



Water is life

**Invitation for
Expressions of Interest
to**

**FINANCE AND IMPLEMENT
NWC PARISH PLANS**

December 2011

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SECTION A – General Information

A 1 Background

National Water Commission (NWC) intends to develop and implement major water supply and sewerage projects across the country over the next five years to improve existing service levels and to expand service coverage. Draft Water Supply Parish Plans and Sewerage Services Parish Plans have been prepared and these will provide the framework for the development of NWC's Capital Program over this period. It is expected that NWC will spend approximately US\$600 Million on priority water supply and sewerage projects island-wide within this financial year period.

Engineering Consultants will be engaged by NWC to provide Program Management Services to support the implementation of these priority water supply and sewerage projects based on the Parish Plans, which they will assist in finalizing. The process to select these consultants is far advanced, with bids already received, and it is planned to have Program Managers in place during the first quarter of 2012.

Preliminary and detailed engineering are required to properly define the projects that are presented in these plans to ensure that NWC realizes maximum benefit from them.

Steps are being taken to obtain financing of at least US\$600M to develop and implement the priority projects over the next five years. Loans amounting to almost US\$250M have been secured for some of these projects and NWC is seeking to obtain the additional amounts through different financing mechanisms supported by its K-Factor Program, where feasible.

NWC invites Expressions of Interest from suitably qualified firms to participate in implementing priority water supply and sewerage projects in accordance with the

Parish Plans, the drafts of which may be viewed online at www.nwcjamaica.com/parishplan.asp.

Interested firms are to complete this Request for Expression of Interest document. A list of firms will be selected based on the criteria set out in this document.

Completed Expressions of Interest must be delivered via mail services or e-mail at the address indicated below by **3 p.m. on January 18, 2012**. The envelope containing the completed Expression of Interest document must be clearly labeled.

National Water Commission
NWC Parish Projects
Expression of Interest for Financing
18 Oxford Road
Kingston 5
Jamaica, W.I.
Email: **parish.plan@nwc.com.jm**

A 2 The Current Water Supply and Sewerage Conditions

Water Supply

NWC operates almost over 1,000 water supply facilities including water treatment plants, wells booster stations, as well as and 100 wastewater facilities including wastewater treatment plants and lift stations. There are over 4,000 kilometers of water pipelines, which include galvanized iron, cast iron, asbestos cement, ductile iron and steel pipes; there are over 500 kilometers of sewer mains.

Despite the extensive water supply coverage, the level of service varies widely. Some areas are adequately supplied each day; others are only supplied during specific periods of the day, while some are supplied during specific periods on a particular day or days during the week. The average capacity factor of a large number of water supply facilities is below 70%.

The water supply operations face a number of challenges such as the unacceptably high levels of non-revenue (NRW), which now average in excess of 65% of production, the poor state of the water supply infrastructure and high electricity cost.

NWC has prepared draft water supply plans to:

- (a) Rehabilitate the water supply infrastructure to improve the harnessing of water; reduce water losses and generally improve operational efficiency and service reliability;
- (b) Increase supply coverage, from 75% to at least 85% of the population.

Sewerage Services

National Water Commission operates some sixty-eight sewage treatment facilities across the country. Most of these were constructed in tandem with housing developments and then turned over to NWC. About 20% of the population has access to

sewerage services.

Major sewerage facilities are located in four (4) major urban centres i.e. Kingston and St. Andrew (KSA), Montego Bay, Negril and Ocho Rios. At least sixteen (16) other urban centres islandwide are in urgent need of central sewerage systems.

Many small wastewater treatment facilities operated by NWC are malfunctioning and therefore ineffective in providing the required level of treatment. Some have fallen into disrepair and are in urgent need to be rehabilitated. In some cases, they were not designed to meet the current effluent standards that have been stipulated by the National Environment and Planning Agency (NEPA).

On-site wastewater disposal facilities are the main types of sanitation systems used by Jamaicans. These include soak-away-pits, tile fields and evapo-transpiration beds. These may or may not be associated with septic tanks. Pit latrines are still used by some residents, mainly in rural communities.

