



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

Telephone No. 922-8600
Website: <http://www.mof.gov.jm>
Email: info@mof.gov.jm

MINISTRY OF FINANCE AND THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

March 13, 2014

Circular No. 9
Division: Public Expenditure Policy Co-ordination
Permanent Secretaries
Heads of Departments
Chief Executive Officers
Heads of Procuring Entities

Re: Amendments to GOJ Handbook of Public Sector Procurement Procedures

Permanent Secretaries, Heads of Departments, Chief Executive Officers and other Heads of Procuring Entities are hereby advised that in accordance with **Cabinet Decision No. 27/13** dated July 15, 2013 the procurement procedures have been amended with effect from **March 17, 2014**.

Kindly access the following link on the Ministry of Finance website (<http://www.mof.gov.jm/procurement-policy/revised-handbook-public-sector-procurement-procedures-march-2014>) to view amendments to the following sections of the **Revised GOJ Handbook of Public Sector Procurement Procedures, March 2014**:

Volume 1:- General Provisions

Section 1.2.1(m) - Exclusions
Section 2.2.5 - Procurement Committee

Volume 2:- Procurement of Goods, Works and General Services

Section 1.1 - Procurement Methods
Section 1.1.5 - Emergency Contracting
Section 1.3.1 - NCC Requirement
Section 1.3.3 - TCC Requirement
Section 1.3.4 - Pre-qualification of Bidders
Appendix 6 - NCC Register of Public Sector Contractors

Volume 3:- Procurement of Consulting Services

Section 1 - 1.1 - Procurement of Consulting Services
Section 1.3 - Contract Value Thresholds, Direct Contracting

Volume 4:- Procurement of General Insurance Services

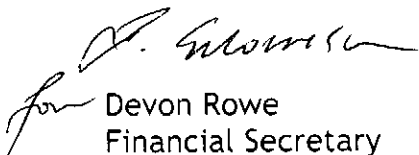
Section 1.10 - Overseas Companies
Section 3.1 - Brokers

In addition to the foregoing amendments, kindly note the following:

- i) Procuring Entities are no longer required to obtain the prior approval of the National Contracts Commission (NCC) to use the Direct Contracting nor the Limited Tender Methodologies above the specified thresholds. Heads of Procuring Entities now have the authority to grant such approvals, however, the recommendation for contract award must be submitted to the relevant authorities for final approval, in accordance with the thresholds established in the Handbook.
- ii) Named sub-contractors are required to submit proof of valid TCC and NCC registration at the time of bid submission and shall be assessed as part of the main contractor's team during the tender evaluation process.
- iii) Where there is no contractor listed on the NCC Register of Public Sector Contractors in the required category of procurement, the procuring entity may engage an unregistered supplier, subject to approval of the NCC.
- iv) For procurement valued above \$150M, prequalification is a mandatory requirement.
- v) For procurement up to \$500,000, NIS requirement is no longer applicable;
- vi) For insurance tenders, Brokers who propose facultative placement with Unregistered Insurers, shall obtain the approval of the Financial Services Commission and submit evidence of same within seven (7) days of notification of the award of contract.

This supercedes Ministry of Finance & Planning Circular No. 8 dated March 7, 2014.

Permanent Secretaries, Heads of Departments, Chief Executive Officers and other Heads of Procuring Entities are advised to bring these changes to the attention of all affected personnel.


for Devon Rowe
Financial Secretary

APPENDIX I

AMENDED SECTIONS - HANDBOOK OF PUBLIC SECTOR PROCUREMENT PROCEDURES

Volume 1 - General Provisions:

1.2.1 EXCLUSIONS

The following are not subject to the procedures contained in this Handbook:

- (m) procurement of air travel services, hotel accommodation and hotel services related to conferences, training seminars and other functions hosted by the government;

2.2.5 PROCUREMENT COMMITTEES

- (i) The Procurement Committee shall review all procurement for which the Head of Entity is the authority for final approval. The Head of Entity may, at his/her discretion, determine the upper and lower limits for the Procurement Committee. However the base limit should not exceed **\$1.5M**.

Volume 2 - Procurement of Goods and General Services:

1.1.5 PROCUREMENT METHODS

This overview provides guidance to Procuring Entities on methods for the procurement of all goods, works, general and consulting services.

