

GOVERNMENT OF ST. VINCENT AND THE GRENADINES
ANNUAL PROCUREMENT REPORT OF THE
CENTRAL PROCUREMENT BOARD – 2021

In St. Vincent and the Grenadines, the Central Government procurement authority which provides oversight and performs regulatory functions over public procurement is the Central Procurement Board (CPB). All contracts for supplies, services and works in excess of \$45,000 must be approved by the CPB. The work of the CPB is guided by the Public Procurement Act 34/2018 which was passed in the House of Assembly in December 2018 and made effective on 24th November 2020. This Act governs the general conduct of procurement activities undertaken by all ministries and departments of the Central Government.

The Cabinet appoints the members of the CPB annually. The current composition of the Board is as follows:

Mr. Edmond Jackson	- Director General/Finance and Economic Planning (Chairman)
Ms. Debbie Antoine	- Accountant General
Mrs. Lavern Grant	- Permanent Secretary/Ministry of Transport, Works, etc.
Mrs. Sandy Peters-Phillips	- Permanent Secretary/Ministry of Foreign Trade, etc.
Mr. Leroy Rose (Jr.)	- Member
Mr. Joel Woodley	- Member
Ms. Jamila James	- Member (June – December)

The Board is supported by a Secretary who carries out administrative and other duties. The CPB meets monthly to:

1. Award contracts for procurements;
2. Approve bid/tender documents;
3. Approve lists for selective tendering;
4. Approve contract variations;
5. Approve procurement methods;

A total of twelve (12) meetings were held for the year 2021. The CPB meets every third Thursday of every month or more frequently as the workload demands.

The procurement of all supplies, works or services required by the Government shall be governed by St. Vincent and the Grenadines Public Procurement Act 2018 and the Public Procurement Regulations, 2019 except with the specific or general approval of the Procurement Board. The standard procurement method is open competitive tendering, however other methods of procurement can be used as the circumstance permit.

For the year ended December, 2021 the Central Procurement Board awarded a total of 382 contracts compared with 324 in the 2020 fiscal year. Contracts awarded in 2021 totaled \$209,708,235 which was 113.25% higher than the total contracts awarded in 2020.

Table 1: Origin of Contracts

ORIGIN	NO.	2021 EC\$	2020 EC\$
Local	282	111,804,079	74,578,538
International	100	97,904,157	23,762,488
Total	382	209,708,235	98,341,026

A total of 382 contracts were awarded in year 2021, 58 more than the previous year. Of the total contracts awarded in 2021, 26% went to international entities and the other 74% were awarded locally. The cost of international contracts increased by EC\$ 74 million or 3.12 percentage points from the previous year. International contracts were responsible for 47% of the total cost of procurement in 2021 but was dominated mainly by one contract for EC\$ 52 million awarded to NH (Caribbean) Ltd. Local contractors received far more awards but the total cost of procurement from local contracts was only 6% more than international contracts.

Table 2: Contracts awarded 2021 by Procuring Entity

PROCURING ENTITY	NO. OF CONTRACTS	AMOUNT	% OF TOTAL
CIPO	2	\$ 369,332	0.2
Customs and Excise Department	2	\$ 189,548	0.0
Economic Planning	154	\$ 111,483,938	53.2
Family Court	1	\$ 417,600	0.2
Inland Revenue Department	3	\$ 438,982	0.2
Information Technology Services	5	\$ 1,570,871	0.7
Magistracy	1	\$ 471,687	0.2
Ministry of Agriculture	21	\$ 3,508,283	1.7
Ministry of Education	20	\$ 7,387,769	3.5
Ministry of Finance	17	\$ 2,103,704	1.0
Ministry of Health	76	\$ 18,119,524	8.6
Ministry of Legal Affairs	1	\$ 36,000	0.0
Ministry of National Mobilisation	3	\$ 221,084	0.1
Ministry of National Security	22	\$ 2,617,792	1.2
Ministry of the Public Service	2	\$ 388,562	0.2
Ministry of Tourism	14	\$ 1,401,727	0.7
Ministry of Transport	13	\$ 38,991,353	18.6
Ministry of Urban Development	20	\$ 19,466,184	9.3
Office of the Prime Minister	4	\$ 416,295	0.2
Registry Department	1	\$ 108,000	0.1
TOTAL	382	\$ 209,708,235	99.91

