



Government of Jamaica

Procurement of Liquefied Natural Gas (LNG)

August 31, 2011

Definitions & Acronyms

ADO	Automotive Diesel Oil
BDS	Bid Data Sheet
BTU	British Thermal Units
Cabinet	The executive and policy making arm of the GOJ
CFR	Cost and Freight
CIF	Cost, Insurance and Freight
CIP	Carriage and Insurance Paid to (<i>named place of destination</i>)
CNG	Compressed Natural Gas
Contract	LNG Sales & Purchase Agreement
CPM	Critical Path Method
CPT	Carriage Paid to
CV	Curriculum Vitae
DAP	Delivery at Place
DAT	Delivery at Terminal
DDP	Delivered Duty Paid (<i>named place of destination</i>)
DDU	Delivered Duty Unpaid
DES	Delivered Ex Ship
DEQ	Delivered Ex Quay
EXW	Ex factory, ex works or ex warehouse
FAS	Free alongside Ship
FCA	Free Carrier
FEED	Front End Engineering and Design
FIDIC	Fédération Internationale des Ingénieurs Conseils (International Federation of Consulting Engineers)
FOB	Free on Board
FSRU	Floating Storage Regasification Unit
FSU	Floating Storage Unit
GOJ	Government of Jamaica
GSA	Gas Sales Agreement
HFO	Heavy Fuel Oil
HH	Henry Hub
ICC	International Chamber of Commerce
IFB	Invitation for Bids
IPP	Independent Power Producer
ITB	Instructions to Bidders
JEP	Jamaica Energy Partners
JGT	Jamaica Gas Trust
JPS	Jamaica Public Service Company

LNG	Liquefied Natural Gas
LNGC	LNG Carrier
LOC	Letter of Credit
MAJ	Maritime Authority of Jamaica
MOU	Memorandum of Understanding
NEP	National Energy Policy
OCG	Office of Contractor General
OT	Open Tender
OUR	Office of Utilities Regulation
PV	Present Value
PAJ	Port Authority of Jamaica
PCJ	Petroleum Corporation of Jamaica
RAM	Reliability, Availability and Maintainability
RFP	Request for Proposal
RWA	Ready, Willing and Able
SBD	Standard Bidding Document
SBLC	Standby Letter of Credit
Seller	LNG Supplier
SPA	Sales and Purchase Agreement (LNG)
SPV	Special Purpose Vehicle
SRT	Storage and Regasification Terminal
Terminal	The Storage and Regasification Terminal
Terminal Operator	The party that will be engaged to Construct, Own and Operate the SRT
TS	Technical Specifications and Drawings
TUA	Terminal Use Agreement
UN	United Nations

BIDDING DOCUMENTS
Issued on: August 31, 2011

for

Procurement of

Liquefied Natural Gas
(LNG)

ICB No: 2011/L001

Project: *Jamaica LNG Project*

**Procuring Entity: *Government of Jamaica, on
behalf of the Jamaica Gas Trust***

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Introduction

To improve its international competitiveness and reduce its dependence on imported petroleum, the Government of Jamaica (GOJ) has implemented a strategy to diversify its energy supply. The strategy aims at introducing natural gas into Jamaica's energy supply mix to obtain security of supplies and achieve long-term stability in energy prices and environmental sustainability in energy provision.

Under this strategy, it is proposed to import liquefied natural gas (LNG) to Jamaica under long-term contractual arrangements and vaporize such LNG, initially to meet the needs of power generation and bauxite/alumina production. The initial estimate of demand in these sectors is equivalent to approximately 0.8 million tonnes of LNG per year, with the expansion of the bauxite/alumina sector and construction of new Independent Power Producers (IPPs) likely to raise the base LNG demand to around 2.5 million tonnes per year by 2025. It is expected that the importation of LNG will help to spur additional industrial and commercial growth that would benefit from the availability of natural gas and lower energy prices.

In order to execute on this plan to diversify its energy supply with the importation of LNG, the GOJ has approved the issuance of two Request for Proposals (RFPs), one for LNG Supply and the other for the Infrastructure required for the receiving, storage and re-gasification of the LNG. These RFPs will be issued concurrently in order to provide close coordination between the processes. A draft of the LNG Sales and Purchase Agreement will be made available by September 21, 2011, and will be for information purposes only until the selection of the short-list of parties for Stage Two of the RFP process.

The GOJ will consider alternative proposals for the supply of natural gas, including Compressed Natural Gas (CNG) or "Btu" Proposals, which broadly meet the requirements under this RFP process.

Background

Jamaica has been exploring the option of introducing natural gas as an alternative fuel since 2001. The initiative was conceived to derive benefit for Jamaica by lessening its near total dependency on oil products and its exposure to the volatility inherent in the international oil markets.

This initiative led to the execution of a Memorandum of Understanding (MOU) in 2004 between the GOJ and the Government of Trinidad and Tobago to cooperate on the development of an LNG project in Jamaica based on LNG supplied from Trinidad. A result of this cooperation was a Front End Engineering and Design (FEED) study by Mustang Engineering, which was completed in 2006 for an onshore LNG receiving, storage and regasification terminal located at Port Esquivel, [St. Catherine Parish](#). The negotiations to purchase LNG from Trinidad and Tobago were suspended in late 2006.

In 2009, the GOJ renewed its efforts to pursue LNG as the preferred primary fuel diversification option under its National Energy Policy (NEP). By 2006, LNG Floating Storage Regasification Unit (FSRU) technology had sufficiently matured for it to be considered for Jamaica, due in part to the perceived lower costs and shorter implementation timeframe compared to the previous onshore terminal concept.

A RFP was issued by the Petroleum Corporation of Jamaica (PCJ) in November 2009 for the infrastructure required to utilize a FSRU, the related berthing facilities and the natural gas pipeline network (on-and off-shore) that would deliver natural gas to the various end-users throughout the island. In response to a review of the tender process undertaken by the Office of the Contractor General (OCG) that process was aborted and, the Cabinet approved in June 2011, the issuance of a new tender for the LNG Infrastructure. The Cabinet also approved a separate and concurrent RFP for LNG Supply.

Market

There have been various estimates for natural gas demand in Jamaica made by different groups over the last decade. The current LNG Project Team worked closely with the potential end users in the power and bauxite mining and alumina refining industries to confirm these estimates and provide an updated summary of the potential firm demand for natural gas/LNG in Jamaica.

Natural gas will be largely used by the power generation and the bauxite/alumina sectors. It will primarily serve as a replacement for Heavy Fuel Oil (HFO) which is currently being used in these industries. The estimated potential market for natural gas in Jamaica is in excess of 2 million tonnes of LNG per annum (mtpa), yet this Supply RFP will be limited to the initial firm demand.

The first phase of the Jamaica LNG Project is focused on three key end users: Jamalco, Jamaica Public Service Company Ltd. (JPS) and Jamaica Energy Partners (JEP). Letters from these three potential end users stating their interest in purchasing natural gas from this project are attached at the end of this RFP. Jamalco, which has been operating in Jamaica since 1959, is a bauxite/alumina producer in which Alcoa is the majority owner. JPS holds an exclusive license for electricity transmission and distribution in Jamaica and an affiliate of JPS is currently planning to build a 360 MW power plant in Old Harbour, as a result of a RFP for new independent power producer (IPP) generation capacity issued by the Office of Utilities Regulation (OUR) and won by the JPS affiliate. JEP is an IPP operator and currently operates two medium-speed diesel power barges in Old Harbour operating on HFO with a production capacity of 125 MW.

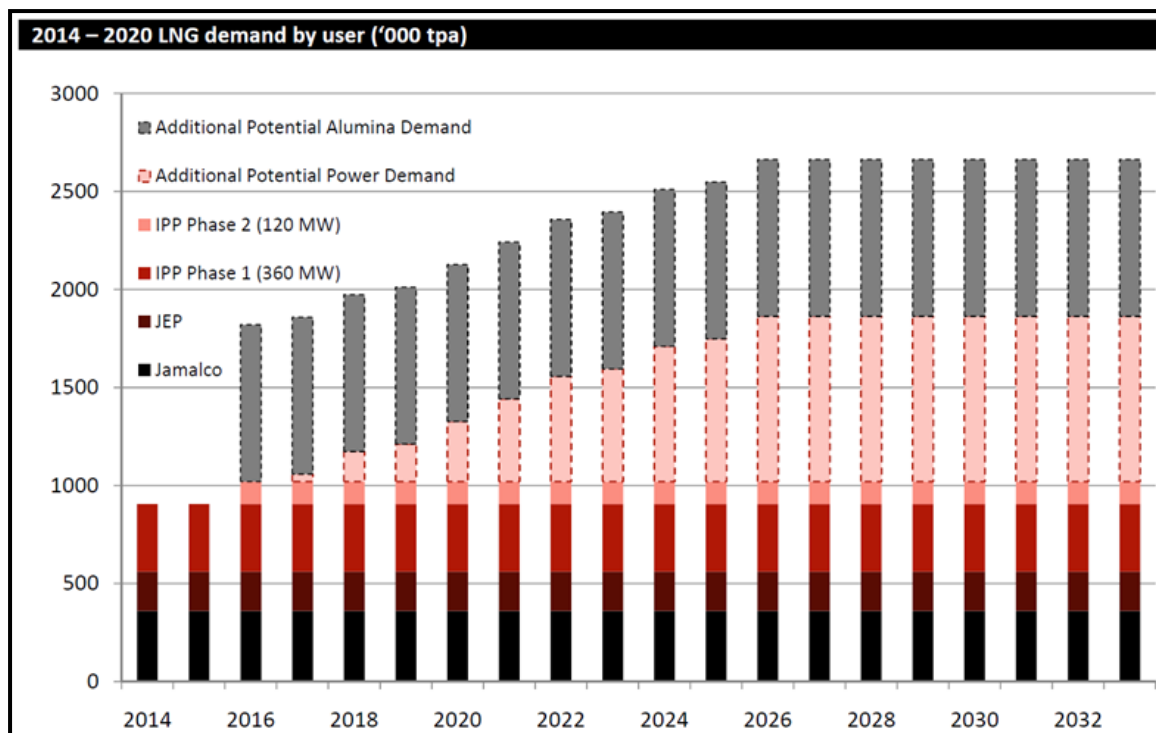
The phase one firm demand for LNG is shown in the table below:

LNG Phase One LNG Demand	tpa
JEP (Operating two IPP Power Barges of 125 MW)	140,000
JPS (new 360 MW IPP to be started up in 2014)	370,000
Jamalco (Existing Bauxite/Alumina Producer)	320,000
Total	830,000

Potential future demand will include additional bauxite/alumina producers, as well as new power generation plants and the conversion of some of the existing power plants. The demand from the bauxite/alumina industry will be highly dependent upon the delivered price of the natural gas, which is a key input factor in the ongoing initiative for these plants to remain competitive in the world market.

The future power generation demand forecast is taken from the OUR's Generation Expansion Plan 2010 (available at <http://www.our.org.jm>), which estimates additions to the generation base in Jamaica. Additional uses of natural gas in the residential, commercial and transportation sectors have not been included in these forecasts.

The forecast of future LNG demand for Jamaica is shown in the following graph:



Jamaica Energy Regulation

As part of a National Energy Diversification Strategy, the development of a natural gas sector is considered a vital ingredient for the economic sustainability of Jamaica's development model. Introducing imported natural gas into Jamaica's energy supply mix will enhance security of energy supplies, and achieve a greater degree of long-term stability in energy prices, while fostering environmental sustainability in energy provision. A key economic driver is the goal of improving Jamaica's international competitiveness by reducing the cost of energy inputs on a unit basis.

A draft regulatory policy document has been prepared with the objective of establishing an appropriate legislative and regulatory framework for an integrated and environmentally sustainable LNG import, storage and vaporization and delivery into a natural gas transport system.

The integrated project will be composed of a number of elements which will serve as the foundation for a natural gas industry in Jamaica as noted below:

- i. Physical Facilities;
 - Harbour and associated jetty facilities to receive LNG tankers and provide regular harbour services;

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- Storage, liquefaction and vaporization plant for imported LNG; and
 - Transmission and distribution network of pipelines to supply natural gas to downstream buyers;
- ii. A natural gas industry encompassing all forms of natural gas (gaseous, liquid or compressed) and including encompassing upstream and downstream markets, import and export, and the transportation sector (both marine and land based);.
 - iii. Development of indigenous natural gas resources;
 - iv. The erection of a gas/industrial park in the long run, facilitating small/medium and large industrial projects on a stratified basis to support the long term sustainable economic development of Jamaica, improving its international competitiveness and providing new employment opportunities;
 - v. Promoting the utilization of cryogenic energy; and
 - vi. An environment conducive to investment in LNG and natural gas infrastructure, as well as the emergence of and the commercialization of the natural gas sector.

The GOJ has decided that the introduction of natural gas will be by private sector-led projects, in which one or more private entities will take primary responsibility for the design, financing and development of the entire infrastructure required to facilitate the importation, storage, and regasification of LNG and the distribution transmission of natural gas.

In the short to medium term, the LNG project will target the power and bauxite/alumina sectors. In the medium to long term the natural gas sector could be expanded to make gas available to industrial, commercial and transport customers. At a later date the household sector is also expected to be added to the customer base. In the longer term, natural gas may be discovered within Jamaican territory to supplement the supply derived from imported natural gas.

The ultimate goal of the Jamaican energy policy is to establish a well-defined governance, institutional and regulatory framework for the development of the energy sector as a whole. The policy is expected to provide for the establishment of institutions; rules; technical, operations, transport, health and safety standards; public education programs; and processes and procedures that would define and regulate the marketplace and its operations, including provisions to support the financing of investments; protection of the environment; and jurisdictions for the enforcement of breaches of legal requirements and protections, including the protection of local/foreign investors.

The legal and regulatory policy and the resulting legislation will be consistent with the National Energy Policy (which can be found at http://www.men.gov.jm/PDF_Files/Energy_Policy/Energy%20Policy%20-%20October%2021,%202009.pdf). In designing a legal and regulatory framework, it is envisaged that there will be a comprehensive gas statute regulating the various aspects of the gas industry.

Project Organization

The Prime Minister established the LNG Steering Committee in December 2010 to oversee the development of the Jamaica LNG Project due to the importance to the national economy of a successful outcome to the endeavours. The LNG Steering Committee is chaired by Mr. Christopher Zacca, a well-known Jamaican businessman and Special Advisor to the Prime Minister, and is comprised of key private sector participants and representatives of various GOJ agencies involved with the energy sector. The LNG Steering Committee reports to the Minister of Energy & Mining, the Honourable Clive Mullings.

The LNG Steering Committee is assisted in fulfilling its mandate by experienced international advisors that have been engaged to provide key functions in the development of the LNG Project:

- a) LNG Project Manager (Mr. Ernie Megginson) - Mr. Megginson has over 30 years of energy and project management experience. He successfully managed the development, construction and start-up/operations of

large-scale natural gas-fired projects in Thailand and Indonesia for two of the energy majors, Texaco and Chevron.

- b) Financial Advisor (Taylor-DeJongh) - Taylor-DeJongh (TDJ) is an independent investment banking firm providing strategic, project finance and mergers and acquisitions advisory services for conventional and renewable energy, oil & gas, industrial and infrastructure clients globally. TDJ is globally respected for its expertise in project finance advisory services and is consistently ranked among the top global financial institutions for energy finance advice.
- c) LNG Commercial Advisor (Featherwood Capital) - Featherwood Capital provides energy related consulting services and commercial support for the development of LNG infrastructure throughout the world. Featherwood Capital LLC has extensive knowledge of the North American and International LNG industry as well as the natural gas transportation and distribution markets.
- d) LNG Technical Advisor (WorleyParsons) - WorleyParsons is a worldwide engineering firm with extensive experience with regasification terminal design, onshore and subsea pipelines, floating production, storage and off-loading systems. WorleyParsons has experience in both conventional onshore and Floating Storage and Regasification System (FSRU).
- e) Legal Advisors (Local & International) - The LNG Project has engaged well-qualified local and international legal counsels. The local external legal counsel, Livingston, Alexander & Levy, was established in 1911 and is one of the oldest and most respected legal firms in Jamaica. The external international legal counsel, Latham & Watkins, is one of the largest legal firms in the world, with over 2,000 attorneys with global offices in 29 different locations. Latham has been involved with large infrastructure project development and financing, including LNG projects.

The LNG Steering Committee will initially manage the establishment of the LNG Project in Jamaica, including issuing the RFPs, evaluating the responses and negotiating, to the degree required, the project agreements. A private sector

Special Purpose Vehicle (SPV), the Jamaica Gas Trust (JGT), will be established and will be the legal counterparty to execute the various commercial agreements.

Information Memorandum

Further information on the Jamaican economy, the End Users and the commercial structure, can be found in the Information Memorandum, which was prepared by Taylor-DeJongh, the LNG Project's Financial Advisors, and can be found attached to this RFP package.

Clean Development Mechanism

As part of the GOJ's fuel diversification strategy, the GOJ anticipates that the LNG fuel switching initiative to generate substantial carbon credits under the Kyoto Protocol, or its successor agreements. Any bidder to this tender is expected to support the CDM compliance of the projects and to support the feasibility of this initiative, and assure maximum benefit for the Jamaican economy as a whole. Specific ideas and support actions by the respondents with respect to the CDM support will be appreciated. This assistance is not anticipated to place a material burden on the successful bidder.

RFP Schedule

The proposed schedule (subject to change) for this RFP for LNG Supply is as follows:

- Wed., Aug. 31, 2011 - Issuance of First Stage RFP
- Thur., Sept. 29, 2011 - Pre-Bid Meeting in Kingston, Jamaica
- Fri., Sept. 30, 2011 - Site Visit to Port Esquivel, St. Catherine Parish
- Tue., Nov. 1, 2011 - Deadline for receipt of First Stage RFP submissions
- Fri., Dec. 16, 2011 - Notification of the short-listed parties
- Fri., Jan. 13, 2011 - Deadline for receipt of SPA comments from short-listed parties
- Mon., Jan. 30, 2012 - Issuance of Second Stage RFP to short-listed parties
- Tue. Feb. 28, 2012 - Deadline for receipt of Second Stage RFP submissions

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- Fri., Apr. 20, 2012 - Selection of preferred bidder for LNG Supply

PART 1 – Bidding Procedures

Section I. Instructions to Bidders

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Section I. Instructions to Bidders

- **General**
- **Description of RFP Process**

The RFP for LNG Supply will be conducted on an Open Tender basis, without the need for submitting parties to pre-qualify for participation. The LNG Steering Committee (the Committee) will be responsible for all activities related to the RFP. The Committee will select an Evaluation Team, consisting of qualified individuals from the End Users, the Private Sector, key GOJ agencies and the Advisors. This Evaluation Team will evaluate the proposals received and assign a score to each proposal based on the methodology detailed in Section III of the RFP. All parties submitting proposals are required to provide evidence supporting their ability to perform and carry out the obligations proffered under the proposal submitted. Such supporting evidence should take the form of demonstrated transactional history, financial capacity, control of product and marine transportation or a combination of these elements. The Committee may at any point decline to proceed with the RFP process or terminate such process with or without cause.

The RFP process will be conducted in two stages under the following procedures:

- **First Stage RFP:**

The first stage will be in the form of an open RFP where any interested party may submit a proposal which will be evaluated based on the scoring criteria contained in Section III of this RFP. Based on the Evaluation Team's recommendations, those proposals which receive a score above the designated minimum score as detailed in Section III will be short-listed and invited to participate in the subsequent stages of the RFP process. A single submitting party will be limited to the submission of not more than two unique proposals under this RFP. The first stage RFP responses will be non-binding, but should reflect a good faith estimate by the submitting party as to the volume,

contractual terms and price level that such a party would contemplate as indicative to the supply of LNG to Jamaica. While a draft LNG Sales and Purchase Agreement (SPA) term sheet is attached, the draft is for informational purposes only and no comments are requested nor will comments be accepted from the bidders regarding the draft SPA term sheet as part of their submittals during the First Stage;

- **First Stage Results and SPA Comments:**

Once the evaluation of the submittals is completed and the proposals are scored and ranked, the Committee will notify the short-listed parties and invite those parties to participate in the subsequent activities. The notification of qualification for the short list will be accompanied by a draft SPA and a request for the short-listed parties to provide comments on the draft SPA. The comments from the short-listed parties on the SPA draft will be submitted to the Procurement Officer. The comments received by the Procurement Officer will be consolidated into a single document for consideration by the Evaluation Team and legal counsel on an anonymous basis without any attribution of authorship. The comments will be reviewed by the Evaluation Team, and those comments which are found to be meritorious will be incorporated either in form or in substance into the final draft SPA, which will in turn be issued as part of the final solicitation during the second stage of the RFP process.

