



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

No. :

TELEPHONE No.:876-929-8560/6466

FAX No. : 876-929-2476

E-mail: communications@ocg.gov.jm

OFFICE OF THE CONTRACTOR-GENERAL

PIOJ Building

16 Oxford Road

P.O. BOX 540

KINGSTON 5

JAMAICA, W.I

MEDIA RELEASE

OCG Releases Letters Regarding Enquiries Related to NSWMA Procurement of Security Services and Allegations of Political Cronyism in Selection of Landfill Contractors

Kingston; February 27, 2012 – In the interest of public transparency, the Office of the Contractor General (OCG) has taken the decision to make public, copies of the following the three (3) OCG letters:

- (1) OCG Letter of Requisition, dated February 16, 2012, addressed to the Executive Director of the National Solid Waste Management Authority (NSWMA), Mr. Rupert Pryce, requiring the provision of particularized information regarding the NSWMA's attempts to procure the services of E.A.P. Security Services.
- (2) OCG Letter of Requisition, dated February 20, 2012, addressed to the Opposition Spokesperson for Housing, Water and the Environment, Dr. Horace Chang, requiring the provision of particularized information regarding certain allegations of political cronyism, which have been attributed to Dr. Chang, as it relates to the NSWMA's selection of contractors in the matter of the recent Riverton City Land Fill fire.
- (3) OCG Letter of Requisition, dated February 21, 2012, addressed to the Executive Director of the NSWMA, Mr. Rupert Pryce, announcing (a) the OCG's launch of an Enquiry into the veracity of certain allegations of political cronyism, which have been attributed to Dr. Chang, as it relates to the NSWMA's selection of contractors in the matter of the recent Riverton City Land Fill fire, and (b) requiring the provision of particularized information regarding the said matter.

Verbatim copies of the said three (3) letters are appended herewith.

-END-

Contact: The Communications Department, Office of the Contractor General of Jamaica
C/o Craig Beresford, Senior Director of Monitoring Operations, Corporate Communications and Special Projects
E-mail: communications@ocg.gov.jm. Tel: 876-929-8560; Direct: 876-926-0034; Mobile: 876-564-1806



OFFICE OF THE CONTRACTOR-GENERAL

PIOJ BUILDING, 16 OXFORD ROAD

P.O. BOX 540

KINGSTON 5

JAMAICA, W.I.

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

REF. No.:

TELEPHONE No: 929-8560/6466

FAX No. : 929-7335

E-Mail: general@ocg.gov.jm

URGENT AND IMMEDIATE

February 16, 2012

Mr. Rupert Pryce
Executive Director
National Solid Waste Management Authority
61 Half Way Tree Road
Kingston 10

Dear Mr. Pryce:

Procurement for Security Guard Services

Reference is made to letter dated February 7, 2012, from the National Solid Waste Management Authority (NSWMA), which was received by the Office of the Contractor-General (OCG) on February 13, 2012, regarding the captioned matter.

The referenced letter stated, *inter alia*, that, “*The National Solid Waste Management Authority (NSWA) conducted its tender opening exercise in November 2009. However, investigations have revealed that an evaluation on the tenders submitted has not been conducted and Knightsman Security Services, the current service provider, has been engaged on a month by month basis utilizing the Direct Contracting Methodology...we are seeking approval from the National Contracts Commission (NCC) to discontinue this current arrangement and utilize the Direct Contracting Methodology to engage E.A.P Security Services, as we are concerned about safety of life and property not only at our head office but at our regional offices and landfills islandwide, as there has been a number of security breaches...*”

In the foregoing regard, the OCG’s records indicates that the most recent Tender Opening Ceremony for the captioned procurement took place in November 2010, and not November 2009 as was stated in the referenced letter. The OCG has also noted your request for “*...approval from the National Contracts Commission (NCC) to discontinue this current arrangement and utilize the Direct Contracting Methodology to engage E.A.P Security Services...*”

In the circumstances, and in accordance with *Section 1.1.4*, of *Vol. 2* of the Government of Jamaica (GOJ) Handbook of Public Sector Procurement Procedures (October 2010), which outlines, *inter alia*, that “*The Head of Entity may approve Direct Contracting up to J\$3M. Contract values above this threshold will require the pre-approval/endorsement of the NCC.*”, the OCG hereby advises that any such request should be properly directed to the Chairman of the National Contracts Commission (NCC).

