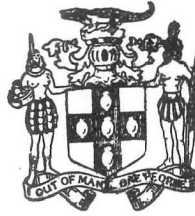


THE
NINTH ANNUAL REPORT
OF
THE CONTRACTOR-GENERAL
JANUARY TO DECEMBER, 1995



OFFICE OF THE CONTRACTOR-GENERAL

17 KNUTSFORD BOULEVARD,

P.O. BOX 540,

KINGSTON 5,

JAMAICA, W.I.

ANY REPLY OR SUBSEQUENT REFERENCE
TO THIS COMMUNICATION SHOULD BE AD-
DRESSED TO THE CONTRACTOR-GENERAL
AND THE FOLLOWING REFERENCE QUOTED:-

No. 10-2-01^{IV}

TELEPHONE No.

7th May 19⁹⁶

Hon. Carl Marshall
Speaker of the House of Representatives
Gordon House

Hon. Syringa Marshall-Burnett
President of the Senate
Gordon House

Dear Sir/Madam,

In accordance with the provisions of Section 28 of the Contractor-General Act I have the honour to forward 110 copies of the Ninth Annual Report of the Contractor-General for January to December 1995.

As you may recall, Section 28(3) calls for Reports to be "submitted to the Speaker of the House of Representatives and the President of the Senate who shall, as soon as possible, have them laid on the Table of the appropriate House."

Yours sincerely,

Gordon Wells
Contractor-General

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1.0 INTRODUCTION

1.1 AWARD OF CONTRACTS

For the integrity of the contracting process to improve, it is important that the related institutions and systems be strengthened and made more independent. 1995 was to have been the year when the country would begin to reap the benefit of new contracting arrangements and more transparent mechanisms to handle the disposal of publicly owned land.

By the end of the year, the Government had taken a decision to set up an independent National Contracts Commission to replace the present Government Contracts Committee. The new National Commission was to be established by statute in contrast to the present Contracts Committee which derives its position from administrative directives that are frequently ignored or circumvented. But the legislative process seems always to take longer than expected and at year end Members of Parliament and those in the community, who were interested, had for examination a Ministry Paper which had been laid in the House in November.

This Paper set out the Government's proposals in some detail and was due to be referred to a Committee of the House as a first step in the legislative process. The Ministry Paper is included as Appendix IV to this Report. It is in 1996 that the legislative process will begin and hopefully be brought to a conclusion.

An associated exercise which is proceeding on the basis of a World Bank Study has to do with how procurement of goods and services in the Public Sector is handled. With the closing of the Supply Division of the Ministry of Finance, the need for comprehensive and practical procurement guidelines became of critical importance. Hopefully 1996 will also see work completed on the establishment of the guidelines.

1.2 DISPOSAL OF PUBLICLY OWNED LAND

During 1995 panels of names for land disposal Committees for twelve Parishes and the KSAC were submitted by me to the Ministry of the Environment and Housing. From these lists, three names were to be selected for each Parish Committee and other names were expected from the churches, youth groups and similar organisations. At year end it did not appear that any of the Committees were yet functional.

There was also the question of the extent of the lands for which the Committees were to be responsible. One proposal was that the Committees' responsibilities should be confined to land owned by the Central Government. It would be unfortunate if such a proposal were to be accepted as much of the most valuable land in Jamaica is owned by statutory bodies such as the Urban Development Corporation (UDC), National Water Commission (NWC) and the Parish Councils. The purpose for which the Committees are being set up would be substantially frustrated if their activities were to be restricted to land owned by the Central Government.

1.3 COST OVERRUNS

Many commentators take a simple view of cost overruns on construction contracts. The tendency is to blame the contractor who is the most visible person on a construction project. The contractor is sometimes at fault but often it is the consultant or the client or factors over which there is no control such as the weather or violence on the site.

If the National Contracts Commission is established and operates along the lines as conceived then many of the problems now faced in regard to the performance of contractors and consultants and even pre-planning and design work on the part of clients, should be significantly reduced.

However, the new arrangements will not deal with the cash flow problems experienced on many projects or with the manner in which the fees of consultants are calculated. Often in monitoring a problem project it is discovered that the main problem is the failure of the client to pay for work done on a timely basis as required by the terms of the contract. The restoration of the Port Maria Courthouse is a good example for 1995. The contractor was ahead of schedule in his work until payments became due in September to both him and the consultant. Up to the end of the year no payments had been made to either, resulting in the closure of the site which will lead to a substantial overrun in time and cost. It is hardly likely that anyone will be held accountable. This case again makes it clear that it is essential that the funds be identified before a project starts and that these funds are not diverted for other purposes during the course of construction.

As far as consultants are concerned, too often are their fees related solely to the final cost of a project which provides a temptation not to control costs but allow them to escalate unnecessarily. Consultants should be encouraged to accept payment on the basis of the original estimated cost of a project. Thereafter they would negotiate on the basis of the additional work and time put into the project.

1.4 GENERAL

The Office continues to provide help to Government Agencies in the tendering and other aspects of contracting. Each year the requests for help increase which suggests that more and more agencies want to make sure that they are doing things the right way and don't wish to be criticised by the Government bodies responsible for auditing and monitoring public sector activities.

During 1996, the work of the Office is likely to increase significantly as much has to be done to establish the National Contracts Commission and the new division of this Office that may be required to service the Commission.

Much useful work was done in 1995 and perhaps more could be done in the years ahead if we were able to use the auditing and monitoring resources in the Public Sector in a more rational and effective manner. The office welcomed the comments and criticisms received during 1995 and hopefully they will continue to come in and help us to improve the quality of what we do.

Finally, it should be noted that the 1994 Report was not during 1995 referred to any Parliamentary Committee for examination and there is nothing to suggest that this Report will not suffer the same fate.

2.0 MONITORING AND INVESTIGATION OF CONSTRUCTION CONTRACTS

2.1 INTRODUCTION

Over the years this office has complained about the weaknesses and deficiencies in the construction industry with little result. It is therefore encouraging that government has now accepted the proposals of a special committee to review the structure and functions of the Government Contracts Committee (GCC) and for its restructuring and redesignation as the National Contracts Commission (NCC). The proposals are for the NCC to have its own staff and function under an independent chairman who is responsible to oversee the operations of all public contract committees. It will also be charged with responsibility to establish, maintain and review lists of approved consultants and contractors. The NCC is also expected to strictly observe and apply the rules, regulations and directives relating to the construction industry and conduct its affairs in a manner of unquestionable transparency and integrity.

Unfortunately, poor planning, management, coordination and supervision continue to undermine the efficient and timely implementation of projects, and as will be observed from the cases listed later in this section, it is difficult to dispel a feeling that where public funds are concerned there is in many cases signal lack of any urgency or sense of responsibility. The distressing fact is that, whereas there are many public areas in serious need of funds, the excesses on contracts seem to be met without much problem.

Germane to the inefficient execution of projects is the shortage, in the public sector, of trained and experienced personnel in project management. Escalating costs and time overruns will continue until such time as competent staff with the appropriate management and other skills are placed in charge of projects. In these circumstances, agencies may be well advised to engage the services of private management firms until an adequate cadre of public project managers is trained or recruited. This course, it is felt, can save both cost and time.

Most of the special cases listed below in this section show that cost and time overruns are routinely incurred on projects. The poor management of projects which continues to haunt public sector contracts in most cases can be traced directly to poor planning, coordination and supervision. There is need for greater consultation and collaboration between ministries/agencies (clients) and consultants to ensure that plans are properly and adequately formulated, the necessary financing is in place and appropriate staff are assigned. The consultants (Architect/Engineer/Quantity Surveyor) are responsible for guiding implementation of the project and ensuring its integrity. Too many projects reflect variations and changes in the scope of works and it is noted also that an increasing number of projects suffered from faulty, or a lack of soil reports.

There is also concern with regard to the manner in which some consultants conduct pre-contract activities. We continue to come across faulty tender documents, inept evaluation of tenders, the acceptance of non-responsive and late tenders, unreasonably short tender periods, and prequalification

exercises which sometimes lack transparency. Ministries/agencies (clients) in recruiting consultants should try to ensure that they are bona-fide and competent with a proven track record. It is also important that the client formulates in close consultation with the consultants, an appropriate plan which should be adequately covered by the budgetary provision. Failure in these areas will inevitably result in variations, additional works and changes in the scope of works with the attendant delays and escalations in costs. Cases #1, 2, 3 and 7 below disclose some of these shortcomings.

The appointment of contractors continues to be a problem area as there is no strict adherence to selection from the approved government list. As a consequence, incompetent contractors are sometimes engaged or a contractor may be awarded a contract beyond his capabilities. Often an excuse is found to avoid the tendering process and negotiate a contract with a single contractor sometimes selected by a Member of Parliament. Not only are these practices in breach of existing rules and regulations but they also often result in additional costs, extension of time and shoddy work. It is hoped that a properly constituted and functional NCC will bring an end to these wasteful practices. See Cases # 13 and 14 below.

It is observed that many contractors failed to exercise the necessary level of management, coordination and supervision which is critical to the efficient and timely execution of projects. The resultant delays often suggest that penal clauses of the contract should be invoked, but in practice, the client seldom takes any punitive action and this is so because in many cases both the client and the consultants are also at fault as Cases # 5, 10, 12 and 14 below indicate.

Below is listed a number of selected projects which were poorly managed and reflect the weaknesses and deficiencies outlined above. However, it should be emphasised that there were projects which were competently managed and efficiently executed within the contract period and contract sum.

There was, for example, a contract awarded by CECL to Speedy Construction Co Ltd., to install 9,600 ft. of 6" diameter pipeline in the Lluidas Vale Water Supply Scheme, which was completed on time, seven (7) months, with indications that there would be an overall saving on the contract sum of \$3.7M.

Another case which demonstrated competent management was the contract awarded to Bacchus Engineering Works Ltd. by CECL, to install 14,000 ft. of 6" diameter ductile iron pipeline from Swansea to Worthy Park in the Lluidas Vale Water Supply Scheme. Scheduled for execution between September 1995 and April 1996, at a cost of \$3.7M, the works were completed, tested and commissioned by December 1995, that is, 4 months ahead of the deadline and at a cost of \$2.9M or 23% below the contract sum.

A third commendable case, is the contract awarded by the Port Authority of Jamaica to E. Pihl and Son A.S. - Denmark, under the Kingston Trans-shipment Port Development, to install 2 berths, 2000ft. long and 49 ft. deep and paving 32 acres of the container yard. Scheduled for execution between February 1995 and March 1996, at a cost of \$687.7M, the works were 60% complete with expenditure running at \$326M (47%) and with the contractor meeting the operational deadline of December 1995, despite delays in clearing materials and equipment from the wharf, inclement weather, increase in the scope of works and relatively poor performance of a local sub-contractor.

Unfortunately these commendable cases are too few while those reflecting overruns in time and costs, constitute the majority of cases. When it is realized that thousands of contracts are awarded each year, these overruns can increase costs to an alarming extent. The following table lists seven (7) projects of various sizes with overruns in both time and costs, not all of which have been completed or have submitted final accounts, but which nevertheless provide some indication of the sort of overruns in time and costs which regularly occur on public contracts.

PROJECT	CONTRACT SUM \$	OVERRUNS		
		Months	Cost \$	%
1. Castleton Water Supply Scheme	2.3M	19	.5M	21%
2. Old Harbour Water Supply Scheme	2.3M	13	1.3M	56%
3. Victoria Town Well	1.9M	32	1.7M	93%
4. Rio Cobre Dam	123.7M	8	73.6M	59%
5. Morant Bay Junior High School	27.5M	10	31.7M	115%
6. Denbigh Display Centre	5.9M	14	1.6M	27%
7. Rosemount Infrastructural Works (3 contracts)	112M	9	34M	30%
TOTAL	275.6M	105	144.4M	57%

It will be seen that these seven (7) projects, some of which were not completed at the end of the reporting period, have an accumulated overrun in time of 105 months (8 3/4 years) and a cost overrun of \$144.4M or 57% of the combined contract sum of \$275.6M.

Attention is also invited to Appendix II which deals in summary form with a much larger selection of projects monitored by the office.

2.2 CASE 1 - CASTLETON WATER SUPPLY PROJECT - PHASE I

Carib Engineering Corporation Limited awarded a contract through open tendering, to Fredrick Rodriques & Associates Ltd., to install 7,000 ft. of 8" pipeline from Providence to Castleton in St. Mary. The works were to be executed over five (5) months from December 1993, for a contract sum of \$2.3M. The contract was approved by the GCC, Cabinet and the EEC.

Unfortunately the consultants, Mattis, Demain, Beckford and Associates performed poorly and had to make two (2) appearances before the GCC. In the first place, the tender documents provided for no contract period; no tender bond; no comparison of rates; the Engineer's estimate was omitted and there was no provision for "fill". In addition, the contractor was not requested to stand by his corrected tender sum and it took the consultants some 48 days to submit the evaluation report.

At the reporting period the works were 97% complete with expenditure running at \$2.8M or 22% above the contract sum with a time overrun of nineteen (19) months. Progress on the project has been slow as at July 1995, the works were 95% complete. Overall, the project has suffered from poor planning, management and execution.

2.3 CASE 2 -VICTORIA TOWN WELL #2

Carib Engineering Corporation Ltd. awarded a contract by selective tendering, to Donald Lewis Construction Co Ltd. to install a 7,000 ft. 6" pipeline, a pump and a chlorinating plant at Victoria Town, Manchester. The job was to be completed between November 1991 and June 1992, at a cost of \$1.9M. The project was funded jointly by the EEC/GOJ.

The project suffered from poor planning and coordination and disagreement regarding the selected contractor who was rejected by the EEC. The resultant delays necessitated a revision of rates, in addition to the suspension of works pending the arrival of the electro/mechanical equipment; there was also a need to replace a pump.

The project was completed in February 1995, reflecting a 32-month overrun and an expenditure of \$3.6M, that is, \$1.7M or 89% above the contract sum, due mainly to fluctuations in labour and material costs and additional work.

This project demonstrates what can transpire when the client and consultants fail to display the requisite diligence in planning, coordination and supervision which are critical to the timely and efficient execution of a project.

2.4 CASE 3 -RECONSTRUCTION OF THE RIO COBRE DAM

The NICL awarded a contract, through selective tendering, to Y.P. Seaton & Associates Co Ltd. for the reconstruction of the Rio Cobre Dam to be executed between June 1993 and October, 1994, in the sum of \$123.7M. The contract was vetted by the GCC and approved by Cabinet.

The project was completed in June 1995, at a projected final cost of \$197M, that is, \$73.6M or 59% above the contract sum. Total overruns amounted to \$61.9M (50%) of which fluctuations in materials and labour costs accounted for \$49M or 40% and additional works \$5M or 4%.

Implementation was affected by a number of problems including lack of materials, the concrete mix; changes in the scope of works; the employment of unskilled political supporters; unavailability of a batching plant; flooding and stoppage of work (strike) in November 1994. These factors impacted on a timely implementation and consequently there was an 8-month overrun in time.

This office was not happy with some aspects of this project and conveyed to NICL in June 1994, reservations regarding the prequalification and tender procedures which seemed irregular, confusing and unprofessional. No response has been received.

2.5 CASE 4 - ROAD-WORKS AT BREASTWORKS AND WINDSOR - PORTLAND

Under the Special Roads Rehabilitation Programme, the MLGW awarded a contract by selective tendering, to Stardust Inc. Ltd. in the sum of \$3.4M for execution between October 1993 and January 1994, but because of unforeseen developments, the contract price was revised to \$23.7M.

Although the contract was approved in May 1993, the site was not handed over to the contractor until September. In addition, rain caused substantial damage to the roads, necessitating resurveying, variations and additions to the scope of works. The contractor consequently requested a revision of rates and there was a suspension of work between May and July 1994, pending a decision on the revised rates. However, failure by the contractor to meet the new deadline of April 1995, resulted in a determination of the contract with 50% of the works completed and expenditure amounting to \$8.9M. The contractor was requested to pay liquidated damages amounting to \$186,692.

This is another example where the MLGW failed to provide the level of management and supervision required and although the contract is said to be terminated, no evidence of this has been seen or any plans for the completion of the contract. There is already a time overrun of almost two years from the original completion date.

2.6 CASE 5 - CONSTRUCTION OF SANDY RIVER BRIDGE

Through the selective tendering process the MLGW gained both the GCC's and Cabinet's approval to award this contract to Island Construction Co.Ltd

However, from its inception the project was plagued with problems which necessitated an extension to the tender validity period from May to November, 1993. As a result the contractor requested a revision of the contract sum from \$3.7M and the contract was awarded for the sum of \$4.2M. Implementation was set for November 1994 to July 1995.

In addition, there were delays in settling the office site; stoppage of work; failure to honour payment certificates, poor performance by the contractor and once again, poor management, supervision and coordination by the MLGW.

At the end of the reporting period the works were 40% complete with expenditure running at \$2.3M (55%) and a time overrun of 6 months.

2.7 CASE 6 -HECTOR'S RIVER BRIDGE - SUPERSTRUCTURE, PORTLAND

The MLGW, under the Jamaica/Canada Bridge Development Programme, awarded a contract by selective tendering, to O.G. Gordon Construction Co Ltd, to build the superstructure of the Hector's River Bridge over the period November 1994 to May 1995, for the sum of \$5.1M.

Implementation was adversely affected by late instructions, poor supervision, late payment of certificates and unfortunately the fatal shooting of the contractor in October 1995, causing a cessation of all activities. The site was closed by the MLGW, materials removed and security installed and the Ministry, at the end of the year, was in the process of retendering the contract for completion.

Here again, the management and supervision of the MLGW left a lot to desired and contributed to the merely 40% completion and the 7-month overrun at the end of the reporting period. Expenditure was running at \$1.4M or 27%.

2.8 CASE 7 -CONSTRUCTION OF PORT MARIA COURTHOUSE

The MNSJ through the MLGW, awarded a contract by selective tendering, to Mar-Bell Development Co Ltd. in the sum of \$9.2M for the construction of the Port Maria Courthouse, between August 1994 and August 1995.