- **Second Stage RFP:**

The second and final stage of the RFP process will entail the short-listed parties receiving the final draft of the SPA (inclusive of the edits and changes noted above) and a request for the submission of the “Best and Final” proposal from the Short-listed parties. Any additional comments or requirements regarding the draft SPA language may result in points being deducted from the final score of the submitting party. The Best and Final proposals received will be evaluated and a ranking of proposals will be generated by the Evaluation Team and submitted to the Committee and GOJ for final selection and awarding of the SPA. No deviation in the terms, conditions or pricing may be made by a submitting party between the submission of the Best and Final proposal and the

execution of the SPA. Only an executed SPA will constitute a binding agreement for the purchase and sale of LNG or natural gas. A bidder in the second stage must have either a public or private credit rating or a letter from a bank or financial institution (with a credit ranking of A or higher by Standard and Poor's or an equivalent rating by Moody's or Fitch Investor Services Ltd.) establishing the bidder's ability to put up One Hundred Million United States Dollars (USD 100 million) Standby Letter of Credit.

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- **Scope of Bid**
 - 1.1 The Procuring Entity indicated in the **Bidding Data Sheet (BDS)**, issues these Bidding Documents for the supply of Goods and Related Services incidental thereto as specified in Section V, Schedule of Requirements. The name and identification number of this International Competitive Bidding (ICB) procurement are **specified in the BDS**. The name, identification, and number of lots are **provided in the BDS**.
 - 1.2 Throughout these Bidding Documents:
 - (a) the term “in writing” means communicated in written form (e.g. by mail, e-mail, fax, telex) with proof of receipt;
 - (b) if the context so requires, “singular” means “plural” and vice versa; and
 - (c) “day” means calendar day.
 - **Source of Funds**
 - 2.1 The Procuring Entity has committed funds toward the cost of the project and intends to apply the funds to eligible payments under the contract.
 - **Fraud and Corruption**
 - 3.1 The Government of Jamaica requires that Bidders, Suppliers, Contractors, and Consultants, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, GOJ:
 - (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;
 - (ii) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract to the detriment of Government of Jamaica and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive Government of the benefits of free and open competition;
 - (iii) “collusive practice” means a scheme or

arrangement between two or more bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial non-competitive levels or to influence the action of any party in the procurement process or the execution of a contract; and

- (iv) “coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract;
- (b) will reject a proposal for award if it determines that the Bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the Contract in question;
- (c) will sanction a firm or individual, including declaring them ineligible, either indefinitely or for a stated period of time, to be awarded a GOJ-financed contract if it at any time determines that they have, directly or through an agent, engaged, in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a GOJ-financed contract; and
- (d) will have the right to require that a provision be included in Bidding Documents and in contracts financed by a GOJ, requiring bidders, suppliers, contractors and consultants to permit GOJ to inspect their accounts and records and other documents relating to the Bid submission and contract performance and to have them audited by auditors appointed by the GOJ.

3.2 Furthermore, Bidders shall be aware of the provision stated in Sub-Clause 34.1 (a) (iii) of the General Conditions of Contract.

- **Eligible Bidders**

4.1 A Bidder, and all parties constituting the Bidder, may have the nationality of any country. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including Related Services.

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- 4.2 A Bidder shall not have a conflict of interest. All bidders found to have a conflict of interest shall be disqualified. Bidders may be considered to have a conflict of interest with one or more parties in this bidding process, if they:
- (a) are or have been associated in the past, with a firm or any of its affiliates which have been engaged by the Procuring Entity to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods to be purchased under these Bidding Documents ; or
 - (b) submit more than one bid in this bidding process, except for alternative offers permitted under ITB Clause 13. However, this does not limit the participation of subcontractors in more than one bid;
- 4.3 A Bidder that is under a declaration of ineligibility by the GOJ in accordance with ITB Clause 3, at the date of contract award, shall be disqualified.
- 4.4 Government-owned enterprises in Jamaica shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of the Procuring Entity.
- 4.5 In accordance with the Government of Jamaica Handbook of Public Sector Procurement Procedures November, 2008 (<http://www.mof.gov.jm>) the Bidder shall have to demonstrate that they have paid such taxes, duties, fees and other impositions as may be levied in Jamaica.
- 4.6 Where deemed necessary, the bidders should be registered with the National Contracts Commission “Registry of Public Sector Contractors” (<http://www.ocg.gov.jm>).
- **Eligible Goods and Related Services**
 - 5.1 For purposes of this Clause, the term “goods” includes commodities, raw material, machinery, equipment, and industrial plants; and “related services” includes services such as insurance, installation, training, and initial maintenance.
 - 5.2 The term “origin” means the country where the goods have been mined, grown, cultivated, produced, manufactured or processed; or, through manufacture, processing, or assembly, another commercially

recognized article results that differs substantially in its basic characteristics from its components.

• **Contents of Bidding Documents**

• **Sections of Bidding Documents**

- 6.1 The Bidding Documents consist of Parts 1, 2, and 3, which includes all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB Clause 8.

PART 1 Bidding Procedures

- Section I. Instructions to Bidders (ITB)
- Section II. Bidding Data Sheet (BDS)
- Section III. Evaluation and Qualification Criteria
- Section IV. Bidding Forms

PART 2 Supply Requirements

- Section V. Schedule of Requirements

PART 3 Contract

- Section VI. General Conditions of Contract (GCC)
- Section VII. Special Conditions of Contract (SCC)
- Section VIII. Term Sheet Forms

- 6.2 The Invitation for Bids issued by the Procuring Entity is not part of the Bidding Documents.

- 6.3 The Procuring Entity is not responsible for the completeness of the Bidding Documents and their addendum, if they were not obtained directly from the Procuring Entity.

- 6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Documents. Failure to furnish all information or documentation required by the Bidding Documents may result in the rejection of the bid.

• **Clarification of Bidding Documents**

- 7.1 A prospective Bidder requiring any clarification of the Bidding Documents shall contact the Procuring Entity in writing at the Procuring Entity's address **specified in the BDS**. The Procuring Entity will respond in writing to any request for clarification, provided that such request is received no later than twenty-one (21) days prior to the deadline for submission of bids. The Procuring Entity shall forward copies of its response to all those who have

acquired the Bidding Documents directly from it, including a description of the inquiry but without identifying its source. Should the Procuring Entity deem it necessary to amend the Bidding Documents as a result of a clarification, it shall do so following the procedure under ITB Clause 8 and ITB Sub-Clause 24.2.

- **Amendment of Bidding Documents**
 - 8.1 At any time prior to the deadline for submission of bids, the Procuring Entity may amend the Bidding Documents by issuing an addendum.
 - 8.2 Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have obtained the Bidding Documents directly from the Procuring Entity.
 - 8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the Procuring Entity may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB Sub-Clause 24.2

• Preparation of Bids

- **Cost of Bidding**
 - 9.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Procuring Entity shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- **Language of Bid**
 - 10.1 The Bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Procuring Entity, shall be written in the language **specified in the BDS**. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages into the language **specified in the BDS**, in which case, for purposes of interpretation of the Bid, such translation shall govern.
- **Documents Comprising the Bid**
 - 11.1 The Bid shall comprise the following:
 - (a) Bid Submission Form and the applicable Price Schedules, in accordance with ITB Clauses 12, 14, and 15;
 - (b) Bid Security in accordance with ITB Clause 21, if required;
 - (c) written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB

Clause 22;

- (d) documentary evidence in accordance with ITB Clause 16 establishing the Bidder's eligibility to bid;
 - (e) documentary evidence in accordance with ITB Clause 17, that the Goods and Related Services to be supplied by the Bidder are of eligible origin;
 - (f) documentary evidence in accordance with ITB Clauses 18 and 30, that the Goods and Related Services conform to the Bidding Documents;
 - (g) documentary evidence in accordance with ITB Clause 19 establishing the Bidder's qualifications to perform the contract if its bid is accepted; and
 - (h) any other document **required in the BDS.**
- **Bid Submission Form and Price Schedules**
 - 12.1 The Bidder shall submit the Bid Submission Form using the form furnished in Section IV, Bidding Forms. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.
 - 12.2 The Bidder shall submit the Price Schedules for Goods and Related Services, according to their origin as appropriate, using the forms furnished in Section IV, Bidding Forms
 - **Alternative Bids**
 - 13.1 Unless otherwise **specified in the BDS**, alternative bids shall not be considered.
 - **Bid Prices and Discounts**
 - 14.1 The prices and discounts quoted by the Bidder in the Bid Submission Form and in the Price Schedules shall conform to the requirements specified below.
 - 14.2 All lots and items must be listed and priced separately in the Price Schedules.
 - 14.3 The price to be quoted in the Bid Submission Form shall be the total price of the bid, excluding any discounts offered.
 - 14.4 The Bidder shall quote any unconditional discounts and indicate the method for their application in the Bid Submission Form.
 - 14.5 The terms DAP, DES, and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by The International Chamber of Commerce, as specified in the **BDS.**
 - 14.6 Prices shall be quoted as specified in each Price Schedule included in Section IV, Bidding Forms. The disaggregation

of price components is required solely for the purpose of facilitating the comparison of bids by the Procuring Entity. This shall not in any way limit the Procuring Entity's right to contract on any of the terms offered. In quoting prices, the Bidder shall be free to use transportation through carriers registered in any eligible country, in accordance with Section V. Eligible Countries. Similarly, the Bidder may obtain insurance services from any eligible country in accordance with Section V. Eligible Countries. Prices shall be entered in the following manner:

- (a) For Goods manufactured in the Procuring Entity's Country:
 - (i) the price of the Goods quoted DAP or DES for delivery at the Terminal
 - (ii) For Goods manufactured outside the Procuring Entity's Country, to be imported:
 - (b) the price of the Goods quoted DAP or DES for delivery at the:
 - (i) any Procuring Entity's Country sales and other taxes which will be payable on the Goods if the contract is awarded to the Bidder; and
 - (ii) the price of each item comprising the Related Services (inclusive of any applicable taxes).

14.7 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account, unless otherwise specified in the **BDS**. A Bid submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected, pursuant to ITB Clause 30. However, if in accordance with the **BDS**, prices quoted by the Bidder shall be subject to adjustment during the performance of the Contract, a bid submitted with a fixed price quotation shall not be rejected, but the price adjustment shall be treated as zero.

14.8 If so indicated in ITB Sub-Clause 1.1, bids are being invited for individual contracts (lots) or for any combination of contracts (packages). Unless otherwise indicated in the **BDS**, prices quoted shall correspond to 100 % of the items specified for each lot and to 100% of the quantities specified for each item of a lot. Bidders wishing to offer any price reduction (discount) for the

award of more than one Contract shall specify the applicable price reduction in accordance with ITB Sub-Clause 14.4 provided the bids for all lots are submitted and opened at the same time.

- **Currencies of Bid**

15.1 The Bidder shall quote in the currency of the Procuring Entity's Country the portion of the bid price that corresponds to expenditures incurred in the currency of the Procuring Entity's country, unless otherwise specified in the **BDS**.
- **Documents Establishing the Eligibility of the Bidder**

16.1 To establish their eligibility in accordance with ITB Clause 4, Bidders shall complete the Bid Submission Form, included in Section IV, Bidding Forms.
- **Documents Establishing the Eligibility of the Goods and Related Services**

17.1 To establish the eligibility of the Goods and Related Services in accordance with ITB Clause 5, Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section IV, Bidding Forms or alternatively warrant that the goods supplied shall be from an origin that at the time that the bid is submitted is not subject to a Jamaican or United Nations embargo.
- **Documents Establishing the Conformity of the Goods and Related Services**

18.1 To establish the conformity of the Goods and Related Services to the Bidding Documents, the Bidder shall furnish as part of its Bid the documentary evidence that the Goods conform to the technical specifications and standards specified in Section V, Schedule of Requirements.

18.2 The documentary evidence may be in the form of literature, drawings or data, and shall consist of a detailed item by item description of the essential technical and performance characteristics of the Goods and Related Services, demonstrating substantial responsiveness of the Goods and Related Services to the technical specification, and if applicable, a statement of deviations and exceptions to the provisions of the Schedule of Requirements.

18.3 Standards for workmanship, process, material, and equipment, as well as references to brand names or catalogue numbers specified by the Procuring Entity in the Schedule of Requirements, are intended to be descriptive only and not restrictive. The Bidder may offer other standards of quality, brand names, and/or catalogue numbers, provided that it demonstrates, to the Procuring Entity's satisfaction, that the substitutions ensure substantial equivalence or are superior to those

specified in the Schedule of Requirements.

- **Documents Establishing the Qualifications of the Bidder**
 - 19.1 The documentary evidence of the Bidder's qualifications to perform the contract if its bid is accepted shall establish to the Procuring Entity's satisfaction:
 - (a) that, if **required in the BDS**, a Bidder that does not manufacture or produce the Goods it offers to supply shall submit the Manufacturer's Authorization using the form included in Section IV, Bidding Forms to demonstrate that it has been duly authorized by the manufacturer or producer of the Goods to supply these Goods in the Procuring Entity's Country or alternatively to warrant that it will have clear title to the goods delivered under any SPA;
 - (b) that, if **required in the BDS**, in case of a Bidder not doing business within the Procuring Entity's Country, the Bidder is or will be (if awarded the contract) represented by an Agent in the country equipped and able to carry out the Supplier's maintenance, repair and spare parts-stocking obligations prescribed in the Conditions of Contract and/or Technical Specifications; and
 - (c) that the Bidder meets each of the qualification criterion specified in Section III, Evaluation and Qualification Criteria.
- **Period of Validity of Bids**
 - 20.1 Bids shall remain valid for the period **specified in the BDS** after the bid submission deadline date prescribed by the Procuring Entity. A bid valid for a shorter period shall be rejected by the Procuring Entity as non-responsive.
 - 20.2 In exceptional circumstances, prior to the expiration of the bid validity period, the Procuring Entity may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 21, it may also be extended. A Bidder may refuse the request for extension without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid.
- **Bid Security**
 - 21.1 The Bidder shall not be required to furnish as part of its bid, a Bid Security or a Bid-Securing Declaration.
- **Format and**
 - 22.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB Clause 11 and

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- Signing of Bid** clearly mark it “**ORIGINAL.**” In addition, the Bidder shall submit copies of the bid, in the number specified in the **BDS** and clearly mark them “**COPY.**” In the event of any discrepancy between the original and the copies, the original shall prevail.
- 22.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder.
- 22.3 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.
- Submission and Opening of Bids**
- Submission, Sealing and Marking of Bids**
- 23.1 Bids shall be submitted by hand in hard copies. The bidder shall enclose the original and each copy of the Bid, including alternative bids, if permitted in accordance with ITB Clause 13, in separate sealed envelopes, duly marking the envelopes as “**ORIGINAL**” and “**COPY.**” These envelopes containing the original and the copies shall then be enclosed in one single envelope. The rest of the procedure shall be in accordance with ITB sub-Clauses 23.2 and 23.3.
- 23.2 The inner and outer envelopes shall:
- (a) Bear the name and address of the Bidder;
 - (b) be addressed to the Procuring Entity in accordance with ITB Sub-Clause 24.1;
 - (c) bear the specific identification of this bidding process indicated in ITB 1.1 and any additional identification marks as **specified in the BDS**; and
 - (d) bear a warning not to open before the time and date for bid opening, in accordance with ITB Sub-Clause 27.1.
- 23.3 If all envelopes are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the bid.
- 23.4 The proposals shall be deposited in the **TENDER BOX** provided in the address stated in the **BDS**
- Deadline for Submission of Bids**
- 24.1 Bids must be received by the Procuring Entity at the address and no later than the date and time **specified in the BDS.**

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- 24.2 The Procuring Entity may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents in accordance with ITB Clause 8, in which case all rights and obligations of the Procuring Entity and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.
- **Late Bids**

25.1 The Procuring Entity shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB Clause 24. Any bid received by the Procuring Entity after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.
 - **Withdrawal, Substitution, and Modification of Bids**

26.1 A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 23, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney) in accordance with ITB Sub-Clause 22.2, (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

 - (a) submitted in accordance with ITB Clauses 22 and 23 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked “WITHDRAWAL,” “SUBSTITUTION,” or “MODIFICATION;” and
 - (b) received by the Procuring Entity prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 24.

26.2 Bids requested to be withdrawn in accordance with ITB Sub-Clause 26.1 shall be returned unopened to the Bidders.

26.3 No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Submission Form or any extension thereof.
 - **Bid Opening**

27.1 The Procuring Entity shall conduct the bid opening in public at the address, date and time **specified in the BDS**. Any specific electronic bid opening procedures required if electronic bidding is permitted in accordance with ITB Sub-clause 23.1, shall be as **specified in the BDS**.

27.2 First, envelopes marked “WITHDRAWAL” shall be opened

and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the “power of attorney” confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding bid will be opened. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked “**SUBSTITUTION**” shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked “**MODIFICATION**” shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at Bid opening shall be considered further.

- 27.3 All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices, including any discounts and alternative offers; the presence of a Bid Security or Bid-Securing Declaration, if required; and any other details as the Procuring Entity may consider appropriate. Only discounts and alternative offers read out at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids, in accordance with ITB Sub-Clause 25.1.
- 27.4 The Procuring Entity shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; the Bid Price, per lot if applicable, including any discounts, and alternative offers if they were permitted; and the presence or absence of a Bid Security or Bid-Securing Declaration, if one was required. The Bidders’ representatives who are present shall be requested to sign the attendance sheet. A copy of the record shall be distributed to all Bidders who submitted bids in time.

- **Evaluation and Comparison of Bids**

- **Confidentiality** 28.1 Information relating to the examination, evaluation,

comparison, and post-qualification of bids, and recommendation of contract award, shall not be disclosed to bidders or any other persons not officially concerned with such process until publication of the Contract Award.

- 28.2 Any effort by a Bidder to influence the Procuring Entity in the examination, evaluation, comparison, and post-qualification of the bids or contract award decisions may result in the rejection of its Bid.
- 28.3 Notwithstanding ITB Sub-Clause 28.2, from the time of bid opening to the time of Contract Award, if any Bidder wishes to contact the Procuring Entity on any matter related to the bidding process, it should do so in writing.
- **Clarification of Bids**
 - 29.1 To assist in the examination, evaluation, comparison and post-qualification of the bids, the Procuring Entity may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Procuring Entity shall not be considered. The Procuring Entity's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Procuring Entity in the Evaluation of the bids, in accordance with ITB Clause 31.
 - **Responsiveness of Bids**
 - 30.1 The Procuring Entity's determination of a bid's responsiveness is to be based on the contents of the bid itself.
 - 30.2 A substantially responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that, if accepted, would:
 - (a) affect in any substantial way the scope, quality, or performance of the Goods and Related Services specified in the Contract; or
 - (b) limit in any substantial way, inconsistent with the Bidding Documents, the Procuring Entity's rights or the Bidder's obligations under the Contract; or
 - (c) if rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.
 - 30.3 If a bid is not substantially responsive to the Bidding Documents, it shall be rejected by the Procuring Entity

and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation, or omission.

- **Non-conformities, Errors, and Omissions**
 - 31.1 Provided that a Bid is substantially responsive, the Procuring Entity may waive any non-conformities or omissions in the Bid that do not constitute a material deviation.
 - 31.2 Provided that the Bid is substantially responsive, the Procuring Entity shall correct arithmetical errors on the following basis:
 - (a) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of the Procuring Entity there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;
 - (b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
 - (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
 - 31.3 If the Bidder that submitted the lowest responsive bid does not accept the correction of errors, its Bid shall be rejected.
- **Preliminary Examination of Bids**
 - 32.1 The Procuring Entity shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 11 have been provided, and to determine the completeness of each document submitted.
 - 32.2 The Procuring Entity shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the offer shall be rejected.
 - (a) Bid Submission Form, in accordance with ITB Sub-Clause 12.1;
 - (b) Price Schedules, in accordance with ITB Sub-Clause

12.2;

(c) Bid Security in accordance with ITB Clause 21, if applicable.

