor The management team of both the consultants and contractor are apparently unable to avoid delays occurring on the project	

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> CARIBBEAN ENGINEERING CORPORATION LTD. Access road and tank base Construction of 9,200m access road, retaining wall, tank base, plinths and all other necessary works. Installation of D.I. Transmission and Distribution Pipes. Lluidas Vale, St. Catherine	Jentech Consultants Ltd. Graves Mid-Island Construction Co Ltd Mr. Audley Thompson	\$9.84M Lump sum 20-01-97 4 Months	95% 12 Months \$9.77M \$0.76M	Yes Yes Yes	The project commenced on January 20, 1997 and was scheduled to be completed on May 20, 1997, a contract period of four (4) months. The contractor applied for and was granted five (5) weeks extension of time for a completion date of June 24, 1997. This date was not realized. At the time of reporting the project was six (6) months behind schedule and approximately 95% completed. The reported delays in completion are as a result of the inability of the contractor to effectively manage the project coupled with problems associated with his labour force and a change in the scope of work in the form of a variation order for \$0.76M. It is anticipated that completion will be about the end of February, 1998.	

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> JAMAICA PUBLIC SERVICE CO. LTD. Electricity System Rehabilitation Improvement - TL2 Bogue - Orange Bay 138/69kv Bogue - St. James to Orange Bay - Hanover	Acres International ABB Sveca Sade Jamaica Public Service Co Ltd.	US\$1.45M J\$27.89M Lump sum 6.3.95 12 Months	100% 25 Months US\$1.76M J\$53.02M US\$32M J\$25.13M	Yes Yes Yes	Substantial completion was granted by the consultant and a notice of completion certificate issued. There has been a significant increase in the contract price from that which was signed twenty-five (25) months ago, 22.12% in United States Dollars and 90% in Jamaican Dollars. These adjustments were mainly due to: (a) variations (b) escalation A further 40.89% was added for land administration and easement settlement with land owners, this amounts to J\$11.40M. Problems experienced during the implementation stage included: (a) settlement and easement (b) relocation of pole lines (c) modification of foundations (d) redesign of foundations Extension of time of over two hundred and eighty-five (285) days was granted. Management and coordination were fair, however, some of the problems experienced could have been minimized if more careful planning had been done and stronger measures taken to ensure that the contractor complied with the instructions issued.	

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> JAMAICA PUBLIC SERVICE Co LTD. (JPSCO) Wood\Steel Poles 69kv TL-3 Duhaney - Constant Spring Bogue - Queens Drive Lower White River - Ocho Rios	 Acres International ABB Sveca Sade Boris McIntosh - JPSCo	 US\$3.53M & J\$17.96M Lump sum 06-02-95 9 Months	 100% 26 Months US\$2.71M & J\$23.19M J\$17.79M	 Yes Yes Yes	 Substantial completion of the project was achieved on April 16, 1997 and certified by JPSCo. The original contract sum was adjusted to accommodate the inclusion of two (2) major lines that had originally been left out, these are : a) Duhaney - Constant Spring b) Duhaney - Washington Boulevard This was the main reason for the additional cost incurred and the breakdown is as follows: Escalation - \$ 7,478,397.83 Variations - \$ 5,520,349.47 Land Purchase and Easement - \$ 4,795,352.42 J\$17,794,099.72 Problems experienced had to do with easement, late delivery of materials, redesigning, relocation due to impediments, incompleteness of access roads, bad weather conditions, environmental encroachments and remodification of tower footings and foundations. Extension of time in excess of 174 days was granted to the contractor. However, if management and coordination had been better some of the problems experienced could have been avoided	

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MINISTRY OF PUBLIC UTILITIES & TRANSPORT JAMAICA PUBLIC SERVICE CO. (JPSCo) Parnassus/Spur Tree\Kendal 138kv Transmission Line - TL4 Manchester/Clarendon	 <					

