

Port Authority of Trinidad and Tobago (PATT)

REQUEST FOR EXPRESSION OF INTEREST (EOI)

PORT AUTHORITY OF TRINIDAD AND TOBAGO

POTENTIAL PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECT



August 23, 2021

Contents

1.0	Disclaimer.....	2
2.0	Glossary of Terms.....	3
3.0	General Information.....	4
4.0	Introduction.....	5
4.1	Purpose of Issuing the EOI.....	5
5.0	Project Background.....	5
5.1.	Port Authority of Trinidad and Tobago (PATT) Current Context.....	5
5.1.1	PATT's Financials.....	8
5.2	PPOS Current Context.....	10
5.2.1	Infrastructure / Capacity.....	10
5.2.2	Aged Equipment.....	11
5.2.3	Financials.....	11
5.3.4	Introspection – SWOT Analysis.....	13
5.3.	POSINCO Current Context.....	16
5.3.1	Strategic Role.....	16
5.3.2	Financials.....	17
5.3.3	Introspection.....	19
5.3.4	Port of Scarborough (POSCA) Financials.....	23
6.0	GoRTT Expectations.....	24
6.1	GoRTT Benefits.....	25
7.0.	Description of the Expression of Interest (EOI) Process.....	25
7.1	Overview.....	25
	SCHEDULE 1 - SUBMISSION LETTER.....	27
	FORM – 'A'.....	28
	FORM – 'B'.....	29
	FORM - 'C'.....	30

1.0 Disclaimer

The information contained in this Expression of Interest (EOI) or subsequently provided to Respondents, whether verbally or in documentary or any other form by or on behalf of the Implementing Institution or any of its employees or advisors, is provided to Respondents on the terms and conditions set out in this EOI and such other terms and conditions subject to which such information is provided.

This EOI is not an agreement and is neither an offer nor invitation by the Implementing Institution to the prospective Respondents or any other person.

This EOI includes statements, which reflect various assumptions and assessments arrived at by the Implementing Institution, as defined in the Glossary of Terms, in relation to the potential PPP Project. Such assumptions, assessments and statements do not purport to contain all the information that each Respondent may require. Additional information may be requested as per section 7. The Implementing Institution will publish the additional information and answers to questions received as per section 7. Respondents must read and be thoroughly familiar with the EOI document (including all Addenda) before making a submission. Respondents who provide a submission in response to the EOI will be held to have, by their own independent observations and, if necessary, made enquiries and obtained independent advice from appropriate sources, and be fully informed and satisfied, as to the nature and extent of the information required, which can in any way affect the responsiveness of its EOI submission, as no claim will be allowed in connection with any neglect or failure on Respondents' part in this respect.

Information provided in this EOI to the Respondents is on a wide range of matters, some of which depends upon the interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law.

None of the Implementing Institution's employees, or advisors accepts any responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Implementing Institution, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Respondent under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this EOI or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the EOI and any assessment, assumption, statement or information contained therein or deemed to form part of this EOI or arising in any way by the participation in this process.

The Implementing Institution, its employees or advisors, likewise accept no liability of any nature whether resulting from negligence or otherwise, howsoever caused, arising from reliance of any Respondent upon the statements contained in this EOI.

The Implementing Institution may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this EOI.

The Implementing Institution reserves the right to discontinue the process without assigning any reason whatsoever.

The Respondent shall bear all its costs associated with or relating to the preparation and submission of its EOI including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Implementing Institution or any other costs incurred in connection with or relating to its EOI. All such costs and expenses will remain with the Respondent and the Implementing Institution shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Respondent in preparation or submission of the EOI, regardless of the conduct or outcome of the procurement process.

2.0 Glossary of Terms

Addendum or **Addenda** means addendum or addenda to the EOI.

Consortium means any combination of persons and/or entities that have formed a consortium or association

EOI means the Expression of Interest.

Expression of Interest Due Date means the date specified in Section 7.15 as the last date for submission of Expression of Interest.

Implementing Institution means any Line Ministry, administrative department reporting to it, or a public entity established or owned by or reporting to a Line Ministry on behalf of the Government of the Republic of Trinidad and Tobago (GoRTT)

Government means the Government of the Republic of Trinidad and Tobago (GoRTT)

Lead Member in the context of a Consortium, means the Consortium Member nominated by the Consortium Members as the lead member.

Line Ministry means a Government Ministry responsible for a sector or sectors.

PATT – Port Authority of Trinidad and Tobago

PATTGU – Port Authority of Trinidad and Tobago Governing Unit

POSINCO – Port of Spain Infrastructure Company

PPOS – Port of Port-of-Spain

PPP means Public Private Partnership.

POSCA – Port of Scarborough

PROJECT means any undertaking, carried out individually or collaboratively, to achieve a particular outcome

RESPONDENT refers to the entity who responds to the Expression of Interest invitation

THA – Tobago House of Assembly

TTIT – Trinidad and Tobago Inter-Island Transportation Company

3.0 General Information

The Government of the Republic of Trinidad & Tobago (GoRTT), operating through the Port Authority of Trinidad & Tobago (PATT), invites interest from willing investors with experience in port investments, development and operations, shipping, logistics and cruise operations to propose business ideas that will support participation in a PPP Landlord model project with the Port Authority of Trinidad and Tobago (PATT), in any or all of the following areas:

- a) The Cargo operations at PPOS;
- b) The Cargo and Cruise operations at the POSCA;
- c) Regional Cargo activities at CARICOM wharves;
- d) Cruise shipping Operations at PATT

Further to the above, it should be noted that a potential investor may also consider opportunities in Marine Services (towage, dredging etc).

The PATT recognizes that an effective public-private agreement has the potential to not only generate revenue but also positively enhance the experience of Port users, businesses and the national community. This Expression of Interest (EOI) is encouraging and creating the competitive environment for new agreement(s) to be created. This EOI is designed to give all who may be interested an opportunity to possibly engage in a potential public-private partnership arrangement in the future.

4.0 Introduction

4.1 Purpose of Issuing the EOI

4.1.1. The purpose of issuing the EOI is to:

- a) Disseminate information about the potential Project;
- b) Engage in an interactive process with interested respondents, relative to their business interests, towards the refinement and submission of their own business proposals for the finance and investment in marine and port infrastructure, facilities and services and the management of operations based on the potential PPP model of development.

The information submitted will be treated as confidential.

4.1.2 The EOI may be used by the Implementing Institution to seek suggestions from Respondents on the design of the scope or other parameters of the potential PPP Project.

4.1.3. The EOI is prepared in accordance with established standards from the Multilateral Development Banks Reference Guide for Public Private Partnership (The World Bank, Asian Development Bank, and Inter-American Development Bank).

