



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 & PLANNING
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

Circular No. 9

Ref. No. C5

March 28, 2013

Permanent Secretaries
Heads of Departments
Chairmen of Boards and
Chief Executive Officers

RE: 2012-2015 Heads of Agreement – Expenditure Restraint

The Government of Jamaica and Public Sector Unions have signed a Heads of Agreement for the contract period 2012-2015. The terms of this Agreement are applicable to all Government entities inclusive of Central and Local Government, Commissions, Companies, Corporations, Institutions and Statutory Bodies.

Arising from this Agreement is the general policy of expenditure restraint. This policy includes but is not limited to the following areas:

1. **Motor Vehicle Purchase (Make and model)** – the purchase and management of motor vehicles in the Public Service must be strictly in keeping with the Comprehensive Motor Vehicle Policy for the Public Sector and vehicles should only be procured when it is absolutely necessary for the effective performance of duties. Care must be exercised in respect of the make and model of vehicle being purchased which must be in compliance with the approved C.I.F (Cost, Insurance and Freight).

The current motor vehicle fleets are to be rationalised in respect of:

- Fleet Size
- Economy and efficiency of existing vehicles
- Fleet Management


Where there are excess/underutilized vehicles within a fleet, as determined by the accounting officer, the Ministry of Finance or a Report from the Auditor General, the Ministry of Finance reserves the right to reassign such vehicle to any other area which may be deficient in transportation. Under no circumstance must any transfer be done without the prior approval of the Ministry of Finance and Planning.

2. **Purchase of Office Equipment and Refurbishment of Offices** – Due regard is to be given to the purchase of Office Equipment and refurbishment of Offices which are to be strictly in keeping with the procurement guidelines of the Government of Jamaica as detailed in the procurement handbook for the public sector.
3. **Consultants and Advisors** – Permanent Secretaries and Chief Executive Officers are to give due regard to engaging the services of Consultants and Advisors. Where it becomes absolutely necessary for persons to be engaged, it should be in keeping with this Ministry's Circular No. 15 Ref. No. 11131VIII dated May 8, 2012.
4. **Social Functions** – Officers are to exercise due regard in the planning and execution of all social functions. Ministries, Department and Agencies (MDAs) are encouraged to utilize the resources/expertise that exists in the organization. The rental of property/venue and the hireage of motor vehicles are to be carefully managed and monitored.
5. **Rental of Property** - Where space can be shared among MDAs to reduce the cost of rental of property, this is to be considered.
6. **Foreign Travel** – All foreign travel must be restricted to visits that are absolutely necessary and provide benefit to the country. Delegations must be kept at a minimum and Permanent Secretaries and Chief Executive Officers must ensure that each person forming a part of a delegation is essential to the business at hand. Due care must be taken in respect to the class of air travel. Permanent Secretaries and Chief Executive Officers are to determine whether or not such visits would qualify under this Circular. In respect of training, every effort should be made to secure training locally in the first instance. All concerned are hereby reminded that the conditions and guidelines as set out in this Ministry's Circular No. 16 File No. 27/026VIII dated July 8, 2009 are to be fully observed.
7. **Utilities (including the investment in alternative energy)** - Utilities have become a major cost item on the budget. Consequently, every effort should be made to reduce these costs by using appropriate conservation methods.

In furtherance of the implementation of a policy of expenditure restraint, the Partners have agreed that with immediate effect there is to be established in all agencies of Government a cost saving committee that should be representative of all levels in the organization.

This Committee's mandate is to develop and effect general cost saving measures in all areas. A quarterly report detailing the savings achieved is to be submitted to the Public Expenditure and Policy Co-ordination Division as well as the Public Expenditure Division (Budget Division) of the Ministry of Finance and Planning, through the respective Permanent Secretary, Head of Department or Chief Executive Officer.

All the guidelines are to be adhered to and applied without discretion or exception. All queries and request for clarification are to be directed to the Compensation Unit of the Ministry of Finance and Planning.



Devon Rowe
Financial Secretary