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> METROPOLITAN MANAGEMENT HOLDINGS LIMITED Ashenheim Road Bus Depot Contract #1 The construction of approximately 800 sq. metres of structural steel buildings and assorted works and drains. Ashenheim Road, Kingston	Jentech Consultants Ltd. Pipe and Tank Erection Ltd. Dr. A. Fletcher	\$48.5M Lump sum 24-03-97 4 Months	100% 9 Months \$49.0M \$3.52M	Yes Yes Yes	This contract was awarded to Pipe & Tank Erection Ltd..in the sum of \$48.5M to be completed on July 21, 1997. The contractor applied for and was granted extension of time for a completion date of August 31, 1997. Prior to that date a variation order in the sum of \$3.5M for the construction of a gate house and generator room were added to the contract. Practical completion was certified on December 3, 1997 and the facility declared opened on December 15, 1997. The management and coordination of the project were acceptable and the quality of work good. The professionals on this project performed creditably bearing in mind the nature of the area.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBI - LISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> METROPOLITAN MANAGEMENT TRANSPORT HOLDINGS LTD. Civil Works, Bus Depot The construction of reinforced concrete paved area, security boundary walls, sewage and water installation Ashenheim Road, Kingston	Jentech Consultants Ltd. Jamaica Pre-Mix Limited Dr. A. Fletcher	\$23.89M Lump sum 1.4.97 2 Months	100% 3 Months \$23.1M None	Yes Yes Yes	The agreement was signed on March 7, 1997 and the works commenced April 1, 1997 to be completed June 28, 1997. Following a period of delays the project was completed on August 8, 1997, five (5) weeks after the projected completion date. The reported delay was as a result of the late submission by Texaco of the design for a filling station to be erected on site by them. The management, coordination and supervision of the project were carried out at an acceptable standard and the quality of work good. Despite the time overrun, no additional costs were incurred. Unfortunately however, the contract procedures suffered from the private opening of tenders and from a contractor being selected who was not on the list of approved public sector contractors.	
NATIONAL WATER COMMISSION Dornoch Water Supply Treatment Plant Repairs to Access Bridge To effect major repairs and cleaning to existing bridge Dornoch, Trelawny	None Arche Construction & Equipment Co. Ltd. Mr. Walter Bygrave	\$0.74M Lump sum 25-03-97 4 Weeks	100% 9 Weeks \$0.74M None	Yes Yes Yes	The agreement was signed 4 th February, 1997 and work commenced on the 26 th March, 1997 to be completed on the 23 ^d April, 1997, a construction period of four (4) weeks. After a short delay, certificate of completion was issued 30 th May, 1997 five (5) weeks after the projected completion date. The project was completed within budget and the quality of work was satisfactory.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> NATIONAL WATER COMMISSION Dornoch Water Supply Treatment Plant - Repairs to Attendants' Quarters To effect repairs and painting of building, also the installation of kitchen cupboards and toilet fixtures Dornoch, Trelawny	None	\$0.49M	100%	Yes	The agreement was signed on the 21 st January, 1997 and works commenced on 10 th March to be completed on the 9 May, a construction period of two (2) months. After a short delay completion was achieved on 30 th June, 1997. The contract sum moved from \$0.459 to \$0.512M an increase of \$52,544.96 or 11.4%. This was due to a variation in the scope of work. The management, coordination and supervision were satisfactory and the quality of work good.	
	Seivwright Building Supplies Ltd.	Lump sum	16 Weeks	Yes		
	Mr. Walter Bygrave	10-03-97	\$0.51M	Yes		
		9 Weeks	\$0.52M			
Bulstrode Water Supply Pipeline The construction of 1.95 miles (3.14km) of 6" and 4" diameter pipelines and associated appurtenances Bulstrode, Westmoreland	None	\$5.36M	100%	Yes	The work commenced on the 20 th May, 1997 to be completed on the 26 th September, 1997, a construction period of four (4) months. However, the project was actually completed on the 24 th November, 1997, two (2) months after the projected completion date. Certificate of Completion has been issued and the maintenance period is in effect. Although the project has experienced delays, management and coordination have been satisfactory and the quality of work good	
	Bacchus Engineering Works Ltd.	Lump sum	6 Months	Yes		
	Mr. Walter Bygrave	20-05-97	\$5.49M	Yes		
		4 Months	\$0.14M			

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> NATIONAL WATER COMMISSION Bulstrode Water Supply Extension Contract PI The construction of 1.75 miles (2.82km) of 8" & 10" diameter PVC Pipeline and associated pipeline appurtenances. Bulstrode, Westmoreland	None T.A. Morgan Construction Co. Ltd. Mr. Walter Bygrave	\$6.23M Lump sum 26-05-97 4 Months	100% 6 Months \$5.99M None	Yes Yes Yes	The project commenced on the 26 th May, 1997 to be completed on the 26 th September, 1997, a construction period of four (4) months. There was a delay and it was not completed until the 24 th November, 1997, two (2) months after the projected completion date The delay was as a result of problems associated with labour on site and as a consequence nine (9) days were lost. However, the quality of work is good The job's final cost of \$6.0M is approximately 4% less than the original contract sum of \$6.2M.	
Montego Bay Sewerage and Sewage Treatment Works Construction of sewer lines, rising force mains, pumping stations and oxidation ponds Montego Bay, St. James	DHV International (UK) Ltd Rizzani de Eccher\CCC JV DHV International (UK) Ltd\NWC	J\$171.95M +US\$13.67M 15-01-96 730 Days	70% 702 Days J\$137.1M +US\$9.6M	Yes - Yes	Management and coordination on this project by contractor and consultants are commendable. Despite interruptions the project has progressed at a satisfactory pace and most areas of work, with the exception of the ponds, are on target. Site supervision and the quality of work are good. Extension of time requested by the contractor is now being evaluated by the consultants. Approximately 70% of the contracted works has now been completed and 75% of the contract sum expended.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