At the end of the reporting period the works were 90% complete with expenditure running at \$7.9M (86%) and an overrun of 4 months.

Implementation was adversely affected by a number of problems despite the good start by the contractor. These included late payments to both the Contractor and the Consultants; inclement weather; a water shortage and poor management by the Client.

With only 10% of the work remaining to be done, there has been no work on site since November 2, 1995, but security has been put in place. Two of the main problems are the failure of the Client to maintain meaningful dialogue with both the Contractor and the Consultants and failure to make timely payments which resulted in the withdrawal of Consultants and the closure of the site.

2.9 CASE 8- CLAREMONT HOUSING SCHEME

In 1992 the MEH/SIHL negotiated two (2) contracts with Leonard I. Chang (Engineers) Ltd for infrastructural works and housing on the Claremont Housing Scheme as follows:

Infrastructure	-	\$ 42.6M
Housing	-	<u>\$118.5M</u>
TOTAL		<u>\$161.1M</u>

There were to be 765 housing solutions (later reduced) consisting of studios, 2 b/r and 3 b/r units and construction was scheduled between July 1992 and September 1994.

From the inception the project was plagued by problems. There was a 3-month delay in mobilization payment; the need for rock excavation; invasion of the site by political thugs which necessitated the employment of special security and the inevitable fluctuations in materials and labour costs. However, because of these and the unsatisfactory performance of the contractor, the project was only 94% complete at November 1995, and the contractor was charged liquidated damages of \$3,000 per day. At that time expenditure for housing was \$299M and for infrastructure \$258M, totalling \$557M. Fluctuations in materials and labour costs and variations amounted to \$264M or 65% with "other" accounting for \$41M or 25%.

The project remained unfinished in December 1995, 15 months after the original completion date, while the combined contract cost had escalated from \$161M to a projected final cost of \$634M or 294%.

2.10 CASE 9- OLD HARBOUR WATER SUPPLY SCHEME (SUCCABA PEN)

The NWC awarded a contract to Jamaica Wells and Services Ltd. to install a deep well pump; erect a service building; and lay 660 ft. of 12" ductile iron pipeline. The work was to be done between August and October 1994, at a cost of \$2.3M.

On the NWC's contention that the job was urgent, only two (2) specialist firms were invited to tender with tenders to be returned in five (5) days. Only one firm responded with a tender 8.6% above the Engineer's estimate and was awarded the contract. The contractor faced a shortage of materials, delays for rock excavation and changes in the scope of the electrical works.

These "urgent" works were completed in November 1995, reflecting an overrun of 13 months and an expenditure of \$3.6M, that is, \$1.3M or 56% above the contract sum with additional works amounting to \$.961M or 42%. The contractor was given a 3-week extension but there is no indication of any penalty for the extensive overrun in time. The planning, management and coordination of this project left a lot to be desired.

2.11 CASE 10- DENBIGH DISPLAY CENTRE

The Agricultural Credit Bank awarded a contract to Alval Ltd. for the construction of a 2-storey display centre at Denbigh in the sum of \$5.9M, to be constructed in four (4) months from January 1994.

The works are now completed with expenditure running at \$7.5M and reflecting an overrun of \$1.6M or 27% of which materials and labour fluctuations accounted for \$.623M (11%) and additional works \$.75M (13%). The construction period was some 18 months of which 9 months were approved extension but there was a 3-month period for which the architect recommended liquidated damages from the contractor in the sum of \$150,000.

The ACB showed inexperience as evidenced by the failure to seek GCC's vetting of the contract or call upon the contractor to produce a TCC. Further problems include, a 2-month delay in handing over the site which was wrongly identified initially, a 3-month delay for JPS Co to relocate its power lines, but more frustratingly, the failure of the Structural Steel Sub-contractor (Structural Engineers Services Ltd) to perform, resulting in some 17 weeks delay and forcing the main contractor to take over and complete this task. To add to the contractor's problems, gunmen killed the supervisor.

This office has had welcome cooperation from the ACB and Alval Ltd. but the planning, coordination and management of this project left a lot to be desired and all three (3) actors, the client, the consultants and the contractor, must share the blame for this protracted contract and the consequent escalation in costs.

2.12 CASE 11-MORANT BAY JUNIOR HIGH SCHOOL

A contract was negotiated between Ministry of Education and Culture and Construction Developers Associates Ltd. in the sum of \$27.5M for the construction of Morant Bay Junior High School, over the period January 1994 to November 1994.

At the reporting period the works were practically completed, with an expenditure of \$59.2M, that is, \$31.7M or 115% over the contract sum. Fluctuations in labour (\$19.6M) and materials (\$4.4M) costs, plus additional works (\$2.6M) amounted to \$26.6M or 95% of the contract sum; time overrun was 10 months. The contractor was given an extension of 7 months and it is noted that the last 10% of the work took 9 months, but because of the inept manner in which the project was dealt with, it is doubtful whether the liquidated damages clause could successfully be invoked.

This is a long saga. Prequalification and tender exercises were first undertaken in 1991, but there ensued an unbelievable series of problems which frustrated and undermined the implementation of the project. These included conflicts between the client and the consultants; two prequalification and tendering exercises; errors in the prequalification documents; bypassing the lowest tenderer; inaccurate drawings; increase in the scope of works; shortage of materials; fluctuations in material/labour/service charges; variations; change from EDCO to NHC (Consultants); inclement weather; inadequate survey information and international bureaucracy in the form of the World Bank, the financing agency.

The final picture is that a project estimated to cost \$13M in 1991, has escalated to a final cost of \$59.2M or 355% four (4) years later; and this is from a ministry with a well-established Projects Division!

2.13 CASE 12 - ROSEMOUNT SQUATTER UPGRADING PROJECT MONTEGO BAY, ST. JAMES

In December 1993, the then Minister of Construction selected five (5) names from the MOC's 'A' list of contractors to bid for three Rosemount Squatter Improvement Infrastructural Contracts, Ronham & Associates Ltd. won one contract valued at \$50.3M, and Classford G. Woolery & Partners won two totalling \$61.7M. The contracts, covering extensive infrastructural works, were to run from August 1994 to September 1995, but progress on all three (3) was hampered by squatters on site, inclement weather, materials and labour fluctuation, design changes, additional works and the failure of the NWC to make timely water connections. Each contract was given a 2-month extension.

At December 1995, three (3) projects scheduled to last for 13 months each (from August 1994), were averaging 82% completion with costs overruns consisting mainly of materials and labour fluctuations and additional works, totalling \$69.2M and final costs projected to rise to some \$208.9M, that is, \$97M or 87% above the combined contract sum of \$112M.

2.14 CASE 13 - KENSINGTON-RURAL HILL, HORDLEY WILLIAMSFIELD, PORTLAND ROAD REPAIRS

Under the Rural Road Rehabilitation, Improvement and Maintenance Programme funded by the GOJ/IDB/OPEC, the then MOC awarded a contract to Stardust Incorporated Ltd. in the sum of \$25.6M to effect improvements on roads in the Kensington-Rural Hill-Hordley-Williamsfield districts of Portland. The contract period was January 1994 to January 1995, and was vetted and approved by the GCC and Cabinet.

Problems began at the outset as the contractor failed to erect a site office; his organization, coordination and supervision were poor and so was the quality of work. He failed to attend a number of site meetings and had his insurance policies cancelled. Indeed, this office wrote to the MLGW on September 9, 1995, expressing concern at the inept organization, conduct and performance of this contractor and urging a serious review of his overall performance. No reply was received, neither was there any improvement in the contractor's performance.

At the end of the reporting period the works were 63% complete with expenditure running at \$16M (63%) and reflecting a time overrun of 11 months. Following a letter from the MLGW dated December 11, 1995 to the contractor, active operations appear to have resumed.

2.15 CASE 14- NEWELL/NEWCOMBE VALLEY WATER SUPPLY SCHEME

The NWC awarded a contract to Donald Lewis Construction Co by selective tendering, to lay 2594 ft. of 8" and 1124 ft. of 4" PVC pipes in connection with the Newell/Newcombe Valley Water Supply Scheme, St. Elizabeth. Duration of this contract was six (6) months, for a sum of \$2.3M.

The project, from the outset, suffered from weaknesses in management. For example, a tenderer not on the approved list, was accepted; the tenders were returned in December 1993, but the tender report was not submitted to the GCC until August 1994, eight (8) months later. The contract was approved by Cabinet in November 1994, which necessitated an extension to the tender validity period and the revision of rates. Subsequently, the NWC Board was dissolved and a new Board was not appointed until September 1995, after which revised rates were negotiated.

In this instance, a project scheduled to last for six (6) months from December 1993, was not signed at December 1995, two (2) years later. Signing was expected in January 1996, at a cost projected to exceed \$5M, that is, some 80% over the original contract sum.

2.16 CASE 15 -MONTEGO BAY REGIONAL OFFICE

The MOEC awarded a contract to Ronham & Associates Ltd. in the sum of \$34.9M for the construction of its Regional Office in Montego Bay, between April 1994 and February 1995.

From the outset however, an impasse developed between the UDC and MOEC regarding the site for the office which was erroneously identified on the UDC lands earmarked for other purposes. Settlement of the issue proved difficult and resulted in the suspension of construction activities on more than one occasion. Different sites were examined but found to be unsuitable with the latest position being a request to the UDC to reconsider locating the office near to the original site, but no decision had yet been taken at the end of the reporting period

This 10 month contract was in its 20th month with little , if any, progress on actual construction, but with expenditure amounting to \$19.2M (55%) of the contract sum and projected to rise to \$71M, that is, \$36.1M or 103% increase on completion. This is a classic case of inept planning, including soil investigation.

3.0 MONITORING AND INVESTIGATION OF NON-CONSTRUCTION CONTRACTS, LICENCES AND PERMITS

3.1 INTRODUCTION

The year 1995 found activities in the area of Non-Construction Contracts, Licences and Permits centered mainly on the monitoring of contracts for the procurement of goods and services, with several Government agencies seeking the advice of this office in a number of instances on the procedure to be adopted.

Progress was made in the Government's divestment programme, with the successful divestment of Trans Jamaican Airlines, Air Jamaica and the Seawind Beach Resort being the major entities. With the approach of the end of the year some progress appears to have been made with the divestment of the Jamaica Railway Corporation.

It seems, however, that the disposal of publicly owned land will continue to be a matter of concern and controversy as up to the end of the year there was no indication as to when the proposed Land Committees would be activated.

3.2 MINISTRY OF LOCAL GOVERNMENT & WORKS

Road Rehabilitation Improvement Programme

- a) Tenders were invited by the Ministry on March 9, 1995 from manufacturers of equipment and vehicles, being member countries of the IDB or their agents for the supply of the following units:

Package No. 1	-	Two (2) Articulated Tractor Heads One (1) Dump Trailer One (1) Low Bed Trailer
Package No. 2	-	Three (3) Vibratory Rollers
Package No. 3	-	Three (3) Back Hoes
Package No. 4	-	Ten (10) Tampers

Tenders were required to be returned by May 1, 1995, with the public opening scheduled for 11.00 a.m. Tenders were publicly opened by the Chairman of the Government Contracts Committee and were evaluated using the following factors and points system:

<u>Factor</u>	<u>Points</u>
Compliance with specifications	25
Dealership resources	15
Servicing and running costs	10
Standardization	5 (deducted if non-standard)
Delivery for	2 per month (deduction for delivery period for more than 90 days)

Examination of the tender documents and the Evaluation Report disclosed the following:

Package No. 1	-	Of two tenders received from Bus and Truck Sales Ltd. and Industrial Equipment Co., the award went to Bus and Truck Sales Ltd., the higher scorer and lower tenderer in the sum of US\$205,578 and J\$400,000.
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- Package No. 2 - One tender received and accepted - Industrial Equipment Co. in the sum of US\$34,550.
- Package No. 3 - Five tenders received, with Dynapac Equipamentos Industriais Ltd. (represented by local agents, Estac Industrial Agencies) gaining the highest points and submitting the lowest tender - US\$53,772.67.
- Package No. 4 - Of three responsive tenderers, Kingston Industrial Agencies gained the highest points and received the award in the sum of US\$817,188 and J\$70,000.

Based on an assessment of all the evaluated packages which was undertaken by the Consultants to the programme, Roughton & Partners, the evaluation exercise seems to have been conducted fairly and in keeping with the appropriate procedures.

- b) On May 1, 1995 the Ministry, under its Road Rehabilitation Programme invited quotations for the supply of three (3) medium size utility wagons from the following six (6) companies:

1. Motor Sales & Service
2. Stewart's Auto Sales & Service
3. Vehicles & Supplies
4. United Motors
5. Executive Motors
6. Kingston Industrial Garage

Quotations were to be submitted by May 18, 1995. Three Suppliers responded, being:

1. Stewart's Auto Sales & Service
2. Motor Sales & Service
3. Vehicles & Supplies

The quotations were examined by a Contract Sub-Committee of six members on May 19. Evaluation of the bids was done using a points system laid down by the Inter-American Development Bank (IDB) and the Government of Jamaica (GOJ).

Quotation prices were:

- | | | | |
|----|--------------------------------|---|-----------------|
| 1. | Stewart's Auto Sales & Service | - | J\$ 864,063.89 |
| 2. | Motor Sales & Service | - | J\$1,171,568.08 |
| 3. | Vehicles & Supplies | - | J\$1,284,013.95 |

Stewart's Auto Sales & Service received the highest score of 90 points and having made the lowest bid was recommended for the award in the amount of J\$2,592,191.66 for the supply of three (3) Suzuki Vitara V6, 4 x 4 gas wagons.

3.3 ELECTORAL OFFICE

Supply of Computer-based Elector Registration and Voting Systems

In November 1994 the Electoral Advisory Committee which has the responsibility of overseeing and operating the democratic electoral process in Jamaica embarked on a programme for the introduction of information technology systems to support the objectives of electoral reform. As a first step in the process, the Electoral Advisory Committee invited bids for the provision of Systems Analysis Services in relation to the Electoral Registration System in the following areas:

1. Requirements defintior
2. Systems evaluation criteria formulation
3. Requests for proposal formulation
4. Systems selection assistance

The Terms of Reference for the services being sought included:

1. To undertake technical work, of an information technology systems analysis nature for the electoral office. The selected organisation would come under the project control of the electoral office.
2. To undertake tasks and produce deliverables in the following areas:
 - a) Systems Requirements definition
 - b) Systems Evaluation Criteria formulation
 - c) Request for Proposal definition & production
 - d) Systems Selection assistance
3. Provide a team of senior systems analyst professionals, with extensive prior experience with projects of this scope and size, operating effectively with a defined and appropriately structured methodology.

A detailed description of the tasks involved was provided and bidders were informed that further details on the project were available upon request from the Electoral Office.

Nine proposals were received by the closing date on December 12, 1994 from the following companies:

1. National Computer Services Limited
2. PC Systems & NRL
3. Dataprox Management & Information Systems Limited
4. ZN Associates
5. Strategic Integrated Systems
6. Price Waterhouse Associates
7. KPMG Peat Marwick
8. Deloitte Touche Tomatsu
9. Coopers & Lybrand

Price Waterhouse submitted the lowest responsive bid and based on their technical ability and understanding of the issues of time and cost, they were selected to provide the services required.

In February 1995, the Electoral Office via press advertisements, invited "expressions of interest" from suppliers of computer-based Elector Registration and Voting Systems.

The specifications included the following component sub-systems:

- Voter Enumeration and associated data collection;
- Voter Registration, database creation and database update;
- Voter Identity Card production;
- Registered Voter list management;
- Examination of voter records for the identification of errors and duplication, by a number of methods including the comparison of fingerprint records.

The "expressions of interest" were required to provide details of supplier capabilities, including:

- Company background;
- Overviews of the computer systems provided;
- Experience in supplying similar systems;
- Hardware and operating systems requirements
- Current users of the systems provided, who can be contacted for reference purposes.

In addition, any capabilities for integration with automated voting systems should be indicated.

The deadline for "expressions of interest" was March 7, 1995. It was further stated that joint bids from more than one supplier in response to the Request for Proposal (RFP) would be considered, provided one supplier assumed the lead role, taking responsibility for delivery and acting as a single point of contact for ongoing support. Qualified suppliers would be invited to submit a formal bid in response to the RFP which would be issued at a later date.

A number of bids were received and in September 1995 Requests for Proposals and letters of invitation were sent to the following:

1. Advanced Integrated Systems Ltd.
2. Business Technology Systems Ltd.
3. De La Rue Identity Systems Ltd.
4. IDMATICS Inc.
5. Polaroid Corporation
6. SHL Systemhouse Inc.
7. TRW Systems Integrated Group

Tenders were to be returned to the Electoral Office no later than 5.00 p.m. on October 17, 1995; however, at the request of vendors the date was extended to October 31, 1995, with a public opening on that date at 5.30 p.m. The following five (5) firms made returns:

1. Business Technology Systems Ltd.
2. De La Rue Identity Systems Ltd.
3. IDMATICS Inc.
4. Polaroid Corporation
5. TRW Systems Integrated Group

SHL Systemhouse Inc. did not return a tender while Advanced Integrated Systems Ltd. merged with Polaroid Corporation.

The bids were to be evaluated by the technical officers of the Electoral Office and Consultants, Price Waterhouse.

Meanwhile, as the process for the Elector Registration System continued the short-listed vendors staged demonstrations of their proposed products at the Jamaica Conference Centre over the period December 18 - 22, 1995.

An examination of the procedures so far employed by the Electoral Office suggested that efforts were being made to ensure that decisions were taken on merit with a fair and impartial approach.

3.4 MONTEGO BAY WATER SUPPLY (GREAT RIVER) PROJECT

Contract E1A - for the Supply of Electro-Mechanical Equipment

The Montego Bay Water Supply (Great River) Project Contract E1A - Supply of Electro-Mechanical Equipment represents Phase II of the project and entails the supply of pumps, motors, switch gear, valves, surge protection devices, and flow meters for eight (8) pumping stations in the Montego Bay Distribution System.

This project is jointly funded by the Government of Jamaica and the Overseas Economic Co-operation Fund (OECF) of Japan.

