



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

**OFFICE OF THE CONTRACTOR-GENERAL**  
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**P.O. BOX 540**  
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**JAMAICA, W.I**

No. :

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## **MEDIA RELEASE**

### **OCG Responds to Statements Attributed to the Hon. Anthony Hylton**

**Kingston; December 20, 2012** – The Office of the Contractor General (OCG) has taken note of recent public statements which have been attributed to the Hon. Anthony Hylton, Minister of Industry, Investment and Commerce, in which he contended that arising from a Public Procurement Stakeholders Meeting, which was held on December 7, 2012, there is a ‘consensus among stakeholder groups’ that the OCG is a hindrance to economic development in Jamaica and that this conclusion was arrived at subsequent to consultations which included both the National Contracts Commission (NCC) and the OCG.

The OCG wishes to publicly place upon record that while it was invited by the Ministry of Finance and Planning to, *inter alia*, participate in discussions geared at ‘facilitating meaningful dialogue pertaining to the GOJ’s public procurement system’, it, in no way expressed, nor does it support, any assertions and/or sentiments that its Office is a hindrance to economic development in Jamaica.

On the contrary, the OCG, as a creature of statute, which is commissioned by the Parliament of Jamaica, executes its mandates in accordance with the rules and regulations developed by the GOJ and, as it relates to the Registration of Government Contractors, the requirements and provisions which are stipulated by the NCC, to whom the OCG provides technical, administrative and secretarial support.

The OCG considers the Minister’s statements and any such view to be extremely unfortunate and, at best, misguided, since it has been repeatedly echoed, certainly on the part of the OCG, that it neither developed nor promulgated the rules, laws and/or regulations governing the Registration of Government Contractors or that which governs public procurement. Minister Hylton’s statements run contrary to the OCG’s expressed view that ‘Jamaica’s economic development must be pursued in a sustainable and responsible manner, and within an appropriate system of institutionalized independent checks and balances which will ensure probity, transparency, accountability and value for money’.

In the circumstances, and in the interest of clarity and public transparency, the OCG has taken the decision to attach, herewith, the full contents of a letter which was dated December 10, 2012, and which was sent by its Office to the Hon. Horace Dalley, Minister without Portfolio, in the Ministry of Finance and Planning, and copied to the Hon. Anthony Hylton, in which it outlined, amongst other things, several recommendations and positions aimed at improving the Contractor Registration Process.

The OCG considers the foregoing statement to be careless and reckless since it has the potential to undermine a Commission established by the Parliament of Jamaica to ensure, amongst other things, probity in the Government’s contracting process and thereby urges the Hon. Anthony Hylton, or anyone else, to produce the



evidence to the People of Jamaica that the OCG, in discharge of its lawful mandate, is an impediment to economic development.

The foregoing disclosure is being publicly made by the OCG pursuant to the powers that are reserved to a Contractor General by Section 24 (1) (b) of the Contractor General Act.

-END-

Contact: The Communications Department, Office of the Contractor General of Jamaica  
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December 10, 2012

**COPY**

The Honourable Horace W. Dalley, M.P.

Minister without Portfolio

Ministry of Finance and Planning

30 National Heroes Circle

Kingston

Dear Minister Dalley:

**Re: Strengthening of Jamaica's Public Procurement Regulatory Framework**

Thank you for your kind invitation to the Public Procurement Stakeholders Meeting which was held on December 07, 2012 at the Jamaica Conference Centre. Also, please accept our appreciation for your commitment to meet with the Office of the Contractor General (OCG), to further discuss issues concerning the strengthening of Jamaica's Procurement Regulatory Framework.

The OCG welcomes any such dialogue between the Government of Jamaica (GOJ) and the OCG, in an effort to secure the key principles of Accountability, Transparency, Efficiency and Value for Money, in the Procurement Regulatory Framework.

While we await your kind invitation to commence any such dialogue, there are some matters which were discussed at the meeting, which the OCG would like to place upon formal record as its considered positions and make certain recommendations which it believes could improve the overall process:

**1. Fast-track the development of prescribed Regulations for the Registration of Contractors**

The OCG is aware that the requisite ingredients have already been settled, to a great extent, by some key stakeholders, and that there may already be a draft of said document, embodying same, in the Ministry of Finance and Planning. In the circumstances, the OCG recommends that the finalisation of the Draft Prescribed Regulations be given urgent priority attention for completion.