5.0 Project Background

5.1. Port Authority of Trinidad and Tobago (PATT) Current Context

The Port Authority of Trinidad and Tobago was incorporated by the Port Authority Trinidad and Tobago Act 39 of 1961, currently the Port Authority Act, Chapter 51:01 and operates as a statutory authority under the Ministry of Works and Transport. The PATT maintains an employee complement of approximately 1,516 persons and is governed by a Board of Commissioners vested with the authority to chart its strategic direction, including the prudent management of the Organisation's revenue and assets.

PATT is, by industry definition, a "public" multi-purpose port. Its assets belong exclusively to the State; its management and labour are under administrative jurisdiction of the State and its policies must all be approved by the GoRTT through the PATT Board.

The functions of the PATT are outlined in Section 8. (1) of the Port Authority Act as follows:

- (a) to develop the harbours of Trinidad and Tobago described in the First and Second Schedules and such other harbours as may from time to time be vested in the Authority under section 57;
- (b) to operate port services in accordance with this Act;
- (c) to operate the Government Shipping Service between Trinidad and Tobago in accordance with Part IX;
- (d) to collect the dues and charges authorized by this Act; and

(e) generally to be responsible for the carrying out of this Act.

PATT owns 151.8 hectares of land extending from Beetham Highway in the east to Invaders Bay in the west. The port utilizes 48.41 hectares of its land for its operations. It leases 78.04 hectares, with the remaining 25 hectares located in east Sea Lots. The Port of Scarborough, Tobago operates on approximately 3.47 hectares. **Details are provided in Annex A.**

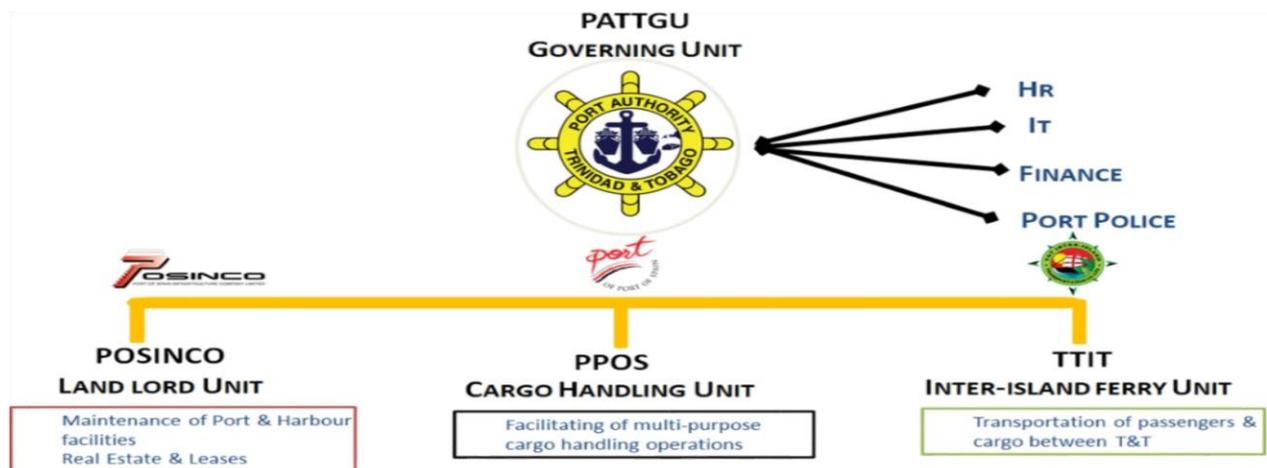
PATT facilitates the majority of trade within Trinidad and Tobago and provides a gateway to regional and foreign markets, being the largest cargo handling and cruise shipping port in the country. Its market share is 60% of containerized trade in Trinidad and Tobago. However, with the expansion of the Panama Canal, PPOS has lost transshipment cargo to regional ports which have invested heavily in infrastructural and equipment upgrades, to capitalize on the trade being transported by the larger vessels transiting the canal.

PATT has been transitioning into Strategic Business Units since 2005, when PATT took a decision to de-couple and break into specialized organizations based on functionality. The objective was to allow each business unit to become autonomous and specialise in its core area of operation. The business units comprise the following:

- a. **PPOS** - the cargo-handling entity with a mandate to provide specialist cargo handling services to shipping lines on a commercial basis.
- b. **POSINCO** – the company tasked with the responsibility of managing and developing the real estate and infrastructure of the Authority as a commercial undertaking while advancing the cruise ship terminal business in Port of Spain and the regional Cargo activities at CARICOM Wharves
- c. **TTIT** - the Inter-Island Transport Company is an agent with the mandate to operate the service on behalf of the GoRTT.

PATTGU – Governing Unit of the three SBUs is detailed in Diagram 1 below.

Diagram



In addition to the three (3) SBUs, the Port of Scarborough (POSCA), Tobago, falls within the joint purview of the Port Authority Governing Unit (PATTGU) and THA. Operations at the POSCA, includes Cargo handling and Cruise Shipping, with potential for expansion in regional transshipment as well as in the Cruise business. PATT and its three (3) SBUs, inclusive of the POSCA, have been in a deficit position for many years with government subventions completely funding the Inter Island Ferry Service and capital expenditure being requested annually through the Public Sector Investment Programme (PSIP) for equipment and infrastructure upgrades, however the latter is usually severely under-funded.

Furthermore, PATT's expenditure has consistently exceeded its revenues because of out-dated working practices thereby resulting in high labour costs, as well as aged equipment resulting in sub-standard productivity levels, and ultimately, higher operational costs. PATT is therefore unable to invest in major capital expenditure. Revenue generation is further stymied by the PPOS's inability to set competitive tariffs due to its operational inefficiencies as well as its lack of infrastructure to attract vessels transiting the region.

In fiscal year 2021, following stakeholder consultations and further analysis by Government appointed Committees, the Government of the Republic of Trinidad and Tobago (GoRTT) announced its intention to adopt a Landlord Model Public Private Partnership (PPP) project, to improve the efficiency of the operations of PATT's businesses. It is envisaged that this PPP arrangement would allow for the diversion of State funding to other areas of its economic programme while benefitting from private sector investment, management, technology and innovation to increase the efficiency and profitability of PATT's operations in the national interest.

The implementing institution will make best efforts to ensure that the necessary legislative and structural changes required to facilitate the implementation of the potential PPP Project will be undertaken.

Further details are provided at **ANNEX A**

5.1.1 PATT's Financials

Within the referenced framework above, the Consolidated results for the PATT is presented in Graph No. 1 below for the years ending September 30, 2016 to 2020, which reflects the operating performance of PPOS, POSINCO and Port-of-Scarborough. Supporting financials are presented in Table I & IA below.