Tenders were invited through press advertisements between November 8 - 11, 1995, for reputable suppliers meeting the eligibility requirements of the OECF.

Return of tenders was slated for Thursday, January 4, 1996 not later than 2.00 p.m. at which time tenders would be opened publicly.

Only one (1) tender from Sunshine Pumps and Supply Ltd. of 30 Red Hills Road, Kingston 10 was returned at the stipulated time and when opened was reportedly not responsive as it did not comply with all the instructions within the tender document. As a consequence the tender was rejected.

In view of the above, and of a time constraint, all firms that had previously purchased tender documents, including the rejected tenderer were advised of the situation and invited to proceed with the preparation of their tender with a new return of tender date of January 31, 1996 at 2.00 p.m.

Although the invitation to tender was well supported in terms of the number of documents purchased there was a view expressed by local agents that the time stipulated for return of tenders was inappropriate as in December most of their foreign suppliers would have been closed for holidays. One suspects that the holiday problem may have been at the Jamaican end rather than with the suppliers.

The problem is compounded by the fact that this loan facility expires in January 1997, and having equipment on site by latest September 1996 is critical to the completion of this project before the date of expiry.

In this office's opinion the period given for the return of tenders was adequate, but the timing of the offer was apparently what deterred a better response.

3.5 MINISTRY OF PUBLIC UTILITIES & TRANSPORT

Transport Authority - Procurement of Uniforms for Inspectorate Division

In response to a complaint to this office, an investigation of the above matter was carried out but little documentation was available. However, it appears that in February 1995 the Transport Authority sought quotations from J.C. Apparel Ltd. and Lorrain-V Boutique Ltd. to fabricate uniforms for the Inspectorate Division of the office. The contract was to be for labour and supervision only as the material required would be supplied by the Authority.

The documentation is very sketchy, but it appears that the invitation and instructions for the preparation of quotations were provided orally with nothing written to present a proper basis for evaluation, and there was nothing on file to indicate a closing date for quotations or a delivery date for the finished goods.

Quotations from Lorrain-V Boutique dated February 8, 1995 stated that prices were negotiable while that of J.C. Apparel came in two parts, dated February 8 and 10 respectively. Lorrain-V Boutique proposed to deliver within six weeks and J.C. Apparel within five weeks. The only thing uniform about the tenders was the requirement that upon signing of a formal agreement 50% of the contract sum would be paid and the remainder on completion. However, only Lorrain-V Boutique had this in writing. Quotations were as follows:

	<u>Item</u>	<u>Lorrain-V</u>	<u>J.C. Apparel</u>
a.	Bush Jackets(men)	750 x 24 - 18,000	370 x 24 - 8,892
b.	" (Ladies)	650 x 38 - 24,700	370 x 38 - 14,079
c.	Blazers "	1000 x 5 - 5,000	1500 x 5 - 7,500
d.	" (Men)	1000 x 3 - 3,000	1500 x 3 - 4,500
e.	Pants (")	300 x 27 - 8,100	350 x 27 - 9,450
f.	" (Ladies)	300 x 43 - 12,900	350 x 43 - 15,050
g.	Skirts	250 x 43 - 10,750	250 x 43 - 10,750
h.	Short Sleeve Shirts	400 x 8 - 3,200	190 x 8 - 1,520
i.	Neckties	<u>No quotation</u>	<u>140 x 8 - 1,120</u>
	Total	\$85,650	\$74,534

The quotations show a difference of \$11,116 in favour of J.C. Apparel but the contract was subsequently awarded to Lorrain-V Boutique on February 11, 1995.

To summarise, shortcomings observed were:

1. No pre-qualification or evaluation exercises seem to have been undertaken.
2. There was no written invitation to tender or quote with details of what was to be supplied and conditions to be complied with.
3. There is insufficient documentation on file and it does not provide a clear picture of what occurred.
4. The contract was not awarded to the lowest bidder and no reason was given for this.
5. No contract in writing could be produced by the Authority.

The above was brought to the attention of the Permanent Secretary, Ministry of Public Utilities and Transport, with the recommendation that steps be taken to ensure that future contracts awarded by the Transport Authority are done on the basis of merit and transparency and that the Authority be required to observe the rules laid down by the Ministry of Finance for the award of procurement contracts.

3.6 JAMAICA PUBLIC SERVICE COMPANY Ltd.

3.61 Procurement of Computer Hardware and related equipment

In response to a complaint by one of the vendors, and after discussion with the Fair Trading Commission this office launched an enquiry into the procedure adopted by the Jamaica Public Service Company Limited (JPSCo) with regard to the award of a contract for the supply of hardware for the company's Information System (CIS) Technical Infrastructure Upgrade.

The company chose to make its selection by use of the Selective Tendering Procedure. Tenderers were selected and prequalified after which an invitation to tender (ITT) was sent to eight vendors who expressed interest in the project. The ITT was issued to procure hardware and related equipment and services to upgrade JPSCo's existing technical infrastructure and the hardware components requiring upgrading/replacement were as follows:

- | | | |
|----------|---|---|
| Part I | - | The main processor. |
| Part II | - | Networks, both wide-area and local-area. |
| Part III | - | Workstations, including terminals and printers. |

For the purpose of tender submission and evaluation, each of the three parts was to be treated as a separate tender item. Tender Forms were issued in March 1995 and six of the invitees returned tenders by the deadline for submission at 10.00 a.m. on April 27, 1995. Tenderers were allowed to respond to one or more sections. The ITT also set out full details of the product and services required from the tenderer. All six tendered on all three parts of the ITT.

EVALUATION OF TENDERS

The first stage of the evaluation of the vendors' tenders, the preliminary examination, when carried out, revealed that the details provided in all tenders submitted were complete and comprehensive; hence they were carried forward to be reviewed against the mandatory requirements. This, when carried out, revealed that all tenderers were capable of supporting all mandatory requirements and all six (6) tenderers were carried forward to a technical evaluation.

TECHNICAL EVALUATION

A comprehensive technical evaluation was carried out and in accordance with the ITT, tenders scoring less than 10% of the highest tender would be disqualified. The tender receiving the highest technical score and all other tenders receiving technical scores within ten percent (10%) of the highest in each Part would be carried forward for Financial Evaluation. On this basis, tenders submitted by five of the tenderers MCS, DCS, Digital Transtec, IBM and Fujitsu-ICL were carried forward for financial evaluation as follows:

<u>PART I</u>	<u>PART II</u>	<u>PART III</u>
IBM	Digital Transtec	MCS
Digital Transtec	IBM	DCS
	Fujitsu-ICL	Digital Transtec
		IBM
		Fujitsu-ICL

FINANCIAL EVALUATION

Prices were adjusted in order to accommodate a full comparison of all tenders, after which the costs of the initial system configuration were combined with the ongoing maintenance costs over seven (7) years to produce an overall "Cost of ownership" for each system for Parts I and II. For Part III the cost of ownership was determined over a three (3) year period. The costs of optional products and services as well as the costs of Installation, Support and Training were excluded. The technical marks were awarded out of a maximum of 60 marks and the financial mark out of a maximum of 40 marks as set out in the ITT.

The overall marks were as follows:

PART I

	MCS	DCS	DIGITAL TRANSTEC	IBM	FUJITSU ICL
Technical	-	-	52.1	57.1	-
Financial	-	-	40.0	34.6	-
Overall Mark	-	-	92.1	91.7	-

PART II

	MCS	DCS	DIGITAL TRANSTEC	IBM	FUJITSU ICL
Technical	-	-	54.3	56.9	53.3
Financial	-	-	36.5	40.0	11.8
Overall Mark	-	-	90.8	96.9	65.1

PART III

	MCS	DCS	DIGITAL TRANSTEC	IBM	FUJITSU ICL
Technical	53.0	53.3	55.4	58.1	53.6
Financial	40.0	29.6	23.4	34.9	18.5
Overall Mark	93.0	82.9	78.8	93.0	72.1

RECOMMENDATION

The JPSCo evaluation team after completing their analysis recommended that the award of the contract for all three (3) Parts of the tender be made to IBM.

OBSERVATIONS

Firstly, the recommendation that all three (3) Parts of the Contract be awarded to IBM is without merit and breaches The Code of Procedure for Selective Tendering in Jamaica. It also goes against the principle laid down in the ITT document which is that - "JPSCo will award the contract or contracts to the vendor whose tender has been determined to be satisfactorily responsive and received the highest overall mark in the evaluation" - noting that a substantially responsive tender is one which conforms to all the Terms and Conditions of the ITT without material deviation. The evaluation report stated that the issues that impacted on the final decision were:

- a) Price differential of the proposal. ✓
- b) Vendor stability.
- c) Installed base of target platform in Jamaica.
- d) Compatibility with existing JPSCo processor environment. ✓
- e) Technical and operational support considerations.
- f) Disaster recovery consideration.
- g) Vendor relationship;
- h) Singularity of responsibility by combining Parts I and II. ✓

However, these criteria were not included in the ITT and for new criteria to be introduced at this stage of the evaluation was improper and irregular.

When a comparative analysis was done of both IBM and Digital Transtec for Part I and Part II, with price being a factor, it showed that when both Parts are combined, Digital Transtec had a clear advantage by at least 9.45% and with a difference of US\$74,264.00 in monetary terms.

A review of what took place in the evaluation process, suggests that the JPSCo's evaluation team relied on some extrinsic factors to justify the award to IBM of the contract for Part I which was clearly won on merit by Digital Transtec

It also seems that the award was influenced by a bias towards IBM due to the fact that the company had already done business with JPSCo by installing a similar system and had an ongoing maintenance contract for which a good customer relationship had developed.

However, when tenders are evaluated, the objective must be for the client(s) to get the best benefit over time. Any other consideration can invite charges of impropriety or worse.

FINDINGS

1. JPSCo breached The Code of Procedure for Selective Tendering in Jamaica.
2. JPSCo bypassed the Government's requirement to submit their recommendation to the Government Contracts Committee for review and submission to Cabinet.
3. JPSCo's internal monetary limit for approval is \$500,000.00 which is far below what was approved - US\$848,741.00 approximately J\$28,432,823.00 at an exchange rate of \$33.50 to US\$1.00.

The contract should have been awarded to Digital Transtec for Part I and negotiated with them for Part II and to IBM for Part III. Alternatively, DTC could have been awarded Part I and Part II combined for the simple reason that DTC had offered a technically and financially sound bid and had met all the requirements as set out in the ITT.

3.62 INSTALLATION OF SLOW SPEED DIESEL PLANT

The Government has adopted a policy that future expansion of power generation capacity would be undertaken by the private sector. Under this policy the Jamaica Public Service Company Limited invited prequalified firms to submit proposals for a project under the following conditions:

The project sponsor is required to -

- (a) Establish a project company in Jamaica.
- (b) Finalise the implementation agreement, power purchase agreement, fuel supply agreement, construction contracts (if necessary) and all other contracts required to construct, own and operate the project.
- (c) Obtain all necessary Government and other approvals.
- (d) Arrange the necessary finance for the project.
- (e) Arrange the necessary design, engineering and procurement required to construct the project and to start up, commission and test the facility on or before July 1, 1995 or on a date agreed upon by JPSCo and the project sponsor.
- (f) Operate and maintain the project for at least twenty (20) years from the commencement of commercial operations.

INVITATION, EVALUATION OF PROPOSALS

Four (4) proposals were returned from the eleven (11) prequalified firms, and were evaluated by the JPSCo evaluation team in accordance with the specified evaluation criteria stated in the Request for Proposal Document.

After examination and analysis, it was recommended that negotiations should take place with the most responsive bidder, Jamaica Energy Partners (base proposal). The negotiations were to be concluded and a decision taken for award of contract within 45 days.

AWARD OF CONTRACT

Negotiations between Jamaica Energy Partners and the JPSCo's negotiating team were successful and a contract was concluded between the parties for a sum of Sixty Nine Million U.S. Dollars (US\$69,000,000.00) to be paid to the contractor in accordance with a payment schedule as set out in the contract document and subject to increases or decreases with respect to change orders to the works.

The contract agreement for the works entailed the signing of the following documents:

- (1) Turn key Contract for 76MW Power Barge
- (2) Operation and Maintenance Agreement
- (3) Implementation Agreement
- (4) Lease Agreement between the parties
- (5) Power Purchase Agreement
- (6) Fuel Supply Plan

All of the above were signed and dated October 21, 1994.

The project which was said to have been implemented without much difficulty was commissioned last September and is now in full operation. It was upgraded from a 40MW Diesel Plant to 76MW and the contract initialled accordingly.

CONCLUSION

The tender and evaluation processes were conducted openly and impartially, and the implementation proceeded as planned resulting in the stated objectives of the project being fully achieved.

3.7 MINISTRY OF FINANCE

Tax Administration Reform Project

On July 18, 1994, a loan agreement for US\$13.2 million was signed with the World Bank to assist in the implementation of the Tax Administration Reform Project. The objective of this project is to raise revenues without increasing taxes by:-

- a. broadening the tax base;
- b. improving the efficiency and effectiveness of tax administration;
- c. encouraging improved voluntary compliance.

The contract entails the supply of:

- 2# 32 Bit Dual Processor Computers
- 1# External Data Storage Sub-systems with Raid 5 Technology
- 2# UNIX Operating Systems and TCP/IP Communication Software.

An open Invitation to Tender was advertised in the Gleaner on October 5, 1995, with a return of Tender date of November 30, 1995. The invitation was extended to all suppliers from eligible source countries.

Nine (9) Tenders were received before the stipulated time, and when opened four (4) were found to be non-responsive.

The five (5) substantially responsive Tenders were:

- | | | | |
|----|---|---|----------------|
| 1) | Eagle Information Systems Limited (EIS) | - | US\$ 74,481.00 |
| 2) | INFOGRACE | - | US\$ 80,224.00 |
| 3) | Fujitsu/ICL | - | US\$105,605.00 |
| 4) | IBM | - | US\$152,738.45 |
| 5) | CCS (Jamaica Limited) AT&T Bid 2 | - | US\$172,246.91 |

Prices for Eagle Information System (EIS) and INFOGRACE tender item, disc storage sub-systems, were adjusted to give the required specifications. As a result the adjusted Tender prices were EIS US\$86,207 and INFOGRACE \$92,244.00.

The Tenders were evaluated in accordance with the following criteria specified in the Tender Document:

Evaluated Price	- 60%
Price of Common List of Spares	- 5%
Technical Features Maintenance	- 20%
Service and Spare Parts	- 10%
Standardization	- 5%
TOTAL	100%

Each criterion was scored points on a 10 points scale. Awarded points were then multiplied by weights stipulated above to give the evaluated scores.

After an evaluation using the abovementioned method, the evaluating committee decided that Eagle Information System, the lowest evaluated tender, should be awarded the contract.

COMMENT

Based on the stipulated requirements, and the information received, this tender procedure was in accordance with standard practice.

3.8 MINISTRY OF EDUCATION

3.81 Purchase of Kitchen and Office Equipment for Regional Basic and Primary Schools

In June 1995 the Ministry of Education invited bids via the print media for the supply of the above equipment. Tenders were to be returned by September 11, 1995. However, at the tender opening on this date, only one bid was received although a number of companies had responded to the invitation and this bid proved to be non-responsive as it was not accompanied by the necessary bid bond.

Subsequently, a meeting convened at the request of Ministry officials to discuss the problem of non-responsiveness examined the tender documents, schedule of requirements, the packaging of the items and the tender period. Although the examination found no justification to warrant the lack of response, it was felt that the packaging of items may have been too extensive. It was suggested by this office that a pre-tender conference be convened with suppliers who indicated an interest in the next advertisement together with the initial purchasers of tender documents in order to familiarise everyone with the bidding process.

3.82 Procurement of School Furniture - Basic & Primary Schools

The Ministry's public invitation for tenders for the above project resulted in nine (9) firms responding and purchasing tender documents. However, only three (3), Barnett Metal & Fabrication Ltd. Edwards Jamaica Ltd. and V.G.C. Holdings Ltd. returned completed documents by the close of the tender period.

All three were deemed responsive after a preliminary check. Subsequent examination of tender disclosed that one company, V.G.C. Holdings, failed to complete the tender documents in accordance with the requirement, as Form No. 3 attesting to the firm's financial capability (one set of five (5) forms showing the bidder's eligibility and qualification to perform the contract) was not submitted.

No mention was made by the Ministry as to what effect, if any, this omission had on the bid. In fact it seems to have had no effect as this bid was included in the detailed analysis and comparison of tenders.

The recommendation subsequent to analysis and comparison of tenders favoured Barnett Metal and Fabrication Ltd., the lowest responsive tenderer, who was awarded the contract for their tender price of \$6,211,000.

While the award is consistent with the principle of competitive bidding, one is left to wonder what would have been the outcome had V.G.C. Holdings been adjudged the lowest tenderer in the light of the omission of the Form attesting to the firm's financial capabilities.

3.9 ST. ELIZABETH PARISH COUNCIL

Lease of Black River, Balaclava, Shaws and Lacovia Markets

On the 19th June, 1995, the St. Elizabeth Parish Council by press advertisements invited applications for lease of the markets listed above.

Applications in writing were required to be deposited in the office of the Acting Secretary/Manager by the 28th June, 1995. Successful applicants were required to commence operations by the 2nd August, 1995. Tenders were opened on July 26th but as they were unsatisfactory, tenderers were invited to reapply.

The new tenders were opened by the Council on the 12th October, 1995 and five (5) bids were received. All bids were responsive and of the five (5), three (3) held existing leases.

Following this unusual procedure, awards were as follows:

1. Trevor Harvey incumbent - Black River offered \$26,000 per annum - Offer accepted and contract renewed for one year

- 2 Oswald Powell incumbent - Balaclava Market - offered \$4,200 per annum - offer accepted and contract renewed for one year
- 3 Trevor Bepot - new applicant - offer of \$2,800 per annum for Shaws Market accepted, being higher offer than incumbent Ralph Morris of \$1,000 per annum.
- 4 Fitzgerald Sterling - with offer of \$1,800 per annum was the only tenderer for the Lacovia Market - and was accepted.