As it regards the disclosures which were made to the Fraud Squad of the Jamaica Constabulary Force, by the OCG, it is recommended that those matters be properly investigated with dispatch and that the relevant organs of the State proceed as they deem fit, in keeping with the Law.

**2. Improvement of the processing time for Contractor Registration Applications**

The OCG has made several representations to the GOJ for additional staff, over the past three (3) years, to improve the overall processing time for contractor registration applications, since



the institution of its 100% Verification Policy. The additional staff required will cost the Government approximately five million dollars (\$5,000,000) annually. While the OCG is well aware of the pending separation of the National Contracts Commission (NCC) from the OCG, we respectfully posit that these staff would benefit from hands-on experience and knowledge in the processing of contractor applications, which could then be ultimately transferred to the new NCC upon separation.

The OCG also recommends that discussions commence with Fiscal Services Limited for the development of a web-based system to facilitate the intake and processing of contractors' applications, thereby improving ease of accessibility to all contractors regardless of their geographic location. Further, a web based system will improve the overall efficiency of the NCC verification process and will also provide tracking and status reports to contractors on demand.

The introduction of such a web-based system will facilitate the process by which foreign contractors can easily apply for NCC Registration, thereby making it a requirement for all contractors to be duly registered with the NCC, prior to being able to participate in GOJ Procurement opportunities.

### **3. Review of the existing Contractor Registration Process**

The OCG fully supports the review of the existing Contractor Registration Process in an effort to, *inter alia*, align same to best industry practice, improve efficiency, improve transparency and ensure equality of access to all competent and qualified contractors, to GOJ Procurement opportunities.

Despite the perceived inadequacies with the current system, the OCG does not support the *carte blanche* abolishment of the Registration Process, and posits that, primarily the Construction Industry, is not yet mature enough to be self-regulated. The current undermining of the legitimately established process stands as evidence of the lengths some works construction contractors will go, to dishonestly misrepresent information, so that they can participate in the GOJ procurement opportunities.

It has been suggested, certainly by some stakeholders, that the process of pre-qualifying contractors, by Public Bodies, can ultimately replace the current rigorous NCC Contractor Verification Process. The OCG posits that, in effect, it would merely be a transfer of the existing bureaucracy to Public Bodies, which will be wholly diluted, given that said Procuring Public Bodies are not properly staffed to undertake the degree of scrutiny and verification which is required to secure the veracity of the representations which are made by prospective contractors.

Further, the Government has a responsibility to ensure that any person, company, or otherwise, who/which will ultimately gain access to public funds, is subjected to a layer of scrutiny which will ensure that they are (a) legitimate contractors, (b) competent and qualified and (c) properly resourced, to participate in GOJ procurement opportunities.

### **4. Prescribe maximum timelines for all stages of the Procurement Process**

The OCG has noted with much concern, the fact that the alleged 'cumbersome nature' of the Procurement Guidelines have been emphatically argued by many as the primary justification for the extensive delays experienced by Procuring Public Bodies in the award and execution of



government contracts. Contrarily, the OCG contends, based upon its own analyses, that the principal cause for delays in the procurement process is attributed to the time taken by some Procuring Public Bodies to properly evaluate bids and secure the requisite approvals.

It is in this regard that the OCG deems it prudent to recommend that the GOJ take the necessary steps to impose maximum timelines for the evaluation and approval stages of the procurement process, in an effort to secure efficiency and guard against unnecessary delays.

The OCG has developed a new Web Portal, and would have no objection to create a gateway for the Ministry, given its Policy role in the Procurement process, so that it can interrogate said database and prepare reports upon demand. The use of the Web Portal can facilitate more informed Policy decisions, as the Ministry will be better informed of the realities of how procurement is being undertaken by all Procuring Public Bodies.

Very respectfully yours,

A handwritten signature in black ink, appearing to read 'Craig Beresford', written over a horizontal line.

Mr. Craig Beresford  
**Acting Contractor General**

Copy: Dr. The Honourable Peter Phillips, M.P., Minister of Finance and Planning  
Dr. The Honourable Omar Davies, M.P., Minister of Transport, Works and Housing  
The Honourable Anthony Hylton, M.P., Minister of Industry and Commerce  
Mr. Raymond McIntyre, Chairman, National Contracts Commission  
Ambassador the Honourable Douglas Saunders, C.D., O.J., Cabinet Secretary

