

# KNOWLEDGE CENTRE

## Award of Contract

**AC:2**

### Relevant Facts or Questions Asked

A Procuring Entity (PE) sought guidance as follows:

If the price of the Lowest Responsive Bid is greater/less than the allowable margin of 15 percent of the Pre-Tender/Comparable Estimate, what are the options for the procuring entity moving forward?

### Advice

1. Existing procurement policy permits a procuring entity to accept offers outside the margin of 15%.
2. To accept such an offer, the procuring entity must be satisfied with the contractor's capacity to perform the contract, validate and affirm that the government is still likely to achieve value for money should this contract award be made.
3. Should the Procuring Entity 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.

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