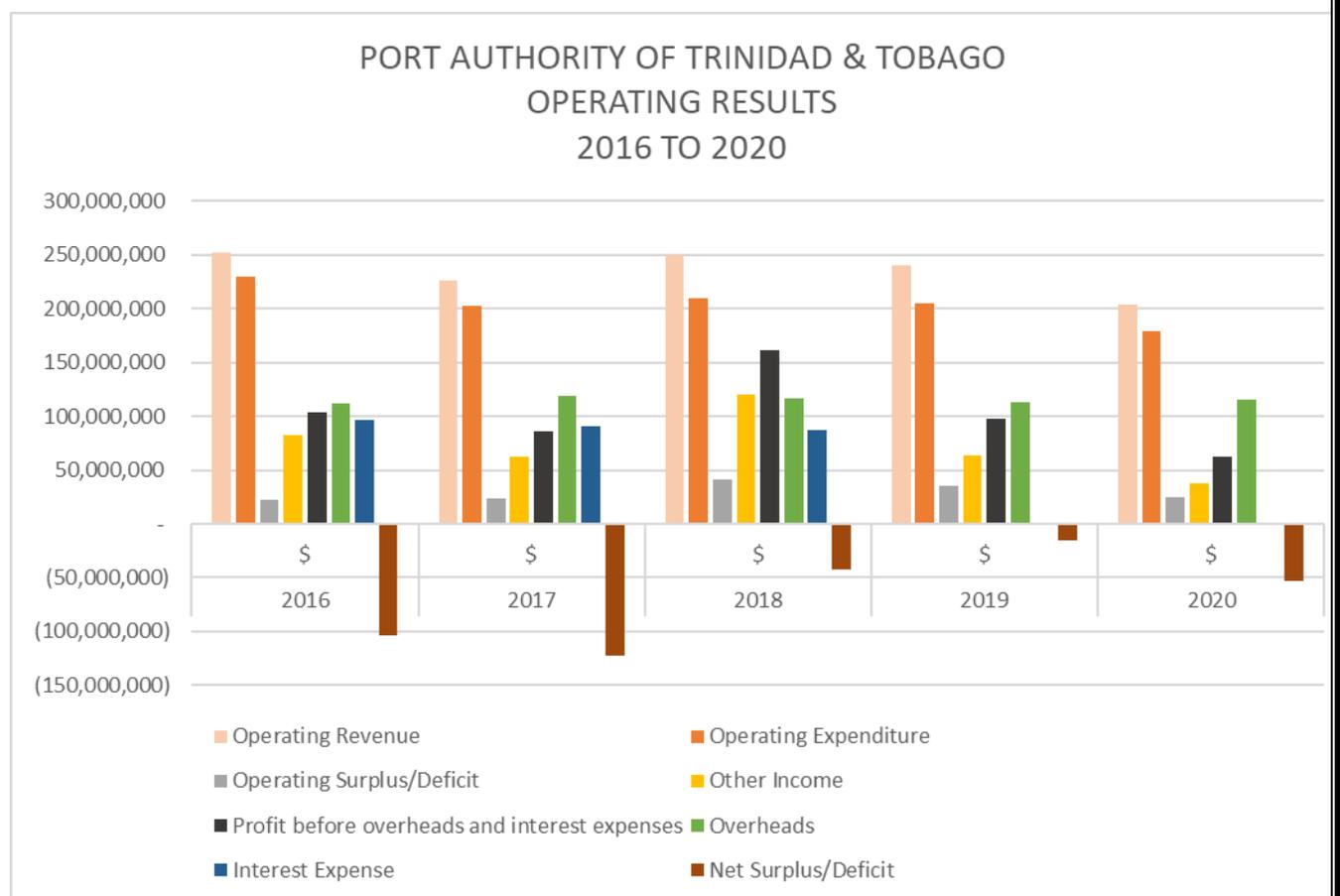


Table I – PATT's Financials for the year ending September 30, 2016 to 2020

	2016	2017	2018	2019	2020
	\$	\$	\$	\$	\$
Operating Revenue	252,506,683	225,832,598	250,412,068	240,264,367	204,188,940
Operating Expenditure	230,324,169	202,223,635	209,509,757	205,464,086	178,898,172
Operating Surplus/ (Deficit)	22,182,515	23,608,963	40,902,311	34,800,281	25,290,768
Other Income	82,090,614	62,886,154	120,092,065	63,069,455	37,221,803
Profit before overheads and interest expenses	104,273,129	86,495,117	160,994,376	97,869,736	62,512,571
Overheads	111,602,680	118,558,017	116,329,716	112,921,950	115,657,541
Interest Expense	96,318,230	90,271,244	87,169,692	834,629	-
Net Surplus/ (Deficit)	(103,647,782)	(122,334,144)	(42,505,032)	(15,886,843)	(53,144,970)

**The periods presented represent Unaudited figures.*

PATT's consolidated report does not mirror the mapping of the individual SBU reporting for Operating Revenue, Other Income, Operating Expense and Overheads. Although the figures shown by line are not mapped directly between consolidated figures and SBU figures, PATT's totals are reconciled when the SBU figures are added to PGU's share of Other Income and Overheads as shown in Table IA below and as shown in the financials for the SBUs and the POSCA.

Table IA – PATT's Financials – Breakdown of SBUs for the year ending September 30, 2016 to 2020

	PATT SUMMARY FINANCIAL RESULTS				
	2016 TO 2020				
	2016	2017	2018	2019	2020
	\$	\$	\$	\$	\$
PATT's Total Revenue (Operating & Other Income)	334,597,298	288,718,752	370,504,133	303,333,822	241,410,743
PPOS, POSINCO Operating Revenue and Other Income & POSCA Operating	313,240,331	213,869,052	334,963,664	290,372,450	238,858,725
PGU's Share of Other Income	21,356,967	14,040,358	35,540,469	12,961,372	2,552,018
PATT's Total Expenditure	341,926,849	320,781,652	325,839,473	318,386,036	294,555,713
PPOS, POSINCO Operating Expenditure and Overheads & POSCA Operating	327,169,550	305,741,013	313,770,890	307,100,910	283,326,727
PGU's Share of Overheads	14,757,299	15,040,639	12,068,582	11,285,126	11,228,986

5.2.2 Aged Equipment

Most of the equipment at the PPOS is beyond its economic life and negatively affects the ability to handle vessels transiting with high cargo (transshipment and domestic) volumes, at competitive productivity levels, thereby limiting its revenue generation potential. It must be noted that even if the new Panamax vessels could have been accommodated, only two (2) of the four (4) ship to shore (STS) cranes are able to effectively and systematically operate on the vessels since the other two do not have the height or reach specifications. Furthermore, ten out of fourteen rubber tyre gantry (RTG) cranes, which are used for yard operations, are beyond their economic lives, and the other four RTG cranes are approaching the end of their economic lives.