Although from the information received from the Parish Council, the tenders appear to have been selected based on merit, this office feels obliged to point out that in commenting on the lease of the Lewisville Market in 1994 certain bad procedures in relation to the tender award were brought to the attention of the Council, with the recommendation that in the future tender awards should be considered by a special committee set up for the purpose and that an effort should be made to include in such a committee some independent persons from the community. The Parish Council appears not to have taken any action on the recommendation.

3.10 COMMISSIONER OF LANDS

Sale of Land at Bernard Lodge to Grace Kennedy & Co. Ltd.

In response to a report made to this office in June 1995 that some months previously the then Commissioner of Lands had started the process of selling 47 acres of land at Caymanas Estate to Grace Kennedy & Co. Ltd. at a price well below the market value an investigation was carried out into the circumstances surrounding the transaction.

Information provided by the Lands Department disclosed the following:

- a) The Agreement for Sale for the lands in question was signed by the Vendor (Commissioner of Lands) and the Purchaser (Grace Kennedy & Co. Ltd.) in 1993 - the purchase price being \$1,197,200 - and a deposit was paid. The sale was authorised by the then Minister of Agriculture.
- b) There was no evidence of a Valuation Report on the department's file.
- c) After Hurricane Gilbert destroyed the Grace Kennedy & Co. Ltd. warehouse in Newport West in 1988, the Government leased them 230 Spanish Town Road in order that they could get food supplies rapidly out to the entire island, and in particular, the rural areas. It seems that it was felt that in times of natural disaster, Grace Kennedy & Co. Ltd. could be relied on to get food supplies moving islandwide.

- d) The parties were in the process of arranging a long-term lease, when they were advised that the Government required the building. It appears that the Lands Department agreed to the site at Bernard Lodge as an alternative.

These lands were sold for about \$25,500 per acre which we are advised was well below their market value at the time. It is a pity that the Commissioner of Lands recommended their sale at this price and unfortunate that the Minister accepted the recommendation.

All was done by private treaty with no other company or individual being offered an opportunity to bid for this valuable piece of property.

The above underlines the urgent need for the land disposal committees to be put in place which hopefully will operate transparently and impartially in the public interest using clear, fair, known and accepted guidelines.

3.11 NATIONAL INVESTMENT BANK OF JAMAICA

Privatisation of Trans. Jamaican Airlines

Monitoring of this activity, previously commented on in the 1994 Report continued during the year. Evaluations were conducted by the National Investment Bank of Jamaica (NIBJ) of the four potential investors who had made offers to take a controlling interest in Trans Jamaica Airlines (TRANSJAM). These were:

1. Guardsman Group Limited
2. Petroleum Holdings Limited (a Petrojam Management Team)
3. Air Jamaica Group (Air Jamaica Ltd. and General Transport Leasing Co. Ltd.)
4. Airways International (Airways International, Island Car Rentals, Cibone Investments Ltd.)

The offers were rated, based on criteria which included:

		<u>Points</u>
Business Plan	-	10
Capital Structure	-	15
Price Offered	-	15
Ability to Mobilize:		
- Investment Capital	-	10
- Management	-	5
- Marketing	-	5
Synergistic Benefits	-	15
ESOP Implementation	-	15
Quality of proposed approach	-	10
		<hr/> 100

A meeting of the NIBJ Enterprise Team which reviewed the best and final proposals agreed that proposers with rating below 70 points would be invited to negotiate only if negotiations with the others broke down. The rankings resulting from the process were:

Air Jamaica Group	-	74.14
Airways International	-	59.43
Petroleum Holdings	-	54.86
Guardsman Limited	-	50.71

Thus only the Air Jamaica Group qualified and was selected as the group with which negotiations should commence.

Based on our examination of the relevant material we are satisfied that all aspects of the evaluation exercise were carried out impartially and in keeping with agreed procedures. An agreement was to be subsequently signed between the Government of Jamaica, Air Jamaica Acquisition Group and General Management Company Ltd.

3.12 DIVESTMENT - MILK RIVER BATH AND BATH FOUNTAIN HOTEL

Several efforts have been made over a number of years to divest the above entities. Both entities are national monuments and cannot be sold; accordingly the mode of divestment has to be by lease of the assets. Milk River and Bath Fountain were among the entities approved for divestment and listed in Ministry Paper No.34 in June 1991.

MILK RIVER BATH - CLARENDON

The major assets to be privatised are 24 bedrooms, 9 mineral baths, 1 mineral water pool, 1 dining room, 1 conference room, 2 bars. Attempts by the NIBJ to lease the entity in 1991 resulted in six proposals being received and evaluated. However, the highest ranked applicant was unable to provide proof of financial capability. Negotiations with the second highest bidder continued for almost two years but were eventually aborted.

BATH FOUNTAIN - ST. THOMAS

The major assets to be privatised are 22 bedrooms, 10 public mineral baths and 3 private baths. This property was last advertised for lease by the NIBJ in October 1992 and although it attracted six (6) applicants, once again the principal would-be investor failed on financial grounds.

A decision was taken last year to cease all negotiations concerning the privatisation of both entities until a feasibility study has been undertaken, which would indicate the full potential of the entities and so facilitate effective packaging and marketing in order to attract better proposals.

It would appear that unless Government is able to improve considerably the infrastructure of both properties it is unlikely that potential investors will be willing to put their money into them.

3.13 URBAN DEVELOPMENT CORPORATION

Seawind Beach Resort - Divestment

Having learnt via press reports that a section of the Seawind Beach Resort in which the Urban Development Corporation (UDC), as the major shareholder in Montego Freeport Ltd., was said to have substantial holdings was being sold to local interests, enquiries were made into the circumstances surrounding the decision to sell the property.

It was disclosed that in February 1992 the UDC advertised for sale the Oceana, Seawind and Holiday Inn Hotels. Interested parties were invited to collect further information from the Investment Division of the UDC and to submit a detailed proposal which should include:

- experience in a similar operation
- offer price
- source of funding

Attempts had been made over the years to sell the hotel company's operation or all of its assets but these proved unsuccessful. In 1993 the Montego Freeport Ltd Board took the decision to sell to the public the apartments owned by the Group and these sales were concluded in 1994. Attempts were made during 1994 to also sell the Seawind Towers. Three groups expressed an interest and two submitted formal proposals for purchase of the Towers and of parcels of land at the property.

The two groups were :

- Ciboney Ocho Rios Ltd and
- Savon Management Services Ltd.

Following Ciboney's refusal to modify what was referred to as "certain onerous conditions" its offer was rejected and negotiations proceeded with Savon Management Services Ltd. In October 1995, Cabinet gave its approval for the sale of the Towers as well as the land on which the laundry facility was housed to Savon Management Services Ltd. on terms as set out in the Agreement for Sale, which was conditional on Savon providing a satisfactory Letter of Commitment from a financial institution. This the company failed to do.

Negotiations were re-opened with the Ciboney Group which still indicated an interest and withdrew the two onerous conditions in their original proposal.

In view of the approach of the tourist season and the desire to re-open the complex as soon as possible, the UDC Board approved the following arrangements:

- i) the lease of the 138 Seawind Tower apartments to Ciboney Group Limited or its nominee from January 1, 1996 for a maximum period of six (6) months in the first instance.

- ii) the sale of assets to Ciboney Group Limited at a price of J\$163,912,500 to take effect on the day that the option is exercised to purchase the assets by June 30, 1996.
- iii) the sale of Lot A 11 at a price of \$17.0 million. If the option to purchase is exercised after June 30, 1996, there will be a price escalation at a rate of 2% per month compounded monthly up to December 31, 1997 by which time the option must be exercised.

Authority for the UDC to conclude arrangements for the lease and sale was given by Cabinet in December 1995.

In the circumstances this office is satisfied that the UDC conducted the divestment of the Seawind property in a transparent and professional manner and our only criticism would be in relation to the tardiness of the Corporation and of Montego Freeport Ltd. in providing information requested by this office.

3.14 NATURAL RESOURCES CONSERVATION AUTHORITY (NRCA)

Issue of Beach and Lifeguard Licences

The Natural Resources Conservation Authority (NRCA) is empowered to issue Beach Licences under the Beach Control Act 1955 and also Lifeguard Licences in keeping with the Beach Control (Safety Measures) Regulations, 1957. During 1995 inspection visits were made to the NRCA and from examination of a random selection of files this office is satisfied that applicants who were issued licences had complied with the requirements of the Act. Site visits confirmed that licensees were conforming to the rules and regulations issued by the NRCA.

Site visits were also made to Ray Water Sports, Negril, and San San Beach, Portland, to observe the procedures for the issue of Lifeguard Licences. Applicants were tested in swimming, resuscitation, surface diving, rescue and releases. Upon presentation of a medical certificate successful applicants are issued a licence which is valid for one year. The conclusion was that this exercise was carried out openly and impartially.

3.15 METROPOLITAN PARKS AND MARKETS (MPM)

Selection of Public Cleansing Contractors

For the purpose of public cleansing under MPM the Corporate Area was divided into 25 zones. Attached to each zone is a garbage collection contractor whose obligation includes cleaning of all public streets, highways, thoroughfares, removal of garbage, refuse and litter from households and the disposal of such matters at approved dumps. All contracts have a duration of three (3) years but may be renewed for further periods if there is no breach of the agreement.

A new Chairman was appointed in June 1995 and a review of the system of appointing contractors was undertaken. The management of MPM intimated that the procedure in place for the appointment of contractors needed to be improved and the intention was as far as possible to appoint contractors fairly and impartially based on an open tender system. However, it was recognised that in the Corporate Area there were difficulties peculiar to some areas that had to be taken into consideration. Further, the type of contract being used by MPM was not in its best interest as it gave the trucks to the contractors with MPM being responsible for major repairs. There was no genuine possibility for tendering under the existing system as the rates were set and other activities costed before tenders were invited. However, it was felt that normal tendering procedures could proceed in 20 of the zones.

This procedure is apparently being carried out as in November 1995 there was a public invitation for applicants to be pre-qualified as Public Cleansing Contractors in four (4) zones, with the remaining sixteen (16) zones to be advertised subsequently.

3.16 AIRPORTS AUTHORITY

Foreign Exchange Booth Concessions - Norman Manley and Sangster International Airports

In October 1995 the Airports Authority of Jamaica invited tenders from companies, partnerships and sole proprietors to operate Foreign Exchange Booth Concessions at the Norman Manley and Sangster International Airports. The closing date for submission of tenders was November 13, 1995.

At the opening of tenders on November 13, a total of six (6) tenders were received, being three (3) for each airport from the same tenderers who were :

1. November Properties Ltd.
2. Michael Stern
3. Western Bakery Ltd.

To be eligible for consideration tenderers were required to be licensed by the Bank of Jamaica as an authorised foreign exchange dealer. They were also required to submit the following documents with their tenders:

1. Organisational Data/Financial Reference
2. Operational Proposal
3. Forecast Statement of Operations
4. Proof of eligibility to tender, i.e. copy of BOJ licence

They were also evaluated based on:

- a) Quality of Submission
- b) Operational Proposal
- c) Financial Offer
- d) Forecast Statement of Operation
- e) Background and Experience

The tender from Michael Stern was rejected as being non-responsive. November Properties Ltd. achieved the highest average weighting for Sangster International and was awarded that concession while Western Bakery Ltd. was awarded the concession for Norman Manley Airport on similar grounds.

Based upon examination of the documents submitted by the Airports Authority the award process appears to have been carried out impartially and with integrity.

4.1 WORK OF THE CONSULTATIVE COMMITTEE IN 1995

Members of the Consultative Committee continued during 1995 to freely provide the benefit of their knowledge and experience to the Office of the Contractor-General.

In accordance with the decision taken in 1994 that the Committee would no longer meet at regular intervals but only as circumstances required, only four meetings were held in 1995. All were productive and provided insights relating to the work of the Office that served to reinforce the need to have a body of independent professionals assisting the Office to discharge its responsibilities effectively.

The membership of the Committee continued to be as follows: -

Messrs:

Leo Lawson	-	Engineer (Chairman)
Errol Alberga	-	Architect
Phillip Gore	-	Masterbuilder
Vayden McMorris	-	Architect
Harold Milner	-	Financial Consultant
Sam Stewart	-	Deputy Financial Secretary
Maurice Stoppi	-	Quantity Surveyor

Again I should like to thank the members of the committee for their support during the year which was given generously at no cost to the Office.

5.1 STAFFING OF THE OFFICE

No posts were unfrozen during 1995 so the Office continued to function with 25% of posts unfilled. There were thirty employees in the Office of which eleven were in the inspectorate.

During the year, three employees resigned and were replaced. Miss Clare Milner, the senior executive secretary, did not renew her contract and brought to an end some fifty years of loyal and efficient public service. Miss Yvette Pryce, assistant to the registrar and Mr. Winston Williams the male office attendant, also did not renew their contracts. Mrs. Mavis Mightly, Mrs. Diana Seaton-Brown and Mr. Shaun Pinnock were engaged during the period.

As in previous years, members of Staff were given the opportunity to improve their skills through relevant training courses. From the inspectorate Messrs. Reginald Cornwall, Paul East, Lafete Edghill and Michael Hyatt went on Project Implementation and Management Courses at the Management Institute for National Development (MIND). The Office Manager, Mr. Clive Brown, attended a course on Supervisory Management and Miss Yvette Price on Computer Programming.

After years of resisting, the powers that be finally relented and extended the motor car loan facility to the travelling officers of this Office. It was none too soon as the cars of several officers were more than fifteen years old. By the end of the year loans to purchase new or 'deportee' cars had been extended to three officers.

As in previous years, I wish to thank members of the Staff for their loyal and effective support and for going the extra kilometre (mile) when circumstances required it.

APPROPRIATION ACCOUNT

OFFICE OF THE CONTRACTOR-GENERAL

Account of the sums expended as compared with the sums approved in the year ended 31st March, 1995.

SERVICE	TOTAL APPROVED ESTIMATE	EXPENDITURE	EXPENDITURE COMPARED WITH ESTIMATE	
			MORE THAN ESTIMATE	LESS THAN ESTIMATE
Head No. 4 - Office of the Contractor-General	\$	\$	\$	\$
21 -Compensation of Employee				
Original Estimate \$3,895,000				
Supplementary Estimate <u>5,330,000</u>	9,225,000.00	9,658,326.45	433,326.45	
22 -Travel Expenses & Subsistence				
Original Estimate \$1,271,000				
1st Supplementary 804,000				
2nd Supplementary <u>788,000</u>	2,863,000.00	1,152,686.26		1,710,313.74
23 -Rental of Property	1,713,000.00	2,083,258.34	370,258.34	
24 -Public Utility Services	661,000.00	508,563.66		152,436.34
25 -Purchase of Other Goods & Services	600,000.00	1,237,204.03	637,204.03	
28 -Retiring Benifits				
Original Estimate \$500,000				
Supplementary Estimate <u>700,000</u>	1,200,000.00	2,072,052.45	872,052.45	
31 -Purchase of Equipment	572,000.00	59,014.71		512,985.29
Total - Head No. 4	16,834,000.00	16,771,105.90	2,312,841.27	2,375,735.37
<i>Surplus surrendered to Consolidated Fund.</i>		62,894.10		

6.1 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN APPROVED ESTIMATES AND EXPENDITURE

21- COMPENSATION OF EMPLOYEES

The excess expenditure of \$ 433,326.45 was due to under-provision in the Original and Supplementary Estimates.

22 - TRAVEL EXPENSES & SUBSISTENCE ALLOWANCE

The under-expenditure of \$ 1,710,313.74 was caused by the provision of funds in the Supplementary Estimates which were not requested.

23 - RENTAL OF PROPERTY

The excess expenditure of \$370,258.34 was the result of increased rental under the rental agreement during the Financial Year, and the request for additional funds was not met.

24 - PUBLIC UTILITIES

The under-expenditure of \$152,436.34 was due to over estimation in the original request.

25 - PURCHASE OF OTHER GOODS & SERVICES

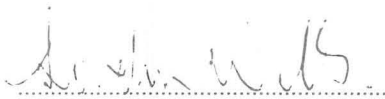
The over-expenditure of \$ 637,204.03 was as a result of the original request of \$1,090,000 being reduced to \$600,000. The increased cost of goods and services also contributed to the over-expenditure which was necessary for the efficient operation of the office.

28 - RETIRING BENEFITS

The over-expenditure of \$ 872,052.45 was a direct result of underfunding in both the original and Supplementary Estimates.

31 - PURCHASE OF EQUIPMENT

The under-expenditure of \$512,985.29 was due to the non release of funds in the monthly cash flow and therefore the necessary equipment could not be purchased.



CONTRACTOR-GENERAL

27 - 7 - 95

In the Auditor General's report for 1994-95 the following was stated about the Office of the Contractor-General :

"The financial transactions and accounting records of the Contractor General's Department for the year under review were found to be satisfactory.

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APPENDIX I

Pre-contract Activities

LEGEND: N = NO
Y = YES
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NAME OF CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	TENDERING								REMARKS
	Prequalification	Invitation							
		Documents	Tender Instructions						
			Tender Bond	Public Opening					
				No. of Returns	Tender Evaluation				
<u>MINISTRY OF AGRICULTURE AND MINING</u>									
<u>Urban Development Corporation.</u>									
<u>Claverty Cottage/Shirley Castle Coffee Development</u>									
Construction of New Roads and Upgrading of Existing Roads Bybrook, Portland	Y	A	A	A	A	Y	4	A	Tender process was executed impartially and with merit. The lowest tenderer Stardust Inc. Ltd. was disqualified due to errors and poor past performance. The second lowest tenderer was awarded the Contract based on his experience and satisfactory past performance and his tender was better priced.
Construction Albany Bridge Claverty Cottage, Portland	Y	A	A	A	A	Y	3	A	This project was first sent out to tender in July 1988 at an estimated cost of \$2.6M. Resulting from Hurricane Gilbert the process was postponed. It was re-tendered in January 1989. Due to problems with the lending agency it had to be again sent out to tender in July 1992. The lowest tender received was for \$7.1M which was accepted and recommended. Delay in the final approval caused the validity period to expire. Because of the decline of the dollar the contract had to be negotiated with the two lowest tenderers. The amount accepted was \$14.3M. This reflects an increase of 622% in the project cost.
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u>									
<u>Sugar Industry Housing Ltd.</u>									
<u>Social Sectors Development Project</u>									
Cartagena (new) Basic School Granville, St. James	Y	A	A	A	A	Y	9	A	Pre-contract activities were satisfactory The recommended award to L.A. Scott Engineering & Construction Ltd., the lowest evaluated responsive bidder was consistent with the principles of competitive bidding. Although the tender evaluation report was submitted to the Ministry in January of 1995, an award was not made until May of 1995, some four months after the recommendation.

