

Public Sector Procurement



**OFFICE OF THE CONTRACTOR-GENERAL
and
THE NATIONAL CONTRACTS COMMISSION**



General Overview



Commissions

- Contractor-General
 - A commission of Parliament established in 1986
 - Contractor-General Act, 1983
- National Contracts Commission
 - A statutory commission established in 1999
 - Amendment to the C-G Act.
- Section 13(2) of the C-G Act
 - Office of the Contractor-General
 - Established in 1986
 - To provide administrative and Technical support

Contractor-General

- **Monitors and investigates** the award and implementation of government contracts, permits and licences, to ensure the award is
 - Impartial and based on merit
 - The award and termination do not involve impropriety or irregularity
 - Implemented according to terms of the contract

Monitors the entire procurement process

Does not endorse award of contracts

Contractor-General

- Entitled to:
 - Access to all books, records documents, stores or other property belonging to the Government, or used in connection with the grant, issue, suspension or revocation of a prescribed licence

Contractor-General

- Entitled to:
 - Access to all premises where work on a Government contract has been or is being carried out or where he has reason to believe books, records, etc may be found

Contractor-General

- Entitled to:
 - Enter any premises occupied by any person to make enquiries in respect of these documents, records, etc. necessary to an investigation, and to retain these

Contractor-General

- For the purposes of the foregoing:
 - Has the power to require any public body to furnish in a manner and at times specified by the C-G information regarding or relating to award of any contract; and grant, issue, suspension or revocation of any prescribed licence that he desires.
 - Part II (4) of the Contractor-General Act

Office of the Contractor-General

Government's Vision Statement

“Our vision is of an open and impartial public sector, which puts the public’s interest first, and in which valued and respected professionals deliver high quality services efficiently and effectively.”

- Cabinet office

Office of the Contractor-General Vision Statement

“To create, foster and maintain an environment in which Public Sector Procurement is, and is seen to be FAIR, EQUITABLE, TRANSPARENT AND EFFICIENT, thereby engendering public confidence”

OCG Corporate Plan – 2006 - 2009

Office of the Contractor-General

Mission Statement

- Improve and make fair and equitable the system of awarding contracts, licences, permits, concessions and the divestment of government assets
- Ensure all public sector agencies give the widest possible opportunity to qualified persons to bid for contracts and divestments, or to apply for licences and permits

Office of the Contractor-General

Mission Statement (cont'd)

- Monitor and investigate the award and implementation of contracts, licences, permits, concessions and the divestment of government assets
- Create a positive image of the public procurement process by promoting integrity, professionalism, transparency and efficiency and thereby engendering public confidence.

National Contracts Commission

- Principal objects of the Commission are:
 - Promotion of efficiency in the process of award of government contracts
 - Ensuring transparency and equity in awarding such contracts
 - Section 23C, Contractor-General Act

National Contracts Commission

■ Functions

- Examines applications for the award of government contracts
- Approves/oversees the award within the specified limits
- Makes recommendations to Cabinet for contracts above these limits
- Registers contractors for works, goods and services and maintains up-to-date lists

National Contracts Commission

■ Functions

- Continuously evaluates contractors – financial and managerial capability, human resources, technical expertise, performance
- Oversees the activities of the Sector Committees
 - Section 23D, Contractor-General Act

National Contracts Commission

■ Sector Committees

- Urban Development Corporation
- National Works Agency
- Port Authority of Jamaica
- Jamaica Social Investment Fund
- Ministry of Education and Youth
- Ministry of Housing, Transport and Works & Water
- Ministry of Health

The Agency's Role

- To protect the Public by procuring from proven and established entities.
- To ensure the procurement process is free and fair.
- To obtain competitive prices through open competition.