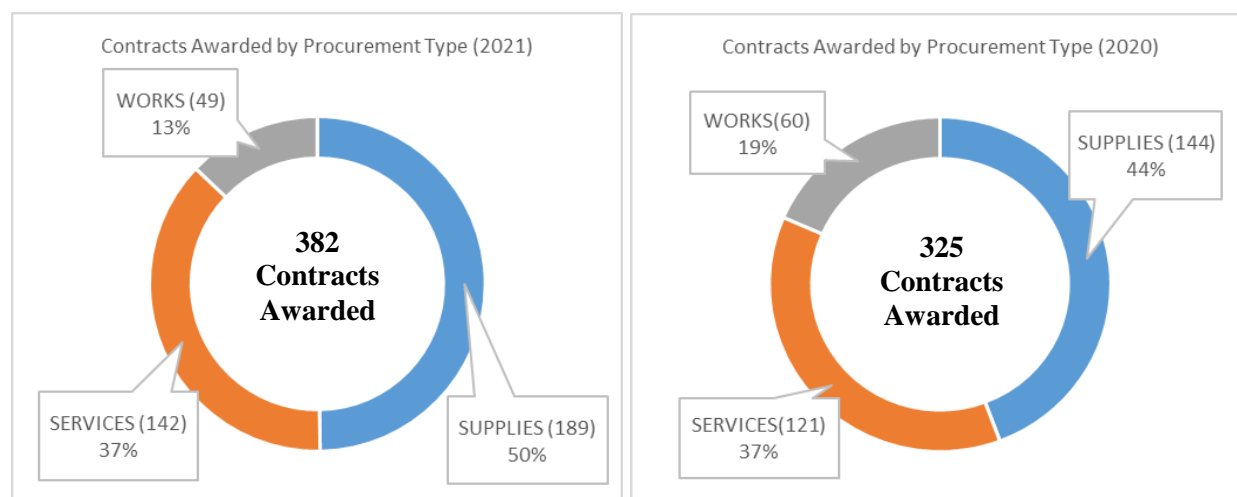
In 2021, Economic Planning Department accounted for 154 (40%) of the 382 procuring contracts awarded by Government. They accounted for around EC\$111.4 of 53.2% of the total contracts awarded. The Ministry of Transport, although they procured only 13 contracts, accounted for the second largest value of contracts awarded at EC\$38.9 or 18.6% of the total contracts, followed by the Ministry of Urban Development with EC\$19.4 or 9.3%. (See Table 2 above.)

The Economic Planning Department, the Ministry of Transport and the Ministry of Urban Development are in control of the three (3) largest projects in the country; namely, the

Construction of the Holiday Inn and Express Suites, the Volcano Recovery and Reconstruction Programme and the Construction of the Temporary Parliament Building respectively.

Figure 1 below shows that the year 2020 saw 60 contracts being awarded for works while in 2021 total contracts awarded for works declined by 11. Nevertheless, in 2021 there were increases in the number of contracts awarded for supplies and services. These increases were responsible for the overall growth in the total number of contracts awarded.

Figure 1: Contracts awarded by Procurement Type 2021 and 2020



Works accounted for around EC\$85.0 million or 40.5% of the total spending, followed by services EC\$70.8 or 33.8% and supplies EC\$53.8 million or 25.8%. Noticeably, spending on works only increased by 55% while spending on supplies and services rose by 133% and 249% respectively from the previous year.

