



THE UNIVERSITY OF THE WEST INDIES, MONA CAMPUS

Procurement Policies and Procedures Manual

4 CONTRACT PROCUREMENT

4.1 Introduction

This section deals with a systematic approach for the awarding of contracts which bind the UWI Mona Campus. It is intended to ensure a competitive and transparent process with the receipt of tenders in accordance with the tender documents issued to enable speedy and efficient assessment.

Without prejudice or disregard to the range of financial issues and processes covered by the Financial Code, the policies and procedures defined herein shall be interpreted in particular in the context of Chapter 04 of the Financial Code entitled “CONTRACTS” which explains the general principles to be observed relating to contracts entered into by officers of the University, on behalf of the University. The term ‘contract’ is used in a wider sense to cover Contracts for Employment and Services, Contracts for Purchases, Contracts for Civil Works and any other contract types.

The range of matters covered by Chapter 04 of the Financial Code include inter alia:

- Precision in terms of contract
- Responsibility and authority for entering into contracts
- Limitation of the power of various authorities
- Rules on the indivisibility of contracts
- Rules on the variation of contracts
- Rules on contract price escalation and repricing

4.2 Pre-qualification

Contracts may be initiated by:

- Departments
- Projects Office
- Maintenance Services
- Business Development Office

In bidding to be conducted for the execution of works or the procurement of goods and services, UWI Mona Campus may use a system of pre-qualification and registration of bidders. The pre-qualification system is intended to ensure that only those contractors that can prove through documentary or other evidence that they can fulfill all the requirements prescribed by the University may be registered as future contractors.



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Pre-qualification may be effected as part of a preparatory exercise before invitation to bid or as part of the evaluation process after tendering. The Campus Contracts Committee or the F&GPC may exercise its discretion and not require pre-qualification. This is dependent on such considerations as the size and nature of the contract, the University's experience with the type of transaction and knowledge of available contractors.

Pre-qualification must be based exclusively on the ability of the potential contractors to carry out the works in a satisfactory manner. The criteria to be applied in this evaluation will include:

- Technical competence
- Experience and results obtained in similar jobs
- Financial soundness
- Knowledge of local conditions
- Experience of the project manager

The existence of other obligations or of pending or future obligations or undertakings that may compete with execution of the works involved in the tendering

Any litigation or arbitration resulting from prior contracts under execution during the last five years.

The pre-qualification evaluation process shall not include any requirements that would tend to violate the principles of equal treatment of all bidders. Prequalification notices should provide for at least 30 days for submission of responses.

When the pre-qualification process is completed, all contractors who indicated interest should be informed whether they have been successful. Unsuccessful contractors shall be informed by the responsible officer in the Projects, BDO, etc. or Contracts Committee of the reasons for their not being pre-qualified.

4.3 Invitation to Bid

The Contracts Committee shall be responsible for the initiation of invitations to bid for the provision of goods and services and the undertaking of works. Invitations to bid shall be publicised in the local, regional or international press as appropriate. If pre-qualification has taken place, the Contracts Committee shall send invitations to bid to only those entities that were pre-qualified.

Sample formats of an invitation to bid are included in the appendices

4.4 Tender Notice

The tender notice shall be signed by the Chairperson of the Contracts Committee and shall contain, inter alia, the following:



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- (a) The place, time and date at which entities may obtain pre-qualification or registration forms.
- (b) The date, hour and place of bid closing
- (c) A sufficient description of the goods required with specifications in brief, or scope of works or services to be undertaken. Where necessary, the notice shall also include the place where and time when additional information relating thereto can be obtained
- (d) The person to be contacted for bidding documents/clarification of product specifications, etc. including his name, designation, office address, telephone number, e-mail address where applicable.
- (e) The cost of the bidding documents
- (f) Closing date and time for submission of bids
- (g) The manner in which the bid is to be submitted
- (h) Validity period
- (i) If bids are to be opened in public, the place, date and hour for such opening
- (j) Date and time of site visit
- (K) Duration of works or services
- (L) Location of tender box in which bid is to be placed
- (M) Provision that all bids may be rejected
- (N) Provision for retention of contract payment.

The tender notice formats are included as Appendix 1-3.