- **Examination of Terms and Conditions; Technical Evaluation**

33.1 The Procuring Entity shall examine the Bid to confirm that all terms and conditions specified in the GCC and the SCC have been accepted by the Bidder without any material deviation or reservation.

33.2 The Procuring Entity shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 18, to confirm that all requirements specified in Section V, Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

33.3 If, after the examination of the terms and conditions and the technical evaluation, the Procuring Entity determines that the Bid is not substantially responsive in accordance with ITB Clause 30, it shall reject the Bid.
- **Conversion to Single Currency**

34.1 For evaluation and comparison purposes, the Procuring Entity shall convert all bid prices expressed in amounts in various currencies into an amount in a single currency **specified in the BDS**, using the selling exchange rates established by the source and on the date **specified in the BDS**.
- **Domestic Preference**

35.1 Domestic preference shall not be a factor in bid evaluation, unless otherwise **specified in the BDS**.
- **Evaluation of Bids**

36.1 The Procuring Entity shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

36.2 To evaluate a Bid, the Procuring Entity shall only use all the factors, methodologies and criteria defined in ITB Clause 36. No other criteria or methodology shall be permitted.

36.3 To evaluate a Bid, the Procuring Entity shall consider the following:

 - (a) evaluation will be done for Items or Lots, as **specified in the BDS**; and the Bid Price as quoted in accordance with clause 14;
 - (b) price adjustment for correction of arithmetic errors in accordance with ITB Sub-Clause 31.3;
 - (c) price adjustment due to discounts offered in accordance with ITB Sub-Clause 14.4;

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- (d) adjustments due to the application of the evaluation criteria **specified in the BDS** from amongst those set out in Section III, Evaluation and Qualification Criteria;
- 36.4 The Procuring Entity's evaluation of a bid will exclude and not take into account:
- (a) In the case of Goods manufactured in the Procuring Entity's Country, sales and other similar taxes, which will be payable on the goods if a contract is awarded to the Bidder;
- (b) in the case of Goods manufactured outside the Procuring Entity's Country, already imported or to be imported, customs duties and other import taxes levied on the imported Good, sales and other similar taxes, which will be payable on the Goods if the contract is awarded to the Bidder;
- (c) any allowance for price adjustment during the period of execution of the contract, if provided in the bid and incorporated in the SPA.
- 36.5 The Procuring Entity's evaluation of a bid may require the consideration of other factors, in addition to the Bid Price quoted in accordance with ITB Clause 14. These factors may be related to the characteristics, performance, and terms and conditions of purchase of the Goods and Related Services. The effect of the factors selected, if any, shall be expressed unless otherwise specified in Section III, Evaluation and Qualification Criteria. The factors, methodologies and criteria to be used shall be as specified in ITB 36.3 (d).
- 36.6 If so **specified in the BDS**, these Bidding Documents shall allow Bidders to quote separate prices for one or more lots, and shall allow the Procuring Entity to award one or multiple lots to more than one Bidder. The methodology of evaluation to determine the lowest-evaluated lot combinations is specified in Section III, Evaluation and Qualification Criteria.
- **Comparison of Bids** 37.1 The Procuring Entity shall compare all substantially responsive bids to determine the lowest responsive bid, in accordance with ITB Clause 36.
 - **Post-qualification of the Bidder** 38.1 The Procuring Entity shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid is qualified to perform the Contract satisfactorily.
- 38.2 The determination shall be based upon an examination of

the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Clause 19.

- 38.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event the Procuring Entity shall proceed to the next lowest responsive bid to make a similar determination of that Bidder's capabilities to perform satisfactorily.
- **Procuring Entity's Right to Accept Any Bid, and to Reject Any or All Bids**
 - 39.1 The Procuring Entity reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders.
 - 39.2 The Procuring Entity reserves the right not to award a contract to any party with whom it is currently in litigation or with whom it has been previously involved in litigation

- **Award of Contract**

- **Award Criteria** 40.1 The Procuring Entity shall award the Contract to the Bidder whose offer has been determined to be the lowest responsive bid and is substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.
- **Procuring Entity's Right to Vary Quantities at Time of Award** 41.1 At the time the Contract is awarded, the Procuring Entity reserves the right to increase or decrease the quantity of Goods and Related Services originally specified in Section V, Schedule of Requirements, provided this does not exceed the percentages **specified in the BDS**, and without any change in the unit prices or other terms and conditions of the bid and the Bidding Documents.
- **Notification of Award** 42.1 Prior to the expiration of the period of bid validity, the Procuring Entity shall notify the successful Bidder, in writing, that its Bid has been accepted.
42.2 Until a formal Contract is prepared and executed, the notification of award shall not constitute a binding Contract.
42.3 The Procuring Entity shall publish on the National Contracts Commission's website the results identifying the bid, lot numbers, name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. After publication of the award, unsuccessful bidders may request in writing to the Procuring Entity for a debriefing seeking explanations on the grounds on which their bids were not selected. The Procuring Entity shall promptly respond in writing to any unsuccessful Bidder who, after Publication of contract award, requests a debriefing.
42.4 Upon the successful Bidder's furnishing of the signed Contract Form and performance security pursuant to ITB Clause 44, the Procuring Entity will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 21.4.

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- **Signing of Contract**
 - 43.1 Promptly after notification, the Procuring Entity shall send the successful Bidder the Agreement and the Special Conditions of Contract.
 - 43.2 Within twenty-eight (28) days of receipt of the Agreement, the successful Bidder shall sign, date, and return it to the Procuring Entity.
 - **Performance Security**
 - 44.1 Within twenty eight (28) days of the receipt of notification of award from the Procuring Entity, the successful Bidder, if required, shall furnish the Performance Security in accordance with the GCC, using for that purpose the Performance Security Form included in Section VIII Contract forms, or another Form acceptable to the Procuring Entity. The Procuring Entity shall promptly notify the name of the winning Bidder to each unsuccessful Bidder and discharge the Bid Securities of the unsuccessful bidders pursuant to ITB Sub-Clause 21.4.
 - 44.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security or execution of the Bid-Securing Declaration. In that event the Procuring Entity may award the Contract to the next lowest responsive bidder, whose offer is substantially responsive and is determined by the Procuring Entity to be qualified to perform the Contract satisfactorily.

Section II. Bidding Data Sheet (BDS)

The following specific data for the goods to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall supersede and prevail over those in ITB.

ITB Clause Reference	A. General
ITB 1.1	The Procuring Entity is: <u>Government of Jamaica, on behalf of the Jamaica Gas Trust</u>
ITB 1.1	The name and identification number of the ICB are: <u>LNG Supply, 2011/L001,</u> The number, identification and names of the lots comprising this ICB are: <u>not applicable</u>
ITB 2.1	The name of the Project is: <u>Jamaica Liquefied Natural Gas (LNG) Project</u>
ITB 4.2	Each Bidder may submit a maximum of two (2) Proposals. Where a Bidder submits two (2) Proposals, at least one (1) should have a term of ten (10) years or greater.
ITB 4.5	Overseas bidders will be required to obtain a valid Tax Compliance Certificate if they are selected for contract award and where any aspect of the contract will require work to be done in Jamaica.
ITB 4.6	Overseas bidders will be required to obtain NCC Registration if they are selected for contract award. For more information: <u>http://www.ocg.gov.jm</u>
	B. Contents of Bidding Documents
ITB 7.1	For Clarification of bid purposes only, the Procuring Entity's address is: Attention: <u>The Procurement Officer</u> Address: <u>Office of the Cabinet, Public Sector Modernization Division, Room 219 (Upstairs), 2a Devon Road</u> City: <u>Kingston 6</u> Country : <u>Jamaica</u> Telephone: <u>+1 (876) 929-8880-5</u> Facsimile number: <u>+1 (876) 929-7266</u>

	Electronic mail address: psmd.proc@cabinet.gov.jm
	C. Preparation of Bids
ITB 10.1	The language of the bid is: English
ITB 11.1 (h)	Not Applicable
ITB 13.1	Alternative Bids <u>shall be</u> considered. A bidder may submit an alternative bid with or without a bid for the base case. The Procuring Entity shall consider bids offered for alternatives as specified in the Technical Specifications of Section V, Schedule of Requirements All bids received, for the base case, as well as alternative bids shall be evaluated on their own merits in accordance with the same procedures, as specified in the ITB 36.
ITB 14.5	The Incoterms edition is: Incoterms 2010
ITB 14.6 (b) (i) and (c) (iii)	Place of Destination: Portland Bight, St. Catherine Parish, Jamaica
ITB 14.6 (a) (iii);(b)(ii) and (c)(v)	“Final destination (Project Site)”: Jamaica LNG Floating Storage & Regasification Terminal, located at Portland Bight, St. Catherine Parish, Jamaica
ITB 14.6 (b) (iii)	In addition to the CIP price specified in ITB 14.6 (b)(i), the price of the Goods manufactured outside the Procuring Entity’s Country shall be quoted: DAP (Delivery at Place), or alternatively DES (Delivery ex Ship)
ITB 14.7	The prices quoted by the Bidder <u>shall</u> be adjustable and linked to the applicable “Henry Hub” price reference, based on a Platt’s Gas Daily or Inside FERC, “First of the Month” Price or the NYMEX “close” for the applicable contract month. “If prices shall be adjustable, the methodology is specified in Section III Evaluation and Qualification Criteria.” The Henry Hub price may be adjusted either by a fixed amount in USD and cents to the nearest whole cent or adjusted by a percentage figure of the price reference.
ITB 14.8	Prices quoted for each lot shall correspond to <u>100%</u> of the items specified for each lot. Prices quoted for each item of a lot shall correspond at least to <u>25%</u> percent of the quantities specified for this item of a lot.

ITB 15.1	The Bidder <u>is not</u> required to quote in the currency of the Procuring Entity's Country the portion of the bid price that corresponds to expenditures incurred in that currency. The Bidder shall submit the quotation in USD.
ITB 18.3	Period of time the Goods are expected to be compliant with the Quality specification contained in the SPA: Such goods will be compliant at the time of delivery and discharge at the Receiving Terminal for each and every cargo delivered as governed by the SPA.
ITB 19.1 (a)	Manufacturer's authorization is: <u>not required</u>
ITB 19.1 (b)	After sales service is: <u>not required</u>
ITB 20.1	The bid validity period shall be <u>Ninety (90)</u> days for stage one
ITB 21.1	No Bid Security is required
ITB 21.2	The amount of the Bid Security shall be: <u>not applicable</u>
ITB 22.1	In addition to the original bid, the required number of copies is: <u>Twelve (12) Copies, with a CD/DVD containing the electronically searchable files for all sections of the bid being included with the Original</u>
	D. Submission and Opening of Bids
ITB 23.1	Bidders <u>shall not</u> have the option of submitting their bids electronically.
ITB 23.2 (c)	The inner and outer envelopes shall bear the following additional identification marks: <u>ICB: 2011/L001, LNG Supply</u>
ITB 24.1	For bid submission purposes, the Procuring Entity's address is: Attention: <u>The Procurement Officer</u> Address: <u>Office of the Cabinet, Public Sector Modernization Division, Room 219 (Upstairs), 2a Devon Road</u> City: <u>Kingston 6</u> Country: <u>Jamaica</u> The deadline for the submission of bids is: Date: <u>Monday, October 31, 2011</u> Time: <u>10:00 a.m. (Jamaica Time)</u>
ITB 27.1	The bid opening shall take place at:

	<p>Street Address: Office of the Cabinet, Public Sector Modernization Division, Conference Room 212, 2a Devon Road</p> <p>City: Jamaica</p> <p>Country: Jamaica</p> <p>Date: Monday, October 31, 2011</p> <p>Time: 10:15 a.m. (Jamaica Time)</p>
ITB 27.3	<p>ITB 27.3 will be replaced in its entirety as follows:</p> <p>27.3 All other envelopes shall be opened one at a time, reading out, the name of the Bidder and whether there is a modification. Other than the name of the Bidder no other information shall be disclosed. No Bid shall be rejected at the Bid opening except for late bids, in accordance with ITB Sub-Clause 25.1.</p>
ITB 27.4	<p>ITB 27.4 will be replaced in its entirety as follows:</p> <p>27.4 The Procuring Entity shall prepare a record of the Bid opening that shall limited to the name of the Bidder and whether there is a withdrawal, substitution, or modification. The Bidders' representatives who are present shall be requested to sign the attendance sheet. A copy of the record shall be distributed to all Bidders who submitted bids in time.</p>
	E. Evaluation and Comparison of Bids
ITB 34.1	<p>Bid prices expressed in different currencies shall be converted in: United States Dollars (USD)</p> <p>The source of exchange rate shall be: Bank of Jamaica, Selling Rate</p> <p>The date for the exchange rate shall be: October 31, 2011</p>
ITB 35.1	Domestic preference shall not be a bid evaluation factor.
ITB 36.3(a)	Not Applicable
ITB 36.3(d)	Not Applicable
ITB 36.6	Not Applicable
ITB 38.1	<p>ITB 38.1 will be replaced in its entirety as follows:</p> <p>38.1The Procuring Entity shall evaluate and determine to its</p>

	satisfaction whether a proposal submitted by a Bidder has scored 60 points or higher according to the evaluation criteria in Section III, Evaluation and Qualification Criteria.
	F. Award of Contract
ITB 41.1	Not Applicable
ITB 42.3	Not Applicable
ITB 44.1	Not Applicable

Section III. Evaluation and Qualification Criteria

The bids will be evaluated according to the following evaluation criteria:

#	Criteria	Maximum Points
1.0	<u>Pricing</u> <i>The proposed pricing for LNG will be adjusted according to the proposed pricing formula from which a price per month will be derived. Once the price per month is determined, the price for each month will be discounted at an annualized discount rate to calculate an average Present Value (PV) on a \$/MMBtu basis.</i>	50
1.1	The proposal that yields the lowest overall PV	50
1.2	Proposals that yield an PV equal to or lower than the calculated median of all price proposals received	40
1.3	Proposals that yield an PV higher than the calculated median of all price proposals received	10
2.0	<u>Supply Sourcing</u>	20
2.1	A proposal which waives the right to make a Force Majeure claim (for example a BTU supply proposal) except for an inability to deliver into Jamaica	20
2.2	A proposal which identifies a supply chain including the producing field, the liquefaction/loading facilities and a fleet of delivery vessels and seeks the right to declare Force Majeure on the identified delivery	15
2.3	A proposal which offers supply subject to a portfolio of supply points and seeks the right to declare Force Majeure based on the identification of cargoes	10
3.0	<u>Supply Volume</u>	10
3.1	A proposal which offers to supply the entire volume requested over a compliant term	10
3.2	A proposal that does not offer to supply the entire volume	5
4.0	<u>Supply Term</u>	10

#	Criteria	Maximum Points
4.1	A proposal which offers to supply the entire volume for the entire supply period of twenty (20) years, with a start date in 1 st Quarter 2014.	10
4.2	A proposal with a term of less than twenty (20) years, with a start date in 1 st Quarter 2014.	5
4.3	A proposal with a start date other than 1 st Quarter 2014.	0
5.0	<u>Credit Support Requirements</u>	10
5.1	Each proposal which accepts the proposed limit of USD 100 million credit support	10
5.2	Each proposal that does not accept the proposed limit of USD 100 million credit support	0
	<i>Maximum Points</i>	<i>100</i>

Proposals that receive a score of 60 or higher will be included in the short list for the Second Stage RFP.

Section IV. Bidding Forms

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Bidder Information Form

[The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: *[insert date (as day, month and year) of Bid Submission]*
ICB No.: *[insert number of bidding process]*

Page _____ of _____ pages

1. Bidder's Legal Name <i>[insert Bidder's legal name]</i>
2. In case of JV, legal name of each party: <i>[insert legal name of each party in JV]</i>
3. Bidder's actual or intended Country of Registration: <i>[insert actual or intended Country of Registration]</i>
4. Bidder's Year of Registration: <i>[insert Bidder's year of registration]</i>
5. Bidder's Legal Address in Country of Registration: <i>[insert Bidder's legal address in country of registration]</i>
6. Bidder's Authorized Representative Information Name: <i>[insert Authorized Representative's name]</i> Address: <i>[insert Authorized Representative's Address]</i> Telephone/Fax numbers: <i>[insert Authorized Representative's telephone/fax numbers]</i> Email Address: <i>[insert Authorized Representative's email address]</i>
7. Attached are copies of original documents of: <i>[check the box(es) of the attached original documents]</i> <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2. <input type="checkbox"/> In case of JV, letter of intent to form JV or JV agreement, in accordance with ITB Sub-Clause 4.1. <input type="checkbox"/> In case of government owned entity from the Procuring Entity's country, documents establishing legal and financial autonomy and compliance with commercial law, in accordance with ITB Sub-Clause 4.5.

Item	Information Requirement/Description	Answer
8	Principals of company	
9	Location	
10	Country and jurisdiction of incorporation	
11	Structure and organization of the Seller or Seller Group that will be supplying the natural gas (LNG)	
12	Seller Groups, (with 10% or greater stake) information. Fill out following for each group.	
	Identity of the proposing entity	
	Principals of company	
	Location	
	Country and jurisdiction of incorporation	
13	Is Seller? <i>[check the box that applies]</i> <input type="checkbox"/> A private entity <input type="checkbox"/> A parent entity <input type="checkbox"/> A subsidiary entity <input type="checkbox"/> A state controlled entity	
14	Does Government or Government controlled entity owns more than [50%] of the voting shares or rights?	
15	Period of time that the Seller has been in operation.	
16	Period of time, if relevant, that the major shareholders of the Seller have been in operation.	

Item	Information Requirement/Description	Answer
17	Is sale? <i>[check the box that applies]</i> <input type="checkbox"/> A natural gas sale <input type="checkbox"/> A LNG sale <input type="checkbox"/> A BTU sale <input type="checkbox"/> A CNG sale	
18	<ul style="list-style-type: none"> ○ Is the price of LNG based on the Henry Hub's (HH) first of the Month natural gas index as quoted by Platt's Gas Daily, Monthly Price Guide (HH Price) or alternatively Henry Hub reference may be the closing Price of the NYMEX contract for month in which delivery is scheduled to occur and in either case for the purposes of bid evaluation the volumes will be assumed to be delivered ratably over each month of the year. ○ Does the bidder intend to make an offer to deliver LNG or hold the alternative to deliver HFO and ADO under a "Btu" delivery obligation? 	
19a	Does your proposal include Force Majeure relief for the provision of natural gas (LNG)?	
19b	Or Is seller willing to restrict such Force Majeure relief to the inability to transport and discharge fuels at the designated unloading ports in	

Item	Information Requirement/Description	Answer
	Jamaica?	
20	Is Seller compliant with laws and regulations of the country of origin and certify that the country of origin is not under United Nations (UN) or international sanction which may prevent performance of SPA obligations whether Seller owns project or is not a direct owner of the project but has contractual volumes from a project?	
21	Disclose any payments or commissions to parties in connection with responding to the RFP.	
22	Provide current financial information sufficient to establish the ability to perform under the proposal submitted.	
23	Indicate investment grade rating of entity and/or from what institution(s) the required financial capacity will originate	
24	If short-listed and lacking an investment grade credit rating, indicate if the bidder is able provide a commitment letter from a top tier financial institution that it will issue and maintain a Standby Letter of Credit (SBLC) for One Hundred Million United States Dollars (USD 100 Million) for the term of the SPA or until the party receives an investment grade credit rating from Standard and Poor's or an equivalent rating by Moody's or Fitch Investor Services Ltd.	

Joint Venture Partner Information Form

[The Bidder shall fill in this Form in accordance with the instructions indicated below].

Date: *[insert date (as day, month and year) of Bid Submission]*

ICB No.: *[insert number of bidding process]*

Page _____ of _____ pages

1. Bidder's Legal Name: <i>[insert Bidder's legal name]</i>
2. JV's Party legal name: <i>[insert JV's Party legal name]</i>
3. JV's Party Country of Registration: <i>[insert JV's Party country of registration]</i>
4. JV's Party Year of Registration: <i>[insert JV's Part year of registration]</i>
5. JV's Party Legal Address in Country of Registration: <i>[insert JV's Party legal address in country of registration]</i>
6. JV's Party Authorized Representative Information Name: <i>[insert name of JV's Party authorized representative]</i> Address: <i>[insert address of JV's Party authorized representative]</i> Telephone/Fax numbers: <i>[insert telephone/fax numbers of JV's Party authorized representative]</i> Email Address: <i>[insert email address of JV's Party authorized representative]</i>
7. Attached are copies of original documents of: <i>[check the box(es) of the attached original documents]</i> <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 2, above, in accordance with ITB Sub-Clauses 4.1 and 4.2. <input type="checkbox"/> In case of government owned entity from the Procuring Entity's country, documents establishing legal and financial autonomy and compliance with commercial law, in accordance with ITB Sub-Clause 4.5.

