

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**BARBADOS**

**FISHERIES DEVELOPMENT PROJECT**

**(BA-0020)**

**LOAN PROPOSAL**

Under the Access to Information Policy, this document is subject to Public Disclosure.

## VI. PROJECT EXECUTION

### A. Executing Agency

- 6.01 The Executing Agency for the proposed project is the Ministry of Agriculture, Food and Consumer Affairs (MAFCA) through its Special Assignments Division. However, in the execution of the Technical Cooperation, MAFCA will function through its Fisheries Division.

#### 1. Executing Unit

- 6.02 The Special Assignments Division (SAD) is the Executing Unit directly responsible for the implementation of all activities relating to the construction of the fishing harbour and terminal and will represent MAFCA in all acts relating to these activities. Similarly, the Fisheries Division will represent MAFCA in all acts relating to the execution of the Technical Cooperation.
- 6.03 MAFCA will be required, to assign to SAD within 12 months of the signature of the loan contracts a qualified civil/mechanical engineer, an additional accountant and other support personnel. <sup>1/</sup> The engineer will be assigned to the proposed project and will be in constant liaison with the consulting firm retained for project supervision and completion of the working drawings for the project. The accountant will supervise all financial and accounting records for the proposed project including the preparation of financial statements for the Bank and the Executing Agency (MAFCA).
- 6.04 The need for the engineering expertise in the Special Assignment Division is justified because the present staff of the Division comprises administrative, financial and secretarial personnel and the nature of the project is such that its execution will call for technical coordination with the engineering consultants. The additional accountant is needed because of the volume of accounting work associated with the number of externally financed projects under execution by the Division and the need to keep separate accounting for the proposed project.

#### 2. Engineering and Technical Supervision

- 6.05 The Bank has received a request dated April 19, 1984 from the Government to continue the services of the consulting firm of Stevenson Hlutchan (Engineering Consultants) to carry out the working drawings and the engineering supervision of the project. This firm has been working with the proposed project since 1981. In 1983, this firm prepared for the Government of Barbados a modification to the design of the proposed project prepared by FAO, including an analysis of the economic feasibility of the modified design. This modification was reviewed by the Government and the Bank. The project submitted to the Bank for

<sup>1/</sup> See Recommendation 3

analysis was based on the design modifications of Stevenson Hluchan (Engineering Consultants). Further, this firm has also satisfactorily supervised the construction of other Bank financed fishery projects in another country. It is recommended that the request of the Government of Barbados (Borrower) be accepted to continue the services of the firm of Stevenson Hluchan (Engineering Consultants) for the preparation of the working drawings and supervision of the project.

- 6.06 The draft Terms of Reference for the retention of Stevenson-Hluchan (Engineering Consultants) is attached as Annex IV-2 of the Project Report.
- 6.07 The Executing Agency will be required to present to the Bank as a condition prior to first disbursement of the loan evidence that it has contracted a consulting firm to carry out the engineering and supervision works during project execution. <sup>1/</sup>

B. Status of Project Preparation

- 6.08 The engineering studies and cost estimates for the proposed project were completed in 1983 by consultants retained by the Government of Barbados and by specialists provided by the Food and Agriculture Organization (FAO). After the preliminary plans were accepted by the Government, the consultants prepared a Design Definition Document which was subsequently reviewed and accepted by the Government and the Bank. This document showed in detail the design elements, costings and construction procedures. With this information, the Consultants prepared a project execution program and construction quantities. The working drawings for execution of the project are still required and it is proposed to utilize the consulting firm recommended to supervise the project to prepare these drawings. Since 5 months will be required to complete preparation of the project site, the preparation of the working drawings will not delay project execution.

C. Bidding and Contracting

- 6.09 All construction work under the project will be carried out by construction firm or firms whose services will be obtained through international competitive bidding following established procedures agreed upon with the Bank which are presented as an annex to the Project Report.
- 6.10 To facilitate the participation of firms of different economic capacities and to expedite the beginning of project activities, the work will be put out for tender in the following proposals, namely: (a) Site Preparation, including the utility service modifications; (b) Construction of Breakwater; and (c) Construction of Other Facilities

<sup>1/</sup> See Resolution 8.C

financial control of the project; and (e) preparation of all reports on project execution for the Bank and the Borrower.

2. Engineering and Technical Supervision

- 4.08 The Executing Unit - Special Assignments Division of the MAFCA will be assisted by a firm of consultants to carry out project supervision.
- 4.09 The Borrower, by letter of April 19, 1984,<sup>1/</sup> has requested the approval of the Bank to continue the services of the firm Stevenson Hluchan Engineering Consultants to carry out the working drawings and engineering supervision of the project. This firm has been working with the project since 1981. In 1983, this firm prepared for the Government of Barbados a modification to the design of the proposed project prepared by FAO including an analysis of the economic feasibility of the modified design. The modification was reviewed by the Government and the Bank. The project submitted to the Bank for analysis was based on these design modifications. This firm has also satisfactorily supervised the construction of other Bank financed fishery projects in other countries. The Bank recommends the request of the Government of Barbados (Borrower) to continue the services of the firm Stevenson Hluchan for preparation of the working drawings and project supervision.
- 4.10 A draft terms of reference for the work to be carried out by the consulting firm has been prepared <sup>2/</sup>. This will be reviewed with the consultants and the Government after approval of the project.
- 4.11 Prior to the first disbursement of the loan resources, the executing Agency will be required to present to the Bank evidence that it has contracted a consulting firm to carry out the engineering and supervision works during project execution.