4.5 Tender Documents

The Contracts Committee shall ensure that tender documents contain all the necessary information in respect of the particular procurement. The minimum information that must be included, together with guidance notes, is listed in the paragraphs that follow. The level of detail required will depend on the value and complexity of the procurement. For the simpler and smaller procurements, the documentation will be reduced although all the points listed below should be considered.

4.5.1 Description of the Works, Goods and/or Services

A description of the works to be carried out, goods to be delivered or services to be performed should be inserted in tender documents. The description may be brief provided the work



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required is described in detail elsewhere in the documents. The locations at which work is to be carried out or goods or services delivered should be stated.

4.5.2 Eligibility Requirements

Where participation is restricted in any way, this should be clearly stated. A list of approved contractors should be referred to and where applicable the means by which pre-qualification of tenderers is to be carried out should be described. In addition, there may be funding agency or other conditions in respect of the inclusion of tenderers, equipment and goods in a project (See procurement policies for Donor Agency Funds at Section 2.12 of this manual). Eligibility requirements must be incorporated in the tender documents.

4.5.3 Contractor Pre-qualification

Where it is necessary to pre-qualify contractors at the same time that they are invited to tender, as may be the case for an urgent procurement, the “two-envelope” method should be used. The tender documents should include the full pre-qualification documents together with a guide as to how the documents are to be assessed. When the documents are submitted by the contractor, the pre-qualification document should be inside of the outer envelope. This envelope should be opened and the pre-qualification exercise (as set out in Section 4.2 of this manual) carried out before opening the inner envelope that will contain the tender.

Regardless of the method used, the objective must be to pre-qualify contractors before examining their tenders.

4.5.4 Cost of Tendering

Costs associated with the preparation and submission of tenders shall be borne by tenderers. The University will not be responsible or liable for those costs regardless of the outcome of the tendering process.

4.5.5 Contents of Tender Documents

Tender documents shall include the following:

- Instructions to Tenderers
- Form of Tender and Appendix
- Form of Tender Bond
- Form of Tender Bank Guarantee
- General Conditions of Contract
- Special Conditions of Contract
- Technical Specifications
- Drawings (where applicable)



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- Bills of Quantities or Schedule of Items
- Schedules of Basic Prices (if applicable)
- Form of Agreement
- Form of Performance Bond
- Form of Performance Bank Guarantee
- Form of Advance Payment Bond (if applicable)
- Form of Advance Payment Bank Guarantee (if applicable)
- Proposed work schedule.

The details and complexity of these documents will vary with the size and nature of the contract.

Where possible, the documents used shall follow the standard forms developed and approved by the:

- Joint Consultative Committee for the Building and Construction Industry of Jamaica
- Other relevant professional bodies as appropriate.

4.5.6 Clarification of Tender Documents

The method by which tenderers may obtain clarification of the tender documents should be set out in detail. Acceptable methods (e.g. by fax, in writing, e-mail etc.) by which tenderers may seek clarification should be stated.

The exact mail or electronic address to which clarification queries are to be addressed should be stated and the time period in relation to the end of the tender period during which clarification queries will be accepted.

It should be stated that any explanation or information given by or alleged to be given by any officer of the University otherwise than in accordance with the above paragraphs will have no contractual validity.

4.5.7 Amendment of Tender Documents

It should be stated that at any time prior to the deadline for submission of tenders, the University may, whether in response to a clarification request or for any other reason, amend the tender documents by issuing an addendum. It should be stated that where it becomes necessary, the University may extend the deadline for submission of tenders. Any addenda or extended deadlines so issued, form part of the tender documents and are binding upon tenderers.



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All amendments to tender documents shall be sent to all prospective bidders in writing. Tenderers shall be required to confirm receipt of all amendments to tender documents in writing.

4.5.8 Tender Prices

Where the rates and prices quoted by the tenderer are subject to adjustment during the performance of the contract in accordance with fluctuation provisions in the Conditions of Contract this should be stated here.

The currencies in which the tender may be compiled together with the means to be employed in evaluating tenders submitted in different currencies should be stated.

4.5.9 Advance Payments

Where advance payments are offered the amounts and terms under which the advances will be made and recovered should be stated (see Advance Payment Agreement in the appendices). In all cases advances must be fully secured. In the case of mobilization payments it is normal to allow a grace period of up to one quarter of the contract period and a requirement that the whole advance must be recovered before commencement of the third quarter of the contract period.