The Agency's Responsibility

- Verification of Status of Contractor
 - Registration
 - Contracts held

Agency's In-house Procurement Committee

■ Composition

- Chairman
- Senior Financial Management Personnel
- Secretary
- Procurement Officer

Agency's In-house Procurement Committee

■ Functions

- Ensure compliance with Government Procurement Procedures and Guidelines
- Evaluate Processes
- Respond to contractor/supplier enquiries
- Maintain records of Committee Meeting
 - Reporting obligations/accountability

Modules

- **Module 1** – Contract Values and Advertising
- **Module 2** – Tender Procedures
- **Module 3** – Evaluation of Tenders



Public Sector Procurement



Presentation

Public Sector Procurement



Module 1

Contract Values and Advertising

Module 1 – Contract Values and Advertising

■ Types of Tenders

- Open
- Selective
- Limited
- Sole Source/Direct Procurement

Module 1 – Contract Values and Advertising

■ **Open Tender**

- Open to all interested local and foreign contractors/suppliers
- Advertising for these tenders will be National and International, e.g. trade magazines, Web Site

Module 1 – Contract Values and Advertising

International Advertisement

- May be required by the Funding Agency
- This is done if Contractors are unavailable locally
- This is for contracts that exceed the international threshold
(Threshold not yet established by WTO)

Module 1 – Contract Values and Advertising

Open Tender

- **Contracts above the threshold (\$150,000,000.00)**
 - **Prequalification Exercise is mandatory**

Module 1 – Contract Values and Advertising

■ **Selective Tender**

- Primary method of procurement for GOJ
- Involves selection of contractors/suppliers from National List
- Open to all domestic contractors/ suppliers registered in appropriate grade and category
- Contractors/suppliers must be given adequate time to prepare and submit responsive tenders

Module 1 – Contract Values and Advertising

Selective Tender

- Contracts valued J\$1,000,000.00 - \$10,000,000.00
 - **Invitation to tender**
 - **Restricted local advertising** – requires no endorsement from NCC (advertised in agency, local post offices, etc.)

Unless requires national advertisement based on the nature of the project, i.e. complexity

Module 1 – Contract Values and Advertising

- **Selective Tender**
- **Contracts valued \$10,000,001.00 – \$30,000,000.00**
 - **Invitation to tender**
 - Advertise in the largest circulation national newspaper (Sundays and Wednesdays)
 - First AD made prior to availability of tender documents
 - **Evaluation**
 - Procurement Committee
 - Head of Agency
 - Sector Committee
 - NCC

Module 1 – Contract Values and Advertising

Selective Tender

- **Contracts valued \$10,000,001.00 – \$30,000,000.00** cont'd
- **Awards of Contracts**
 - Recommended by
 - NCC - Endorses recommendation from the agency

Module 1 – Contract Values and Advertising

Selective Tender

- **Contracts valued \$10,000,001.00 – \$30,000,000.00 cont'd**
 - **Awards of Contracts**
 - Approved by
 - Minister
 - Permanent Secretary

Module 1 – Contract Values and Advertising

Selective Tender

- **Contracts valued \$30,000,001.00 to \$150,000,000.00**
 - **Advertising and Evaluation procedures are the same as for contracts between \$10,000,001.00 and \$30,000,000.00**
 - **But must also be approved by Cabinet after NCC endorsement**

Module 1 – Contract Values and Advertising

- **Limited Tender (contracts less than J\$1M)**
 - Procurement opportunity open to a limited number of contractors
 - Qualified contractors/suppliers are contacted and invited to participate based on:
 - Nature of work required
 - Relevant experience
 - Past performance record
 - Financial and technical capabilities

Module 1 – Contract Values and Advertising

Limited Tender

■ Contracts below \$250,000.00

■ Invitation

- Select three (3) contractors/(5)Suppliers from the list of Registered Contractors/Suppliers

■ Evaluation

- In-House Procurement Committee

■ Approval

- Head of Agency
- Permanent Secretary

Module 1 – Contract Values and Advertising

Limited Tender

- **Contracts valued \$250,000.00 to \$1,000,000.00**
 - **Invitation**
 - Local Restricted Advertising
 - **Post Offices, Parish Councils, etc.**
 - **Evaluation**
 - In-House Procurement Committee
 - **Approval**
 - Head of Agency
 - Permanent Secretary