BASIC INFORMATION		CONTRACT INFORMATION			COMMENTS ON ANY RELEVANT ISSUE	
1. CLIENT MINISTRY 2. EXECUTING AGENCY 3. PROJECT NAME, DESCRIPTION 4. LOCATION	1. LEAD CONSULTANT 2. CONTRACTOR 3. PROJECT MGR.	1. SUM 2. TYPE 3. START DATE 4. PERIOD	1. % EXECUTED 2. TIME ELAPSED 3. COSTS TO DATE 4. ADDITIONAL COSTS	1. SECURITIES 2. T.C.C. 3. MOBILISATION	MANAGEMENT CO-ORDINATION SITE SUPERVISION	QUALITY OF WORK ADDITIONAL COSTS PERFORMANCE OF PROFESSIONALS
<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> NATIONAL WATER COMMISSION Reinforced concrete Reservoir The construction of a 10,000 gallon reinforced concrete reservoir and 1,125 ft. of access road. Newell/Newcombe Valley, St. Elizabeth	A & P Consultants Ltd.	\$4.82M	60%	Yes	The project has been poorly managed. It has suffered from inadequate resources which resulted in a deterioration in the quality of the work. The work was subsequently suspended pending investigation and submission of a report by an independent consultant. This was carried out on September 2, 1997. During the process the contractor applied for and was granted seventeen (17) weeks extension of time. The project which should have been completed in June 1997, at the time of reporting was approximately 60% completed with the completion date still to be determined.	
	Donald Lewis Construction Co. Ltd.	Lump Sum	12 Months	Yes		
	Mr. Walter Bygrave	10-12-96 6 Months	\$3.34M	Yes		
Installation of Transmission Pipe Lines The laying of 1328 metres of 400mm Ductile Iron Pipeline and appurtunances. Ocho Rios, St. Ann	None	\$4.45M	99%	Yes	The agreement was signed on the 3 rd September, 1997 and works commenced on the 2 nd October, 1997 to be completed on the 26 th November, 1997, a contract period of eight (8) weeks. At the time of reporting the work was 99% complete. It is anticipated that completion will be around the end of January, 1998. The delay in completion was as a result of the excessive amount of rocks encountered during the excavation of the trenches. Although the project has experienced delays, the management and coordination have been adequate and the quality of work good.	
	H.S.A. Limited	Lump sum	12 Weeks	Yes		
	Mr. Walter Bygrave	03-10-97 8 Weeks	\$4.44M None	Yes		

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MINISTRY OF PUBLIC UTILITIES & TRANSPORT NATIONAL WATER COMMISSION Ocho Rios Waste Water Project The construction of a sewerage treatment plant and disposal system. Ocho Rios, St. Ann	Witteveen+Bos Consulting Engineers Cubiertas y Fomento Mr. Walter Bygrave	\$329.25M Bills of Quantities 19-09-94 24 Months	90% 39 Months \$398M \$68.7M	Yes Yes Yes	The project commenced September 18, 1994, for completion on September 19, 1996 a contract period of two (2) years. The project is presently behind schedule by fifteen (15) months, with completion at approximately 90% The contractor was granted an extension of time to January 15, 1997. This extension period has been exceeded and liquidated damages are being applied. Several completion dates have been mentioned with the latest being the end of March 1998. None of the earlier dates have been achieved and there is uncertainty with the latest proposed date due to the amount of works remaining to be done. The contractor has shown a lack of urgency on the project with the constant pulling out of senior supervisors and major plant and equipment. The general consensus is that the contractor's performance and attitude on the project are unsatisfactory. He is not adhering to specifications, or supplying performance programmes and method statements on a timely basis for approval; and persists in displaying high levels of inefficiency and negligence. Additional costs of \$68.7M were due to fluctuations in materials and labour along with variations. The professionals performed satisfactorily.	

