

Addendum # 2
RFP # 2011/L001 - LNG Supply
October 21, 2011

LNG Pricing Evaluation Procedure

The following procedure sets out the methods of data collection, the evaluation and utilization of such data and the calculation of discount rates to be applied to each bid subject to evaluation:

1. The closing price quotations from April 2014 to March 2019 (“**HH Quote Period**”) for the New York Mercantile Exchange (NYMEX) Natural Gas Contract for Henry Hub delivery (“**HH Quotes**”) will be collected on the Friday immediately prior to the due date for the submission of each of the Stage One and Stage Two submissions respectively.
2. The simple average slope of the HH Quotes across the HH Quote Period (“**Slope**”) will be calculated.
3. The prices to be used to review submissions (the “**Price Deck**”) will consist of the following:
 - a. for each month falling within the HH Quote Period, the applicable HH Quote shall apply; and
 - b. for each month falling beyond the HH Quote Period, a projected price will be calculated by adjusting the last HH Quote in the HH Quote Period by the Slope, taking into consideration the number of months between that month and the month of the last HH Quote in the HH Quote Period.
4. The formulae proposed by the bidder in each individual bid will then be applied to the Price Deck to determine a price for each month (each a “**Bidder Price**”)
5. Each Bidder Price will then be discounted back to April 2014 using the Slope as the discount factor. A simple average of the discounted Bidder Prices will be calculated to arrive at the price that will be used to determine scoring as per Criteria 1 of Section III of the LNG Supply RFP (the “**Scoring Price**”).
6. Upon completion of the calculations for each individual bid, the Scoring Prices will be ranked from lowest to highest, and the median Scoring Price and lowest overall Scoring Price will be determined.

NOTE: After the Price Deck is calculated, based on the procedures above, this information will be posted on the website www.cabinet.gov.jm/procurement/Ing for the First Stage RFP by Monday, November 7, 2011. A similar posting will be made for the Second Stage RFP during that separate RFP process