Table 3: Contracts awarded 2021 by Procurement Type

PROCUREMENT TYPE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	% OF TOTAL	
	EC\$ 2021	EC\$ 2020	EC\$ 2019	EC\$ 2018	EC\$ 2017	2021	2020
Services	70,843,580	20,271,282	28,535,280	94,689,107	15,703,405	34	21
Supplies	53,845,110	23,115,154	9,206,305	14,788,867	11,470,361	26	24
Works	85,019,545	54,954,590	89,747,588	34,580,091	35,389,576	41	56
Total	209,708,235	98,341,026	127,489,173	144,058,065	62,563,342	100	100

Table 3 shows that these increases in supplies and services were significant enough to cause a decline in the proportion of total awards for works. Additionally, the year 2021 was unprecedented as it was the first time over the five year span that total procurement surpassed the EC\$200 million mark. Moreover, if one is to consider 2017 as the base year then it would be safe to say that total procurement has increased by 235% over the base year and doubled the previous year 2020. Moreover, for the past two years works have been awarded the least number of contracts but accounted for a higher proportion of the spending on procurement. This may be attributed to the higher value contracts being undertaken under works.

In the year 2021, the top five contracts for works accounted for 76% of the overall amount awarded. This was mainly driven by a EC\$52 million contract to NH(Caribbean) Ltd. to

construct the Holiday Inn Express and Suites. It therefore means that the other 44 contracts awarded for works valued EC\$20.4 million. A similar situation was seen in the procuring of services where 60% of the overall total spent on services came from the top five contracts. The eruption of the volcano resulted in a EC\$32 million contract being awarded to Roads, Buildings and General Services Authority for the removal of ash and cleaning of debris from rivers, drains and roads. This contract dominated the spending as it was responsible for almost half of the overall spending on services.

Over the last five (5) years, the value of contracts awarded as a percentage of GDP averaged 5.6%. It is no coincidence that the year 2021 saw the highest percentage of procurement spending as a percentage of GDP, that of 9.87%. This was mainly due to the two major projects but more so the highest spending on supplies over the last 5 years was recorded. This was so as to provide necessary relief to citizens due to the volcanic eruptions. Noticeably spending on works and services as a percentage of GDP in 2021 was more than the total value of procurement as a percentage of GDP in the year 2017. (See Figure 2.)