Bid Submission Form

[The Bidder shall fill in this Form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: *[insert date (as day, month and year) of Bid Submission]*

ICB No.: *[insert number of bidding process]*

Invitation for Bid No.: *[insert No of IFB]*

Alternative No.: *[insert identification No if this is a Bid for an alternative]*

To: *[insert complete name of Procuring Entity]*

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: _____ *[insert the number and issuing date of each Addenda]*;
- (b) We offer to supply in conformity with the Bidding Documents and in accordance with the Delivery Schedules specified in the Schedule of Requirements the following Goods and Related Services _____ *[insert a brief description of the Goods and Related Services]*;
- (c) The proposed indexed price of our Bid is: _____ *[insert the total bid price in words and figures, indicating the various amounts and the respective currencies]*;
- (d) We, including any subcontractors or suppliers for any part of the contract, have nationality from eligible countries _____ *[insert the nationality of the Bidder, including that of all parties that comprise the Bidder, if the Bidder is a JV, and the nationality each subcontractor and supplier]*
- (e) We have no conflict of interest in accordance with ITB Sub-Clause 4.2;
- (f) Our firm, its affiliates or subsidiaries—including any subcontractors or suppliers for any part of the contract—has not been declared ineligible by GOJ, under the GOJ's laws or official regulations, in accordance with ITB Sub-Clause 4.3;
- (g) The following commissions, gratuities, or fees have been paid or are to be paid with respect to the bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

Name of Recipient	Address	Reason	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(If none has been paid or is to be paid, indicate “none.”)

- (k) We understand that this bid is indicative and will not be final until after selection of lowest priced bids during the second stage of this RFP process.
- (l) We understand that you are not bound to accept the lowest responsive bid or any other bid that you may receive.

Signed: _____ *[insert signature of person whose name and capacity are shown]*

In the capacity of _____ *[insert legal capacity of person signing the Bid Submission Form]*

Name: _____ *[insert complete name of person signing the Bid Submission Form]*

Duly authorized to sign the bid for and on behalf of: _____ *[insert complete name of Bidder]*

Dated on _____ day of _____, _____ *[insert date of signing]*

Price Schedule Forms

[The Bidder shall fill in these Price Schedule Forms in accordance with the instructions indicated. The list of line items in column 1 of the Price Schedules shall coincide with the List of Goods and Related Services specified by the Procuring Entity in the Schedule of Requirements.]

Indicative Price Schedule: Goods Manufactured Outside the Procuring Entity's Country, to be Imported

(Group C bids, goods to be imported)							Date: _____		
Currencies in accordance with ITB Sub-Clause 15							ICB No: _____		
							Alternative No: _____		
							Page N° _____ of _____		
1	2	3	4	5	6	7	8	9	
Line Item N°	Description of Goods	Country of Origin if Determined	Delivery Schedule	Quantity and physical unit	Unit price DAP PORTLAND BIGHT, ST. CATHERINE PARISH, JAMAICA, in accordance with ITB 14.6(b)(i)	DAP Price per line item (Col. 5x6)	Deliberately Left Blank	Total Price per Line item (Col. 6+7)	
1	LNG	<i>[insert country of origin of the LNG]</i>	<i>[insert quoted Delivery Date]</i>	<i>[insert quantity of LNG in MMBtu or tpa]</i>	<i>[insert unit price DAP per unit]</i>	<i>[insert total DAP price per line item]</i>	<i>[Deliberately left blank]</i>	<i>[insert total price of the line item]</i>	
							Total Price		

Name of Bidder *[insert complete name of Bidder]* Signature of Bidder *[signature of person signing the Bid]* Date *[Insert Date]*

PART 2 – Supply Requirements

Section IV. Schedule of Requirements

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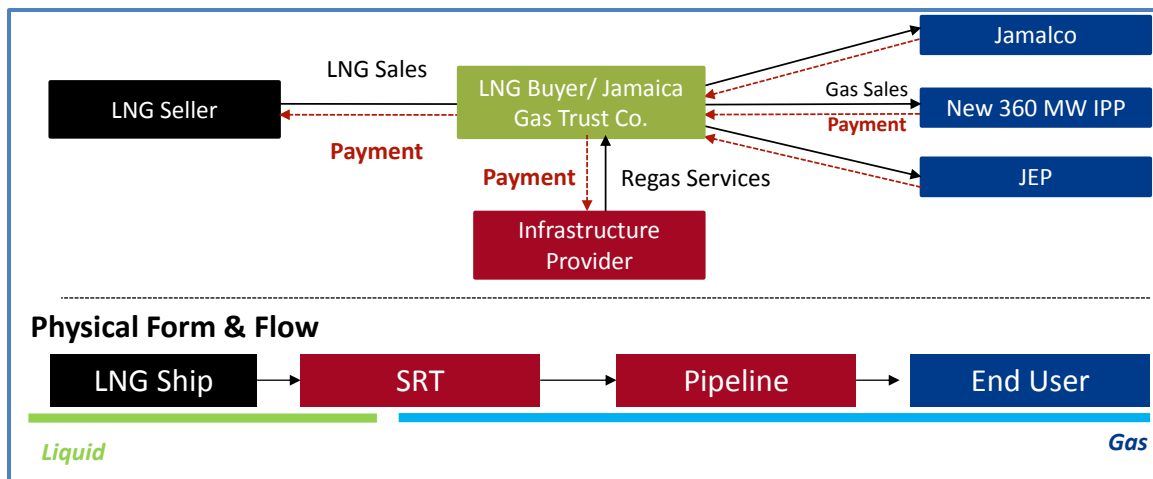
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Terms of Reference

1. Commercial Structure and Regulatory Framework

After considering several alternatives, the LNG Steering Committee and its Advisors determined that the establishment of a privately-held Special Purpose Vehicle (SPV), Jamaica Gas Trust (JGT), would be the preferred structure to establish the creditworthiness of the Jamaica LNG Project's commercial value chain and secure a successful outcome for the people of Jamaica.

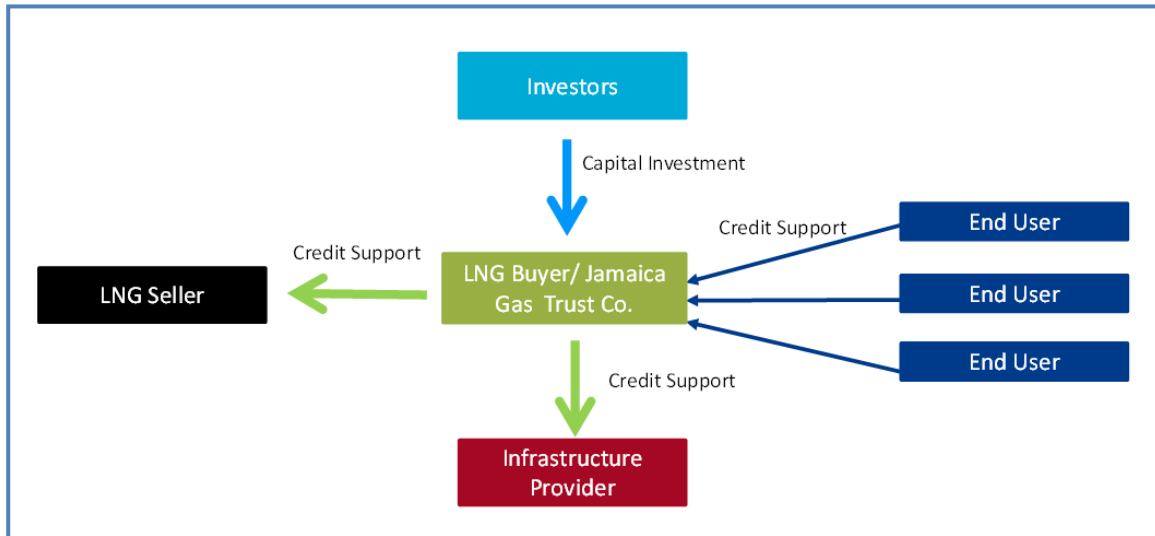
The JGT will contract for the purchase of LNG through the SPA, secure the provision of LNG unloading, storage, regasification through a Terminal Services Agreement (TUA) and as required natural gas transportation services to accomplish the onward sale of natural gas (regasified LNG) to the Off-Takers. The basic commercial framework is set out in the graphic below. The "LNG Seller" will sell LNG to the JGT, who will in turn sell gas to Off-Takers labeled as "End Users" pursuant to Gas Sales Agreements (GSA). The JGT will enter into a TUA, which is separate from the SPA, with the Infrastructure Provider as determined by the Infrastructure RFP.



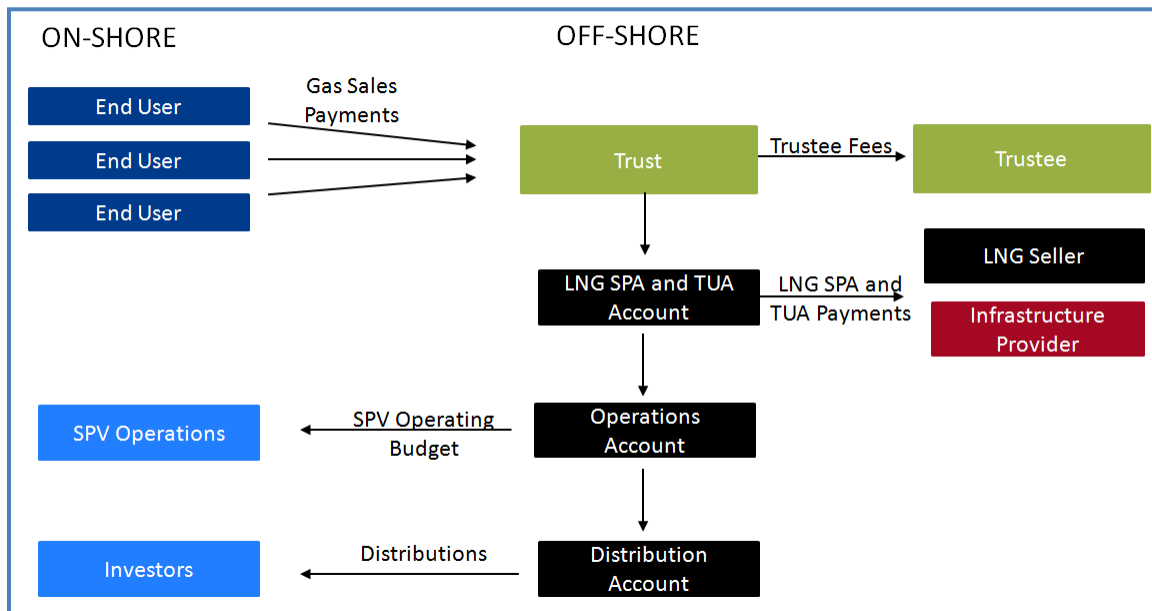
The JGT will establish a subsidiary (OPCO) that will perform scheduling of LNG imports, LNG inventory management, pipeline nominations and gas sales. The management of payments to the LNG Seller, which originate with the Off-Takers payments under the GSA's, will pass through a "lock-box" structure, which will be established at a trust bank by the JGT for the benefit of the Seller and the Infrastructure Provider.

In order to establish the credit worthiness of the JGT to satisfy its obligations to the LNG Seller and Infrastructure Provider, the JGT will be capitalized by at least One Hundred Million United

States Dollars (USD \$100 million) of cash, in addition to Standby Letters of Credit (LOC) totaling One Hundred Million United States Dollars (USD \$100 million) from the Off-Takers, which are the “End Users”.



Receipt of payments from the End Users, which are in turn due to be remitted to the LNG Supplier and Infrastructure Provider, will be aggregated and distributed by an authorized Trust agent, which will be an internationally recognized bank. The flow of funds will follow a structured “water fall” as illustrated below:



2. Description of the LNG Infrastructure

The planned LNG Storage and Regasification Terminal (SRT) will be located in sheltered waters within the Portland Bight, St. Catherine Parish, on the south coast of Jamaica. This location was selected due to its proximity to the initial customers in the power and alumina/bauxite industries. WorleyParsons has been engaged as the LNG Project's Technical Advisor and has prepared the Terms of Reference for the RFP for LNG Infrastructure, which is being issued concurrently with the issuance of the RFP for LNG Supply.

The SRT facility will be designed with a minimum of technical complexity while keeping safety firmly in focus and taking into account the meteorological and metocean data at site. The SRT will be designed for zero flaring/venting during normal operation including the unloading/loading, storage and vaporization activities typically undertaken by such facilities. Only proven equipment and systems will be utilized, considering the requirements for high reliability and availability, consistent with minimum downtime for planned and unplanned maintenance.

The base design of the SRT will be a two-berth jetty equipped with hard arms, and with a cross-jetty hard-piped offloading system, with a Floating Storage Regasification Unit (FSRU) or a Floating Storage Unit (FSU) plus a regas facility (located on or off-shore), acting as the main storage (auxiliary storage may be included) and regasification facilities for the delivered LNG.

The preferred location for the SRT is a near-shore concept, close to Port Esquivel. The approach channel turning basin and berthing facilities will be designed to accommodate standard LNG vessels with a maximum capacity of up to 265,000 m³, a length not to exceed three hundred thirty-five (335) meters, a breadth not to exceed fifty-five (55) meters and a scantling draft not to exceed thirteen and one half (13.5) meters.

The Terminal will be designed to have the capacity to accept LNGC that will be able to unload either from the port or starboard side at a rate of not less than twelve thousand cubic meters (12,000 m³) per hour when LNG is discharged at one hundred (100) meters of head at the LNGC's manifold.

The berthing facilities will provide for industry standard hard unloading arms, expansion drums, purging facility and lifting equipment, independent power supply and mooring facilities including breasting and mooring dolphins of a design and placement consistent with best practices and the target overall terminal availability of 99.5% per annum. The Terminal will be designed with a sparing philosophy that can accommodate the target availability. LNG vessels will not be required or permitted to perform vessel-to-vessel transfers through flexible hoses while at the berth.

The LNG receiving terminal will be capable of storing between 125,000 m³ to 180,000 m³ of LNG with a working capacity of 98.5% of the gross storage capacity, but the exact volume and working capacity will depend on the solution provided by the infrastructure provider. Infrastructure providers will be encouraged to provide a storage capacity of at least 150,000 m³ of LNG. The SRT will be able to receive and send out LNG simultaneously and provide a constant flow LNG to the vaporization units.

The facility will be able to provide a constant flow of natural gas year around at the name plate capacity of the SRT during normal operating conditions. During the occurrence of a named storm impacting Jamaica, the FSRU or FSU shall be able to disconnect and avoid the hazardous weather. Upon the cessation of the weather event, the FSRU or FSU will re-connect and resume operation within 48 hours (unless the berthing or approach channels prevent such action). Excluding weather (named storm) events the terminal is expected to operate at 99.9% availability per annum over the twenty (20) year design life.

The target in-service (first gas) date of the proposed LNG terminal is end of the 1st Quarter of 2014.

The Pipelines Infrastructure RFP, if required, will be issued under a separate process and will encompass the transportation facilities to be used to transport the (natural gas) from the SRT outlet delivery point to the Off-Takers. The pipeline capacity, operating pressures, and design life (at least 40 years) will be consistent with those required to perform the obligations under the SPA and TUA. The pipelines will be constructed by experienced pipeline contractors and will be operated according to best industry practice. The SRT operator of the FSRU/FSU/Regas Barge will be responsible for the interface between the Terminal and the pipelines.

The JGT will work with the Infrastructure Provider, the Port Authority of Jamaica (PAJ) and the Maritime Authority of Jamaica (MAJ) to ensure that appropriate navigation aids are maintained in good working order and that the approach channels and turning basins are maintained to safely navigate the waterways.

3. Natural Gas Volume & Term

The base term of the proposed SPA will be no less than three (3) years and no greater than twenty (20) years. Any proposed optional extension(s) shall be five (5) years or less. The base contract plus extension(s) shall not exceed twenty-five (25) years. Any contract extension will be mutually agreed-upon by Supplier and JGT.

The base annual contract delivery quantity after commissioning shall be 830,000 metric tons (approximately 43,000,000 MMBtu) per annum, delivered and received ratably over each contract year.

4. LNG Quality and Specifications

The LNG delivered under this Agreement shall when it is returned to a vapour condition at the Receiving Facility comply with the quality specifications:

Gross Calorific Value (HHV):

<u>Minimum</u>	<u>Maximum</u>
1020 Btu/scf	1135 Btu/scf

Other Specifications:

- | | <u>Maximum</u> |
|----------------------------------------------------------------------------------------------------------------|---------------------------|
| • Hydrogen Sulphide (H ₂ S) | 5.5 mg/Nm ³ |
| • Mercaptan Sulphur | 5.0 mg/Nm ³ |
| • Total Sulphur | 30 mg/Nm ³ |
| • Carbon Dioxide | 0.01 molecular percentage |
| • Constituent elements varying within the following percentage limits (in molecular percentage): | |
| Nitrogen | between 0.00 and 1.00 |
| Methane | between 84.55 and 100.00 |
| Ethane | between 0.00 and 9.20 |
| Propane | between 0.00 and 3.25 |
| Isobutane | between 0.00 and 0.60 |
| Normal Butane | between 0.00 and 0.75 |
| Pentanes Plus | between 0.00 and 0.15 |
| • No water or mercury; | |
| • The gas shall not at any time have an uncombined oxygen content in excess of ten (10) ppm by volume; | |
| • No active bacteria or bacterial agent, including sulphate reducing bacteria or acid-producing bacterial; and | |

No hazardous or toxic substances in material quantities.

Any proposal which contains a proposed LNG specification which falls outside of the quality specifications shown above must include a detailed proposal to mitigate the quality shortfall without the requirement for the JGT to incur incremental costs or liabilities which are not reimbursed by the Supplier. Such mitigation could include compensation for equipment upgrades or gas treatment costs.

The proposed commencement date for commercial operations shall occur during the 1st Quarter 2014. Adjustments to the proposed start date are possible due to the requirement to coincide the startup of the LNG Project with the startup of the new 360 MW IPP project, to be located at Old Harbour which constitutes a major Off-Taker. The commencement of commercial operations shall be subject to standard industry windowing periods as set forth in the attached form of SPA.

Proposals will be accepted under which the seller proposes a "BTU" transaction in lieu of a traditional LNG-only sale, whereby the seller would undertake the obligation to deliver energy to JGT either in the form of natural gas (LNG) compliant with the SPA quality specifications or in the form of alternative liquid fuels acceptable to the End Users in the form of HFO and ADO in the aggregate ratio illustrated in the table below.

Pricing provisions in a BTU proposal should provide a single pricing mechanism and energy unit (measured in British Thermal Units) regardless of whether the supplier delivers LNG or alternative fuels under the SPA.

The requirement for the delivery of alternative fuels will encompass the following:

End User	Alternative Fuel Type	Alternative Fuel Quantity (MMBtu per Year)
JEP	HFO	6,500,000
JPS	ADO	19,200,000
Jamalco	HFO	13,585,000

The proposal must include the requested allowance for substitution volumes per contract year or month either expressed as a percentage of the contract year or the substitution volume in full cargo lots.

A BTU proposal is not anticipated to allow for a declaration of force majeure resulting from an unavailability of natural gas (LNG) volumes from a liquefaction provider, and would be limited to declaring such a force majeure event in regards to a named vessel actively or imminently

engaged in the actual transportation of natural gas (LNG) from the supply point to the discharge point in Jamaica for a single cargo, as the obligations of the Seller could otherwise be met by the delivery of the designated alternative fuel under the SPA.

5. Information to be Provided by the Seller

Participation in the RFP is restricted to principals. Submissions from brokers or parties who do not intend to hold title to and deliver the LNG and act in the capacity of Seller under the SPA will not be considered compliant with the requirements of the RFP and therefore will not be considered nor qualify to participate as a short-listed party.

The Seller's response must include the identity of the proposing entity, the party's location, country and jurisdiction of incorporation, structure and organization of the Seller or Seller Group that will be supplying the natural gas (LNG). For Seller Groups, each party that holds a 10% stake or greater in the group must provide the requested information. The Seller must identify if it is a parent or subsidiary entity and whether it is a state controlled or private entity. Any entity in which a Government or Government controlled entity owns more than 50% of the voting shares or rights shall be considered state controlled.