5.2.3 Financials

PPOS is the cargo handling business unit of PATT. PPOS provides berthing for international container vessels, break-bulk, RORO, dry and liquid/bulk cargo vessels, as well as towage services, container freight services and warehousing, and a one stop barrel shop for clearance and delivery of personal effects.

Graph No. 2 below represents the operating results of PPOS for Financial Years Ending September 30, 2016 to 2020. Supporting financials are provided at Table II below.

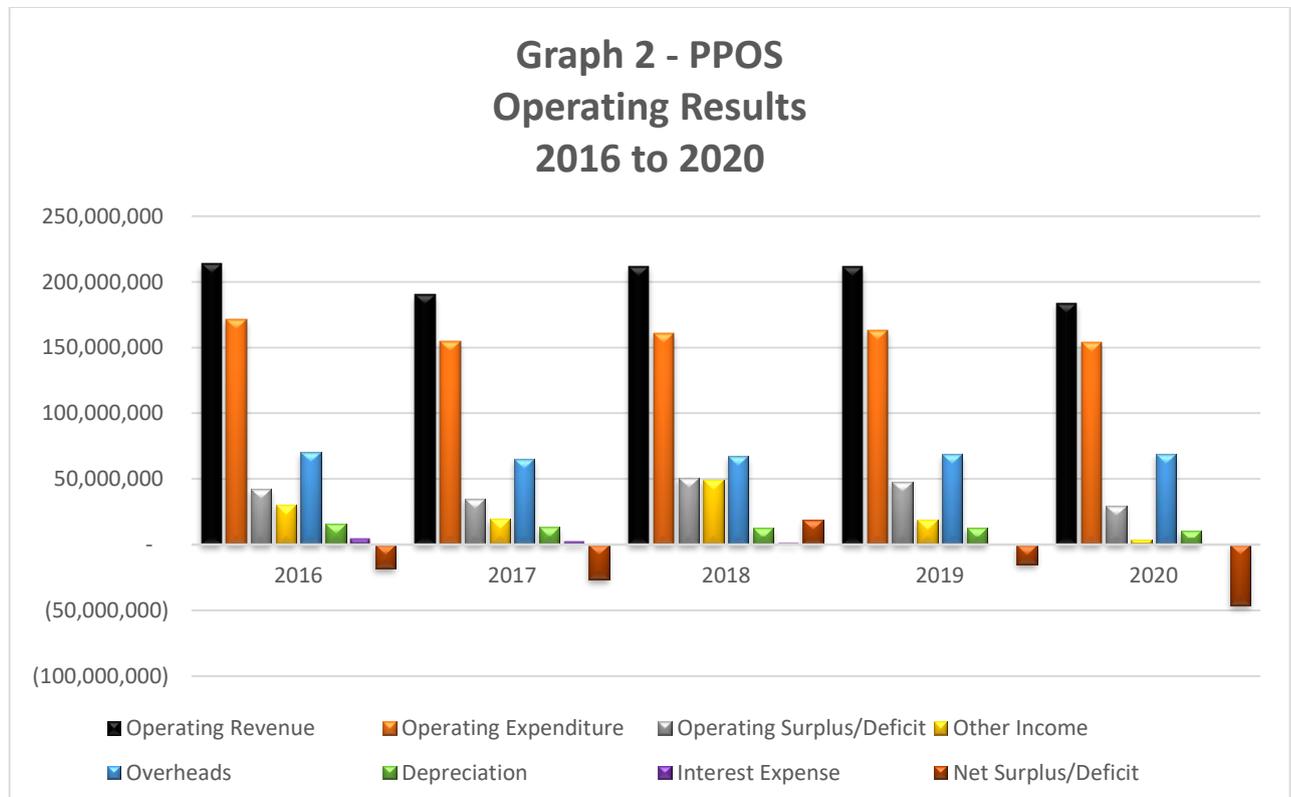


Table II - PPOS's Financials for the year ending September 30, 2016 to 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	\$	\$	\$	\$	\$
Operating Revenue	213,566,239	190,031,745	211,913,270	211,270,982	183,871,013
Operating Expenditure	171,413,901	154,961,096	160,964,559	163,160,728	154,001,262
Operating Surplus/ (Deficit)	42,152,338	35,070,649	50,948,711	48,110,254	29,869,751
Other Income	30,490,361	19,775,946	49,545,177	19,160,108	4,007,051
Overheads	70,105,169	65,454,510	67,307,756	68,899,990	69,148,914
Depreciation	16,237,162	13,276,235	12,673,600	12,741,840	10,683,759
Interest Expense	4,337,089	2,414,754	1,323,313	338,412	-
Net Surplus/ (Deficit)	(18,036,721)	(26,298,903)	19,189,219	(14,709,880)	(45,955,871)

PPOS contributes over 75% of the total revenue of PATT and by extension is apportioned the highest share of the overhead cost being approximately 60% of PATT's overheads, which depletes its operating margin. The highest revenue stream for PPOS is earned from the Cargo Handling business.

The Gross Profit Margin of PPOS has been fairly consistent at 20% over the period presented except for FY 2020 which experienced a sharp decline of 14% in revenue earned during that financial year as a result of 6 % decrease in vessel calls and a 13 % decrease in cargo throughput.

5.3.4 Introspection – SWOT Analysis

Table III is a summary of a recent SWOT Analysis and is provided with annotations below.