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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MINISTRY OF PUBLIC UTILITIES & TRANSPORT NATIONAL WATER COMMISSION Negril Waste Water Project The construction of a sewerage treatment plant and disposal system Negril, Westmoreland	Witteveen & Bos	\$580.6M	94%	Yes	This project commenced September 19, 1994, to be completed September 18, 1996, a contract period of two (2) years, the completion date was not realized. The contractor applied for and was granted an extension of time to January 31, 1997, this was further extended to March 31, 1997. This date was not realized and as a result the liquidated damages clause was applied. The contractor is now suggesting that completion could be in March 1998, but in the opinion of the consultants this date is unrealistic and not achievable based on the quantum of work remaining to be done. It appears that the contractor is not adhering to the contract specifications due to the frequency with which equipment already installed has had to be replaced and the constant reminders he has received on the need to observe the required specifications.	
	Cubiertas y MZOV S.A.	Bills of Quantities	39 Months	Yes		
	Mr. Walter Bygrave	19-09-94	\$660M	Yes		
		24 Months	\$167M			
PORT AUTHORITY OF JAMAICA LIMITED Montego Bay Free Zone Construction of a 5450 sq. meter. single-storey factory building consisting of structural steel frame, aluminium roof sheeting reinforced block walls and concrete floor slabs St. James	Harold Simpson & Associates	\$44.2M	100%	Yes	The management and coordination of the project were satisfactorily executed. Site supervision and the quality of the work were both of an acceptable standard. The initial planning of the project was not completed, resulting in modifications to the structural section of the building which necessitated the issuing of a variation order which contributed greatly to the massive cost overrun The performance of the professionals was satisfactory..	
	Global Construction Co. Ltd.	Fixed Price	19 months	Yes		
	Port Authority of Jamaica Ltd.	13-05-96	\$71.0M	Yes		
		9 months	\$26.8M			

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u> RURAL ELECTRIFICATION PROGRAMME Rural Electrification Programme V Phase " " (Labour only) Construction of 243 km. of 13.8kv single phase distribution lines and the wiring of approximately 3,000 houses Western Parishes	Manitoba Hydro 1.General Const. Ltd. 2..Electrical Partners Ltd. 3. General Const. Ltd. 4..Pneumatron Ltd. 5. Mohan & Sons 6. Elec.Partners Ltd. 7. I.E. Young & Assocs. 8. C & B. Elec. Contractors 9. Faulknors Pole Line Const.Ltd 10.Faulknors Pole Line Constr. Ltd. C. Dawkins REP	\$14.04M \$1.34M \$1.54M \$1.47M \$1.66M \$1.29M \$1.48M \$1.53M \$1.19M \$1.24M \$1.26M <u>\$14.04M</u> Fixed Price March/April 1996 150 days	100% 427 Days \$11.84M N/A	Yes Yes No	Management of the project was poor and failed to adhere to the conditions of the contract which dealt with extension of time and liquidated damages. The Pole Line Labour Only Contract suffered delays due to the late delivery of pole line insulators and problems experienced in the initial setting up of poles. The project which was not completed within the scheduled time had a total overrun in time of 277 days or 184.67%. These overruns were mainly due to the lack of experience by the contractors in carrying out the works and lack of adequate material resources on site. The Rural Electrification Programme in the future needs to pay closer attention to the management and coordination of projects in order to achieve the designated results.	

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<u>MINISTRY OF PUBLIC UTILITIES & TRANSPORT</u>					<p>Management and coordination of the project were fair. The project has progressed steadily although it was hampered by the unavailability of critical materials which were held up on the wharf for over Sixty (60) days.</p> <p>The project has incurred an additional cost of \$2.01M or approximately 6.15% of the original contract sum, which was unplanned</p>	
RURAL ELECTRIFICATION PROGRAMME						
Rural Electrification Programme V Phase "B" (labour only)	Manitoba Hydro	\$32.67M	97% (Average)	Yes		
Construction of 230 km of 13.8kv single phase distribution lines and wiring of approximately 3,000 houses.	1.Kedron Elec.	\$3.83M	132 Days	Yes		
Eastern/Central Parishes	2.Y.P. Seaton	\$3.66M	\$33.88M	No		
	3.St.Mary Elec.	\$3.28M	\$2.01M			
	4.Pneumatron	\$2.99M				
	5.R.O.Walters	\$3.37M				
	6.W&R Constrc.	\$3.16M				
	7.Emerg.Servs.Ltd	\$3.80M				
	8.I.E. Young	\$2.88M				
	9.Dixon & Asscs.	\$2.59M				
	10.Gen. Constrc.	\$3.11M \$32.67M Fixed Price				
	Clifton Dawkins Rural Electrification Programme	11-04-96 180 Days				