The Seller's response must include the period of time that the Seller has been in operation or (if relevant), the major shareholders of the Seller.

The Seller's response must specify whether the sale is a natural gas sale, a LNG sale or a BTU sale and whether such a proposal includes Force Majeure relief for the provision of natural gas (LNG), or whether the proposed seller is willing to restrict such Force Majeure relief to the inability to transport and discharge fuels at the designated unloading ports in Jamaica.

The Seller's response must indicate whether it is compliant with laws and regulations of the country of origin and certify that the country of origin is not under United Nations (UN) or international sanction which may prevent performance of SPA obligations. These provisions likewise apply to LNG sourced from a specific project if the Seller is not a direct owner of the project but expects to use its contractual volumes to supply the SPA.

The Seller's response must disclose any payments or commissions to parties in connection with the RFP response. Any payments to current or former GOJ officials or contractors who are actively participating in the RFP evaluation process will be grounds for disqualification.

The proposing party must provide current financial information sufficient to establish such party's ability to perform under the proposal submitted. The party, if publically or privately rated as an investment grade entity, may rely on the public or private rating to establish the required financial capacity. If the party is not currently rated as investment grade, then it must

undertake that, if selected for the short list, it will provide from a top tier financial institution a commitment letter to the effect that if the proposing party is selected to enter into a SPA for the provision of natural gas that the financial institution will issue and maintain a Standby Letter of Credit (SBLC) for One Hundred Million United States Dollars (USD 100 Million) for the term of the SPA or until the party receives an investment grade credit rating from Standard and Poor's or an equivalent rating by Moody's or Fitch Investor Services Ltd.

The Seller must disclose any material legal actions to which it is party which may prevent or materially affect its ability to perform its duties as would be required under the SPA.

6. Credit Requirements

The JGT will provide a guarantee under the SPA to the Seller of One Hundred Million United States Dollars (USD 100 million) based on the capitalization of the JGT for the entire term of the SPA, including any extensions thereof.

The seller under the SPA would be required to guarantee an identical amount to the JGT in the form of a contractual obligation to pay if the Seller is an investment grade-rated entity or, in the form of a SBLC, if the Seller is not a rated entity, in both cases for the entire term of the SPA including any extensions thereof.

7. Price Proposal for Natural Gas (LNG) or BTU Supply

The Seller is required to base the price proposal on the Henry Hub, First of the Month natural gas index as quoted by Platt's Gas Daily, Monthly Price Guide (HH Price) or alternatively Henry Hub reference may be the closing Price of the NYMEX contract for month in which delivery is scheduled to occur and in either case for the purposes of bid evaluation the volumes will be assumed to be delivered ratably over each month of the year..

The HH Price for each month may be modified by the addition or subtraction of a figure in US dollars and cents to the whole cent for deliveries under the SPA or alternatively by a proposal in the form whereby the sales price is determined as a percentage of the HH Price for any month (rounded to the nearest whole cent) within the terms and conditions of the SPA.

Any pricing proposal not based on the HH Price as described above will be subject to a deduction on points when such a proposal is scored, or such a proposal may be rejected as non-compliant.

The costs applicable to the JGT will include any costs associated with maintaining emergency response crews, which will include spill response and firefighting within the port, but will not include any costs for such items incurred routinely by the vessel and not specifically subject to

the obligations under the SPA that are more onerous and costly than typically incurred under best industry practices.

PART 3 – Term Sheet

Note: A draft of the LNG Sales and Purchase Agreement will be made available by September 21, 2011, and will be for information purposes only until the selection of the short-list of parties for Stage Two of the RFP process.

**INDICATIVE TERM SHEET
LNG SALE AND PURCHASE AGREEMENT
FOR
JAMAICA LNG PROJECT**

This indicative term sheet (the “**Term Sheet**”) is not intended to be, nor should be construed as, either a binding agreement between the referenced parties or an attempt to establish all of the terms and conditions relating to the proposed LNG sale and purchase agreement (the “**SPA**”). It is intended only to be indicative of certain terms and conditions that are to be reflected in the SPA. All figures, terms and conditions are subject to change and to further discussion between the referenced parties.

Seller:	[•] ¹
Buyer:	The Jamaica Gas Trust.
Designated Offtakers:	A JPS-affiliated IPP, Jamaica Energy Partners, Jamalco or their affiliates, and/or any other entities that contract to purchase natural gas from Buyer under Gas Sales Agreements.
Seller Credit Support Provider and Form of Credit Support:	Seller shall provide credit support or other security, in form and substance satisfactory to Buyer, in support of Seller’s financial obligations under the SPA ² .
Buyer’s Credit Support:	Buyer shall provide credit support or other security, in form and substance satisfactory to Seller, in support of Buyer’s financial obligations under the SPA.
Sale and Purchase	Seller shall sell and deliver on a DAP/DES basis, and Buyer shall purchase, receive and pay for, or pay for if not taken, LNG on the terms and conditions set out in this Term Sheet. The sole remedy of Seller for Buyer’s failure to take LNG shall be to enforce Buyer’s obligation to pay for quantities not taken other than during the ramp up period (as described below).

¹ Note to RFP: Please provide full legal name of proposed Seller.

² Note to RFP: If Seller does not itself satisfy an appropriate minimum credit rating (to be agreed with Buyer), Seller will be required to procure credit support from a credit support provider (with a credit rating at least equal to such agreed minimum credit rating) and propose a form (and terms) of credit support (letter of credit/guarantee etc) for approval by Buyer. Please provide details of credit rating of Seller and, if applicable, any proposed credit support provider (and indication of proposed form of credit support) for consideration by Buyer.

Start Date	The date on which the LNG sale and purchase obligations shall begin and the first cargo of LNG is to be delivered to the Delivery Point. The SPA shall provide for an initial forecast delivery window of twelve (12) months' duration during which the Start Date shall occur. The SPA also shall provide a mechanism for such window to be narrowed either by Buyer or Seller ³ as required to meet such party's start-up schedule (provided that each more narrow window shall fall within the previous window) through notices delivered at times to be agreed in the SPA.
Term	<p>The initial term shall be [●] Contract Years. The term automatically shall be extended for a period of up to one (1) year (the "Restoration Period") to allow for the delivery of any then remaining Make-Up LNG. In addition, Buyer shall have an option to request an extension to the initial term for a further period (such option to be exercised no later than [●] Contract Years prior to the end of the initial term); provided that Seller shall have no obligation to extend further the contract period</p> <p>The SPA will define "Contract Year" as a calendar year provided that the first Contract Year will commence on the Start Date and end on the following 31 December.</p>
Source of LNG	[LNG shall be supplied from Seller's Facilities. Seller shall have flexibility to provide LNG from alternative sources where such LNG meets the specifications set out in Annex 1 and otherwise meets the requirements of this Term Sheet.][LNG shall be supplied from such sources as Seller may from time to time select; provided that such LNG meets the specifications set out in Annex 1 and otherwise meets the requirements of this Term Sheet.] ⁴
Seller's Facilities	[Seller's Facilities shall be [●]][N/A] ⁵ .
LNG Vessels	Seller shall provide, maintain and operate (or cause to be provided, maintained and operated) LNG Vessels with sufficient capacity for the transportation of all quantities of LNG to be delivered under the SPA. Such LNG Vessels shall be operated and maintained in accordance with customary international industry practice. The SPA shall provide for rights of Buyer to (a) receive information in

³ Note to RFP: Please confirm whether such flexibility is required by Seller to meet its operational requirements.

⁴ Note to RFP: Please select relevant option.

⁵ Note to RFP: Please provide details of the LNG production facility at which the LNG to be sold under the SPA is to be produced and of the LNG Vessels, or if you are a trading company, please select "N/A".

respect of the planned fleet of LNG tankers and (b) inspect (and audit the operation of) such LNG tankers from time to time. The LNG tankers shall be required to be compatible with the specifications set out in Annex 1.

Buyer's Facility

Buyer's Facility shall include the Storage and Regasification Terminal (SRT) unit to be located in Port Esquivel, St. Catherine Parish, Jamaica (the "SRT") and any other facility located in Jamaica that Buyer designates as an alternate receiving facility in accordance with the terms of the SPA.

Annual Contract Quantity

[Subject to the ACQ Review described below, the annual contract quantity ("ACQ") of LNG to be sold and purchased in any Contract Year shall be as specified below:

Contract Year	ACQ (MMBtu)
First Contract Year	[●]
Second Contract Year	[●]
Subsequent Contract Years	[●]

(which amount will be reduced pro rata for the initial Contract Year to the extent such Contract Year is less than a full calendar year).][Subject to the following sentence, and subject further to the ACQ Review described below, the annual contract quantity ("ACQ") of LNG to be sold and purchased in any Contract Year shall be [●] MMBtu. Although generally the SPA will provide for such volumes in each Contract Year, the SPA may provide for an initial ramp-up period in First Contract Year. The terms of such ramp-up period if applicable will be reflected in the SPA.]⁶

At the time of setting the annual delivery quantities of LNG to be delivered under the SPA, Buyer may reduce ACQ quantities (downward flexibility) for operational reasons, up to a maximum of one (1) full cargo lot in any Contract Year, and on terms and conditions to be established in the SPA. Buyer shall have no obligation to make good in subsequent Contract Years any such reductions.

Commissioning LNG

The SPA will require Seller to deliver LNG in such quantities as Buyer shall require in the commissioning of

⁶ Note to RFP: Please confirm whether a ramp-up period is required for Seller's operations.

Buyer's Facility (the "**Commissioning LNG**"), subject to limitations on delivery windows and quantities to be agreed in the Terminal Use Agreement. The Commissioning LNG shall be purchased at the Contract Price.

ACQ Review

The SPA shall allow for Buyer, within ninety (90) days of an Offtaker Termination Event (as defined below), to request a review of the ACQ by notice to Seller (together with a proposal for a revised ACQ level, and a reasonably detailed explanation for such proposal), to ensure the ACQ remains at a level consistent with Buyer's capacity to store LNG and on-sell natural gas in Jamaica (the "**ACQ Review Objective**"). Buyer and Seller shall be required to commence discussions within thirty (30) days of the above request, and use reasonable endeavours to agree on the changes necessary to achieve the ACQ Review Objective.

If Buyer and Seller have not reached agreement within sixty (60) days as to the revised ACQ level, an independent expert shall determine which party's position best reflects the ACQ Review Objective. The revised ACQ level shall come into effect ninety (90) days after the date on which agreement is reached between Buyer and Seller, or an expert determination has been made, as applicable.

During the period from the review request notice until either a revised ACQ has come into effect, or Buyer and Seller have agreed, or an expert has determined, that no revision to the ACQ is necessary to achieve the ACQ Review Objective, then the ACQ shall be deemed to have been reduced to be equal to Buyer's revised ACQ proposal.

The SPA will define "**Offtaker Termination Event**" as the occurrence of (a) any event that results in the termination of any Gas Sales Agreement between any Designated Offtaker and Buyer, other than through the fault of Buyer or its affiliates or (b) an insolvency event with respect to any Designated Offtaker, which results in the termination of a Gas Sales Agreement.

Annual Minimum Quantity

The SPA shall provide for the adjustment of the ACQ to determine the annual minimum quantity of LNG required to be tendered to, and taken or paid for if not taken by, Buyer in any given Contract Year (the "**AMQ**"), which adjustments shall include (a) additions for rounding up, excess quantity nominated by Buyer and accepted by Seller (as described further below) and (b) deductions for force majeure, off-spec LNG, late-arriving cargo, any major overhaul at Buyer's Facility, rounding down, downward

quantity flexibility (as described further below), and any other LNG not made available by Seller for any reason (other than failure of Buyer to take).

The SPA also shall allow Buyer to deduct from AMQ in any Contract Year the amount of any surplus “carry forward” LNG received by Buyer in any of the preceding three (3) Contract Years.

In each Contract Year, Seller shall sell, and Buyer shall buy or pay for if not taken, the AMQ.

Excess Quantity

The SPA will require, not later than thirty (30) days prior to establishment of the delivery programme for each Contract Year, that Seller determines whether it will have surplus production and transportation capacity after delivering all of its commitments under the SPA and its other long-term contracts for such Contract Year. Provided that Buyer has taken, or scheduled to take, the AMQ and all available Make Up Quantities, Seller shall offer to deliver to Buyer Buyer’s share of any such excess capacity.

If Buyer accepts such indicated surplus, Seller shall make available such requested quantities in the number of full cargo lots specified by Buyer in such notice (“**Excess Quantity**”), at the Contract Price for the month of delivery of such Excess Quantity.

Make-Up LNG

If any LNG is paid for but delivery is not taken by Buyer in any Contract Year, then Buyer shall have the right to request delivery of such volume of LNG for which payment was made (the “**Make-Up LNG**”) in any subsequent Contract Year or the Restoration Period on terms and conditions to be specified in the SPA. Seller shall not be required to reserve capacity in respect of any Make-Up LNG.

Delivery Terms and Delivery Point

Delivery of LNG shall be on a delivered at place or delivered ex-ship (“**DAP/DES**”) basis. Deliveries shall be in full cargo lots only. The SPA shall provide for round-up and round-down quantities so as to allow deliveries to be in full cargo lots.

The “**Delivery Point**” shall be the flange of the unloading line of the FSRU.

Scheduling

The SPA shall establish a procedure for scheduling deliveries of LNG at rates and intervals and in quantities that are reasonably constant over the course of each

	Contract Year.
Contract Price	[•] ⁷ .
Quality	<p>LNG delivered by Seller shall conform to the specifications set out in the Supply RFP.</p> <p>Buyer shall have the right to accept or reject LNG that does not conform to such specifications (“Off-Spec LNG”).</p> <p>Each party shall notify the other as soon as it becomes aware that LNG delivered, or to be delivered, under the SPA is Off-Spec LNG.</p> <p>If Buyer takes delivery of Off-Spec LNG without actual knowledge, Seller shall indemnify Buyer for all claims relating to the Off-Spec LNG, and the Contract Price applicable to any such Off-Spec LNG shall be:</p> <p>(a) if the non-conformity relates only to gross calorific value, 90% of the usual Contract Price; or</p> <p>(b) otherwise, 85% of the usual Contract Price.</p>
Payments	<p>The SPA shall provide for detailed invoicing and payment mechanics. All payments shall be made in U.S. dollars. Each party shall be responsible for discharging all taxes payable by it.</p>
Taxes	<p>The SPA will provide that Seller will be responsible for all taxes arising from its corporate existence or profits, or from Seller’s production, transportation, liquefaction, storage, exportation, shipping ownership and/or operation of its terminals , the LNG vessels, as applicable, or from the sale of LNG to Buyer, or the unloading of LNG at the Delivery Point and related port fees taxes; provided that Seller will not be liable for import taxes or duties on the LNG in Jamaica.</p> <p>The SPA will provide that Buyer will be responsible for all taxes arising from its corporate existence or profits, or from its purchase of the LNG, the importation of the LNG into Jamaica, or from Buyer’s storage, regasification, transportation and onward sale of LNG.</p>
Other Obligations	<p>Each party shall be required to maintain all consents, approvals and licences required for the performance of its obligations under the SPA.</p>

⁷ Note to RFP: Please provide price formula based on Henry Hub reference as described in the Supply RFP.

Title and Risk	<p>Seller shall have good and unencumbered title to the LNG delivered to Buyer. Transfer of title to, control of, and risk of loss or damage to, the LNG shall transfer to Buyer at the Delivery Point.</p>
Force Majeure	<p>Neither party shall be liable for failure to perform an obligation (other than a payment obligation) to the extent that such failure is due to any event or circumstance beyond its reasonable control that affects, as applicable, Seller or Buyer's ability to perform their respective obligations under the SPA, including without limitation in the case of Buyer, any such event or circumstance relating to the Designated Offtakers and/or the infrastructure and pipelines used by Buyer to transport Regasified LNG (as further defined in the SPA, "Force Majeure").</p> <p>Neither party shall be required to take any action to restore any shortfall in the quantity of LNG delivered as the result of any Force Majeure event, through the making available or taking of any restoration quantities of LNG, or otherwise.</p> <p>If any Force Majeure affects Seller's Facilities, Seller shall allocate capacity from such facilities to each of its buyers of LNG (including Buyer) in a fair and equitable manner taking into account the contract quantities of each such buyer and the scheduled delivery program for each such buyer.</p> <p>If any Force Majeure affects Buyer's Facility, Buyer will allocate capacity at its facilities to each of its suppliers of LNG (including Seller) in a fair and equitable manner taking into account the contract quantities of each such supplier and the scheduled delivery program for each such supplier.</p> <p>Each party shall have a right to terminate the SPA if an event of Force Majeure extends for more than a fixed period to be agreed between the parties, and has resulted in the quantities of LNG to be delivered or taken in that period being reduced by fifty percent (50%) or more by reference to the applicable ACQ, and the Parties do not foresee that the Force Majeure situation will be solved within the foreseeable future.</p>
Conditions Precedent	<p>The SPA shall provide for customary conditions precedent applicable to the performance of each party's obligations together with long-stop dates for the satisfaction of conditions precedent.</p>

Either party shall be entitled to terminate the SPA without further obligation or liability if a condition precedent is not satisfied or waived by the applicable long-stop date.

Assignment

Neither party shall assign its rights or obligations under the SPA without the written consent of the other party, other than collateral assignments for purposes of financing.

Termination

The SPA shall provide for early termination rights of the parties including for insolvency related events; extended Force Majeure; non-payment of a disputed sum for more than 90 days (and continuing for a further 21 days after service of a termination notice); failure by Seller to deliver two (2) or more cargoes in breach of the SPA; material breach in respect of a party's security; Seller ceasing to hold all relevant authorisations; and any breach by a party that has a material adverse effect on the non-defaulting party and, if capable of remedy, that is not cured within ninety (90) days (or such longer period as a reasonable and prudent operator would require to remedy such breach), and if not capable of remedy, that would have the effect of taking away the non-defaulting party's benefit under the SPA, or follows an earlier breach of the same provision in the preceding year.

Other Provisions:

The SPA shall include other customary provisions including with respect to limitations of liability for consequential damages; indemnification (with customary exclusions for gross negligence and wilful misconduct) and metering and measurement requirements.

Governing Law:

Governing law of contractual and non-contractual obligations shall be English law. The United Nations Convention on Contracts for International Sales of Goods shall not apply to the SPA or the rights and obligations of the parties thereunder.

Jurisdiction:

Disputes shall be referred to final and binding arbitration under the LCIA, with the seat (legal place) of arbitration to be in London. Number of arbitrators shall be three. Language to be used in the arbitration shall be English.

Disputes in connection with the SPA may be consolidated with substantially connected disputes relating to the other Project Documents.

ANNEX 1 VESSEL SPECIFICATIONS

Seller shall ensure that each Vessel meets the following specifications and satisfies the following requirements provided, however, that Seller and Buyer will cooperate with the Receiving Facility operator in connection with any modification of such dimensions and requirements at the Receiving Facility and the outer limitation for the Vessel capacity set forth above:

Capacity: [125,000 – 155,000] cubic meters.

Overall Length: [180.0 - 330.00] meters

Width: [24.0 - 52.5]

Laden Draft: No greater than [12.5] meters

Number of Crossover connections:

Liquid:[3 x 16 inches]

Vapour: [1 x 16 inches]

Industry Guidelines:

- OCIMF: Standardisation of Manifold for Refrigerated Liquefied Gas Carriers (LNG).
- OCIMF: Guidelines and Recommendations for the Safe Mooring of Large Ships at Piers and Sea Islands.
- SIGTTO: Recommendations and Guidelines for Linked Ship/Shore Emergency Shut-down of Liquefied Gas Cargo Transfer.
- SIGTTO: Recommendations for the Installation of Cargo Strainers on LNG Carriers.