Module 1 – Contract Values and Advertising

For these Contracts (i.e. less than J\$3,000,000.00)

- **Sole Source Procurement can be used**
 - **Must** have *written* authorization from the Permanent Secretary/Head of Agency

Module 1 – Contract Values and Advertising

Sole Source (Direct Contracting)

- Only one contractor/supplier is invited to participate
 - **When:**
 - Procurement is of a sensitive nature
 - Procuring entity received an unsolicited proposal it considers meritorious
 - Follow-on procurements
 - Emergencies
 - Highly specialized services

- Must be justified in writing to the NCC seeking permission/approval for sole source contracting valued at over \$3M. Cabinet approval is to be sought for values over \$30M

Module 1 – Contract Values and Advertising

An Invitation to tender advertisement should include, but not be limited to the following information:

- Name, address and other essential details of the procuring entity
- Brief description of project and the associated works required
- Funding source if required (e.g. overseas funding (agency/agencies))
- Requirement for contractor/ supplier NCC registration in designated category/categories and grades

Module 1 – Contract Values and Advertising

An Invitation to tender advertisement should include, but not be limited to the following information:

- Requirement for current Tax Compliance Certificate to be returned with tender
- Details of locations and dates for collection and return of tender documents
- Cost (if any) of tender documents
- Public Opening
- Any other special information, e.g. special requirements of Funding Agencies

Module 1 – Contract Values and Advertising

■ Electronic Notice Board

www.procurement.gov.jm

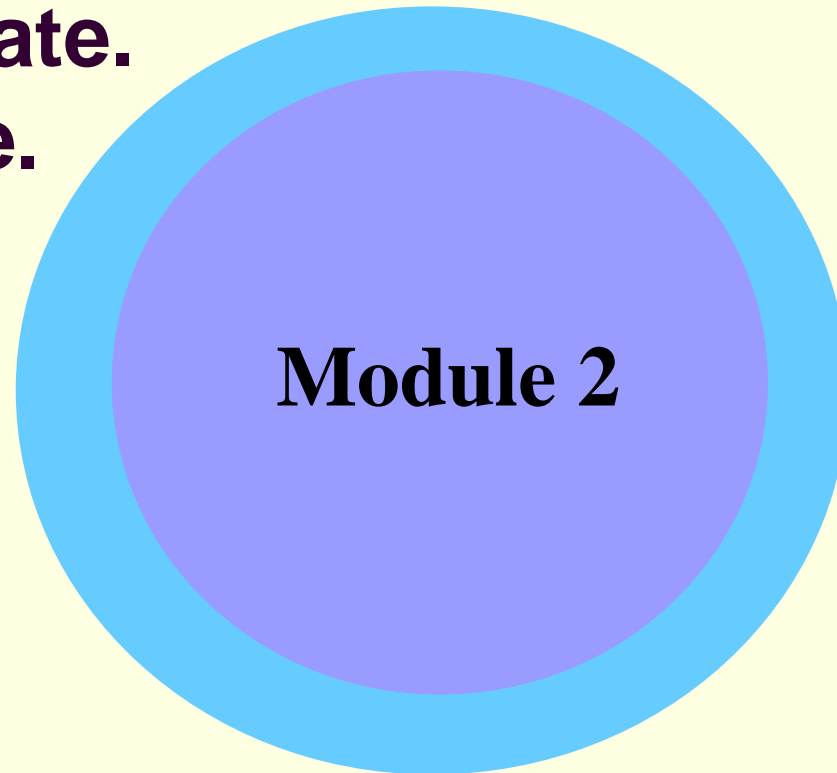
■ BENEFITS

- Savings on advertising costs
- Wider/International reach

In order to use the online facility of the Government Procurement Notice Board at www.procurement.gov.jm: Agencies should contact the Communications Officer for their assigned passwords, to enable them to log in and post advertisements on the Notice Board.