1.1.6 CONTRACTING UNDER EMERGENCY CIRCUMSTANCES

Emergency contracting is permitted in any of the following circumstances:

- (a) for the repairs or remedial action necessary to preserve public safety or property; or to avoid great social harm or significant public inconvenience;
- (b) for the procurement of goods, services or works in any extenuating circumstances in which the Procuring Entity is likely to incur or suffer financial loss if the procurement is not executed immediately;

- (c) for the procurement of goods, services or works in any circumstance in which the national interest and/or national security considerations demand that the procurement be undertaken immediately; or
- (d) for business-sensitive procurement of goods, services or works in any extenuating circumstances in which the operating functions or business objectives of a Procuring Entity are likely to be significantly impeded, or placed in jeopardy if the procurement is not executed in a limited timeframe.

The need for such procurement must be sudden, unexpected and a pressing necessity or exigency. Where an emergency situation exists as defined above, the Procuring Entity may engage a contractor by means of Direct Contracting. Contractors must be registered with the National Contracts' Commission and possess a valid Tax Compliance Certificate prior to award. Where the contractor is based overseas, the procuring entity shall refer the matter to the National Contracts' Commission for approval.

The Head of the Procuring Entity shall give approval for the issuing of emergency contracts up to a maximum value of J\$100 million. This approval shall be in writing and shall form part of the procurement record to be kept by the Entity. Any additional expenditure must be subject to the approval of the National Contracts' Commission and Cabinet. Procuring entities shall ensure that the value for money objective is met before awarding emergency contracts.

Contracts awarded under emergency circumstances shall commence immediately. Failure to execute such contracts within one month of approval will result in automatic reversion to the general procurement provisions. No other contract shall be let under that dispensation after the expiration of one month.

Emergency contracts above **J\$5M** shall be reported to the National Contracts' Commission within the month in which the award was made, along with full justification for the procurement.

The report shall be done within the month the contract is awarded and shall include:

- (a) a justification;
- (b) a statement as to why the contractor was selected; and
- (c) the value of contract awarded.

1.3.1 NCC REGISTRATION

Contractors and named sub-contractors participating in Public Sector procurement opportunities shall provide a valid National Contracts Commission (NCC) Registration Letter at the time of bid submission. In the case of International Competitive Bidding, the NCC Registration Letter shall be provided prior to contract award.

1.3.3 TAX COMPLIANCE

Contractors and named sub-contractors participating in Public Sector procurement opportunities shall provide a valid Tax Compliance Certificate:

- (a) at the time of registration for Government of Jamaica Approved Contractor status;
- (b) prior to contract award in the case of International Competitive Bidding; and
- (c) at the time of bid submission for any other procurement method.

Volume 3 - Procurement of Consulting Services:

SECTION 1

The procurement methods and procedures contained in Volume 2, Sections 1.1 - 1.1.5 are also applicable to the procurement of consulting services.

1.1 OVERVIEW OF CONSULTANT SELECTION METHODS - Section renamed

1.3 CONTRACT VALUE THRESHOLDS

Contract Thresholds	Procurement Method	Procedures
Above J\$5 Million up to J\$10 Million	Local Competitive Bidding (LCB)	<ol style="list-style-type: none"> 1. The Procuring Entity issues a general advertisement in daily newspapers inviting appropriately qualified consultants. 2. A valid TCC is required at bid submission. 3. Standard Bidding Documents are used. 4. Evaluation is carried out by the Evaluation Committee. 5. The contract is subsequently approved by the Head of the Procuring Entity. 6. The contract is awarded by the Head of the Procuring Entity.

<p>Above J\$500K Up to J\$5 Million</p>	<p>Limited Tender</p>	<ol style="list-style-type: none"> 1. The Procuring Entity invites participation from a minimum of three (3) consultants. 2. A valid TCC is required for contract above 3. Evaluation is carried out by the Evaluation Committee. 4. The contract is approved and signed by the Head of the Procuring Entity.
<p>Up to J\$500K</p>	<p>Direct Contracting</p>	<ol style="list-style-type: none"> 1. The Procuring Entity invites any qualified consultant. 2. A TCC is not required. 3. A Tax Registration Number (TRN) is required.

Volume 4 - Procurement of General Insurance Services:

1.10 OVERSEAS COMPANIES

In the event of facultative placement with Unregistered Insurers, local registered and pre-qualified Brokers must obtain the permission of the Financial Services Commission (see Attachment # 1) and submit evidence of the same within seven (7) of notification of the award of contract.

3.1 BROKERS

Applications for permission regarding overseas facultative placement with unregistered Reinsurers shall be submitted in writing to the Financial Services Commission (FSC) by the Insurer/Broker, no later than seven (7) days after the notification of the award of contract. Applications should be accompanied by the required supporting documentation detailed at Appendix I. It should be noted that placement with Lloyds of London does not require FSC approval