Notwithstanding the foregoing, and while the OCG is cognizant that the approval to utilize the Direct Contracting Procurement Methodology *lays squarely* within the remit of the NCC, without prejudice to any decision which may be made by said Commission, the OCG wishes to document its preliminary concerns regarding the propriety of the proposed transaction and herein outlines same below.



Preliminary Research - E.A.P. Security Services

Given that the NSWMA is contemplating the engagement of E.A.P Security Services, by way of the Direct Contracting Procurement Methodology, the OCG undertook a preliminary research into said Company and has found the following:

- a) A search of the Companies Office of Jamaica records reveals that the Company was incorporated in August 2009;
- b) The said search also reveals that the Directors/Beneficial Shareholders of the company are i) Mishka Myrie and ii) Lloyd Edward Myrie (Jnr);
- c) As at February 15, 2012, E.A.P Security Services was not registered with the NCC as a provider of Safety and Security Services, its last registration expired in June 2011 and was never renewed;
- d) A preliminary check of the OCG's Quarterly Contract Award (QCA) Report Database, which is available on the OCG's website, does not indicate that any Government contracts have ever been awarded to said Company, by any Public Body; and
- e) A preliminary check of the NCC Endorsed Contracts Database, which is available on the OCG's website, does not indicate that any Government contract award recommendations have ever been endorsed by the NCC in respect of the award of any contracts to said Company.

A further enquiry into one of the principals of the said Company, Lloyd Edward Myrie (Jnr), has unearthed an article which was published on the Jamaica Observer website dated February 8, 2007, entitled "*Will the Lloyd Myrie affair damage PNP chances in NW*". The referenced article stated, *inter alia*, that "*Last week's sudden resignation of Lloyd Myrie as the People's National Party (PNP) representative for North West St Elizabeth has sent shock waves throughout the region....*"

OCG Preliminary Questions – Engagement of E.A.P Security Services

In light of the findings from the OCG's preliminary research into the referenced Company, please provide detailed and comprehensive responses to the following questions as it regards NSWMA's consideration to engage E.A.P Security Services by way of the Direct Contracting Procurement Methodology:

- a) On what basis is the NSWMA considering engaging E.A.P Security Services?
- b) What evidence exists to suggest that E.A.P Security Services has the requisite capacity and experience to perform the service which would be required to protect the "...*safety of life and property not only at [the] head office but at [the] regional offices and landfills islandwide...*"?
- c) How competitive are the rates which have been proposed by E.A.P Security Services? and has a comparative price analysis been undertaken?
- d) Is one Lloyd Edward Myrie (Jnr), who is on record as being one of the Directors/Beneficial Shareholders of the Company, a former Peoples National Party (PNP) representative or a family relative of said person?
- e) Were there any interference, influence and/or suggestion, by any person, to recommend E.A.P Security Services?

OCG Preliminary Requisition

In light of the foregoing, the Office of the Contractor General, pursuant to Sections 4 and 15 of the Contractor General Act, hereby requests the following information:

1. As the Head of the Procuring Entity, please advise whether the request which have been made, by way of letter dated February 7, 2012, reflective of the position of the NSWMA;



2. Consequent upon the NSWMA contemplation to engage E.A.P Security Services, by way of the Direct Contracting Procurement Methodology, please provide the following:
 - a. The genesis of the recommendation to utilize E.A.P Security Services
 - b. The basis upon which, and the rationale for the proposed engagement of E.A.P Security Services; and
 - c. All documentation related to the proposed engagement of E.A.P Security Services, inclusive of all correspondence sent to and/or received from said Company, any Evaluation Reports and correspondence from any other Public Body/Official of the Government of Jamaica, or any other person.

