



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

No. :

TELEPHONE No. : 929-8560/6466

FAX No. : 929-7335

E-mail: general@ocg.gov.jm

OFFICE OF THE CONTRACTOR-GENERAL
17 KNUTSFORD BOULEVARD
P.O. Box 540
KINGSTON 5
JAMAICA, W.I.

PRESS RELEASE

CONTRACTOR GENERAL ANNOUNCES NEW MEASURES TO SCRUTINIZE STATE CONTRACTS UNDER \$4 MILLION IN VALUE

In a move which is expected to dramatically impact the way in which Government contracts are awarded and scrutinized, newly appointed Contractor General, Greg Christie, has issued a requisition to all Government Ministries and Public Bodies to provide to him, each month, extensive particulars of every Government contract which is awarded that is between a value of J\$250,000 and J\$4 million.

“Up until now, these contracts have been awarded by Public Sector agencies with little or no independent scrutiny”, Christie said. On the other hand, Government contracts of J\$4 million and over, in value, have been long subjected to methodical review and mandatory endorsement by the National Contracts Commission.

It is suspected that the annual number of Government contracts which fall into the sub \$4 million category are in the several hundreds, if not thousands.

Acting under the powers which are vested in him by Section 4 (2) and 4 (3) of the Contractor General Act, Christie, yesterday, wrote to the Cabinet Secretary, the Financial Secretary and all Permanent Secretaries, to make his demand.

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Christie copied his letter to all 14 Ministers of Government, the Auditor General, the Solicitor General and the Chairman of the National Contracts Commission. He also wrote separately to the Prime Minister, the Hon. Portia Simpson-Miller, to formally advise her of the requisition.

“The new review regime, which will become effective with contracts which are awarded as of May 1, 2006, will apply to all classifications of Government contracts, inclusive of works and construction contracts as well as contracts for the supply of goods and services”, Christie stated.

The regulatory regime will impact not just Ministries of Government, but all “Public Bodies” as is defined by the Contractor General Act. These will include departments and agencies of Government, statutory bodies and authorities and companies which are registered under the Companies Act in which the Government (whether by the holding of shares or other financial input) is in a position to influence the policy of the company.

The Contractor General said that the requisition is intended to secure indicative and certified particulars of every contract award which falls into the \$250,000 to \$4 million category.

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He enumerated some of these as:

- The name of the Government contracting agency and the date on which the contract was awarded;
- The name of the person or entity to whom the contract was awarded and the contractor's National Contracts Commission (NCC) ID number;
- The type and description of the contract;
- The price at which the contract was awarded;
- The place at which the contract will be performed;
- The procurement method which was utilized by the Government contracting agency;
- The names of the other contractors who tendered for the award and the prices at which they tendered;
- A certification from the Government contracting agency as to whether the contract award was reviewed and approved by its Procurement Committee and whether the process was conducted in accordance with the established Government Procurement Procedures;
- A certification from the Government contracting agency as to the accuracy of the contract award particulars; and
- A certification by the Permanent Secretary of the controlling Ministry that, to the best of his/her knowledge, all reasonable steps have been taken to assure the accuracy of the information which is being supplied to the Contractor General.

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Christie explained that the measure is an unprecedented one because it will now subject these contracts to an enhanced level of detailed and comprehensive scrutiny.

“Public Bodies which have violated Government Procurement Guidelines in the past, will now have little or no alternative but to award contracts in full compliance with the established Procurement Procedures or face public exposure and/or criminal sanctions”, the Contractor General warned.

He observed that a failure to provide the required contract award particulars would constitute a criminal offence under the Contractor General Act and that a person who willfully misleads or makes a false statement to mislead a Contractor General would be similarly liable.

The Contractor General, in his statement, said that scrutiny of the contracts would be achieved in a number of ways. He explained that the Office of the Contractor General would conduct specialized analyses of the data which it receives to intelligently inform and enhance the effectiveness of its contract monitoring and investigative functions.

Subject to the State’s strengthening of the human and budgetary resources of the Office of the Contractor General, a matter in respect of which the Contractor General says he has made several overtures to the Government since assuming office in December of last year, Christie said that his office would now be uniquely positioned to identify:

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- instances of non-compliance with established Government Procurement Procedures;
- suspected tender and contract award irregularities;
- instances of so called “contract splintering”; and
- multiple contract awards to the same contractor;

The Contractor General also explained that the contract award data which is received would be published on the OCG’s official website. The objective here, Christie said, “would be to secure optimum publicity of the data to all stakeholders, inclusive of the media, the public at large, competing contractors and of course the Government”.

This, in turn, the Contractor General stated, would:

- “secure maximum transparency as it relates to the critical particulars of every contract award; and
- serve as a deterrent to those who would be inclined to deviate from, or circumvent, the established Government Procurement Procedures or to introduce elements of corruption, impropriety and even inefficiency in the process of Government contract awards”.

As an additional measure to ensure that his directive is fully complied with, the Contractor General has also advised that the Auditor General will be formally requested by him to include the requisition in his future audits of Government Ministries and Public Bodies.



Under the new regulatory regime, Government Ministries will have 45 days, following the ending of the month in which their contracts were awarded, to submit the requisitioned particulars to the Contractor General. Ministries will be responsible for submitting their own contract award particulars in addition to those of the Public Bodies which fall under their control.

However, in an effort to grant Ministries a “grace period” within which to establish the necessary procedures and due diligence systems to ensure full compliance with the requisition, Ministries will be allowed to submit their reports for the month of May 2006, up to 30 days beyond the normal 45 day deadline.

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Andrea Hoo Fung
Communications Officer
Office of the Contractor-General
17 Knutsford Boulevard
Kingston 5

Phone: 929-6460

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