The lack of central sewerage in major towns has constrained the level of development in some of these areas and could result in public health and environment risks.

Draft sewerage service plans have been prepared to address the following:

- (a) Rehabilitate wastewater treatment plants to at least operate at their design levels;
- (b) Where possible, incorporate small sewer collection systems into large central systems in order to retire the associated small treatment plants;
- (c) Establish central sewerage for an additional sixteen (16) major towns in the country.

A 3 Water Supply Improvement and Expansion

Recognizing that the problems with the water supply systems and the water requirement through to 2030, the prime strategies to address the supply deficiencies will include the following:

- **Existing production enhancement:** rehabilitation of the water treatment plants and the associated raw water supply facilities and rehabilitation of production wells.
- **New water production:** the provision of new supplies of potable water into various areas across the country by the development of new water resources and associated treatment facilities.
- **System network rehabilitation:** rehabilitation of the transmission and distribution network, including the replacement of water mains, isolating valves, air valves and the establishment of pressure zones along with other activities to reduce of losses.
- **Water Tank and Pumping equipment:** rehabilitation of water storage tanks and pumping equipment, as well as provision of additional water storage capacity.
- **Supply Extension:** the extension of service to provide water to new areas.

A 4 Sewerage Improvement and Expansion

It is planned to provide central sewerage facilities in the major towns of Jamaica. This is in keeping with the Water Sector Policy which originally targeted achieving this by 2020.

NWC plans to implement its Sewerage Services Improvement Plans under three broad categories as follows:

(a) Consolidation -

- i. Rehabilitate malfunctioning wastewater treatment plants to at least operate at their original design level;
- ii. Extend sewer networks, which are associated with functioning treatment plants, to networks associated with malfunctioning plants and thereby allow wastewater that normally flows to these malfunctioning plants to be redirected to be properly treated. The malfunctioning plants can then be decommissioned and retired.
- iii. Re-configure existing sewerage to allow the reduction in the number of wastewater treatment plants.

(b) Extension -

- i. Extend sewer network to new areas.

(c) New Systems -

- i. Construct new wastewater systems in major towns.

A 5 Project Financing

It is estimated that it will require over US\$2 billion to implement the projects that are outlined in the water supply and sewerage services parish plans. A set of priority projects will be selected for implementation over the next five years, with expenditure of about US\$600M. Loans amounting to almost US\$250M have been secured for some of these priority projects and NWC is seeking to obtain the additional amounts through different financing mechanisms supported by its K-Factor Program, where feasible.

The different financing mechanisms may include, but are not limited to:

- Build, Own, Operate and Transfer (BOOT) type arrangements in which a private developer finances, constructs and operates facilities and is compensated by revenues associated with these facilities. Projects targeted for this approach include central sewerage systems for major urban centers.
- Incentive driven contracts where developers invest or provide financing for system improvement projects, including NRW and energy cost reduction activities, and are compensated from a share of the net benefits from these projects.

SECTION B – Expression of Interest

B 1 Invitation for Expressions of Interest

NWC invites Expressions of Interest from suitably qualified firms to participate in implementing priority water supply and sewerage projects in accordance with the Parish Plans, the drafts of which may be viewed online at: www.nwcjamaica.com/parishplan.asp.

Interested firms are to complete the four (4) forms that are provided in this section and must:

- clearly mark the name of the firm and its mailing address on the envelope;
- present all the information requested for Expression of Interest in the English Language;
- state the principals of the firm, their qualification and experience and the qualification and experience of key personnel who may be assigned to undertake the work;
- provide audited financial statements and sources of financing for previous relevant projects.

A list of firms will be selected based on the criteria set out in section B7 of this document.

