



ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 92-28600-16
Website: <http://www.mof.gov.jm>
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MINISTRY OF FINANCE AND THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

September 22, 2008

Circular No. 36
Division: Public Expenditure Policy Coordination

Permanent Secretaries
All Heads of Procuring Entities

Re: Increased Approval Thresholds for Public Sector Procurement

Permanent Secretaries, Heads of Departments, Chairmen of Boards and Chief Executive Officers are hereby advised that via *Cabinet Decision No. 28/08 dated August 25, 2008*, the approval thresholds for the procurement of goods, services and works by public sector entities have been increased effective **22nd September 2008**.

The threshold values below relate to gross amount payable to contractors.

Contracts JS10M and Below

- i. The Head of Procuring Entity may approve.

Contracts Above S10M up to JS30M

- i. Require the endorsement of the National Contracts Commission.

Contracts Above JS30M

- i. In addition to the National Contracts Commission's endorsement, will require the approval of Cabinet.

Direct Contracting/Sole Sourcing

- i. The Head of Procuring Entity may approve sole source/direct contracting up to **JS3,000,000.00**. Above this value will require the prior approval of the National Contracts Commission. Cabinet's prior approval is required for values above **JS30,000,000.00**.
- ii. Procurement by sole source or direct contracting methods must be in keeping with current market prices, justified according to the terms below and the justification must form part of the record of the procurement.

- iii. Sole Source means there is only one provider of the particular good/service. Use of this method may be justified when:
 - a. A particular supplier or contractor has exclusive rights in respect of goods or services.
 - b. Standardizing equipment available only from a single proprietary source; i.e. the procuring entity has procured goods, equipment or technology from a supplier or contractor and additional supply must be procured from that supplier or contractor for reason of standardization.
 - c. For the purposes of research, experiment, study or development.

- iv. Direct contracting means only one contractor is invited to participate. Use of this method may be justified:
 - a. In response to a catastrophic event, making it impractical to use other methods of procurement because of the time involved in using those methods.
 - b. For the purposes of research, experiment, study or development.
 - c. In emergency circumstances and situations of compelling urgency.

Permanent Secretaries, Heads of Departments, Chairmen of Boards and Chief Executive Officers are required to ensure that all Officers concerned are notified of this directive.

The directives contained in this Circular supersede all previous directives addressing these issues.



Darlene Morrison
Financial Secretary (Acting)