4.5.10 Tender Validity

The period during which tenders are to remain valid and in effect should be stated. The means of obtaining an extension of this period together with extension of a tender security should be set out if this is felt to be necessary.

4.5.11 Tender Security

When the estimated contract value exceeds J\$4,000,000 a note should state that all tenders must be accompanied by a tender security in the forms and amounts prescribed in the tender documents. The form of tender security shall be either bank guarantee, certified cheque or irrevocable letter of credit.

The amount of the security should be a fixed sum that may be calculated as a percentage of the estimated value. The percentage to be used will normally fall in the range between 1% and 2% of the estimated value of the contract.

The successful bidder's security will be discharged upon the bidder's executing the contract and furnishing the performance security. Unsuccessful bidder's security will be discharged or returned as promptly as possible but no later than 30 days after expiration of the bid validity period prescribed by the University.



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The tender security may be forfeited if the bidder withdraws his bid during the period of bid validity specified by the University or, in the case of the successful bidder, if the bidder fails to sign the contract or to furnish the performance security.

4.5.12 Site Visits

Site visits, where required, will be co-ordinated by the project manager (as defined) and arranged so that all contractors invited could attend collectively at the appointed time and place.

4.5.13 Tender Submissions

The detailed requirements for packaging of tenders should be set out. The following points should be considered.

The outer envelope or packaging should identify the tender subject, the name and address of the University and the procuring department and the date of opening but not the identity of the tenderer.

The precise location of the tender box or other arrangement together with the functional title of the officer responsible for receiving tenders should be stated.

A statement that the University will take no responsibility for tenders misplaced or prematurely opened if the instructions are not precisely followed should be included. It should be noted that a premature opening may result in the bid being rejected.

4.5.14 Deadline for Submission of Tenders

The deadline should be stated with the date and time clearly identifiable.

The following notes shall be included with respect to the deadline for submission of tenders:

- the University may, at its discretion, extend the deadline for the submission of tenders in which case all rights and obligations of the University and the tenderers subject to the previous deadline shall thereafter be subject to the extended deadline
- any tender presented to the University after the prescribed deadline for the submission of tenders will not be accepted.

4.5.15 Modification and Withdrawal of Tenders

A note should state that tenderers may modify or withdraw their tenders after tender submission provided that written notice of the modification or withdrawal is received by the University prior to the prescribed deadline for submission of tenders.

The requirements for the submission of modifications, adjustments or withdrawals should be stated as being the same as for tender submissions.



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4.5.16 Right to Reject Any or All Tenders

A statement shall be included stating that the University reserves the right to accept or reject any tender, or to annul the tendering process and reject all tenders at any time prior to the award of contract without thereby incurring any liability.

4.6 Receiving Tenders

4.6.1 Tender Boxes

Specially constructed boxes in which all bids shall be placed shall be set up at the Campus Bursary. The boxes shall be marked “Tenders Box” and shall be kept in a secure and accessible place.

Each box shall have two independent locks that control the opening of the box. The keys for one lock shall be kept by the Procurement Manager while the keys for the other lock shall be kept by the Chairperson of the Contracts Committee or such other member as the F&GPC may direct.

Persons submitting bids shall place the bid in a plain envelope, which shall be sealed and deposited in the box before the closing date and time specified.

4.6.2 Tender Opening

The location and time at which tenders will be opened should be stated. This should be as soon after the time for tender closing as possible. Tender openings should allow representatives of the tenderers to be present, and may be public. To this end, the invitation to tenders should contain an invitation to those who have tendered to be present at the tender opening.

The tender box shall be opened by two persons holding the keys, namely the Procurement Manager and the Chairperson of the Contracts Committee. A record of the tender box opening shall be made in the Tender Register. The Chairperson of the Contracts and another committee member shall initial the bids contained in the tender box and shall note the number of bids found.

The Contracts Committee shall examine the bids to determine whether:

- they are complete
- they are based on and conform with instructions to bidders
- the required security has been furnished
- the documents have been properly signed, and
- whether the bids are generally in order.



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The Contracts Committee may waive minor information irregularity or non-conformity which does not constitute a material deviation provided that such waiver does not prejudice or affect the relative ranking of any bidder.