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				Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	Tender Evaluation	
<u>MINISTRY OF EDUCATION YOUTH AND CULTURE</u>												
<u>National Housing Corporation Ltd.</u>												
<u>Social Sectors Development Project</u>												
Refurbishing of Cedar Valley All Age School	Y	A	A	A	A	Y	7	I/A	Pre-Contract activities suffered from shortcomings on the part of the Project Management Team, both past and present (E.D.Co. and N.H.C.L.).			
Cedar Valley, St. Thomas									This saw delays extending over more than four years (March, 1991-August, 1995).			
									During this period, contractors were made to prequalify on two separate occasions.			
									Contract Documents and Drawings submitted to the World Bank for approval were returned with critical observations on the work of E.D.Co. (the then Project Manager).			
									In April 1994, prequalified contractors were again invited to tender. The award of the contract to the lowest tenderer was not supported by the Ministry's Contracts Award Advisory Committee (CAAC), which requested a reexamination of the tender evaluation. Following this, the Project Management Consultant (NHCL), again recommended the same firm.			
									The impasse was settled when NHCL agreed to recommend Qualicon Engineering Co. Ltd., the third lowest tenderer for the award. The World Bank was not enthusiastic about this recommendation whose "no objection" was on condition that good reason for the non acceptance of the two lowest tenderers was forwarded to them.			
									Subsequently it appears that the two lowest tenderers lost interest in the contract.			
									The final award of the contract to Qualicon Engineering Co. Ltd. on August 14, 1995, brought to an end four years of indecision, which was marked by confusion and lack of professionalism.			

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	Invitation	TENDERING							
		Documents							
			Tender Instructions						
			Tender Bond						
			Public Opening						
			No. of Returns						
Tender Evaluation									
<u>MINISTRY OF ENVIRONMENT & HOUSING</u>									
<u>National Housing Corporation Ltd.</u>									
Bridgewater Gardens Discovery Bay, St. Ann	Y	A	A	A	N	Y	4	Y	<p>A project for the erection of 48 2-bedroom houses and 38 3-bedroom units.</p> <p>Five companies were invited to tender of which four tenders were returned on the date and time specified. The three lowest were checked and evaluated. The lowest of the three, Ashtrom Building Systems Ltd was recommended for the contract.</p> <p>Approval of the award is still in the hands of the Ministry's Contracts Award Committee and at year end, the work had not started.</p>
Social Infrastructure Phase II Greater Portmore, St. Catherine	N	N	A	N/A	N	N/A	N/A	N/A	<p>A project negotiated with West Indies Home Contractors Ltd. to undertake the Social Infrastructure Phase II within a contract period of twenty-two months.</p>
Patrick City Housing Development Patrick City, St. Andrew	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<p>Proposal for the erection of 76 2-bedroom townhouses, each with floor area of 630 sq. ft (57.45 sq. metres) of precast components for a contract price of \$64.6M after negotiation with the Contractor, Ashtrom Building Systems Ltd.</p> <p>The N.H.C. informed us of their proposal to negotiate the contract as the contractor was already mobilised in the area and undertook to maintain the rates being paid.</p>
Rosemount /Kerr-Jarrett Squatter Upgrading (Sectors A, B & C) Montego Bay, St. James	N	A	A	A	A	Y	2	A	<p>The contracts were awarded via selective tendering using contractors from the approved list and recommended by the then Minister.</p> <p>Certain procedures were questionable but the contract awarded impartially and on merit. Although only two contractors returned tenders five actually received an invitation.</p>

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				Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	
Tender Evaluation											
<u>MINISTRY OF FINANCE AND PLANNING</u>											
<u>Agricultural Credit Bank</u>											
Denbigh Display Centre	N	A	IA	A	A	Y	1	A	The A.C.B. did not observe normal public sector tendering procedures but nevertheless awarded the contract using sound tendering procedures.		
Denbigh Agricultural Show Grounds, May Pen, Clarendon.									Via selective tendering, four contractors were invited to submit tenders but only one responded at the appointed time. An award was recommended based on the closeness of the tender figure to the Q.S.'s estimate and the possibility that further delays could result in increased cost of the project due to inflation.		
<u>Development Ventures Ltd.</u>											
Modification and Extension of Cafeteria Facilities	N	A	A	A	A	Y	2	A	This contract was awarded in line with the standards of public sector contracting.		
Oxford Road, Kingston									Although only two contractors returned tenders, six were initially invited to participate in a selective tendering process.		
<u>MINISTRY OF HEALTH</u>											
<u>Urban Development Corporation</u>											
Construction of Administration Block for Type IV Health Centre	Y	A	A	A	A	Y	4	A	The tender process was executed impartially and the award based on merit.		
St. Ann's Bay, St. Ann									Required approval was obtained for the implementation of the project.		
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>											
<u>Road Infrastructure, Planning and Maintenance Project</u>											
Road Resurfacing	Y	A	A	A	A	Y	3	A	Tendering process was properly conducted and the contract was awarded to COLAS of Denmark in joint venture with Y. P. Seaton of Jamaica.		
Harbour View to Pamphret St. Thomas											

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	Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	Tender Evaluation	
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>									
<u>Jamaica/Canada Bridge Development Programme</u>									
Sandy River Bridge Contract St. Andrew	Y	A	A	A	A	Y	2	A	Invitations to tender were issued to six prequalified contractors. However, only two, Glaves Mid-Island Heavy Equipment Co. Ltd., and Islandwide Construction Co. Ltd. returned bids in the sum of \$4.9M and \$3.7M respectively. The Engineer's estimate was \$3.5M. It was recommended that the contract be awarded to Islandwide Construction Ltd. in the amount of \$3.7M, being the lower tender. However, due to delays in the pre contract period and changes in the price of materials, a revised contract sum of \$4.2M was arrived at - an increase of \$0.5M. Based on the information provided the contract was awarded fairly and on merit.
<u>OFFICE OF THE PRIME MINISTER</u>									
<u>Urban Development Corporation.</u>									
<u>Comprehensive Rural Township Development Programme II</u>									
Upgrading of Access Road Orange Park to Crescent Park. St. Ann	Y	A	A	A	A	Y	3	A	Tender submitted by National Technology Engineering was lower than the Quantity Surveyor's Estimate. However, the tender was responsive and within the acceptable difference from the estimated cost. The evaluation was conducted properly
Road Repairs Ewarton to Linstead (Package 5) St. Catherine,	Y	A	A	A	A	Y	6	A	The evaluation of the tenders was executed with merit and the lowest responsive tenderer recommended for the award.

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Pre-contract Activities

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NAME OF CLIENT MINISTRY	Prequalification									REMARKS
	Invitation			TENDERING						
	Documents			Tender Instructions		Tender Bond		Public Opening		
								No. of Returns		
								Tender Evaluation		
OTHER AGENCIES										
PROJECT										
LOCATION										
<u>OFFICE OF THE PRIME MINISTER</u>										
<u>National Housing Trust</u>										
Housing and Related Infrastructure 98-100 Spanish Town Road	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	This project was planned in 1991 by the National Housing Trust to erect 52 studio units in four blocks. During the period 1993-94 the construction cost would have been about \$14.4M (infrastructure included). In early 1995 it was proposed to send the project to tender but to date nothing has been done.
Infrastructure Works Berrydale, Discovery Bay, St. Ann	Y	A	A	A	N	Y	7	Y	Y	<p>This is a joint-venture project between the National Housing Trust and Kaiser Bauxite Company Ltd. In February 1995 Palisadoes Development Company Ltd. was recommended for the award of the contract in the amount of \$32.5M with a contract period of one year. However, to date the contract has not been signed and the validity period of three months has expired. The main reason for non-implementation lies with the Natural Resources Conservation Authority which has not yet approved the plans for a sewage plant in the area. The sewage disposal system is to be redesigned.</p> <p>In the meantime the National Housing Trust has asked the contractor to stand by his tender figure, failing which retendering may have to be done.</p>
Rosemount Housing Development Phase I Infrastructure Works Montego Bay, St. James	Y	A	A	A	A	Y	5	IA	IA	<p>This contract was awarded via the selective tendering process. The National Housing Trust (N.H.T.) followed all the stipulated pre-contract procedures resulting in a contract being awarded to the lowest responsive tenderer, Palisadoes Development Co. Ltd.</p> <p>The process was however, weakened by the Consulting Engineer who had not prepared an estimate of the project cost.</p>
Rosemount Row Houses Montego Bay St. James	N	A	A	A	A	Y	7	A	A	The contract was awarded impartially and based on the procedures established for public sector contracting. All necessary documentation is in place and the approval of Cabinet was received before the contract was signed.

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NAME OF CLIENT MINISTRY	OTHER AGENCIES	PROJECT	LOCATION	TENDERING						REMARKS		
				Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening		No. of Returns	
<u>OFFICE OF THE PRIME MINISTER</u>												
<u>National Housing Trust</u>												
Housing and Infrastructure Phase I Orangefield, Ewarton, St. Catherine				Y	A	A	A	N	Y	4	Y	<p>This was to be a joint venture project between the National Housing Trust and Alcan Jamaica Ltd.</p> <p>Tenders invited for infrastructure work and the contract award recommendation to the lowest tenderer, M & M Jamaica Ltd., is to be confirmed because of a subsequent proposal by letter dated October 3, 1994, shortly after tender opening.</p> <p>The contract has not yet been signed due to issues concerning the joint venture agreement which is yet to be signed.</p> <p>At year end, many questions remain to be answered.</p>
<u>MINISTRY OF PUBLIC UTILITIES AND TRANSPORT</u>												
<u>Airports Authority of Jamaica</u>												
Extension of Air Jamaica's Cargo Building Norman Manley International Airport Kingston				Y	A	A	A	A	Y	5	A	<p>Execution of the tender process met the required standards.</p> <p>Final approval from the G.C.C. is now being awaited for the implementation of the project.</p>
Customs Hall Expansion Norman Manley International Airport Kingston				Y	A	A	A	A	Y	5	A	<p>The tendering process was executed using the accepted standards.</p> <p>Approval is being awaited for implementation of the project.</p>
The Rehabilitation of Airside Facilities Norman Manley International Airport Kingston				Y	A	A	N/A	N/A	N/A	N/A	N/A	<p>The applications submitted by contractors for prequalification were evaluated professionally.</p> <p>Twenty-seven firms submitted applications and sixteen were recommended to be prequalified to tender on the project.</p> <p>Tender documents were being prepared at year end.</p>

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NAME OF CLIENT MINISTRY	TENDERING								REMARKS
	Prequalification	Invitation	Documents	Tender Instructions	Tender Bond	Public Opening	No. of Returns	Tender Evaluation	
OTHER AGENCIES									
PROJECT									
LOCATION									
<u>MINISTRY OF PUBLIC UTILITIES AND TRANSPORT</u>									
<u>The Port Authority of Jamaica</u>									
To Construct Security Fence and Preliminary Earthworks (contract # 1) Gordon Cay, Kingston	Y	A	A	A	A	Y	5	A	The tendering process was executed in accordance with the required contractual procedures.
Extension to Gordon Cay Construction of Access Road (contract # 2) Gordon Cay, Kingston	Y	A	A	A	A	Y	6	A	The required pre-contract procedures were executed with merit and the contract award properly handled.
Extension to Gordon Cay New Berth and Container Yard (contract # 3) Gordon Cay, Kingston	Y	A	A	A	A	Y	5	A	The prequalification and tender process were executed satisfactorily. Twenty-six contractors expressed interest in the prequalification invitations. Only eight were selected and asked to tender, and only five returned tenders. The lowest tenderer, E. Pihl & Son of Denmark was evaluated and recommended for the award of the contract.
Dredging of Kingston Harbour Ship Channel and Turning Basin Gordon Cay, Kingston	Y	A	A	A	A	Y	5	A	Issues were introduced in correspondence to tenderers which were unwarranted. In addition, some pre-contract activities were not in accordance with standard practice for the specific nature of the works. Nevertheless, the award of the contract to the Netherlands firm, Boskalis was correct.
Ocho Rios Port Expansion Ocho Rios, St. Ann	Y	A	A	A	A	Y	3	A	The prequalification and tender process was executed properly and the contract was awarded on merit to the lowest responsive tenderer - Daito Kogyo of Japan.
<u>Caribbean Engineering Corporation Limited</u>									
Installation of Pipes and Fittings from Swansea to Worthy Park Lluidas Vale, St. Catherine	Y	A	1A	A	A	Y	5	A	Letters of invitation were sent to six Contractors varying from Grade A-C on the G.C.C. approved list of contractors. Tenders were received from five contractors and were publicly opened the same day. The ascertained and liquidated damages clause was omitted from the Tender Document. Baccus Engineering Works Ltd., the lowest tenderer, was 46% below the engineers' estimate but was nevertheless awarded the contract.

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APPENDIX I

Pre-contract Activities

LEGEND: N = NO
Y = YES
A = ADEQUATE
IA = INADEQUATE
N/A = NOT APPLICABLE

NAME OF CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	Prequalification								REMARKS
	Invitation	TENDERING							
		Documents	Tender Instructions						
			Tender Bond	Public Opening					
				No. of Returns	Tender Evaluation				
<u>MINISTRY OF PUBLIC UTILITIES AND TRANSPORT</u>									
<u>National Water Commission</u>									
Newell/Newcombe Valley Water Supply Scheme.	N	A	A	A	A	Y	5	A	Eight contractors who were not pre-qualified were invited, of which five gave returns which were opened in December 1993. Donald Lewis Construction Co. Ltd. was recommended for the award of the contract as the lowest tenderer.
Newell/Newcombe Valley, St. Elizabeth									After a period of nine months, the recommendation was presented to the Government Contracts Committee (GCC) for its approval. Cabinet approval was given in November 1994. The long delay in awarding the contract resulted in the contractor being asked to submit new rates.
									There were further delays and the contractor was again requested to submit new rates which were provided in September 1995. Up to year end, the contract was not signed.
<u>Jamaica Public Service Co. Ltd.</u>									
Bogue - Orange Bay 138/69KV Transmission Line TL2	Y	A	A	A	A	Y	3	A	JPSCo awarded a contract by international bidding to ABB Sveca Sade for the supply of material and the execution of works for a 69KV Steel Tower Transmission Line from Bogue to Orange Bay with the line being approximately 38 km long.
Bogue, St. James to Orange Bay Hanover									Contract procedure was conducted fairly and without prejudice and the award based on merit.

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APPENDIX II

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF AGRICULTURE AND MINING</u>									
<u>National Irrigation Commission</u>									
Rio Cobre Dam Reconstruction	(a) Earle & Assoc. Ltd.	(a) Yes	(a) Lump Sum	(a) 8 Mts.	(a) Good	(a) Fair	(a) Fair	100%	The project was completed the 30 th June, 1995, 8 months after the original completion date. Substantial completion certificate has been issued and the defects liability period has started. The contract sum has moved from \$123.67M to a projected completion sum of \$197.32M, an increase of 55.5%.
Rio Cobre, St. Catherine	(b) Harza Eng. Co.	(b) Yes	(b) \$123.67M	(b) \$61.86M	(b) Good	(b) Good	(b) Fair		
	(c) Y.P. Seaton & Assoc Co. Ltd.	(c) Yes	(c) 11.6.93 - 1.10.94	(c) 50%			(c) Fair (d) Good		
<u>Urban Development Corporation</u>									
<u>Claverty Cottage / Shirley Castle Coffee Development</u>									
Construction of New Roads and Upgrading Existing Roads.	(a) None	(a) Yes	(a) Lump-Sum	(a) 2 Mts.	(a) Fair	(a) Fair	(a) Fair	55%	Progress of the work is being affected by inclement weather and a land dispute. Projected date for completion March 1996.
Bybrook, Portland	(b) M & M Ja. Ltd.	(b) Yes	(b) 72.93 M	(b) None	(b) Fair	(b) Fair	(b) Fair		
	(c) None	(c) Yes	(c) 10 Mts..				(c) Fair (d) Fair		
Construction Albany Bridge Claverty Cottage, Portland	(a) U.D.C.	(a) Yes	(a) Lump-Sum	(a) 6 Mts.	(a) Fair	(a) Fair	(a) Fair	80%	Progress on this project has been slow due to adverse working conditions. The Project is located in a remote area-subject to inclement weather.
	(b) M & M Engineers Ltd	(b) Yes	(b) 14.04 M	(b) None	(b) Fair	(b) Fair	(b) Fair		
	(c) None	(c) Yes	(c) 9 Mts.				(c) Fair (d) Fair		

