

GUYANA

National Procurement & Tender Administration

Public Procurement Reform in Guyana- Current Situation and the Road Ahead

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In 2015, the first seven months of the year was a period of political impasse, followed by a period during which the Parliament was prorogued. Then came national elections, installation of a new government, which culminated in the National Budget for the year being presented in Parliament by the New Finance Minister Mr. Winston Jordan on 10th August, 2015.

“A vigorous review of Government’s current process of tendering and procurement has led to the firm conclusion that the system is broken and as a result fostered an environment of unfairness and inequality among other ills.”

This sentiment was expressed by Finance Minister Jordan during the presentation of his 2015 Budget.

As an immediate step, he informed members of the National Assembly that the Government has changed the composition of the Tender Board and has also moved to establish the long- awaited Public Procurement Commission, the legislated oversight body of the tendering process, in Guyana.

Public Perception

We all accept that perception is reality. The public feels that there are credible allegations of corrupt behavior in Public Procurement in the form of

- a) Sole sourcing of drug contracts
- b) Contract splitting
- c) Inflated engineering estimates
- d) Evaluation bias in favor of favored Contractors
- e) Use of inexperienced contractors
- f) The absence of competitive bidding in some cases
- g) Overpayment to contractors
- h) Absence of District Tender Boards
- i) Limited publications on the website
- j) Failure of members of the various tender boards to file financial returns to the Integrity Commission
- k) Lack of a formal Bid Protest Committee
- l) Lack of expertise among Evaluators
- m) Discrimination against particular suppliers and contractors

- n) Award of contracts to the lowest bidder vs the lowest evaluated bid.

This lengthy list of ills whether perceived or factual has immediately engaged the full attention of the newly appointed NPTAB which body is working assiduously to dispel these perceptions through promoting fairness, openness, transparency and so build trust in the process.

THE WAY FORWARD

The newly appointed NPTAB became fully operational towards end of August, 2015 and happily improvement in the Procurement System inherited have already began to emerge.

- Contractors who had ceased tendering in the past are now returning to the system. This is evidenced by the large number of tenders being seen on each project.
- more contractors and other stakeholders feel free to make complaints and are being heard at the National level
- complaints are coming from the Regions where non- adherence to procedures occur. Contractors did not feel free to make those complaints in the past for fear of victimization
- regular enquiries are being received from potential contractors/ suppliers who now wish to participate in the tendering process
- more requests from the Stakeholders for public information, training, seminars, etc. are coming in.

OTHER MEASURES

- new Regional and Ministerial Tender Boards have been formed a revised and a widened pool of National Evaluators has been put in place.

PUBLIC PROCUREMENT

A Public Procurement Commission is to be established but this requires action by Parliament.

Meanwhile the National Procurement and Tender Administration has been established and this agency mirrors the functions of the National Procurement Commission and functions as an agency reporting to the Minister of Finance pending the establishment of the National Procurement Commission.

The District, Regional, Ministerial and the NPTA have thresholds and procurements above the NPTA threshold are referred to Cabinet for review and no objection.

With the formation of the National Procurement Commission Cabinet's involvement will be phased out and the process will be decentralized. The NPTA will then be a creature of the National Procurement Commission.

PUBLIC PROCUREMENT MODERNIZATION

Currently underway is a non- reimbursable Technical Cooperation project by the IDB called Public Procurement Modernization and Financial Management Strengthening in Guyana.

This project in summary provides the following interventions in component 1 and 3

- revision of Procurement regulations
- preparation of format for Sensitization Workshops (following regulation Changes)
- establishment of a process for debarment and reporting complaints in compliance with the regulation and internationally accepted Standards.
- review of the procurement act to reflect electronic mode of operation
- training of Procurement Officers and related staff in CIPS
- training of procurement planning
- training in Contract Management and Contract Compliance monitoring for the Regions and Agencies
- consultant to help with procurement planning
- strategy for the introduction of e- procurement
- strengthening NPTAB website
- review of software to facilitate e- submission by the Regions and Ministries
- development of the data base system at NPTAB (short term to improve the current informational portal). This does not replace the new e G P System planned for the longerterm.

SMALL BUSINESS SET ASIDES

The Small Business act of 2004 provides for procurement by Government from Small Business and provides for at least 20% of procurement of goods and services required by the Government be set aside annually as "small business set asides."

The NPTA has begun an initiative with the Small Business Bureau to put this intent of the act into operation.

This will be a main topic of a presentation and panel discussion at a Sensitization Symposium early November, 2015 in Georgetown. Special attention is being paid to women owned and the differently abled small businesses.

CONCLUSION

The commitment and support shown by the Government of the day towards strict adherence to the procurement act and the small business act and the modernization of the systems augurs well for the Procurement Process in Guyana.

The reorganizing of the National, regional and Ministerial Tender Boards, the new national pool of Evaluators and the genuine openness and transparency of the procurement process, together with the IDB initiative underway, and others in the pipeline I am sure will contribute next time we meet and in the coming years to report of a set of achievements in building a worlds class procurement system in Guyana.