POST-CONTRACT ACTIVITIES AS AT DECEMBER 1997

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<u>MINISTRY OF FINANCE & PLANNING</u> MINISTRY OF LOCAL GOVERNMENT & WORKS May Pen Revenue Services Building May Pen, Clarendon	Ministry of Local Government & Works	\$73.49M	25%	Yes	<p>The problems of squatting and thuggery have hampered the progress of this project.</p> <p>The contractor to date does not have full access to the site due to squatters and the inability of the Ministry to remove them.</p> <p>The recruiting of adequate and skilled workers has also been a problem for the contractor due to the pressure applied forcing him to employ so called 'local' labour.</p> <p>Additional cost of \$0.88M is due mainly to variations to the scope of work</p>	
	Alval Limited	Lump sum	8 Months	Yes		
	Ministry of Local Government & Works	19-05-97	\$19.89M	Yes		
		18 Months	\$0.889M			
New Office Building for the Ministry of Finance Erection of an eight-storey Office Building 30 National Heroes Circle, Kingston 4	Paul Thorbourne Associates	\$232.9M	30%	Yes	<p>This project at the outset did not progress at the required pace, but has since accelerated and is now progressing satisfactorily.</p> <p>Management and coordination of activities have been fairly good and the quality of work good.</p> <p>The performance of the professionals, thus far, has been acceptable. Management should ensure that the contractor maintains his present work progress and possibly improves to ensure a reasonable completion time.</p>	
	CFC Construction	Lump sum	12 Months	Yes		
	Paul Thorbourne/ Ministry of Local Government & Works	06-01-97	\$125.4M	Yes		
		18 Months	\$5.3M			

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SUMMARY CHARTS

The following charts relate to sixty-two (62) projects which were deemed (for the purpose of analysis) complete; and is based on information available to the office at the time of compilation of the report. In compiling, reducing and presenting these charts, a few assumptions were made and therefore must be stated:

1. Criteria for selection

It was decided to include all projects which achieved a minimum of 95% completion at the end of the reporting period. The rationale being that at this level of completion, there should not have been any significant changes in cost and time overrun when the project was finally completed with the accepted final account.

2. Contract periods.

Where the time for completion of the works was stated, the basis for analysis was months, in other instances, where days and weeks were used, they were converted to months on the following basis:

Days were assumed to be calendar days

Seven days are equal to one week

Four weeks are equal to one month.

ADDITIONAL TIME

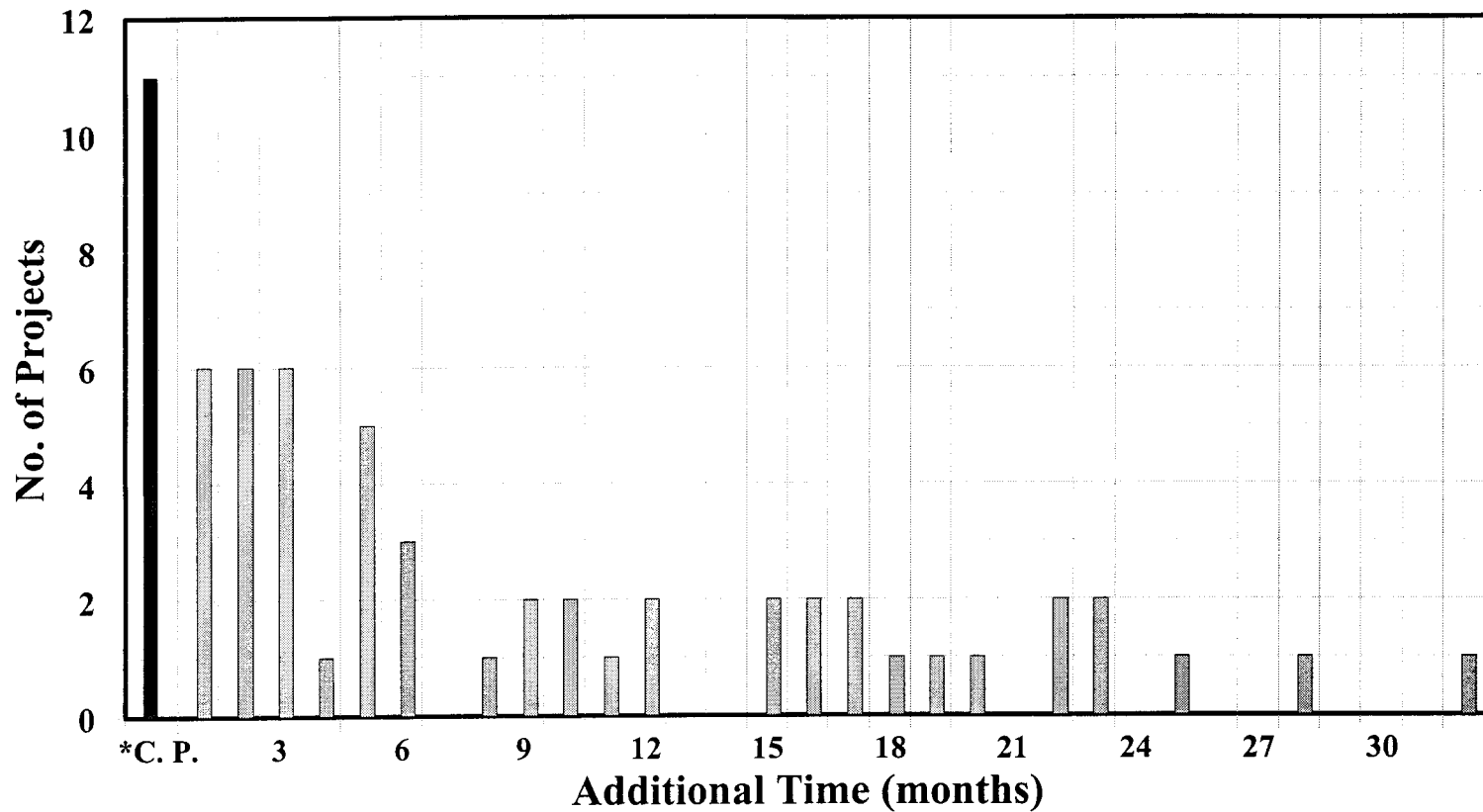
The additional time was determined by subtracting the original completion time from the total time elapsed.

