

NATIONAL ASSEMBLY

NOTICE PAPER NO. 116

Question No. (Q 91 Opp 91)

Member Asking: Mr. Khemraj Ramjattan, M.P.

Member Answering: The Minister of Finance

QUESTIONS

PROCUREMENT OF IT EQUIPMENT TO SUPPORT THE IMPLEMENTATION OF VALUE-ADDED TAX (VAT)

- (i) Is it true that the procurement of IT equipment to support the implementation of VAT was delayed?
- (ii) Was the said delay due to the Procurement Manager advising on 28th August, 2006 that the contract for IT equipment be split by GRA locations so as to keep each under \$100,000.00 U.S. so as to avoid an international tender?
- (iii) What was the approximate sum intended to be spent on the procurement of IT equipment to support the implementation of VAT?
- (iv) Was this sum to be provided by the IDB?

IN REPLYING QUOTE DATE
HEREOF AND No.....



MINISTRY OF FINANCE
49 Main & Urquhart Streets,
Georgetown,
Guyana.

12 March 2007

Mr. Sherlock Isaacs
Clerk of the National Assembly
Parliament Buildings
Stabroek
Georgetown

Dear Sir,

Notice of Questions:
**Notice Paper No. 116 – Procurement of IT Equipment to Support the
Implementation of Value-Added Tax (VAT)**

I refer to your letter dated 9 February 2007 on the above subject, and wish to forward below my response to the questions asked:

- (i) The Guyana Revenue Authority (GRA) is currently implementing a comprehensive Total Revenue Integrated Processing System (TRIPS) which is serving, and will continue to serve, the purposes of both implementation of VAT and a more general upgrading and transformation of the GRA's IT systems and capabilities. I am advised that the required IT equipment was procured in batches, many of which were procured on time, but that the procurement of some equipment was subject to a delay.
- (ii) I am advised that the Procurement Manager tendered no such advice.
- (iii) and (iv) I am advised that, as a result of the comprehensive nature of the new system that is being implemented, and given that much of the equipment that is used in the implementation of VAT will also be used in the implementation and operation of other elements of TRIPS, it is not possible to isolate the cost of equipment to be used for implementation of VAT. Nevertheless, I am advised that, over the period of implementing TRIPS, which spans 2006 and 2007, the IDB is expected to provide a total of US\$3.75 million under the Fiscal and Financial Management Programme (FFMP) and the GRA is expected to provide through the Central Government budget a total of G\$53 million to procure IT equipment over the same period.

(v)

I am advised that most of the equipment has been procured, and all will be procured within three months.

(vi)

I am advised that the contracts to procure equipment under FFMP for TRIPS were awarded, through a competitive process, to Netcom Computer City, Micro-Design Technologies, and Vishnu Panday Associates.

(vii)

I am advised that the delay in procuring the equipment is not attributable to any particular officer's actions. An independent review found that there were shortcomings in the equipment specifications prepared by a Consultant, which would have contributed to the delay. I am further advised that the Consultant is no longer contracted under the FFMP.

Yours sincerely,



Ashni Singh
Minister of Finance

c.c.: **Prime Minister**
Head of the Presidential Secretariat
Presidential Adviser on Governance
Government Chief Whip