

FEATURE ADDRESS  
TRINIDAD AND TOBAGO CONTRACTORS ASSOCIATION  
50<sup>TH</sup> ANNIVERSARY  
“EXPANDING HORIZONS WITHIN THE CONTEXT OF THE  
NEW PROCURMENT PARADIGM”

The Secretary of Infrastructure, Quarries and the Environment, Tobago House of Assembly;

The Honourable Councillor, Quasie Des Vignes;

Chief Administrator of the Tobago House of Assembly, Mr. Raye Sandy and Mrs. Sandy;

Past Presidents of the Trinidad and Tobago Contractor’s Association (TTCA);

Members of the current Board of the TTCA;

Members of Financial Institutions, Contractors;

Specially invited guests;

Ladies and gentlemen;

Members of the media;

A pleasant good night.

I bring you greetings tonight from the Board and staff of The OPR on this very special occasion, of the celebration of the 50<sup>th</sup> Anniversary of the TTCA.

I am indeed pleased to have been invited to address you on this very special occasion.

It was a heartening moment for the Office of Procurement Regulation when the Minister of Finance, the Honorable Colm Imbert, in his 2019 Budget statement, declared that the new procurement regime could be in place in the first quarter of 2019. And yes, I want to confirm that it will indeed be so, sooner if the OPR had its way!

But, I also think that the Trinidad and Tobago Contractors Association can regard that announcement as a heartening moment as well. To be sure, another reason to celebrate 50 successful years of being in existence, because without the input of some of your members, your lobbyists, past and present, the Public Procurement and Disposal of Public Property Act, 2015 could not even be a topic of discussion today!

In fact, in reading through your 50<sup>th</sup> anniversary publication, I refer to founding member and past president Emile Elias, where he reminisces that even in the initial stages of TTCA's formation, seeds of advocacy regarding the need for proper procurement procedures began taking root and that the fruit it has yielded, is what is now, the Procurement Act.

Now, if that is the case and I wasn't around at that point, so I can't verify, but I want us all to use our imaginations a bit. I want to suppose for a moment, if 50 years ago or even 20 years ago...10 years ago, we **did** have the Act in place, what could have been the possibilities for Trinidad and Tobago? Would we be facing the kind of economic tumult that we are in now? I could easily argue no, we would not be! It is well known that corruption is the bane of public procurement. Here are some alarming statistics to prove it!

The Organization for Economic Cooperation and Development (OECD) Foreign Bribery Report (2014) **confirms** that public procurement is one of the government activities most vulnerable to corruption due to the volume of transactions and the financial interests at stake.

In their study, they found that two-thirds of foreign bribery cases occurred in sectors closely associated with contracts or licensing through public procurement, of course, the construction industry being one of the top, as well as extractive industries, transportation and storage, information and communication sectors.

It cannot be overemphasized enough that corruption has a direct, specific impact on the cost of a project both for a business and for the public sector.

The OECD also estimates that 10-30% of the investment in a publicly funded construction project may be lost through mismanagement and corruption.

Just imagine, if we have a budget of let's say \$50 billion, let's say 50% of that goes into public procurement and we can save through efficiencies and stopping of corruption, 20% of that, you are looking at about \$5 billion. That \$5 billion would eventually get back into the economy and **you**, the contractors will be able to benefit from an increased pie, as opposed to a shrinking pie.

Moreover, macro level studies, using country-level data to explore cross-country variations in both governance and economic indicators, have consistently found that corruption significantly decreases economic growth and development.

Trinidad and Tobago specifically, would have certainly reaped the fruit of corrupt seed, having scored 41 points out of 100 on the 2017 Corruption Perceptions Index reported by Transparency International.

And this is not a recent development, as the corruption Index in Trinidad and Tobago averaged 39.06 Points from 2001 until 2017, reaching an all-time high of 53 Points in 2001 and a record low of 32 Points in 2006. The rewards of which are now seen in this country's low attractiveness for

foreign investment and international trade, artificially high prices for low quality products and services, inefficient allocation of resources, uneven distribution of wealth, low quality education and healthcare and the list can go on.

Recently, at an AMCHAM HSSE conference, US Ambassador, Joseph Mondello, iterated his support for the new procurement legislation and called for its prompt implementation. He bemoaned the impact of corruption on Trinidad and Tobago's potential for foreign investment, saying that what investors wanted more than anything else, especially when looking for new markets – are transparency, stability and predictability. To quote him, *“Things like corruption, lack of transparency, and needless bureaucracy are all factors that can make potential investment opportunities unattractive, which stifles economic development”*.

How much more direct a call can we get to go forward with this new procurement regime? But let's bring this closer to home. Corruption in public procurement simply means public funds are wasted on an enormous scale, and the benefits these funds should have brought are lost. Taxpayers' money... your money... my money... our money, to pay for hospital equipment, books for schools or safer roads, for example, ends up sitting in the pockets of the corrupt.

The good news however ladies and gentlemen, is that the Act has been designed specifically to hit corruption where it hurts the most. By demanding that public procurement is practiced based upon the principles of good governance. To do this, The OPR is committed to and assures you that we will uphold the objects of the Act, which are to promote:

- The principles of accountability, integrity, transparency and value for money.
- efficiency, fairness, equity and public confidence; and
- local industry development, sustainable procurement and sustainable development.

And in this vein, as the OPR seeks to shape the new procurement environment, there is a specific role for the TTCA in keeping with procurement best practice. Your members **should** participate in the bidding process, **assist** when the time comes, to develop proper prequalification criteria and just generally **get involved** in the whole procurement process by **fulfilling** the objects of the Act.

Because surely, you must be tired of delays in settling outstanding payments to your members; sometimes received years after projects have been completed and of course it is well known that the construction sector is the first to contract when economies decline, leading to bankruptcy, layoffs and all kinds of other social ills.

In fact, do you know that The Construction Sector Transparency Initiative (CoST) estimates that “annual losses in global construction through mismanagement, inefficiency and corruption could reach USD 2.5 trillion by 2020” (CoST, 2012)?

I dare say friends, if we do not change this trend now we must brace for a very bumpy ride into our future. So I ask today, are you willing to see these things change? **Do you want to be same agents or do you want to be change agents?**

I think, if you want to uphold the theme “Expanding Horizons,” it is imperative that embracing change or rather facilitating change, become the order of the day. Your 50 year milestone has proven that you have the integrity and the will. The efforts of your founding fathers have proven that you have the mettle and the fortitude. The many successes you have seen, including the fight for the Procurement Act to become a reality, means you already have the vision and the resolve!

So together, by partnering with each other we can and will see that the Act is fully proclaimed and effectively implemented.

Think about the redounding benefits to country and to self; the money saved, the increased quality of life, better infrastructure and a larger piece of the economic pie towards the construction sector!

Think about your family, your husbands and wives, sons and daughters, your grandchildren. Think about the opportunity we have now to change the course of history. For me, this brings to mind a popular saying by Sir Winston Churchill “Those who fail to learn from **history** are condemned to **repeat** it.” Do we want to be condemned to repeat corruption and failure? I don’t!

I want my legacy, our legacy to say that we changed the course of a future destined to destitution and turned it around to one of sustainable wealth and prosperity.

So, as we celebrate your 50<sup>th</sup> Anniversary, look back upon the parts of history that you may not be particularly proud of, and recount all of the successes you have had along the way, and use that as the fuel and fire to indeed expand your horizons, because with this new procurement legislation in train, you will not have room enough to hold what good it will bring.

I thank you and congratulations TTCA on your 50<sup>th</sup> Anniversary.