

# KNOWLEDGE CENTRE

## Award of Contract

AC:1

Relevant Facts or Questions Asked	Issues Arising
<p>I. A Procuring Entity (PE), in an effort to identify a bidder to provide the service of repairing and maintaining the AC system in the Company's Fleet of buses, initiated several procurement proceedings which were subsequently cancelled;</p> <p>II. The PE states that the current procurement proceeding has brought the bidders bid approximately 60% higher than the comparable estimate. Clarification on the bid price was sought from the bidder;</p> <p>III. The PE now seeks guidance on how to proceed.</p>	<p>Whether a bid that is 60% above the comparable estimate may be accepted.</p>

### Advice

#### 60% Above the comparable estimate

- Existing procurement policy permits a procuring entity to accept offers 15% above or below the pre-tender estimate.
- To accept such an offer, the procuring entity must be satisfied with the bidder's capacity to perform the contract, and validate and affirm that the government is still likely to achieve value for money should this contract be awarded.



3. Should the PE choose to award the contract, the following must be demonstrated –
  - a. The award of contract under the circumstances represents the best use of public funds;
  - b. The price was in fact validated by the contractor.
  - c. Value for money will be achieved; and
  - d. The intended award of contract does not contravene the underlying principles of the Government of Jamaica’s public procurement regime.
4. In conclusion, the PE should ensure that the award of contract to the sole bidder is the most sensible use of public funds.

**-End-**