3. An Executive Summary, clearly outlining the chronology of events since the close of tender in November 2010, and a current status regarding said tender process. Please submit all requisite supporting documents, inclusive of, any correspondence sent to, and received from bidders since the close of tender.

In light of the gravity of this matter, the OCG is requesting that the aforementioned information be submitted to this Office by no later than **Tuesday, February 21, 2012.**

While the OCG has noted that *security concerns* was outlined as the justification for the engagement of E.A.P Security Services by way of the Direct Contracting Procurement Methodology, in light of the questions which have been raised, the OCG strongly recommends that said company is not considered at this time.

Sincerely,

Craig Beresford (Signed)

Craig Beresford
Senior Director of Monitoring Operations,
Corporate Communications and Special Projects
for and on behalf of the Contractor General

Copy: The Most Honourable Portia Simpson Miller, ON, OJ, Prime Minister
The Honourable Noel Arcott, MP, Minister of Local Government and Community Development
Ambassador the Most Honourable Douglas Saunders, CD, OJ, Cabinet Secretary
Mr. Raymond McIntyre, Chairman, National Contracts Commission
Mrs. Sharon Crooks, Permanent Secretary, Ministry of Local Government and Community Development
Col. Allan Douglas, Director of Operations, National Solid Waste Management Authority



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REF. No.:
TELEPHONE No. : 929-8560/6466
FAX No. : 929-7335
E-Mail: ggeneral@ocg.gov.jm

February 20, 2012

Dr. Horace Chang
Opposition Spokesperson - Housing, Water and the Environment
c/o Jamaica Labour Party
20 Belmont Road
Kingston 5

Dear Dr. Chang:

Re: Chang says Political cronyism behind landfill fire

Reference is made to recent media reports; in particular, an article published in the Jamaica Observer, dated February 11, 2012, entitled "*Chang says political cronyism behind landfill fire*".

The referenced newspaper article stated, *inter alia*, that "OPPOSITION spokesperson on housing, water and the environment, Dr Horace Chang, has blamed political cronyism for the fire which has been burning at the Riverton City landfill, posing a serious health risk to persons living in Kingston, St Andrew and St Catherine.

According to Chang, the slow response ofy [sic] the National Solid Waste Management Authority (NSWMA) and the failure to follow standard operating procedures caused the fire, which has been burning since Monday, to get out of control."

The article also quoted you as saying, "**It is my information that a decision was taken to find contractors who were 'genetically' linked.**" (OCG's emphasis)

Further to same, and given the nature of the referenced assertions, which were attributed to you, the Office of the Contractor General (OCG), acting on behalf of the Contractor General and pursuant to Sections 4 and/or 15 of the Contractor General Act, has launched a preliminary enquiry into the contracts which were awarded, by the NSWMA, for works, goods and/or services, in response to the fire at the Riverton City landfill.

As such, and in order to aid its enquiry into this matter, the OCG requests, given the allegation of impropriety in the award of government contract(s), the following information:

1. Is the referenced news article an accurate representation of that which you had communicated to the Jamaica Observer, as it regards allegation(s) of political cronyism in the selection of contractors related to the recent fire at the Riverton City landfill?
2. If the answer to question #1 above is yes, please provide an Executive Summary, with all requisite supporting documents, detailing the information which you have in your possession related to this matter.
3. If the answer to question #1 above is no, please detail the statement(s) which you had made to the media, which could have been misconstrued in the referenced manner.

In light of the gravity of the allegations levied, and in the interest of public transparency and good governance, the OCG requests that you provide the requisite information to its Office on or before **Friday, March 2, 2012.**



The OCG anticipates your kind cooperation in this matter.