Public Sector Procurement

**Anticipate.
Manage.
Plan!**



Tender Procedures

MODULE 2 - Tender Procedures

■ **The Procurement Handbook**

- The definitive document effective 1st May, 2001
- Issued under the Authority of the NCC in accordance with the Contractor-General Act
- **Five sections:**
 - Policy
 - Legislation
 - Directives
 - Procedures
 - Green Procurement

MODULE 2 - Tender Procedures

■ TENDER PROCESS

Objective: To select a contractor/supplier for the award of contract

Processes:

- Definition of needs
- Preparation of documents
- Solicitation
- Evaluation
- Award

MODULE 2 - Tender Procedures

- **Define Needs**
 - **Ask these questions:**
 - **What do you require?**
 - **What will it cost?**

MODULE 2 - Tender Procedures

■ **Prepare Documents**

■ **Tender Documents include:**

- **Contract**
- **Specifications**
- **Instruction to Tenderers**

MODULE 2 - Tender Procedures

■ Tender Documents

■ Instructions to Tenderers

- Must contain all necessary information, including:
 - Selection procedure
 - Evaluation methodology criteria
 - Submission procedure
 - Tender deposit date/opening date
 - Proof of NCC/TCC registration
 - Description of the works, goods and/or services
 - Units of measure - Metric must be used
 - Source of funds
 - Eligibility requirements
 - Contact Person

MODULE 2 - Tender Procedures

■ Contractor/Supplier pre-qualification

MODULE 2 - Tender Procedures

- Receipt of Tenders
 - Tender Box
 - Clock
 - Tender Officer

MODULE 2 - Tender Procedures

■ Tender Opening

- **A ceremony**
 - To record what occurs during a particular tender opening
 - Does not determine eligibility or responsiveness or any other issue

- The tender opening form must be prepared and signed by all present at tender opening:
 - Members of opening committee
 - Representatives of tenderers

- ***A comparable estimate is a part of the official record***

MODULE 2 - Tender Procedures

- Provision of Information Regarding Public Body Contract Awards – Contracts of J\$275,001 to J\$10,000,000.00
 - Directive given by the Contractor-General on 2006 April 10, revised on 2006 July 11 and subsequently amended on 2008 November 20.
 - All Government Ministries and Public Bodies must comply
 - Quarterly submissions directly to the Office of the Contractor-General

MODULE 2 - Tender Procedures

- Provision of Information Regarding Public Body Contract Awards – Contracts of J\$275,001 to J\$10,000,000.00 cont'd
- Applies to all public sector contracts
 - Quarterly Contract Awards (QCA) report to be completed electronically
 - For further information, visit:
<http://www.cg.gov.jm/cg/mmca.php>

Public Sector Procurement



Module 3

Evaluation of Tenders

Module 3 – Evaluation of Tenders

- **Responsiveness**
- **Evaluation Methodology**
- **Correspondence**
- **Extension of Tender Validity**
- **Tender Report**

Module 3 – Evaluation of Tenders

Responsiveness

- Check tenders for missing information or documents
 - Instructions have been followed
 - Is tax compliant
 - Registered with NCC
 - Meets financial and technical requirements
 - Evaluate
 - Substantial compliance with tender

Module 3 – Evaluation of Tenders

Evaluation

Check and counter-check arithmetic calculations

- Inform tenderers of any errors
- Compare each tender and estimate
- Evaluate workload
- Compare individual rates with market rates
- Make summary comparison of all tenders
- Recommendation for acceptance
- Correspondence

Module 3 – Evaluation of Tenders

Correspondence

- **Communicate with contractor**
 - Indicating whether bid was successful\to be returned

All communication must be in writing

Module 3 – Evaluation of Tenders

- **Extension of Tender Validity**
 - **Request in writing**
 - **Write and respond to each tenderer**

Module 3 – Evaluation of Tenders

Tender Report

- Must document every step of the process:
 - Idea of the project
 - Tender submission details
 - Description of the ceremony
 - Methodology
 - Concerns regarding analysis of tender
 - Firm recommendation of who should get the job



End of Presentation



Thank you