There were a total of eleven projects which were "completed" within the stated time for completion; this group is shown as "C.P." on the chart "Additional Time"

ADDITIONAL COSTS

Additional Costs were determined by subtracting the signed contract sum from the total expenditure to date. The chart shows that thirty-three of the sixty-two projects being analysed (53.23%) had no additional costs, at the time of reporting. It must be noted however, that it is not unusual for the final account to reflect changes in this position.

Additional Time For Construction Projects



*C.P. - Original Contract
Period

Chart shows projects monitored which achieved a minimum of 95% completion as at December 31, 1997

Additional Costs For Construction Projects

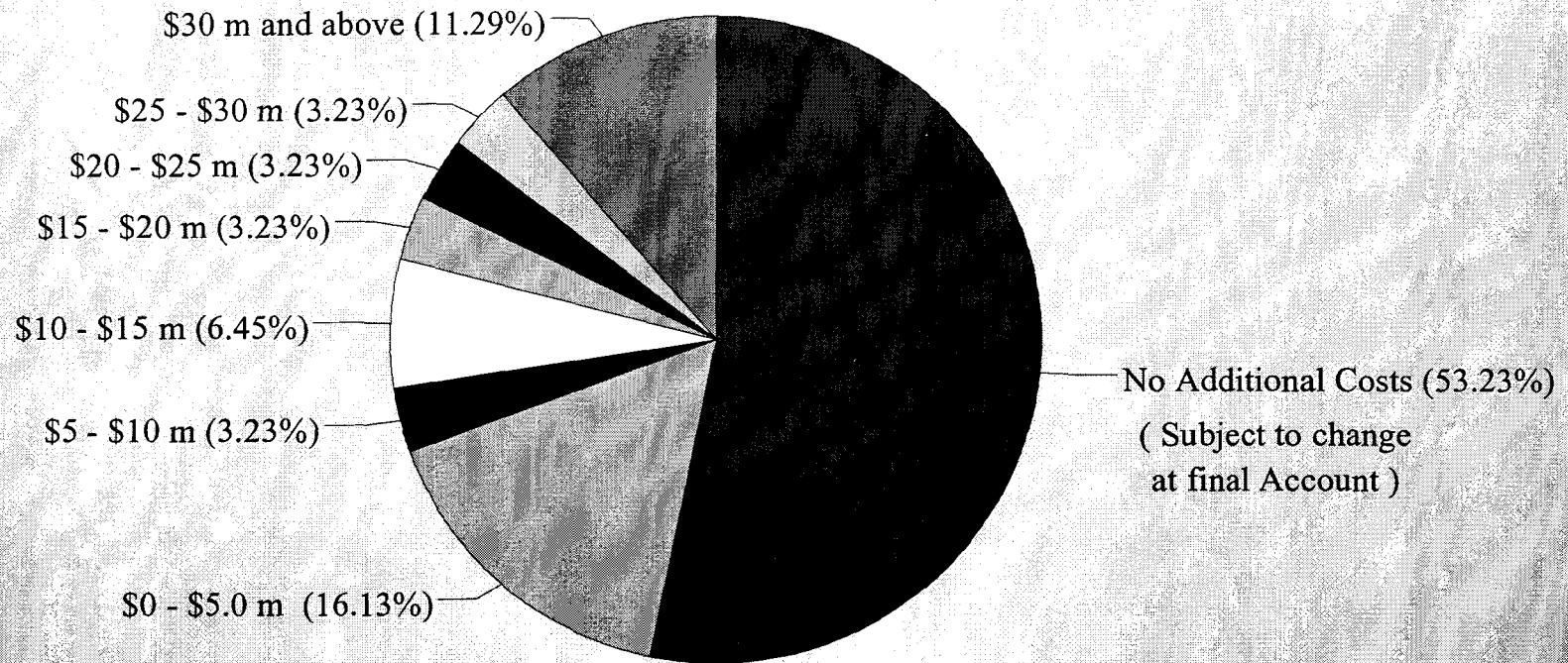


Chart shows projects monitored which achieved a minimum of 95% completion as at December 31, 1997