Sincerely,

Craig Beresford (Signed)

Craig Beresford
Senior Director, Monitoring Operations,
Corporate Communications and Special Projects
for and on behalf of the Contractor General

Copy: The Honourable Andrew Holness, M.P., Leader of the Opposition
The Honourable Noel Arscott, MP, Minister of Local Government and Community Development
Ambassador the Honourable Douglas Saunders, CD, OJ, Cabinet Secretary
Mrs. Sharon Crook, Permanent Secretary, Ministry of Local Government and Community Development
Mr. Rupert Pryce, Executive Director, National Solid Waste Management Authority



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REF. No.:
TELEPHONE No. : 929-8560/6466
FAX No. : 929-7335
E-Mail: general@ocg.gov.jm

February 21, 2012

Mr. Rupert Pryce
Executive Director
National Solid Waste Management Authority
61 Halfway Tree Road
Kingston 10

Dear Mr. Pryce:

Re: Formal launch of Enquiry in allegations of political cronyism in the selection of contractors to contain the recent landfill fire

Reference is made to recent media reports, and in particular, an article which was published in the Jamaica Observer on February 11, 2012.

The referenced article, which reported on the recent fire at the Riverton City landfill, stated, *inter alia*, that “OPPOSITION spokesperson on housing, water and the environment, Dr Horace Chang, has blamed political cronyism for the fire which has been burning at the Riverton City landfill, posing a serious health risk to persons living in Kingston, St Andrew and St Catherine. According to Chang, the slow response ofy [sic] the National Solid Waste Management Authority (NSWMA) and the failure to follow standard operating procedures caused the fire, which has been burning since Monday, to get out of control.”

The article continued, attributing the following statement to Dr. Chang; **“It is my information that a decision was taken to find contractors who were 'genetically' linked”**. (OCG’s emphasis)

It is in the foregoing regard that, the Office of the Contractor General (OCG), acting on behalf of the Contractor General and pursuant, *inter alia*, to Sections 4, 15 and 18 of the Contractor General Act (1983), has formally commenced an Enquiry into the matter.

Consequently, as the OCG will require your assistance and full cooperation to successfully undertake this Enquiry, it is very important that your attention is formally directed to the following provisions of the Contractor General Act:

- (1) Sections 4 (1) (a) (i) and (ii) which mandates the Contractor General, “... on behalf of Parliament- to monitor the award and the implementation of Government contracts with a view to ensuring that such contracts are awarded impartially and on merit (and that) the circumstances in which each contract is awarded ... do not involve impropriety or irregularity ...”.
- (2) Section 15 (1) which prescribes the discretionary power of a Contractor General to conduct an investigation into any or all of the following matters:
 - (a) “the registration of contractors”;
 - (b) “tender procedures relating to contracts awarded by public bodies”;



- (c) “the award of any Government contract”;
 - (d) “the implementation of the terms of any Government contract”;
 - (e) “the circumstances of the grant, issue, use, suspension or revocation of any prescribed licence”;
 - (f) “the practice and procedures relating to the grant, issue, suspension or revocation of prescribed licences”.
- (3) Section 18 (1) which prescribes the power of a Contractor General, “at any time, (to) require any officer or member of a public body or any other person who, in his opinion, is able to give any assistance in relation to the investigation of any matter pursuant to this Act, to furnish such information and produce any document or thing in connection with such matter as may be in his possession or under the control of that officer, member or other person”.
- (4) Section 29 which provides as follows:

“Every person who –

- (a) willfully makes a false statement to mislead or attempts to mislead a Contractor General or any other person in the execution of his functions under this Act, or
- (b) without lawful justification or excuse –
 - (i) obstructs, hinders or resists a Contractor General or any other person in the execution of his functions under this Act; or
 - (ii) fails to comply with any lawful requirement of a Contractor General or any other person under this Act,

shall be guilty of an offence ...”.

