

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

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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. 34
Division: Public Expenditure Policy Coordination

Permanent Secretaries
All Heads of Procuring Entities

Re: Amendments to Procurement Procedures for Commercial Entities

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*, partial exemption from the procurement procedures has been granted for the following procuring entities as listed below effective 22nd September 2008.

Air Jamaica Limited

The Head of Air Jamaica may approve contracts up to **US\$150,000**. Above this value will require the prior approval of the National Contracts Commission.

Air Jamaica's internal regime will apply to the following procurements:

- (i) Procurement of goods, services and works to Air Jamaica's overseas stations;
- (ii) Procurement of goods, services and works for which the standards and suppliers are regulated by the Jamaica Civil Aviation Authority (JCAA), Federal Aviation Authority (FAA), other regulatory bodies or manufacturers;
- (iii) Lease of aircraft or procurement of repair services in a situation of *Aircraft on Ground (AOG)*;
- (iv) Procurement of goods, services or works in security restricted areas;
- (v) Procurement of Aircraft Fuel;
- (vi) Accommodations for Crew Layover;

- (vii) Interline Agreements and Code Share Agreements;
- (viii) Purchase and maintenance of support equipment for aircraft handling e.g. Paymovers, Passenger steps, baggage carts etc.;
- (ix) Products for use onboard aircraft e.g. pillows and blankets; and
- (x) Purchases from unregistered small suppliers.

Petrojam Limited

Petrojam's internal procurement regime will apply to the following:

- (i) Spot Procurement of Petroleum Products, Crude Oil, LPG, and Freight
- (ii) Procurement of LPG, MTBE and Freight
- (iii) Tank Cleaning and Repairs
- (iv) **Use of Pre-Approved Contractor List** - Petrojam may use its pre-approved contractors list for the selection of contractors by limited tender for specific work on the Refinery, provided that: the list is large enough to allow for competition; these contractors also become registered with the NCC; and Petrojam will advertise annually for additional contractors to be pre-approved.

Port Authority of Jamaica

The Head of Port Authority may approve sole source/direct contracting up to **J\$5,000,000.00**. Above this value will require the prior approval of the National Contracts Commission. Cabinet's prior approval is required for values above **J\$50,000,000.00**.

Jamaica Tourist Board & Jamaica Vacations Ltd.

The following activities are exempt from coverage under the procurement rules and guidelines and these activities will be undertaken according to standard industry practice.

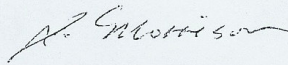
- i. Co-sponsorship arrangements;
- ii. Trade and travel road shows;
- iii. Supplies of goods and services to overseas offices of the JTB; and
- iv. Co-operative advertising.

1. All other procurements conducted by the above-named entities will be subject to standard tender rules and procedures as contained in the Government of Jamaica Handbook of Public Sector Procurement Procedures.
2. The exemptions do not discharge the entities from their responsibility to advise their portfolio Ministers of developments taking place within these entities.

3. Notwithstanding any internal approval, the NCC must be advised of all contract awards within the NCC thresholds on a quarterly basis.

Permanent Secretaries, Heads of Departments, Chairmen of Boards and Chief Executive Officers must 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)