National Procurement System
JAMAICA

September 2010
TASK ENVIRONMENT FOR PUBLIC PROCUREMENT

**Jamaica’s EXTERNAL engagements:**

- Committed Member of CARICOM Single Market and Economy (CSME) which is currently developing comprehensive provisions on public procurement for incorporation in the Revised Treaty of Chaguaramas (CARICOM Treaty);

- Signatory to bi-lateral trade agreement with the European Union (Economic Partnership Agreement) incorporating provisions on public procurement; and

- Currently negotiating Trade and Development agreement with Canada, to include provisions on public procurement.
TASK ENVIRONMENT FOR PUBLIC PROCUREMENT

Jamaica’s INTERNAL environment:

- Procurement expenditure accounts for approx. 30% of GDP

- In final stages of comprehensive national reform which began in 1999

- Most recent assessment of procurement system, Joint CFAA/CPAR conducted by GOJ, IDB and World Bank completed in 2006.
Some Important Facts

✓ There are approximately 196 Procuring Public Bodies

✓ Annual procurement expenditure accounts for more than J$60 billion (approx. US$706M)

✓ Approximately 20c of every dollar is used for procurement of goods, works and services, with approximately 60c being used for debt servicing.
Summary Results of Analysis

✓ Recommendation for partial use of country procedures supported by majority compliance with OECD-DAC assessment indicators:

- **PILLAR I: 14 indicators**
  - Full compliance with 12; partial compliance with 2
- **PILLAR II: 12 indicators**
  - Full compliance with 7; partial compliance with 1; non-compliance with 4
- **PILLAR III: 7 indicators**
  - Full compliance with 5; commitment to comply with 2
- **PILLAR IV: 22 indicators**
  - Full compliance with 20
PROCUREMENT POLICY PRIORITIES

- Maximizing value for money
- High levels of transparency
- Full accountability
- Fairness and equity
Institutional Framework

Cabinet
- Ministry of Finance
  - Procuring Entities
- Office of the Contractor-General
  - Speciality Sector Committees
- National Contracts Commission
Institutional Framework

1. The Procurement Appeals Board:
   - Established by regulations in 2008
   - Hears bidder challenges and complaints
   - Independent of procurement operations
   - Comprised of 3 members appointed for 2-year term
   - Submits decisions to relevant procuring entity/bidder with copy to Ministry of Finance
2. Contractor-General

- Established by statute in 1983;

- Mandate to monitor and investigate the award/termination of Government Contracts, licenses and permits, and to ensure, inter alia, that they are awarded/terminated impartially and on merit, and in circumstances that do not involve impropriety or irregularity;

- Independent Commission of Parliament; and

- As per statute, does not have the power of enforcement.
3. National Contracts Commission

-Independent commission of Parliament

-Established by statute in 1999 to
  -Endorse contract award recommendations;
  -Register prospective contractors; and
  -Make recommendations to the Cabinet to improve efficiency

-May create specialized Sector Committees in the performance of its duties
4. Ministry of Finance: Procurement Policy Implementation Unit (PPIU)

- Established to provide technical support to the Minister of Finance, in whom accountability for public expenditure is vested, through
  - Development of procurement policy
  - Overall monitoring of the national procurement system
  - Functioning as the national contact point
  - Make recommendations to the Cabinet to improve efficiency
Hierarchical Responsibilities for Procurement within Procuring Entities
Recent Improvements

- Public Procurement Regulations
  - Gazette December 5, 2008
- Revised Handbook
  - Issued December 2008
- Standard Bidding Documents
  - Issued December 2008
- Procurement Appeals Board
  - Established by regulation December 2008
- Procedures for N/Security Procurement
  - Draft developed in 2009
Recent Improvements

✓ Quarterly Contract Awards Report
  ➢ May 2006

✓ Policy for SMEs
  ➢ Issued 2009 (Margin of Preference / Set-asides)

✓ Electronic Government Procurement (eGP)
  ➢ eGP Road Map prepared

✓ Requirement for Procurement Plan

✓ 2010 Revision of Handbook of Public Sector Procurement Procedures
  ➢ (awaiting Cabinet approval)
  ➢ Implementation of comprehensive training programme for public sector personnel formally launched September 2010.
Data Collection

✓ No central repository for all procurement statistics

- Information on contract awards in excess of J$275K (US$3,200) published on Contractor-General website (www.ocg.gov.jm);
- NCC publishes endorsed contract award recommendations in excess of J$10M (US$118K) on its website (www.ncc.gov.jm)
- Procuring entities retain full procurement record including particulars of each procurement.
### Snapshot of Approval Thresholds and Authorities

<table>
<thead>
<tr>
<th>Method</th>
<th>Threshold (US$)*</th>
<th>Invitation</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Contracting</td>
<td>Up to $3K</td>
<td>Direct invitation 1 registered supplier</td>
<td>Procuring entity</td>
</tr>
<tr>
<td>Limited Tender</td>
<td>&gt; $3K up to $35K</td>
<td>Direct invitation 3 registered suppliers</td>
<td>Procuring entity</td>
</tr>
<tr>
<td>Selective Tender</td>
<td>&gt; $35K up to $353K</td>
<td>Advertise in local press</td>
<td>NCC</td>
</tr>
<tr>
<td>Open Tender</td>
<td>&gt; $353K</td>
<td>Advertise in locally and internationally</td>
<td>Cabinet</td>
</tr>
</tbody>
</table>

*Exchange rate applied: US$1.00 to JA$85.30.
Existing Challenges / Risks

- Overlapping responsibilities among MOF, NCC and CG;

- Interdependence between NCC and OCG

- Discriminatory rules of registration requiring local bidders to register at bid, while foreign bidders register at award;

- The granting of approval for contract awards by Cabinet; and

- Absence of central repository for all procurement statistics
**Planned Improvement Initiatives**

✓ The following initiatives are planned for implementation, but are constrained by insufficient financial, human, physical and/or technological resources:

- Proposal for clear separation of CG and NCC, including staffing, housing and financial requirements;
- Centralized system for the collection and retention of all procurement data;
- Development of quality control standards and associated evaluation indicators that are specific to procurement staff;
- Procurement and implementation of an Enterprise Resource System that creates an electronic interface among procurement planning, procurement operations, budgeting and financial management to enable the real-time capture and analysis of relevant data;
Planned Improvement Initiatives cont’d

- Development of a well-trained cadre of procurement professionals, and salaries commensurate with experience and training in such a specialized field of expertise;

- Adequately sensitized private sector and civil society groups; and

- Procurement and implementation of a full e-GP platform.