Table III – PPOS SWOT Analysis

Strengths

Strategic location	PATT is strategically positioned as a Caribbean hub port, serving as a trans-shipment location for islands of the Eastern Caribbean and the east coast South America.
Sheltered harbour	The geographic location of Trinidad and Tobago, as the most southerly island in the Caribbean has provided optimal sheltered harbour conditions at the port of Port-of-Spain.
Stable environment	Trinidad and Tobago has a system of Government and socio-economic environment which promotes investor confidence for the execution of business by the public and private sectors. The foregoing promotes trade and commercial enterprise via land and sea.
Skilled workforce	The PPOS has at its disposal a skilled workforce comprising of skill sets in the areas of management, administration, finance and operations.
Technology Systems	The PPOS has adapted where applicable, technology used within the shipping/maritime industry, such as: <ul style="list-style-type: none"> • Navis Sparcs N4 which is a best practice Terminal Operating System (TOS) for Ports used worldwide. The TOS has enabled improvements in operations, efficiency, and productivity and has promoted superior customer service; • Dynastar is also a best practice Asset Management System also expanded to manage equipment maintenance, inventory and procurement of parts; • The financial system utilized is SAGE.
Established business relationships with Shipping Lines	The PPOS has developed cargo handling capabilities with over sixty (60) years of cumulative experience and has built its brand and reputation with all of the major shipping lines.
Handling of high volumes	The PPOS handles over 90% containerized tonnage volumes in addition to Break-Bulk and Roll On Roll Off Cargo

Weaknesses

Aged equipment	The PPOS currently utilizes an equipment fleet specific to container operations which has reached the end of its economic life cycle
CAPEX	PPOS' CAPEX is adversely impacted by its inability to finance itself with significant capital investment normally being financed through government subventions and commercial borrowings.
Unproductive labour agreement	The current labour agreement does not promote efficiency, productivity, quality of service and profitability in operations. Given the sustained financial deficits in operations there is an imperative to restructure and rationalize the labour force.
Public Port	PPOS, under its current management is operated as a public port, subject to public sector policies and bureaucracy, which does not promote the SBU business model for the efficient and profitable operation of PPOS.
Uncompetitive tariff	Due to low productivity levels, quality of service and customer satisfaction when compared to regional competitors, PPOS cannot charge premium or even comparable rates.
Inadequate infrastructure	The current infrastructure does not meet the safe operational requirements required to accommodate the increase in size of the New Panamax vessels, which measure 366 m (loa) x 49 m (beam) x 14- 16 m (draft).
Out-dated on-boarding policies	Hiring and promotion polices are outdated.
Unfavourable workforce utilization	Due to the current organizational structure and promotion /progression policies, the organization is challenged at times to match the appropriate employee with the requisite skill set to carry out work duties.
Unattractive compensation for management	The compensation packages for management are not comparable to its peer industries and have remained static since 2010. A manpower audit of the executive and senior management is required.

Opportunities

Increase market share / Increased efficiency/technology/innovation/revenue / competitive	The potential PPP Project creates an opportunity to present an attractive business proposition and attract significant investment and container transshipment market share and port management expertise from a prospective major international shipping line or global terminal operator.
Development of new revenue streams through value-added logistics and services	The potential PPP Project creates an opportunity provide additional product and service differentiation through value added logistics and value added services.
Retraining and retooling of management and staff	Provision of training for all categories of employees to ensure well trained, efficient and productive management and staff who can execute duties at a high standard, which will transcend into high productivity, and greater efficiency

Threats

Further loss of market share	If PPOS is unable to compete or demonstrate an ability to be on par with innovation or developments in the sector and Maritime industry further loss of market share is likely. Additionally, under the prevailing negative external environment created by Covid-19 and the restrictions to trade and commerce, PPOS is challenged by a significant decline in the volume of domestic import and export and transshipment cargo throughout. The sharp decline in operating revenues when compared with the high fixed cost and overtime cost of operations and the resulting operating loss and deficit position continues to pose a real threat to the sustainability of port operations.
Existing infrastructure may have engineering limits to exploit possible dredging	Dredging to accommodate New PANAMAX vessels may be limited because of the existing quay wall infrastructure.
Reduced revenue generation	Uncompetitive tariff, aged technology, global downturn, limited capacity in terms of infrastructure aged equipment has impacted PPOS' ability to increase revenue.

5.3. POSINCO Current Context

5.3.1 Strategic Role

POSINCO is responsible for the real estate, equipment, plant, buildings and other non-real property, rights and obligations of the PATT, as well as the CARICOM Wharves regional Cargo activities and Cruise Shipping business in Port of Spain. POSINCO plays a key role in facilitating PPOS's business due to its responsibility in maintaining infrastructure, and upgrading/expansion of same. The limitations described above, faced by PPOS relative to infrastructure, are as a result of POSINCO not having required CAPEX which is requested annually via PSIP funding from the GoRTT. POSINCO is 100% reliant on PSIP for Capital projects.

Harbour Management

Harbour Control Management includes responsibility for Marine Services (Towage and Launch - which is currently outsourced from National Energy Corporation (NEC)) of the Port of Spain Harbour, including Caricom Wharves. The revenue streams are comprised of Port Dues (including Outports), Wharf Dues, Berth Occupancy charges, towage and hire of launch fees and throughput charges from bulk cargo operations (grain, molasses etc.) from National Flour Mills (NFM).

Real Estate Management

Of the 151.48 hectares of Port Lands in Port of Spain, 78.04 hectares (52%) has been leased to tenants with 39.95 hectares (26%) occupied by PPOS for Port Operations, 6.26 hectares (4%) for Ferry Operations and 2.2 hectares (2%) utilized by CARICOM wharves. There are 25.03 (16%) hectares of land at East Sea lots with potential for development. The POSCA occupies 3.47 hectares.

Cruise Shipping – POS & POSCA

POSINCO provides harbour and terminal facilities for PPOS's cargo handling business, as well as Cruise Shipping facilities in Port of Spain and POSCA. It however only generates revenue from cruise ship arrivals via port fees and charges at *Port of Spain only* and revenues for *Cruise at POSCA are recorded as PATT revenues*. All marketing efforts are undertaken by the Ministry of Tourism (MOT), Tourism Trinidad Limited (TTL), Tobago Tourism Agency (TTAL) and POSINCO provides the necessary support.

There was a drastic decline in Cruise Vessels to Trinidad and Tobago in 2013/14 however since that time there has been an increase but without any significant further growth. The current facilities for Cruise Shipping pose limitations for growth however there are other areas that can be considered for the expansion of this business, within the Port lands, which would generate additional revenues. There is also the opportunity to develop a *homeport* for Cruise business as well as associated office spaces for stakeholders, shopping facilities, entertainment etc.

CARICOM Wharves

CARICOM Wharves facilitates berthing of CARICOM vessels and regional cargo handling activities. The current facilities are limited for the existing business during peak days causing congestion and waiting delays at anchorage. The existing quay wall length of 162m can accommodate an average of four (4) to five (5) vessels alongside at any one time however the average number of vessels requiring service during peak days are seven (7) vessels.

Additionally, the entry/exit to CARICOM Wharves is currently the same one being used by the Ferry Service, with large cargo vehicles using both facilities simultaneously, causing congestion on the roadways and within the Ferry Terminal compound. Additionally, the area at the Government Shipping Service is inadequate to enable safe and efficient traffic management and operations.

