



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

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MEDIA RELEASE

The Office of the Contractor General Concludes five (5) Special Investigation Reports and Provides Comments on the 360 Megawatt Project being undertaken by the OUR

Kingston; March 6, 2014 – The Office of the Contractor General (OCG) has, since September 2013, concluded five (5) Special Investigations; all of which have been prepared and submitted to the Houses of Parliament.

The Special Investigation Reports completed by the OCG, concerned the following matters:

1. 'Right to Supply 360 Megawatts of Power to the National Grid' - Completed in September 2013;
2. Complaint regarding the award of contract(s) to Construct/Repair and Rent Shops at the Spalding Market - Completed in September 2013;
3. Contracts Awarded to Contractors Allegedly Selected by the Hon. Derrick Kellier, M.P. - Completed in February 2014;
4. Allegations Regarding the Contract Termination and Award Practices at the National Solid Waste Management Authority (NSWMA) - Completed in February 2014; and
5. The Circumstances Surrounding the Entering into of an Agreement for the Operation of the Braco Resort Hotel (formerly Breezes Rio Bueno, Trelawny) Between the Commissioner of Lands (by virtue of trust on behalf of National Insurance Fund), the Accountant General and the Blue Diamond Hotels and Resorts - Completed in February 2014.

The OCG wishes to use this opportunity to comment on the 360 Megawatt Project, which is currently being undertaken by the Government of Jamaica through the Office of Utilities Regulation (OUR); the execution of which is being keenly monitored by the OCG. The OCG is cognisant of the value and importance of the successful completion of this Project and its implications for national development. In this regard, the OCG remains committed to providing the necessary scrutiny and oversight in accordance with its mandate, to ensure that, as best as possible, the process undertaken is void of irregularity and impropriety and adheres to the principle of value for money.

The OCG also commends the direction now being pursued by the current Director General of the OUR, Mr Albert Gordon, specifically with respect to the decision taken by the OUR, to request and await from Energy World International (EWI), documents critical to the progress of the Project.



Instructively, the OCG notes that by way of letter, which was dated January 31, 2014, the OCG wrote to the OUR and made reference to the Instructions for Final Proposals, dated May 27, 2013, in which it was a requirement that all bidders submit “...*audited financial statements for the past three (3) years supported by the parent entity’s or equity partner’s audited financial statements...*” The OCG notes, with concern, that the requirement has not yet been fulfilled by the EWI.

In the foregoing regard, the OCG cautions that this apparent delay on the part of EWI, has serious implications for the due diligence process currently being undertaken by the OUR and by extension, the timely and successful execution of the project. Further, the long term fiscal implications cannot be ignored, as the OUR acts, not on its own behalf but on that of the People of Jamaica, who will ultimately bear all expenses related to this critical and necessary undertaking.

It is on this premise that the OCG commends the OUR and supports the stance taken, in not providing a recommendation to the Minister of Science, Technology, Energy and Mining, for the issuance of a licence to supply electricity generating capacity to the Jamaica Public Service (JPS), until the EWI has fulfilled its obligations in providing the relevant documentation required as a part of the due diligence exercise.

The OCG, pursuant to its monitoring mandate, currently monitors on a sustained basis, approximately 988 Government of Jamaica contracts, 618 of which are Non-Construction contracts and 370 Construction-related contracts. The OCG continues to undertake Special Investigations into matters of concern and will issue advisories upon the completed Reports being tabled in Parliament.

All Special Investigation Reports completed to date, and appropriately tabled in the Houses of Parliament, are accessible via the OCG’s website at URL: <http://www.ocg.gov.jm>

The OCG thanks all stakeholders and interest groups for their continued support, as it continues to fulfill its obligations to all Jamaicans.

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