The Chairperson and at least two other members of the Contracts Committee shall open the sealed envelopes containing the offers and shall record in the Tender Register:

- The names of persons or firms submitting bids
- The price of each bid
- GCT Registration Certificate
- Tax Compliance Certificate
- Other information as the Committee may determine, e.g. modifications, absence of security.

The Chairperson of the Contracts Committee shall sign, date and stamp each bid as it is opened and sign the note taken of all bids opened (Stamp is to be maintained by the Procurement Manager). The bids shall also be signed by the other members of the Committee present.

The format of the record of tenders received is given in the appendices.

After the bids have been opened, noted, dated and signed and a summary of bids compiled, the Contracts Committee shall, at such time or times as may be deemed necessary or expedient, consider the bids received. Meanwhile, the bids shall be placed in a secure place to the satisfaction of the Chairperson of the Contracts Committee

4.7 Clarification of Tenders

The Contracts Committee may ask tenderers for clarification of their tenders in writing, to assist in the examination, evaluation and comparison of the bids. However, no change in the price or substance of the tender shall be sought, offered or permitted.

4.8 Rejection of Tenders

The Contracts Committee may reject any bid:

- a) which does not comply with any of the provisions or rules laid down in the tender documents
- b) received after the closing date which shall be returned unopened
- c) which do not meet the intent of the specifications or
- d) where there is evidence of collusion



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If all bids are rejected, the Contracts Committee shall review the causes justifying the rejection and consider making revisions to the conditions of contract, scope of work and specifications or a combination of these, before inviting new bids.

4.9 Evaluation and Comparison of Tenders

The Contracts Committee shall evaluate the bids that are substantially responsive to enable the selection of the bid that is the most advantageous to the University.

Bid evaluation shall be consistent with the terms and conditions stipulated in the tender documents and any modifications thereof prior to the opening of the bids.

To arrive at the most responsive bid, the Contracts Committee shall consider a number of parameters. The relevance and importance of the parameters for the required evaluation will vary depending on the type of goods and services and the undertaking of works under consideration.

The following factors shall be considered:

- (a) Where goods are to be supplied:
 - the University’s estimate and terms of payment quoted
 - the recommendations of the technical staff
 - any warranty or guarantee given
 - maintenance and after sales service
 - adequacy of stocks or spares held in Jamaica
 - payment schedule
 - timeline for delivery of goods
 - any other matter related to the quality, reliability or adequacy of the goods
 - the supplier is on List of Approved Vendors
- (b) Where services are to be provided or works undertaken:
 - terms of payment
 - price and estimated completion time (the latter in consultation with the architect/engineer)
 - evidence of previous performance of similar works and services
 - any bond, warranty or guarantee provided
 - availability of technical skills offered, adequacy of supporting staff
 - completeness of the bid (no significant omissions)
 - present and projected work-load of the Contractor offering the lowest cost bid



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- possible adverse effects upon work performance which may result from awarding a tender which is exceptionally low when compared to the University’s estimate and other bids received
- any matter related to the quality or adequacy of the performance of the works or services
- the contractor is on List of Approved Contractors.

The Contracts Committee shall prepare a detailed report on the evaluation and comparison of bids, describing precisely the reasons for selection of the lowest evaluated bid. The report shall be submitted to F&GPC – if contract exceeds \$4 million and relates to construction of new building /infrastructure or the maintenance of existing infrastructure, if not, the report shall be submitted to the Campus Bursar, Deputy Bursar or the Principal for final approval of recommendation of award of contract.

4.10 Confidentiality

Except as may be required by law, no information relating to the examination, tabulation, clarification, evaluation of bids and recommendations concerning awards should be communicated with any person who is not officially concerned with these procedures.

4.11 Notification of Award

When results of the evaluation have been determined, letters shall be sent to all bidders acknowledging the receipt of the bids and giving the bid results, without identifying other bidders and their offers.

Where a bid has been accepted, the bidder shall be notified of its acceptance by the Chairperson of the Contracts Committee. The Chairperson shall notify the bidder that he is required to enter into a formal contract with the University. The notification shall be in writing and signed by the Chairperson of the Campus Contracts Committee .

