

KNOWLEDGE CENTRE

Procurement Method**PM:3****Relevant Facts or Questions Asked**

A Procuring Entity (PE) sought guidance as follows:

- I. Whether an entity may engage a personal shopper or concierge service to source goods on its behalf when those goods can be obtained at a lower cost than in the local market.
- II. This enquiry arises from the fact that the entity is currently operating under significant budgetary constraints. As such, we are exploring options that may provide better value for money while ensuring compliance with the Government's procurement framework.
- III. Specifically, the PE is considering whether it would be permissible to retain a service provider to purchase and facilitate the delivery of goods on behalf of the entity when the local market prices are significantly higher than those available internationally. We note, however, that the use of the entity's credit card would not be feasible for this purpose, which has led us to consider the use of a concierge or personal shopping service.
- IV. Kindly advise on the applicable rules, restrictions, or approvals that would govern such an arrangement. Alternatively, would the appropriate approach be to undertake the standard procurement process and solicit international quotations or conduct an international competitive procurement exercise, even where the estimated value may fall below the threshold that would ordinarily warrant such a method?

Advice

1. There is no prohibition in law against a procuring entity obtaining goods from international markets where doing so represents better value for money. However, the procurement must still be conducted in accordance with the GoJ procurement framework, including the applicable level of competition, procurement method, approval requirements and record-keeping obligations.

2. In this instance, the procuring entity's stated requirement is the acquisition of goods. The fact that such goods may be available internationally at lower prices, or that the entity is unable to utilise its own credit card to facilitate overseas purchases, does not, in itself, alter the nature of the procurement requirement from one for goods to one for procurement or concierge services.
3. Where the market is capable of supplying the required goods directly, including through suppliers or distributors that routinely source and import goods from international markets, the preferred approach would ordinarily be to undertake a competitive procurement for the goods themselves. This allows suppliers to determine the most efficient and commercially advantageous means of sourcing, importing and delivering the goods while competing on price, quality, delivery, warranty, after-sales support and other evaluation criteria established by the procuring entity.
4. This approach is consistent with the objects of the Public Procurement Act, 2015 (as amended) ("the Act") which include maximising economy and efficiency, obtaining value for money, promoting competition and ensuring the fair and equitable treatment of suppliers. It also preserves transparency in the procurement process by ensuring that competition is directed towards the actual goods required by the procuring entity, rather than transferring purchasing discretion to an intermediary/agent.
5. Alternatively, engaging a personal shopper or concierge service for the purpose of independently sourcing and purchasing goods on behalf of the procuring entity may have the practical effect of removing the acquisition of those goods from the required competitive procurement process.
6. The Office therefore recommends that, where lower-priced international alternatives are anticipated, the procuring entity structure its procurement to permit suppliers to compete on the basis of providing the required goods, whether from local inventory or through international sourcing arrangements. This enables the market to determine the most cost-effective solution while maintaining compliance with the principles and requirements of the public procurement framework.
7. Notwithstanding the foregoing, there may be limited circumstances where the legitimate procurement requirement is itself a specialised sourcing, procurement management or

logistics service, rather than the acquisition of goods. In such cases, the procurement of those services may be appropriate, provided that the procuring entity can objectively demonstrate that the service is the genuine subject of the procurement and that the applicable procurement method is selected and conducted in accordance with the Act and the Public Procurement Regulations, 2018 (as amended).

8. Accordingly, based on the facts presented, the Office is of the view that the procuring entity should ordinarily undertake a competitive procurement for the required goods, rather than engage a personal shopper or concierge service to acquire those goods on its behalf. This approach best supports the statutory objectives of competition, transparency, accountability, value for money and national growth through the participation of Jamaican enterprises in public procurement.

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