STAFF SITUATION FOR 1997

COMPLEMENT	APPROVED	EMPLOYED	VACANT	REMARKS
Contractor-General	1	1	-	
Deputy Contractor-General & Director-Construction Contracts	1	1	-	
Legal Adviser	1	-	1	Part-time Consultant employed
Director - Licences & Permits	1	1	-	
Director - Administration	1	1	-	
Co-ordinator Inspection & Research	1	1	-	
Senior Inspectors	5	5	-	
Inspectors	6	5	1	
Executive Secretary II	1	1	-	
Public Relations Officer	1	-	1	Post frozen
Executive Secretary I	3	3	-	
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	-	
Secretaries	2	-	2	Posts frozen
Registrar	1	1	-	
Personnel Clerk	1	-	1	Post frozen
Clerk (Registry)	1	1	-	
Telephone Operator/Receptionist	1	1	-	
Driver	2	1	1	
Office Attendant	1	1	-	
Canteen Attendant	1	1	-	
Messenger	1	1	-	
Watchman	2	-	2	Posts frozen
Part-time Cleaners	2	-	2	Posts frozen
Total	43	31	12	

CORRESPONDENCE WITH THE CHAIRMAN OF THE URBAN DEVELOPMENT CORPORATION

Dr Vin Lawrence
Chairman
Urban Development Corporation
12 Ocean Boulevard
Kingston Mall
Kingston

Dear Mr Chairman,

I am writing to express the concern of this office about some aspects of the award of a contract by the Urban Development Corporation in October 1997 to erect a new classroom block at McGrath Comprehensive High School at Treadways in St Catherine.

Some four months have passed since the contract was signed but our examination of the matter suggests that the principles involved are of continuing importance and need to be addressed in the interest of the integrity of the public sector construction sector.

Our information is that four contractors responded to a public invitation to tender. A prequalification exercise followed at the end of which the following two were successful and bid as follows:-

Matrix Engineering Works Ltd	-	\$18,623,469.00
HDB Construction Ltd	-	\$22,222,399.00

After examination of the tenders the bid of Matrix which was 7.18% below the estimate of the quantity surveyor was recommended by the consultant for the award of the contract.

However, the Board of Directors of the UDC rejected this recommendation on the grounds that there were grave reservations about Matrix based on a previous experience. This previous experience related to a law suit brought against the UDC by Matrix which was settled out of court in Matrix's favour. In the light of this the Corporation had reservations about its ability to work with Matrix Ltd, 'as relationships between the company and the UDC have been impaired'. The Board then directed that the contract be awarded to the next lowest tenderer HDB Construction Ltd.

The following are the observations of this office:

- (i) The UDC and all other publicly owned companies should not expect to operate in all respects like private companies. A privately owned company can decide to award a contract to a contractor on whatever basis it chooses and certainly if it has been involved in a court battle

with a contractor it may take the decision not to have any further relationship with that contractor.

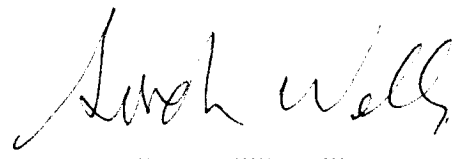
- (ii) We suggest, however, that the above option should not be open to a publicly owned entity. If a contractor feels aggrieved and takes a publicly owned agency to court or arrives at a settlement out of court as in the present case, business should proceed as usual thereafter and there should be no question of discriminating against the contractor.
- (iii) In the present case, Matrix Engineering Works was prequalified, therefore its bid met the requirements to be evaluated for possible award of the contract. To then bar the company from receiving the contract for which it was recommended by the consultant was unjust and discriminatory.
- (iv) The IDB which was funding the project seemed to share the above view as it withdrew the funding and has thus forced the UDC or some other local body to take up the entire cost of the project.

From this and previous cases it is clearly necessary for the government to lay down ground rules as to how publicly owned companies should conduct their dealings with private companies, especially in the very sensitive area of the award of contracts. If a contractor is prequalified it is unfair to subsequently disqualify him on the basis of poor performance; that should have been sufficient reason to disqualify him during the prequalification exercise. He can only be disqualified later if the prequalification was based on incorrect information filed by the contractor.