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>Social Sectors Development Project</u>									
Brown's Town Regional Office Brown's Town, St. Ann	(a) National Housing Corporation Limited (b) W.G. Walters Construction Co. Ltd. (c) R.O. Walters and Associates	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$26.25M (c) 2.5.94 - 18.1.95	(a) 11 Mts. (b) None	(a) Poor (b) Poor	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Fair (d) Good	63%	Construction activities ran into early difficulties due to the excessive amount of rock found on site Other problems such as the late payment of certificates, impacted negatively on the contract. After a lapse of twenty-one months on a ten-month contract only about 63% of the work has been done. Estimated final cost is put at \$35.75M some \$9.5M or 36% above the contracted price.
Mandeville Regional Office Mandeville, Manchester	(a) National Housing Corporation Ltd. (Pjt. Mgr.) E & M Associates(Elec trical Consultants) (b) OMNI Construction Company Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$24.54M (c) 13.3.95 to 6.7.96	(a) N/A (b) N/A	(a) Good (b) Fair	(a) Fair (b) Fair	(a) Poor (b) Fair (c) Fair (d) Fair	48%	Early progress was hampered by extensive rock encountered in the process of excavating foundation trench. A revised completion date of June 1996, has not been supported by a work programme. The revised date may therefore be optimistic and already expenditure is running at \$13.8M (56% of contract price) with variations along with materials and labour fluctuation accounting for 16% or \$3.9M of the expenditure.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u> <u>Social Sectors Development Project</u>					CONSULTANT	AGENCY	CONTRACTOR		
Montego Bay Regional Office Catherine Hall, St. James	(a) National Housing Corporation (Pjt.mgr.) (b) Ronham and Associates Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$34.9M (c) 10 mts. 4.94 - 2.95	(a) 10 mts. (b) N/A	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) N/A (b) N/A (c) N/A (d) N/A	5%	<p>The project is not being dealt with efficiently. The acquisition of the land was not completed before the contractor started working. The U.D.C. who owns the land objected to the construction as the site was earmarked for another development. A new site eventually agreed upon after eight months also had to be abandoned as it encroached on premises belonging to the community centre.</p> <p>A third site has also proven unsuitable, and at year end an effort was being made to persuade the U.D.C. to make the original site available.</p> <p>In the meantime twenty months have passed on a contract due to be completed in ten. Expenditure for items such as security, external works, variations etc. amount to \$19.16M or 54% of the contract price.</p>
Cedar Valley All Age School Cedar Valley, St. Thomas	(a) National Housing Corporation Ltd. (Pjt.mgr.) (b) Qualicon Engineering Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$7.88M (c) 14.8.95 to 1.4.96	(a) None (b) None	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Poor (d) Fair	10%	<p>Post contract activities delayed as a result of the building being occupied by students. Also a retaining wall has been wrongly located.</p> <p>Remedial work was started in December 1995, so a time overrun seems inevitable.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u>									
<u>Social Sectors Development Project</u>									
Morant Bay Junior High School Church Corner, St. Thomas	(a) National Housing Corporation Limited (b) Construction Developers Associates Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$27.5M (c) 10 Mts.	(a) 11 Mts. (b) \$31.7M (c) 115.39 %	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Poor (c) Fair (d) Fair	100%	Annual Report 1994 reported a 90% completion on this contract, and highlighted a number of problems which resulted in an over expenditure of \$24.7M. The contract has continued to be affected by slow progress and achieved practical completion on October 9, 1995, 11 months beyond the scheduled completion date of November 17, 1994. The last 10% of the contract took 9 months to be completed and resulted in an expenditure to date of \$59.2M. Sadly it would appear that project management is responsible for twenty-eight weeks of the overrun and it must be said that the contractor is not without blame.
Rousseau Primary School Kingston 13,	(a) National Housing Corporation (Pjt.mgr.) (b) Ronham & Associates Ltd. (c) E. & M. Associates Ltd. (Electrical)	(a) Yes (b) Yes (c) Yes	(a) Lump sum (b) \$24.5M (c) 9 months May 3, 95 - Feb. 2, 96	(a) N/A (b) N/A	(a) Good (b) Good	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Fair (d) Fair	44%	Contract sum already increased by \$4.0M on account of the Ministry's activities at the pre-contract stage. It is unlikely that the works will be completed on time. Especially as there have been problems of theft and violence.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u> <u>Social Sectors Development Project</u>					CONSULTANT	AGENCY	CONTRACTOR		
Ewarton Primary School Ewarton, St. Catherine	(a) National Housing Corporation (Pjt.mgr.) Garron Limited (Quantity Surveyors) E. & M. Associates Limited (Electrical Engineers) (b) Qualicon Engineering Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$17.86M (c) 28.3.94 to 8.2.95	(a) 9 mts. (b) \$12.4M (c) 69%	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Good (d) Good	99%	Initially the contractor made satisfactory progress, but later on he fell behind schedule. In 1995 he continued to make slow progress and only achieved substantial completion on October 26, nine months beyond the scheduled completion date. Indications are that claims for interim payments were not honoured on a timely basis, possibly as a result of the cash flow problems of the client, and variations also increased the scope of works. Of the \$12.4M overrun, fluctuation in labour and material prices account for \$7.65M and variations for \$4.4M
Cartagena Basic School Granville, St. James	(a) Sugar Industry Housing Ltd. (Pjt.mgr.) (b) L.A. Scott Engineering & Construction Limited (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$6.77M (c) 5 mths	(a) 2 mths (b) none	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Poor (b) Poor (c) Poor (d) Poor	80%	Post Contract activities suffered delays due to ineffective supervision of work force, lack of qualified tradesmen, the remoteness of the locality, and what seemed to be a cash flow problem on both the side of the contractor and the Ministry. The contractor's belated change of supervisory personnel on site, saw immediate improvement in quality and progress of work.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>Social Sectors Development Project</u>									
Bull Savannah Basic School Bull Savannah, St. Elizabeth	(a) Sugar Industry Housing Ltd. (Pjt.mgr.) (b) W.A. Reid Construction Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$5.11M (c) 20.10.94 - 20.3.95	(a) 2 weeks (b) \$20,454 (c) 0.4%	(a) Fair (b) Good	(a) N/A (b) N/A	(a) Good (b) Fair (c) Good (d) Good	100%	For the most part the contract activities registered satisfactory progress. However, after a substantial amount of work was completed, there was a slow down resulting in a two week overrun on the scheduled completion date. Expenditure to date is \$5.13M which is \$20,454.00 or 0.4% above the contract sum. However, with fluctuation in material and labour totalling \$1.6M, the final account will reflect a substantial overrun.
Wrights/Bartons Basic Schools St. Catherine	(a) Sugar Industry Housing Limited (pjt.mgr.) (b) Metrocon Associates Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$4.6M adjusted to \$5.03M (c) 14.3.94 - 14.9.94	(a) 5 mts. (b) \$3.3M (c) 72%	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Poor (c) Poor (d) Fair	100%	Subsequent to Annual Report 1994, this contract was eventually accorded practical completion on February 20, 1995, some five months overrun on the scheduled completion date. With an expenditure to date of \$7.9M or 72% above the original contract price, it is interesting to see if the liquidated damages clause will be invoked for the 2.5 months overrun unaccounted for.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF EDUCATION, YOUTH AND CULTURE</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>Social Sectors Development Project</u>									
Duhaney Pen Basic School Duhaney Pen, St. Thomas	(a) Sugar Industry Housing Ltd. (Pjt. Mgr..) (b) Alfrasure Structure and Roofing Limited (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$2.13M (c) 18.9.94 - 18.11.94	(a) 2 mts. (b) None	(a) Good (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Good (d) Good	100%	Slow progress was the fault of the contractor. Although time overrun is an issue, the cost of the work is not likely to exceed the original budget.
Fern Grove Basic School Fern Grove, St. Ann	(a) Sugar Industry Housing Ltd. (Pjt. Mgr..) (b) S.C. Cox & Brothers Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$4.01M (c) 31/10/94- 31/3/95	(a) 3 weeks (b) \$0.27M (c) 6.8%	(a) Fair (b) Good	(a) N/A (b) N/A	(a) Good (b) Good (c) Good (d) Good	100%	Post-contract activities saw the contractor registering steady progress in spite of problems such as vandalism and theft. Practical completion was achieved on April 20, 1995, some three weeks beyond the scheduled completion date. Notwithstanding an overrun of \$0.27M, the effort of the contractor & Sugar Industry Housing Limited was a good one.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
MINISTRY OF ENVIRONMENT & HOUSING					CONSULTANT	AGENCY	CONTRACTOR		
Infrastructure Works for Housing and Serviced Lots Moneague, St Ann	(a) None (b) J.C. Wilmot (c) None	(a) N/A (b) N/A (c) N/A	(a) Negotiated (b) \$29.5M (c) 15 Mts.	(a) 5 Mths. (b) N/A	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	Phase I 100% Phase II 10%	<p>A joint-venture project between the Ministry of Environment & Housing and J.C. Wilmot, whereby J.C. Wilmot will provide funding for the infrastructure works in exchange for 180 lots. The land in the project is owned by the Ministry.</p> <p>Phase I of the project has been completed and Phase II is now being developed but the work has ceased since July. The Developer is now selling the twelve (12) completed units in order to generate funds for the project's completion.</p> <p>It is provided in the agreement that two years be allowed for the completion of the units (Phase I and Phase II) and this period elapsed in July 1995.</p> <p>So far in Phase II of the project, only the roads are under construction - neither water nor sewage lines have yet been laid.</p>
Social Infrastructure Phase II Greater Portmore St. Catherine	(a) A de B Consulting Engineers (b) West Indies Home Contractors Ltd (c) None	(a) Yes (b) Yes (c) Yes	(a) Negotiated (b) \$239.6M (c) 22 mts.	(a) N/A (b) N/A	(a) Good (b) Good	(a) N/A (b) N/A	(a) Good (b) Good (c) Good (d) Good	46%	<p>This is a design and build project which comprises the construction of three basic and two primary schools, one 100-man police station and a community centre. Construction so far is of good quality and the project is due to last until October 1996.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
MINISTRY OF ENVIRONMENT & HOUSING					CONSULTANT	AGENCY	CONTRACTOR		
<u>National Housing Corporation Ltd</u>									
Rosemount/Kerr-Jarrett Squatter Upgrading (Sector A) Montego Bay, St. James	(a) Arthur Nelson and Associates (b) Ranham and Associates (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$50.25M (c) 12 Mts..	(a) 2 Mts. (b) \$11.21M (c) 22%	(a) Fair (b) Fair	(a) Fair (b) Good	(a) Fair (b) Fair (c) Fair (d) Fair	81%	<p>Work began fairly briskly but completion has been delayed due mainly to :</p> <ol style="list-style-type: none"> 1.Extensive additional works caused by an initial steady inflow of squatters which necessitated several design changes. 2.Inclement weather which not only delayed work to be done but caused damage to work already in progress. <p>Although pverrun to date is \$11.2M, approximately \$30M has been spent on variations and price fluctulations. It is projected that the final cost will be approximately \$90M.</p>
Rosemount/Kerr-Jarrett Squatter Upgrading (Sector B) Montego Bay, St. James	(a) Arthur Nelson and Associates (b) C. G. Woolery and Partners Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$34.05M (3)12 Mts..	(a) 3 Mts. (b) \$ 3.71M (c) 40%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	90 %	<p>The contractor had to work on a site that is occupied by squatters and new squatters entered during the early implementation stages. This caused several design changes and was a major delaying factor.</p> <p>In addition inclement weather hampered progress and caused damage to work already done or in progress.</p> <p>Increase in the scope of works to date cost \$18.2M or 53% of the contract sum. It is projected that the final cost will be approximately \$68M.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
MINISTRY OF ENVIRONMENT & HOUSING									
<u>National Housing Corporation Ltd</u>									
Rosemount/Kerr-Jarrett Squatter Upgrading (Sector C) Montego Bay, St. James	(a) Arthur Nelson and Associates (b) C. G. Woolery and Partners Ltd.	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$27.7M (c) 12 Mts.	(a) 3 Mts. (b) \$10.9M (c) 39%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	75 %	<p>The work got off to a late start and has not caught up with the other sectors. Like sectors A & B, redesigns and the additional works made necessary by squatters and inclement weather have severely hampered progress.</p> <p>An analysis of expenditure to date shows inflationary factors amounting to 66% of the contract sum with additional works alone costing \$15.4M or 56% of the contract sum. It is projected that the final cost will be approximately \$51M.</p>
<u>Sugar Industry Housing Ltd</u>									
Claremont Housing and Infrastructure Old Harbour, St Catherine	(a) S.I.H.L. (b) L.I. Chang Engineering Ltd (c) None	(a) Yes (b) Yes (c) Yes	(a) Negotiated (b) \$161M (c) 2 Years	(a) 15 mts.. (b) 437M (c) 272%	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Fair (d) Fair	94%	<p>This project is to construct 765 housing units with its related infrastructure at a cost of \$161M. Projected final cost is \$634M. To date the project is incomplete.</p> <p>As a result of the time overrun liquidated damages have been imposed on the contractor</p> <p>The scheme is presently occupied with over 400 units handed over.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF FINANCE & PLANNING</u> <u>Agricultural Credit Bank</u>					CONSULTANT	AGENCY	CONTRACTOR		
Denbigh Display Centre	(a) Lascelles	(a) Yes	(a) Lump Sum	(a) 49 Wks	(a) Good	(a) Fair	(a) Fair	100%	This contract was scheduled to last 26 weeks and after being granted a 37-week extension in time the contractor achieved Practical Completion some 75 weeks after it began. Delaying factors included: 1.Non-performance of the Nominated Sub-contractor. 2.Site closure due to relocation of J.P.S. Co. 's power line. 3.Late handing over of the site The situation with the Nominated Sub-contractor was allowed to continue far too long before any positive action taken.
Denbigh Agricultural Show Grounds	Dixon and Associates. Smada	(b) Yes (c) Yes	(b) \$5.9M (c) 6 Mts.	(b) N/A	(b) Fair	(b) Fair	(b) Fair (c) Fair (d) Fair		
May Pen, Clarendon	Consultants. Phillip Botchey and Associates. (b) Alval Ltd. (c) Structural Engineers Ltd.								
<u>Development Ventures Ltd.</u>									
Modification & Extension of Cafeteria Facilities Oxford Road, Kingston	(a) Lascelles Dixon & Associates (b) B.T. Brown (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$10.45m (c) 6 Mts	(a) None (b) None	(a) Good (b) Fair	(a) Good (b) Good	(a) Good (b) Fair (c) Good (d) Good	45%	All required documents are in place and work is progressing on schedule.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF HEALTH</u> <u>Urban Development Corporation</u> Construction of Administrative Block for a Type IV Health Centre St. Ann's Bay, St. Ann	(a) Apec Consultants (b) Richards Limited (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$8.7M (c) 6 Mts.	(a) NA (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	18%	This project is underway and work is progressing satisfactorily but slowly. Projected date for completion February, 1996.
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> <u>Jamaica/Canada Bridge Development Programme</u> Bartlett River Bridge Superstructure Contract Savanna-la-mar, Westmoreland	(a) Phillip Botchey & Associates (b) Civcon Engineering Ltd (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$1.954M (c) 15/12/92 - 11/9/93	(a) 15 mts (b) \$1.685M (c) 87%	(a) N/A (b) N/A	(a) Fair (b) Poor	(a) Poor (b) Poor (c) Poor (d) Good	100%	The contractor has performed poorly on this project, hence, the massive time and cost overrun; aggravated by devaluation and increased labour and material costs. The project has been taken over by the Ministry of Local Government & Works and the approaches have been completed, and presently being used by vehicular traffic.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> <u>Jamaica/Canada Bridge Development Programme</u>					CONSULTANT	AGENCY	CONTRACTOR		
Frankfield Bridge Superstructure Contract Frankfield, Clarendon	(a) G. Lloyd Tulloch Associates (b) Civil Engineering Project Limited (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$3.338M (c) 8/9/93 - 8/5/94	(a) 13 Mths. (b) \$1.68M (c) 50%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	Overrun in the construction time and cost was due mainly to an increase in the scope of work, inclement weather and inadequate planning for the implementation of the work as well as escalation in the cost of labour, material and equipment. Overall the contractor's performance was satisfactory.
Commonthe Pond Bridge Superstructure Contract Llandillo, Westmoreland	(a) None (b) G.B. James Heavy Equipment & Construction Co. (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$1.771M (c) 11/1/94 - 6/7/94	(a) 6 Mths (b) \$0.321M (c) 18%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Good (b) Good (c) Good (d) Fair	100%	The overall quality of the work and the contractor's performance were satisfactory. Delay in the construction of the project was as a result of inclement weather, increase in the scope of work and material shortage.
Hector's River Bridge Superstructure Contract Portland	(a) Burrowes & Wallace (b) O.G. Gordon Engineering & Joinery Firm Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$5.154M (c) 24/11/94 - 21/5/95	(a) 7 mths (b) None	(a) N/A (b) N/A	(a) Poor (b) Poor	(a) Poor (b) Poor (c) Fair (d) Good	45%	This project had overrun the construction time by about five months when the contractor was fatally shot. His performance to that point had not been good. A retendering exercise is in progress in order to select a new contractor to complete the remaining portion of the work.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>Jamaica/Canada Bridge Development Programme</u>									
Sandy River Bridge Construction Contract	(a) Burrowes & Wallace	(a) Yes	(a) Lump-Sum	(a) 5 Mths	(a) N/A	(a) Fair	(a) Poor	40%	From the outset the project experienced problems including poor performance of the contractor, poor supervision by the Ministry, and late payments to the contractor.
Temple Hall, St. Andrew	(b) Islandwide Construction Ltd	(b) Yes	(b) \$4.257M	(b) None	(b) N/A	(b) Fair	(b) Poor		
	(c) Yes	(c) Yes	(c) 16/11/94 - 10/7/95				(c) Poor (d) Poor		
	(c) None								
<u>Rural Road Rehabilitation Improvement & Maintenance Programme</u>									
Kensington Rural Hill, Hordley, Williamsfield - Portland	(a) None	(a) Yes	(a) Lump Sum	(a) 12 mths.	(a) N/A	(a) Fair	(a) Poor	63%	This project has not been properly administered. The contractor's performance has been poor. He has been warned for breaches of the contract clauses and possible termination of the contract, but no positive action has been taken.
	(b) Stardust Incorporated Limited	(b) Yes	(b) \$25.6M	(b) None	(b) N/A	(b) Fair	(b) Poor		
	(c) Yes	(c) Yes	(c) 10 Mts.				(c) Poor (d) Poor		
	(c) None								
Contract #4 Lancaster - Newton, Elim - Wilton St Elizabeth	(a) Roughton & Partners International	(a) No	(a) Lump Sum	(a) 13 mths	(a) N/A	(a) Fair	(a) Poor	90%	Overrun in construction time is due mainly to an increase in the scope of work and the performance of the contractor. The project should be finished by March 1996
	(b) Yes	(b) Yes	(b) \$13.9M	(b) \$2.7M	(b) N/A	(b) Fair	(b) Poor		
	(c) Yes	(c) Yes	(c) 17/1/94 - 12/12/94	(c) 12.7%			(c) Fair (d) Good		
	(b) Patrick E. Thompson Ltd								
	(c) None								