The CARICOM area presents a natural logistical solution for the expansion of the domestic Ferry Service into a Caribbean Ferry Service. There is also an opportunity to relocate and expand the CARICOM Operations possibly to East Sea Lots where undeveloped lands and sea frontage exists, as well as road access to cater for the current and future needs of the CARICOM service. This presents the opportunity to address some key issues now being faced at the existing facility, such as, inadequate berthing accommodation, inadequate security facilities, and inadequate customer service areas. By relocating the CARICOM Wharf Operations, benefits would redound to both the Ferry service and CARICOM activities.

Risk Management Services

The Risk Management Department maintains responsibility for the provision of insurance coverage for the Port Authority's assets, including its employees, and potential liabilities.

5.3.2 Financials

POSINCO plays a strategic role as the Landlord for the real estate, equipment, plant, buildings and other non-real property, rights and obligations of the PATT. Additionally, POSINCO provides ancillary services inclusive of towage, harbour management, Cargo handling at CARICOM and Cruise Shipping in Port of Spain.

Graph No. 3 below represents the operating results of POSINCO for Financial Years Ending September 30th 2016 to 2020. Supporting financials are articulated at Table IV below.

Graph No. 3 - POSINCO Operating Results 2016 to 2020

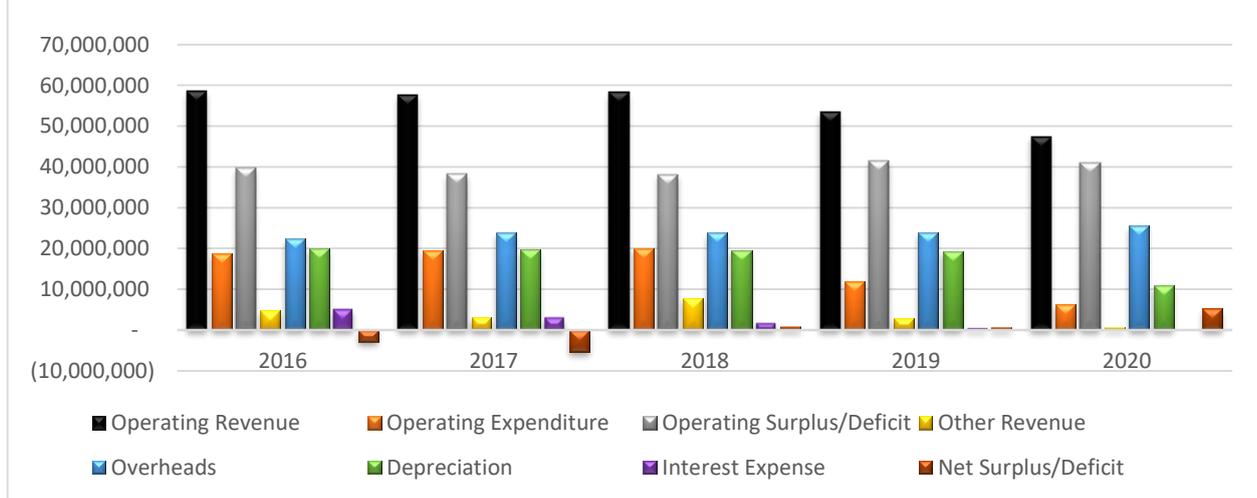


Table IV – POSINCO Financials for year ending September 30, 2016 to 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	\$	\$	\$	\$	\$
Operating Revenue	58,533,648	57,682,636	58,238,206	53,488,888	47,481,935
Operating Expenditure	18,761,289	19,441,677	20,052,358	11,911,661	6,339,751
Operating Surplus/ (Deficit)	39,772,360	38,240,959	38,185,849	41,577,227	41,142,184
Other Income	4,735,493	3,126,705	7,849,470	2,888,114	628,629
Overheads	22,444,382	23,899,585	23,862,655	23,984,688	25,600,154
Depreciation	19,978,743	19,737,383	19,623,171	19,292,342	10,849,381
Interest Expense	5,004,131	3,041,389	1,743,395	502,473	-
Net Surplus/(Deficit)	(2,919,403)	(5,310,692)	806,099	685,837	5,321,278

POSINCO contributes 23% of the total revenue of PATT and is allocated its respective share of overheads, with the highest stream of revenue being earned from vessel charges.

The decrease in operating expenditure reflected in FY 2019 and FY 2020, is directly associated with the cost associated with towage charges being transferred to the account of the Shipping Lines with the exception of Cruise Ships which are treated as per Tariff charges.

5.3.3 Introspection

Table V is a summary of a recent SWOT Analysis and is provided with annotations below.

REAL ESTATE MANAGEMENT

Strengths	Weaknesses	Opportunities	Threats
<p>Imbedded in most of its legal agreements for long-term leases is a provision for rent reviews every five (5) years at market rates. Over the last 5 years the market price of lands increased tremendously after years of fairly stable prices. As the value of the land increased, so too has the rental rate.</p> <p>In addition to the above, there are 25.03 hectares of lands at Sea Lots, Port of Spain available for development.</p>	<p>A significant portion - 78.04 hectares of lands utilized by PPOS - is currently rent free;</p> <p>A few of the long-term leases contain fixed lease concessions which constrain revenue earning capacity.</p>	<p>POSINCO now has the opportunity to capitalize on the current market rates for those parcels of lands which become due for renewal or five year rent review.</p>	<p>Reduced market rates and loss of rental income for property due to national economic downturn or major disasters.</p>

CRUISE SHIPPING

Strengths	Weaknesses	Opportunities	Threats
<p>Trinidad offers a different tourism product from other Caribbean countries, that is, multi-cultural attractions (festivals, foods, eco-tourism etc.)</p> <p>Cruise vessels have easy access to fuel via bunker barge</p> <p>Tourist-Friendly staff and tour operators</p> <p>Effective Port Security</p> <p>Close proximity of the terminal to the city of Port-of-Spain</p> <p>Commitment by Gov't to the development of tourism, in general, including cruise tourism.</p>	<p>POS located too far south of the Caribbean for 7-day cruises</p> <p>The perception of high crime level in the country</p> <p>Turning Basin not wide enough for larger cruise ships</p> <p>Traffic congestion impacting negatively on certain tours.</p> <p>Inadequate dedicated berths – does not provide for growth in business</p>	<p>Opening up of Latin American and Caribbean markets</p> <p>Modernization of the national transportation system to facilitate easy/quick access to tourism sites</p> <p>Expansion in hotels /airline/cruise terminal capacity – could provide opportunity for home porting</p>	<p>Opening of Cuba as a tourist destination can attract business away from the Southern Caribbean Ports.</p> <p>International / national acts of terrorism. Major epidemics, natural disasters, global economic downturn</p> <p>Growth in container vessel calls at POS – added demand for berthing space for cargo vessels</p>

