



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
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P.O. BOX 512
KINGSTON
JAMAICA

September 28, 2016

Circular No.: 27

Division: Public Expenditure Policy Co-ordination

Permanent Secretaries
Heads of Procuring Entities

**Re: Increased Procurement Contract Approval Limits and Procurement Method
Thresholds**

Permanent Secretaries, Heads of Departments, Chairmen of Boards, Chief Executive Officers and other Heads of Procuring Entities are hereby advised that by way of ***Cabinet Decision No. 30/16 dated September 12, 2016***, the Procurement Contract Approval Limits and Procurement Method Thresholds will be increased, **effective October 1, 2016**.

PROCUREMENT CONTRACT APPROVAL LIMITS

Procuring Entities are asked to note that a **procurement contract approval limit** or **procurement approval threshold** means, the prescribed maximum value of a procurement contract which requires prior approval of the relevant approving authority for a contract award to be made. That is, the prior approval of:

- i. only the head of the procuring entity (**Tier 1 Limit**) or
- ii. the head of the procuring entity and the National Contracts Commission (NCC) respectively (**Tier 2 Limit**) or
- iii. the head of the procuring entity, the National Contracts Commission (NCC) and the Cabinet (**Tier 3 Limit**).

Therefore, ***Volume 1: General Provisions in the Revised Handbook of Public Sector Procurement Procedures (March 2014)*** has been revised:

Section 2.4 Procurement Contract Approval Limits now reads:

“The procurement contract approval limits for contract awards are as follows:

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CONTRACT VALUE	CONTRACT APPROVING AUTHORITY
J\$30M and below	Head of the Procuring Entity (Tier 1 Limit)
Above J\$30M up to J\$60M	National Contracts Commission (Tier 2 Limit)
Above J\$60M	Cabinet (Tier 3 Limit)

NB: The threshold values outlined above relate to the **gross value of the contract**. It is not mandatory for Procurement Committees to review contract award recommendations which are valued above **J\$30M** and require external endorsement/approval (National Contracts Commission and/or Cabinet) prior to contract award.

PROCUREMENT METHOD THRESHOLD

Procurement method threshold is the value which determines what procurement method a procuring entity should utilize relevant to the required level of competition. This is based on the pre-tender/comparative estimate for the procurement.

Table 1 - Procurement of Goods

PROCUREMENT METHODS	GOODS THRESHOLDS
International Competitive Bidding (ICB)/ Local Competitive Bidding (LCB)	Above \$60M
Local Competitive Bidding (LCB)	Above \$10M up to \$60M
Limited Tendering (LT)	Above \$5M up to \$10M (minimum of 5 quotations required)
	Above \$1.5M up to \$5M (minimum of 3 quotations required)
Direct Contracting (DC)	Up to \$1.5M

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Table 2 - Procurement of General and Consulting Services

PROCUREMENT METHODS	GENERAL AND CONSULTING SERVICES THRESHOLDS
International Competitive Bidding (ICB)/ Local Competitive Bidding (LCB)	Above \$60M
Local Competitive Bidding (LCB)	Above \$8M up to \$60M
Limited Tendering (LT)	Above \$3M up to \$8M (minimum of 5 quotations required)
	Above \$1.5M up to \$3M (minimum of 3 quotations required)
Direct Contracting (DC)	Up to \$1.5M

Table 3 - Procurement of Works

PROCUREMENT METHODS	WORKS THRESHOLDS
International Competitive Bidding (ICB/ Local Competitive Bidding (LCB))	Above \$150M
Local Competitive Bidding (LCB)	Above \$20M up to \$150M
Limited Tendering (LT)	Above \$10M up to \$20M (minimum of 5 quotations required)
	Above \$2M up to \$10M (minimum of 3 quotations required)
Direct Contracting (DC)	Up to \$2M

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NB: The use of Limited Tendering and Direct Contracting above the thresholds specified in the tables above MUST be approved by the Head of the Procuring Entity.

It must be noted that **ALL** new thresholds/values contained in this Circular will replace those values outlined in previous Circulars and the Government of Jamaica Handbook of Public Sector Procurement Procedures, March 2014. However, all other procedures contained therein are still in effect.

The Ministry of Finance and Public Service wishes to re-iterate that with these increased values, Procuring Entities are still expected to ensure accountability, transparency and fiscal prudence in the award of all procurement contracts.

Permanent Secretaries, Heads of Departments, Chairmen of Boards, Chief Executive Officers and other Heads of Procuring Entities are advised to bring this circular to the attention of all affected personnel.



Everton McFarlane
Financial Secretary (Assigned)