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>Rural Road Rehabilitation Improvement & Maintenance Programme</u>									
Contract #8 McNie - Concord McNie - Douglas Castle St Ann	(a) Roughton & Partners International (b) Pavement & Structures Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$16.21M (c) 12/1/94 - 12/8/94	(a) 8 months (b) \$3.8M (c) 24%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	The project attained practical completion on March 17, 1995. The overrun in cost resulted from escalation in the prices of labour and material. Delays were primarily due to changes in the scope of work and to a lesser extent the contractor's performance.
Contract #9 Top Warminster - Buena Vista Ridge Ramble - Bellevue St Elizabeth	(a) Roughton & Partners International (b) Henry Moo- Young Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$14.3M (c) 12/1/94 - 12/10/94	(a) 15 months (b) None	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Poor (b) Poor (c) Fair (d) Good	98%	This project is now almost complete. The scope of work was reduced to below the contracted amount. Overall the quality of the work is satisfactory, however, the contractor's performance in relation to management of the job was unsatisfactory.
Contract #10 Chandler's Pen - Rock River Chandler's Pen - Palmer's Cross Clarendon	(a) Roughton & Partners International (b) Dwight's Construction Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$19.9M (c) 12/1/94 - 12/12/94	(a) 4 months (b) \$12.4M (c) 62%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	The overrun in construction time was due to an increase in the scope of work and inclement weather, while overrun in cost resulted mainly from additional work and an increase in the cost of labour and material over the period. Overall the quality of work and the contractor's performance were satisfactory.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<div> <div>MINISTRY OF LOCAL GOVERNMENT & WORKS</div> <div>Rural Road Rehabilitation Improvement & Maintenance Programme</div> </div>									
					CONSULTANT	AGENCY	CONTRACTOR		
Contract #11 Mt. Grace - Salt Spring Mt. Grace - Delve Bridge Hanover	(a) Roughton & Partners International (b) D.R. Foote Construction Company Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$18.59M (c) 12/1/94 - 12/9/94	(a) 12 mths. (b) \$7.6M (c) 41%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	The overruns in both time and cost resulted from an increase in the scope of work (variations) inclement weather, the contractor's performance, and escalation in the price of labour and materials. Overall, the quality of work was satisfactory. However, proper supervision and control were lacking in the implementation of this project.
Contract #13 Lime Hall - Lumsden Higgins Town - Brittonville St Ann	(a) Roughton & Partners International (b) Pavement & Structures Ltd. (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$10.62M (c) 12/1/94 - 12/6/94	(a) 6 mths. (b) \$3.9M (c) 37%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	Overrun in both time and cost resulted from an increase in the scope of work and escalation in the price of labour and material. Overall, the contract was fairly well managed and the quality of the work completed was satisfactory.
Contract #15 Kellitts - Pennants Clarendon	(a) Roughton & Partners International (b) Build-Rite Construction Co. Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$25.27M (c) 12/1/94 - 12/1/95	(a) 2 mths. (b) \$43.8M (c) 173%	(a) N/A (b) N/A	(a) Poor (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	The project experienced a large increase in the scope of work at a cost of \$30M and escalation in the price of labour and material \$13.45M. Total expenditure amounted to \$69.16M. The increased cost was due mainly to under design of the project. However, overall quality of work and performance by the contractor were satisfactory.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u>									
<u>Rural Road Rehabilitation Improvement & Maintenance Programme</u>									
Contract #16 Fort Charles - Billy's Bay Fort Charles - Hopewell St. Elizabeth	(a) Roughton & Partners International (b) Henry Moo- Young Ltd (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$9.6M (c) 12/01/94 - 12/07/94	(a) 9 months (b) \$1.6M (c) 17%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	100%	Substantial completion was not realised until 31/3/95 - 150% in excess of the scheduled construction time. Delays were due to an increase in the scope of work, inclement weather and frequent breakdown of equipment. The quality of the work was satisfactory.
Contract #17 Pondside - Flower Hill Cash Hill - Kew Hanover	(a) Roughton & Partners International (b) D.R. Foote Constructin Co. Ltd. (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$26.20M (c) 12/1/94 - 12/11/94	(a) 14 months (b) None	(a) N/A (b) N/A	(a) Fair (b) Poor	(a) Poor (b) Poor (c) Fair (d) Good	98%	The Pondside - Flower Hill section has been completed, while the Cash Hill - Kew section nearing completion at year end. The delay is due mainly to the unsatisfactory performance of the contractor, inclement weather and a change in the scope of work. Also, the supervision by the Ministry of Local Government & Works has not been adequate.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF LOCAL GOVERNMENT & WORKS</u> <u>225 Arterial Roads</u>					CONSULTANT	AGENCY	CONTRACTOR		
Ocho Rios Development/Ocho Rios Bypass Road Ocho Rios, St Ann	(a) Stanley Williams (b) Rollers & Compressors Hireage Ltd (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$97.0M (c) 1/3/93 - 30/11/94	(a) 15 months (b) \$102M (c) 105%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	95%	<p>This project includes the construction of 3.2km of road, a bridge over the Mansfield River, as well as drainage structures; and 2.4km of access road.</p> <p>At year end the project was nearing completion.</p> <p>Some of the problems which have been experienced since commencement of the project are:-</p> <ul style="list-style-type: none"> ▸ increases in the scope of work; ▸ damage to houses allegedly caused by falling rocks as a result of dynamiting in the vicinity of the project; ▸ laying of sewer main by the N.W.C. ▸ inadequate performance by the contractor ▸ deficiencies in planning

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>MINISTRY OF NATIONAL SECURITY AND JUSTICE</u>					CONSULTANT	AGENCY	CONTRACTOR		
Port Maria Courthouse Port Maria, St. Mary	(a) Ministry of Construction. Paul Thorbourne and Associates. Calvin Roach & Associates. (b) Mar-Bell Construction & Development Co. Ltd. (c) Winvar Limited	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$9.22M (c) 12 mts. 29/8/94 - 30/8/95	(a) 4 mths. (b) None	(a) Fair (b) Fair	(a) Poor (b) Poor	(a) Fair (b) Fair (c) Fair (d) Good	90%	This was a project that was mismanaged by the Ministry of National Security and Justice, resulting in both the consultants and the contractor not being paid for work done; this forced the project site to be closed for several weeks.
<u>OFFICE OF THE PRIME MINISTER</u>									
<u>National Housing Trust</u>									
Infrastructure Works Wickie Wackie Bull Bay, St Andrew	(a) Technical Enterprises Ltd (b) M&M Jamaica Ltd (c) None	(a) Yes (b) Yes (c) No	(a) Lump Sum (b) \$51.97M (c) 12 Mts.	(a) N/A (b) N/A	(a) Poor (b) Fair	(a) Fair (b) Fair	(a) N/A (b) N/A (c) N/A (d) N/A	2%	Site handed over to the contractor in August 1995 who had a problem with incorrect profiles given to him by the consultant. As a result, progress has been slow. Re-planning and re-designing of certain parts of the work are inevitable. The time lost will set back the completion date and increase costs.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
<u>OFFICE OF THE PRIME MINISTER</u> <u>National Housing Trust</u>									
Mansfield Housing Ocho Rios, St Ann	(a) None (b) A.H. Building (Jam) Ltd. (c) None	(a) Yes (b) Yes (c) No	(a) Negotiated (b) \$7.45M (c) 18 weeks	(a) 4 weeks (b) \$1.13M (c) 15.2%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	<p>The N.H.T. purchased thirty-nine serviced lots from the U.D.C., sold twenty-four, and built fifteen two bedroom units on the remainder. Variations account for \$ 0.84M of the overrun.</p> <p>The work is now completed and appears to be of satisfactory standard.</p>
Hope Bay Housing Scheme Hope Bay, Portland	(a) Beckford & Dixon (b) Six small contractors (c) None	(a) No (b) Not Seen (c) Not Seen	(a) Negotiated (b) Varied (c) 9 months	(a) 5 months (b) See remarks	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Good (d) Good	100%	<p>On this site have been erected 26 2-bedroom housing units by Six small contractors recommended by the M.P. Because of site problems; the project which was to start in 1993 had to be delayed and the contracts were not signed until April 1994</p> <p>It appears that the contracts were primarily "labour only" as the N.H.T. made direct payments to material suppliers.</p> <p>The N.H.T. is unable to provide financial details on individual contracts but reports that overrun is between fifteen and twenty percent of contract sums, including labour and material fluctuation.</p> <p>The project was completed in May 1995 and the construction is of good quality</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>OFFICE OF THE PRIME MINISTER</u> <u>National Housing Trust</u>					CONSULTANT	AGENCY	CONTRACTOR		
Rosemount Housing Development Infrastructure (Phase I) Montego Bay St. James	(a) Arthur Nelson & Associates (b) Palisadoes Development Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$33.22M (c) 8 mts.	(a) 1 Mt. (b) 17.1M (c) 50%	(a) Fair (b) Fair	(a) Good (b) Good	(a) Good (b) Good (c) Good (d) Good	100%	<p>This project was originally for a six month period but was extended to twelve months by "mutual agreement."</p> <p>Practical completion was achieved one month late with expenditure to-date running at 49% above the contract sum.</p> <p>The original scope of works was reduced by \$1.5M, but expenditure for fluctuation amounts to \$13M while additional works cost another \$5m when totaled equal \$18.7m or 56% of the contract sum.</p>
Rosemount Housing Development Infrastructure (Phase II) Montego Bay, St. James	(a) Arthur Nelson & Associates B.G.W. Cawston & Partners (b) Palisadoes Development Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$32.33m (c) 8 mts.	(a) 2 mts. (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Good (b) Good (c) Good (d) Good	97%	<p>This is the same contractor who did Phase I</p> <p>Despite a number of hitches the contractor has achieved a good level of production and has justified N.H.T.'s decision to continue with his services from phase I.</p>
Rosemount Row Houses. Montego Bay, St. James	(a) N.H.T (b) Clasford Woolery & Partners Ltd (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$98.96m (c) 12 Mts	(a) N/A (b) N/A	(a) Good (b) Good	(a) Good (b) Good	(a) N/A (b) N/A (c) N/A (d) N/A	5 %	<p>The contract is in an early stage of implementation. and nothing significant has yet occurred. The site has a high rock content and this could be a source of delay if not handled properly.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
<u>OFFICE OF THE PRIME MINISTER</u> <u>National Housing Trust(Joint Venture)</u>									
N.H.T./N.H.C./D.&G. Housing Scheme Molynes Road Kingston 10	(a) N.H.C. (b) Ashtrom Building Systems Ltd (c) None	(a) Yes (b) Not Seen (c) Not Seen	(a) Negotiated (b) \$31M (c) 10 months	(a) None (b) \$6.43M (c) 20.68%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	95%	<p>This contract for \$31M, negotiated with Ashtrom Building Systems Ltd is for the construction of 44 housing units and its related infrastructure on lands made available by D & G Ltd. In a deal made with the Ministry (H), 15% of these units should be allocated for employees of D & G.</p> <p>Expenditure to date on housing is \$36.08M. Infrastructure \$2.43. A further \$1.5M is estimated for roadways, kerbs and driveways.</p>
N.H.T./Kencot Apt. Ltd. Housing 6-10 South Road, Kencot, Kingston 5	(a) Eran Spiro (b) Tronco (Ja.) Ltd (c) None	(a) Yes (b) Yes (c) No	(a) Negotiated (b) \$15.49M (c) 15.10.93 - 10.94	(a) 3 Mts. (b) \$6.5M (c) 32%	(a) Good (b) Fair	(a) Good (b) Fair	(a) Good (b) Fair (c) Fair (d) Good	100%	<p>A joint-venture housing project consisting of a four-storey building containing 48 studio units and its related infrastructure.</p> <p>The developers provided the land and National Housing Trust provided 75% financing.</p> <p>Fluctuation in labour and materials accounted for \$7.4M of the overrun.</p>

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APPENDIX II

POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>OFFICE OF THE PRIME MINISTER</u>									
<u>Urban Development Corporation</u>									
Long Bay Beach Park Negril, Westmoreland	(a) UDC (b) Litfield Construction Company (c) None	(a) Yes (b) Yes (c) Yes	(a) Negotiated (b) \$4.79M (c) 6/4/94 - 31/3/95	(a) 4 mts. (b) \$0.33M (c) 6.96%	(a) Fair (b) Fair	(a) N/A (b) N/A	(a) Fair (b) Fair (c) Fair (d) Good	100%	<p>The works comprised the construction of a single storey office building, toilet and changing-rooms, concessionaires, guard house, parking area; landscaping, picnic area and infrastructural works related to the buildings.</p> <p>Variations and labour fluctuation led to the cost overrun</p> <p>The work is now finished and is of satisfactory standard. Area in use since March 1995.</p>
<u>Comprehensive Rural Township Development Programme phase II</u>									
Upgrading Existing Access Road Orange Park - Crescent Park Road St. Ann	(a) None (b) National Technology Eng. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$4.62M (c) 14.8.95 - 14.2.96	(a) N/A (b) N/A	(a) N/A (b) N/A	(a) Good (b) Good	(a) Poor (b) Poor (c) Fair (d) Fair	50%	<p>Execution of the work by the contractor lacks proper planning and co-ordination. Although the contractor was pre-qualified, experience seems to be lacking, and as a result the work is not progressing at an acceptable rate.</p>
Road Repairs Ewarton to Linstead (Package 5) St. Catherine	(a) None (b) Y. P. Seaton & Assoc. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$15.2M (c) 18 Wks.	(a) 30 days (b) None	(a) N/A (b) N/A	(a).Fair (b).Fair	(a).Fair (b).Fair (c) Fair (d) Fair	36.7%	<p>Work on the project is progressing slowly. This is due mainly to inclement weather and a shortage of asphalt.</p> <p>One of the critical features to be addressed is the upgrading of the drainage along the roadway.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
					CONSULTANT	AGENCY	CONTRACTOR		
<u>OFFICE OF THE PRIME MINISTER</u>									
<u>Urban Development Corporation</u>									
<u>Comprehensive Rural Township Development Programme phase III</u>									
Extension and Refurbishing Ocho Rios High School Ocho Rios, St. Ann	(a) UDC (b) W.A. Reid Construction Co. Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$12.7M (c) 15 Mts.	(a) None (b) 2.04M (c) 16%	(a) N/A (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	Work progress and management of the project are satisfactory and the quality of work is good and of acceptable standard. The overrun is due to escalation in materials, labour and administration charges.
Construction of New Post Office Gregory Park, St. Catherine	(a) UDC (b) Graves Mid- Island Heavy Equipment Construction Co. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$4.2M (c) 9 Mths	(a) 6 Mths (b) \$2.01M (c) 47%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	100%	The objective of having the work expeditiously completed was not achieved, and the initial performance of the contractor was not good. However with increased supervision, warnings and the extension of time granted the performance of the contractor improved and the work was completed within the extended time.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>The Port Authority of Jamaica</u>					CONSULTANT	AGENCY	CONTRACTOR		
Extension to Customs Warehouse Phase I Montego Bay, St. James	(a) Hue Lyew Chin Eng. Ltd. (b) Alfrasure Structures & Roofing (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$8.9M (c) 18 Wks.	(a) 5 Mts. (b) \$8.8M (c) 92%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	100%	There seem to have been an absence of care in the planning and developement of this extension resulting in many variations that have almost doubled the cost of the project.
Ocho Rios Port Expansion Ocho Rios, St. Ann	(a) Wallace Evans Ja.. Ltd. (b)Daito Kogyo Co. Ltd. C) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) US\$5.51M (c) 13 mths. Jan. 95 - Jan. 96	(a) None (b) US\$5.51M (c) 13 mths. Jan. 95 - Jan. 96	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	90%	The overall objective of the project was achieved. The work was substantially completed so that the pier could be used for the start of the tourist winter season in December. Due to strikes on the project in October and subsequent heavy rains the contractor had to request an extension of time. The new date for completion is February, 1996.
Dredging of Kingston Harbour Ship Channel and Turning Basin Gordon Cay, Kingston	(a) Wallace Evans Jamaica Ltd (b) Boskalis Westminister Dredging b v (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b)U.S\$7.24M (c) 20 Wks.	(a) None (b) None (c) 20 Wks.	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	70%	This contract is being competently executed. Additional work has had to be done to achieve the desired results.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>The Port Authority of Jamaica</u>					CONSULTANT	AGENCY	CONTRACTOR		
To Construct Security Fence and Preliminary Earth Works (contract # 1) Gordon Cay - Kingston	(a) Smada Consultants Ltd. and Professional Engineers Consultants Ltd (b) Ashtrom Building Systems Ltd. (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$22.9M (c) 6 Mts.	(a) 2 ½ Mths (b) \$5.66M (c) 25%	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	100%	The objective of the project has been achieved. Variations increased the scope of work, and there was an extension of time and fluctuation in the cost of materials. Practical completion was achieved in May 1995.
Extension to Gordon Cay Construction of Access Road (Contract # 2) Gordon Cay, Kingston	(a) SMADA Consultants Ltd Professional Eng. Consultants Ltd. (b) Roller and Compressor Hireage Ltd. (c) Hinds Bros. Ltd.	(a) Yes (b) Yes (c) Yes	(a) Lump-Sum (b) \$76.4M (c) 9 mths.	(a) 6 weeks	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	85%	Planning and coordination by the contractor could have been better. For example, there were shortages of equipment and there were problems in locating suitable quality marl.

