



Any reply or subsequent reference to this communication should be addressed to the Contractor-General and the following reference quoted:-

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FOR IMMEDIATE RELEASE

CONTRACTOR GENERAL STATES HIS POSITION ON THE
G.E.A.S.O. HEALTH SCHEME

Kingston, June 25, 2007 – The Contractor General, Greg Christie, today dispatched a letter to the Financial Secretary, to proffer his position on the matter of the G.E.A.S.O. contract.

In the interest of transparency, the full text of the letter is attached below.

...MORE



“ VERY URGENT

June 24, 2007

Mr. Colin Bullock
Financial Secretary
Ministry of Finance & Planning
30 National Heroes Circle
Kingston 4

Dear Financial Secretary:

Re: Recommendation for the Award of Contract – Government Employees Administrative Services Only Health Scheme (GEASO)

Thank you very much for your letter of the 21st instant in the captioned regard which, along with your letter of the 15th instant, was written in response to ours of June 14, 2007.

We have noted, in particular, the assurances which you have provided to us as follows:

- (a) “The Ministry of Finance has done nothing to avoid or countermand the recommendations of the NCC ...”
- (b) “ ... our interface with the GEASO Monitoring Committee has not led to any reversal of the technical assessment of the staff of (the) Ministry of Finance and Planning within the frame of the Requests for Proposals and the Procurement Procedures”.
- (c) “All relevant documents, including the NCC’s endorsement and Cabinet Submission, are now being presented to the Honourable Minister of Finance for submission to Cabinet”.

The Office of the Contractor General (OC-G) believes that it is important for it to formally outline the following positions for the record:

- (1) The National Contracts Commission (NCC) and the OC-G are the two independent Commissions of Parliament which have been established and mandated by law to ensure that the subject procurement, like all other Public Sector procurements, is prosecuted in compliance with (a) the requirements of the Contractor General Act, (b) the Government Procurement Procedures Handbook (GPPH), and (c) the foundation ideals of the Jamaica Public Sector Procurement Policy and Process which call for probity, competition, value for money, transparency, and fairness in the award of Government contracts.



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- (2) Both the NCC and the OC-G, by their actions, have already endorsed the subject procurement as having satisfied these requirements.
- (3) The NCC, at its meetings of May 16 and 30, 2007, conducted a thorough review and evaluation of the Ministry's submission. As a part of its review, the NCC sought 'in person' clarifications from officials of the Ministry and the Consulting Actuarial Firm. The NCC then endorsed the Ministry's recommendation that the subject contract should be awarded to Life of Jamaica Limited (LOJ). By way of letter, which was dated May 31, 2007, the NCC formally instructed the Ministry to submit the endorsed recommendation to the Cabinet in keeping with the requirements of Section 23D(1)(c) of the Contractor General Act.
- (4) The OC-G, from the very outset, has closely monitored the tender-invitation and tender-evaluation process which was employed by the Ministry in its procurement of the subject services for the GEASO Health Scheme. The matter has been extensively reported upon, in part, by the OC-G, at pages 15 to 19 of its Annual Report for calendar year 2006.

The OC-G, by way of copy of its letter of June 15, 2007 to you, to the Honourable Minister of Finance and to the Cabinet Secretary, has recorded its satisfaction with the process *so far*.

The OC-G is of the considered view that the process which has resulted in the Ministry's recommendation of the contract award to LOJ, was one which was competitive, fair, transparent and meritorious and one which was executed in compliance with the GPPH and the relevant provisions of Section 4 (1) of the Contractor General Act.

- (5) It is against this background, therefore, that the OC-G remains *very* concerned about the impending status of the procurement. Despite the Ministry's much publicized 'interface' with the GEASO Monitoring Committee, several Committee representatives have continued to publicly question the Ministry's recommendation that the subject contract should be awarded to LOJ.
- (6) While the OC-G is in no position to speculate or comment on why GEASO Monitoring Committee Members and Public Sector Union Officials have adopted this position with the Ministry, it is clear to the OC-G that if the situation is not addressed promptly and effectively, the integrity of the Government's Procurement Process, and the NCC, and the public's confidence therein, could be seriously jeopardized.
- (7) The OC-G therefore strongly recommends that the Ministry should move with despatch to forward, to the Cabinet, the NCC's recommendation of May 30, 2007 in compliance with the NCC's written instructions of May 31, 2007. The OC-G also believes that it is imperative that the relevant details of the comparative cost and benefit considerations upon which the Ministry's recommendation to the NCC was predicated, should be publicly disclosed.



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- (8) The OC-G also believes that it is critically important to emphasize that the subject procurement was conducted, for the very first time, by way of competitive tender *and* in full compliance with the requirements of the GPPH and the Contractor General Act ... as it should have been for the past several years.

The subject procurement was not conducted on a 'negotiated basis' and could not have been so conducted as has been the case over the course of the past ten (10) years when successive annual contract awards to Blue Cross of Jamaica were consistently procured by way of direct 'negotiation' in clear violation of either the Contractor General Act, the NCC regime and/or the GPPH.

To put it succinctly, the process which has obtained in the past, with respect to the GEASO procurement, can no longer be sustained if (a) the GPPH is to be complied with, (b) if the provisions of the Contractor General Act are to be observed by Procuring Public Bodies and (c) if the determinations of the independent institutions which Parliament has established to monitor and to regulate the Government's Procurement Process, are to be respected.

By way of copy of this letter, I will formally advise the Cabinet, through the good offices of the Cabinet Secretary, of the OC-G's positions as above.

In the interest of transparency and in an effort to ensure that the tax-paying public, the country's public servants and all stakeholders are aware of those of the considered positions of the OC-G as are outlined above, a copy of our letter to you will be circulated to the Jamaican Media.

Very respectfully yours,

Greg Christie (Signed)

Greg Christie
Contractor General

- CC. Dr. The Hon. Omar Davies, Minister of Finance & Planning and Minister with responsibility for the Public Service
Dr. The Hon. Carlton Davis, Cabinet Secretary
Mr. Donald Miller, Acting Chair, National Contracts Commission
The Hon. B. St. Michael Hylton, Solicitor General "

-END-

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Communications Officer



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