In the discharge of the mandates of the Contractor General under the Contractor General Act and in furtherance of the expressed powers which are reserved to him by the Act, the OCG, acting on behalf of the Contractor General, now hereby formally requires you to fully comply with the below-mentioned requisitions by providing all of the information and documentation which is demanded of you and to supply same in a sealed envelope, marked ‘Confidential’ and addressed to the Contractor General. **The envelope must be deposited at the reception desk of the Offices of the Contractor General, PIOJ Building, 16 Oxford Road, Kingston 5, no later than 12:00 p.m. in the afternoon on Friday, March 9, 2012.**

In responding to the below-mentioned requisitions or questions, you are respectfully asked to be guided by the following:

- (a) You must provide written responses to all of the requisitions or questions.
- (b) Your responses must be declared and certified by you before a Justice of the Peace to be complete, accurate and truthful. The declaration must be in the form which is enclosed, herewith, and labelled “Form of Declaration # 1”.
- (c) All written responses which are provided by you must be provided in a single document and must be numbered in the same chronological sequence as the questions or requisitions to which they relate. For example, your response to Requisition/Question #1 must be numbered ‘1’, your answer to Requisition/Question #2 must be numbered ‘2’, and so forth.
- (d) Any document which is supplied by you in support of a response must be properly labeled, numbered and marked to identify what it is and the requisition or question to which it relates.



- (e) Should you mislead, resist, obstruct or hinder a Contractor General in the execution of his functions or fail to provide a complete, accurate and truthful response to any of the requisitions or questions which are set out below, you will become liable, inter alia, to criminal prosecution under Section 29 of the Contractor General Act.

REQUISITIONS / QUESTIONS

1. Please provide a copy of the Standard Operating Manual, or any such document embodying the procedures which are to be followed with regard to the engagement of contractors, in the event of a landfill fire. If such a document does not exist, please provide an Executive Summary, outlining the procedures which are to be followed.
2. Please provide, in a tabular form, the following information related to contractors who have been engaged by the NSWMA to provide services related to the hiring of heavy duty equipment at the Riverton City landfill during the period 2011 to present. Please note that this requisition relates to contractors who may have been engaged prior to or since 2011:
 - i. Name of Contractor;
 - ii. Contract date and duration;
 - iii. Value of contract;
 - iv. Expenditure since 2011;
 - v. Brief outline of service being provided; and
 - vi. Procurement methodology by which the contractor was engaged.
3. Does the National Solid Waste Management Authority (NSWMA) engage contractors on a sustained basis, for the provision of aggregate to the Riverton City landfill? If yes, please provide in a tabular form, the following information related to contractors who have been engaged by the NSWMA to provide such services during 2011 to present. Please note this requisition relates to contractors who may have been engaged prior to or since 2011:
 - i. Name of Contractor;
 - ii. Contract date and duration;
 - iii. Value of contract;
 - iv. Expenditure since 2011;
 - v. Brief outline of service being provided; and
 - vi. Procurement methodology by which the contractor was engaged.
4. Please provide, in a tabular form, the following information related to all contractors who were engaged/utilized to contain the fire at the Riverton City landfill:
 - i. Name of Contractor;
 - ii. Brief outline of service(s) provided;
 - iii. Procurement methodology by which the contractor was engaged;
 - iv. Details related to pricing of the goods or services provided; and
 - v. Amount which has been/is to be paid to the contractor.
5. Is there any additional information which you believe could prove useful to this Enquiry or is there any further statement in regard to the Enquiry which you are desirous of placing on record? If yes, please provide full particulars of same.



The OCG would like to thank you in advance for your full and anticipated cooperation in this endeavour.

Sincerely,

Craig Beresford (Signed)

Craig Beresford
Senior Director of Monitoring Operations,
Corporate Communications and Special Projects
for and on behalf of the Contractor General

Copy: Hon. Noel Arscott, M.P., Minister, Ministry of Local Government and Community Development
Mrs. Sharon Crooks, Permanent Secretary, Ministry of Local Government and Community
Development

/Enclosure