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<div> <div>PUBLIC UTILITIES AND TRANSPORT</div> <div>The Port Authority of Jamaica</div> </div>									
					CONSULTANT	AGENCY	CONTRACTOR		
Extension to Gordon Cay New Berth and Container Yard (contract # 3) Gordon Cay, Kingston	(a) Smada Consultants Ltd. and Professional Engineers Consultants Ltd. (b) E. Pihl & Son (c) Asphaltic Concrete Enterprise Ltd.; Reliable Engineers Ltd.; Track Design Services Ltd.; Trade Arbed Inc.	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$687.7M (c) 13 Mths	(a) 7 wks (b) N/A	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Good (b) Fair (c) Fair (d) Fair	60%	<p>This project was well administered by the contractor. Planning and coordination were good. Time overrun was due to time lost in clearance of materials and equipment from the wharf, an increase in the scope of works and inclement weather. This was largely overcome by the contractor putting in place a night shift.</p> <p>Some of the sub-contractors did not perform as satisfactorily. However, in spite of the problem the main contractor was able to achieve the objective of completing Phase I for operation within the time specified.</p> <p>A more detailed programme was put in place for the sub-contract work which enhanced completion date.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>Carib Engineering Corporation Ltd.</u>					CONSULTANT	AGENCY	CONTRACTOR		
Victoria Town Well # 2 Victoria Town, Manchester	a) Fisher Price & Assc. b) Donald Lewis Constr. Co. Ltd. c) Brandwell Ltd.	a) Yes b) Yes c) Yes	a) Lump-Sum b) \$1.9M c) 7 Mths.	a) 32 Mths. b) \$1.72M c) 92.5%	a) Poor b) Poor	a) Poor b) Poor	a) Fair b) Fair c) Fair d) Fair	100%	The contract was signed October 8, 1991 and the work commenced November 1991, to be completed on June 21, 1992 a contract period of seven (7) months. After a series of delays and its resulting problems the project was completed on February 28, 1995 with a time overrun of Thirty-two (32) months.
Installation of Pipes and Fittings from Swansea to Worthy Park. Lluidas Vale, St. Catherine	(a) JENTECH Consultants Ltd. (b) Baccus Eng. Works (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$3.7M (c) 7 Mts.	(a) None (b) None	(a) Good (b) Good	(a) Good (b) Good	(a) Good (b) Fair (c) Fair (d) Good	100%	The project commenced on the 5th September, 1995 and the contract agreement was signed 18th September, 1995. The project was completed the 15th December, 1995, four months ahead of the contract date of 5th April, 1996. The Contractor performed creditably and the work was of a good quality. Because of the speed of implementation, the cost has been reduced from the contract sum of \$3.7M to \$2.9M.

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POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>Carib Engineering Corporation Ltd.</u>					CONSULTANT	AGENCY	CONTRACTOR		
Worthy Park to Iluidas Vale Pipeline Iluidas Vale , St. Catherine	a) JENTECH Consultants Ltd. b) Speedy Consulting Co. Ltd. c) None	a) Yes b) Yes c) Yes	a) Lump-Sum b) \$3.7M c) 7 Mths.	a) None b) None	a) Good b) Good	a) Fair b) Good c) Fair d) Fair		100%	<p>The project commenced on 31st May, 1995 followed by the agreement which was signed the 7th June, 1995, with completion scheduled for 31st December, 1995, a contract period of seven (7) months.</p> <p>Although the contractor had not lived up to his responsibilities with the provision of the required security and safety measures and the delays experienced as a result of problems encountered during construction, with the effort of the project management team and the consultants the contractor was able to meet the scheduled completion date of 31st December, 1995, which shows the result of a project that was well planned and coordinated.</p> <p>The anticipation is that there will be a saving on the project.</p>

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>Carib Engineering Corporation Ltd.</u>					CONSULTANT	AGENCY	CONTRACTOR		
Castleton Water Supply Project Phase I	a) Mattis Demain Beckford & Asscs. Ltd.	a) Yes b) Yes c) Yes	a) Lump-Sum b) \$2.3M c) Five Mths.	a) 19 Mths. b) \$0.585M c) 25.5%	a) Poor b) Poor	a) Fair a) Poor	a) Fair b) Fair c) Fair d) Fair	97%	<p>This contract was signed October 12, 1993 and work commenced December 6, 1993, for completion April 19, 1994, a contract period of Five (5) months.</p> <p>The project has been plagued with numerous problems, mainly the omission of an important item (imported filler) from the Bills of Quantities. After a period of protracted negotiations, approval was given seven-months after the contract period should have been completed.</p> <p>The project is currently behind schedule by approximately nineteen months, with practical completion scheduled for the ending of February 1996.</p>
Castleton, St. Mary	b) Frederick Rodrigues & Asscs. Ltd. c) None								

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NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u>					CONSULTANT	AGENCY	CONTRACTOR		
<u>National Water Commission</u>									
Installation of Deep Well Pump and Related Pipes and Fittings Succaba Pen, St. Catherine	(a) A & P Consultants Ltd. (b) Ja.. Wells & Services Ltd. (c) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$2.30M (c) 8 Weeks	(a) 13 mths (b) \$1.057M (c) 45.9%	(a) Poor (b) Fair	(a) Poor (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	100%	<p>The work commenced on the 12th August, 1994 for completion on the 7th October, 1994. A contract period of eight (8) weeks.</p> <p>This completion date was not realised. The contractor experienced problems with rocks during excavation, a shortage of materials and delays in the provision of the revised electrical programme.</p> <p>The project was completed on the 30th November, 1995 and the contract sum has moved from \$2.3M to \$3.3M.</p>
Negril Waste Water Project Negril, Westmoreland	(a) Witteveen Bros. (b) Cubiertas y FOMENTO (c) None	(a) Yes (b) Yes (c) Yes	(a) Lump Sum (b) \$580.60M (c) 24 Mts.	(a) N/A (b) N/A	(a) Fair (b) Good	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Good (d) Fair	41%	<p>After a period of fourteen months into implementation approximately 41% completion has been achieved.</p> <p>The contractor has been experiencing problems with rocks during excavation, as well as underground water which has resulted in a slow down in progress.</p> <p>The project is currently behind schedule by an estimated five months and as a result the scheduled completion date of September 1996 is not likely to be realised.</p>

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POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>National Water Commission</u>					CONSULTANT	AGENCY	CONTRACTOR		
Ocho Rios Waste Water Project Ocho Rios, St. Ann	(a) Witteveen Bros. (b) Cubiertas y FOMENTO (c) None	(a) Yes (b) Yes	(a) Lump Sum (b) \$329.25M (c) 19.9.94 to 18.9.96	(a) N/A (b) N/A	(a) Fair (b) Good	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Fair	44%	<p>After a period of fourteen months into implementation approximately 44% completion has been achieved. The project is behind schedule by an estimated seven weeks.</p> <p>The delays being experienced are as a result of the contractor not being able to gain access to lands on which important aspects of the work are to be carried out.</p> <p>There seems to have been a breakdown in coordination between the consultant, contractor and client.</p>
The Construction of Pump - Station Greater Portmore St. Catherine	(a) Lawson & Assoc. (b) D.T. Brown Consul. Ltd. (b) None	(a) No (b) Yes (c) Yes	(a) Lump Sum (b) \$0.392M (c) 8 Wks.	(a) 8 Wks. (b) None	(a) Fair (b) Fair	(a) Fair (b) Fair	(a) Fair (b) Fair (c) Fair (d) Good	100%	<p>The agreement was signed the 6th September, 1994 and the work commenced the 24th October, 1994 to be completed the 24th December, 1994, a construction period of eight (8) weeks.</p> <p>The project was finally completed on the 28th February, 1995.</p> <p>The contract sum had been reduced to \$0.387 effecting a saving of \$5,108.00.</p>

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POST-CONTRACT ACTIVITIES

NAME OF :	NAME OF :		CONTRACT	OVERRUN	MANAGEMENT			OVERALL PERCENTAGE EXECUTED	REMARKS
CLIENT MINISTRY OTHER AGENCIES PROJECT LOCATION	(a) Consultant (b) Contractor (c) Nominated sub-contractor	(a) Mobilization (b) Securities (c) Tax Compliance Certificate	(a) Type (b) Sum (c) Period	(a) Time (b) Money (c) \$ %	(a) Planning (b) Coordination (c) Site Supervision (d) Quality of Work				
<u>PUBLIC UTILITIES AND TRANSPORT</u> <u>National Water Commission</u> Installation of 16" Diameter Pipeline Greater Portmore, St. Catherine <u>Jamaica Public Service Co. Ltd.</u> Bogue - Orange Bay 138/69KV Transmission Line - TL2 Bogue St. James; to Orange Bay Hanover	a) Lawson & Asscs. b) Baccus Eng. Works Ltd. c) None 								

SUMMARY INFORMATION

Total money overrun for projects in Appendix II - \$807.87 millions

Total time overrun for projects in Appendix II - 30 1/2 years

Average time overrun for projects in Appendix II - 7 months

STAFF SITUATION FOR 1995

<u>COMPLEMENT</u>	<u>APPROVED</u>	<u>EMPLOYED</u>	<u>VACANT</u>	<u>REMARKS</u>
Contractor-General	1	1	-	
Deputy Contractor-General & Director - Construction Contracts	1	1	-	
Legal Adviser	1	-	1	Part-time legal Consultant employed
Director - Licences & Permits	1	1	-	
Director - Administration	1	1	-	
Inspectors	6	6	-	
Assistant Inspectors	6	5	1	Unable to locate suitable candidate
Executive Secretary II	1	1	-	
Public Relations Officer	1	-	1	Post frozen
Executive Secretary I	3	3	-	
Accountant (FAA IV)	1	1	-	
Personnel Officer	1	-	1	Post frozen
Office Manager	1	1	-	
Accountant (FAA III)	1	1	-	
Senior Secretary	1	1	-	
Accountant (FAA I)	1	1	-	
Secretaries	2	-	2	Posts frozen
Registrar	1	1	-	
Personnel Clerk	1	-	1	Post frozen
Clerk (registry)	1	1	-	
Telephone Operator/ Receptionist	1	1	-	
Driver	2	1	1	
Office Attendant	1	1	-	
Canteen Attendant	1	1	-	
Messenger	1	1	-	
Watchman	2	-	2	Posts frozen
Part-time Cleaners	2	-	2	Post frozen
	43	31	12	

MINISTRY PAPER**ADMINISTRATION OF PUBLIC SECTOR CONTRACTS****INTRODUCTION**

It is the policy of this Government to ensure that benefits to Jamaicans are awarded fairly, openly and without bias. Within this context, comprehensive new measures have been announced by the Prime Minister to deal with the disposal of publicly-owned lands which, when implemented, should remove this process from controversy and recrimination.

The award of construction and other contracts by Ministries, Departments and other Agencies of the Government has been subject to criticism for many years. The Government is determined to put in place systems which are transparent, fair and efficient.

EXISTING SYSTEM

The basic features of the present system for the award of Government Contracts are reflected in Ministry of Finance and Planning Circular No. 43, dated November 18, 1963. In September 1965, Cabinet decided that all public enterprises and statutory bodies were required to follow procedures laid down for the award of contracts by submitting tenders to the Government Contracts Committee for consideration, and thereafter, through portfolio ministries to Cabinet for final approval, as appropriate.

Experience has revealed a number of weaknesses. The following may be cited by way of illustration:

1. The preponderant consideration is the lowest tender. Due weight is not given to the capacity to perform; timely execution, innovation.. Newcomers are not sufficiently encouraged.
2. Too many projects have been subject to massive overruns, adversely affecting the public purse. There is undermining of public confidence. When projects such as roads, water or buildings, for instance, do not meet scheduled completion dates, blame is directed at the political directorate.
3. There is no body which coordinates policies and procedures for the Award of Contracts, or monitors adherence to them.

4. There is no central data bank which logs performance records and the capacity of contractors.
5. The original system of awards was devised when contracts were largely for infrastructural works. Areas such as computer systems, consultancy services and sophisticated equipment are now major areas of operations for which present provisions are clearly inadequate.

Over the years some Ministries and agencies developed the practice of fragmenting contracts so as to get them below stipulated maximums, thereby avoiding submissions to the Government Contracts Committee or the Cabinet. The explanation offered was to avoid the time-lag that the present system invariably causes. The approach is clearly untenable and leads to malpractice.

In consequence, the expeditious consideration of proposals has to be taken into account in any new system.

PROPOSED NEW ARRANGEMENTS

There have been complaints over the years from many quarters. The annual reports of the Contractor-General have asked for a review in the system of awarding public sector contracts.

In 1993 the Government embarked on a comprehensive and fundamental review of contracting processes within the public sector. A broadly-based committee under the chairmanship of the Cabinet Secretary was established to make recommendations for restructuring the contracts system to ensure that high and consistent standards were established to bring greater integrity, and efficiency to the process.

The process should be seen by all as manifestly independent and free of improper influence from any source.

The Cabinet has accepted a series of far-reaching recommendations which require positive and prompt action without creating yet another bureaucracy. The following are the decisions that have been taken:

1. The Government Contracts Committee is to be replaced by a National Contracts Commission (N.C.C) which will be serviced by the Office of the Contractor-General. That office will be appropriately strengthened to ensure that the new and important responsibility of the N.C.C. can be efficiently discharged.
2. The N.C.C. will be required to oversee the award of all construction and other contracts in the public sector. It will work through a number of sector committees in areas such as housing, infrastructure, education, health, procurement etc. The levels of approval at the various points in the system will be set from time to time by Cabinet and publicly disclosed.
3. The N.C.C. will oversee the operations of all contract committees in the public sector and approve set standards for their operation.

4. The Commission will establish and keep up-to-date lists of contractors in the "A", "B", and "C" categories, as well as lists of consultants and other relevant professionals.
5. The performance of contractors and consultants will be recorded and the lists will be amended from time to time as levels of performance may require.
6. Ministries, departments and other public agencies will be required to invite tenders only from those contractors and consultants who are on the list approved by the N.C.C. Steps will be taken by the N.C.C. to ensure that those on the approved lists are given fair treatment in terms of being invited to tender and provide professionals services.
7. The N.C.C. will make recommendations from time to time as to measures which are needed to be taken to improve the integrity and efficiency of the contracting process in the public sector. These will be submitted through the Cabinet Secretary, within the Office of the Prime Minister.
8. Funding for the operation of the N.C.C. will be derived from fees charged for the registering of contractors and consultants by the Commission and the individual contracting committees in ministries, departments and other agencies. The levels of these fees will be approved from time to time by the Cabinet.
9. The Contractor-General Act is to be amended to provide the new arrangements proposed. A professional secretariat will be established in the office of the Contractor-General to give the necessary support to the N.C.C., both in the examination of tenders and in the discharge of the other functions assigned to the Commission.
10. The N.C.C. will be free to co-opt members with special expertise when projects of great complexity or of a specialised nature are being examined.
11. Membership of the N.C.C., which should be between seven and nine will be widely based and will be constituted as follows:

Chairman - the Contractor-General or his nominee

Chief Technical Director, Ministry of Local Government and Works

One senior professional, Cabinet Office

Senior representative from the Ministry of Finance and Planning

Senior representative from the Attorney-General's Department

* Two representatives of the wider public sector

* Two representatives from the private sector with no possibility of conflict of interest

* based on nominations by the Contractor-General.

CONCLUSION

The Government has every confidence that the adoption of the above proposals will lead to a great improvement in the transparency, efficiency, effectiveness and integrity of the public sector award process. The present Government Contracts Committee has done a good job over the years but has had to rely on professionals in the system who are otherwise fully engaged and who are not assisted in discharging their responsibility by any staff trained in the relevant disciplines.

The present arrangements permit bids on contracts in cases where the final designs and surveys have not been completed. These lead to variations and extensions of time which result in escalations and costly delays. This is unacceptable.

The Contractor-General will continue to discharge his present responsibility to monitor and investigate the award and implementation of government contracts and the new arrangements will not remove any of the present responsibilities from that office.

In particular, he will be entitled to report to Parliament any cases where the final decision to award a contract is at variance with the recommendations of the N.C.C.

It is intended to provide additional budgetary support to the Auditor General's Department to enable it to examine more effectively the financial and other appropriate aspects of the execution of public sector contracts.

Finally, it is also intended that all the proposed arrangements outlined above be kept under permanent review so that they can be refined from time to time as operational experience might require.

Drafting instructions have already been issued by Cabinet to give effect to the foregoing, but this Ministry Paper is being referred to the appropriate House Committee for its consideration. This will permit proposals from members of the public and professional groups, which will be carefully examined for possible incorporation in new Legislation.

P.J. Patterson
Prime Minister

November 24, 1995

ABBREVIATIONS

A.C.B.	-	Agricultural Credit Bank
C.E.C.L.	-	Carib Engineering Corporation Limited
C.I.B.	-	Coffee Industry Board
D.V.L.	-	Development Ventures Limited
E.C.	-	European Community
E.D.Co.	-	Estate Development Company Limited
F.I.D.I.C.	-	Federation Internationale Des Ingenieurs Conseils
G.C.C.	-	Government Contracts Committee
G.O.J.	-	Government of Jamaica
I.B.R.D.	-	International Bank for Reconstruction and Development (World Bank)
I.D.B.	-	Inter-American Development Bank
JAMPRO	-	Jamaica Promotions Corporation
J.C.C.	-	Joint Consultative Council
M/Ag. Mining)	-	Ministry of Agriculture (now M.A.M. - Ministry of Agriculture &
M/F&P	-	Ministry of Finance and Planning
M.L.G.W.	-	Ministry of Local Government & Works
M.O.E.C.	-	Ministry of Education & Culture
M.O.H.	-	Ministry of Health
M.P.	-	Member of Parliament
N.C.C.	-	National Contracts Commission
N.H.C.	-	National Housing Corporation
N.H.T.	-	National Housing Trust
N.I.B.J.	-	National Investment Bank of Jamaica
N.I.C.L.	-	National Irrigation Commission Limited
N.W.C.	-	National Water Commission
O.E.C.F	-	Overseas Economic Co-operation Fund
O.P.E.C.	-	Organization of Petroleum Exporting Countries
P.A.J.	-	Port Authority of Jamaica
PAMCo.	-	Project Analysis & Monitoring Company
P.I.O.J.	-	Planning Institute of Jamaica
S.I.H.L.	-	Sugar Industry Housing Limited
S.S.D.P.	-	Social Sector Development Project
T.A.P.	-	Tourism Action Plan
T.C.C.	-	Tax Compliance Certificate
U.D.C.	-	Urban Development Corporation
USAID	-	United States Agency for International Development