A suggested form of a letter of acceptance is included in the appendices. Appendix 1-14

The bidder shall confirm receipt in writing. The bidder’s signature on the bid acceptance letter shall constitute the formation of the Contract.

4.12 Performance Security

Within 14 days of the receipt of notification of the award, the successful bidder shall furnish the performance security in accordance with the conditions of contract, in the Performance Security Form provided by the University.

The Performance Security shall be payable to the University as compensation for any loss resulting from the Contractor’s failure to complete his obligations under the Contract. The Performance Security shall be in one of the following forms:



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- a bank or insurance company guarantee or irrevocable Letter of Credit
- a manager's cheque or certified cheque which must be deposited by the Bursary in an Escrow Account.

See Appendix 1-12 for an example of a performance bond.

The amount of the Performance Security will depend on the type and magnitude of the works to be undertaken. Performance Security in the sum of 10% of the contract sum is recommended for contracts over J\$4m.

The life of the Performance Security shall extend sufficiently beyond completion of the contract to cover the defects liability period. The Performance Security will be discharged by the University and returned to the Contractor no later than 30 days following the date of completion of the Contractor's obligations, including warranty obligations under the contract.

4.13 Modification of the Award

Failure of the successful bidder to sign the contract or furnish the performance security within the period set for that purpose, shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security if any. In such event, the University may make the award, without a new invitation to bid, to the next lowest evaluated bidder.

4.14 Letter to Unsuccessful Bidders

After the successful bidder has signed the contract or furnished the performance security, the Secretary of the Tenders Committee should notify the other bidders that they were unsuccessful and discharge their bid security (if any).

See Appendix 1-15 for an example of a rejection letter.

4.15 Contract Documents

Contract documents must cover certain minimum possibilities. Both parties to the contract should be able to clearly identify their rights and obligations. Specific events that are likely or expected to occur during the performance of the contract should be covered in the contract documents.

A standard contract format shall be developed to be used generally and shall be in such form and contain such terms, conditions and provisions as the University may determine and shall specify. The standard contract format shall include:

- Contract number (to be assigned by Procurement Manager)
- Description of the goods to be supplied or works or services to be undertaken
- Contract sum – the price to be paid and the terms of payment for the supply of goods or the undertaking of works or services



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- Period within which the matters to be considered by the contract are to be performed
- Provision for liquidated damages
- Provision for retention money, and release of retention
- Provision for termination or breach
- Provision for determination of disputes
- Provision for extension of time
- Period for defect liability and warranty
- Contract start and completion dates
- Period of honouring payments
- Schedule of Basic Rates (for material and labour)

Contracts shall be prepared, at least, in duplicate.

4.16 Contract Signing

After the contract terms have been finalised, the signature of the Contractor or his representative and a co-representative shall be secured on the original and one copy of the contract documents. The Campus Principal or designate shall sign on behalf of the University.

The following requirements shall be put in place by the Contractor prior to signing of the contract.

- Performance Bond
- Workmen's Compensation Insurance
- Public Liability Insurance
- Contractors All-risk and Third Party insurance
- GCT Registration Certificate
- Tax Compliance Certificate
- Delivery of job schedule, setting out major activities with estimated start and completion dates.

Two original copies of the contract shall be signed. One copy of the signed contract shall be placed in the Contracts Repository together with all original documents related to the bid, the evaluation and award of contract. The other copy of the contract documents is to be returned to the Contractor.



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Copies of the contract documents shall be provided to the Estate Manager or the Projects Office, as appropriate, to facilitate monitoring of the work to be done, the services to be provided or goods to be supplied.

4.17 Contract Variations

Subsequent to the commencement of work on a contract, circumstances may arise that result in variation of the work. For example, change in the scope of work; change in specifications or change in the method of performance.

When any variations are to be made, approval must be obtained before instructions to effect the variations are given to the contractor and these requests shall be accompanied by a detailed cost quotation from the contractor. Such variations shall be referred to the relevant Committee that awarded the contract.

4.18 Performance Appraisal

The objective of the performance appraisal is to measure the efficiency and effective work performance on all contracts and to provide information/feedback to assist the committees in their deliberations. A performance appraisal shall form part of the certification of works completed.

4.19 Reporting Defects

Defects identified by user department shall be reported to the department that is/was responsible for monitoring the performance of the contract.