Figure 2: Total Procurement as a Percentage of GDP

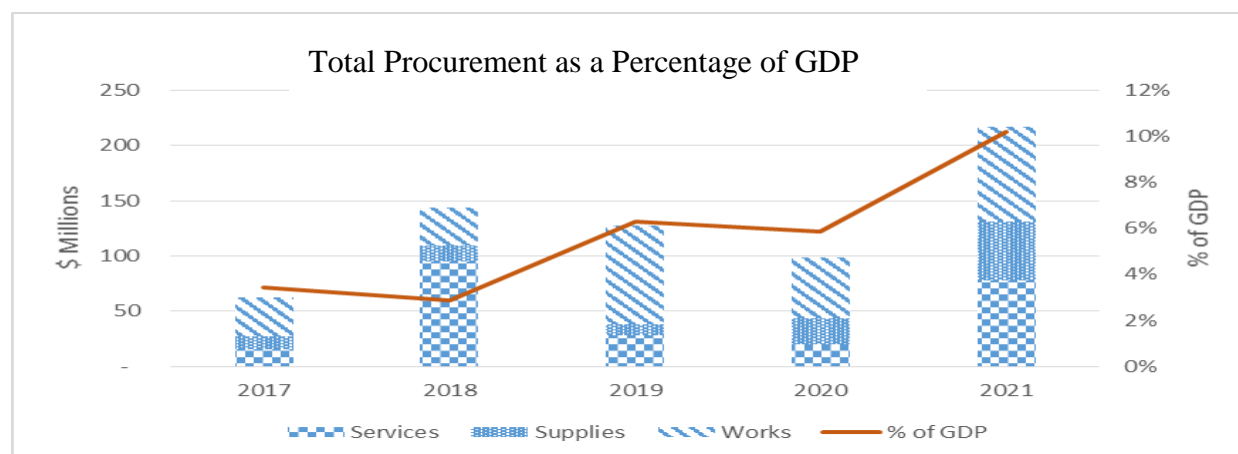


Table 4 on the next page shows the calendar distribution of approvals. The months of April and November showed a marked increase in the value of contracts. This was accredited to the two largest contracts that were awarded this year. A contract was awarded to the Roads, Buildings and General Services Authority for EC\$32 million in June which accounted for the huge increase in value over 2020. This contract award came on the back of the eruption where there was a nationwide clean up. Similarly, for the month of November where the increase over last year for the same was attributed to the contract that was awarded to NH (Caribbean) Ltd. for EC\$52 million.

Table 4: Monthly Contracts awarded in 2021

ORIGIN	2021 EC\$m	2020 EC\$m	Change EC\$m
January	5.78	0.08	5.7
February	3.7	6.9	-3.2
March	11.7	6.4	5.32
April	23.8	2.3	21.5
May	6.1	15.9	-9.78
June	40.0	4.0	35.96
July	2.5	19.3	-16.76
August	20.1	1.1	18.99
September	13.6	9.5	4.06
October	8.9	5.5	3.39
November	62.5	13.7	48.76
December	11.08	13.6	-2.52
TOTAL	209.7	98.3	111.42

Table 5: Method used to award contracts in 2021

TENDERING METHOD	NO. 2021	NO. 2020	2021 EC\$	2020 EC\$	% of TOTAL 2021	% of TOTAL 2020
Competitive	135	127	111,312,983	62,303,088	53	63
Selective	215	133	59,159,923	26,417,393	28	27
Sole	32	64	39,235,330	9,620,545	19	10
Total	382	324	209,708,235	98,341,026	100	100

Although Competitive tendering tends to be the procurement standard widely adopted by the Board, Table 5 shows that in the year 2021 Selective Tendering was the main method used for procurement. This was mainly due to supplies being purchased on an urgent basis as a result of the eruption of the La Soufriere Volcano. Of the 382 contracts that were awarded this year, 135 or 35% were of a competitive nature, 215 or 56% were selective, while 32 or 8% were sole source. Nevertheless, the competitive tendering method accounted for the highest value of contracts at EC\$111.3 million or 53%. This was mainly due to the method used to award the 3 of the largest projects for the year, Holiday inn Express and Suites, Construction of Temporary Parliament Building and Design Build and Commissioning of Solar PV Facility at Argyle. These three contracts amounted to EC\$ 52 million, EC\$ 4.8 million and EC\$ 4 million respectively. Therefore, it can be said that although less contracts were awarded via the competitive method, the contracts with the higher values were awarded using this method.

The year 2021 was unprecedented in all aspects and was mainly driven by three (3) contracts that valued \$88.8 million in total.

Definition of Terms

Competitive Tendering

This is a process through which contracts are awarded on the basis of competitive bidding by a number of contractors/suppliers according to a clearly specified procurement based on cost, quantity, quality and flexibility.

Competitive Tendering can be:

- ***Open:*** Where an invitation to tender is publicly advertised, inviting contractors to submit bids for a particular procurement. All bids received by the specified deadline are evaluated according to pre-established criteria.
- ***Selective:*** The list of pre-qualified bidders invited to bid is selected on the basis of a set of predetermined criteria appropriate to the nature of the procurement established by the procuring entity. The selected list of pre-qualified bidders is approved by the CSTB prior to being invited to bid.

Sole Source

When it is determined that there is only one source for the supply of goods, services or construction, the Ministry would inform the Secretary of the reasons for holding this view and seek the approval of the Board. The Board may approve/award a contract for the procurement of the goods, services or construction, as the case may be.

Request for Proposals

When the procurement cannot be specified in full detail given the nature of work to be carried out a request for proposals may be utilized. Request for Proposals may be open or selective.