Invitation for Bids (IFB)

Jamaica LNG Project

RFP: 2011/L001

1. *The Government of Jamaica, on behalf of the Jamaica Gas Trust (JGT)*, now invites sealed bids from eligible and qualified bidders for *LNG Supply*.
2. Bidding will be conducted through the International Competitive Bidding (ICB) procedures specified in the Government of Jamaica, Handbook of Public Sector Procurement Procedures <http://www.mof.gov.jm> and is open to all bidders from all countries.
3. Interested eligible bidders may obtain further information from *The Procurement Officer, Office of the Cabinet, Public Sector Modernization Division* Tel: +1 (876) 929-8880-5, Fax: +1 (876) 929-7266, **Email: psmd.proc@cabinet.gov.jm** and obtain the Bidding Documents at the address given below *Office of the Cabinet, Public Sector Modernization Division, Room 219 (Upstairs), 2a Devon Road, Kingston 6, Jamaica, W.I.* from 9:00 AM to 4:00 PM.
4. A complete set of Bidding Documents in **English** may be downloaded by interested bidders at <http://www.cabinet.gov.jm/procurement>.
5. Bids must be delivered to the address below:

The Procurement Officer
Office of the Cabinet
Public Sector Modernisation Division
Room 219, (Upstairs) 2a Devon Road
Kingston 6
Jamaica, West Indies

at or before *Monday, October 31, 2011 at 10:00 AM*. Late bids will be rejected. Bids will be opened in the presence of the bidders' representatives who choose to attend in person at *Monday, October 31, 2011, 10:15 AM*, at the address below:

Office of the Cabinet
Public Sector Modernisation Division
Conference Room 212, (Upstairs) 2a Devon Road
Kingston 6
Jamaica, West Indies

Appendix A

Information Memorandum

PRIVATE AND CONFIDENTIAL

JAMAICA LNG

INFORMATION MEMORANDUM

AUGUST 2011

DISCLAIMER

The information in this Information Memorandum (the "Information Memorandum") has been prepared from information supplied by or on behalf of the Office of the Cabinet of Jamaica and is being furnished by Taylor-DeJongh, Inc. ("TDJ" or the "Financial Advisor") to you as a potential bidder for the roles described herein (the "Recipient") in considering the proposed LNG project described in the Information Memorandum (the "Project").

Neither TDJ nor any of its officers, directors, or affiliates have independently verified the contents of the Information Memorandum. No representation, warranty or undertaking (express or implied) is made, and no responsibility is accepted, by TDJ or any of its officers, directors, or affiliates as to the adequacy, accuracy, completeness or reasonableness of the Information Memorandum or any further information, notice or document at any time supplied in connection with the financing.

The information contained herein is confidential and has been prepared to assist interested parties in making their own evaluation of the proposed Jamaican LNG project and for no other purpose. The information is preliminary in nature and does not purport to be all-inclusive or to contain all information that a prospective party may desire. It is understood that each recipient of this Information Memorandum will perform its own independent investigation and analysis of the proposed Jamaican LNG project as it deems relevant and without reliance on TDJ. The information contained herein is not a substitute for the recipient's independent investigation and analysis. The recipient acknowledges the Information Memorandum to include confidential, sensitive and proprietary information and agrees that it shall use precautions in accordance with its established procedures to keep the material contained in the Information Memorandum confidential. The contents of the Information Memorandum may not be reproduced or used in whole or in part for any other purpose, nor should it be disclosed to any other party, except as expressly permitted by the terms of the aforementioned confidentiality undertaking.

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1. THE JAMAICA LNG INITIATIVE

1.1. BACKGROUND

To improve its international competitiveness and reduce its dependence on imported petroleum, the Government of Jamaica (GOJ) has implemented a strategy to diversify its energy supply. The strategy aims at introducing imported natural gas into Jamaica's energy supply mix to obtain security of supplies and achieve long-term stability in energy prices and environmental sustainability in energy provision.

Liquefied natural gas (LNG) will be imported to and regasified at an LNG Storage and Regasification Terminal (SRT) which will be located within the Portland Bight, St. Catherine Parish, on the south coast of Jamaica and transported through a natural gas transportation system to the end users in the power generation and bauxite/alumina production.

The initial LNG demand from the "anchor" end users is equivalent to over 0.8 million tonnes of LNG per annum. It is envisaged that demand for LNG will increase overtime reaching 2.5 million tonnes per annum by 2025, with the expansion of the bauxite/alumina sector and construction of new gas-fired IPPs. First delivery of LNG is targeted for Q1 2014.

1.2. ORGANIZATION

In order to execute on this plan to diversify its energy supply with the importation of LNG, the GOJ has elevated the LNG initiative to the Office of the Prime Minister to provide better inter-departmental coordination and transparency. An LNG Steering Committee was established in December 2010 to oversee the development of the Jamaica LNG initiative chaired and comprised of prominent Jamaican businessman and representatives of various government agencies involved with the energy sector. The LNG Steering Committee reports to the Minister of Energy & Mining, Honourable Clive Mullings.

The GOJ has approved the issuance of two Requests for Proposals (RFPs), one for LNG Supply and the other for the infrastructure required for the receiving, storage and re-gasification of the LNG. These RFPs will be issued concurrently in order to provide close coordination between the two processes.

The LNG Steering Committee is managing the Jamaica LNG Project in Jamaica, including issuing the RFPs, evaluating the responses and negotiating the various agreements. A private sector Special Purpose Vehicle (SPV), as described in this document, will be established and will be the legal counterparty to execute the various commercial agreements.

2. JAMAICA COUNTRY OVERVIEW

Jamaica is an island nation, 10,991 square kilometers in size, located in the Caribbean. The country is a parliamentary democracy, with a bicameral legislature composed of an elected House of Representatives and a nominated Senate.

With a population of more than 2.7 million and a gross domestic product (GDP) of approximately USD13.8 billion in 2010, the nominal GDP per capital was USD 4,825.¹ Jamaica's economy is traditionally based around the production of bauxite/alumina, sugar and manufactured goods for export as well as a large tourist industry. The economy is currently poised for a recovery after a period of contraction during the global financial crisis.

The Jamaican economy experienced annualized GDP growth of 1.5% in real GDP in the first quarter of 2011. This boost originated largely from significant expansions in mining and agriculture. Output in mining rose by 38.8%, while agricultural output increased by 13.5%.²

The Jamaican Central Bank has forecasted continued growth in the range of one to two percent for fiscal year 2011-12. Growth is expected to be driven by a government infrastructure program, as well as continued expansion in mining, tourism, and agriculture.³

Figure 1. Map of Jamaica



¹ IMF

² Jamaica Observer, May 26, 2011

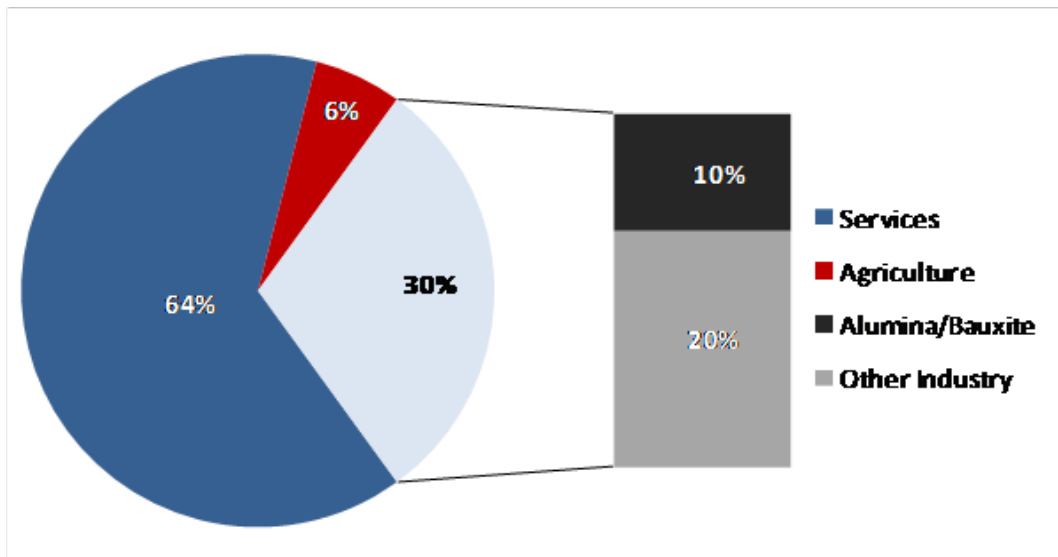
³ The Jamaica Gleaner, May 20, 2011

2.1. OVERVIEW OF THE JAMAICAN ECONOMY

Jamaica's economy is centered on the advantages it enjoys in natural resources and climate, with successful bauxite/alumina, tourism, and agricultural industries.

Bauxite is the main mineral resource found in commercial quantities in Jamaica. It is close to the surface and therefore relatively inexpensive to mine, which compensates for the low mineral concentration within the ore. This sector accounts for approximately 10% of Jamaica's GDP. Figure 2 provides a high-level breakdown of Jamaica's GDP.

Figure 2. Jamaica GDP Breakdown⁴



Jamaica has developed a robust tourism industry, capitalizing on its temperate climate, natural beaches, and proximity to North America. Tourism is not captured as a distinct sector within the services category in the national accounts, but a useful proxy, the hotel and restaurants sector, accounted for 6.8% of GDP in 2006, according to the Planning Institute of Jamaica. The contribution of tourism to the economy is greater than this figure suggests, given the support that tourism provides to other sectors, such as construction and transport.

Agriculture, which accounts for 6% of GDP, is a significant source of jobs in Jamaica, accounting for approximately 20% of total employment. Sugarcane is the main crop planted on the coastal plains to the south of the island, while bananas are grown largely in the north and south-east. High-quality coffee is grown in the eastern and central highlands. Figure 3 provides a highlight of Jamaica's principal exports.

As a result of Jamaica's language, history, and location, the country has important economic and political links with the United States, Canada, and the United Kingdom. The United States has a dominating influence on the country's economy, due to the size, proximity, and continued migration flows. As a result, the fortunes of the Jamaican economy are closely tied with those of the United States. Figure 4 provides a breakdown of Jamaica's destination markets.

⁴ EIU Country Report April 2011

Figure 3: Principal Exports, 2009 (USD million)

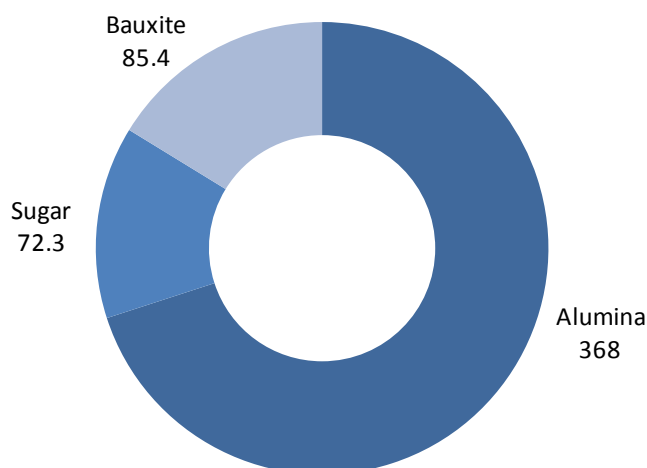
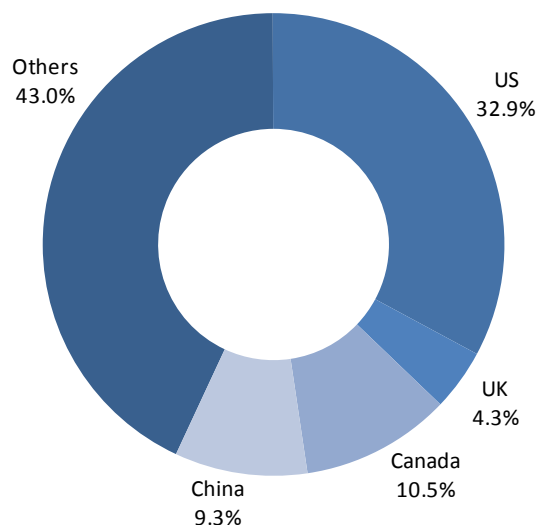


Figure 4: Main Destination of Exports, 2009



Growth in the Jamaican economy in the near future will be driven by improvements in mining and tourism. Alumina production is coming back on stream, although mining companies currently continue to operate with spare capacity. Tourism, a major employer, will contribute largely to the recovery in the services sector in 2011. However, the sector will not return to the strong performance of the past until demand in neighboring countries, most importantly the US, appears to be on a more solid footing.⁵

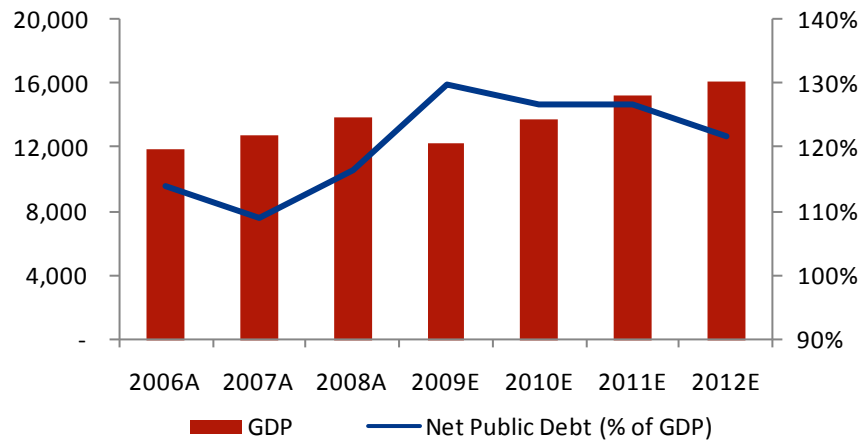
2.2. GOVERNMENT FISCAL SITUATION

The GOJ inherited an onerous debt burden from a financial sector crisis in the mid-1990s, which is estimated to have added to the government's debt an equivalent of 40% of GDP. The GOJ has made gradual reduction of the public debt through the maintenance of tight fiscal and monetary policy the cornerstone of economic policymaking for many years. As a result of these measures, the public debt ratio is expected to ease substantially from a peak of 141% of GDP in 2004 to 122% of GDP by end-2012⁶ (see Figure 5).

⁵ EIU April 2011 Country Report

⁶ EIU April 2011 Country Report

Figure 5. GDP & public debt forecast (USD billion)⁷



On February 4, 2010, under financial pressure in the midst of the global financial crisis, the GOJ sought a USD 1.27 billion IMF Stand-By Arrangement. As a part of this agreement, the GOJ agreed to implement a two year plan, which includes:

- Reform of the public sector to substantially reduce the large budget deficit,
- A debt strategy to reduce debt servicing costs,
- Reforms to the financial sector to reduce risks.

In the immediate aftermath of the IMF agreement, Fitch Ratings upgraded the GOJ long-term foreign currency issuer default rating from CCC to B-. The Rating Outlook is Stable. Fitch has also upgraded the short-term foreign currency rating to 'B' and the country ceiling rating to 'B'. The rating is underpinned by the government's commitment to maintain macroeconomic stability and implement reforms as envisioned in the IMF program, as well as stronger per capita income and governance indicators than the corresponding 'B' medians.⁸ Standard and Poor's now also rates Jamaica's long term credit risk as a B-.⁹

In February 2011, the GOJ successfully issued a USD 400 million Eurobond at a record low yield (7.95%), less than a year after it was forced to restructure the domestic debt with IMF assistance. Deutsche Bank and BNP Paribas, the lead managers for the transaction, reported that the issue was heavily oversubscribed with over \$1 billion in orders.¹⁰ This confidence boost stemming from IMF support has also allowed monetary authorities to reduce interest rates substantially without producing depreciation pressures on the Jamaican dollar.¹¹

Figure 6 highlights the increased investor confidence in the country, as demonstrated by the GOJ-US T-Bill spread which has steadily declined since January 2009.

⁷ EIU Country Report April 2011

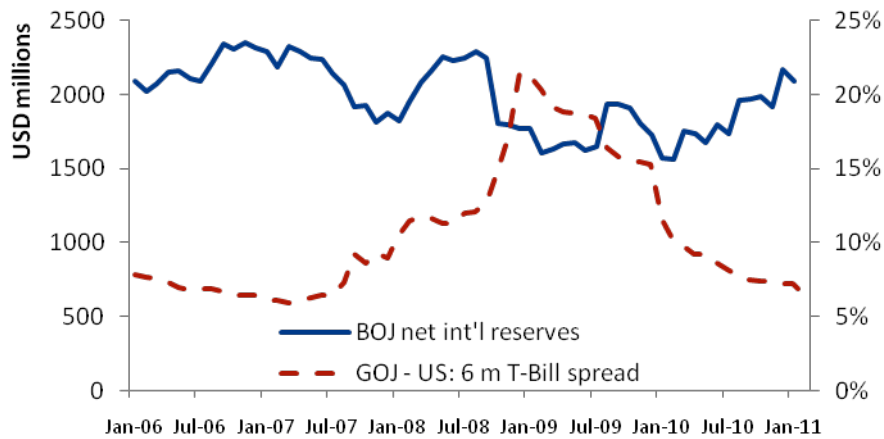
⁸ Jamaica Observer, February 16, 2010

⁹ S&P

¹⁰ Jamaica Observer, February 16, 2011

¹¹ EIU Country Profile 2008

Figure 6. BOJ net int'l reserves and GOJ - US 6m T-Bill spread



2.3. INSTITUTIONAL FRAMEWORK

The Government of Jamaica's *National Energy Policy 2009 – 2030* sets out a strategic vision of “a modern, efficient, diversified and environmentally sustainable energy sector providing affordable and accessible energy supplies with long-term energy security and supported by informed public behavior on energy issues and an appropriate policy, regulatory and institutional framework.”

The Government of Jamaica is presently developing a Natural Gas Industry Legal and Regulatory Framework to enable the successful introduction of natural gas into Jamaica's energy supply mix. The Framework will cover, inter alia:

- Legal, Institutional and Administration Policy
- Taxation and Tax Incentives
- Permitting and Licensing
- Environmental and Safety Standards
- Third-Party Access to Terminal and Pipeline
- Rights of Way
- Role of the Regulator

A draft policy is under review, with a target date for adoption by the end of 2011.

3. BAUXITE MINING AND ALUMINA REFINING INDUSTRY OVERVIEW

Alumina is the raw material used in the production of aluminum, the world’s most widely used non-ferrous metal. It is produced from bauxite ore, which is refined in a semi energy-intensive process into alumina. The main economic factors in bauxite extraction include the accessibility of the ore and the concentration of alumina within.

Bauxite ore is a relatively minor cost in the production of aluminum, which requires large amounts of energy and thus often takes place in countries with access to low-cost energy. Consequently, Jamaican producers do not have facilities to produce aluminum, but instead focus on the front end of the aluminum value chain, which includes the mining of bauxite ore and the refining of alumina.

3.1. JAMAICA’S BAUXITE/ALUMINA INDUSTRY

Bauxite mining and alumina refining is and has been historically one of Jamaica’s most important industries and foreign exchange earners.

Bauxite is the main mineral resource found in commercial quantities in Jamaica. It is close to the surface and therefore relatively inexpensive to mine, giving Jamaica a competitive advantage in extraction. Jamaica’s bauxite industry also benefits from the island’s geographic proximity to the large North American market. In 2009, Jamaica was the world’s sixth largest producer of bauxite ore (see Figure 7). Jamaica has the world’s fourth-highest bauxite reserve base, estimated at 2 billion tonnes (see Figure 8).