CIVIL ENGINEERING

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<p>Capable in-house staff with knowledge of the Port - its history, operations, and civil engineering infrastructure;</p> <p>Relatively young workforce/average age of 30 years;</p> <p>Prequalified and accessible contractors / consultants;</p> <p>Established in-house tender procedures</p> <p>Established and proven HSE Policy and record for contractors</p>	<p>Shortage of certain technical staff</p> <p>Insufficient recurrent revenue (cash flow constraints) to match expenditure needs</p> <p>Ageing infrastructure resulting in high maintenance cost</p> <p>Cash flow constraints results in late payment to contractors</p>	<p>Return occupation of leased land for port use</p> <p>Future land - reclamation potential – (GSS, Sea Lots, Berth 8 berth)</p>	<p>Lack of CAPEX for facilitation of major capital projects</p> <p>National economic downturn resulting in reduced Government funding</p>

HARBOUR MANAGEMENT

Market Segment: Towing / Vessel Services			
Strengths	Weaknesses	Opportunities	Threats
<p>Guaranteed market at the Ports of Port-of-Spain and Scarborough for the provision of vessel services <i>and</i></p> <p>Access to Government funding for capital projects at CARICOM Wharf;</p> <p>Adequate land space for the development of CARICOM Wharf activities;</p> <p>A sheltered harbour at Port-of-Spain;</p> <p>Close proximity to the city/central market;</p> <p>Easy vessel access to bunkering facilities.</p>	<p>Inefficiencies in the management of the Harbour Control function</p> <p>Inadequate security presence /access control at CARICOM Wharf;</p> <p>Close proximity of CARICOM Wharf to a crime “hot spot” area;</p> <p>Delays in GoRTT’s approval and payment for development projects.</p>	<p>Acquisition of tugs and dredging equipment to capitalize on potential market opportunities</p> <p>Relocation of CARICOM operations would allow for a redesign of the facilities to meet current and future demands.</p> <p>Increase in CARICOM imports and exports with economic recovery</p>	<p>A major reduction in the number of vessel calls to POS because of a national economic downturn</p> <p>Increased competition for private towing</p> <p>Increase in current towing rates and reliability of external providers</p> <p>Introduction of a Caribbean fast ferry service which may result in a shift in cargo business from CARICOM Wharf to TTIT</p> <p>Increase in CARICOM taxes on imports from Trinidad making those imports less attractive</p> <p>Reduced buying power due to low/negative economic growth in other CARICOM countries</p>

RISK MANAGEMENT SERVICES

Strengths	Weaknesses	Opportunities	Threats
<p>Good institutional Knowledge base</p> <p>Adequate insurance coverage on Port assets</p> <p>Effective group health and life plans</p>	<p>Inadequately trained human resources</p>	<p>Optimising training/risk management services that can be provided by the Broker.</p>	<p>Mandatory Government regulations – with adverse financial impact</p> <p>Increased cost of health care;</p> <p>Reduction in number of employees participating in Group Health Plan.</p>

5.3.4 Port of Scarborough (POSCA) Financials

Operations at the Port of Scarborough (POSCA) includes cruise shipping, cargo handling operations of bonded cargo and locally assigned cargo. Presently the POSCA's lands and real estate are vested in PATT. The THA is charged with the responsibility of constructing, maintaining and repairing storage and warehousing facilities.

Graph No. 4 below represents the operating results of POSCA for Financial Years Ending September 30, 2016 to 2020. Supporting financials are reflected in Table VI below.

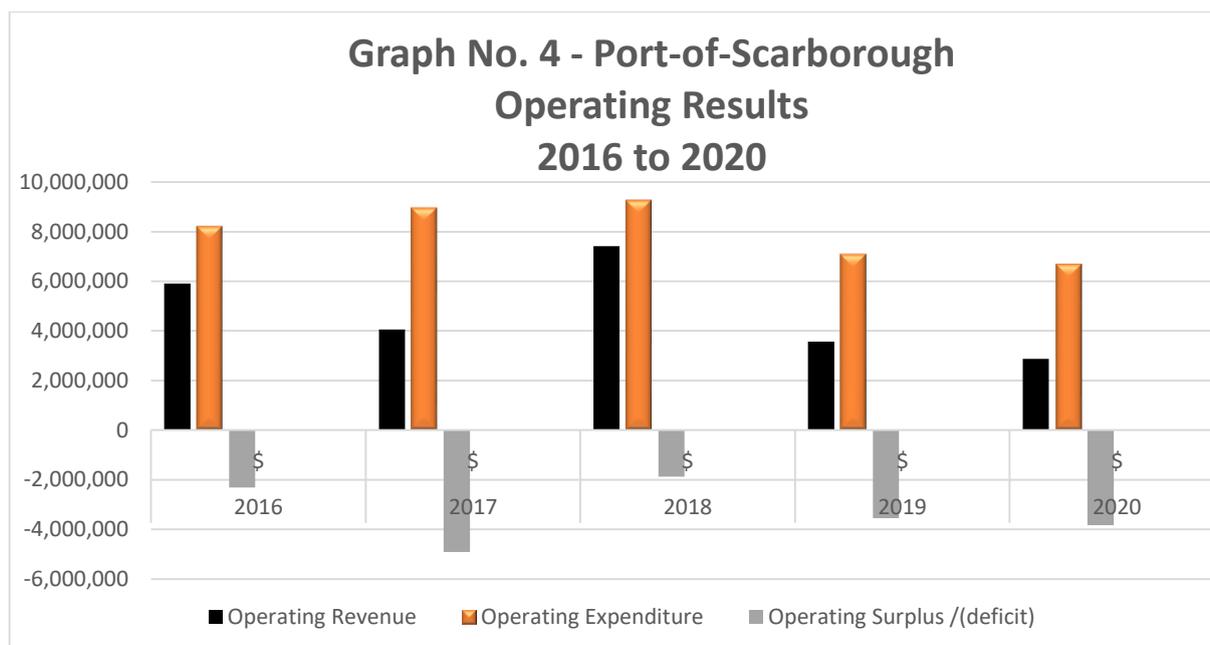


Table VI - Port of Scarborough (POSCA) Financials for year ending September 30, 2016 to 2020

	2016	2017	2018	2019	2020
	\$	\$	\$	\$	\$
Operating Revenue	5,914,589	4,061,361	7,417,541	3,564,358	2,870,097
Operating Expenditure	8,228,905	8,970,528	9,289,564	7,109,661	6,703,506
Operating Surplus /(deficit)	(2,314,315)	(4,909,167)	(1,869,251)	(3,545,303)	(3,833,409)

POSCA is a very small revenue earner, contributing around 2% towards the total revenue of PATT. The main revenue stream for POSCA emanates from Cruise Ship operations, which accounts for over 65% of the revenue of POSCA. The downward trend in revenue from FY 2019 is reflective of the losses experienced in the Cruise Shipping operations.