There is a duty for all public companies, including the UDC, to act fairly and impartially in their dealings with the public.

I recommend therefore that the UDC seek guidance from the government on the principles to be observed for itself and all other public sector agencies in dealing with the public on the award of contracts and concessions of any nature.

Yours sincerely,



.....
Gordon Wells

Contractor-General

1998 March 2

Mr. Gordon Wells
Contractor-General
Office of the Contractor-General
17 Knutsford Boulevard
Kingston

Dear Contractor General:

I acknowledge receipt of your letter of 5th February, the contents of which I have noted very carefully. Given your concerns as itemized at (i)-(iv) on the second page of your letter I think it is vital to separate the two issues involved in the UDC's refusal to award the contract to the lowest bidder.

While it is conceded that under normal circumstances there is nothing to prevent a contractor who feels aggrieved taking a publicly owned agency to court and arriving at a settlement out of court or otherwise, the impasse between the UDC and Matrix Engineering Works goes beyond the normal employer\contractor relationship:-

- a) It is the view of the Urban Development Corporation that by instituting a law suit against the Corporation, Matrix Engineering Works Ltd. Committed a breach of faith which effectively erodes the very fabric of any contractual relationship, verbal or otherwise. Prior to entering into the contract, Matrix was aware of the possibility that the contract in question might not have come to fruition and initiated its execution by clearly indicating in meetings that they accepted this conditionality.
- b) When the above conditions became a reality, Matrix went to court. If an employer cannot have complete confidence in the assurances of a particular contractor, there can never be complete confidence that such a contractor would adhere to the obligations imposed in any future contract issued to him\it.

While I agree entirely, that there ought not to be any suggestion of discrimination by a publicly owned entity against any company or person, I submit that in this particular instance this is far from being the case. The preliminary pre-qualification by project staff was not previously reviewed by the Board and upon review, the Board did not consider Matrix to have pre-qualified. In the Board's opinion, the project team failed to take all relevant factors into account in carrying out their preliminary pre-qualification.

The UDC does not indulge in discriminatory practices and in order for the Board of Directors of the Corporation to have taken the decision that it did, in this case, means that this contractor has demonstrated by its actions that there were serious concerns related to trust and competence and whether contractual procedures would have been adhered to at the standards required by the Corporation.

Yours sincerely,

URBAN DEVELOPMENT CORPORATION

Vincent M. Lawrence

EXECUTIVE DIRECTOR

*jl

ABBREVIATIONS

B.O.J	-	Bank of Jamaica
C.E.C.L	-	Carib Engineering Corporation Limited
E.O.J	-	Electoral Office of Jamaica
F.I.D.I.C	-	Federation Internationale Des Ingenieurs Conseils
G.C.C	-	Government Contracts Committee
G.O.J	-	Government of Jamaica
H.C.L	-	Health Corporation Ltd.
I.B.R.D	-	International Bank for Reconstruction and Development (World Bank)
I. D.B	-	Inter-American Development Bank
JAMPRO	-	Jamaica Promotions Corporation
J.V	-	Joint Venture Agreement
JPSCo	-	Jamaica Public Service Company Ltd.
J.R.C	-	Jamaica Railway Corporation
M.A.M	-	Ministry of Agriculture and Mining
M.E.H	-	Ministry of Environment and Housing
M.F&P	-	Ministry of Finance and Planning
M.I.N.D	-	Management Institute for National Development
M.L.G. & W	-	Ministry of Local Government and Works
M.O.E.Y.&C	-	Ministry of Education, Youth and Culture
M.O.H	-	Ministry of Health
M.P	-	Member of Parliament
N.C.C	-	National Contracts Commission
N.H.C	-	National Housing Corporation
N.H.T	-	National Housing Trust
N.I.B.J	-	National Investment Bank of Jamaica
N.I.C	-	National Irrigation Commission
N.R.C.A	-	National Resource Conservation Authority
N.W.C	-	National Water Commission
O.E.C.F	-	Overseas Economic Co-operation Fund
O.P.E.C	-	Organization of Petroleum Exporting Countries
P.A.J	-	Port Authority of Jamaica
PAMCo	-	Project Analysis & Monitoring Company
P.C.J	-	Petroleum Corporation of Jamaica
P.I.O.J	-	Planning Institute of Jamaica
R.J.R	-	Radio Jamaica Limited
S.E.S.P	-	Social and Economic Support Programme
S.I.H.L	-	Sugar Industry Housing Limited
S.S.D.P	-	Social Sector Development Programme
T.M.C	-	Training Management and Consultant Ltd.
U.D.C	-	Urban Development Corporation
USAID	-	United States Agency for International Development
UTECH	-	University of Technology