Figure 7. Global Bauxite Production, 2009 ('000 tonnes)

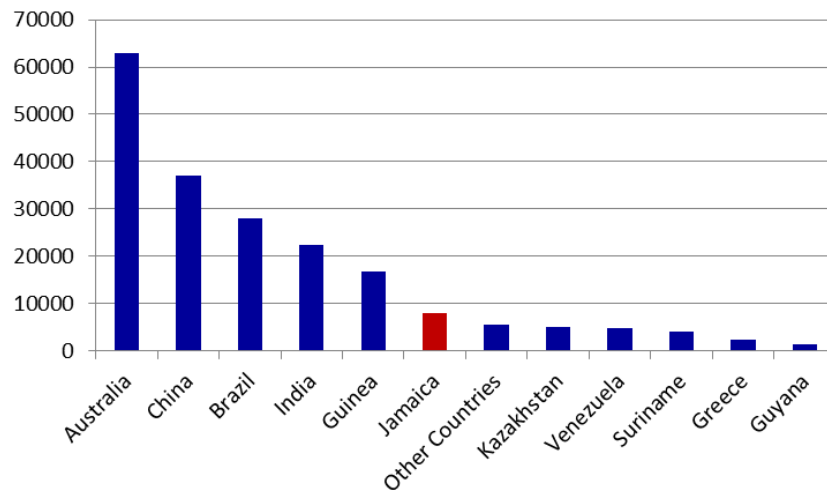
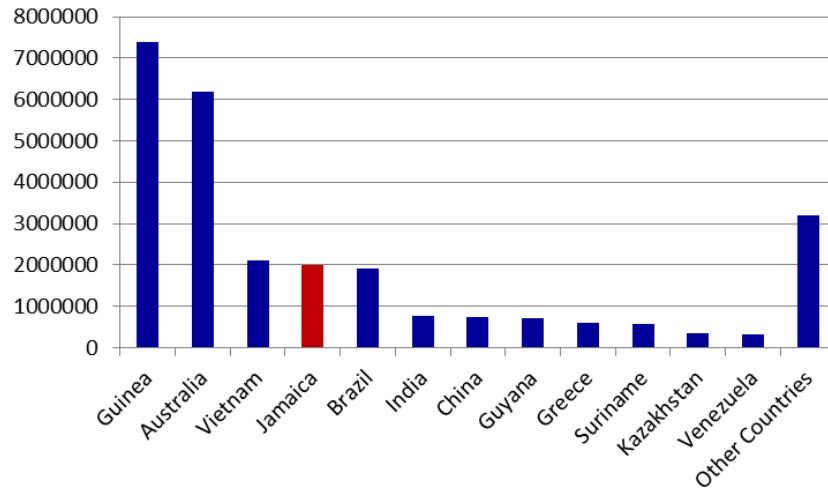
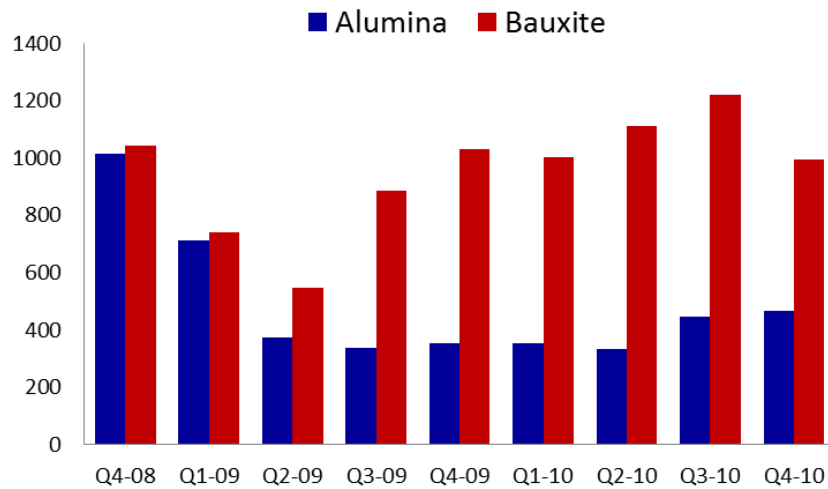


Figure 8. Global Bauxite Reserves, 2009 ('000 tonnes)



Both bauxite mining and alumina refining have been deeply affected by the global crises in 2009. Mining of bauxite has experienced a comeback in 2010, rising above pre-crisis levels, but alumina production, while increasing, has remained well below pre-crisis levels (see Figure 9).¹²

Figure 9. Jamaica production (000 tonnes)¹³



3.2. JAMAICA'S BAUXITE/ ALUMINA INDUSTRY MAJOR PLAYERS

Investors in Jamaica's bauxite sector include Alcoa, the joint owner with the GOJ of Jamalco; UC Rusal, the majority owner of Windalco and Alpart (Alpart is a joint venture with Norsk Hydro) ; and Century Alumina, joint owner of the St Ann bauxite mine. Government efforts to attract further investment from multinationals have

¹² EIU April 2011 Country Report

¹³ EIU Country Reports – Jamaica, February 2011 and April 2011

included a 2002 agreement with Alcoa to replace a bauxite royalty with an income tax regime. Alcoa subsequently expanded the Jamalco Alumina Refinery’s annual capacity from 1 million tonnes to 1.25 million tonnes in 2003 and to 1.425 million tonnes in March 2007. A much larger, USD 800 million expansion project to double capacity to 2.8 million tonnes per year has been proposed, and is pending resolution of present energy supply constraints.

Jamaica’s alumina refineries, their ownership structure and nameplate capacity are depicted in Table 1 below.

Table 1. Jamaica Alumina Refineries

Facility	Owner(s)	Nameplate capacity	Date established
Alpart	Alpart (65% UC Rusal, 35% Norsk Hydro)	1.65 MMtpa	1969
Clarendon	Jamalco (55% AMOJ ⁽¹⁾ , 45% CAP ⁽²⁾)	1.47 MMtpa	1972
Ewarton	Winalco (93% UC Rusal, 7% GOJ)	0.65 MMtpa	1957
Kirkvine	Winalco (93% UC Rusal, 7% GOJ)	0.60 MMtpa	1952

(1) AMOJ is owned 60% by Alcoa and 40% by Alumina Limited

(2) Clarendon Alumina Production (CAP) is 100% owned by the Government of Jamaica

3.3. BAUXITE INDUSTRY AND ENERGY

The Jamaican bauxite mining/alumina refining industry competes in the world market with alumina producers with access to cheaper sources energy. While alumina producers in Jamaica use heavy fuel oil (Bunker C) and diesel, many of its competitors worldwide have access to competitively priced hydro or indigenous natural gas.

The bauxite and alumina industry accounts for over one-third of total oil imports by volume.¹⁴ In 2009, two of the major alumina companies were forced to halt operations due to the high price of crude oil on the international market.¹⁵

This competitive disadvantage places the Jamaican alumina producers on the lowest quartile of the alumina global cost curve. In order to increase the competitiveness of the alumina industry in Jamaica, the sector must seek to reduce the cost and volatility of energy prices. Natural gas, purchased on long-term contracts and at stable prices, could offer an attractive alternative to the industry, which may allow it to “slide” down the cost curve away from the lowest quartile of alumina producers.

¹⁴ EIU Country Profile 2008

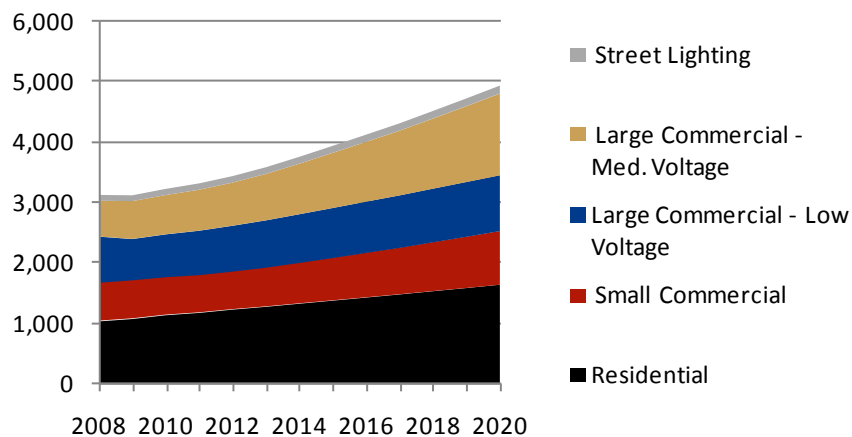
¹⁵ PCJ Report

4. POWER SECTOR OVERVIEW

Jamaica currently has an installed capacity of 853 MW. Net generation for 2010 was estimated at 4,253.8 GWh. Current peak power demand stands at 644 MW.

Power demand in Jamaica is growing at a rate of around 4% per annum and the country needs to add new generating capacity soon.¹⁶ Over the next 20 years, approximately 1400 MW of new base load power plant capacity will have to be constructed in Jamaica to meet the projected demand for electricity and to displace aged power plants, depending on the penetration of generation from renewable sources. Approximately 800 MW of this new capacity needs to be constructed in the coming decade, highlighting the urgency of the issue. The capital requirements for the new power plant fleet are in the range of USD 6 billion to USD 8 billion depending on the mix of technologies that will be deployed.¹⁷ Figure 10 highlights the power demand (actual and forecasted) by sector.

Figure 10. 2008-2020 power demand by sector ('000 MW/year)¹⁸



In December 2010, the Government of Jamaica issued an open tender for the development, financing and construction of 480 MW of base-load generating capacity on a Build, Own and Operate Basis, to be developed in two stages. The plants would sign a 20 year PPA with Jamaica Public Service Company Limited (JPS), the country's integrated utility, subject to renewal after the initial term. The first stage plant (360 MW) is scheduled to start up in April 2014 and the second stage plant (120 MW) is scheduled to start up in 2016.

4.1. POWER PRODUCERS

Generation is dominated by the Jamaica Public Service Company Limited (JPS), which, with 637 MW, accounts for about 75% of Jamaica's installed capacity. The balance is produced by a few smaller IPPs. Table 2 provides a breakdown of Jamaica's installed capacity by producer. There are also a number of self-producers of electricity

¹⁶ Poten & Partners, *LNG in World Markets*

¹⁷ OUR 2010 Expansion Plan

¹⁸ OUR 2010 Expansion Plan

in the country, with the largest being the bauxite/alumina companies and the sugar refineries¹⁹, which are not accounted for in the table.

Table 2. Jamaica Installed Capacity (MW) by Power Producer

Generator	MW
JPS	637
Jamaica Energy Partners (JEP)	124
JPPC	61
Other IPP	31
Total	853

4.2. DIVERSIFICATION

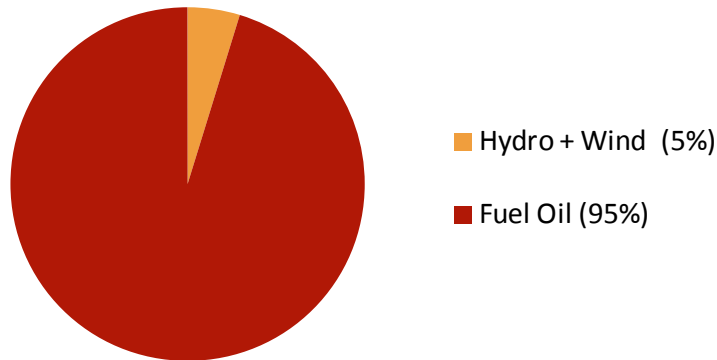
As the power needs of Jamaica continue to grow, the Government of Jamaica is committed to diversifying its energy base by introducing natural gas into its energy mix. The Government seeks to reduce its dependence on oil with the goal of reducing the overall cost and volatility of energy, which will help improve the competitiveness of the Jamaican economy.

Currently, approximately 95% of Jamaican power generation is fuelled by No.2/No.6 fuel oil (see Figure 11). While expansion of the renewable sources of power is desirable, a pure renewables strategy is not seen as a viable baseload source of power. Further, the cost of large-scale conversion to renewable energy is seen as prohibitively capital intensive. Thus, the gravitation towards renewable projects for electricity generation in Jamaica has not been aggressive.

Therefore, as an ageing fleet of fuel oil plants are decommissioned and peak demand continues to grow, the Government of Jamaica plans for a mixture of new natural gas and coal-fired generation to meet supply requirements.

¹⁹ OUR 2010 Expansion Plan

Figure 11. 2009 generation sector fuel mix²⁰



4.3. JPS

4.3.1. BUSINESS

JPS is an integrated utility that holds an exclusive license for the transmission and distribution of electricity in Jamaica for public and private purposes in all parts of the island. At the end of 2009, JPS had a customer base of 584,623 including residential, commercial and industrial consumers. Additionally, JPS buys power from the independent power producers.

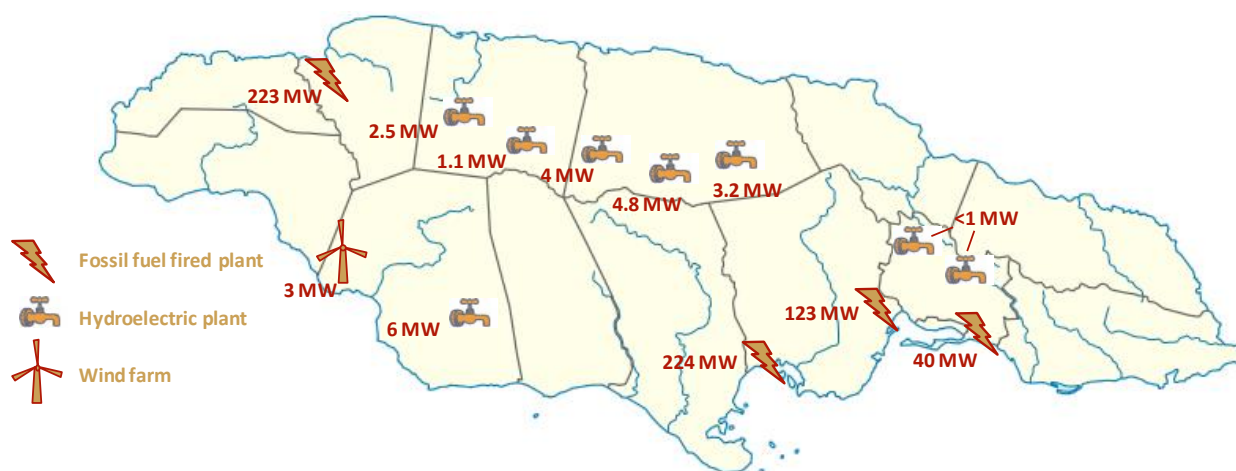
The Office of Utilities Regulation (OUR), the independent regulatory agency, monitors and regulates JPS

JPS generates the majority of power it sells to end-users through its portfolio of fossil fuel, hydroelectric, and wind generation assets. JPS presently owns and operates eighteen (18) thermal power generating units located at four sites (Rockfort, Hunts Bay, Bogue and Old Harbour) and eight hydro plants, independently sited across the island. These JPS plants accounts for a total installed capacity of approximately 637 MW. Independent Power Producers (IPPs) presently supply approximately 190 MW of firm capacity to grid under long-term contracts with JPS, with an additional 65 MW of IPP capacity currently under construction. A wind power facility (IPP) with an installed capacity of 20.7 MW also supplies electrical energy to the grid under contract.²¹

²⁰ OUR 2010 Expansion Plan

²¹ OUR 2010 Expansion Plan

Figure 12. JPS Generation Portfolio²²



4.3.2. SHAREHOLDERS

JPS was privatized by the GOJ in 2001 at which time 80% of the common equity was sold to Mirant JPSCo (Barbados) SKL (Mirant). The GOJ retained a 20% shareholding in JPS. On August 9, 2007 Marubeni Caribbean Power Holdings, Inc., a wholly owned subsidiary of Marubeni Corporation of Japan, purchased Mirant's majority shares in JPS. In April 2011 Marubeni transferred a 40% stake in JPS to the Korea East West Power Company Limited (KEWP). The sale reduces Marubeni's ownership in JPS to 40%.

4.3.3. HISTORICAL PERFORMANCE

The financial performance of JPS has remained relatively steady in recent years. Even during the global financial crisis, JPS was able to maintain a positive performance with improved gross margins due to improved operational efficiency and lower than anticipated financing costs. Figure 13 and Table 3 provide a highlight of JPS' financial performance. It should be noted that the spike in revenue in 2008 reflects the higher energy costs that were passed through to the consumers.

²² To confirm

Figure 13. JPS Revenue and Gross Margins²³

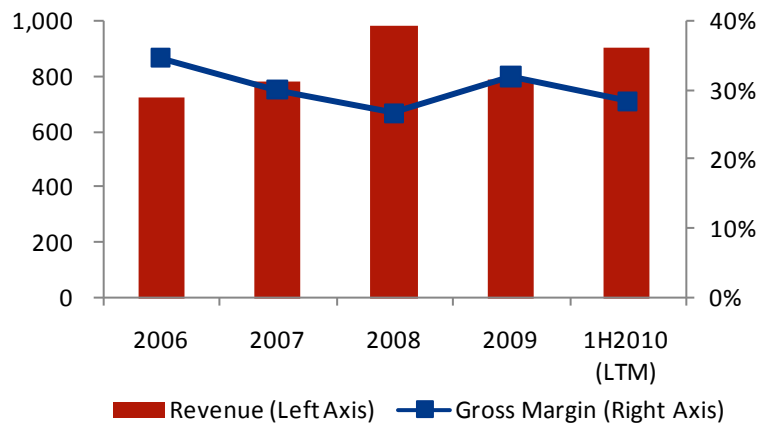


Table 3. JPS financial Ratios²⁴

Ratio	2007	2008	2009	2010	LTM (to Mar 2011)
Current	1.5x	1.6x	1.5x	1.6x	1.8x
Quick	1.2x	1.2x	1.2x	1.3x	1.6x
Total Debt/Capital (%)	40.2	44.8	44.6	46.4	47.7
EBITDA/Interest Exp.	3.2x	3.2x	3.6x	3.5x	3.6x
Total Debt/EBITDA	2.6x	3x	2.6x	2.5x	2.6x

4.3.4. OFFTAKER CREDIT

JPS' source of ultimate credit as an offtaker is their license to operate as the sole provider of transmission and distribution of electricity in Jamaica. The revenue flows to the company are determined by the OUR. The OUR determines the tariff structure charged by JPS. The tariff can be broken down into two categories, including:

- Fuel charge: represents the total cost of fuel (both from JPS and IPPs) to produce power, adjusted for system heat rate of 10,400 kJ/kWh and system losses of 19.5%

²³ Capital IQ, Company Reports

²⁴ Capital IQ, Company Reports

- Non-fuel tariff: base rate set every five years, adjusted annually based on productivity offset for inflation and performance against quality of service targets set by the OUR

In essence, JPS is able to pass through all fuel costs, provided it operates within certain efficiency levels required by the OUR.

5. OVERVIEW OF END USERS

A summary of the prospective “base load” end users of natural gas in Jamaica is presented in Table 4 below.

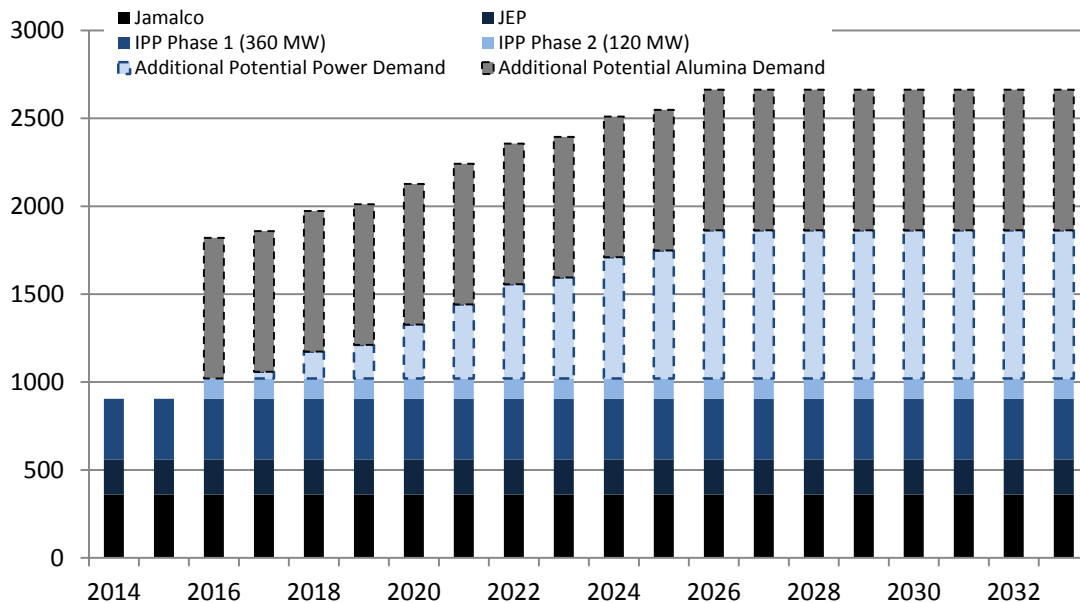
Table 4. “Base Load” End User LNG Demand

End User	Potential LNG Demand (tpa)
Jamalco	320,000
JEP	140,000
New 360 MW IPP	370,000
Total	830,000

Figure 14 depicts the build-up of LNG demand starting in 2014 until 2020. LNG demand in 2014 is expected to be around 830,000 tpa, and includes Jamalco (320,000 tpa), JEP (140,000 tpa), and the phase I of the new IPP (370,000 tpa).

Demand is expected to increase to 1,020,000 tpa, with the phase II of the IPP (120 MW) coming on line in 2016. The figure below also depicts future LNG demand potential from new power generation as well as demand from other alumina refiners such as Alpart.