6.0 GoRTT EXPECTATIONS

The expected outcome of the EOI would be to obtain information from the private sector in order to clarify the scope of the potential PPP Project for the Port, and identify opportunities for private participation/inclusion in the port sector of Trinidad and Tobago.

The GoRTT is seeking to obtain feedback from respondents who would be interested in a partnership arrangement in one or more of the areas identified in items 3.0 (a) – (d) above, to partner with the GoRTT, to position PPOS as a major

transshipment and logistics hub, inclusive of the added value cargo handling activities at CARICOM Wharves and the Port of Scarborough, as well as the potential opportunity of becoming a destination port for cruise shipping in the region.

6.1 GoRTT Benefits

The goal of the GoRTT in increasing private participation is to establish a more competitive & financially sustainable port system.

Specific benefits which can be derived by the GoRTT:

- Improved level of governance in the PPOS' operations;
- Improved port activities and operational efficiency which can be positively leveraged to improve the ease of doing business in country;
- Positive revenues via dividends, concessions and/or lease payments and taxes; and
- Stimulation of the local manufacturing sector

7.0. Description of the Expression of Interest (EOI) Process

7.1 Overview

7.1.1 The Implementing Institution shall invite respondents to access the EOI documents via [https: www.patnt.com](https://www.patnt.com) and via the link "Expression of Interest" on the advert.

7.1.2 The Implementing Institution has issued this EOI on the date indicated on the cover page.

7.1.3 Interested Respondents may submit queries regarding the potential PPP Project to the Implementing Institution in written form (email to pattpppsecretariat@patnt.com, or letter to the address provided) up to 07/10/21.

7.1.4 The Implementing Institution will provide written responses to all queries from interested parties via email from pattpppsecretariat@patnt.com by 23/10/21.

7.1.5 Respondents are requested to submit an Expression of Interest and all related documents in English ONLY by the Expression of Interest Due Date and Time, which is 23/11/21, by ELECTRONIC, and PHYSICAL. The Expression of Interest should contain at least the information specified in Schedule 1 of this EOI.

S.NO	EOI PROCESS MILESTONES	DETAILS
1	Date of Publication of EOI	23/08/2021
2	Deadline for Clarification Questions/Queries	07/10/2021 Time:23:59
3	Deadline for Clarification Responses	23/10/2021 Time: At close of business
4	Deadline for Submission of EOI	23/11/2021 Time: 15:30

7.1.6 Physical submissions must be made as **(1) Original Request for Expression of Interest** and also enclosed on a CD/DVD ROM or Flash Drive/Memory Stick. The original document must be marked 'original' and placed with the CD/DVD or Flash Drive/Memory Stick in **one sealed envelope**. Submissions can also be sent via email to **patpppsecretariat@patnt.com**. The Expression of Interest shall be delivered in a plain sealed envelope marked:

PATT PPP SECRETARIAT
Port Authority of Trinidad and Tobago
2nd Floor Administration Building
Dock Road
Port of Spain
Trinidad, W.I.

7.1.7 The envelope shall bear no mark(s), which may identify the origin of the document.

7.1.8 The Implementing Institution will acknowledge receipt of all submissions.

7.1.9 At any time before the submission of the EOI, the PATT may, for any reason, amend the EOI. Any amendment shall be issued in writing through addenda and circulated accordingly. The PATT may at its discretion extend the deadline for the submission of EOI.

7.1.10 The PATT shall not be liable for any costs incurred by Respondents in preparing their EOI and reserves the right to cancel the present EOI in its entirety or partially without defraying any costs incurred by any respondent submitting an EOI.

7.1.11 Late submissions will NOT be considered under any circumstances.

SCHEDULE 1 - SUBMISSION LETTER

[Location, Date]

To: Implementing Institution

Dear Sirs:

Having examined the details given in the Request for Expression of Interest document for the potential project, we hereby submit our Expression of Interest and the relevant information.

1. We hereby certify that all the statements made and information supplied in the enclosed forms 'A', 'B' & 'C' and accompanying statements are true and correct.
2. We have furnished all information and details necessary for the Request for Expression of Interest.

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Address:

FORM – ‘A’

Organizational Structure of Respondent

1.	Legal Name & Address of the respondent with Telephone No./ email	
2.	In case of Consortium, legal name of each member	
3.	Respondent's a) Actual or intended country of constitution b) Year of Establishment c) Date of commencement of operations	
4.	Respondent's authorized representative (name, designation, address, Telephone/Fax numbers, E-mail) for this project	
5.	Respondent's annual turnover in the last three financial years (USD)	2019-20: 2018-19: 2017-18:
6.	Any specific suggestions, comments or issues of concern regarding this potential PPP	
7.	Any questions or other information considered necessary regarding this potential PPP Project that have not yet, or not adequately, been answered by the Implementing Institution	
8.	Please provide any other information deemed necessary to support the submission	

We have attached:

1. Brochures, if available, of the Respondent

Signature
Designation

FORM – ‘B’

Details of similar projects operated by Respondent in the last seven (7) years

1.	Name	
2.	Role and Responsibility in the project	
3.	Location	
4.	Description	
5.	Contract term of the project	
6.	Project total CAPEX	
7.	Any other information considered necessary but not included above	

Signature

Designation

Note: Please use separate sheet for each Project

FORM - 'C'
Suggestions and views of Respondent

1.	Identify the area(s) you are interested in: <ul style="list-style-type: none"> a. The Cargo operations at PPOS b. The Cargo and Cruise operations at the POSCA c. Regional Cargo activities at CARICOM wharves d. Cruise shipping business in Trinidad and Tobago e. All of the above 	
2.	Describe: <ul style="list-style-type: none"> a. Preferred concept of investment b. Potential CAPEX preferred c. A brief business plan 	
3.	Would you have an interest in infrastructural investment?	
4.	Would you have an interest in superstructure investment?	
5.	Would you have an interest in terminal operations?	
6.	Would you have an interest in: <ul style="list-style-type: none"> a. Marine operations; b. Dredging; and c. Towage operations 	
7.	Would you have an interest in Warehousing?	
8.	Approximate built up area envisaged	
9.	Recommendations regarding the risk allocation and responsibilities in the potential partnership	
10.	Other Suggestions or views, including recommendations or concerns about the legal and regulatory framework (Please attach additional sheet)	