



Preferred Bidder Selected for Cruise Berthing Facility



Image Caption: Proposed cruise berthing facility and enhanced cargo port

The Cruise Berthing Facility:

- ❖ **Jobs and income for Cayman families**
- ❖ **Trusted Developer and partners**
- ❖ **An excellent funding deal**
- ❖ **Minimised impact on the environment**
- ❖ **Best practice in Procurement**

Delivers A Win for Cayman

Grand Cayman, Cayman Islands (29 July, 2019) The Cayman Islands Government (CIG) has formally approved the selection of Verdant Isle Port Partners (VI PP) as the preferred bidder for the proposed cruise berthing facility and enhancement to the cargo facilities (CBF).

VIPP is a consortium of 4 companies comprising of McAlpine Ltd, Orion Marine Construction Inc. Carnival Corporation Ltd and Royal Caribbean Cruises Ltd. Together they offer a high degree of local and international technical expertise and have the relevant experience and key personnel who are familiar with working on projects of similar scope and scale as the CBF proposed for George Town.

VIPP were selected as the preferred bidder following a detailed analysis of the bid by the Ministry of Tourism, the Port Authority Cayman Islands (Port Authority), PWD's Major Projects Office and specialist consultants KPMG, Hatch, Royal Haskoning DHV, and Appleby/Pinsent Mason's who provided technical, financial and legal services during the procurement process. The bid was assessed against evaluation criteria and a recommendation was submitted to the Central Tenders Committee which granted approval to select a preferred bidder.

The procurement process for the proposed CBF was conducted in an open and transparent manner; consistent with international best practices; the Public Management and Finance Law, and the Framework for Fiscal Responsibility. Throughout the process, the PWD's Major Projects Office has been leading the CBF project team in collaboration with the Ministry of Tourism and Port Authority of the Cayman Islands.

The government have repeatedly advised that it was necessary to arrive at this stage in the process in order that factual information regarding the design and cost of the project could be available. Having reached this juncture the Ministry of Tourism is pleased to be able to show the CBF conceptual design and share more detailed information with the public.

Reduced Environmental Impact



Image Caption: CBF Cross Sectional View Showing Pilings

The CBF will consist of two-finger piers constructed on pilings to allow the sea and marine life to move freely underneath. Pilings are commonly used all over the world in the construction of piers and bridges situated over water.

The new pier reflects Government's mandate with respect to minimizing the environmental impact. Locating the piers in deeper water has resulted in the need for less dredging and less coral relocation than previously considered in the 2015 scheme submitted for environment impact assessment and there will be no dredging in Hog Sty Bay.

Additionally, the proposed CBF will not increase the likelihood of flooding in the areas to the North and South as a result of the new development. Furthermore wave walls have been incorporated within the footprint of the design for extreme weather conditions which will further reduce potential flooding and wave overtopping into the road and will add more protection to the central George Town area.

Development Capital Cost

Of the options provided as part of the winning bid, Cabinet has selected Option 2 which minimises impact to the environmental and delivers value for money at a cost of less than CI\$200M, subject to final contract negotiations. This figure includes enhancement of the cargo port facility to accommodate the higher volumes of cargo required to meet the needs of the growing population. The current port is 40 years old and operates under conditions that are cramped, inefficient and less than ideal.

If the CBF project did not proceed the Port Authority would require capital investment to upgrade the cargo area of the port and this cost would have to be met by the public purse.

Design, Build, Finance, Maintain Financial Model

The CBF project will be carried out under a Design, Build, Finance, Maintain (DBFM) arrangement which is financed by the preferred bidder. The country will receive a two-pier berthing facility and enhanced cargo port without the Government having to provide any loans, bonds or guarantees.

The Port Authority will continue to operate and manage the facility and four cruise lines will enter into preferential berthing rights for the new piers. The Port Authority will operate the four berths and two existing anchor points to manage the number of vessels and passengers visiting the Islands.

The financial investment required to build the piers will be repaid over 25 years to the preferred bidder using a portion of the passenger fee which is charged for each passenger brought to the new CBF. The share of the existing passenger fee currently paid to the Port Authority and the Environmental Protection fund will remain unchanged.

Passenger fees are bundled into the cost of a cruise in much the same way that passenger taxes are bundled into the cost of airline tickets. A portion of the fee which currently pays for tendering services will be used instead to repay the preferred bidder for financing construction of the CBF. After 25 years when the investment has been repaid, that portion of the passenger fee will be remitted to the Port Authority, increasing the revenue that Port Authority receives per passenger.

Operational Management

The CBF and enhanced cargo port will continue to be managed by the Port Authority as is currently the case and there will be no increased upland development with the new retail units owned and managed by the Port Authority. The increase in area of the upland development for cruise is to accommodate passenger management on the facilities. This means cruise lines will not own or operate any retail or commercial space within the cruise terminal. From the inception of the project Government has maintained that George Town is our upland development to ensure that the money cruise passengers spend while onshore continues to provide maximum benefit to the local economy.

Job Creation and Security

The CBF will provide future security for the jobs and businesses that depend on the cruise industry and will create employment during construction as well as throughout the facilities lifespan.

Cruise Berthing Facility Benefits

The CBF will greatly enhance the safety of the Port Authority operations and quality of the cruise passenger experience and will help to bring new life and opportunities to the capital city. The CBF is integral to the George Town Revitalisation Project and vital to the long term future of the Cayman Islands cruise tourism industry.

The selection of the preferred bidder represents a significant step forward in the quest to provide a modern cruise berthing and enhanced cargo facility that caters to the essential needs of the country.

The evolution of the mega ship has changed the face of cruising in the Caribbean and the Cayman Islands must either prepare to embrace this reality or get left behind. After 40 years of being in the cruise tourism business Cayman is distinct within the region for not having a berthing facility. Rather than being an attribute, this presents a serious risk and will ultimately place our cruise tourism industry in jeopardy.

It is in our country's long term best interest to provide a berthing facility that will positively impact employment and ultimately inject millions of dollars into our economy.

Summary of Key Facts

- ❖ The Preferred bidder is a consortium comprising a trusted developer and industry partners.
- ❖ The option selected by Cabinet costs less than CI\$200M
- ❖ The cost includes enhancing the cargo port.
- ❖ The environmental impact is significantly reduced.
- ❖ There is no financial risk to the Country.
- ❖ There will be no upland development owned or operated by cruise lines.
- ❖ The facility will be managed and ownership by the Port Authority on behalf of the People of the Cayman Islands.
- ❖ The berthing facility will secure the cruise industry and provide jobs for Cayman families.

To stay informed on all of the latest news and information on the cruise berthing project the public is encouraged to visit the CBF website at www.SupportOurTourism.com and to check the project's [facebook](#) page for daily updates.

ENDS

Photo Captions:

1. The proposed CBF with ships at berth.
2. Cross Sectional views of the CBF showing construction on pilings allowing the sea and marine life to move freely underneath.

NOTES TO EDITORS

McAlpine Ltd is a long established local company with significant and wide ranging local construction experience. Their most recent projects for Government include construction of Phase 2 of the Owen Roberts International Airport expansion project and the John Gray High School gymnasium.

Orion Marine Construction has extensive experience in the design and execution of pier construction and marine projects in the Caribbean. Their subcontractor Polaris has previously worked on coral reef restoration in the Cayman Islands.

Carnival Corporation is the world's largest cruise company which attracts approximately 50 percent of the global cruise market.

Royal Caribbean Cruises Ltd is the largest cruise line by revenue and second largest by passengers counts.