

Working Group on Procurement

Franz Manderson, Cert. Hon, JP
Honourable Deputy Governor
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CAYMAN ISLANDS

VIA E-MAIL: franz.manderson@gov.ky

19 February, 2013

Dear Mr. Manderson,

On behalf of the Working Group on Procurement I am pleased to attach our final report. The report was compiled by our Sub-Committee chaired by Mr. Max Jones and has been broadly accepted and adopted by the entire Working Group.

Through a review of literature, extensive discussions and meetings with stakeholders we have found a number of factors that inhibit effective procurement practices within the Cayman Islands Government (CIG) which include:

- a. Lack of detailed policies and procedures to guide Chief Officers, Tenders Committees and civil servants involved in procurement.
- b. Limited procurement methods are permitted under current laws and regulations. This often prevents procurements being carried out by the optimum procurement method.
- c. The organization and governance structure in which procurement is carried out lacks clarity of role and robust governance.
- d. Appropriate business cases to justify and confirm a project's viability are not prepared in a consistent manner prior to projects being implemented.
- e. Generally the civil service does not have staff with the high level procurement qualifications and experience for the volume and complexity of some of the procurements that government undertakes.

It is believe that the adoption of the recommendations contained in this report will result in procurement being carried out in a fairer, more efficient, more transparent, and more uniform manner. Further, the resulting improved efficiencies in procurement will translate into substantial cost savings for government although it was not possible to quantify these in the limited timeframe available.

As Chairman of the Working Group I have kept my role as Chairman of the Commission for Standards in Public Life (CSPL) separate as the two have different mandates. I must therefore take

this opportunity to indicate that the members of the CSPL have neither viewed nor been made privy to the content of the attached report. This is worth mentioning as there is a recommendation contained within the report in which *the CSPL nominate one of their members to sit on the CTC.*

Additionally there are other recommendations which, if accepted, would affect other entities. For instance, while a Ministry of Finance was nominated to the Working Group, that representative only attended the first two sessions; as such concerns have arisen regarding the inability for that Ministry to provide input into the content of the report and the recommendations. With these issues in mind I would respectfully recommend those entities are given the opportunity to review and comment on the recommendations prior to the submission of the report to the Honourable Ministers and Members of Cabinet.

In submitting this report, the members of the Working Group have agreed that we have fulfilled our remit as set out in our Terms of Reference (ToR) and as such the lifetime of the Group has now ended; unless further directions are received from you to the contrary. For your information, all documents including the ToR and minutes related to the Working Group and its Sub-Committee can be found in the Document Library of the CSPL's website at www.standardsinpubliclifecommission.ky under the heading *Working Group on Procurement and Sub-Committee of the Working Group on Procurement.*

I would like to take this opportunity to thank the members of the Working Group, with my special thanks to the members of our Sub-Committee; without their hard work we would have been unable to fulfill our remit.

Kind regards,



Karin Thompson
Chairman

Att: Final Report of the Sub-Committee of the Working Group on Procurement