Figure 14. 2014-2020 LNG demand by users ('000 tpa)



5.1. JAMALCO

5.1.1. BUSINESS

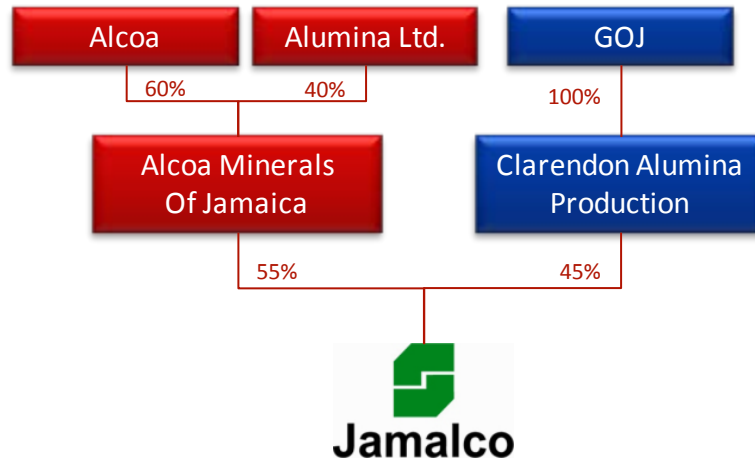
Jamalco is a leading bauxite mining and alumina refining company in Jamaica. Founded in 1959 as Alcoa Minerals of Jamaica, the company was renamed Jamalco in 1988 as the GOJ increased its stake in the joint

venture. The major assets of the company consist of bauxite mining operations in Manchester and an alumina refinery in Clarendon, with an annual capacity of 1.47 million tonnes per annum of alumina.

5.1.2. SHAREHOLDERS

Jamalco is majority-owned (55%) by Alcoa Minerals of Jamaica LLC (which in turn is owned by Alcoa (60%) and by Alumina Ltd (40%)). The Government of Jamaica owns 45% of Jamalco, through Clarendon Alumina Production Ltd. (see Figure 15)

Figure 15. Jamalco Ownership Structure



5.1.3. HISTORICAL PERFORMANCE

High energy costs place Jamalco on the highest quartiles of the global cost curve for alumina production. Jamalco’s refining process requires large amounts of steam, which is presently produced by boilers running on heavy fuel oil. The company is trying to find a solution to replacing liquid fuel.

5.1.4. LNG DEMAND

Switching from oil to natural gas would require a conversion of the steam boilers and calciners. The boilers could in the event of unavailability of natural gas run on oil (dual fuel capability). This conversion requires a USD 55 million investment. Importantly, in order to make this large investment, the LNG must be delivered at a competitive price point per MMBtu. Jamalco’s potential demand for LNG is estimated at 320,000 tonnes per annum. Jamalco is also contemplating an expansion of its mining operations output to 2.8 MMtpa of alumina, which would increase its LNG demand to 700,000 tonnes per annum.

5.2. NEW IPP

5.2.1. BUSINESS

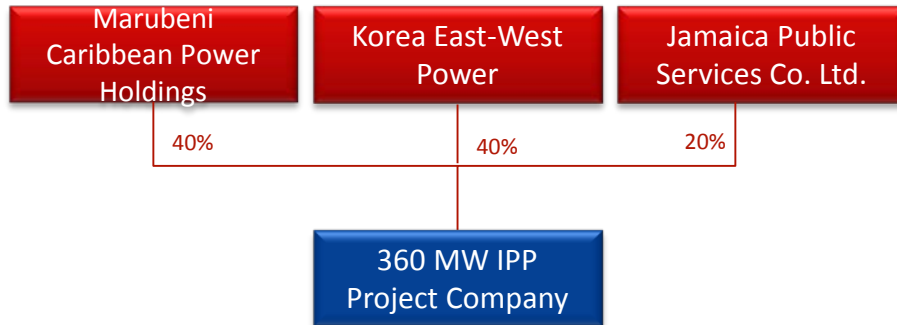
In November 2010, the Government of Jamaica issued an open tender for 480 MW of base-load generating capacity to the national grid of Jamaica on a Build, Own and Operate basis, to be developed in two stages. The plant would sign a 20 year PPA with JPS, subject to renewal after the initial term. The GOJ is encouraging the construction of natural gas-fired IPP projects by giving those projects an additional 15% weighting factor in the first two phases of the IPP evaluation process.

A company comprised of affiliates of Marubeni, Korea East-West Power and JPS were the only bidders and are currently in negotiations with the GOJ.

5.2.2. SHAREHOLDERS

The ownership structure of the new IPP is depicted in Figure 16.

Figure 16. New 360 MW IPP Project Company



5.2.3. LNG DEMAND

The new 360 MW IPP will be put into operation in early 2014. This would yield a demand of approximately 370,000 tonnes of LNG per year. Additional capacity is expected to come on stream in 2016, and will yield a demand of approximately 120,000 tonnes of LNG per year. The fully operating facility would thus yield a total demand of roughly 470,000 tonnes of LNG per annum at baseload operation.

5.3. JEP

5.3.1. BUSINESS

Founded in 1995, Jamaica Energy Partners (JEP) is the largest independent power producer in Jamaica. With a current electricity capacity of 124 MW, JEP produces almost 20% of electricity generated in the country. The Dr. Bird Power Facility, JEP’s existing operating generation asset, consists of two power barges composed of 11 medium speed diesel engines, located 22 miles west of Kingston in the Old Harbour/Port Esquivel area. JEP will be looking to convert the Dr. Bird facility to natural gas.

JEP is also currently constructing the 66 MW West Kingston Power Plant, which is due to begin operations in March 2012. While the technology used by the project will initially run on fuel oil, JEP has been designed the plant to be converted into a natural gas-burning facility if gas becomes available.²⁵

5.3.2. SHAREHOLDERS

Jamaica Energy Partners is 100% owned by the Latin III Power Fund, which is controlled by New York-based investment firm Conduit Capital Partners, LLC.

²⁵ Jamaica Observer, December 4, 2010

5.3.3. LNG DEMAND

With the conversion of the Dr. Bird Power Facility to use natural gas, the potential demand for LNG would be approximately 140,000 tpa.

JEP is also developing the West Kingston Power Plant, with a proposed capacity of 66 MW. The potential LNG demand from this source would be 50,000 tpa.

6. INFRASTRUCTURE OVERVIEW

LNG will be regasified at a planned LNG Storage and Regasification Terminal (SRT) which will be located within the Portland Bight, St. Catherine Parish, on the south coast of Jamaica. This location was selected due to its proximity to the initial customers in both the power and alumina/bauxite industries.

WorleyParsons has been engaged as the Technical Advisor for the LNG initiative and has prepared the Terms of Reference for the RFP for LNG Infrastructure which is being issued concurrently with the issuance of this RFP for LNG Supply.

The SRT will be designed with minimum technical complexity and keeping safety in view considering meteorological and metocean data at site. The Terminal will be designed with zero flaring during normal operation including loading, holding and regasification modes. Only proven equipment and units will be used, considering high standards for reliability and availability, and with minimum downtime for maintenance.

The base design of the SRT will be a two-berth jetty with a cross-jetty hard-piped offloading system, with a Floating Storage Regasification Unit (FSRU) or a Floating Storage Unit (FSU) plus a regasification barge, acting as the main storage and regasification facilities for the delivered LNG.

The preferred location for the SRT is a near-shore concept, close to Port Esquivel. The approach channel turning basin and berthing facilities will be designed to accommodate standard LNG vessels with a maximum capacity of up to 265,000 m³, a length not to exceed three hundred thirty-five (335) meters, a breadth not to exceed fifty-five (55) meters and a scantling draft not to exceed fourteen (14.0) meters.

The nominal regasification capacity of the SRT will initially supply 1.10 MMtpa (150 MMscfd), expandable to 2.65 MMtpa (350 MMscfd) in the future. The Terminal will be designed to have the capacity to accept LNG cargos that will be able to unload either from the port or starboard side at a rate of not less than twelve thousand cubic meters (12,000 m³) per hour when LNG is discharged at one hundred (100) meters of head at the LNGC's manifold.

The berthing facilities will provide for industry standard hard unloading arms, expansion drums, purging facility and lifting equipment, independent power supply etc. and mooring facilities including breasting and mooring dolphins of a design and placement consistent with best practices and the target overall terminal availability of 99.5% per annum. The terminal will be designed with a sparing philosophy that can accommodate the target availability (this will be demonstrated by a terminal RAM analysis conducted by the Supplier). LNG vessels will not be required or permitted to perform vessel-to-vessel transfers through flexible hoses.

The LNG receiving terminal will be capable of storing between 125,000 m³ to 180,000 m³ with a working capacity of 98.5% of the gross storage capacity; the exact size will depend on the solution provided by the supplier. The storage will be able to receive and send out LNG simultaneously to provide a constant flow to the regasification facility.

The facility will be able to provide a constant flow of natural gas all year round at name plate capacity of the regasification facility, with the exception that during times of hurricane that come within 200 nautical miles of the facility, the natural gas flow is interrupted.

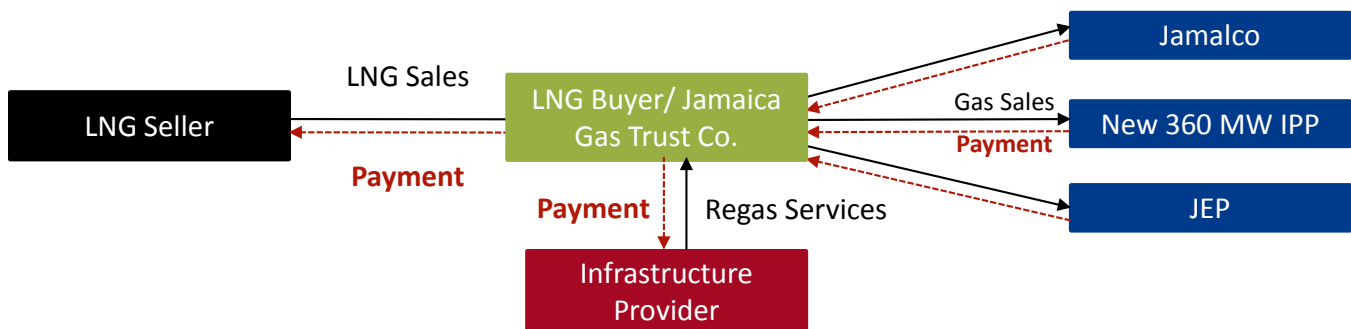
During this time the FSRU or FSU shall be able to disconnect. The FSRU or FSU will reconnect and regasify at boiler plate capacity within 48 hours after the hurricane event. The interruption of natural gas supply during hurricanes will be kept at a minimum and shall not exceed a total duration of four days per event. Excluding hurricane events the terminal availability, i.e. constant natural gas flow will be better than 99.5% per annum over the twenty (20) year design life.

7. COMMERCIAL STRUCTURE

7.1. OVERVIEW

The buyer of LNG under the LNG SPA will be a newly formed company, called the Jamaica Gas Trust Co. (also “JGT”). JGT will contract on a long-term basis with the “Infrastructure Provider” for the regasification of LNG and the transportation of natural gas to the End User delivery points. JGT will sell natural gas to each of the End Users under long-term gas sales agreements (“GSA”) that follow substantially in form and substance the terms set out in the LNG SPA. This commercial structure is set out in Figure 17 below.

Figure 17. Jamaica SPV Ownership Structure



7.1.1. JGT

The LNG Steering Committee will establish JGT, which will be a special purpose marketing and investment company that will undertake the role of commercial intermediary. The role of JGT is the purchase of LNG, the payment of services to the Infrastructure Provider, and the sale of natural gas to the End Users. This role would entail scheduling of LNG imports and inventory, gas sales and the management of payments to the LNG Seller and from the End Users via an escrow structure.

JGT will establish a subsidiary (“LNG Opco”) that will perform scheduling of LNG imports, LNG inventory, pipeline nominations, and gas sales and the management of payments to the LNG Seller and from the End Users.

LNG Opco will perform the following functions:

1. Arranging Annual Delivery Program with LNG Seller
2. Scheduling LNG deliveries and managing delays
3. Monitoring and responding to upset events such as storms
4. Managing LNG inventory in light of delivery schedules
5. Managing the provision of port services for LNG deliveries
6. Receiving pipeline nominations and interfacing with the Infrastructure Provider
7. Producing inventory and delivery reports to facilitate customer billing
8. Creating and maintaining a secure website for customer information
9. Negotiating and arranging for new customers, infrastructure and LNG supplies

As set out in the RFP, JGT will provide liquid credit in the form of cash collateral or stand-by letters of credit in an aggregate amount of up to USD 100 million to support its contractual obligations under the LNG SPA. JGT will also put in place liquid credit to support its obligations under the TUA with the Infrastructure Provider.

Formal launch of the JGT will be at the time of the second phase of the RFP.

7.2. THE LNG SPA

A synopsis of the LNG Sale & Purchase Agreement is provided below for illustrative purposes only. Bidders are provided with the draft agreement as part of the RFP package.

LNG Sale & Purchase Agreement (SPA) – Summary Term Sheet

Seller:	[•] (“Seller”)
Buyer:	Jamaican Gas Trust Company (“Buyer”)
Agreement:	Seller agrees to sell and deliver, and Buyer agrees to take and pay for, or pay for if made available and not taken, LNG upon the terms and conditions of the LNG SPA.
Term:	[•] starting on the date of first commercial delivery, subject to: contract extension or early termination.
Annual Contract Quantity (“ACQ”):	During each Contract Year during the term of the contract, the annual contract quantity (ACQ) will be [•] million MMBTU.
ACQ Review	Buyer shall have the right to request a review of the ACQ following Offtaker Termination Event. Buyer and Seller to use reasonable endeavors to agree on changes to the ACQ. If no agreement has been reached within 60 days, Buyer shall have the right to have the ACQ Review determined by an Expert panel.
Annual Minimum Quantity (“AMQ”):	Buyer to purchase, receive and pay for, or pay for if not taken the AMQ. In determining the AMQ for any Contract Year, the ACQ shall be adjusted to take into consideration, inter alia: <ul style="list-style-type: none"> • LNG not taken due to FM event • Off-spec LNG not taken • LNG not taken due to late cargo arrival • LNG not made available by Seller for any reason • LNG not taken due to Buyer’s Major Overhaul or operational constraints at the Receiving Terminal • Carry forward LNG designated for non-delivery by Buyer • Any Downward Quantity Tolerance quantity

AMQ shall be adjusted to take into consideration the following additions, inter alia:

- Excess quantity offered by Seller and taken by Buyer

Downward Quantity Tolerance (“DQT”) Buyer shall have the right to reduce AMQ for any Contract Year by a quantity equal to [1 Full Cargo Lot]

Seller Liquidated Damages: Seller shall pay to Buyer 25% of the cost that the Buyer would have incurred for non-delivery, unless due to Willful Misconduct, in which case Seller shall pay 35%.

Payment Payment for LNG delivered each month to be made by the later of (i) 10 days following receipt of Seller’s invoice, and (ii) the 25th day of the following month. Additional details of invoicing and payment timing to be specified in LNG SPA.

Title, Risk, and Delivery Point Title to, property in and risk in will pass from Seller to Buyer at the point where the outlet flanges of the Vessel unloading lines connect to the inlet flanges of the unloading lines of the Receiving Facility.

Quality: Gross Calorific Value: Minimum: 1020 Btu/scf, Maximum: 1120 Btu/scf
Off Spec LNG provisions to be included in the SPA.
LNG Quality Specifications contained in the Appendix of the LNG SPA

Security: Buyer shall provide Seller with security in form and substance acceptable to Seller in support of Buyer’s financial obligations under this agreement.

Seller shall provide Buyer with security in form and substance acceptable to Buyer in support of Seller’s financial obligations under this agreement.

Other Key Terms:

- Governing Law : English Law
- Dispute Resolution: LCIA (London place of arbitration)

Appendix B

Letters of Interest from End Users



Jamaica Public Service Company Limited
CHANGING LIVES WITH OUR ENERGY

6 Knutsford Boulevard, Kingston Jamaica, WI
Telephone: (876) 926-3100-9
Fax: (876) 511-2167
Website: www.jpSCO.com



Mr. Christopher Zacca
Chairman, LNG Steering Committee
1 Devon Road
Kingston, Jamaica

Ref.: Expression of Interest - LNG

Dear Mr. Zacca:

This letter is to express the interest of Jamaica Public Services Company (JPSCO) in purchasing natural gas from the planned Jamaican LNG Import terminal. JPSCO remains interested in entering into negotiations for the purchase of approximately 370,000 Metric tons per year, for a period of up to 20 years. JPSCO has, throughout the term of the LNG Steering Committee tenure, devoted the time and resources required to further the prospect of introducing natural gas into Jamaica and continue to support this effort.

The development of an economically based natural gas industry in Jamaica would benefit the overall development of the national economy and benefit the individual consumer and Jamaican industry. JPSCO is willing to negotiate a natural gas sales agreement on terms which it finds acceptable, and to conduct such negotiations upon the LNG purchase negotiations that will be undertaken by the Government of Jamaica.

The above mentioned "expression of interest" is subject to JPSCO and partners been awarded the rights to Build Own and Operate (BOO) a 360 MW natural gas fired power plant by the Office of Utilities Regulations and the Government of Jamaica.

Kingston, July 14, 2011



Damian Obiglio
President & CEO



Jamalco

13 Waterloo Road
Kingston 10, Jamaica, WI
PO Box 241
Kingston 6, Jamaica, WI
Tel: 1 876 926 3390-5
Fax: 1 876 926 6901

Clarendon Alumina Works
Halse Hall, Clarendon
Jamaica, WI

PO Box 64
May Pen, Clarendon
Jamaica, WI

Tel: 1 876 986 2561-4
Fax: 1 876 986 2026/9637

July 14, 2011

Mr. Christopher Zacca,
Chairman, LNG Steering Committee
Office of the Cabinet
1 Devon Road
Kingston

Dear Mr. Zacca,

This letter is Jamalco's formal expression of interest with respect to entering into negotiations for the purchase of natural gas from the planned Jamaican LNG Import terminal or such other facility that would be delivering natural gas into the Jamaican gas transportation system. Jamalco stands ready to enter into negotiations for a long-term purchase and supply agreement of approximately [15 Bcf /year] upon the commencement of such purchase and supply agreement. Jamalco reaffirms its strong preference for a pricing structure that would not be indexed on oil prices.

The development of a natural gas industry in Jamaica could help to address the long term energy needs of Jamalco assuming a reliable, cost-effective supply of natural gas is assured over the duration of a purchase and supply agreement. Jamalco stands ready to negotiate and to conclude a natural gas sales agreement on terms which it finds acceptable, and to conduct such negotiations in parallel with the purchase negotiations that will be undertaken by the Government of Jamaica for LNG or other source of natural gas as the case may be.

Yours respectfully,
JAMALCO


.....
Jerome Maxwell
Managing Director

cc. Franklin Feder – President, Alcoa Latin American & the Caribbean (LAC)
Rick Bowen – President, Alcoa Energy
Richard Lamarche - Vice President, Alcoa Energy



Jamaica Energy Partners

RKA Building, 3rd Floor, 10 Grenada Way, Kingston 5, Jamaica, W.I. Tel: (876) 920-1746-9 Fax: (876) 920-1750

14 July 2011

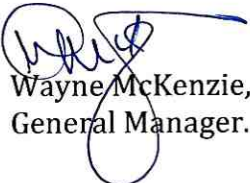
Mr. Christopher Zacca,
Chairman, LNG Steering Committee,
1 Devon Road,
Kingston, Jamaica.

Dear Mr. Zacca:

This letter is to express the interest of Jamaica Energy Partners in purchasing natural gas from the planned Jamaican LNG Import terminal. Jamaica Energy Partners remains interested in entering into negotiations for the purchase of approximately 6,500,000 MMBtu/year for a period of up to 20 years. Jamaica Energy Partners has throughout the term of the LNG Steering Committee tenure devoted the time and resources required to further the prospect of introducing natural gas into Jamaica, and continues to support this effort.

The development of an economically based natural gas industry in Jamaica, would benefit the overall development of the national economy. Jamaica Energy Partners is willing to negotiate a natural gas sales agreement on terms which it finds acceptable, and to conduct such negotiations upon the LNG purchase negotiations that will be undertaken by the Government of Jamaica.

Yours Sincerely,
JAMAICA ENERGY PARTNERS


Wayne McKenzie,
General Manager.