Firms interested in receiving responses to requests for clarification or updates, should provide the following information before the date indicated below for the submission of expressions of interest, to parish.plan@nwc.com.jm :

- Name of contact person
- E-mail address of contact person

B 2 Submission of Expression of Interest

Submission of Expression of Interest should be in a sealed envelope clearly marked “**Expressions of Interest to Finance and Implement NWC Parish Plans**”. The sealed envelope should be placed in the tender box provided at the address below by **3:00 p.m. on January 18, 2012** and addressed to:

*The Purchasing Manager
National Water Commission
Finance & Administration Department
18 Oxford Road
Kingston 5.
Jamaica. W. I.*

Submission of Expression of Interest may also be via e-mail, with the following written in the subject line “**Submission of Expressions of Interest to Finance and Implement NWC Parish Plans**” to:

E-mail address: *parish.plan@nwc.com.jm*

B 3 FORM 1 - General Information on Firm

All interested parties, including each partner of a joint venture are requested to complete the information in this form. Nationality information is to be provided for all principals of each firm.

Section I: Firm Information	
1. Legal Name :	2. Name of Authorized Representative:
3. Telephone Number(s):	4. Legal Address:
5. Fax:	6.E-mail Address of Authorized Representative:
7.Country of Incorporation/Registration	8.Year of Incorporation/Registration

Section II: Nationality of Principals

No.	Name	Nationality	Shareholding
1.			
2.			
3.			
4.			
5.			

B 4 FORM 2 - Relevant Experience

This section requires each Interested Firm to indicate their experience relevant to the Project. Additional pages may be used and presented as required.

1.	Name of Project	
2.	Country	
3.	Name of Employer/Client and Contact Name	
4.	Address of Employer/Client	
	Fax No.	Tel No.:
	Email:	
5.	Nature of works and special features relevant to the Project	
6.	Value of Work	7.Source of Financing
8.	Contract Duration (Years)	

B 5 FORM 3 - Financial Information

Firms shall provide copies of the Audited Financial Statements for the last five years period. The financial statements shall:

- (a) reflect the financial situation of the firm.
- (b) be audited by a certified accountant.
- (c) be complete, including all notes to the financial statements.

Firms shall also indicate sources of financing for previous relevant projects.

B 6 FORM 4 – Proposed Financing Mechanism

Explain the nature of the proposed involvement in the financing and implementation of water supply and/or sewerage projects using the outline presented below.

1. Parish or parishes in which involvement is proposed and a description of this involvement.
2. Financing mechanism that is proposed
 - a. Build, Own, Operate and Transfer (BOOT) Arrangement
 - i. maximum amount
 - ii. capital recovery period (20 years preferred)
 - iii. basic principles of proposed contractual arrangement
 - iv. proposed general conditions
 - b. Incentive Driven Arrangement
 - i. maximum amount to be invested
 - ii. outline of means of capital recovery
 - iii. Indicate extent of risks prepared to accept
 - iv. Basic principles of proposed contractual arrangement
 - c. Other
 - i. description of the financing and capital recovery method
 - ii. maximum amount to be provided
 - iii. outline of the risks that are being taken
 - iv. basic principles of proposed contractual arrangement
3. Indication of the proposed source of financing. If financing is provided by a third party, a confirmation of the willingness of this third party is to be provided by an authorized representative along with evidence of its ability to provide such financing.
4. Indication of the proposed participation of Jamaican nationals in the proposed involvement.
5. Description of the anticipated benefits to NWC of the proposed involvement.

Please note that no Government Guarantee will be provided.

B 7 Evaluation Criteria

The information submitted by Interested Firms will be assessed and firms will be shortlisted based on the following criteria.

	Evaluation Criteria	Maximum Score
1	Experience in the particular area of proposed involvement <ul style="list-style-type: none">• Size and scope of works undertaken over the last 10 years• Work undertaken in the water sector• Work undertaken in developing countries	30
2	Financial Strength - based on audited financial statements	20
3	Nature of the Proposed Involvement <ul style="list-style-type: none">• Relevance to NWC needs• Financing mechanism proposed<ul style="list-style-type: none">○ Financing Amount○ Capital Recovery• Extent of risk prepared to accept• Confirmation from entity providing the financing must be provided	40
4	Proposed involvement of Jamaican nationals	10
	TOTAL	100

To be shortlisted, Interested Firms must score at least fifty percent (50%) of the Maximum Score for each of the Evaluation Criteria and achieve a total score of at least 70 points.

END OF DOCUMENT