



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.

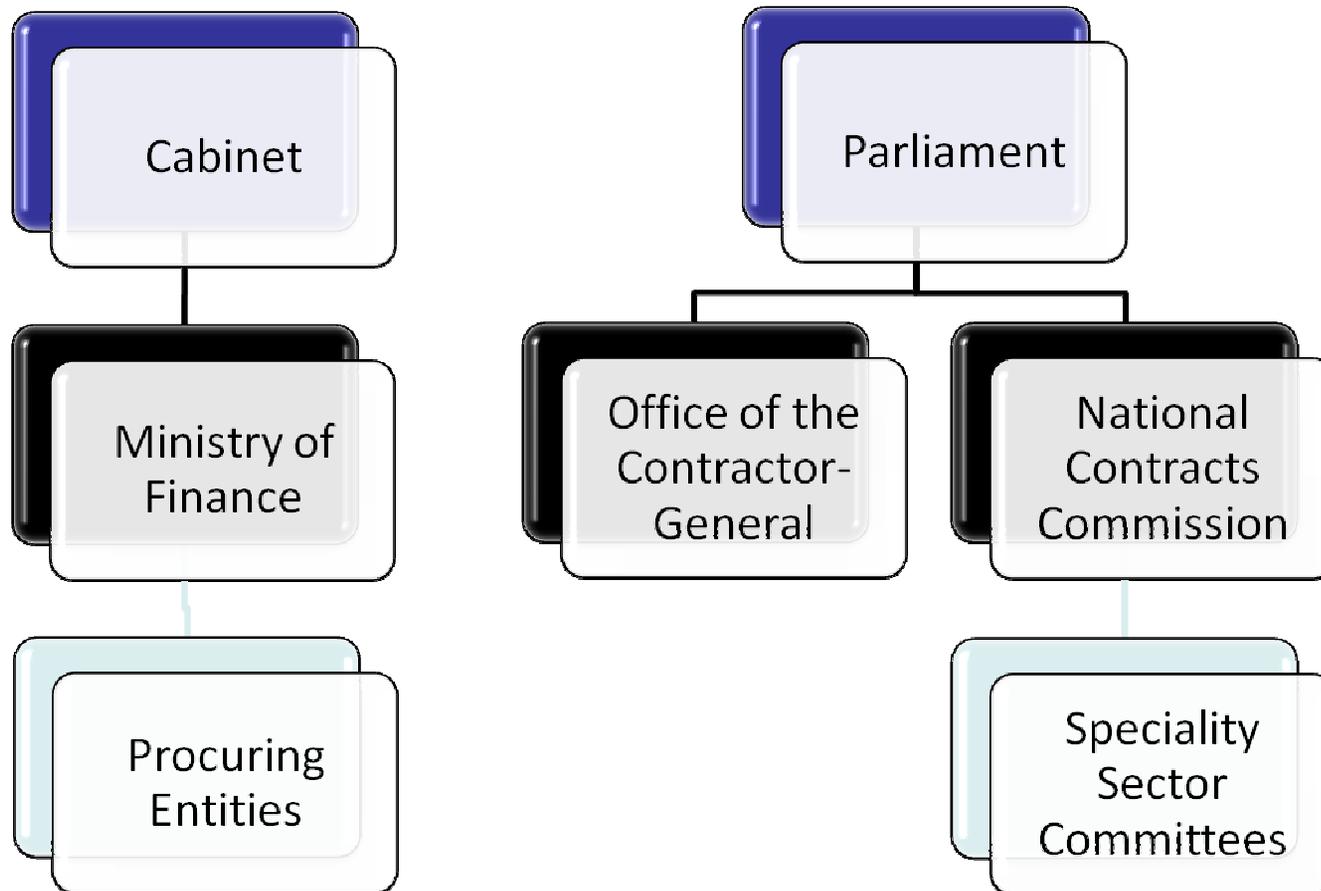
Summary Results of Analysis

- ✓ 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



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

Method	Threshold (US\$)*	Invitation	Authority
Direct Contracting	Up to \$3K	Direct invitation 1 registered supplier	Procuring entity
Limited Tender	> \$3K up to \$35K	Direct invitation 3 registered suppliers	Procuring entity
Selective Tender	> \$35K up to \$353K	Advertise in local press	NCC
Open Tender	> \$353K	Advertise in locally and internationally	Cabinet

*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.



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