B. Status of Project Preparation

- 4.12 Engineering studies and cost estimates for the proposed port infrastructure project were first completed in 1983 by qualified consultants engaged by the Government of Barbados and specialists provided to the Government by FAO. Upon acceptance of the preliminary engineering plans by the Government of Barbados the consultants prepared a Design Definition Document which was reviewed and accepted by the Government and the Bank. This document showed in detail the design elements, construction procedures, and costings. The information in this document was then utilized by the consultants to prepare the project execution program and construction quantities. The consulting firm recommended for Bank approval to supervise project construction will prepare the working drawings for the project on the basis of the design definition document.

<sup>1/</sup> See Annex IV-1.

<sup>2/</sup> See Annex IV-2.

- 4.13 To comply with accepted design procedures, the working drawings detailing placement of structure reinforcing, equipment connections, plumbing, electrical facilities, etc., will be prepared prior to the bidding of the buildings. Also, additional soundings and foundation data will be obtained by the consulting firm contracted for the working drawings and project supervision to eliminate encountering unexpected conditions during construction even though the existing conditions in the area have almost eliminated any probability that unusual conditions will be encountered.
- 4.14 The preparation of the working drawings and the execution of the additional studies will not delay project execution as the site preparation activities will require approximately five months prior to the beginning of the actual construction operations. In sum, the Bank considers that the procedures normally utilized in the designing of port projects for Bank financing have been followed satisfactorily.

C. Bidding Procedures and Construction Schedules

1. Bidding and Contracting

- 4.15 All construction work under the project will be carried out by construction firm or firms whose services will be obtained through international competitive bidding, except for the site preparation contract which is entirely financed by local counterpart funds and which would be tendered locally. The procedures have been negotiated with the Barbados Authorities and are attached as Annex IV-3 to this report, eventually constituting an annex to the loan contract.
- 4.16 The contractor's proposal will include unit construction costs for all infrastructure works, equipment, labor, materials and supplies, and installation, required to execute the project as shown in the construction plans and indicated in the bid documents, specifications and special provisions. To facilitate the participation of firms of different economic capacities and to speed-up the beginning of project activities, the work will be put out for bidding in the following proposals:

(a) Site Preparation and Utility Service Modifications

This contract will be for: (i) the removal of the existing abandoned International Seafood Limited (ISL) building, the dismantling of the ISL equipment and the leveling of the terrain in the project area and (ii) all civil works required to convert the existing land including all public utilities and services to the requirements of the project. <sup>1/</sup> For this proposal, a bidding period of two-months will be required and an additional three-months for execution. The Borrower gave the assurance that they will commence site preparation as soon as project financing from the Bank is assured.

1/ See Chapter III.

RECOMMENDATIONS

A. It is recommended that the following conditions, to be fulfilled to the Bank's satisfaction, be included in the loan contracts in addition to the conditions set forth in the proposed resolution:

1. Prior to any call for bids or initiation of works, the Borrower, through the Executing Agency, shall present to the Bank: (i) the general plan and specifications, budget, specific bases for the bidding, and such other documents as may be necessary for issuing the call for bids; and (ii) proof of being in legal possession of the lands, easements, or rights of way needed for the execution of the corresponding works.
2. The Borrower, through the Executing Agency, shall undertake:
  - (i) to maintain all civil works, machinery and equipment financed with resources of the loan for the duration of their projected useful life, according to generally accepted technical standards; and
  - (ii) to prepare yearly maintenance plans as specified in paragraph VI of Appendix IV of this document. The Executing Agency shall submit to the Bank within the first sixty days of each fiscal year, starting with the first year after completion of the project and for the next 10 years, a report containing the current year's maintenance plan and budgetary allocation as well as information on compliance with the previous year's maintenance plan.
3. Within 12 months from the date of the contract, the Borrower, through the Executing Agency, shall demonstrate that it has assigned a qualified civil mechanical engineer and an additional administrative/accounts officer to work in the Special Assignments Division and two administrative/technical assistants to work in the Fisheries Division.
4. Within 12 months from the effective date of the Loan Contract, the Borrower, through the Executing Agency, shall submit to the Bank the base line data referred to in Section VII of Appendix IV (Annex A of the Loan Contract) together with the description of the system to be used for gathering, processing and comparing the data which shall be used in the evaluations.

5. At the end of 3-1/2 years following the date of the last disbursement of the financing, the Executing Agency shall submit an ex-post evaluation of the economic and social effects of the Project in accordance with the methodology appearing in Section VII of Appendix IV (Annex A of the loan contract).
  6. Within 36 months from the date of the loan contract, the Borrower shall take appropriate measures acceptable to the Bank in order that the rates for the use of the project facilities: (i) produce revenues at least sufficient to cover all operating expenses of the Terminal, including those related to administration, operation, maintenance and, to the extent possible, depreciation; and (ii) if the flow of funds available from the foregoing is not sufficient to cover the operating costs, as specified above, the government shall take such additional measures as necessary to provide the required resources.
  7. In carrying out its obligations under Recommendation No. 6 above, the Borrower, through the Executing Agency, shall undertake to submit to the Bank, within the first 60 days of each fiscal year, starting with the first year after completion of the project, and for the next five years thereafter, a report on the revenues and expenditures of the Facility.
  8. The Borrower, through the Executing Agency, shall closely monitor annual fish landings and shall inform the Bank within the first 60 days of each year and during the five years following the date of the contract, on the results of the monitoring, including any policies adopted and regulations enacted to maintain an ecological balance between exploitation and availability of this renewable natural resource.
  9. During the execution of the project, and beginning with the fiscal year ending March 31, 1985, the annual financial statements of the project shall be presented to the Bank, certified by an independent firm of public accountants acceptable to the Bank.
- B. The loan contract shall include an annex similar in content to Appendix IV (Annex A to the Loan Contract).
- C. The Technical Cooperation Agreement ATN /SF-BA shall be signed simultaneously with the Loan Contract.